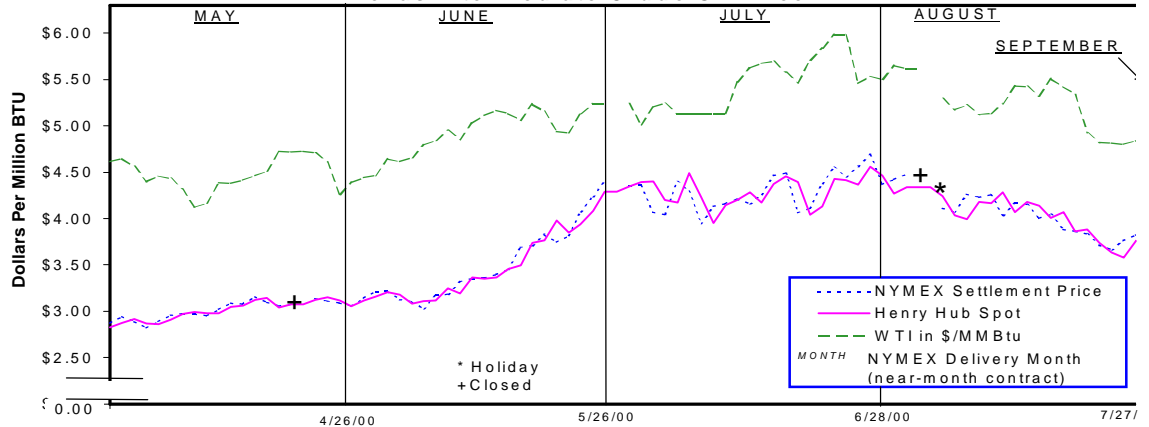


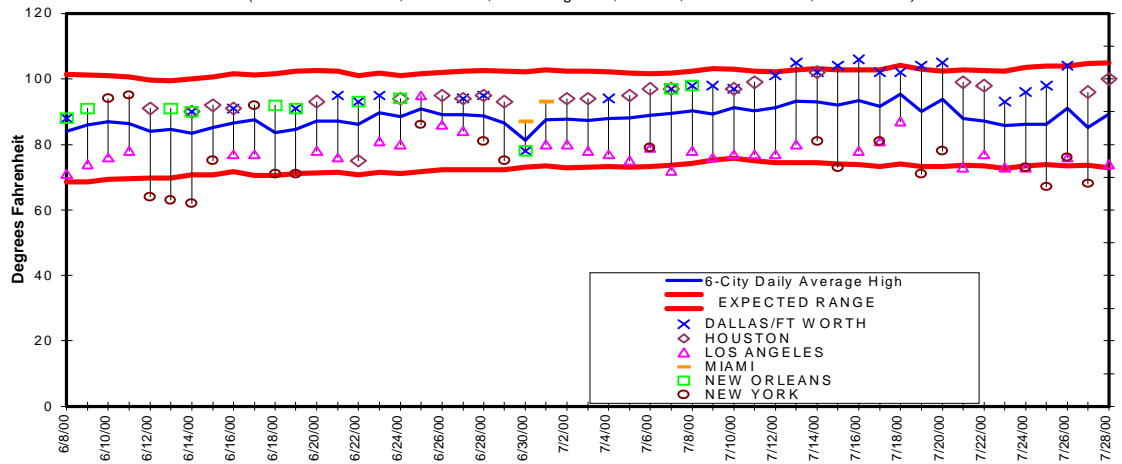
NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day. The West Texas Intermediate crude oil price, in dollars per barrel, is the "sell price" from the GAS DAILY, and is converted to \$/MMBtu using a conversion factor of 5.80 MMBtu per barrel. The dates marked by vertical lines are the NYMEX near-month contract settlement dates.

Henry Hub Price		
Spot	Futures	
July	Aug/Sept	
Delivery	Delivery	
(\$ per MMBtu)		
07/24	3.71-3.77	3.715
07/25	3.61-3.66	3.660
07/26	3.56-3.60	3.763
07/27	3.74-3.77	3.820
07/28	3.87-3.90	3.845

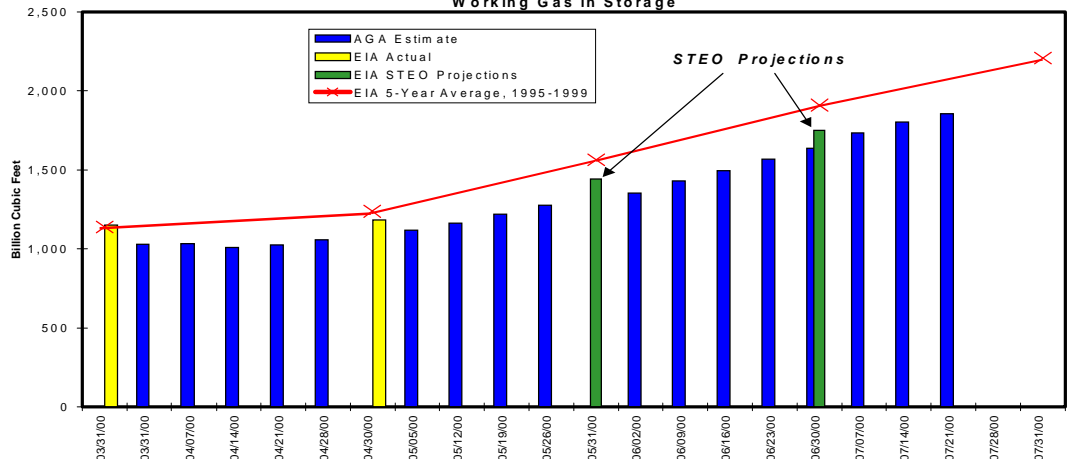
Daily Average of High Temperatures, and Daily Highest and Lowest High Temperatures for 6 Cities
(Dallas/Ft Worth, Houston, Los Angeles, Miami, New Orleans, New York)



The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
07/22	87	88	-1
07/23	86	87	-1
07/24	86	88	-2
07/25	86	89	-3
07/26	91	89	2
07/27	85	89	-4
07/28	89	89	0

Working Gas in Storage



Working Gas Volume as of 07/21/00		
	Bcf	% Full
East	1019	56
West	370	73
Prod Area	468	49
U. S.	1857	56

Source: AGA

Prices for the near-month contract began bid week down almost 12 cents per MMBtu from levels the previous Friday and proceeded to decline almost 5 cents more the next day to settle at \$3.660 on Tuesday. This trend was reversed on Wednesday following reports of lower-than-expected storage additions during the previous week as the August contract ended trading that day up more than 10 cents per MMBtu at \$3.763. This trend continued on the last day of trading as the August contract closed out on Thursday at \$3.820 per MMBtu—almost \$0.55 below the July contract but still close to \$1.22 above the August 1999 contract (\$2.601). In a pattern that has characterized trading since the springtime, spot prices again appeared to react to NYMEX near-month contract price activity. Spot prices at the Henry Hub moved down early in the week, then trended up to end the week at \$3.89 per MMBtu—a rise of 1 cent from the prior Friday. Moderate summer temperatures continued in most parts of the Midwest and the East last week and the Southwest got some welcome relief from the previous week's highs (see Temperature graph). The latest National Weather Service (NWS) 6-to-10 day forecast calls for a warming trend along the East Coast but temperatures are expected to remain in the normal range in most areas. The price of West Texas Intermediate (WTI) crude oil fell below \$28.00 per barrel early in the week, but ended the week at \$28.20 or about \$4.86 per MMBtu.

Storage: The American Gas Association (AGA) estimated that net additions to storage were 54 Bcf for the week ended Friday, July 21, which is a significant drop from the two previous weeks' estimates of 97 and 70 Bcf. With the cooler-than-normal weather continuing in most parts of the Midwest and the Northeast during the third week of July along with declines in spot market prices (see Price graph), many in the industry had expected higher refill activity. Although lower spot prices reduce the cost of gas for storage, the dominant impact of the sudden, rapid drops in spot and futures prices during the third week may have been greater price uncertainty that caused operators to hesitate in their acquisition of gas for storage. Additionally, the hot weather in the Southwest and Southeast increased demand for gas at electric utilities serving those regions, which probably was a key factor behind a drop in net additions in the Producing region to only 1 Bcf during the third week of July compared with an average of 18.5 Bcf for the two previous weeks (AGA estimates). EIA estimates working gas on hand through July 21 at 1,971 Bcf, with not much more than 3 months remaining in the refill season. EIA data indicate that average injection rates through October 31 will result in a stock of 2,840 Bcf, which is 5 percent below the 5-year average (1995-99) of 2,985 Bcf.

Spot Prices: At the Henry Hub, spot prices began the week at \$3.74 per MMBtu, then moved down 10 cents on Tuesday, and ended trading on Wednesday at \$3.58 per MMBtu—the lowest level in more than 2 months (see Price graph). Prices rebounded again on Thursday in what appeared to be a direct reaction to the price movements on the NYMEX. In addition to the NYMEX trends, other factors that contributed to the mid-week price reversal include the lower than average stock levels, strong demand for gas in many parts of the vibrant US economy, continued concern about domestic productive capacity, and persistently high oil prices. On Friday, prices at major market locations ranged from a low of \$3.15 per MMBtu in the Rockies to a high of \$3.91 at Katy in East Texas.

Futures Prices: Daily settlement prices early last week were some of the lowest seen since May; for example, prices on Tuesday ranged well below \$4.00 per MMBtu for the period of September to March 2001. With the announcement of a lower-than-expected weekly storage refill estimate, the market's supply concerns appeared to return, abruptly reversing this price trend. By Thursday, the August contract had gained back almost all of last week's decline as it closed at \$3.820 per MMBtu—just over 1 cent below the previous Friday's \$3.834. Friday's NYMEX settlement prices for the out months through March 2001 had generally increased about \$0.22 per MMBtu. The September contract ended its first day as the near-month contract on Friday at \$3.845 per MMBtu and the March contract rose to \$3.753 while the December and January contracts held the high ground at \$4.061.

Summary: A decline in the estimated weekly refill from the rates recorded for the first two weeks of July reversed a recent downtrend in prices on both the spot and futures markets. Even with this upward trend, trading for the August NYMEX contract still closed almost 13 percent or \$0.55 per MMBtu below the July contract.