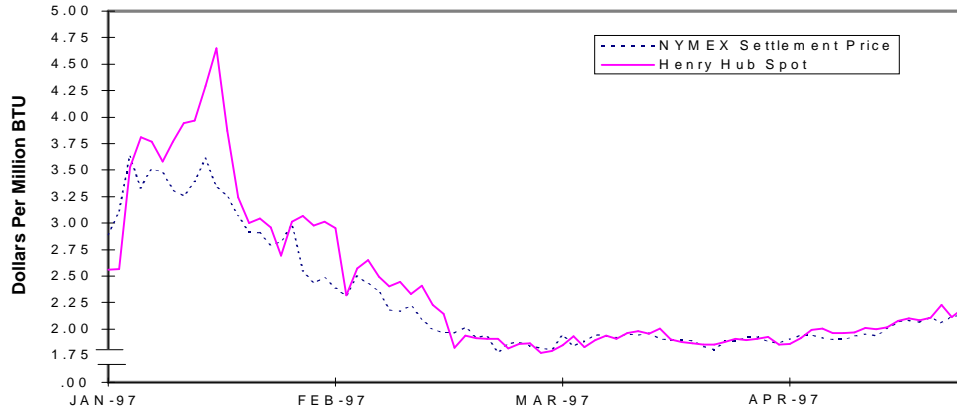


NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE		
CASH	FUTURES	
Apr	May/June	
Del	Del	
(\$ per MMBtu)		
04/21	2.06-2.10	2.064
04/22	2.08-2.13	2.114
04/23	2.21-2.25	2.060
04/24	2.09-2.14	2.122
04/25	2.16-2.22	2.126

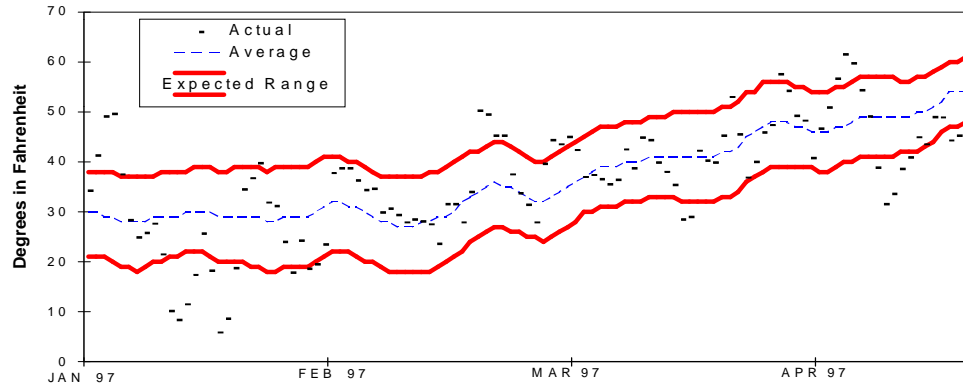


Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

Average Temperature for Four Major Gas Consuming Metro Areas

(Chicago, Kansas City, New York, and Pittsburgh)

Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
04/20	49	54	-5
04/21	49	55	-6
04/22	49	56	-7
04/23	50	56	-6
04/24	49	56	-7
04/25	50	57	-7
04/26	54	57	-3

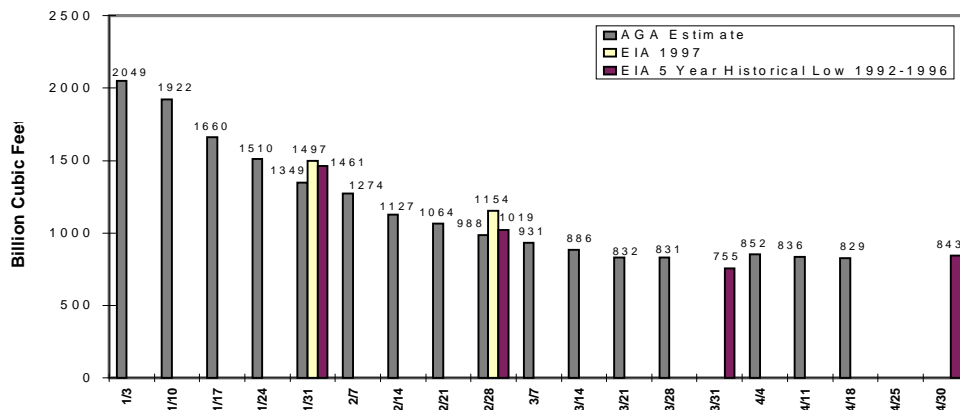


The bounds are computed by adding and subtracting from the average temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for temperatures on a day.

Working Gas In Storage 1997

Working Gas Volume as of 04/18/97		
	BCF	% Full
EAST	354	20
WEST	172	36
Prod Area	303	33
U. S.	829	26

Source: AGA



The NYMEX futures market for June delivery at the Henry Hub opened Monday, April 28, at \$2.090 per MMBtu, \$0.036 less than Friday's settlement price. Average temperatures remained below normal most days last week in the four metropolitan areas monitored in this report. The arrival of spring-like weather is progressing as daytime temperatures in most areas of the Midwest and the Northeast were consistently in the 60s during the latter part of the week. However, nighttime lows in the 30s in many areas of the Midwest have continued the need for space heating well into the last week of April. Prices on the spot market at the Henry Hub were well above \$2.00 per MMBtu for the entire week, reaching a high of \$2.25 on Wednesday. The futures contract for May delivery closed on Thursday at \$2.122 per MMBtu—almost \$0.32 higher than the price of the April contract (\$1.805). The price of West Texas crude oil continues to trade in the \$19.50 to \$20.00 per barrel range. Net withdrawals from storage continued into the third week of April.

Storage: At the national level, for the week ending Friday, April 18, net withdrawals totaled 7 Bcf, leaving 829 Bcf of gas remaining in storage, according to American Gas Association (AGA) estimates. The Producing region withdrew 7 Bcf, recording the first week of net withdrawals since the week ending February 28. Storage facilities in the Consuming East region experienced modest net withdrawals of 2 Bcf, offsetting the 2 Bcf of net injections estimated for the Consuming West region. During this same week last year, all three AGA regions experienced net injections, with the Consuming East putting 19 Bcf of gas into storage, followed by 7 Bcf and 1 Bcf, respectively, for the Producing and Consuming West regions. Still, storage levels in the Producing and Consuming East regions exceed year-ago levels by wide margins—80 percent and 100 percent, respectively. While storage inventories in the Consuming West region are less than at this time last year (172 Bcf vs. 226 Bcf), its storage facilities are still 36 percent full, based on AGA data ("full" is estimated to be 482 Bcf).

April is typically the first month of the storage refill season. Based on EIA data for the past 5 years, net injections during April have averaged 102 Bcf. As of April 18, AGA estimates April storage activity at net withdrawals of 2 Bcf. At this point, net injections would have to total 8.7 Bcf per day for the last 12 days of April to reach the 5-year average.

Spot Prices: The consistent cool temperatures in the Midwest and the Northeast have kept spot prices above or close to \$2.00 per MMBtu during most of April. Last week prices at the Henry Hub and other market locations had postings near \$2.25 on Wednesday, April 23. These prices are 25 to 50 cents higher than those seen in late February, and are very similar to those seen last year at this time at several market locations. Last year the key factor affecting prices, which on average were more than 60 percent higher than those in April 1995, was the pressing need to refill storage resources. EIA data indicated that working gas in storage ended the 1995-96 heating season at a record low level of 755 Bcf.

Futures Prices: This year's futures contract for May delivery at the Henry Hub closed on Thursday, April 24, at \$2.122 per MMBtu—almost 10 cents less than last year's (\$2.213). However, the settlement price was considerably above the prices for the March and April contracts, which closed at \$1.780 and \$1.805 per MMBtu, respectively. The persistent cool weather this spring that has kept spot market prices up and delayed the traditional start of the storage refill process may have contributed to this upward movement in the May futures contract.

Summary: The unseasonably cool weather experienced thus far this spring has contributed to fairly firm spot market prices for the month of April and influenced the higher closing price for the May futures contract, which was more than \$0.30 per MMBtu greater than both March and April contracts. It has also slowed the storage refill process, which, when fully underway, may also contribute to steady or upward moving prices in the near term.