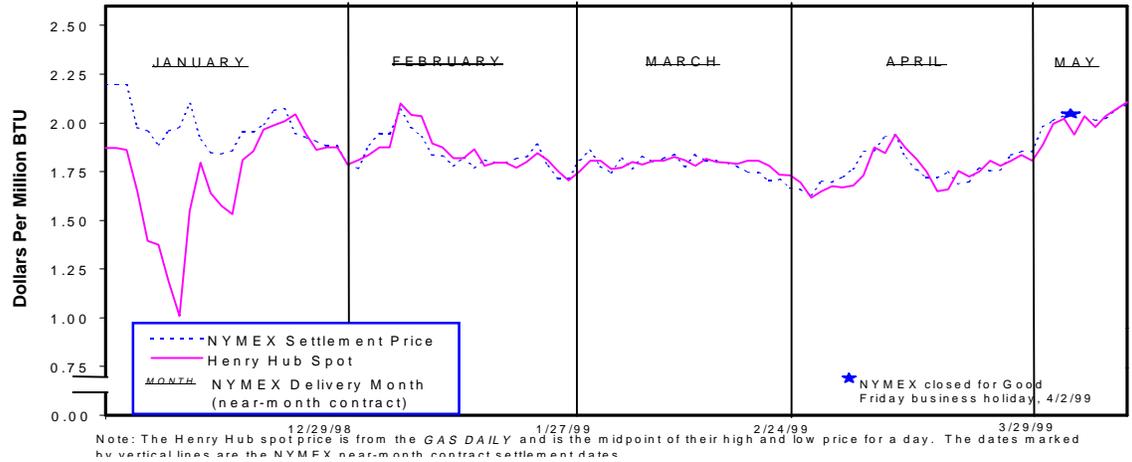
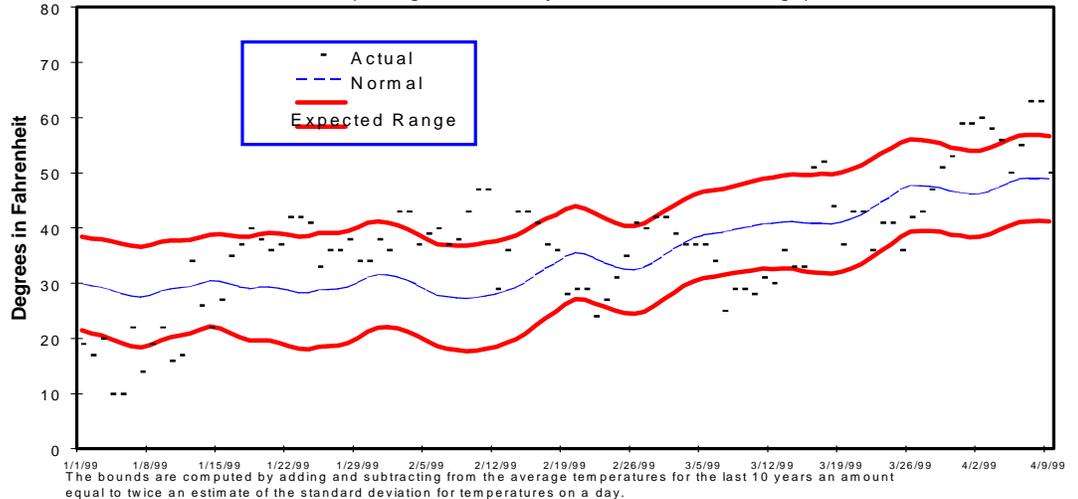


NYMEX Future Prices vs Henry Hub Spot Prices



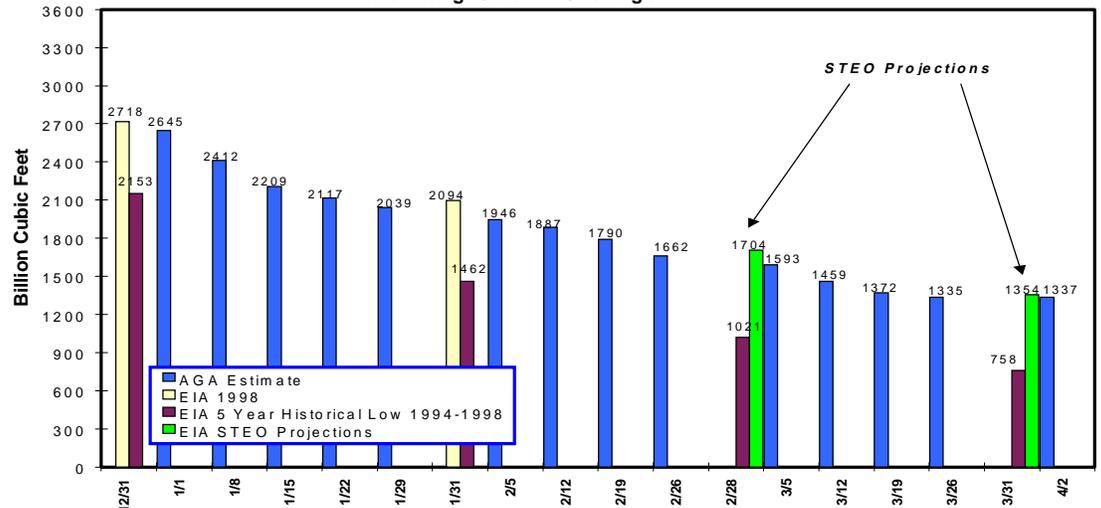
HENRY HUB PRICE (\$ per MMBtu)		
	SPOT	FUTURES
	April	May
	Del	Del
4/05	2.01-2.06	2.030
4/06	1.96-2.00	2.013
4/07	2.02-2.05	2.024
4/08	2.05-2.09	2.069
4/09	2.08-2.13	2.096

**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
4/03	58	47	11
4/04	56	47	9
4/05	50	48	2
4/06	55	49	6
4/07	63	49	14
4/08	63	49	14
4/09	50	49	1

Working Gas In Storage



Working Gas Volume as of 4/02/99		
	BCF	% Full
EAST	558	31
WEST	251	51
Prod Area	528	56
U. S.	1,337	41

Source: AGA

The NYMEX futures contract for delivery at the Henry Hub opened Monday, April 12, at \$2.050 per MMBtu, \$0.046 less than Friday's settlement price. Springtime weather has arrived in many areas of the Midwest and the East, with lows in the 50s and highs in the 60s and 70s in the four cities monitored by this report. However, unseasonal temperature patterns prevailed in two regions, on opposite ends of the temperature scale. The West Coast and Pacific Northwest experienced a prolonged cold snap, while near summer-like temperatures spread throughout much of the Southeast, Gulf Coast, and Southwest during the week. San Francisco and Seattle had several days with daytime highs in the 40s, while Denver saw nighttime lows in the 30s. By contrast, temperatures were in the 80s, and in spots close to 90 degrees, in southern Florida, New Orleans, Dallas-Fort Worth, and Houston. Both spot and futures prices at the Henry Hub trended upward, with gains of about 6 and 17 cents, respectively, from last week's ending prices. Spot prices ended the week at \$2.08 to \$2.13 per MMBtu, and the May contract closed at \$2.096.

Storage: The winter withdrawal season appears to have ended as the American Gas Association (AGA) estimated that 2 billion cubic feet (Bcf) of gas was added to storage inventories during the week ended April 2. EIA estimates that 1,354 Bcf of working gas was on hand at the end of March. Thus net injections of only 1,600 to 1,700 Bcf are needed during the storage refill season (extending through the end of October) to reach the approximately 3,000 Bcf level that beginning-of-heating-season inventories have averaged during the past 5 years. This is well below last year's replenishment volume of 1,992 Bcf as well as the average of 1,983 Bcf for the previous five refill seasons (1994-98). In contrast, for the 5-year period prior to 1994 (1989-93), beginning-of-heating-season inventories averaged 3,263 Bcf. Recent inventory management strategies and increasing flexibility of supply and transportation arrangements throughout the industry have allowed companies to operate storage resources with an inventory base of close to 3,000 Bcf at the start of the heating season. Last year's November 1 total of 3,176 Bcf of working gas was the highest level since 1992.

Spot Prices: Spot prices were up in nearly every market location last week, with increases ranging from \$0.03 to over \$0.20 per MMBtu. Unseasonably cold, damp weather persisted in the West from the Pacific Northwest down through California, while unseasonably warm temperatures spread from Florida early in the week to Gulf Coast and Texas areas and even into some Mid-continent regions by Friday. Weather-driven demand was joined by additional demand from electric utility purchases as outages at nuclear plants (planned and unplanned) in Texas, Arizona, and California accompanied outages (mostly for maintenance) at fossil-fuel-fired generating stations. An explosion at TECO Energy's Gannon coal-fired plant near Tampa killed one person, injured 45, and took 1,270 MW offline indefinitely, exacerbating an on-again off-again power alert in Florida last week. The effect of this two-pronged spur to demand was rising spot prices in most markets.

Futures Prices: The price of the Henry Hub near-month (May delivery) futures contract closed on Friday at \$2.096 per MMBtu, nearly 6 cents higher than its holiday-shortened, week-ending price of \$2.038 last week. This is the third consecutive week that the near-month contract has shown a week-to-week net gain. Since its close on Friday, March 19, at \$1.699 per MMBtu, the near-month contract has gained nearly 40 cents and has closed above \$2.00 for 7 consecutive trading days. Before beginning this string, the near-month contract daily settlement price had exceeded \$2.00 only four times since the Thanksgiving holiday weekend. Some industry sources and market players were citing strong buying by energy commodity funds, lower production levels, and a continually growing economy as factors in the recent steady growth in futures prices.

Summary: Prices on both spot and futures markets generally gained through the week. Both Henry Hub cash prices and futures prices for May delivery broke through and sustained levels over the \$2.00 mark for the first time since early January. The last week of March saw small net additions to storage, with 7 Bcf of injections in the Producing region offset by an equal number of withdrawals in the West. Some analysts and traders see a tightening of fundamentals, citing the beginning of the injection season, reports of production declines, and the nascent air-conditioning market in the South and Southwest.