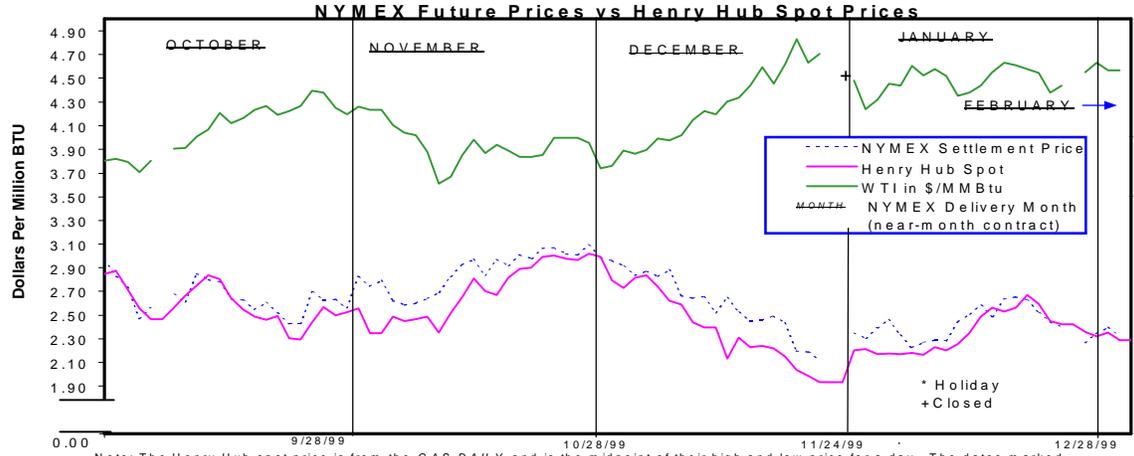
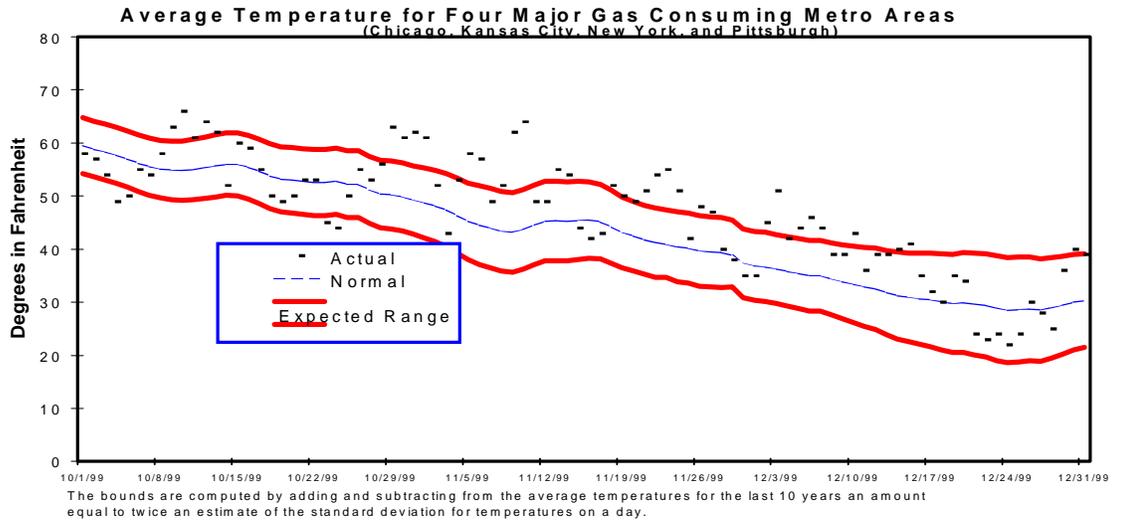


HENRY HUB PRICE (\$ per MMBtu)		
SPOT		FUTURES
December	Jan/Feb	
Del	Del	
12/27	2.33-2.39	2.271
12/28	2.30-2.34	2.344
12/29	2.32-2.39	2.394
12/30	2.24-2.34	2.329
12/31	Holiday	Holiday

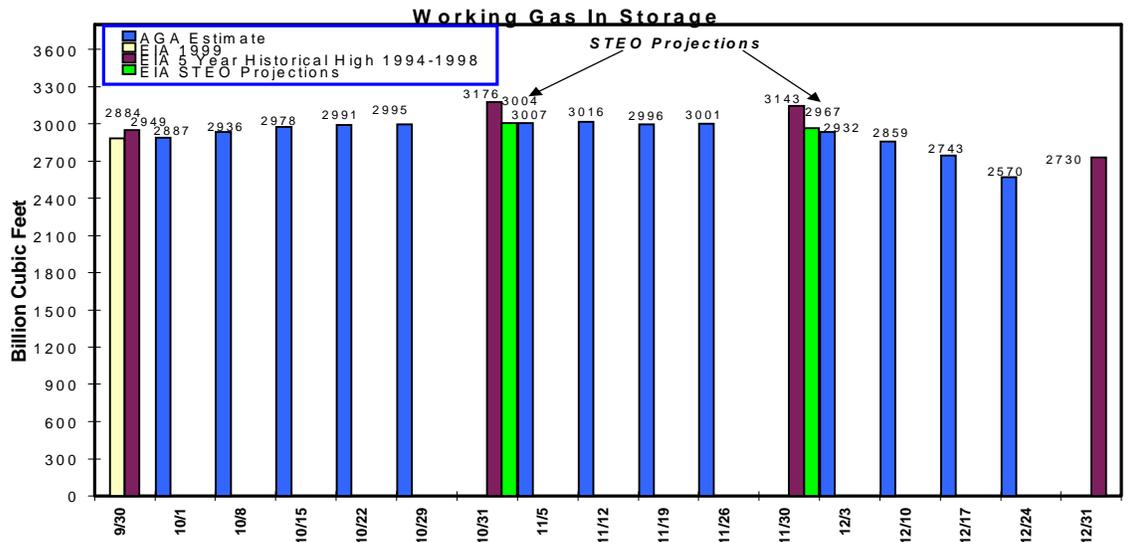


Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
12/25	24	29	-5
12/26	30	29	1
12/27	28	29	-1
12/28	25	29	-4
12/29	36	29	7
12/30	40	30	10
12/31	39	30	9



Working Gas Volume as of 12/24/99		
	BCF	% Full
EAST	1437	79
WEST	393	80
Prod Area	740	78
U. S.	2570	79

Source: AGA



After moving down almost \$0.30 per MMBtu in the last 2 weeks, the NYMEX futures contract for January delivery at the Henry Hub closed trading on Tuesday, December 28, at \$2.344 per MMBtu. This is virtually the same price (\$2.339) it began trading at as the near-month contract on November 29, 1999, but well above the closing price of \$1.765 per MMBtu for the January 1999 contract. The new NYMEX near-month contract for February delivery settled last Thursday at \$2.329 per MMBtu. Due to the New Year's holiday and concerns about the Y2K computer crossover, the NYMEX was closed on Friday, December 31 and Monday, January 3. The composite temperatures in the four cities monitored for this report (Chicago, Kansas City, New York, and Pittsburgh) were well above normal during the latter half of last week. A moderating weather pattern moved eastward into the mid-Atlantic and the Northeast regions over the weekend which is expected to bring continued above-normal temperatures to much of the East early this week. The National Weather Service forecasts above normal temperatures in January 2000 for much of the Midwest and the Northeast. Spot prices at the Henry Hub began the week at \$2.36 per MMBtu (down about 7 cents from the previous Friday) and moved down to end the week at \$2.29. The price of West Texas Intermediate crude oil moved up most days and on Thursday traded for \$26.50 per barrel, or \$4.69 per MMBtu.

Storage: Cold temperatures during the third week of December contributed to another week of storage withdrawals above 100 Bcf according to the American Gas Association (AGA). After estimated net withdrawals of 173 Bcf, storage facilities remain 79 percent full with an estimated volume of 2,575 Bcf remaining in underground facilities as of December 24. The Consuming East region, which encompasses almost the entire area east of the Mississippi River, had estimated withdrawals of almost 110 Bcf during this period. Based on this latest weekly AGA estimate, 392 Bcf was withdrawn through December 24th. Even with last week's trend toward moderating temperatures, it appears likely this December's total of net withdrawals will exceed the 5-year (1994-1998) December average of 459 Bcf.

Spot Prices: Following declines of about 5 to 10 cents per MMBtu at the beginning of last week, spot prices in most markets remained relatively stable for most of the week. A notable exception was in the New York City area, where the forecast of warmer temperatures and lifting of restrictions for New York delivery caused prices to drop \$1.78 per MMBtu since the December 27 peak of \$4.860 at the Transco Hub in New Jersey, trading at \$3.08 per MMBtu on Thursday. The price turnaround in New York markets is attributable in part to the shift by many northeastern electric generators to oil from gas to avoid potential Y2K pipeline problems. Low sulfur (0.3%) residual fuel oil in New York Harbor early last week was priced at \$3.67 per MMBtu, compared to a median citygate price for natural gas in New York City of \$3.63. A sampling of other markets indicates that the lowest gas prices last week were found in the West, where temperatures continue to be above normal for a second consecutive week. On Thursday, prices in New Mexico were about \$2.10 per MMBtu and generally between \$2.15 and \$2.19 in the Rocky Mountain area.

Futures Prices: The January contract began its final days of trading by settling on Monday at \$2.271 per MMBtu. It mounted a late rally on Tuesday, moving up over 7 cents as more than 65,000 contracts were entered into during the last day of trading. On Wednesday, the February contract settled at \$2.394 per MMBtu on its first day as the near-month contract. Last year, primarily as a result of unseasonably mild temperatures in January 1999, the February contract opened at \$1.881 per MMBtu and traded in a range between \$1.714 and \$2.071 before it closed at \$1.810.

Summary: With above normal temperatures moving eastward at the end of last week, prices on both the spot and futures markets moved down in the holiday-shortened week of trading. Earlier in the week, the NYMEX contract for January delivery closed at \$2.344 per MMBtu—almost \$0.23 higher than the December contract. Stocks remain almost 80 percent full following the season's highest weekly drawdown of 173 Bcf during the 3rd full week of December.