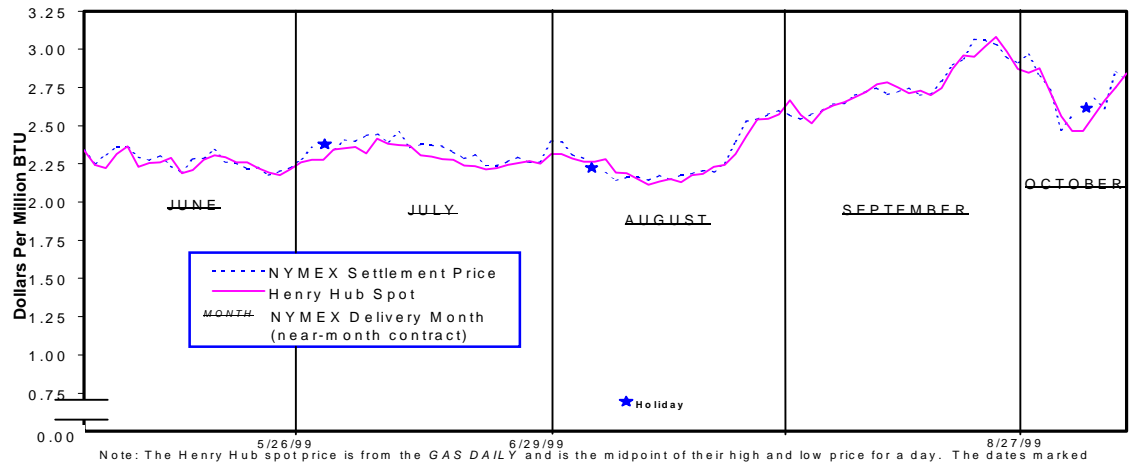


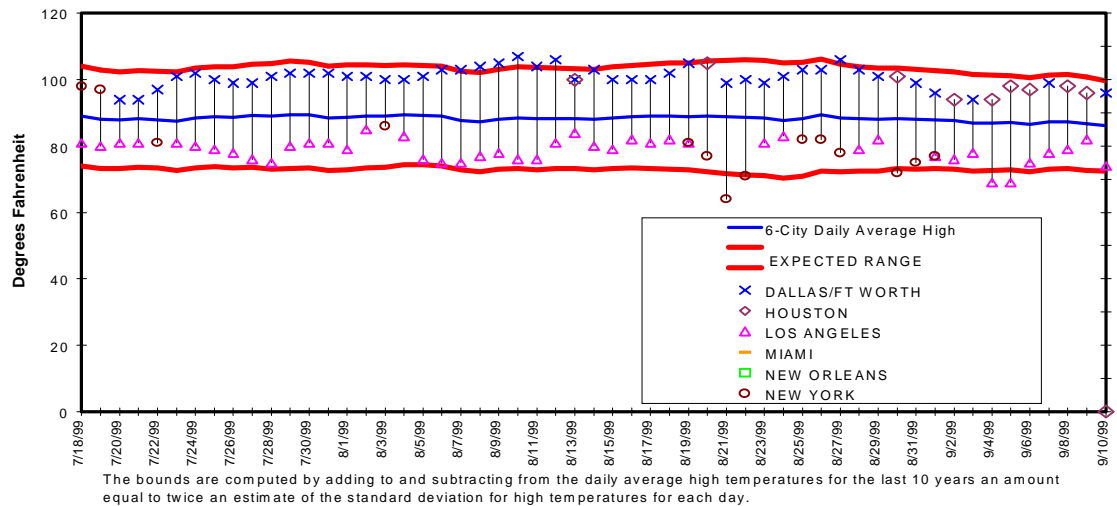
**HENRY HUB PRICE
SPOT FUTURES**
September October
Del Del
(\$ per MMBtu)

09/06	Holiday	Holiday
09/07	2.54-2.59	2.677
09/08	2.65-2.68	2.612
09/09	2.72-2.78	2.851
09/10	2.78-2.90	2.801

NYMEX Future Prices vs Henry Hub Spot Prices



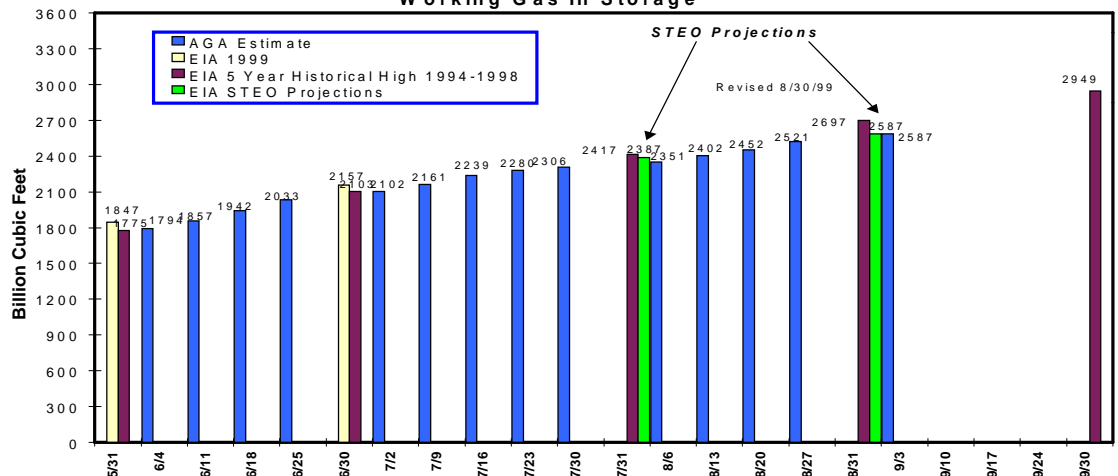
Ten-Year Average of High Temperatures, and Daily Highest and Lowest High Temperatures for 6 Cities, May-September
(Dallas/Ft Worth, Houston, Los Angeles, Miami, New Orleans, New York)



**Average High Temperature for
Six Major Electricity
Consuming Cities**

	Actual	Normal	Diff
09/04	86	87	-1
09/05	86	87	-1
09/06	89	87	2
09/07	88	87	1
09/08	88	87	1
09/09	88	87	1
09/10	87	86	1

Working Gas In Storage



**Working Gas Volume
as of 09/03/99**

	BCF	% Full
EAST	1427	79
WEST	396	81
Prod Area	764	81
U. S.	2587	80

Source: AGA

The NYMEX futures contract for October delivery at the Henry Hub opened on Monday, September 13, at \$2.860 per MMBtu, \$0.059 more than Friday's settlement price. Warm and humid weather returned to much of the Mid-Atlantic and Northeast regions last week as temperatures in New York City, Philadelphia, and Baltimore were above normal for several days. The combination of warmer than normal temperatures and the formation of yet another tropical storm in the Atlantic appear to have contributed to a shift in the market last week. Spot prices at the Henry Hub moved up each day last week reaching about \$2.85 per MMBtu on Friday as the market gained back virtually all of the previous week's \$0.40 decline. The price of the near-month (October) futures contract also rebounded as it showed a net gain for the holiday shortened week, moving up almost \$0.25 to \$2.85 per MMBtu on Thursday alone before ending the week at \$2.801. Net additions to storage for the week ending September 3, averaged almost 9.5 Bcf per day. The price of West Texas Intermediate crude oil moved up \$1.55 per barrel last week, and by Friday traded for \$23.60, roughly equivalent to \$4.07 per MMBtu.

Storage: According to the American Gas Association (AGA) estimates, net storage additions for the week ending Friday, September 3, were 66 Bcf. This is similar to the previous week's total of 69 Bcf and brings the estimated stock level to 2,587 Bcf or 80 percent full. All three storage regions increased their working gas levels, with the Consuming East again accounting for the majority of the week's total as it added 45 Bcf while the Producing and the West injected 15 and 6 Bcf, respectively. The generally mild temperatures that were dominant in most parts of the country during the last week of August and early September were a factor in this second week of + 65 Bcf net injections. With end-of-August stocks estimated at 2,587 Bcf by both EIA and AGA, the industry would have to add 413 Bcf during September and October to reach a level of 3,000 Bcf by November 1. EIA data indicate that at least 482 Bcf was added to working gas stocks during the last two months of the refill season in each of the previous 5 years (1994-98).

Spot Prices: Spot market prices at the Henry Hub began the week up about 10 cents per MMBtu from the previous Friday and then continued to climb, ending the week at about \$2.85. This was an increase of \$0.38 per MMBtu for the week and reversed the trend from a week earlier when prices were declining most days. Late summer warm weather in some eastern gas-consuming areas was a key factor in the price increase, along with increases on the NYMEX futures market, and the continued potential threat from storms and hurricanes in the Atlantic Ocean. Prices at most other major market locations also moved up considerably. For example, prices at Katy in East Texas increased \$0.36 per MMBtu from the previous Friday (September 3) and traded for \$2.81 on Friday the 10th; at Waha in West Texas, prices climbed from \$2.39 to \$2.76 per MMBtu during the same period; and in Oklahoma (Midcontinent), prices moved from \$2.32 to \$2.70 per MMBtu.

Futures Prices: For the week, the October contract gained \$0.24 per MMBtu as it settled on Friday for \$2.801. The near-month contract displayed some of the widest ranging price variability seen in several months as daily price changes varied between a drop of 6.5 to a gain of 24 cents per MMBtu. Prices for the October contract traded in a range of 19 cents per MMBtu on the last two days of the week (e.g., Friday's high was \$2.92 with a low of \$2.73) as interest in the contract was high with about 60,000 contracts posted. Prices appeared to have softened in the previous week with ample supplies of gas in storage along with reduced gas demand in response to lower temperatures as the end of summer nears, but the possibility of hurricane "Floyd" threatening Gulf of Mexico production areas reversed that trend.

Summary: Some late summer warm weather and the Atlantic hurricane season saw spot prices rise each day at most major markets. The prices for the near-month futures contract displayed wide ranging variability, while showing a net gain for the week. The weekly stock refill volumes continued to exceed those seen in most of July and August as storage inventory is estimated to be 80 percent full with 2 months remaining in the refill season.