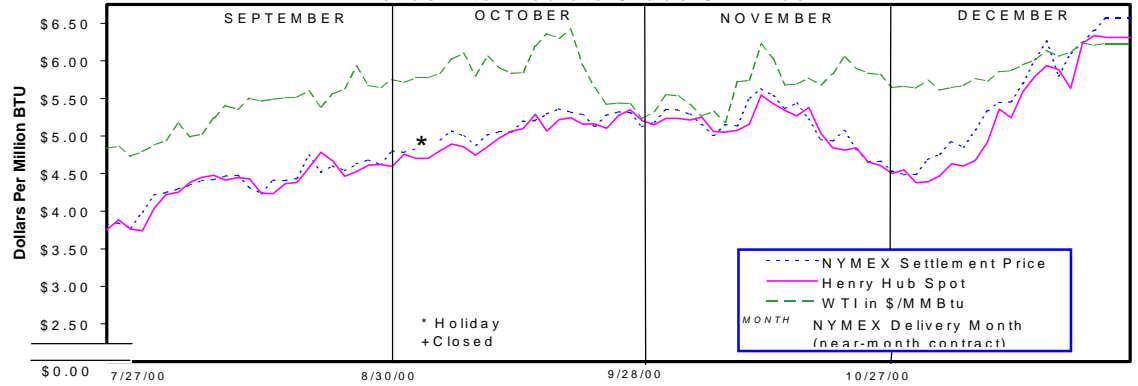


NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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

(\$ per MMBtu)

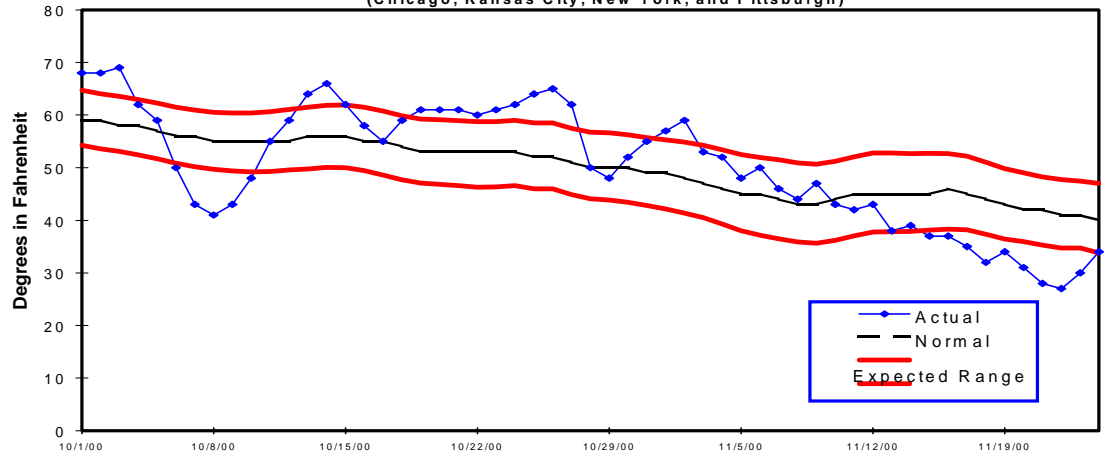
SPOT FUTURES

November December

Del Del

11/20	6.19-6.28	6.249
11/21	6.28-6.40	6.408
11/22	6.28-6.35	6.577
11/23	6.28-6.35	Holiday
11/24	6.28-6.35	Closed

Average Temperature for Four Major Gas Consuming Metro Areas (Chicago, Kansas City, New York, and Pittsburgh)



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.

Average Temperature for Four Major Gas Consuming Areas

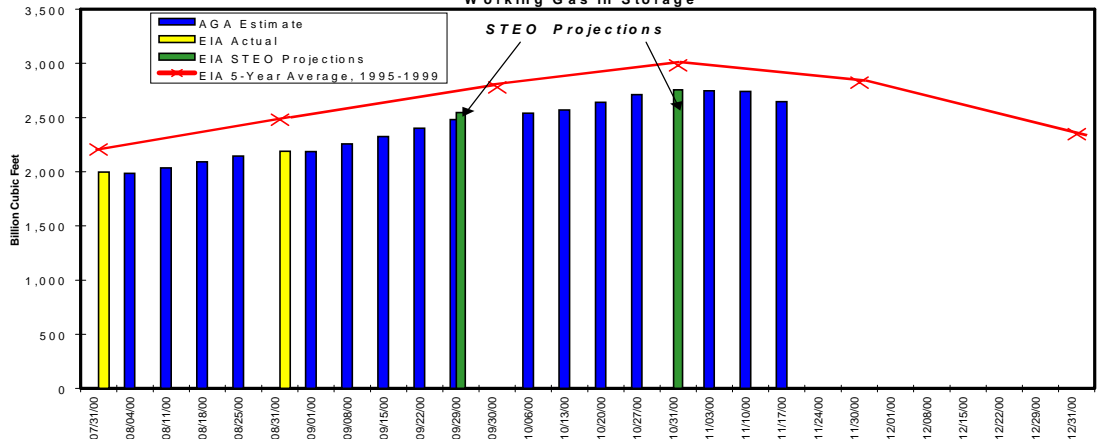
	Actual	Normal	Diff
11/18	32	44	-12
11/19	34	43	-9
11/20	31	42	-11
11/21	28	42	-14
11/22	27	41	-14
11/23	30	41	-11
11/24	34	40	-6

Working Gas Volume as of 11/17/00

	BCF	% Full
East	1643	90
West	341	67
Prod Area	664	70
U. S.	2648	80

Source: AGA

Working Gas in Storage



Frigid temperatures over the weekend of November 18-19 and into last week sent cash prices soaring by 50 cents to \$1.00 or more on Monday to well over \$6.00 per MMBtu at most market locations, followed by lesser gains on Tuesday. In the four cities monitored for this report (see Temperature graph and table), composite daily average temperatures were below normal every day of the week, and by double-digit margins most days. In California, prices spiked as high as \$19.50 per MMBtu on Tuesday. On Wednesday, the final trading day of this holiday-shortened week, weather forecasts for near-term relief from the cold in some areas and the anticipation of slackening industrial demand from holiday operating schedules led to price declines in the range of 5 to 50 cents per MMBtu in most locations and even larger drops at some Western points. At the Henry Hub, cash prices jumped 60 cents on Monday, gained 11 more cents on Tuesday, then dropped 3 cents on Wednesday to end the week at \$6.32 per MMBtu. The NYMEX futures contract for December delivery gained around 15-17 cents each day, ending Wednesday's short trading session at \$6.577 per MMBtu, another near-term-contract settlement-price record high. The spot price of West Texas Intermediate crude oil held at \$36.00 per barrel or higher, ending trading on Wednesday at \$36.15 per barrel, or \$6.23 per MMBtu.

Storage: The American Gas Association's (AGA) storage withdrawal estimate of 94 Bcf for the week ended Friday, November 17 is the largest for this particular week for the 7 years covered by AGA's reports, and is double the average estimate of 46 Bcf for this week in the previous 6 years. The estimated 94 Bcf withdrawal occurred when temperatures were lower than normal in many gas-consuming areas of the country, in some cases sharply so. While the AGA report showed significant withdrawals in all three regions, the withdrawal of 31 Bcf in the West Region was particularly large, being 10 percent of the regional working gas in storage. It is the third largest ever for that region by AGA's estimates, and is all the more notable for its occurrence this early in the heating season. The West Region's deficit from its EIA-estimated 5-year average for this point in the year widened by nearly 10 percentage points, to 27.3 percent. By EIA estimates, the West Region's stocks were at their lowest levels for this point in the heating season for at least the last 5 years. On the other hand, with withdrawals of 39 Bcf, the East Region's deficit increased only slightly, standing at 1.6 percent as of November 17. EIA estimates that total U.S. stocks stood at 2,658 Bcf, 8.1 percent below the 5-year average for this point in the year.

Spot Prices: Although prices rose sharply throughout the nation on Monday, most attention was focused on California and other Western points, as prices there that had been approaching \$10.00 per MMBtu by the end of the previous week were now spiking well into the teens and approaching \$20. In the midst of unseasonable sub-freezing temperatures, many markets across the Lower 48 were also saddled with operational flow orders or similar restrictions that put upward pressure on prices. In addition, California had to deal with a continuing shortfall in electric generating capacity from sidelined nuclear plants—a shortfall that had to be made up almost exclusively by gas-fired generation because of the lack of available hydroelectric power. Two major nuclear plants that were being powered up after scheduled outages tripped offline on Monday, causing the CA Independent System Operator to declare a Stage One Electrical Emergency. Prices on SOCAL peaked on Tuesday at \$17.35 per MMBtu. But prices began to soften on Wednesday, falling to \$16.67 and \$15.86 on SOCAL and at the PG&E citygate, respectively, as the two downed plants were successfully ramping up capacity. Meanwhile, prices that had climbed to as much as \$7.52 per MMBtu in the Northeast on Tuesday retreated to around \$6.55-\$6.80 on Wednesday.

Futures Prices: The December NYMEX futures contract recorded significant gains each day last week, with Wednesday's uptick, at \$0.169 per MMBtu, the largest of the week despite that day's lagging spot prices and forecasts for warmer weekend temperatures and slackening holiday-weekend demand. The near-month contract ended the week at a new all-time settlement-price high of \$6.577 per MMBtu, and prompted some to ponder what might have been had Wednesday not been a short trading day. The NYMEX had already closed and most spot-gas trading had been completed before Wednesday's release of the AGA's net withdrawal estimate of a whopping 94 Bcf. The December contract, which closes tomorrow (Tuesday, November 28), opened trading today at \$6.375 per MMBtu. While the latest National Weather Service 6 to 10 day forecast (calling for warmer-than-normal temperatures in southern California and parts of Nevada and Arizona) may bring some relief for California spot prices, the forecast for below-normal temperatures for nearly the entire eastern half of the country for later next week indicate upward price pressures are likely to continue for the near future.

Summary: Spot prices surged as unseasonably cold temperatures prevailed throughout most of the country, then sagged slightly at the end of this holiday-shortened week. Short supply and spiking prices continued to plague California. Futures prices moved steadily upward to new record highs.