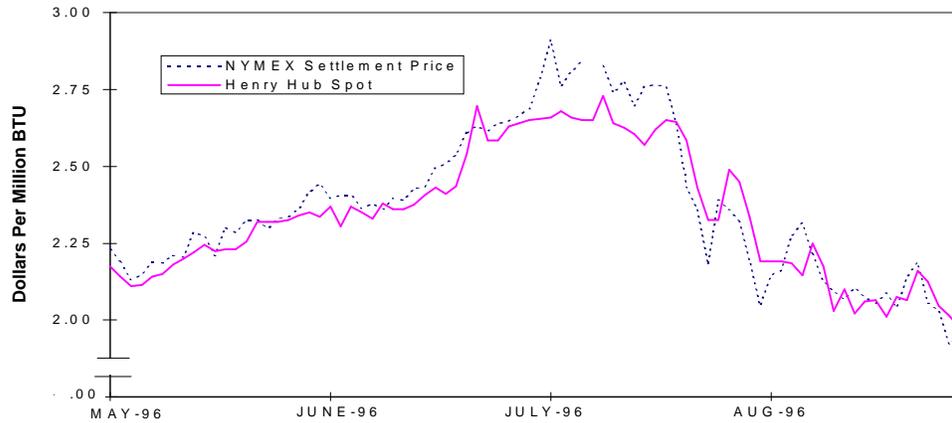


NYMEX Price Futures vs Henry Hub Spot Price

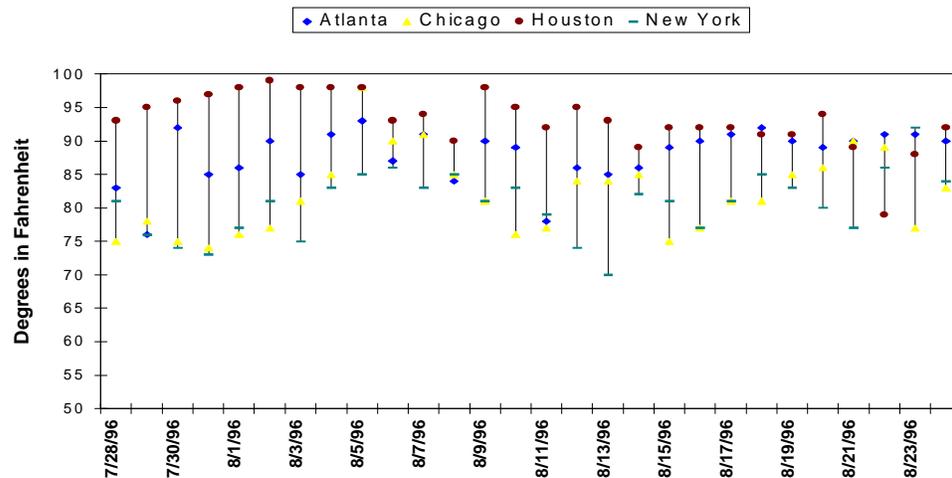
HENRY HUB PRICE		
	CASH	FUTURES
	Aug	Sept
	Del	Del
	(\$ per MMBtu)	
8/19	2.09-2.13	2.187
8/20	2.10-2.15	2.053
8/21	2.02-2.07	2.030
8/22	2.00-2.03	1.921
8/23	1.93-2.02	1.950



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 Areas			
	Actual	Normal	Diff
8/18	78	79	-1
8/19	79	79	0
8/20	78	79	-1
8/21	78	79	-1
8/22	79	79	0
8/23	79	79	0
8/24	77	79	-2

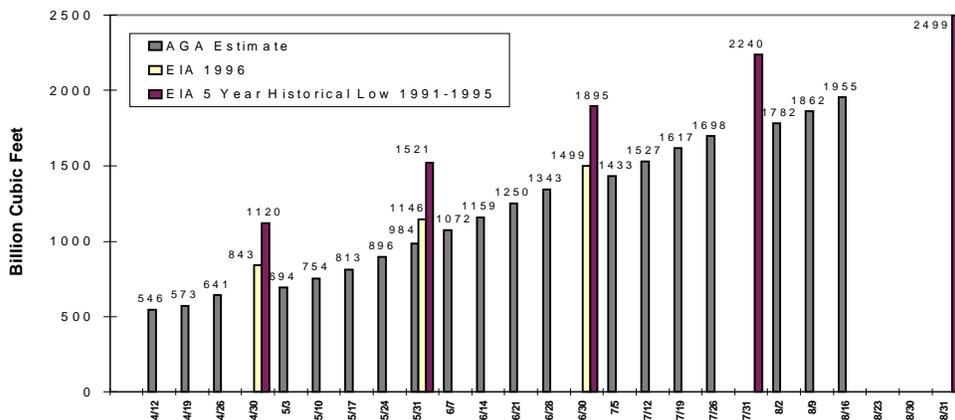
High Temperature for Four Selected Cities



Working Gas Volume as of 8/16/96		
	BCF	% Full
EAST	1,197	67
WEST	316	66
Prod Area	442	49
U. S.	1,955	62

Source: AGA

Working Gas In Storage 1996



Today, Monday, August 26 marks the last day of trading for the September futures contract which began the day trading at \$1.99 per MMBtu. Both spot prices for August delivery and futures prices for September delivery at the Henry Hub were below \$2.00 per MMBtu last week for the first time since late November of 1995. Prices are still about \$0.30 per MMBtu greater than they were last year at this time. Several factors have supported higher prices. Demand for natural gas to refill storage has been strong for the last several months and most recent AGA weekly storage report estimates that 93 Bcf were injected. To date, this is the second highest weekly estimate in this year's refill season. Expected gas demand both for filling storage and for customer needs is also stronger than at this time last year as the economy continues to expand. These demands along with higher oil prices, which encourage many industrial customers to switch from oil to gas, provides support for a continuation of higher prices. These higher prices, which have prevailed since the beginning of the year, have also improved the capability of the industry to supply greater amounts of gas to market. Based on EIA data estimates, for the first 8 months of this year, the supply of natural gas has increased more than 2 percent compared to the same period in 1995. Both supply and demand are shifting significantly and independently. This, in part, explains the continued volatility of gas prices.

Spot Prices: During the past week spot prices at the Henry Hub have ranged between \$1.93 and \$2.15 per MMBtu. Continued price volatility continues to be supported by several factors. Many still question whether the industry is on schedule to fill storage to planned levels at the beginning of the heating season. Others are concerned about the willingness of producers to continue to lower prices as the potential delivery capability of the industry continues to be enhanced by the dramatic increase in the natural gas rig count since the beginning of the year.

Futures Prices: Recently futures prices also have hovered around \$2.00 per MMBtu and have been more volatile than in the previous week ending August 16. Interestingly, futures prices for November delivery on Thursday, August 22 were selling at about a \$0.20 premium to September delivery. This premium should encourage some to plan or sign contracts to make delivery in November and lock in a November price which is \$0.20 per MMBtu greater than a current price. It may also encourage some to store additional amounts of gas.

Storage Recent AGA storage statistics for the week ending Friday, August 20, were 1,955 Bcf which is a 93 Bcf increase from the week earlier level. Once more, storage net injections for the east consuming region were more than twice as great as any other region and are currently 1,130 Bcf. On the other hand, net injections in the West consuming region were negative which suggests that significant amounts of gas to support electric generation were being obtained from storage.

Summary If the September futures price in the last week of trading is any indication of spot prices for September delivery, then spot prices for next month's deliveries are likely to be less than prices for deliveries earlier this summer. Historically prices have generally been less in the middle of summer than in the late summer and early fall.