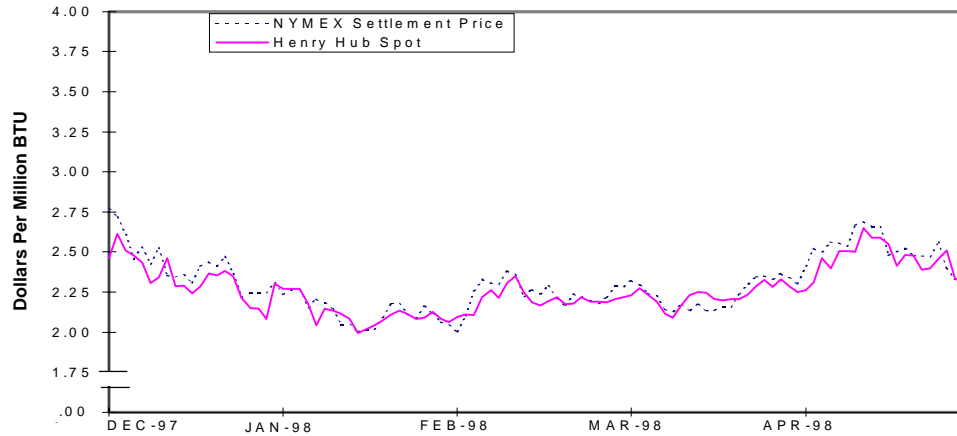


NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE		
	SPOT	FUTURES
	Apr	May
	Del	Del
	(\$ per MMBtu)	
4/20	2.38-2.42	2.469
4/21	2.43-2.48	2.561
4/22	2.48-2.54	2.398
4/23	2.30-2.37	2.328
4/24	2.28-2.33	2.342

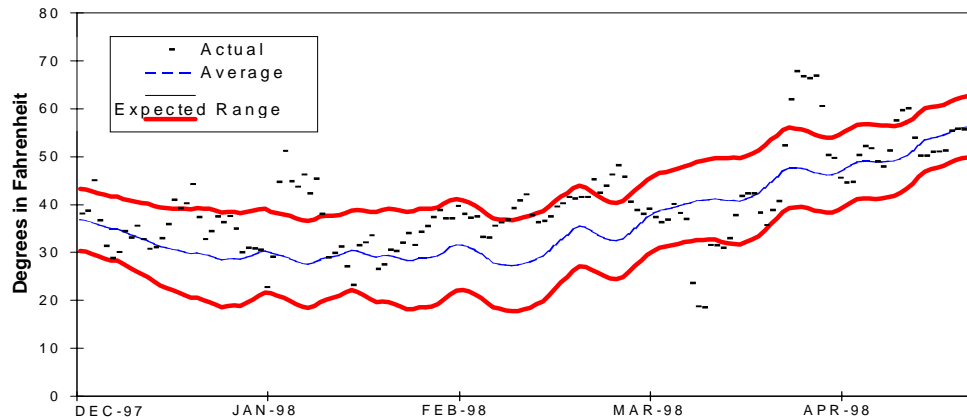


Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

Average temperature for Four Major Gas Consuming Metro Areas

(Chicago, Kansas City, New York, and Pittsburgh)

Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
4/18	51	54	-3
4/19	51	54	-3
4/20	51	54	-3
4/21	56	55	1
4/22	56	56	0
4/23	56	56	0
4/24	60	56	4

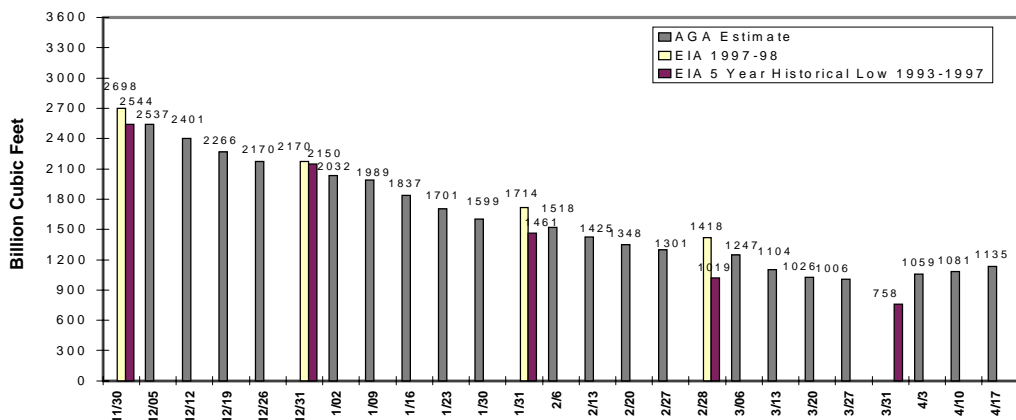


The bounds are computed by adding and subtracting from the average temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for temperatures on a day.

Working Gas In Storage

Working Gas Volume as of 4/17/98		
	BCF	% Full
EAST	568	32
WEST	157	33
Prod Area	410	45
U. S.	1135	36

Source: AGA



The NYMEX futures contract for May delivery at the Henry Hub opened on Monday, April 27, at \$2.330 per MMBtu, \$0.012 less than Friday's settlement price. Normal spring-like weather prevailed in the four metropolitan areas monitored by this report (Chicago, Kansas City, New York, and Pittsburgh) and throughout most of the country. Temperatures in the Rocky Mountain states, which were still in a winter-like pattern the previous week, also rose to more seasonal levels last week. The May futures contract, which closes tomorrow (Tuesday, April 28), displayed the largest degree of price volatility since last October with prices moving up and down 7 to 17 cents between days last week. The spot price at the Henry Hub continued its pattern of following the futures contract price movements and ended the week at \$2.31 per MMBtu - down more than \$0.20 in the past 2 weeks. Net additions to storage continued to rise as an estimated 54 Bcf was added during the second full week of April. The price of West Texas Intermediate crude oil dropped by \$1.65 per barrel on Thursday and ended the week down \$1.35 at \$14.05 per barrel - roughly equivalent to about \$2.42 per MMBtu.

Storage: According to the American Gas Association (AGA), the early start to the refill season continued as an estimated 54 Bcf of gas was added to working gas storage levels during the week ending Friday, April 17. The refill activity was again concentrated in the Consuming East and the Producing regions where 33 and 27 Bcf were added, respectively. The West has yet to see a start of refill activity as unseasonably cool temperatures dominated in the first half of April and withdrawals of 6 Bcf were reported for the week ending April 17. Overall, the total level of working gas is estimated by AGA to be more than 300 Bcf, or 37 percent, greater than at the same time last year (1,135 vs. 829 Bcf). Storage levels in Canada are also higher than at this time last year. The Canadian Gas Association estimates that almost 60 Bcf of working gas was on hand as of Friday, April 17 - 40 Bcf more than last year at the same time (59 Bcf vs. 19 Bcf).

Spot Prices: The spot price at most major market locations displayed some degree of volatility last week. The Henry Hub price moved up early in the week and traded at more than \$2.50 per MMBtu on Wednesday. It then moved down almost 17 cents per MMBtu on Thursday - similar to the decline in the May NYMEX contract between Tuesday and Wednesday. By the end of the week, the Henry Hub spot and near-month futures prices were within 3 cents of each other as the May contract prepared to close out this week. With the return of seasonal temperatures to the Rocky Mountain region, prices at several of the market hubs in the area were again below \$1.90 per MMBtu - the lowest postings of any major U.S. market location. Prices at Canadian import points in the West also declined as Sumas in Washington State was reporting prices near \$1.65(US) per MMBtu at the border on Friday.

Futures Price: Daily price variability during trading of the May Henry Hub futures contract last week was the largest seen in several months and resulted in an end-of-the-week settlement price of \$2.342 per MMBtu. This is almost \$0.35 per MMBtu less than the high for the May contract (\$2.689) reached on April 8. The decline in price could be an indication that many market participants are feeling more confident about gas supplies this summer. There are some signs that the coal delivery situation in the West is improving and recent National Weather Service forecasts have lowered the probability of a warmer-than-normal summer in many parts of the country. In addition, storage levels are relatively high and oil prices continue to be low. Settlement prices for the June, July, and August futures contracts also declined between 12 and 15 cents per MMBtu last week. Last year, the May futures contract settled at \$2.122 per MMBtu.

Summary: A broad degree of price volatility highlighted last week's trading of the May NYMEX contract as it sustained almost 3 weeks of price decline. The spot market continued to display a similar trend. Working gas in storage is well ahead of last year's level.