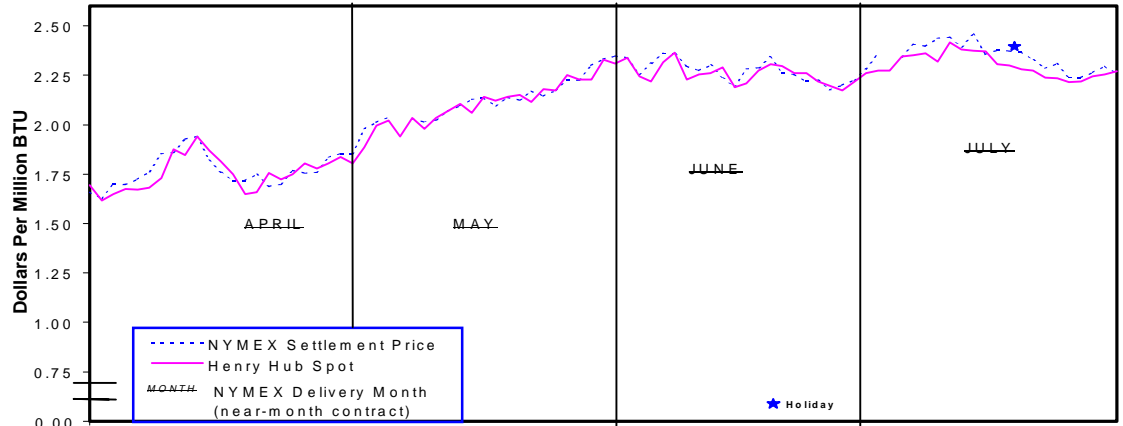


NYMEX Future Prices vs Henry Hub Spot Prices

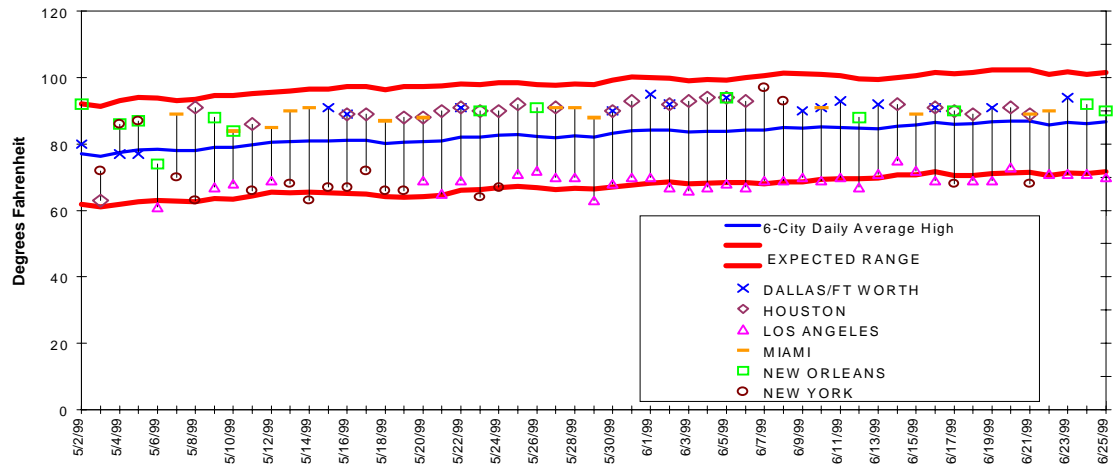
HENRY HUB PRICE		
	SPOT	FUTURES
	June	July
	Del	Del
	(\$ per MMBtu)	
06/21	2.20-2.23	2.237
06/22	2.20-2.24	2.238
06/23	2.23-2.26	2.264
06/24	2.24-2.27	2.295
06/25	2.25-2.29	2.258



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 dates marked by vertical lines are the NYMEX near-month contract settlement dates.

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
06/19	83	87	-4
06/20	84	87	-3
06/21	82	87	-5
06/22	85	86	-1
06/23	88	87	1
06/24	86	86	0
06/25	82	87	-5

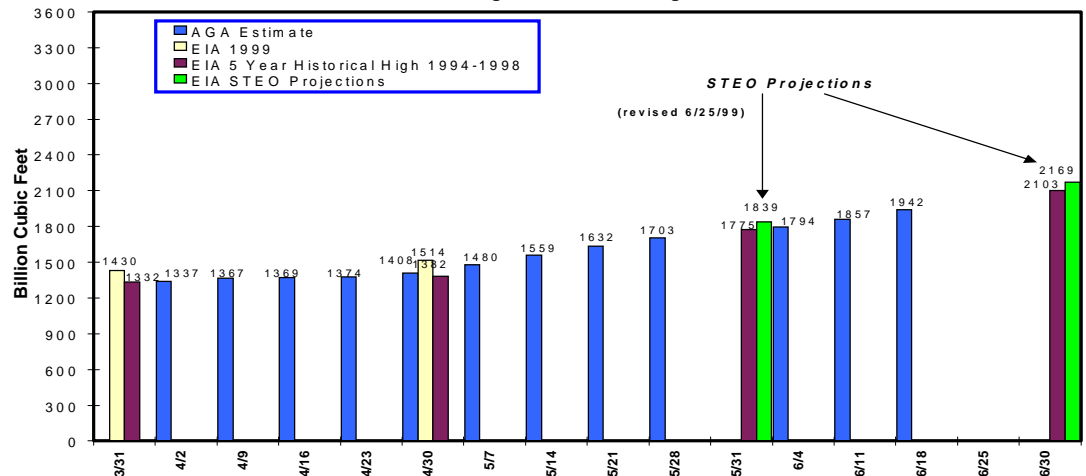


The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Working Gas In Storage

Working Gas Volume as of 06/18/99		
	BCF	% Full
EAST	956	53
WEST	311	64
Prod Area	675	71
U. S.	1,942	60

Source: AGA



On the last day of trading for the July NYMEX futures contract for delivery at the Henry Hub, the contract opened on Monday, June 28, at \$2.245 per MMBtu, \$0.013 less than Friday's settlement price. Most of the six cities monitored for this report (Dallas, Houston, Los Angeles, Miami, New Orleans, and New York) had generally below normal temperatures last week. However, many areas located in the Midwest and the Northeast had several days of hot humid weather during the last half of the week and into to the past week-end. Daytime high temperatures in Chicago, Baltimore, and Philadelphia in the 90s each day during the period between Thursday and Sunday. The National Weather Service is calling for this weather pattern to continue into the early part of this week in the Northeast. The 2-week downward trend in spot prices continued on Monday as gas traded for \$2.22 per MMBtu at the Henry Hub but by the end of the week it had moved up 5 cents to \$2.27. The near-month (July) contract began the week down and continued downward most days as it ended Friday at \$2.258-down 5 cents from the previous Friday. Net additions to storage for the third week of June increased to an average of more than 12 Bcf per day. The price of a barrel West Texas Intermediate crude oil remained about the same at \$18.10-roughly equivalent to \$3.10 per MMBtu.

Storage: According to the American Gas Association (AGA) estimates, net additions to storage were 85 Bcf for the week ended Friday, June 18. This is 22 Bcf more than the previous week and brought the AGA estimate for net injections in June to about 200 Bcf. AGA estimates that more than 1,940 Bcf of working gas was in inventory in mid-June-3 Bcf more than last year at the same time last year (1,942 Bcf vs 1,939). Overall working gas capacity is estimated by AGA to be 60 percent full with more than 4.5 months left in the refill season. EIA's storage reporting system, which is survey driven, estimates that the inventory level at the end of June will be almost 2,170 Bcf or 66 Bcf more than last year's 5-year high of 2,103 (see storage graph) .

Spot Prices: Last week's warm humid weather in the Midwest and the Northeast appears to have been the key factor in reversing a two week decline in prices at most major market locations. It was also the first week in several months that saw the spot price at the Henry Hub move up 5 cents per MMBtu to \$2.27 while the near-month futures contract price was trending down.

Futures Prices: The July contract began its final day of trading at \$2.245 per MMBtu-close to its lowest level (\$2.237) since it began trading as the near-month contract on May 27. The June contract closed at \$2.266 per MMBtu, the highest level for any month this year. The prevailing market fundamentals consisting of; ample supply, generally moderate summer temperatures, high stock levels, and an increase (from last year) in available summer nuclear electric generating capacity. These conditions of relative abundance impact the trading level for the July contract and have restrained further price growth.

Summary: Hot humid weather in the Northeast contributed to a 5 cents per MMBtu rise in spot prices last in the week. At the same time, the near-month July futures contract continued to trend down as stock levels remain at 5-year record levels.