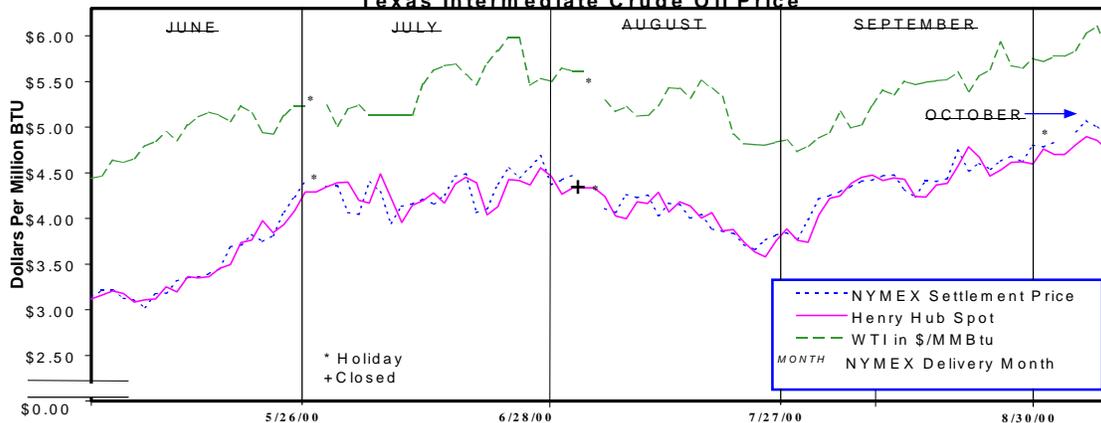


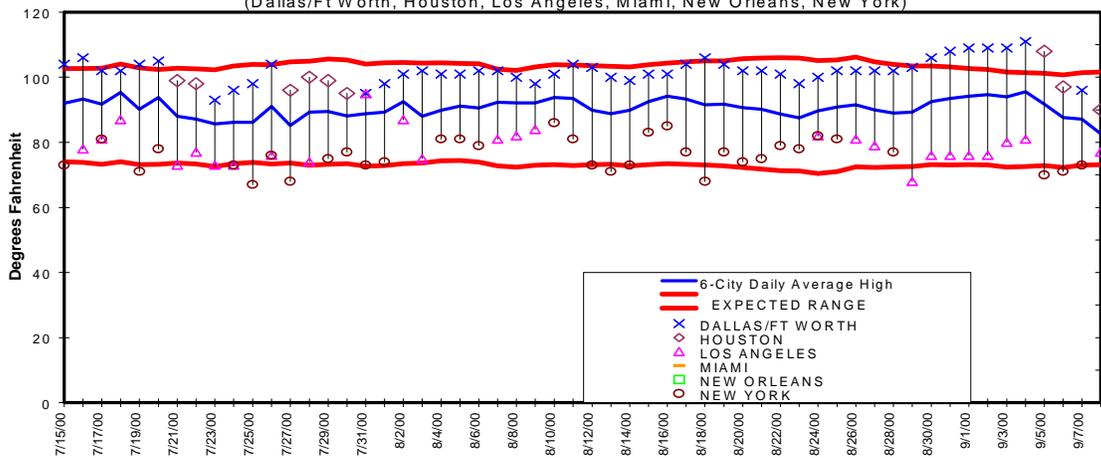
NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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		
Spot	Futures	
September	October	
Delivery	Delivery	
(\$ per MMBtu)		
09/04	4.64-4.76	Holiday
09/05	4.79-4.82	4.950
09/06	4.88-4.91	5.071
09/07	4.82-4.89	4.998
09/08	4.73-4.76	4.880

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

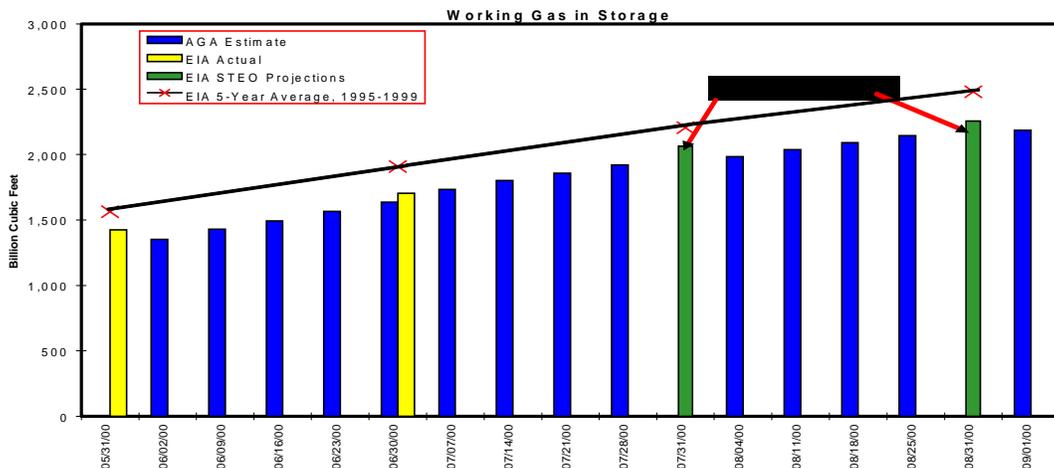


The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
09/02	95	88	7
09/03	94	87	7
09/04	96	87	9
09/05	92	87	5
09/06	88	87	1
09/07	87	87	0
09/08	83	87	-4

Working Gas Volume as of 09/01/00		
	Bcf	% Full
East	1294	71
West	360	71
Prod Area	532	56
U. S.	2186	66

Source: AGA



Prices on both the spot and futures market moved up steadily on the first two days of trading during last week's holiday-shortened business week. Cash prices at the Henry Hub increased about \$0.20 per MMBtu reaching \$4.90 early in the week before ending the week at \$4.75, mirroring price movements on the futures market. The daily settlement price for the NYMEX near-month (October) futures contract gained almost \$0.15 to \$4.950 per MMBtu on the first day of trading (Tuesday) and then climbed to \$5.071 the next day. Both days set new daily-price-settlement record highs for the NYMEX natural gas contract, which began trading in April 1990. A key factor in Wednesday's record high was the American Gas Association's (AGA) estimate that 42 Bcf was added to stocks in the previous week—the lowest level since April. Futures prices softened in the last half of the week as the near-month price moved below \$5.00 per MMBtu on Thursday. For the week, prices at the Henry Hub gained 5 cents per MMBtu as the spot and near-month futures price ended trading on Friday at \$4.75 and \$4.88, respectively. The supply situation in southern California improved as two of three El Paso pipelines, which had been previously shut-down by an August 19 rupture-explosion, were gradually restored to 80 percent of their capacity. Together these two pipelines represent about 60 percent of El Paso's previous total capacity into southern California. The industry press is reporting that with this action, along with earlier gas supply rerouting put in place by El Paso, southern California ended the week with supplies of more than 1 Bcf/d from El Paso, a level close to pre-accident volumes. The spot price of West Texas Intermediate crude oil continued to climb reaching a 10-year high of \$35.40 per barrel on Thursday and ended the week at \$33.65, or \$5.80 per MMBtu.

Storage: The AGA's weekly estimate for net injections was 42 Bcf for the week ended Friday, September 1, which is 10 Bcf below the previous week's estimate. The East received the bulk of the weekly stock additions as an estimated 40 Bcf was added in the last week of August. EIA's estimate for September 1, 2000 is 2,256 Bcf -9.4 percent less than EIA's 5-year (1995-99) average for this same time period (2,491 Bcf), and just 11 Bcf above the lowest level for the month of August during the 1995-1999 period. The East region stood at 1,406 Bcf, or 7.8 percent less than average, while the differences from average were considerably higher in the Producing (566) and the West (285) regions, where stocks are 10.8 percent and 14.2 percent below average, respectively. EIA data indicate that over the previous 5 years, net additions have averaged 460 Bcf during the final two months of the refill season. Even net additions at this level would result in total stocks of 2,716 Bcf entering the heating season, which is 9 percent below the 5-year average.

Spot Prices: Cash prices at most major market locations rose early last week, then trended down in response to lower temperatures in the middle of the country and price decreases on the futures market. Prices reached highs on Wednesday of \$4.95 per MMBtu at Katy in East Texas, \$4.94 at Waha in West Texas, \$4.78 at Midcontinent in Oklahoma, and \$4.35 in the Rockies. By Friday, prices at these locations, along with those at the Henry Hub (\$4.75), had moved down about 10 to almost 20 cents per MMBtu. At the California citygates, prices again rose sharply reaching \$6.34 per MMBtu, even though service on the El Paso pipelines had improved considerably. Other factors contributing to higher California gas prices included unanticipated maintenance work that shut down a natural gas processing plant in British Columbia as well as one of three generating units of California's Diablo Canyon nuclear plant. Both of these situations were reported to be resolved soon and along with cooler temperatures in California, prices moved down to \$6.15 per MMBtu in southern California while prices in the northern part of the state decreased to \$5.78 on Friday.

Futures Prices: The NYMEX futures contract for October delivery moved up almost \$0.30 per MMBtu in the first two days of trading last week, achieving new daily record settlement highs of \$4.950 and \$5.071 per MMBtu and pushing the out-month settlement prices up considerably. The November contract ended trading on Wednesday at \$5.157 per MMBtu while December came off at \$5.233. The market appeared unable to sustain these prices over the last two days of trading and ended the week down with settlement prices of \$4.880 to \$5.100 per MMBtu through the end of the year. Continued reports about below-average natural gas stock levels, concerns about domestic production in the face of increasing demand from the strong U.S. economy, the sustained high price of crude oil, and reports that inventories of other winter fuels (heating oil and propane) are also below average, have all contributed to these high prices.

Summary: Record high prices in excess of \$5.00 per MMBtu were reached on the NYMEX as demand remains high and supplies apparently have not yet responded fully to the relatively elevated price levels. Weekly additions to storage remained low and overall storage levels continued below the level of recent years. Pipeline deliveries to southern California improved, but prices remain well above \$6.00 in local markets.