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

Henry Hub Price

<table>
<thead>
<tr>
<th>Month</th>
<th>Delivery</th>
<th>Spot Futures</th>
</tr>
</thead>
<tbody>
<tr>
<td>September</td>
<td>Delivery</td>
<td>09/18 5.04-5.09, 5.295</td>
</tr>
<tr>
<td></td>
<td></td>
<td>09/19 5.20-5.24, 5.363</td>
</tr>
<tr>
<td></td>
<td></td>
<td>09/20 5.22-5.27, 5.318</td>
</tr>
<tr>
<td></td>
<td></td>
<td>09/21 5.13-5.19, 5.287</td>
</tr>
<tr>
<td></td>
<td></td>
<td>09/22 5.14-5.19, 5.131</td>
</tr>
</tbody>
</table>

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 into $/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.

Daily Average of High Temperatures, and Daily Highest and Lowest High Temperatures for 6 Cities

Average High Temperature for Six Major Electricity Consuming Cities

<table>
<thead>
<tr>
<th>City</th>
<th>Actual</th>
<th>Normal</th>
<th>Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas/Ft Worth</td>
<td>85</td>
<td>85</td>
<td>0</td>
</tr>
<tr>
<td>Houston</td>
<td>85</td>
<td>85</td>
<td>0</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>96</td>
<td>85</td>
<td>1</td>
</tr>
<tr>
<td>Miami</td>
<td>96</td>
<td>84</td>
<td>2</td>
</tr>
<tr>
<td>New Orleans</td>
<td>88</td>
<td>84</td>
<td>4</td>
</tr>
<tr>
<td>New York</td>
<td>84</td>
<td>84</td>
<td>3</td>
</tr>
</tbody>
</table>

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 Volume as of 09/15/00

<table>
<thead>
<tr>
<th>Region</th>
<th>Bcf</th>
<th>% Full</th>
</tr>
</thead>
<tbody>
<tr>
<td>East</td>
<td>1392</td>
<td>76</td>
</tr>
<tr>
<td>West</td>
<td>367</td>
<td>72</td>
</tr>
<tr>
<td>Prod Area</td>
<td>566</td>
<td>59</td>
</tr>
<tr>
<td>U.S.</td>
<td>2325</td>
<td>71</td>
</tr>
</tbody>
</table>

Source: AGA

Working Gas in Storage

AGA Estimate, EIA Actual, EIA STEO Projections, EIA 5-Year Average 1995-1999

Energy Information Administration
Office of Oil and Gas
September 25, 2000
http://www.eia.doe.gov/oil_gas/natural_gas/nat_frame.html
The NYMEX futures contract for October delivery at the Henry Hub set consecutive record high settlement prices on Monday and Tuesday, at $5.295 and $5.363 per MMBtu, before moving down more than $0.23 per MMBtu over the last 3 days of the week to $5.131. Contributing to the early week rise were reports that Hurricane Gordon and Tropical Storm Helene posed possible threats to production areas in the Gulf of Mexico and continued concern regarding overall natural gas stocks. Prices at most spot markets followed a similar pattern with most locations reaching a high at mid week: the spot price at the Henry Hub reached $5.25 per MMBtu on Wednesday before ending the week at $5.17. The early upward trend in prices reversed after it was clear that the storms would not impact Gulf production sites, cooler temperatures were again forecast for California and much of the Southwest, and reported weekly storage additions were somewhat higher than anticipated. After reaching a high of $37.25 per barrel on Wednesday, the spot price of West Texas Intermediate crude oil was also affected by rumors of a Strategic Petroleum Reserves (SPR) inventory release as it dropped to $32.75 on Friday or about $5.64 per MMBtu. (After the markets closed on Friday, the Dept. of Energy announced that it would release 30 million barrels of oil to refineries in order to increase crude oil supplies and to build heating oil inventories prior to the start of the winter heating season.)

Storage: Net storage injections were strong for the second week in a row according to American Gas Association (AGA) estimates. For the week ended September 15, net injections were 67 billion cubic feet (Bcf), which is equivalent to a daily injection rate nearly equal to the EIA 5-year (1995-1999) average for the month of September (9.9 Bcf/day). As a result, national inventories were 2,395 Bcf, or 8.9 percent below the 5-year average. Natural gas stocks in the East were closest to the 5-year average (7.0 percent below at 1,504 Bcf) following regional net injections of 48 Bcf for the week. Stocks in the West and Producing regions were 15.1 and 10.2 percent, respectively, below the 5-year average. Despite lingering supply problems in the West, net injections there were 2 Bcf for a total of 292 Bcf in storage. In the Producing region, net injections were 17 Bcf, increasing the region's stock level to an even 600 Bcf. Over the previous 4 weeks, stocks have increased an estimated 233 Bcf with the East region receiving almost 80 percent of that total. Although below the recent average, current working gas volumes in East region storage facilities appear on track to be sufficient to meet firm customer requirements during next winter according to some of the region's largest LDCs. If the East region is able to continue injecting at rates over the remaining weeks in the refill season comparable to the 5-year average as it has over the past 3 weeks it will begin the heating season on November 1, with 1,723 Bcf or 94 percent of EIA's 5-year average (1,837 Bcf) for that date.

Spot Prices: Over the past week, prices at most markets that serve markets East of the Mississippi River displayed much price variability between days. During the last 2 days of the week, prices at these markets trended down between 10 and 12 cents per MMBtu after reaching their weekly highs on Wednesday. This resulted in the first end-of-week decline in 3 weeks. Some examples of these Friday-to-Friday declines were: Henry Hub, $5.29 per MMBtu to $5.17; Katy in East Texas, $5.24 to $5.14; Waha in West Texas, $5.19 to $5.05; and Midcontinent in Oklahoma, $5.14 to $5.05. In the West, prices moved down sharply to their lowest levels ($5.34 per MMBtu) in over a month at Southern California citygates as temperatures moderated and the Diablo Canyon nuclear plant returned to full power. Prices at Rocky Mountain markets declined even more as the cooler temperatures decreased demand, dropping prices more than $0.53 per MMBtu at Opal in Wyoming. Overall, prices remain more than $2.00 per MMBtu above those of last year at the same time.

Futures Prices: After starting the week with impressive gains, the futures contract for October, as well as those for November and December, moved down to end trading on Friday at $5.131 per MMBtu, $5.266, and $5.383, respectively. At the beginning of bid week, the NYMEX futures contract for October delivery, which closes on Wednesday, September 27, opened today (September 25) at $5.135 per MMBtu. Last year's October contract closed at $2.560 per MMBtu. Governors or their representatives from 30 states met at the Governors’ Natural Gas Summit in Ohio last week to discuss this year's anticipated increase in natural gas heating costs. The meeting recommended that the states should start now to prepare for the upcoming winter and that steps should be taken to help consumers, both residential and industrial, to develop strategies to address rising energy prices.

Summary: Prices trended down at major spot markets in the East and dropped sharply at those in the West. NYMEX futures contract prices also moved down last week as two threatening weather systems in the Gulf of Mexico dissipated in mid week and the overall stock refill rate remained robust especially in the East. It was announced that the Dept. of Energy will release 30 million barrels of crude oil in order to build reduced oil stocks at refineries and to increase heating oil inventories.