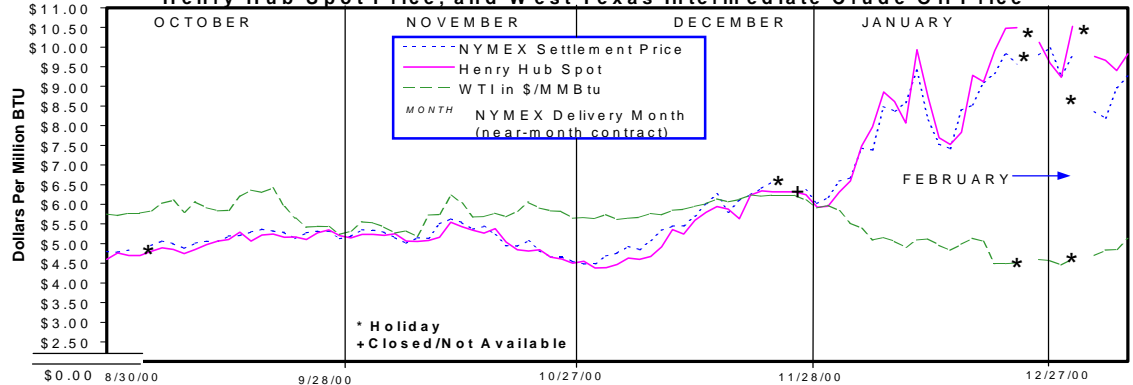


NYMEX Natural Gas Futures Near-Month Contract Settlement Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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

(\$ per MMBtu)

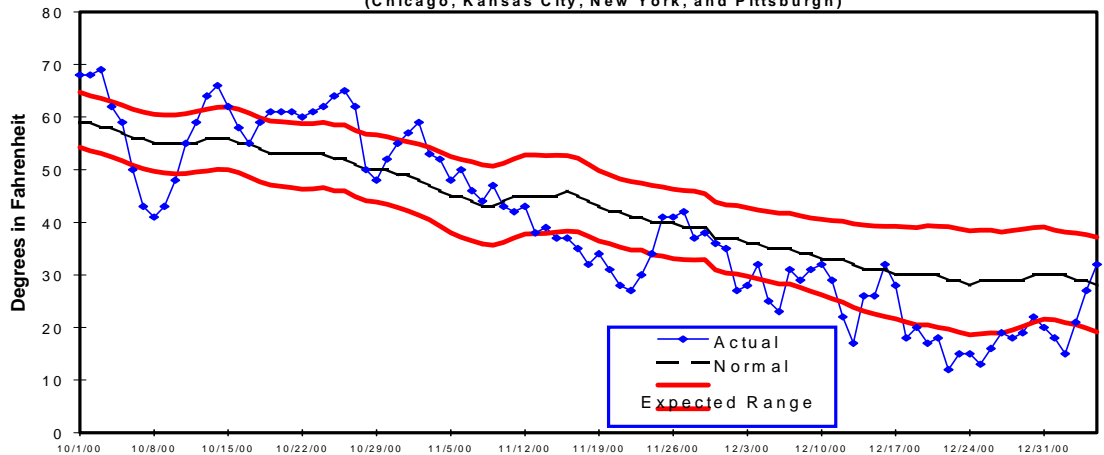
SPOT FUTURES

January February

Del Del

01/01	Holiday	Holiday
01/02	9.35-10.17	8.364
01/03	9.44- 9.89	8.189
01/04	9.18- 9.63	8.966
01/05	9.55-10.10	9.261

Average Temperature for Four Major Gas Consuming Metro Areas (Chicago, Kansas City, New York, and Pittsburgh)



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.

Average Temperature for Four Major Gas Consuming Areas

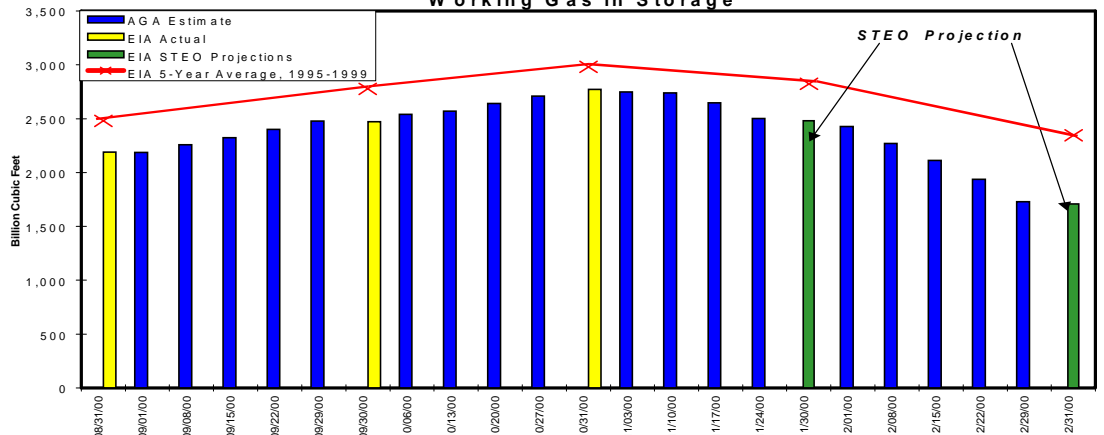
	Actual	Normal	Diff
12/30	22	30	-8
12/31	20	30	-10
01/01	18	30	-12
01/02	15	30	-15
01/03	21	29	-8
01/04	27	29	-2
01/05	32	28	4

Working Gas Volume as of 12/29/00

	BCF	% Full
East	1,033	56
West	286	57
Prod Area	410	43
U. S.	1,729	53

Source: AGA

Working Gas in Storage



Both spot and futures prices fell markedly early in the week, but futures prices changed direction and regained some of their losses on Thursday and Friday, with cash prices following suit on Friday. Temperatures gradually warmed up in many parts of the nation. Composite daily average temperatures for Chicago, Kansas City, New York, and Pittsburgh rose into the 20s on Wednesday and Thursday, and by Friday were 4 degrees above normal—the first above-normal day in 3 weeks. Tuesday saw the largest losses of the week in both spot and futures markets, with the largest drops in cash prices seen in the Northeast and in California and its supply points. At the Henry Hub, Friday's spot prices were down \$0.71 from the previous Friday, at \$9.83 per MMBtu. The NYMEX futures contract for February delivery suffered the largest one-day loss for any near-month contract in the 10-year history of natural gas futures trading when it fell \$1.411 per MMBtu on Tuesday. However, after losing another \$0.175 per MMBtu on Wednesday, the February contract tacked on solid gains on Thursday and Friday to end the week at \$9.261. The spot price of West Texas Intermediate crude oil crept back up over \$28 per barrel for the first time in nearly two weeks, but dropped a nickel below this mark on Friday, ending trading up \$1.20 from the previous Friday at \$27.95 per barrel, or \$4.82 per MMBtu.

Storage: The American Gas Association's (AGA) estimate of 209 Bcf of storage withdrawals for the week ended December 29, 2000 is the largest for any week in the month of December over the 7-year period (1994-2000) that AGA has been publishing weekly estimates. The same is true of the drawdowns of 142 Bcf and 63 Bcf, respectively, in the East and Producing regions. Regional and total withdrawals of these magnitudes are usually seen only in the mid-January to mid-February time frame. For the week ended December 30 the National Weather Service reported that heating degree days for the nation as a whole were over 18 percent greater than normal, and over 20 percent greater than this same week last year. With these unusually large withdrawals, the East region's remaining inventories sank 6 percentage points further below the EIA-estimated 5-year average level (1,451 Bcf) to a deficit of 22.3 percent, while Producing region inventories were nearly 40 percent below the 5-year average.

Spot Prices: Spot prices generally trended down last week, although trading was mixed on Wednesday. Spot prices fell the hardest on Tuesday, dropping from levels reached the previous Friday amid forecasts for frigid weekend temperatures and a major winter "Nor'easter" that did in fact dump a foot or more of snow in many parts of the Northeast. But by Tuesday, with the storm over and with the National Weather Service forecasting an imminent warming trend, prices fell by at least a half-dollar or more at most market locations, with many drops in the \$1-\$3 per MMBtu range. New York citygate prices dropped \$20-plus that day, followed by a further decline of \$6.41 per MMBtu on Wednesday. By the end of the week, with very few exceptions, cash prices were down from the previous Friday. New York citygate prices dropped over \$28 per MMBtu to just under \$11. In California, PG&E citygate prices dropped \$3.18 per MMBtu to \$10.10, while SOCAL prices fell \$3.73 to \$10.60. Chicago prices dropped nearly \$1 to \$9.70 per MMBtu.

Futures Prices: The February contract's record-setting fall on Tuesday took it to \$8.364 per MMBtu, the lowest near-month-contract settlement price since the middle of December. On Wednesday, the February contract dropped another \$0.175 per MMBtu—a surprising reaction to the release of AGA's largest-ever withdrawal estimate for a week in December. On Thursday, the market did an abrupt about face, as the February contract rose above \$9 per MMBtu again before settling at \$8.966. This momentum carried on through Friday trading, with the February contract reaching \$9.261 per MMBtu, thereby gaining back nearly 90 cents of its huge \$1.411 loss on Monday. Likewise, the March contract gained nearly \$1 in the last 2 days of trading, settling at \$8.563 per MMBtu, while the April contract settled at \$6.260, just \$0.031 less than its all-time high price reached the previous Friday.

Summary: Generally warming temperatures, forecasted to continue through the middle of January, caused spot prices to decline from the prior week. Futures prices, down early in the week, regained much of their losses by week's end.