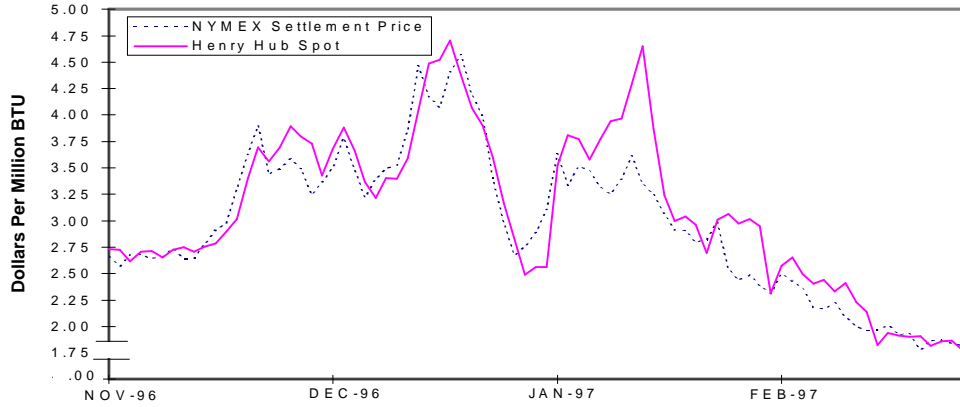


NYMEX Future Prices vs Henry Hub Spot Prices

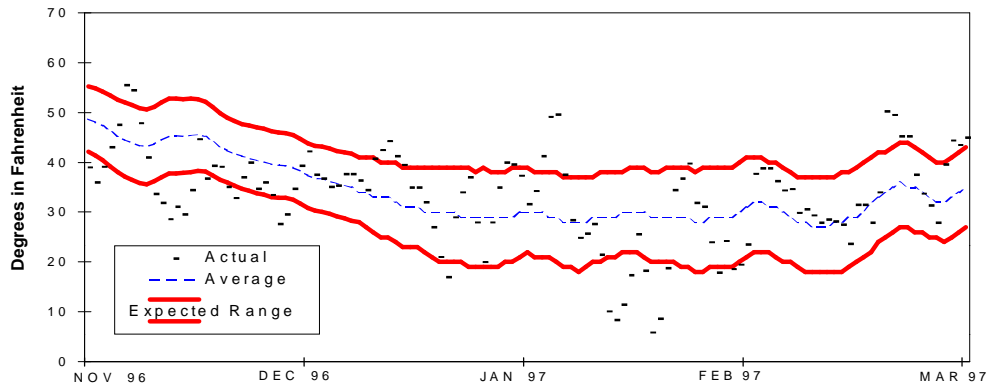
HENRY HUB PRICE		
	CASH	FUTURES
	Feb	Apr/Mar
	Del	Del
	(\$ per MMBtu)	
02/24	1.89-1.93	1.780
02/25	1.80-1.84	1.865
02/26	1.84-1.88	1.874
02/27	1.89-1.94	1.838
02/28	1.75-1.80	1.821



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
02/23	34	34	0
02/24	31	33	-2
02/25	28	32	-4
02/26	40	32	8
02/27	44	33	11
02/28	44	34	10
03/01	45	35	10

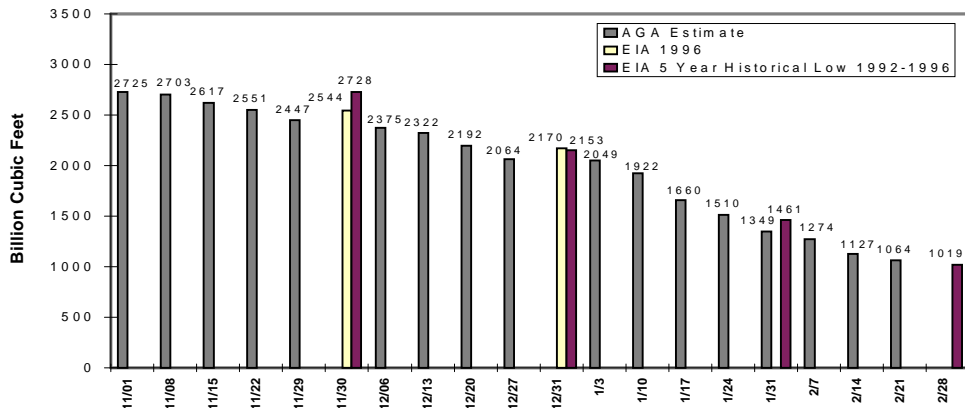


The bounds are computed by adding and subtracting from the average temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for temperatures on a day.

Working Gas In Storage 1996-1997

Working Gas Volume as of 02/21/97		
	BCF	% Full
EAST	629	35
WEST	187	39
Prod Area	248	27
U. S.	1,064	33

Source: AGA



The NYMEX futures price for April delivery at the Henry Hub opened Monday, March 3, at \$1.830 per MMBtu, virtually unchanged from Friday's settlement price. The March futures contract closed on Monday, February 24, at \$1.780 per MMBtu - down almost \$1.00 compared with last year's March contract. Average temperatures in the Midwest and East, as reported in the four major metropolitan covered by this report, were normal to somewhat cooler than normal in the first half of last week, but then matched or exceeded the average 10-year highs for those cities. This return to the mild weather pattern that has been dominant since late January again kept prices on both the spot and futures markets considerably lower than January levels. The price of West Texas crude oil moved down each day and ended the week at \$20.30 per barrel-its lowest level in almost a year. At the same time, the cost of other major space heating fuels (propane and heating oil) continue to decline. With 5 weeks remaining in the heating season, natural gas storage facilities still have more than 33 percent of working gas capacity available.

Storage: Based on the American Gas Association's (AGA) weekly estimate, storage withdrawals for the week ending February 21, were 63 Bcf - almost 85 Bcf less than the previous week. Thus far, almost 75 percent of February's estimated storage withdrawals have come from Eastern storage sites, 209 of 285 Bcf. Still, working gas storage levels in the East Consuming region continue to be over 55 percent greater than last year at this time (629 vs 404 Bcf). A similar situation has occurred in Canada where working gas on hand in the East remains over 50 percent higher than last year (52 vs 34 Bcf).

Spot Prices: On Monday, February 24, the spot price at the Henry Hub was more than \$0.12 per MMBtu higher than the closing price for the March futures contract as buyers gave some indication that they expect future supplies of natural gas to be more robust than at the present. After exceeding \$1.90 per MMBtu on Monday, cash prices at the Henry Hub remained about \$1.85 most days before ending the week below \$1.80. Prices at most other locations were in the \$1.65 to \$1.75 per MMBtu range, but lower prices were available at Opal in Wyoming at \$1.57 per MMBtu and Waha in West Texas at \$1.62.

Futures Prices: The March futures contract for delivery at the Henry Hub closed on Monday, February 24, at \$1.780 per MMBtu, down more than \$0.15 from the previous Friday's settlement price. The March price opened at a high for the day of \$1.93 per MMBtu on the 24th, then dropped to a low of \$1.68 before rallying at the end of the day - a price variability of \$0.25 for the day. Average volatility for the 5 trading days preceding the close of the March contract was \$0.10 per MMBtu. A month earlier, during the 5 days prior to the close of the February contract, the daily volatility was over \$0.17 per MMBtu before the contract closed up \$0.16 at \$2.986 per MMBtu. This combination of less volatility and declining prices could be an indication that buyers are confident that prices will remain stable or continue to decline.

Summary: Temperatures remained warmer than normal in the East most of last week, continuing the low demand for natural gas. The March futures contract closed almost \$1.20 per MMBtu lower than the February contract, and the price of all heating fuels were at their lowest levels of the season.