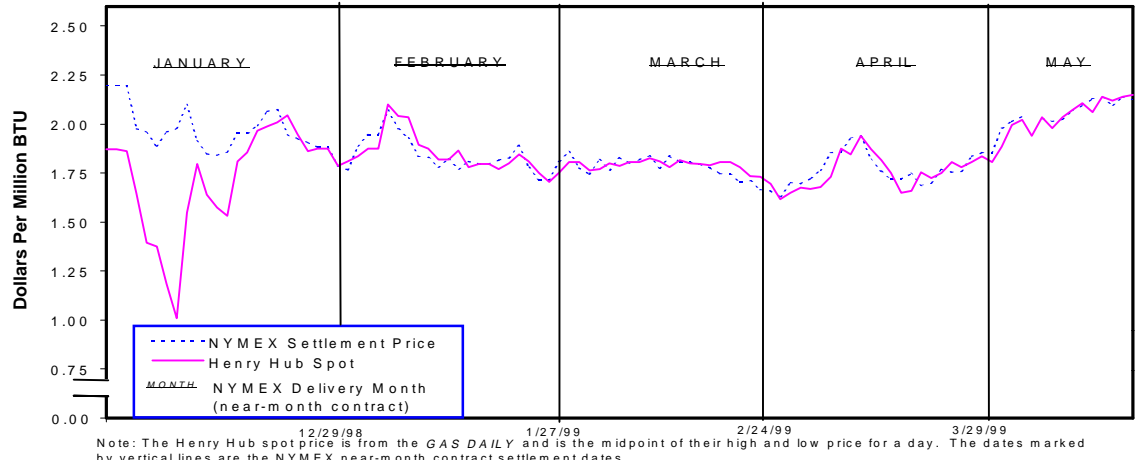


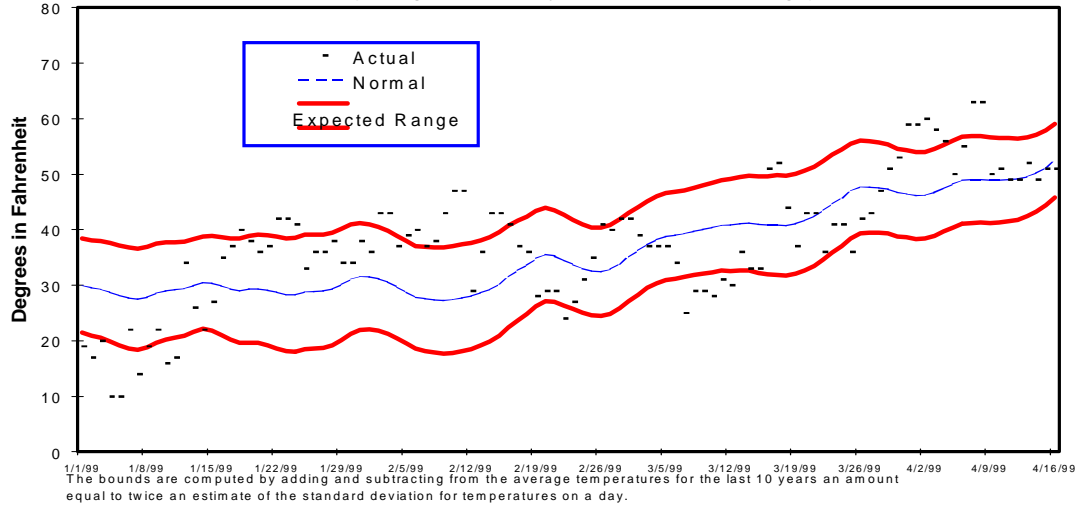
NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE (\$ per MMBtu)		
	SPOT	FUTURES
April		May
Del		Del
4/12	2.05-2.07	2.128
4/13	2.12-2.16	2.136
4/14	2.09-2.15	2.096
4/15	2.13-2.15	2.137
4/16	2.13-2.17	2.124



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

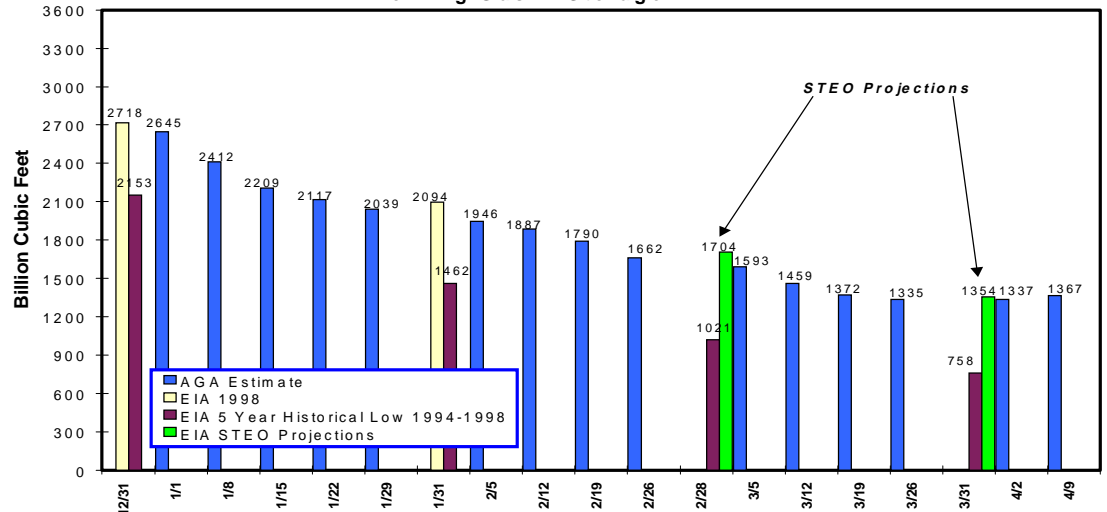
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
4/10	51	49	2
4/11	49	49	0
4/12	49	49	0
4/13	52	50	2
4/14	49	50	-1
4/15	51	51	0
4/16	51	52	-1



Working Gas Volume as of 4/09/99		
	BCF	% Full
EAST	592	33
WEST	236	48
Prod Area	539	57
U. S.	1,367	42

Source: AGA

Working Gas In Storage



The NYMEX futures price for May delivery at the Henry Hub opened Monday, April 19, at \$2.095 per MMBtu, \$0.029 less than Friday's settlement price. Temperatures in many parts of the country were seasonably spring-like, ranging in the 50s to 70s most days last week. The four cities monitored for this report (Chicago, Kansas City, New York, and Pittsburgh) had temperatures that were very near normal for this time of the year. By contrast, winter revisited parts of the upper Midwest, and a cold front dominated temperatures in the Mid-Atlantic and New England late in the week. Spot prices at the Henry Hub were down about 5 cents on Monday, then moved up over the remainder of the week, and by Friday traded for about \$2.15 per MMBtu. The near-month (May) futures contract traded between \$2.05 and \$2.17 per MMBtu all week, then ended the week virtually unchanged at \$2.124. Net additions to storage averaged over 4 Bcf per day in the first full week of April.

Storage: The refill season had its first full week of activity, with the American Gas Association (AGA) reporting that an estimated 30 Bcf was added to working gas storage levels during the week ending Friday, April 9. The refill activity was concentrated in the Consuming East and the Producing regions where 34 and 11 Bcf were added, respectively. The Consuming West region has yet to see a start to the refill season as cool temperatures dominated in many parts of the area in early April. This resulted in withdrawals of an estimated 15 Bcf for the week ended April 9. Overall, the total level of working gas is estimated by AGA to be more than 285 Bcf, or 26 percent, greater than at the same time last year (1,367 vs. 1,081 Bcf). Storage levels in Canada are also higher, by about 17 percent, than last year's levels (192 vs. 164 Bcf).

Spot Prices: Prices softened noticeably on Monday, April 12, with the Henry Hub cash price falling to around \$2.06 per MMBtu, about 5 cents less than on Friday, April 9, after temperatures over the weekend began to warm up in the West and cool off in Florida and along the Gulf Coast into South Texas. As the week progressed, the moderating weather was offset by the return of winter-like temperatures in much of the upper Midwest and an associated cold front that moved eastward into the Mid-Atlantic and Northeast. On Tuesday, Henry Hub cash prices more than made up Monday's lost nickel, then held up well against the near-month futures contract's 4-cent plunge on Wednesday. Support for Gulf Coast prices was coming from increasing Midcontinent demand, and somewhat from Florida Gas Transmission's week-long Zone 1 outage for maintenance. Likewise, although Western temperatures were warming, Midcontinent demand was helping to support prices there and in the Rockies. This surprising strength was reinforced late in the week by a one-day outage at El Paso's Keystone Mainline station, strong AECO-C prices, and the re-opening Friday of Questar's Clay Basin Storage facility, drawing gas into storage and off the market. Likewise, it appears that many utilities in the upper Midwest and New England were choosing to buy spot gas rather than divert scheduled deliveries destined for storage. Consequently, cash prices ended the week on an up note, with Henry Hub prices ranging from \$2.13 to \$2.17 per MMBtu on Friday, April 16.

Futures Prices: Try as it might, the NYMEX futures contract for May delivery at the Henry Hub was unable to break out of a trading range of \$2.05 and \$2.17 per MMBtu last week. Prices dipped near the low end of the range on Monday and Wednesday and were near the high end on Tuesday and Friday. Prices fell to \$2.055 on Monday before ending the day at \$2.128 per MMBtu, up 3 cents from the previous Friday's close of \$2.096. Prices advanced on Tuesday to \$2.136 per MMBtu, then reversed direction abruptly on Wednesday falling to as low as \$2.075 before settling at \$2.096. After quickly regaining the lost pennies on Thursday, the May contract made another run at \$2.17 on Friday, reaching \$2.165 briefly only to fall back to close at \$2.124, just 4 tenths of a cent less than Monday's closing price.

Summary: Spot prices gained gradually as moderating demand in the West and South was offset by colder-than-normal temperatures in parts of the Midwest, Mid-Atlantic, and Northeast. Futures prices, driven primarily by Fund trading and despite a mid-week dip, held at around \$2.13 per MMBtu throughout the week, seemingly awaiting new fundamental signals to determine direction. Relatively strong storage injections in the East consuming region were partially offset by withdrawals in the West, coinciding with cold West Coast temperatures during the week of April 3-9.