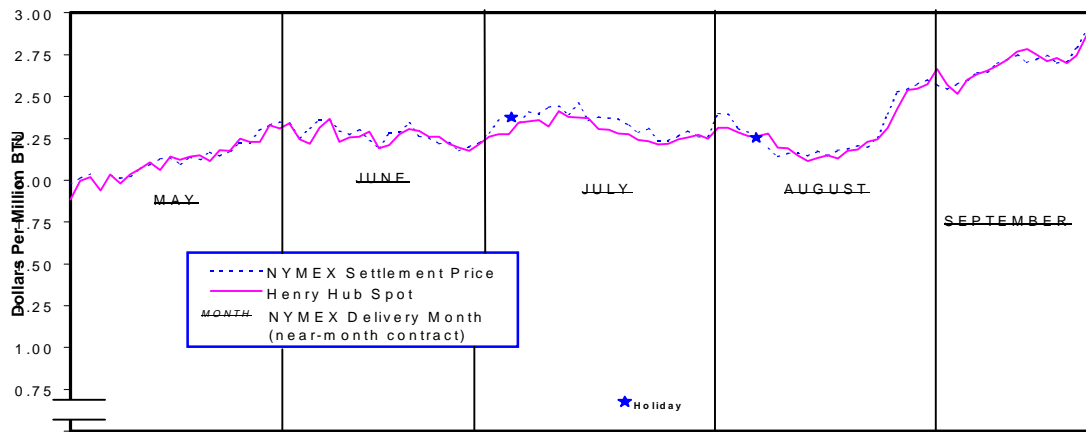


**HENRY HUB PRICE
SPOT FUTURES**
August September
Del Del
(\$ per MMBtu)

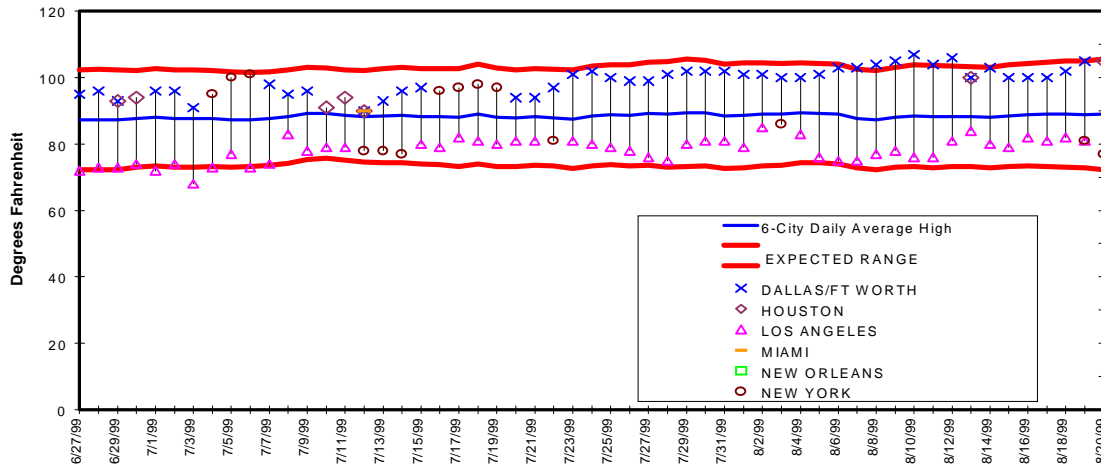
08/16	2.72-2.74	2.700
08/17	2.68-2.72	2.708
08/18	2.73-2.76	2.792
08/19	2.86-2.88	2.898
08/20	2.93-2.99	2.938

NYMEX Future Prices vs Henry Hub Spot Prices



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 dates marked by vertical lines are the NYMEX near-month contract settlement dates.

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

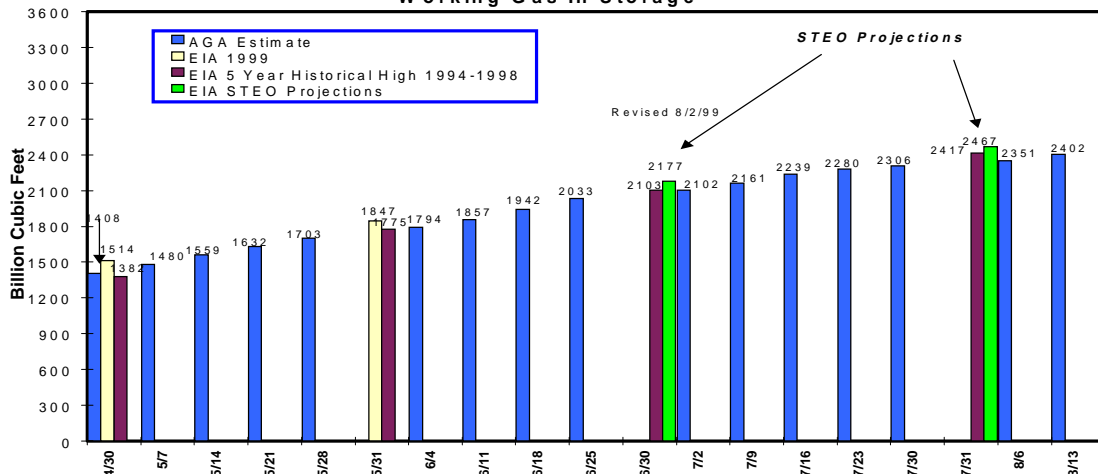


The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

**Average High Temperature for
Six Major Electricity
Consuming Cities**

	Actual	Normal	Diff
08/14	92	88	4
08/15	90	89	1
08/16	91	89	2
08/17	91	89	2
08/18	92	89	3
08/19	92	89	3
08/20	91	89	2

Working Gas In Storage



**Working Gas Volume
as of 08/13/99**

	BCF	% Full
EAST	1290	71
WEST	387	79
Prod Area	725	76
U. S.	2402	74

Source: AGA

The NYMEX futures contract for September delivery at the Henry Hub opened on Monday, August 23 at \$2.910 per MMBtu, \$0.028 less than Friday's settlement price. Although temperatures moderated a bit in the Northeast and some areas of the Midwest last week, both spot and futures prices jumped significantly beginning on Wednesday. Factors included National Weather Service (NWS) reports of two developing tropical storms, and another somewhat weak estimate of net injections to storage. Also, the price of West Texas Intermediate crude oil continued to edge upward, gaining 30 cents to end the week at \$21.70 per barrel, or about \$3.74 per MMBtu. Hurricane Bret made landfall Sunday afternoon in the sparsely-populated south Texas Gulf Coast, with apparently little impact on oil and gas production operations.

Storage: For the week ending Friday, August 13, the American Gas Association (AGA) estimated that net additions to storage were 51 Bcf. This was 6 Bcf more than during the previous week and the highest weekly estimate in a month, bringing the overall AGA-estimated storage level to 2,402 Bcf. The Consuming East accounted for the vast majority of additions with 43 Bcf added. The Consuming West added 7 Bcf, and the Producing region had its first (albeit small) net additions in 3 weeks at 1 Bcf. Despite the net drawdown in recent weeks, AGA estimates that storage capacity in the Producing region is already 76 percent full and is only 7 percent, or 55 Bcf, below last year at the same time (725 Bcf vs. 780 Bcf). At the beginning of last year's heating season, the Producing region reportedly was 97 percent full with 896 Bcf on hand—its highest level in 6 years. The Consuming West was estimated to be 79 percent full with 39 Bcf more gas on hand than last year at the same time (387 vs. 351 Bcf). The Consuming East was reported to have been at 71 percent of capacity with 1,290 Bcf—123 Bcf less than last year's level of 1,413 Bcf. On November 1, 1998, the East was 99 percent full, with 1,763 Bcf in working gas storage.

Spot Prices: On Monday, spot prices in virtually all markets edged upward several cents from Friday's levels, but proceeded to give back most of the gains on Tuesday, as demand associated with the recent high temperatures eased somewhat in Northeast and Midcontinent markets. The exceptions were in the Rockies and Canadian gas at Northwest market locations, where prices increased steadily throughout the week. San Juan basin gas prices were still being supported by the maintenance-related loss of 500 Mmcf per day, with some "spillover effect" on Rockies prices. Rockies and Canadian gas prices were also boosted by increasing demand on SOCAL's system, as well as by more Texas gas "staying home" to fuel the continued heavy electric utility demand for air conditioning. However, beginning Wednesday, as the September futures contract soared, spot prices everywhere soared also. By the end of trading Thursday, spot prices had increased at least 10 cents, and in some locations 20 cents or more, over Monday's levels at virtually every location tracked by Gas Daily. On Friday, after early upward momentum, prices tended to sag from late morning on in most locations, but were still well up from the beginning of the week. At Henry Hub, Friday's mid-range price, at \$2.96 per MMBtu, was up \$0.23 from Monday. Prices at Midcontinent points were over \$2.90, and many Northeast points saw prices well over \$3.00.

Futures Prices: For the week, the NYMEX near-month (September) contract gained almost a quarter of a dollar, settling on Friday at \$2.938 per MMBtu. The movement began on Wednesday when it surged nearly 9 cents to \$2.792 per MMBtu, following reports of a developing tropical depression in the southeastern Gulf of Mexico. Then, after AGA released its weekly storage report showing lower-than-usual injections for the fourth week in a row, trading in natural gas futures on the NYMEX's ACCESS after-hours system set a trading-volume record, with the near-month contract reaching as high as \$2.855 per MMBtu. On Thursday, the near-month contract jumped another 10 cents over the previous day's close, settling at \$2.898, as the depression off southeastern Mexico became the second named Tropical Storm of the season (Bret). By late morning on Friday, it topped 3 dollars, and, though slipping steadily in the afternoon, still was up another 4 cents by Friday's close. The near-month futures contract has not been above \$2.90 since mid-November 1997.

Summary: Temperatures in most parts of the country remained moderate last week but concerns about the effect of the season's first hurricane in the Gulf of Mexico contributed to price increases of close to \$0.25 per MMBtu on both the spot and futures markets. The weekly rate of storage refill increased to more than 50 Bcf in the second week of August. Although AGA-estimated storage levels are 2,402 Bcf, or less than 6 per cent below last year's 5-year-high levels, storage capacity is estimated to be about 74 per cent full.