ENERGY SITUATION ANALYSIS REPORT

April 23, 2002

(next scheduled update: April 24, 2002)

Energy Information Administration
US Department of Energy
Washington, DC 20585
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Petroleum *Natural Gas* *Coal* *Electricity*

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Latest Energy Market Developments

(updated April 23, 2002)

Crude oil prices fell slightly on Monday after five straight days of gains, with the May futures price for West Texas Intermediate (WTI) on the NYMEX falling to $26.27 per barrel. Prices fell after Saudi Arabia again reassured markets on Monday that OPEC would make up for any lost flows resulting from Iraq's oil embargo. Even with this decline, WTI prices on the NYMEX have gained $2.80 per barrel (12%) since April 12.

Topics affecting **world oil markets** include:

- OPEC Secretary General Ali Rodriguez began working as the new president of Venezuelan state oil company PdVSA on Monday, although he will also remain as Secretary-General through OPEC's June 26 meeting. Venezuela's government and executives from PdVSA on Monday agreed on a new board of directors that both sides hope will end six weeks of disputes over the state oil firm's management. Operations and exports appear to have returned to normal levels after serious political and labor unrest last week.
- Iraq's unilateral embargo of its U.N.-sanctioned "Oil-for-Food" oil exports, announced and enacted on April 8, continues, and Iraqi President Saddam Hussein reportedly is considering an extension. In addition, Iraq called on Monday for Arab producers to cut output by 50%, and to cut exports to the United States and Israel altogether. To date, no other country has joined the Iraqi oil embargo.
- Indonesia's state oil company Pertamina and others have paid premiums on spot markets for alternative supplies to replace lost Iraqi oil. Taiwan's CPC and the Indian Oil Corporation are also looking for additional oil, with CPC considering cutting throughput at its Kaohsiung refinery.
- OPEC 10 (excluding Iraq) crude oil production rose to 22.92 million barrels a day in March, up from 22.55 million barrels per day in February, according to OPEC's April *Monthly Oil Market Report*. The March output levels are 1.2 million barrels per day above the current output target of 21.7 million barrels per day.
- Russia, the world's second-largest oil exporter, will not extend cuts in its crude oil output after June, Russian Finance Minister Alexei Kudrin said on Monday in a speech to the U.S.-Russia Business Council. Russia had agreed to help OPEC stabilize world oil prices by cutting its exports by 150,000 barrels per day from January through June 2002.
- Saudi Arabia's oil minister, Ali Naimi, said Monday that he is satisfied with the current level of world oil prices and sees no shortage of oil in the market. He noted that global oil inventory levels hold the key to OPEC's next move, and that the current inventory level "is fairly good".

Other recent developments in **U.S. energy markets** include:

- While crude oil prices have fluctuated, mostly upward, in recent weeks, U.S. coal prices have either fallen or held relatively steady.
- Wholesale electricity prices increased in the Northeast. Unlike last week's increase in price to meet increased cooling demand, the current increase in price is in response to increased heating demand as temperatures have cooled down substantially from last week.
- The retail price for regular motor gasoline stayed static this week, staying at $1.404 per gallon after dropping to that level last week. This price is 21.5 cents per gallon lower than last year. Prior to last week's drop, prices had been flat or rising for the previous 8 weeks.
- Monday's trading saw spot prices for natural gas more than make up for Friday's (April 19) pre-weekend downturn, as the return of wintry weather in northern tier states teamed with continuing elevated temperatures across much of the southern tier to boost natural gas demand.

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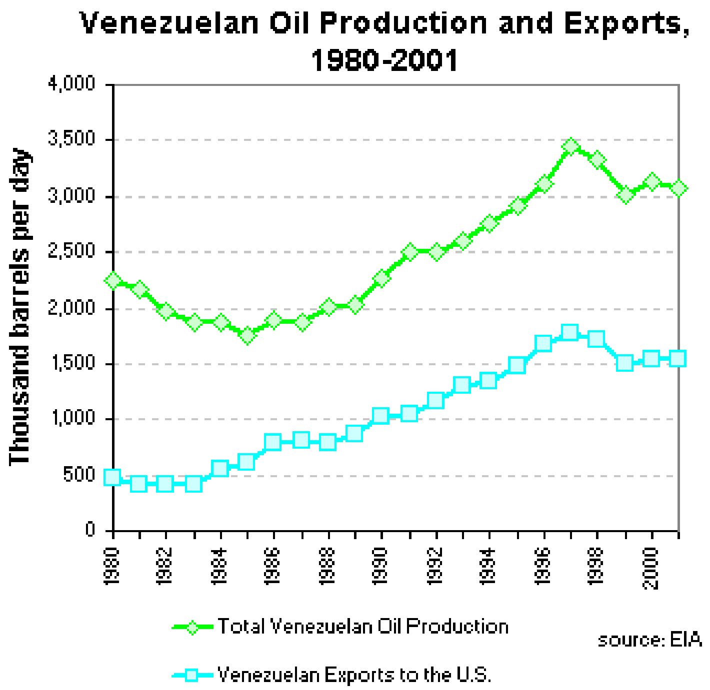
Special Topic -- Basic Facts on Venezuela

(updated April 15, 2002)

Venezuela, OPEC's only member located in the Western Hemisphere, has ranked consistently in the last several years as one of the four top sources of U.S. oil imports (along with Canada, Mexico, and Saudi Arabia). Venezuelan exports to the U.S. peaked in 1997 at about 1.8 million barrels per day. While total US petroleum imports have risen by about 1.5 million barrels per day since 1997, imports from Venezuela have decreased by about 235,000 barrels per day. In 1997, Venezuelan imports accounted for over 17% of total U.S. imports, whereas they accounted for about 13% of that total in 2001.



In 1998, OPEC began implementing a series of output restrictions that ultimately are credited with ending the "oil glut" that saw prices spiral downwards in 1997-1998. Also in 1998, Hugo Chavez was elected president of Venezuela. Venezuela had a history of poor quota compliance prior to and through 1998, but the country (under the Chavez administration) showed markedly increased compliance to OPEC quotas.

Venezuela has an estimated 15-20 million barrels of oil in storage. PdVSA began storing oil in April 2001, to help the country meet its OPEC production quota reductions.

The labor disputes at PdVSA that were reducing Venezuelan oil output began in January, when Chavez replaced the head of PdVSA with a more loyal appointee. In February, five of PdVSA's seven board members were replaced with people considered more loyal to Chavez. The recent full-scale nationwide strike, which began on April 9, was in reaction to those replacements. In what is seen as a conciliatory gesture to PdVSA employees, Chavez accepted the resignations of PdVSA president Gaston Parra and the entire Board of Directors shortly after being reinstated as president on April 14.

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Special Topic -- Basic Facts on Iraq

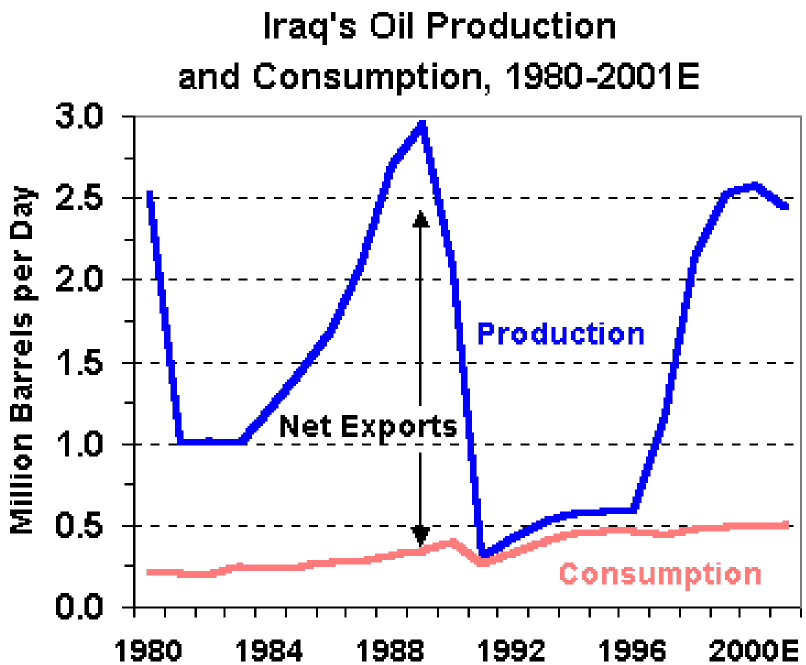
(updated April 9, 2002)

While Iraq's weekly export levels fluctuate, the country remains an important world oil player, with net exports so far this year of about 1.7 million barrels per day. The United States is the largest single market for Iraqi oil, with almost half of Iraqi oil exports bound for the United States in 2001. Imports from Iraq accounted for an average 8% of total U.S. imports in 2001. In 2001, Iraq was the sixth-largest source of U.S. crude oil imports, behind Saudi Arabia, Mexico, Canada, Venezuela, and Nigeria.

The current phase of the "Oil-for-Food" program expires at the end of May 2002. Temporary downturns in Iraqi exports in association with program rollovers are common. Iraqi efforts to generate oil revenues outside the United Nations' "Oil-for-Food" program continue. A U.S./U.K. effort to end Iraq's practice of adding a surcharge on top of the sales price for its oil appears to be having an effect. Iraq had been charging a sales price low enough that its crude oil would still be priced competitively with a small surcharge added. Only the sales price would go into the UN "Oil-for-Food" account, while the surcharge could support the Iraqi government.

In order to prevent this practice, the U.S./U.K. launched an initiative to price Iraqi crude retroactively. The one-month time lag allows the UN to know exactly how much should be paid for any given shipload of Iraqi crude. However, it also requires traders to buy and begin to transport the oil before they know how much the shipment will be worth. This could explain Iraq's reduced exports in recent weeks. In February, retroactive pricing for Asian delivery was dropped, while it remains in effect for European and American delivery.

In addition to the pricing scheme, Iraqi methods of circumventing UN sanctions reportedly include secretly piping oil to Syria. Suspicions continue that the long-dormant pipeline between Iraq and Syria now is in use to export Iraqi oil, unobserved by the UN.



Note: Production includes crude oil, lease condensate, natural gas liquids, ethanol, and refinery gain.

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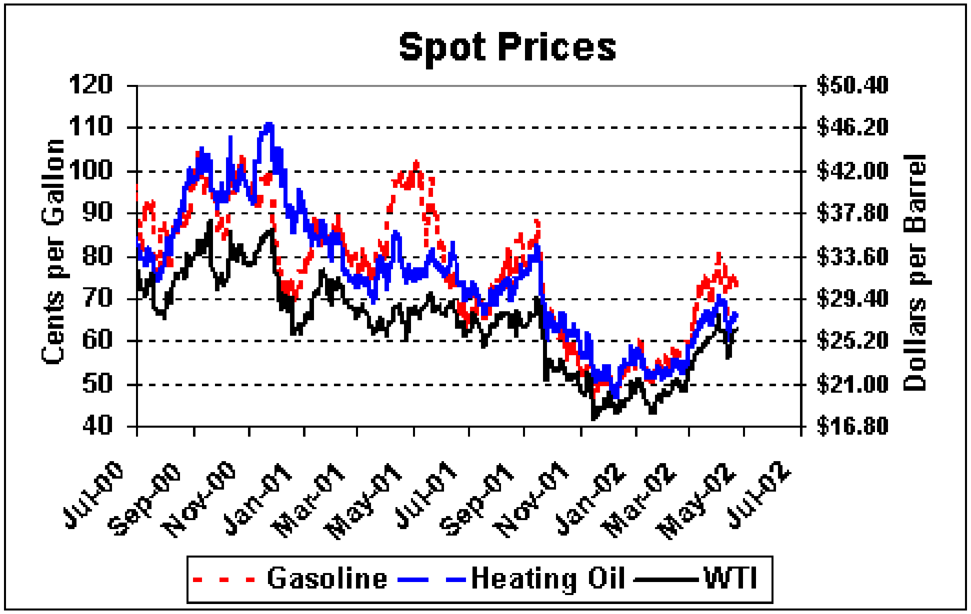
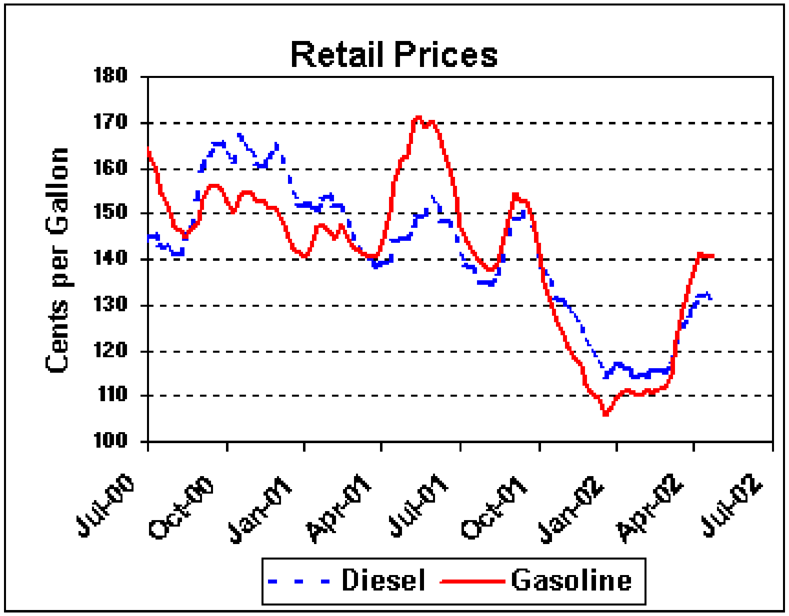
U.S. Petroleum Prices

(updated April 23, 2002)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

Crude Oil and Oil Products Price Table

Date	WTI Crude Oil Spot Cushing	WTI Crude Oil Futures	Gasoline Spot NYH	Gasoline Futures	Heating Oil Spot NYH	Heating Oil Futures	Kerojet Spot NYH	Propane Spot Mt. Belvieu	Propane Spot Conway	EIA Weekly Retail US Average Gasoline	EIA Weekly Retail US Average Diesel
	$/bbl	$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
3/5/2002	$23.18	$23.17	62.90	73.10	59.93	60.14	61.09	35.13	32.82		
3/6/2002	$23.32	$23.15	64.05	74.03	59.75	59.93	60.50	35.44	32.57		
3/7/2002	$23.62	$23.71	66.50	76.38	61.53	61.89	62.78	37.38	35.00		
3/8/2002	$23.87	$23.84	67.60	76.81	61.85	61.94	63.20	37.13	34.25		
3/11/2002	$24.36	$24.31	70.34	79.10	62.85	63.45	64.25	38.63	35.13	122.3	121.6
3/12/2002	$24.55	$24.20	72.38	78.54	64.40	63.49	65.60	37.88	35.25		
3/13/2002	$24.14	$24.16	71.63	79.20	64.15	64.82	65.43	37.82	34.63		
3/14/2002	$24.48	$24.56	71.85	79.95	63.73	65.70	65.18	37.88	34.88		
3/15/2002	$24.47	$24.51	72.63	80.90	64.28	64.76	65.73	38.26	35.32		
3/18/2002	$25.03	$25.11	75.28	83.36	66.00	66.48	67.40	38.07	35.75	128.8	125.1
3/19/2002	$25.02	$24.88	74.23	83.16	66.20	66.12	67.30	39.63	37.13		
3/20/2002	$24.92	$24.90	72.30	81.92	65.60	66.57	66.60	39.82	37.57		
3/21/2002	$25.74	$25.61	73.88	82.93	66.80	67.14	67.80	38.69	37.00		
3/22/2002	$25.56	$25.35	70.82	80.08	64.83	65.27	65.45	39.69	38.25		
3/25/2002	$25.69	$24.99	69.55	78.81	63.60	64.16	64.60	39.00	37.75	134.2	128.1
3/26/2002	$25.75	$25.36	70.81	80.08	65.23	65.68	66.26	39.75	38.25		
3/27/2002	$25.79	$25.87	74.55	82.05	66.40	66.72	67.80	40.50	39.63		
3/28/2002	$26.21	$26.31	74.88	82.49	67.05	66.89	67.95	40.63	41.00		
3/29/2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
4/1/2002	$26.82	$26.88	78.25	84.90	68.40	68.69	68.05	42.38	41.88	137.1	129.5
4/2/2002	$27.75	$27.71	80.15	86.98	70.65	70.95	72.75	44.82	44.63		
4/3/2002	$27.55	$27.56	76.35	84.84	70.40	70.83	72.50	44.38	44.25		
4/4/2002	$26.64	$26.58	74.75	82.33	68.40	68.66	70.50	44.01	44.50		
4/5/2002	$26.21	$26.21	73.70	81.70	68.15	68.22	70.05	43.00	42.19		
4/8/2002	$26.16	$26.54	77.57	84.19	69.57	69.30	71.20	43.82	42.94	141.3	132.3
4/9/2002	$25.45	$25.82	75.13	83.39	66.80	67.80	68.50	41.19	40.13		
4/10/2002	$26.15	$26.13	76.00	83.44	67.35	67.84	68.98	41.00	40.13		
4/11/2002	$24.93	$24.99	72.53	78.87	64.73	64.71	66.50	39.00	37.69		
4/12/2002	$23.51	$23.47	66.48	72.96	60.03	60.05	61.93	38.07	36.63		
4/15/2002	$24.53	$24.57	73.00	78.63	63.07	63.34	65.09	39.50	38.00	140.4	132.0
4/16/2002	$24.92	$24.75	74.73	79.29	64.23	63.78	66.25	39.50	38.00		
4/17/2002	$25.94	$25.94	74.70	80.77	65.10	65.40	67.25	40.25	38.75		
4/18/2002	$25.86	$26.18	74.57	81.13	65.30	65.58	67.25	41.13	39.13		
4/19/2002	$26.43	$26.38	73.95	80.40	65.65	65.91	67.75	40.38	37.88		
4/22/2002	$26.28	$26.27	72.82	79.02	65.55	65.81	67.65	41.00	38.50	140.4	130.4

Source: Spot and futures closing quotes as reported by Reuters News Service, retail prices reported by EIA

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Latest U.S. Weekly EIA Petroleum Information

(updated April 23, 2002)

As the World Turns

Beginning with Iraq's announcement on April 8 that it would suspend oil exports under the U.N. "Oil-for-Food" program for at least 30 days or until Israel withdrew from the West Bank, it was a lively period for oil markets. A national strike in Venezuela, the fourth largest crude oil import source to the United States, led to a drop in oil production and shipments. With world events unfolding rapidly before our eyes, so are oil markets. Whereas U.S. total commercial petroleum inventories (excluding those in the Strategic Petroleum Reserve) for the week ending April 5 were 58 million barrels more than year-ago levels, just one week later, they are 43 million barrels higher than year-ago levels. This gap should continue to close throughout the rest of this month and into May, when we will likely see a deficit to year-ago levels for the first time since the week ending December 29, 2000! This should occur since, while markets are currently tightening, last year the reverse was true, with a 40 million barrel build in April and a 35 million barrel build in May. What's different?

First, crude oil imports are down considerably this year compared to last year. Over the last four weeks, crude oil imports are down 1.1 million barrels per day from the same period last year. While delays in oil exports from Venezuela early this month almost certainly impacted the import data last week to some degree, most of the reason for the crude oil import deficit rests with OPEC's decision to cut their quotas by 1.5 million barrels per day (effective on January 1), which has clearly reduced imports into the United States. Assuming a 40-45 day lag for oil to be shipped from the Persian Gulf to the United States, EIA was expecting a decline in crude oil imports beginning in mid-February. Over the last nine weeks, beginning with the week ending February 15, crude oil imports into the United States have done just that, averaging 8.3 million barrels per day, down about 0.4 million barrels per day from the preceding nine-week period. While this doesn't sound like too large a decline, it varies greatly from what has occurred in recent years. A similar comparison last year would have seen an increase of 0.4 million barrels per day, while in 2000, we would have seen an increase of 0.5 million barrels per day. So, at a time when imports are usually increasing to supply increased refinery production as the gasoline season begins, this year, crude oil imports are declining. And while crude oil inventories started this period in much better position than in the previous two years, at this rate, it won't be long until crude oil inventories become tight once again, thus putting more pressure on crude oil prices.

Second, petroleum demand seems to be increasing. While the United States is still experiencing deficits to year-ago demand levels, largely due to last year's special circumstances, this gap is also closing. Over the most recent four-week period, demand is now just 1.3% below year-ago levels, and generally increasing as the economy continues to rebound from the downturn experienced last year. EIA is expecting total demand to continue to increase compared to year-ago levels throughout the remainder of the year. If this happens, it will represent a difference to the pattern seen in 2001, and result in added price pressure.

Jet Fuel Demand Nears Year-Ago Levels

An example of the improving situation in petroleum demand is jet fuel. Jet fuel demand continues to rebound from year-ago levels, averaging 1.6 million barrels per day over the last four-week period or less than 4% below the comparable period last year. The last time jet fuel demand was this close to a prior-year level was the week ending August 17, 2001, when demand was less than 2% below the prior year period. But if jet fuel demand continues to close the gap from the effects of the September 11 terrorists' attacks, it may act as a barometer for future growth in petroleum product demand as the U.S. economy continues to rebound from its recent downturn.

Retail Gasoline Prices Stay Put

The retail price for regular motor gasoline was static this week, staying at $1.404 per gallon after dropping to that level last week. This price is 21.5 cents lower than last year. Prior to last week's drop, prices had been flat or rising for the previous 8 weeks. Prices remained rather stable throughout the country, with New England and the Central Atlantic seeing slight increases (1.0 and 0.8 cents), while the rest of the country stayed flat or saw slight decreases. Prices in the Midwest stayed flat at $1.379 per gallon. While inventories are currently above last year's level and barely below the 5-year average level, they did experience a decrease last week. In addition to inventory levels, ongoing strife in major crude oil producing regions such as the Middle East and Venezuela as well as OPEC's reluctance to raise their quota in the coming months have the potential to disrupt crude oil and product markets over the coming months. For further information, see the Summer Motor Gasoline Outlook, released on April 8, which anticipates that gasoline prices are likely to rise further, although they are expected at this time to remain below levels seen the last two years. However, with the season just beginning it is difficult to know how events will unfold this summer. Last year, after rising in the spring and then falling in the middle of summer, gasoline prices rose again towards the end of summer.

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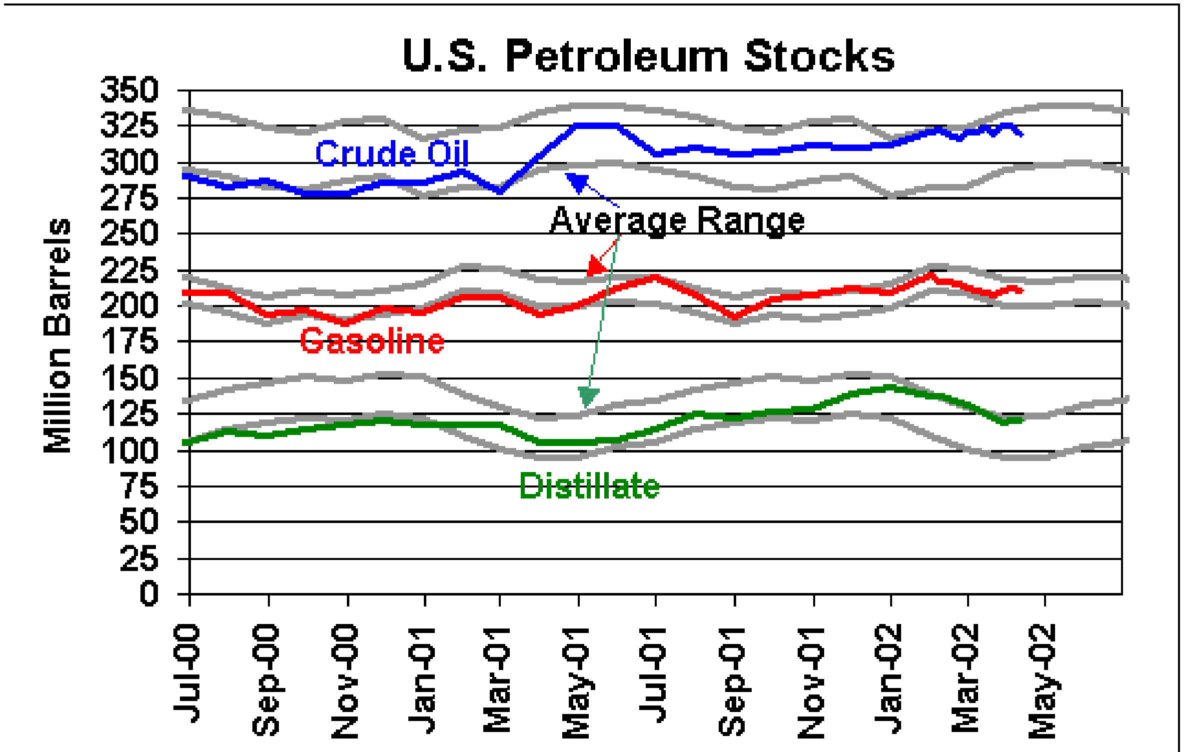
U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending		vs. Year Ago	
	4/12/2002	4/12/2001	Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,821	14,994	-173	-1.2%
Operable Capacity	16,800	16,642	158	0.9%
Operable Capacity Utilization (%)	89.2%	91.5%	-2.3%	
Production				
Motor Gasoline	8,255	8,153	102	1.2%
Jet Fuel	1,519	1,526	-7	-0.5%
Distillate Fuel Oil	3,497	3,551	-54	-1.5%
Imports				
Crude Oil (incl. SPR)	8,525	9,612	-1,087	-11.3%
Motor Gasoline	795	689	106	15.3%
Jet Fuel	137	148	-11	-7.5%
Distillate Fuel Oil	209	327	-118	-36.1%
Total	10,896	12,087	-1,191	-9.9%
Exports				
Crude Oil	33	24	9	35.1%
Products	917	924	-7	-0.7%
Total	950	948	2	0.2%
Products Supplied				
Motor Gasoline	8,678	8,505	173	2.0%
Jet Fuel	1,623	1,686	-63	-3.7%
Distillate Fuel Oil	3,749	4,001	-252	-6.3%
Total	19,509	19,774	-265	-1.3%

			vs. Year Ago	
Stocks (Million Barrels)	4/12/2002	4/12/2001	Diff.	% Diff.

Stocks (Million Barrels)	4/12/2002	4/12/2001	Diff.	% Diff.
Crude Oil (excl. SPR)	319.4	312.1	7.3	2.3%
Motor Gasoline	211.1	196.2	14.9	7.6%
Jet Fuel	39.8	40.0	-0.2	-0.5%
Distillate Fuel Oil	120.1	105.0	15.1	14.4%
Total (excl. SPR)	992.3	949.6	42.7	4.5%



Source: Energy Information Administration, Weekly Petroleum Status Report, Petroleum Supply Monthly.

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World Oil Market Highlights

(updated April 22, 2002)

According to second quarter 2002 estimates, the world holds about 7 million barrels per day of excess oil production capacity outside of Iraq, over 90% of which lies in OPEC countries. As of April 22, 2002, the U.S. Strategic Petroleum Reserve (SPR) contained 564.9 million barrels of oil. The SPR has a maximum drawdown capability of 4.18 million barrels per day for 90 days, with oil beginning to arrive in the marketplace 15 days after a presidential decision to initiate a drawdown.

Major Sources of U.S. Petroleum Imports, 2001* (all volumes in million barrels per day)			
	Total Oil Imports	**Crude Oil Imports**	**Petroleum Product Imports**
Canada	1.79	1.32	0.47
Saudi Arabia	1.66	1.61	0.05
Venezuela	1.54	1.28	0.26
Mexico	1.42	1.38	0.04
Nigeria	0.86	0.81	0.04
Iraq	0.78	0.78	0.00
Norway	0.33	0.27	0.06
Angola	0.32	0.31	0.07
United Kingdom	0.31	0.23	0.08
Total Imports	11.62	9.15	2.47

** Table includes all countries from which the U.S. imported more than 300,000 barrels per day in 2001.*

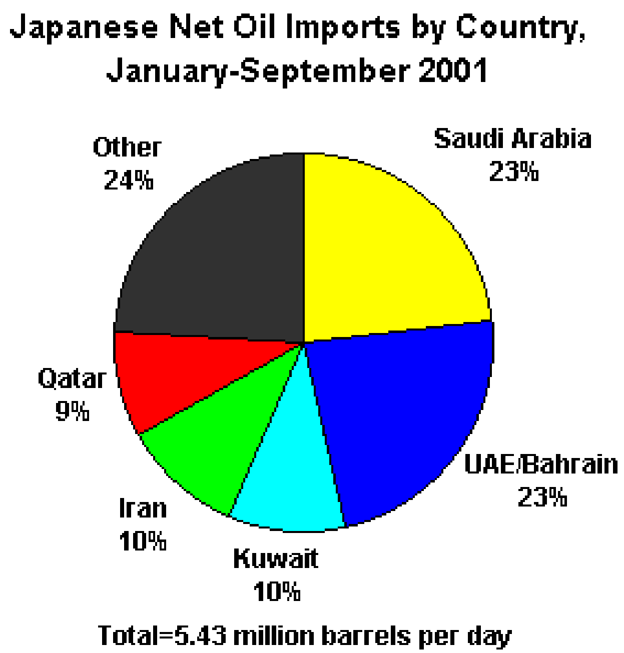
Top World Oil Net Exporters, 2001*		
	Country	**Net Exports (million barrels per day)**
1)	Saudi Arabia	7.38
2)	Russia	4.76
3)	Norway	3.22
4)	Iran	2.74
5)	Venezuela	2.60
6)	United Arab Emirates	2.09
7)	Nigeria	2.00

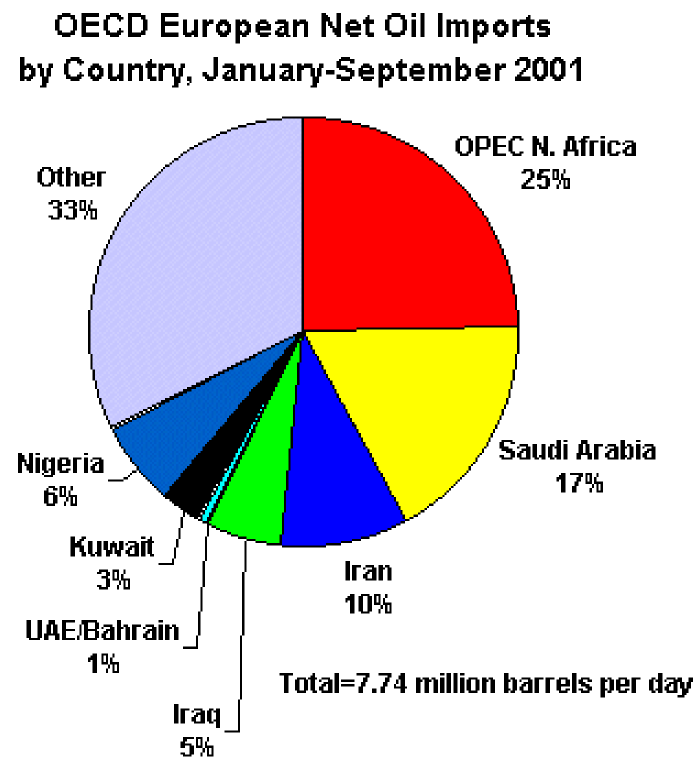
8)	Iraq	2.00
9)	Kuwait	1.80
10)	Mexico	1.65
11)	Libya	1.24
12)	Algeria	1.24

**Table includes all countries with net exports exceeding 1 million barrels per day in 2001.*

During 2001, about 48% of U.S. crude oil imports came from the Western Hemisphere (19% from South America, 15% from Mexico, 14% from Canada), while 30% came from the Persian Gulf region (18% from Saudi Arabia, 9% from Iraq, 3% from Kuwait).

In general, OECD Europe depends far more heavily on the Persian Gulf and North Africa for oil imports than the United States. During the first nine months of 2001, about 36% of OECD Europe's net oil imports came from the Persian Gulf (mainly Saudi Arabia, Iran, Iraq, and Kuwait), around one-third from Africa (mainly Libya, Algeria, and Nigeria), and much of the remainder from Russia. Japan receives over three-quarters of its oil supplies from the Persian Gulf (mainly the UAE, Saudi Arabia, Kuwait, Iran, and Qatar) with the remainder coming from Indonesia, China, and other sources.





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Latest U.S. Weekly Natural Gas Information

(updated April 23, 2002)

Industry/Market Developments

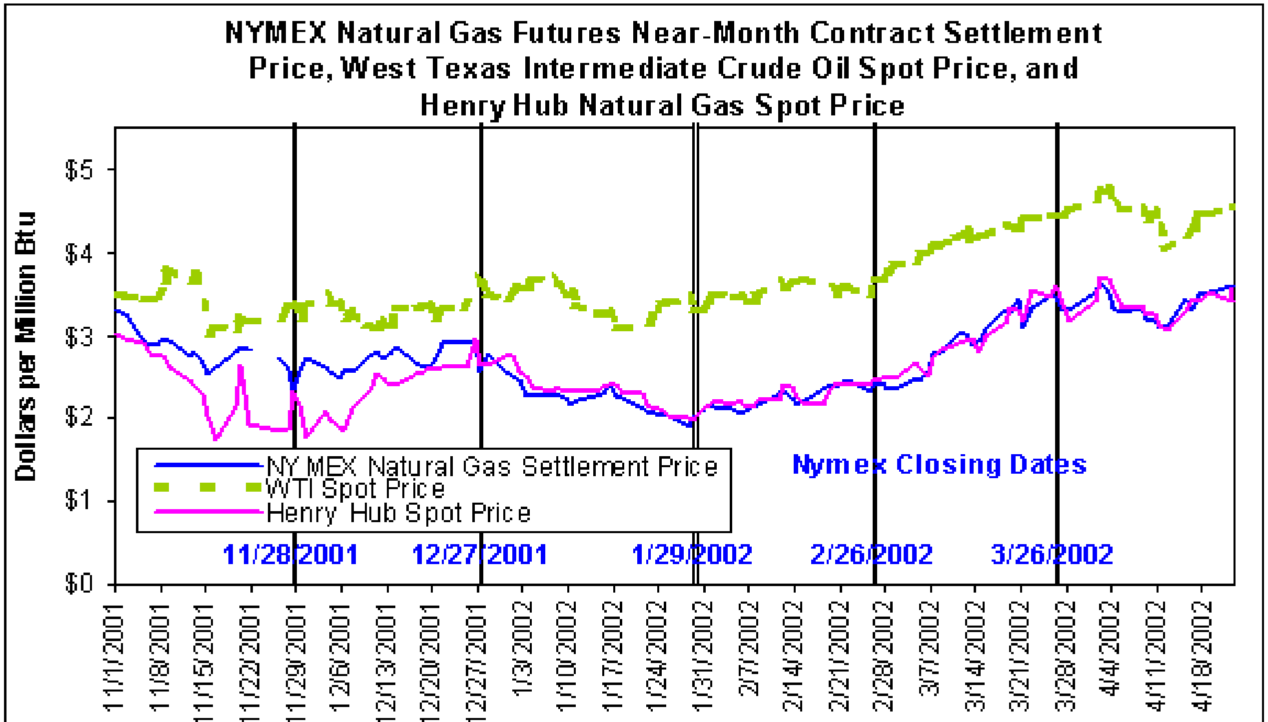
Update on EIA weekly storage data series: The Energy Information Administration (EIA) will begin releasing weekly estimates of natural gas in underground storage for the United States and three regions of the United States on May 9, 2002. This new survey ensures that there will be no lapse in coverage of this important market indicator, since a similar weekly survey conducted by the American Gas Association (AGA) will be discontinued with their final release of weekly storage estimates on May 1, 2002 (with data for April 26). General information on the weekly storage survey, including weekly release time, a sample of the presentation format, EIA's policy on using automated retrieval programs (or robots) against the EIA site, and related information products is available at http://tonto.eia.doe.gov/oog/info/ngs/information.html. A paper discussing the Form EIA-912, "Weekly Underground Natural Gas Survey" and the estimation methods used will be available through this Web site on May 1, 2002. A second paper, comparing the AGA and EIA surveys and methods, will be available through this Web site on May 9, 2002.

Prices:

Monday's trading saw spot prices more than make up for Friday's (April 19) pre-weekend downturn, as the return of wintry weather in northern tier States teamed with continuing elevated temperatures across much of the southern tier to boost natural gas demand. Price increases ranged between 15 to 30 cents per

MMBtu at most locations. At the Henry Hub, the average spot price increased $0.18 to $3.58 per MMBtu. The Rocky Mountains region continued to experience heightened price variability, as price increases ranging from 39 to as much as 59 cents at most locations there led the nation. In Florida, temperatures ranging up to the low 90s kept demand for air conditioning load strong and prompted Florida Gas Transmission (FGT) to issue an Overage Alert Day notice. The FGT citygate price responded by moving up 17 cents per MMBtu to $4.17-topping $4.00 per MMBtu for the first time in over 2 weeks.

On the NYMEX, futures prices for contracts for delivery through the end of this storage refill season (October 2002) continued an upward trend for the fourth straight trading session. After gaining a cumulative $0.402 per MMBtu during last week's trading, the near-month contract (May delivery) began this week with an increase of $0.069 per MMBtu to settle at $3.596 yesterday. As of yesterday's market closing, the highest-priced gas through the end of the next heating season was for January 2003 delivery, as the January 2003 futures contract settled at $4.133 per MMBtu.



Note: The West Texas Intermediate crude oil price, in dollars per barrel, 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.

Source: *NGI's Daily Gas Price Index* (http://intelligencepress.com)

All prices in $ per MMBtu	Southern California Bdr. Average	PG&E Citygate	Henry Hub	New York Citygate	Chicago Citygates	NYMEX futures contract- May delivery	NYMEX futures contract- June delivery
3/22/2002	3.53	3.60	3.54	3.99	3.69	3.356	3.386
3/25/2002	3.47	3.60	3.45	3.81	3.55	3.462	3.484
3/26/2002	3.57	3.67	3.59	3.89	3.65	3.374	3.394
3/27/2002	3.31	3.38	3.38	3.67	3.39	3.290	3.315
3/28/2002	3.14	3.14	3.19	3.65	3.22	3.283	3.309
3/29/2002	3.14	3.14	3.19	3.65	3.22	closed	closed
4/1/2002	3.32	3.23	3.42	3.80	3.46	3.531	3.549
4/2/2002	3.59	3.54	3.72	4.12	3.76	3.654	3.674
4/3/2002	3.60	3.54	3.68	4.07	3.69	3.506	3.528
4/4/2002	3.50	3.47	3.56	4.08	3.61	3.333	3.371
4/5/2002	3.14	3.17	3.31	3.80	3.34	3.275	3.313
4/8/2002	3.26	3.23	3.36	3.72	3.40	3.327	3.365
4/9/2002	3.17	3.16	3.25	3.59	3.28	3.201	3.240
4/10/2002	3.21	3.15	3.25	3.59	3.28	3.184	3.223
4/11/2002	3.09	3.06	3.14	3.56	3.17	3.103	3.141
4/12/2002	2.67	2.68	3.08	3.35	3.09	3.125	3.163
4/15/2002	3.17	3.18	3.27	3.74	3.30	3.430	3.465
4/16/2002	3.35	3.35	3.43	3.88	3.44	3.294	3.329
4/17/2002	3.28	3.28	3.40	3.76	3.38	3.477	3.511
4/18/2002	3.36	3.35	3.51	3.81	3.50	3.485	3.523
4/19/2002	3.01	3.04	3.40	3.68	3.41	3.527	3.562
4/22/2002	3.42	3.34	3.58	3.97	3.59	3.596	3.616

Source: NGI's Daily Gas Price Index (http://intelligencepress.com)

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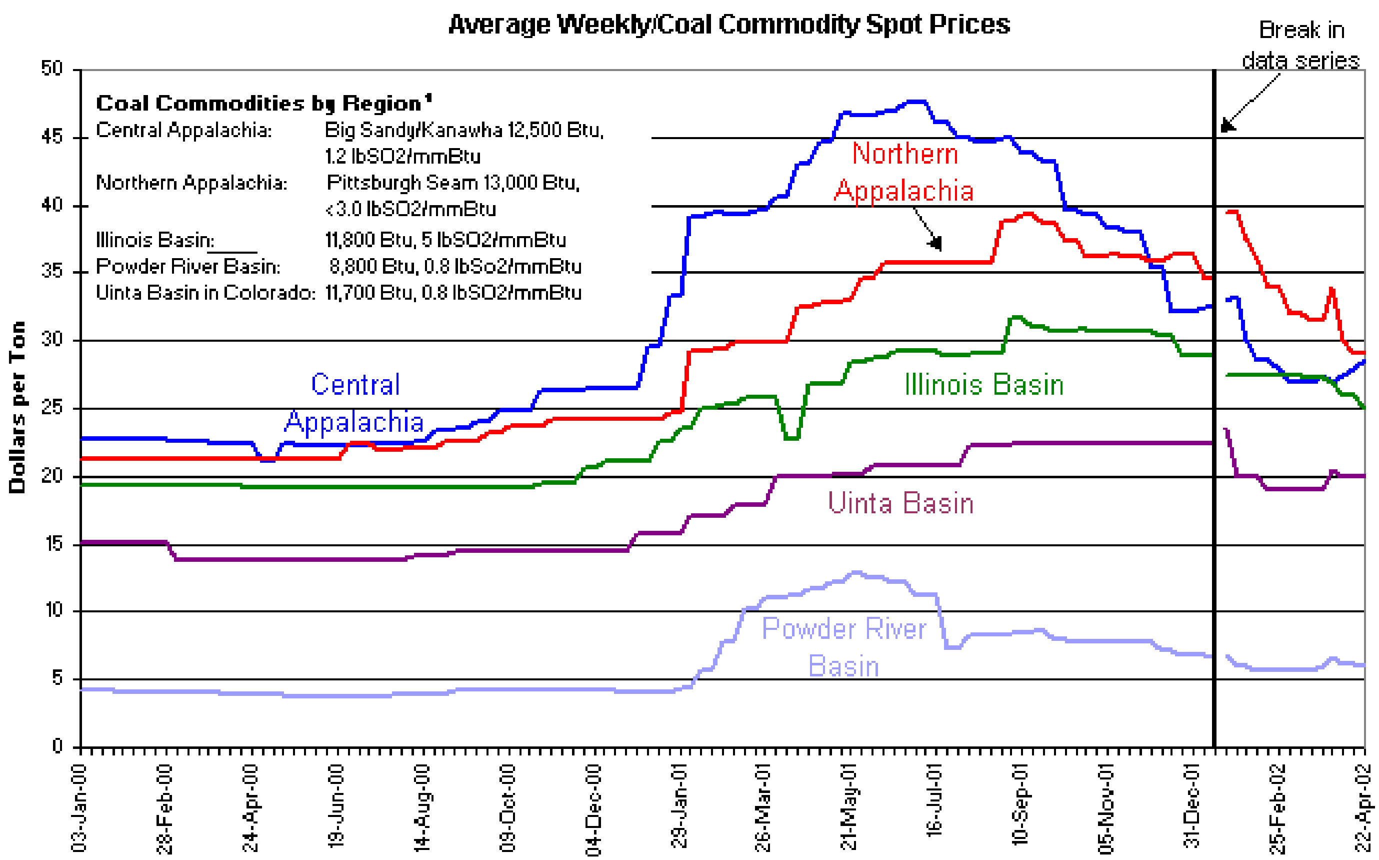
Latest U.S. Coal Information

(updated April 23, 2002)

U.S. coal supplies are more than adequate for anticipated needs. For the week ending April 13, EIA estimates U.S. coal production at 19.9 million short tons (mst). This was 8% lower than in the comparable week in 2001. Year-to-date as of April 13th, rail car loadings of coal and national coal production have fallen by 4.2% and 4.9%, respectively, compared to their levels a year ago. Year-to-date, western U.S. coal production is less than 1% below the levels of a year ago, whereas eastern U.S. coal production is estimated to be 9.4% below last year's level. The estimated production for the first quarter of 2002 was 268.8 mst. Restrained production at this time accommodates higher-than-usual coal stockpiles at consuming facilities, coinciding with the spring period of low seasonal demand.

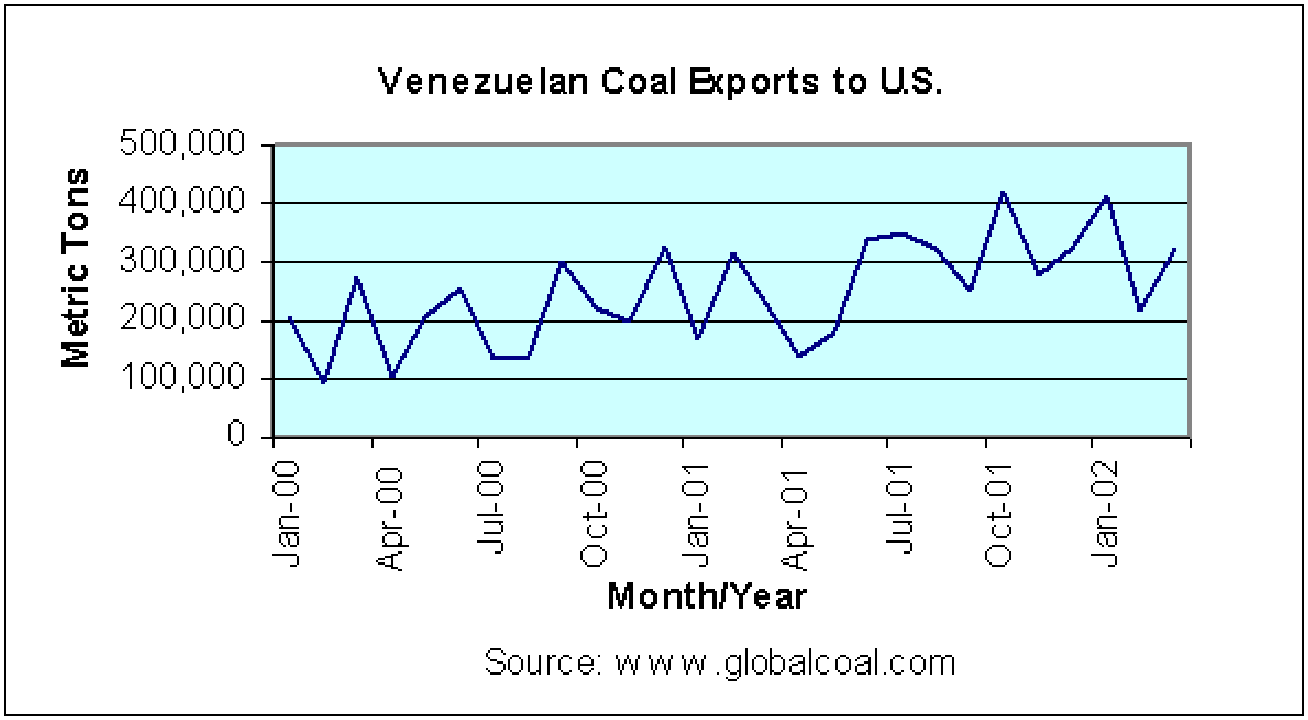
While crude oil prices have fluctuated, mostly upward, in recent weeks, U.S. coal prices have either fallen or held relatively steady. Although price criteria changed since last summer, Illinois, Uinta, and Powder River Basin coals are continuing the level-to-slowly-declining price profiles established with the 2001 spot data. Since summer 2001 peaks, Central and Northern Appalachian coal prices have fallen significantly (by about $19.00 and 10.00 per ton, respectively). The latest prices, $28.50 per ton for Central Appalachian and $29.00 per ton for Northern Appalachian coal, are 28% and 36% percent above prices in the summer of 2000, prior to escalation. Spot prices currently indexed are about 25% and 40% above the summer 2000 baseline, respectively, for Central and Northern Appalachia, and about 10% for the Uinta Basin, 20% for the Illinois Basin, and 50% for the Powder River Basin, above summer 2000 levels. In the latest week, coal prices either did not change or moved down by small percentages, with the exception of Central Appalachian coal, which has extended a 3-week rise totaling $1.50 per ton. Uncertainty over the course of events in the Middle East continues to add a security margin to other energy prices. Although NYMEX trade volumes are nominal and erratic, the trend since mid-November 2001 has been toward lower prices, with a recent leveling off of prices since early February 2002.



Source: with permission, selected from listed prices in Platts Coal Outlook, "Weekly Price Survey"

[1]Prior to January 14, 2002 EIA averaged 12-month "forward" spot prices for several coal specifications; after that date, the values shown are based on a single specification in each region for delivery by the end of the next quarter.

Although the United States can produce sufficient coal for domestic needs, 12.5 mst were imported in 2000, about 1 percent of consumption. A few electric power generators situated near the Atlantic and Gulf coasts purchase imported coal because their location allows them to cash in on low mine-level prices and ocean shipping rates and because the imported coals are low in sulfur, with high heat content. In 2000, 2.0 mst of coal was imported from Venezuela. If disruptions of these coal shipments were to occur, the national impact would be insignificant. In any case, unlike with recent strikes against Venezuelan oil exports, we have seen no curtailment of Venezuelan coal shipments.



A March 28 ruling by U.S. District Judge James Robertson, of the federal district court in Washington, DC, would restrict underground coal mining under national parks, inhabited residences, and other protected areas. The court ruled in favor of the Citizens Coal Council, an environmental advocacy group, in its suit challenging the way the Department of the Interior has allowed permitting of underground coal mining that may cause ground subsidence in specified protected areas. The effect of this ruling would negate permitting practices that have been followed, but challenged, almost since the initiation of the Surface Mining Control and Reclamation Act of 1977. The National Mining Association, which along with Gale Norton, Secretary of the Interior, is one of the Defendants, claims that the ruling ignores long-standing interpretation of the 1977 statute and would devastate eastern U.S. coal production. It pledges to appeal the ruling.

In the long term, however, EIA expects domestic coal supplies to be more than adequate for projected consumption. Most coal is still sold under multi-year contracts, and average prices for all coal supply contracts, incorporating spot and long-term, are projected to stabilize at well below current spot prices. EIA's projections of average coal prices decline slightly in inflation-adjusted dollars because nominal prices rise more slowly than the rate of inflation between 2000 and 2020.

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Latest U.S. Electricity Information

(updated April 23, 2002)

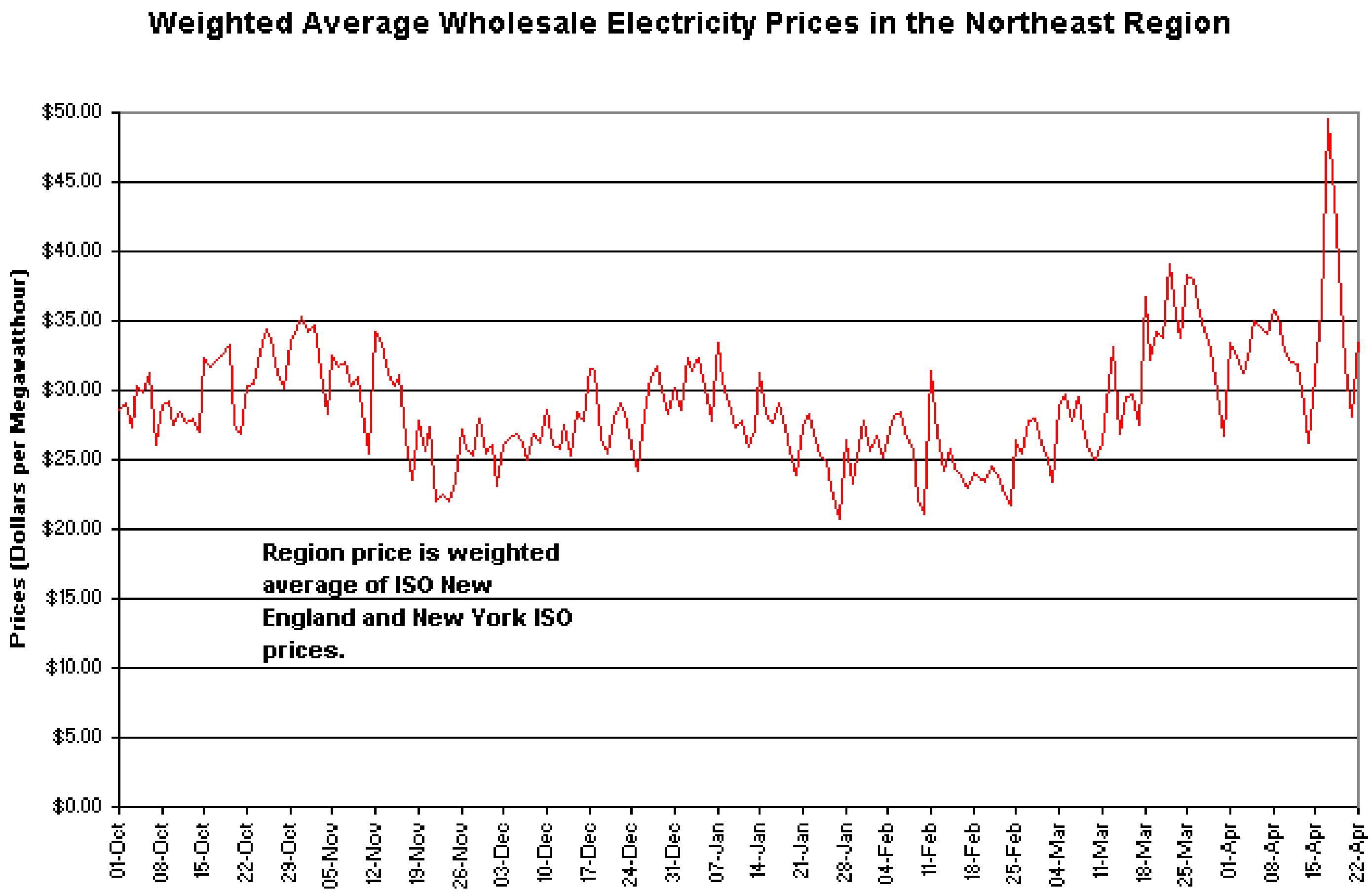
Selected Wholesale Electricity Prices (April 16– April 22): Wholesale electricity prices increased in the Northeast. Unlike last week's increase in price to meet increased cooling demand, the current increase in price is in response to increased heating demand as temperatures have cooled down substantially from last week. ISO New England's price increased 19%, from $25.53 per megawatthour on April 21, to $30.31 per megawatthour on April 22. New York's prices increased 21%, from $30.11 per megawatthour on April 21, to $36.38 per megawatthour on April 22.

Weighted Average Wholesale Electricity Prices at Major Trading Centers (Dollars per megawatthour)

Trading Centers	DATES							Price Range		
	4/16/02	4/17/02	4/18/02	4/19/02	4/20/02	4/21/02	4/22/02	Max	Min	Average
ISO New England	29.23	36.63	36.15	34.23	29.09	25.53	30.31	36.63	25.53	31.92
New York ISO	36.48	60.56	50.37	38.56	34.22	30.11	36.38	60.56	30.11	41.57

Source: ISO New England (http://www.iso-ne.com), and New York ISO (http://www.nyiso.com) web pages.

ISO New England: Average price of electricity traded at the ISO New England.
New York ISO: Average price of electricity traded at the New York ISO.



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