ENERGY SITUATION ANALYSIS REPORT

April 24, 2002

(next scheduled update: April 25, 2002)

Energy Information Administration
US Department of Energy
Washington, DC 20585
(202) 586-8800

Petroleum *Natural Gas* *Coal* *Electricity*

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Latest Energy Market Developments

(updated April 24, 2002)

West Texas Intermediate (WTI) oil prices for June (near-month) delivery fell about 23 cents per barrel today on the NYMEX following the release of weekly industry data (by the American Petroleum Institute -- API, and the Energy Information Administration -- EIA) showing little apparent impact on U.S. oil stocks or imports from Venezuela's recent unrest. (Note: Iraq's oil embargo will not show up in U.S. statistics until late May due to the approximate 6-week transit time for Iraqi oil to the United States.) Many oil traders and analysts had expected to see a significant U.S. crude oil stock drop last week, but EIA data released Wednesday morning indicated the opposite -- a build of 1.5 million barrels in crude oil inventories. EIA and API data, meanwhile, both indicated that U.S. oil imports actually *increased* last week. Prior to today's decline, oil prices had increased on five of the past six trading days, with the near-month futures WTI price reaching $26.62 per barrel on the NYMEX yesterday. Despite today's oil price decline, WTI prices on the NYMEX remain more than 10% higher than on 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. On Tuesday, a new board of directors for PdVSA was sworn in, with all sides hoping this will end more than six weeks of disputes over the state oil firm's management. PdVSA operations and exports appear to have returned to normal levels after serious political and labor unrest two weeks ago.
- Saudi Arabia's Crown Prince Abdullah arrives today in the United States for talks with President Bush at his ranch in Texas. Yesterday, Saudi Arabia's oil minister, Ali Naimi, said that "Saudi Arabia and OPEC will make up any shortage due to any reason - political, military or natural disasters."
- 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.
- 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.

- A summit of presidents from five Caspian Sea region countries ended with no agreement being reached on division of the Sea's huge oil resources.

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

- 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 per gallon lower than last year. Prior to last week's drop, prices had been flat or rising for the previous eight weeks.
- Natural gas prices on Tuesday, April 23, increased less than 10 cents per MMBtu at most market locations in the country, continuing a 10-day upward trend. With a cold spell in the upper Midwest and temperatures in the 90s in Florida and Texas, the weather continued to spark buying activity in the spot market.
- The seven-day trend in electricity prices is down as weather in the Northeast has returned to normal from last week's unusually warm weather.
- U.S. coal supplies are more than adequate for anticipated needs. U.S. coal prices have either fallen or held relatively steady in recent weeks.

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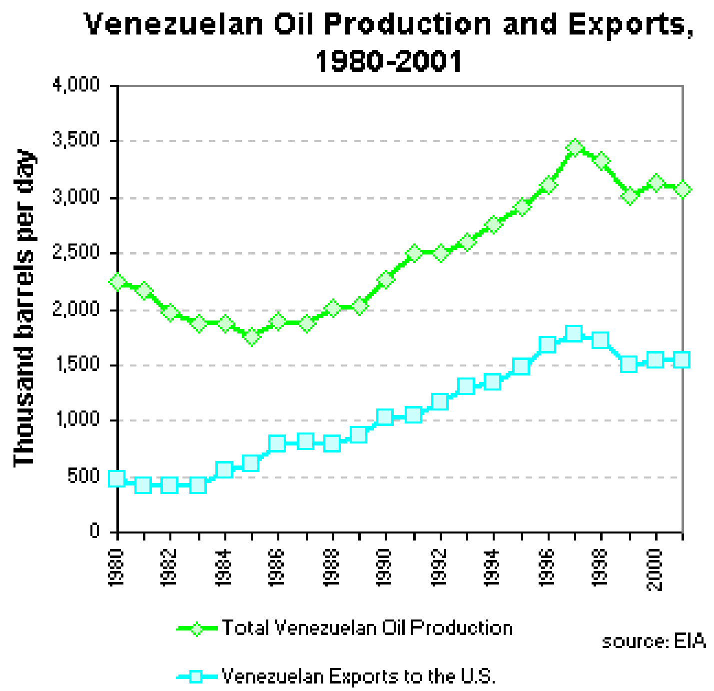
Special Topic -- Basic Facts on Venezuela

(updated April 24, 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. On April 23, a new PdVSA board was sworn in, with OPEC Secretary General Ali Rodriguez as its head.

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Special Topic -- Basic Facts on Iraq

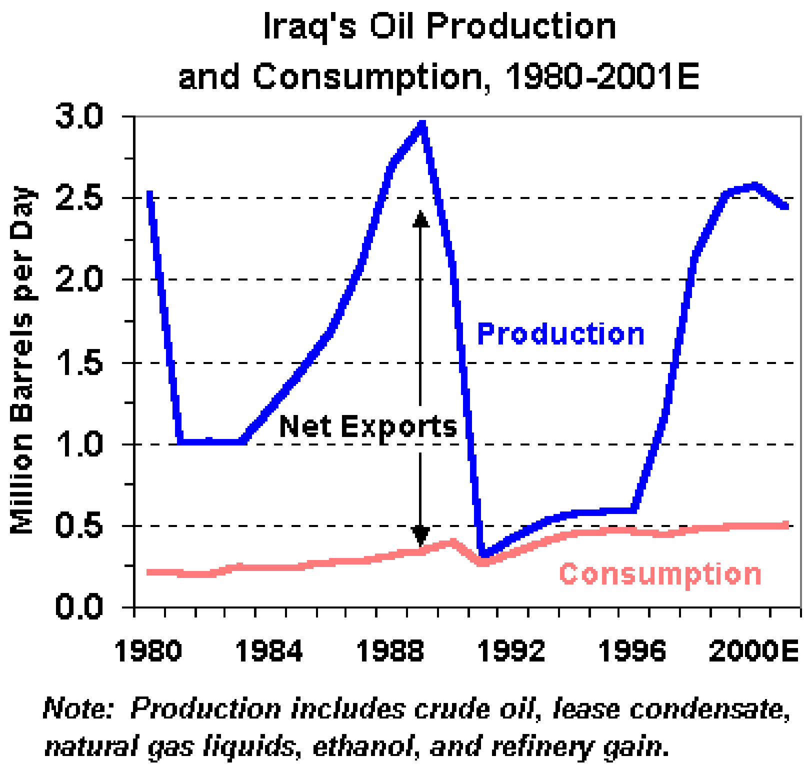
(updated April 9, 2002)

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.



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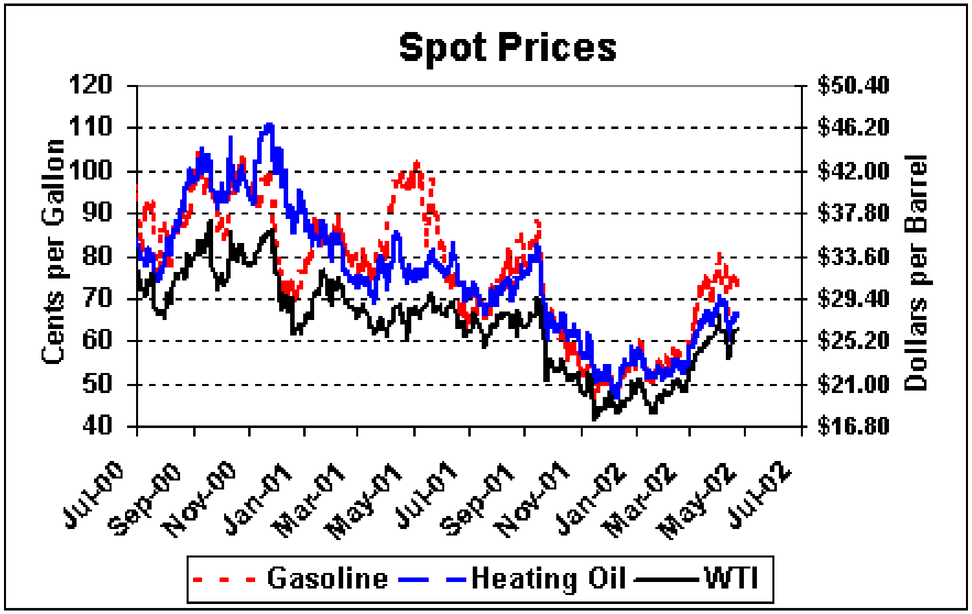
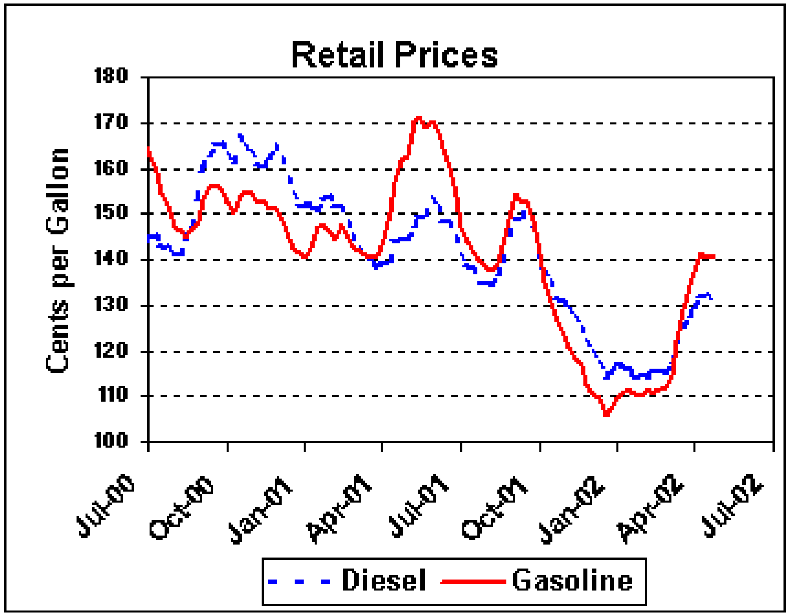
U.S. Petroleum Prices

(updated April 24, 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		Gasoline		Heating Oil		Kerojet	Propane		EIA Weekly Retail	
	Spot	Futures	Spot	Futures	Spot	Futures	Spot	Spot	Spot	US Average	
	Cushing		NYH		NYH		NYH	Mt. Belvieu	Conway	Gasoline	Diesel
	$/bbl	$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
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
4/23/2002	$26.28	$26.62	74.11	80.16	66.40	66.53	69.07	41.69	39.32		

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 24, 2002)

When Up Is Down

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by 1.5 million barrels last week. Total commercial petroleum inventories increased by 5.0 million barrels. So how do these increases actually represent a declining inventory situation? It is by looking at the shrinking surplus to year-ago levels. Even with these increases, the petroleum inventory surplus that has existed in the United States for over a year is shrinking fast.

U.S. crude oil inventories, which were about 40 million barrels above year-ago levels as recently as the week ending March 1, stand at just 3.9 million barrels above year ago levels for the week ending April 19. Because of the nearly 21 million barrel increase in crude oil inventories last April, unless crude oil inventories increase about another 1 million barrels next week, we will see the first deficit to year-ago levels since the week ending March 16, 2001. How has the situation turned so dramatically in recent weeks? Crude oil imports into the United States continue to track well below year-ago levels. Even with an increase of 0.9 million barrels per day last week to average over 9.1 million barrels per day, U.S. crude oil imports over the last four weeks have averaged just 8.8 million barrels per day, or nearly 850,000 barrels per day less than over the same period last year. With OPEC 10 (excluding Iraq) crude oil production in the first quarter of 2002 averaging 22.6 million barrels per day, this is the lowest quarterly average since the second quarter of 1992! With less crude oil being produced by these countries after a series of cuts in production quotas, they are exporting less, and so it is no surprise to see the world's largest importing country experiencing declining imports. Of course, with the large stock surpluses that were in the United States earlier this year, this was not a concern, since inventories were available to supply refineries. However, now that the crude oil inventory surplus is all but gone, how much longer can the system rely on inventories before U.S. refiners need to go out and bid against European and Asian refiners for more imports, thus putting increased pressure on prices?

The situation is similar when looking at total commercial petroleum inventories (commercial crude oil plus refined product inventories). A surplus to year-ago levels that was as high as 87.7 million barrels as of the week ending January 4, and was as high as 83 million barrels as recently as the week ending February 8, is now just 38 million barrels above the level last year. With large increases in commercial petroleum inventories last April and May, this surplus could also disappear by next month. With the peak of the gasoline season still ahead, the year-over-year inventory surpluses we've become accustomed to may be fading away.

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 per gallon lower than last year. Prior to last week's drop, prices had been flat or rising for the previous eight weeks. Prices remained rather stable throughout the country, with New England and the Central Atlantic seeing slight increases (1.0 and 0.8 cents per gallon, respectively), 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, they are just slightly above the 5-year average level, and experienced a decline 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. 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.

Jet Fuel Demand Maintains Status Quo

Despite the week over week drop in jet fuel demand, the overall picture remains robust as the most recent four week period continues to show demand trailing less than 4% below the comparable period last year. Jet fuel demand over the four-week period ending April 19, 2002, maintained the 1.6-million-barrel-per-day average reported the previous week. Continuation of cheap airfares appears to be one of the drivers behind the recent rebound seen over the past several weeks. But it is still uncertain whether the upward trend can be maintained during the summer travel season if major airlines abandon this practice and return to more normal pricing policies.

Over the last four weeks, total demand for petroleum products was less than 2% below the same period last year, continuing a trend of declining differentials that started during the first quarter of the year as petroleum demand began approaching year-ago levels.

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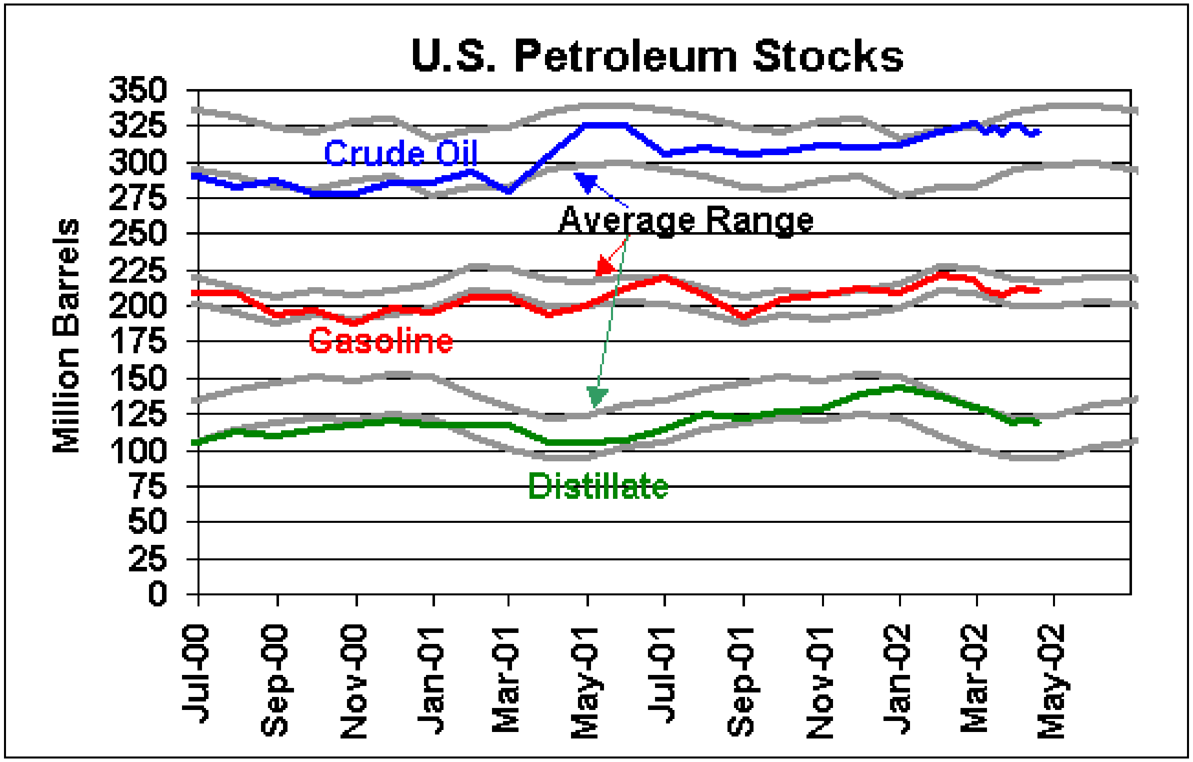
U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending		vs. Year Ago	
	4/19/2002	4/19/2001	Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,984	15,218	-234	-1.5%
Operable Capacity	16,800	16,639	161	1.0%
Operable Capacity Utilization (%)	89.9%	92.8%	-2.9%	
Production				
Motor Gasoline	8,377	8,274	103	1.2%
Jet Fuel	1,487	1,535	-48	-3.1%
Distillate Fuel Oil	3,572	3,592	-20	-0.6%
Imports				
Crude Oil (incl. SPR)	8,844	9,698	-854	-8.8%
Motor Gasoline	814	725	89	12.3%
Jet Fuel	130	150	-20	-13.4%
Distillate Fuel Oil	226	317	-91	-28.6%
Total	11,240	12,179	-939	-7.7%
Exports				
Crude Oil	33	16	17	100.9%
Products	928	933	-5	-0.5%
Total	961	949	12	1.3%
Products Supplied				
Motor Gasoline	8,694	8,522	172	2.0%
Jet Fuel	1,606	1,671	-65	-3.9%
Distillate Fuel Oil	3,748	3,923	-175	-4.5%
Total	19,404	19,699	-295	-1.5%

			vs. Year Ago	
Stocks (Million Barrels)	4/19/2002	4/19/2001	Diff.	% Diff.
Crude Oil (excl. SPR)	320.9	317.0	3.9	1.2%
Motor Gasoline	210.6	197.9	12.7	6.4%
Jet Fuel	40.0	40.2	-0.2	-0.5%
Distillate Fuel Oil	119.7	105.0	14.7	14.0%
Total (excl. SPR)	997.3	958.8	38.5	4.0%



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

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World Oil Market Highlights

(updated April 24, 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 24, 2002, the U.S. Strategic Petroleum Reserve (SPR) contained 565.4 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

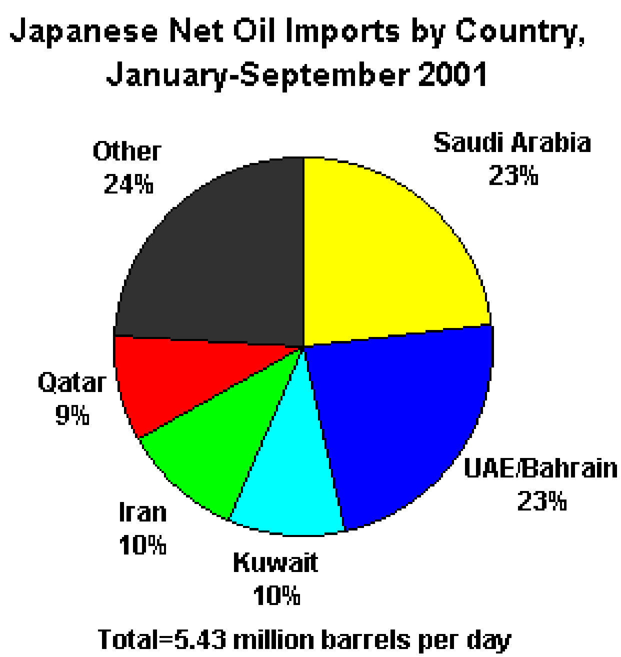
** Table includes all countries from which the U.S. imported more than 300,000 barrels per day in 2001.*

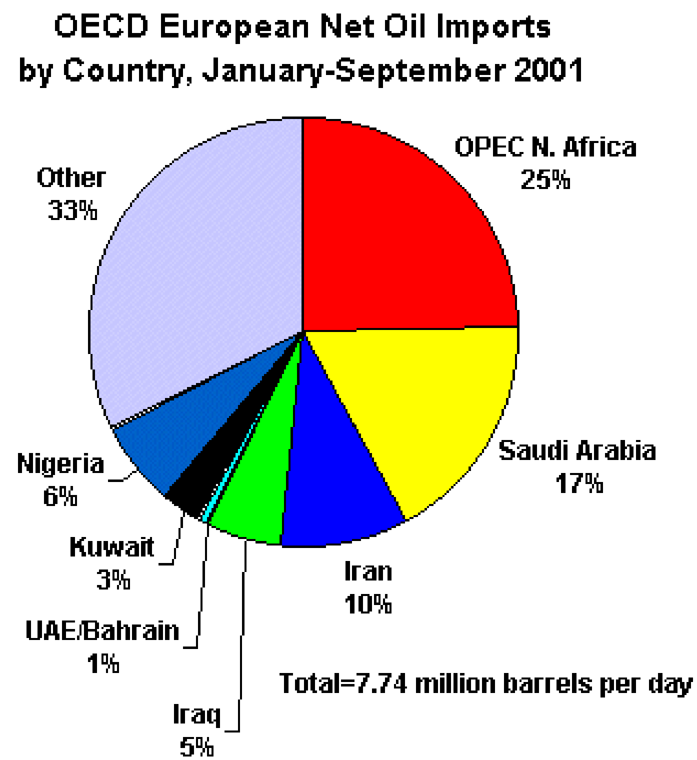
Top World Oil Net Exporters, 2001*		
	Country	**Net Exports (million barrels per day)**
1)	Saudi Arabia	7.38
2)	Russia	4.76
3)	Norway	3.22
4)	Iran	2.74
5)	Venezuela	2.60
6)	United Arab Emirates	2.09
7)	Nigeria	2.00
8)	Iraq	2.00
9)	Kuwait	1.80
10)	Mexico	1.65
11)	Libya	1.24
12)	Algeria	1.24

**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 24, 2002)

Industry/Market Developments

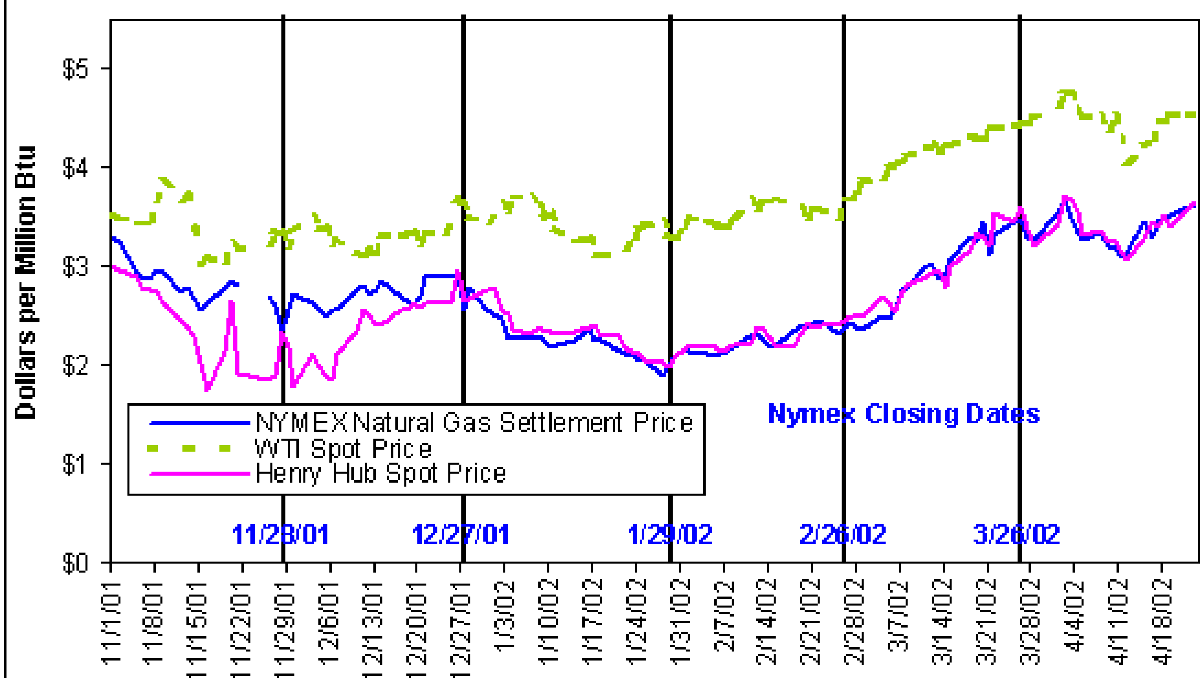
Update on EIA weekly storage data series: The Energy Information Administration (EIA) will begin releasing weekly estimates of natural gas in underground storage for the United States and three regions of the United States on May 9, 2002. This new survey ensures that there will be no lapse in coverage 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:

Natural gas prices on Tuesday, April 23, increased less than 10 cents per MMBtu at most market locations in the country, continuing a 10-day upward trend. With a cold spell in the upper Midwest and temperatures in the 90s in Florida and Texas, the weather continued to spark buying activity in the spot market. The spot price of natural gas at the Henry Hub increased a nickel to $3.63 per MMBtu. At an average cost of $3.64 per MMBtu, also a nickel above the previous day, gas at the Chicago citygates traded at a 1-cent per MMBtu premium to natural gas at the Henry Hub. Trading in Northern California at the Pacific Gas and Electric (PG&E) citygate registered an exception to the day’s market activity with a decrease of 4 cents per MMBtu, to $3.30 per MMBtu. PG&E issued an operational flow order warning shippers of excess inventory at the trading point.

On the NYMEX, the price of a futures contract for May delivery declined slightly to end the day at $3.591 per MMBtu. The $0.005 per MMBtu decrease from the previous closing price followed four sessions over which the value of the contract increased by a total of 30 cents per MMBtu, or 9.2%. The value of the contract is still hovering near its high of $3.654 per MMBtu (reached April 2) as traders awaited a new storage inventory report from the American Gas Association, due out on Wednesday afternoon.

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



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**
3/22/02	3.53	3.60	3.54	3.99	3.69	3.356	3.386
3/25/02	3.47	3.60	3.45	3.81	3.55	3.462	3.484
3/26/02	3.57	3.67	3.59	3.89	3.65	3.374	3.394
3/27/02	3.31	3.38	3.38	3.67	3.39	3.290	3.315
3/28/02	3.14	3.14	3.19	3.65	3.22	3.283	3.309
3/29/02	3.14	3.14	3.19	3.65	3.22	closed	closed
4/1/02	3.32	3.23	3.42	3.80	3.46	3.531	3.549
4/2/02	3.59	3.54	3.72	4.12	3.76	3.654	3.674
4/3/02	3.60	3.54	3.68	4.07	3.69	3.506	3.528
4/4/02	3.50	3.47	3.56	4.08	3.61	3.333	3.371
4/5/02	3.14	3.17	3.31	3.80	3.34	3.275	3.313
4/8/02	3.26	3.23	3.36	3.72	3.40	3.327	3.365
4/9/02	3.17	3.16	3.25	3.59	3.28	3.201	3.240
4/10/02	3.21	3.15	3.25	3.59	3.28	3.184	3.223
4/11/02	3.09	3.06	3.14	3.56	3.17	3.103	3.141
4/12/02	2.67	2.68	3.08	3.35	3.09	3.125	3.163
4/15/02	3.17	3.18	3.27	3.74	3.30	3.430	3.465
4/16/02	3.35	3.35	3.43	3.88	3.44	3.294	3.329
4/17/02	3.28	3.28	3.40	3.76	3.38	3.477	3.511
4/18/02	3.36	3.35	3.51	3.81	3.50	3.485	3.523
4/19/02	3.01	3.04	3.40	3.68	3.41	3.527	3.562
4/22/02	3.42	3.34	3.58	3.97	3.59	3.596	3.616
4/23/02	3.46	3.30	3.63	3.97	3.64	3.591	3.615

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

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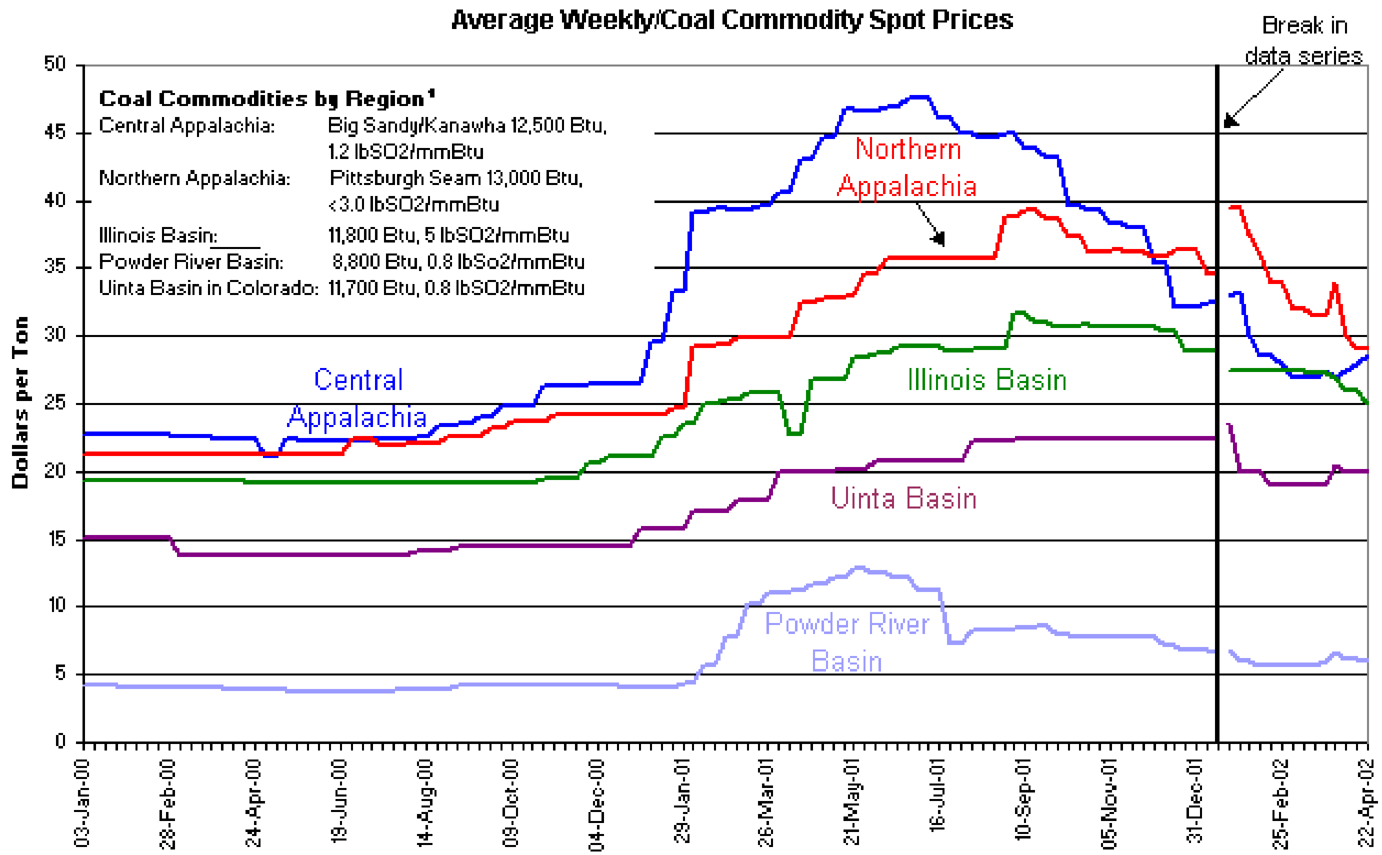
Latest U.S. Coal Information

(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 13, 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.

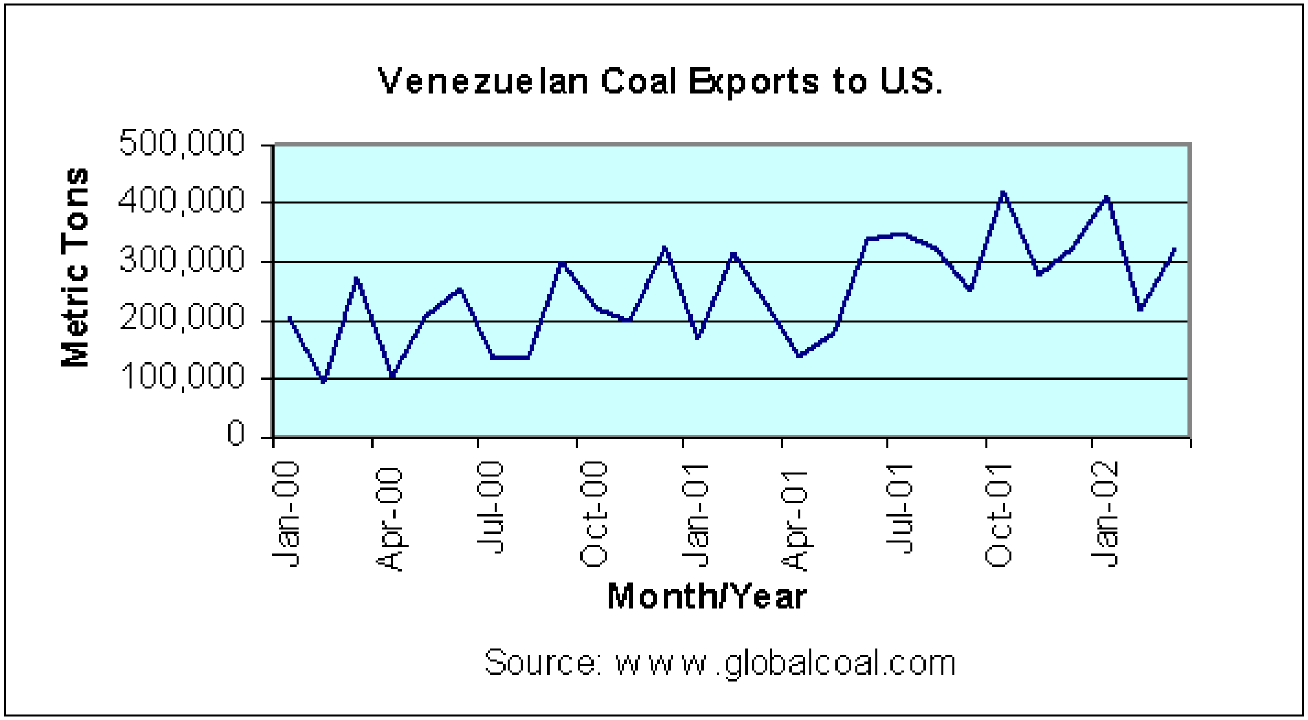
While crude oil prices have fluctuated, mostly upward, in recent weeks, U.S. coal prices have either fallen or held relatively steady. Although price criteria changed since last summer, Illinois, Uinta, and Powder River Basin coals are continuing the level-to-slowly-declining price profiles established 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 short ton, respectively). The latest prices, $28.50 per short ton for Central Appalachian and $29.00 per short ton for Northern Appalachian coal, are 28% and 36% 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 short 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"

¹Prior 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% 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 24, 2002)

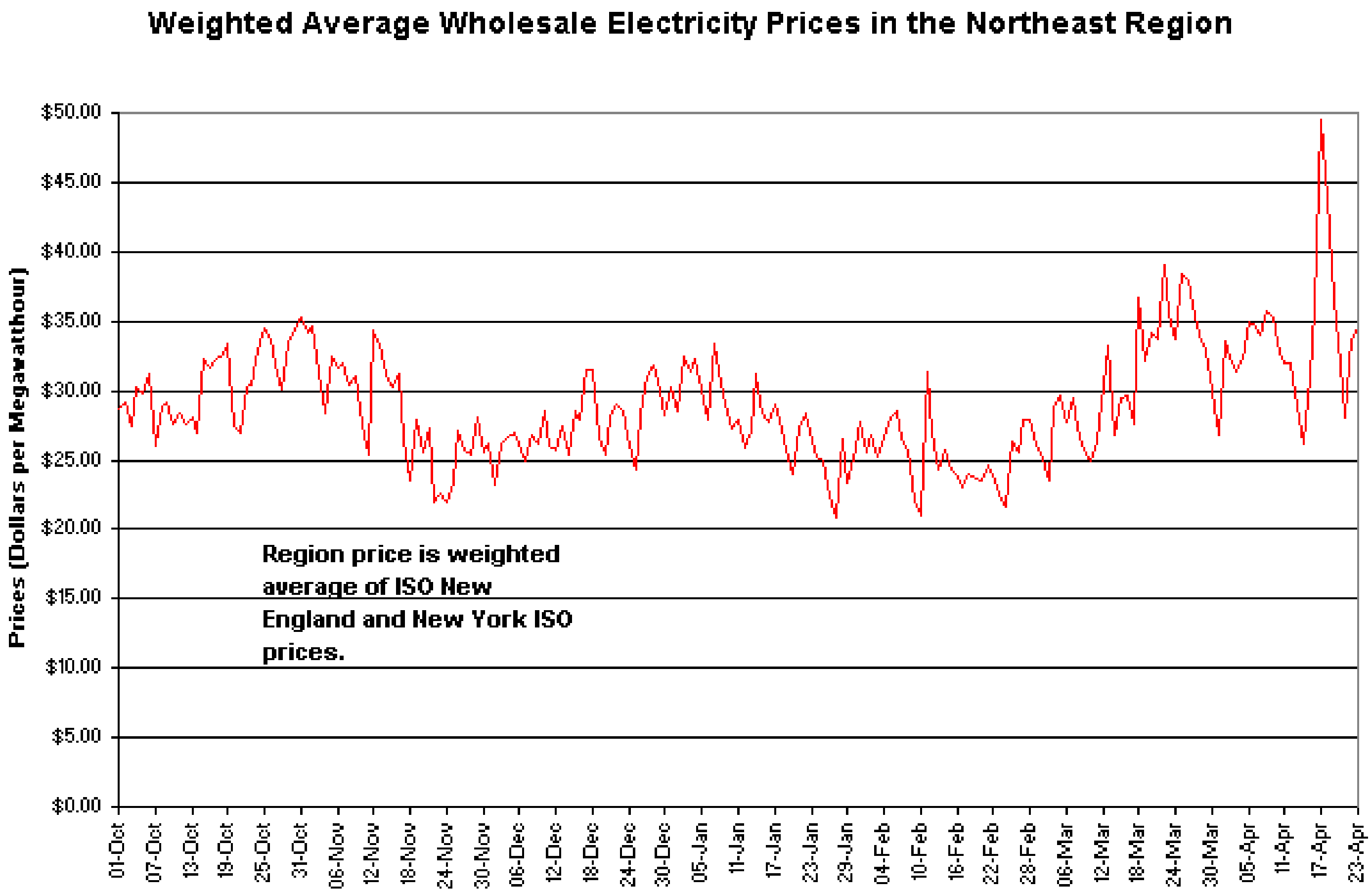
Selected Wholesale Electricity Prices (April 17– April 23): Wholesale electricity prices varied in the Northeast. ISO New England's price increased 9%, from $30.31 per megawatthour on April 22, to $33.07 per megawatthour on April 23. New York's prices decreased slightly, from $36.38 per megawatthour on April 22, to $35.61 per megawatthour on April 23. The seven-day trend in electricity prices is down as weather in the Northeast has returned to normal from last week's unusually warm weather.

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

Trading Centers	DATES							Price Range		
	4/17/02	4/18/02	4/19/02	4/20/02	4/21/02	4/22/02	4/23/02	Max	Min	Average
ISO New England	36.63	36.15	34.23	29.09	25.53	30.31	33.07	36.63	25.53	32.49
New York ISO	60.56	50.37	38.56	34.22	30.11	36.38	35.61	60.56	30.11	41.46

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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