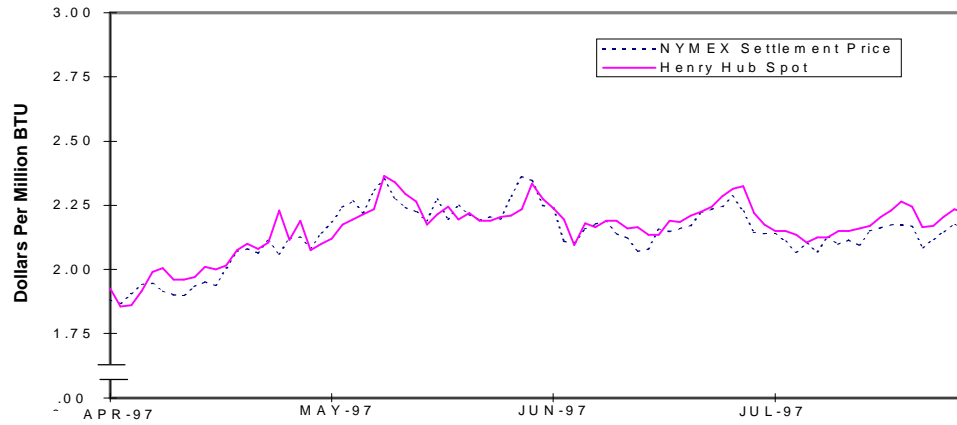


NYMEX Future Prices vs Henry Hub Spot Prices

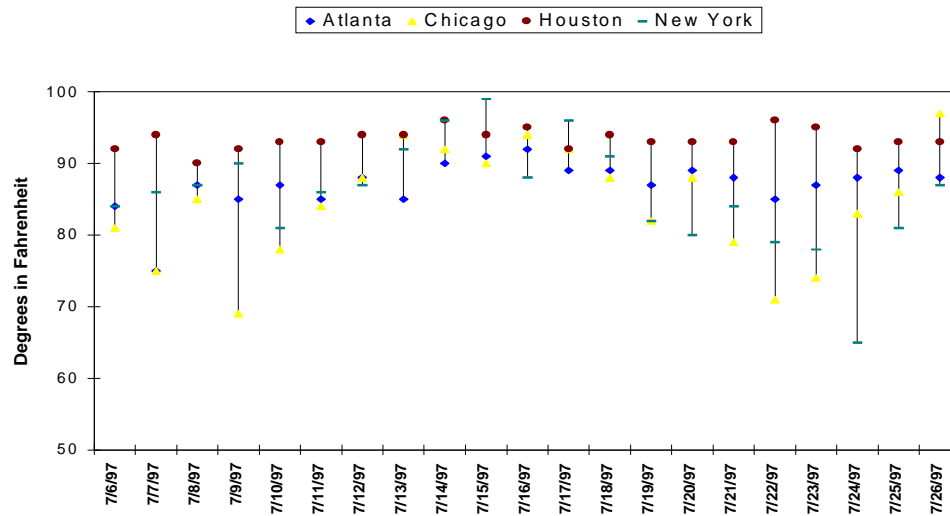
HENRY HUB PRICE		
	SPOT	FUTURES
	Jul	Aug
	Del	Del
	(\$ per MMBtu)	
07/21	2.15-2.18	2.085
07/22	2.15-2.19	2.117
07/23	2.20-2.21	2.148
07/24	2.22-2.25	2.175
07/25	2.21-2.23	2.146



Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

High Temperature for Four Selected Cities

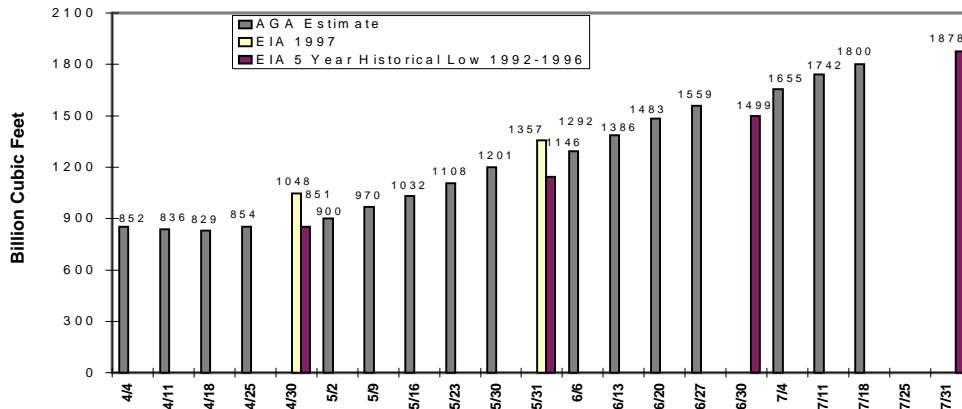
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
07/20	77	79	-2
07/21	79	79	0
07/22	76	79	-3
07/23	77	79	-2
07/24	75	79	-4
07/25	77	79	-2
07/26	82	79	3



Working Gas In Storage 1997

Working Gas Volume as of 07/18/97		
	BCF	% Full
EAST	997	56
WEST	390	62
Prod Area	503	55
U. S.	1800	58

Source: AGA



The NYMEX futures price for August delivery at the Henry Hub opened Monday, July 28 at \$2.130 per MMBtu, \$0.016 less than Friday's settlement price. Temperatures in many parts of the Midwest reached their highest levels of the season as the thermometer reached or exceeded 100 degrees Fahrenheit in Kansas City, St. Louis, and Indianapolis late last week. However, in the four cities that are monitored by this report (Atlanta, Chicago, Houston, and New York), only Houston had daytime highs that exceeded 90 degrees Fahrenheit each day last week. According to the National Oceanic and Atmospheric Administration, cooling degree days for the lower 48 states thus far this year have been almost 10 percent less than normal. Several cities such as Atlanta and Memphis have recorded temperatures that are more than 20 percent cooler than normal. The generally regional and intermittent periods of hot weather have not applied a consistently strong demand for natural gas to meet a sustained growth in air-conditioning services. This situation has kept prices on the spot market stable over the past few weeks, as prices have remained generally between \$2.15 and \$2.25 per MMBtu for almost 3 weeks. The price of the August NYMEX futures contract has followed a similar pattern during the same period, trading between \$2.12 and \$2.18 per MMBtu. The latest Bureau of Labor Statics (BLS) report indicates that the producer price index (or wellhead price) for natural gas moved up in June (3 percent) after moving down the previous 3 months.

Storage: The high temperatures that were prevalent in the Mid-Atlantic and Northeast states 2 weeks ago appear to have had an impact on the rate of additions to working gas in storage. The latest American Gas Association (AGA) estimate for the week ending July 18 had only 58 Bcf being added to the industry's storage facilities. This was the lowest weekly estimate level in over 2 months. The estimated total storage level (1,800 Bcf) still remains almost 200 Bcf more than last year at this time.

Spot Prices: Prices at the Henry Hub traded near \$2.21 per MMBtu most days last week—similar to levels the previous week. The general stability in spot prices has been prevalent for more than 2 weeks. Some factors that may be contributing to this could be: the generally cooler-than-normal temperatures, higher storage levels than last year, and little or no volatility occurring in the futures market. Last year at this time, the spot price at the Henry Hub was about \$2.35 per MMBtu.

Futures Prices: The price activity on the August futures contract at the Henry Hub, which closes on July 29, continues to be relatively calm as the settlement price on Friday, July 25 (\$2.146 per MMBtu) was about 2 cents less than the previous Friday's. Last year the August contract closed at \$2.345 per MMBtu.

Producer Prices: According to the latest BLS report covering the producer price index, preliminary data indicate that the producer wellhead price for natural gas increased by about 3 percent in June. This follows an increase of more than 5 percent in May. On the consumer level, the BLS reports that the price of gas to the residential consumer rose slightly—less than 1 percent—in June. This was the first reported monthly rise in the national residential consumer price since February.

Summary: Prices on both the spot and futures market remain stable. The recent high temperatures in some parts of the country appear to have had some impact on the rate of storage refill.