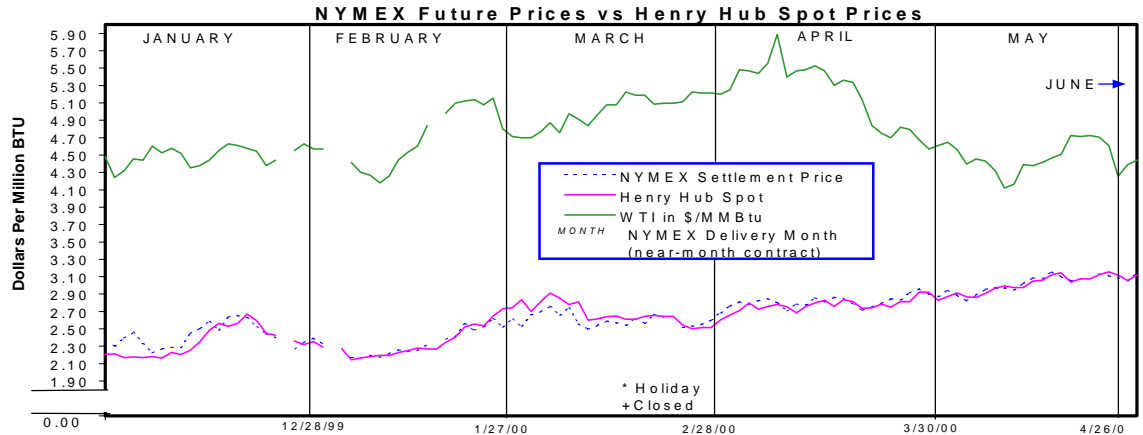
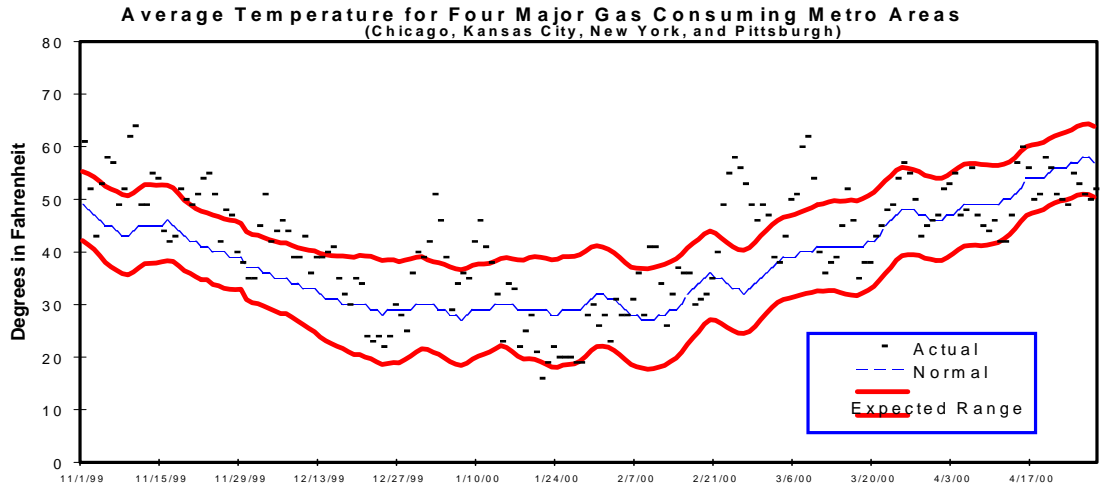


HENRY HUB PRICE (\$ per MMBtu)		
SPOT	FUTURES	
April	May/June	
Del	Del	
4/24	3.11-3.14	3.137
4/25	3.14-3.17	3.110
4/26	3.11-3.13	3.089
4/27	3.04-3.07	3.055
4/28	3.10-3.14	3.141

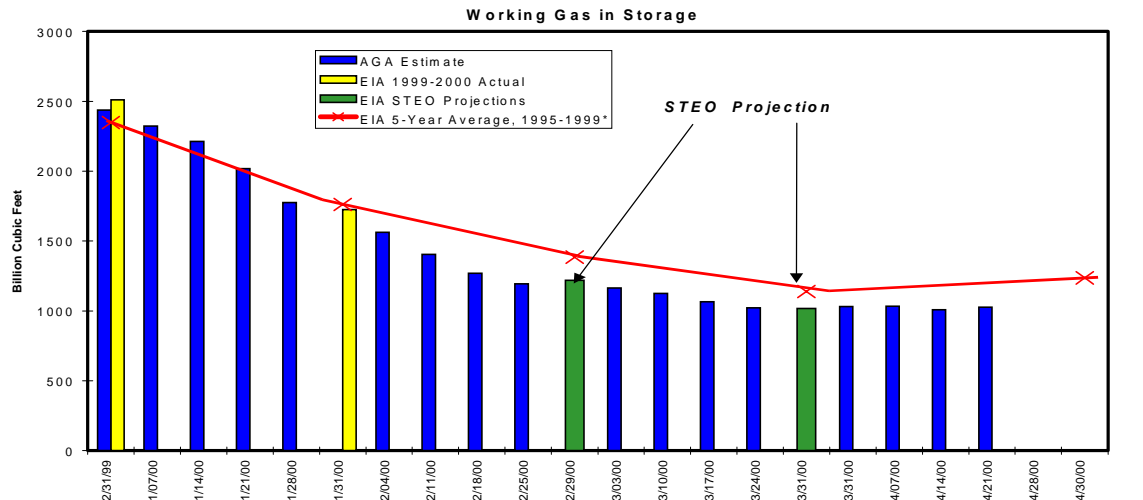


Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
4/22	50	56	-6
4/23	49	56	-7
4/24	55	57	-2
4/25	53	57	-4
4/26	51	58	-7
4/27	50	58	-8
4/28	52	57	-5



Working Gas Volume as of 4/21/2000		
	BCF	% Full
EAST	425	23
WEST	277	55
Prod Area	325	34
U. S.	1027	31

Source: AGA



*The data showing the EIA 5-year historical high inventory levels have been replaced with the EIA 5-year average inventory levels for 1995-1999.

After reaching a high of \$3.11 per MMBtu on Tuesday, the NYMEX futures contract for May delivery at the Henry Hub closed down on Wednesday at \$3.089—more than \$0.74 higher than last year's contract. The June contract became the near-month contract on Thursday, ending trading at \$3.055 per MMBtu but surging up to settle at \$3.141 per MMBtu on Friday. Cooler-than-normal temperatures prevailed throughout the week in the four cities monitored for this report (see Temperature graph), with nighttime temperatures in the 30s and lower 40s in New York, Pittsburgh, and Chicago most days. Spot market prices at the Henry Hub moved down from Tuesday's peak of \$3.16 per MMBtu, but still ended the week up 4 cents from the previous Friday, \$3.12. After small mid-week spot-market-price declines, cash prices still remain about \$1.00 per MMBtu higher compared to last year's prices. The spot price of West Texas Intermediate crude oil tumbled \$2.05 per barrel on Wednesday and for the week was down \$1.30 from the previous Friday, ending trading last Friday at \$25.75 per barrel, or \$4.44 per MMBtu.

Storage: Net additions to storage resumed in the third week of April as the American Gas Association (AGA) estimated that 19 Bcf were injected into industry storage facilities for the week ending Friday, April 21. However, given the previous week's drawdown of 25 Bcf, the first 3 weeks of the refill season (April to October) show a net withdrawal of 4 Bcf. EIA estimates a working gas level of 1,014 Bcf on April 21. The lack of net injections in the first part of the month has effectively reduced the customary refill period by 3 weeks. The current price of gas appears to be discouraging a higher rate of storage additions. Prices have been above \$3.00 per MMBtu, which is well above levels seen during the so called "shoulder month" of April in recent years. The average spot market price at the Henry Hub during April over the previous 5 years was \$2.16 per MMBtu, and \$2.07 per MMBtu last April. While the industry added gas to storage in the 3rd week of April, and may have done so last week, it will be a considerable challenge to arrive at a working gas level on November 1, 2000 close to the 5-year average of 2,985 Bcf.

Spot Prices: Monday's resumption of business-as-usual after the Easter weekend sent prices up at most locations. Tuesday saw regional price variation, with chilly damp weather in the Northeast continuing to boost prices in that region as well as in Appalachia and the Gulf Coast, while Midcontinent and southwest production basin prices mostly fell. Spot prices in nearly all markets trended down Wednesday and Thursday, reacting bearishly to warming temperatures in the Northeast and Midwest, to AGA's report of net injections for the previous week, to the May futures contract's fall at Wednesday's closing, and lastly, to the June contract's third consecutive day of declines on Thursday. The notable exception was in Southern California, where prices mostly strengthened, reportedly influenced by higher power prices due to warm temperatures and some spot outages of regional generating facilities. Cash prices reversed on Friday in most markets, influenced by the sizable jump in futures market prices. Notable exceptions were in the Rockies and at many import points for Canadian gas, where prices continued to fall. The end-of-week rally more than offset losses from earlier in the week in east Texas, the Gulf coast, the Southeast, and citygates in California and the Midwest; but fell short in most other Western markets, the southwestern production basins, Midcontinent locations, and the Northeast. Some samples of price movements include: Katy plant tailgate, up a penny to \$3.03 per MMBtu; NGPL (Midcontinent), down 3 cents to \$2.91; PG&E citygate, up \$0.10 to \$3.10; Iroquois Zone 2, down \$0.06 to \$3.36; Cheyenne Hub, down 7 cents to \$2.68.

Futures Prices: After 3 consecutive days of losses in 33 of the 36 forward months' contracts traded on the NYMEX, the futures market recovered emphatically on Friday. The June contract settled up nearly 9 cents from Thursday at \$3.141 per MMBtu. (At the end of its first week of trading as the near-month contract, the June 1999 contract settled at \$2.253 per MMBtu (4/30/99)). The June contract opened trading on Monday, May 1 at \$3.175 per MMBtu. The expiry price (\$3.089 per MMBtu) for the May contract (as with the April contract last month) was the highest for this calendar month since natural gas futures trading began in 1991. As of the end of trading on Friday, the price of gas for future delivery in every month from June 2000 through March 2001 was over \$3.00 per MMBtu, with futures prices ranging from \$3.035 (March 2001) to \$3.360 (January 2001).

Summary: Despite net injections for the week ended April 21, cumulative storage activity during the first 3 weeks has been a net withdrawal. Spot prices were mostly down until a rally on Friday brought mixed results for the week. Futures prices recovered strongly on Friday from a 3-day midweek downturn and ended the week with a net gain.