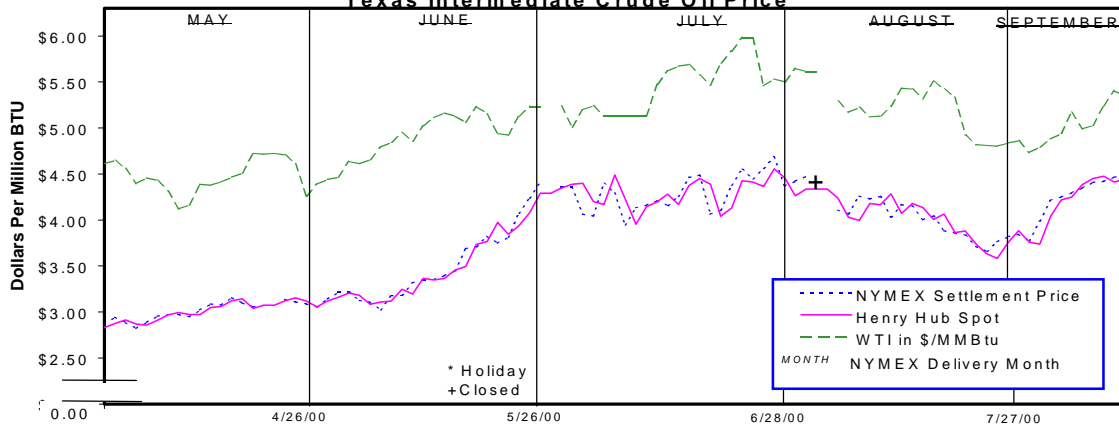


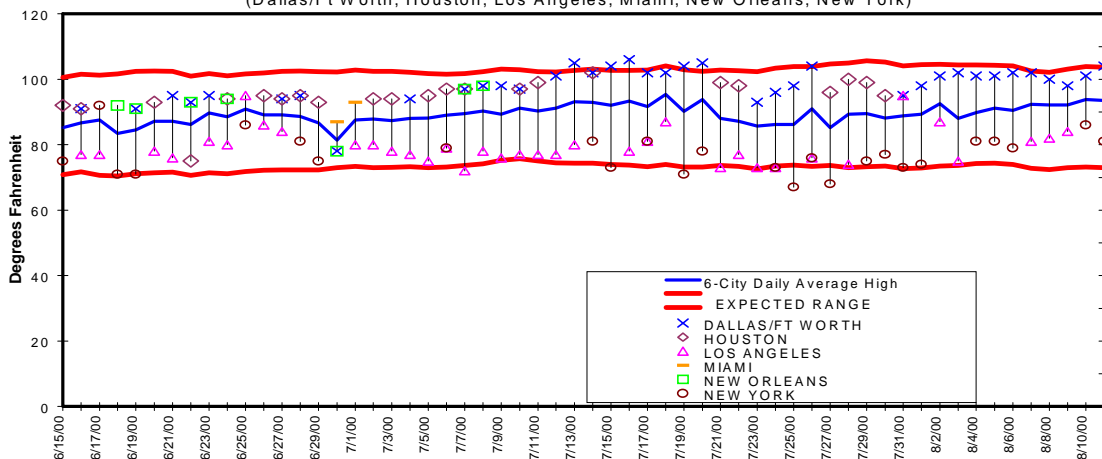
NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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 West Texas Intermediate crude oil price, in dollars per barrel, is the "sell price" from the GAS DAILY, and 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.

Henry Hub Price		
	Spot	Futures
	Aug	Sept
	Delivery	Delivery
	(\$ per MMBtu)	
08/07	4.35-4.42	4.348
08/08	4.43-4.47	4.409
08/09	4.45-4.50	4.419
08/10	4.39-4.47	4.468
08/11	4.42-4.47	4.475

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



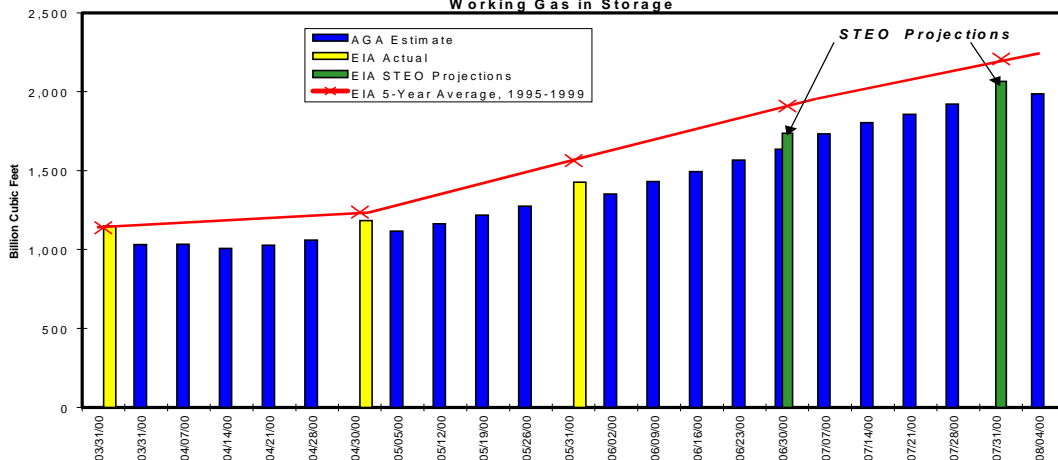
The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
08/05	91	89	2
08/06	91	89	2
08/07	92	88	4
08/08	92	87	5
08/09	92	88	4
08/10	94	89	5
08/11	94	88	6

Working Gas Volume as of 08/04/00		
	Bcf	% Full
East	1117	61
West	367	72
Prod Area	501	53
U. S.	1985	60

Source: AGA

Working Gas in Storage



Spot and futures prices were up for a third straight week (Friday to Friday), as temperatures rose to more typical summer levels in the Northeast and a distant hurricane and at least three other tropical weather disturbances added to supply uncertainty. Soon after the Northeast began to heat up, temperatures in southern California, the Southwest, and along the Gulf Coast began to moderate slightly, causing early-week price strength to weaken. After a 14-cent jump on Monday, August 7, spot-price increases at the Henry Hub decelerated rapidly, becoming a decrease of 5 cents on Thursday. With the scant 2-cent increase on Friday, spot gas at the Henry Hub gained about 20 cents for the week, as the price-range midpoint stood at \$4.445 per MMBtu at the end of trading on Friday. By contrast, the price of the NYMEX futures contract for September delivery at the Henry Hub enjoyed steady daily increases in the 1-6 cent range and ended the week up \$0.179 over Friday, August 4, settling at \$4.475 per MMBtu. After a slight drop on Monday, West Texas Intermediate spot crude oil prices gained steadily for 3 straight days, then ended the week with a 30-cent downturn to \$31.05 per barrel, or \$5.35 per MMBtu, a gain of \$1.05 per barrel from the previous Friday. The Baker-Hughes, Inc. count of natural gas rigs in use as of August 11 stood at 765. This is 48 percent more rigs in service than the 516 at this time last year and more than double the average count of 371 for April 1999.

Storage: Net additions to storage for the week ended Friday, August 4, were estimated by the American Gas Association to have been 65 Bcf. This estimate is very close to the previous week's 63 Bcf and it also had a similar distribution among the regions: the East Consuming region added 49 Bcf, the Producing region added 17 Bcf, while the West Consuming region had net withdrawals of 1 Bcf owing to the hot weather in the West. Based on EIA estimates, working gas on hand on August 4 was 2,081 Bcf with the East Consuming region having an estimated 1,244 Bcf or 60 percent of that total. Since the end of May, AGA estimates that storage facilities in the East have had a stock build of 479 Bcf, while the West and the Producing regions added 48 Bcf and 128 Bcf, respectively. If the net additions across each region over the last 3 months of the refill season match the previous 5-year (1995-99) average, total stocks and those in the East will be within 5 percent of the 5-year average for November 1.

Spot Prices: Spot prices opened the week up strongly in nearly all markets, as temperatures climbed into the 80s and 90s in the Northeast, the heat wave continued in the Southwest and West, and reports of the progress of Hurricane Alberto and of other potential storms raised supply concerns. However, by Tuesday temperatures began to moderate in southern California and the would-be storm over the Yucatan peninsula merely brought cooling rains to parts of the Texas Gulf Coast, dampening natural gas demand for electricity generation. A report of Northwest Pipeline directing interruptible storage customers to withdraw their gas from Northwest's Jackson Prairie facility in Washington to make room for firm customers' gas highlighted the scarcity of available storage capacity in the Pacific Northwest. The actual and anticipated additional supplies from these storage withdrawals added to the downward pressure on prices in the Rockies brought on by slackening California demand. Later in the week, compressor problems on TransCanada Pipeline east of Alberta led to high line pack at the AECO-C hub, which sent prices down at western Canadian-gas import points and pushed some Rockies prices below \$3.00. In the Northeast, prices moderated somewhat by the end of the week. The market seemed to interpret AGA's 65 Bcf injection estimate as a somewhat optimistic sign for supply conditions. For the week, price increases ranged from 10 to 20 cents per MMBtu in most markets; Rockies prices were off 28 to 36 cents; and western Canadian gas was off 30 to almost 50 cents. Prices ranged from under \$3.00 in the Rockies to the \$4.30s to mid \$4.40s along the Gulf coast and to the \$4.50s to \$4.70s in the Midwest and Northeast.

Futures Prices: Trading in the September futures contract on Wednesday afternoon reflected the markets' uncertain response to the AGA's net injection estimate of 65 Bcf. Soon after the estimate's release, the September contract traded as high as \$4.570 per MMBtu, then fell quickly to as low as \$4.385, yet ended trading with a mere one-cent gain from Tuesday's settlement price. After 4 straight days of steady increases, the September contract rose less than one cent on Friday, but still ended the week up \$0.179 to settle on Friday at \$4.475 per MMBtu. As of Friday, contracts for gas supply in all upcoming winter months exceeded \$4.00 per MMBtu, with the December contract having the highest settlement price at \$4.550.

Summary: A slightly higher than expected storage injection estimate and moderating temperatures put downward pressure on Western spot prices and dampened weather-driven price increases in the Northeast and Midwest. However, the latest National Weather Service 6-10 day outlook, forecasting above normal temperatures everywhere except for narrow slivers along both coasts, if realized, would provide demand pressure support to maintain the current high prices or to increase prices.