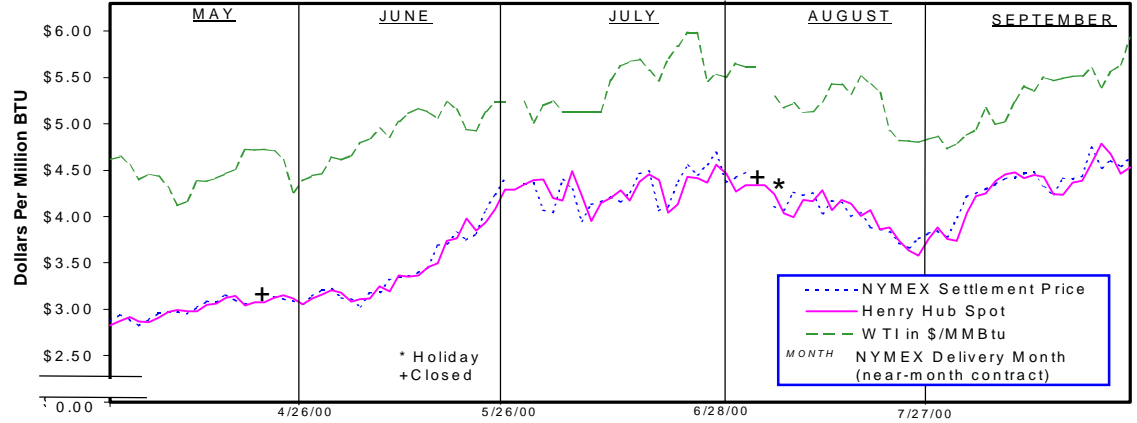
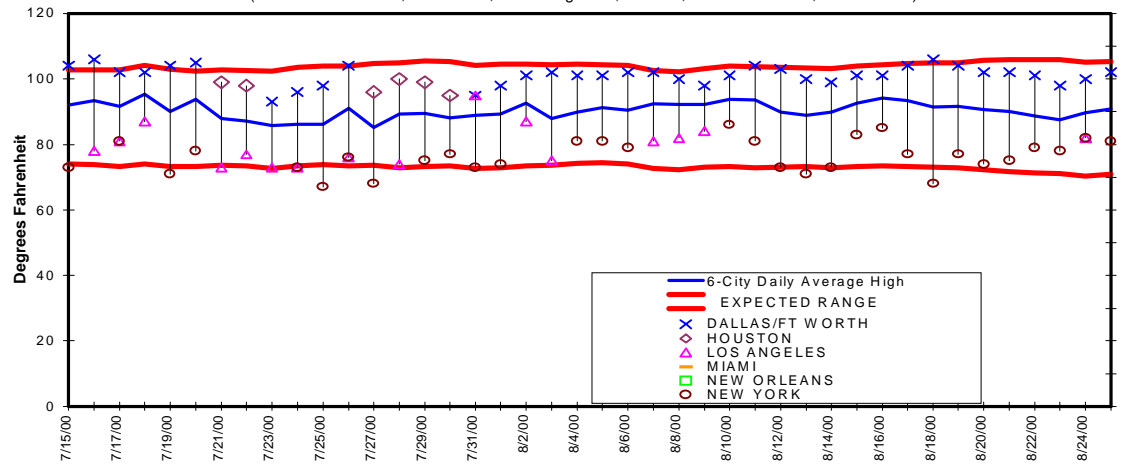


NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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.

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)



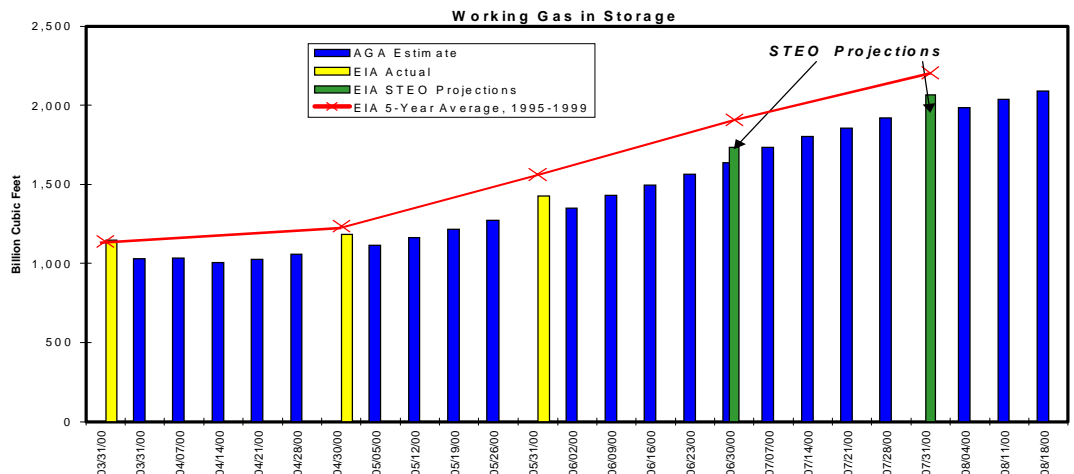
The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Henry Hub Price		
Spot	Futures	
Aug Delivery	Aug	Sept
(\$ per MMBtu)	Delivery	Delivery
08/21	4.52-4.63	4.747
08/22	4.72-4.85	4.520
08/23	4.64-4.70	4.605
08/24	4.41-4.52	4.540
08/25	4.50-4.56	4.628

Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
08/19	92	89	3
08/20	91	89	2
08/21	90	89	1
08/22	89	89	0
08/23	88	89	-1
08/24	90	89	2
08/25	91	88	3

Working Gas Volume as of 08/18/00		
	Bcf	% Full
East	1209	66
West	366	72
Prod Area	517	54
U. S.	2092	63

Source: AGA



A hurricane threat and an explosion on one of the major pipelines that carry gas to the southern California market were key factors in the sharp rise of gas prices early last week. Prices on most markets gained about \$0.20 per MMBtu on Monday and Tuesday before softening at mid-week as the threat to the natural gas producing areas in the Gulf from Hurricane Debby lessened considerably. Spot prices at the Henry Hub ended the week at \$4.53 per MMBtu after reaching as high as \$4.87 on Tuesday. The pipeline explosion that occurred in New Mexico on August 19 took the lives of 12 people camping nearby and interrupted transmission operations on three pipelines. The natural gas carried on these pipelines, which are operated by El Paso Natural Gas, provide a large portion of the gas for the southern California market. Repair and inspection of the damaged pipeline and the two adjacent ones is proceeding under a Corrective Action Order issued by the Department of Transportation's Office of Pipeline Safety. Service on these pipelines is not expected to resume for at least several more days. In the interim, other El Paso pipeline segments have been able to make up 700 MMcf per day of the shortfall to southern California by rearranging delivery patterns on other El Paso routes. Gas supplies from northern California and withdrawals from storage are meeting the other part of the shortfall, approximately 500 Mmcf per day. On the NYMEX, the September contract moved up sharply on Monday to \$4.747 per MMBtu—over 30 cents higher than the previous Friday's settlement, and the highest-ever price for a near-month contract. It then moved down over most of the remainder of the week to end trading at \$4.628 per MMBtu on Friday. West Texas Intermediate crude oil traded above \$32.00 per barrel most days last week before gaining \$1.75 on Friday to end the week at \$34.40, or about \$5.93 per MMBtu.

Storage: The net change in working gas in storage was estimated by the American Gas Association to have been 55 Bcf for the week ended Friday, August 18. The East Consuming region, which contains 56 percent of active storage capacity and depends on storage for peak day supplies, received the bulk of recent stock additions as 52 Bcf went into facilities located in that region. Based on EIA estimates, natural gas stocks stood at 2,188 Bcf on August 18, with the East having 1,336 Bcf, which is 6 percent below the 5-year average. The Producing and West Consuming regions' stocks on August 18 are estimated to have been 556 and 296 Bcf, respectively. Thus far in August, the stock build has been an estimated 144 Bcf, or an average of 8 Bcf per day. Absent an improvement in the average daily rate during the remaining 13 days of refill activity in August, gas inventories will conclude the month at 2,292 Bcf, reflecting a widening gap between gas on hand and the 5-year (1995-99) end-of-month average for August.

Spot Prices: After starting the week up sharply, prices generally trended down through Thursday at most major market locations before regaining some of the decreases on Friday. The absence of any real weather-related demand and the weakening of Hurricane Debby removed some additional demand pressures. Despite this week's volatile moves, prices still remained above those seen in late July and \$1.50 per MMBtu higher than at the same time last year. Price changes were even more pronounced at major market locations along the southern California border, as prices rose about \$0.40 per MMBtu on both Monday and Tuesday, leveled off, then spiked on Friday to end the week at close to \$6.50. Prices at northern California border points also moved up early in the week, reaching close to \$5.30 per MMBtu on Wednesday, but then declined to near \$5.25 by the end of the week.

Futures Prices: Following Monday's \$0.311 per MMBtu rise in the near-month settlement price, the September contract moved down most days and ended the week at \$4.628. Contracts for all out-months through the end of the year also moved down but remained well above \$4.60. They ranged from \$4.636 per MMBtu for October to \$4.750 for December. Interest in the September contract was moderate as a total of 135,000 contracts were entered into leading up to its final week of trading. Last year over 190,000 contracts were drawn up on the September contract during the comparable week. The September 1999 contract closed at \$2.912 per MMBtu. The September 2000 contract, which closes tomorrow (Tuesday, August 29), opened today at \$4.610 per MMBtu.

Summary: Prices rose sharply at the beginning of the week on both the spot and futures markets as a hurricane moved westward into the Caribbean and a major pipeline explosion disrupted service into southern California. By mid-week, prices began to trend down or stabilize as the storm dissipated, while prices in southern California spiked on Friday, as it became apparent that the supply disruption may last more than several days. The stock build remained below recent 5-year average levels.