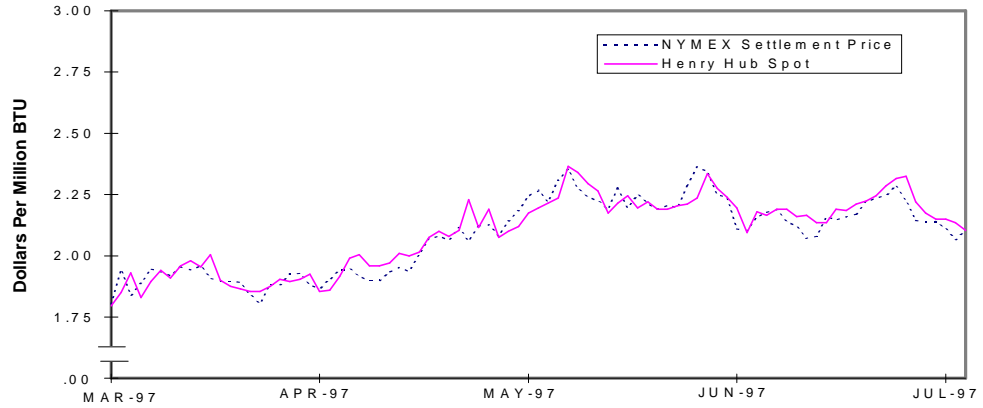


NYMEX Future Prices vs Henry Hub Spot Prices

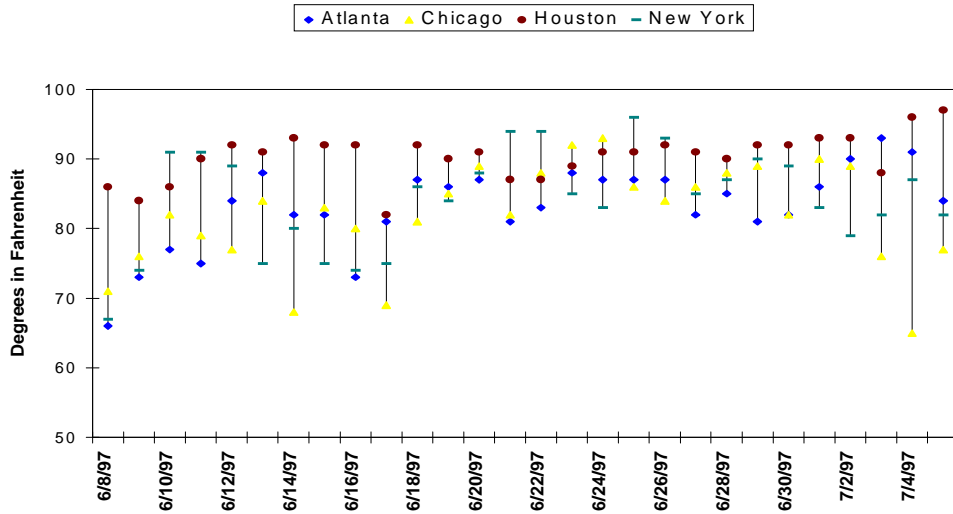
HENRY HUB PRICE		
	SPOT	FUTURES
	Jun	Jul/Aug
	Del	Del
	(\$ per MMBtu)	
06/30	2.13-2.17	2.139
07/01	2.14-2.16	2.113
07/02	2.12-2.15	2.067
07/03	2.09-2.12	2.103
07/04	holiday	holiday



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

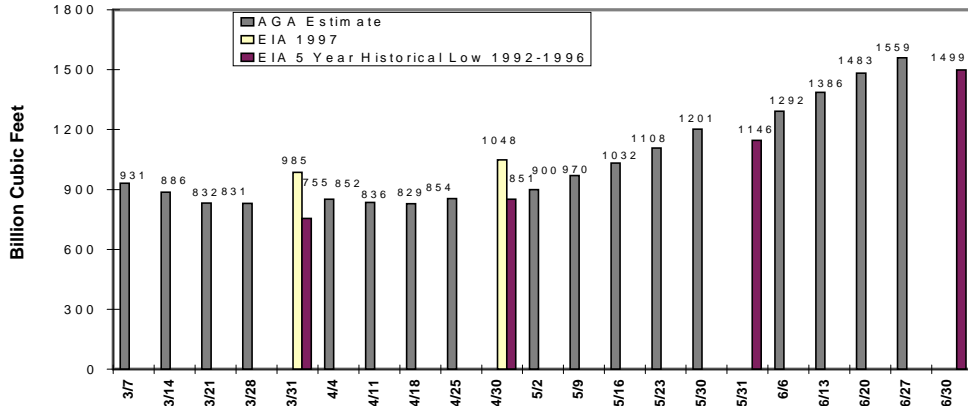
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
06/29	78	78	0
06/30	79	78	1
07/01	79	79	0
07/02	79	80	-1
07/03	78	80	-2
07/04	76	80	-4
07/05	75	80	-5



Working Gas Volume as of 06/27/97		
	BCF	% Full
EAST	820	46
WEST	273	57
Prod Area	466	51
U. S.	1559	49

Source: AGA

Working Gas In Storage 1997



The NYMEX futures price for August delivery at the Henry Hub opened Monday, July 7th at \$2.090 per MMBtu, \$0.013 less than Thursday's settlement price. Temperatures in the four metropolitan areas monitored by this report (Atlanta, Chicago, Houston and New York City) were cooler than normal most days last week. This was especially true in Chicago where the average daytime high was only 72 degrees Fahrenheit during the last three days of the week. On July 4th, the temperatures in several Midwestern cities did not get over 70. This weather pattern has continued to moderate air-conditioning use in most parts of the country, which in turn has lowered electric utility demand for natural gas. Prices on the spot market at the Henry Hub were on average more than 12 cents less per MMBtu than levels the previous week. The futures settlement price for August delivery at the Henry Hub also declined and ended the holiday-shortened week down almost 5 cents at \$2.103 per MMBtu. The price of West Texas crude oil moved up early in the week before dropping 75 cents on Thursday to finish the week at \$19.60 per barrel-similar to last Friday's price.

Storage: Storage refill activity in the United States and Canada moved in opposite directions during the week ended June 27. While net injections into U.S. facilities eased from the previous week's seasonal high of 97 Bcf to 76 Bcf, Canadian net injections soared to 20.1 Bcf from the previous week's 3.6 Bcf. According to American Gas Association (AGA) estimates, most of the drop-off in U.S. injections came in the Producing region, where net injections, which had averaged about 20 Bcf per week during the previous 5 weeks, were only 9 Bcf. At 56 Bcf, net injections in the Consuming East region were still reasonably strong. With 3 days remaining in June, AGA estimates that U.S. inventories of working gas total 1,559 Bcf, which compares with EIA's estimate for working gas in storage at the end of June of 1,756 Bcf. This difference of about 200 Bcf between the two estimates has been generally present since March. AGA estimates net injections to be 358 Bcf through June 27, while EIA estimates that net injections for June were 351 Bcf. In Canada, the Canadian Gas Association (CGA) estimate of 20.1 Bcf in net storage injections is this year's seasonal high thus far, with 10.6 Bcf injected into eastern storage facilities exceeding the previous most active week by 2.1 Bcf. CGA estimates that Canadian facilities are just over 36 percent full, while AGA says U.S. facilities are about 49 percent full.

Spot Prices: At the Henry Hub and most other major market locations, the price of natural gas on the spot market moved down last week. Prices at the Henry Hub were about \$2.10 per MMBtu on Thursday, July 3-down 22 cents from those reported on Wednesday, June 25. (Prices had increased more than 15 cents per MMBtu between June 16 and June 25.) Spot price declines at other market locations over the same period worth noting were: Katy in East Texas, \$2.05-down 20 cents per MMBtu; Waha in West Texas, \$1.98-down 18 cents; Chicago, \$2.15-down 11 cents. The largest price declines appear to have occurred in the Rocky Mountain region where prices at DJ Basin declined more than 35 cents-posted prices were near \$1.35 per MMBtu on Thursday.

Futures Prices: The settlement price for the August contract at the Henry Hub moved down the first 3 days of last week to settle on Wednesday, July 2nd at \$2.067 per MMBtu. It then moved up less than 3 cents on Thursday to end the week at \$2.103 per MMBtu. Last year the August futures contract at the Henry Hub closed at \$2.356 per MMBtu-almost 30 cents less than the July 1996 contract. This year's July contract closed at \$2.145 per MMBtu.

Summary: Generally persistent cooler-than-normal temperatures have moderated the use of air-conditioning in many parts of the country, lowering the demand for gas by electric utilities. This continuing weather pattern along with a reduction in the rate of storage refill contributed to a decline in natural gas prices last week.