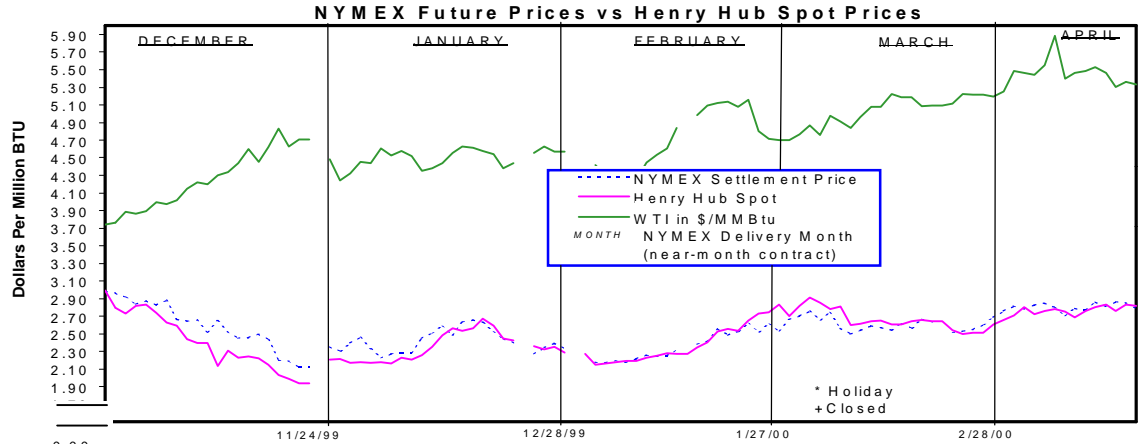
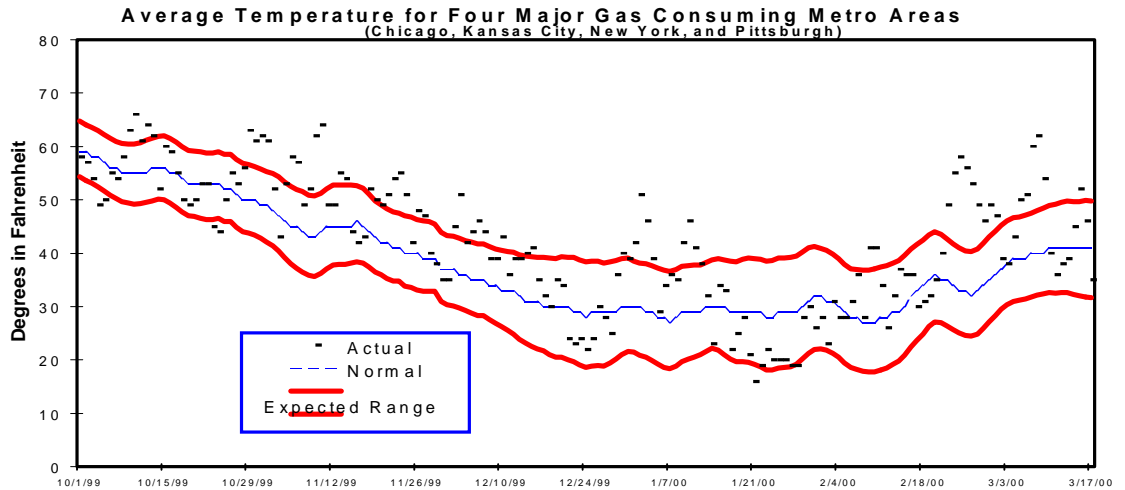


HENRY HUB PRICE (\$ per MMBtu)		
	SPOT	FUTURES
	March	April
	Del	Del
3/13	2.78-2.82	2.860
3/14	2.81-2.85	2.809
3/15	2.75-2.77	2.866
3/16	2.82-2.85	2.851
3/17	2.79-2.84	2.785



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 dates marked by vertical lines are the NYMEX near-month contract settlement dates.

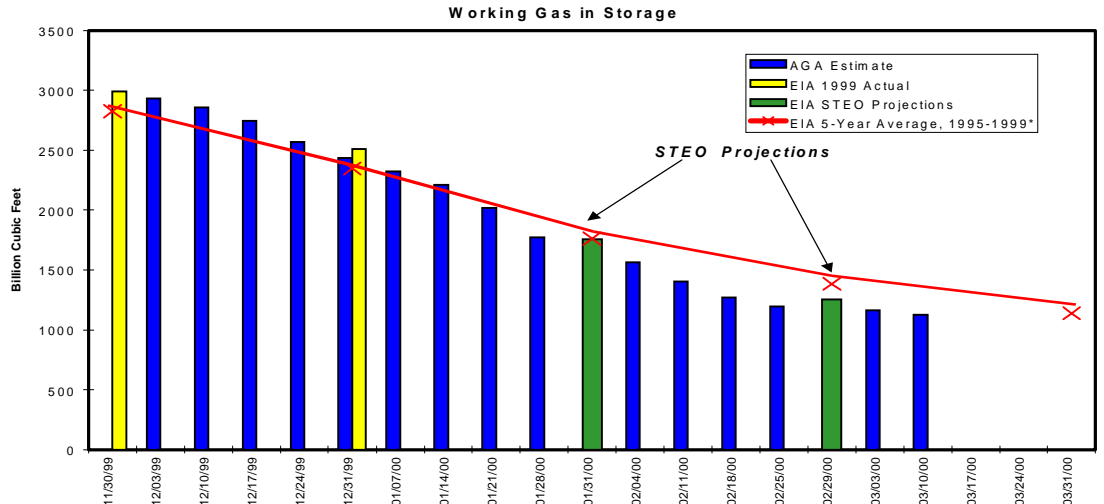
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
3/11	36	41	-5
3/12	38	41	-3
3/13	39	41	-2
3/14	45	41	4
3/15	52	41	11
3/16	46	41	5
3/17	35	41	-6



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

Working Gas Volume as of 3/10/2000		
	BCF	% Full
EAST	511	28
WEST	245	50
Prod Area	370	39
U. S.	1126	35

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.

Temperatures in major gas-consuming areas of the Midwest and Northeast dropped significantly during the first few days of last week compared with the unseasonably warm temperatures of the week before. Temperatures for the week were at their highest on Tuesday through Thursday, although they generally were only in the 40s and 50sCnot the 60s and 70s of the previous week. Last week marked the first week since January 29-February 4 that the cumulative composite temperature in the four cities monitored for this report (see Temperature graph) were at or below normal levels. Cash prices on balance increased slightly in most markets. The trading-range midpoint for spot gas at the Henry Hub moved up 5.5 cents from the previous Friday, ending the week at \$2.815 per MMBtu. The NYMEX futures contract for April delivery at the Henry Hub traded as high as \$2.90 per MMBtu and as low as \$2.75 during the week, then ended Friday trading at \$2.785, a gain of just \$0.011 from the previous week. The Bureau of Labor Statistics reported last week that the Producer Price Index for natural gas for February 2000 reached 109.2 (base=1982), up 9 index points from January and a whopping 37.3 points, or 52 percent, higher than its level of 71.9 in February 1999. The Consumer Price Index for the U.S. city average for utility natural gas service increased just over 5 percent from February 1999, to 117.7 (base=1982-84). The price of West Texas Intermediate (WTI) crude oil inched down toward \$30.00 per barrel, amid growing expectations that oil production increases would result from the upcoming OPEC meeting on March 27. WTI ended the week down \$0.85, at \$30.95 per barrel, or \$5.34 per MMBtu.

Storage: The American Gas Association estimated that net withdrawals from storage for the week ended Friday, March 10, were 31 Bcf, reflecting the continuing warmer-than-normal weather (see Temperature graph). This drawdown level and that for the previous week, now revised to 37 Bcf from the initial estimate of 29 Bcf, are both considerably below last year=s AGA weekly estimates of 69 and 134 Bcf of net withdrawals during the same period. Based on the latest weekly figures, EIA now estimates working gas on hand as of March 10 at 1,203 Bcf. EIA data indicate that average net withdrawals in March were 249 Bcf during the previous 5 years (1995-99). A comparable net drawdown will be achieved this year only if the daily rate for the final 3 weeks of the month more than doubles from that of the first 10 days. A continuation of the initial daily rate would produce an end-of-March stock of 1,111 Bcf, only slightly below the 1,139 Bcf average recorded for March in the most recent 5 years.

Spot Prices: Spot prices generally were buoyed by the return to more normal temperatures in many areas of the country, by the higher relative prices of alternative fuels, and by a near-month futures contract price that held above \$2.80 per MMBtu for the first 4 days of the week. However, the week=s two cash-price rallies were all but offset by immediate pullbacks. Wednesday=s release of a modest AGA storage withdrawal estimate coincided with a rollback of Monday=s and Tuesday=s gains, while Thursday=s increases, based on cooling temperatures and expectations of still colder weekend weather, were partially lost under the influence of falling prices for the April futures contract on Friday. For the week, increases were less than 10 cents in most markets, except in the Northeast, where increased demand sent prices up 15-25 cents, to the \$3.20-\$3.30 per MMBtu range. Modest demand prompted a number of high-inventory Operational Flow Orders on the PG&E and Southern California Gas systems, which dropped prices about 10 cents on these systems while simultaneously holding price increases down in the Rockies as gas flow to California markets slowed. A production outage associated with the Canadian Westcoast Pipeline contributed to rising prices for Canadian gas at some Pacific Northwest import points. At week=s end, predominant price ranges in selected regional markets were: Rockies: \$2.45-2.55 per MMBtu; Gulf coast: \$2.73-2.83; Midcontinent: \$2.66-2.74.

Futures Prices: The April contract settled above \$2.80 per MMBtu each of the first 4 days, but fell by \$0.066 on Friday, to end the week at \$2.785 per MMBtu, only 1.1 cents above its settlement price of the previous Friday. This movement might have been influenced by the National Weather Service=s (NWS) 6-10 day outlook on March 17 for normal to much above normal temperatures for most of the nation. Still, at this price, the April contract is more than a dollar higher than at this time last year. The settlement prices of the front months= contracts through February 2001 also fell, on the order of 3 to about 6 cents, but all summer months= contracts remained above \$2.80 per MMBtu. The April contract opened trading on Monday, March 20 at \$2.760 per MMBtu, off \$0.025 from Friday=s close.

Summary: Increased demand from a return to cooler, more seasonal temperatures, plus the relative strength of the April futures contract, kept spot prices at or slightly above the previous week=s levels. Estimated storage withdrawals thus far in March are well below the 5-year average. If temperatures conform to the NWS forecasts, inventories could be near the 5-year average at the end of March.