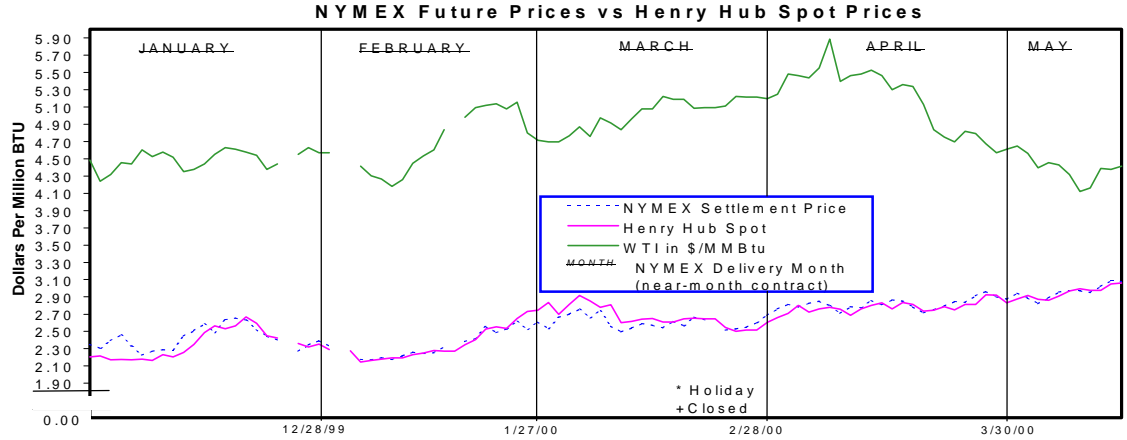
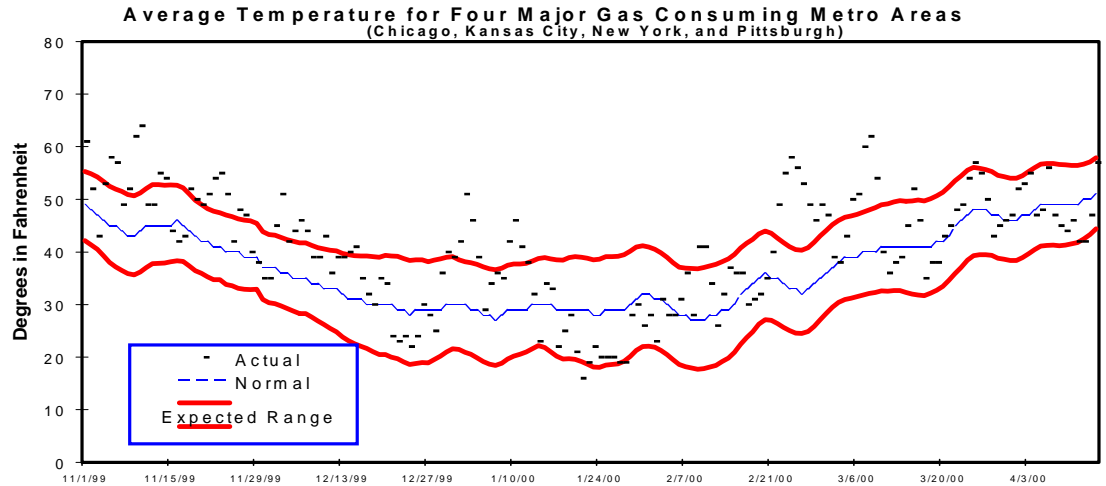


HENRY HUB PRICE (\$ per MMBtu)		
SPOT	FUTURES	
April	May	
Del	Del	
4/10	2.97-3.02	2.971
4/11	2.96-2.99	2.949
4/12	2.96-2.99	3.021
4/13	3.03-3.07	3.087
4/14	3.04-3.08	3.078



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 WTI 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.

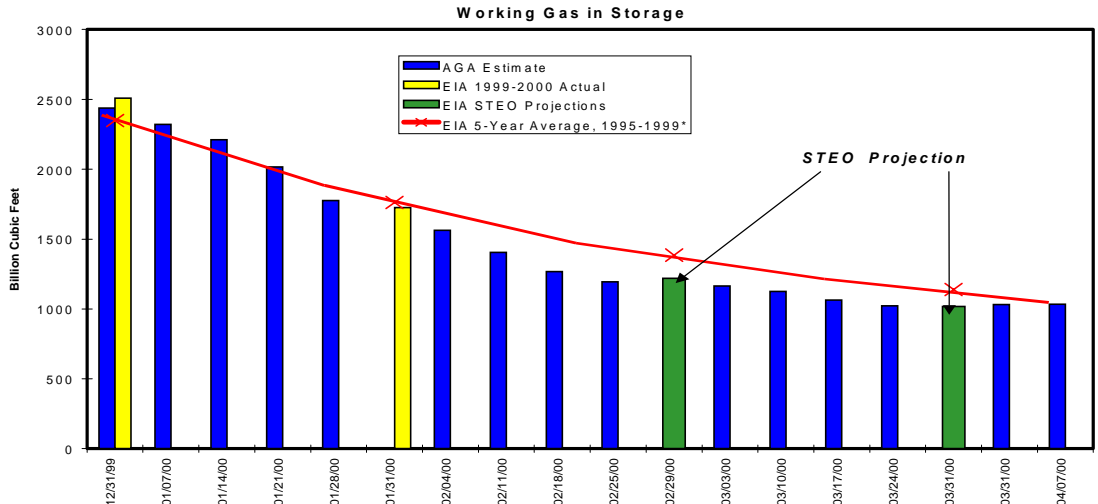
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
4/08	45	49	-4
4/09	44	49	-5
4/10	46	49	-3
4/11	42	49	-7
4/12	42	50	-8
4/13	47	50	-3
4/14	57	51	6



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 4/07/2000		
	BCF	% Full
EAST	442	24
WEST	261	52
Prod Area	330	35
U. S.	1033	31

Source: AGA



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

An echo of winter reverberated early last week as a broad Canadian cold front swung down into the Midwest and pushed east by northeast into New England last Sunday, bringing low temperatures in the 20s and highs just reaching the 40s in much of these major gas-consuming areas through Tuesday. In the four cities monitored for this report (see Temperature graph), the daily composite average temperature was below normal until Friday. The last full week of at or below normal temperatures was the first week of February. Spot prices showed modest gains from the cold weather on Monday and moved higher by week's end. At the Henry Hub, prices increased from \$2.98 per MMBtu on Friday, April 7, to \$3.05 on Friday, April 14. The spot price for West Texas Intermediate crude oil also rose during the week to \$25.48 per barrel (\$4.39 per MMBtu) on Friday, April 14, a rise of over \$1.50 from Monday's \$23.91 per barrel—its lowest level since early November 1999. The NYMEX futures contract for May delivery at the Henry Hub continued to climb, adding \$0.11 per MMBtu from the previous Friday to settle on Friday, April 14, at \$3.08. By Monday, April 17, the NYMEX futures contract for May delivery at the Henry Hub opened at \$3.11 per MMBtu, perpetuating the upward trend. The Bureau of Labor Statistics' Producer and Consumer Price Indexes for March 2000, released last week, indicated that natural gas prices had dropped somewhat at the producer level and risen only slightly at the consumer level (unadjusted change from February to March: PPI down from 109.2 to 106.2, and CPI up from 120.6 to 120.7).

Storage: The refill season got off to a slow start, based on the American Gas Association's estimate that net additions during the week ended Friday, April 7, were 2 Bcf, which is well below the 30 Bcf of net injections during the first full week of April last year and 22 Bcf the year before. Storage utilization patterns varied regionally, as the Consuming East and West added a total of 6 Bcf while the Producing region reported net withdrawals of 4 Bcf. Cold weather in the northern tier likely limited additions in the consuming regions, and higher prices may have induced the net withdrawal in the Producing region. The industry ended the heating season on March 31 with an estimated 1,018 Bcf on hand (see Storage graph), which is the lowest level for the end of the heating season since the 1997 March level of 990 Bcf. The industry would need to have a working gas stock build of 1,967 Bcf between April and October to meet the 5-year November 1 average of 2,985 Bcf.

Spot Prices: Spot prices increased from Monday-to-Monday at nearly every location tracked by *Gas Daily*, with most of the increases induced by the winter-like temperatures in the Midwest and Northeast. Increases were greatest for supplies into the Northeast, where prices drifted up 3 to 8 cents per MMBtu, generally into the \$3.080-\$3.345 range. Although spot prices at Transco Zone 6 for New York delivery peaked on Tuesday at \$3.55 per MMBtu, Midcontinent, Gulf Coast, and Midwest prices slumped slightly as forecasts for warmer temperatures by week's end were issued, and several nuclear generating plants in the Northeast were brought back on line. Spot prices increased nearly across the board on Thursday by 3 to 10 cents or more, passing the \$3.00 per MMBtu level at many Gulf Coast points and the \$2.90s at many Midcontinent locations, but dropped somewhat on Friday. Results for some key locations for the week were: Katy, up \$0.080 to \$2.990 per MMBtu; NGPL (Midcontinent), up \$0.10 to \$2.850; and Kern River/Opal plant, up \$0.090 to \$2.725 per MMBtu.

Futures Prices: The NYMEX contract for May delivery at the Henry Hub continued to show strong gains last week, as it broke through the \$3.00 settlement-price level on Wednesday, and ended the week with a nearly 11-cent gain over Friday, April 7, settling last Friday at \$3.078 per MMBtu. Likewise, all front-month contracts through March 2001 showed week-to-week gains of 8 to 10 cents, and all except March 2001 (\$2.975) settled for \$3.089 per MMBtu or higher, with peak prices for January 2001 delivery (\$3.308). The continued price strength reflects the market reaction to the large storage replenishment volumes needed for next heating season.

Summary: Spot prices were raised early in the week by winter-like temperatures and, after a slight reduction in mid week, rose along with futures prices later in the week. The beginning of the storage refill season began with limited net injections in the consuming regions and net withdrawals in the Producing region for a small net gain overall.