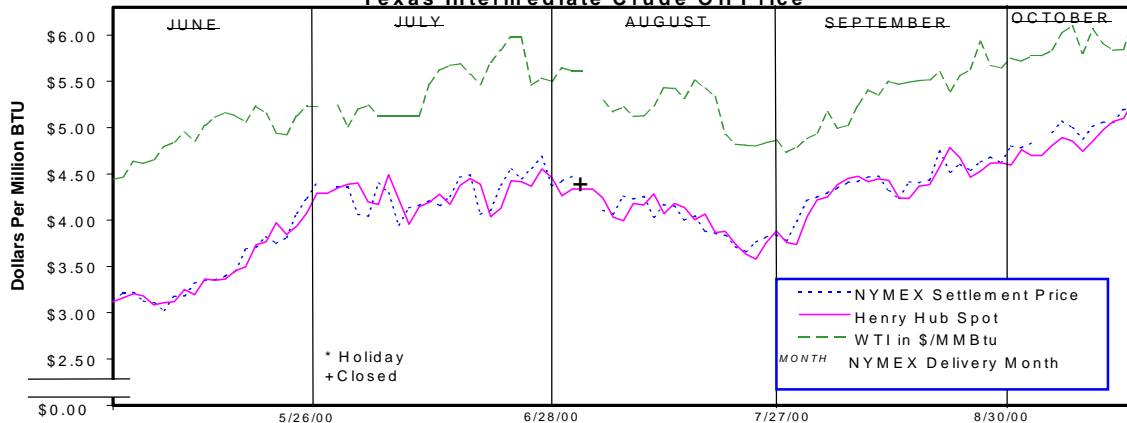


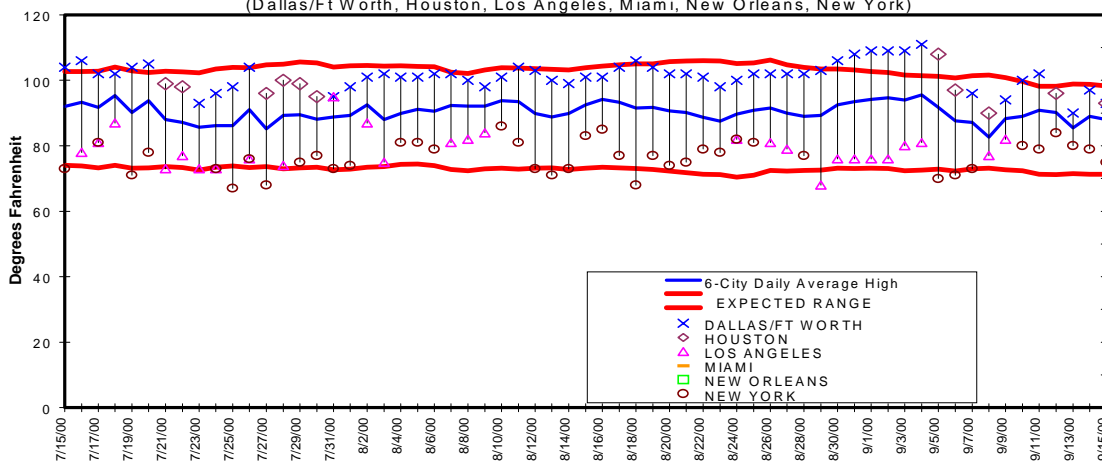
NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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	
September	October	
Delivery	Delivery	
(\$ per MMBtu)		
09/11	4.79-4.92	5.011
09/12	4.95-5.00	5.008
09/13	5.02-5.11	5.055
09/14	5.07-5.13	5.195
09/15	5.25-5.33	5.206

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)

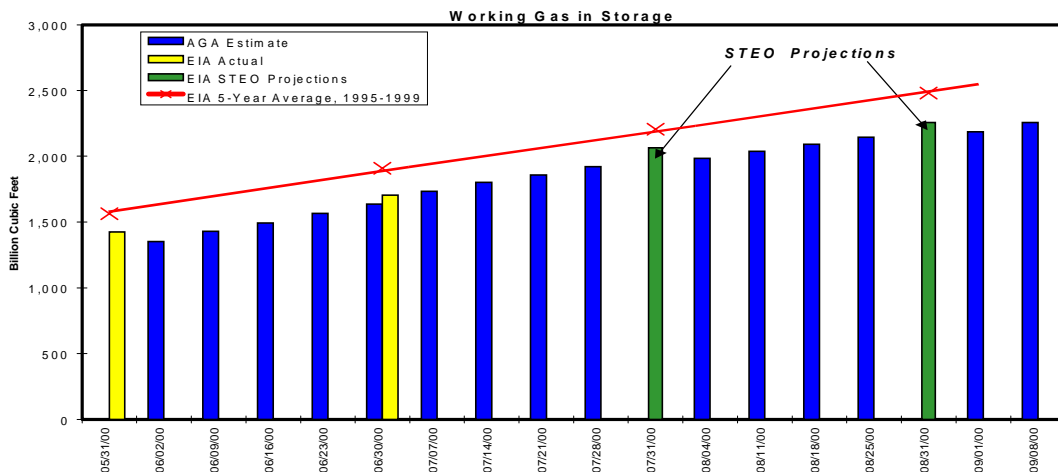


The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
09/09	88	87	1
09/10	89	86	3
09/11	91	85	6
09/12	90	85	5
09/13	86	85	1
09/14	89	85	4
09/15	88	85	3

Working Gas Volume as of 09/08/00		
	Bcf	% Full
East	1344	73
West	365	72
Prod Area	549	58
U. S.	2258	69

Source: AGA



The market's continuing concerns about historically low storage levels, and its reaction to a tropical storm in the Atlantic and another brewing just south of the Gulf of Mexico, sent future prices soaring last week. The NYMEX futures contract for October delivery at the Henry Hub settled on Friday at a near-month contract record high \$5.206 per MMBtu, up \$0.326 from Friday, September 8. Spot prices in most markets surged on Monday, continued higher throughout the week, then ended the week with another surge on Friday, as storm concerns spread to cash markets. Spot gas at the Henry Hub jumped 11 cents on Monday and 19 cents on Friday, with a Tuesday-Thursday gain of 24 cents, to end the week's trading at \$5.29 per MMBtu, \$0.54 higher than the previous Friday. Temperatures heated up again in southern California and the Southwest, but remained moderate in the Northeast and Midwest, with significant end-of-week cooling from a southeastward-moving Canadian cold front. OPEC's announcement, after its weekend meeting in Vienna, September 9-10, that it would raise production by up to 800,000 barrels per day was greeted by an increase in crude oil prices, as few analysts believed that this measure would have much of an impact on tight world oil markets. The spot price for West Texas Intermediate crude oil topped \$35 again on Monday for only the second time in 10 years, sagged in midweek, then jumped \$2.05 per barrel on Friday, reacting to hostilities between Iraq and Kuwait, to end the week at \$35.95 per barrel (\$6.20 per MMBtu), up \$2.30 per barrel from the previous Friday. The Baker-Hughes count of exploratory drilling rigs was 1,019 and 1,012, respectively, on consecutive Fridays, September 1 and 8—the first time since January 1998 that it has exceeded 1,000. Of these, the rigs exploring for natural gas as of those dates were 816 and 808, respectively.

Storage: The American Gas Association's (AGA) estimate for net storage injections of 72 billion cubic feet (Bcf) for the week ended Friday, September 8 was the largest since the estimate of 97 Bcf for the first week of July, and only the second time since then that injections reached 70 Bcf or higher. The East, with injections of 50 Bcf, reached an EIA-estimated stock level of 1,456 Bcf, or 7.3 percent below the 5-year (1995-1999) average for this point in the refill season—a marginal improvement over last week's 7.8 percent disparity. Nationally, stocks stood at 2,328 Bcf—improving slightly from 9.4 to 9.1 percent below the 5-year average. With injections of 17 Bcf, the Producing region also improved slightly, while the 5 Bcf of net injections in the West region was the first increase in inventories since the third week of July.

Spot Prices: Spot prices took a sizable jump on Monday—a dime to 20 cents at nearly every price point tracked by *Gas Daily*—as temperatures began to rise again in the West; unscheduled outages began over the weekend at nuclear plants in Ohio, Maryland, and Florida; and the October futures contract leaped 13 cents. Despite diminishing weather-related demand in many areas of the country through the week, California and the Southwest excepted, spot prices continued to climb, though at a decreasing pace. Various maintenance actions on El Paso Pipeline's system, the outage of a generating unit in the Diablo Canyon nuclear plant, and storage refill demand, coupled with the heat, kept California prices moving upward and helped pull prices up in the production basins, particularly the San Juan. Prices in other markets were buoyed in part by storm threats: early in the week, Tropical Storm Florence in the Atlantic; later in the week, Tropical Depression 11—which became Hurricane Gordon over the weekend—in the southern Gulf of Mexico. Friday-to-Friday price increases ranged from 15-55 cents per MMBtu in most locations. Prices in California held above \$6.00 per MMBtu, with SOCAL gaining 25 cents to \$6.40 per MMBtu. Northeast citygate prices rose 52 cents to \$5.65 per MMBtu; Midcontinent prices were up around 45 cents to about \$5.15; San Juan Basin prices rose about 30 cents to nearly \$4.60.

Futures Prices: After settling at \$4.880 per MMBtu on Friday, September 8, the NYMEX October futures contract regained 18 cents by Wednesday, settling at \$5.055 per MMBtu, on continuing reports of low heating oil and propane stocks for this winter and sustained high oil prices. On Thursday, the October contract jumped 14 cents to \$5.195 per MMBtu—the record for the highest-ever settlement price for a near-month contract—as the market reacted to the increasing possibility of a tropical storm invading the Gulf of Mexico. It promptly broke this price record this past Friday, inching up another penny to \$5.206 per MMBtu. Conversely, futures contracts for out-months through March 2001 each dropped by a bit more than a penny. The NYMEX contract for December delivery traded as high as \$5.530 per MMBtu during Friday's session, before ending the week at \$5.400, up \$0.300 from its settlement price on the previous Friday.

Summary: Both spot and futures prices had significant Friday-to-Friday increases. High temperatures returned to parts of California and the Southwest and are forecast to stay for at least another week, while below-normal temperatures forecast for the Midwest and Northeast could induce early-season heating demand. Consecutive storm threats against the backdrop of continuing low inventories sent futures prices higher.