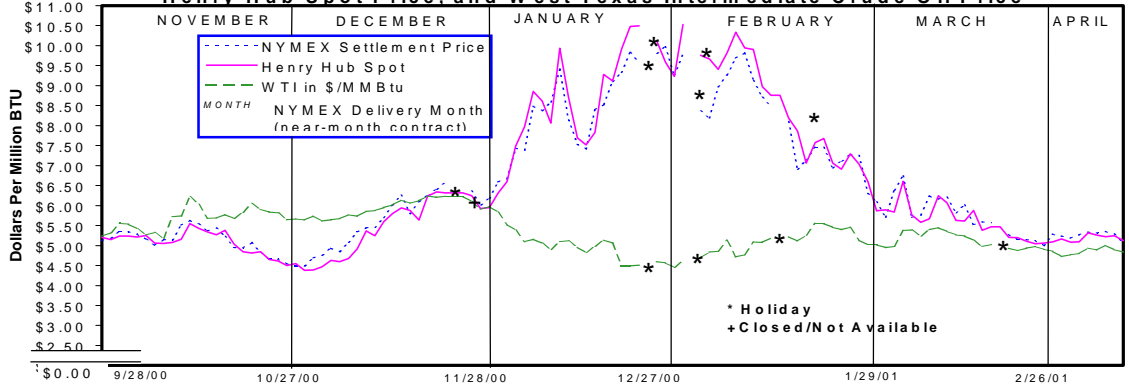


NYMEX Natural Gas Futures Near-Month Contract Settlement Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



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.

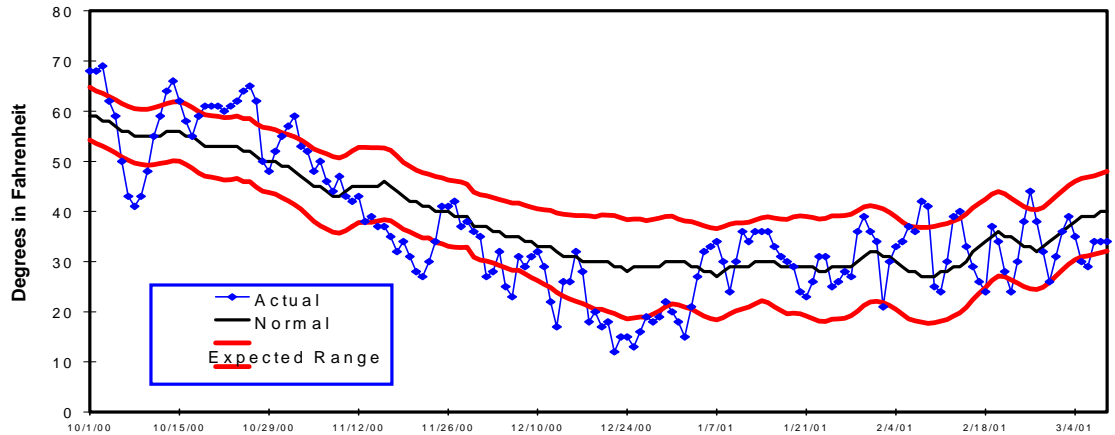
HENRY HUB PRICE

(\$ per MMBtu)

SPOT FUTURES

	March Del	April Del
03/05	5.29-5.34	5.336
03/06	5.23-5.29	5.315
03/07	5.20-5.25	5.350
03/08	5.22-5.27	5.285
03/09	5.09-5.16	5.072

Average Temperature for Four Major Gas Consuming Metro Areas (Chicago, Kansas City, New York, and Pittsburgh)



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.

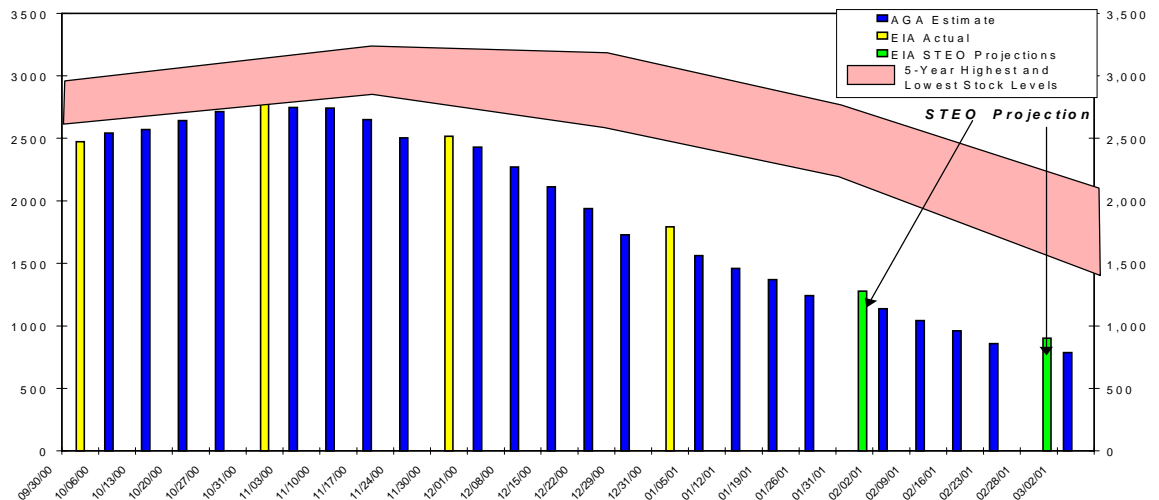
Average Temperature for Four Major Gas Consuming Areas

	Actual	Normal	Diff
03/03	39	37	2
03/04	35	38	-3
03/05	30	39	-9
03/06	29	39	-10
03/07	34	39	-5
03/08	34	40	-6
03/09	34	40	-6

Working Gas Volume as of 03/02/01

	BCF	% Full
East	402	22
West	148	29
Prod Area	236	25
U. S.	786	24

Source: AGA



Though temperatures continued to be generally cooler than normal most days last week, prices remained at their lowest levels since November 2000. Spot prices at the Henry Hub ended Friday at \$5.13 per MMBtu. Even with spot prices at the Henry Hub higher by 6 to 25 cents compared to each day of the previous week, prices remained near or below \$5.30 per MMBtu most days for the third week in a row. Contributing to this relative softness in natural gas prices at most markets has been the National Weather Service's (NWS) latest 6-to-10 day forecast, which calls for normal to above normal temperatures in most parts of the country this week. In addition, the NWS's long-range forecast for the remainder of March calls for this weather pattern to continue with generally moderating temperatures during the final weeks of the winter season. Prices on the NYMEX futures market for the near-month April contract began the week at \$5.336 per MMBtu but then moved down most days to end the week at \$5.072. The price of West Texas Intermediate (WTI) crude oil increased last week but stayed well below \$29.00 per barrel most days and ended the week at \$28.05 or \$4.84 per MMBtu.

Storage: Net withdrawals from U.S. working gas inventories were 73 Bcf with another 4 Bcf drawn from base gas stocks in the Producing region during the week ended March 2, 2001, as estimated by the American Gas Association (AGA). The East region's draw of 54 Bcf left regional supplies at 75 percent of EIA's 5-year average of 765 Bcf for this time of year. Working gas withdrawals in the Producing region were 6 Bcf, down 9 Bcf from the week before, leaving an EIA-estimated 227 Bcf in working gas inventory. EIA estimates that 96 Bcf remains in the West region, which is 56 percent less than the 5-year average of 218 Bcf. EIA estimates that U.S. working gas on hand at the end of February was slightly more than 900 Bcf. According to EIA data, net storage withdrawals in March over the previous 5 years ranged between 155 and 323 Bcf. An analysis of expected storage volumes remaining at the end of this heating season has been released on EIA's website at:

http://www.eia.doe.gov/pub/oil_gas/natural_gas/feature_articles/2001/storage_outlook_2001/storage.pdf

Spot Prices: Spot prices at most major upstream market hub locations reached their high on Monday then trended down most days last week. End-of-week prices at these hubs ranged from a low of \$4.84 per MMBtu in the Opal Hub in the Rockies to a high of \$5.11 at the Katy Hub in East Texas. Major citygate prices also declined last week as posted prices at the Chicago and New York markets moved down 21 and 42 cents, respectively, to \$5.33 and \$5.60 per MMBtu, on Friday. Prices in southern California, though much higher, followed a similar pattern falling from above \$31.00 per MMBtu on Monday to \$12.51 by the end of the week. NWS forecasts calling for the current seasonal temperatures in California to remain through the next 3 to 4 weeks and reports that SoCal added to its storage inventories last week could contribute to a continuation of this downward trend in southern California prices. In northern California, prices started the week at \$9.90 and dropped to \$8.39 per MMBtu by week's end.

Futures Prices: The NYMEX futures contract for April delivery reached a high of \$5.350 at midweek then trended down as it settled on Friday at \$5.072, well below its price of \$5.279 when it started as the near-month contract on February 27. Contracts covering the remaining months of this year all settled down on Friday as prices on current-year contracts ranged from April's low of \$5.072 to December's high of \$5.438. Four weeks earlier on February 9, these prices ranged from \$5.938 for the April contract to \$5.835 per MMBtu for December.

Summary: Weather forecasts calling for steadily moderating temperatures over the last half of March have contributed to the lowest price levels since the middle of last November.