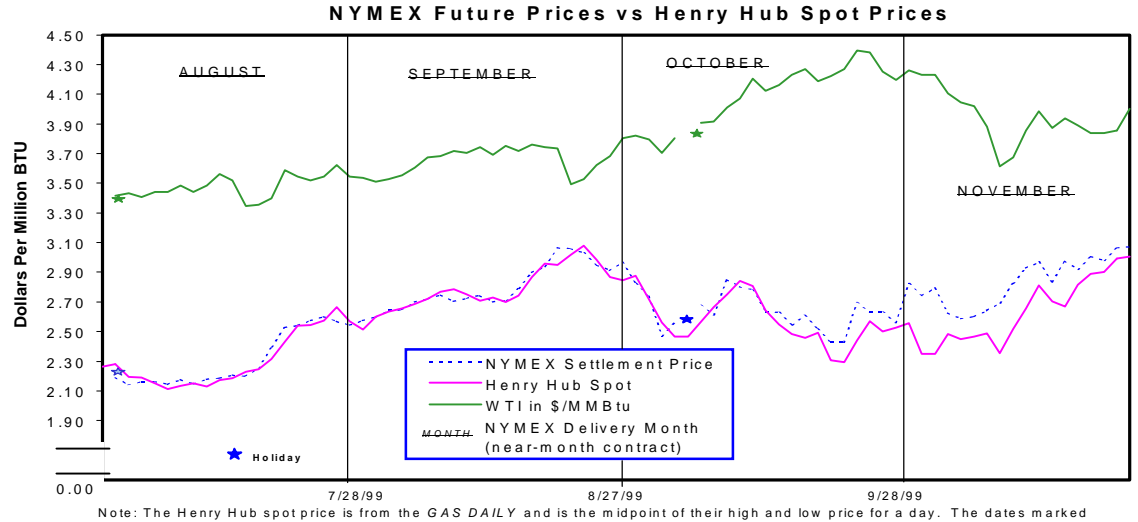


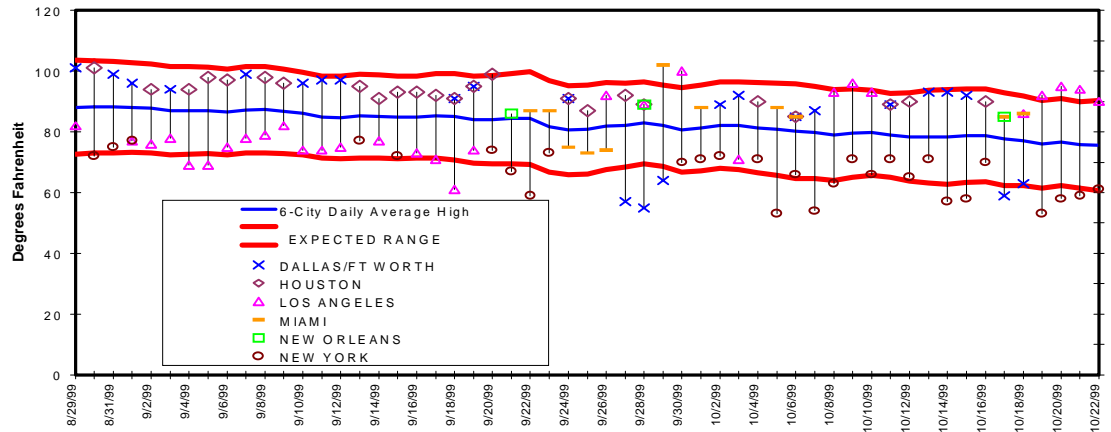
HENRY HUB PRICE		
SPOT	FUTURES	
October	November	
Del	Del	
(\$ per MMBtu)		
10/18	2.79-2.84	2.920
10/19	2.86-2.92	3.007
10/20	2.88-2.92	2.978
10/21	2.96-3.03	3.064
10/22	2.98-3.03	3.072



Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
10/16	82	79	3
10/17	78	78	0
10/18	73	77	-4
10/19	72	76	-4
10/20	76	77	-1
10/21	79	76	3
10/22	80	76	4

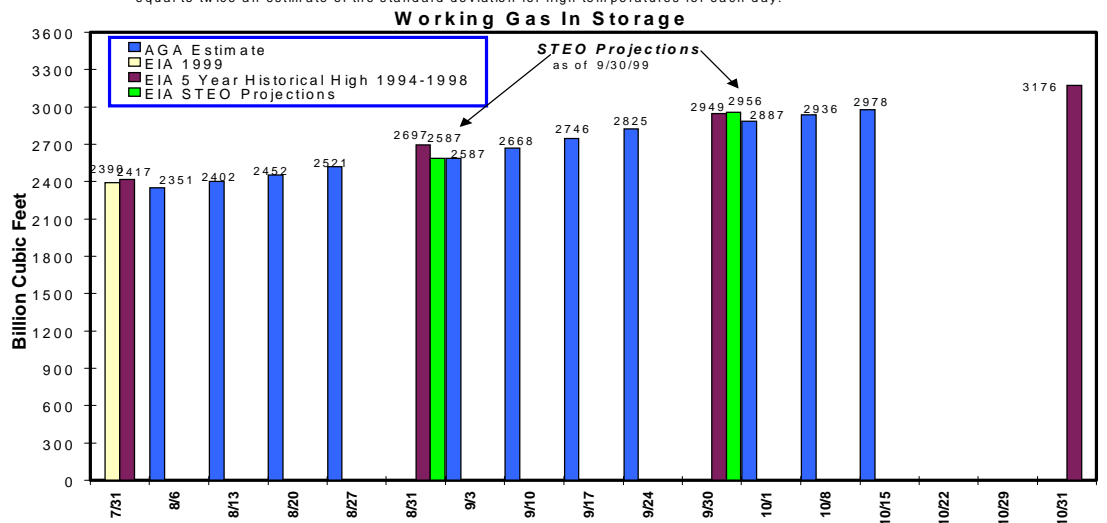
Ten-Year Average of High Temperatures, and Daily Highest and Lowest High Temperatures for 6 Cities, May-September

(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.

Working Gas Volume as of 10/15/99		
	BCF	% Full
EAST	1688	93
WEST	430	88
Prod Area	860	
	91	
U. S.	2978	92



The NYMEX futures contract for November delivery at the Henry Hub opened Monday, October 25, at \$2.995 per MMBtu, \$0.077 less than Friday's settlement price, initially offsetting nearly all of last week's gain in today's early trading. Unseasonably cold temperatures moved into the upper Midwest and the Northeast last week as night-time temperatures in Chicago, Detroit, New York, and Boston were in the low to mid-30s several days last week. The National Weather Service (NWS) is calling for the cold air to move southeastward, bringing near-freezing temperatures to the Mid-Atlantic and the Southeast regions of the country. In reaction to the early drop in temperatures, the spot market price at the Henry Hub moved up each day and ended the week at about \$3.00 per MMBtu—\$0.35 higher than the previous Friday. The near-month (November) NYMEX futures contract ended its last full week of trading prior to bid-week by trending up most days, settling at \$3.072 per MMBtu on Friday, October 22, up \$0.097. Net additions to storage slowed somewhat to a daily average of 6 Bcf per day in the second week of October. The spot price of West Texas Intermediate crude oil remained stable last week, ending trading on Friday, October 22 at \$23.20 per barrel, or about \$4.00 per MMBtu.

Storage: For the week ending Friday, October 15, the American Gas Association (AGA) estimated that net injections to storage were 42 Bcf, or an average of 1 Bcf per day less than during the previous week when 49 Bcf was added. This raises the AGA-estimated stock levels to 92 percent of active capacity — only 1 percent below last year's 5-year record high level for the same period (2,978 Bcf vs. 3,010). The Consuming East region continues to increase its stock level, accounting for 32 Bcf or more than 75 percent of net injections during the second week of October. Since the first week of September, storage facilities in the East have added 306 Bcf to working gas stocks. With only 35 Bcf less in storage than at this time last year, the East is estimated to be within 2 percent of last year's inventory level. The Producing region is only 9 Bcf (1 percent) below last year's level, while the West is ahead of last year by 12 Bcf (3 percent). Using EIA's September 30 estimate (2,956 Bcf) and AGA's October injection estimates (91 Bcf) puts stock levels at 3,047 Bcf in mid-October. This mid-October estimate already exceeds the previous 5-year average at the beginning of November (2,987 Bcf) by 60 Bcf or 2 percent.

Spot Prices: Over the past week, the spot price at the Henry Hub moved up between 5 and 15 cents per MMBtu each day, and by Friday, October 22, was trading for about \$3.00 per MMBtu. Prices also increased at most other major markets, and on October 22, the majority of markets had prices ranging between \$2.90 and \$3.00 per MMBtu. Markets serving the Northeast reported the sharpest increase as prices at Transco Zone 6 in New Jersey were near \$3.45 per MMBtu on Friday—up \$0.35 since Monday, October 18. Contributing to this price increase was a combination of an early cold spell, the resumption of an upward trend in the November NYMEX contract, and the continued strength in oil prices. Last week's steady increase in spot prices saw the differential between the Henry Hub spot price and the near-month contract narrow to about 6 to 8 cents per MMBtu on Friday, October 22. Some price increases at other major regional markets between Friday, October 15, and Friday, October 22, were: Katy in East Texas - up 26 cents per MMBtu to end the week at \$2.95; Waha in West Texas - up 25 cents to \$2.90; and in the Midcontinent in Oklahoma - up 32 cents to \$2.93. The lowest prices being reported on Friday, October 22, were in the Rockies at about \$2.85 per MMBtu—up 25 cents for the week.

Futures Prices: For the week, the November futures contract gained \$0.097 per MMBtu ending the week at \$3.072. The early cold weather and the continued strength of oil prices appear to be the primary factors in the return to an upward trend in futures prices. All NYMEX Henry Hub contracts for November 1999 through February 2000 were trading for more than \$3.00 per MMBtu on Friday, October 22. In addition to the November contract, which closes on Wednesday, October 27, the December contract settled at \$3.183 per MMBtu, January at \$3.188, and February at \$3.005.

Summary: Early-season cool weather in the Midwest and the East contributed to a \$0.25 to \$0.35 per MMBtu increase at most spot markets. The near-month (November) futures contract also moved up gaining nearly 10 cents prior to bid-week. Overall, mid-October stocks are estimated to be within 1 percent of last year's 5-year high level and 2 percent ahead of the November 1, 5-year average of 2,987 Bcf.