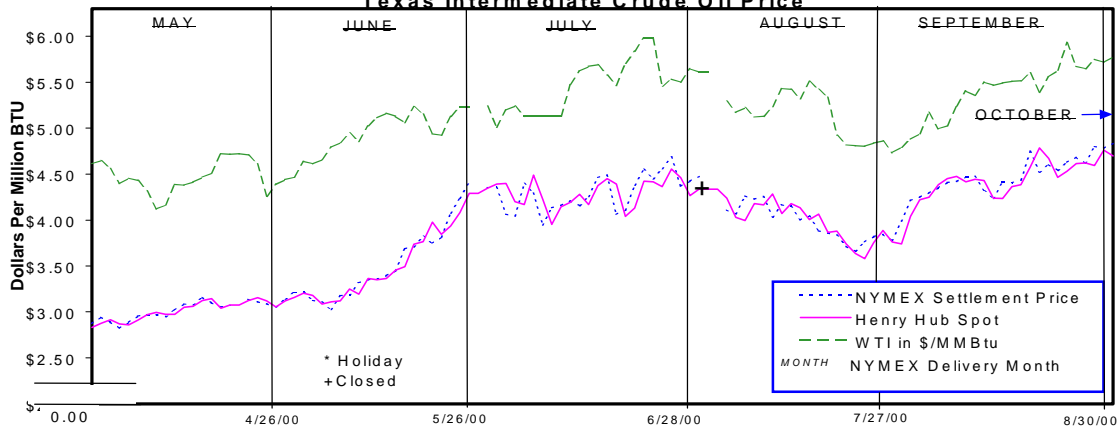
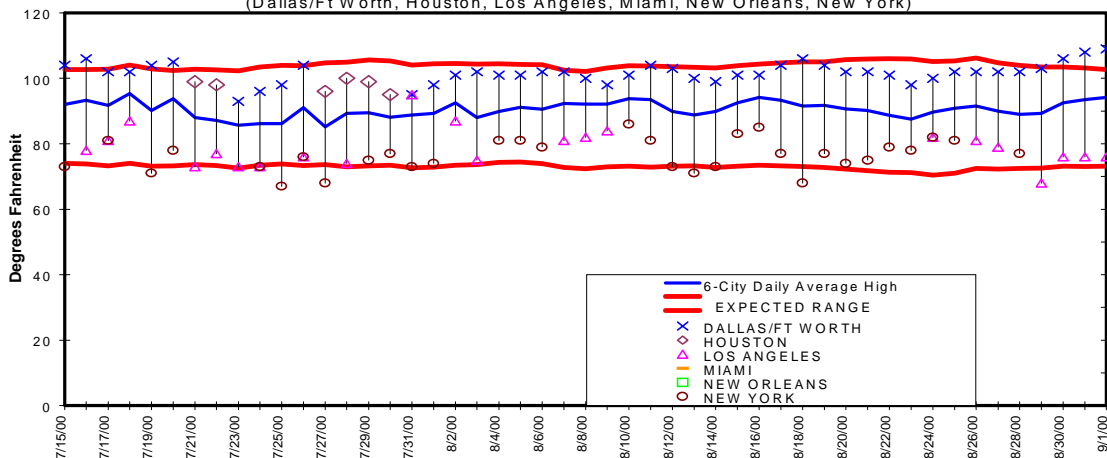


NYMEX Natural Gas Future Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



Henry Hub Price		
	Spot	Futures
	Aug/Sept	Sept/Oct
	Delivery	Delivery
	(\$ per MMBtu)	
08/28	4.57-4.66	4.685
08/29	4.58-4.66	4.618
08/30	4.58-4.61	4.801
08/31	4.73-4.79	4.782
09/01	4.64-4.76	4.835

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)

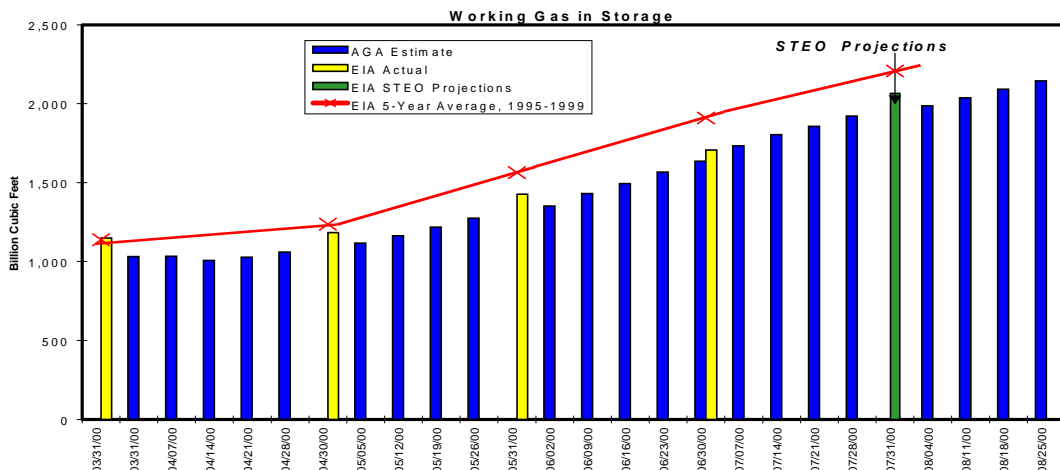


The bounds are computed by adding to and subtracting from the daily average high temperatures for the last 10 years an amount equal to twice an estimate of the standard deviation for high temperatures for each day.

Average High Temperature for Six Major Electricity Consuming Cities			
	Actual	Normal	Diff
08/26	92	89	3
08/27	90	89	1
08/28	89	88	1
08/29	89	88	1
08/30	93	88	5
08/31	94	88	6
09/01	94	88	6

Working Gas Volume as of 08/25/00		
	Bcf	% Full
East	1254	68
West	361	71
Prod Area	529	55
U. S.	2144	65

Source: AGA



Spot prices in California soared last week while El Paso Pipeline Company and federal regulators worked to restore service on El Paso's explosion-ruptured southern pipeline into California. Relatively cool weather in the urban areas kept spot prices from spiraling even higher. Temperatures up into the 100s prevailed over an extensive area of the Midcontinent, including parts of Oklahoma, Kansas, Nebraska, Missouri, Arkansas and Texas, which experienced record-breaking drought conditions and electricity consumption. Toward the end of last week, the heat began to spread into the Midwest. Although temperatures were rising somewhat in the Northeast and Mid-Atlantic regions, they remained generally cooler than normal. Spot and futures prices had significant Friday-to-Friday gains for the second week in a row, with NYMEX setting records. Spot prices at the Henry Hub moved up \$0.17 per MMBtu over Friday, August 25, ending trading last Friday at \$4.70. The NYMEX futures contract for September delivery ended trading on Tuesday at \$4.618 per MMBtu. Friday's holiday-weekend-shortened trading session saw the October contract settle at \$4.835 per MMBtu—the highest-ever settlement price for a near-month contract. The spot price for West Texas Intermediate crude oil inched down slightly from the previous Friday's price, ending last week down \$0.90 per barrel to \$33.50 per barrel, or \$5.77 per MMBtu.

Storage: For the week ending Friday, August 25, the American Gas Association (AGA) estimated that net additions to storage were 52 Bcf. The East Consuming region continues to get the bulk of the weekly stock build with an estimated 45 Bcf added. The Producing region had net injections of 12 Bcf. As a consequence of the supply disruption on the El Paso pipeline system, the West Consuming region reported net withdrawals of 5 Bcf. Based on EIA estimates, natural gas stocks stood at 2,240 Bcf on August 25, with the East at 1,381 Bcf, Producing at 568 Bcf, and the West at 291 Bcf. Total estimated working gas in storage is 7.8 percent behind the average level of the most recent 5-year period (1995-99) at this point in the refill season. On a regional basis, the East is 6.5 percent below average while the Producing and the West are 9.0 percent and 11.3 percent behind, respectively.

Spot Prices: Spot prices increased Friday to Friday at most major market locations tracked by *Gas Daily*, with the exception in California. There, prices peaked on Tuesday at \$7.42 per MMBtu on Southern California Gas Co.(SOCAL) in response to the El Paso pipeline rupture of August 19 and were exacerbated by reduced flow Tuesday on Transwestern Pipeline as a result of a temporary compressor outage. Those same prices plummeted more than a dollar on Wednesday, as El Paso restored 400 MMcf per day of the approximately 1.2 Bcf per day of capacity interrupted, and Pacific Gas & Electric lifted a two-day-old low-inventory operational flow order (OFO). For the week, California prices (SOCAL) were down \$0.60 at \$5.88 per MMBtu on Friday. Prices for gas at Transco Zone 6 for New York delivery moved up most days, reaching \$5.16 on Thursday, then fell back to \$5.07 on Friday. Midcontinent markets ended the week with net gains of about \$0.15 to around \$4.55 per MMBtu, while the Chicago citygate price climbed about \$0.24 to \$4.84 per MMBtu.

Futures Prices: After starting the week with a solid gain, the September contract faltered on its last day of trading, closing Tuesday down by almost 7 cents at \$4.618 per MMBtu. On its first day of trading as the near-month contract, the October contract jumped by \$0.183 per MMBtu over September's close to settle at \$4.801 after AGA's weekly storage estimates showed that the gap between current stock levels and the 5-year average continues to widen. This set the record for the highest settlement price for a near-month contract—a record that was promptly broken on Friday, when the October contract settled at \$4.835 per MMBtu. Friday's abbreviated trading session brought gains of from \$0.05 to \$0.065 per MMBtu to all out-month contracts through the end of the next heating season. The contract for December delivery flirted with the \$5.00 level, hitting \$4.990 per MMBtu before settling at \$4.975.

Summary: Futures prices set record highs as they pushed toward \$5.00 per MMBtu, and spot prices recorded significant gains as the inventory shortfall relative to the 5-year average continued to increase. In California, cooler temperatures helped limit the impact of the El Paso pipeline outage. The National Weather Service 6-to-10 day forecast through September 9 foresees continued temperature relief for California, but generally above-normal temperatures in most of the rest of the country.