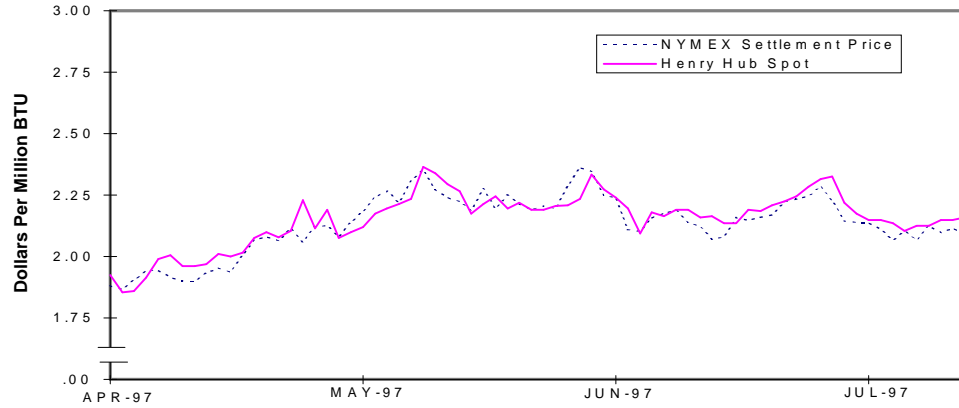


NYMEX Future Prices vs Henry Hub Spot Prices

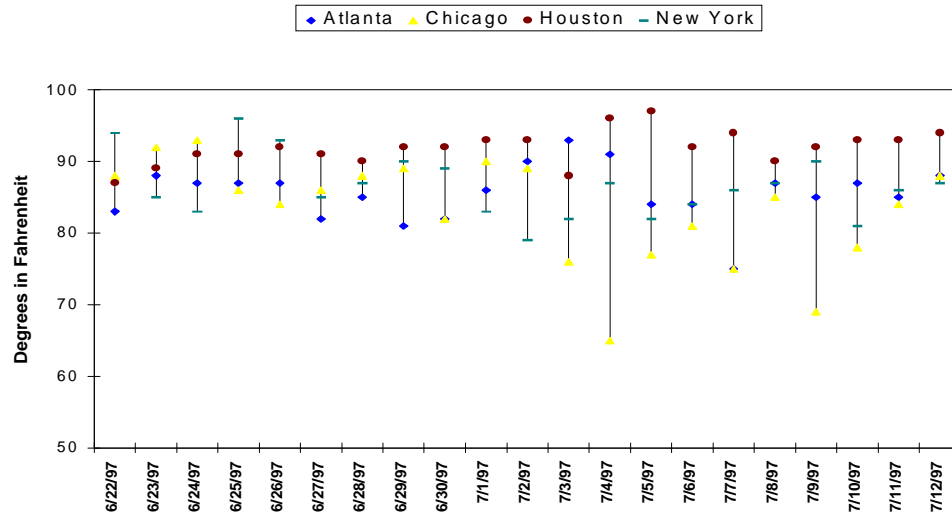
HENRY HUB PRICE		
	SPOT	FUTURES
	Jul	Aug
	Del	Del
	(\$ per MMBtu)	
07/07	2.11-2.14	2.068
07/08	2.11-2.14	2.116
07/09	2.13-2.17	2.098
07/10	2.14-2.16	2.115
07/11	2.14-2.18	2.094



Note: The Henry Hub spot price is from the GAS DAILY and is the midpoint of their high and low price for a day.

High Temperature for Four Selected Cities

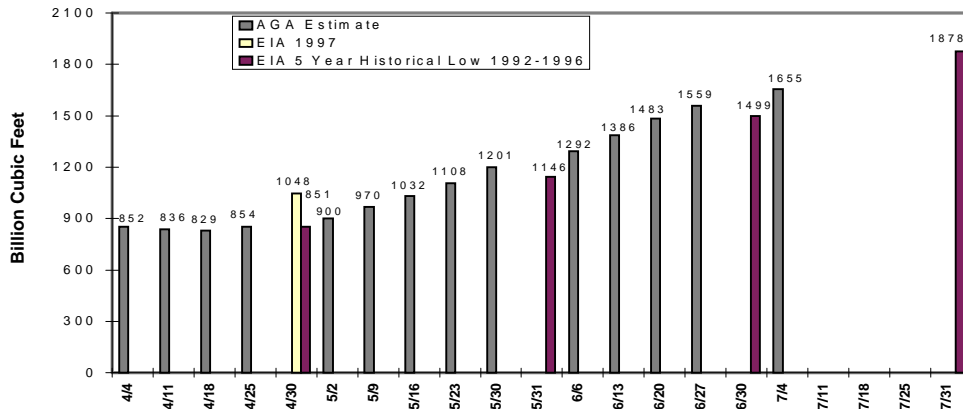
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
07/06	76	78	-2
07/07	75	78	-3
07/08	77	78	-1
07/09	77	78	-1
07/10	75	78	-3
07/11	76	78	-2
07/12	79	78	1



Working Gas In Storage 1997

Working Gas Volume as of 07/04/97		
	BCF	% Full
EAST	884	49
WEST	284	59
Prod Area	487	53
U. S.	1655	52

Source: AGA



The NYMEX futures price for August delivery opened at the Henry Hub Monday, July 14 at \$2.130 per MMBtu, \$0.036 higher than Friday's settlement price. Temperatures most days last week, on average, remained cooler than normal in most parts of the country. Of the four cities that are monitored by this report (Atlanta, Chicago, Houston and New York), only Houston had daytime highs that exceeded 90 degrees Fahrenheit most days. In Chicago daytime highs were near 70 for some days. The National Weather Service reports that thus far this year the United States as a whole has 15 percent less than normal cooling degrees days with most of the Midwest recording 33 percent less. Weather forecasts are calling for a hot spell early this week in the Mid-Atlantic region, where temperatures at or above 100 are expected in Baltimore, Philadelphia and Washington, DC. Spot prices at the Henry Hub were generally flat last week as the price spread over the period was only 4 cents per MMBtu (\$2.12 to \$2.16). The futures contract at the Henry Hub displayed a similar pattern as the settlement price stayed in a range of less than 5 cents per MMBtu during the week and by Friday it was down about 1 cent from the previous week. The price of West Texas crude oil moved within a \$0.30 per barrel range and ended the week down about 25 cents at \$19.35. Net injections to natural gas storage did return to a refill rate of almost 14 Bcf a day during the first week of July.

Storage: Net injections for the week ended July 4 jumped up to 96 Bcf, returning to the pace that had kept net injections over 90 Bcf per week since the last week of May before last week's brief slow-down to 76 Bcf. This American Gas Association (AGA) estimate translates to a daily injection rate of 13.7 Bcf. Given this daily rate of injection, plus AGA's published estimate of working gas in storage as of June 27 of 1,559 Bcf, net injections in June were just shy of 400 Bcf, and working gas inventories totaled 1,600 Bcf. These AGA-derived estimates compare with EIA's estimates of 351 Bcf of net injections in June, and a June ending inventory of 1,756 Bcf. This difference of almost 200 Bcf between the two estimates has continued for several months. Overall, according to AGA estimates, the pace of refill is slightly less this year than last: net injections through July 4 have been 826 Bcf, while through the same period last year, they were 887 Bcf. Still, working gas inventories are significantly ahead of last year's levels: about 15 percent greater nationally than this time last year, and about 10 percent greater in the Consuming East region. According to AGA, the nation's estimated working gas in storage gauge passed the half-full mark, to currently stand at 52 percent full.

Spot Prices: Prices at the Henry Hub traded near \$2.15 per MMBtu all week which partially reflected less demand for electricity, stemming from less-than-expected air-conditioning loads. Other market locations saw similar price activity as spot markets were generally stable and ended within 2 to 4 cents per MMBtu of the previous week's postings. Last year at this time the spot price at the Henry Hub was about \$2.60 per MMBtu.

Futures Prices: The price activity on the August contract at the Henry Hub which closes on July 29th, was also relatively calm as the settlement price at the end of the week (\$2.094 per MMBtu) was less than 3 cents more than on Monday. Last year the August contract moved down more than 12 cents per MMBtu during the second week of July and on Friday, July 12, 1996 settled at \$2.761 before closing at \$2.345.

Summary: With the lack of any sustained hot weather this summer and related natural gas demand, prices on both the spot and futures markets have remained stable. Storage operators appear to be taking advantage of this situation to again increase the rate of refill of their facilities.