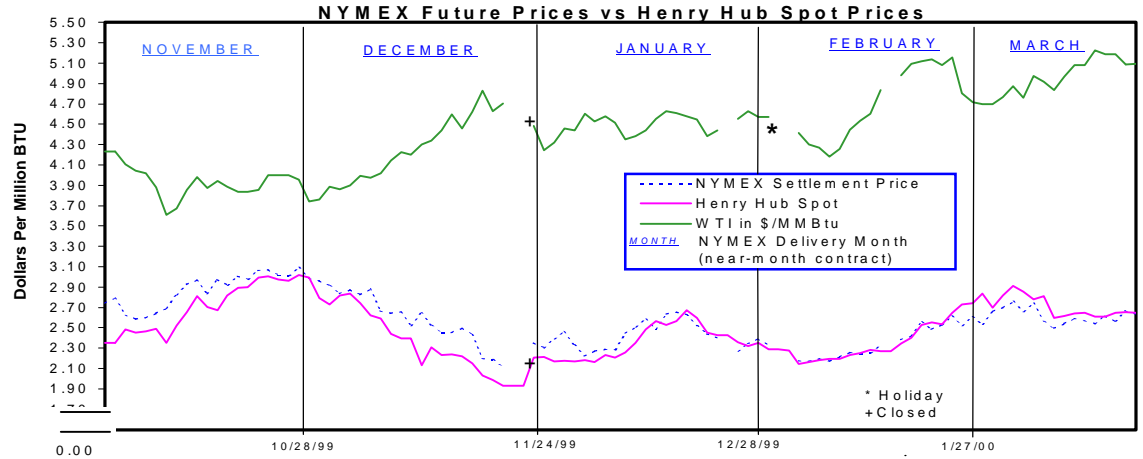
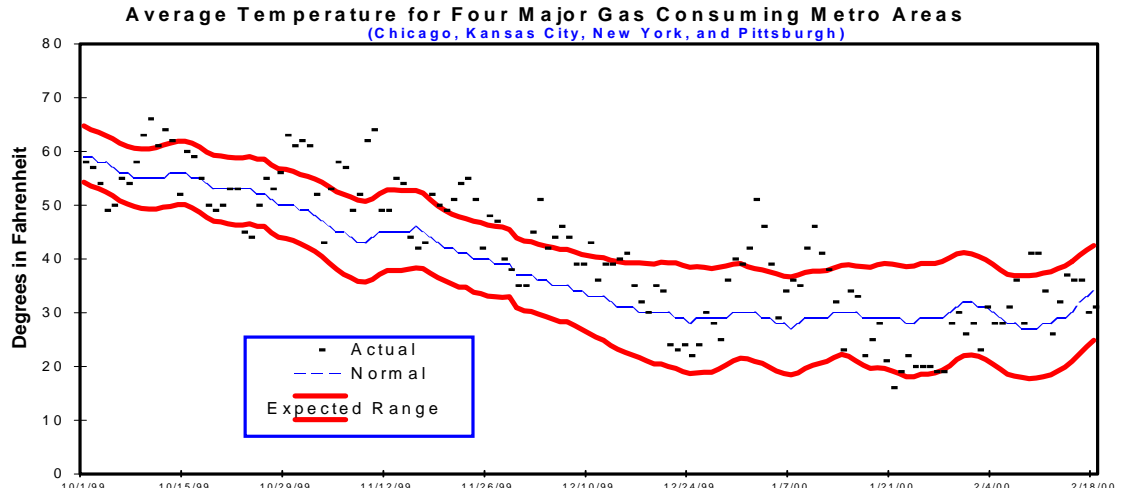


HENRY HUB PRICE (\$ per MMBtu)		
	SPOT	FUTURES
	February	March
	Del	Del
2/14	2.59-2.63	2.541
2/15	2.59-2.63	2.618
2/16	2.62-2.67	2.564
2/17	2.63-2.68	2.667
2/18	2.63-2.66	2.633



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 dates marked by vertical lines are the NYMEX near-month contract settlement dates.

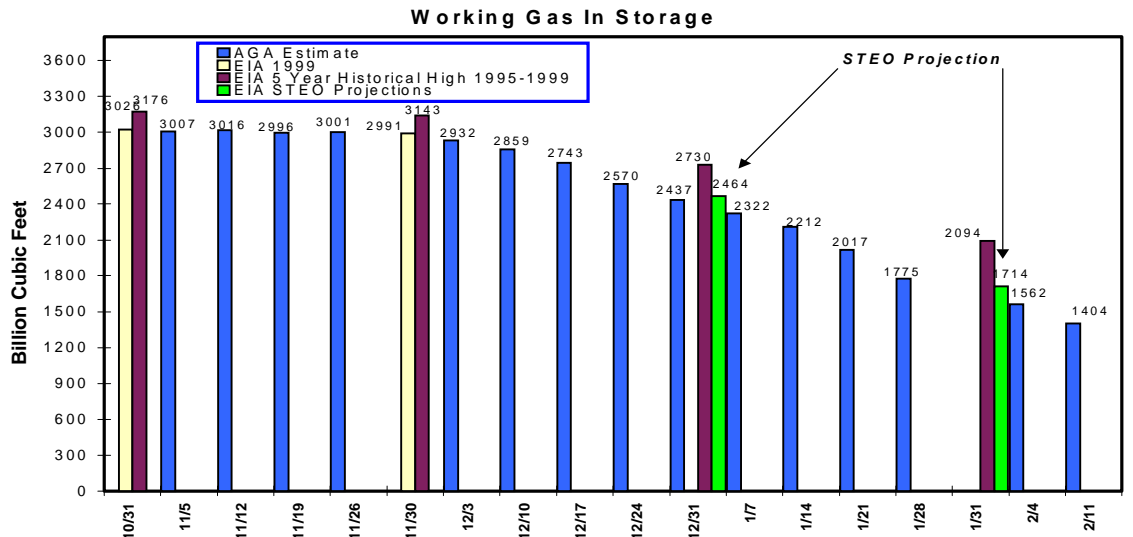
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
2/12	26	28	-2
2/13	32	29	3
2/14	37	29	8
2/15	36	30	6
2/16	36	32	4
2/17	30	33	-3
2/18	31	34	-3



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.

Working Gas Volume as of 2/11/00		
	BCF	% Full
EAST	684	38
WEST	295	60
Prod Area	425	45
U. S.	1404	43

Source: AGA



Natural gas prices in many markets generally held steady or gained just a few cents last week from levels of the previous week. Temperatures in many gas-consuming areas of the country began the week above normal, then cooled to normal or below-normal levels by the end of the week. Spot gas at the Henry Hub traded in a fairly narrow price range between the low- to mid-\$2.60s per MMBtu most days. By Friday, February 18, the price, at \$2.645 per MMBtu, was a scant one-half cent down from the previous Friday. The NYMEX futures contract for March delivery at the Henry Hub fluctuated throughout the week, punctuated by a 10-cent jump on Thursday, after the Wednesday release of storage withdrawal estimates and as colder temperatures moved into the Midwest and Northeast. For the week, the March contract gained \$0.063 per MMBtu from the previous Friday, settling at \$2.633. The price of West Texas Intermediate crude oil hovered just above \$30 per barrel early in the week, then sagged slightly Thursday and Friday. It ended the week just 10 cents above the previous Friday, at \$29.55 per barrel, or \$5.09 per MMBtu. The most recent Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) for January indicates that the price index for natural gas to residential consumers increased only 0.2 percent nationally between December 1999 and January 2000 and was 4.1 percent higher than in January of last year.

**Storage:** In response to continued high prices, the American Gas Association's (AGA) estimate for net withdrawals from storage during the second week of February is 158 Bcf, which exceeds the withdrawal estimates for this week in February in each of the past 2 years, and is equivalent to a daily rate only slightly below the average for January 2000. However, it was more than 25 percent below the drawdowns from the previous week, reflecting the moderating temperatures. The composite daily average temperatures in the four cities monitored for this report (see temperature graph) were warmer than normal for most of the week ended Friday, February 11. Based on the EIA estimate of 1,714 Bcf in storage at the end of January and withdrawals thus far in February of 280 Bcf, working gas on hand at the end of the second week of February stood at an estimated 1,434 Bcf. Even with the recent period of above-normal temperatures, total withdrawals in February are likely to exceed the previous EIA 5-year average (1995-99) for February of 380 Bcf.

**Spot Prices:** Despite warmer-than-normal temperatures in many gas-consuming areas last week, demand remained reasonably strong, causing cash prices to hold their own or gain a few cents from the previous week in most markets. Prices in the Rockies and the Pacific Northwest gained 3-8 cents, to around \$2.40 per MMBtu, on cold weather, high power prices, and solid prices for western Canadian gas. San Juan Basin prices edged up 6-10 cents, to around \$2.43, influenced by some coal-fired electric plant outages and higher power prices going into the long holiday weekend. Permian Basin prices gained about 6 cents to just under \$2.50, benefiting from higher prices on many Midcontinent pipes, which were in turn buoyed by the frigid weather in the northern plains states and upper Midwest. An outage at Con Ed's Indian Point nuclear plant just north of New York City on Tuesday caused prices on Transco for New York delivery to spike above \$5.00 per MMBtu briefly on Wednesday. By Friday, prices into the Northeast were down as much as 30 cents from the previous Friday, February 11, to the \$3.15-3.90 range.

**Futures Prices:** The price of the March futures contract held up well in the face of what many would consider less than bullish fundamentals, including the National Weather Service (NWS) 6-10 day temperature outlook showing above to much above normal temperatures for nearly the entire country. The March contract jumped \$0.103 per MMBtu on Thursday to \$2.667, perhaps influenced by AGA's relatively strong storage withdrawal estimate of 158 Bcf. The March contract settled on Friday at \$2.633 per MMBtu, then opened on Tuesday, February 22, down \$0.078 at \$2.555. The March contract, which has gained just over 10 cents since becoming the near-month contract on January 28, closes on Friday, February 25.

**Summary:** More typical winter weather in the northern tier of the nation, plus cooler (though still above normal) temperatures elsewhere, kept spot and futures prices at or slightly above levels of the previous week. Continued reliance on storage withdrawals despite a week of above-normal temperatures showed the influence of relatively high supply prices. If the recent pattern of storage withdrawals continues through the month, February net withdrawals will exceed the EIA 5-year average (1995-99) for this month.