



ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR NOVEMBER 7, 2005

NATURAL GAS MARKET NEWS

The Northeast Gas Association said that the natural gas distribution companies serving New England are ready for winter, and have adequate natural gas supplies to meet their firm customers' needs in the region. This includes all residential, commercial, industrial and power generation customers with firm transportation and firm supplies. Thomas Kiley, president and CEO of NGA said "the region's natural gas utilities are ready to serve their customers this winter. Storage supplies are in excellent shape, and the regional delivery system is operating well."

Kinder Morgan Energy Partners announced that Total Gas & Power North America and Chevron U.S.A. have signed binding precedent agreements for 100% of the initial capacity for a term of 20 years on the proposed Kinder Morgan Louisiana Pipeline. Total and Chevron were awarded all of the capacity in a recent open season. The \$490 million project involves construction of a new interstate natural gas pipeline that will provide 3.2 Bcf/d of take-away capacity from the Cheniere Sabine Pass LNG plant now under construction in Cameron Parish, Louisiana and interconnect with various interstate and intrastate pipelines.

The Minerals Management Service reported that today's shut-in natural gas production in the Gulf of Mexico is 4.482 Bcf/s. That is equivalent to 44.82% of the daily gas production in the Gulf of Mexico, a small improvement from Friday.

PIPELINE RESTRICTIONS

Gulf South Pipeline said that based upon its initial review of nominations, NNS demand, and other factors, Gulf South may be required to schedule available capacity and implement scheduling reductions on the Tyler 12-inch Index 8 / Palestine 8-inch Index 11 & 70 / Dallas 18-inch Index 1; Hall Summit; Koran Station; West 30 North; Barron (To Columbia Gulf); Bayou Sale to Napoleonville; Montpelier to Kosciusko, and Kiln to Mobile.

Generator Problems

ERCOT— Texas Genco's 1,280 Mw South Texas #2 nuclear unit returned to full power by early today. On Friday, the unit was operating at 69% after exiting a refueling outage earlier in the week. South Texas #1 continues to operate at full power.

MAAC— PSEG's 1,100 Mw Salem #1 nuclear unit exited a refueling and maintenance outage and ramped up to 61% of capacity by early today. Salem #2 continues to operate at full power.

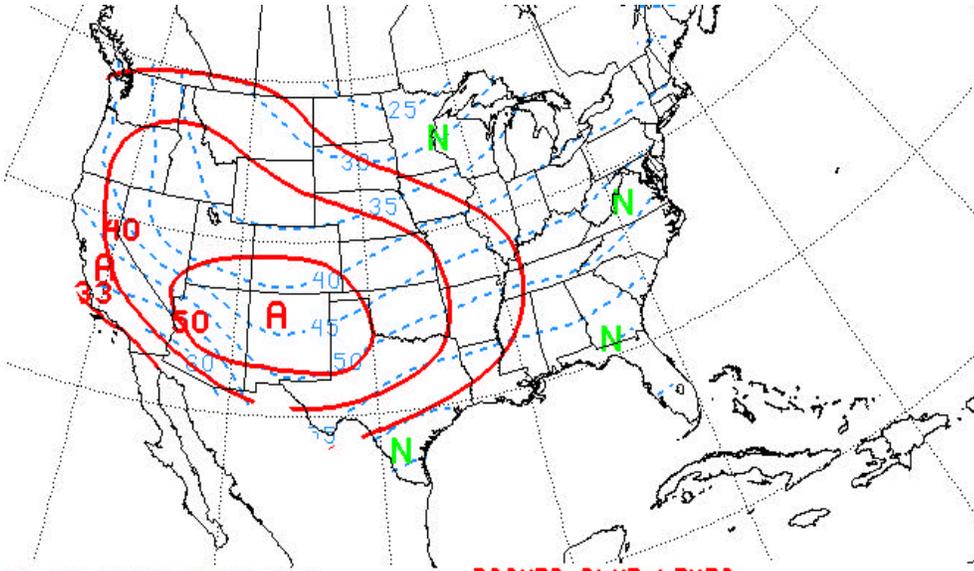
MAIN— Exelon Corp.'s 900 Mw Dresden #3 nuclear unit shut over the weekend to repair a leak on the service station water system. On Friday, the unit was operating at 98% and on Saturday it was operating offline at 6%. Dresden #2 remains offline after shutting early last week.

NPCC— Entergy's 670 Mw Pilgrim nuclear unit returned to full power over the weekend. On Friday, the unit was operating at 80%.

SERC— Duke Energy's 1,100 Mw McGuire #2 nuclear unit returned to full power by early Monday. McGuire #1 continues to operate at full power.

WSCC— Energy Northwest's 1,200 Mw Columbia nuclear power unit dipped to 60% capacity by early today. On Friday, the unit was operating at full power.

The NRC reported that U.S. nuclear generating capacity was at 79,961 Mw up .54% from Friday and up 5.59% from a year ago.



**8-14 DAY OUTLOOK
TEMP PROBABILITY
MADE 7 NOV 2005
VALID NOV 15 - 21, 2005**

**DASHED BLUE LINES
ARE CLIMATOLOGY (DEG F)
SOLID LINES ARE TOTAL PROBABILITY
OF THE INDICATED CATEGORY. HEAVY
SOLID LINES ARE 33.3% PROBABILITY**

Kern River Pipeline said that line pack levels have returned to normal on its entire system

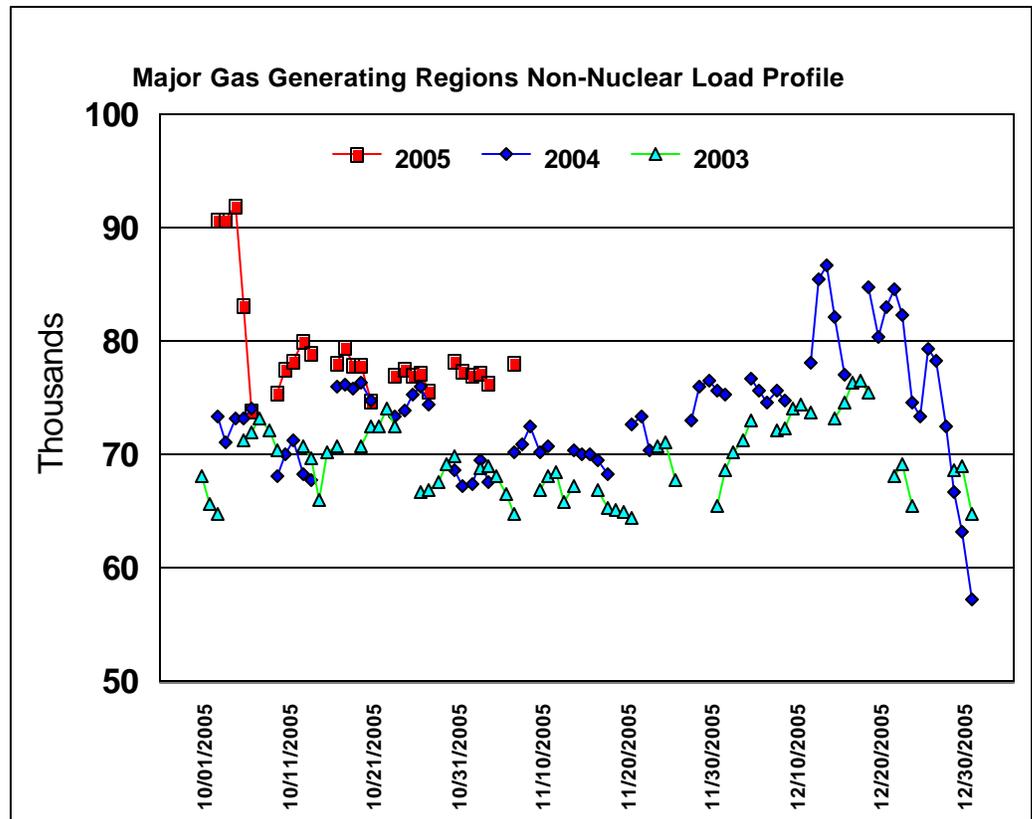
Natural Gas Pipeline Company of America said that capacity is available at ANR South Joliet #2. Interruptible flow, authorized overrun and secondary firm transport volumes are available. ANR South Joliet #2 is located in Will County, Illinois (Segment 33) in Natural's Iowa Illinois Receipt Zone.

Texas Eastern Transmission said that Zones M1 24-inch and M2

24-inch have been restricted to capacity flowing through Batesville. Receipts between Little Rock and Batesville for delivery outside that area will not be accepted. Tetco has force balanced long TABS pools in Zones STX and ETX. Zones STX and ETX have been sealed to capacity. No increases in receipts between Mt. Belvieu and Little Rock for delivery outside that area will be accepted. Also, receipts sourced at Monroe Station have been sealed to capacity.

PIPELINE MAINTENANCE

Alliance Pipeline said that minor maintenance will require the Loreburn Compression Station to be offline for eight hours starting at 9:00 AM MT on November 9. System throughput will be affected and will be determined closer to the outage date. The Loreburn Station is located in Saskatchewan. Also Alliance Pipeline said that planned maintenance at the Paddle River Compressor site will require it to be unavailable from November 8-10. A compressor test run will be conducted on November 10 with an



expected flow rate of 15 MMcf for a short period. Capacity will be reduced to zero for November 8 and 9. The Paddle River Compressor is located in Alberta.

ANR Pipeline Company said it will begin engine maintenance at its Bridgman Compressor Station located in Michigan in the Northern Fuel Segment (ML-7), which will reduce the total Michigan Leg capacity. Capacity will be reduced by the following: MLN-Michigan Leg North – South End 130 MMcf/d (leaving 1,288 MMcf/s available) from November 7-18; MLS-St. John W-E 100 MMcf/d (leaving 1,205 MMcf/d available) from November 7-18. Based on current nominations along the Michigan Leg, it is anticipated that the above reductions may result in the curtailment of interruptible and firm secondary nominations.

El Paso Natural Gas Company said that the Bondad B turbine will be down to replace fuel valves for 12 hours on November 15, reducing the capacity through Bondad Station by 70 MMcf/d from a base capacity of 746 MMcf/s.

ELECTRICITY MARKET NEWS

More than 94% of Florida Power & Light Company customers impacted by Hurricane Wilma have received electric service back as of this morning. The company remains on track for 95% of its customers being restored by tomorrow.

As significant customer growth continues in Progress Energy Florida's service area, the company has placed into service the third generating unit at its Hines Energy Complex in Polk County. The newly completed natural gas-fueled combined-cycle unit adds 500 Mw of reliable, low-emission electric generating power.

MARKET COMMENTARY

The natural gas market opened down 35.5 cents as weather reports continued to call mild temperatures across the country. The market traded initially to a low of 11.03 before rebounding and trading sideways just below the 11.20 level. A private forecaster issued a reported around noon today calling for colder weather to make its way into the Mid-continent closer to the end of the month, and the market jumped, fueled by short covering, psychological support around the 11.00 level, and significant technical support below at 10.84. The market was ready for a bounce given that it has been down for quite a few sessions and was approaching the pre hurricane levels. Natural gas paused around the 11.40 level and then more buying drove it to a high of 11.90 before settling up 45.8 cents at 11.873 with 69,000 contracts booked on the day.

We look for this market to consolidate some of this bounce, as temperatures in the near term are to remain above normal, and this week's, EIA report is expected to show an atypically large build (45 Bcf to 60 Bcf), given last week's weather. When the cold does finally set in, with 45% of the daily production in the Gulf still offline, the table could turn in relatively short order should Mother Nature begin to introduce some winter temperatures into the equation. We see any further dips as opportunities to buy futures or perhaps sell some out of the money puts. We see support at the gap between \$11.00-\$10.84, followed by \$10.10, and \$10.00. We see resistance initially at \$11.90, \$12.00 and \$12.34. Further resistance we see at \$12.87 and \$12.89.