ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR FEBRUARY 5, 2008

NATURAL GAS MARKET NEWS

The CEO of Anadarko Petroleum said the current daily production at its Independence Hub was 850 million to 900 million cubic feet per day, before the platform was shut for planned work. The unit is being shut for a routine one to two day maintenance. Anadarko has said it is targeting a daily production rate of 1 Bcf/d for the facility.

Maritimes & Northeast Pipeline is proposing to increase the capacity of the U.S. portion of its pipeline system to transport new gas supplies from EnCana Corp.'s planned Deep Panuke project, located off the coast of Nova Scotia, to markets in Atlantic Canada and the Northeast United States, the company said Tuesday.

Despite some predictions of production declines in the Gulf of Mexico (GOM), private equity firms The Carlyle Group and Riverstone Holdings said Tuesday they have committed $450 million for investment in a new oil and gas company that will focus on acquiring and developing producing properties in the Gulf.

Prompt British gas prices edged higher today, recovering from falls the previous session, although mild temperatures weighed on power contracts. Gas for delivery on Wednesday traded around 48.50 pence per therm, up 1.40 pence from the previous close.

PIPELINE MAINTENANCE

ANR Pipeline Company said that it will continue unplanned engine repairs at its Joliet Compressor Station located in Illinois in the Northern Fuel Segment, which will reduce the total NGPL-Joliet Interconnect capacity to 90 MMcf/d available through February 11. Also, ANR said that unplanned engine repairs at its Sardis Compressor Station on the SE mainline located in Indiana are also ongoing.

Gulf South Pipeline said that scheduled maintenance on Goodrich Compressor Station Unit #6 has been extended through February 18. Capacity through the Goodrich Compressor Station could be reduced by as much as 50 MMcf during this maintenance, which began November 20, 2007.

Generator Problems

ECAR – AEP's 1,060 Mw Cook #1 nuclear unit ramped power to 17% capacity though it remains offline. Cook #2 continues to operate at full power.

FirstEnergy's 898 Mw Davis-Besse nuclear unit remains offline at 18% power as it comes back from a refueling outage.

Detroit Edison's 1,100 Mw Fermi #2 nuclear unit ramped power to 85% capacity.

ERCOT – Luminant's 1,150 Mw Comanche Peak #1 nuclear unit returned to full power, up from 72% power. Comanche Peak #2 continues to operate at full power.

Luminant's 750 Mw Martin Lake #2 coal-fired power station restarted.

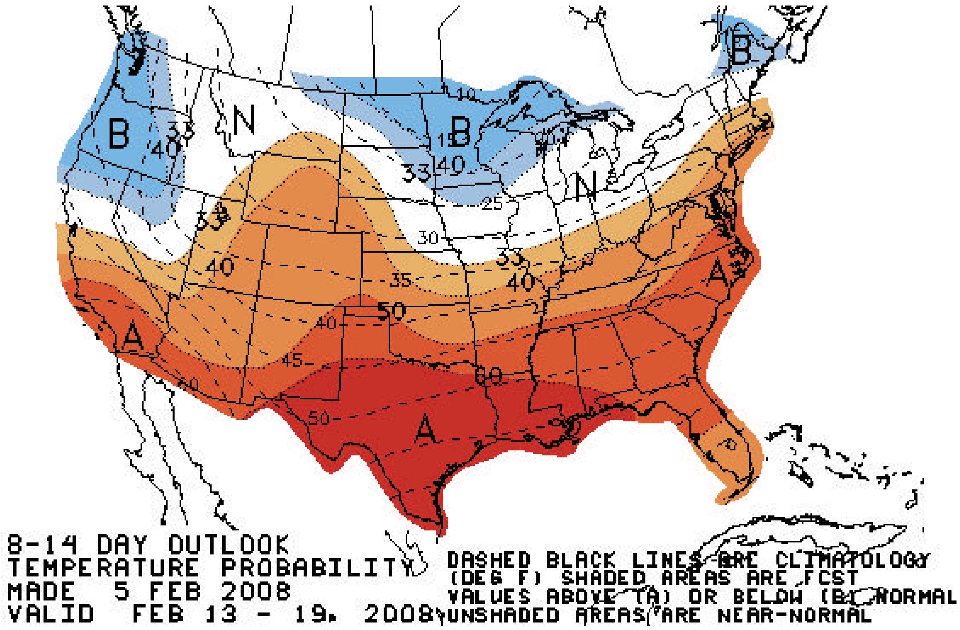
MAPP – FPL's 516 Mw Point Beach #1 nuclear unit ramped power to 30% capacity and reconnected to the grid following a forced outage on January 16.

MAIN – AmerGen's 1,022 Mw Clinton nuclear unit restarted and is warming up at 1% capacity following a refueling outage.

NPCC – FPL's 1,240 Mw Seabrook nuclear unit ramped output to 76% capacity. Yesterday, the unit was operating at 50% capacity.

PJM – Exelon's 1,116 Mw Peach Bottom #3 nuclear unit reduced power to 37%. The unit was operating at 69% power yesterday. Peach Bottom #2 continues to operate at full power.

The NRC reported that 87,041 Mw of nuclear capacity is online, up 1.26% from Monday, and down 8.16% from a year ago.



Tennessee Gas Pipeline said that leak repairs have been completed and effective immediately Tennessee Gas Pipeline Company is lifting the force majeure event for the meter located at side valve 509A-502.

Williston Basin Interstate Company said that unplanned maintenance will be performed today on the storage compressor units at the Elk Basin Compressor Station. Maximum capacity for aggregate storage will be approximately 350 MMcf/d during this period

ELECTRIC MARKET NEWS

U.S. coal stocks fell 1.17% last week and the stockpile cushion over last year also shrank as winter stoked consumption. U.S. power generators had slightly less than 144.86 million tons of coal as of the week ended February 4, down 1.71 million tons from the previous week. Power stations had coal stockpiles 8.64% greater than they had during the same week in 2007, a cushion that is down 0.36% since last week.

Physical coal prices held strong at record highs today while financially-settled prices slipped on the back of profit-taking. Australian Newcastle coal for March loading traded at a record $129.50 a tonne, while South African Richards Bay coal for July loading was sold at $102.90 a tonne. The paper market steadily dropped throughout the day, with the March contracts trading 5,000 tonnes at $125 a tonne after opening at $128 a tonne.

Constellation Nuclear Energy president and CEO Michael Wallace said his company is planning to break ground for a new nuclear unit at Calvert Cliffs in Maryland in December if federal loan guarantees are put in place this year.

Three large U.S.-based banks issued a series of principles designed to help them evaluate and address carbon risks in the financing of coal-fired power projects. The banks, Citi, JP Morgan Chase and Morgan Stanley, said development of the so-called Carbon Principles was driven by the risks faced by the power industry as utilities, independent producers, regulators, lenders and investors deal with the uncertainties around regional and national climate change policy. The principles include energy efficiency and regulatory and legislative changes. The banks have negotiated this policy with seven major utility companies. The policy will not automatically block financing for coal-burning plants, but the banks are expected to query utilities closely about the potential costs before agreeing to finance such plants.

Natural Gas Cash Market

ICE Next Day Cash Market

Location	Volume Traded	Avg Price	Change	Basis (As of 12:30 PM)	Change	Basis 5-Day Moving Avg
Henry Hub	1,466,000	$7.803	$0.242	($0.172)	$0.092	($0.029)
Chicago City Gate	1,107,200	$8.017	$0.328	$0.042	$0.144	$0.127
NGPL- TX/OK	979,400	$7.627	$0.345	($0.348)	$0.161	($0.308)
SoCal	837,100	$7.803	$0.294	($0.172)	$0.110	($0.118)
PG&E Citygate	604,300	$8.034	$0.182	$0.059	($0.002)	$0.178
Dominion-South	375,100	$8.204	$0.302	$0.229	$0.118	$0.388
Transco Zone 6	141,400	$8.634	$0.413	$0.659	$0.229	$0.909

Ux Consulting, a leading publisher of uranium prices and forecasts, said spot uranium prices slipped to $75 per pound this week. The weekly price eased $3 this week with traders pointing to cheap material from one producer and one trading house as the main reasons behind the fall.

MARKET COMMENTARY

The natural gas market held in positive territory despite a failed test of 8.00 resistance early in the session. Fueled by a forecasted cold snap, although short one, for the major northern markets and an abnormal number of outages and curtailments across the nation's nuclear fleet. The March contract traded between 7.90 and 8.00 for most of the session, reluctant to follow crude oil lower. The front month settled up 7.3 cents at 7.942.

Expectations for this week's EIA report had been pointing to an average withdrawal of 175-180 Bcf, though more recent estimates have been adjusted to the higher side near 195-200 Bcf, which would once again exceed the five-year average. Based on the price action of the last two sessions, this market is not ready to give up on winter. We see support at 7.872, 7.797, 7.731, 7.62-7.60 and 7.50. We see resistance at 8.00, 8.079, 8.154 and 8.48.