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ENERGY RISK MANAGEMENT

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POWER MARKET REPORT FOR MARCH 14, 2008

NATURAL GAS MARKET NEWS

Baker Hughes reported that for the week ending March 14th some 1441 rigs in the United States were searching for natural gas down 15 rigs from the prior week and some 12 rigs less than the same time a year ago.

National Grid reported that the weekly LNG tinkering berth slot at the Isle of Grain terminal will not be used on March 21st by either BP or Sonatrach.

The gas pipeline connecting the British and Belgian networks is scheduled toswitch back to UK export mode on Friday afternoon. The line had been in export mode Thursday morning but had flipped to import mode Thursday evening.

Waterborne Energy reported that exports of LNG from the Atlantic basin to the Far East are on track to hit record highs in March, due to strong demand in Japan and South Korea. The tracking company estimates that this month should see 1.6 million tons this month, eclipsing the previous monthly record of 1.482 million tons set in December 2007. The largest portion of the Atlantic Basin headed to Asia had come from Egypt. Asian spot prices for this winter have reached $20 per Mmbtu and have hovered in the mid to high teens for much of the time. This has been more than double the levels seen in the United States or Britain. Waterborne expects U.S. imports of LNG could hit a six year low for the month, but the company expects the pace of imports to grow in April as the arbitrage between the U.S., Europe and Asia seems to be shifting toward the U.S.

Generator Problems

PJM – Constellation's 873 Mw Calvert Cliffs 1 nuclear unit was at 58% on Friday, up from just 1% on Thursday. The unit was ramping up following a late February refueling outage.

ECAR – FirstEnergy Corp's 1,231 Mw Perry nuclear unit was operating at 68% of capacity early Friday, down from full power on Thursday. No reason was given for its reduced operating level.

SPP – Entergy's 966 Mw River Bend nuclear unit was at 70% of power this morning down 12% from the day before.

FPCC – FPL's 839 Mw St. Lucie 1 nuclear unit was at 98% on Friday, up 58% from Thursday. The unit had been reduced to allow work on a condensate pump.

SERC – TVA's 1100 Mw Browns Ferry #3 nuclear unit was at 82% of capacity. The unit is expected to go off line on March 17th for a planned refueling outage.

Southern Nuclear's 851 Mw Farley #1 nuclear unit had an alert declared today when during the 1B diesel generator surveillance run, the control room received fire alarms for the diesel generator room as a result of smoke build up in the generator room.

Southern Nuclear's 1215 Mw Vogtle #1 nuclear unit was trimming output and was at 92% of capacity this morning as the unit continues to coast down a planned outage.

Progress Energy's 938 Mw Brunswick #1 nuclear unit remained at 90%. The unit is expected to coast down to a refueling outage expected to begin on March 16th.

Southern Nuclear's 883 Mw Hatch #1 nuclear unit remained off line still this morning operating at only 8% of power. The unit has yet to reconnect to the grid since being restarted on Wednesday.

Canada – OPC's 490 Mw Nanticoke #1 coal fired unit returned to service after exiting a March 12 outage while unit #7 was shut. Unit 3 was shut by March 3 and is expected to return in mid-March.

The NRC reported that 86,997 Mw of nuclear capacity is online, up 0.56% from Wednesday, and up 5.02% from a year ago.

Ukraine's Prime Minister Yulia Tymoshenko said Ukraine was seeking a long term agreement on gas supplies from Russia's

Gazprom. Ukraine on Thursday signed an agreement with Gazprom that detailed supply volumes and prices for 2008. However they have not yet signed a deal for next year. According to the agreement, Gazprom would supply almost 50 billion cubic meters of Central Asian gas at $179.50 per 1,000 cubic meters before the end of the year. Separately, Gazprom said it planned to increase its gas production by 2.3% to 561 billion cubic meters this year while gas exports are set to increase by 4.3% to 157 bcm of gas this year.

PIPELINE MAINTENANCE

ANR Pipeline said it will continue unplanned engine repairs at its Joliet Compressor Station until March 21st. Capacity at the interconnect will be reduced to 90,000 Dth/d and based on current nominations, it is anticipated that these reductions may result in curtailment of IT and Firm Secondary nominations.

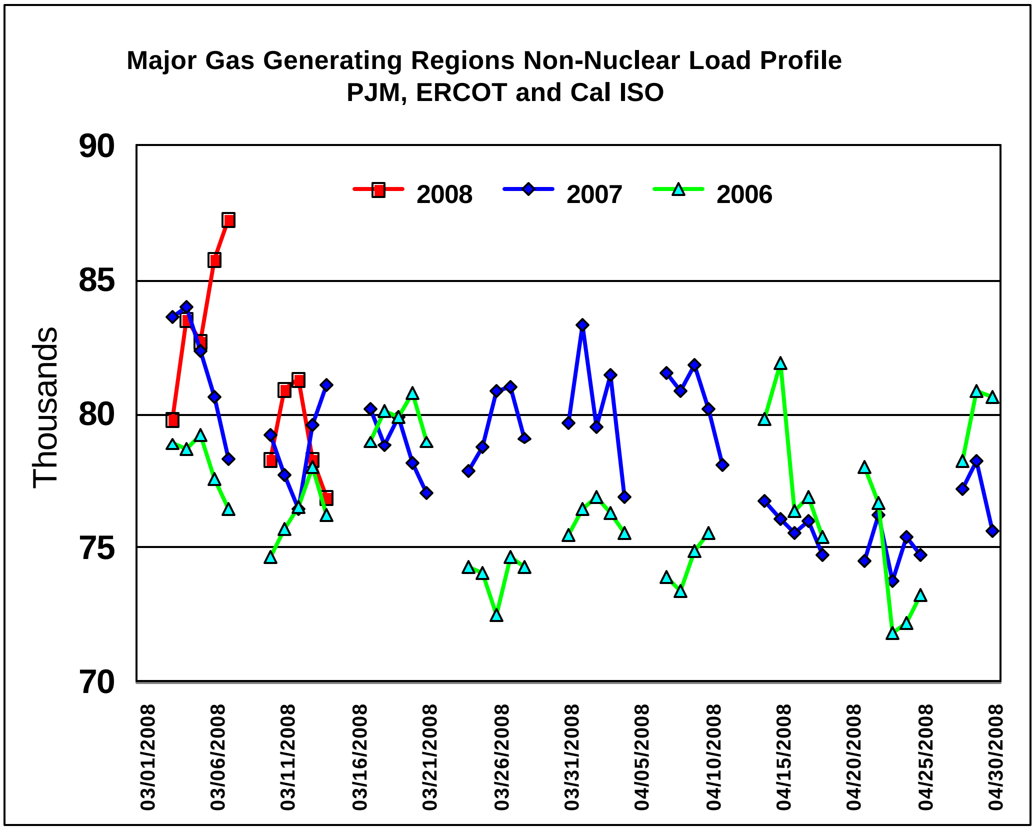
Centerpoint Gas Transmission said it began unplanned maintenance Thursday on its Sterlington Station (South Pooling Area). The company does not expect any impact to Firm Services into the Perryville Hub, however IT Service could be impacted.

Florida Gas Transmission said scheduled maintenance at its compressor station starting March 19 would require all three units at the station to be offline. During the work, expected to continue into April, FGT would schedule up to about 150,000 mmbtu/day through the station, down from normal operations of up to 300,000 mmbtu/day. In addition, work continued on one of two units at the FGT/Tennessee Carnes interconnects. The outage, expected to last until March 19, was limiting flows through the station to about 30,000 mmbtu/day from normal operations of 60,000 mmbtu/day.

ELECTRIC MARKET NEWS

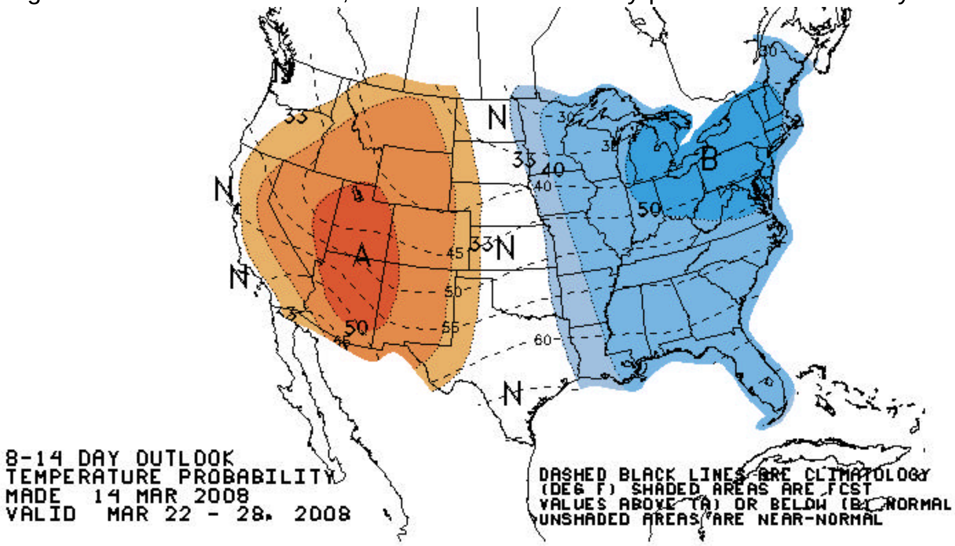
The NRC announced this afternoon that it will allow eight U.S. nuclear reactors to continue to operate until they shut for scheduled maintenance rather than shutting them early to repair potential weld problems. The plants are all scheduled to come off line with in the next six weeks.

Moody's Investor Service said it expects U.S. electric utilities to increase their reliance on natural gas as a generating fuel as they are forced to build new plants to meet growing demand while complying with programs designed to reduce greenhouse gas emissions. As a result the rating agency sees greater risks for the utilities because of gas price volatility, especially for those utilities operating in California, Texas and Florida. The rating agency said this gas price risk will raise concerns over retail electric rate shock and whether state regulators will allo utilities to recoup these fuel costs in a timely fashion. While



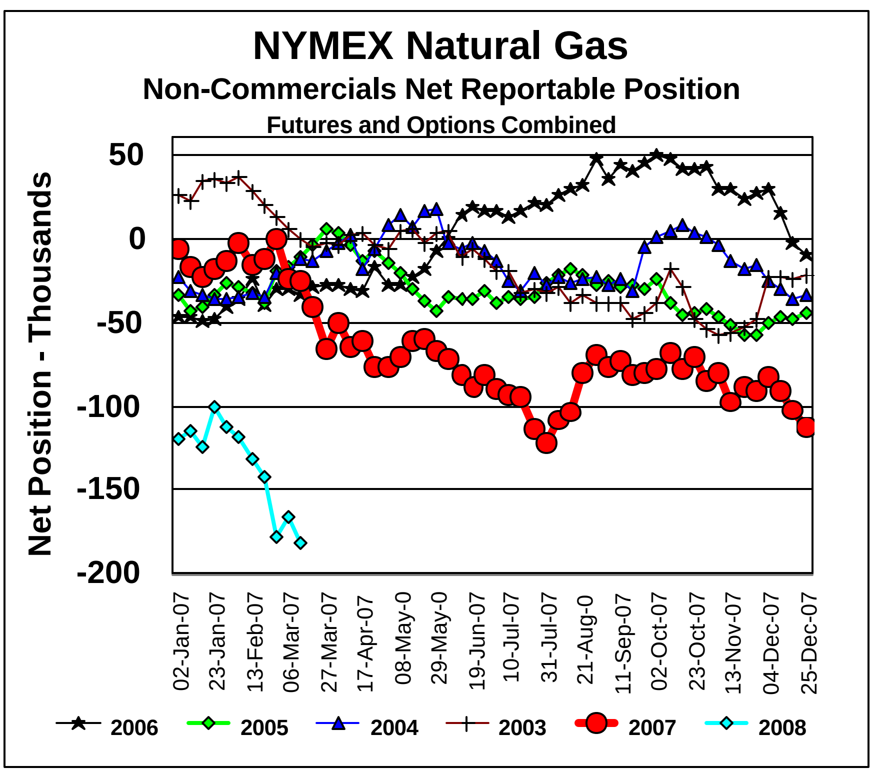
Moody's did not take a stance on where they see federal carbon cap prices going, the report noted that most of the federal bill proposals have focused on a charge in the range of $10-12 per metric ton base.

MISO said it will delay until September 9th the start up of its ancillary services market. Initially there had been a target launch date of June 1st, but MISO felt not all key parties were not ready for the June 1st launch date.



Genscape reported today that its U.S. coal burn index, a gauge of power plant demand for coal, rose 0.01% in the week ending March 13th. The index was up 0.08% from the same week a year ago.

The Edison Electric Institute said today the EPA made a wrong call in changing the ozone standard in its new air quality stands it released on Thursday. The electric utility group said that the proposed health benefits of tighter standards may never be realized while at the same time substantially increasing consumer energy bills. The industry group noted that hundreds of counties in the U.S. have been unable to meet current standards that were put in place a decade ago, these new standards will just inflict economic hardship on these areas without speeding air quality improvement.



MARKET COMMENTARY

The natural gas market while making a new high this morning was unable to breach resistance at the upper end of the past six week trading channel. As a result by midday some profit taking appeared to come into this market and prices were able to convincingly break below the $10 support and at the close was even able to quickly breach the bottom of the channel support at $9.85 but still settled above this support level.

While nuclear generation maintenance should lend support to this market over the intermediate term, we feel if weather forecasts turn moderate early next week the late day sell off could find some legs and prompt some follow through profit taking for a day or two. So initially we would look for support Monday initially to be found at $9.924 followed by $9.80. If the $9.80 is breached we would look for profit taking to drive the market down to $9.621 and $9.464, with an ultimate objective of $9.276 where we would return as a buyer once again. Distant key support would be seen at $8.962 and $8.648. Resistance initially Monday we would see at $10.115 followed by $10.30, $10.452 and $10.609.