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POWER MARKET REPORT FOR NOVEMBER 27, 2006

NATURAL GAS MARKET NEWS

U.S. heating demand is expected to be almost 24% below normal this week as temperatures are seen considerably higher than normal in regions east of the Rockies. Heating demand for natural gas will be just more than 23% below normal.

Severe winter weather, having already arrived in the West and predicted to engulf much of the rest of the U.S. by the end of the week, sparked rising prices at a solid majority of points Monday. The Midcontinent and West regions, which had recorded all of the preceding Wednesday's dollar-plus plunges, also saw all of the Monday rally's triple-digit gains that ranged as high as about $1.80.

The U.S. FERC reported in a final environmental impact statement that construction and operation of Gulf LNG Energy's proposed 1.5 Bcf/d LNG import terminal in Pascagoula, Mississippi, would cause little environmental harm. FERC commissioners must now vote whether to grant the developer a license for the project, which includes a ship berth and marine unloading facilities capable of accommodating one LNG tanker, two 160,000 cubic meter LNG storage tanks, a 5-mile, 36-inch natural gas send out pipeline and associated support facilities.

PIPELINE RESTRICTIONS

Texas Eastern Transmission Corp. said that it has restricted to capacity deliveries downstream of Castor on the Castor lateral. No increase of deliveries downstream of Castor on the Castor lateral will be accepted. Tetco has scheduled to capacity all receipts sourced between Little Rock and Batesville for delivery downstream of Batesville. No increase of receipts between Little Rock and Batesville for delivery downstream of Batesville will be accepted. Tetco has restricted receipts sourced between Mt. Belvieu and Little Rock for delivery outside of that area.

Generator Problems

ECAR – FirstEnergy's 946 Mw Davis-Besse nuclear unit has restarted and returned t full capacity.

ERCOT – NRG Energy's 646 Mw WA Parish #6 coal/natural gas-fired power station shut for planned work on a circuit breaker today.

MAAC – PPL's 1,135 Mw Susquehanna #1 nuclear unit automatically shut from full power on November 25 due to an apparent generator load reject. The unit is expected to restart over the next few days. Susquehanna #2 continues to operate at full power.

MAPP – Nebraska Public Power District's 756 Mw Cooper nuclear unit exited a refueling outage and ramped up to 98% capacity.

MAIN – Exelon restarted both of its Dresden nuclear unit, ramping the 912 Mw unit #2 to 75% and unit #3 to 97% capacity.

SERC – Entergy's 1,087 Mw Waterford nuclear unit shut by early today for a planned month long refueling outage. The unit was operating at full power before the holiday.

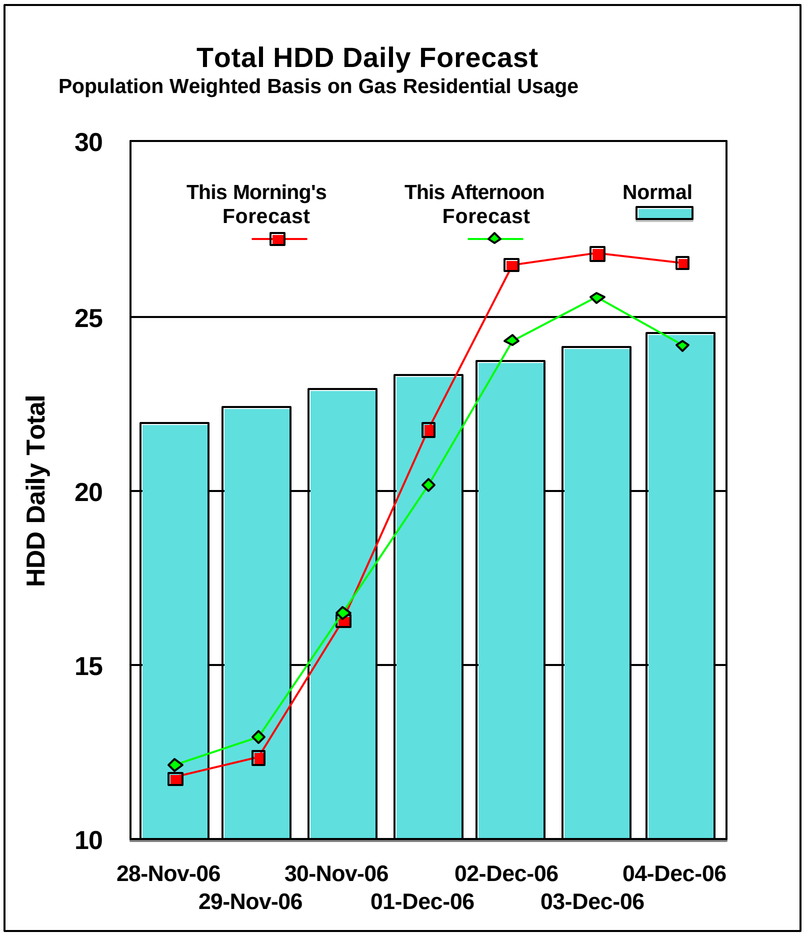
TVA's 1,127 Mw Sequoyah #2 nuclear unit shut for a planned refueling outage late yesterday.

South Carolina Electric & Gas Company's 1,000 Mw Summer nuclear unit ramped up to 89% power as it comes back from a refueling outage.

WSCC – PG&E's 1,087 Mw Diablo Canyon #1 nuclear unit reduced output to 70% for routine maintenance. Before the holiday, the unit was operating at full power.

Canada – Ontario Power Generation's 490 Mw Nanticoke #6 unit shut, while unit #1 returned to service.

The NRC reported that 87,505 Mw of nuclear capacity is on line, up 1.16% from Wednesday, but 3.72% lower from a year ago.



Westcoast Energy said it is postponing the McMahon 16-hour total outage on November 29 for the A/B Acid Gas Pre-Heater. Concern over the reliability of McMahon plant without the Acid Gas Pre-Heater when acid gas ratios go below 39% were alleviated when operations staff were successful in maintaining reliability with a 38% acid gas ratio this past weekend. Since the risks of a midwinter shutdown now outweigh the risks of running without the acid gas pre-heater the repairs will be postponed until further notice.

Williston Basin Interstate Pipeline Company said that one point and several line sections are in pipeline Capacity Constraint. Penalties will be imposed for the timely cycle for delivery at the following line sections: Dickinson-Bismarck; Bismarck-Cleveland; Cleveland-Grafton; Williston-Bismarck; Cleveland-Mapleton; and Portal-Tioga. Penalties will also be imposed at the Northern Border-Manning.

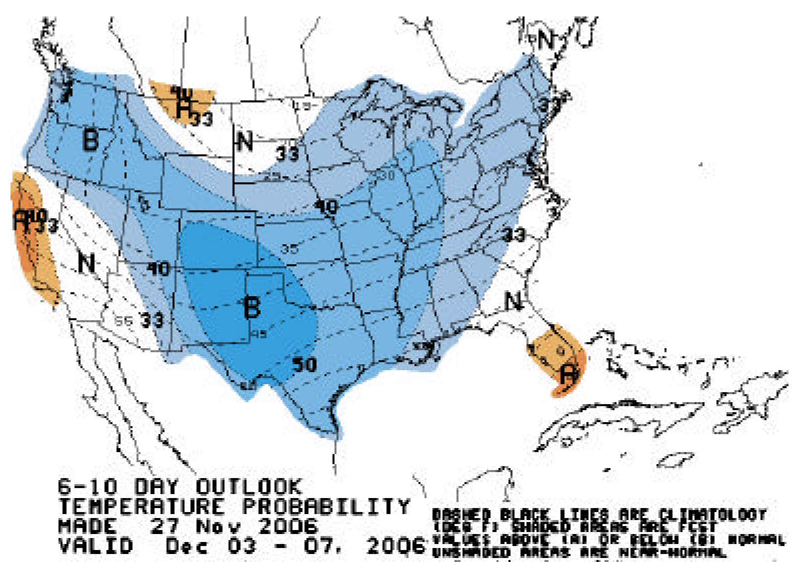
PIPELINE MAINTENANCE

Florida Gas Transmission said that it will be performing maintenance on the mainline just downstream of Compressor Station #7 in Acadia Parish, Louisiana starting on December 1. This outage is expected to last one day. During this work FGT will schedule up to approximately 300 MMcf/d through Compressor Station #7. During normal operations FGT schedules up to 465 MMcf/d.

Gulf South Pipeline said that it will be performing scheduled maintenance on both units at the Olla Compressor Station, with one unit available at a time, beginning November 27, and continuing through December 22. With only one unit available at a time, capacity through the Olla Compressor Station could be affected as much as 250,000 Mcf/d for the duration of this maintenance.

PG&E California Gas Transmission has scheduled a T-1 compressor inspection at the Tionesta Station for December 3-5. Capacity on the Redwood Line will be reduced to 2,095 MMcf/d on December 3, roughly 98% of capacity. Capacity will diminish to 1,965 MMcf/d or 92% of capacity for December 4 then rise to 2,075 MMcf/d or 97% of capacity on December 5.

Williston Basin Interstate Pipeline Company said that planned maintenance will be performed on Line Section 20 near the Lovell Compressor Station through November 28, and there is a potential for flow restrictions,



ELECTRIC MARKET NEWS

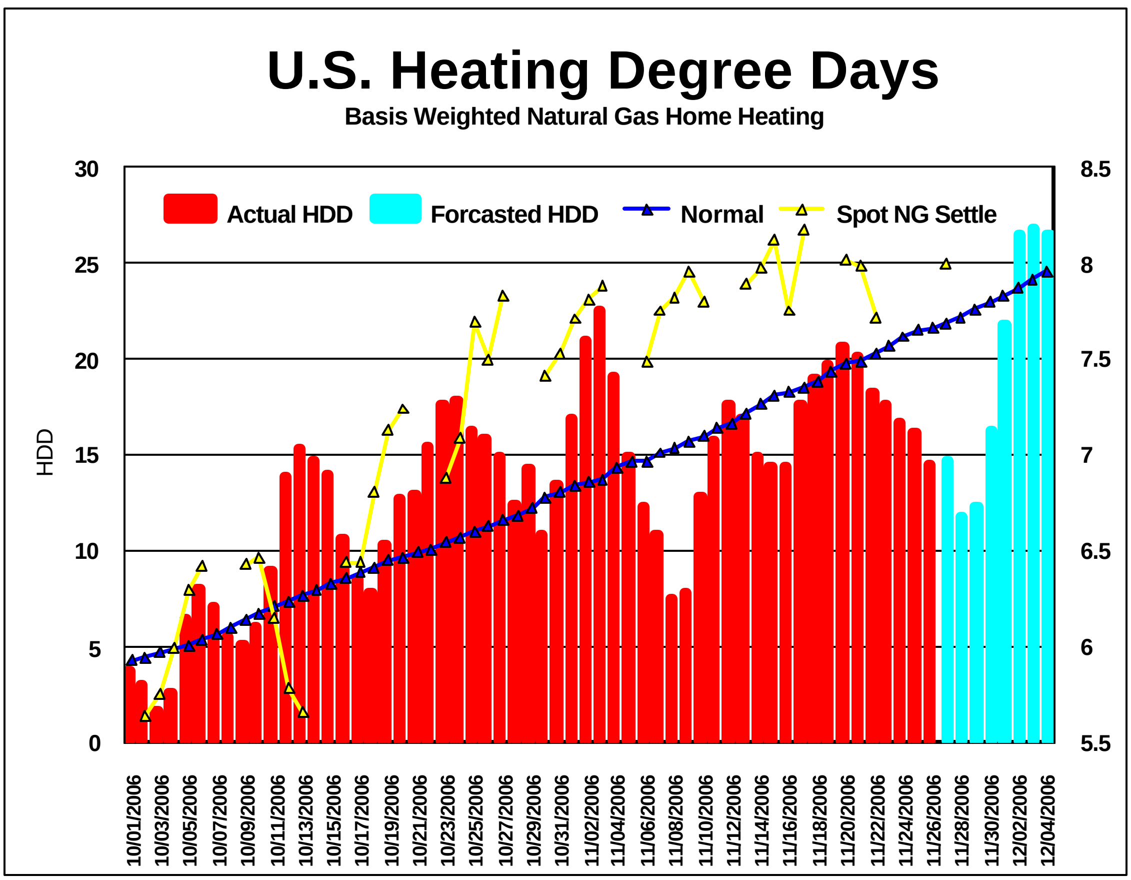
Natural Gas Cash Market						
ICE Next Day Cash Market						
Location	**Volume Traded**	**Avg Price**	**Change**	**Basis** (As of 12:30 PM)	**Change**	**Basis 5-Day Moving Avg**
Henry Hub	537,800	$7.583	$0.165	($0.415)	($0.115)	($0.462)
Chicago City Gate	636,600	$7.171	$0.167	($0.770)	($0.017)	($0.705)
NGPL- TX/OK	593,400	$6.303	$0.128	($1.637)	($0.056)	($1.367)
SoCal	650,600	$6.807	$1.626	($1.133)	$1.442	($1.664)
PG&E Citygate	540,300	$7.799	$0.543	($0.141)	$0.359	($0.569)
Dominion-South	293,200	$7.780	$0.060	($0.160)	($0.124)	($0.113)
Transco Zone 6	203,700	$7.960	$0.066	$0.019	($0.118)	$0.064

Quebec's Ministry of Sustainable Development approved a Hydro-Quebec plan to build 893 Mw of hydroelectric generation on the Eastmain River and to partially divert the nearby Rupert River to increase water flow to the new powerhouses. The Rupert River diversion project, the 768 Mw Eastman 1-A powerhouse and the 125 Mw Sarcelle powerhouse are part of a plan to optimize the use of vast hydro resources in northern Quebec, keep pace with rising in-province demand and increase exports to Ontario and the Northeastern U.S.. The project is expected to cost more than C$4 billion.

MARKET COMMENTARY

The natural gas market opened 14 cents higher as forecasts for chilly weather to make its way across the country by the end of the week boosted the soon to expire December contract back over 8.00. The expiring spot month traded to a high of 8.025 today as it chopped in a 16.5 cent trading range. The outgoing December contract picked up 28 cents to settle at 7.998, while the soon to be front month January contract picked up 25.8 cents to close at 8.357.

Though the eastern third of the country is enjoying an atypical warm spell for this time of year with temperatures in the mid 60s, change is on the way in the form of an Arctic air mass, which is currently chilling the Northwest and Rocky Mountains. Temperatures are expected to drop in the northeast by the end of the week, but the market will remain range-bound until the cold snap proves to have some longevity. Current weather forecasts do not expect the weather to be severe enough



NYMEX Nat Gas Options Most Active Strikes for November 27, 2006								
Symbol	**Month**	**Year**	**Call/Put**	**Strike**	**Exp Date**	**Settle**	**Volume**	**IV**
ON	4	7	C	10	03/27/2007	0.361	2,501	53.82
LN	3	7	P	7	02/23/2007	0.3626	1,700	61.09
LN	1	7	C	9	12/26/2006	0.3468	1,566	61.21
LN	1	7	C	10	12/26/2006	0.1465	1,550	63.85
LN	12	7	C	9	11/27/2007	1.6318	1,200	31.55
LN	7	7	C	9	06/26/2007	0.8333	1,200	41.69
ON	3	8	C	20	02/26/2008	0.324	1,150	53.09
LN	4	7	P	7	03/27/2007	0.4415	1,000	53.86
LN	10	7	C	9	09/25/2007	1.1972	800	41.11
LN	8	7	C	9	07/26/2007	0.9545	800	41.55
LN	6	7	C	9	05/25/2007	0.7158	800	42.76
LN	9	7	C	9	08/28/2007	1.0638	800	41.04
LN	4	7	C	9	03/27/2007	0.5676	800	47.57
LN	5	7	C	9	04/25/2007	0.6177	800	44.52
LN	1	7	P	7	12/26/2006	0.101	750	62.10
LN	1	7	P	6	12/26/2006	0.0129	750	62.29
LN	1	7	C	11	12/26/2006	0.0599	700	66.21
ON	1	7	P	7.5	12/26/2006	0.219	662	61.27
ON	1	7	C	9	12/26/2006	0.347	661	63.47
LN	2	7	P	8	01/26/2007	0.6246	625	65.06
LN	6	7	P	7.5	05/25/2007	0.7691	600	53.65
LN	9	7	P	7.5	08/28/2007	0.9363	600	55.41
LN	7	7	P	7.5	06/26/2007	0.8158	600	53.83
LN	10	7	P	7.5	09/25/2007	0.9893	600	56.71
LN	5	7	P	7.5	04/25/2007	0.7286	600	54.18
LN	1	7	P	8	12/26/2006	0.404	600	63.95
LN	4	7	P	7.5	03/27/2007	0.6564	600	54.93
LN	8	7	P	7.5	07/26/2007	0.8785	600	54.88
LN	4	7	C	10	03/27/2007	0.3596	525	49.87
LN	1	7	C	9.5	12/26/2006	0.227	500	62.59
LN	3	7	C	10	02/23/2007	0.5083	500	62.80
LN	1	8	C	9.25	12/26/2007	1.6777	500	30.02
LN	1	7	C	8.5	12/26/2006	0.5191	500	59.61
ON	1	8	C	9.25	12/26/2007	1.684	500	44.72

to really eat up much storage. December is supported at $7.86, $7.66, $7.50, $7.38 and $7.06. We see resistance at $8.25-$8.26, $8.45, $8.54 and $9.00. The upcoming spot January contract is seen chopping through its wide 7.75-8.75 range, with resistance initially at 8.64-8.68.