



ENERGY RISK MANAGEMENT

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NATURAL GAS & POWER MARKET REPORT FOR APRIL 3, 2009

NATURAL GAS MARKET NEWS

The Fitch Ratings agency has abandoned its optimistic outlook for a natural gas price rebound this year as it has lowered its 2009 price outlook for natural gas to \$4.25 mcf basis Henry Hub due to the expectation of a protracted economic slump. The company saw prices could possibly average as low as \$3.50 in its worst-case scenario.

ConocoPhillips said it still supports the development of the Mackenzie Gas project if Canadian regulatory agencies move forward and provide the necessary approvals. ConocoPhillips still believes natural gas from the Canadian arctic is a more viable supply option than gas supplies from Alaska in reaching the U.S. market.

BG Group's LNG tanker was expected to arrive at the Lake Charles terminal in Louisiana on April 21st from Egypt. This would be the second shipment of LNG to arrive at the terminal since November. The prior shipment arrived on March 25th.

Generator Problems

NPCC – OPG's 494 Mw Lambton #4 coal fired unit was shut early Friday.

Calpine/Mitsui's 1005 Mw Greenfield natural gas fired power plant was shut early Friday.

OPG's 535 Mw Lennox oil and gas fired Unit #4 returned to service on Friday. The unit had been shut since March 31st.

PJM – Dominion Resources 903 Mw North Anna #1 nuclear unit has exited its refueling outage and ramped up to 65% of capacity. The unit had been shut on March 8th.

MAPP – FPL's 580 Mw Duane Arnold nuclear unit was shut early on Friday after being at full power on Thursday.

SERC – Southern's 851 Mw Farley #1 nuclear unit was shut for refueling on April 2nd while its sister unit returned to service this morning.

The NRC reported this morning that 81,786 Mw of nuclear generation capacity was on line, up 0.6% from yesterday and up 6.3% from the same time a year ago.

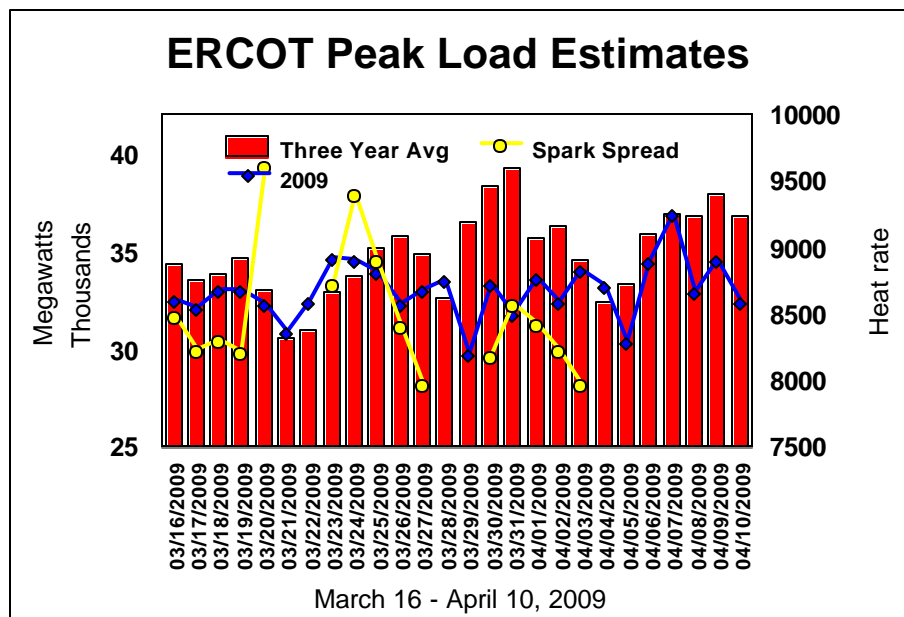
Turkey has asked Russia for an increase in gas supplies from 2015 onwards, as the Blue Stream-2 pipeline is projected to come on line.

Gazprom said today that it has agreed to set up a working group of experts with its European Union

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	708,700	\$3.663	(\$0.030)	(\$0.107)	(\$0.003)	(\$0.296)
Chicago City Gate	739,900	\$3.736	\$0.136	(\$0.034)	\$0.149	(\$0.322)
NGPL- TXOK	947,400	\$3.430	\$0.091	(\$0.340)	\$0.104	(\$0.557)
SoCal	344,400	\$3.076	(\$0.063)	(\$0.694)	(\$0.051)	(\$0.676)
PG&E Citygate	549,800	\$3.615	(\$0.072)	(\$0.155)	(\$0.059)	(\$0.112)
Dominion-South	201,700	\$4.112	(\$0.033)	\$0.342	(\$0.020)	\$0.292
UTrade Weighted	16,432,700	\$3.518	(\$0.016)	(\$0.252)	(\$0.00)	(\$0.296)

customers to analyze what it described as the rising risks of gas transit via the Ukraine. Russian officials are still outraged that the EU and the Ukraine signed an agreement last month for the

EU to invest in the Ukrainian gas network. A Gazprom official was quoted this week as saying "The signing of the declaration behind Russia's back was a political mistake and it will be impossible to implement it without the involvement of the gas supplier (Russia)."



BP's British Trader LNG tanker docked at the UK Isle of Grain terminal on Thursday.

Bloomberg News reported that according to ship tracking services, the number of LNG tankers sailing to Japan has fallen by 47% in the past two weeks from the prior two week period, as the recession has dramatically cut power demand in the nation. AISLive data shows that the number of LNG tankers sailing to the United States has doubled in

the past two weeks and as a result the U.S. may receive as much as 1 bcf/d of gas in imports in April

PIPELINE RESTRICTIONS

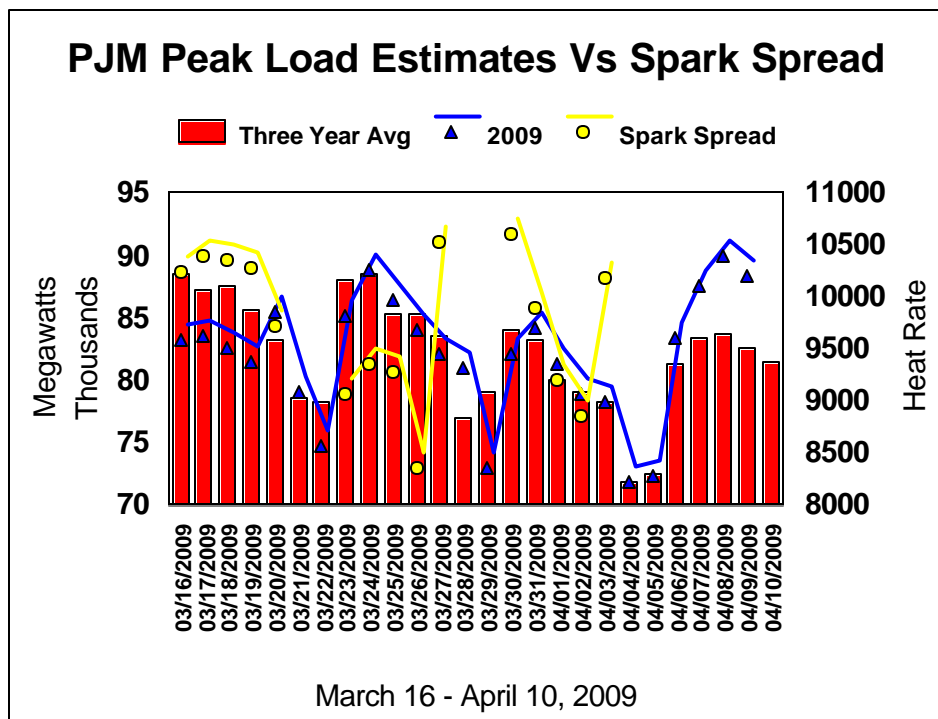
NGPL said effective for today's gas day and until further notice TGP Chalkley is at capacity for deliveries. ITS/AOR and Secondary Firm transports are at risk of not being fully scheduled. The company also reported that it is at capacity for gas going northbound through Segment 13 in Iowa. ITS/AOR and Secondary out of path firm transports are at risk of not being fully scheduled. The company said it has limited delivery capacity at ANR South Joliet #2 as well as at Florida Vermillion.

FGT said that because of warm weather in its market area, line packs are lower and as a result the company may be forced to issue an Overage Alert Day over the next several days.

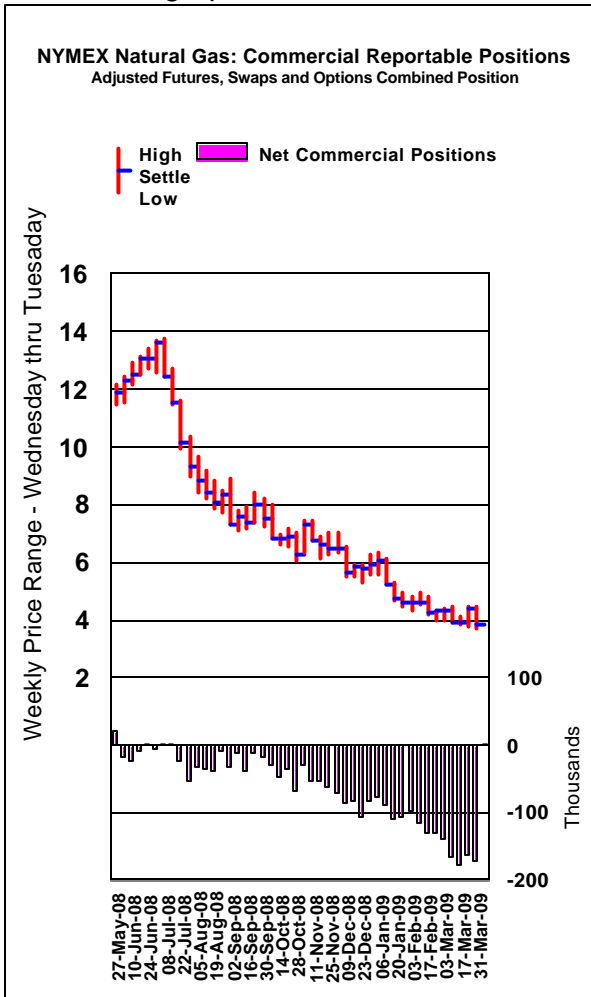
PIPELINE MAINTENANCE

ANR Pipeline said it has completed its engine maintenance at its Joliet compressor station. All capacity restrictions have been lifted.

Alliance Pipeline said the Irma compression station experienced unforeseen mechanical difficulties and is currently off line. The company also reported



that inspections and maintenance will require the Morinville Compression Station to be offline for 120 hours starting April 4th.



ELECTRIC MARKET NEWS

EIA reported that U.S. coal production for the week ending March 28th fell to 19.672 million tons down 12.1% from the prior week and off 13.6% from the same week a year ago. Year to date production is down 2.9% from a year ago.

Genscape's U.S. coal burn index was down 10% from the same week a year ago and was 3% less than the previous week. The company reported that in the Southeast recent lower nuclear output has boosted coal consumption in the region, though it remains below year ago levels.

Patriot Coal Corporation announced mine rationalizations to bring 2009 production in line with anticipated sales volumes. As a result the company plans to slash production by 2 million tons. As a result metallurgical production, the company plans to idle two contract mines serving the Wells complex. Thermal production will be reduced through the elimination of Saturday workdays at the Hobet complex. Additionally, production start up at the newly developed Blue Creek complex will be deferred until a point the markets recover.

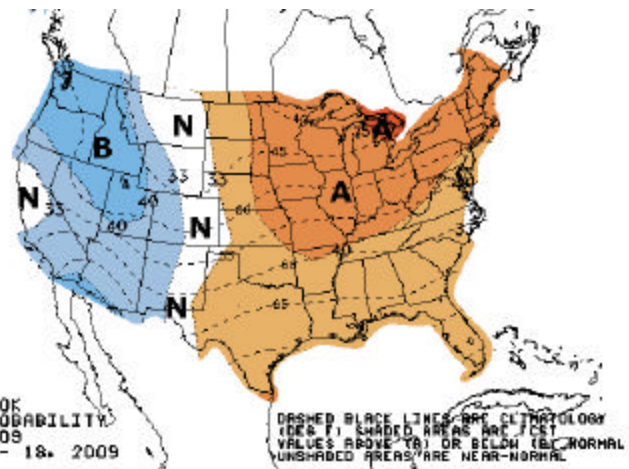
Point Carbon reported that according to its analysis, installations in proposed U.S. emissions trading market may have output that exceeds allotted permits

by 4.3% in 2012, the proposed programs first year. Covered industries may have emissions of 4.975 billion metric tons in that year, more than the 4.77 billion tons of allowances. The program needs a gap to create scarcity and place a value on allowances. Without the scarcity, there would be little incentive for companies to reduce emissions. The gap would then rise to 12% by 2015.

MARKET COMMENTARY

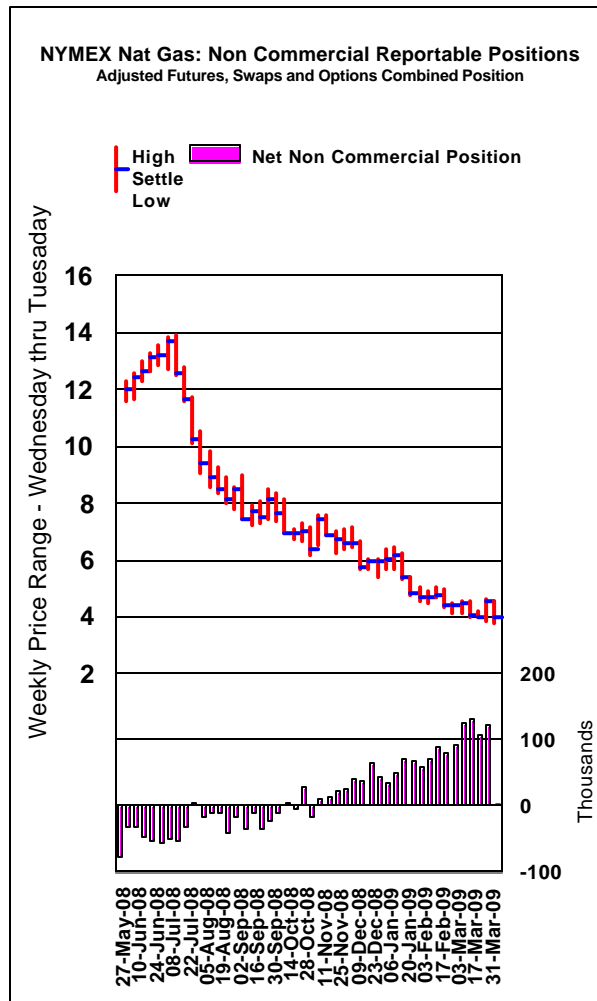
The natural gas market today took a breather and posted a typical Friday inside trading session. Prices for the fourth time out of the last five trading session settled with a 7 cent trading range as traders continued see the current trading area as a congestion area with little supply/demand news on the horizon to bust prices out of this trading area.

The Commitment of Traders Report for the period ending March 31st showed the commercial sector returned to being sellers again as they increased their net short position by 8,706 lots while non-



commercial sector added to their net long position by 14,769, their largest weekly gain in four weeks.

We would look toward the weather forecasts at the start of next week to set the tone for natural gas prices. If in fact that PJM and Ercot see higher than seasonal generation loads it could help to keep natural gas prices in building its current support area and allow prices to stage a minor rebound in values. We see support still at \$3.63-\$3.60 followed by \$3.509 and \$3.40. We see resistance at \$3.90 followed by \$4.00, \$4.06, \$4.192 \$4.324 and \$4.47.



NEW YORK MERCANTILE EXCHANGE(r)									
NYMEX OPTIONS CONTRACT LISTING FOR 04/03/2009									
				TODAY'S	PREVIOUS	ESTIMATED	DAILY	DAILY	
-----CONTRACT-----				SETTLE	SETTLE	VOLUME	HIGH	LOW	
LN	6	9	C	5	0.0868	0.0903	4900	0.075	0.065
LN	7	9	P	3	0.092	0.0974	2700	0	0
LN	6	9	C	4	0.3356	0.3367	2450	0	0
LN	12	9	P	3.5	0.0995	0.1074	2425	0.1	0.1
LN	12	9	P	3	0.0432	0.0475	1975	0.045	0.045
LN	6	9	P	2	0.0015	0.0018	1900	0	0
LN	5	9	C	5	0.0206	0.0233	1850	0.02	0.0175
LN	6	9	P	3	0.0605	0.0668	1550	0	0
LN	6	9	P	3.5	0.1844	0.1959	1400	0	0
LN	5	9	C	4	0.1688	0.1718	1100	0	0
LN	6	9	C	7.5	0.0021	0.0025	1000	0	0
LN	12	9	P	4	0.1927	0.205	950	0	0
LN	8	9	P	3	0.1196	0.1256	900	0	0
LN	3	10	C	9.5	0.231	0.2346	900	0	0
LN	7	9	C	6.5	0.0369	0.0383	800	0	0
LN	6	9	P	3.85	0.3275	0.3424	800	0	0
LN	6	9	C	3.85	0.4063	0.4043	750	0	0
LN	7	9	P	3.4	0.1893		750	0	0
LN	1	10	P	5.75	0.842	0.8689	700	0	0
LN	6	9	C	4.5	0.175	0.1784	700	0	0
LN	6	9	P	2.75	0.0293	0.0331	700	0	0
LN	1	10	C	5.75	0.918	0.9074	700	0	0
LN	5	9	P	3.5	0.1219	0.1369	675	0	0
LN	3	10	P	4	0.2112	0.2246	650	0	0
LN	5	9	C	3.95	0.1859	0.1884	600	0	0
LN	7	9	P	3.5	0.2212	0.2303	600	0	0
LN	8	9	P	3.3	0.1965		600	0	0
LN	3	10	P	3.5	0.1066	0.1152	600	0	0
LN	3	11	P	6.75	1.2613	1.2871	560	0	0
LN	5	9	P	3.25	0.0604	0.0707	555	0	0
LN	5	9	C	4.25	0.1023	0.1063	550	0	0
LN	7	9	P	4	0.4303	0.4427	550	0	0
LN	5	9	P	3	0.0265	0.0326	500	0	0
LN	9	9	P	3	0.1529	0.1599	500	0	0
LN	3	10	P	5	0.5647	0.5879	500	0	0