

week, and Monday was no different as Florida Gas Transmission's zone 3 traded in a range of more than \$1.25 before settling at \$6.02.

The high-flying NYMEX prompted a 35- to 40-cent gain in Southwestern spot prices Monday, a move that belied moderating temperatures that kept loads in the region down. "There's no air-conditioning demand," a Southwest trader said. "Monday's action is just a carryover from Friday."

The Permian Basin market saw gains of close to 35 cents, while some San Juan Basin prices ran up about 40 cents.

—Market Staff Reports

Suit claims EnCana, others manipulated gas prices

A small electric utility company in central California has filed a class action suit against Calgary-based EnCana and several other producers and marketers, charging them with conspiracy to drive up natural gas prices in 2000 and 2001 at the Southern California border.

The complaint, filed by Eureka, Calif.-based Fairhaven Power in the U.S. District Court for the Eastern District of California, claims the defendants used such practices as "wash" trading, churning, reporting false prices to index publishers and engaging in secret netting agreements to artificially inflate gas prices at the Topock, Ariz., border connection with Southern California Gas.

The plaintiff is asking that the suit be given class action status, with the class defined as "all business entities in California that directly purchased natural gas in California and or at the California border ... during the period of Jan. 1, 2000, and Dec. 31, 2001."

EnCana spokesman Alan Boras declined to comment, saying the company had not been served with the suit.

Other defendants named in the suit include EnCana subsidiary W.D. Energy Services; AEP Energy Services; American Electric Power; CenterPoint Energy and its affiliates, Reliant Energy Services and Reliant Resources; Coral Energy Resources; Duke Energy and its affiliate Duke Energy Trading and Marketing; El Paso; Williams; Dynegy; CMS Energy; Xcel Energy; West Coast Power; and Sempra Energy and its affiliate, Sempra Energy Trading. The suit also claims that an undetermined number of unnamed co-conspirators took part in the alleged scheme.

Dennis Scott, president of Fairhaven Power, told *Gas Daily* on Monday that the abnormally high gas prices over the two-year period covered by the suit adversely affected Fairhaven's operations. The company owns a power plant in Northern California that operates on biomass—consisting of bark from trees supplied from a sawmill—supplemented with natural gas.

"The price we were paying was extremely high price," Scott said. "It was really not a competitive price and we were buying it on the open market." Scott said Fairhaven hopes to gain reimbursement of the difference between the price it paid for that gas and the price that should have been charged over the two-year period.

The suit resembles a similar complaint filed against EnCana in the same court in April 2003 by the E. & J. Gallo Winery (*GD 4/17/03*). That suit, which is still pending, claims that beginning in the summer of 2000, EnCana—the product of a 2001 merger of PanCanadian Energy and Alberta Energy—conspired with other unnamed parties to drive up the basis spread between the NYMEX Henry Hub contract and California border spot prices.

In the Fairhaven suit, the plaintiff alleges that the defendants violated two antitrust laws—the federal Clayton Act and California's Cartwright Act—as well as the California Business & Professional Code. If the plaintiff were to win its case under the Clayton Act, it would be able to recover triple the damages sought.

"The acts of the defendants and their co-conspirators in fixing, maintaining and stabilizing the prices for natural gas to plaintiff and the members of the class ... have a substantial effect on interstate commerce," the suit alleges.

With about 84% of its gas coming from out-of-state sources, California is highly dependent on four interstate pipelines: El Paso Natural Gas, Transwestern Pipeline, PG&E Gas Transmission-Northwest and Kern River Gas Transmission. "Together, the four major interstate pipelines have, in the aggregate, firm

WSI's October weather forecast 'not overly bullish' for gas prices

The northern half of the United States can expect cooler-than-normal weather in October but warmer-than-normal conditions in November and December, private forecaster WSI said Monday in its latest seasonal outlook. The only exception is the north-central region, which should experience below-normal temperatures throughout the three-month period.

Meanwhile, above-normal readings are expected to prevail in the Pacific Coast states, the Southwest and the Southeast through December, Andover, Mass.-based WSI said.

In October, the forecaster said most of the Northeast, Southeast and Southwest will be cooler than average, while the south-central states will be "much" cooler than average and the Southwest will be warmer than normal.

"With the expectation of much cooler-than-normal temperatures in late October, some early-season natural gas demand could kick in," WSI said. "However, storage inventories are high and early demand should not be overly bullish for natural gas prices."

November is expected to be warmer than average in most regions, with only parts of the Northeast and Northern Plains expecting below-normal temperatures, according to WSI.

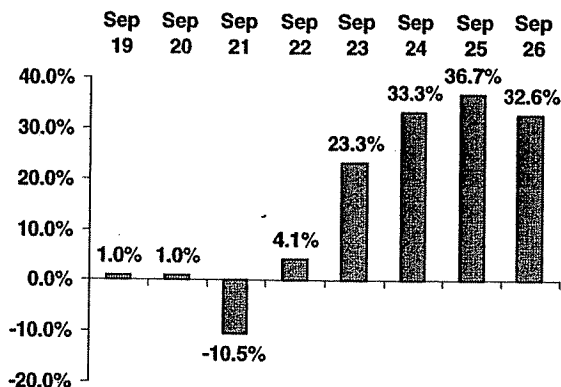
"As the natural gas market shifts from inventory building to drawdown mode, above-normal heating demand in November could cause the market to be concerned," WSI said. "High natural gas inventories entering November will help to moderate the effects of this concern."

December will bring above-normal temperatures to all regions except the north-central region, which should remain colder than normal, WSI said.

"Higher heating demand for natural gas in the north-central states will be offset by lower demand in other regions," the forecaster said. "Power prices are likely to moderate to weak in most regions as the generator maintenance season ends by early December and the warmer-than-normal forecast indicates that power plants will not be competing aggressively with heating demand for fuels."

MD

Dominion Energy's U.S. energy use forecast



This section of the Dominion Energy Index represents a national forecast for home heating and cooling requirements above or below normal with the baseline of 0 representing normal for that day based on historical data.

Source: Dominion Energy

EarthSat Longcast Model Seasonal Outlook Discussion

September 7, 2004

Headlines: Latest Analogs Continue Colder Trends for Upcoming Winter.

This model output is a strict objective analog comparison based on the Tropical Pacific. These are not necessarily EarthSat's official seasonal forecasts, but a tool utilized in that effort. To see EarthSat's latest outlook, please click on the link provided at the front of the longcast section (main menu) or see below.

To See EarthSat's Official Summer Outlook (no changes to date), please click here: [summer.ppt](#) (note: there are two pages here)

Latest Weekly Update of Longcast Tool:

With the tropical Pacific stabilizing in the weak El Nino category, the analog analysis is reaching back to the 50s, 60s, and 70s for its top analog years to create these latest forecasts. The result is a colder forecast for the upcoming winter. Interestingly, the last several winters have seen very marginal to weak El Nino events with limited substantial Pacific influences for the winter periods. Three of the past four winters (since 2000) have been at or colder than normal.

Certainly, the situation to watch closely the next two months will be the evolution of the El Nino. If the weak El Nino holds (which is expected at this time), then the colder winter outlook will carry higher confidence. An increase into the moderate category would warm the forecast, while a reduction toward neutral levels would lower the confidence (weak El Nino events correlate best to colder winters--- check the late 1970s for reference!).

Monthly Update Information:**Status**

For the ensemble spread on the latest sst forecast:

http://www.emc.ncep.noaa.gov/research/cmb/sst_forecast/images/cmb.SSTfcst_nino34.gif

To see the latest NINO 3.4 SST Departures, please check out this link:

http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_update/ssta_c.gif

--Matt Rogers

Any Questions? Comments? Please write to mrogers@earthsat.com



EarthSat Energy Weather - Long Range Forecasts: 30 - 60 Day Outlook

EARTHSAT

Wednesday

DAY

9/22/04

DATE

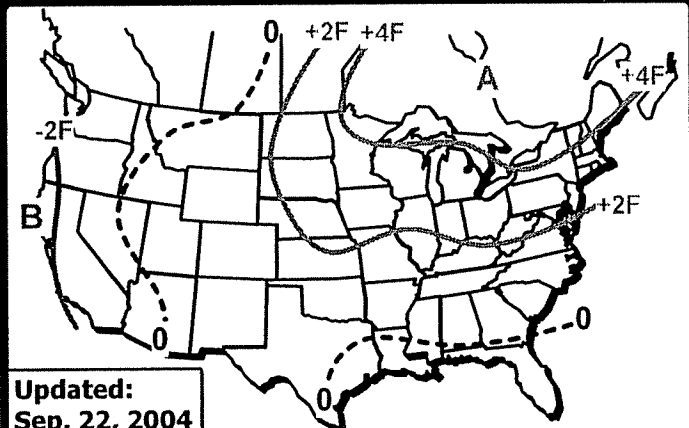
9:45 AM EDT

TIME

MR

FORECASTER

OCTOBER 2004



Updated:
Sep. 22, 2004

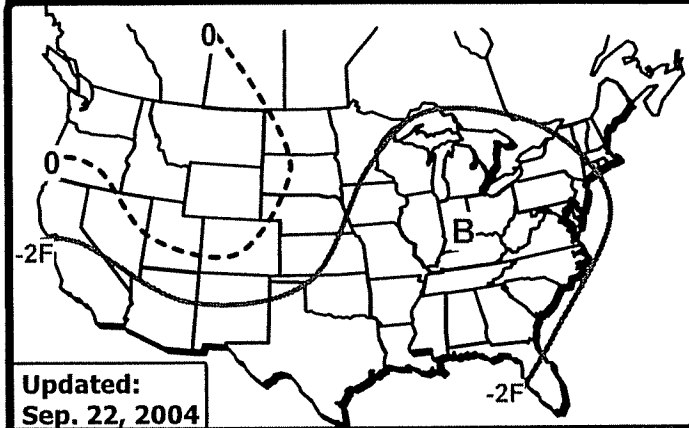
October Forecast Holds.

For much of the nation and southern Canada, the October outlook is very similar to the September month-to-date anomaly (see below for map). The thinking continues to be that this "pattern" (that is quite a bit different from the cooler East pattern of mid-June to August) should persist into much of October as well. This outlook does not rule out the possibility of a pattern change by the 3rd or 4th week of October, but the thinking right now is that the majority of the month should average the month closer to the map shown above. There have been increasing signs on the American 11-15 day versions of more Western cool troughing and this should help limit Santa Ana events- but not completely remove them.

October HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	281.0	384.6	371.0	483.0
Philadelphia	194.0	241.8	269.0	288.5
Houston	39.0	39.1	37.0	13.0

NOVEMBER 2004



Updated:
Sep. 22, 2004

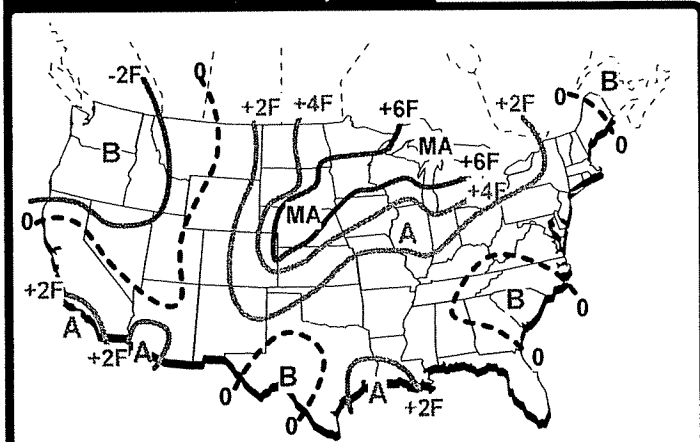
Colder Pattern Still Favored by November.

No major changes are noted this morning. The current thinking right now is that Oct-Nov this year will be nearly the opposite of last year with a mild to cool/cold evolution between the two months. The analog years based on a weak El Nino signature supports this idea at this point and the 4-6 pattern cycle would seem to imply that the current milder pattern seen here in September (which actually began in the last week of August) should run out of steam just in time for the onset of the traditional heating season period. This could result in a much more interesting November period vs. last year. In the Northwest, a wet October is seen, but less than normal precipitation is possible in November as some ridging returns there.

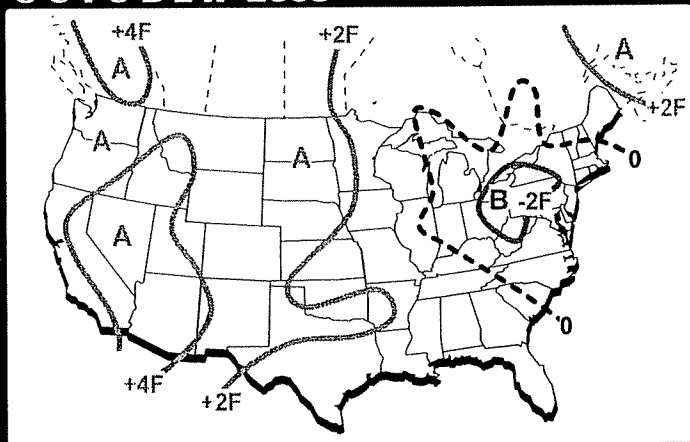
November HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	854.0	753.6	771.0	686.0
Philadelphia	605.0	527.7	537.0	421.0
Houston	191.0	182.8	123.0	105.0

SEPTEMBER 1-21, 2004



OCTOBER 2003



Maps above depict deviations of average temperatures from normal in Fahrenheit.



EarthSat's Energy Weather

The 6 to 10 Day Forecast - Detailed Version

EARTH SAT

Thursday

DAY

9/23/2004

DATE

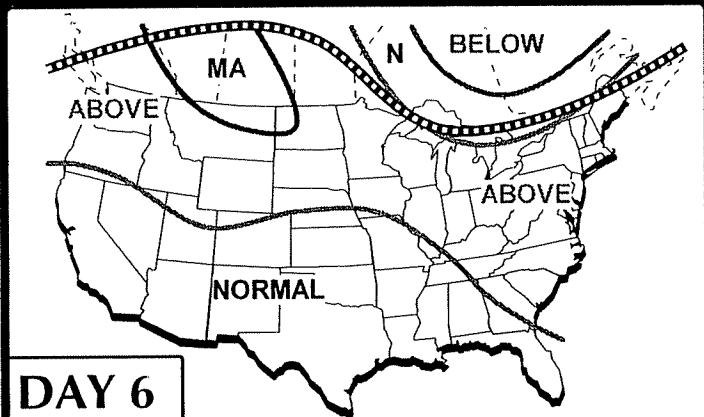
6:30 A.M.

TIME

MR

FORECASTER

FORECAST TEMP. DEVIATIONS



DAY 6

FORECAST VALID: Tuesday, 9/28

CONFIDENCE: 5

DISCUSSION

Today's Changes.

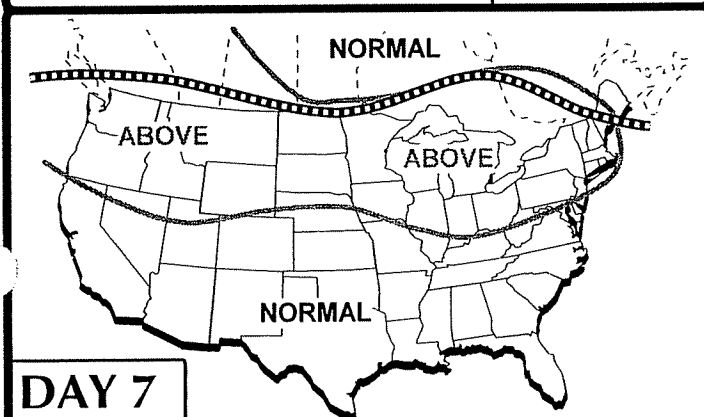
Warmer Northwest. The latest forecast keeps above normal temperatures in the Northwest through the majority of the forecast period now as cool troughing does not make as much of an impact there.

Cooler Northeast. Warm ridging is not as prominent there as some cooling could sneak into the area to at least drop temps to the normal category by mid to late.

Potential Problems with the Forecast:

Two potential problems: California temps could be cooler based on some models as a cool trough sits over the area. The East could turn cooler at mid or late period if Jeanne taps into cool Canadian air after departing the East Coast.

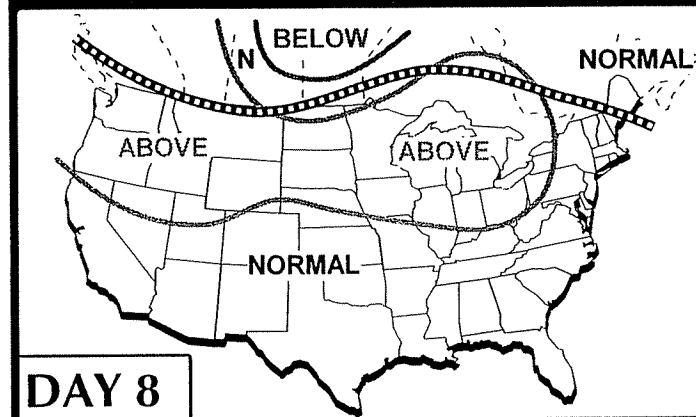
FORECAST TEMP. DEVIATIONS



DAY 7

FORECAST VALID: Wednesday, 9/29

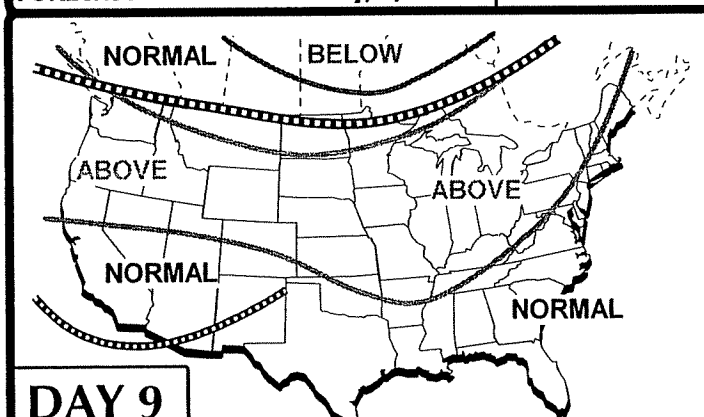
CONFIDENCE: 5



DAY 8

FORECAST VALID: Thursday, 9/30

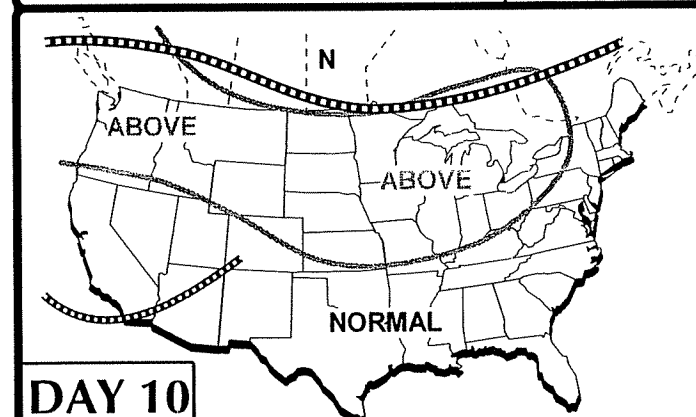
CONFIDENCE: 4



DAY 9

FORECAST VALID: Friday, 10/1

CONFIDENCE: 4



DAY 10

FORECAST VALID: Saturday, 10/2

CONFIDENCE: 3

LEGEND

MUCH ABOVE.. +8F OR UP
ABOVE..... +3F TO +7F

NORMAL
-2F TO +2F

MUCH BELOW..... -8F OR DOWN
BELOW..... -7F TO -3F

----- Jet Stream

Confidence Level Boxes: 1=Low, 5=Moderate, 10=High

Hurricane Jeanne
September 24, 2004
5 AM EDT Friday

NWS TPC/National Hurricane Center
 Advisory 43

Current Center Location 26.1 N 71.6 W

Max Sustained Wind 100 mph

Current Movement W at 8 mph

● Current Center Location

● Forecast Center Positions

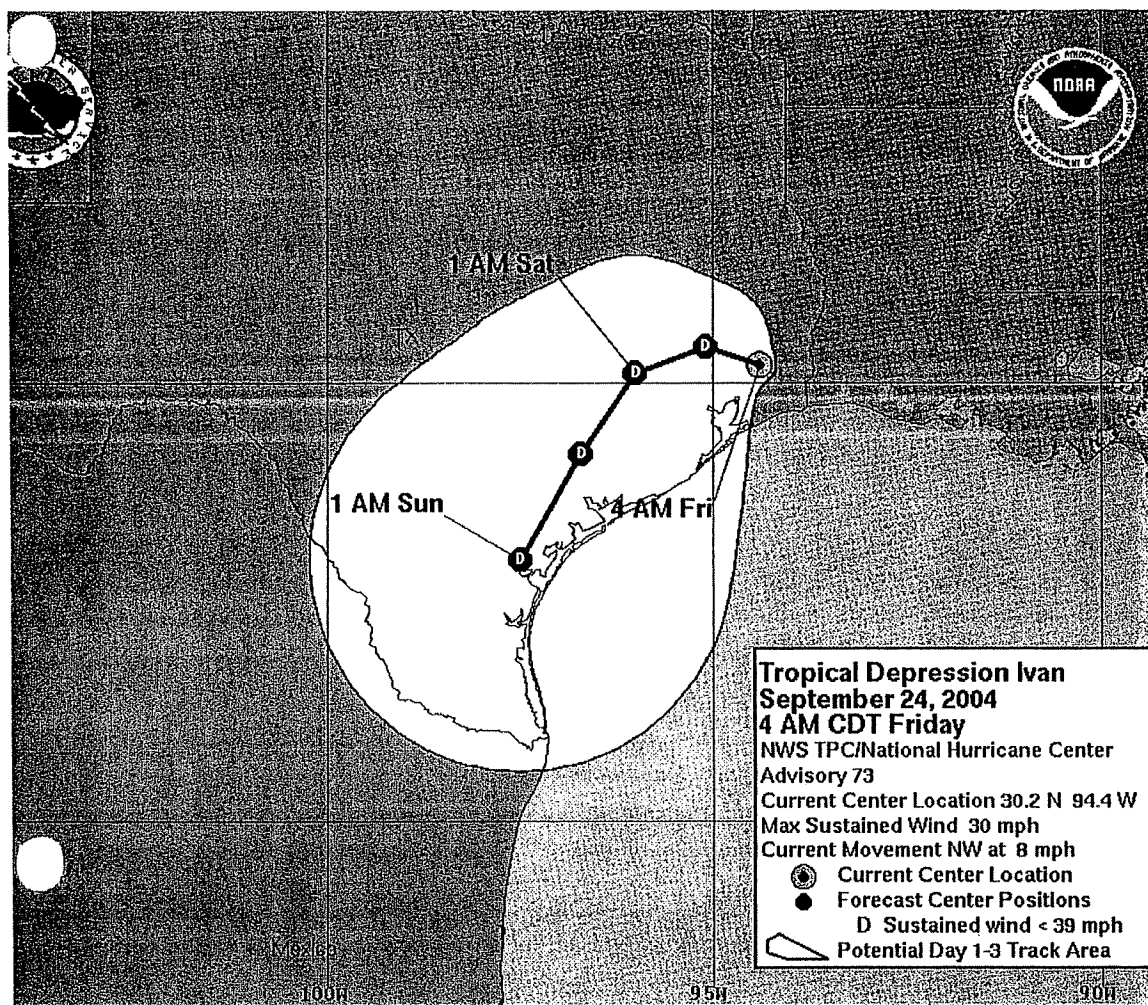
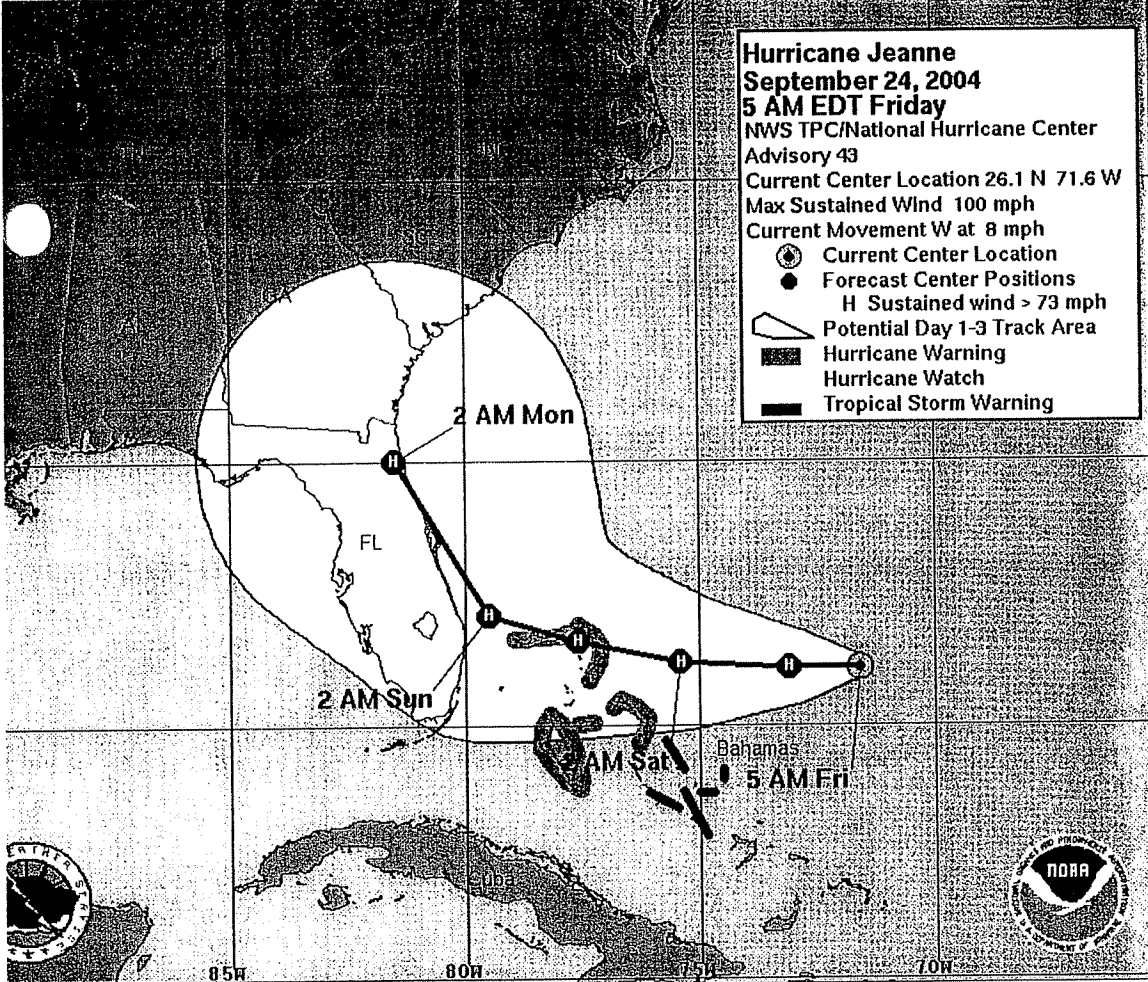
H Sustained wind > 73 mph

▭ Potential Day 1-3 Track Area

▨ Hurricane Warning

▩ Hurricane Watch

▧ Tropical Storm Warning



Tropical Depression Ivan
September 24, 2004
4 AM CDT Friday

NWS TPC/National Hurricane Center
 Advisory 73

Current Center Location 30.2 N 94.4 W

Max Sustained Wind 30 mph

Current Movement NW at 8 mph

● Current Center Location

● Forecast Center Positions

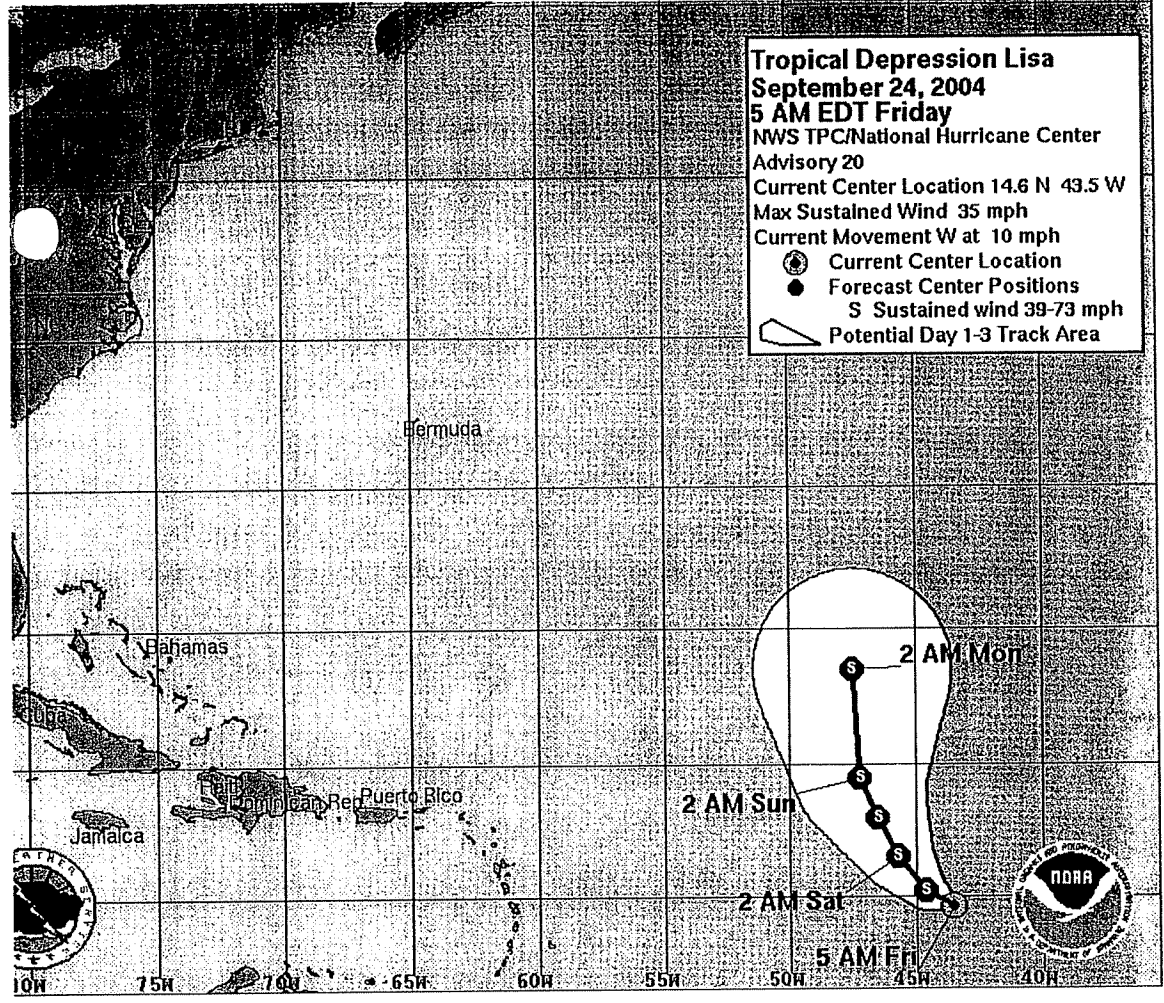
D Sustained wind < 39 mph

▭ Potential Day 1-3 Track Area

Tropical Depression Lisa
September 24, 2004
5 AM EDT Friday
 NWS TPC/National Hurricane Center
 Advisory 20
 Current Center Location 14.6 N 43.5 W
 Max Sustained Wind 35 mph
 Current Movement W at 10 mph

- Current Center Location
- Forecast Center Positions
- S Sustained wind 39-73 mph

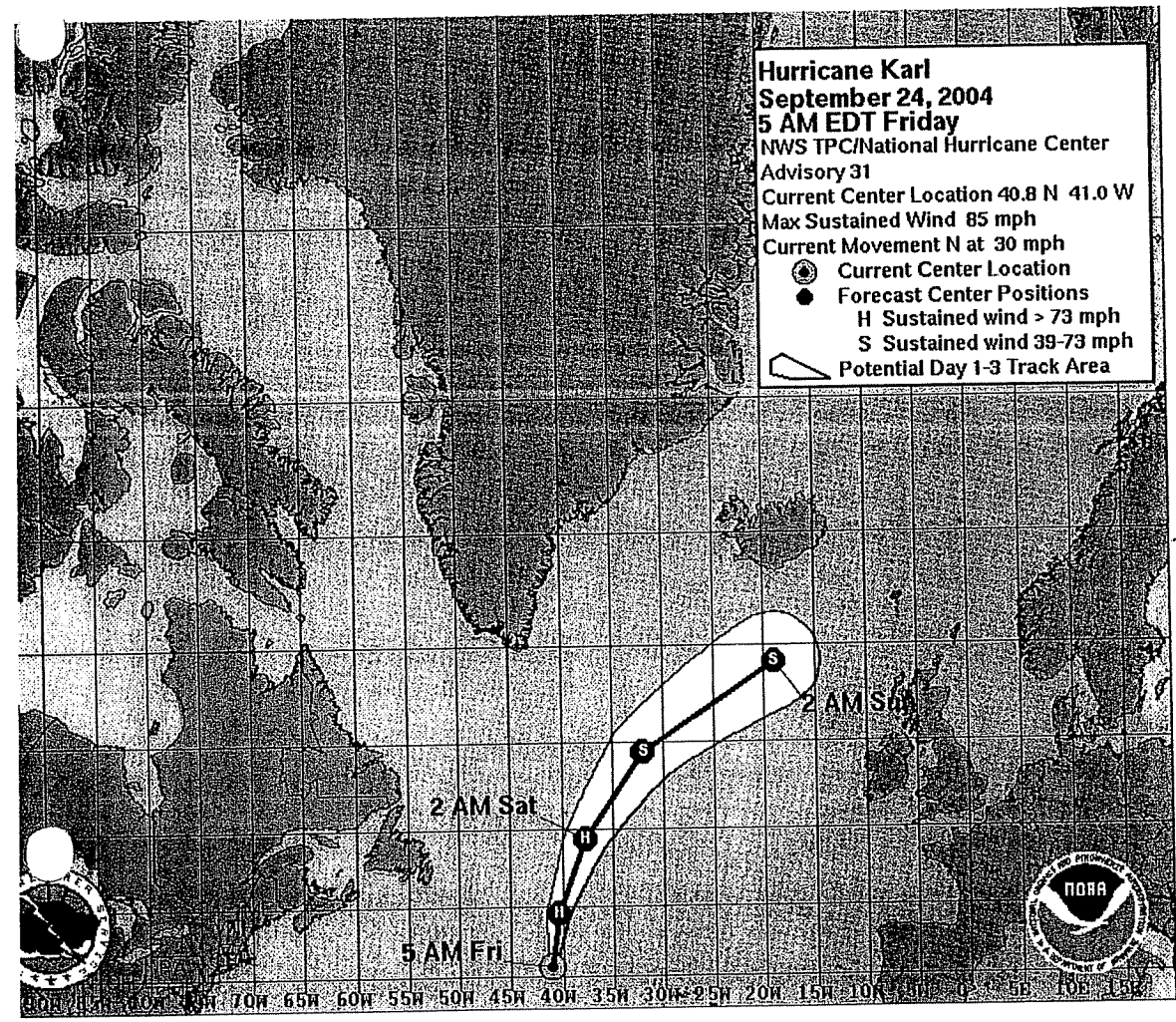
▭ Potential Day 1-3 Track Area



Hurricane Karl
September 24, 2004
5 AM EDT Friday
 NWS TPC/National Hurricane Center
 Advisory 31
 Current Center Location 40.8 N 41.0 W
 Max Sustained Wind 85 mph
 Current Movement N at 30 mph

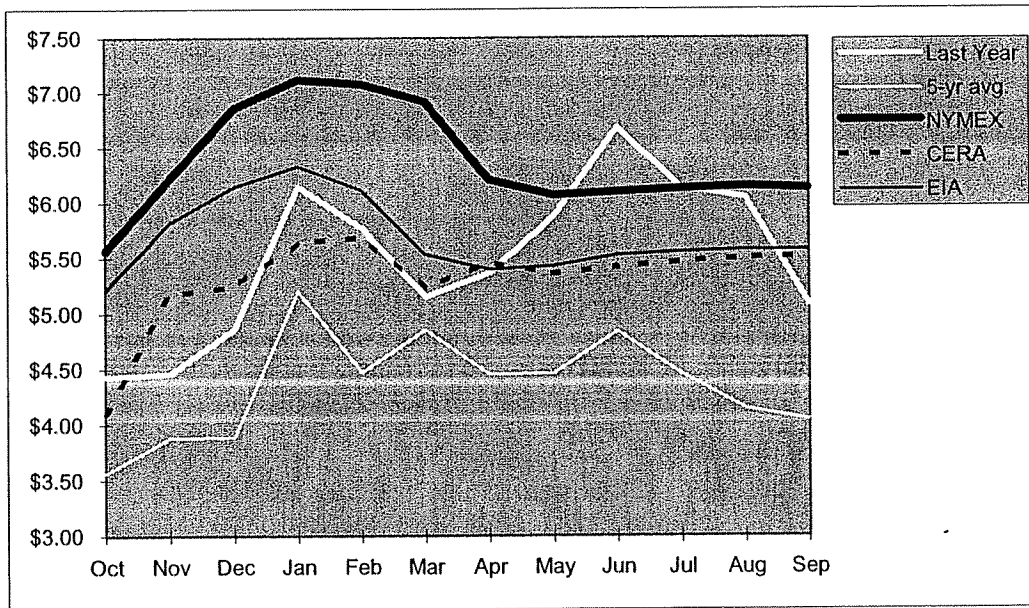
- Current Center Location
- Forecast Center Positions
- H Sustained wind > 73 mph
- S Sustained wind 39-73 mph

▭ Potential Day 1-3 Track Area



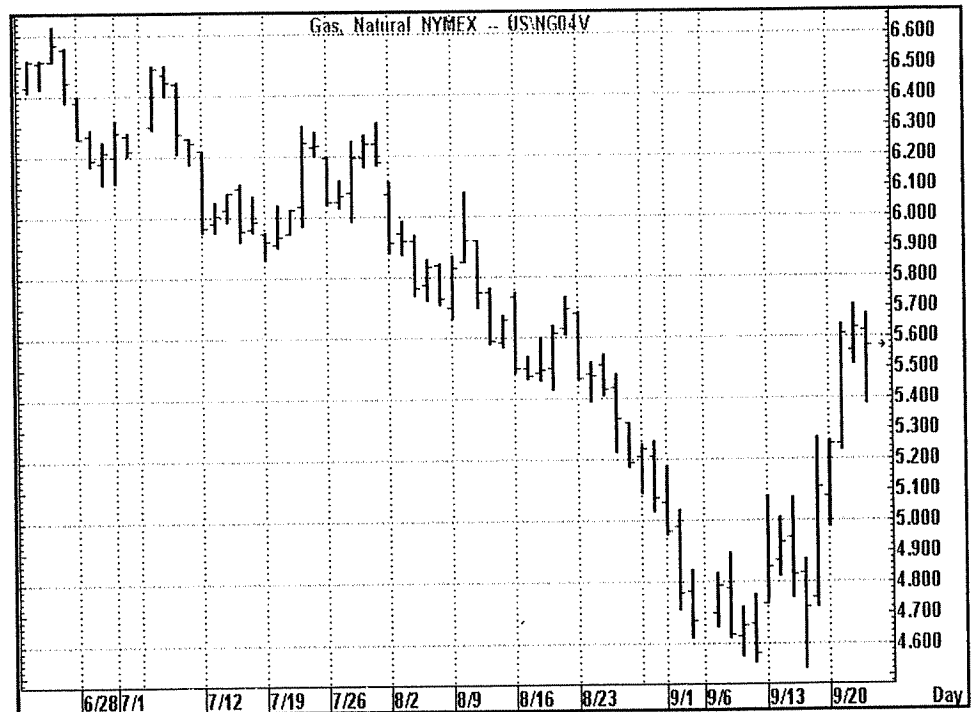
COMPARISON OF HISTORIC SPOT & PROJECTED PRICES TO CURRENT FUTURES PRICES

Historic Prices:						
NYMEX Closing Price						
	5-yr. avg. (99/00-03/04)	Last Year (2003-2004)		CERA 17-Sep-04	EIA 8-Sep-04	NYMEX 24-Sep-04
Oct	\$3.56	\$4.43		\$4.110	\$5.207	\$5.564
Nov	\$3.88	\$4.46		\$5.170	\$5.821	\$6.219
Dec	\$3.89	\$4.86		\$5.250	\$6.147	\$6.859
Jan	\$5.20	\$6.15		\$5.640	\$6.333	\$7.119
Feb	\$4.47	\$5.78		\$5.690	\$6.118	\$7.079
Mar	\$4.85	\$5.15		\$5.230	\$5.535	\$6.919
Apr	\$4.45	\$5.37		\$5.460	\$5.400	\$6.211
May	\$4.46	\$5.87		\$5.360	\$5.429	\$6.071
Jun	\$4.84	\$6.68		\$5.420	\$5.527	\$6.099
Jul	\$4.45	\$6.14		\$5.470	\$5.556	\$6.128
Aug	\$4.14	\$6.05		\$5.500	\$5.575	\$6.153
Sep	\$4.04	\$5.08		\$5.520	\$5.576	\$6.133
12 Month Avg	\$4.35	\$5.50		\$5.318	\$5.685	\$6.380
Summer Average				\$5.263	\$5.467	\$6.051
Winter Average				\$5.396	\$5.991	\$6.839



Commentary

Natural Gas sold off today after an expected EIA Storage of 68 (BNP Paribas survey 69). After watching the market rally for the past 3 days Natural was due for a correction. We assume that numerous sell stops were elected due to nervous length above the market who were anticipating a more bullish number. After dropping 29.5 cents NatGas started to consolidate and hold support in front of 5400. Buyers stepped up and we grinded back up to the high 50's. We feel the market will pullback again in front of the weekend. Support: 5400, 5250, and 5000. Resistance: 5750, and 6000.



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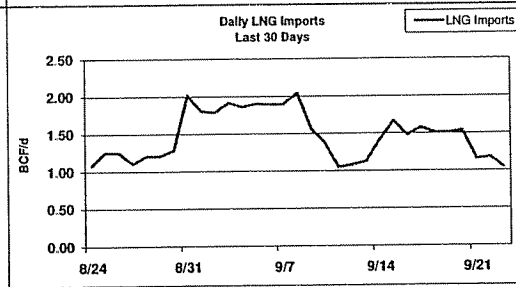
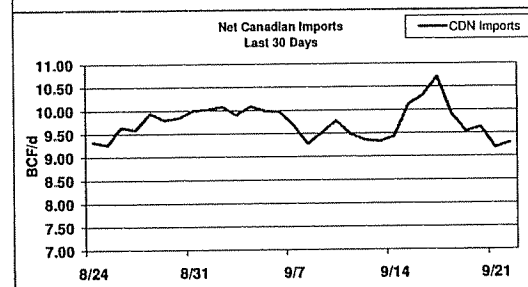
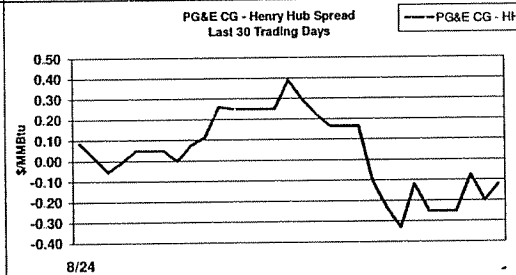
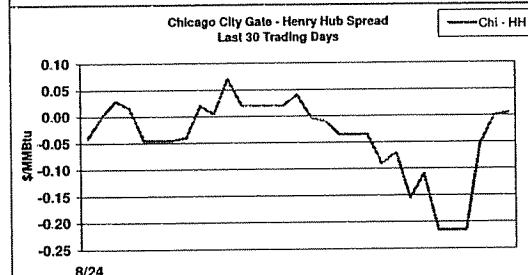
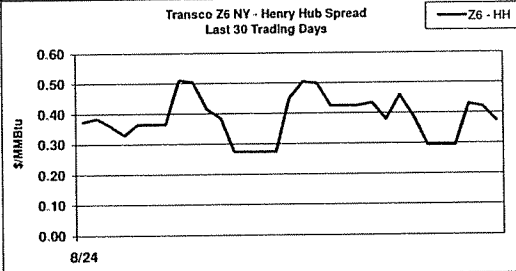
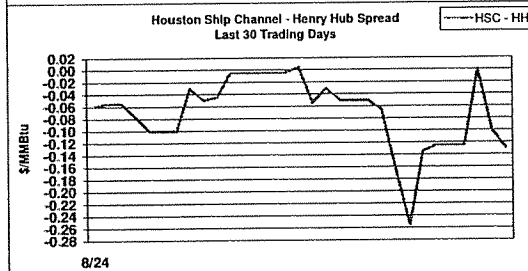
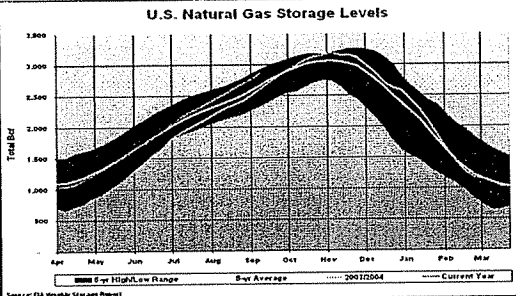
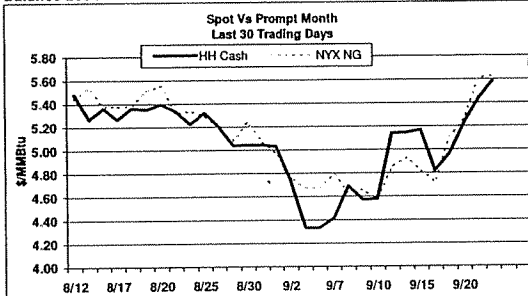
Natural Gas Stats

Market Outlook:

Sometimes it is so hectic to write in the morning, I thought I would start writing at night. The market is nontradable in my opinion right now. It feels like trade or funds are getting stopped out. Last December we experienced the same type of market with wild unexplainable rides. The market is apparently seeing fundamental reasons to get bullish with what happened with the storms but nothing is confirmed yet. Today will be very, very interesting with the first injection after the storm. We are coming up with a 63 but it really is a toss up. Cash was super strong today and I expect to see that again today. Hard to imagine the market getting hit with cash that strong. There are a lot of short "front to backs" so if we go any higher, those guys will start to puke their shorts.

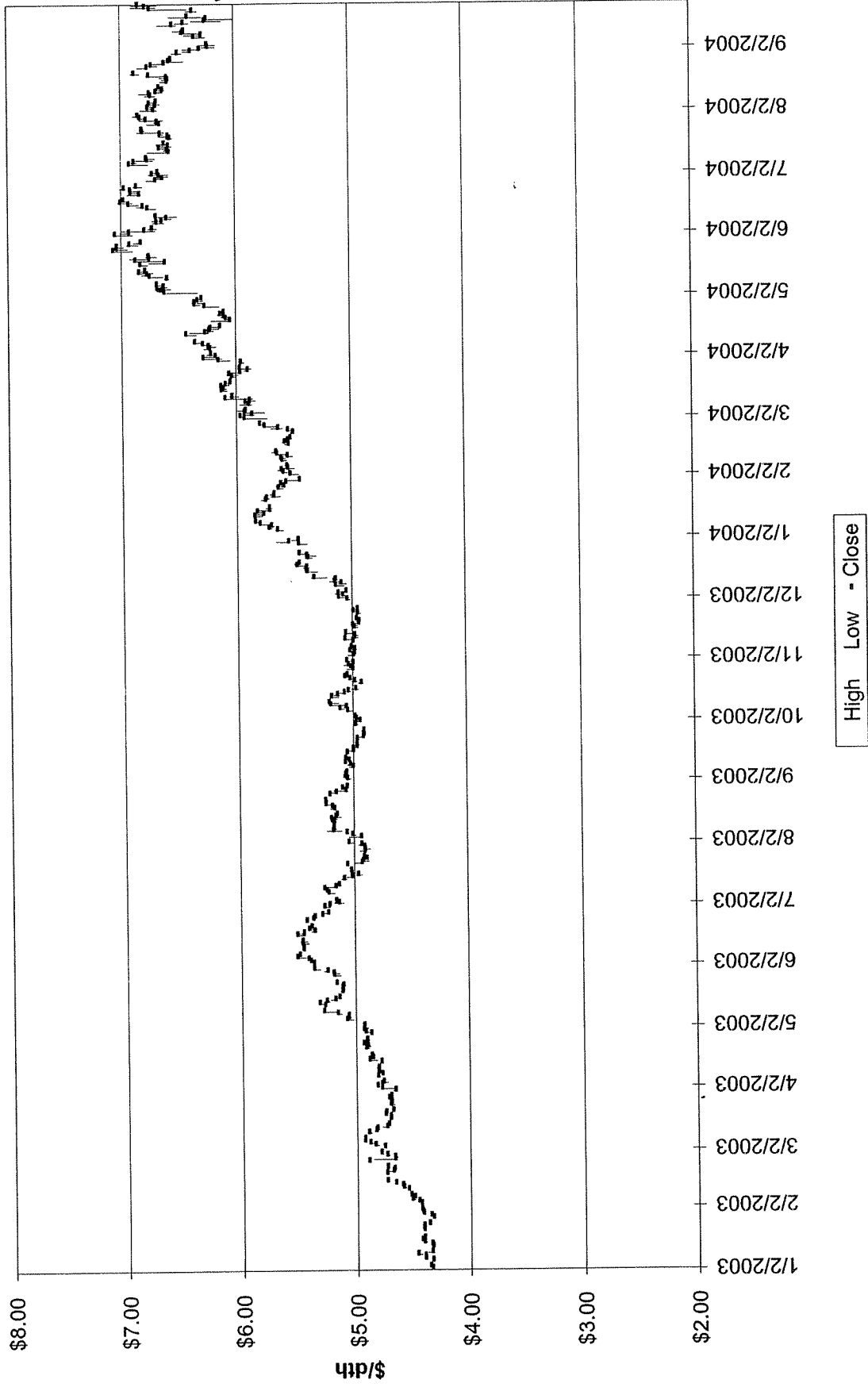
As you can see with the monthly chart that I included, most trade is selling against that long term trendline in which the market broke down. Daily stochs are still at good levels and intraday stochs are overdone. There seems to be underlying buying in the market. 5.48 is good support and below that 5.41. The monthly trendline is right here at 5.70 and the weekly moving average is at 5.814. The market has just taken out 5 weeks on the weekly chart and if it gets above 5.96 this market will be off to the races. VX is an animal. We widened back out like I thought but I'm beginning to think that with cash so strong, I will be willing to take that spread into the month. --Bart Glover

NYMEX Contracts	9/22/2004 Settle	9/21/2004 Settle	Change	Gas Daily Spreads	9/23/2004	9/22/2004	Change
Oct 04	5.629	5.608	0.021	HSC	(0.130)	(0.100)	(0.030)
Nov 04	6.242	6.182	0.060	TETCO STX	(0.200)	(0.175)	(0.025)
Dec 04	6.782	6.722	0.060	Carthage	(0.350)	(0.350)	(0.040)
Jan 05	7.032	6.992	0.040	NGPL TXOK	(0.130)	(0.115)	(0.015)
Feb 05	6.992	6.957	0.035	Columbia Gas, App.	0.260	0.275	(0.015)
3-month	6.218	6.171	0.047	Transco Z6 NY	0.375	0.420	(0.045)
6-month	6.587	6.547	0.039	Chicago City Gate	0.005	0.000	0.005
Summer 2004	5.936	5.895	0.040	PG&E City Gate	(0.120)	(0.200)	0.080
Winter 2005	6.778	6.735	0.043	Socal	(0.415)	(0.465)	0.050
Winter 05 - Summer 04	0.843	0.840	0.002				
Balance 2004	6.218	6.171	0.047				

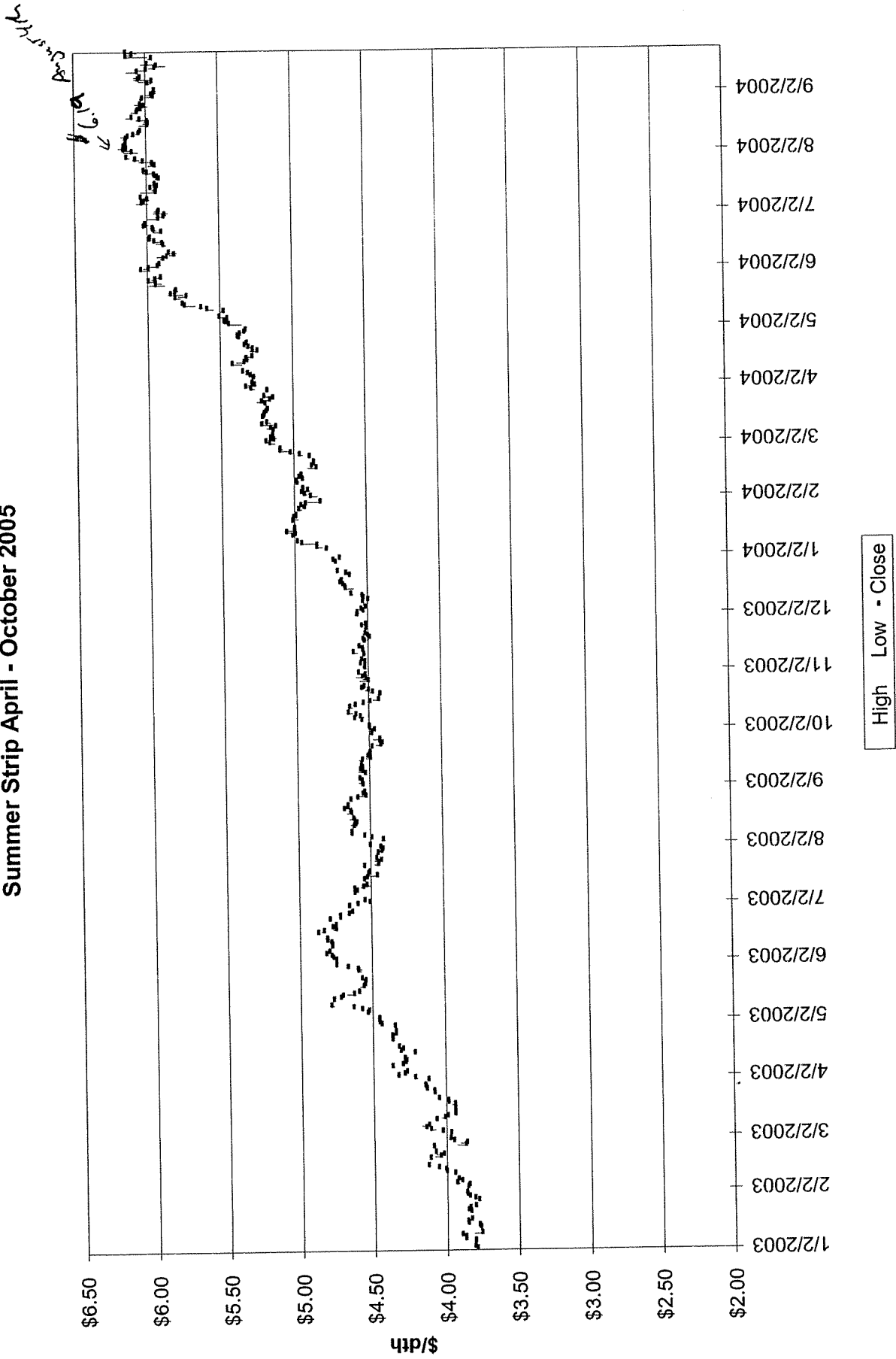


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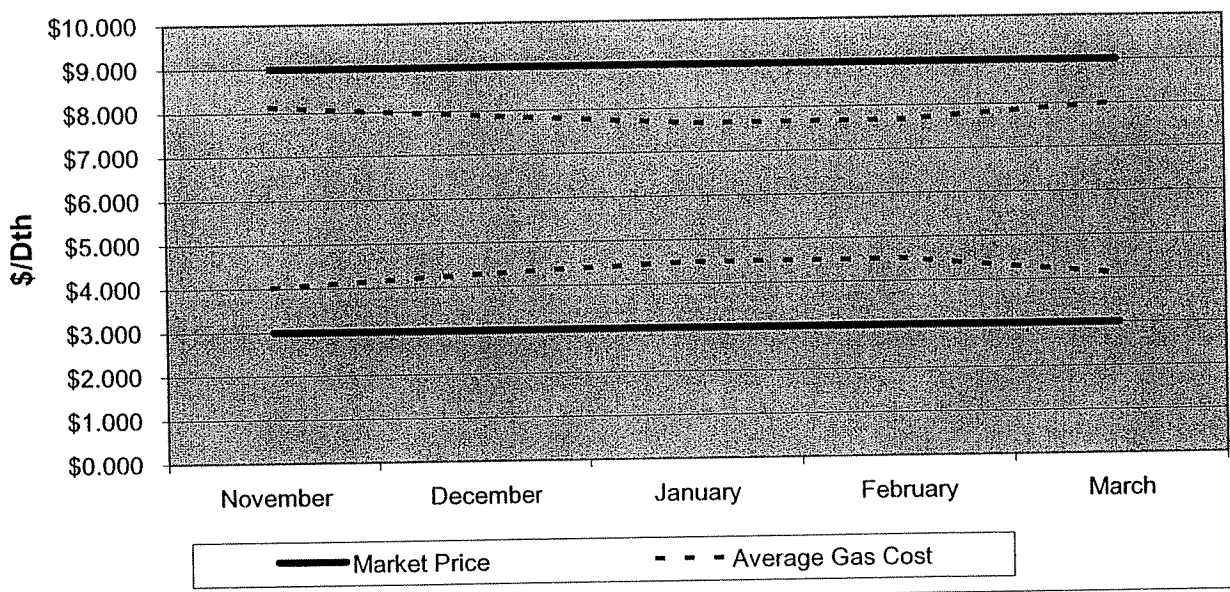
Winter Strip Dec04 - Mar05



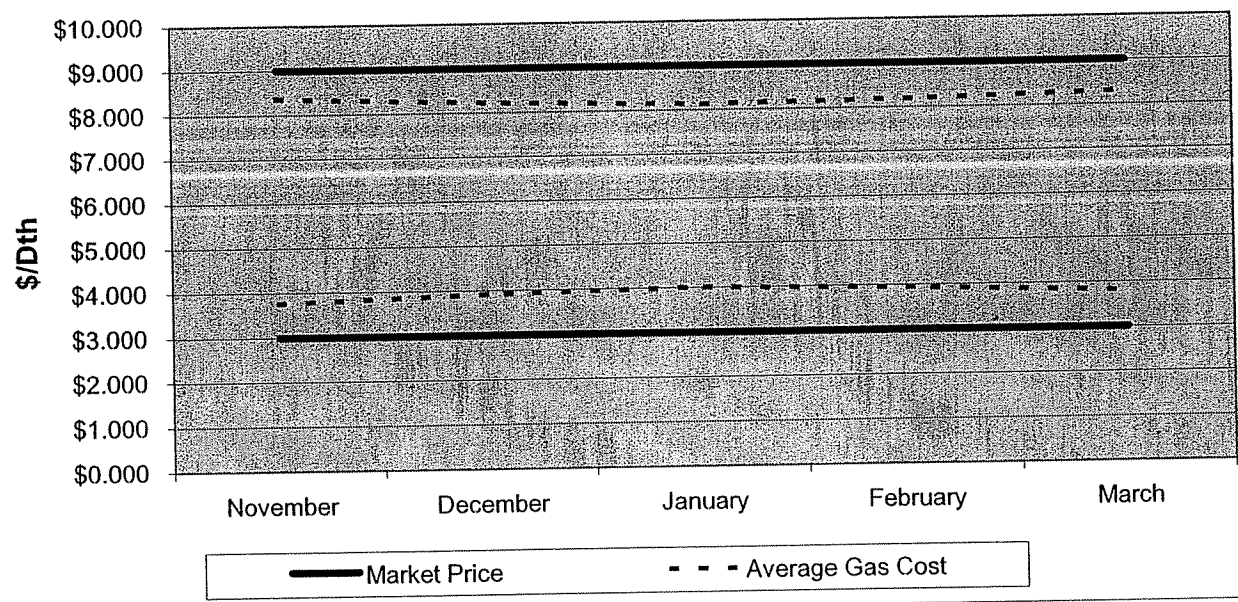
Summer Strip April - October 2005



The Cincinnati Gas & Electric Company Winter 2004-05 Volatility Reduction



The Union Light Heat & Power Company Winter 2004-05 Volatility Reduction



**Gas Commercial Operations
Price Mitigation Program
Market Indicators Summary
October 15, 2004**

Weather	Price Pressure	Comments
Long Term Weather Forecast	↑ ↓	Earthsat: Cold start to colder than normal winter WSI: November & December warmer than normal
Short Term Weather (30 days)	↑	Although October has been mild, cold weather is expected by the last week or in the first part of November.
6-10 day forecast	↓	"Much Above" expected next week for a large portion of the country should convince many people to delay turning their furnaces on.
Tropical Storm Activity	↑	As of October 11th, 1.8 BCF/day remained shut it due to Ivan. No current Tropical Storm activity in the Atlantic or Gulf.
Storage Inventory		
EIA Weekly Storage Report	↓	Even with shut ins due to Ivan, storage injections were 67 bcf for the week ended October 8th. This included an adjustment of 7 bcf from "working gas" to "base gas".
Industry Publications		
Cambridge Energy Research Associates <i>Winter 04/05: \$5.39</i> <i>Summer 2005: \$5.47</i>	↓	"North American natural gas prices are set to fall in October as decreasing shoulder month demand meets the stronger-than-expected inventory build..."
Paribas	↑	"We still have a bias to upward moves as that appears to be where most momentum has been encountered."
CM&T	↔	"...that was a bearish number. Does it really matter."
Government Agencies		
Energy Information Administration <i>Winter 04/05: \$6.23</i> <i>Summer 2005: \$5.56</i>	↓	"...steady, if modest, increases in liquefied natural gas imports, restrained export growth and carryover from the robust storage levels...will also contribute to an expected moderate improvement in the supply picture through 2005..."
Technical Analysis		
Winter Strip Chart	↓	Gap between \$7.07 - \$7.32.
Summer 2005 Strip Chart	↓	Gaps at \$6.16 - \$6.21 and \$6.43 - \$6.54.
Rig Count	↓	Down 21 but still at all time high for this time of year.
Economy		
Demand	↓	EIA: "Industrial gas demand is expected to grow by about 0.5 percent this year and 0.1 percent in 2005."
Supply	↓	EIA: "...2005 domestic production is projected to grow by 1.4 percent."
Oil Market	↑	EIA: "Oil price remain high even though OPEC is producing at its highest levels since OPEC began tracking quotas in 1982."

Meeting Minutes:

Attendees: Patty Walker, Jim Henning, Bill Tucker, Jeff Kern, Mike Brumback

The reaction of the market to Ivan demonstrated how a single event can have drastic effects on the market. Although NYMEX prices are high compared to current forecasts, another event could send prices even higher. Therefore, Conoco and Oneok will be contacted to get prices for costless collars, and the market will be watched closely to take advantage of any opportunities brought about by the mild October weather and full storage.

The Union Light Heat & Power Company
Price Mitigation Program - Current Position
As of 10/15/04

	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05
Daily Base												
Estimated Base (Gross)	15,768	22,596	24,427	22,506	16,906	15,000	18,000	18,000	16,000	17,000	16,000	6,000
Amount Hedged						2,300	2,300	2,300	2,300	2,300	2,300	2,300
Cost Averaging (1)	1,000	1,000	1,000	1,000	1,000							
Fixed Price (Conoco \$5.485)	1,000	1,000	1,000	1,000	1,000							
Fixed Price (Occidental \$6.07)	5,000	5,000	5,000	5,000	5,000							
Cost Averaging (2)	1,700	1,700	1,700	1,700	1,700							
Fixed Price(Conoco \$6.9475)	2,000	2,000	2,000	2,000	2,000							
Fixed Price (Conoco \$6.36)	10,700	10,700	10,700	10,700	7,000	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Total PMP	7,000	10,700	10,700	10,700	7,000	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Monthly Base												
Estimated Base (Gross)	473,040	700,476	757,237	630,168	524,086	450,000	558,000	540,000	496,000	527,000	480,000	186,000
PMP to date						69,000	71,300	69,000	71,300	71,300	69,000	71,300
Cost Averaging (1)	30,000	31,000	31,000	28,000	31,000							
Fixed Price (Conoco \$5.485)	30,000	31,000	31,000	28,000	31,000							
Fixed Price (Occidental \$6.07)	150,000	155,000	155,000	140,000	155,000							
Cost Averaging (2)	0	52,700	52,700	47,600	0							
Fixed Price(Conoco \$6.9475)	0	62,000	62,000	56,000	0							
Fixed Price (Conoco \$6.36)	210,000	331,700	331,700	299,600	217,000	69,000	71,300	69,000	71,300	71,300	69,000	71,300
Total PMP	44.4%	47.4%	43.8%	47.5%	41.4%	15.3%	12.8%	12.8%	14.4%	13.5%	14.4%	38.3%
% of Base Supply					45.1%							15.2%
Seasonal % of Base												
Normal Load (City Gate)												
PMP (City Gate)	199,500	315,115	315,115	284,620	206,150	65,550	67,735	65,550	67,735	67,735	65,550	67,735
Storage Withdrawal	128,282	249,706	400,491	295,185	185,393	0	0	0	0	0	0	0
Market	1,127,799	1,493,190	1,621,482	1,449,116	1,203,649	818,512	586,188	413,176	451,779	416,798	384,988	575,007
Total (incl. Injections)	1,455,581	2,058,011	2,337,087	2,028,921	1,595,192	884,062	653,923	478,726	519,514	484,533	450,538	642,742
% PMP & Storage	22.5%	27.4%	30.6%	28.6%	24.5%	7.4%	10.4%	13.7%	13.0%	14.0%	14.5%	10.5%
Seasonal %					27.2%							

(1) ULH&P will purchase 2,300 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price September 16, 2004 - March 29, 2005.

(2) ULH&P will purchase 5,000 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price June 1, 2004 - October 27, 2004.

The Union Light Heat & Power Company
 Price Mitigation Program for Winter 2004/2005
 Cost Averaging with CM&T

	Total Amount	Closing Price					Winter Strip	Total Cost	Locked In To Date
		November	December	January	February	March			
1-Jun	7,190	\$6 894	\$7 079	\$7 204	\$7 144	\$6 954	\$7 055	50,725 45	7,190
2-Jun	7,190	\$6 759	\$6 947	\$7 077	\$7 027	\$6 842	\$6 930	49,829 58	7,190
3-Jun	7,190	\$6 620	\$6 810	\$6 940	\$6 890	\$6 710	\$6 794	48,848 88	7,190
4-Jun	7,190	\$6 546	\$6 741	\$6 871	\$6 826	\$6 656	\$6 728	48,374 32	7,190
7-Jun	7,190	\$6 502	\$6 702	\$6 832	\$6 787	\$6 617	\$6 688	48,086 72	7,190
8-Jun	7,190	\$6 445	\$6 658	\$6 788	\$6 743	\$6 580	\$6 643	47,761 73	7,190
9-Jun	7,190	\$6 406	\$6 616	\$6 746	\$6 701	\$6 541	\$6 602	47,468 38	7,190
10-Jun	7,190	\$6 509	\$6 712	\$6 840	\$6 790	\$6 622	\$6 695	48,134 17	7,190
11-Jun	<i>NYMEX Closed in Observance of Day of Mourning for Ronald Reagan</i>								
14-Jun	7,265	\$6 580	\$6 783	\$6 911	\$6 850	\$6 695	\$6 766	49,153 54	7,265
15-Jun	7,265	\$6 627	\$6 827	\$6 952	\$6 897	\$6 732	\$6 807	49,452 86	7,265
16-Jun	7,265	\$6 765	\$6 960	\$7 077	\$7 017	\$6 847	\$6 933	50,369 70	7,265
17-Jun	7,265	\$6 840	\$7 033	\$7 150	\$7 090	\$6 920	\$7 007	50,802 95	7,265
18-Jun	7,265	\$6 805	\$7 005	\$7 125	\$7 065	\$6 900	\$6 980	50,709 70	7,265
21-Jun	7,265	\$6 650	\$6 860	\$6 983	\$6 928	\$6 784	\$6 837	49,667 90	7,265
22-Jun	7,265	\$6 727	\$6 937	\$7 062	\$7 002	\$6 837	\$6 913	50,222 95	7,265
23-Jun	7,265	\$6 730	\$6 942	\$7 067	\$7 007	\$6 842	\$6 918	50,256 36	7,265
24-Jun	7,265	\$6 788	\$7 000	\$7 125	\$7 065	\$6 900	\$6 976	50,877 73	7,265
25-Jun	7,265	\$6 667	\$6 884	\$7 012	\$6 957	\$6 800	\$6 864	49,865 96	7,265
28-Jun	7,265	\$6 490	\$6 714	\$6 844	\$6 820	\$6 640	\$6 702	48,687 12	7,265
29-Jun	7,265	\$6 425	\$6 651	\$6 784	\$6 734	\$6 583	\$6 635	48,206 18	7,265
30-Jun	7,265	\$6 453	\$6 682	\$6 813	\$6 763	\$6 608	\$6 664	48,412 51	7,265
1-Jul	7,265	\$6 516	\$6 744	\$6 877	\$6 825	\$6 666	\$6 726	48,861 48	7,265
2-Jul	7,265	\$6 458	\$6 693	\$6 823	\$6 775	\$6 628	\$6 675	48,498 78	7,265
6-Jul	7,265	\$6 721	\$6 947	\$7 080	\$7 020	\$6 860	\$6 926	50,314 48	7,265
7-Jul	7,265	\$6 678	\$6 906	\$7 039	\$6 981	\$6 824	\$6 886	50,023 88	7,265
8-Jul	7,265	\$6 529	\$6 779	\$6 924	\$6 872	\$6 724	\$6 766	49,152 08	7,265
9-Jul	7,265	\$6 516	\$6 784	\$6 937	\$6 889	\$6 747	\$6 775	49,217 47	7,265
12-Jul	7,265	\$6 277	\$6 577	\$6 747	\$6 708	\$6 570	\$6 576	47,773 19	7,265
13-Jul	7,265	\$6 302	\$6 591	\$6 758	\$6 721	\$6 588	\$6 592	47,890 88	7,265
14-Jul	7,265	\$6 375	\$6 662	\$6 827	\$6 789	\$6 655	\$6 662	48,396 52	7,265
15-Jul	7,265	\$6 275	\$6 583	\$6 753	\$6 718	\$6 588	\$6 583	47,828 40	7,265
16-Jul	7,265	\$6 310	\$6 620	\$6 792	\$6 754	\$6 620	\$6 619	48,088 49	7,265
19-Jul	7,265	\$6 240	\$6 560	\$6 735	\$6 730	\$6 590	\$6 571	47,738 32	7,265
20-Jul	7,265	\$6 274	\$6 584	\$6 757	\$6 722	\$6 592	\$6 586	47,845 84	7,265
21-Jul	7,265	\$6 351	\$6 651	\$6 824	\$6 784	\$6 649	\$6 652	48,325 33	7,265
22-Jul	7,265	\$6 529	\$6 814	\$6 982	\$6 929	\$6 779	\$6 807	49,449 95	7,265
23-Jul	7,265	\$6 535	\$6 820	\$6 985	\$6 940	\$6 805	\$6 817	49,525 51	7,265
26-Jul	7,265	\$6 366	\$6 654	\$6 829	\$6 787	\$6 651	\$6 657	48,366 01	7,265
27-Jul	7,265	\$6 387	\$6 673	\$6 847	\$6 808	\$6 669	\$6 677	48,506 95	7,265
28-Jul	7,265	\$6 500	\$6 772	\$6 941	\$6 899	\$6 758	\$6 774	49,210 20	7,265
29-Jul	7,265	\$6 556	\$6 826	\$6 996	\$6 954	\$6 811	\$6 829	49,609 78	7,265
30-Jul	7,265	\$6 546	\$6 841	\$7 017	\$6 978	\$6 845	\$6 845	49,731 83	7,265
2-Aug	7,265	\$6 360	\$6 697	\$6 884	\$6 855	\$6 736	\$6 706	48,722 00	7,265
3-Aug	7,265	\$6 383	\$6 748	\$6 943	\$6 916	\$6 798	\$6 758	49,093 96	7,265
4-Aug	7,265	\$6 253	\$6 678	\$6 893	\$6 870	\$6 758	\$6 690	48,605 76	7,265
5-Aug	7,265	\$6 307	\$6 734	\$6 954	\$6 926	\$6 809	\$6 746	49,009 69	7,265
6-Aug	7,265	\$6 218	\$6 665	\$6 805	\$6 877	\$6 760	\$6 685	48,586 53	7,265
9-Aug	7,265	\$6 298	\$6 715	\$6 945	\$6 912	\$6 785	\$6 731	48,900 72	7,265
10-Aug	7,265	\$6 356	\$6 733	\$6 945	\$6 910	\$6 780	\$6 745	49,000 97	7,265
11-Aug	7,265	\$6 255	\$6 658	\$6 898	\$6 868	\$6 743	\$6 684	48,562 17	7,265
12-Aug	7,265	\$6 162	\$6 592	\$6 857	\$6 827	\$6 702	\$6 628	48,152 42	7,265
13-Aug	7,265	\$6 223	\$6 628	\$6 883	\$6 850	\$6 718	\$6 660	48,387 81	7,265
16-Aug	7,265	\$6 119	\$6 551	\$6 818	\$6 788	\$6 658	\$6 587	47,853 10	7,265
17-Aug	7,265	\$6 104	\$6 547	\$6 814	\$6 784	\$6 654	\$6 581	47,808 06	7,265
18-Aug	7,265	\$6 124	\$6 561	\$6 821	\$6 791	\$6 661	\$6 592	47,887 97	7,265
19-Aug	7,265	\$6 299	\$6 724	\$6 974	\$6 942	\$6 800	\$6 748	49,022 77	7,265
20-Aug	7,265	\$6 418	\$6 858	\$7 108	\$7 073	\$6 928	\$6 877	49,961 41	7,265
23-Aug	7,265	\$6 251	\$6 738	\$6 955	\$6 925	\$6 835	\$6 760	49,114 31	7,265
24-Aug	7,265	\$6 209	\$6 694	\$6 974	\$6 944	\$6 802	\$6 725	48,854 22	7,265
25-Aug	7,265	\$6 082	\$6 573	\$6 867	\$6 842	\$6 697	\$6 612	48,037 63	7,265
26-Aug	7,265	\$5 994	\$6 524	\$6 834	\$6 824	\$6 684	\$6 572	47,745 58	7,265
27-Aug	7,265	\$5 918	\$6 498	\$6 831	\$6 831	\$6 693	\$6 554	47,613 36	7,265
30-Aug	7,265	\$5 859	\$6 409	\$6 759	\$6 796	\$6 661	\$6 497	47,199 25	7,265
31-Aug	7,265	\$5 717	\$6 302	\$6 637	\$6 687	\$6 572	\$6 383	46,372 50	7,265
1-Sep	7,265	\$5 586	\$6 201	\$6 591	\$6 631	\$6 536	\$6 303	45,791 30	7,265
2-Sep	7,265	\$5 495	\$6 130	\$6 515	\$6 550	\$6 455	\$6 229	45,253 69	7,265
3-Sep	7,265	\$5 500	\$6 155	\$6 515	\$6 550	\$6 455	\$6 235	45,297 28	7,265
7-Sep	7,265	\$5 640	\$6 292	\$6 627	\$6 652	\$6 542	\$6 351	46,137 11	7,265
8-Sep	7,265	\$5 521	\$6 241	\$6 571	\$6 601	\$6 496	\$6 286	45,667 79	7,265
9-Sep	7,265	\$5 617	\$6 377	\$6 772	\$6 807	\$6 687	\$6 452	46,873 78	7,265
10-Sep	7,265	\$5 549	\$6 364	\$6 764	\$6 814	\$6 697	\$6 438	46,769 16	7,265
13-Sep	7,265	\$5 707	\$6 472	\$6 857	\$6 897	\$6 775	\$6 542	47,524 72	7,265
14-Sep	7,265	\$5 725	\$6 385	\$6 720	\$6 755	\$6 635	\$6 444	46,815 66	7,265
15-Sep	7,265	\$5 533	\$6 208	\$6 533	\$6 558	\$6 453	\$6 257	45,457 11	7,265
16-Sep	7,265	\$5 443	\$6 193	\$6 553	\$6 558	\$6 453	\$6 240	45,333 60	7,265
17-Sep	7,265	\$5 714	\$6 359	\$6 701	\$6 691	\$6 573	\$6 408	46,551 21	7,265
20-Sep	7,265	\$5 750	\$6 315	\$6 632	\$6 627	\$6 512	\$6 367	46,257 71	7,265
21-Sep	7,265	\$6 182	\$6 722	\$6 992	\$6 957	\$6 822	\$6 735	48,929 78	7,265
22-Sep	7,265	\$6 242	\$6 782	\$7 032	\$6 992	\$6 842	\$6 778	49,242 17	7,265
23-Sep	7,265	\$6 219	\$6 859	\$7 119	\$7 079	\$6 919	\$6 839	49,885 34	7,265
24-Sep	7,265	\$6 067	\$6 802	\$7 117	\$7 082	\$6 917	\$6 797	49,380 21	7,265
27-Sep	7,265	\$5 931	\$6 706	\$7 101	\$7 091	\$6 916	\$6 749	49,031 49	7,265
28-Sep	7,265	\$6 351	\$7 021	\$7 401	\$7 391	\$7 181	\$7 069	51,356 29	7,265
29-Sep	7,265	\$6 911	\$7 561	\$7 981	\$7 841	\$7 611	\$7 557	54,901 61	7,265
30-Sep	7,265	\$6 795	\$7 635	\$8 030	\$7 990	\$7 725	\$7 635	55,468 28	7,265
1-Oct	7,265	\$6 772	\$7 572	\$7 942	\$7 892	\$7 612	\$7 558	54,908 87	7,265
4-Oct	7,265	\$6 725	\$7 625	\$7 995	\$7 940	\$7 655	\$7 588	55,128 82	7,265
5-Oct	7,265	\$7 164	\$8 104	\$8 444	\$8 369	\$8 054	\$8 027	58,316 16	7,265
6-Oct	7,265	\$7 045	\$8 036	\$8 439	\$8 364	\$8 044	\$7 986	58,015 38	7,265
7-Oct	7,265	\$7 255	\$8 297	\$8 712	\$8 627	\$8 297	\$8 236	59,846 18	7,265
8-Oct	7,265	\$7 163	\$8 275	\$8 715	\$8 635	\$8 290	\$8 216	59,686 33	7,265
11-Oct	7,265	\$6 993	\$8 164	\$8 669	\$8 609	\$8 264	\$8 140	59,135 65	7,265
12-Oct	7,265	\$6 636	\$7 901	\$8 439	\$8 439	\$8 104	\$7 904	57,421 11	7,265
13-Oct	7,265	\$6 851	\$8 030	\$8 480	\$8 480	\$8 150	\$7 998	58,108 92	7,265
14-Oct	7,265	\$6 803	\$7 994	\$8 449	\$8 469	\$8 114	\$7 966	57,871 54	7,265
15-Oct	7,265								
18-Oct	7,265								
19-Oct	7,265								
20-Oct	7,265								
21-Oct	7,265								
22-Oct	7,265								
25-Oct	7,265								
26-Oct	7,265								
27-Oct	7,265								
Total	755,000							\$4,710,801.39	689,575
									\$8,8315
									(\$0.0100)
									\$6.8215

Basis to Columbia Gulf Onshore

Price to be paid for 5,000 dth/day delivered November 1, 2004 to March 31, 2005:

689,575

\$8,8315

(\$0.0100)

\$6.8215

The Union Light Heat & Power Company
 Price Mitigation Program for Summer 2006
 Cost Averaging with CMA

	Total Amount	Closing Price								Summer Strip	Total Cost	Locked In To Date
		April	May	June	July	August	Sept	October	October			
16-Sep	3,729	\$5,963	\$5,853	\$5,883	\$5,818	\$5,943	\$5,938	\$5,963	\$5,923	\$5,923	22,066.87	3,729
17-Sep	3,729	\$6,045	\$5,920	\$5,946	\$5,980	\$6,005	\$5,995	\$6,020	\$5,988	\$5,988	22,327.65	3,729
20-Sep	3,729	\$6,012	\$5,887	\$5,919	\$5,852	\$5,977	\$5,967	\$5,987	\$5,957	\$5,957	22,214.72	3,729
21-Sep	3,729	\$6,197	\$6,062	\$6,094	\$6,127	\$6,152	\$6,142	\$6,167	\$6,134	\$6,134	22,875.28	3,729
22-Sep	3,729	\$6,162	\$6,027	\$6,057	\$6,087	\$6,112	\$6,092	\$6,117	\$6,093	\$6,093	22,722.40	3,729
23-Sep	3,729	\$6,211	\$6,071	\$6,099	\$6,128	\$6,153	\$6,133	\$6,158	\$6,136	\$6,136	22,881.68	3,729
24-Sep	3,729	\$6,226	\$6,086	\$6,113	\$6,140	\$6,165	\$6,148	\$6,173	\$6,150	\$6,150	22,933.88	3,729
27-Sep	3,729	\$6,225	\$6,085	\$6,112	\$6,139	\$6,164	\$6,147	\$6,175	\$6,150	\$6,150	22,931.75	3,729
28-Sep	3,729	\$6,421	\$6,271	\$6,296	\$6,321	\$6,345	\$6,325	\$6,349	\$6,333	\$6,333	23,614.16	3,729
29-Sep	3,729	\$6,611	\$6,429	\$6,448	\$6,467	\$6,486	\$6,456	\$6,478	\$6,482	\$6,482	24,170.85	3,729
30-Sep	3,729	\$6,615	\$6,419	\$6,436	\$6,456	\$6,475	\$6,445	\$6,465	\$6,473	\$6,473	24,137.82	3,729
1-Oct	3,729	\$6,538	\$6,338	\$6,355	\$6,375	\$6,394	\$6,364	\$6,386	\$6,393	\$6,393	23,840.03	3,729
4-Oct	3,729	\$6,580	\$6,375	\$6,392	\$6,412	\$6,431	\$6,401	\$6,425	\$6,431	\$6,431	23,960.57	3,729
5-Oct	3,729	\$6,804	\$6,559	\$6,572	\$6,589	\$6,604	\$6,569	\$6,589	\$6,612	\$6,612	24,657.21	3,729
6-Oct	3,729	\$6,819	\$6,579	\$6,594	\$6,614	\$6,631	\$6,596	\$6,619	\$6,636	\$6,636	24,745.64	3,729
7-Oct	3,729	\$6,978	\$6,728	\$6,743	\$6,763	\$6,780	\$6,740	\$6,760	\$6,785	\$6,785	25,299.67	3,729
8-Oct	3,729	\$6,930	\$6,680	\$6,697	\$6,720	\$6,737	\$6,697	\$6,720	\$6,740	\$6,740	25,133.99	3,729
11-Oct	3,729	\$6,954	\$6,704	\$6,721	\$6,744	\$6,761	\$6,726	\$6,749	\$6,766	\$6,766	25,228.92	3,729
12-Oct	3,729	\$6,924	\$6,684	\$6,701	\$6,724	\$6,744	\$6,709	\$6,732	\$6,745	\$6,745	25,153.70	3,729
13-Oct	3,729	\$6,880	\$6,630	\$6,660	\$6,680	\$6,700	\$6,635	\$6,680	\$6,695	\$6,695	24,965.66	3,729
14-Oct	3,729	\$6,873	\$6,623	\$6,640	\$6,665	\$6,690	\$6,650	\$6,683	\$6,691	\$6,691	24,949.14	3,729
15-Oct	3,729											
18-Oct	3,729											
19-Oct	3,729											
20-Oct	3,729											
21-Oct	3,729											
22-Oct	3,729											
25-Oct	3,729											
26-Oct	3,729											
27-Oct	3,729											
28-Oct	3,729											
29-Oct	3,729											
1-Nov	3,729											
2-Nov	3,729											
3-Nov	3,729											
4-Nov	3,729											
5-Nov	3,729											
6-Nov	3,729											
9-Nov	3,729											
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29-Dec	3,729											
29-Dec	3,729											
30-Dec	3,729											
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7-Jan	3,729											
10-Jan	3,729											
11-Jan	3,729											
12-Jan	3,729											
13-Jan	3,729											
14-Jan	3,729											
16-Jan	3,729											
19-Jan	3,729											
20-Jan	3,729											
24-Jan	3,729											
25-Jan	3,729											
26-Jan	3,729											
27-Jan	3,729											
28-Jan	3,729											
31-Jan	3,729											
1-Feb	3,729											
2-Feb	3,729											
3-Feb	3,729											
4-Feb	3,729											
7-Feb	3,729											
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9-Feb	3,729											
10-Feb	3,729											
11-Feb	3,729											
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15-Feb	3,729											
16-Feb	3,729											
17-Feb	3,729											
18-Feb	3,729											
21-Feb	3,729											
22-Feb	3,729											
23-Feb	3,729											
24-Feb	3,729											
25-Feb	3,729											
28-Feb	3,729											
1-Mar	3,729											
24-Mar	3,729											
3-Mar	3,729											
4-Mar	3,729											
7-Mar	3,729											
8-Mar	3,729											
9-Mar	3,729											
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14-Mar	3,729											
15-Mar	3,729											
16-Mar	3,729											
17-Mar	3,729											
18-Mar	3,729											
21-Mar	3,729											
22-Mar	3,729											
23-Mar	3,729											
24-Mar	3,729											
28-Mar	3,729											
29-Mar	3,701											
Total	492,200										\$900,851.58	76,309
											\$6,395.8	
											(\$0.0050)	
											\$6,390.8	

Basis to Columbia Gulf Onshore
 Price to be paid for 2,300 dtm/day delivered April 1, 2005 to October 31, 2005:

GET EARTHSAT'S LATEST WINTER OUTLOOK NEXT WEDNESDAY (10/20) WITH EARTHSAT LONGVIEW-
AN INCOMING UPGRADE TO THIS PRODUCT!

EarthSat Longcast Model Seasonal Outlook Discussion

October 12, 2004

Headlines: Latest Analogs Still Hold to the Cold Side.

This model output is a strict objective analog comparison based on the Tropical Pacific. These are not necessarily EarthSat's official seasonal forecasts, but a tool utilized in that effort. To see EarthSat's latest outlook, please click on the link provided at the front of the longcast section (main menu) or see below.

Latest Weekly Update of Longcast Tool:

Over the past month, the sea surface temperature anomalies in the central Tropical Pacific continue to hold in the weak El Nino category. The current long-lead climate models continue to anticipate this weak El Nino through the upcoming winter period. Fitting the curve of this expectation yields the 10 analog years of the current forecast and generally another cold winter for much of the central to eastern thirds of the nation. At this time, there are no signs of change.

Monthly Update Information:

Status

For the ensemble spread on the latest sst forecast:

http://www.emc.ncep.noaa.gov/research/cmb/sst_forecast/images/cmb.SSTfcst_nino34.gif

To see the latest NINO 3.4 SST Departures, please check out this link:

http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_update/ssta_c.gif

-Matt Rogers

Any Questions? Comments? Please write to mrogers@earthsat.com



EarthSat Energy Weather - Long Range Forecasts: 30 - 60 Day Outlook

EARTH SAT

Wednesday

DAY

10/13/04

DATE

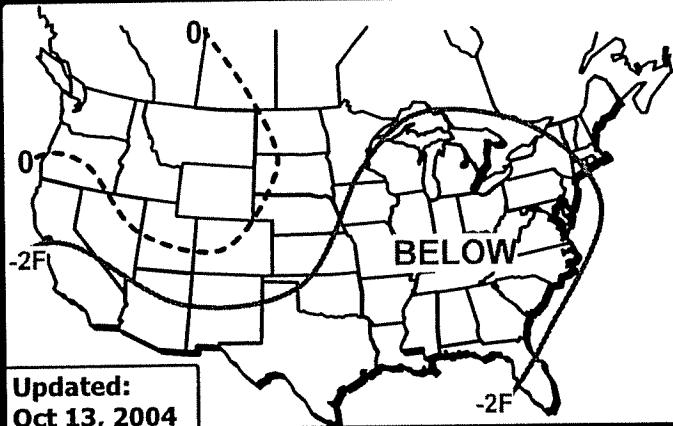
9:45 AM EDT

TIME

MR

FORECASTER

NOVEMBER 2004



Updated:
Oct 13, 2004

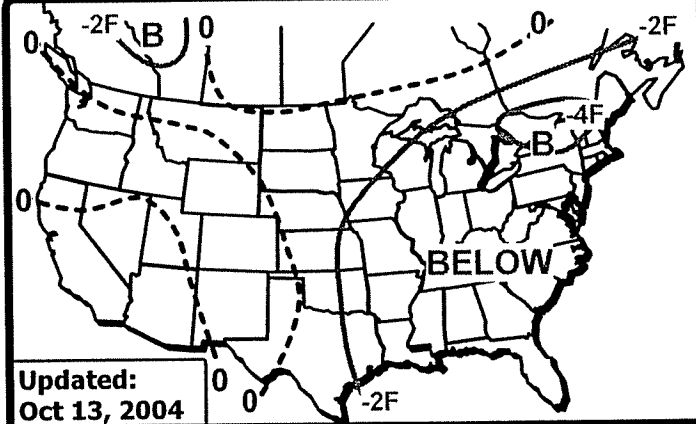
Colder Changes Still Expected for November.

Despite relatively variable to mild weather seen here in October with only fast cool to cold shots, the expectation for November continues to be for the development of a generally cooler to colder pattern over the eastern 2/3 of the nation. This transition may begin to take place toward the final week of October, but more likely, the changes are now favored to take place during the first 1/3 of November. Key changes are required in the North American jet stream pattern with the main issue being the removal of the Gulf of Alaska low feature and replacement with ridging up across Western to Northwestern Canada. The dynamic models will be watched closely in the next few weeks for these changes.

November HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	854.0	753.6	771.0	686.0
Philadelphia	605.0	527.7	537.0	421.0
Houston	191.0	182.8	123.0	105.0

DECEMBER 2004



Updated:
Oct 13, 2004

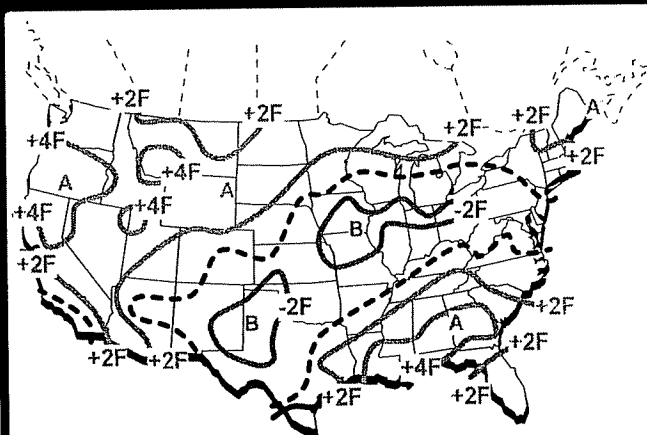
Colder Pattern Preferred for December.

The key wintertime indicators continue to point toward the colder side for this upcoming heating season and December appears to be no exception at this point. The expected weak El Nino combined with a QBO that will be turning negative (easterly) appears to bolster support for a generally colder outlook for December for the eastern half of North America. A few key elements will need to be watched in November to help determine intensity and location of the coldest anomalies. These include snowcover, the North Atlantic Oscillation (NAO), and the Arctic Oscillation (AO). Snowpack will help amplify cold air masses, while the duration and intensity of the NAO and AO will help determine cold air stability/intensity.

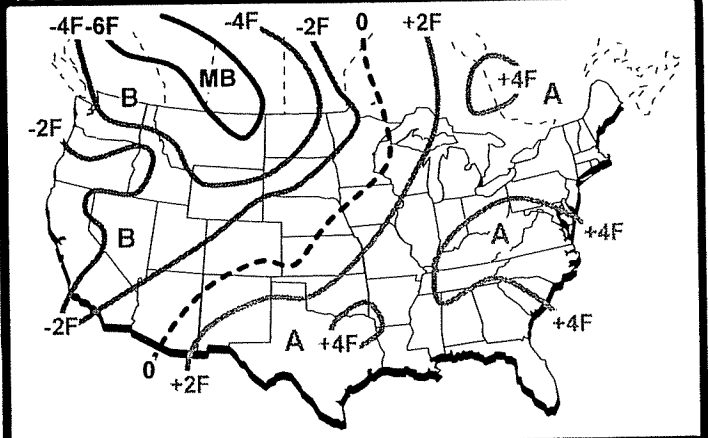
December HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	1229.0	1120.0	1151.0	1035.0
Philadelphia	942.0	826.0	857.0	876.0
Houston	437.0	398.0	367.0	351.0

OCTOBER 1 - 12, 2004



NOVEMBER 2003



Maps above depict deviations of average temperatures from normal in Fahrenheit.

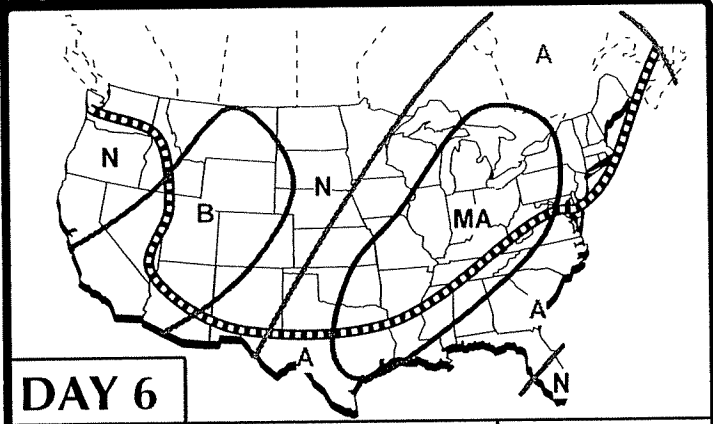


EarthSat's Energy Weather

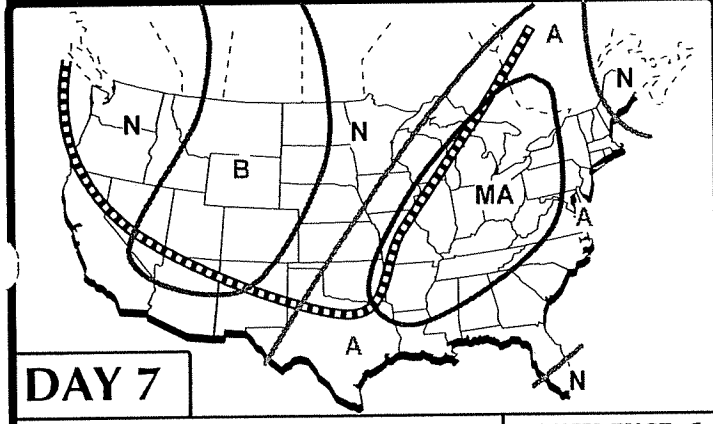
The 6 to 10 Day Forecast - Detailed Version

EARTH SAT Friday DAY 10/15/2004 DATE 6:30 A.M. TIME DS FORECASTER

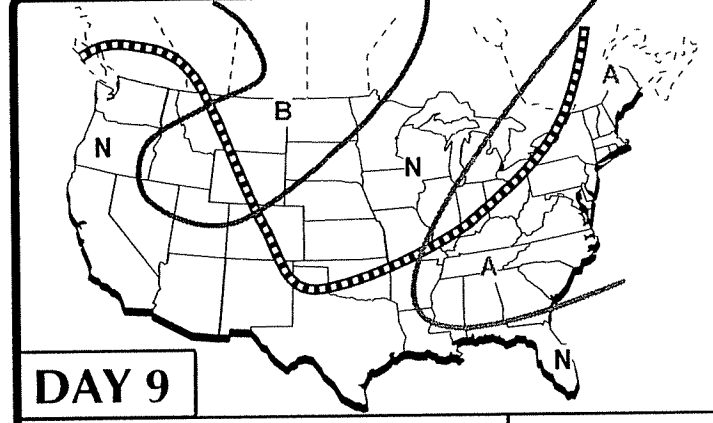
FORECAST TEMP. DEVIATIONS



FORECAST VALID: Wednesday, 10/20 CONFIDENCE: 7



FORECAST VALID: Thursday, 10/21 CONFIDENCE: 6



FORECAST VALID: Saturday, 10/23 CONFIDENCE: 4

DISCUSSION

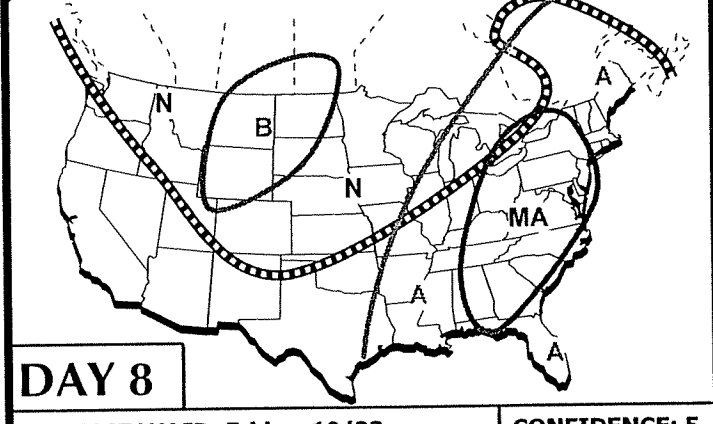
Today's Changes.

The Midwest, South and East are all warmer for the first half of the period, resulting in much above normal temperatures for about 2 days in much of the area.

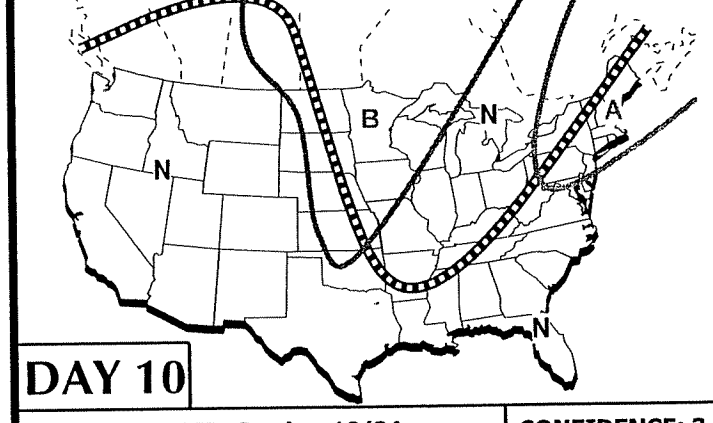
Potential Problems with the Forecast:

The warmer scenario could run into trouble if rains become too substantial during this period and knock down high temperatures enough to offset the unseasonably warm lows across the Midwest and South.

FORECAST TEMP. DEVIATIONS



FORECAST VALID: Friday, 10/22 CONFIDENCE: 5



FORECAST VALID: Sunday, 10/24 CONFIDENCE: 3

LEGEND

MUCH ABOVE.. +8F OR UP	NORMAL	MUCH BELOW..... -8F OR DOWN
ABOVE..... +3F TO +7F	-2F TO +2F	BELOW..... -7F TO -3F

----- Jet Stream **Confidence Level Boxes: 1=Low, 5=Moderate, 10=High**

Gas Daily

Tuesday, October 12, 2004

Ivan's wrath to be evident well into next year

With subsea mudslides in the Mississippi River Delta and an apparent "rogue wave" that crested 80 feet high, Hurricane Ivan appears to have pounded Gulf of Mexico gas and oil production platforms so severely that 4% of output could remain shut in for six months or more.

"And it may be as long as 12 months getting some production back—it's still too dicey to be more specific," Chris Oynes, the Gulf of Mexico regional director for the Minerals Management Service, said in an interview Monday.

Just as MMS was releasing its most comprehensive roundup of Ivan-
(continued on page 6)

Ivan's wrath to be felt for months ... from page 1

related damage, El Paso's Southern Natural Gas pipeline unit was adding its own bleak appraisal, predicting that it may need as long as six months to return part of its system to service.

Oynes said the Southern Natural disruption appears to be a key reason why Ivan's legacy may prove more pronounced than some of its predecessors, such as 2002's Hurricane Lili. More than three weeks after Ivan's Sept. 16 arrival in the central Gulf, MMS reported Monday that 1.8 Bcf/day, or 15%, of gas remains shut in, while 475,000 barrels/day, or 28% of crude production, is curtailed.

And the agency projected that only 1 Bcf/day and 150,000 barrels/day, respectively, will return to production by the end of October.

Longer term, MMS expects to see 96% of normal daily Gulf production

Daily price survey (\$/MMBtu)

NATIONAL AVERAGE PRICE: 5.270

Trans. date: 10/11
Flow date(s): 10/12

	Midpoint	Absolute	Common	Volume	Deals
Permian Basin Area					
El Paso, Permian Basin	4.645	4.35-4.90	4.51-4.78	480	59
Waha	4.680	4.40-4.95	4.54-4.82	701	87
Transwestern, Permian Basin	4.645	4.40-4.84	4.53-4.76	49	9
East Texas-North Louisiana Area					
Carthage Hub	4.870	4.65-5.25	4.72-5.02	112	17
NGPL, Texok zone	5.160	4.89-5.34	5.05-5.27	382	45
Texas Eastern, ETX	4.990	4.97-5.00	4.98-5.00	31	3

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resume within six months, with the remaining 4% in question well into next year. Oynes said the agency now plans to contract with weather and engineering experts to conduct a "hindsight study" so the industry can learn from the storm.

Rick Mercier, director of the Offshore Technology Research Center at Texas A&M University, agreed that Ivan demands a thorough review. "This was definitely a design-level storm," he said. "This is precisely the condition we are trying to design against."

Both Mercier and Oynes agreed that the impact of damage from Ivan now appears greater than the industry anticipated when Ivan first approached. Although the MMS review is in preliminary stages, Oynes said he already has two key suspects for what made the Category 4 hurricane particularly lethal: subsea mudslides and reports of a massive rogue wave.

Because Ivan tracked farther east than Lili two years ago and made landfall in Alabama, Oynes said it appears the latest storm churned the Mississippi River mud deposits on the steep slope of its delta with greater force. As a result, he said Ivan could trigger a revision of design standards for underwater mudslides.

The latest MMS summary lists seven platforms destroyed and another with major damage in water depths between 79 and 479 feet at Main Pass, Viosca Knoll and Mississippi Canyon, where Ivan apparently used the unstable mud deposits to wreak havoc.

In addition, Oynes said he has received unverified reports that Ivan also generated an 80-foot wave that would have dwarfed the already destructive 40- to 50-foot swells. He said that wave would rank as the highest ever measured in the Gulf, assuming it is confirmed by the National Oceanic and Atmospheric Administration.

Meanwhile, in the Gulf's eastern pipeline network, MMS still counted 10 lines out of action. They include Southern Natural's 24-inch gas pipelines beginning at Main Pass 289 and 293, plus an 18-inch gas line at Main Pass 306; and Tennessee Gas Pipeline's 26-inch line at South Pass 77.

Southern Natural offered more details Monday in a bulletin to customers, warning that its system suffered "extensive damage" to facilities upstream of the Toca Compressor Station. Since Ivan's passage, Southern Natural has verified the integrity for only 43 of the 70 receipt points on the system.

In addition, Southern Natural has been unable to complete a damage assessment for all lines east of Main Pass 298 but called it "extensive" and noted the storm destroyed its Main Pass 293 pipeline junction platform—one of the seven platforms MMS has listed as destroyed.

Southern Natural cited Feb. 1 as the earliest date for resuming service to all lines east of Main Pass 298. In addition, the pipeline said it may need two months to resume operations for its South Pass 60 line. Definitive dates will depend on many factors, including availability of marine contractors, the company stressed.

GT

BLM suspends leasing in some sections of Powder River Basin

The Bureau of Land Management will temporarily suspend new coalbed methane leasing in a large swath of the Powder River Basin because of a recent appellate court ruling invalidating three CBM leases there.

BLM officials last week said the agency will defer leasing parcels that would convey CBM lease rights under the jurisdiction of the Buffalo, Wyo., field office until Interior Dept. lawyers determine how to react to a decision by a federal appeals court. The Buffalo office handles most of leasing for the Wyoming portion of the basin.

Specifically, the bureau pulled six Buffalo parcels from a lease sale in Wyoming last week and will withhold 18 CBM parcels from a planned December auction.

The Denver-based 10th Circuit Court of Appeals in August overturned a ruling by a federal district court judge in Wyoming last year upholding BLM's issuance of three CBM leases to Pennaco Energy in 1999. The appeals court ruled that BLM did not properly address the environmental effects of CBM drilling, mainly from produced water.

The case landed at the district court after the Interior Board of Land Appeals ruled against BLM. IBLA said the 1985 resource management plan for Buffalo that BLM relied on in issuing the leases did not specifically consider CBM's effects, which are different than that of conventional gas production. The appeals court sided with IBLA. MS

Group says inactive gas wells contaminating air, water in N.D.

Contamination of water and air by natural gas and oil companies and power plants in and around Louisiana's Delta National Wildlife Refuge and North Dakota's Lostwood National Wildlife Refuge is so severe they made Defenders of Wildlife's "10 Most Endangered National Wildlife Refuges 2004" report.

Citing a Government Accountability Office report from 2003, the environmental group said Monday that Delta National was "riddled" with more than 300 active and inactive gas and oil wells, causing oil spills, gas leaks and spills of "toxic water pulled up from under the ground."

Meanwhile, coal-fired power plant emissions had caused air quality around Lostwood to deteriorate so much that it was in violation of the Clean Air Act, said DOW, citing U.S. Geological Survey data.

platts Gas Daily

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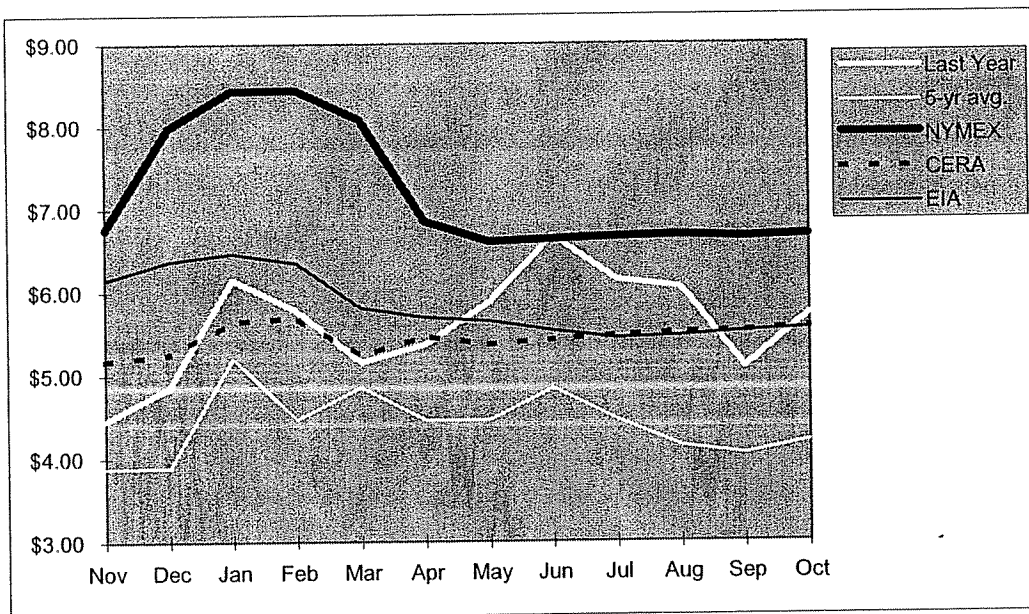
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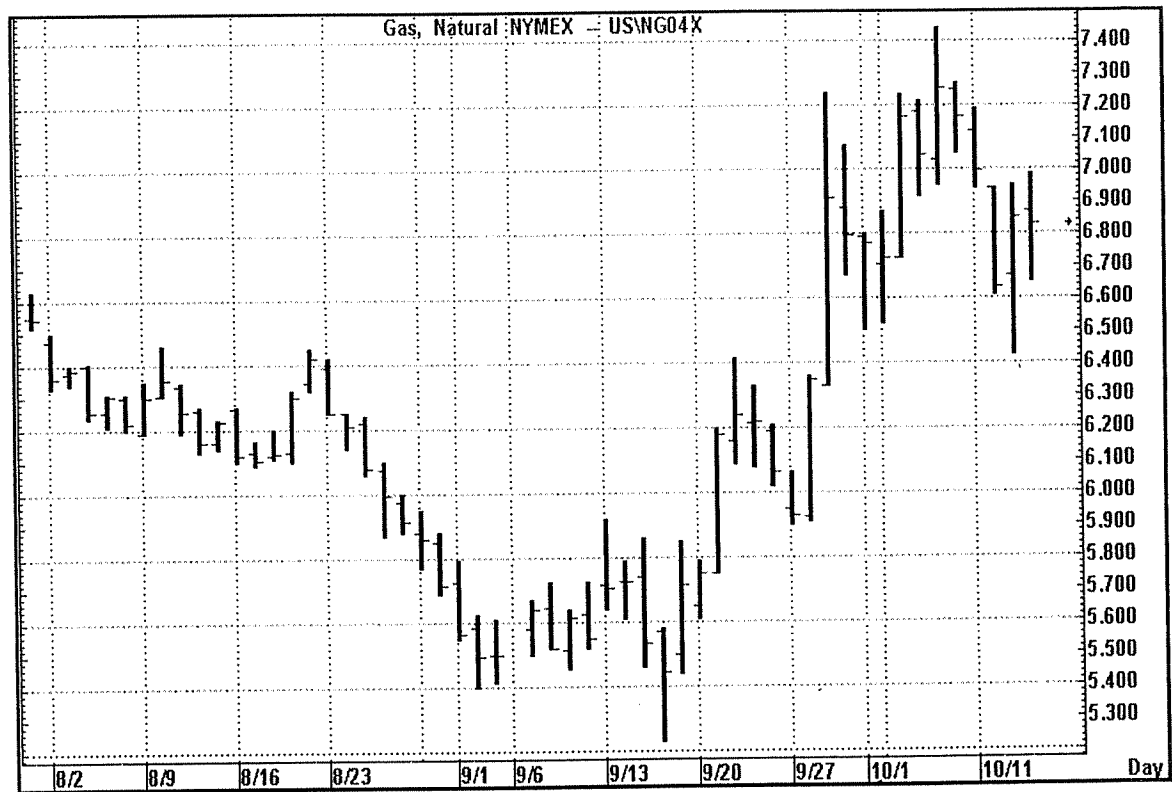
COMPARISON OF HISTORIC SPOT & PROJECTED PRICES TO CURRENT FUTURES PRICES

Historic Prices:						
NYMEX Closing Price						
	5-yr. avg. (99/00-03/04)	Last Year (2003-2004)		CERA 17-Sep-04	EIA 6-Oct-04	NYMEX 15-Oct-04
Nov	\$3.88	\$4.46		\$5.170	\$6.148	\$6.755
Dec	\$3.89	\$4.86		\$5.250	\$6.372	\$7.980
Jan	\$5.20	\$6.15		\$5.640	\$6.466	\$8.430
Feb	\$4.47	\$5.78		\$5.690	\$6.349	\$8.440
Mar	\$4.85	\$5.15		\$5.230	\$5.807	\$8.080
Apr	\$4.45	\$5.37		\$5.460	\$5.691	\$6.850
May	\$4.46	\$5.87		\$5.360	\$5.644	\$6.600
Jun	\$4.84	\$6.68		\$5.420	\$5.528	\$6.630
Jul	\$4.45	\$6.14		\$5.470	\$5.432	\$6.660
Aug	\$4.14	\$6.05		\$5.500	\$5.462	\$6.680
Sep	\$4.04	\$5.08		\$5.520	\$5.510	\$6.650
Oct	\$4.20	\$5.72		\$5.570	\$5.550	\$6.680
12 Month Avg	\$4.41	\$5.61		\$5.440	\$5.830	\$7.203
Summer Average				\$5.471	\$5.545	\$6.679
Winter Average				\$5.396	\$6.229	\$7.937



Commentary

Although selling off upon the release of the storage report which showed an injection of 67 bcf/wk, November rallied to near 7000 before weakening to settle relatively close to the previous session's settle. Volume was not consistently high throughout the session and thus led to very choppy price action. This session's price action demonstrates that future price action is likely to continue to be erratic and choppy with wide trading ranges. Support should still be found at the 6640, 6550 and 6430 level with resistance at the 6800, 6870, 6930, 7000 and 7080 levels. We still have a bias to upward moves as that appears to be where most momentum has been encountered.



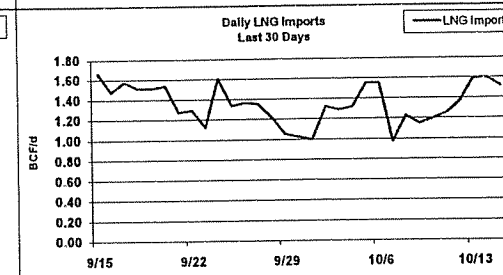
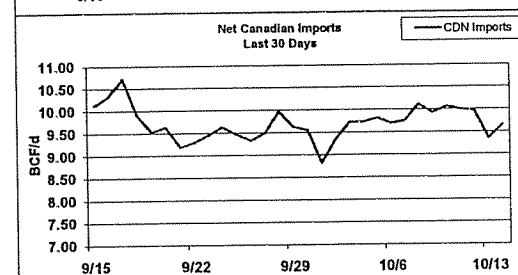
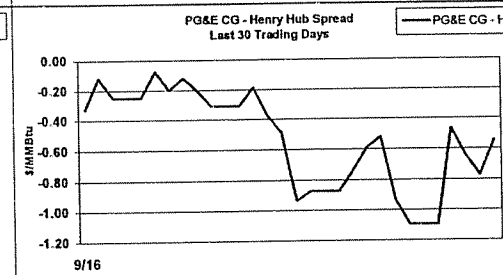
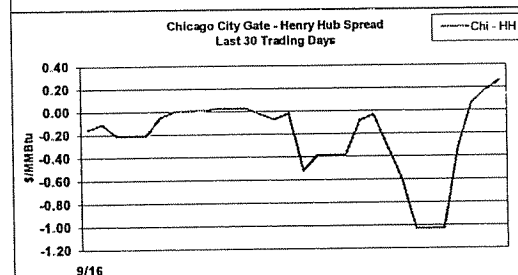
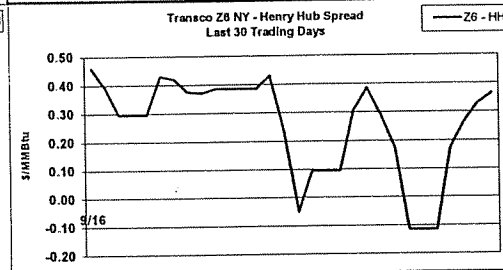
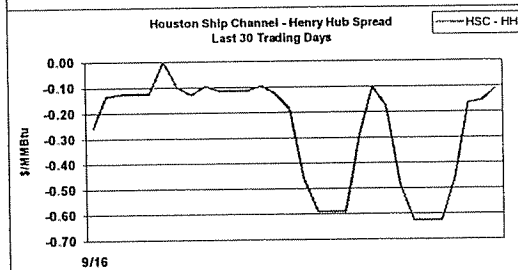
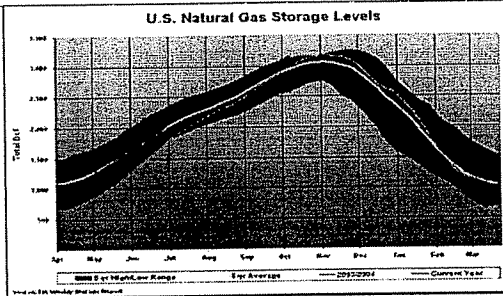
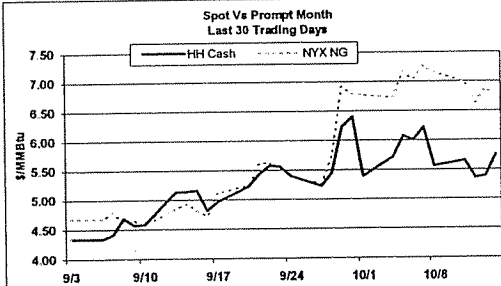
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Market Outlook:

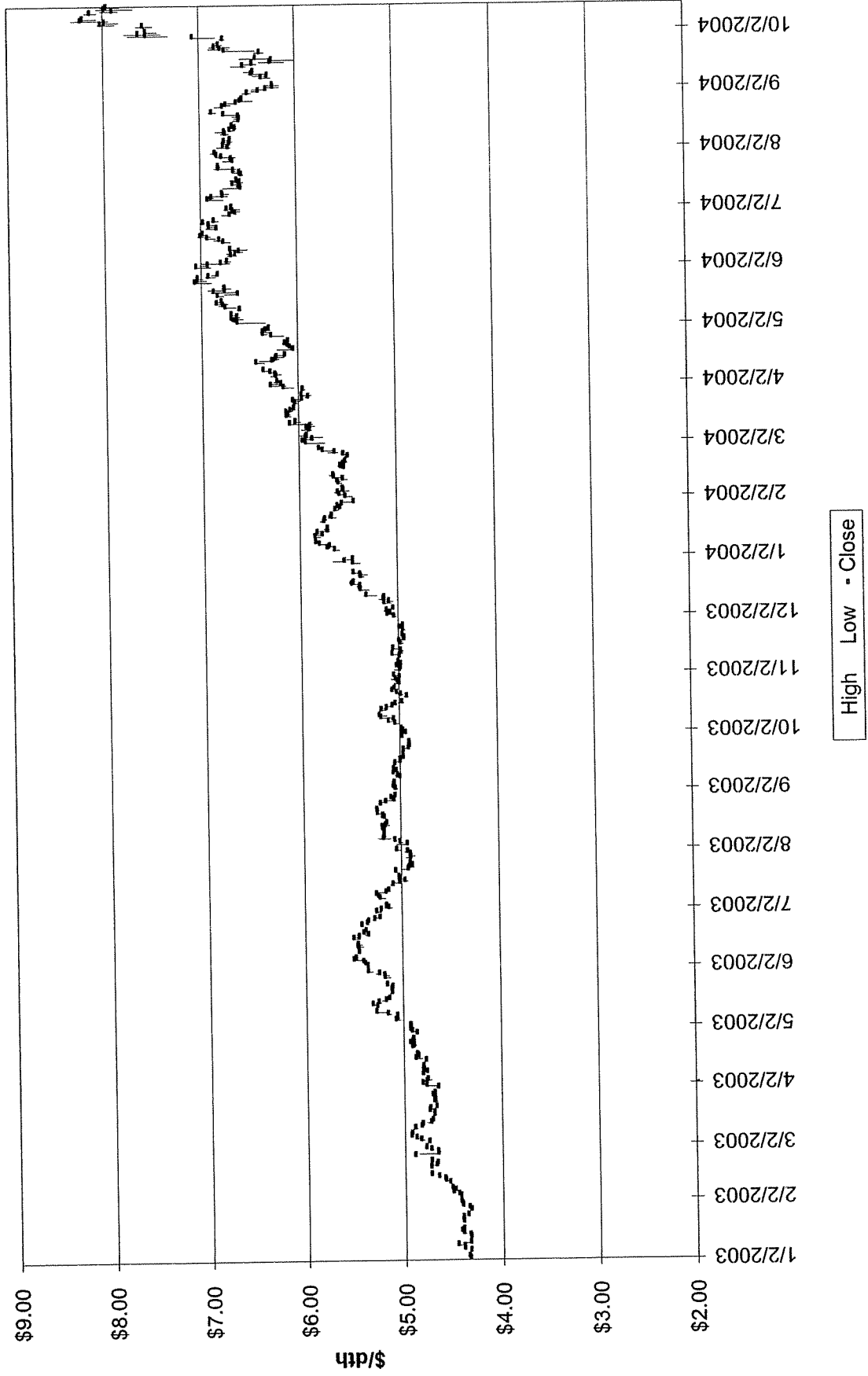
Adjustment to working class or not... that was a bearish number. Does it really matter? We are going to be full... very full but that is why they have a \$1.20 contango in the market and 46¢ in the Z/F. Those are at outrageous levels. I still believe in winter months, those will not hold and narrow dramatically. Today should be a slow day with weekend risk and weather patterns changing. Cash should get killed next week with the warming pattern that is coming. If that is the case, it is hard to imagine why X would narrow to anything on the board. Once we start seeing the weather come in, those spreads will narrow and not until then. The weekly chart has a big red candlestick on it but it bounced right off the channel. Next week that channel come in at 6.45. Saying that, they might rally it but would have to have crude help. Option expiration in crude so anything could happen. Intraday stochs in natty have some room to the downside so we should test support first.

NYMEX Contracts	10/14/2004	10/13/2004	Change	Gas Daily Spreads	10/15/2004	10/14/2004	Change
	Settle	Settle					
Nov 04	6.803	6.851	(0.048)	HSC	(0.110)	(0.155)	0.045
Dec 04	7.994	8.032	(0.038)	TETCO STX	(0.325)	(0.250)	(0.075)
Jan 05	8.449	8.464	(0.015)	Carthage	(0.320)	(0.265)	(0.055)
Feb 05	8.469	8.469	0.000	NGPL TXOK	(0.135)	(0.140)	0.005
Mar 05	8.114	8.124	(0.010)	Columbia Gas, App.	0.300	0.220	0.080
3-month	7.749	7.782	(0.034)	Transco Z6 NY	0.365	0.330	0.035
6-month	7.784	7.800	(0.016)	Chicago City Gate	0.260	0.175	0.085
Summer 2004	7.399	7.442	(0.043)	PG&E City Gate	(0.545)	(0.770)	0.225
Winter 2005	7.980	7.990	(0.010)	Socal	(0.525)	(0.500)	(0.025)
Winter 05 - Summer 04	0.581	0.548	0.033				
Balance 2004	7.749	7.782	(0.034)				

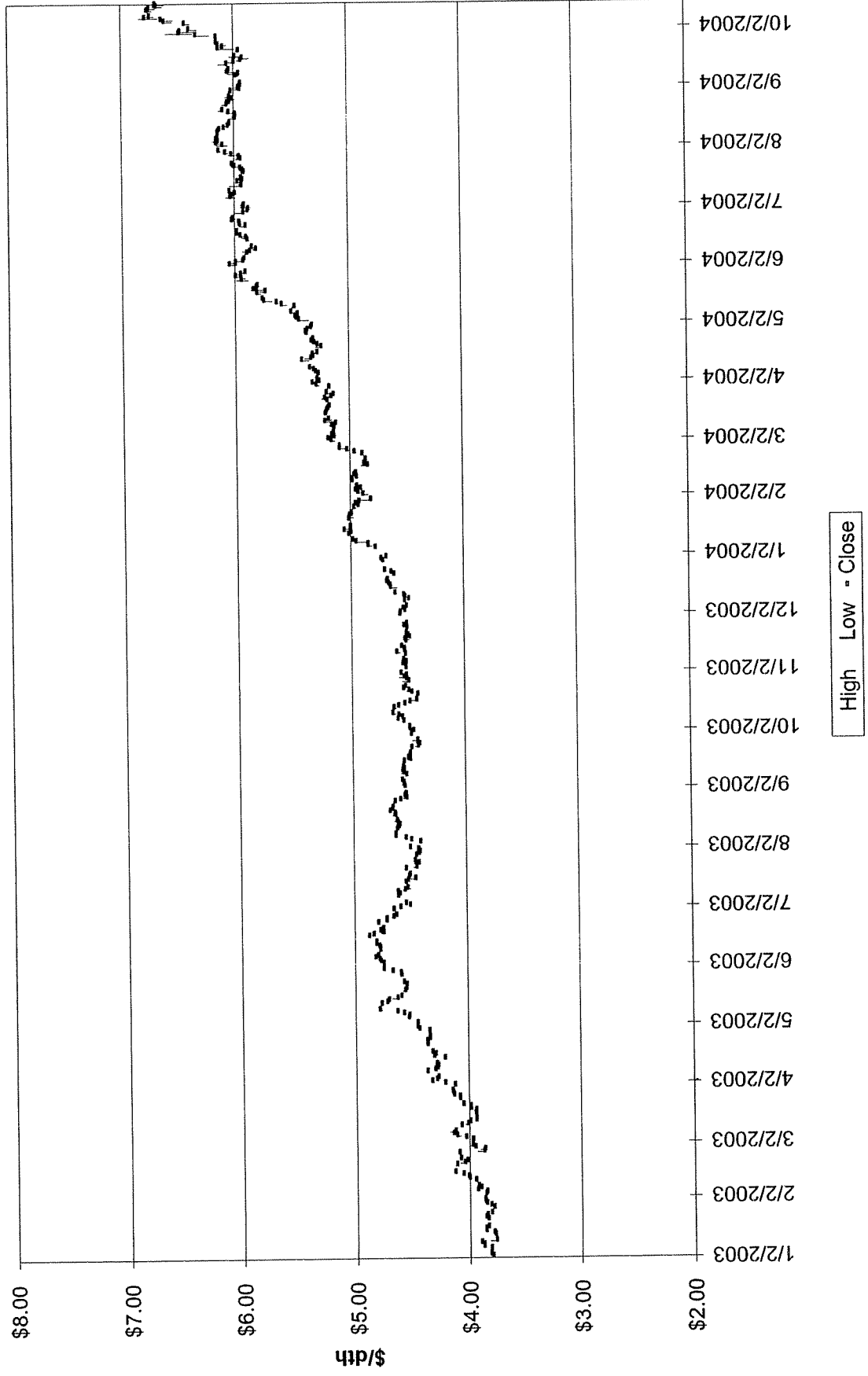


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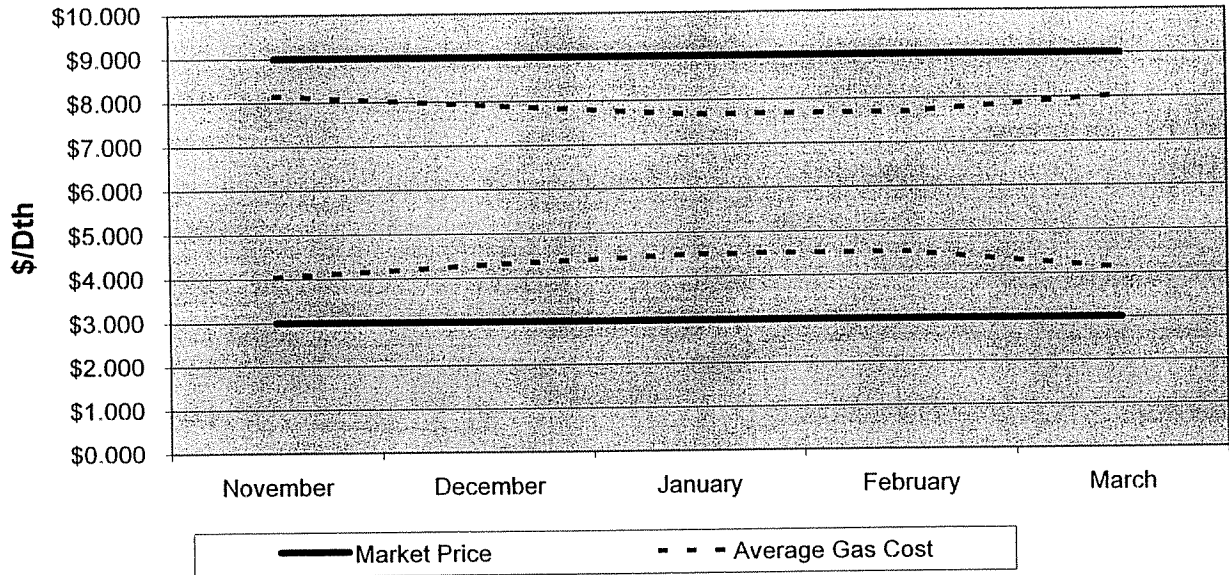
Winter Strip Dec04 - Mar05



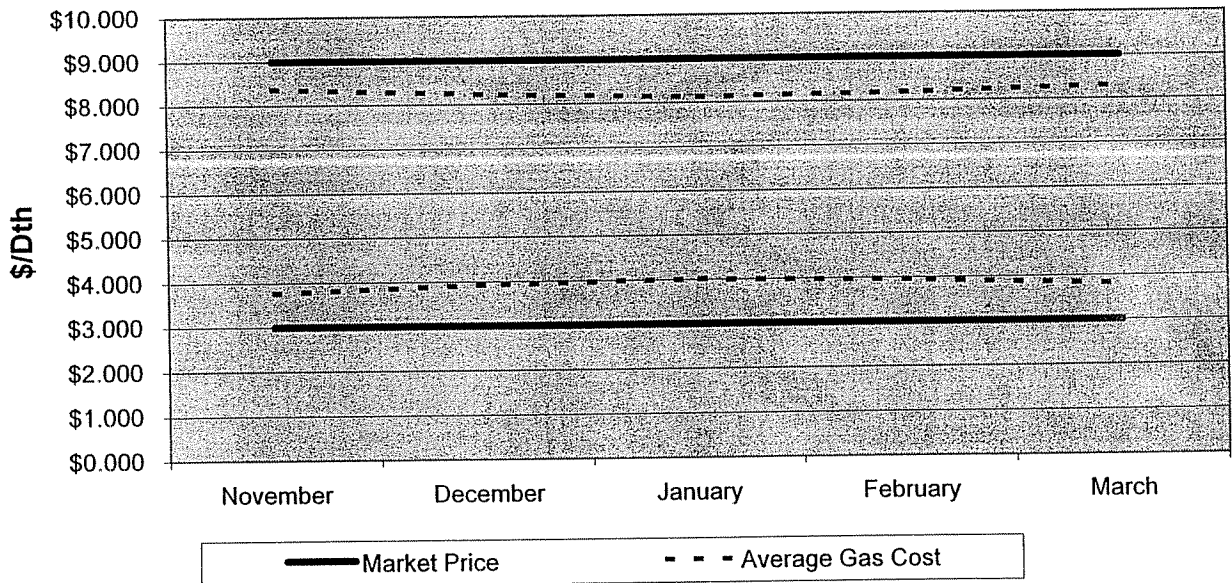
Summer Strip April - October 2005



The Cincinnati Gas & Electric Company Winter 2004-05 Volatility Reduction



The Union Light Heat & Power Company Winter 2004-05 Volatility Reduction



#6 Oil

150,000btu/gal #6 oil x 6.666 = 1 mmbtu

\$ 8.00 NYMEX gas	\$ 5.50 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 9.00 gas del	\$ 6.50 gas del
6.80 #6 factor	6.80 #6 factor
\$ 1.32 oil equiv	\$ 0.96 oil equiv

\$ 7.50 NYMEX gas	\$ 5.00 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 8.50 gas del	\$ 6.00 gas del
6.80 #6 factor	6.80 #6 factor
\$ 1.25 oil equiv	\$ 0.88 oil equiv

\$ 7.00 NYMEX gas	\$ 4.50 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 8.00 gas del	\$ 5.50 gas del
6.80 #6 factor	6.80 #6 factor
\$ 1.18 oil equiv	\$ 0.81 oil equiv

\$ 6.50 NYMEX gas	\$ 4.00 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 7.50 gas del	\$ 5.00 gas del
6.80 #6 factor	6.80 #6 factor
\$ 1.10 oil equiv	\$ 0.74 oil equiv

\$ 6.00 NYMEX gas	\$ 3.50 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 7.00 gas del	\$ 4.50 gas del
6.80 #6 factor	6.80 #6 factor
\$ 1.03 oil equiv	\$ 0.66 oil equiv

#2 Oil

139,000btu/gal #2 oil x 7.194 = 1 mmbtu

\$ 8.00 NYMEX gas	\$ 5.50 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 9.00 gas del	\$ 6.50 gas del
7.20 #2 factor	7.20 #2 factor
\$ 1.25 oil equiv	\$ 0.90 oil equiv

\$ 7.50 NYMEX gas	\$ 5.00 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 8.50 gas del	\$ 6.00 gas del
7.20 #2 factor	7.20 #2 factor
\$ 1.18 oil equiv	\$ 0.83 oil equiv

\$ 7.00 NYMEX gas	\$ 4.50 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 8.00 gas del	\$ 5.50 gas del
7.20 #2 factor	7.20 #2 factor
\$ 1.11 oil equiv	\$ 0.76 oil equiv

\$ 6.50 NYMEX gas	\$ 4.00 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 7.50 gas del	\$ 5.00 gas del
7.20 #2 factor	7.20 #2 factor
\$ 1.04 oil equiv	\$ 0.69 oil equiv

\$ 6.00 NYMEX gas	\$ 3.50 NYMEX gas
\$ 1.00 trans	\$ 1.00 trans
\$ 7.00 gas del	\$ 4.50 gas del
7.20 #2 factor	7.20 #2 factor
\$ 0.97 oil equiv	\$ 0.63 oil equiv

**Gas Commercial Operations
Price Mitigation Program
Market Indicators Summary
November 16, 2004**

Weather	Price Pressure	Comments
Long Term Weather Forecast	↑	EarthSat & WSI in agreement: December - February expected to be colder than normal in the East and warmer than normal in the West
Short Term Weather (30 days)	↑	"EarthSat outlook is again based on El Nino and QBO analogs which both suggest colder weather this winter, including in December."
6-10 day forecast	↑	Although November has been mild, cold weather is expected next week.
Tropical Storm Activity	↑	Hurricane season is "over", however 0.6 BCF of gas production remains shut in due to Ivan. (5% of gulf production). This does not include destroyed platforms.
Storage Inventory		
EIA Weekly Storage Report	↓	Storage levels over 3.3 TCF. "Injection season" has continued into November (34 bcf for week ended 11/5).
Industry Publications		
Cambridge Energy Research Associates <i>Remaining Winter 04/05: \$5.755</i> <i>Summer 2005: \$5.454</i>	↓	"Our analysis does not support futures prices in the \$8.00 per Mmbtu range at Henry Hub this winter."
Paribas	↔	"It is possible that the rally may continue its momentum up to the 7600s, but if prices start to weaken early, it is also likely that the 7200s will be seen..."
CM&T	↔	"What can we expect today? I think we are going to be very choppy."
The Desk (Andy Weissman)	↑	"The fact that significantly more natural gas was withdrawn last Winter despite far milder weather... is a clear indication that the supply/demand balance in the US market has deteriorated dramatically..."
Government Agencies		
Energy Information Administration <i>Remaining Winter 04/05: \$6.41</i> <i>Summer 2005: \$5.63</i>	↓	Forecasted prices well below current NYMEX.
Technical Analysis		
Winter Strip Chart	↓	Gap between \$7.25 - \$7.48 partially filled yesterday with low of \$7.42.
Summer 2005 Strip Chart	↓	Head & Shoulders pattern
Rig Count	↓	Up 2 and still at all time high.
Economy		
Demand	↓	Gas Daily Headline (11/15): "TXU shuts 25% of its gas-fired Texas Capacity."
Supply	↓	EIA: "... 2005 domestic production is projected to grow by 1.6 percent." (Last month's expectation for 2005 was 1.4 %)
Oil Market	↑	Ivan also effected oil production. World petroleum demand growth recently revised upward to 3.5%.

Meeting Minutes:

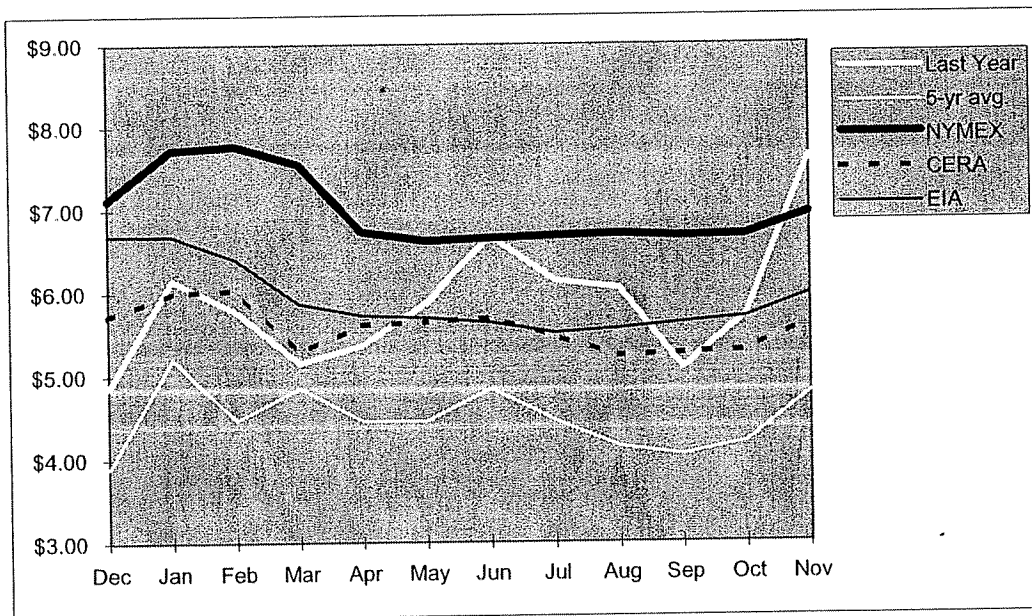
Attendees: Patty Walker, Jim Henning, Bill Tucker, Jeff Kern, Lavonna Foster, Don Schierenbeck

Price have remained high, even during periods of warmer than normal weather. Since both short and long term weather forecasts are calling for colder weather, prices could increase dramatically over the winter, however prices have been declining recently. Therefore, another 5% of winter base gas will be locked in for January through March 2005 in the \$7.50-\$7.70 range. In addition, prices will be watched for the 2005-06 winter for an opportunity to lock in gas under \$7.00.

December 7th: Called Occidental and Conoco to get quote for 5,000 dth/day (CG&E) and 1,000 Dth/day (ULH&P) at Columbia Gulf Onshore for Nov 2005 - Mar 2006. Occidental offered \$6.95 while Conoco offered \$6.96. Fixed price was locked in with Occidental.

COMPARISON OF HISTORIC SPOT & PROJECTED PRICES TO CURRENT FUTURES PRICES

Historic Prices:						
NYMEX Closing Price						
	5-yr. avg. (99/00-03/04)	Last Year (2003-2004)		CERA 18-Oct-04	EIA 9-Nov-04	NYMEX 16-Nov-04
Dec	\$3.89	\$4.86		\$5.710	\$6.692	\$7.120
Jan	\$5.20	\$6.15		\$6.000	\$6.681	\$7.720
Feb	\$4.47	\$5.78		\$6.030	\$6.403	\$7.770
Mar	\$4.85	\$5.15		\$5.280	\$5.864	\$7.550
Apr	\$4.45	\$5.37		\$5.610	\$5.720	\$6.730
May	\$4.46	\$5.87		\$5.640	\$5.692	\$6.620
Jun	\$4.84	\$6.68		\$5.690	\$5.635	\$6.650
Jul	\$4.45	\$6.14		\$5.460	\$5.510	\$6.680
Aug	\$4.14	\$6.05		\$5.230	\$5.558	\$6.700
Sep	\$4.04	\$5.08		\$5.260	\$5.626	\$6.670
Oct	\$4.20	\$5.72		\$5.290	\$5.694	\$6.685
Nov	\$4.79	\$7.63		\$5.630	\$5.974	\$6.950
12 Month Avg	\$4.48	\$5.87		\$5.569	\$5.921	\$6.987
Summer Average				\$5.454	\$5.634	\$6.676
Winter Average				\$5.730	\$6.323	\$7.422



**The Union Light Heat & Power Company
Price Mitigation Program - Current Position
As of 11/16/04**

	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05
Daily Base											
Estimated Base (Gross)	18,920	20,759	18,831	16,939	15,000	18,000	18,000	16,000	17,000	16,000	6,000
Amount Hedged											
Cost Averaging (1)		1,000	1,000	1,000	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Fixed Price (Conoco \$5.485)	1,000	1,000	1,000	1,000							
Fixe Price (Occidental \$6.07)	1,000	1,000	1,000	1,000							
Cost Averaging (2)	5,000	5,000	5,000	5,000							
Fixed Price(Conoco \$6.9475)	1,700	1,700	1,700	1,700							
Fixed Price (Conoco \$6.36)	2,000	2,000	2,000	2,000							
Fixed Price (Conoco \$7.535)	4,839										
Total PMP	10,700	10,700	10,700	7,000	2,300	2,300	2,300	2,300	2,300	2,300	2,300

Monthly Base

	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05
Estimated Base (Gross)	586,520	643,529	527,268	525,109	450,000	558,000	540,000	496,000	527,000	480,000	186,000
PMP to date											
Cost Averaging (1)		31,000	28,000	31,000	69,000	71,300	69,000	71,300	71,300	69,000	71,300
Fixed Price (Conoco \$5.485)	31,000	31,000	28,000	31,000							
Fixe Price (Occidental \$6.07)	31,000	31,000	28,000	31,000							
Cost Averaging (2)	155,000	155,000	140,000	155,000							
Fixed Price(Conoco \$6.9475)	52,700	52,700	47,600	0							
Fixed Price (Conoco \$6.36)	62,000	62,000	56,000	0							
Fixed Price (Conoco \$7.535)	150,009	0	0	0							
Total PMP	481,709	331,700	299,600	217,000	69,000	71,300	69,000	71,300	71,300	69,000	71,300
% of Base Supply	82.1%	51.5%	56.8%	41.3%	15.3%	12.8%	12.8%	14.4%	13.5%	14.4%	38.3%
Seasonal % of Base				55.9%							15.2%

Normal Load (City Gate)

PMP (City Gate)	457,624	315,115	284,620	206,150	65,550	67,735	65,550	67,735	67,735	65,550	67,735
Storage Withdrawal	249,706	400,491	295,185	185,393	0	0	0	0	0	0	0
Market	1,350,681	1,621,482	1,449,116	1,203,649	818,512	586,188	413,176	451,779	416,798	384,988	575,007
Total (incl. Injections)	2,058,011	2,337,087	2,028,921	1,595,192	884,062	653,923	478,726	519,514	484,533	450,538	642,742
% PMP & Storage	34.4%	30.6%	28.6%	24.5%	7.4%	10.4%	13.7%	13.0%	14.0%	14.5%	10.5%
Seasonal %				28.7%							

(1) ULH&P will purchase 2,300 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price September 16, 2004 - March 29, 2005.
(2) ULH&P will purchase 5,000 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price June 1, 2004 - October 27, 2004.

The Union Light Heat & Power Company
 Price Mitigation Program for Summer 2005
 Cost Averaging with CMAI

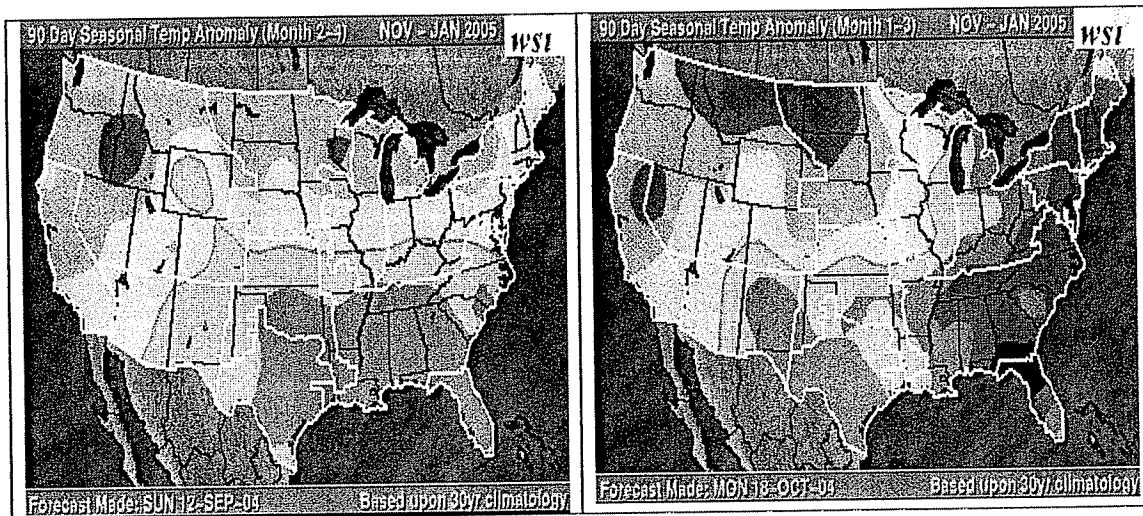
Total	Closing Price										Summer	Total Cost	Locked In To Date
	Amount	April	May	June	July	August	Sept	October	Ship	Ship			
16-Sep	3,729	\$5,963	\$5,853	\$5,883	\$5,918	\$5,943	\$5,938	\$5,963	\$5,923	\$5,923	22,086.87	3,729	
17-Sep	3,729	\$6,045	\$6,920	\$5,946	\$5,980	\$6,005	\$5,995	\$6,020	\$5,988	\$5,988	22,327.65	3,729	
20-Sep	3,729	\$6,012	\$5,887	\$5,919	\$5,952	\$5,977	\$5,967	\$5,987	\$5,957	\$5,957	22,214.72	3,729	
21-Sep	3,729	\$6,197	\$6,062	\$6,094	\$6,127	\$6,152	\$6,142	\$6,167	\$6,134	\$6,134	22,875.28	3,729	
22-Sep	3,729	\$6,162	\$6,027	\$6,057	\$6,087	\$6,112	\$6,092	\$6,117	\$6,083	\$6,083	22,722.40	3,729	
23-Sep	3,729	\$6,211	\$6,071	\$6,099	\$6,128	\$6,153	\$6,133	\$6,158	\$6,126	\$6,126	22,881.88	3,729	
26-Sep	3,729	\$6,226	\$6,086	\$6,113	\$6,140	\$6,165	\$6,146	\$6,173	\$6,150	\$6,150	22,933.88	3,729	
27-Sep	3,729	\$6,225	\$6,085	\$6,112	\$6,139	\$6,164	\$6,147	\$6,175	\$6,150	\$6,150	22,931.75	3,729	
28-Sep	3,729	\$6,421	\$6,271	\$6,296	\$6,321	\$6,345	\$6,325	\$6,349	\$6,333	\$6,333	23,614.16	3,729	
29-Sep	3,729	\$6,611	\$6,429	\$6,448	\$6,467	\$6,486	\$6,458	\$6,476	\$6,482	\$6,482	24,170.85	3,729	
30-Sep	3,729	\$6,615	\$6,419	\$6,436	\$6,456	\$6,475	\$6,445	\$6,465	\$6,473	\$6,473	24,137.82	3,729	
1-Oct	3,729	\$6,538	\$6,338	\$6,355	\$6,375	\$6,394	\$6,364	\$6,388	\$6,393	\$6,393	23,840.03	3,729	
4-Oct	3,729	\$6,580	\$6,375	\$6,392	\$6,412	\$6,431	\$6,401	\$6,425	\$6,431	\$6,431	23,980.67	3,729	
5-Oct	3,729	\$6,804	\$6,559	\$6,572	\$6,589	\$6,604	\$6,569	\$6,589	\$6,612	\$6,612	24,657.21	3,729	
6-Oct	3,729	\$6,819	\$6,579	\$6,594	\$6,614	\$6,631	\$6,596	\$6,619	\$6,636	\$6,636	24,745.64	3,729	
7-Oct	3,729	\$6,978	\$6,728	\$6,743	\$6,763	\$6,780	\$6,740	\$6,760	\$6,785	\$6,785	25,299.67	3,729	
8-Oct	3,729	\$6,930	\$6,680	\$6,697	\$6,720	\$6,737	\$6,697	\$6,720	\$6,740	\$6,740	25,133.99	3,729	
11-Oct	3,729	\$6,954	\$6,704	\$6,721	\$6,744	\$6,761	\$6,726	\$6,749	\$6,766	\$6,766	25,228.82	3,729	
12-Oct	3,729	\$6,924	\$6,684	\$6,701	\$6,724	\$6,744	\$6,709	\$6,732	\$6,745	\$6,745	25,153.70	3,729	
13-Oct	3,729	\$6,880	\$6,630	\$6,660	\$6,680	\$6,700	\$6,635	\$6,660	\$6,695	\$6,695	24,965.66	3,729	
14-Oct	3,729	\$6,873	\$6,623	\$6,640	\$6,665	\$6,690	\$6,660	\$6,683	\$6,691	\$6,691	24,949.14	3,729	
15-Oct	3,729	\$6,845	\$6,605	\$6,625	\$6,650	\$6,675	\$6,637	\$6,660	\$6,671	\$6,671	24,876.16	3,729	
18-Oct	3,729	\$6,904	\$6,654	\$6,674	\$6,699	\$6,724	\$6,686	\$6,709	\$6,721	\$6,721	25,064.21	3,729	
19-Oct	3,729	\$7,033	\$6,783	\$6,803	\$6,828	\$6,853	\$6,795	\$6,818	\$6,833	\$6,833	25,481.32	3,729	
20-Oct	3,729	\$7,208	\$6,928	\$6,948	\$6,968	\$6,988	\$6,945	\$6,968	\$6,993	\$6,993	26,077.96	3,729	
21-Oct	3,729	\$7,276	\$6,986	\$7,006	\$7,029	\$7,051	\$7,018	\$7,038	\$7,065	\$7,065	26,346.98	3,729	
22-Oct	3,729	\$7,424	\$7,089	\$7,109	\$7,134	\$7,158	\$7,125	\$7,150	\$7,170	\$7,170	26,736.40	3,729	
25-Oct	3,729	\$7,332	\$7,002	\$7,025	\$7,053	\$7,077	\$7,045	\$7,072	\$7,087	\$7,087	26,425.82	3,729	
26-Oct	3,729	\$7,685	\$7,295	\$7,315	\$7,340	\$7,360	\$7,320	\$7,345	\$7,380	\$7,380	27,520.02	3,729	
27-Oct	3,729	\$7,550	\$7,200	\$7,222	\$7,250	\$7,270	\$7,230	\$7,260	\$7,283	\$7,283	27,158.84	3,729	
28-Oct	3,729	\$7,472	\$7,122	\$7,144	\$7,172	\$7,192	\$7,157	\$7,187	\$7,207	\$7,207	26,873.30	3,729	
29-Oct	3,729	\$7,438	\$7,093	\$7,115	\$7,143	\$7,168	\$7,133	\$7,163	\$7,179	\$7,179	26,770.49	3,729	
1-Nov	3,729	\$7,484	\$7,139	\$7,161	\$7,191	\$7,216	\$7,181	\$7,211	\$7,226	\$7,226	26,946.29	3,729	
2-Nov	3,729	\$7,419	\$7,064	\$7,106	\$7,136	\$7,161	\$7,124	\$7,154	\$7,169	\$7,169	26,733.73	3,729	
3-Nov	3,729	\$7,500	\$7,160	\$7,180	\$7,205	\$7,230	\$7,190	\$7,220	\$7,241	\$7,241	27,006.62	3,729	
4-Nov	3,729	\$7,359	\$7,069	\$7,091	\$7,119	\$7,144	\$7,104	\$7,139	\$7,146	\$7,146	26,649.03	3,729	
5-Nov	3,729	\$7,139	\$6,899	\$6,921	\$6,949	\$6,974	\$6,934	\$6,969	\$6,969	\$6,969	25,988.47	3,729	
8-Nov	3,729	\$6,900	\$6,740	\$6,762	\$6,782	\$6,817	\$6,787	\$6,822	\$6,803	\$6,803	25,367.85	3,729	
9-Nov	3,729	\$6,820	\$6,680	\$6,695	\$6,720	\$6,735	\$6,708	\$6,738	\$6,728	\$6,728	25,068.71	3,729	
10-Nov	3,729	\$7,001	\$6,851	\$6,871	\$6,901	\$6,919	\$6,889	\$6,918	\$6,907	\$6,907	25,755.67	3,729	
11-Nov	3,729	\$6,804	\$6,674	\$6,692	\$6,722	\$6,740	\$6,717	\$6,744	\$6,728	\$6,728	25,087.11	3,729	
12-Nov	3,729	\$6,816	\$6,691	\$6,706	\$6,731	\$6,751	\$6,726	\$6,751	\$6,739	\$6,739	25,129.20	3,729	
15-Nov	3,729	\$6,872	\$6,742	\$6,767	\$6,792	\$6,812	\$6,782	\$6,802	\$6,796	\$6,796	25,340.69	3,729	
16-Nov	3,729												
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22-Mar	3,729												
23-Mar	3,729												
24-Mar	3,729												
28-Mar	3,729												
29-Mar	3,701												
Total	492,200										\$1,075,270.47	160,347	
											\$6,7059		
											(\$0,0050)		
											\$6,7009		

WSI

Statistical model 3 forecast for November-January from the September run (left) and the October run (right)

Model 4:

This month's output (below, right) from our statistical model 4 is now colder in the Northeast than last month's run (below, left). Otherwise, the output is similar to what occurred in the previous two winters.

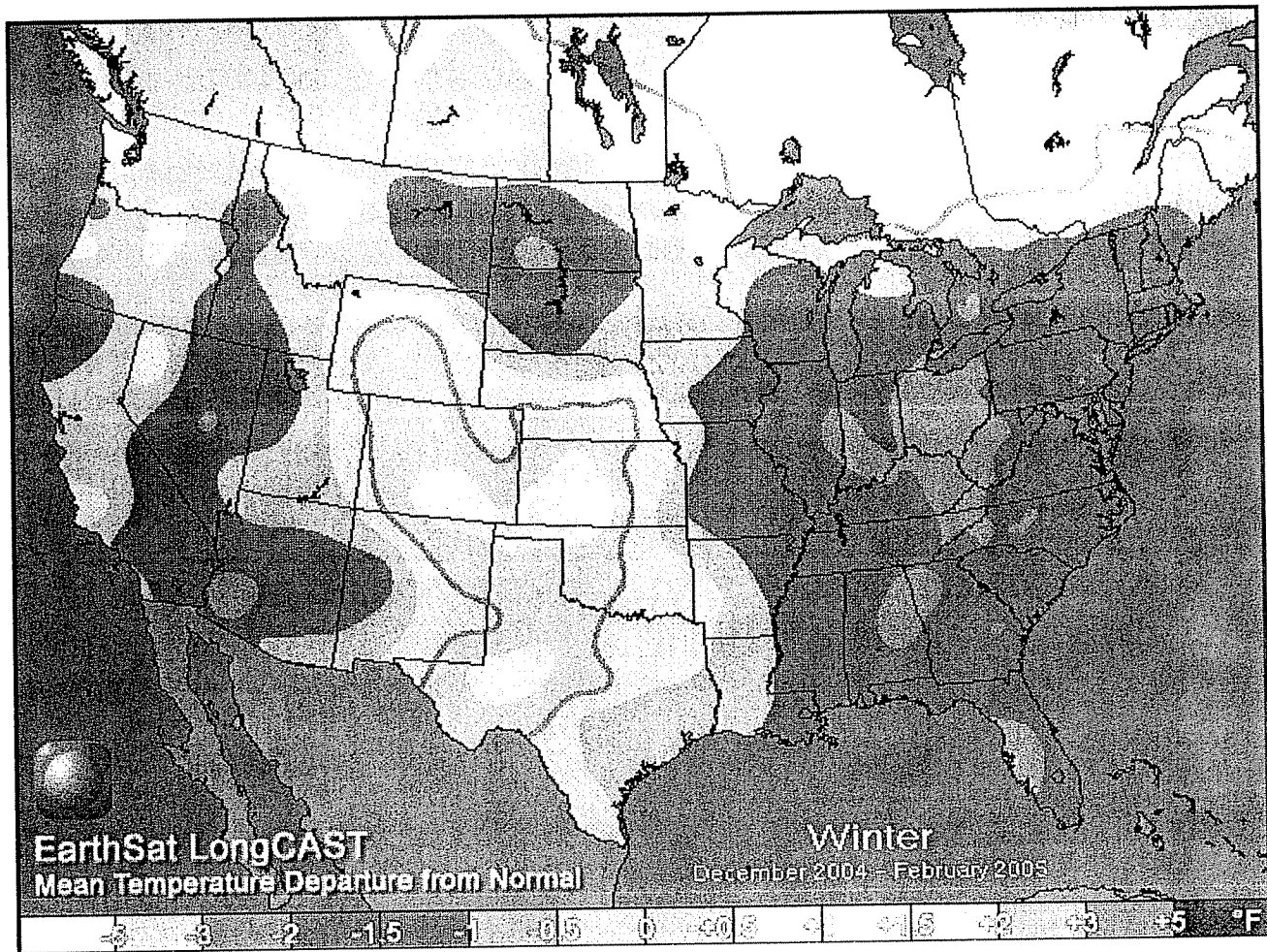


Statistical model 4 forecast for November-January from the September run (left) and the October run (right)

Summary

The similarity amongst our various forecast model outputs increases significantly as the forecast period progresses, and by the DJF period there is reasonably strong agreement that a warm West, cold East pattern is in the cards (again). The model changes between last month and this month have generally trended towards the 2002-03 idea as well. The similarities between this year and 2002 have also persisted in the various oceanic and atmospheric indices, although certainly the temperature anomalies in October 2004 will end up MUCH different than in October 2002. The pattern forecasted by the medium-range models looks quite similar to that more typically associated with a NEGATIVE PDO. This occurrence, along with the emergence of the warm tongue of water from Japan to California, is a major source of forecast uncertainty for this package.

The other source of uncertainty is the state of SSTs in the northern Pacific ocean. In October 2002, a large warm pool of water emerged in the Gulf of Alaska (below).





EarthSat Energy Weather - Long Range Forecasts: 30 - 60 Day Outlook

EARTHSAT

Wednesday

DAY

11/10/04

DATE

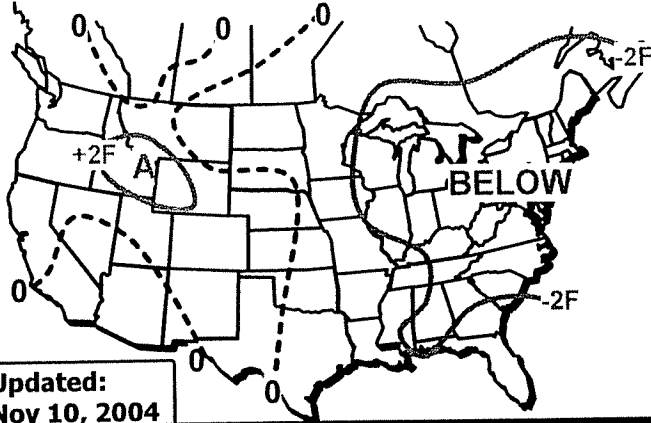
9:45 AM EDT

TIME

MR

FORECASTER

DECEMBER 2004



Updated:
Nov 10, 2004

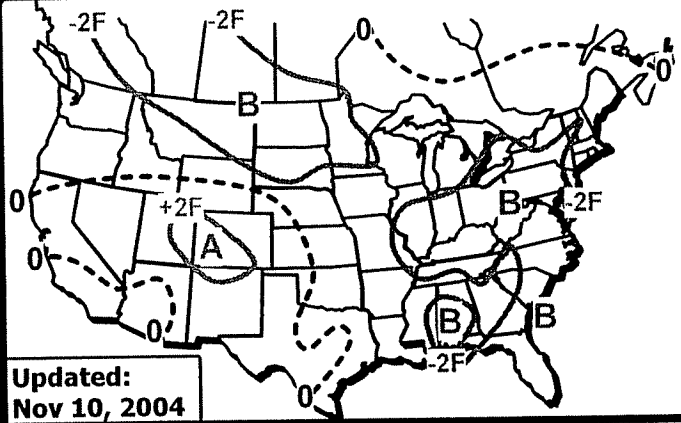
Still Mainly Below Normal in the East.

The latest December outlook continues to favor colder than normal conditions in the central to eastern thirds of the nation. This latest outlook is slightly less cold in the Southeast and slightly warmer in the North Central U.S. over toward the Calgary area. At the national level, the U.S. has seen above normal heating demand only twice in the past ten years! A warm December forecaster would point to this data to say the trends are against a cold December. However, a cold December forecaster could use the same information to suggest we are 'due' for a colder December. The EarthSat outlook is again based on EI Nino and QBO analogs which both suggest colder weather this winter, including in December.

December HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	1221.0	1120.0	1151.0	1035.0
Philadelphia	942.0	826.0	857.0	876.0
Houston	398.0	398.0	367.0	351.0

JANUARY 2005



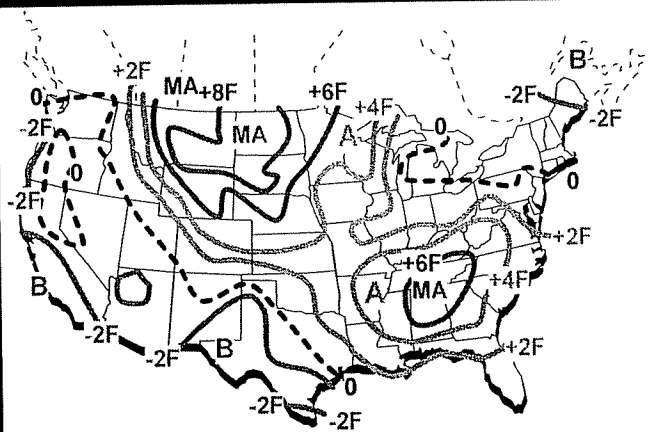
Updated:
Nov 10, 2004

Variable, but Still Colder in General in East.

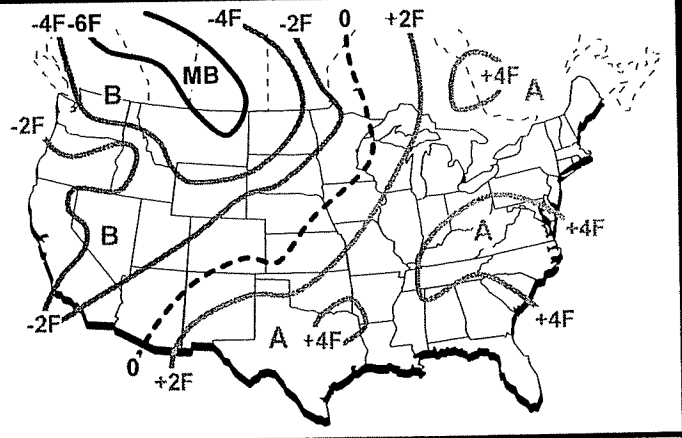
The first look into 2005 on this page shows generally more of the same with mainly below normal temperatures in the Midwest, South, and East for January. Seasonal to mild temperatures are seen in the West, but the interesting aspect is that unlike previous years' forecasts, this analog set is not as aggressive with Western warming. This may be reasonable given the very cool autumn the West has been experiencing (the Santa Ana wind has been all but completely absent the last several weeks). The expected weak EI Nino and the dropping QBO should both support the colder thinking for January still, but these indicators do not catch intermittent periods of warming that are possible and sometimes embedded in otherwise colder patterns.

**January HDD outlook
coming next week...**

NOVEMBER 1-9 2004



NOVEMBER 2003



Maps above depict deviations of average temperatures from normal in Fahrenheit.



EarthSat's Energy Weather

The 6 to 10 Day Forecast - Detailed Version

EARTHSAT

Tuesday

DAY

11/16/2004

DATE

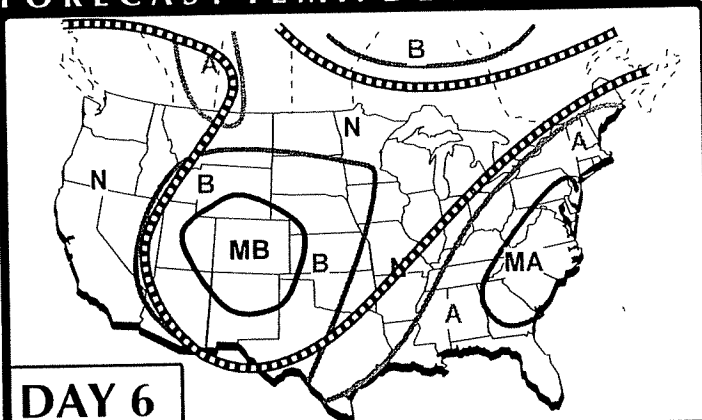
6:30 A.M.

TIME

MR

FORECASTER

FORECAST TEMP. DEVIATIONS



FORECAST VALID: Sunday, 11/21

CONFIDENCE: 7

DISCUSSION

Today's Changes.

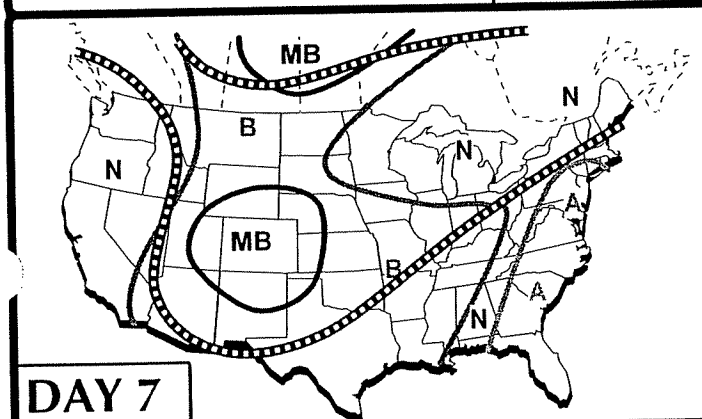
Warmer East Coast Day 6. Marginal much aboves are now forecast from the Mid-Atlantic to the Southeast. Colder Denver and interior West. A stronger push of cooling is seen there early in the period with 2-3 days of much below normal temperatures now forecast.

Slower Cooling in Great Lakes. The cool to cold air's arrival in the Great Lakes (and Minneapolis) is one day slower than forecast yesterday (as cold drops south).

Potential Problems with the Forecast:

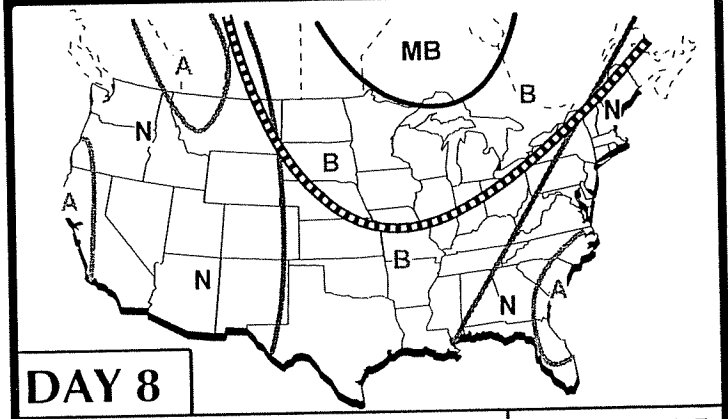
The American model is stronger with the early period mid-continent cooling. But then some European versions bring much belows to the Midwest by late period.

FORECAST TEMP. DEVIATIONS



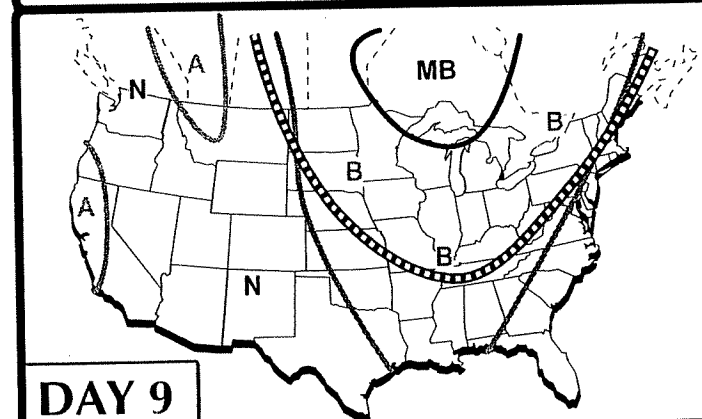
FORECAST VALID: Monday, 11/22

CONFIDENCE: 6



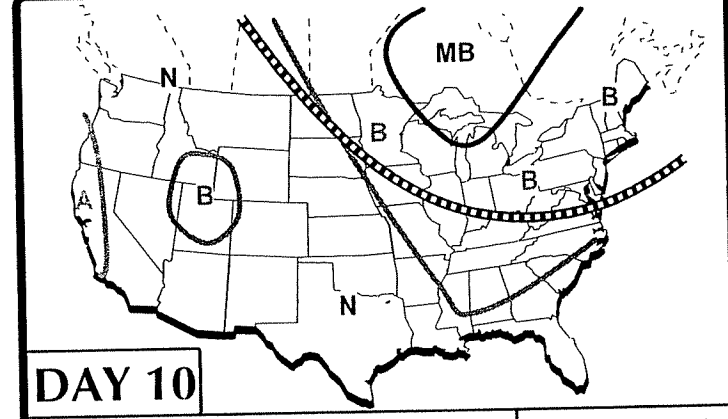
FORECAST VALID: Tuesday, 11/23

CONFIDENCE: 5



FORECAST VALID: Wednesday, 11/24

CONFIDENCE: 4



FORECAST VALID: Thursday, 11/25

CONFIDENCE: 3

LEGEND

MUCH ABOVE.. +8F OR UP
ABOVE..... +3F TO +7F

NORMAL
-2F TO +2F

MUCH BELOW..... -8F OR DOWN
BELOW..... -7F TO -3F

----- Jet Stream

Confidence Level Boxes: 1=Low, 5=Moderate, 10=High

11/15 2:24PM Btu: MMS: 5.52% Gas, 11.82% GOM Oil Output Remains Shut-In"
MS: 5.52% Gas, 11.82% GOM Oil Output Remains Shut-In

Washington, DC (11/15)-The most recent survey by the Minerals Management Service reflecting 18 companies showed no improvement in Gulf of Mexico offshore natural gas and oil production, with levels remaining at 679.16 million cubic feet per day of natural gas and 200,871 barrels of oil per day still shut-in following Hurricane Ivan. The agency noted these rates do not include production lost due to the destroyed platforms.

This shut-in natural gas production is equivalent to 5.52 percent of the daily production in the GOM, which is approximately 12.3 Bcf/d. The 679.16 MMcf/d of natural gas that is currently shut-in is approximately 0.13 percent of the 60.184 billion cubic feet consumed in the U.S. each day.

The shut-in oil production is equivalent to 11.82 percent of daily production of oil in GOM, which is approximately 1.7 million bpd. The 200,871 barrels per day that is currently shut-in is approximately 1.02 percent of the 19.7 million barrels consumed in the U.S. each day.

The cumulative shut-in natural gas production from September 11 through today is 120.306 Bcf, which is equivalent to 2.704 percent of the yearly production of 4.45 trillion cubic feet.

The cumulative shut-in oil production for the period is 29,915,607 barrels, which is equivalent to 4.945 percent of the yearly production of oil in the GOM, or approximately 605 million barrels.

Additionally, the agency today noted that beginning today this report will be issued twice a week -- Mondays and Thursdays.

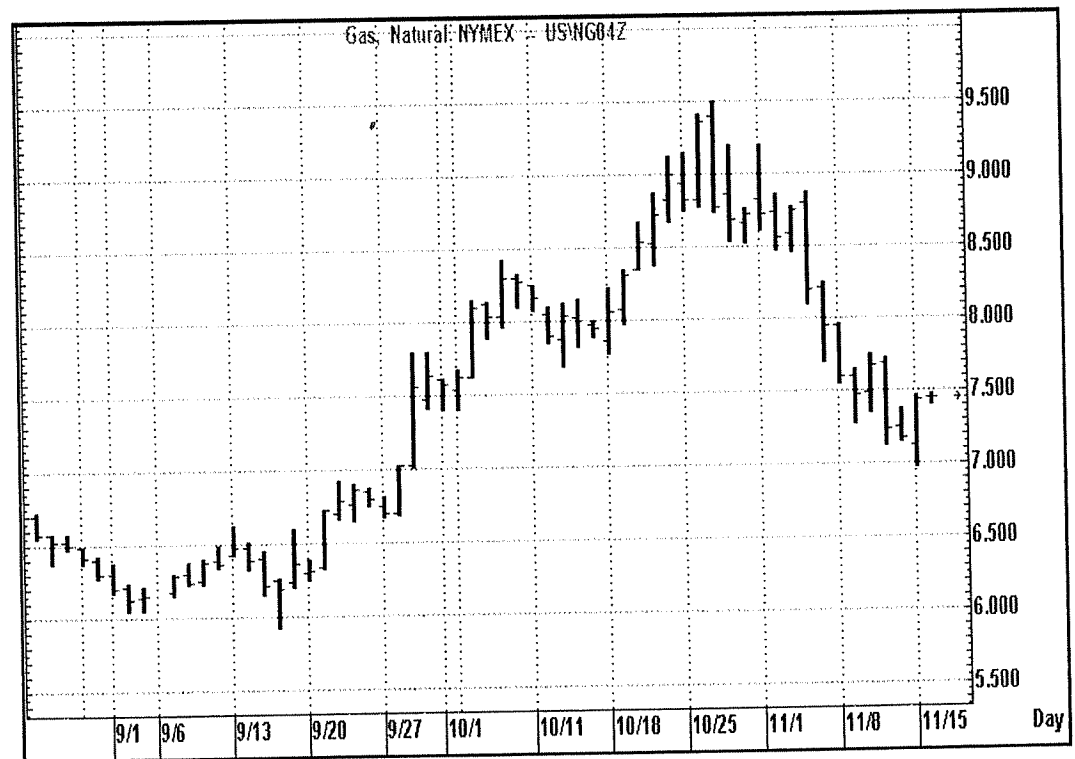
"In the last few days there has been improvement in the production numbers and this appears to be a trend that will continue with incremental movement over the next several months," said MMS. "Over a period of two months, production shut-in dropped considerably to 200,871 barrels of oil and 679.16 MMcf of gas. Currently in the Gulf of Mexico, operators are producing back at 88.18 percent of pre-storm oil production and 94.48 percent of pre-storm gas production."

(Source: Btu's Daily Gas Wire)

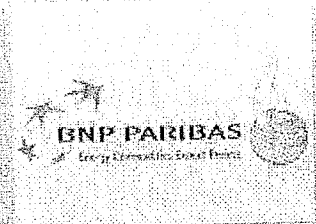
[06000312]

Commentary

For over half of the session, Dec prices were weaker compared to the previous settle, but when crude prices started to firm, Dec gas followed. Once Dec prices penetrated the 7140 level, aggressive buying was seen, yet there were few offers to handle the demand. This led to a very explosive rally, although fundamentally this does not seem justified. However, today's price action showed that once prices start moving, momentum makes the move explosive. Because of this, we must adjust predictions of price action accordingly. It is possible that the rally may continue its momentum up to the 7600s, but if prices start to weaken early, it is also likely that the 7200s will be seen, and once penetrated a retracement to near 7000 could be seen.



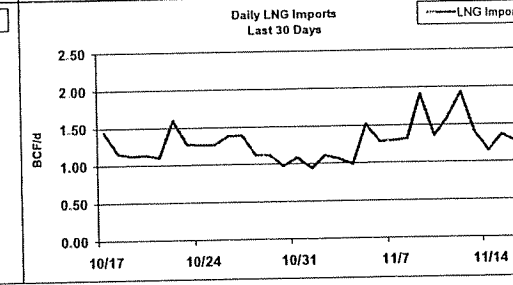
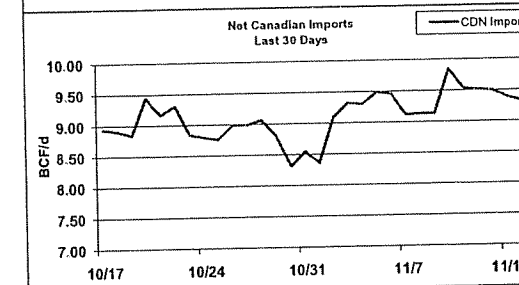
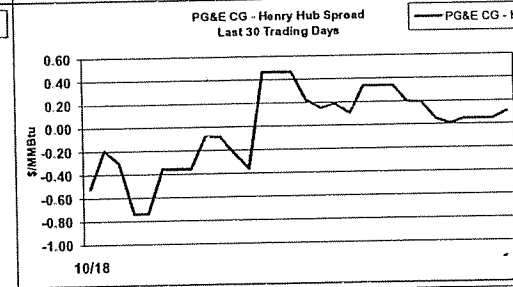
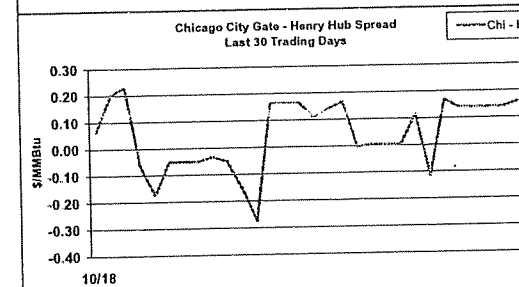
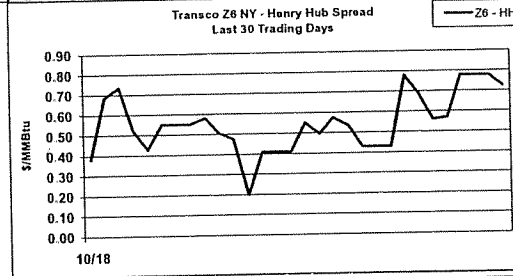
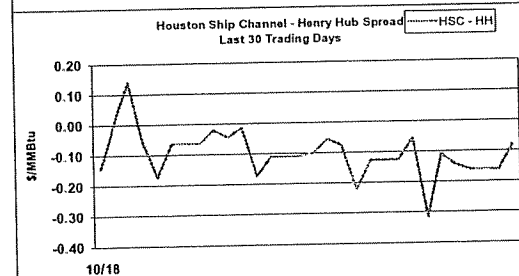
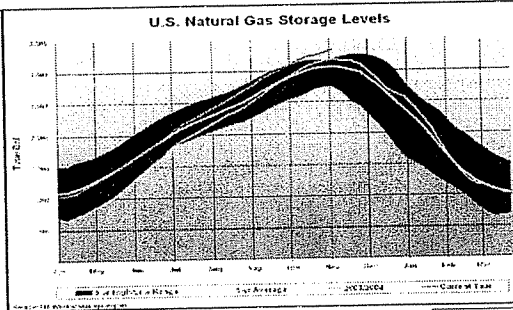
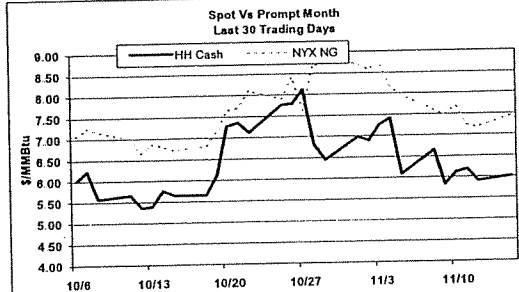
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Market Outlook:

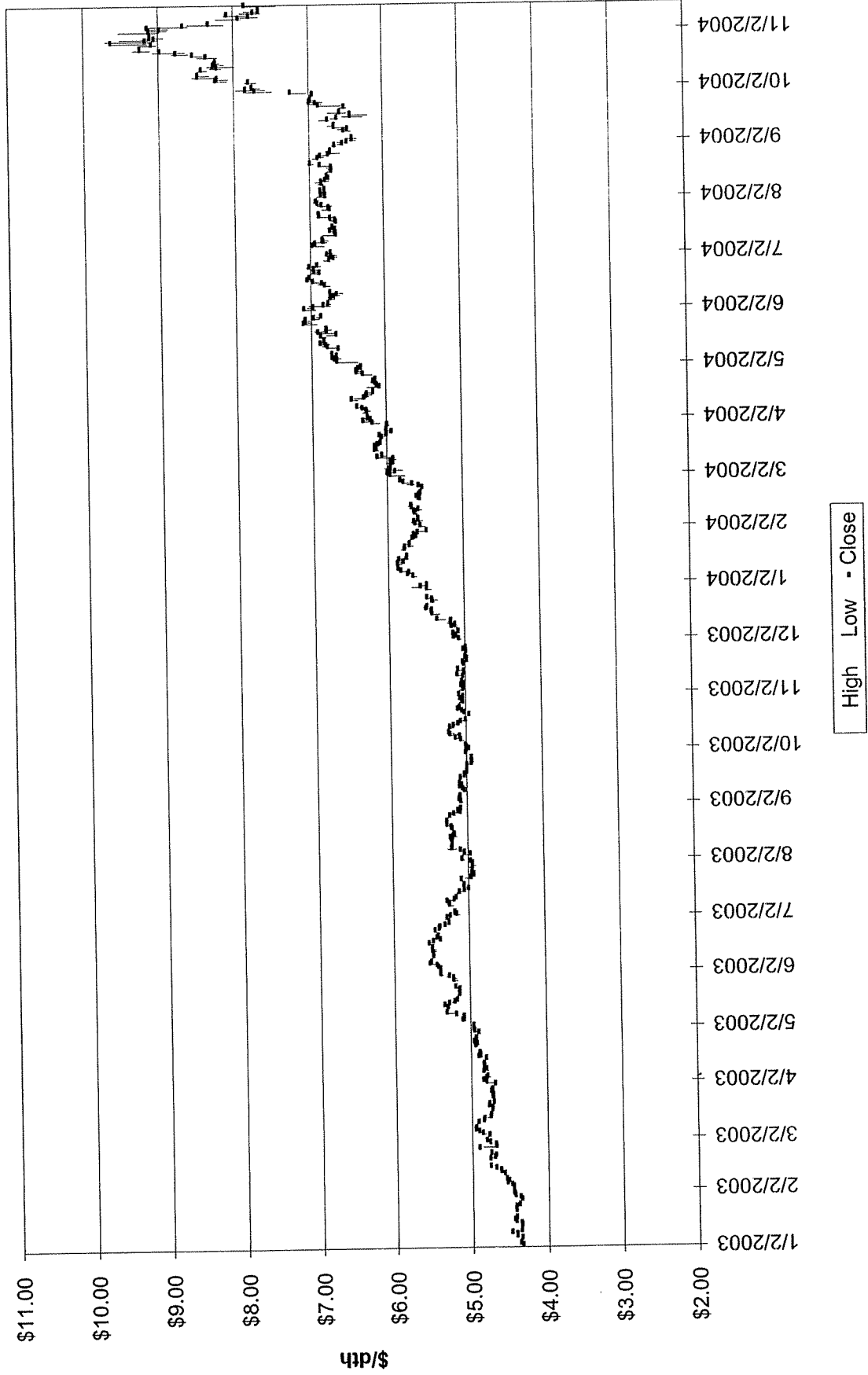
Market got caught short and I am not ruling out the 6.52 level that I was talking about yesterday. However, we did have an outside reversal on an inside day. We did not close below 40 day on the continuation chart. That moving average is still moving upwards. What can we expect today? I think we are going to be very choppy. We have very warm weather in the 1-5 day and colder looking weather in the 6-10 and 11-15. Cash is coming off slightly and I expect we can pullback all the way to the 7.30 level but feel more like a 7.38 will be the pullback we actually see. We have to get some of the weak length out. I do think this is a retracement to sell but how far up I am not quite sure. I see 7.984 (18 day moving average on the continuation chart) but have to be careful if we settle today above 7.75. 7.98 is the 40 day on the Dec chart. I do not think anyone is long anymore and if we see something bullish, there will be no offers. So let's focus on pullbacks and see if they hold. 7.34-7.30 should be really good support and watch the bears if we start rallying again. I can't tell you how many emails or phone calls I've gotten asking me "Why did we rally?!" It is because it always looks bearish right before we rally. I expect a 20-25 for this week's withdrawal. -Bart Glover

NYMEX Contracts	11/15/2004 Settle	11/14/2004 Settle	Change	Gas Daily Spreads	11/16/2004	11/15/2004	Change
Dec 04	7.436	7.176	0.260	HSC	(0.080)	(0.150)	0.080
Jan 05	8.047	7.866	0.181	TETCO STX	(0.125)	(0.150)	0.025
Feb 05	8.092	7.916	0.176	Carthage	(0.115)	(0.205)	0.090
Mar 05	7.827	7.676	0.151	NGPL TXOK	(0.105)	(0.040)	(0.065)
Apr 05	6.872	6.816	0.056	Columbia Gas, App.	0.475	0.445	0.030
3-month	7.858	7.653	0.206	Transco Z6 NY	0.725	0.780	(0.055)
6-month	7.503	7.357	0.146	Chicago City Gate	0.160	0.140	0.020
Summer 2005	6.796	6.739	0.057	PG&E City Gate	0.105	0.045	0.060
Winter 2005	7.851	7.659	0.192	Socal	(0.110)	(0.260)	0.150
Winter 05 - Summer 05	1.055	0.920	0.135				
Balance 2004	7.436	7.176	0.260				

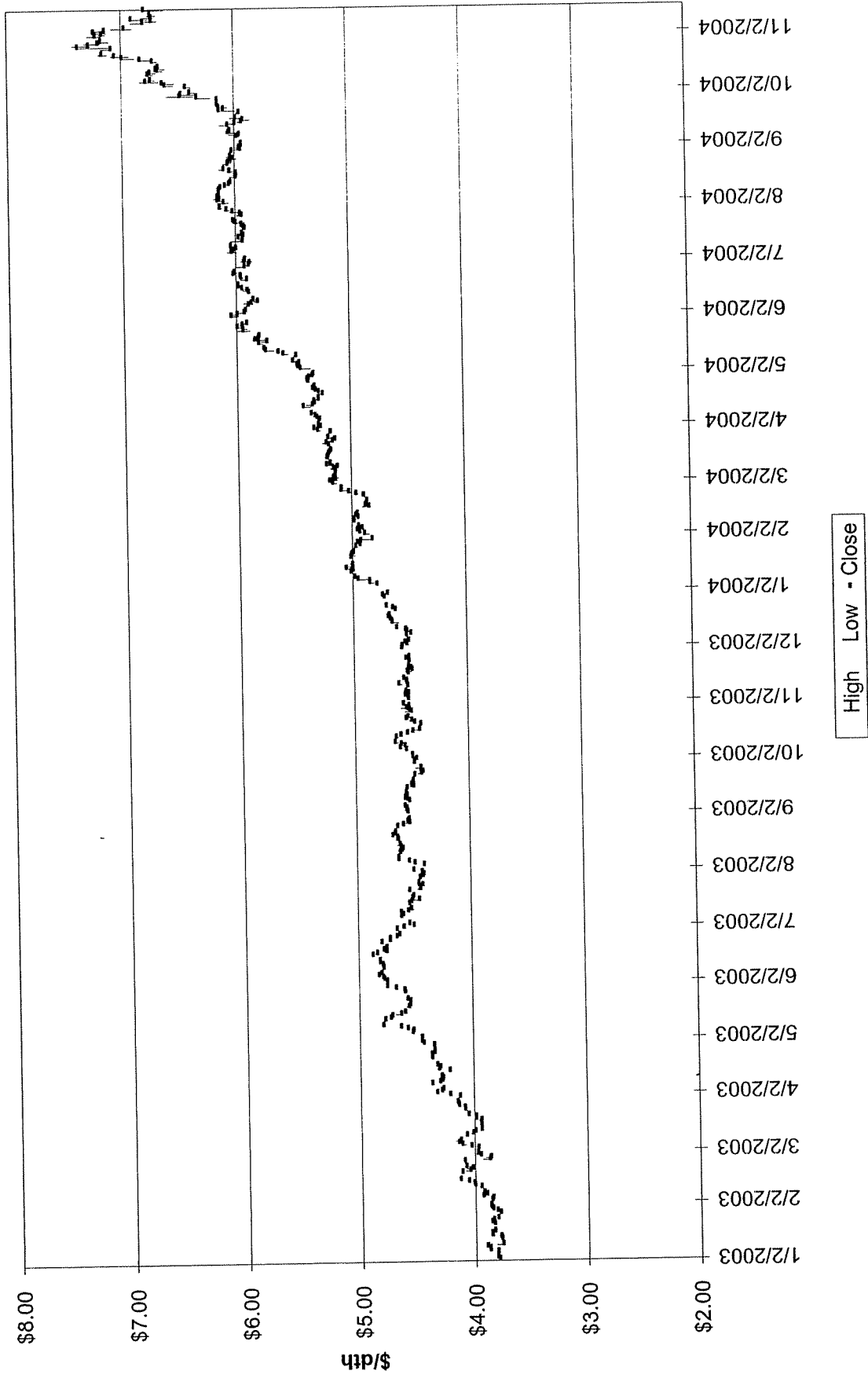


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Remaining Winter Strip Dec04 - Mar05



Summer Strip April - October 2005





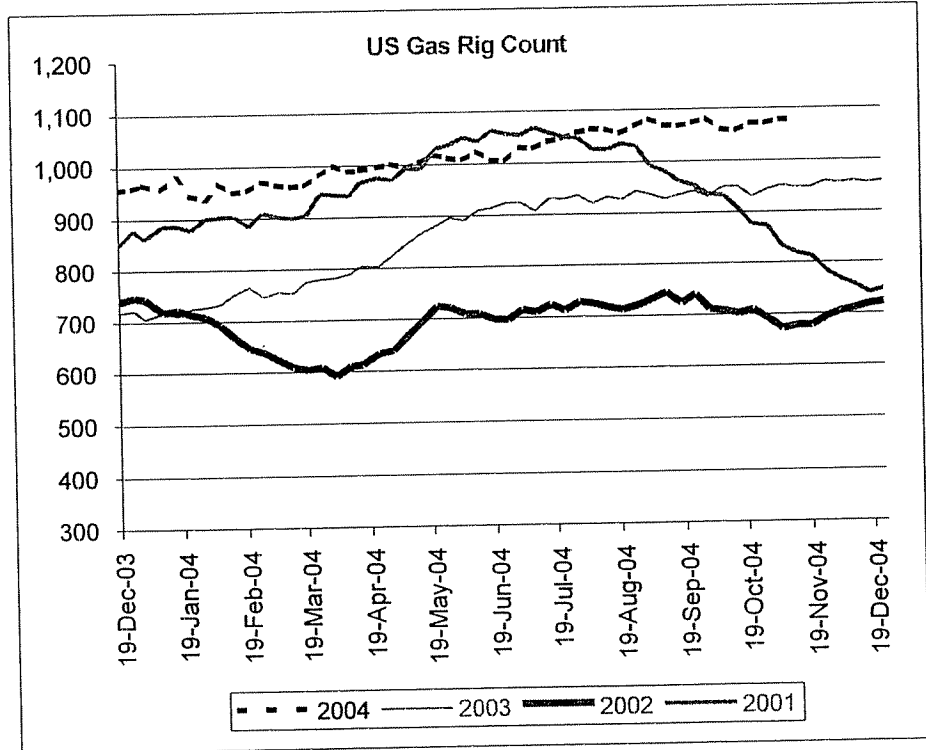
Commodity Futures Inc.

Rig Count

212-841-3347

Topics:

- US Gas Rig Count
- US Oil Rig Count



SOURCE: BAKER HUGHES US OIL & GAS DIRECTED RIG COUNT WWW.BAKERHUGHES.COM

2001	820
2002	678
2003	948
2004	1079
+/- Week Ago	2
04 vs 03	131
04 vs 3yr AVG	264

Misc. Rigs 1

New York
(212) 841-3347

London
(207) 595-6000

www.cfi.bnpparibas.com

Please refer to important disclosures at the end of this report.

**Gas Commercial Operations
Price Mitigation Program
Market Indicators Summary
December 17, 2004**

Weather	Price Pressure	Comments
Long Term Weather Forecast	↑	EarthSat & WSI are still predicting December - February to be colder than normal in the East and warmer than normal in the West.
Short Term Weather (30 days)	↑	EarthSat outlook is for colder than normal January with "the big question is whether this cooling is achieved early. or will there be a break with a return of colder weather later in the month."
6-10 day forecast	↑	EarthSat forecast for the 22nd - 24th is for colder than normal temperatures almost coast to coast.
Tropical Storm Activity	↑	Hurricane season is "over", however 0.6 BCF of gas production remains shut in due to Ivan. (5% of gulf production) This does not include destroyed platforms.
Storage Inventory		
EIA Weekly Storage Report	↓	Storage withdraws for week ending December 10 were 61 BCF, at the low end of expectations. Storage levels are now 10% higher than last year at 3.15 TCF.
Industry Publications		
Cambridge Energy Research Associates <i>Remaining Winter 04/05: \$5.716</i> <i>Summer 2005: \$5.454</i>	↓	"Our analysis does not support futures prices in the \$8.00 per Mmbtu range at Henry Hub this winter "
Paribas	↑	"...it is still a sell the rally perspective for quick day trades, but the overall trend may be higher."
CM&T	↔	"This market does not know what it wants to do. The techs are mixed and the fundamentals are mixed "
Conoco Morning Briefing	↔	"We're up against a very bearish storage number today. The volatility players will likely try to push below \$7 before trading up tomorrow in anticipation of the next major arctic air mass early next week."
Government Agencies		
Energy Information Administration <i>Remaining Winter 04/05: \$6.02</i> <i>Summer 2005: \$5.81</i>	↓	Forecasted prices well below current NYMEX.
Technical Analysis		
Winter 2005-06 Strip Chart	↑	Island Reversal between December 2nd and 10th.
Summer 2005 Strip Chart	↑	Gap at \$6.51 - \$6.55 may effect short term, but long term uptrend has been unbroken throughout 2004.
Rig Count	↓	Unchanged from last week. Still at all time high.
Economy		
Demand	↑	EIA: "In response to continued economic growth, natural gas demand is projected to increase by 3.7 percent in 2005."
Supply	↓	EIA: "... 2005 domestic production is projected to grow by 1.9 percent " (Last month's expectation for 2005 was 1.6 %)
Oil Market	↑	Oil prices ranging between \$43 - \$50 per barrel. "...lower inventories, together with limited prospects for large increases in production...suggest that oil prices will remain in the \$40s..."

Meeting Minutes:

Attendees: Patty Walker, Jim Henning, Bill Tucker, Jeff Kern, Bob Bandenburg, Cathy Knecht

Current summer prices are around the same as the current estimate for the cost averaging. Prices will be monitored and a portion will be locked in prices fall to around \$6.00 or rise to around \$7.00. Similarly, another 5% will be locked in for next winter (2005-06) if prices move down to \$6.50 or up to \$7.50, since a fixed price has already been established around \$7.00.

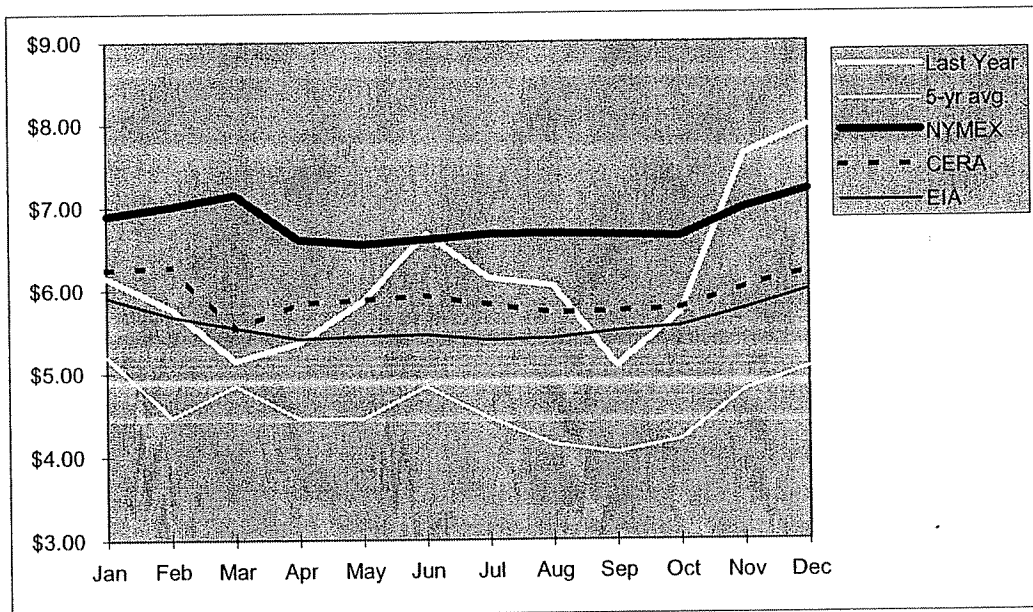
The Union Light Heat & Power Company
Price Mitigation Program - Current Position
As of 12/16/04

	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	
Daily Base																
Estimated Base (Gross)	24,459	22,531	16,939	15,000	18,000	18,000	16,000	17,000	16,000	6,000	15,768	22,620	24,459	22,531	16,939	
Amount Hedged				2,300	2,300	2,300	2,300	2,300	2,300	2,300	1,000	1,000	1,000	1,000	1,000	
Cost Averaging (1)	1,000	1,000	1,000													
Fixed Price (Conoco \$5.485)	1,000	1,000	1,000													
Fixed Price (Occidental \$6.07)	5,000	5,000	5,000													
Cost Averaging (2)	1,700	1,700	1,700													
Fixed Price (Conoco \$6.9475)	2,000	2,000	2,000													
Fixed Price (Conoco \$6.36)	4,482	4,482	4,482													
Fixed Price (Conoco \$6.6035)	2,000	2,000	2,000													
Fixed Price (Oneok \$7.683)																
Fixed Price (Occidental \$6.95)																
Total PMP	17,182	12,700	9,000	2,300	2,300	2,300	2,300	2,300	2,300	2,300	1,000	1,000	1,000	1,000	1,000	
Monthly Base																
Estimated Base (Gross)	758,229	630,868	525,109	450,000	558,000	540,000	496,000	527,000	480,000	186,000	473,040	701,220	758,229	630,868	525,109	
PMP to date				69,000	71,300	69,000	71,300	71,300	69,000	71,300						
Cost Averaging (1)	31,000	28,000	31,000													
Fixed Price (Conoco \$5.485)	31,000	28,000	31,000													
Fixed Price (Occidental \$6.07)	155,000	140,000	155,000													
Cost Averaging (2)	52,700	47,600	52,700													
Fixed Price (Conoco \$6.9475)	62,000	56,000	62,000													
Fixed Price (Conoco \$6.36)	138,942	0	0													
Fixed Price (Conoco \$6.6035)	62,000	56,000	62,000													
Fixed Price (Oneok \$7.683)																
Fixed Price (Occidental \$6.95)																
Total PMP	532,642	355,600	279,000	69,000	71,300	69,000	71,300	71,300	69,000	71,300	30,000	31,000	31,000	28,000	31,000	
% of Base Supply	70.2%	56.4%	53.1%	15.3%	12.8%	12.8%	14.4%	13.5%	14.4%	36.3%	6.3%	4.4%	4.1%	4.4%	5.9%	
Seasonal % of Base																4.9%
Normal Load (City Gate)																
PMP (City Gate)	506,010	337,820	265,050	65,550	67,735	65,550	67,735	67,735	65,550	67,735	28,500	29,450	29,450	26,600	29,450	
Storage Withdrawal	400,491	295,185	185,393	0	0	0	0	0	0	0	128,282	249,706	400,491	295,185	185,393	
Market	1,430,587	1,395,916	1,144,749	818,512	586,188	413,176	451,779	416,798	384,988	575,007	1,121,015	1,726,650	1,839,674	1,463,064	1,315,536	
Total (incl. Injections)	2,337,087	2,028,921	1,595,192	884,062	653,923	478,726	519,514	484,533	450,538	642,742	1,277,798	2,008,007	2,269,615	1,784,849	1,530,379	
% PMP & Storage	38.6%	31.2%	28.2%	7.4%	10.4%	13.7%	13.0%	14.0%	14.5%	10.5%	12.3%	13.9%	18.9%	18.0%	14.0%	
Seasonal %																15.8%

(1) ULH&P will purchase 2,300 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price September 16, 2004 - March 29, 2005.
(2) ULH&P will purchase 5,000 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price June 1, 2004 - October 27, 2004.

COMPARISON OF HISTORIC SPOT & PROJECTED PRICES TO CURRENT FUTURES PRICES

Historic Prices:						
NYMEX Closing Price						
	5-yr. avg. (99/00-03/04)	Last Year (2003-2004)		CERA 16-Nov-04	EIA 7-Dec-04	NYMEX 16-Dec-04
Jan	\$5.20	\$6.15		\$6.250	\$5.915	\$6.900
Feb	\$4.47	\$5.78		\$6.280	\$5.685	\$7.010
Mar	\$4.85	\$5.15		\$5.530	\$5.548	\$7.150
Apr	\$4.45	\$5.37		\$5.840	\$5.413	\$6.610
May	\$4.46	\$5.87		\$5.880	\$5.442	\$6.550
Jun	\$4.84	\$6.68		\$5.930	\$5.461	\$6.610
Jul	\$4.45	\$6.14		\$5.820	\$5.394	\$6.670
Aug	\$4.14	\$6.05		\$5.720	\$5.414	\$6.680
Sep	\$4.04	\$5.08		\$5.740	\$5.501	\$6.660
Oct	\$4.20	\$5.72		\$5.770	\$5.559	\$6.640
Nov	\$4.79	\$7.63		\$6.030	\$5.762	\$6.986
Dec	\$5.06	\$7.98		\$6.220	\$5.994	\$7.200
12 Month Avg	\$4.58	\$6.13		\$5.918	\$5.591	\$6.806
Summer Average				\$5.814	\$5.455	\$6.631
Winter Average				\$6.062	\$5.781	\$7.049





EarthSat Energy Weather - Long Range Forecasts: 30 - 60 Day Outlook

EARTHSAT

Wednesday

DAY

12/15/04

DATE

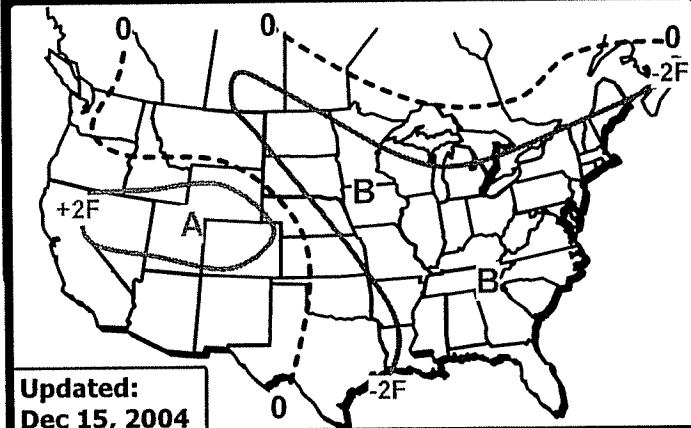
9:45 AM EDT

TIME

MR

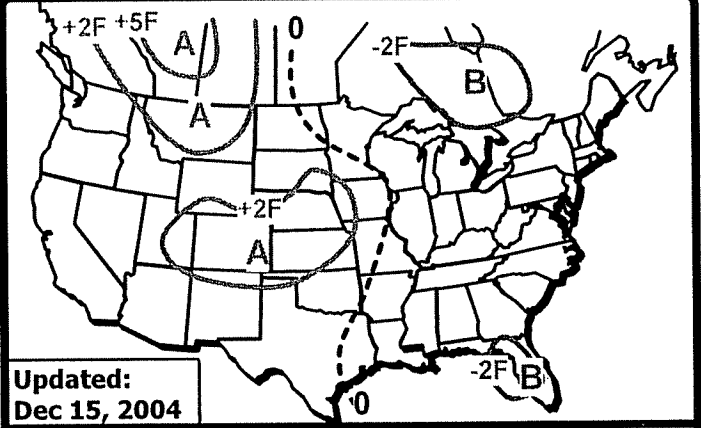
FORECASTER

JANUARY 2005



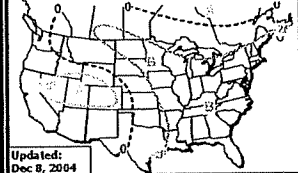
Updated:
Dec 15, 2004

FEBRUARY 2005



Updated:
Dec 15, 2004

JANUARY 2005 PREVIOUS



No Changes to January
Midwest to Eastern
Cooling Still Favored Overall

Updated:
Dec 8, 2004

The latest forecast for January is unchanged at this time. The latest analogs continue to show colder than normal conditions for January. The big question is whether this cooling is achieved early in the month as an extension of the current cold pattern OR will there be a break with a return of colder weather later in the month? When breaking the analog composite up, the first half of the month is indeed colder (vs. normal) than the 2nd half.

February Only Seasonal to Below In Midwest/East

Mild to Warm Weather in West and Plains

The El Nino analogs by themselves show a colder forecast for February with -2F areas throughout the eastern Midwest, Mid-Atlantic, and Southeast. But when only the top 5 El Nino analogs are used along with the top 2 QBO analogs, a much softer February emerges with only marginally below normal temperatures in the East and signs of an El Nino-type flow from Calgary into the Plains. The February analogs show most of the cold air front-loaded into the first two weeks of the month with a warmer 2nd half. The situation will be watched closely.

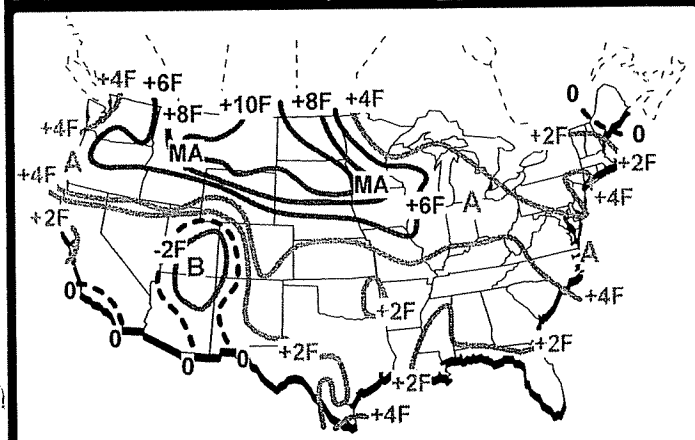
January HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	1395.0	1276.3	1333.0	1385.0
Philadelphia	1080.0	941.3	1020.0	1207.0
Houston	457.0	372.6	427.0	335.0

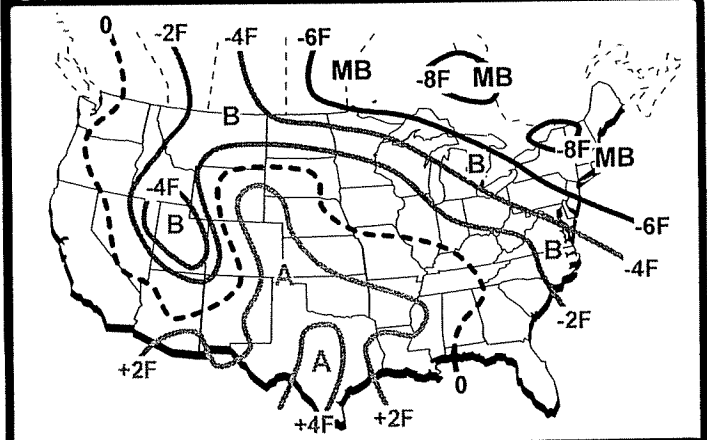
February HDD Forecasts

COMING NEXT WEEK....

DECEMBER 1 - 14, 2004



JANUARY 2004



Maps above depict deviations of average temperatures from normal in Fahrenheit.

GET EARTHSAT'S LATEST WINTER OUTLOOK ON WEDNESDAY (12/10) WITH EARTHSAT LONGVIEW-
AN INCOMING UPGRADE TO THIS PRODUCT!

EarthSat Longcast Model Seasonal Outlook Discussion

December 8, 2004

Headlines: Generally Colder Eastern Winter Still Favored.

This model output is a strict objective analog comparison based on the Tropical Pacific. These are not necessarily EarthSat's official seasonal forecasts, but a tool utilized in that effort. To see EarthSat's latest outlook, check out the free trial of EarthSat Longview on your website!

Latest Weekly Update of Longcast Tool:

Despite a warm start to this heating season (similar to the 1963 analog), the continuing status of the weak El Nino persists in favoring analog years that have colder than normal winters in the central to eastern thirds of the nation. The newest analog-year arrangement shows warmer mid-continent conditions for December, but then trends colder yet again for January. Certainly, the arrival of colder air in the near term forecasts would help in the confidence of this forecast, but based on history, weak El Nino events have a high probability of colder than normal Eastern U.S. conditions.

Monthly Update Information:

Status

For the ensemble spread on the latest sst forecast:

http://www.emc.ncep.noaa.gov/research/cmb/sst_forecast/images/cmb.SSTfcst_nino34.gif

To see the latest NINO 3.4 SST Departures, please check out this link:

http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_update/ssta_c.gif

-Matt Rogers

Any Questions? Comments? Please write to mrogers@earthsat.com

WSI

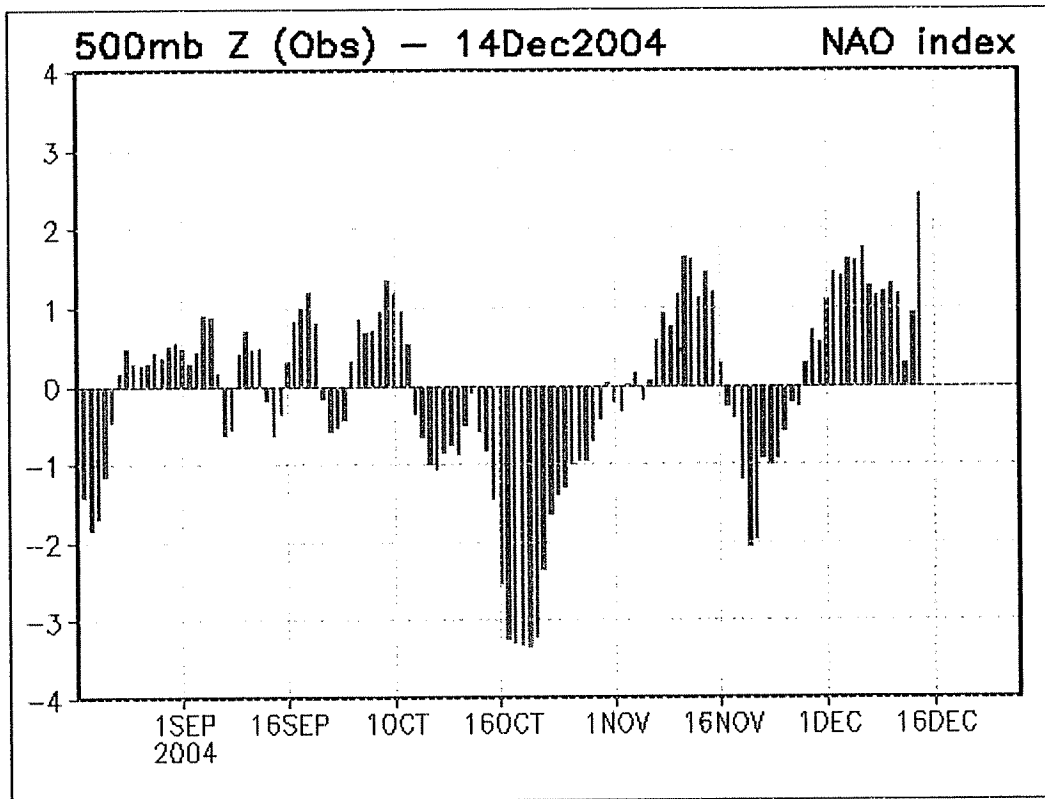


Figure from Climate Prediction Center Website

Atlantic SSTs and fall snow cover values indicated that a negative NAO would be the rule this winter, but this has certainly not been the case to date. In fact, the behavior since October has marked by a monthly oscillation superimposed upon an upward (more positive) trend. We still feel that the NAO will experience more negative than positive days for the rest of the winter, and the strong retrogression signal in the medium-range models may be the start of this transition.

The model solutions this month are quite surprising in that the increase in strength of the negative PDO in November did NOT have more of an impact. We fully expected that the PDO switch would have a significant impact on the forecast output. The fact that it didn't implies that the deck is still stacked towards a cold winter in the East even with the recent PDO switch. However, a qualitative evaluation of medium-range model solutions indicates a reversion to a more negative PNA pattern as the upper-air pattern retrogresses during the next two weeks. In fact, the GFS model depicts the strongest negative PNA signal so far this fall/winter by late December. This has us quite worried that the negative PNA (typically associated with the negative PDO) may be the rule this winter, and that the current positive PNA pattern may simply be an aberration. Having said that, it is still only mid-December, so we are hesitant to override the rather strong seasonal signals. Thus, our forecast has not changed much from last month's forecast, and