

**we are still predicting the same “cold East, warm West” winter (December-February average) that we have been advertising since October.**

Please click on the “model graphics” link under the discussion header in the Seasonal section of our Web page for more details on the raw output from the various climate and statistical models.

*Final model weighting used in WSI temperature forecast*

	JAN	FEB	MAR	JFM	FMA
Climate	15	10	20	20	25
Stat 1	25	25	20	25	25
Stat 2	15	25	20	15	15
Stat 3	25	25	20	25	25
Stat 4	20	15	20	15	10



# EarthSat's Energy Weather

## The 6 to 10 Day Forecast - Detailed Version

EARTH SAT

Thursday

DAY

12/16/2004

DATE

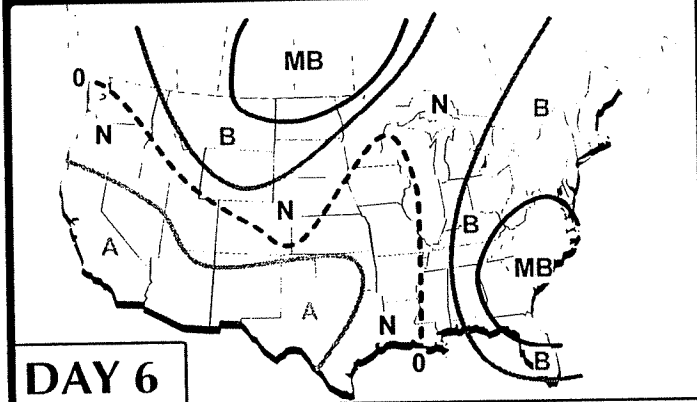
6:30 A.M.

TIME

MR

FORECASTER

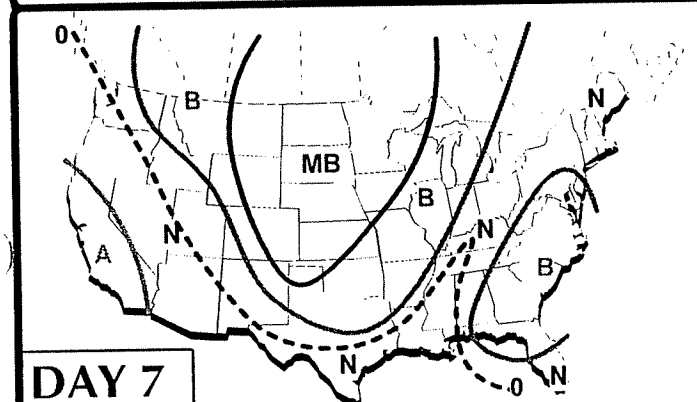
### FORECAST TEMP. DEVIATIONS



DAY 6

FORECAST VALID: Tuesday, 12/21

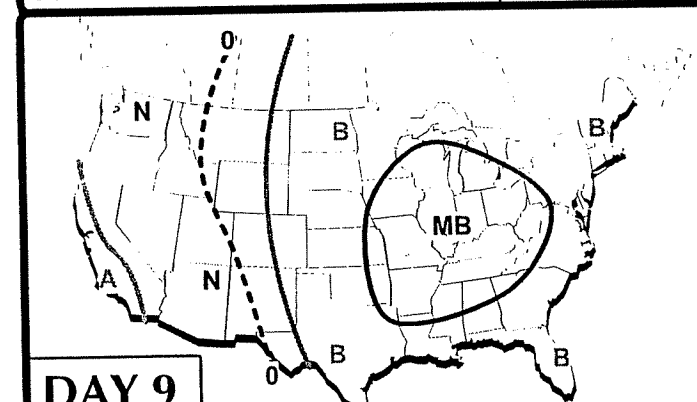
CONFIDENCE: 7



DAY 7

FORECAST VALID: Wednesday, 12/22

CONFIDENCE: 7



DAY 9

FORECAST VALID: Friday, 12/24

CONFIDENCE: 5

### DISCUSSION

#### Today's Changes.

Less Midwest Warming Days 6-7. The latest models are trending toward a less impressive warm-up in between cold shots next week (especially on the European).

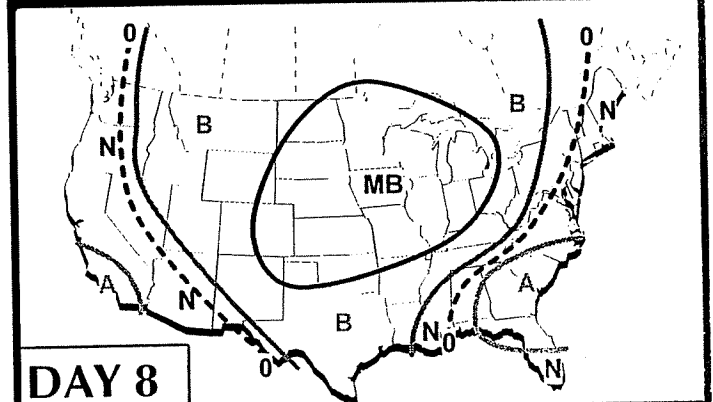
Same to Colder Mid to Late Period in East. More coverage of much belows is seen in the Midwest, East, and South by mid to late period based on the latest models, but not enough for a 5-day average.

Warmer California. Slight above normals favored there.

#### Potential Problems with the Forecast:

The American model trends are colder in the West and warmer on the Eastern Seaboard at times, but the European models do not agree. EarthSat favors European trends today.

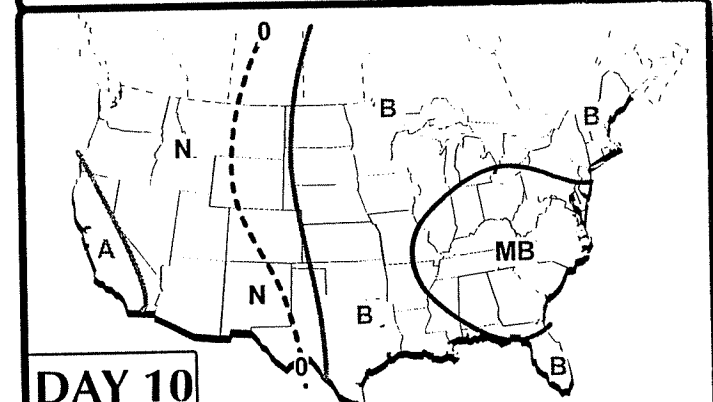
### FORECAST TEMP. DEVIATIONS



DAY 8

FORECAST VALID: Thursday, 12/23

CONFIDENCE: 6



DAY 10

FORECAST VALID: Saturday, 12/25

CONFIDENCE: 4

### LEGEND

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

NORMAL  
-2F TO +2F

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

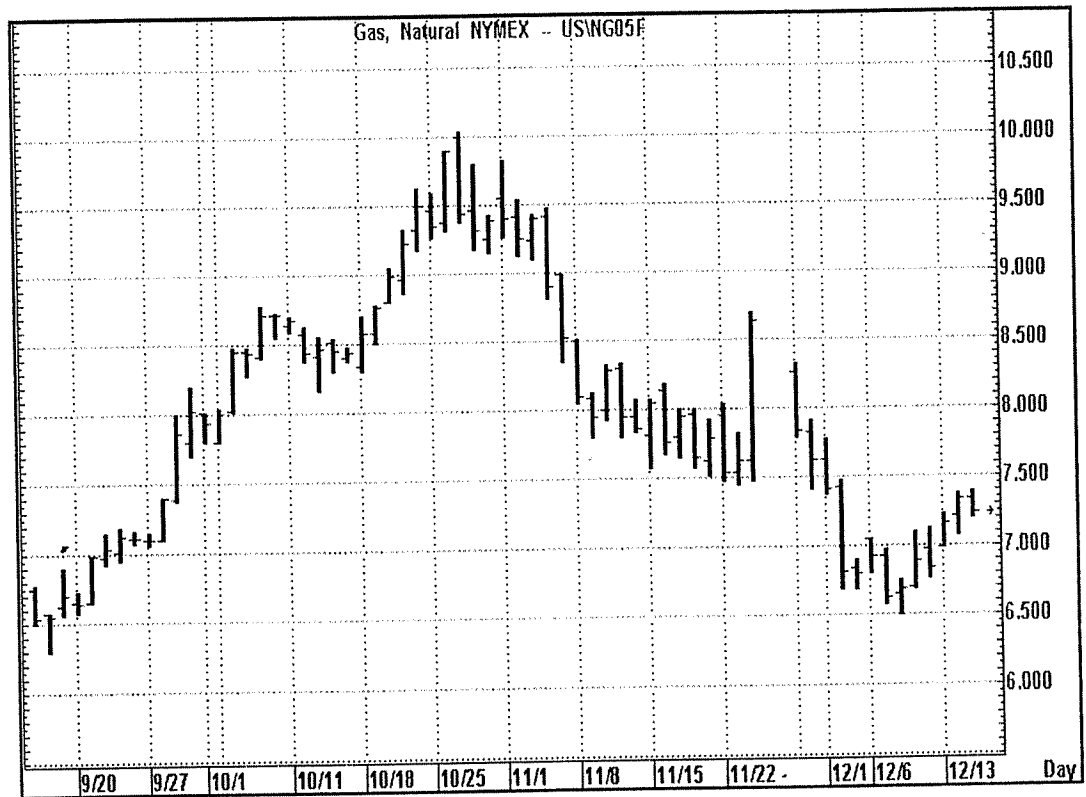
----- Jet Stream

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

### Commentary

Although the crude and products markets rallied explosively, gas actually weakened at the end of the session and this demonstrates the sell the rally perspective we have been talking about lately. Looking ahead however, this perspective is hard to maintain due to the cold weather both experienced right now and forecast for the 11-15 day period. Perhaps the pattern of higher lows and highs will continue, but with the most violent and explosive moves coming from sell offs rather than rallies. In that case it is still a sell the rally perspective for quick day trades, but the overall trend may be higher. Our storage survey showed that a withdrawal of 70 bcf/wk is expected, which is quite a large draw considering the mild weather across the country the past week.

Scott Allen



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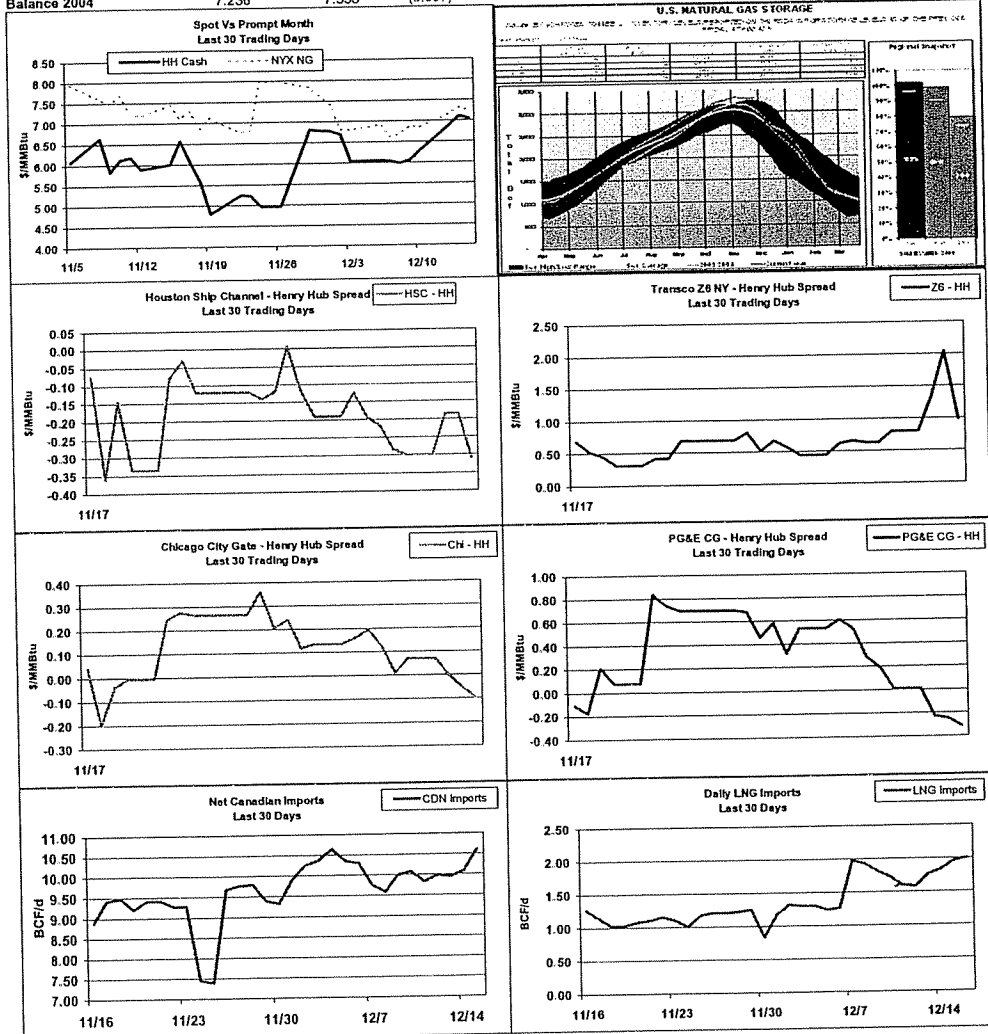


**Market Outlook:**

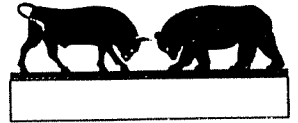
Once again we go into the number offered and right at support. So lets look at this number: We should have a number around 72 and that would be 2.5 BCF/Day more bearish than last year. Even at 80, the number is 1.35 more bearish than last year. We have to get this to flip relative to last year in order to get less than 1.1 in the ground. That is why they are taking down the H/J spread. We are going to have enough gas for this winter so we do not need a 50 or 60¢ spread. The market should flatten out the curve and if at the end it starts getting closer to 1.2-1.3 in ground, the summer/winter should widen out considerably, especially what happened last year. 7.13 (40 period on the 60 minute chart) should be relative support today and 6.965-6.94 (50% retracement) should also see support. 7.11 is the 18 day moving average and if we have a close below 7.08 today we should be heading back to the lows. It is hard to imagine doing this with this cold of weather on the horizon.

Problem is, most people are taking off the entire week for Christmas so demand should be relatively weak. I have a feeling this weather is a lot colder period than we have seen in a while. This will be a good indication on how we withdrawal with extreme weather. Higher numbers are 7.28 (18 day on the Jan chart), 7.365 (top of the E period) and the big number of 7.44 and 7.52 (40 day moving average). We should not get above the 40 day for long and I personally think we should chop around for a while. The daily stocks have rolled higher but the intraday stocks are rolled down from good levels. This market does not know what it wants to do. The techs are mixed and the fundamentals are mixed. An 80 is not a bullish number though. - Bart Glover

NYMEX Contracts	12/15/2004 Settle	12/14/2004 Settle	Change	Gas Daily Spreads	12/16/2004	12/15/2004	Change
Jan 05	7.236	7.333	(0.097)	HSC	(0.310)	(0.185)	(0.125)
Feb 05	7.370	7.458	(0.088)	TETCO STX	(0.345)	(0.200)	(0.145)
Mar 05	7.297	7.380	(0.083)	Carthage	(0.395)	(0.460)	0.065
Apr 05	6.667	6.665	0.002	NGPL TXOK	(0.370)	(0.335)	(0.035)
May 05	6.607	6.595	0.012	Columbia Gas, App.	0.240	0.230	(0.055)
3-month	7.301	7.390	(0.089)	Transco Z6 NY	0.980	2.030	(1.050)
6-month	6.971	7.011	(0.040)	Chicago City Gate	(0.095)	(0.055)	(0.040)
Summer 2005	6.718	6.706	0.012	PG&E City Gate	(0.315)	(0.250)	(0.065)
Winter 2005	7.143	7.209	(0.066)	Socal	(0.495)	(0.440)	(0.055)
Winter 05 - Summer 05	0.425	0.503	(0.078)				
Balance 2004	7.236	7.333	(0.097)				



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Thursday, December 16, 2004

Crude Oil Gains, But Natural Gas Slumps...More Cold Coming



Today: Bearish...But Expect End Of Day Upside...

30-Day: Bullish

January Natural Gas Closed

Down 9.7¢

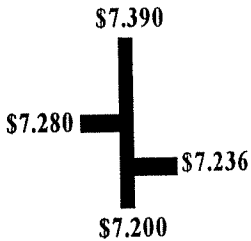
Bottom Line - We're up against a very bearish storage number today. The volatility players will likely try to push below \$7 before trading up tomorrow in anticipation of the next major arctic air mass early next week.

Yesterday's Market

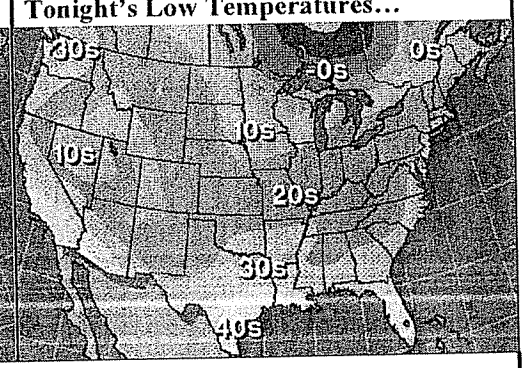
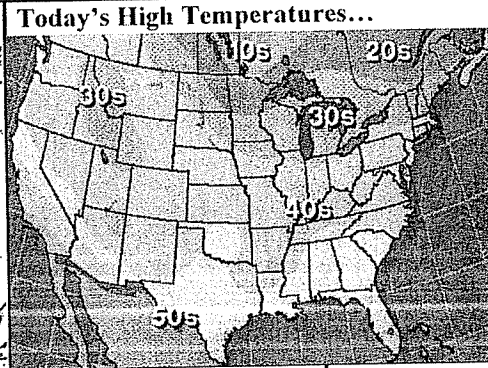
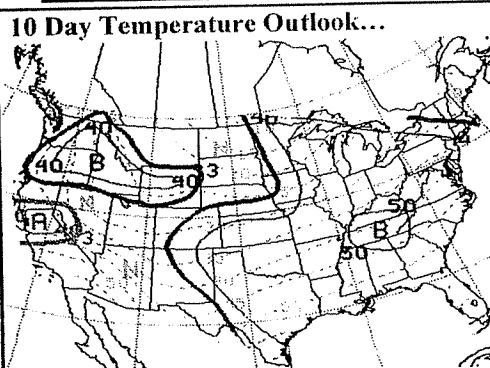
- Despite a surging liquids market coming off a bullish set of inventory data, January natural gas fell off as market players focused instead on today's Energy Information Administration storage report, which is expected to increase the running gas surplus. While liquids prices shot up the charts natural gas futures disengaged, as it instead fell off 9.7¢ cents to settle at \$7.236.

Today's Market

- The cold temperatures forecast for the balance of the month do have potential to push prices higher in the near term, possibly forcing the fund shorts to cover. The surplus may not matter so much, until there's a break in the weather. If that happens, look out below.
- The storage number today will drive most of the short-term activity...mostly down. Years of training and education helped me make that insightful observation. I think the most telling data that I've read this morning is the fact that the last time we had a weekly withdrawal in the 60-ish range in December was in 2001, which bodes well for end users if you want to make that far a reach into the ether. You're not going to be able to reach all that far, however. In 2001 we averaged a 67 Bcf withdrawal for all of December and the first 80-ish number was the week after this one. We did see an 88 Bcf withdrawal last week and I'm expecting to move above triple-digits next week. That said, look for the volatility in the market to remain. The recent trade range has been 75¢ in what could be described as a "sideways" moving market. That should have you quivering inside your boots...that is, unless you live north of I-10...then you're quivering in your clothes.

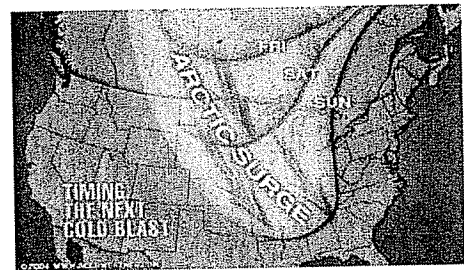


Access Trading	12/16/2004	8:27 AM	Natural Gas	\$7.140	(9.6¢)
WTI Crude	\$43.870	(\$0.32)	IPE Brent	\$41.450	(\$0.78)



**Weather Briefs** - Winter Cold To Cover The East This Week - Periods Of Winter Cold Will Affect The Central U.S. - Persistent Warmth Expected In The Southwest

**Sigmats...** Arctic Air Moves Through The Central U.S.



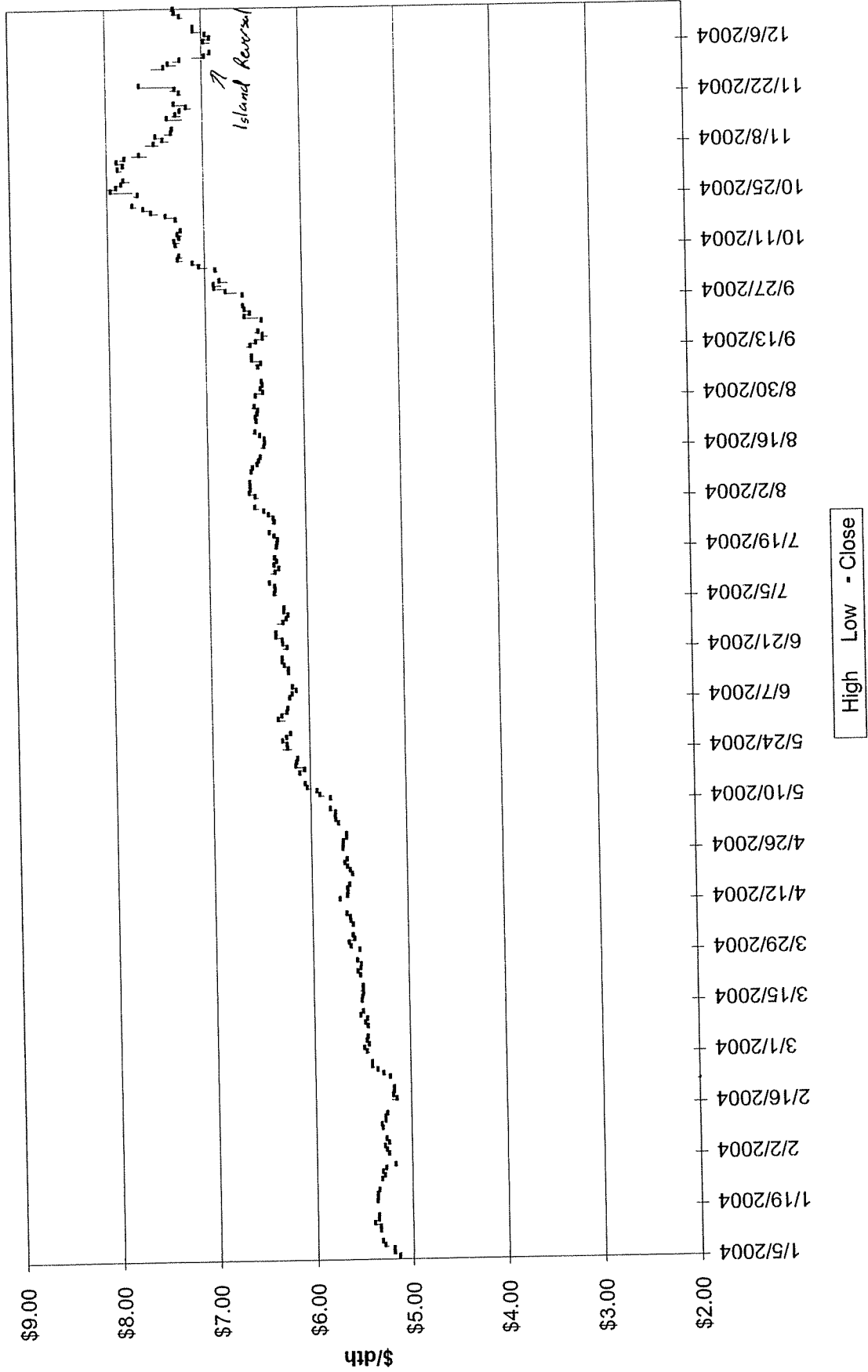
Storage...

Looking For A Mid-60's Withdrawal Today

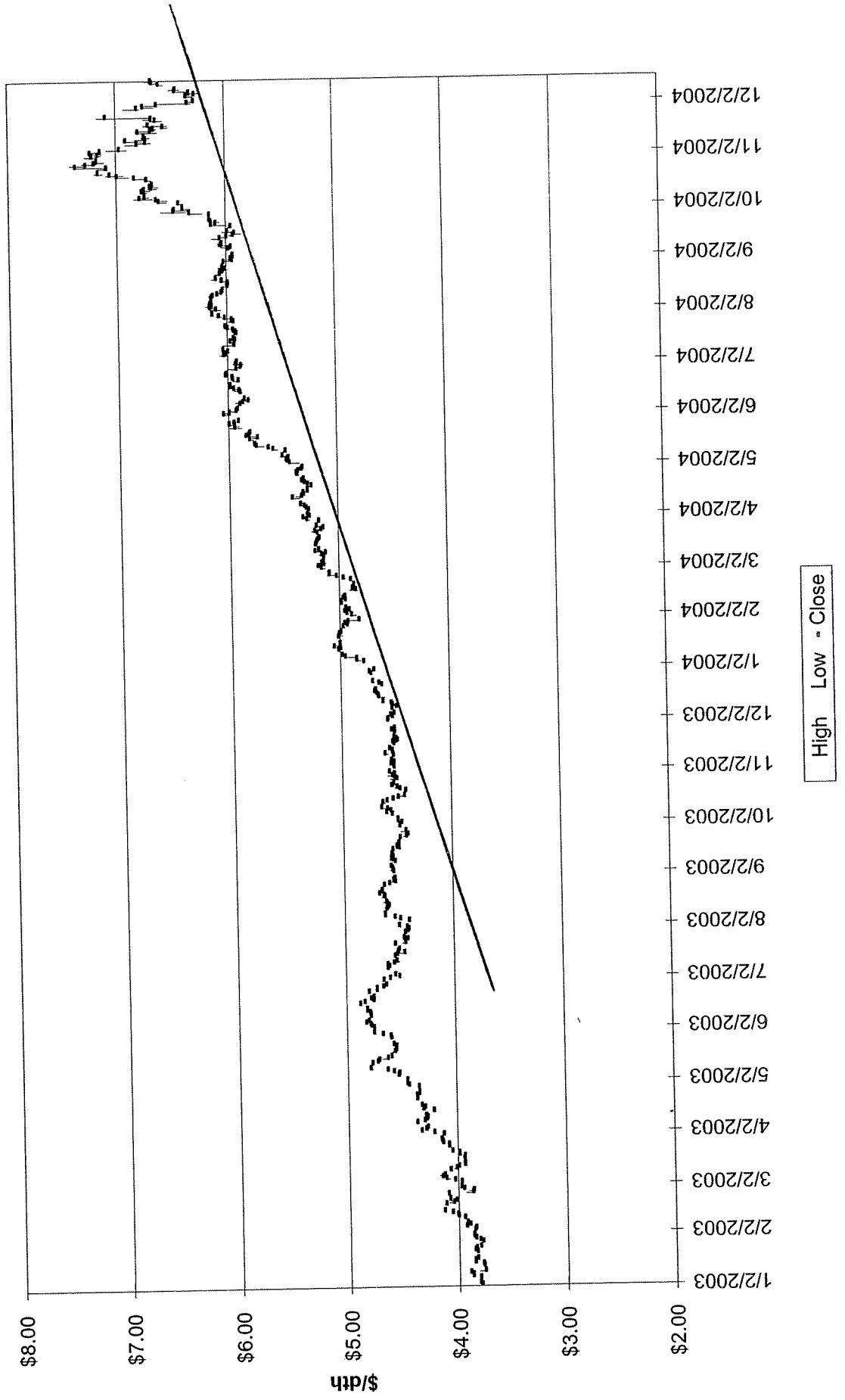
Estimates for today's report call for a relatively tiny 55 to 80 billion cubic foot draw, with most pundits expecting something in the mid 60s. A draw within the expected range would be substantially lower than last year's 134 Bcf withdrawal and the five-year average draw of 111 Bcf. The last time we had a storage withdrawal this low in December was in 2001 when we posted a December weekly average withdrawal of 67 Bcf.

Winter-like cold will cover most of the East and some of the North Central this week as a mid-upper level trough amplifies, tapping polar air from Canada. The coldest anomalies will be centered today through Wednesday and in areas extending from the Midwest and Ohio Valley to the Eastern Seaboard. Expect highs in the upper 20s and 30s on the coldest days across the northern tier, including cities such as Chicago, St. Louis, Cincinnati, Boston, and New York City.

# Winter Strip Dec05 - Mar06



# Summer Strip April - October 2005





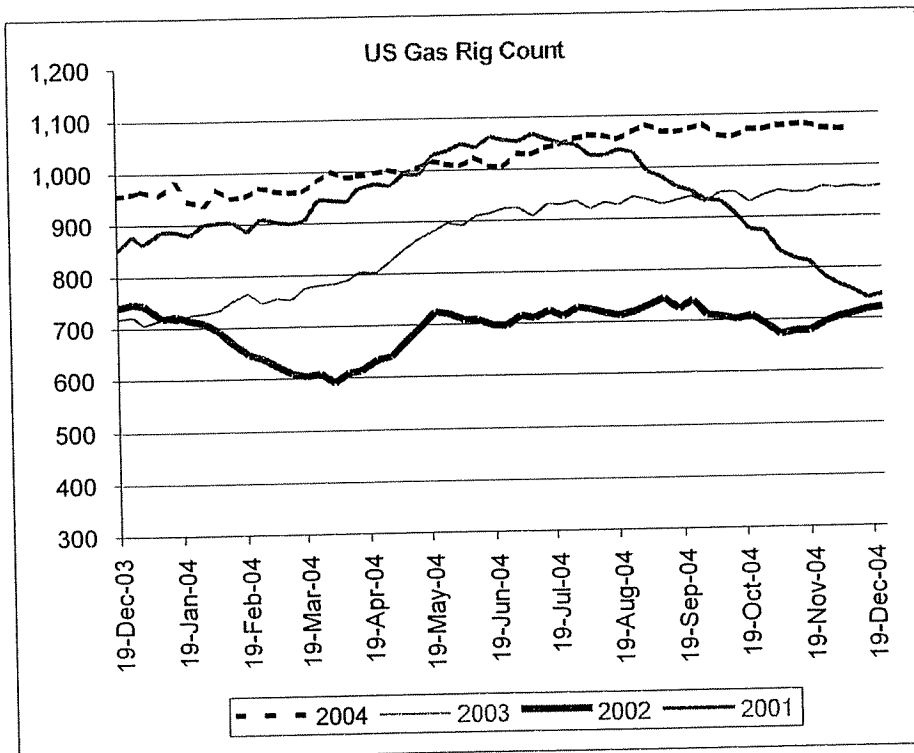
# Commodity Futures Inc.

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	757
2002	711
2003	959
2004	1070
+/- Week Ago	0
04 vs 03	111
04 vs 3yr AVG	261

New York  
(212) 841-3347

London  
(207) 595-6000

www.cfi.bnpparibas.com

Misc. Rigs 2

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



**Gas Commercial Operations  
Price Mitigation Program  
Market Indicators Summary  
January 27, 2005**

Weather	Price Pressure	Comments
Long Term Weather Forecast	↔	Earthsat: "the outlook for the coming summer is currently for near normal temperatures "
Short Term Weather (30 days)	↑ ↓	Earthsat: "cool to cold Eastern troughing and warm Western ridging" WSI: "warm temperatures overspreading most of the northern half of the US..."
6-10 day forecast	↓	Small pockets of "Below" normal with most of the country "Above" or "Much Above" normal.
Tropical Storm Activity	↔	Hurricane season is June - November
<b>Storage Inventory</b>		
EIA Weekly Storage Report	↓	Storage withdraws for week ending January 14 were 110 BCF, at the high end of expectations. Storage levels are now 8% higher than last year at 2.5 TCF.
<b>Industry Publications</b>		
Cambridge Energy Research Associates <i>Summer 2005: \$6.014</i> <i>Winter 05-06: \$6.24</i>	↑	"The North American gas market is tighter than it may appear, and although short-term factors, such as weather, may jostle prices, the longer term fundamentals are sure to reassert themselves later this spring."
Paribas	↓	"...with so much gas in overall storage as it is, there should be no fear about supply problems "
CM&T	↔	"Today will be volatile"
Conoco Morning Briefing	↔	"I'm a bull if distillate figures turn out to be right. With the high storage report due out tomorrow this market will only drift lower if I'm wrong "
<b>Government Agencies</b>		
Energy Information Administration <i>Summer 2005: \$5.144</i> <i>Winter 05-06: \$5.528</i>	↓	Forecasted prices well below current NYMEX
<b>Technical Analysis</b>		
Winter 2005-06 Strip Chart	↔	Moving horizontally around \$7.00
Summer 2005 Strip Chart	↑	Slight upward trend since the end of December
Rig Count	↓	Unchanged from last week. Still at all time high.
<b>Economy</b>		
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, Mike Brumback, Phyllis Baker*

The market is offering no clear signals as to direction, so prices are just as likely to go up as down. Current summer prices are around the same as the cost averaging already locked in. Likewise next winter prices are close to what was locked in a few months ago. Therefore, we will set up a cost averaging deal for about 5% of next winter's base, with the price determined by averaging the NYMEX Closing prices during February and March. Occidental and CM&T will be contacted regarding the premium/basis that they would require. Conoco will not be contacted since they have consistently bid much higher than CM&T or Occidental.

Occidental wanted a premium of \$0.11 per dth over the average NYMEX price, so the deal was locked in with CM&T for NYMEX minus \$0.01 per dth

**The Union Light Heat & Power Company  
Price Mitigation Program - Current Position  
As of 01/27/05**

	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
<b>Daily Base</b>														
Estimated Base (Gross)	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	2,300					
Cost Averaging (1)	1,000	1,000												
Fixed Price (Conoco \$5.485)	1,000	1,000												
Fixed Price (Occidental \$6.07)	5,000	5,000												
Cost Averaging (2)	1,700													
Fixed Price (Conoco \$6.9475)	2,000													
Fixed Price (Conoco \$6.36)	4,000													
Fixed Price (Conoco \$6.099)	2,000													
Fixed Price (Oneok \$7.683)														
Fixed Price (Occidental \$6.95)														
<b>Total PMP</b>	<b>16,700</b>	<b>9,000</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Monthly Base</b>														
Estimated Base (Gross)	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)	28,000	31,000												
Fixed Price (Conoco \$5.485)	28,000	31,000												
Fixed Price (Occidental \$6.07)	140,000	155,000												
Cost Averaging (2)	47,600	0												
Fixed Price (Conoco \$6.9475)	56,000	0												
Fixed Price (Conoco \$6.36)	112,000	0												
Fixed Price (Conoco \$6.099)	56,000	62,000												
Fixed Price (Oneok \$7.683)														
Fixed Price (Occidental \$6.95)														
<b>Total PMP</b>	<b>467,600</b>	<b>279,000</b>	<b>69,000</b>	<b>71,300</b>	<b>69,000</b>	<b>71,300</b>	<b>71,300</b>	<b>69,000</b>	<b>71,300</b>	<b>30,000</b>	<b>31,000</b>	<b>31,000</b>	<b>28,000</b>	<b>31,000</b>
% of Base Supply	74.1%	53.1%	15.3%	12.8%	12.8%	14.4%	13.5%	14.4%	38.3%	6.3%	4.4%	4.1%	4.4%	5.9%
Seasonal % of Base		<b>63.8%</b>							<b>15.2%</b>					<b>4.9%</b>
<b>Normal Load (City Gate)</b>														
PMP (City Gate)	444,220	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	295,185	185,393	0	0	0	0	0	0	0	128,282	249,706	400,491	295,185	185,393
Market	1,289,516	1,144,749	818,512	586,188	413,176	451,779	416,798	384,988	575,007	1,121,015	1,726,850	1,839,674	1,463,064	1,315,536
Total (incl. Injections)	2,028,921	1,595,192	884,062	653,923	478,726	519,514	484,533	450,538	642,742	1,277,798	2,006,007	2,269,615	1,784,849	1,530,379
% PMP & Storage	36.4%	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 %		<b>33.1%</b>							<b>15.8%</b>					<b>15.8%</b>

(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 CM&T

Total Amount	Closing Price										Summer Strip	Total Cost	Locked In To Date
	April	May	June	July	August	Sept	October	Nov	Dec	Jan			
16-Sep	3.729	\$5.063	\$5.853	\$5.883	\$5.818	\$5.943	\$6.005	\$5.938	\$5.903	\$5.923	22,086.87	3.729	
17-Sep	3.729	\$6.045	\$5.020	\$5.048	\$5.080	\$5.005	\$5.095	\$5.067	\$5.057	\$5.068	22,217.72	3.729	
20-Sep	3.729	\$6.012	\$5.867	\$5.919	\$5.952	\$5.977	\$6.007	\$6.042	\$6.067	\$6.134	22,875.28	3.729	
21-Sep	3.729	\$6.107	\$6.082	\$6.094	\$6.127	\$6.152	\$6.182	\$6.217	\$6.242	\$6.277	22,722.40	3.729	
22-Sep	3.729	\$6.182	\$6.027	\$6.057	\$6.087	\$6.112	\$6.092	\$6.117	\$6.132	\$6.158	22,881.06	3.729	
23-Sep	3.729	\$6.211	\$6.071	\$6.099	\$6.128	\$6.153	\$6.133	\$6.158	\$6.183	\$6.208	22,933.88	3.729	
24-Sep	3.729	\$6.226	\$6.086	\$6.115	\$6.140	\$6.165	\$6.145	\$6.170	\$6.195	\$6.220	22,931.75	3.729	
27-Sep	3.729	\$6.225	\$6.085	\$6.112	\$6.138	\$6.164	\$6.147	\$6.172	\$6.197	\$6.222	23,014.10	3.729	
28-Sep	3.729	\$6.421	\$6.291	\$6.290	\$6.321	\$6.345	\$6.345	\$6.345	\$6.345	\$6.345	24,170.85	3.729	
29-Sep	3.729	\$6.611	\$6.429	\$6.448	\$6.467	\$6.486	\$6.486	\$6.486	\$6.486	\$6.486	24,137.82	3.729	
30-Sep	3.729	\$6.615	\$6.410	\$6.438	\$6.456	\$6.475	\$6.455	\$6.474	\$6.493	\$6.512	23,840.03	3.729	
1-Oct	3.729	\$6.538	\$6.338	\$6.355	\$6.375	\$6.394	\$6.394	\$6.413	\$6.431	\$6.449	23,980.07	3.729	
4-Oct	3.729	\$6.580	\$6.375	\$6.392	\$6.412	\$6.431	\$6.411	\$6.430	\$6.449	\$6.468	24,057.21	3.729	
5-Oct	3.729	\$6.904	\$6.559	\$6.572	\$6.589	\$6.604	\$6.589	\$6.604	\$6.619	\$6.634	24,745.84	3.729	
6-Oct	3.729	\$6.819	\$6.578	\$6.594	\$6.614	\$6.631	\$6.596	\$6.611	\$6.626	\$6.641	25,299.87	3.729	
7-Oct	3.729	\$6.978	\$6.728	\$6.743	\$6.763	\$6.780	\$6.740	\$6.755	\$6.770	\$6.785	25,133.90	3.729	
8-Oct	3.729	\$6.930	\$6.680	\$6.697	\$6.720	\$6.737	\$6.697	\$6.712	\$6.727	\$6.742	25,228.82	3.729	
11-Oct	3.729	\$6.954	\$6.704	\$6.721	\$6.744	\$6.761	\$6.726	\$6.741	\$6.756	\$6.771	25,153.70	3.729	
12-Oct	3.729	\$6.924	\$6.684	\$6.701	\$6.724	\$6.744	\$6.704	\$6.719	\$6.734	\$6.749	24,905.60	3.729	
13-Oct	3.729	\$6.890	\$6.630	\$6.650	\$6.670	\$6.690	\$6.650	\$6.665	\$6.680	\$6.695	24,940.14	3.729	
14-Oct	3.729	\$6.873	\$6.623	\$6.640	\$6.665	\$6.690	\$6.650	\$6.665	\$6.680	\$6.695	24,876.18	3.729	
15-Oct	3.729	\$6.845	\$6.605	\$6.625	\$6.650	\$6.675	\$6.635	\$6.650	\$6.665	\$6.680	25,064.21	3.729	
18-Oct	3.729	\$6.904	\$6.654	\$6.674	\$6.699	\$6.724	\$6.684	\$6.699	\$6.714	\$6.729	25,481.32	3.729	
19-Oct	3.729	\$7.033	\$6.783	\$6.783	\$6.808	\$6.833	\$6.793	\$6.808	\$6.823	\$6.838	26,077.06	3.729	
20-Oct	3.729	\$7.208	\$6.928	\$6.928	\$6.953	\$6.978	\$6.938	\$6.953	\$6.968	\$6.983	26,348.98	3.729	
21-Oct	3.729	\$7.278	\$6.998	\$6.998	\$7.023	\$7.048	\$7.008	\$7.023	\$7.038	\$7.053	26,738.40	3.729	
22-Oct	3.729	\$7.424	\$7.089	\$7.109	\$7.134	\$7.158	\$7.118	\$7.133	\$7.148	\$7.163	26,425.82	3.729	
25-Oct	3.729	\$7.332	\$7.002	\$7.025	\$7.053	\$7.077	\$7.045	\$7.073	\$7.097	\$7.121	27,520.02	3.729	
26-Oct	3.729	\$7.695	\$7.205	\$7.215	\$7.240	\$7.265	\$7.225	\$7.240	\$7.255	\$7.270	27,158.84	3.729	
27-Oct	3.729	\$7.550	\$7.200	\$7.225	\$7.250	\$7.275	\$7.235	\$7.250	\$7.265	\$7.280	26,873.30	3.729	
28-Oct	3.729	\$7.472	\$7.122	\$7.144	\$7.172	\$7.192	\$7.152	\$7.167	\$7.182	\$7.197	26,770.49	3.729	
29-Oct	3.729	\$7.438	\$7.093	\$7.115	\$7.143	\$7.168	\$7.128	\$7.143	\$7.158	\$7.173	26,948.29	3.729	
1-Nov	3.729	\$7.484	\$7.139	\$7.161	\$7.191	\$7.219	\$7.179	\$7.194	\$7.211	\$7.228	26,733.73	3.729	
2-Nov	3.729	\$7.419	\$7.084	\$7.106	\$7.136	\$7.161	\$7.121	\$7.136	\$7.151	\$7.166	27,000.82	3.729	
3-Nov	3.729	\$7.500	\$7.150	\$7.170	\$7.190	\$7.210	\$7.170	\$7.185	\$7.200	\$7.215	26,849.03	3.729	
4-Nov	3.729	\$7.359	\$7.009	\$7.031	\$7.061	\$7.091	\$7.051	\$7.066	\$7.081	\$7.096	26,988.47	3.729	
5-Nov	3.729	\$7.139	\$6.889	\$6.921	\$6.940	\$6.974	\$6.934	\$6.949	\$6.964	\$6.979	26,387.85	3.729	
8-Nov	3.729	\$6.900	\$6.740	\$6.762	\$6.792	\$6.817	\$6.777	\$6.792	\$6.807	\$6.822	26,088.71	3.729	
9-Nov	3.729	\$6.820	\$6.660	\$6.685	\$6.720	\$6.735	\$6.700	\$6.715	\$6.730	\$6.745	25,755.87	3.729	
10-Nov	3.729	\$7.001	\$6.851	\$6.871	\$6.901	\$6.916	\$6.881	\$6.896	\$6.911	\$6.926	25,087.11	3.729	
11-Nov	3.729	\$6.804	\$6.674	\$6.692	\$6.722	\$6.742	\$6.702	\$6.717	\$6.732	\$6.747	25,129.20	3.729	
12-Nov	3.729	\$6.818	\$6.681	\$6.700	\$6.731	\$6.751	\$6.711	\$6.726	\$6.741	\$6.756	25,340.69	3.729	
15-Nov	3.729	\$6.972	\$6.742	\$6.767	\$6.792	\$6.812	\$6.772	\$6.787	\$6.802	\$6.817	24,911.32	3.729	
16-Nov	3.729	\$6.742	\$6.622	\$6.647	\$6.677	\$6.697	\$6.657	\$6.672	\$6.687	\$6.702	24,811.70	3.729	
17-Nov	3.729	\$6.744	\$6.594	\$6.619	\$6.649	\$6.674	\$6.634	\$6.649	\$6.664	\$6.679	24,478.75	3.729	
18-Nov	3.729	\$6.632	\$6.467	\$6.529	\$6.562	\$6.592	\$6.552	\$6.567	\$6.582	\$6.597	24,983.77	3.729	
19-Nov	3.729	\$6.778	\$6.631	\$6.653	\$6.683	\$6.710	\$6.670	\$6.685	\$6.700	\$6.715	24,753.10	3.729	
22-Nov	3.729	\$6.895	\$6.570	\$6.604	\$6.638	\$6.658	\$6.618	\$6.633	\$6.648	\$6.663	24,880.42	3.729	
23-Nov	3.729	\$6.741	\$6.601	\$6.638	\$6.671	\$6.691	\$6.651	\$6.666	\$6.681	\$6.696	24,448.20	3.729	
24-Nov	3.729	\$7.249	\$7.019	\$7.049	\$7.079	\$7.094	\$7.059	\$7.074	\$7.089	\$7.104	25,309.69	3.729	
29-Nov	3.729	\$6.887	\$6.737	\$6.760	\$6.801	\$6.819	\$6.779	\$6.794	\$6.809	\$6.824	25,163.82	3.729	
30-Nov	3.729	\$6.815	\$6.660	\$6.715	\$6.750	\$6.770	\$6.730	\$6.745	\$6.760	\$6.775	24,888.11	3.729	
1-Dec	3.729	\$6.978	\$6.828	\$6.851	\$6.892	\$6.911	\$6.871	\$6.886	\$6.901	\$6.916	23,829.01	3.729	
2-Dec	3.729	\$6.943	\$6.793	\$6.808	\$6.823	\$6.838	\$6.803	\$6.818	\$6.833	\$6.848	23,410.86	3.729	
3-Dec	3.729	\$6.281	\$6.206	\$6.247	\$6.292	\$6.312	\$6.272	\$6.287	\$6.302	\$6.317	23,881.04	3.729	
6-Dec	3.729	\$6.369	\$6.272	\$6.312	\$6.357	\$6.377	\$6.337	\$6.352	\$6.367	\$6.382	23,389.89	3.729	
7-Dec	3.729	\$6.281	\$6.203	\$6.243	\$6.288	\$6.308	\$6.268	\$6.283	\$6.298	\$6.313	23,574.74	3.729	
8-Dec	3.729	\$6.328	\$6.251	\$6.292	\$6.337	\$6.357	\$6.317	\$6.332	\$6.347	\$6.362	24,065.37	3.729	
9-Dec	3.729	\$6.481	\$6.384	\$6.425	\$6.468	\$6.488	\$6.448	\$6.463	\$6.478	\$6.493	24,044.59	3.729	
10-Dec	3.729	\$6.450	\$6.377	\$6.418	\$6.463	\$6.483	\$6.443	\$6.458	\$6.473	\$6.488	24,610.87	3.729	
13-Dec	3.729	\$6.605	\$6.530	\$6.571	\$6.616	\$6.636	\$6.596	\$6.611	\$6.626	\$6.641	24,841.00	3.729	
14-Dec	3.729	\$6.905	\$6.595	\$6.635	\$6.679	\$6.699	\$6.659	\$6.674	\$6.689	\$6.704	24,880.42	3.729	
15-Dec	3.729	\$6.967	\$6.667	\$6.687	\$6.717	\$6.742	\$6.702	\$6.717	\$6.732	\$6.747	24,803.94	3.729	
16-Dec	3.729	\$6.570	\$6.525	\$6.575	\$6.619	\$6.639	\$6.599	\$6.614	\$6.629	\$6.644	25,356.13	3.729	
17-Dec	3.729	\$6.800	\$6.735	\$6.773	\$6.815	\$6.835	\$6.795	\$6.810	\$6.825	\$6.840	24,503.28	3.729	
20-Dec	3.729	\$6.541	\$6.506	\$6.545	\$6.590	\$6.610	\$6.570	\$6.585	\$6.600	\$6.615	24,207.80	3.729	
21-Dec	3.729	\$6.475	\$6.445	\$6.484	\$6.529	\$6.549	\$6.509	\$6.524	\$6.539	\$6.554	24,050.31	3.729	
22-Dec	3.729	\$6.414	\$6.389	\$6.428	\$6.473	\$6.493	\$6.453	\$6.468	\$6.483	\$6.498	23,882.11	3.729	
23-Dec	3.729	\$6.353	\$6.343	\$6.382	\$6.427	\$6.447	\$6.407	\$6.422	\$6.437	\$6.452	22,983.96	3.729	
27-Dec	3.729	\$6.385	\$6.305	\$6.340	\$6.385	\$6.405	\$6.365	\$6.380	\$6.395	\$6.410	23,213.03	3.729	
28-Dec	3.729	\$6.149	\$6.159	\$6.202	\$6.250	\$6.275	\$6.235	\$6.250	\$6.265	\$6.280	23,443.09	3.729	
29-Dec	3.729	\$6.215	\$6.225	\$6.265	\$6.312	\$6.337	\$6.292	\$6.307	\$6.312	\$6.317	22,938.68	3.729	
30-Dec	3.729	\$6.085	\$6.090	\$6.130	\$6.180	\$6.205	\$6.160	\$6.175	\$6.180	\$6.185	21,939.84	3.729	
3-Jan	3.729	\$5.784	\$5.819	\$5.867	\$5.915	\$5.940	\$5.900	\$5.915	\$5.930	\$5.945	22,188.48	3.729	
4-Jan	3.729	\$5.863	\$5.893	\$5.905	\$5.978	\$6.003	\$5.963	\$5.978	\$5.993	\$6.008	22,088.47	3.729	
5-Jan	3.729	\$5.835	\$5.867	\$5.900	\$5.952	\$5.977	\$5.937	\$5.952	\$5.967	\$5.982	22,840.52	3.729	
6-Jan	3.729	\$6.050	\$6.075	\$6.115	\$6.155	\$6.177	\$6.137	\$6.152	\$6.167	\$6.182	22,694.09	3.729	
7-Jan	3.729	\$6.008	\$6.033	\$6.073	\$6.113	\$6.135	\$6.105	\$6.120	\$6.135	\$6.150	23,170.84	3.729	
10-Jan	3.729	\$6.148	\$6.184	\$6.202	\$6.240	\$6.250	\$6.210	\$6.225	\$6.240	\$6.255	22,992.65	3.729	
11-Jan	3.729	\$6.085	\$6.121	\$6.157	\$6.193	\$6.203	\$6.163	\$6.178	\$6.193	\$6.208	22,502.82	3.729	
12-Jan	3.729	\$5.952	\$5.982	\$6.023	\$6.065	\$6.085	\$6.045	\$6.060	\$6.075	\$6.090	23,928.89	3.729	
13-Jan	3.729	\$6.382	\$6.372	\$6.407	\$6.442	\$6.462	\$6.422	\$6.437	\$6.452	\$6.467	23,508.18	3.729	
14-Jan	3.729	\$6.292	\$6.284	\$6.318	\$6.349	\$6.369	\$6.329	\$6.344	\$6.359	\$6.374	22,942.41	3.729	
18-Jan	3.729	\$6.088	\$6.098	\$6.140	\$6.180	\$6.201	\$6.161	\$6.176	\$6.191	\$6.206	23,417.05	3.729	
19-Jan	3.729	\$6.222	\$6.224	\$6.264	\$6.304	\$6.320	\$6.280	\$6.295	\$6.310	\$6.325	23,478.32	3.729	
20-Jan	3.729	\$6.238	\$6.240	\$6.280	\$6.320	\$6.345	\$6.305	\$6.320	\$6.335	\$6.350	23,290.68	3.729	
21-Jan	3.729	\$6.178	\$6.188	\$6.231	\$6.273	\$6.299	\$6.259	\$6.274	\$6.289	\$6.304	24,017.42	3.729	
24-Jan	3.729	\$6.386	\$6.380	\$6.424	\$6.462	\$6.488	\$6.448	\$6.463	\$6.478	\$6.493	23,938.98	3.729	
25-Jan	3.729	\$6.354	\$6.362	\$6.402	\$6.442	\$6.469	\$6.429	\$6.4					

GET EARTHSAT'S LATEST WINTER OUTLOOK on Thursday (2/10) WITH EARTHSAT LONGVIEW- AN UPGRADE TO THIS PRODUCT!

EarthSat Longcast Model Seasonal Outlook Discussion

January 18, 2004

Headlines: Colder Trends Still Favored for February/March

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

Latest Weekly Update of Longcast Tool:

The El Nino continues in a weak state..

The longer term trends continue to be colder despite the warmer than expected first half of the winter. Recent colder weather may be suggesting the change of momentum that is required to verify a colder February and March. The El Nino analogs seen here still support colder temperatures, but another factor- the QBO- is also trending negative (slower than expected this past autumn), which favors colder Eastern weather. The current thinking is that like the last two months, significant volatility should be expected, but colder conditions are expected to outweigh warmer periods overall.

The outlook for the coming summer is currently for near normal temperatures. The El Nino analogs typically do not perform as well in the summertime. The QBO analogs suggest that the summer will be cooler than normal with some hot weather in the East possible mainly in August. The situation will continue to be monitored.

Monthly Update Information:

Status

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](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](mailto:mrogers@earthsat.com)



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

EARTHSAT

Wednesday

DAY

1/26/05

DATE

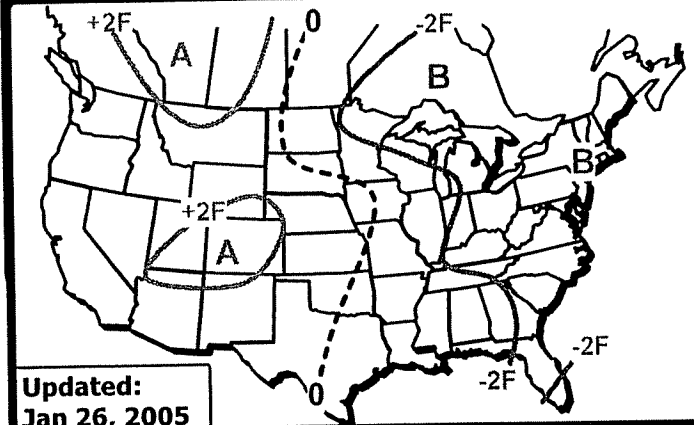
9:45 AM EDT

TIME

MR

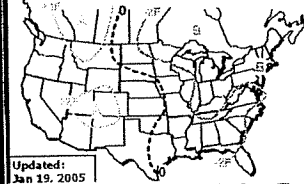
FORECASTER

## FEBRUARY 2005



Updated:  
Jan 26, 2005

### FEBRUARY 2005 PREVIOUS



Updated:  
Jan 19, 2005

February Essentially Same

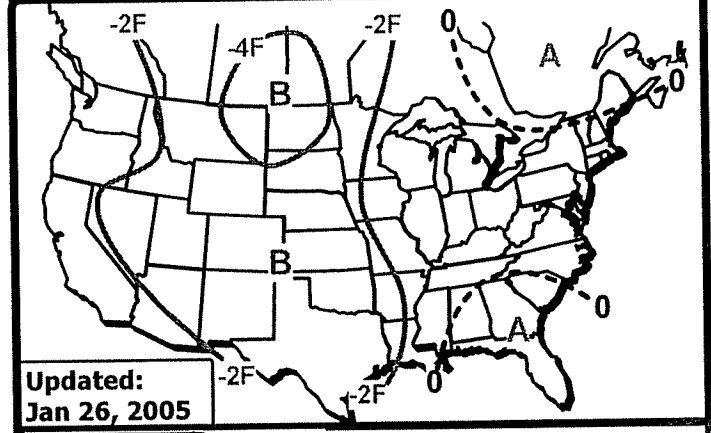
Positive PNA Pattern  
Favored to Dominate

The overall outlook for February is largely unchanged this morning as the expectations for cool to cold Eastern troughing and warm Western ridging continue. This positive PNA pattern is not expected to have strong access to severe cold air in the East at the start of the month (next week), but the latest outlooks favor gradual intensification of this pattern into the 11-15 day (which fits with the El Nino and QBO analogs).

### February HDD Forecasts

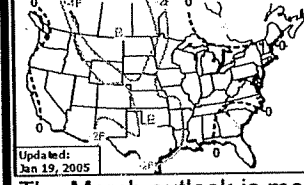
	forecast	10-year	30-year	last year
Chicago	1117.0	998.3	1075.0	1091.0
Philadelphia	921.0	803.5	858.0	858.0
Houston	319.0	262.1	298.0	335.0

## MARCH 2005



Updated:  
Jan 26, 2005

### MARCH 2005 PREVIOUS



Updated:  
Jan 19, 2005

No Major Changes to  
March Outlook

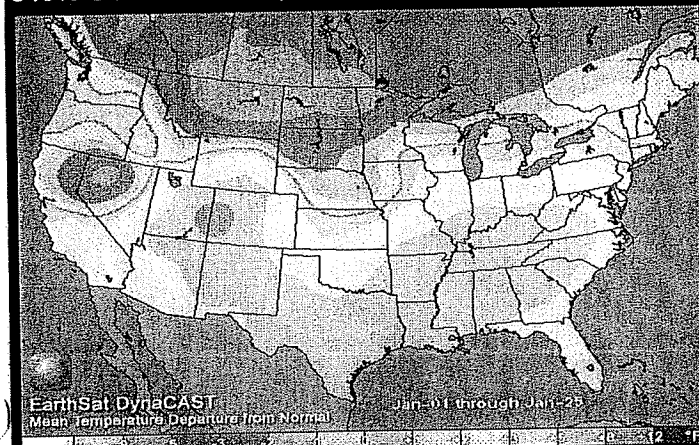
Variable Pattern Expected  
But With Cool Tendencies

The March outlook is mostly unchanged with this update. The current thinking is that the month should be quite volatile (as usual) as the spring transition commences. In terms of climatology, the first half of March is still a conceivable time to see Arctic air pushes into the U.S., but the 2nd half of the month is typically too warm normally to see sustainable significant cold in the key population centers.

### March HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	904.5	857.0	858.0	740.0
Philadelphia	712.0	646.0	681.0	617.0
Houston	175.0	154.0	156.0	32.0

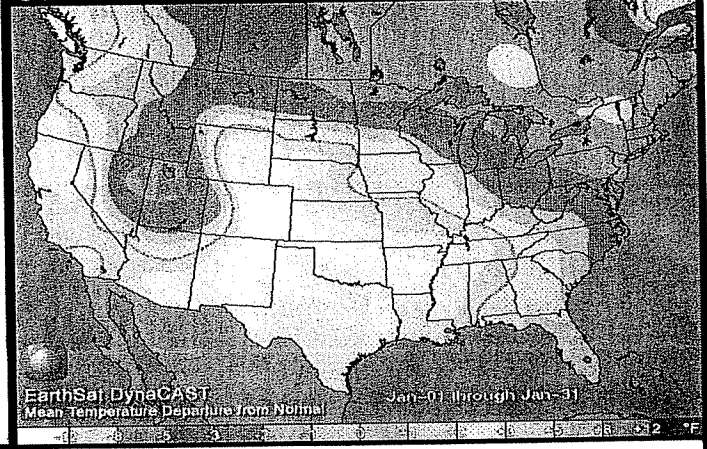
## JANUARY 1 - 25, 2005



EarthSat DynaCAST  
Mean Temperature Departure from Normal

Jan-01 through Jan-25

## JANUARY 2004



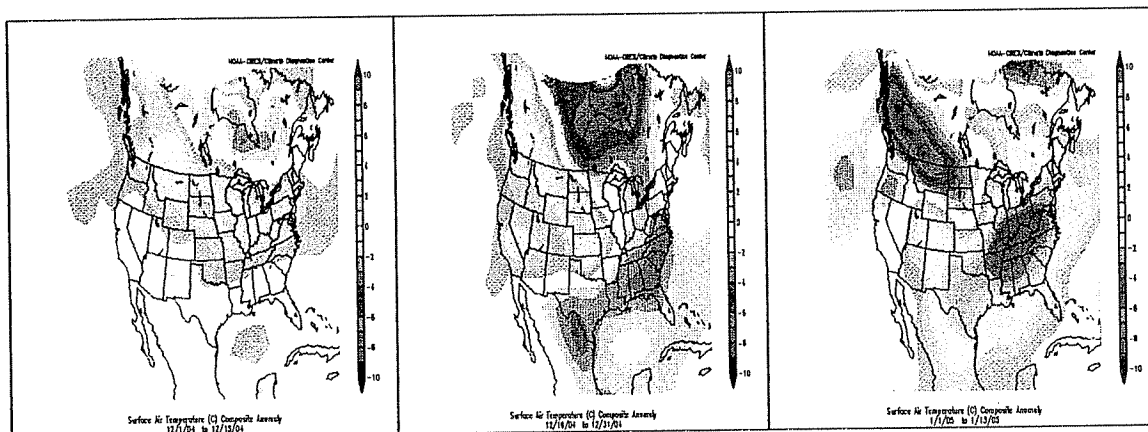
EarthSat DynaCAST  
Mean Temperature Departure from Normal

Jan-01 through Jan-31

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

## Summary

The winter of 2004-05 has, to date, been characterized by very high variability. The first half of December was characterized by very warm temperatures across the northern tier of states with near-normal temperatures across the south (below, left). The last half of December was highlighted by a temporary transition to a warm West, cold East pattern more typical of what we originally expected this winter season (below, middle). The first half of January was marked by extremes, from record cold in the northern Rockies and Plains to unusual warmth in the East (below, right). And now, of course, the second half



*Graphics from Climate Diagnostics Center Web site*

of January looks to be quite cold in the East and mild in the West, again more typical of our expected winter pattern. What will February bring? Our seasonal models now depict a scenario more like the first half of December, with warm temperatures overspreading most of the northern half of the US and cooler-than-normal temperatures confined to the South. Even the notoriously cold-biased GFS model is suggesting that the northern Plains warmth will spread eastward into the Northeast towards the end of the month. It appears that the current pattern may have been caused by the Madden-Julian Oscillation (MJO) rather than any significant seasonal pattern change.

The recent behavior of SSTs in the Pacific suggests that the negative phase of the PDO is not going away anytime soon. The October PDO transition was a surprise to us, and is likely the reason that the PNA has not been positive very often this winter, keeping most of the Arctic air out of the eastern US. This transition, and the cooler waters near Hawaii which are associated with it, are also likely the reason for the very active subtropical jet this winter. These relatively cool waters north of the warm Nino regions have resulted in a strong meridional SST gradient in the tropical Pacific, which is likely why this winter has been more "El Nino-esque" than the relatively tame SST anomalies in the Nino regions would suggest.

Besides the active subtropical jet associated with the El Nino/negative PDO, the next biggest surprise has been the markedly positive nature of the NAO (below). Both the



# EarthSat's Energy Weather

## The 6 to 10 Day Forecast - Detailed Version

EARTHSAT

Thursday

DAY 1/27/2005

DATE

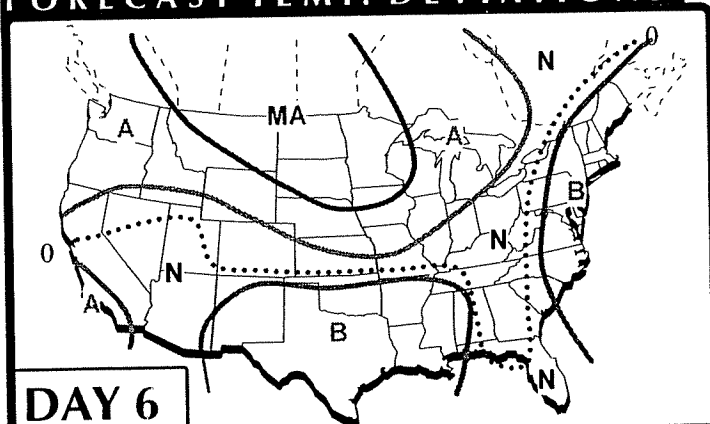
6:30 A.M.

TIME

MR

FORECASTER

### FORECAST TEMP. DEVIATIONS



FORECAST VALID: Tuesday, 2/01

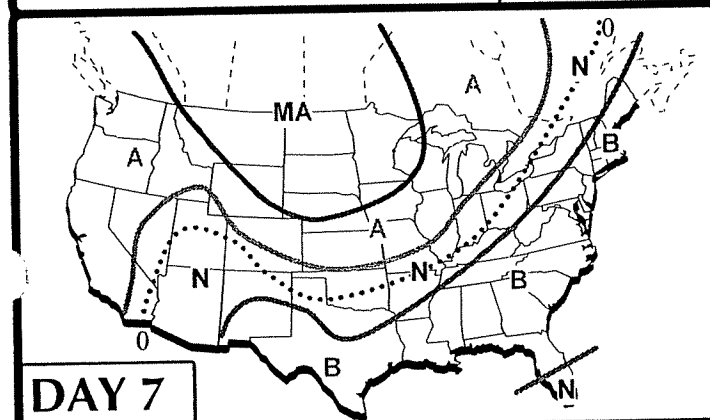
CONFIDENCE: 6

### DISCUSSION

#### Today's Forecast.

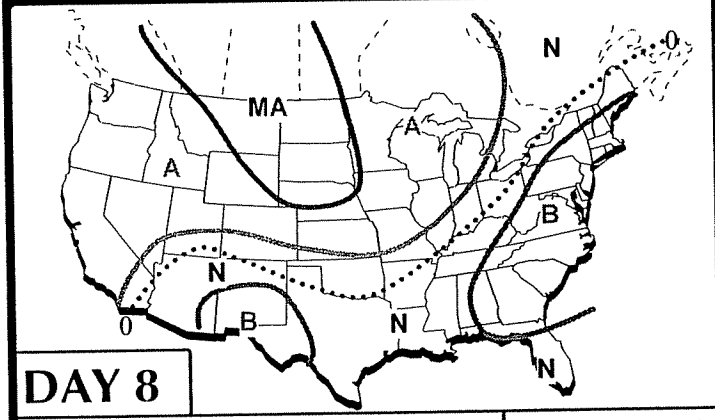
**Still Stormy in and near Northeast; Milder in Midwest**  
 The latest forecast is nearly identical to previous days' outlooks for much of the period. While the models continue to vigorously debate storm tracks with regard to intensity, timing, and exact placement, there is still a broad consensus that the Eastern Seaboard will be the most affected with frequent times of northerly flow on the left side of the systems. Farther west, the Midwest should continue to see a milder westerly flow for the majority of the period. Less cooling is seen in Texas today, but western areas into New Mexico could stay cooler. The West Coast continues above normal.

### FORECAST TEMP. DEVIATIONS



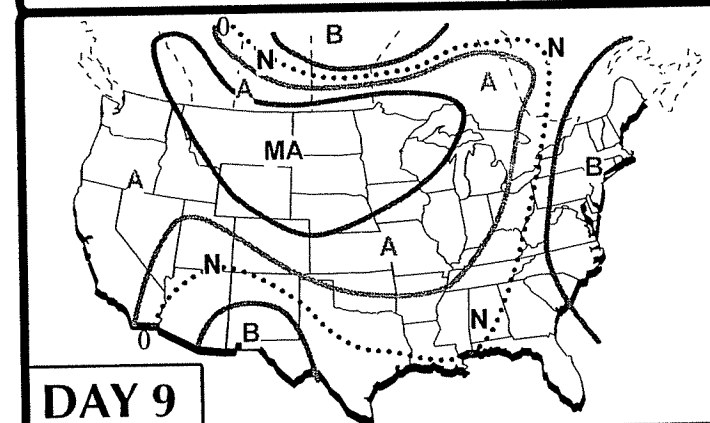
FORECAST VALID: Wednesday, 2/02

CONFIDENCE: 5



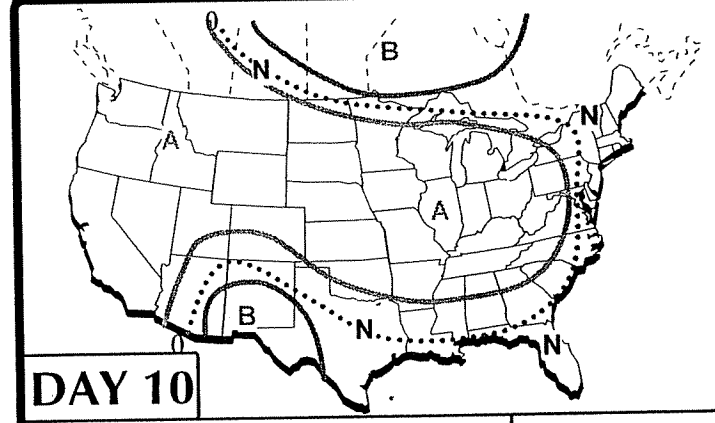
FORECAST VALID: Thursday, 2/03

CONFIDENCE: 4



FORECAST VALID: Friday, 2/04

CONFIDENCE: 3



FORECAST VALID: Saturday, 2/05

CONFIDENCE: 2

### LEGEND

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

NORMAL  
 -2F TO +2F

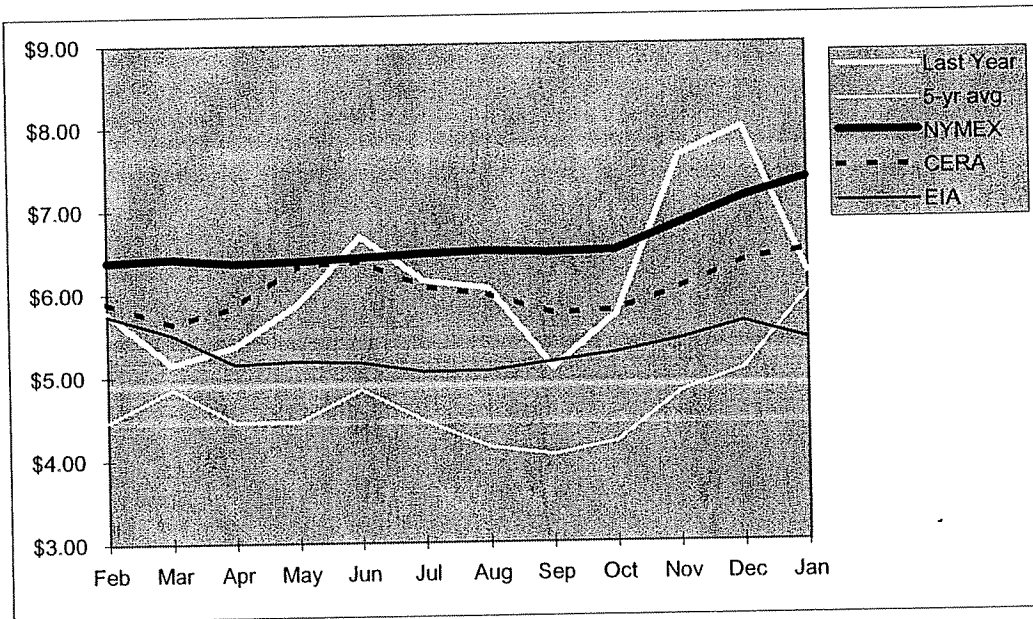
MUCH BELOW..... -8F OR DOWN  
 BELOW..... -7F TO -3F

..... Jet Stream

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

## 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-Jan-05	EIA 11-Jan-05	NYMEX 27-Jan-05
Feb	\$4.47	\$5.78		\$5.900	\$5.743	\$6.388
Mar	\$4.85	\$5.15		\$5.630	\$5.507	\$6.421
Apr	\$4.45	\$5.37		\$5.840	\$5.148	\$6.366
May	\$4.46	\$5.87		\$6.330	\$5.181	\$6.386
Jun	\$4.84	\$6.68		\$6.380	\$5.160	\$6.426
Jul	\$4.45	\$6.14		\$6.070	\$5.046	\$6.468
Aug	\$4.14	\$6.05		\$5.970	\$5.052	\$6.495
Sep	\$4.04	\$5.08		\$5.740	\$5.158	\$6.472
Oct	\$4.20	\$5.72		\$5.770	\$5.264	\$6.495
Nov	\$4.79	\$7.63		\$6.030	\$5.417	\$6.810
Dec	\$5.06	\$7.98		\$6.360	\$5.623	\$7.125
Jan	\$5.98	\$6.21		\$6.490	\$5.416	\$7.352
<b>12 Month Avg</b>	<b>\$4.64</b>	<b>\$6.14</b>		<b>\$6.043</b>	<b>\$5.310</b>	<b>\$6.600</b>
Summer Average				\$6.014	\$5.144	\$6.444
Winter Average				\$6.082	\$5.541	\$6.819

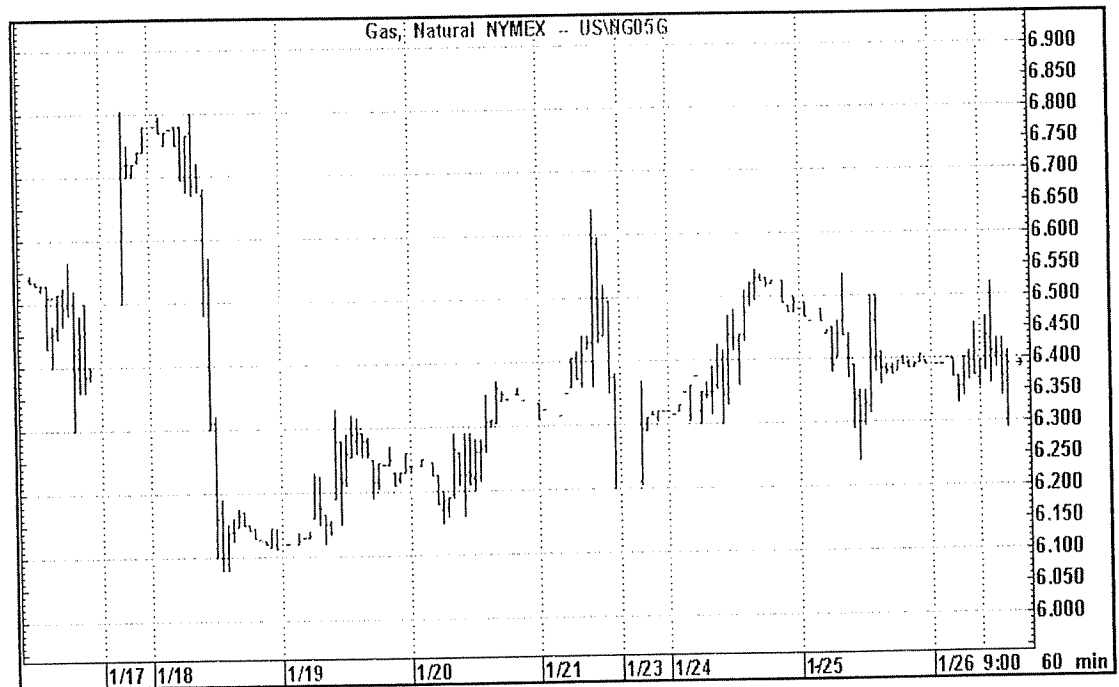




## Commentary

Options expiry saw Feb weaken to the 6300s only to bounce late in the session, but still settle far from the 6500 strike. The extreme cold weather hitting the Northeast over tonight that is supposed to last through the weekend should fuel bullish sentiment ahead of the storage report, which our survey showed that a withdrawal of 217 bcf/wk is expected. With Feb expiring the same day as the storage report is released, this next session could see an incredibly wide range. Looking ahead to when March becomes spot, it's likely that choppy range trading will continue, but perhaps with a lower low than Feb's range. Winter is closer to being over now, and the extreme temperatures experienced over much of the country over the past two weeks have set a benchmark as to what is cold weather. Will temperatures get that cold again for a long period? Most likely not, and with so much gas in overall storage as it is, there should be no fear about supply problems. Therefore, although the next two storage reports should show very large withdrawals, these withdrawals should not impact overall storage to the extent that under-supply is a concern for the rest of this winter.

Scott Allen



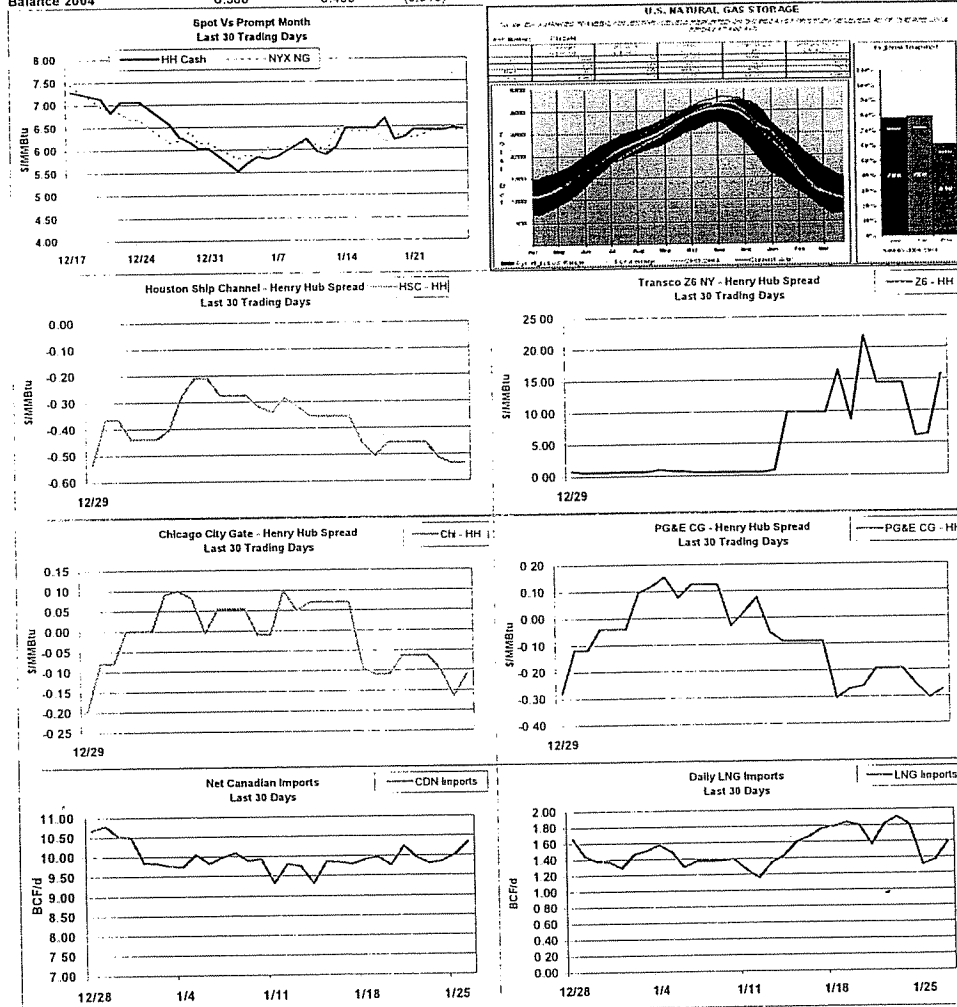
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### Market Outlook:

Well here we sit at expiration of G contract For 7 days now we have not broken the previous day's access low Yesterday we had an inside day Today will be volatile Look at a break of yesterday range (6 51-6 29) then the market will go in that direction Weather is not supportive but and we are getting out of the extreme cold temps in the immediate term So if forecast is warm and temps warm next week the market will come off hard 6 558 is the 40 day moving average on the continuation chart 40 day on the H chart is 6 598 The daily stoics are getting out of oversold and I expect with another week of this action the would be prime for turning down The weekly stoics are still down and the intraday stoics have turned down I would expect lower on today settlement given something unforeseen on the EIA number Trade has been talking about this number for weeks and the EIA auction went out around 229 and the models number is 232 Anything sub 210 is bearish from an outright standpoint. The whisper number has definitely been talked up here The number is hyped --  
Bart Glover

NYMEX Contracts	1/26/2005		Change	Gas Daily Spreads	1/27/2005		Change
	Settle	1/25/2005 Settle			1/27/2005	1/26/2005	
Feb 05	6 388	6 403	(0.015)	HSC	(0.535)	(0.535)	0.000
Mar 05	6 421	6 444	(0.023)	TETCO STX	(0.580)	(0.545)	(0.035)
Apr 05	6 366	6 354	0.012	Carthage	(0.560)	(0.570)	0.010
May 05	6 386	6 362	0.024	NGPL TXOK	(0.550)	(0.575)	0.025
Jun 05	6 426	6 402	0.024	Columbia Gas, App	0.285	0.230	0.055
3-month	6 392	6 400	(0.009)	Transco Z6 NY	15.730	6.400	9.330
6-month	6 409	6 401	0.008	Chicago City Gate	(0.110)	(0.165)	0.055
Summer 2005	6 613	6 587	0.026	PG&E City Gate	(0.275)	(0.305)	0.030
Winter 2005	6 390	6 381	(0.001)	Socal	(0.655)	(0.670)	0.015
Winter 05 - Summer 05	-0.223	-0.196	(0.027)				
Balance 2004	6.388	6.403	(0.015)				



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**Wednesday, January 26, 2005**

**After Early Losses February Rallies Back On Refinery Problems, Cold Weather**



**Today: Bullish**      **February Natural Gas Closed**      **Down 7.3¢**      **30-Day: Bearish**

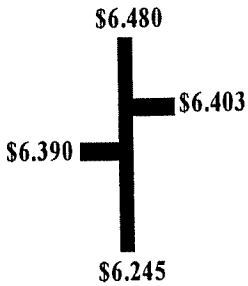
**Bottom Line** – Key off the distillate inventory figures...bullish if there's a large draw in that market.

**Yesterday's Market**

• I could have called it either way yesterday and been right. In what appeared to be a schizophrenic session, the February contract spent the early part of the day in negative territory giving back gains it made during the Monday session. However, by the afternoon, the front month was back on the rise as traders turned their attention to a rally in the crude pit sparked by a rally in the gasoline market. Coming off a soft overnight session, Tuesday appeared to be the bears' day as February futures descended to a low of \$6.245. Near midday, however, traders turned their attention from heating degree-days to the liquids market, which was spooked higher by reports and rumors of refinery difficulties and an explosion. Two people were killed in an explosion at Asco Acetylene Services' processing plant in Perth Amboy, New Jersey. There was no reported damage to the neighboring petroleum terminal, but the news left traders more acute in an already skittish crude and products market. Overall, the front month contract finished the day at \$6.403, 7.3¢ under Monday, with its fate anything but certain.

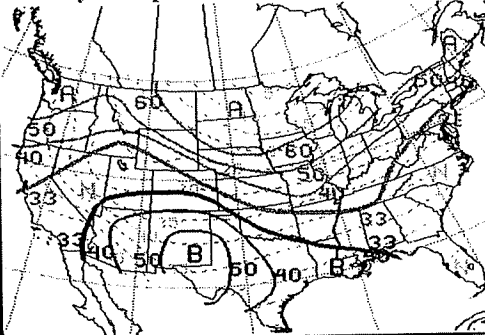
**Today's Market**

• Today's direction will be highly dependent upon heating oil futures, which will be influenced by weekly inventory results from the DOE/API. The Bloomberg survey says analysts expect distillate stocks to have fallen by 2 MMbbl, which would be bullish in the face of the current reinforcing shot of arctic air hitting the Northeast this weekend. The survey also expects a 1 MMbbl build in crude inventories, a somewhat neutral to bullish figure when upcoming turnaround schedules are considered. I'm a bull if distillate figures turn out to be right. With the high storage report due out tomorrow this market will only drift lower if I'm wrong.

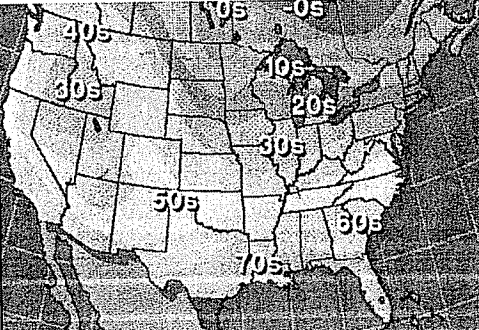


Access Trading	1/26/2005	8:29 AM	Natural Gas	\$6.395	(0.8¢)
WTI Crude	\$49.200	(\$0.44)	IPE Brent	\$46.530	(\$0.44)

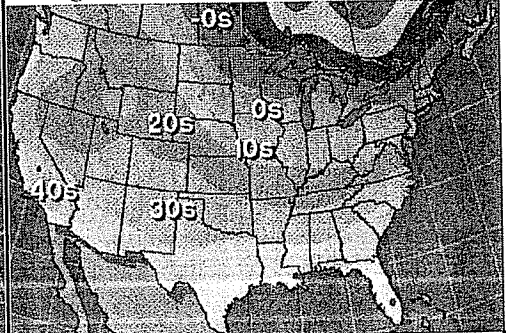
**10 Day Temperature Outlook...**



**Today's High Temperatures...**



**Tonight's Low Temperatures...**



**Weather Briefs** – Northeast Sees Next Snowstorm – West Sees Rain...Moderate Temps – Upper Midwest Sees Lake Effect Snow

**Storage...**

**Storage withdrawal of 230 Bcf this week...**

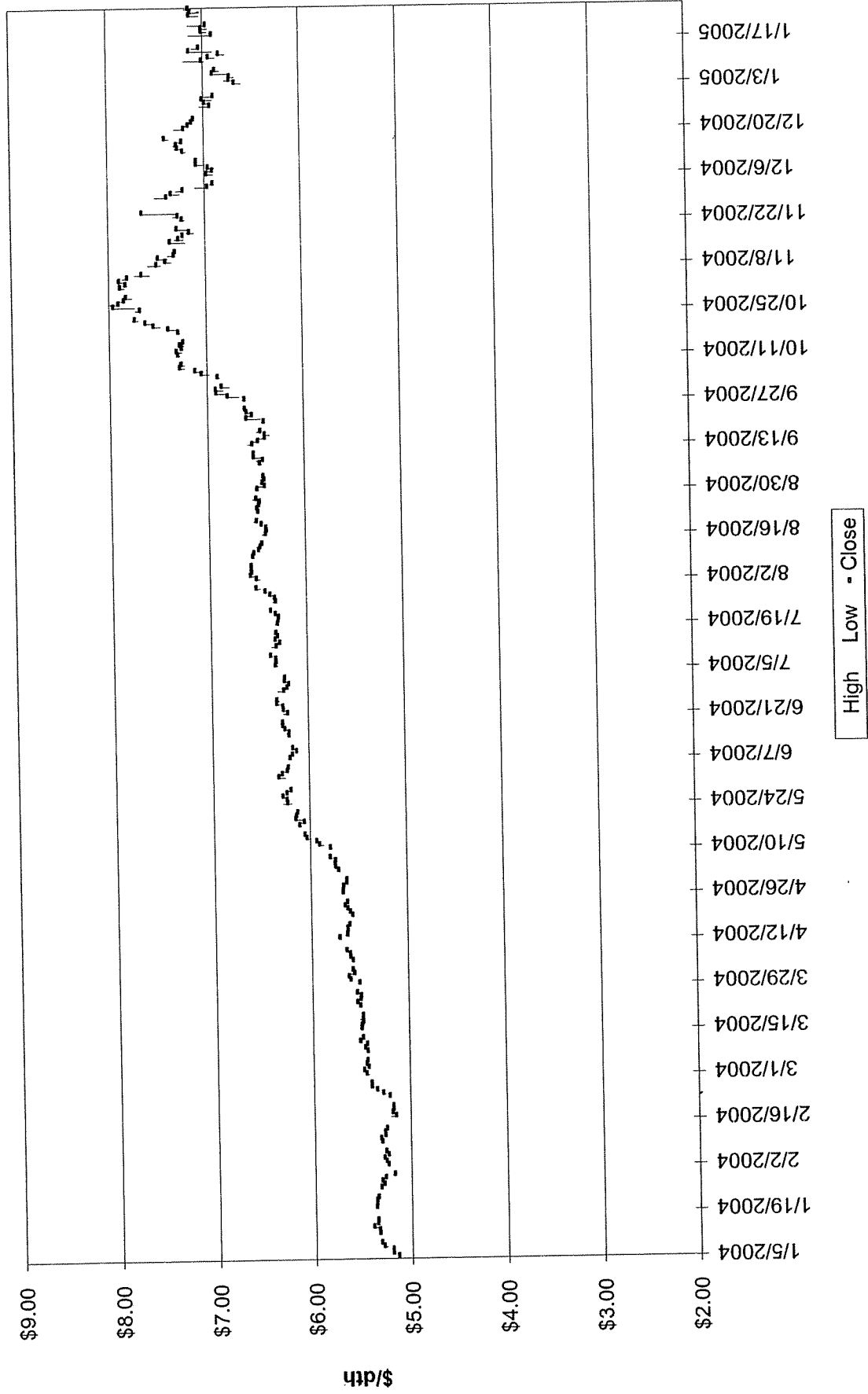
According to NOAA, last week was the coldest week so far this season with 247 gas heating degree-days, 22 degree-days above normal for the week. Confirming that fact are all the people reporting expectations for what should be the largest draw of the season to date tomorrow, which is ostensibly responsible for limited movement the downside. Expectations run from 185 to 235 billion cubic feet. This will compare to last year's draw of 195 Bcf and the five-year average of 165 Bcf.

**Sigmats... Continued Cold in the Northeast**

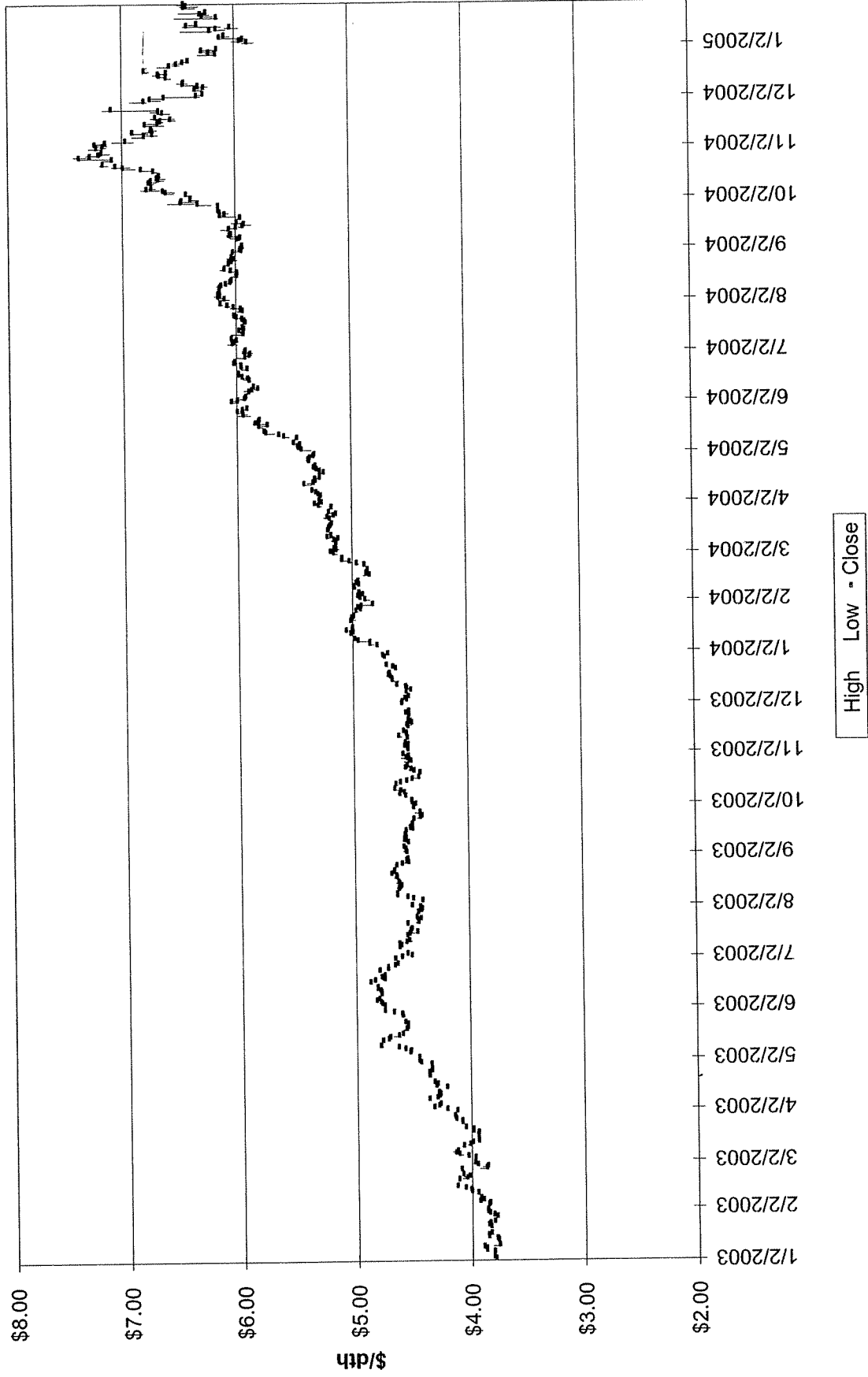


While temperatures will generally moderate this week across most of the East, expect the Northeast to remain locked in mid-winter cold. Highs will generally reach the 20s to low 30s in the cities of Boston and New York through today, although a reinforcing shot of arctic air will bring even colder readings for the end of this week. Daytime temperatures at that time will struggle through the teens and low 20s, and even the mid-Atlantic will also see maxes drop back to the 20s and low 30s late this week.

# Winter Strip Dec05 - Mar06



# Summer Strip April - October 2005



Gas Commercial Operations  
Price Mitigation Program  
Market Indicators Summary  
February 23, 2005

Weather	Price Pressure	Comments
Long Term Weather Forecast	↔	Earthsat. ENSO analogs = warmer summer QBO analogs = cooler summer SSI. " ...nothing looks too exciting for this summer ..."
Short Term Weather (30 days)	↑ ↓	Earthsat. Below normal March, except West & SouthEast WSI. "March will be warmer than normal in all regions of the United States except for parts of the Southwest"
6-10 day forecast	↑	Colder than normal start to March.
Tropical Storm Activity	↔	Hurricane season is June - November.
<b>Storage Inventory</b>		
EIA Weekly Storage Report	↓	Storage withdraws for week ending February 11 were 98 BCF, which was lower than expectations. Storage levels are now 22% higher than last year at 1.8 TCF.
<b>Industry Publications</b>		
Cambridge Energy Research Associates <i>Summer 2005: \$6.014</i> <i>Winter 05-06: \$6.24</i>	↓	Headline: "North American Gas Prices to Decline in March"
Paribas	↔	Prices not likely to break out of \$5.90-6.50 range.
CM&T	↔	No update since 2/17.
Conoco Morning Briefing	↓	"...bearishness at this point in the week and on this side of coming frigid temps will be muted, but don't forget the very bearish storage report I'm expecting tomorrow"
<b>Government Agencies</b>		
Energy Information Administration <i>Summer 2005: \$4.90</i> <i>Winter 05-06: \$5.35</i>	↓	Forecasted prices well below current NYMEX.
<b>Technical Analysis</b>		
Winter 2005-06 Strip Chart	↔	Rangebound: 6.80 - 7.20
Summer 2005 Strip Chart	↔	Rangebound: 6.10 - 6.60
Rig Count	↑	+10 for February 22nd report.
<b>Economy</b>		
Demand	↑	EIA: "In response to continued economic growth, natural gas demand is projected to increase by 3.0 percent in 2005."
Supply	↑	EIA: "domestic natural gas production in 2005 is projected to increase by 1.6 percent..."
Oil Market	↑	EIA: "WTI prices are likely to remain in the low- to mid-\$40's per barrel range throughout 2005-2006."

**Meeting Minutes:**

*Attendees: Patty Walker, Jim Henning, Bill Tucker, Jeff Kern, Don Schierenbeck, Al Hartkemeyer*

Despite a variety of bearish fundamentals, prices have remained over \$6.00 for the summer and \$7.00 for next winter. Prices have been relatively stable over January and February, but are likely to increase dramatically at any hints of bullish fundamentals. Prices will be closely monitored over the next two weeks. If there is movement in either direction, fixed prices will be locked in for 10% of summer base supply and 5% of next winter. If prices remain constant, these amounts will be locked in at the end of two weeks. This will give the market the opportunity to decline, as current fundamentals indicate, but not miss an opportunity to hedge if prices rise despite fundamental indicators.

**The Union Light Heat & Power Company  
Price Mitigation Program - Current Position  
As of 02/23/05**

	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
<b>Daily Base</b>												
Estimated Base (Gross)	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												
Cost Averaging (1)	2,300	2,300	2,300	2,300	2,300	2,300	2,300	1,000	1,000	1,000	1,000	1,000
Fixed Price (Occidental \$6.95)								1,100	1,100	1,100	1,100	1,100
Cost Averaging (2)								2,100	2,100	2,100	2,100	2,100
<b>Total PMP</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,300</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>
<b>Monthly Base</b>												
Estimated Base (Gross)	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												
Cost Averaging (1)	69,000	71,300	69,000	71,300	71,300	69,000	71,300	30,000	31,000	31,000	28,000	31,000
Fixed Price (Occidental \$6.95)								33,000	34,100	34,100	30,800	34,100
Cost Averaging (2)								63,000	65,100	65,100	58,800	65,100
<b>Total PMP</b>	<b>69,000</b>	<b>71,300</b>	<b>69,000</b>	<b>71,300</b>	<b>71,300</b>	<b>69,000</b>	<b>71,300</b>	<b>13.3%</b>	<b>9.3%</b>	<b>8.6%</b>	<b>9.3%</b>	<b>12.4%</b>
<b>% of Base Supply</b>	<b>15.3%</b>	<b>12.8%</b>	<b>12.8%</b>	<b>14.4%</b>	<b>13.5%</b>	<b>14.4%</b>	<b>38.3%</b>	<b>15.2%</b>	<b>9.3%</b>	<b>8.6%</b>	<b>9.3%</b>	<b>10.3%</b>
<b>Seasonal % of Base</b>												
<b>Normal Load (City Gate)</b>												
PMP (City Gate)	65,550	67,735	65,550	67,735	67,735	65,550	67,735	59,850	61,845	61,845	55,860	61,845
Storage Withdrawal	0	0	0	0	0	0	0	128,282	249,706	400,491	295,185	185,393
Market	818,512	586,188	413,176	451,779	416,798	384,988	575,007	1,089,665	1,694,455	1,807,279	1,433,804	1,283,141
Total (incl. Injections)	884,062	653,923	478,726	519,514	484,533	450,538	642,742	1,277,798	2,006,007	2,269,615	1,784,849	1,530,379
% PMP & Storage	7.4%	10.4%	13.7%	13.0%	14.0%	14.5%	10.5%	14.7%	15.5%	20.4%	19.7%	16.2%
<b>Seasonal %</b>												<b>17.6%</b>

(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 1,100 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price February 1, 2005 - March 31, 2005.

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

Date	Total Amount	Closing Price								Summer Strip	Total Cost	Locked in To Date
		April	May	June	July	August	Sept	October	Strip			
16-Sep	3.729	\$5.963	\$5.853	\$5.883	\$5.918	\$5.943	\$5.938	\$5.963	\$5.923	\$2,086.87	3.729	
17-Sep	3.729	\$6.045	\$5.920	\$5.948	\$5.980	\$6.005	\$5.995	\$6.020	\$5.988	\$2,127.85	3.729	
20-Sep	3.729	\$6.012	\$5.887	\$5.919	\$5.929	\$5.917	\$5.967	\$5.987	\$5.957	\$2,214.72	3.729	
21-Sep	3.729	\$6.197	\$6.062	\$6.094	\$6.127	\$6.152	\$6.142	\$6.167	\$6.134	\$2,675.28	3.729	
22-Sep	3.729	\$6.162	\$6.027	\$6.057	\$6.087	\$6.112	\$6.092	\$6.117	\$6.093	\$2,722.40	3.729	
23-Sep	3.729	\$6.211	\$6.071	\$6.099	\$6.128	\$6.153	\$6.133	\$6.158	\$6.136	\$2,881.68	3.729	
24-Sep	3.729	\$6.226	\$6.086	\$6.113	\$6.140	\$6.165	\$6.148	\$6.173	\$6.150	\$2,933.88	3.729	
27-Sep	3.729	\$6.225	\$6.085	\$6.112	\$6.139	\$6.164	\$6.147	\$6.175	\$6.150	\$2,931.75	3.729	
28-Sep	3.729	\$6.421	\$6.271	\$6.296	\$6.321	\$6.345	\$6.325	\$6.349	\$6.333	\$3,614.16	3.729	
29-Sep	3.729	\$6.611	\$6.429	\$6.448	\$6.467	\$6.486	\$6.456	\$6.476	\$6.482	\$4,170.85	3.729	
30-Sep	3.729	\$6.615	\$6.419	\$6.436	\$6.456	\$6.475	\$6.445	\$6.465	\$6.473	\$4,137.82	3.729	
1-Oct	3.729	\$6.538	\$6.338	\$6.355	\$6.375	\$6.394	\$6.364	\$6.388	\$6.393	\$3,840.03	3.729	
4-Oct	3.729	\$6.580	\$6.375	\$6.392	\$6.412	\$6.431	\$6.401	\$6.425	\$6.431	\$3,980.67	3.729	
5-Oct	3.729	\$6.804	\$6.599	\$6.572	\$6.589	\$6.604	\$6.569	\$6.589	\$6.612	\$4,657.21	3.729	
6-Oct	3.729	\$6.819	\$6.579	\$6.594	\$6.614	\$6.631	\$6.598	\$6.619	\$6.636	\$4,745.64	3.729	
7-Oct	3.729	\$6.978	\$6.728	\$6.743	\$6.763	\$6.780	\$6.740	\$6.760	\$6.785	\$5,299.67	3.729	
8-Oct	3.729	\$6.930	\$6.680	\$6.697	\$6.720	\$6.737	\$6.697	\$6.720	\$6.740	\$5,133.99	3.729	
11-Oct	3.729	\$6.954	\$6.704	\$6.721	\$6.744	\$6.761	\$6.726	\$6.749	\$6.766	\$5,228.82	3.729	
12-Oct	3.729	\$6.924	\$6.684	\$6.701	\$6.724	\$6.744	\$6.709	\$6.732	\$6.745	\$5,153.70	3.729	
13-Oct	3.729	\$6.800	\$6.630	\$6.650	\$6.680	\$6.700	\$6.635	\$6.655	\$6.695	\$4,965.66	3.729	
14-Oct	3.729	\$6.813	\$6.623	\$6.640	\$6.665	\$6.690	\$6.660	\$6.683	\$6.691	\$4,949.14	3.729	
15-Oct	3.729	\$6.845	\$6.605	\$6.625	\$6.650	\$6.675	\$6.637	\$6.660	\$6.671	\$4,876.16	3.729	
18-Oct	3.729	\$6.904	\$6.654	\$6.674	\$6.699	\$6.724	\$6.686	\$6.709	\$6.721	\$5,064.21	3.729	
19-Oct	3.729	\$7.033	\$6.763	\$6.783	\$6.808	\$6.833	\$6.795	\$6.818	\$6.833	\$5,481.32	3.729	
20-Oct	3.729	\$7.208	\$6.928	\$6.948	\$6.968	\$6.988	\$6.945	\$6.968	\$6.993	\$6,077.96	3.729	
21-Oct	3.729	\$7.276	\$6.985	\$7.000	\$7.029	\$7.051	\$7.018	\$7.038	\$7.055	\$6,346.98	3.729	
22-Oct	3.729	\$7.424	\$7.089	\$7.109	\$7.134	\$7.158	\$7.125	\$7.150	\$7.170	\$6,736.40	3.729	
25-Oct	3.729	\$7.332	\$7.002	\$7.025	\$7.053	\$7.077	\$7.045	\$7.072	\$7.087	\$6,425.82	3.729	
26-Oct	3.729	\$7.685	\$7.295	\$7.315	\$7.340	\$7.360	\$7.320	\$7.345	\$7.380	\$7,520.02	3.729	
27-Oct	3.729	\$7.550	\$7.200	\$7.222	\$7.250	\$7.270	\$7.230	\$7.250	\$7.283	\$7,150.84	3.729	
28-Oct	3.729	\$7.472	\$7.122	\$7.144	\$7.172	\$7.192	\$7.157	\$7.187	\$7.207	\$6,873.30	3.729	
29-Oct	3.729	\$7.438	\$7.093	\$7.115	\$7.143	\$7.168	\$7.133	\$7.163	\$7.179	\$6,770.49	3.729	
1-Nov	3.729	\$7.484	\$7.139	\$7.161	\$7.191	\$7.216	\$7.181	\$7.211	\$7.226	\$6,946.29	3.729	
2-Nov	3.729	\$7.419	\$7.084	\$7.106	\$7.136	\$7.161	\$7.124	\$7.154	\$7.169	\$6,733.73	3.729	
3-Nov	3.729	\$7.500	\$7.160	\$7.180	\$7.205	\$7.230	\$7.190	\$7.220	\$7.241	\$7,000.62	3.729	
4-Nov	3.729	\$7.359	\$7.069	\$7.091	\$7.119	\$7.144	\$7.104	\$7.139	\$7.146	\$6,649.03	3.729	
5-Nov	3.729	\$7.139	\$6.899	\$6.921	\$6.949	\$6.974	\$6.934	\$6.969	\$6.969	\$5,988.47	3.729	
8-Nov	3.729	\$6.900	\$6.740	\$6.762	\$6.792	\$6.817	\$6.782	\$6.822	\$6.803	\$5,367.85	3.729	
9-Nov	3.729	\$6.820	\$6.680	\$6.695	\$6.720	\$6.735	\$6.700	\$6.738	\$6.729	\$5,088.71	3.729	
10-Nov	3.729	\$7.001	\$6.851	\$6.871	\$6.901	\$6.919	\$6.889	\$6.916	\$6.907	\$5,755.67	3.729	
11-Nov	3.729	\$6.804	\$6.674	\$6.692	\$6.722	\$6.740	\$6.712	\$6.744	\$6.728	\$5,007.11	3.729	
12-Nov	3.729	\$6.816	\$6.691	\$6.706	\$6.731	\$6.751	\$6.726	\$6.751	\$6.739	\$5,129.20	3.729	
15-Nov	3.729	\$6.872	\$6.747	\$6.767	\$6.792	\$6.812	\$6.782	\$6.802	\$6.796	\$5,340.69	3.729	
16-Nov	3.729	\$6.742	\$6.622	\$6.647	\$6.677	\$6.697	\$6.676	\$6.702	\$6.680	\$4,911.32	3.729	
17-Nov	3.729	\$6.744	\$6.594	\$6.619	\$6.649	\$6.664	\$6.644	\$6.664	\$6.654	\$4,811.70	3.729	
18-Nov	3.729	\$6.632	\$6.497	\$6.529	\$6.562	\$6.582	\$6.562	\$6.587	\$6.564	\$4,478.75	3.729	
19-Nov	3.729	\$6.776	\$6.631	\$6.663	\$6.696	\$6.716	\$6.696	\$6.721	\$6.700	\$4,903.77	3.729	
22-Nov	3.729	\$6.695	\$6.570	\$6.604	\$6.634	\$6.658	\$6.638	\$6.663	\$6.638	\$4,753.10	3.729	
23-Nov	3.729	\$6.741	\$6.601	\$6.636	\$6.671	\$6.691	\$6.671	\$6.694	\$6.672	\$4,880.42	3.729	
24-Nov	3.729	\$7.249	\$7.019	\$7.049	\$7.079	\$7.094	\$7.069	\$7.089	\$7.093	\$6,448.20	3.729	
29-Nov	3.729	\$6.887	\$6.737	\$6.769	\$6.801	\$6.819	\$6.794	\$6.817	\$6.803	\$5,369.99	3.729	
30-Nov	3.729	\$6.815	\$6.680	\$6.715	\$6.750	\$6.770	\$6.742	\$6.765	\$6.748	\$5,163.82	3.729	
1-Dec	3.729	\$6.978	\$6.553	\$6.588	\$6.623	\$6.643	\$6.643	\$6.641	\$6.621	\$4,688.11	3.729	
2-Dec	3.729	\$6.343	\$6.265	\$6.308	\$6.351	\$6.371	\$6.348	\$6.371	\$6.337	\$3,629.61	3.729	
3-Dec	3.729	\$6.281	\$6.206	\$6.247	\$6.292	\$6.312	\$6.292	\$6.316	\$6.278	\$3,410.66	3.729	
6-Dec	3.729	\$6.360	\$6.272	\$6.312	\$6.357	\$6.377	\$6.357	\$6.381	\$6.345	\$3,661.04	3.729	
7-Dec	3.729	\$6.281	\$6.203	\$6.243	\$6.284	\$6.304	\$6.284	\$6.308	\$6.272	\$3,389.80	3.729	
8-Dec	3.729	\$6.328	\$6.251	\$6.292	\$6.335	\$6.356	\$6.334	\$6.356	\$6.322	\$3,474.74	3.729	
9-Dec	3.729	\$6.461	\$6.384	\$6.425	\$6.468	\$6.485	\$6.464	\$6.484	\$6.454	\$4,065.37	3.729	
10-Dec	3.729	\$6.450	\$6.377	\$6.418	\$6.463	\$6.486	\$6.461	\$6.486	\$6.448	\$4,044.59	3.729	
13-Dec	3.729	\$6.605	\$6.530	\$6.571	\$6.616	\$6.639	\$6.609	\$6.629	\$6.600	\$4,610.87	3.729	
14-Dec	3.729	\$6.655	\$6.595	\$6.635	\$6.679	\$6.699	\$6.669	\$6.689	\$6.662	\$4,841.00	3.729	
15-Dec	3.729	\$6.667	\$6.607	\$6.647	\$6.691	\$6.711	\$6.681	\$6.701	\$6.672	\$4,880.42	3.729	
16-Dec	3.729	\$6.570	\$6.535	\$6.575	\$6.619	\$6.639	\$6.614	\$6.634	\$6.598	\$4,603.94	3.729	
17-Dec	3.729	\$6.900	\$6.805	\$6.823	\$6.845	\$6.865	\$6.810	\$6.830	\$6.800	\$5,356.13	3.729	
20-Dec	3.729	\$6.541	\$6.506	\$6.545	\$6.590	\$6.610	\$6.590	\$6.615	\$6.571	\$4,503.26	3.729	
21-Dec	3.729	\$6.475	\$6.445	\$6.484	\$6.529	\$6.549	\$6.524	\$6.549	\$6.508	\$4,267.80	3.729	
22-Dec	3.729	\$6.414	\$6.389	\$6.428	\$6.473	\$6.493	\$6.468	\$6.493	\$6.451	\$4,056.31	3.729	
23-Dec	3.729	\$6.353	\$6.343	\$6.382	\$6.427	\$6.447	\$6.427	\$6.452	\$6.404	\$3,821.11	3.729	
27-Dec	3.729	\$6.095	\$6.095	\$6.140	\$6.180	\$6.215	\$6.195	\$6.225	\$6.164	\$2,983.06	3.729	
28-Dec	3.729	\$6.149	\$6.159	\$6.202	\$6.250	\$6.275	\$6.255	\$6.285	\$6.225	\$3,213.03	3.729	
29-Dec	3.729	\$6.215	\$6.225	\$6.265	\$6.312	\$6.337	\$6.312	\$6.342	\$6.287	\$3,443.69	3.729	
30-Dec	3.729	\$6.065	\$6.090	\$6.130	\$6.180	\$6.205	\$6.180	\$6.210	\$6.151	\$2,938.68	3.729	
3-Jan	3.729	\$5.784	\$5.819	\$5.867	\$5.915	\$5.940	\$5.915	\$5.945	\$5.884	\$2,339.84	3.729	
4-Jan	3.729	\$5.863	\$5.893	\$5.935	\$5.978	\$6.003	\$5.973	\$6.003	\$5.950	\$2,186.48	3.729	
5-Jan	3.729	\$5.835	\$5.867	\$5.909	\$5.952	\$5.977	\$5.947	\$5.977	\$5.923	\$2,088.47	3.729	
6-Jan	3.729	\$6.050	\$6.075	\$6.115	\$6.155	\$6.177	\$6.145	\$6.170	\$6.127	\$2,846.52	3.729	
7-Jan	3.729	\$6.008	\$6.033	\$6.073	\$6.113	\$6.135	\$6.105	\$6.135	\$6.086	\$2,694.69	3.729	
10-Jan	3.729	\$6.146	\$6.164	\$6.202	\$6.240	\$6.260	\$6.228	\$6.256	\$6.214	\$3,170.94	3.729	
11-Jan	3.729	\$6.085	\$6.105	\$6.146	\$6.187	\$6.207	\$6.175	\$6.200	\$6.158	\$2,962.65	3.729	
12-Jan	3.729	\$5.952	\$5.982	\$6.023	\$6.065	\$6.085	\$6.055	\$6.085	\$6.035	\$2,502.92	3.729	
13-Jan	3.729	\$6.362	\$6.372	\$6.407	\$6.442	\$6.462	\$6.427	\$6.447	\$6.417	\$3,928.99	3.729	
14-Jan	3.729	\$6.292	\$6.284	\$6.316	\$6.349	\$6.369	\$6.334	\$6.354	\$6.328	\$3,598.18	3.729	
18-Jan	3.729	\$6.088	\$6.098	\$6.140	\$6.180	\$6.201	\$6.170	\$6.190	\$6.152	\$2,942.41	3.729	
19-Jan	3.729	\$6.222	\$6.224	\$6.264	\$6.304	\$6.328	\$6.298	\$6.318	\$6.280	\$3,417.05	3.729	
20-Jan	3.729	\$6.230	\$6.240	\$6.280	\$6.320	\$6.345	\$6.315	\$6.335	\$6.296	\$3,470.32	3.729	
21-Jan	3.729	\$6.176	\$6.188	\$6.231	\$6.273	\$6.299	\$6.270	\$6.293	\$6.247	\$3,296.66	3.729	
24-Jan	3.729	\$6.365	\$6.386	\$6.424	\$6.462	\$6.488	\$6.458	\$6.481	\$6.441	\$4,017.42	3.729	
25-Jan	3.729	\$6.354	\$6.362	\$6.402	\$6.442	\$6.469	\$6.440	\$6.465	\$6.419	\$3,936.98	3.729	
26-Jan	3.729	\$6.366	\$6.386	\$6.426	\$6.468	\$6.495	\$6.472	\$6.495	\$6.444	\$4,029.68	3.729	
27-Jan	3.729	\$6.322	\$6.345	\$6.385	\$6.427	\$6.455	\$6.435	\$6.455	\$6.403	\$3,876.39	3.729	
28-Jan	3.729	\$6.259	\$6.286	\$6.332	\$6.378	\$6.411	\$6.398	\$6.416	\$6.354	\$3,684.07	3.729	
31-Jan	3.729	\$6.346	\$6.376	\$6.424	\$6.472	\$6.507	\$6.495	\$6.516	\$6.448	\$4,045.66	3.729	
1-Feb	3.729	\$6.346	\$6.376	\$6.424	\$6.472	\$6.507	\$6.495	\$6.520	\$6.449	\$4,046.72	3.729	
2-Feb	3.729	\$6.394	\$6.424	\$6.474	\$6.524	\$6.559	\$6.547	\$6.572	\$6.499	\$4,235.30	3.729	
3-Feb	3.729	\$6.184	\$6.229	\$6.284	\$6.339	\$6.382	\$6.376	\$6.405	\$6.314	\$3,545.44	3.729	
4-Feb	3.729	\$6.130	\$6.180	\$6.238	\$6.296	\$						



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

	Total Amount	Closing Price					Winter Strip	Total Cost	Locked in To Date
		November	December	January	February	March			
1-Feb	4,051	\$6.845	\$7.160	\$7.385	\$7.359	\$7.156	\$7.181	29,090.23	4,051
2-Feb	4,051	\$6.892	\$7.207	\$7.429	\$7.403	\$7.200	\$7.226	29,273.34	4,051
3-Feb	4,051	\$6.735	\$7.060	\$7.290	\$7.265	\$7.065	\$7.083	28,693.23	4,051
4-Feb	4,051	\$6.691	\$7.016	\$7.246	\$7.221	\$7.022	\$7.039	28,515.80	4,051
7-Feb	4,051	\$6.612	\$6.942	\$7.172	\$7.147	\$6.952	\$6.965	28,215.22	4,051
8-Feb	4,051	\$6.766	\$7.086	\$7.311	\$7.281	\$7.081	\$7.105	28,782.36	4,051
9-Feb	4,051	\$6.753	\$7.070	\$7.293	\$7.260	\$7.060	\$7.087	28,710.25	4,051
10-Feb	4,051	\$6.768	\$7.084	\$7.304	\$7.271	\$7.071	\$7.100	28,760.48	4,051
11-Feb	4,051	\$6.748	\$7.068	\$7.291	\$7.261	\$7.066	\$7.087	28,708.63	4,051
14-Feb	4,051	\$6.755	\$7.075	\$7.300	\$7.270	\$7.075	\$7.095	28,741.85	4,051
15-Feb	4,051	\$6.826	\$7.146	\$7.369	\$7.339	\$7.144	\$7.165	29,024.60	4,051
16-Feb	4,051	\$6.786	\$7.111	\$7.336	\$7.306	\$7.116	\$7.131	28,887.68	4,051
17-Feb	4,051	\$6.665	\$7.005	\$7.235	\$7.210	\$7.030	\$7.029	28,474.48	4,051
18-Feb	4,051	\$6.672	\$7.017	\$7.252	\$7.228	\$7.050	\$7.044	28,534.43	4,051
22-Feb	4,051	\$6.890	\$7.235	\$7.470	\$7.440	\$7.250	\$7.257	29,398.11	4,051
23-Feb	4,051								
24-Feb	4,051								
25-Feb	4,051								
28-Feb	4,051								
1-Mar	4,051								
2-Mar	4,051								
3-Mar	4,051								
4-Mar	4,051								
7-Mar	4,051								
8-Mar	4,051								
9-Mar	4,051								
10-Mar	4,051								
11-Mar	4,051								
14-Mar	4,051								
15-Mar	4,051								
16-Mar	4,051								
17-Mar	4,051								
18-Mar	4,051								
21-Mar	4,051								
22-Mar	4,051								
23-Mar	4,051								
24-Mar	4,051								
28-Mar	4,051								
29-Mar	4,051								
30-Mar	4,051								
31-Mar	4,060								
Total	<u>166,100</u>							<u>\$431,810.67</u>	<u>60,765</u>
								\$7.1062	
								(\$0.0100)	
Basis to Columbia Gulf Onshore									
Price to be paid for 1,100 dth/day delivered November 1, 2005 to March 31, 2005:									\$7.0962

GET EARTHSAT'S LATEST LONGLEAD OUTLOOK on Thursday (2/10) WITH EARTHSAT LONGVIEW-  
AN UPGRADE TO THIS PRODUCT!

EarthSat Longcast Model Seasonal Outlook Discussion

February 8, 2004

Headlines: Seasonal to Above Normal For Summer- But Cautious

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

Latest Weekly Update of Longcast Tool:

The El Nino begins to fade to neutral...

The longer term trends are favoring variable weather this spring and seasonal to above normal temperatures this summer. We are very cautious regarding this forecast due to opposite indicators from the Quasi-Biennial Oscillation, which would favor a seasonal to below normal summer season. Given the state of the El Nino (trending to neutral, the thinking is to avoid ENSO analogs and focus mainly on QBO analogs). This scenario favors a cool June and July in the East with warmer weather for August.

Monthly Update Information:

Status

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](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](mailto:mrogers@earthsat.com)



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Updated: February 17th, 2005

To say this winter did not turn out as forecast is almost an understatement. This winter proved once again that we still have a lot to learn about the atmosphere. The weak EL Nino of 2004-05 turned out to be like no other El Nino. What's to come? The spring and early summer forecasts are based on a continuation of this split flow that has dominated our winter pattern. Typically a winter pattern breaks down in late April or May, so we will follow that trend. Beyond that, nothing looks to exciting for this summer with most locations averaging to near normal. The West has the best chances for any above normal temperatures.

The long range models from the National Weather Service that predict the Pacific sea surface temperatures, are showing a weakening of the El Nino this spring, which is well underway already. However, the models are now starting to show a return of the El Nino by next fall and winter.

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buying failed to drive prices in the NYMEX-stifled environment.

"Cash prices were pretty weak across the board and Rockies prices were at least 10 cents below first-of-the-month prices," the trader said. "So however you look at it, just made more sense to buy spot. The problem was there weren't too many people out there in need of incremental gas."

Spot price came off close to 20 cents in the Southwest even as forecasts called for pockets of unseasonably cold weather over the weekend—including temperatures in the 30s in New Mexico. El Paso Natural Gas in the Permian Basin fell more than 20 cents, as did Waha, while El Paso in the San Juan Basin came off nearly that much.

In California, the Pacific Gas and Electric city-gate lost about 17 cents, while Southern California Gas fell about the same amount as buying interest was lackluster.

—Market Staff Reports

## WSI predicts warm beginning, cool end to spring

March will be warmer than normal in all regions of the United States except for parts of the Southwest, private forecaster WSI said Friday. But April and May will bring below-average temperatures to much of the North and East.

The March forecast "should continue to put bearish fundamental pressure on natural gas prices," Andover, Mass.-based WSI said. "In addition, natural gas inventories are already 20% higher than the five-year average. With electrical loads moderating in March, the associated reduction in power generation demand is expected to exacerbate the already bearish fundamental picture. We expect these factors will conspire with the warmer-than-normal temperatures to pressure natural gas and on-peak power prices throughout the United States."

In April, WSI predicts above-normal readings across most of the Northeast, Northwest and Southwest—particularly California. But it projects cooler-than-average conditions in the Southeast, as well as the north-central and south-central regions.

"April is a shoulder month for both natural gas and power demand; shoulder months typically see muted demand and lower natural gas prices," WSI said. "With natural gas inventories likely to remain above average into this period, [we] expect bearish fundamentals to dominate in April. We add, however, that with cooler-than-normal temperatures expected for much of the remainder of the United States the price picture is a little mixed, and the downside may be limited."

For May, WSI said it expects cooler-than-normal weather in the Northeast—especially the New York City metropolitan area—and in the north-central, south-central and Southwest regions.

As a result, "the weakness in prices ... in April is expected to end by May. In fact, contango has already set into the natural gas forward curve, with prices rising each month through January 2006. It is extraordinary to see contango in the curve this early and demonstrates a general weakness in prompt-month contracts relative to the summer contracts."

That said, "we believe the widespread cooler-than-normal temperatures that are expected this May will have minimal impact on what is expected to be a bullish start to the injection season." MD

## Moody's: Reduced Sable reserves may hurt pipeline

Moody's Investors Service on Friday said it has placed under review for possible downgrade the A1 rating of the \$240 million senior secured bonds of the U.S. portion of Maritimes & Northeast Pipeline and the A1 rating of the C\$260 million senior secured notes of the Canadian portion.

Moody's said it is concerned about "several years of significant downward revisions in the reserve estimates for the Sable Offshore Energy Project" that feeds the gas pipeline, which runs from offshore Sable fields through the Canadian Maritimes to New England.

Sable producers are now estimating that field reserves might be close to 50% less than the original estimate of 3.7 Tcf that was expected when the pipelines began commercial operation in 1999, Moody's said.

"The magnitude of the Sable field decline within such a relatively short period of time reduces the magnitude of the margin against possible reserve depletion

## Weekly weighted average prices

	02/05-11 2005	02/12-18 2005	-/+
<b>Permian Basin Area</b>			
El Paso, Permian Basin	5.57	5.49	-8
Waha	5.61	5.53	-8
Transwestern, Permian Basin	5.51	5.43	-8
<b>East Texas-North Louisiana Area</b>			
Carthage Hub	5.79	5.74	-5
NGPL, Texok zone	5.80	5.78	-2
Texas Eastern, ETX	5.74	5.66	-8
Texas Gas, zone 1	6.08	5.97	-11
<b>East-Houston-Katy</b>			
Houston Shlp Channel	5.80	5.76	-5
Katy	5.79	5.73	-6
<b>South-Corpus Christi</b>			
Agua Dulce Hub	5.76	5.71	-5
NGPL, STX	5.76	5.73	-4
Tennessee, zone 0	5.78	5.74	-4
Texas Eastern, STX	5.75	5.68	-7
Transco, zone 1	5.70	5.71	+1
<b>Louisiana-Onshore South</b>			
ANR, La.	6.01	5.93	-8
Columbia Gulf, La.	6.07	6.00	-7
Columbia Gulf, mainline	6.15	6.08	-7
Florida Gas, zone 1	6.07	5.91	-16
Florida Gas, zone 2	6.22	6.09	-14
Florida Gas, zone 3	6.36	6.16	-20
Henry Hub	6.11	6.03	-8
NGPL, La.	6.03	5.94	-9
Southern Natural, La.	6.19	6.07	-12
Tennessee, La., 500 Leg	6.07	5.97	-9
Tennessee, La., 800 Leg	6.03	5.95	-9
Texas Eastern, WLA	5.96	5.83	-13
Texas Eastern, ELA	6.02	5.93	-9
Texas Gas, zone SL	6.09	5.99	-10
Transco, zone 2	6.14	5.98	-15
Transco, zone 3	6.22	6.09	-13
Trunkline, WLA	5.96	5.98	+3
Trunkline, ELA	6.06	5.99	-7
<b>Oklahoma</b>			
ANR, Okla.	5.63	5.58	-5
CenterPoint, East	5.76	5.70	-6
NGPL, Midcontinent	5.66	5.59	-7
Oneok, Okla.	5.67	5.59	-8
Panhandle, Tx.-Okla.	5.66	5.59	-7
Southern Star, Tx.-Okla.-Kan.	5.62	5.55	-7
<b>New Mexico-San Juan Basin</b>			
El Paso, Bondad	5.47	5.43	-5
El Paso, San Juan Basin	5.48	5.42	-6
<b>Rockies</b>			
CIG, Rocky Mountains	5.47	5.38	-9
Kern River, Opal plant	5.48	5.45	-3
Stanfield, Ore.	5.56	5.51	-5
Questar, Rocky Mountains	5.29	5.36	+6
Cheyenne Hub	5.61	5.54	-7
Northwest, Wyo. Pool	5.45	5.48	+3
Northwest, s. of Green River	5.39	5.32	-6
<b>Canadian Gas</b>			
Iroquois, receipts	6.73	6.62	-11
Niagara	6.44	6.44	+0
Northwest, Can. bdr. (Sumas)	5.49	5.49	+0
TCPL Alberta, AECO-C*	C6.24	C6.15	C-9
Emerson, Viking GL	5.81	5.79	-2
Dawn, Ontario	6.32	6.32	+0
GTN, Kingsgate	5.46	5.42	-4
Westcoast, station 2*	C6.25	C6.00	C-24



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

EARTH SAT

Wednesday

DAY

2/23/05

DATE

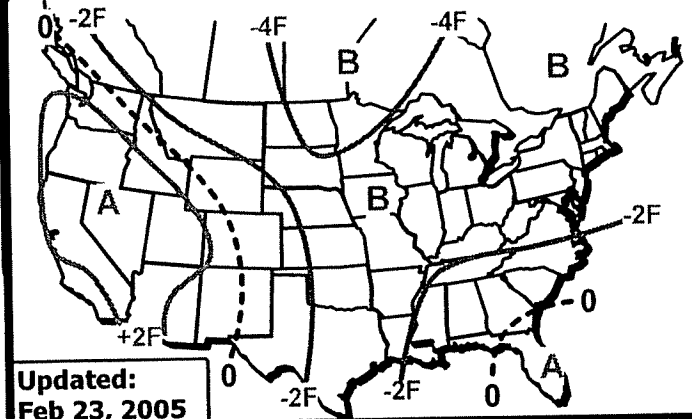
9:45 AM EDT

TIME

CH

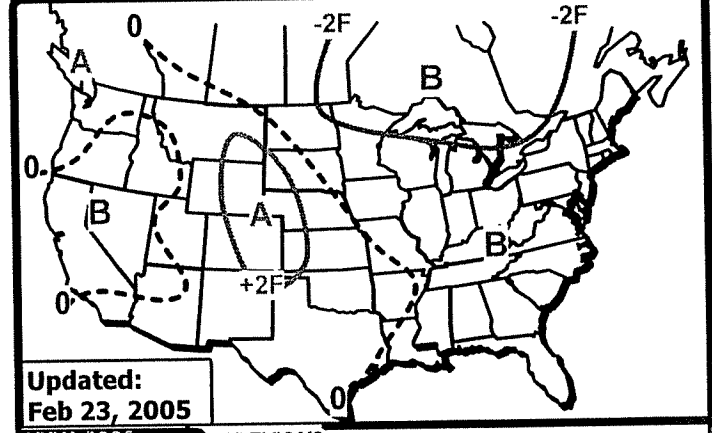
FORECASTER

## MARCH 2005



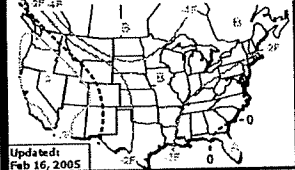
Updated:  
Feb 23, 2005

## APRIL 2005



Updated:  
Feb 23, 2005

### MARCH 2005 - PREVIOUS



Warmer N. Rockies (Calgary)  
Colder MidAtl./NE (NYC to D.C.)

With the latest forecast models thru the first third of the month (6-10 & 11-15 days forecasts) indicating re-enforcing shots of colder air for the Northeast, EarthSat has decided to cool down this region. More ridging is indicated for the northern Rockies and Calgary has been warmed up a bit. The least confident region seems to be Texas and the Deep South as the models seem warmer here but QBO analogs support cold readings.

### APRIL 2005 - PREVIOUS



No Changes to April 2005

The QBO analogs (from LongView) continue the themes from March with cooler than normal readings forecast for the Great Lakes. It does tend to be more volatile for the eastern half, however. Less ridging is indicated for the West and that means more of an opportunity for rainfall, particularly for the parched Pacific Northwest. This region could see above normal precipitation here but certainly not enough to get rid of the major deficits in place.

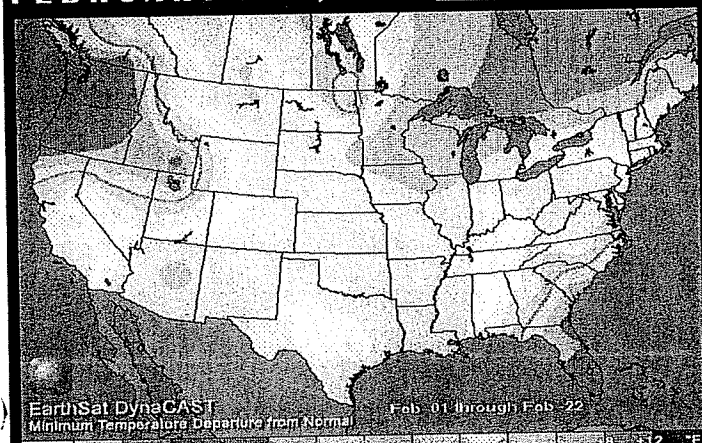
### March HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	933.0	857.0	858.0	740.0
Philadelphia	758.0	646.0	681.0	617.0
Houston	180.0	154.0	156.0	32.0

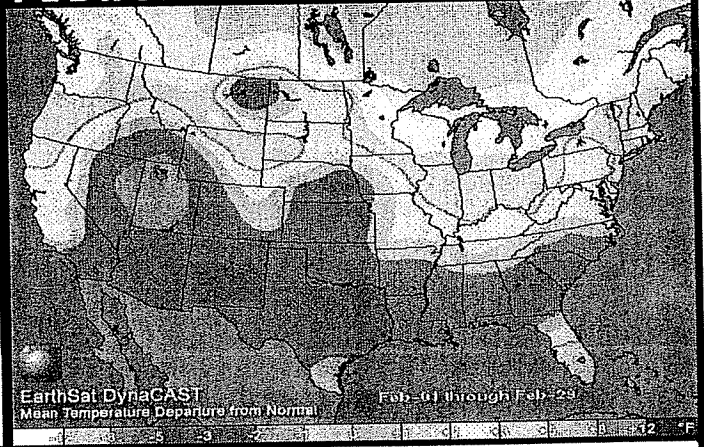
### April HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	543.0	505.9	513.0	452.0
Philadelphia	382.0	646.0	362.0	329.5
Houston	47.0	345.8	48.0	35.0

## FEBRUARY 1 - 22, 2005



## FEBRUARY 2004



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



# EarthSat's Energy Weather

## The 6 to 10 Day Forecast - Detailed Version

EARTHSAT

Wednesday

DAY

2/23/2005

DATE

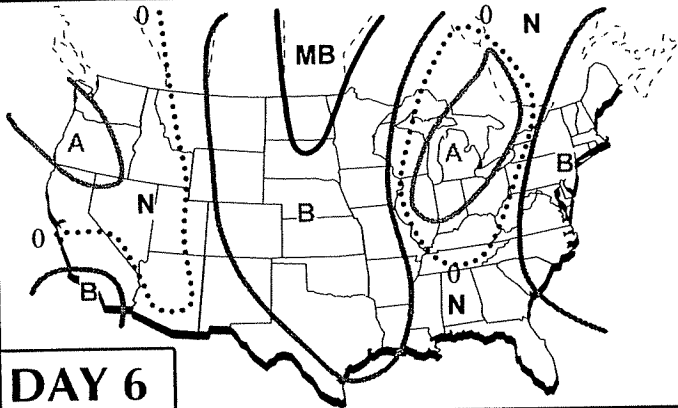
6:30 A.M.

TIME

DS

FORECASTER

### FORECAST TEMP. DEVIATIONS



FORECAST VALID: Monday, 2/28

CONFIDENCE: 6

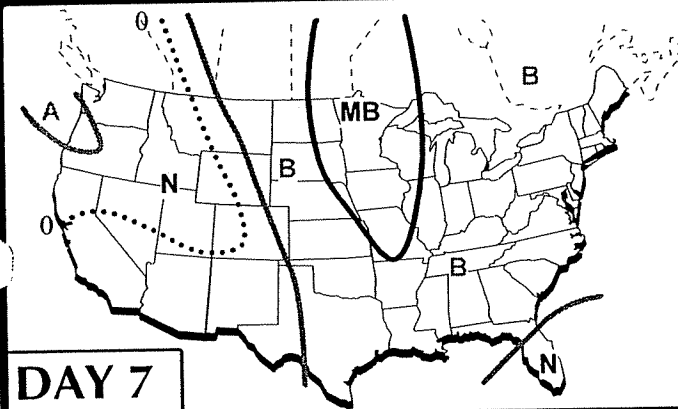
### DISCUSSION

#### Today's Changes.

The eastern Midwest, Plains and western Gulf Coast are colder.

#### Potential Problems with the Forecast:

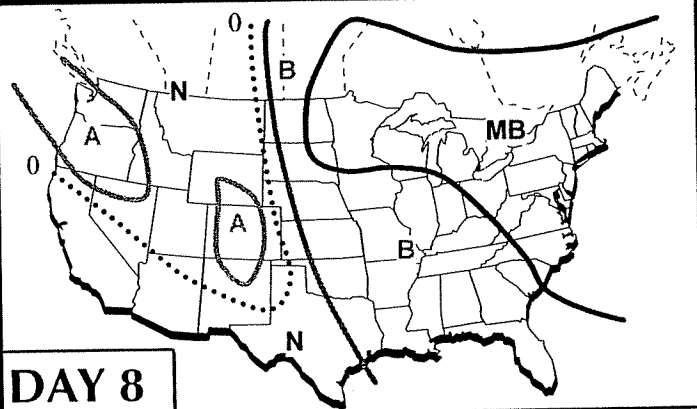
The European model was not as cold with the upper air trough over the Midwest and Northeast. However, that model also had a stronger storm during the period. Thus, it still gives a cold outlook but based on snow enhanced cooling. If the European has the right call on the weaker cold air mass and the storm is weaker than expected, the eastern U.S. could be milder than forecast.



FORECAST VALID: Tuesday, 3/01

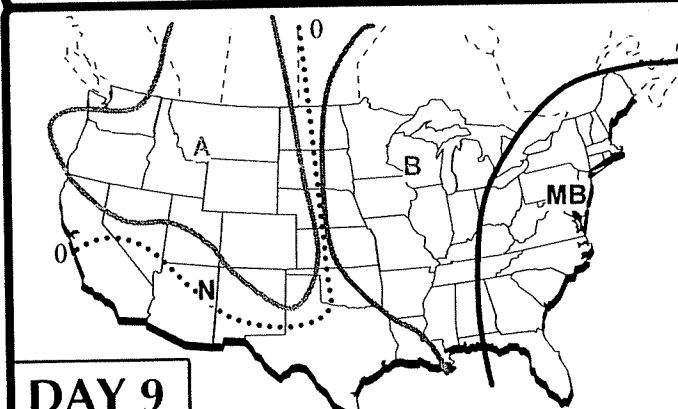
CONFIDENCE: 5

### FORECAST TEMP. DEVIATIONS



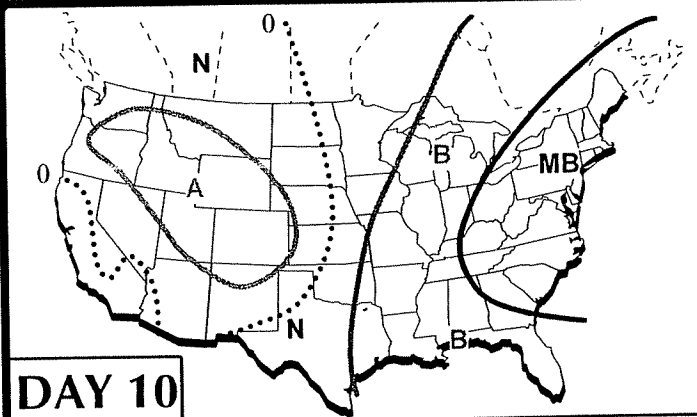
FORECAST VALID: Wednesday, 3/02

CONFIDENCE: 5



FORECAST VALID: Thursday, 3/03

CONFIDENCE: 4



FORECAST VALID: Friday, 3/04

CONFIDENCE: 3

### LEGEND

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

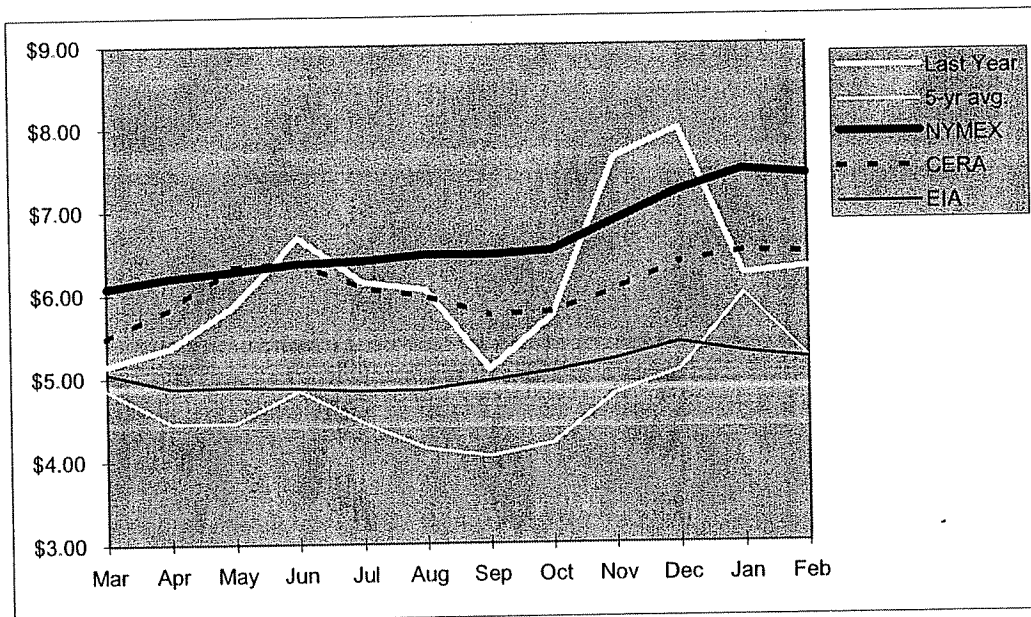
NORMAL  
 -2F TO +2F

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

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

## COMPARISON OF HISTORIC SPOT & PROJECTED PRICES TO CURRENT FUTURES PRICES

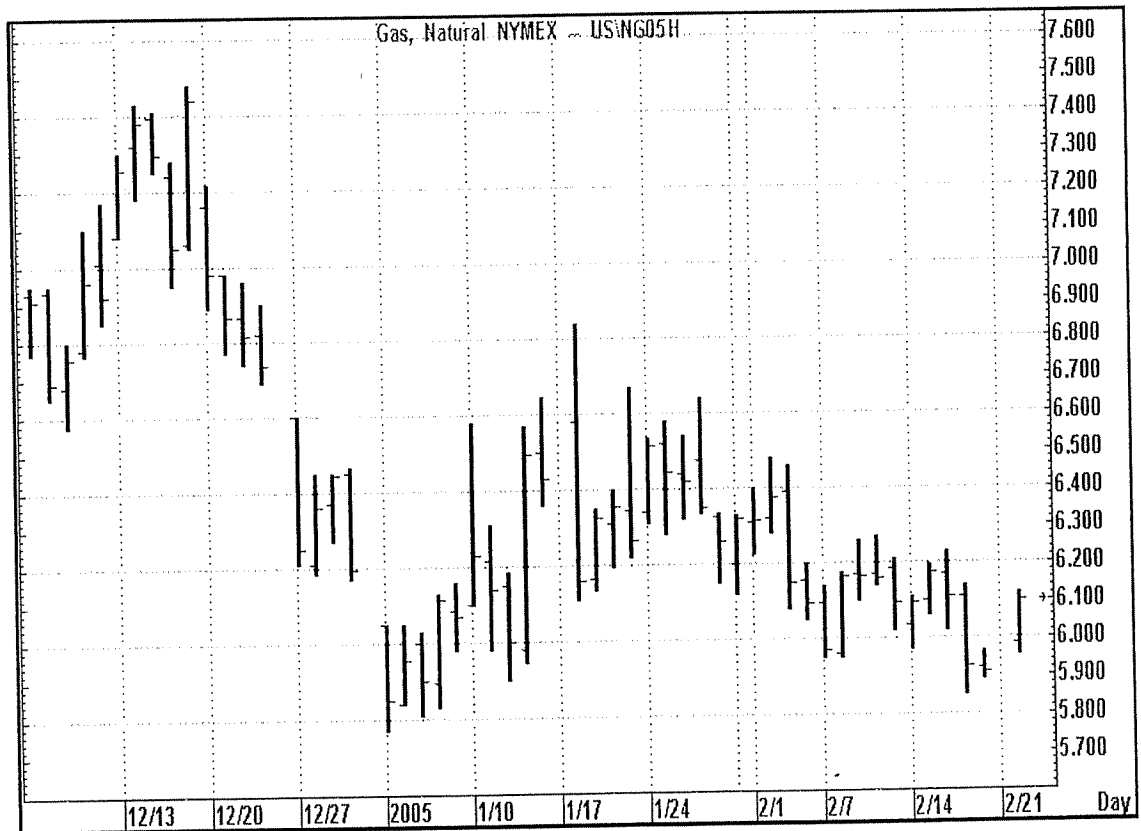
Historic Prices:						
NYMEX Closing Price						
	5-yr. avg. (99/00-03/04)	Last Year (2003-2004)		CERA 17-Feb-05	EIA 8-Feb-05	NYMEX 23-Feb-05
Mar	\$4.85	\$5.15		\$5.480	\$5.054	\$6.080
Apr	\$4.45	\$5.37		\$5.840	\$4.873	\$6.200
May	\$4.46	\$5.87		\$6.330	\$4.885	\$6.280
Jun	\$4.84	\$6.68		\$6.380	\$4.868	\$6.370
Jul	\$4.45	\$6.14		\$6.070	\$4.836	\$6.400
Aug	\$4.14	\$6.05		\$5.970	\$4.845	\$6.470
Sep	\$4.04	\$5.08		\$5.740	\$4.951	\$6.460
Oct	\$4.20	\$5.72		\$5.770	\$5.058	\$6.510
Nov	\$4.79	\$7.63		\$6.030	\$5.203	\$6.870
Dec	\$5.06	\$7.98		\$6.360	\$5.396	\$7.220
Jan	\$5.98	\$6.21		\$6.490	\$5.271	\$7.470
Feb	\$5.20	\$6.29		\$6.460	\$5.194	\$7.410
<b>12 Month Avg</b>	<b>\$4.71</b>	<b>\$6.18</b>		<b>\$6.077</b>	<b>\$5.036</b>	<b>\$6.645</b>
Summer Average				\$6.014	\$4.902	\$6.384
Winter Average				\$6.164	\$5.224	\$7.010



## Commentary

Reluctantly following crude on its expiry, March broke the 6030 level mid session on moderate volume. This is significant and with options expiry the following session, it is likely that the 6000 level remains an important level. In light of the amount of gas in overall storage and the fact that winter is getting closer to becoming spring, it is surprising that prices simply could not weaken significantly. The question now is whether or not prices can break out of the range seen since the beginning of the Feb contract: 5900-6500. It doesn't seem likely, but perhaps prices need to rally a bit to gain enough momentum to sell off violently through the 5800s.

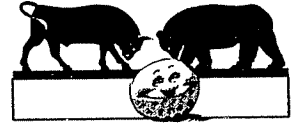
Scott Allen



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Wednesday, February 23, 2005

Unexpected Cold Forecasts And Surging Crude Market Lifts March



**Today: Bearish...Profit Taking**    **March Natural Gas Closed**    **Up 19.5¢ 30-Day: Bearish**

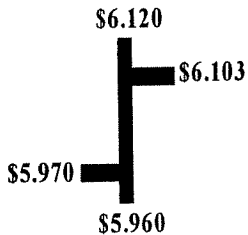
**Bottom Line** – Weather will still be on the mind of market watchers today, but look for slight profit taking ahead of tomorrow's DOE/API inventory numbers...delayed by one day due to the holiday. Bearishness has limited upside with yesterday's settlement on downtrend resistance. That was confusing... What I meant to say was that any bearishness at this point in the week and on this side of coming frigid temps will be muted, but don't forget the very bearish storage report I'm expecting tomorrow.

**Yesterday's Market**

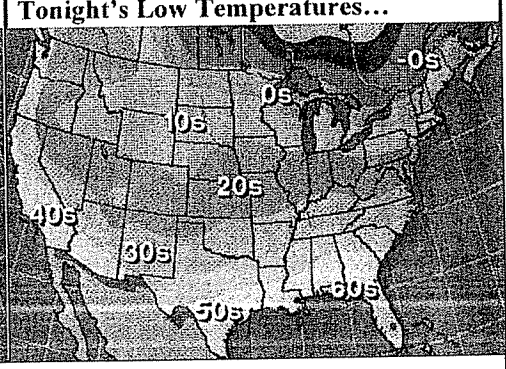
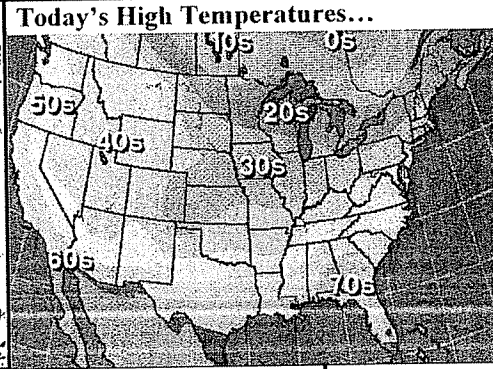
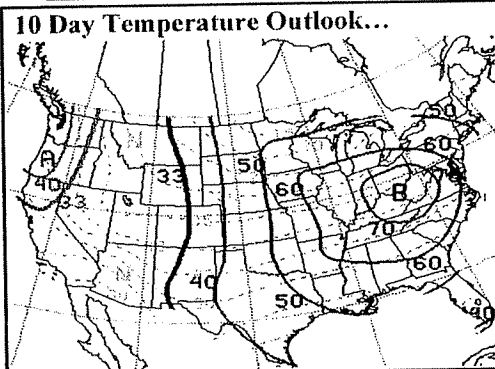
- Colder-than-normal temperatures in Europe and frosty weather in the Northeast supported higher product prices. NYMEX heating-oil futures led the gains in energy product futures, with March settling higher by 9.09¢, or 6.7%, at \$1.4402, while gasoline futures rose 4.55¢, or 3.5%, at \$1.3089, on a day that saw gains virtually everywhere. I'm not sure, but I think I heard that people found all of the elevators at the NYMEX building in New York stuck on the top floor this morning... Nothing, but nothing went down yesterday. The natural gas front month contract tacked on 19.5¢ to settle at \$6.103, up 3.3%, though this paled in comparison to NYMEX's March crude oil's \$2.80 day as it closed at \$51.15 -- its highest level since October.

**Today's Market**

- There was a lot of buying support once we moved above \$6. So now we're back across the psychologically significant mark that took us several weeks to breach, but it took very little energy, even in the face of overwhelmingly bearish fundamental data. I think that at the base of yesterday's heave in energy was an almost silent exogenous influence with a well known epithet...the dollar. A simple announcement yesterday morning will one day be studied and listed as one of the signals of a new world economic configuration. The new ecoworld isn't bad or good...it's just that...new. In a nutshell, South Korea announced that it would seek other hedging instruments...other currencies...than the dollar in its future investment strategy. With that the dollar's strength waned and the economic struts long established weakened. The manifestation of that significance was, of course, an increased value for energy commodities. So now you know...or maybe you knew all along, but were you long?

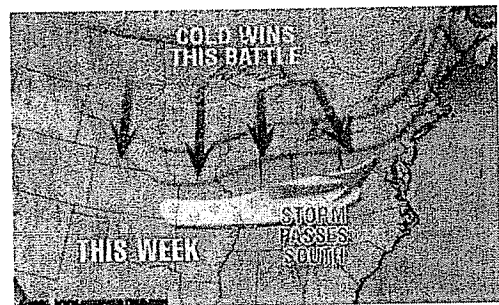


Access Trading	2/23/2005	8:29 AM	Natural Gas	\$6.070	(3.3¢)
WTI Crude	\$51.140	(\$0.28)	IPE Brent	\$48.250	(\$0.36)



**Weather Briefs** – Mid-winter Like Cold Returning To The Northeast – West Continues To See Rain, But Could Be Ending – Rain Is Forecast All Along The Southern Tier – Upper Midwest Could See First Signs Of Snow

**Signats... Northeast Goes Sub-Freezing, Again**



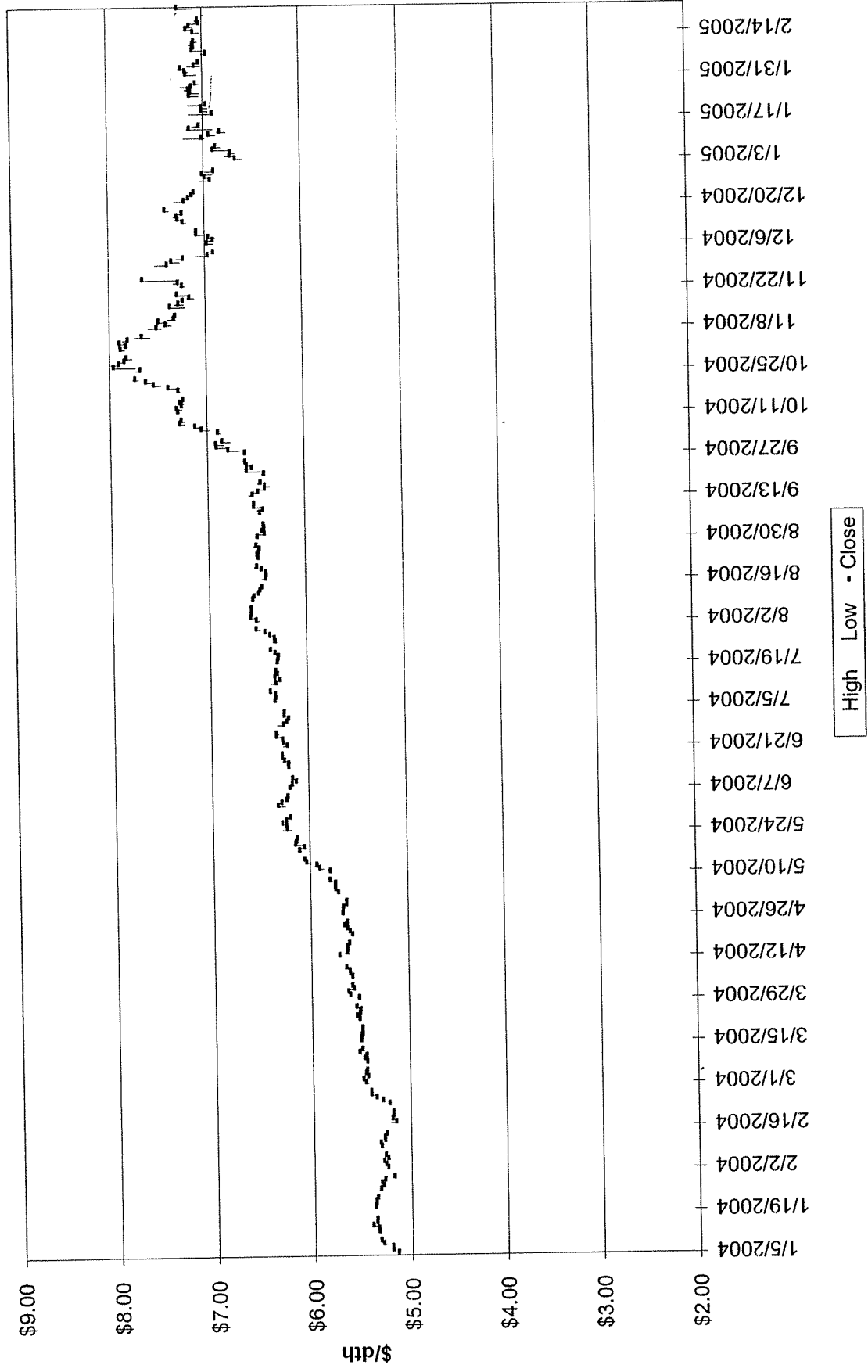
**Storage...**

*I'm looking for another bearish withdrawal...85 Bcf this week...*

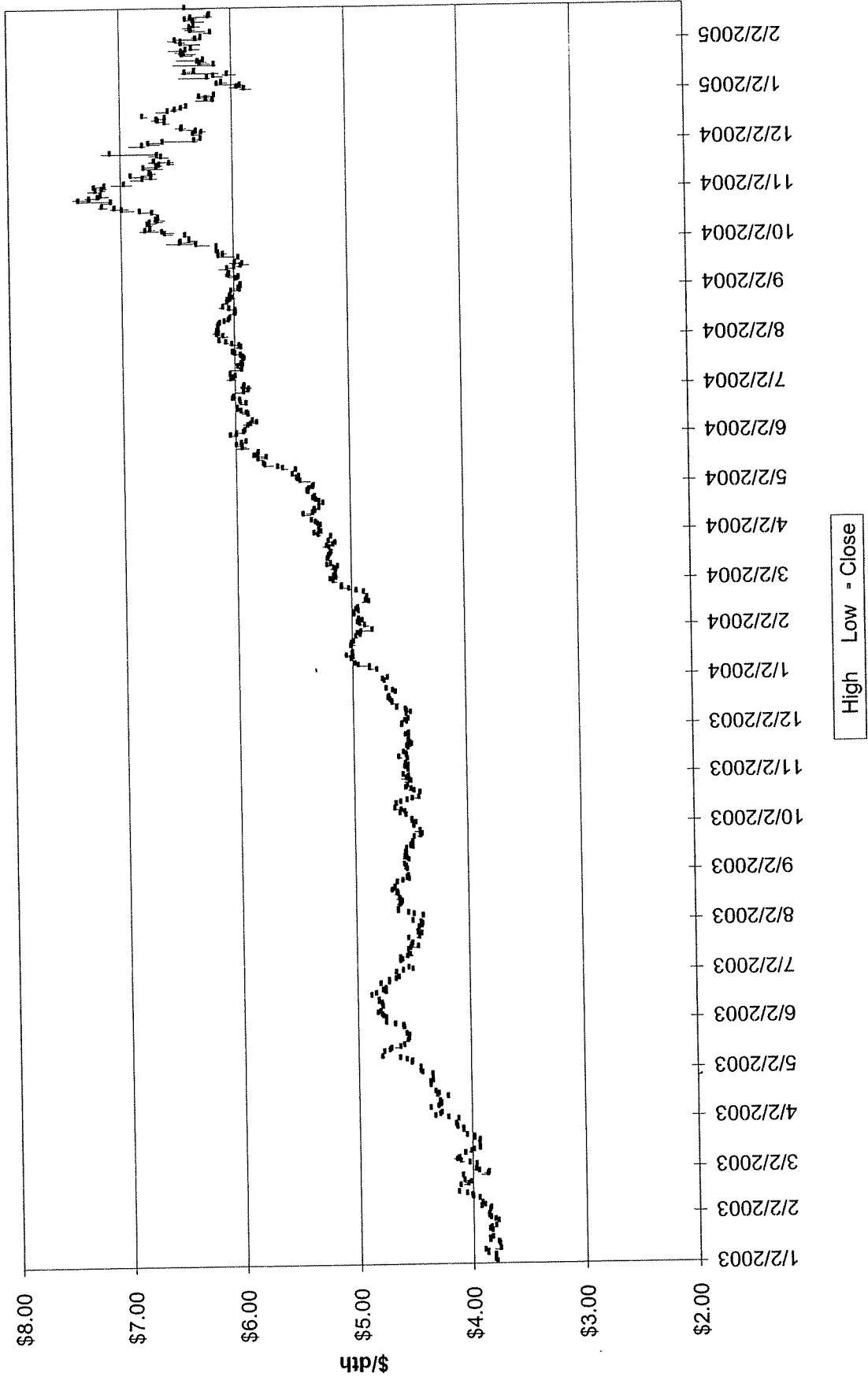
On the storage front, with mild weather depressing heating loads for the majority of last week, the market can look forward to another lackluster draw from stock in tomorrow's report. Early estimates are for a pull between 80 and 100 billion cubic feet, well under the 131 Bcf five-year average, and unbelievably below last year's 164 Bcf withdrawal for the same chronological equivalent.

The most significant mid-winter like weather will be felt in the Northeast through the weekend. Highs only in the upper 20s and 30s are forecast on the coldest days along the Boston-Washington corridor.

# Winter Strip Dec05 - Mar06



# Summer Strip April - October 2005



Gas Commercial Operations  
Price Mitigation Program  
Market Indicators Summary  
March 28, 2005

Weather	Price Pressure	Comments
Long Term Weather Forecast	↑ ↓	Earthsat: "Warmer for most of spring and summer Only June leans to the cool side..." WSI. " do not expect any significant warmth relative to normal until June..."
Short Term Weather (30 days)	↔	Below normal weather in April in Eastern half May extend heating season
6-10 day forecast	↔	April starting off Normal to Above Normal.
Tropical Storm Activity	↔	Hurricane season is June - November
<b>Storage Inventory</b>		
EIA Weekly Storage Report	↓	Storage withdraws for week ending March 18 were 89 BCF. which was within industry expectations Storage levels are now 24% higher than last year at 1.3 TCF.
<b>Industry Publications</b>		
Cambridge Energy Research Associates <i>Summer 2005: \$5.903</i> <i>Winter 05-06: \$6.082</i>	↓	"CERA's assessment of the natural gas market fundamentals... suggests that a jittery futures market has overreacted to a transitory, short-term event, yielding prices that are, in CERA's opinion, over the top."
Paribas	↑	" the likelihood of a violent sell of is very low "
CM&T	↓	"mild weather makes nat gas more bearish going into prompt expiration ... 7.02 was key support ... 6.82 next level. "
Conoco Morning Briefing	↓	"Don't look for prices to fall too far, however. The crude complex continues to show remarkable strength across several dimensions."
<b>Government Agencies</b>		
Energy Information Administration <i>Summer 2005: \$5.066</i> <i>Winter 05-06: \$6.265</i>	↓	"With the heating season now almost over and with ample storage, natural gas prices should ease over the next several months."
<b>Technical Analysis</b>		
Winter 2005-06 Strip Chart	↓	Peaked at \$8.40 50% retracement at \$7.71
Summer 2005 Strip Chart	↓	Peaked at \$7.60 50% retracement at \$6.88
Rig Count	↓	+13 for March 28th report.
<b>Economy</b>		
Demand	↓	EIA: "Natural gas demand is projected to increase by 2.2 percent in 2005, down from 3.0 percent projected in last month's Outlook "
Supply	↑	EIA: "domestic natural gas production in 2005 is now projected to increase by 0.5 percent . rather than by 1.6 percent..."
Oil Market	↑	EIA: ". crude oil price for the first quarter of 2005 has been revised upward to about \$48.70 per barrel..."

**Meeting Minutes:**

*Attendees: Patty Walker, Jim Henning, Bill Tucker, Jeff Kern, Bob Bandenburg, Laura Schmidt*

No additional hedging at this time. If prices move \$0.50/dth outside of the current range of hedges for the Summer of 2005 or next winter, then an additional 5% will be locked in. The purchasing period for the cost averaging for next winter ends on March 31. A larger amount (approximately 25%) of cost averaging for next winter will be arranged to start in April and run through the end of July 2005.

Three suppliers were contacted. Occidental bid + 01/dth, Conoco bid flat and CM&T bid - 0225/dth. Therefore, the cost averaging will be acquired through CM&T for 22,000 dth/day for CG&E and 5,500 dth/day for ULH&P. NYMEX strip prices will be averaged over the period April 4 through July 29th.

In order to stay within the bounds set by the Hedging Strategy, the Cost Averaging with CM&T was split into two separate deals. CG&E will purchase 8,000 dth/day and ULH&P will purchase 1,800 dth/day based on the NYMEX close from 4/4/05 - 5/31/05. CG&E will purchase 14,000 dth/day and ULH&P will purchase 3,700 dth/day based on the NYMEX close from 6/1/05 - 7/29/05.

**The Union Light Heat & Power Company  
Hedging Program - Current Position  
As of 03/28/05**

	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
<b>Daily Base</b>												
Estimated Base (Gross)	15,800	18,000	16,500	15,500	13,500	14,000	5,300	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	1,200	1,200	1,200	1,200	1,200
Cost Averaging (1)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,000	1,000	1,000	1,000	1,000
Fixed Price (Oneok \$7.06)	2,500							1,200	1,200	1,200	1,200	1,200
Fixed Price (Occidental \$6.855)								1,000	1,000	1,000	1,000	1,000
Fixed Price (Oneok \$8.00)								1,100	1,100	1,100	1,100	1,100
Fixed Price (Occidental \$6.95)								3,300	3,300	3,300	3,300	3,300
Cost Averaging (2)												
Total Hedged	6,300	3,800	3,800	3,800	3,800	3,800	3,800	3,300	3,300	3,300	3,300	3,300

	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
<b>Monthly Base</b>												
Estimated Base (Gross)	474,000	558,000	495,000	480,500	418,500	420,000	164,300	473,040	701,220	758,229	630,868	525,109
Hedged to date	69,000	71,300	69,000	71,300	71,300	69,000	71,300	36,000	37,200	37,200	33,600	37,200
Cost Averaging (1)	45,000	46,500	45,000	46,500	46,500	45,000	46,500	30,000	31,000	31,000	28,000	31,000
Fixed Price (Oneok \$7.06)	75,000	0	0	0	0	0	0	33,000	34,100	34,100	30,800	34,100
Fixed Price (Occidental \$6.855)								99,000	102,300	102,300	92,400	102,300
Fixed Price (Oneok \$8.00)								30,000	31,000	31,000	28,000	31,000
Fixed Price (Occidental \$6.95)								33,000	34,100	34,100	30,800	34,100
Cost Averaging (2)												
Total Hedged	189,000	117,800	114,000	117,800	117,800	114,000	117,800	99,000	102,300	102,300	92,400	102,300
% of Base Supply	39.9%	21.1%	23.0%	24.5%	28.1%	27.1%	71.7%	20.9%	14.6%	13.5%	14.6%	19.5%
Seasonal % of Base							29.5%					16.1%

	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06
<b>Normal Load (City Gate)</b>												
Hedged (City Gate)	179,550	111,910	108,300	111,910	111,910	108,300	111,910	94,050	97,185	97,185	87,780	97,185
Storage Withdrawal	0	0	0	0	0	0	0	128,282	249,706	400,491	295,185	185,393
Market	704,512	542,013	370,426	407,604	372,623	342,238	530,832	1,055,465	1,659,115	1,771,939	1,401,884	1,247,801
Total (incl. Injections)	884,062	653,923	478,726	519,514	484,533	450,538	642,742	1,277,798	2,006,007	2,269,615	1,784,849	1,530,379
% Hedged & Storage	20.3%	17.1%	22.6%	21.5%	23.1%	24.0%	17.4%	17.4%	17.3%	21.9%	21.5%	18.5%
Seasonal %							17.4%					19.5%

(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 1,100 dth/day from CM&T at Columbia Gulf Onshore based on the average NYMEX closing price February 1, 2005 - March 31, 2005.



**The Union Light Heat & Power Company  
Hedging Program for Winter 2005-06  
Cost Averaging with CM&T**

	Total Amount	Closing Price					Winter Strip	Total Cost	Locked in To Date
		November	December	January	February	March			
1-Feb	4,051	\$6.845	\$7.160	\$7.385	\$7.359	\$7.156	\$7.181	29,090.23	4,051
2-Feb	4,051	\$6.892	\$7.207	\$7.429	\$7.403	\$7.200	\$7.226	29,273.34	4,051
3-Feb	4,051	\$6.735	\$7.060	\$7.290	\$7.265	\$7.065	\$7.083	28,693.23	4,051
4-Feb	4,051	\$6.691	\$7.016	\$7.246	\$7.221	\$7.022	\$7.039	28,515.80	4,051
7-Feb	4,051	\$6.612	\$6.942	\$7.172	\$7.147	\$6.952	\$6.965	28,215.22	4,051
8-Feb	4,051	\$6.766	\$7.086	\$7.311	\$7.281	\$7.081	\$7.105	28,782.36	4,051
9-Feb	4,051	\$6.753	\$7.070	\$7.293	\$7.260	\$7.060	\$7.087	28,710.25	4,051
10-Feb	4,051	\$6.768	\$7.084	\$7.304	\$7.271	\$7.071	\$7.100	28,760.48	4,051
11-Feb	4,051	\$6.748	\$7.068	\$7.291	\$7.261	\$7.066	\$7.087	28,708.63	4,051
14-Feb	4,051	\$6.755	\$7.075	\$7.300	\$7.270	\$7.075	\$7.095	28,741.85	4,051
15-Feb	4,051	\$6.826	\$7.146	\$7.369	\$7.339	\$7.144	\$7.165	29,024.60	4,051
16-Feb	4,051	\$6.786	\$7.111	\$7.336	\$7.306	\$7.116	\$7.131	28,887.68	4,051
17-Feb	4,051	\$6.665	\$7.005	\$7.235	\$7.210	\$7.030	\$7.029	28,474.48	4,051
18-Feb	4,051	\$6.672	\$7.017	\$7.252	\$7.228	\$7.050	\$7.044	28,534.43	4,051
22-Feb	4,051	\$6.890	\$7.235	\$7.470	\$7.440	\$7.250	\$7.257	29,398.11	4,051
23-Feb	4,051	\$7.066	\$7.416	\$7.651	\$7.621	\$7.426	\$7.436	30,123.24	4,051
24-Feb	4,051	\$7.106	\$7.461	\$7.696	\$7.666	\$7.476	\$7.481	30,305.53	4,051
25-Feb	4,051	\$7.340	\$7.695	\$7.925	\$7.895	\$7.705	\$7.712	31,241.31	4,051
28-Feb	4,051	\$7.343	\$7.697	\$7.929	\$7.902	\$7.712	\$7.717	31,259.95	4,051
1-Mar	4,051	\$7.325	\$7.683	\$7.918	\$7.891	\$7.705	\$7.704	31,210.52	4,051
2-Mar	4,051	\$7.384	\$7.744	\$7.976	\$7.946	\$7.761	\$7.762	31,444.67	4,051
3-Mar	4,051	\$7.381	\$7.748	\$7.983	\$7.956	\$7.773	\$7.768	31,468.98	4,051
4-Mar	4,051	\$7.457	\$7.827	\$8.062	\$8.035	\$7.852	\$7.847	31,786.58	4,051
7-Mar	4,051	\$7.476	\$7.854	\$8.092	\$8.065	\$7.882	\$7.874	31,896.76	4,051
8-Mar	4,051	\$7.603	\$7.981	\$8.219	\$8.192	\$8.009	\$8.001	32,411.24	4,051
9-Mar	4,051	\$7.617	\$7.993	\$8.231	\$8.204	\$8.026	\$8.014	32,465.52	4,051
10-Mar	4,051	\$7.465	\$7.835	\$8.065	\$8.038	\$7.865	\$7.854	31,814.93	4,051
11-Mar	4,051	\$7.447	\$7.804	\$8.024	\$7.999	\$7.829	\$7.821	31,681.25	4,051
14-Mar	4,051	\$7.710	\$8.025	\$8.225	\$8.200	\$8.030	\$8.038	32,561.94	4,051
15-Mar	4,051	\$7.743	\$8.038	\$8.233	\$8.208	\$8.038	\$8.052	32,618.65	4,051
16-Mar	4,051	\$7.853	\$8.163	\$8.373	\$8.348	\$8.183	\$8.184	33,153.38	4,051
17-Mar	4,051	\$7.934	\$8.259	\$8.469	\$8.444	\$8.284	\$8.278	33,534.18	4,051
18-Mar	4,051	\$7.952	\$8.277	\$8.487	\$8.462	\$8.302	\$8.296	33,607.10	4,051
21-Mar	4,051	\$8.033	\$8.362	\$8.577	\$8.552	\$8.392	\$8.383	33,960.34	4,051
22-Mar	4,051	\$7.975	\$8.305	\$8.520	\$8.500	\$8.345	\$8.329	33,740.78	4,051
23-Mar	4,051	\$7.873	\$8.200	\$8.415	\$8.395	\$8.240	\$8.225	33,317.85	4,051
24-Mar	4,051	\$7.819	\$8.147	\$8.363	\$8.343	\$8.193	\$8.173	33,108.82	4,051
28-Mar	4,051								
29-Mar	4,051								
30-Mar	4,051								
31-Mar	4,060								
<b>Total</b>	<b>166,100</b>							<b>\$1,140,524.21</b>	<b>149,887</b>

Basis to Columbia Gulf Onshore

<b>Price to be paid for 1,100 dth/day delivered November 1, 2005 to March 31, 2005:</b>	<b>\$7.5992</b>
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GET EARTHSAT'S LATEST LONGLEAD OUTLOOK on Friday (4/8) WITH EARTHSAT LONGVIEW-- AN UPGRADE TO THIS PRODUCT!

EarthSat Longcast Model Seasonal Outlook Discussion

March 15, 2004

Headlines: Tropical Pacific Analogs are Still Warmer for Most of Spring and Summer. Only June Leans to the Cool Side in Northeast.

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

Latest Weekly Update of Longcast Tool:

According to the latest information, the NINO 3.4 is reporting a neutral situation with no El Nino present. Some may argue that since the NINO 4 region is still in the weak El Nino territory, that this still may be the case. Overall, the situation is either neutral or very, very weak El Nino. In these cases, the analogs do not typically perform as well (with less forcing from the Tropical Pacific). EarthSat's official forecasts for the spring/summer will continue to diverge from the straight ENSO analyses seen here in the Longcast.

Monthly Update Information:

Status

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](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](mailto:mrogers@earthsat.com)



*Graphic from Climate Prediction Center Web site*

Pacific Northwest) is fairly wet at the current time. A very active subtropical jet has resulted in a wet winter for much of the southern and eastern US. Also, a rather persistent Aleutian ridge will result in a continued inflow of Arctic air into the western hemisphere until at least the end of the month. Finally, our seasonal forecast models generally indicate widespread cold weather for much of April and May.

Most of the meteorological clues that we use in spring seasonal forecasting point towards a rather cold US spring this year. This would stand in stark contrast to last year, which was a record warm spring in the US. Since many of the typical indices we use in our forecasting models are somewhat similar to last year, this seeming contradiction is a bit of a concern. Another uncertainty will arise if the next few weeks are extraordinarily dry, depleting soil moisture reserves.

**In general, we do not expect any significant warmth, relative to normal until June, at which point we feel that much of the northern and central Plains will warm up considerably. We do not see any early heat in the East due to very wet ground and the fact that the other seasonal indices we use also indicate cool temperatures.**

Please click on the "model graphics" link under the discussion header in the Seasonal section of our Web page for more details on the raw output from the various climate and statistical models.

*Final model weighting used in WSI temperature forecast*

	APR	MAY	JUN	AMJ	MJJ
Climate	25	15	15	15	20
Stat 1	10	20	25	20	20
Stat 2	15	20	15	20	15
Stat 3	25	20	25	25	25
Stat 4	25	25	20	20	20



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

EARTHSAT

Wednesday

DAY

3/23/05

DATE

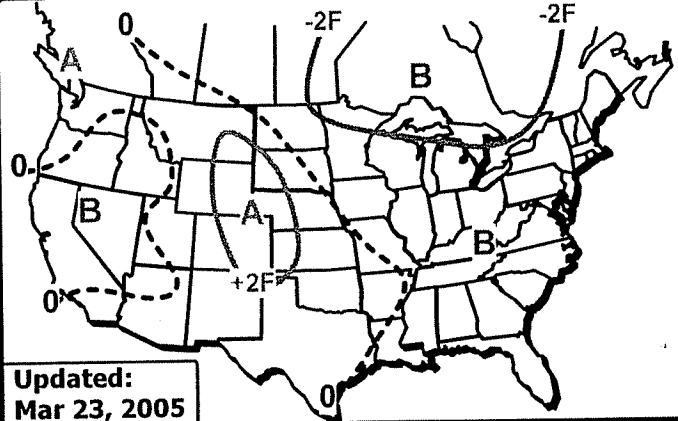
9:45 AM EDT

TIME

CH

FORECASTER

## APRIL 2005



Updated:  
Mar 23, 2005



April 2005 Remains the Same  
Seasonal to Cool Readings  
Still Forecast for East

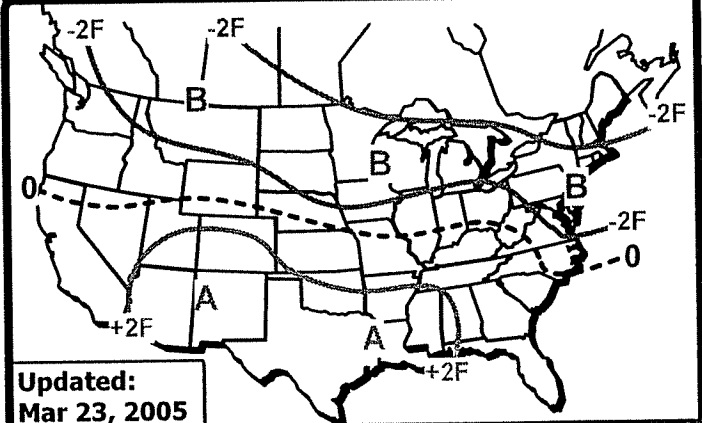
Updated:  
Mar 16, 2005

Once again, the April forecast will remain unchanged. Today's 11-15 day forecast takes us thru the 6th of the month. It looks as if warm anomalies are favored for the eastern third, at this point. With the amounts of volatility expected, there will be periods of cool conditions and the overall monthly averages to be mainly around seasonal. The QBO based analog years support the map portrayed above and EarthSat continues to side with this approach.

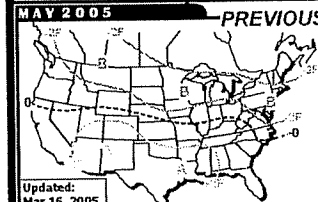
### April HDD Forecasts

	forecast	10-year	30-year	last year
Chicago	543.0	505.9	513.0	452.0
Philadelphia	382.0	346.0	362.0	329.5
Houston	47.0	39.0	48.0	35.0

## MAY 2005



Updated:  
Mar 23, 2005



No Changes to May Forecast  
Seasonal to Cool Temps  
Still Forecast for N. Tier

Updated:  
Mar 16, 2005

The QBO will continue into the negative category during May which supports seasonal to cool conditions with the exception of the Four Corners into the Deep South. EarthSat's QBO analog year approach also supports above normal precip. for the drought stricken PacNW. However, the rainfall will not be enough to cause the major deficits to be erased going into the summer. Expect ERCOT to have a warm month and dry conditions.

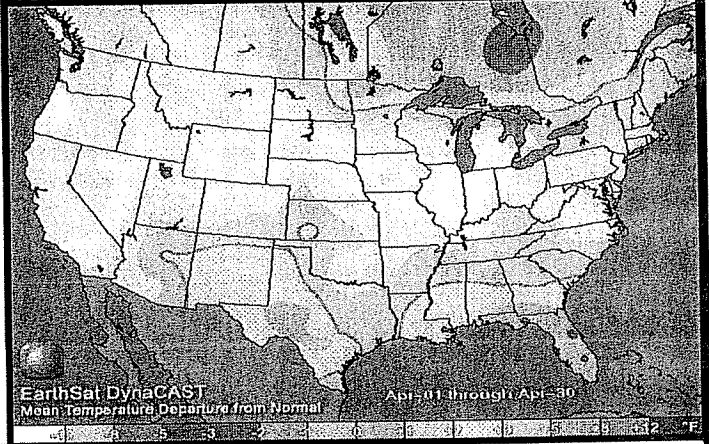
### May CDD Forecasts

	forecast	10-year	30-year	last year
Chicago	38.0	39.7	48.0	51.5
Philadelphia	59.0	71.5	70.0	180.0
Houston	375.0	392.8	328.0	370.0

## MARCH 1 - 22, 2005



## APRIL 2004



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



# EarthSat's Energy Weather

## The 6 to 10 Day Forecast - Detailed Version

EARTHSAT

Monday

DAY

3/28/2005

DATE

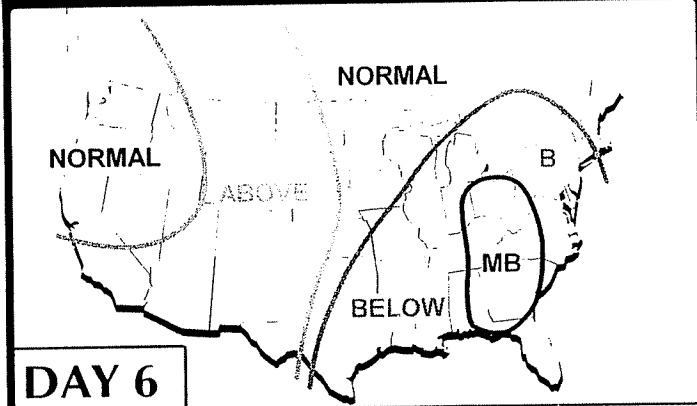
6:30 A.M.

TIME

MR

FORECASTER

### FORECAST TEMP. DEVIATIONS



DAY 6

FORECAST VALID: Saturday, 4/02

CONFIDENCE: 5

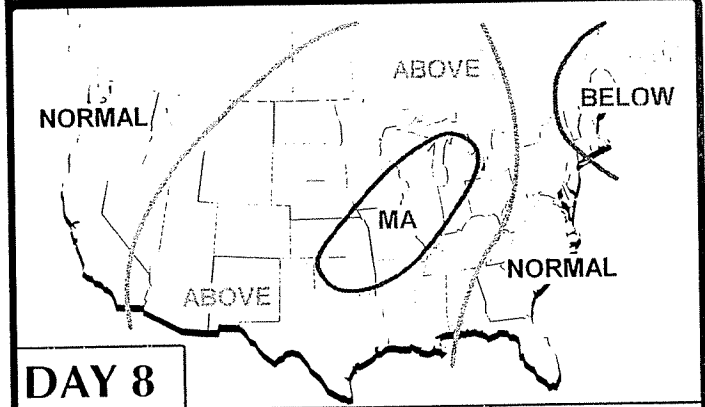
### DISCUSSION

#### Today's Forecast.

#### Another Weekend Storm for East Coast.

After some warming this week, the Eastern Seaboard is in for yet another cool and unsettled weather with temperatures ranging from below to much below (especially on highs). Warming is seen expanding in parts of the interior West and into the Plains. By early next week, much aboves are seen reaching into Chicago again. The progressive flow is expected to continue with above normals also approaching the East Coast. There is a concern (shown more on the Euro ensembles) that another cool storm could affect the East very late in the forecast period.

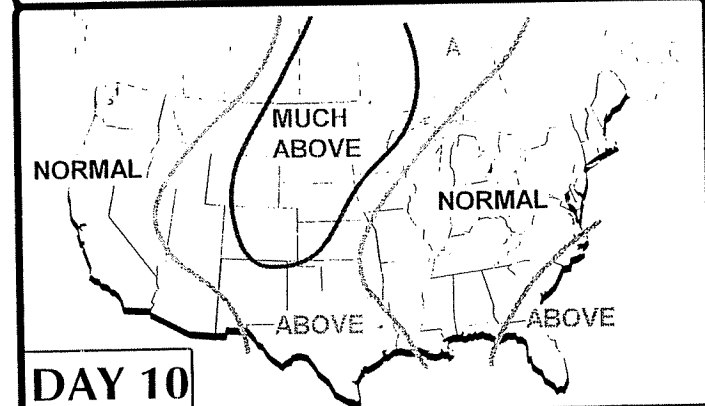
### FORECAST TEMP. DEVIATIONS



DAY 8

FORECAST VALID: Monday, 4/04

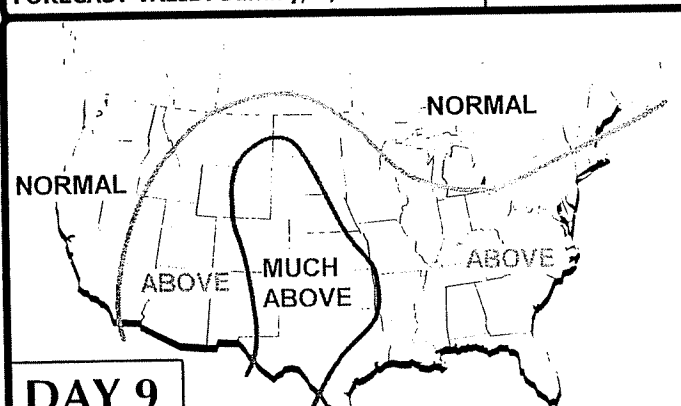
CONFIDENCE: 4



DAY 10

FORECAST VALID: Wednesday, 4/06

CONFIDENCE: 2



DAY 9

FORECAST VALID: Tuesday, 4/05

CONFIDENCE: 3

### LEGEND

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

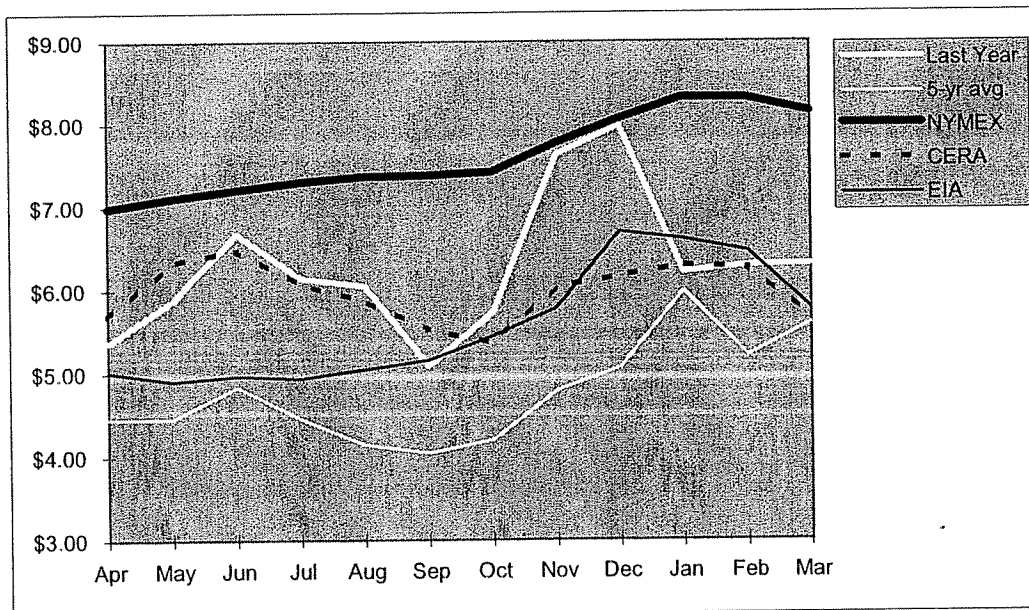
NORMAL  
 -2F TO +2F

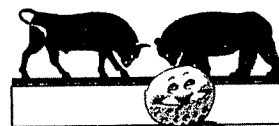
MUCH BELOW..... -8F OR DOWN  
 BELOW..... -7F TO -3F

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

## 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-Mar-05	EIA 8-Mar-05	NYMEX 28-Mar-05
Apr	\$4.45	\$5.37		\$5.690	\$5.015	<b>\$6.990</b>
May	\$4.46	\$5.87		\$6.330	\$4.906	<b>\$7.110</b>
Jun	\$4.84	\$6.68		\$6.480	\$4.966	<b>\$7.210</b>
Jul	\$4.45	\$6.14		\$6.070	\$4.935	<b>\$7.305</b>
Aug	\$4.14	\$6.05		\$5.870	\$5.045	<b>\$7.370</b>
Sep	\$4.04	\$5.08		\$5.520	\$5.154	<b>\$7.380</b>
Oct	\$4.20	\$5.72		\$5.360	\$5.439	<b>\$7.420</b>
Nov	\$4.79	\$7.63		\$6.030	\$5.779	<b>\$7.770</b>
Dec	\$5.06	\$7.98		\$6.160	\$6.697	<b>\$8.060</b>
Jan	\$5.98	\$6.21		\$6.290	\$6.604	<b>\$8.320</b>
Feb	\$5.20	\$6.29		\$6.260	\$6.463	<b>\$8.310</b>
Mar	\$5.59	\$6.30		\$5.670	\$5.783	<b>\$8.145</b>
12 Month Avg	<b>\$4.77</b>	<b>\$6.28</b>		<b>\$5.978</b>	<b>\$5.566</b>	<b>\$7.616</b>
Summer Average				\$5.903	\$5.066	\$7.255
Winter Average				\$6.082	\$6.265	\$8.121





Jim Duncan, Market Analyst  
(281) 293-1649

Email: James.W.Duncan@conocophillips.com

Monday, March 28, 2005

EIA Storage Report Deemed Bearish Ahead Of Extended Weekend



Today: **Bearish**      **April Natural Gas Closed**      **Down 7.6¢**      30-Day: **Bearish**

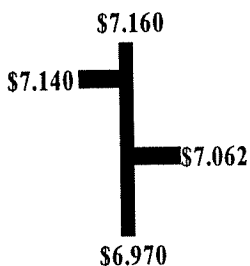
**Bottom Line** – Extended forecasts are calling for above normal temperatures for the foreseeable future. That alone will pressure prices at the front of the board. Don't look for prices to fall too far, however. The crude complex continues to show remarkable strength across several dimensions. What that means is that the energy complex, as a whole, will continue to experience rallies triggered from several different fundamental directions. That said, natural gas will no doubt benefit from this strength, keeping the front months supported.

*Yesterday's Market*

- April briefly dipped below \$7 Thursday after the Energy Information Administration released a slightly below-expectation storage withdrawal report of 89 Bcf. However, by midday the contract had rebounded to the \$7.05 level, down almost 9¢ from Wednesday's close of \$7.138. Traders and analysts had expected a withdrawal of 90 Bcf to 95 Bcf. The contract, which opened the day slightly higher at \$7.14, rose to a high of \$7.16 before dipping to a low of \$6.97 after the storage report release.

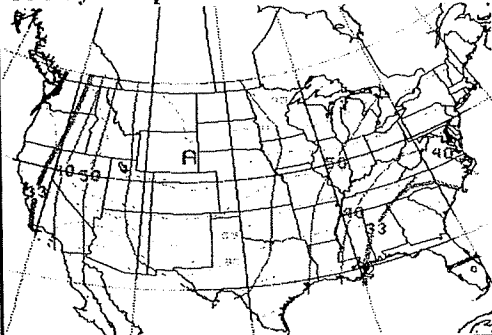
*Today's Market*

- This is what deflation looks like. Quick! Call Alan Greenspan! On second thought, don't: Chairman Greenspan is fixated on inflation these days. The harami on the weekly candlestick chart indicates the short-covering rally is over. The tweezer top, which included a hanging man early last week, confirms there is little upside in this market. The daily parabolic is short with the stop set at \$7.13. This is a risky position based on Thursday's settlement of \$7.06, but the parabolic is giving traders direction. The weekly parabolic is long with the stop set at \$5.87. This is a position that no trader should take under consideration. The weekly slow stochastic is just shy of overbought levels while the daily oscillator has already crossed at about 81 and has started to move lower. Just remember what the equities market looked like when it deflated.

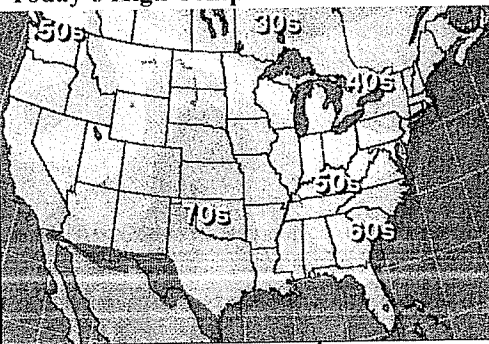


Access Trading	3/28/2005	8:29 AM	Natural Gas	\$7.020	(4.2¢)
WTI Crude	\$54.310	(\$0.53)	IPE Brent	\$53.930	\$0.86

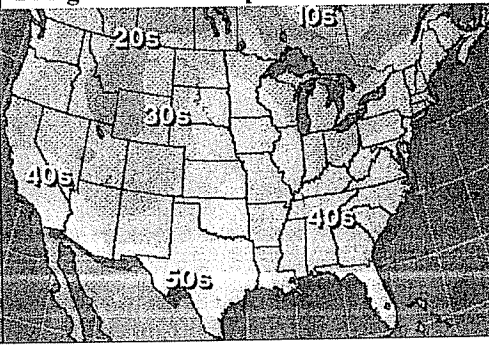
10 Day Temperature Outlook...



Today's High Temperatures...



Tonight's Low Temperatures...



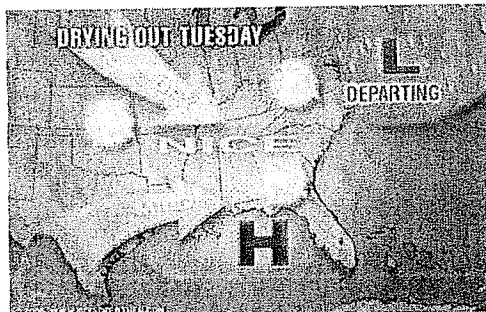
**Weather Briefs** – Cool and Wet Along East Coast Early... Not Cold – Warmer Across Midcontinent – Cooler Due To Rain On West Coast

**Storage...**

**EIA expected to show half-a-hundred withdrawal this week...**

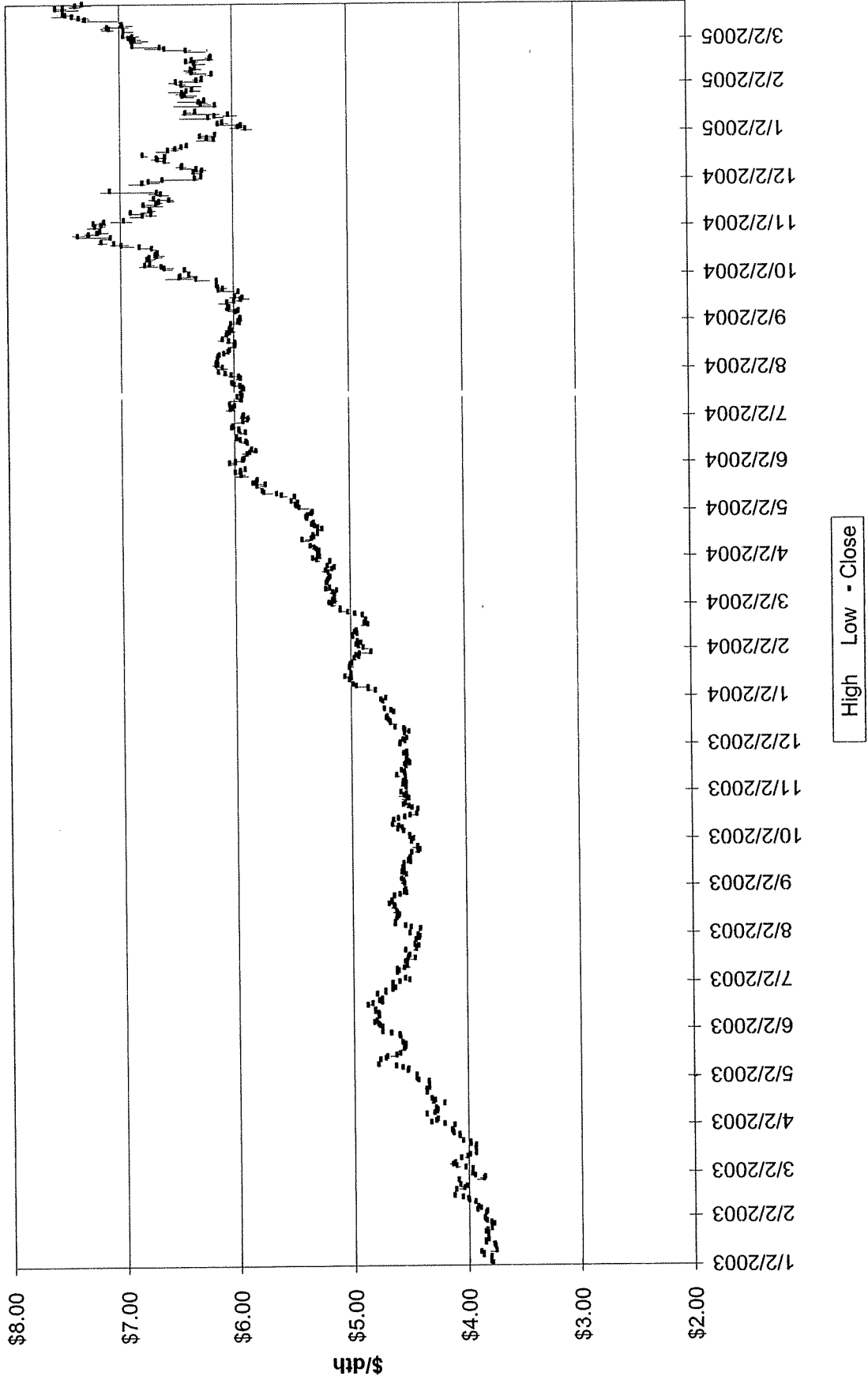
The EIA Thursday posted a net withdrawal of 89 billion cubic feet of natural gas from storage during the week of March 18, slightly lower than anticipated by the industry. The lower-than-expected pull could have come about because of contango support in the market, not necessarily last week's heating degree days. The 89 Bcf pull put total U.S. working gas in storage at 1.29 trillion cubic feet, 24% above year-ago storage levels at this time and 21.9% above the five-year average. Gas market participants on Wednesday predicted the EIA would show a draw in inventories of 94 Bcf for the week ended March 18, nearly the same as the previous week. An ICAP/NYMEX auction predicted a draw of 95.2 Bcf. The surplus over the year-ago level narrowed to 249 Bcf from 275 Bcf, while the surplus over the five-year average shrank to 232 Bcf from 270 Bcf.

**Signs...Spring Starting To Peek Out**

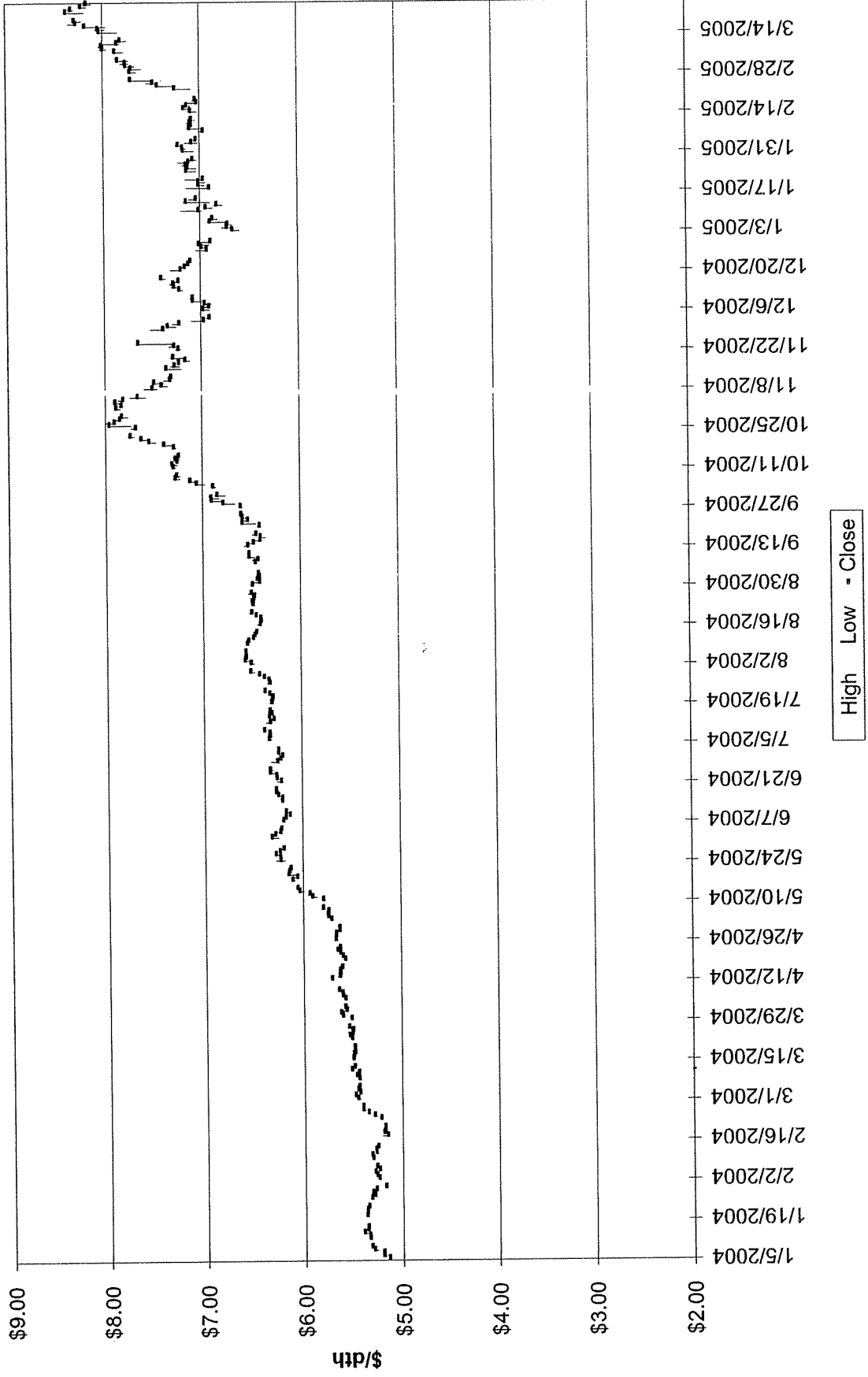


Weather forecasts are starting to become very bearish, and I don't see this trend abating for several weeks to come. While cold temperatures remain in the far Northeast, the rest of the country will see a slow and gradual temperature incline.

# Summer Strip April - October 2005



# Winter Strip Dec05 - Mar06





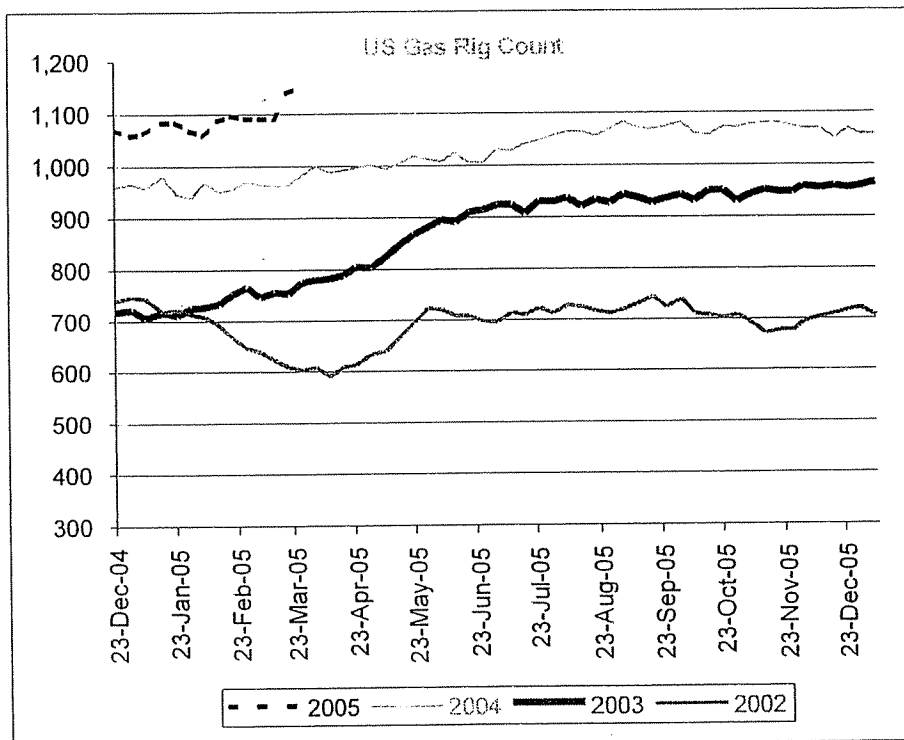
# Commodity Futures Inc.

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

2002	605
2003	776
2004	982
2005	1152
+/- Week Ago	13
05 vs 04	170
05 vs 4yr AVG	364

New York  
(212) 841-3347

London  
(207) 595-6000

www.cfi.bnpparibas.com

Misc. Rigs 1

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



The Union Light Heat & Power Company  
Hedging 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 86	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	\$6 860	\$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	50,902 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	\$6 926	\$6 764	\$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	50,677 73	7,265
25-Jun	7,265	\$6 667	\$6 884	\$7 012	\$6 957	\$6 800	\$6 864	49,866 96	7,265
28-Jun	7,265	\$6 490	\$6 714	\$6 844	\$6 792	\$6 640	\$6 696	48,646 44	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	48,496 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	\$6 576	\$6 577	47,781 91	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	\$6 258	\$6 568	\$6 741	\$6 705	\$6 574	\$6 569	47,725 24	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	\$6 534	\$6 817	\$6 985	\$6 936	\$6 790	\$6 812	49,492 09	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	\$6 501	\$6 774	\$6 943	\$6 901	\$6 758	\$6 775	49,223 28	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	\$6 905	\$6 877	\$6 760	\$6 685	48,566 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	\$6 736	\$6 905	\$6 875	\$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	\$5 916	\$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	\$5 566	\$6 201	\$6 581	\$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

The Union Light Heat & Power Company  
Hedging 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			
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	49,685 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	\$7 861	\$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	55,126 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	\$8 238	59,846 16	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	\$8 032	\$8 464	\$8 469	\$8 124	\$7 988	58,032 82	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	\$6 709	\$7 956	\$8 440	\$8 460	\$8 095	\$7 932	57,625 98	7,265
18-Oct	7,265	\$6 806	\$8 065	\$8 575	\$8 597	\$8 214	\$8 051	58,493 42	7,265
19-Oct	7,265	\$7 123	\$8 315	\$8 758	\$8 763	\$8 353	\$8 262	60,026 34	7,265
20-Oct	7,265	\$7 623	\$8 540	\$8 993	\$8 983	\$8 568	\$8 541	62,053 27	7,265
21-Oct	7,265	\$7 697	\$8 728	\$9 224	\$9 201	\$8 771	\$8 724	63,381 31	7,265
22-Oct	7,265	\$8 105	\$8 994	\$9 504	\$9 464	\$9 014	\$9 016	65,502 69	7,265
25-Oct	7,265	\$7 890	\$8 822	\$9 352	\$9 317	\$8 882	\$8 853	64,314 14	7,265
26-Oct	7,265	\$8 402	\$9 363	\$9 900	\$9 865	\$9 405	\$9 387	68,196 56	7,265
27-Oct	7,305	\$7 626	\$8 775	\$9 435	\$9 470	\$9 000	\$8 861	64,731.07	7,305
<b>Total</b>	<b>755,000</b>							<b>\$5,274,986.67</b>	<b>755,000</b>
									\$6 9867
									(\$0.0100)
									<b>\$6.9767</b>

Basis to Columbia Gulf Onshore

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