



FINANCIAL FOCUS

Utility Market Comment - Week Ending November 14, 2008

Utility Equities Hold Up Relatively Well As Broad Market Weakens Again

Utilities continued to be a relatively safe haven for investors in a weak stock market, as the group last week outperformed the broad market for the fourth time in the past five weeks. As seen in the price chart at the end of this report, the utility group has essentially been flat over the past five weeks, as the broad market continued a downward trend. The RRA Index posted a 1.1% decline last week, versus more pronounced losses in the Dow Jones Industrial Average (-5.0%), the S&P 500 (-6.2%), and the NASDAQ (-7.9%). Year-to-date, the RRA Index has declined 30.6%, a better performance than the Dow (-35.9%), the S&P 500 (-40.5%), and the NASDAQ (-42.8%). On a trailing 12-month basis, the RRA Index (-28.3%) has also outperformed the Dow, the S&P 500, and the NASDAQ, which have declined by 35.8%, 40.6%, and 42.6%, respectively.

Index Performance	Price Change through 11/14/08 (%)		
	End of Week	Year-to-Date	Last 12 mos.
	RRA	-1.1	-30.6
DJIA	-5.0	-35.9	-35.8
S&P 500	-6.2	-40.5	-40.6
NASDAQ Composite	-7.9	-42.8	-42.6

Source: SNL Energy

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 Date 11-21-08 Rptr KF

Note that the percentage changes shown above for the RRA Index are market-capitalization-weighted, whereas the percentage changes shown in the attached Market Data spreadsheet represent the simple-average of the individual company price changes.

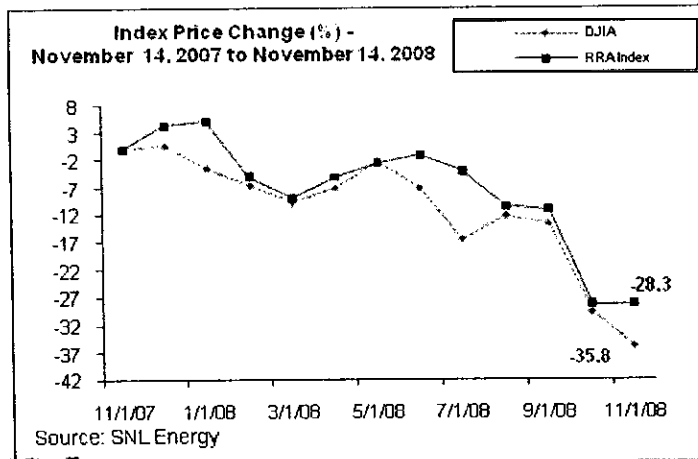
RRA Index - Best and Worst Performers					
Week-to-Week (11/14/2007 to 11/14/2008) and Year-to-Date Performance					
	% Change			% Change	
	Week	YTD		Week	YTD
Top Performers			Bottom Performers		
NORTHEAST UTILITIES	10.3	-26.0	NISOURCE INC.	-9.4	-38.9
CMS ENERGY CORPORATION	4.9	-38.1	CONSOLIDATED EDISON, INC.	-7.0	-19.8
AMEREN CORPORATION	4.3	-37.9	EXELON CORPORATION	-6.0	-38.1
CONSTELLATION ENERGY	4.0	-76.1	DPL INC.	-5.9	-30.4
PUBLIC SERVICE ENTERPRISE	3.9	-41.8	EDISON INTERNATIONAL	-5.0	-37.3

Source: SNL Energy

Northeast Utilities was the top performing stock in the group last week, with a 10.3% gain. Last week was fourth week in the past five that Northeast outperformed the group -- a positive reaction to strong Q3 EPS that were fueled by transmission earnings. Also outperforming last week were CMS Energy, up 4.9%, and Ameren, up 4.3%. Constellation Energy, down 76% for the year, was up 4.0% last week on news of a \$1.2 billion of credit facility approval. Public Service Enterprise, up 3.9%, had good week last week after back-to-back underperforming weeks. That stock is down 42% year-to-date. Other stocks in the group that outperformed meaningfully last week included: PG&E Corp., up 3.0%; Westar Energy, up 2.6%; Dominion Resources, up 1.6%; PPL Corp., up 1.2%; and, Southern Company, up 1.1%. Southern Company has outperformed in eight of the past nine weeks and remains a top performer in the group, down only 9.1% in 2008.

Most utility stocks that underperformed last week, again did so in reaction to Q3 EPS that were weak due mostly to higher O&M costs and/or unplanned plant outages. NiSource, down 9.4%, had its fourth straight underperform week. The company has been trying to break out of a weak earnings pattern, but will likely see more of the same in 2009. Consolidated Edison, down 7.0%, had its second straight underperform week in reaction to disappointing Q3EPS. Prior to the recent downturn, Con Ed had had five straight outperform weeks. Exelon had another down week, declining 6.0%, a reaction to having its bid for NRG rejected by the company. DPL Inc, down 5.9%, had its third consecutive

underperform week, a reaction to Q3 EPS that were down due to unplanned plant outages. Other utility stocks that underperformed meaningfully included Edison International, down 5.0%; Pinnacle West, down 3.9%, its third underperforming week in the past four; Duke Energy, down 3.8%; FirstEnergy, down 3.6%; and, DTE Energy, down 3.0%, following two straight outperforming weeks.



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Table I

RRA ELECTRIC UTILITY MARKET DATA

Company	Price 11/14/08 (\$)	Price Change (%)		12 Months Earnings Per Share *(\$)					Price/ Earnings (x)			Mkt Book (%)	Book Value (\$)	BV as of	Avg		Dividend		Moody's/ S&P Ratings		Ticker
		Week	YTD	2007Y	Curr	Period ending	2008E	2009E	2008E	2009E	Curr				ROE (%)	Rate (\$)	Yield (%)	Payout (%)	Senior	Unsec	
1 ALLEGHENY ENERGY	28.70	-1.2	-54.9	2.40	2.25	2008Q3	2.45	3.35	11.7	8.6	12.8	169	17.00	2008Q3	14.4	0.60	2.09	27	Ba1 / BB+	AYE	
2 ALLIANT ENERGY	29.17	-2.1	-28.3	2.52	2.58	2008Q3	2.80	2.85	10.4	10.2	11.3	115	25.47	2008Q3	10.7	1.40	4.80	54	A3 / BBB+	LNT	
3 AMEREN CORPORATION	33.67	4.3	-37.9	2.98	2.95	2008Q3	2.80	3.00	12.0	11.2	11.4	101	33.40	2008Q3	9.5	2.54	7.54	86	Baa2 / BB+	AEE	
4 AMERICAN ELECTRIC POWER	30.95	0.3	-33.5	2.31	3.01	2008Q3	3.15	3.40	9.8	9.1	10.3	114	27.09	2008Q3	11.6	1.64	5.30	54	Baa2 / BBB	AEP	
5 CENTERPOINT ENERGY, INC.	11.85	-2.5	-30.8	1.16	1.38	2008Q3	1.20	1.35	9.9	8.8	8.6	198	6.00	2008Q3	24.9	0.73	6.16	53	Ba1 / BBB-	CNP	
6 CMS ENERGY CORPORATION	10.76	4.9	-38.1	0.83	1.20	2008Q3	1.20	1.30	9.0	8.3	9.0	100	10.74	2008Q3	11.9	0.36	3.35	30	Ba1 / BB+	CMS	
CONSOLIDATED EDISON, INC.	39.19	-7.0	-19.8	3.46	2.90	2008Q3	3.10	3.20	12.6	12.2	13.5	110	35.55	2008Q3	9.9	2.34	5.97	81	A2 / BBB+	ED	
6 CONSTELLATION ENERGY	24.53	4.0	-76.1	4.36	3.32	2008Q3	5.50	6.45	4.5	3.8	7.4	90	27.23	2008Q3	14.8	1.91	7.79	57	Baa2 / BBB	CEG	
9 DOMINION RESOURCES, INC.	36.39	1.6	-23.3	2.56	2.97	2008Q3	3.10	3.30	11.7	11.0	12.3	202	18.00	2008Q3	17.5	1.58	4.34	53	Baa2 / A-	D	
10 DPL INC.	20.65	-5.9	-30.4	1.63	1.88	2008Q3	2.05	2.25	10.1	9.2	11.0	247	8.35	2008Q3	24.6	1.10	5.33	58	Baa2 / BBB-	DPL	
11 DTE ENERGY COMPANY	36.77	-3.0	-16.4	4.02	3.53	2008Q3	2.95	3.20	12.5	11.5	10.4	100	36.78	2008Q3	9.8	2.12	5.77	60	Baa2 / BBB-	DTE	
12 DUKE ENERGY	15.64	-3.8	-22.5	1.20	1.01	2008Q3	1.25	1.35	12.5	11.6	15.6	93	16.86	2008Q3	6.0	0.92	5.88	92	Baa2 / BBB+	DUK	
13 EDISON INTERNATIONAL	33.47	-5.0	-37.3	3.82	3.63	2008Q3	3.80	4.55	8.8	7.4	9.2	117	28.49	2008Q3	13.8	1.22	3.65	34	Baa2 / BB-	EIX	
14 ENTERGY CORPORATION	79.99	-0.1	-33.1	5.60	6.28	2008Q3	6.80	7.85	11.8	10.2	12.7	190	42.02	2008Q3	15.6	3.00	3.75	48	Baa3 / BBB	ETR	
15 EXELON CORPORATION	50.57	-6.0	-38.1	4.01	3.90	2008Q3	4.40	4.75	11.5	10.6	13.0	287	17.61	2008Q3	23.5	2.10	4.15	54	Baa1 / BBB-	EXC	
16 FIRSTENERGY CORP.	52.75	-3.6	-27.1	4.22	4.16	2008Q3	4.25	5.35	12.4	9.9	12.7	173	30.51	2008Q3	14.1	2.20	4.17	53	Baa3 / BBB-	FE	
17 FPL GROUP, INC.	47.30	0.8	-30.2	3.28	3.62	2008Q3	3.85	4.20	12.3	11.3	13.1	168	28.22	2008Q3	13.1	1.78	3.76	49	A2 / A-	FPL	
18 NISOURCE INC.	11.55	-9.4	-38.9	1.26	1.21	2008Q3	1.30	1.35	8.9	8.6	9.5	68	17.03	2008Q3	6.9	0.92	7.97	76	Baa2 / BBB-	NI	
19 NORTHEAST UTILITIES	23.17	10.3	-26.0	1.59	1.68	2008Q3	1.80	2.00	12.9	11.6	13.8	120	19.38	2008Q3	8.1	0.85	3.67	51	Baa2 / BBB-	NU	
20 NSTAR	32.00	-1.4	-11.7	2.07	2.19	2008Q3	2.20	2.35	14.5	13.6	14.6	191	16.74	2008Q3	13.4	1.40	4.38	64	A2 / A	NST	
21 OGE ENERGY CORP.	26.54	-0.9	-26.9	2.64	2.67	2008Q3	2.50	2.45	10.6	10.8	9.9	134	19.82	2008Q3	14.0	1.39	5.24	52	Baa1 / BBB	OGE	
22 PEPSCO HOLDINGS, INC.	17.74	-1.6	-39.5	1.61	1.45	2008Q3	2.00	2.15	8.9	8.3	12.3	88	20.05	2008Q3	7.4	1.08	6.09	75	Baa3 / BBB-	POM	
23 PG&E CORPORATION	37.21	3.0	-13.6	2.85	2.87	2008Q3	2.95	3.20	12.6	11.6	13.0	154	24.19	2008Q3	11.4	1.56	4.19	54	Baa1 / BBB+	PCG	
24 PINNACLE WEST	29.23	-3.9	-31.1	3.06	2.72	2008Q3	2.50	2.55	11.7	11.5	10.8	82	35.84	2008Q3	7.6	2.10	7.18	77	Baa3 / BBB-	PNW	
25 PPL CORPORATION	32.62	1.2	-37.4	2.59	2.27	2008Q3	2.35	2.30	13.9	14.2	14.4	219	14.91	2008Q3	15.9	1.34	4.11	59	Baa2 / BBB	PPL	
26 PROGRESS ENERGY, INC.	38.84	-1.8	-19.8	2.69	2.92	2008Q3	2.95	3.15	13.2	12.3	13.3	115	33.75	2008Q3	8.8	2.46	6.33	84	Baa2 / BBB	PGN	
27 PUBLIC SERVICE ENTERPRISE	28.60	3.9	-41.8	2.66	1.90	2008Q3	2.95	3.30	9.7	8.7	15.0	189	15.17	2008Q3	12.9	1.29	4.51	68	Baa2 / O	PEG	
28 PUGET ENERGY, INC.	25.58	-1.0	-6.7	1.61	1.35	2008Q3	1.65	1.70	15.5	15.0	19.0	134	19.08	2008Q3	8.3	1.00	3.91	74	Ba1 / BBB-	PSD	
29 SCANA CORPORATION	34.02	-0.7	-19.3	2.69	2.93	2008Q3	2.95	3.05	11.5	11.2	11.6	131	26.04	2008Q3	11.4	1.84	5.41	63	Baa1 / BBB+	SCG	
30 SEMPRA ENERGY	42.09	-1.4	-32.0	4.15	5.82	2008Q3	3.85	4.50	10.9	9.4	7.2	132	31.98	2008Q3	18.9	1.40	3.33	24	Baa1 / BBB+	SRE	
31 SOUTHERN COMPANY	35.21	1.1	-9.1	2.28	2.28	2008Q3	2.30	2.40	15.3	14.7	15.4	204	17.30	2008Q3	13.5	1.68	4.77	74	A3 / A-	SO	
32 TECO ENERGY, INC.	12.08	0.8	-29.8	1.32	0.89	2008Q3	0.85	1.05	14.2	11.5	13.6	126	9.60	2008Q3	9.6	0.80	6.62	90	Baa3 / BB+	TE	
33 WESTAR ENERGY, INC.	20.03	2.6	-22.8	1.83	1.67	2008Q3	1.55	2.00	12.9	10.0	12.0	99	20.26	2008Q3	8.7	1.16	5.79	69	Baa3 / BB+	WR	
34 WISCONSIN ENERGY	42.17	-1.8	-13.4	2.84	2.98	2008Q3	2.90	3.30	14.5	12.8	14.2	151	27.93	2008Q3	11.2	1.08	2.56	36	A3 / BBB+	WEC	
35 XCEL ENERGY, INC.	17.94	1.0	-20.5	1.32	1.41	2008Q3	1.45	1.50	12.4	12.0	12.8	117	15.27	2008Q3	9.4	0.95	5.30	68	Baa1 / BBB	XEL	
Average		-0.7	-29.1				2.73	3.03	11.6	10.6	12.2	144	22.68		12.7		5.00	60			

Table I (cont'd)

RRA ELECTRIC UTILITY MARKET DATA

Company	Price 11/14/08 (\$)	Price Change (%)		12 Months Earnings per share *(x)						Mkt/ Book P/E	Book Value (\$)	BV as of	Avg ROE (%)	Dividend			Moody's/ S&P Ratings			Ticker
		Week	YTD	2007Y	Curr	Period ending	2005Y	2006Y	Rate (\$)					Yield (%)	Payout (%)	Senior	Unsec			
36 ALLETE, INC.	34.00	-3.5	-14.1	3.08	2.81	2008Q3	0.64	2.77	12.1	134	25.32	2008Q3	10.7	1.72	5.06	61	Baa2 / BBB+	ALE		
37 AVISTA CORPORATION	17.74	-7.5	-17.6	0.77	1.31	2008Q3	0.92	1.46	13.6	99	17.98	2008Q3	6.5	0.72	4.06	55	Ba1 / BB+	AVA		
38 CH ENERGY GROUP, INC.	41.00	-1.5	-7.9	2.70	2.23	2008Q3	2.81	2.73	18.4	124	33.00	2008Q3	6.7	2.16	5.27	97	A2 / A	CHG		
39 CLECO CORPORATION	21.60	1.3	-22.3	2.52	1.67	2008Q3	1.42	1.31	12.9	122	17.66	2008Q3	12.7	0.90	4.17	54	Baa3 / BBB-	CNL		
40 GREAT PLAINS ENERGY, INC.	18.24	-0.8	-37.8	1.32	2.21	2008Q3	2.16	1.69	8.2	83	22.01	2008Q3	7.1	1.66	9.10	75	Baa2 / BBB-	GXP		
41 HAWAIIAN ELECTRIC	26.68	1.3	17.2	1.03	1.19	2008Q2	1.58	1.33	22.3	174	15.32	2008Q2	8.3	1.24	4.65	104	Baa2 / BBB	HE		
42 IDACORP, INC.	29.23	3.0	-17.0	1.80	2.24	2008Q3	1.50	2.17	13.1	105	27.89	2008Q3	6.2	1.20	4.11	54	Baa2 / BBB	IDA		
43 INTEGRYS ENERGY GROUP	43.38	-3.3	-16.1	2.48	2.55	2008Q3	4.07	3.50	17.0	104	41.78	2008Q3	8.4	2.68	6.18	105	A3 / BBB+	TEG		
44 PNM RESOURCES, INC.	8.69	-1.5	-59.5	0.62	-2.58	2008Q3	1.56	1.45	-3.4	44	19.95	2008Q3	n.m	0.50	5.75	n.m	Baa3 / BBB-	PNM		
45 SIERRA PACIFIC RESOURCES	9.02	-2.0	-46.9	0.80	0.92	2008Q3	0.63	1.02	9.8	67	13.48	2008Q3	7.2	0.40	4.43	43	B1 / B	SRP		
46 UNISOURCE ENERGY	25.79	-1.7	-18.3	1.46	0.20	2008Q3	1.30	1.75	130.3	140	18.43	2008Q3	6.6	0.96	3.72	485	Baa3 / B+	UNS		
47 UIL HOLDINGS CORPORATION	30.64	-5.2	-17.1	1.85	1.91	2008Q3	1.28	1.84	16.1	163	18.81	2008Q3	10.6	1.73	5.64	91	Baa3 / -	UIL		
48 VECTREN CORPORATION	25.50	2.2	-12.1	1.67	1.51	2008Q3	1.80	1.43	16.9	152	16.79	2008Q3	9.1	1.34	5.25	89	Baa1 / A-	VVC		
Average									22.1	136			11.6	5.05	73					

Note:

* Earnings are from ongoing operations and exclude one-time items, some of which were removed subjectively.
Detailed Earnings adjustments available upon request.

For the companies listed below, senior unsecured debt of the holding company is not available - subsidiary credit ratings are shown.

Holding company	Subsidiary
Allegheny	Allegheny Energy Supply
Alliant Energy Corporation	Interstate Power and Light
Duke	Cinergy Corp.
Edison International	Edison Mission Energy
NiSource	Northern Indiana Public Service Co
FPL Group Inc	FPL Group Capital, Inc
PG&E Corporation	Pacific Gas and Electric Company
PPL Corporation	PPL Energy Supply
Pinnacle West	Arizona Public Service Company
Vectren corporation	Vectren Utility Holdings Inc.

Neither Puget Sound Energy nor its subsidiaries have senior unsecured credit ratings- long- term holding company issuer ratings are shown.

For Allete and Unisource Energy Corporation unsecured debt ratings were unavailable for the holding company or subsidiaries - long-term holding company issuer ratings are shown.

For Ameren, sufficient unsecured debt ratings was unavailable for the holding company or subsidiaries- long-term holding company issuer ratings is shown

* In an effort to display results from Ongoing Operations on a consistent basis, we have excluded many one-time items from our earnings calculations as follows: *Discontinued Operations - income/loss; Changes in Accounting Principles; Early Retirement of Debt; Asset Writedowns; and, Other Non-Recurring Revenues/Expenses*. Effective 9/07, RRA earnings may not reflect some subjective adjustments that had been incorporated in earnings shown in prior reports. Note that "most recent available" trailing 12-month earnings (LTM) as shown have been derived as a summation of earnings for the prior four-quarters.