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From: Enerfax Daily [enerfaxdaily@enerfax.com]
 Sent: Monday, December 08, 2003 12:50 AM
 To: jim.busch@ded.mo.gov
 Subject: Natural Gas Futures Lower as Longs Bail Ahead of Weekend

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Enerfax Daily

PHYSICAL GAS PRICES		Monday, December 8, 2003			
<u>Gulf/Eastern Region</u>		NNG Demarc.	5.71	Trunk E.La	6.08
Agua Dulce	5.95	Niagara	6.28	<u>Western Region</u>	
ANR SE	6.14	PEPL Pool	5.51	California Border	5.52
Carthage TG	5.96	Sonat Tier 1	6.17	El Paso Permian	5.50
Chicago Citygate	6.12	TCO IPP Pool	6.40	El Paso San Juan	5.29
Columbia Gulf Onshore	6.17	TETCO E.La	6.20	Waha Hub	5.64
Dominion South Point	6.46	TETCO M-3	7.16	<u>Canadian/Rockies Region</u>	
Henry Hub	6.27	TETCO S.TX	5.97	Nova/Aeco \$/MMBtu	5.09
Houston Ship Channel	5.96	TGP Zone 0	5.96	Dawn Hub/Union	6.23
Katy Hub	5.92	TGP Zone 1 (500 Leg)	6.12	Northwest Stanfield	5.28
NGPL - LA Pool	6.09	TGT Zone SL	6.17	Wyoming Pool	5.35
NGPL - Midcontinent	5.52	New York Citygate	7.28	Opal	5.36
NGPL STX	5.83	Transco Station 65	6.26	PGT-Malin	5.37
NGPL TX/OK	5.78	Transco Zone 6 (NY)	7.29	Huningdon/Sumas	5.23
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Physical Power Prices in \$/MWH

High Low Average

	High	Low	Average
AEP	36.00	50.25	32.15
Off Peak	16.00	15.00	15.65
Synergy	36.00	30.50	32.65
Off Peak	16.00	15.50	15.75
ERCOT	47.50	46.50	47.00
ERCOT (N)	48.00	48.00	48.00
Entergy	44.00	42.50	43.15
TVA	00.00	00.00	00.00
Comed	31.00	28.00	29.20
NEPOOL*	63.00	59.00	61.65
PJM West	47.50	46.00	46.75
Palo Verde	26.50	25.25	25.55
Off Peak	48.50	45.00	47.35

More Electricity Prices in Section O

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* Based on the ENERGY Business
and Technology magazine, Feb 2003

Enerfax Daily - Section D - December 8, 2003

Today's Power Bulletins

- Northeast Digs Out from Relentless Snowstorm
- Dynegy Enters into Exclusive Discussions with Ameren Regarding Illinois Power
- Peabody Names Walter Hawkins VP and Treasurer, as Steve Schaab Announces Retirement
- Duke Energy Names Myron Caldwell Treasurer of New Finance Organization
- Calpine Receives Award from InfoWorld as One of Top 100 Companies Using Most Innovative Information Technology
- Calpine Celebrates Completion of Geysers Recycled Water Pipeline; Partnership Extends Green Power Production and Provides for Municipal Water
- Reliant Resources Unlikely to Exercise Option on CenterPoint Energy's Shares Of Texas Genco
- Transmission Outage Affects Customers in Northeastern Wisconsin and Western Upper Peninsula
- Financier George Soros Backing Management Buyout Bids at 2 UK Power Plants Owned by American Electric Power

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Section E - December 8, 2003

EIA Says US Winter Natural Gas Supplies Adequate

There should be adequate natural gas supplies to meet this winter's needs, even if it is colder than average, according to the Energy Information Administration. The EIA says it is too soon to say whether last week's dramatic rise in natural prices is a short-term spike or the harbinger of a sustained rise above \$5.00-range of recent months. Its model shows that even if this winter is 10% colder than average, the nation would have adequate supplies compared with historical averages. The EIA is forecasting prices of \$4.50-\$5.00 per MMBtu this winter. Natural gas prices last week have jumped from \$4.92 to \$6.12 amid the first run of cold weather in the Northeast. Citing robust drilling and industry success with coalbed methane and other unconventional gas, the EIA has taken a somewhat optimistic view of natural gas production. While some analysts expect production to decline in 2003, the EIA projects a 2% increase for the year. Besides greater domestic production, the US is also gaining incremental supply with additional gas imports through liquefied natural gas. But this increase is partially offset by a significant decline in imports from Canada.

AGA Says Winter Natural Gas Supply Adequate

The United States will have plenty of natural gas to meet consumer demand this winter, but there could be wild price swings, according to Robert Best, the new chairman of the American Gas Association. However, Best warned that prices are expected to remain volatile through the winter season. Prices for natural gas to be delivered in January and February shot up nearly 30% last week, although prices fell back some on Friday. Best blamed the price jump on cold weather, saying it did not make much sense for natural gas costs in February to be based on a cold snap in early December. Even though consumers are expected to use less natural gas this winter, prices are forecast to be higher and the EIA predicts bills for consumers will be up an average 6% during this winter. The AGA plans to push hard to get Congress to pass a broad energy bill early next year that would speed up drilling permit applications and open more lands to exploration. The AGA expects Congress to pass the energy bill sometime between President Bush's State of the Union address on January 20th and Congress' mid-February President's Day holiday recess.

Enerfax Daily - Section F - December 8, 2003

WELLHEAD TO BURNERTIP**Natural Gas Futures Lower as Longs Bail Ahead of Weekend**

Natural gas futures for January delivery on the NYMEX dropped \$0.202 yesterday to \$6.135 per MMBtu, pressured by a steady flow of profit taking ahead of the weekend despite a Northeast storm and bullish technicals after a near 30% run up earlier last week. The February on contract lost \$0.171 to \$6.132 per MMBtu. Other months ended mixed, with some 2006-2009 contracts finishing up slightly. The cash market was up big, but the Midwest cash was still lagging behind futures. An unexpected cold snap across much of the nation last week helped back the rally, which saw prices surged in the previous 4 sessions as shorts were forced to cover when a series of technical resistance points were breached. Open interest on Thursday jumped more than 6,200 lots on a 10% price jump, a sign of new length in the market, some of which probably bailed Friday before more moderate weather arrives. The CFTC Com-

Today's Gas Bulletins

- EIA to Forecast Tighter Long-Term Natural Gas Supply Outlook in Annual Report to Be Released in Next Week, Citing Declining Growth Rates in North American Production
- Houston Exploration Commences Exchange of 7% Senior Subordinated Notes
- Peoples Energy Declares Quarterly Dividend of \$0.53 per Common Share
- SunGard to Acquire FAME; Adds Reference Data Solutions to its Market Data Offerings
- El Paso 1.55 Billion Market Manipulation Settlement Approved by California Judge
- Majority of California PUC's Board Objects to Pacific Gas and Electric's Reorganization
- NEB Requests Minister of Environment Refer Application for Seismic Program in Gulf of St. Lawrence to Review Panel
- FERC Says More than \$70 Million in Penalties and Fines Assessed by Office of Market Oversight and Investigations Since Its Creation in August 2002
- Ex-Enron Official John Forney Pleads Not Guilty to Conspiracy

Section G – December 8, 2003

mitment of Traders report shows non-commercials, or speculative funds, had reduced their net short exposure by 7,000 lots to about 42,000 as of December 2nd, still a sizeable position. Last week, the EIA reported a 59 Bcf storage withdrawal, above the 5-year average drop for that week of 29 Bcf, but below the year-ago withdrawal of 91 Bcf. The EIA report showed that total storage levels of 3.095 Tcf are 139 Bcf, or 5%, above last year and 117 Bcf, or 4%, above the 5-year average. For this week, look for the EIA to report a withdrawal of about 85 Bcf to 95 Bcf, compared to a 162 Bcf decline for the same week last year. Traders will be watching this week's inventory report to see how heavily stocks were tapped to meet last week's surge in heating load. With January resistance at \$6.25 broken by the late

(Continued in Section H)

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Natural Gas NYMEX Volume				Enerfax Daily - Section H - December 8, 2003			
Month	Volume	Open	Interest	PETROLEUM PRICES			
Jan '04	64064	54754		Bonny Light		\$	29.19
Feb '04	23040	33761		Brent Crude		\$	29.09
Mar '04	16242	27526		Urals-Medit.		\$	27.74
Apr '04	8665	23059		Forties		\$	29.29
May '04	4315	19791		W.Tx Int Cushing		\$	30.78
Jun '04	2662	15088		(Continued from Section G)			
Jul '04	1707	12450		spike on Thursday, resistance is now pegged at Thursday's high of \$6.56 and then at \$6.72. Support is seen at \$6.00 and then at \$5.75, \$5.50 and in the low-\$5.20s. Private forecasters expect below normal temperatures in the East, Midwest and Texas to moderate to normal or slightly above by Tuesday, with above seasonal readings expected in the West for the next 2 days. The National Weather Service outlook for December 11-15 calls for normal or above normal temperatures for most of the northern half of the nation, with below seasonal readings expected across southern tier states and California. Natural gas for weekend delivery across the US and Canada was generally \$0.40 to \$0.70 higher Friday. Natural gas for weekend delivery at the Henry hub gained \$0.57 to \$6.27 per MMBtu. Look for the cash market to drop sharply today.			
Aug '04	1317	12209					
Sep '04	1958	11821					
Oct '04	1461	11410					
Nov '04	281	9912					
Dec '04	321	11773					
Jan '05	176	8113					
Feb '05	144	8035					
Mar '05	39	7335					
Apr '05	141	7370					
May '05	125	4928					
Jun '05	80	3551					
Jul '05	32	8658					
Aug '05	20	4431					
Sep '05	19	4370					
Oct '05	15	3996					
Nov '05	17	3228					
Dec '05	5	4063					

Section I - December 8, 2003			
Bruce Power Approved to Restart Bruce A Unit 3 Nuclear Reactor			
<p>Bruce Power has received approval from Canadian regulators to restart its Bruce A unit 3 nuclear reactor and should have it reconnected to Ontario's power grid later this month. Safety and operating tests will begin shortly, and the reactor is expected to produce about 750 MW into the grid once it's reconnected. The approval, granted by the Canadian Nuclear Safety Commission, comes after the restart of the Bruce A unit 4 reactor in October. At the time, the unit 3 reactor was expected to restart in November. Both units, located on the shores of Lake Huron about 150 miles northwest of Toronto, have undergone a long repair and upgrade program and were originally expected back in service by June. The reactors were mothballed in 1998 after they were found to be operating at minimum safety levels by Ontario Hydro. Bruce Power was purchased in February from money losing parent British Energy by a consortium of firms led by Saskatoon, Cameco, TransCanada PipeLines and the Ontario Municipal Employees Retirement System each own a 31.6% stake in Bruce. The Power Workers' Union and the Society of Energy Professionals own the remaining 5.2%.</p>			
NYMEX Natural Gas Options Volatility			
Month	NG Futures Settlement	Days left to Opt.Exp.	Implied Volatility
Jan	\$6.135	19	76.0%
Feb	\$8.132	53	70.8%
Mar	\$5.807	81	64.4%
Apr	\$4.982	112	48.2%
May	\$4.792	144	39.6%

GAS FUTURES					
Henry Hub					
12 Month Strip 5.1439 -0.1104					
18 Month Strip 5.0296 -0.0899					
Month	High	Low	Last	Change	
JAN	6.500	6.085	6.135	-0.202	
FEB	6.500	6.080	6.132	-0.171	
MAR	6.050	5.750	5.807	-0.118	
APR	5.140	4.980	4.982	-0.091	
MAY	4.820	4.780	4.792	-0.101	
JUN	4.900	4.790	4.792	-0.101	
JUL	4.900	4.790	4.792	-0.091	
AUG	4.900	4.790	4.792	-0.098	
SEP	4.850	4.772	4.772	-0.098	
OCT	4.850	4.740	4.762	-0.098	
NOV	4.980	4.907	4.907	-0.085	
DEC	5.120	5.062	5.062	-0.078	