

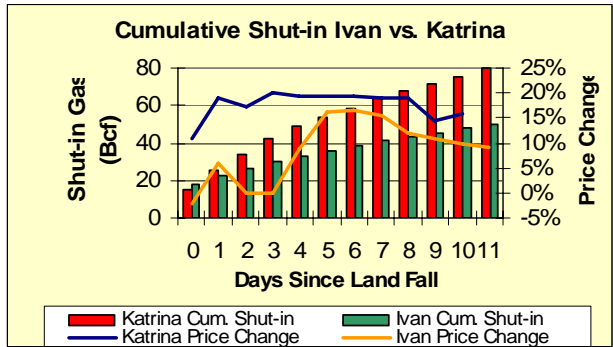
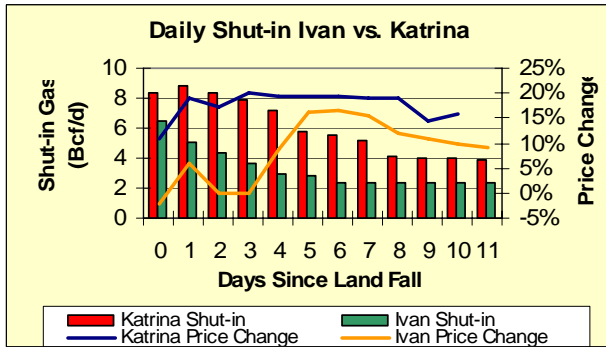
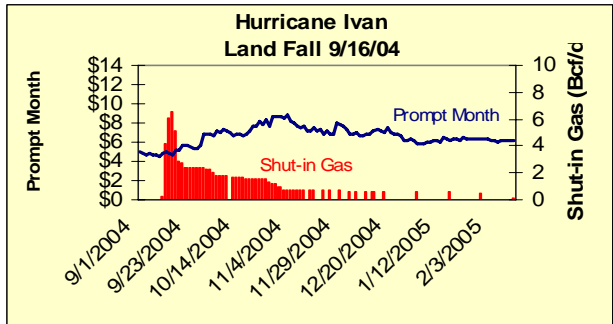
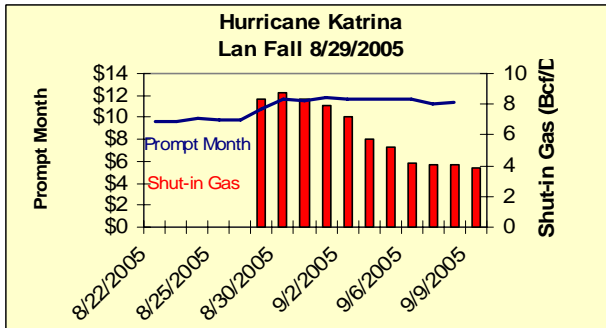
Hurricane Market Summary, September 5 - 9, 2005

Improvements in Katrina-damaged natural gas production slowed this week. Gas prices fell slightly but stayed above pre-storm levels; most electric prices returned to ranges seen before the storm.

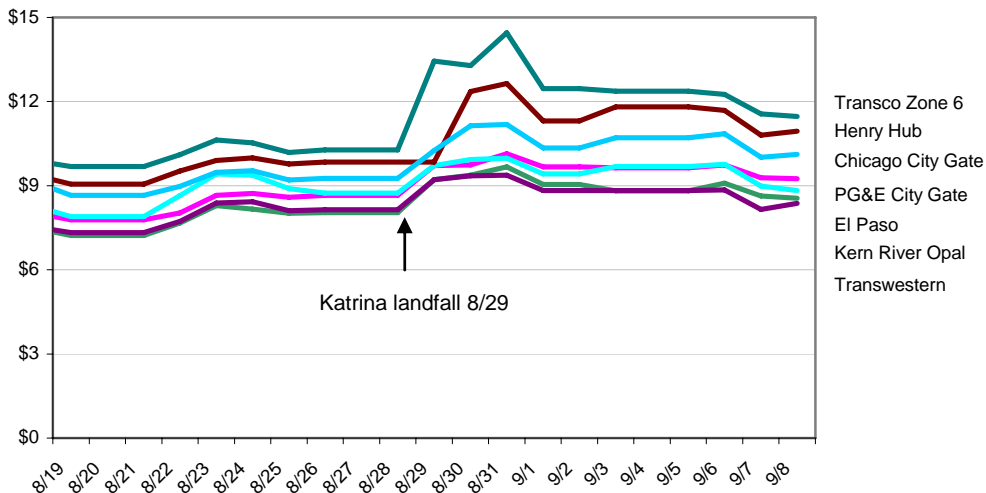
Natural Gas

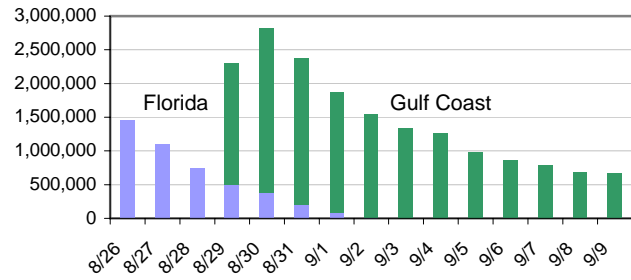
Difficulties in returning production to the MMS New Orleans district have slowed recovery. Shut-in volumes fell only to 3.8 Bcf/d today from 4.16 Bcf/d on Tuesday. Roughly 40% of Gulf gas production remains offline. This pattern of staged recovery is similar to Hurricane Ivan's when shut-in volumes decreased by over 60% in the first week after landfall but by only another 24% in the following two weeks. The NYMEX October futures contract settled at \$11.347/MMBtu, down \$0.344 for the week but up \$0.146 for the day and about 16% above pre-storm levels. Cumulative shut-in volumes and the price change caused by Katrina exceed those of Ivan by approximately 60%.

Eight gas processing plants remain offline. Three are known to be damaged, one is still being evaluated. Four others lack power. Dynegy said earlier reports that its 1.85 Bcf/d Yscloskey plant and 1.3 Bcf/d Venice plant might be down for three to six months were premature.



Daily Gas Prices (Source: Bloomberg)



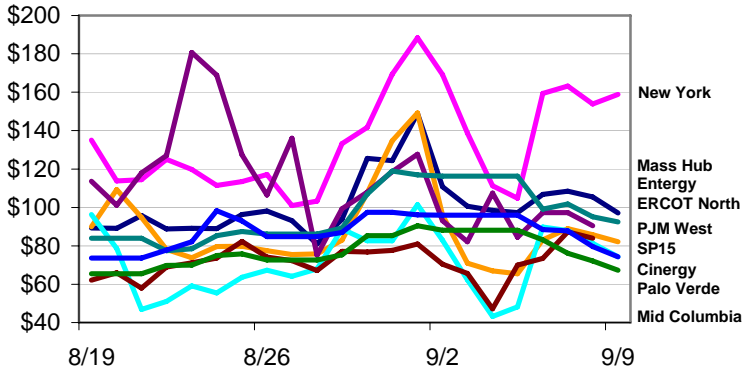


Source: Department of Energy

Electricity

The number of customers without power fell from 984,000 on Monday to 664,000 Friday. Entergy and Mississippi Power predicted that most customers who were able to receive power would have it by Sunday, but complete repairs in New Orleans will take "months." Repairs to the bulk power system were slower: None of Entergy or Southern Company transmission (135 kV and higher) lines that were out of service Tuesday were back in service as of Thursday evening.

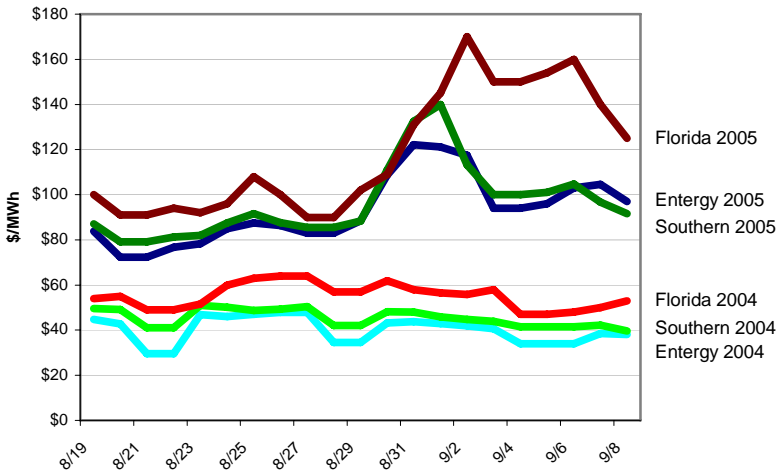
Electric Peak Hour Prices (Source: Friedwire and ICE)



Generation was adequate at week's end. In Florida, concerns about fuel supply adequacy for electric generators abated. FRCC cancelled its generating capacity advisories and alerts.

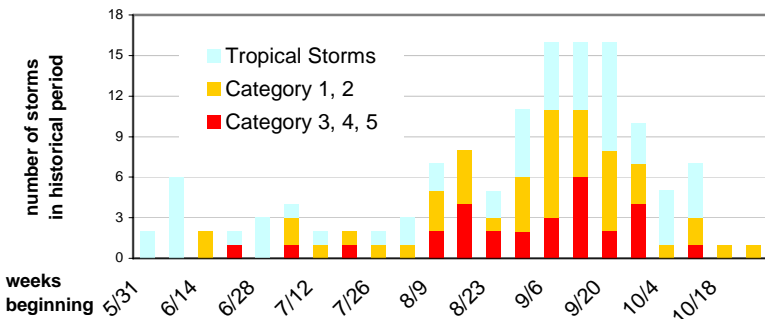
Day-ahead electricity prices were lower in most areas, with moderate weather in the East and Midwest. Prices were similar to those before Katrina, but were well above year-ago levels.

Southeastern Electric Prices (Platts)



Prices in Florida fell but did not reach pre-storm levels.

Gulf Basin Storms 1852 - 2004, by week



Weather records for the Gulf of Mexico basin show serious storms are possible for at least another three weeks.

OMOI will discontinue daily hurricane reports after today and will issue occasional future reports as conditions warrant.

Source: OMOI, based on NOAA and Caribbean Hurricane Network