

35 companies have remained positive year-to-date. However the average is down 4.29% since January 1, 2008. In May alone, the average was down 3.04%.



July 3, 2008. Generally utilities continued their decline that began in May 2008, although their descent has not been nearly as extreme as what the Dow and S&P 500 have seen. In what has become a mantra of sorts, the winners for the month were dominated by companies heavily invested in natural gas. The exception to this were Vectren and TECO, both of which have meaningful coal operations.

On the losers side, PNM received an emergency rate increase (through an emergency fuel clause) in late May that averted a cash crunch. However, the New Mexico commission appears to be wanting to keep PNM on its knees. The attorney general's office in Washington came out against the acquisition of Puget Energy by Macquarie. Westar and National Grid both filed significant rate cases.

Year to date, the pattern is generally the same: see table 2 on the next page. The notable exception is the bump-up Calpine received from the takeover offer from NRG in May.

Table 1: June 2008 Winners and Losers

Percentage Change Market Opening June 1 Through Market Close June 30, 2008

C Three Composite Index -3.04%

Top 10

Bottom 10

EP (El Paso Energy)	11.20%	UIL (UIL Holdings)	-9.2%
STR (Questar)	10.62%	DYN (Dynergy)	-9.2%
UGI (UGI)	6.41%	ENSI (Energy South)	-9.5%
SE (Spectra Energy)	6.37%	EDE (Empire District)	-10.3%
WMB (Williams)	5.97%	WR (Westar)	-10.4%
VVC (Vectren)	5.80%	NGG (National Grid)	-11.2%
MDU (MDU Resources)	5.54%	DGAS (Delta Nat Gas)	-12.1%
TE (Teco Energy)	5.50%	PSD (Puget Energy)	-14.3%
FE (First Energy)	4.60%	RRI (Reliant Resources)	-16.8%
GAS (Nicor)	4.31%	PNM (PNM)	-19.5%

Subscribers to C Three Research have access to this and all of our reports.

©2008 The C Three Group, LLC™ www.cthree.net 404 233-8555 info@cthree.net

Table 2: 2008 Year-To-Date Winners and Losers

Value of \$100 Invested on Market Open 1/1/2008 Through Market Close 6/30/2008

C Three Composite Index = \$95.71

Top 10

Bottom 10

CPN (Calpine)	\$133.49	UIL (UIL Holdings)	\$79.59
STR (Questar)	\$131.31	NGG (National Grid)	\$79.05
EQT (Equitable Resources)	\$129.62	AYE (Allegheny)	\$78.78
NFG (National Fuel Gas Co)	\$127.42	AEE (Ameren)	\$77.90
MDU (MDU Resources)	\$126.26	EL Paso Electric EE	\$77.43
EP (El Paso Energy)	\$126.10	SRP (Sierra Pacific)	\$74.85
TE (Teco Energy)	\$124.87	BKH (Black Hills)	\$72.70
EGN (Energen)	\$121.49	PNW (Pinnacle West)	\$72.55
DYN (Dynergy)	\$119.75	CV (Central Vermont)	\$62.81
LG (Laclede)	\$117.90	PNM (PNM)	\$55.76

Top 2007 Executive Pay

Who said that you can not get rich working for someone else? AP Business released a study in late June on executive compensation. AP examined 2007 CEO pay data from the 410 companies in the S&P 500 that filed compensation disclosures with federal regulators in the first six months of this year. The following are the top earners at companies in the utilities sector:

1. Thomas F. Farrell, II, of Dominion Resources Inc.: \$13.3 million
2. Mayo A. Shattuck, III, of Constellation Energy Group: \$12.8 million
3. Anthony J. Alexander of FirstEnergy Corp.: \$12.3 million

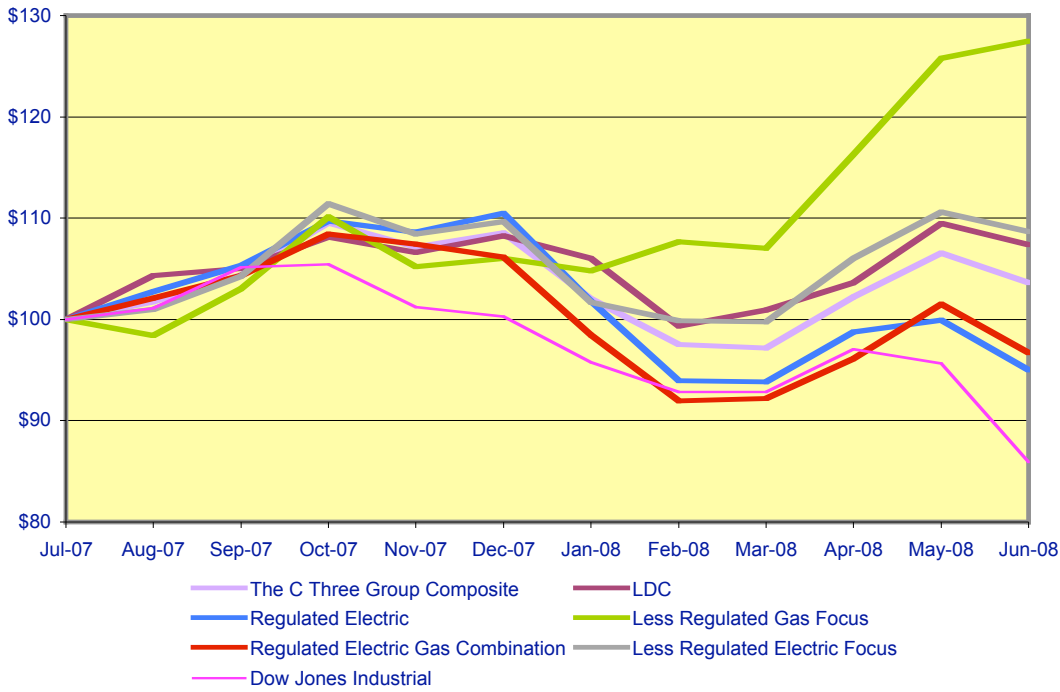
The AP's formula includes salary, perks, bonuses, above-market interest on pay set aside for later, and companies estimates for the value of stock options and stock awards on the day they were granted. However, FirstEnergy was the only company that came anywhere near the top three in shareholder return for any time period. The Table 3 compares total shareholder return for three time frames for Dominion, Constellation and FirstEnergy as well as 2007 revenue and asset rank, and three year average profit margin rank (net income from continuing operations/total revenues):

Table 3

	Year-to-Date Shareholder Return Rank	1 Year Rank Shareholder Return Rank	5 Year Rank Shareholder Return Rank	2007 Revenue Rank	2007 Assets Rank	3 Year Average Profit Margin Rank
Dominion	33	25	42	3	6	12
Constellation	75	61	19	1	20	73
FirstEnergy	12	6	24	12	11	20

Chart 1

12 Month Value of \$100 Invested on 7/1/2007 through 6/30/2008



C Three is in the process of developing the Public Utility Fortnightly 40 annual list. It will be published in the September 2008 issue of Public Utilities Fortnightly. This ranking is based on a modified Dupont formula and ranks the top 100 U.S. investor owned energy utilities.

Have a great July. Jean

Chart 2

June 30, 2008 Five Year Value of \$100 Invested On July 1, 2003

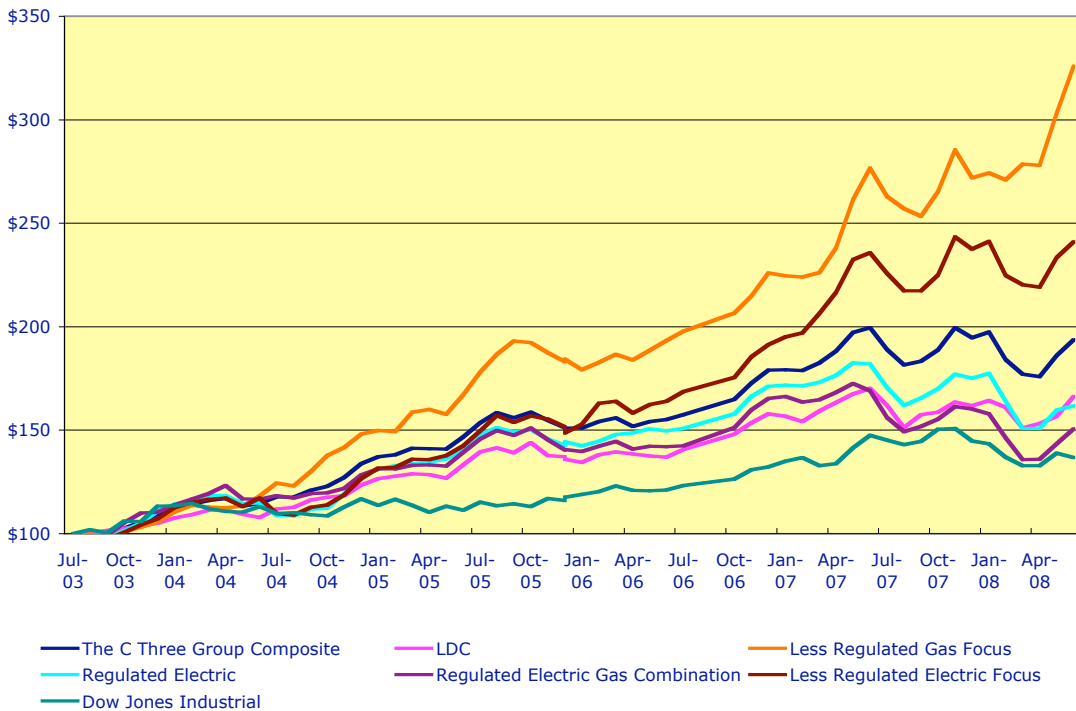


TABLE 3: Value of \$100 Invested on July 1, 2007

Company	12 Months Value Through 6/30/2008	Rank	Company	12 Months Value Through 6/30/2008	Rank
EGN (Energen)	\$147.78	1	ATO (Atmos)	\$99.39	54
EQT (Equitable Resources)	\$147.19	2	SCG (Scana Corp)	\$98.98	55
STR (Questar)	\$138.32	3	RGCO (RGC Resources)	\$98.92	56
NFG (National Fuel Gas Co)	\$137.21	4	XEL (Xcel Energy)	\$98.87	57
LG (Laclede)	\$136.62	5	CNP (Centerpoint Energy)	\$98.41	58
FE (First Energy)	\$136.60	6	CNL (CLECO)	\$98.23	59
TE (Teco Energy)	\$134.82	7	NJR (New Jersey Resources)	\$98.17	60
CPN (Calpine)	\$133.49	8	CEG (Constellation Energy)	\$97.97	61
OTTR (Otter Trail Power)	\$132.89	9	FPU (Florida Public Utilities)	\$97.94	62
EP (El Paso Energy)	\$130.57	10	AES (AES Corp)	\$97.76	63
EXC (Exelon)	\$129.01	11	EAS (Energy East)	\$97.67	64
MDU (MDU Resources)	\$127.88	12	EIX (Edison Intl)	\$97.15	65
TAC (Transalta)	\$127.70	13	ALE (Allete)	\$96.73	66
Less Regulated Gas Focus	\$127.48	14	Regulated Electric Gas Combination	\$96.73	67
VVC (Vectren)	\$126.41	15	SWX (Southwest Gas)	\$96.34	68
WMB (Williams)	\$125.38	16	OKE (Oneok Inc)	\$96.22	69
ITC Holdings	\$123.07	17	DYN (Dynegy)	\$95.96	70
ETR (Entergy)	\$121.40	18	AYE (Allegheny)	\$95.94	71
EWST (Energy West)	\$118.00	19	PGN (Progress Energy)	\$95.81	72
WGL (WGL Holdings)	\$116.03	20	OGE (OGE Energy)	\$95.66	73
FPL (FPL Group)	\$114.41	21	Regulated Electric	\$94.99	74
SJI (South Jersey Industries)	\$114.01	22	POM (PEPCO)	\$94.75	75
SE (Spectra Energy)	\$113.91	23	IDA (Idacorp)	\$94.20	76
PNY (Piedmont Natural Gas)	\$112.81	24	NU (Northeast Utilities Service Co)	\$94.07	77
D (Dominion Resources)	\$111.98	25	NI (NiSource)	\$93.97	78
NRG	\$111.28	26	NWE (Northwestern Corp)	\$93.94	79
UGI (UGI)	\$111.24	27	WR (Westar)	\$93.44	80
NWN (Northwest Natural Gas)	\$111.02	28	AEP (American Electric Power)	\$93.28	81
PPL (PPL)	\$110.88	29	NGG (National Grid)	\$92.81	82
HE (Hawaiian Elec Ind Inc)	\$110.06	30	ATG (AGL Resources)	\$92.73	83
MGEE (MGE Energy)	\$109.91	31	LNT (Alliant)	\$92.72	84
AVA (Avista)	\$109.10	32	PCG (PG&E)	\$92.71	85
ENSI (Energy South)	\$108.85	33	CMS (CMS Energy)	\$92.49	86
Dow Utilities	\$108.66	34	GXP (Great Plains Energy)	\$92.40	87
Less Regulated Electric Focus	\$108.65	35	DTE (DTE Energy)	\$91.50	88
GAS (Nicor)	\$108.07	36	ED (Consolidated Edison)	\$90.59	89
NST (Nstar)	\$107.54	37	TCLP (TC Pipelines)	\$89.85	90
LDC	\$107.39	38	AEE (Ameren)	\$88.02	91
SRE (Sempra Energy)	\$107.08	39	S&P 500	\$87.97	92
DGAS (Delta Nat Gas)	\$106.27	40	SUG (Southern Union)	\$87.50	93
PEG (Public Services Enterprise)	\$106.00	41	EDE (Empire District)	\$86.68	94
WEC (Wisconsin Energy Corp)	\$105.95	42	BKH (Black Hills)	\$86.67	95
KMP (Kinder Morgan Energy Partners)	\$105.19	43	Dow Jones Industrial	\$85.91	96
SO (Southern Company)	\$105.02	44	EL Paso Electric EE	\$85.09	97
Integrays Energy Group (TEG)	\$104.07	45	POR (Portland General)	\$83.69	98
The C Three Group Composite	\$103.64	46	RRI (Reliant Resources)	\$82.83	99
PSD (Puget Energy)	\$103.63	47	OKS (ONEOK Partners)	\$82.74	100
MIR (Mirant)	\$103.49	48	PNW (Pinnacle West)	\$82.10	101
DUK (Duke)	\$103.27	49	SRP (Sierra Pacific)	\$80.39	102
UNS (Unisource Energy)	\$101.91	50	CHG (CH Energy Group)	\$80.20	103
ILA (Aquila)	\$100.27	51	CPK (Chesapeake Utilities)	\$78.87	104
DPL (DPL Inc)	\$100.23	52	CV (Central Vermont)	\$56.97	105
UIL (UIL Holdings)	\$99.43	53	PNM (PNM)	\$46.30	106

TABLE 4: Value of \$100 Invested on July 1, 2003

Company	5 Year Value Through 6/30/2008	5 Year Rank	Company	5 Year Value Through 6/30/2008	5 Year Rank
AYE (Allegheny)	\$593.02	1	NU (Northeast Utilities Service Co)	\$161.68	54
WMB (Williams)	\$518.79	2	AVA (Avista)	\$161.11	55
EGN (Energen)	\$485.87	3	NJR (New Jersey Resources)	\$160.13	56
STR (Questar)	\$474.55	4	OTTR (Otter Trail Power)	\$158.43	57
NRG	\$391.78	5	Regulated Electric	\$153.85	58
EQT (Equitable Resources)	\$361.38	6	WGL (WGL Holdings)	\$153.72	59
RRI (Reliant Resources)	\$346.98	7	RGCO (RGC Resources)	\$153.55	60
Less Regulated Gas Focus	\$333.42	8	SWX (Southwest Gas)	\$151.68	61
EIX (Edison Intl)	\$330.21	9	CNL (CLECO)	\$150.32	62
EXC (Exelon)	\$324.65	10	AEP (American Electric Power)	\$148.72	63
TAC (Transalta)	\$312.95	11	XEL (Xcel Energy)	\$148.12	64
AES (AES Corp)	\$302.52	12	POM (PEPCO)	\$147.92	65
EWST (Energy West)	\$298.61	13	ATG (AGL Resources)	\$146.84	66
EP (El Paso Energy)	\$279.43	14	ILA (Aquila)	\$146.12	67
OKE (Oneok Inc)	\$269.93	15	PNY (Piedmont Natural Gas)	\$145.90	68
PPL (PPL)	\$260.83	16	UIL (UIL Holdings)	\$144.73	69
PEG (Public Services Enterprise)	\$258.91	17	Regulated Electric Gas Combination	\$143.83	70
CEG (Constellation Energy)	\$252.69	18	WR (Westar)	\$141.98	71
NFG (National Fuel Gas Co)	\$248.66	19	MIR (Mirant)	\$139.62	72
ETR (Entergy)	\$245.08	20	NGG (National Grid)	\$138.83	73
ENSI (Energy South)	\$241.44	21	Integrus Energy Group (TEG)	\$138.77	74
Less Regulated Electric Focus	\$234.09	22	TCLP (TC Pipelines)	\$138.58	75
FE (First Energy)	\$233.89	23	VVC (Vectren)	\$138.10	76
ALE (Allete)	\$230.77	24	CPN (Calpine)	\$133.49	77
SJI (South Jersey Industries)	\$217.84	25	GSPC (S&P 500)	\$131.35	78
SRP (Sierra Pacific)	\$213.97	26	EAS (Energy East)	\$131.28	79
CNP (Centerpoint Energy)	\$212.02	27	GAS (Nicor)	\$127.21	80
FPL (FPL Group)	\$211.48	28	CPK (Chesapeake Utilities)	\$124.13	81
SRE (Sempra Energy)	\$210.09	29	SO (Southern Company)	\$123.04	82
DUX (Dow Utilities)	\$207.52	30	Dow Industrials	\$122.92	83
DYN (Dynegy)	\$203.57	31	ATO (Atmos)	\$122.32	84
TE (Teco Energy)	\$201.97	32	DGAS (Delta Nat Gas)	\$122.28	85
DUK (Duke)	\$198.86	33	IDA (Idacorp)	\$121.59	86
ITC Holdings	\$197.72	34	HE (Hawaiian Elec Ind Inc)	\$120.46	87
LNT (Alliant)	\$197.24	35	DTE (DTE Energy)	\$119.92	88
UGI (UGI)	\$193.86	36	SCG (Scana Corp)	\$116.83	89
PCG (PG&E)	\$190.82	37	FPU (Florida Public Utilities)	\$116.78	90
The C Three Group Composite	\$188.78	38	BKH (Black Hills)	\$114.13	91
NWN (Northwest Natural Gas)	\$186.16	39	MGEE (MGE Energy)	\$112.99	92
CMS (CMS Energy)	\$183.95	40	PSD (Puget Energy)	\$110.91	93
D (Dominion Resources)	\$182.58	41	CV (Central Vermont)	\$109.13	94
DPL (DPL Inc)	\$182.56	42	PGN (Progress Energy)	\$107.17	95
SUG (Southern Union)	\$175.80	43	AEE (Ameren)	\$106.64	96
UNS (Unisource Energy)	\$173.82	44	NI (NiSource)	\$104.19	97
OKS (ONEOK Partners)	\$172.05	45	ED (Consolidated Edison)	\$101.69	98
EL Paso Electric EE	\$171.13	46	NWE (Northwestern Corp)	\$100.71	99
OGE (OGE Energy)	\$167.16	47	SE (Spectra Energy)	\$100.42	100
WEC (Wisconsin Energy Corp)	\$165.16	48	GXP (Great Plains Energy)	\$97.53	101
LG (Laclede)	\$165.11	49	EDE (Empire District)	\$95.76	102
MDU (MDU Resources)	\$165.06	50	PNW (Pinnacle West)	\$91.04	103
NST (Nstar)	\$164.02	51	CHG (CH Energy Group)	\$87.76	104
LDC	\$162.44	52	POR (Portland General)	\$76.34	105
KMP (Kinder Morgan Energy Part.)	\$162.10	53	PNM (PNM)	\$71.79	106

Methodology and Components of Each Index Tracked by The C Three Group

- **Less Regulated Electric Focus** = More than 50% of revenues come from non-state regulated sources and/or more than 33% of assets are non-state regulated.
- **Less Regulated Gas Focus** = More than 50% of revenues come from non-state regulated natural gas distribution and/or more than 33% of assets are non-state regulated.
- **Regulated Electric** = No more than 20% of revenues can come from natural gas distribution and no more than 49% of revenues and 33% of assets can be associated with non-regulated activities.
- **LDC** = No more than 20% of revenues can come from electric distribution or generation and no more than 50% of revenues and 33% of assets can be associated with non-regulated activities.
- **Regulated Electric and Gas Combination** = More than 20% of revenues derived from natural gas distribution, no more than 50% of revenues and 33% of assets from non-regulated activities.
- **The C Three Index** = the non-weighted average of each of the companies included in the groupings above.

The C Three Indices are developed based on a straightforward premise: if you invested \$100 in each of the stocks of the companies that we track, what would the value of those shares be worth after a certain time-frame? Historical share prices are adjusted for dividends, splits and spin-offs.

LDC	Regulated Electric	Regulated Electric and Gas Combo	Dow Jones Industrials
AGL Resources Atmos Energy Chesapeake Utilities Delta Natural Gas Energy South Energy West Laclede Group Nicor Nisource Northwest Natural Gas Piedmont Natural Gas RGC Resources South Jersey Industries Southwest Gas Vectren WGL Holdings	Allele Ameren American Electric Power Black Hills Central Vermont CLECO Dominion Resources DPL Duke Energy Edison International El Paso Electric Empire District Energy East FirstEnergy IdaCorp Northeast Utility Services Northwestern Corp. Nstar PEPCO Pinnacle West Portland General Electric Progress Energy Sierra Pacific Southern Company UIL Holdings Unisource Energy Westar Wisconsin Energy	Alliant Avista Centerpoint Energy CH Energy Group CMS Energy Consolidated Edison DTE Energy Energy East Florida Public Utilities MGE Energy PCG PNM Resources Puget Energy SCANA Sierra Pacific Resources TECO Energy Wisconsin Energy Xcel Energy	Alcoa American Express American Inter. Group AT&T Boeing Caterpillar Citigroup Coca Cola Dupont Exxon Mobil GE General Motors Home Depot Honeywell IBM Intel Johnson and Johnson JP Morgan McDonalds Merck Microsoft P&G Pfizer United Technology Verizon WalMart Walt Disney
Less Regulated Gas	Less Regulated Electric	Dow Utility Average	C Three Index
Energen Equitable Resources National Fuel Gas NJ Resources Oneok Questar UGI	AES Corp. Allegheny Energy Constellation Energy Dynergy Entergy Exelon FPL Group Great Plains Energy Hawaian Electric Intergrys MDU Resources Mirant NRG OGE Energy Otter Tail Power PPL Corp. PS Enterprise Reliant Resources Sempra Energy UGI	AEP AES CenterPoint Consolidated Edison Dominion Resoures Edison International Exelon FirstEnergy FPL Group NiSource PG&E PS Enterprise Group Southern Company Williams Co.	Is an unweighted average of each component from the each of these groupings plus, El Paso Energy, Kinder Morgan Energy Partners, Oneok Partners, Spectra Energy, TC Pipelines, TransAlta and Williams. We may re-introduce a natural gas pipeline index later this year.