

- **Entergy announces the delay of its nuclear IPO due to market conditions.**

- **Exelon offers an all stock deal for NRG.**

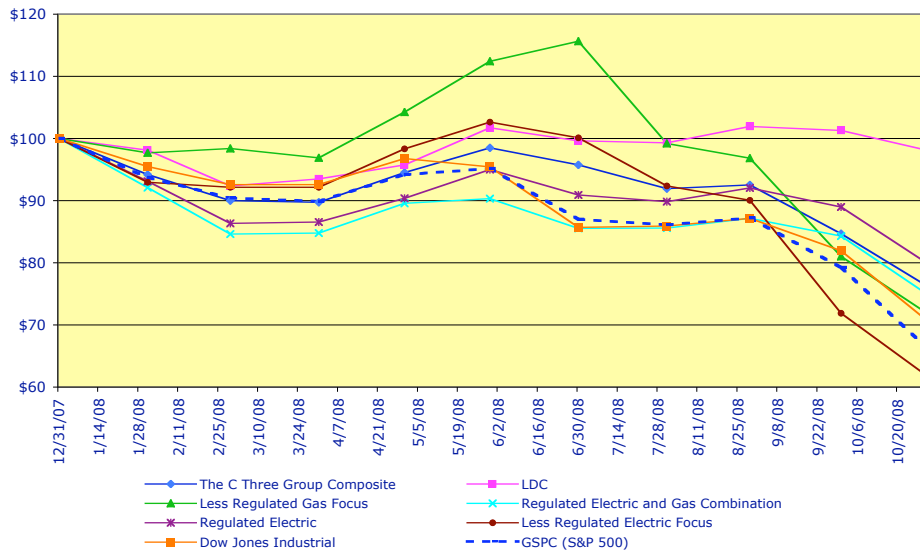
- **2009 capital budgets being re-evaluated.**



November 2, 2008. If one chart could sum up the months of September and October, 2008, the one at the bottom of this page paints a painful, albeit, an accurate picture. While there were some tentative upward movements for some towards the end of October, there is certainly no clear signal that the bottom has been reached.

October 2008 Winners and Losers: Table 1			
Percentage Change Market Open 10/1/08 to Market Close 10/31/08			
C Three Composite Index = -10.61%			
Top 10		Bottom 10	
OKS (ONEOK Partners)	8.56%	FE (First Energy)	-22.1%
LG (Laclede)	7.90%	NWE (Northwestern Corp)	-22.2%
GAS (Nicor)	4.19%	OTTR (Otter Trail Power)	-23.6%
KMP (Kinder Morgan Energy Partners)	3.88%	EP (El Paso Energy)	-24.0%
NJR (New Jersey Resources)	3.76%	EGN (Energen)	-25.9%
PNY (Piedmont Natural Gas)	3.00%	TAC (Transalta)	-26.0%
DYN (Dynergy)	1.68%	TE (Teco Energy)	-26.6%
ED (Consolidated Edison)	0.84%	RRI (Reliant Resources)	-28.6%
MGEE (MGE Energy)	0.23%	AES (AES Corp)	-31.8%
CEG (Constellation Energy)	-0.37%	MDU (MDU Resources)	-37.2%

2008 Year-to-Date Indices Performance 1/1/2008 Through 10/31/2008
©2008 The C Three Group, LLC



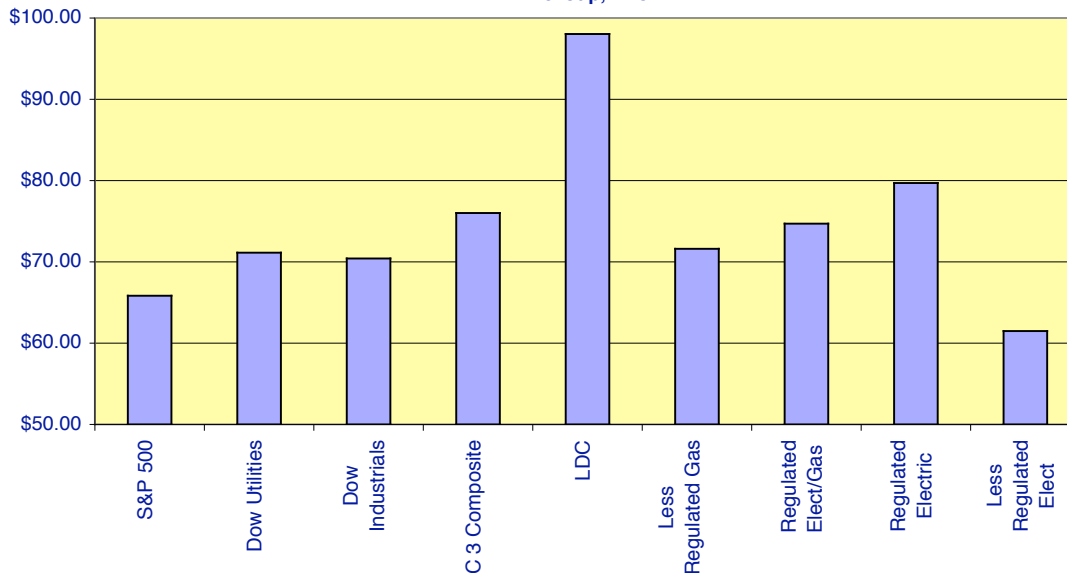
Subscribers to C Three Research have access to this and all of our reports.

Year-To-Date Overview

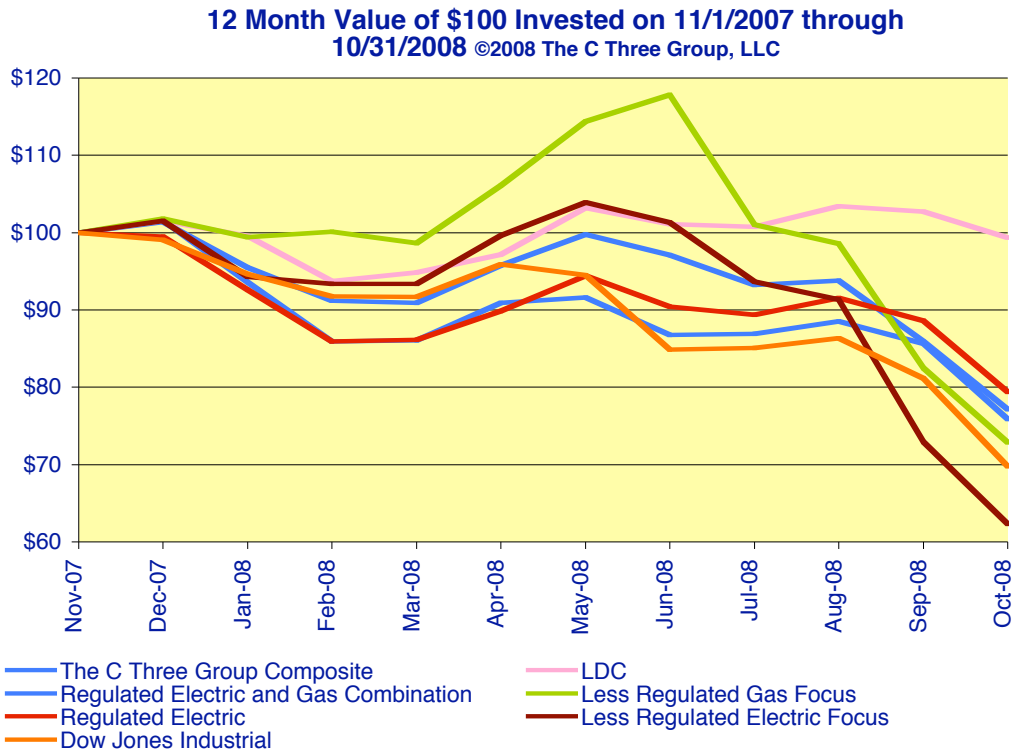
Table 2: 2008 Year-to-Date Winners and Losers:			
Value of \$100 Invested on 1/1/2008 through Market Close 10/31/08			
C Three Composite Index = \$76.13			
Top 10		Bottom 10	
LG (Laclede)	\$152.80	NRG	\$53.65
PNY (Piedmont Natural Gas)	\$125.84	EGN (Energen)	\$52.27
HE (Hawaiian Elec Ind Inc)	\$116.91	DYN (Dynergy)	\$50.98
NJR (New Jersey Resources)	\$112.30	SRP (Sierra Pacific)	\$48.82
GAS (Nicor)	\$109.11	AYE (Allegheny)	\$47.40
NWN (Northwest Natural Gas)	\$104.56	PNM (PNM)	\$45.45
FPU (Florida Public Utilities)	\$101.11	MIR (Mirant)	\$44.95
MGEE (MGE Energy)	\$100.45	AES (AES Corp)	\$37.26
KMP (Kinder Morgan Energy Part.)	\$100.11	CEG (Constellation Energy)	\$23.61
WGL (WGL Holdings)	\$98.26	RRI (Reliant Resources)	\$20.01

None of our indices managed to stay in positive territory for the year-to-date period. Local gas distribution companies have been hurt the least, but only those that did not have much upstream exposure to natural gas prices. The merchant generation group has been rocked. Constellation Energy shed a negative spotlight yet again on this group which had carried an Enron hangover for a number of years post 2001. This group has lost almost 40% of its value during 2008.

10/31/2008 Year-to-Date Value of \$100 Invested on 1/1/2008 ©2008 The C Three Group, LLC



12 Month and 5 Year Overviews



Essentially all of the gains of at least the past four years have been wiped away during the past two months. We did a quick scan of other indices, such as banking, mining, and high tech. While we are sure there are some sectors, such as gold, that have done well in these markets, energy utilities have not been hit as hard as many others thus far.

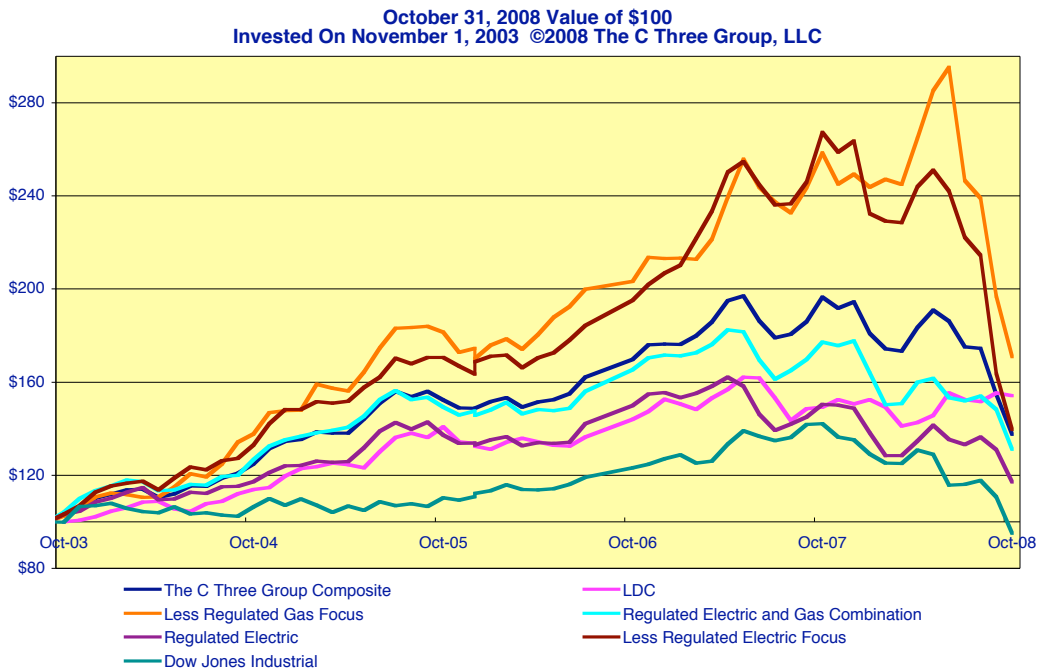


TABLE 3: October 31, 2008 Value of \$100 Invested on November 1, 2007

Company	12 Months Value Through 10/31/2008	Rank	Company	12 Months Value Through 10/31/2008	Rank
LG (Laclede)	\$154.38	1	PNW (Pinnacle West)	\$73.81	54
PNY (Piedmont Natural Gas)	\$127.01	2	POM (PEPCO)	\$73.75	55
HE (Hawaiian Elec Ind Inc)	\$116.04	3	CV (Central Vermont)	\$73.41	56
NJR (New Jersey Resources)	\$115.04	4	Less Regulated Gas Focus	\$72.87	57
GAS (Nicor)	\$110.02	5	EL Paso Electric EE	\$72.74	58
KMP (Kinder Morgan Energy Partners)	\$108.06	6	TCLP (TC Pipelines)	\$72.73	59
NWN (Northwest Natural Gas)	\$106.98	7	DTE (DTE Energy)	\$72.29	60
MGEE (MGE Energy)	\$103.25	8	NU (Northeast Utilities Service Co)	\$71.69	61
FPU (Florida Public Utilities)	\$103.13	9	LNT (Alliant)	\$71.24	62
LDC	\$99.35	10	Dow Utilities	\$71.16	63
DGAS (Delta Nat Gas)	\$98.44	11	OTTR (Otter Trail Power)	\$70.94	64
WGL (WGL Holdings)	\$98.38	12	NI (NiSource)	\$70.51	65
CHG (CH Energy Group)	\$95.75	13	NWE (Northwestern Corp)	\$70.36	66
NST (Nstar)	\$94.67	14	Dow Jones Industrial	\$69.74	67
UIL (UIL Holdings)	\$94.29	15	OKE (Oneok Inc)	\$69.68	68
CPK (Chesapeake Utilities)	\$93.84	16	CPN (Calpine)	\$69.23	69
AVA (Avista)	\$93.13	17	SRE (Sempra Energy)	\$68.94	70
SJI (South Jersey Industries)	\$93.06	18	AEP (American Electric Power)	\$68.81	71
ATO (Atmos)	\$92.99	19	FPL (FPL Group)	\$67.92	72
OKS (ONEOK Partners)	\$92.95	20	NGG (National Grid)	\$67.72	73
Integrus Energy Group (TEG)	\$92.21	21	MDU (MDU Resources)	\$67.42	74
SO (Southern Company)	\$91.92	22	EXC (Exelon)	\$67.35	75
WEC (Wisconsin Energy Corp)	\$91.66	23	TE (Teco Energy)	\$67.21	76
SWX (Southwest Gas)	\$91.26	24	EQT (Equitable Resources)	\$66.47	77
UGI (UGI)	\$90.79	25	GXP (Great Plains Energy)	\$65.97	78
ED (Consolidated Edison)	\$89.78	26	S&P 500	\$65.84	79
UNS (Unisource Energy)	\$89.55	27	ETR (Entergy)	\$65.31	80
EWST (Energy West)	\$88.39	28	TAC (Transalta)	\$65.13	81
VVC (Vectren)	\$86.18	29	CNP (Centerpoint Energy)	\$65.05	82
ALE (Allte)	\$86.12	30	STR (Questar)	\$64.99	83
EDE (Empire District)	\$84.44	31	PPL (PPL)	\$64.50	84
PSD (Puget Energy)	\$83.59	32	EIX (Edison Intl)	\$63.85	85
RGCO (RGC Resources)	\$82.99	33	Less Regulated Electric Focus	\$62.31	86
DUK (Duke)	\$82.89	34	WMB (Williams)	\$61.50	87
CNL (CLECO)	\$82.74	35	AEE (Ameren)	\$61.27	88
ATG (AGL Resources)	\$82.61	36	EP (El Paso Energy)	\$61.12	89
PGN (Progress Energy)	\$81.23	37	BKH (Black Hills)	\$60.26	90
PCG (PG&E)	\$79.54	38	PEG (Public Services Enterprise Group)	\$59.24	91
ITC Holdings	\$79.51	39	CMS (CMS Energy)	\$58.84	92
Regulated Electric Gas Combination	\$79.36	40	SUG (Southern Union)	\$58.27	93
SE (Spectra Energy)	\$78.83	41	NRG	\$55.50	94
D (Dominion Resources)	\$77.36	42	EGN (Energen)	\$53.02	95
OGE (OGE Energy)	\$77.34	43	AYE (Allegheny)	\$49.93	96
SCG (Scana Corp)	\$77.31	44	SRP (Sierra Pacific)	\$48.09	97
The C Three Group Composite	\$77.12	45	DYN (Dynergy)	\$47.64	98
POR (Portland General)	\$76.85	46	MIR (Mirant)	\$45.82	99
FE (First Energy)	\$76.59	47	PNM (PNM)	\$44.28	100
NFG (National Fuel Gas Co)	\$76.43	48	AES (AES Corp)	\$36.73	101
IDA (Idacorp)	\$76.41	49	CEG (Constellation Energy)	\$24.38	102
DPL (DPL Inc)	\$75.96	50	RRI (Reliant Resources)	\$20.35	103
XEL (Xcel Energy)	\$75.94	51			
WR (Westar)	\$75.90	52			
Regulated Electric	\$75.86	53			

TABLE 4: October 31, 2008 Value of \$100 Invested on November 1, 2003

Company	5 Year Value Through 10/31/2008	5 Year Rank	Company	5 Year Value Through 10/31/2008	5 Year Rank
AYE (Allegheny)	\$329.87	1	OGE (OGE Energy)	\$134.09	54
NRG	\$232.50	2	CNP (Centerpoint Energy)	\$133.64	55
STR (Questar)	\$230.19	3	SO (Southern Company)	\$132.59	56
WMB (Williams)	\$226.21	4	NU (Northeast Utilities Service Co)	\$132.32	57
LG (Laclede)	\$209.87	5	Regulated Electric	\$131.18	58
EWST (Energy West)	\$200.48	6	POM (PEPCO)	\$130.12	59
EIX (Edison Intl)	\$196.74	7	MGEE (MGE Energy)	\$126.62	60
SJI (South Jersey Industries)	\$191.51	8	Integrays Energy Group (TEG)	\$125.25	61
EGN (Energen)	\$191.39	9	XEL (Xcel Energy)	\$123.37	62
NWN (Northwest Natural Gas)	\$190.21	10	NGG (National Grid)	\$123.19	63
UIL (UIL Holdings)	\$184.56	11	SWX (Southwest Gas)	\$123.15	64
EXC (Exelon)	\$182.81	12	FPU (Florida Public Utilities)	\$122.73	65
PNY (Piedmont Natural Gas)	\$180.78	13	AEP (American Electric Power)	\$118.40	66
ALE (Allele)	\$178.85	14	ED (Consolidated Edison)	\$118.04	67
EQT (Equitable Resources)	\$178.73	15	Regulated Electric Gas Combination	\$117.02	68
NJR (New Jersey Resources)	\$178.35	16	VVC (Vectren)	\$116.83	69
DUK (Duke)	\$178.24	17	DGAS (Delta Nat Gas)	\$115.90	70
FE (First Energy)	\$176.63	18	ATG (AGL Resources)	\$115.41	71
UGI (UGI)	\$175.00	19	PSD (Puget Energy)	\$114.07	72
SRP (Sierra Pacific)	\$170.93	20	IDA (Idacorp)	\$113.54	73
Less Regulated Gas Focus	\$170.91	21	WR (Westar)	\$111.95	74
NFG (National Fuel Gas Co)	\$170.47	22	ATO (Atmos)	\$110.22	75
PPL (PPL)	\$170.37	23	AES (AES Corp)	\$107.41	76
OKE (Oneok Inc)	\$170.32	24	SUG (Southern Union)	\$106.36	77
TAC (Transalta)	\$168.94	25	DTE (DTE Energy)	\$103.01	78
OKS (ONEOK Partners)	\$160.04	26	SCG (Scana Corp)	\$102.97	79
ITC Holdings	\$159.64	27	CHG (CH Energy Group)	\$102.82	80
FPL (FPL Group)	\$159.59	28	RRI (Reliant Resources)	\$102.54	81
PEG (Public Services Enterprise)	\$157.70	29	DYN (Dynergy)	\$101.11	82
PCG (PG&E)	\$156.04	30	PGN (Progress Energy)	\$98.33	83
CNL (CLECO)	\$154.95	31	OTTR (Otter Trail Power)	\$98.16	84
ETR (Entergy)	\$153.43	32	CV (Central Vermont)	\$97.84	85
SRE (Sempra Energy)	\$152.83	33	PNW (Pinnacle West)	\$97.59	86
EL Paso Electric EE	\$152.55	34	GSPC (S&P 500)	\$97.27	87
NST (Nstar)	\$151.88	35	EDE (Empire District)	\$96.68	88
UNS (Unisource Energy)	\$151.62	36	TCLP (TC Pipelines)	\$95.94	89
DJU (Dow Utilities)	\$151.01	37	Dow Industrials	\$95.14	90
WEC (Wisconsin Energy Corp)	\$149.59	38	TE (Teco Energy)	\$92.69	91
WGL (WGL Holdings)	\$149.24	39	BKH (Black Hills)	\$88.60	92
LDC	\$149.20	40	MDU (MDU Resources)	\$84.86	93
CPK (Chesapeake Utilities)	\$146.94	41	AEE (Ameren)	\$82.97	94
DPL (DPL Inc)	\$144.55	42	SE (Spectra Energy)	\$74.00	95
LNT (Alliant)	\$144.44	43	MIR (Mirant)	\$71.22	96
GAS (Nicor)	\$143.87	44	CEG (Constellation Energy)	\$70.96	97
KMP (Kinder Morgan Energy)	\$142.88	45	NWE (Northwestern Corp)	\$70.90	98
RGCO (RGC Resources)	\$140.73	46	NI (NiSource)	\$70.55	99
Less Regulated Electric Focus	\$139.54	47	GXP (Great Plains Energy)	\$70.41	100
CMS (CMS Energy)	\$139.08	48	POR (Portland General)	\$67.10	101
D (Dominion Resources)	\$138.74	49	CPN (Calpine)	\$61.97	102
The C Three Group Composite	\$137.60	50	PNM (PNM)	\$55.33	103
EP (El Paso Energy)	\$137.39	51			
HE (Hawaiian Elec Ind Inc)	\$134.58	52			
AVA (Avista)	\$134.28	53			

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 West Laclede Group Nicor Nisource Northwest Natural Gas Piedmont Natural Gas RGC Resources South Jersey Industries Southwest Gas WGL Holdings	Alleite Ameren American Electric Power Black Hills Central Vermont CLECO Dominion Resources DPL Duke Energy Edison International El Paso Electric Empire District FirstEnergy Great Plains Energy IdaCorp National Grid Northeast Utility Services Nstar PEPCO Pinnacle West Portland General Electric Progress Energy Sierra Pacific Southern Company UIL Holdings Unisource Energy Westar	Alliant Avista Centerpoint Energy CH Energy Group CMS Energy Consolidated Edison DTE Energy Energy East Florida Public Utilities MGE Energy Northwestern Corp. PCG PNM Resources Puget Energy SCANA TECO Energy Vectren Wisconsin Energy Xcel Energy	Alcoa American Express AT&T Boeing Caterpillar Citigroup Coca Cola Dupont Exxon Mobil GE General Motors Home Depot Honeywell IBM Intel Johnson and Johnson JP Morgan Kraft Foods McDonalds Merck Microsoft P&G Pfizer United Technology Verizon WalMart Walt Disney
Less Regulated Gas	Less Regulated Electric	Dow Utility Average	C Three Composite Index
El Paso Corp. Energen Equitable Resources National Fuel Gas NJ Resources Southern Union Oneok Questar UGI	AES Corp. Allegheny Energy Calpine Constellation Energy Dynegy Entergy Exelon FPL Group Hawaian Electric Integrays ITC Holdings MDU Resources Mirant NRG OGE Energy Otter Tail Power PPL Corp. PS Enterprise Reliant Resources Sempra Energy	AEP AES CenterPoint Consolidated Edison Dominion Resources Edison International Exelon FirstEnergy FPL Group NiSource PG&E PS Enterprise Group Southern Company Williams Co.	Is an unweighted average of each component from 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.