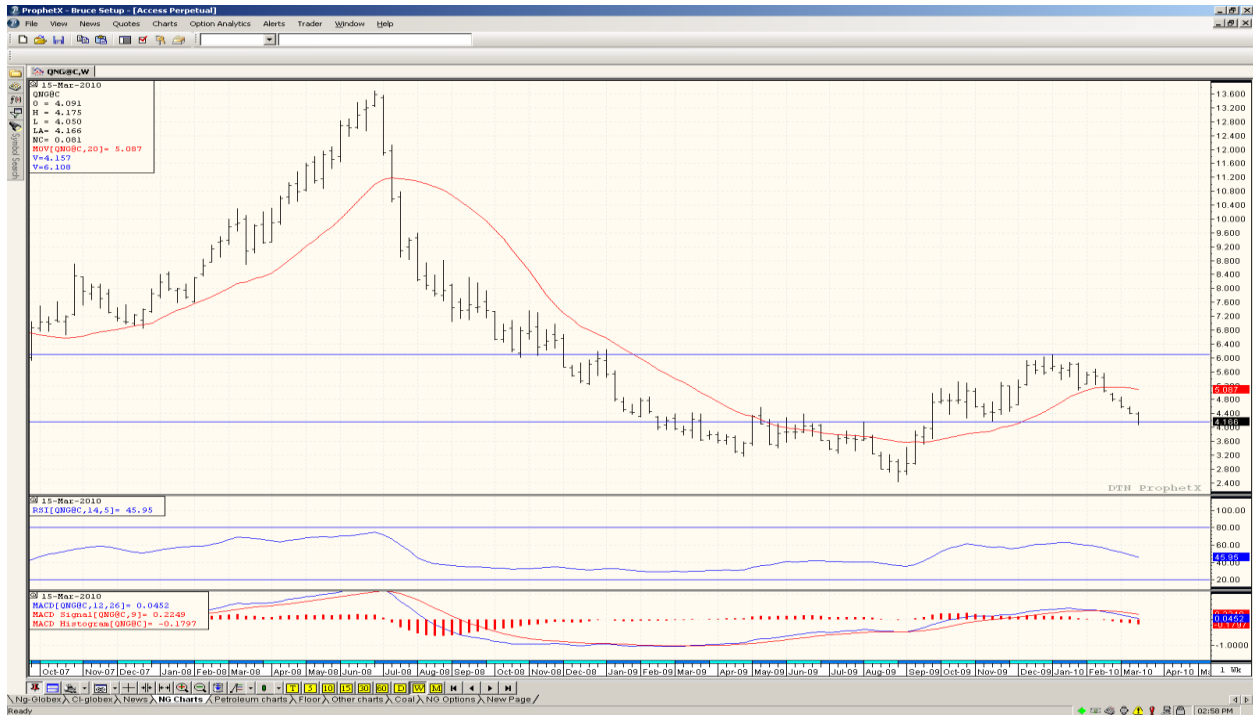


3/19/10

Natural Gas Market Summary

These views are provided by SCANA Energy Marketing for information purposes only – please see last page for details.

The April contract opened trading this week about \$.02/dt below last week's closing price, then slowly moved lower toward technical price support. On Wednesday, April printed a new contract low price before moving even lower to technical price support found at +/- \$4.25/dt...the previous low price of the April contract was \$4.30/dt in June 2004. When the Weekly Storage Report was released on Thursday, prices quickly moved lower, first to and then below the next level of technical price support found at +/- \$4.15/dt. After trading as low as \$4.05/dt on Thursday, prices rallied somewhat on Friday to post a weekly closing price of \$4.169/dt, down \$.23/dt from last week. Attached is a weekly continuation chart showing this price activity.



This is the fifth consecutive week the prompt month has posted a weekly closing price below the previous week's low price.

Strip prices:

1. April 10- Oct 10 "strip" closed at \$4.378/dt, down \$.23/dt from last week
2. April through December 2010 closed at \$4.57/dt, down \$.20/dt from last week.
3. April through March 2011 closed at \$4.84/dt, down \$.17/dt from last week.

Bearish price factors :

1. U.S. Rig counts – as of this week, the number of operating rotary rigs in the United States is 1407, **up 11 from last week and 281 above from this same week in 2009.**

Bullish price factors:

1. Alternate fuels – Prompt month crude oil closed at \$80.58/barrel, down \$.66/barrel from last week's closing price. #2 oil closed today at \$2.07/gallon, down \$.027/gallon from last week's closing price – this equates to roughly \$14.88/dt equivalent natural gas price.
2. Price volatility – the 14 day Average True Range remains in bullish territory with a reading of .1620. The last time the ATR was close to this low was in June 2005.

Neutral price factors:

1. Volume of gas in storage. Working gas in storage was 1,615 Bcf as of Friday, March 12, 2010, according to EIA estimates. This represents a net decline of 11 Bcf from the previous week. Stocks were 40 Bcf less than last year at this time and 73 Bcf above the 5-year average of 1,542 Bcf.
2. Percent price decline from the 4th quarter 2009 price high to the 1st quarter 2010 price low – currently at 33% compared to the historical average of approximately 40%.
3. Weather forecast –the 6 – 10 day and 8 – 10 day forecasts are normal for the eastern half of the country.

Technical indicators:

Technical indicators appear to be negative. Short-term indicators continue to be in the 'oversold' area indicating a short-term price rally could be forthcoming. The price path of least resistance appears to be lower.

Summary:

This week marks the first time the prompt month has been able to post a daily closing price below the traditional trend channel that has contained all prompt month price movement since late September 2009. However, Friday's late-day price rally resulted in a weekly closing price back within that trend channel. As with the previous few weeks, the market appears to be very oversold technically...a condition that could lead to a temporary price reversal higher. Interestingly, the last time the market was this oversold was in early September 2009. The price reversal that ensued, took the prompt month price from a low of \$2.409/dt to a high of \$5.318/dt.

Please be reminded the thoughts conveyed above are based on recent price movement and apparent Market sentiment. Random events that could occur may change the Market sentiment and as such, may result in price movement counter to what is mentioned above.

Hedging:

Depending on your risk tolerance and your need for price protection, below are some prices that may be considered as a possible purchase points.

April 10 = +/- \$3.85/dt

April 10 – Oct 10 = +/- \$4.25/dt

April 10 – March 11 = +/- \$4.65/dt

Of course, the commodity markets are impossible to predict with accuracy. I hope that you find these views helpful, but I cannot guarantee that my expectations will be accurate or that any particular strategy will be advantageous.

Please call your account manager if you have questions or want to purchase a fixed price hedge.

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