Energy Choice Matters

February 26, 2010

Duquesne Light POLR V Settlement Would Set Residential Rate at $78.60/MWh

Parties have filed an unopposed settlement in Duquesne Light's default service proceeding for the period January 1, 2011, through May 31, 2013 which would provide residential customers with a fixed price of $78.60/MWh for the duration of the default service plan, absent PUC-approved changes (P-2009-2135500, Matters, 10/14/2009).

Statements of support were filed by Duquesne Light, the Office of Consumer Advocate, Office of Small Business Advocate, Dominion Retail, Duquesne Industrial Intervenors, FirstEnergy Solutions, the Retail Energy Supply Association, and Constellation Energy. The Office of Trial Staff concurs that approval of the settlement is in the public interest.

Duquesne Light is to procure residential supply under the POLR V plan using bilateral contracts. The fixed rate for residential customers shall be subject to change, subject to conditions contained in a settlement appendix, on 30 days' notice to customers and approval of the Commission. The settlement's appendices and associated tariffs were not available yesterday, only an explanatory statement. Duquesne did not return a call for additional information.

Under the settlement, Duquesne Light would procure power to provide service to small commercial and industrial customers (less than 25 kW maximum peak demand) and medium commercial and industrial customers (from 25 kW up to, but not including, 300 kW maximum peak demand) for the 29-month period using five (six for medium C&Is) staggered RFPs to obtain full requirements contracts.

Default service rates for small commercial and industrial (C&I) customers would be revised annually and would be subject to reconciliation. Medium commercial and industrial rates would be revised semi-annually and would be subject to reconciliation.

The RFPs for small and medium commercial customer load would be subject to a load cap. Specifically, during the first five procurements scheduled, there will be 8 tranches bid, 6 for medium C&I customers and 2 for small C&I customers. No one supplier will be awarded more than 6 of the

Continued P. 7

Sempra to Sell Entirety of North American Power, Gas Commodity Joint Venture

A sale of the entire North American power and gas operations of the RBS-Sempra joint venture is now the preferred outcome for Sempra Energy, as Sempra could not find cost-effective terms for third-party credit support for maintaining the business, and does not wish to use equity to purchase the RBS share and operate the entire unit.

Sempra CEO Donald Felsinger reported during an earnings call that there are "several" interested parties for the North American energy commodities business, and he believes that a transaction can be completed quickly.

Felsinger added that, "there's such a robust interest on this remaining piece that it's not going to be discounted at all, as a matter of fact it will go for a premium," adding that it's unlikely that, after receiving bids, Sempra would elect to keep the commodities business. Felsinger noted that to keep

Continued P. 8

Briefly:

Oasis Power Seeks Md. Electric License

Oasis Power LLC (d/b/a Oasis Energy) applied for a Maryland electric supplier license to serve all customer classes at all of the investor-owned utilities. Oasis, led by several former Spark Energy senior executives, began operating in the New York electric market in the second half of last year and is slated to begin gas marketing in New York early this year. Oasis is led by President Michael Osowski, former senior vice president at Spark, and previously with Green Mountain Energy. Amy Van Gelder serves as Vice President of Oasis, and formerly held several director-level positions at Spark, charged with business development, new markets, and operations. John Lupo serves as Oasis' Director of Gas Operations, and was formerly vice president of strategic planning at Spark.

Viridian Energy Receives Pa. License

The Pennsylvania PUC granted Viridian Energy PA, LLC an electric generation supplier license to serve residential, commercial and industrial customers at PPL. Viridian has said that it plans to offer a variable rate product at a discount to the Price to Compare, and intends to market its services through two main channels: telemarketing and referral marketing (Only in Matters, 1/4/10).

Bmark Energy Receives Pa. Broker License

The Pennsylvania PUC granted Bmark Energy, Inc. an electric broker/marketer license to serve all sizes of non-residential customers in all service areas (Only in Matters, 11/24/09).

Shipley Energy Gas Supply License Expanded to Include PECO

Shipley Energy received authority from the Pennsylvania PUC to expand its gas marketing license to include the PECO territory (Only in Matters, 11/19/09).

Pa. PUC Opens Rulemaking on Retail Electric Customer Protections

The Pennsylvania PUC has initiated an evaluation of competitive safeguards to govern the relationships between electric distribution companies (EDCs), electric generation suppliers, and customers.

Nearly a decade ago, customer protections rules were codified at Title 52, Sections 54.121 through 54.123 of the Pennsylvania Code, which are designed to prohibit unfair or deceptive practices by suppliers, assure the provision of direct access on equal and nondiscriminatory terms, prevent cross subsidization between EDCs and their affiliated suppliers, and establish and maintain an effective and vibrant competitive market in the purchase and sale of retail electric energy.

"Given the changes in the electric industry since our regulations were enacted, I believe it is prudent to conduct a review of those regulations and make any improvements necessary to ensure they are designed to best protect the public interest," said Commissioner Robert Powelson in a motion directing the Law Bureau to initiate the rulemaking process.

In a motion offered by Powelson which was adopted unanimously, Powelson said that the rulemaking shall include a review of similar regulations in other jurisdictions to come up with "best practices."

Cawley Says Lack of Supplier Offers at Citizens'/Wellsboro Justifies Longer-Term Contracts

The Pennsylvania PUC approved use of a managed, stratified procurement process for default service supplies at Citizens' Electric Company and Wellsboro Electric Company for the period June 1, 2010 through May 31, 2013, as Chairman James Cawley said that the lack of competitive supplier offers in the small territories justifies the use of default service products with longer term lengths to reduce volatility (P-2009-2110780 et. al.).

Although a final order was not available, the Commission essentially adopted an ALJ's recommended decision, which was only reported in Matters (Only in Matters, 1/26/10). Under the recommended decision, Citizens' and Wellsboro are to continue, with some changes, the existing stratified procurement plan which allows the companies to procure a portion of their required default energy supply for a given month of service over the four quarters preceding that given month. The companies will purchase annual 7x24 products totaling at least 20 MW, with the remainder of the companies' combined monthly load requirements procured through 5x16 or on-peak products purchased during the four quarters prior to the month of delivery (in blocks of at least 5 MW). Residual requirements will be procured on the spot market.

Although voting for the stratified approach, Cawley noted that, "[a] more in depth review of the record reveals that the Office of Small Business Advocate's (OSBA) Scheduled Procurement Plan produces lower costs when the existing plan is adjusted for the contracting decisions of ACE [sic] Power Marketing and the Companies over the entire study period."

"As it happens, a very fortuitous pair of contract failures by Lehman Brothers permitted the Companies to terminate contracts entered at the peak of the energy market, which the Companies were fortunate enough to replace with lower cost supply. For this reason, it is far from settled that the Companies' stratified procurement plan produces lower costs than a scheduled procurement plan," Cawley said.

However, the alternative scheduled procurement plan proposed by OSBA, "relies too heavily on spot and quarterly purchases," Cawley added.

"Given the current absence of competitive offers in this very small service territory, consumers have very few alternatives available to them to acquire reasonable levels of price stability. Consequently, I concur in the result only with regard to the issue of the stratified procurement plan versus the scheduled procurement plan," Cawley said.

Consistent with the recommended decision, the PUC denied the utilities' request for advance approval to enter into two-, three-, and four-year contracts in addition to the annual products if favorable market conditions warranted. However, Commissioners were quick to point out that Citizens' and Wellsboro may petition the Commission for an expedited addition or amendment to their default service plan to enter into such longer-term contracts.

Vice Chairman Tyrone Christy would have granted Citizens' and Wellsboro's request for an abbreviated process for the approval of multi-year contracts during the next three years. "The Commission could have approved this request, while reserving the right to extend the requested 30-day review period if necessary, for example, if the Companies proposed a complex contract that raised significant factual issues," Christy said.

"I would like to point out that the Companies are not precluded from requesting expedited review of future proposed additions and amendments to their approved DSP ... I encourage the Companies to identify multi-year contracts that provide long-term rate stability and reasonable rates for their default service customers, and to request expedited Commission review of these contracts when appropriate," Christy said. Commissioner Robert Powelson expressed similar sentiments, noting that the Commission approved an accelerated procurement at West Penn Power last year.

Cawley also supported longer-term procurements, but only when subject to a more scheduled and disciplined approach to hedging. "Specifically, some level scheduled hedging should occur more than one year out for these customers that have no current competitive supply offers to mitigate market volatility. This can be achieved through a physical or financial contract of more than one year, or through physical or financial hedges more than one year out," Cawley said.

Christy disagreed with the Commission's finding that the approved default service plan, "includes a prudent mix of supply resources that is designed to obtain least cost generation supply contracts on a long-term, short-term and spot market basis."

"Act 129 defines a long-term contract as one that is longer than four (4) years. There are no long-term contracts in the Companies' DSP. Therefore, this Finding is incorrect, and in my opinion this DSP does not comply with Act 129," Christy said.

Calif. PUC Adopts Default Peak Day Rates at PG&E

The California PUC adopted new rate structures for commercial, industrial, and agricultural customers of Pacific Gas and Electric as part of an effort to implement dynamic electricity prices for all California consumers (A.09-02-022).

Large commercial and industrial customers will be defaulted to Peak Day Pricing rates on May 1, 2010, unless they proactively choose to opt out to a time-of-use rate. Peak Day Pricing will become the default tariff for small and medium commercial and industrial customers beginning November 1, 2011.

Peak Day Pricing is essentially a time-of-use rate with a critical peak price applicable from 2 p.m. to 6 p.m. on certain days (with certain alternative durations available). There will be between nine and 15 Peak Day Pricing event days per calendar year, and customers will be notified in advance of the days.

The critical peak adder will be $0.60/kWh for small commercial customers and $0.90/kWh for medium commercial customers under Schedule A-10. The critical peak adder will be $1.00/kWh for the agricultural classes. Large customers will be subject to a standard adder of $1.20/kWh.

Peak Day Pricing will become the default tariff for large agricultural customers beginning February 1, 2011. Time-of-use rates will become the default tariff for small agricultural customers beginning February 1, 2011.

All customers that are defaulted to, or choose, Peak Day Pricing rates will be afforded bill stabilization for the first year, unless they choose to waive such protection.

The costs of bill stabilization and any under- or over-collections related to the variation in the number of Peak Day Pricing events will be allocated to, "all customers within specific customer classes."

All customers subject to Peak Day Pricing will have a hedging option to reduce bill volatility.

Customers who are on Peak Day Pricing rates may opt out any time during the first year they are on such rates.

Calpine Seeks to Enter Mid-Atlantic, Northeast Markets

Calpine is, "looking at a variety of ways," to enter the Northeast and Mid-Atlantic generation markets, CEO Jack Fusco said during an earnings call

"We believe we need to establish a position in [the] Mid-Atlantic [and] Northeast," Fusco said, as those are the markets where a majority of the older coal plants exist which Calpine believes will come under increasing pressure to retire due to environmental regulations.

Calpine said that such market entry could come from either greenfield development, when backed by long-term contracts, or acquisitions. Calpine said that it does not believe that operating coal-fired plants will be beneficial anytime soon, and thus is unlikely to pursue such asset purchases. Calpine has a handful of small plants in New York, plus an intermediate plant in Maine.

Calpine spent much of the call touting what it believes to be favorable conditions for gas-fired generation, stating that, given the federal deficit, an, "[o]pen checkbook for renewable subsidies [is] not sustainable."

For the fourth quarter of 2009, Calpine posted adjusted EBITDA of $408 million, up from $325 million a year ago. The improvement was primarily due to a $79 million increase in Commodity Margin to $615 million in the 2009 quarter, from $536 million a year ago, due to strong hedges in the West region.

Net loss for the fourth quarter narrowed from $109 million in the fourth quarter of 2008 to $43 million in the fourth quarter of 2009. The fourth quarter 2009 net loss was attributable to debt extinguishment costs and other reorganization items.

For the year 2009, adjusted EBITDA was $1.8 billion, up from $1.7 billion a year ago. Commodity Margin was up $38 million at $2.6 billion, on favorable hedged prices and coal-to-gas switching in the Southeast. Operating expenses and sales, general and administrative expenses were $61 million lower in 2009 versus 2008, due to efficiency efforts. Earrings were also lifted by the start of commercial operations at two assets since the year-ago period.

Net income for fiscal 2009 was $149 million, versus $10 million in 2008.

Commodity Margin for Calpine's Texas segment was $644 million for 2009, a decline of $82 million versus 2008 due to weaker natural gas prices and the absence of congestion seen in 2008.

Calpine's West Commodity Margin increased by $91 million to $1.35 billion in 2009, on favorable hedges, higher resource adequacy and renewable energy credit revenues, and emission allowance sales.

RRI Cites "Early Signs" of PJM Retirements

RRI Energy reported lower adjusted EBITDA for the fourth quarter of 2009 of $13 million, compared to $162 million for the fourth quarter of 2008, due to lower energy unit margins driven by lower commodity prices and lower demand.

Open EBITDA for the fourth quarter was $56 million, compared to $40 million for the same period of 2008. The open metric excludes realized and unrealized hedging impacts. The GAAP net loss for the fourth quarter of 2009 was $234 million, versus $438 million a year ago.

For the year 2009, adjusted EBITDA was $55 million in 2009, compared to $871 million in 2008. Open EBITDA for the year 2009 was $185 million, compared to $545 million for 2008. Out-of-the-money coal hedges in 2009 compared to in-the-money coal hedges in 2008 form the primary difference between open and adjusted EBITDA. These results exclude the performance of the Texas retail business, sold in May 2009. For the year, RRI posted GAAP earnings of $403 million, versus a loss of $740 million a year ago.

During an earnings call, CEO Mark Jacobs said that retirements could bring supply and demand into balance more quickly than anticipated, noting the "early signs" of supply rationalization in PJM in the form of recent retirement announcements.

Jacobs noted that 5,000 MW of coal-fired generation in the U.S. is scheduled to retire over the next couple of years. In PJM, 2,600 MW of generation (including 1,400 MW of coal-fired generation) is scheduled to retire before the summer of 2012.

Furthermore, Jacobs said that PJM has 10,000 MW of uncontrolled coal-fired units which are smaller than 200 MW in size, which equals 7.5% of PJM's total capacity, or one-third of its current reserve margin. PJM has another 7,800 MW of partially controlled coal-fired units which are less than 200 MW. Jacobs expects a "significant" amount of this generation to retire over time.

Regarding consolidation, Jacobs reiterated his view that size, scale and diversity are important to driving long-term value in the merchant sector, and said that RRI remains focused on reviewing all possible ways to participate in consolidation.

Jacobs said that the industry would consolidate, but added that the question is when, citing impediments to mergers in the past 18 months, including ratings agencies' view of the merchant sector, change of control debt provisions applicable to most merchant companies, and the state of the refinancing markets. Some of these factors have abated recently, Jacobs said. Though Jacobs has taken notice of the FirstEnergy-Allegheny Energy merger, he said that it remains to be seen if the transaction represents a new paradigm.

RRI's open gross margin and unit margin by region/plant type are below:

Gross Margin *(Millions)*

	Q4 '09	Q4 '08	Change
East coal open gross margin	$ 113	$ 144	$ (31)
East gas open gross margin	53	41	12
West open gross margin	19	28	(9)
Other open gross margin	12	3	9
Total	197	216	(19)

Open Energy Unit Margin *($/MWh)*

	Q4 '09	Q4 '08
East Coal	$ 11.87	$ 18.15
East Gas	6.40	12.19
West	17.65	—
Other	—	—

RRI said that it recorded $12 million in income from discontinued operations due to the gain on the previously reported sale of its Illinois commercial retail supply book to MC Squared Energy Services in December.

Dynegy Says Commercial Efforts Mitigate Lower Commodity Prices

Dynegy reported Adjusted EBITDA of $105 million for the fourth quarter of 2009, compared to $133 million for the fourth quarter of 2008. Dynegy posted a fourth quarter net loss of $355 million, compared to a net loss of $7 million for the fourth quarter of 2008, due to a net loss on asset sales, mark-to-market losses, debt extinguishment costs, and lower interest income.

For the year 2009, Adjusted EBITDA was $803 million, compared to $818 million for 2008. The GAAP net loss for 2009 was $1.2 billion, compared to net income of $174 million in 2008, due to the same factors which produced the quarterly net loss.

Adjusted EBITDA from Dynegy's power generation segments, which exclude certain corporate costs, was $954 million for 2009, compared to $930 million for 2008. Significantly lower power prices and spark spreads were more than offset by the impact of contracting 2009 volumes at higher energy prices, actively managing swap and option positions, and other commercial activities. Dynegy also benefited from a net increase in capacity and tolling revenues, improved basis differentials, and stronger run-times from the Midwest and Northeast natural gas combined-cycle facilities.

The Midwest segment reported Adjusted EBITDA of $105 million for the fourth quarter, versus $106 million a year ago.

The West segment recorded Adjusted EBITDA of $10 million for the fourth quarter versus $26 million a year ago, due to lower realized spark spreads and more planned outages for Dynegy's CCGTs.

The Northeast segment posted higher Adjusted EBITDA of $22 million in the fourth quarter, versus $20 million a year ago, due to coal-to-gas switching, which improved run-times at combined cycle facilities, and additional capacity sales.

OCC Seeks Immediate Reinstatement of All-Electric Credit at FirstEnergy EDCs

The Ohio Consumers' Counsel sought emergency relief at PUCO to immediately reinstate the previously discounted rates for "every" all-electric customer at Cleveland Electric Illuminating, Ohio Edison and Toledo Edison (10-176-EL-ATA).

Aside from stating that the credit should be reinstated for "every" all-electric customer, OCC did not specifically address the competitive neutrality of any new credit. However, as only reported in *Matters*, the FirstEnergy utilities' proposal to reinstate an all-electric credit (to eventually be phased out over several years) would be applied to all accounts regardless of commodity supplier (Only in Matters, 2/15/10). OCC's petition to apply the credits to every customer was prompted by tariffs filed by the FirstEnergy companies which would not extend the credits to customers at Toledo Edison, or new all-electric customers.

OCC said that the FirstEnergy companies' plan is inadequate, particularly since it is not retroactive and would only re-institute the credit upon the effective date of PUCO approval.

OCC also moved for an investigation into the FirstEnergy utilities' business practices related to the marketing of electric service, and "whether FirstEnergy failed to abide by commitments, direct or indirect, to residential customers regarding rate treatment for 'all-electric' customers."

However, Industrial Energy Users-Ohio called the FirstEnergy companies' proposed changes to rates through the introduction of a new all-electric discount a "unilateral modification" of their approved electric security plan. The utilities, IEU-Ohio said, have not identified a legal authority for such a change.

IEU-Ohio noted that OCC signed the stipulation implementing the electric security plan which set the current rates, despite the impact that a flat, kWh-based or volumetric rate design would have on all-electric customers.

"[T]he statutory representative of residential customers as well as environmental advocates have frequently urged the Commission to adopt kWh-based or volumetric rate designs and revenue distributions regardless of how these rate designs might be supportable based on any cost of service analysis or the resulting bill impacts. Based on the advocacy of these parties, high-use residential customers are going to see disproportionately higher utility bill impacts as a mathematical certainty," industrials said.

IEU-Ohio said that instituting a new all-electric credit paid for by GS and GP customers as proposed, "is difficult to reconcile with Ohio's claims that it is trying to improve the opportunity for Ohio's businesses to stay and expand in Ohio."

Duquesne ... *from 1*

8 tranches. After Commission approval, Duquesne Light will first award the 2 tranches for small C&I customers to the qualified lowest bidder(s). Duquesne Light will then award the 6 tranches for medium C&I customers to the qualified lowest bidders, taking into account the combined 6-tranche maximum.

During the sixth procurement scheduled in November 2012, there will be a total of 6 tranches bid for medium C&I customers and no tranches bid for small C&I customers. In this procurement, Duquesne Light will award the 6 tranches for Medium C&I customers to the qualified lowest bidders, but no supplier will be awarded more than 4 of the 6 tranches.

The settlement removes Duquesne Light's original proposals that, under the RFP, Duquesne Light reserves the right to consider any and all factors that it deems appropriate in the determination of a successful bid, and that Duquesne Light has no obligation to accept any bid. Under the settlement, the discretion for rejecting bids is reserved only to the Commission and the RFP independent consultant, based on the RFP's defined rules.

If an RFP fails to attract a sufficient volume of bids, or the Commission does not approve the submitted bids, or an accepted supplier defaults, Duquesne Light would meet its default supply obligation on an interim basis through purchases in the PJM spot market, and would be permitted to recover all the costs of such purchases and reasonable administrative costs from small and/or medium C&I customers.

Duquesne Light would continue to provide default service to large C&I customers at day-ahead hourly spot pricing, purchased directly from PJM. Duquesne Light would monitor the results of the collaborative among PPL Electric and the parties in its POLR proceeding concerning a monthly or quarterly load following service for large C&I customers. If the PPL collaborative results in the offering of such a service by PPL, Duquesne Light would monitor the results of such service and evaluate whether to offer a similar service in a future default service plan.

Duquesne Light would place all labor, outside service costs, and all other costs related to POLR power procurement into a separate account, and would only recover such costs through its POLR charges unless otherwise directed by the Commission. In order to avoid any cost shifting, such costs shall be allocated to the appropriate procurement group (residential, small C&I, medium C&I, and large C&I) based on the costs incurred to serve that particular group.

The settlement removes from POLR V Duquesne Light's proposal to enter into long-term contracts for energy, capacity and renewable credits from solar and hydro projects on behalf of residential default service customers, and makes the request the subject of a collaborative. Duquesne Light is to conduct the collaborative to attempt to develop a consensus on the specific parameters for long-term renewable energy procurements, and to ensure that any such procurements result in a competitively neutral outcome.

Duquesne Light would continue to procure ancillary services for its residential, lighting, small C&I and medium C&I default service customers from Duquesne Power, through the existing Power Supply Agreement used by the parties in POLR IV, from PJM Interconnection, LLC on the same methodology and manner that it did in POLR IV. Duquesne Light would continue to recover ancillary service costs for residential, lighting, small C&I and medium C&I customers in its transmission service charge (TSC).

The settling parties request that the Commission find that the revenues and expenses associated with the default supply procurement for residential customers are to be contained in default service costs, and will not be included in transmission or distribution costs for ratemaking purposes.

Retail Market Enhancements

Duquesne Light would offer to purchase competitive supplier receivables for medium C&I customers (25 kW to <300 kW) at a discount of 0.28% (0.10% for administrative costs and 0.18% for uncollectible costs). The discount rate for the purchase of receivables for residential and small C&I customers would be lowered from 0.7% to 0.52% {0.10% for administrative costs and 0.42% for uncollectible costs). Duquesne Light would continue to purchase receivables under the same rules and conditions applicable to the current POR program.

Duquesne Light would implement a "competition enhancement program" under the settlement by January 1, 2011, which is a form of no-frills referral program which would inform customers of retail offers, but does not include the ability to enroll with a supplier through Duquesne's call center.

Specifically, the competition enhancement program would inform customers of retail offers via bill inserts and/or the Service Line newsletter on at least a semi-annual basis. A collaborative would develop a process to inform customers of retail supply offers posted on the OCA and to-be-developed PUC website when customers contact the Duquesne Light customer service center. Customers would also be informed of the websites and availability of such offers when initiating new service or moving service to a new location.

Duquesne Light would also "prominently" list on the homepage of its website a link to the OCA pricing list and, if developed, the PUC's new comprehensive supplier website. On a semi-annual basis, Duquesne Light would circulate information on customer choice, including promoting, via bill inserts or Service Line, the choice links on its website and any telephonic means for a customer to solicit information about customer choice and retail offers.

Duquesne Light would provide monthly, on the supplier section of its website, an updated view of each customer's name, address (both service and billing), contact name, 12 individual rolling months of usage and demand, meter read cycle, rate plan, revenue code, profile group, POLR customer indicator, the current 1CP, and the current 5CP, subject to PUC privacy and protection rules. Suppliers would be allowed to download the customer information. Duquesne Light would notify small and medium C&I customers of their right to opt out of the release of customer information prior to the start of the POLR V period, and would include material to permit new customers to opt out of the release of customer information in its new customer packet.

Sempra ... ***from 1***

the business, Sempra would have needed to issue about $2 billion in equity just to maintain the unit's earnings.

CFO Mark Snell said that the parties who are now interested in the North American power and gas business, "are not worried about the federal regulations as it applies to financial institutions."

"A lot of them are not financial institutions or they're not financial institutions in the sense of being large depository banks," Snell said. Such concerns were a reason J.P. Morgan Chase & Co. opted not to buy the North American business when buying the RBS-Sempra global assets.

The Sempra share of the commodities business generated lower fourth quarter earnings of $71 million versus $164 million a year ago, on weaker results from the gas book due to low volatility and a flat basis differential. Oil and metals led earnings, while power also performed well.

For the year, Sempra's earnings from the commodities joint venture were flat at $345 million.

Sempra Generation posted lower earnings in the fourth quarter and for the year due to lower gas prices. Fourth quarter earnings were down at $43 million, compared with $60 million in the fourth quarter of 2008, while yearly earnings were down at $162 million, compared with $222 million for the year 2008.