

**NISOURCE WINTER PRICE MODEL  
As of July 27, 2007**

The following incorporates the natural gas market for the winter months (May & Oct – Apr) as specified on a rolling basis. The data is broken down into two time periods and adjusted into today’s dollar using the Producer Price Index as published by the U.S. Department of Labor.

The two time periods are as follows:

**Rolling Long Term / 4 Year -**

October 2003 through April 2004  
 May 2004 & October 2004 through April 2005  
 May 2005 & October 2005 through April 2006  
 May 2006 & October 2006 through April 2007  
 May 2007

**Short Term / 1 Year -**

October 2006 through April 2007  
 May 2007

Adjusted Quadrant:		
4 <sup>th</sup> Quadrant		8.35 – 15.01
3 <sup>rd</sup> Quadrant		7.64 – 8.35
2 <sup>nd</sup> Quadrant		6.82 – 7.64
1 <sup>st</sup> Quadrant		4.50– 6.82
Deciles:		
100%		15.01
90%		11.51
80%		8.61
70%		8.13
65%		7.99
60%		7.85
50%		7.64
40%		7.31
35%		7.15
30%		6.99
20%		6.60
10%		6.03
	MIN	4.50
	Mean	8.01
	Median	7.64

The opinions expressed herein are those of RMI and do not reflect the opinion of any other individual or organization. Any statement of fact herein contained are derived from sources believed to be reliable but are not guaranteed as to accuracy nor do they purport to be complete. Nor responsibility is assumed with respect to any such statement nor with respect to any expression of opinion herein contained.





02/26/07	Bot Feb 8 Futures	1	\$9.633	\$7.828		(\$18,050.00)		(\$8,904.07)	(\$9,145.94)	
03/28/07	Bot Feb 8 Futures	1	\$9.850	\$7.828		(\$20,220.00)		(\$9,974.53)	(\$10,245.47)	
04/26/07	Bot Feb 8 Futures	2	\$9.840	\$7.828		(\$40,240.00)		(\$19,850.39)	(\$20,389.61)	
05/29/07	Bot Feb 8 Futures	1	\$9.850	\$7.828		(\$20,220.00)		(\$9,974.53)	(\$10,245.47)	
06/27/07	Bot Feb 8 Futures	2	\$8.990	\$7.828		(\$23,240.00)		(\$11,464.29)	(\$11,775.71)	
07/27/07	Bot Feb 8 Futures	2	\$8.790	\$7.828		(\$19,240.00)		(\$9,491.09)	(\$9,748.91)	
										<b>(\$109,979.24)</b>
09/27/06	Bot Mar8 Futures	1	\$8.705	\$7.668		(\$10,370.00)		(\$5,153.89)	(\$5,216.11)	
10/27/06	Bot Mar8 Futures	1	\$8.975	\$7.668		(\$13,070.00)		(\$6,496.79)	(\$6,574.21)	
11/28/06	Bot Mar8 Futures	1	\$9.327	\$7.668		(\$16,590.00)		(\$8,245.23)	(\$8,344.77)	
12/27/06	Bot Mar 8 Futures	1	\$8.430	\$7.668		(\$7,620.00)		(\$3,787.14)	(\$3,832.86)	
12/27/06	Bot Mar 8 Futures	3	\$8.440	\$7.668		(\$23,160.00)		(\$11,510.52)	(\$11,649.48)	
01/29/07	Bot Mar 8 Futures	1	\$8.900	\$7.668		(\$12,320.00)		(\$6,123.04)	(\$6,196.96)	
02/26/07	Bot Mar 8 Futures	1	\$9.403	\$7.668		(\$17,350.00)		(\$8,622.95)	(\$8,727.05)	
03/28/07	Bot Mar 8 Futures	1	\$9.605	\$7.668		(\$19,370.00)		(\$9,626.89)	(\$9,743.11)	
04/26/07	Bot Mar 8 Futures	1	\$9.610	\$7.668		(\$19,420.00)		(\$9,651.74)	(\$9,768.26)	
05/29/07	Bot Mar 8 Futures	2	\$9.630	\$7.668		(\$39,240.00)		(\$19,502.28)	(\$19,737.72)	
06/27/07	Bot Mar 8 Futures	1	\$8.800	\$7.668		(\$11,320.00)		(\$5,626.04)	(\$5,693.96)	
07/27/07	Bot Mar 8 Futures	1	\$8.640	\$7.668		(\$9,720.00)		(\$4,830.84)	(\$4,889.16)	
										<b>(\$100,373.65)</b>
09/15/06	Bot Apr8 Futures	6	\$7.250	\$7.248		(\$120.00)		(\$48.42)	(\$70.58)	
09/27/06	Bot Apr8 Futures	3	\$7.255	\$7.248		(\$210.00)		(\$86.48)	(\$123.52)	
10/27/06	Bot Apr8 Futures	3	\$7.815	\$7.248		(\$17,010.00)		(\$7,004.72)	(\$10,005.28)	
11/28/06	Bot Apr8 Futures	2	\$8.067	\$7.248		(\$16,380.00)		(\$6,745.26)	(\$9,634.72)	
12/27/06	Bot Apr 8 Futures	2	\$7.370	\$7.248		(\$2,440.00)		(\$1,004.79)	(\$1,435.21)	
01/29/07	Bot Apr 8 Futures	3	\$7.610	\$7.248		(\$10,860.00)		(\$4,472.15)	(\$6,387.85)	
02/26/07	Bot Apr 8 Futures	3	\$7.843	\$7.248		(\$17,850.00)		(\$7,350.63)	(\$10,499.37)	
03/28/07	Bot Apr 8 Futures	3	\$8.110	\$7.248		(\$25,860.00)		(\$10,649.15)	(\$15,210.85)	
04/26/07	Bot Apr 8 Futures	2	\$8.270	\$7.248		(\$20,440.00)		(\$8,417.19)	(\$12,022.81)	
05/29/07	Bot Apr 8 Futures	2	\$8.360	\$7.248		(\$22,240.00)		(\$9,158.43)	(\$13,081.57)	
06/27/07	Bot Apr 8 Futures	2	\$7.930	\$7.248		(\$13,640.00)		(\$5,616.95)	(\$8,023.05)	
07/27/07	Bot Apr 8 Futures	2	\$8.000	\$7.248		(\$15,040.00)		(\$6,193.47)	(\$8,846.53)	
										<b>(\$95,341.34)</b>
										Maine (\$685,498.14)
										NH (\$724,151.87)
03/12/07	Bot May8 Futures	4	\$7.560	\$8.024		\$18,560.00		\$7,681.98	\$10,878.02	
03/28/07	Bot May8 Futures	1	\$7.990	\$8.024		\$340.00		\$140.73	\$199.27	
04/26/07	Bot May8 Futures	1	\$8.135	\$8.024		(\$1,110.00)		(\$459.43)	(\$650.57)	
05/29/07	Bot May8 Futures	2	\$8.245	\$8.024		(\$4,420.00)		(\$1,829.44)	(\$2,590.56)	
06/27/07	Bot May8 Futures	1	\$7.850	\$8.024		\$1,740.00		\$720.19	\$1,019.81	
07/27/07	Bot May8 Futures	1	\$7.980	\$8.024		\$440.00		\$182.12	\$257.88	
										<b>\$9,113.85</b>
03/28/07	Bot Oct8 Futures	2	\$8.350	\$8.480		\$2,600.00		\$1,076.14	\$1,523.86	
04/26/07	Bot Oct8 Futures	2	\$8.510	\$8.480		(\$600.00)		(\$248.34)	(\$351.66)	
05/29/07	Bot Oct8 Futures	2	\$8.645	\$8.480		(\$3,300.00)		(\$1,365.87)	(\$1,934.13)	
06/27/07	Bot Oct8 Futures	1	\$8.310	\$8.480		\$1,700.00		\$703.63	\$996.37	
07/27/07	Bot Oct8 Futures	2	\$8.430	\$8.480		\$1,000.00		\$413.90	\$586.10	
										<b>\$920.54</b>
07/31/07	Net Futures Open Trade Equity	164				(\$1,938,740.00)		(\$678,482.53)	(\$814,591.12)	
07/31/07	<b>Total Trade Equity</b>				<b>TE</b>	<b>\$166,932.93</b>		<b>\$374,353.94</b>	<b>\$238,245.35</b>	

OPEN OPTIONS POSITIONS-Net Liquidating Value						ME	NH
	Hedge No.	Trade Ticket	QTY	Entry Price	8/31/2007 Price	Profit and Loss	
07/31/07		Current Option Premium reversal				\$0.00	\$0.00
		No Open Options				\$0.00	\$0.00
07/31/07		Net Options Liquidating Value	0			\$0.00	\$0.00
		Previous Option Premium				\$0.00	\$0.00
			0	\$0.000		\$0.00	\$0.00
			0	\$0.000		\$0.00	\$0.00
07/31/07		Net Previous Option Premium				\$0.00	\$0.00
07/31/07		<b>Net Liquidating Value</b>			<b>LV</b>	<b>\$166,932.93</b>	<b>\$374,353.94</b>