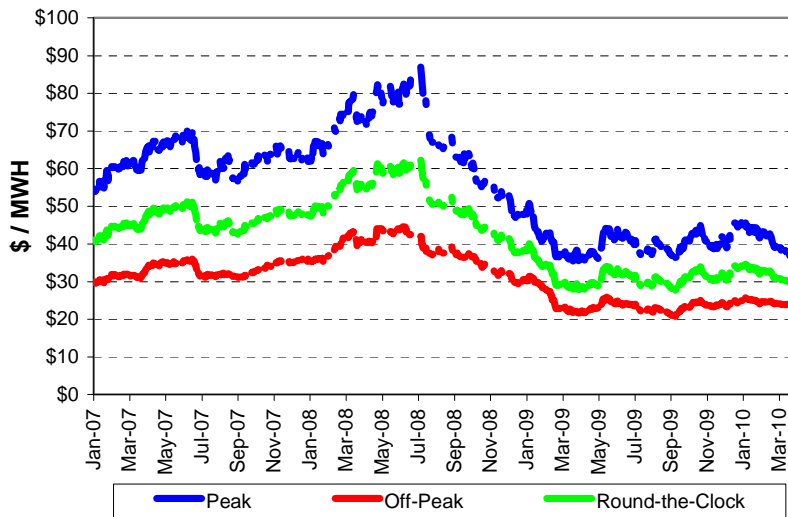


# NEU Electric and Natural Gas Price Update

## Electric: Short-Term Outlook

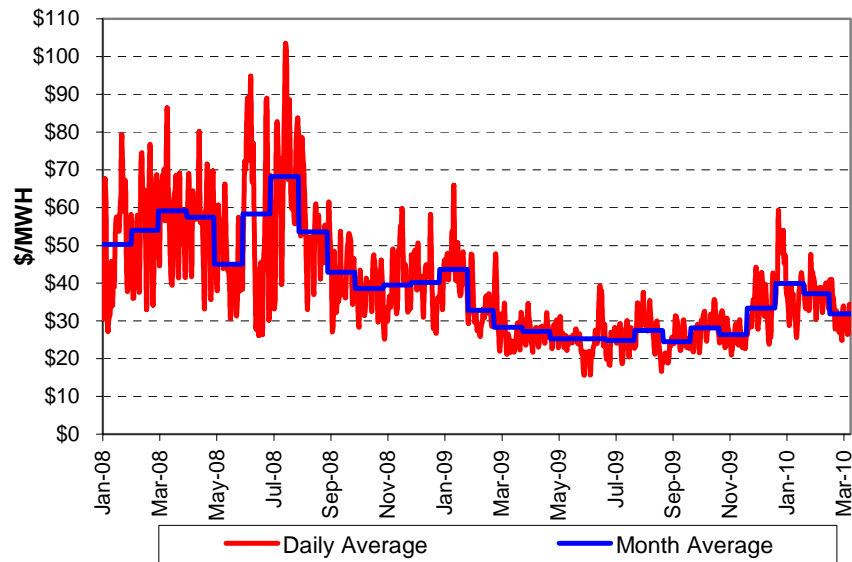
NYMEX Northern Illinois Hub forward prices for the April 2010 to March 2011 period are approximately 2.98¢ per kWh (\$29.8 per MWh). Peak prices are about \$36.8 per MWh and off-peak prices are about \$24.0 per MWh. PJM Chicago Zone Day-Ahead hourly index prices in February averaged 3.72¢ per kWh (\$37.2 per MWh) and Real-Time prices averaged 3.68¢ per kWh (\$36.8 per MWh). During March 2010 ComEd Day-Ahead prices are averaging about \$31.9 per MWh through March 23. Supplier margins, distribution costs, and transmission related costs must be added to these costs to obtain a delivered cost.

### NYMEX N. Illinois Hub Forward Electric Prices 12-Month Prices Through March 23, 2010 \*



\* ComEd prices are about \$2 per MWh higher than NI-Hub prices. Peak prices are based on NERC wholesale pricing periods (6AM to 10 PM, M-F).

## PJM Day-Ahead Prices for ComEd Zone Average of Daily Hourly Prices Through 3/23/10



### Day-Ahead and Real-Time Prices

	ComEd Zonal Price - \$/MWH						Daily Nat Gas \$/MMBtu
	Day-Ahead LMP			Real-Time LMP			
	Mo Avg	Peak *	Off-Peak	Mo Avg	Peak *	Off-Peak	
Jan-09	\$43.63	\$50.93	\$37.63	\$42.47	\$49.47	\$36.71	\$5.59
Feb-09	\$32.82	\$38.23	\$27.90	\$33.53	\$39.72	\$27.91	\$4.48
Mar-09	\$28.35	\$34.85	\$22.49	\$26.92	\$33.45	\$21.04	\$3.54
Apr-09	\$27.21	\$32.55	\$22.10	\$27.13	\$32.62	\$21.89	\$3.36
May-09	\$25.82	\$32.66	\$20.19	\$25.97	\$33.74	\$19.57	\$3.71
Jun-09	\$24.65	\$32.54	\$17.11	\$25.72	\$34.73	\$17.09	\$3.61
Jul-09	\$24.78	\$30.61	\$19.08	\$24.99	\$29.86	\$20.22	\$3.31
Aug-09	\$27.45	\$33.30	\$22.64	\$27.81	\$34.06	\$22.66	\$3.21
Sep-09	\$24.51	\$29.60	\$20.06	\$24.65	\$29.07	\$20.78	\$3.04
Oct-09	\$28.26	\$33.67	\$23.81	\$28.02	\$33.85	\$23.22	\$4.31
Nov-09	\$26.36	\$31.82	\$22.00	\$26.55	\$31.16	\$22.88	\$3.79
Dec-09	\$33.42	\$40.02	\$27.49	\$34.86	\$42.24	\$28.23	\$5.53
Jan-10	\$39.89	\$47.33	\$34.27	\$38.52	\$46.36	\$32.59	\$5.98
Feb-10	\$37.19	\$43.23	\$31.70	\$36.84	\$42.19	\$31.98	\$5.47
Cal '08	\$50.50	\$66.24	\$36.74	\$49.38	\$65.70	\$35.11	\$8.82
Cal '09	\$28.94	\$35.06	\$23.61	\$29.05	\$35.35	\$23.55	\$3.95

\* NERC Hours (6 AM TO 10 PM)



# NEU Electric and Natural Gas Price Update

## Natural Gas: Short-Term Outlook

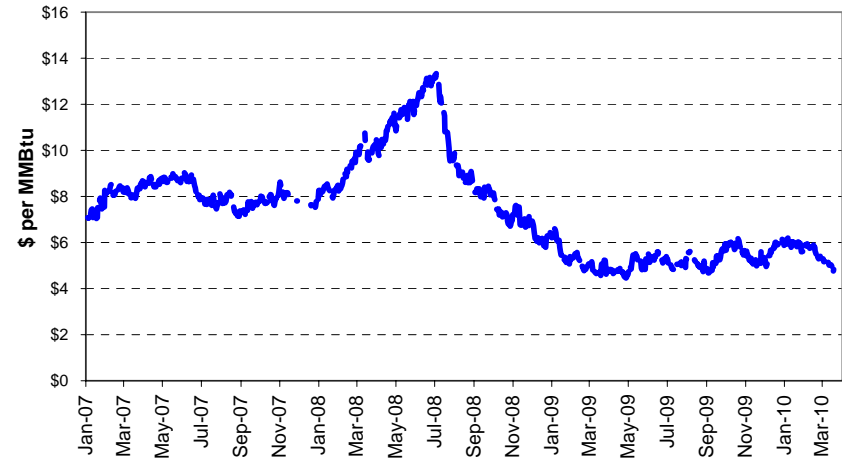
The Energy Information Administration (“EIA”) reported in its March 9, 2010 Short-Term Energy Outlook expectations that Henry Hub natural gas prices will average about \$5.17 per MMBtu in 2010 which is an increase of \$1.22 per MMBtu over 2009 prices. During 2011 the expected Henry Hub average price is currently \$5.65 per MMBtu.

During March NYMEX prices for the forward 12-months have decreased by about \$0.59 per MMBtu compared to the price at the close of the March contract (\$5.334 per MMBtu). Current 2010 summer prices are in the \$4.20 per MMBtu range compared to actual 2009 summer prices of about \$3.50 per MMBtu.

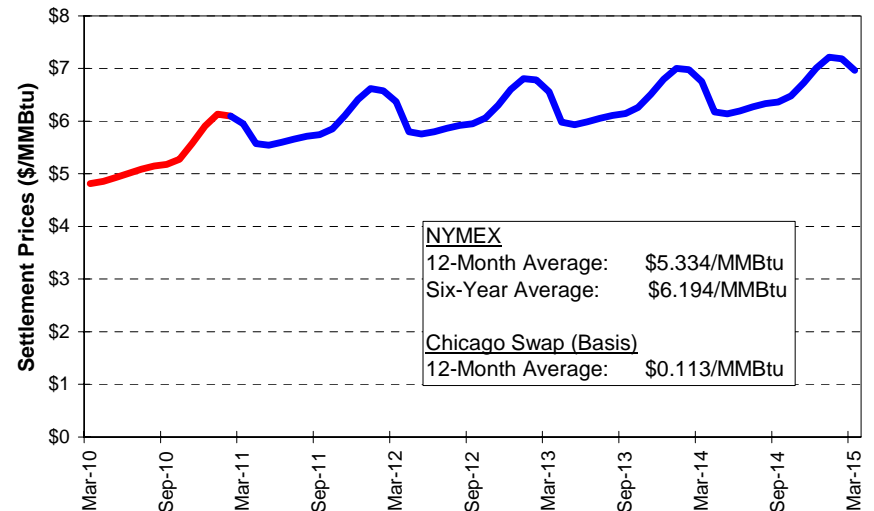
One of the quiet factors affecting natural gas supply and prices is the increasing supply of shale gas. The American Gas Association hinted in its March 2010 bulletin that the US could be sitting on top of 50 to 100 years of recoverable natural gas. New technologies are decreasing the costs to recover shale gas. It is likely that increased production from shale gas will off-set declines from other traditional sources. The current estimates for increased production is a significant change from expectations two years ago when prices were over \$10 per MMBtu.

Natural gas storage on March 12, 2010 was 1,615 Bcf compared to 1,655 Bcf a year ago. Estimated inventory withdrawals in January and February have been about 1,406 Bcf compared to the five-year average withdrawal during these two months of 1,159, a difference of 21%. This difference is due mainly to cold weather. Current storage volumes are about 4.7% higher than the five-year average, and -2.4% lower than inventories a year ago.

## NYMEX Natural Gas Forward Prices Through March 23, 2010



## NYMEX Natural Gas Settlement Prices on Last Trade Day of March 2010 Contract



# NEU Electric and Natural Gas Price Update

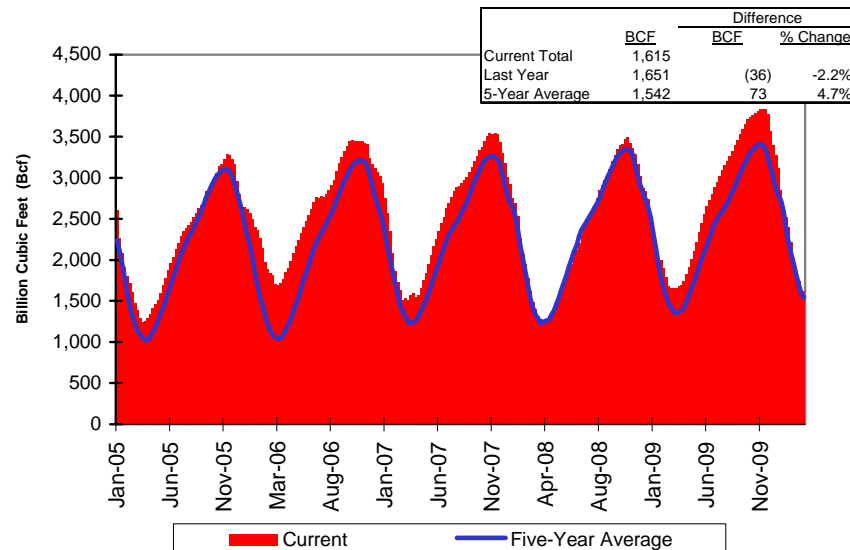
## Utility Natural Gas Supply Costs – March 2010 \$ per Therm

Gas Supply Costs:	Peoples		
	Gas	North Shore	NICOR
Bundled Gas Supply Cost	\$0.6598	\$0.6800	\$0.6199
Commodity	\$0.6116	\$0.6026	\$0.5788
Non-Commodity Charge	\$0.0482	\$0.0774	\$0.0411
Demand	\$0.2030	\$0.3054	\$0.5325
Environmental Surcharges			
Rider 11, Peoples and North Shore	\$0.0048	\$0.0251	
Rider 12, NICOR - Small C&I			\$0.0033
Rider 12, NICOR - Large C&I			\$0.0007
Rider VBA - Balancing Adjustment	(\$0.0119)	(\$0.0074)	
Hub Service Credit	\$0.0001		
NICOR Transportation Service Adj.			(\$0.0008)
NICOR, Rider 5 Storage Adj. Factor			\$0.0001

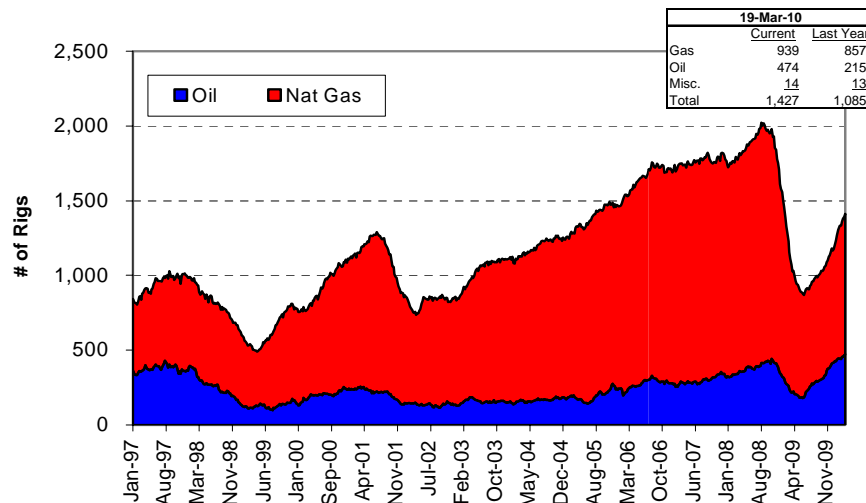
Chicago citygate natural gas prices reported by Intercontinental Exchange ("ICE") for the January 2009 to March 2010 period are summarized in the adjacent table. Results show that the March 2010 Chicago index price of \$5.01 per MMBtu is \$1.17 lower than the reported January 2010 price of \$6.17 per MMBtu. Indications are that current prices may break the \$4.0 per MMBtu barrier as heat demand declines and above normal weather continues.

ICE Natural Gas Index Prices \$ per MMBtu		
Month	Average Daily	Monthly Index
Jan-09	\$5.59	\$6.21
Feb-09	\$4.48	\$4.92
Mar-09	\$3.54	\$4.04
Apr-09	\$3.36	\$3.54
May-09	\$3.71	\$3.11
Jun-09	\$3.61	\$3.42
Jul-09	\$3.31	\$3.56
Aug-09	\$3.21	\$3.50
Sep-09	\$3.04	\$2.79
Oct-09	\$4.31	\$3.87
Nov-09	\$3.79	\$4.82
Dec-09	\$5.53	\$4.75
Jan-10	\$5.98	\$6.18
Feb-10	\$5.47	\$5.90
Mar-10		\$5.01

## EIA Weekly Storage Report January 2007 through March 12, 2010



## Natural Gas Rig Count Through March 2010



# On-Going NEU Regulatory Issues

## Illinois Utility Incremental Uncollectible Costs

Customers served by ComEd, NICOR and Peoples Gas should start to see some additional charges for incremental uncollectible costs. Changes to Section 16-111.8 of the Illinois Public Utility Act, enacted on July 10, 2009, allow utilities to recover incremental uncollectible costs on customer bills. Each utility has a set amount of uncollectible costs included in base rates. The incremental amount over the amount in base rates will be recovered on customer bills. Prior to July 10, 2009 the uncollectible amount was adjusted only during rate increase proceedings. Each utility will calculate separate adjustments by customer class. There will also be separate charges for customers only receiving distribution service from the utility.

On March 19, 2010 ComEd filed its adjustment factors that will apply to each Rate RDS, Retail Distribution Service, charge component (customer, metering & facilities). The adjustments are:

Under 1,000 kW	1.0037
Over 1,000 kW	1.0030

As an example, using the above adjustment factor, the customer charge for an Extra Large (over 10,000 kW) size customer will increase from \$771.49 to \$773.80 ( $\$771.49 \times 1.0030$ ). The adjustment factors that apply to customers receiving electric supply and distribution service from ComEd are higher. The factor for over 1,000 kW size customers is 1.0138. The ComEd factors are applicable through December 2010 at which time ComEd will update these factors.

## Uncollectible Expenses - Continued

NICOR's uncollectible adjustment factors effective with March 2010 bills are:

Non-Residential Sales	\$3.34 per month
Transportation (Rates 4 and 74)	\$0.88 per month

At this time NICOR has not filed an adjustment factor for Rates 76 and 77. NICOR's Rider UEA, Uncollectible Expense Adjustment, indicates a base uncollectible amount of \$62.9 Million.

Peoples Gas filed its Rider UEA tariff with the ICC on February 24, 2010 indicating that Rider UEA assessments would begin no earlier than March 1, 2010 and no later than April 1, 2010. At this time no assessment charges are available. Both Peoples Gas and North Shore will apply the UEA to the monthly customer charge. Separate charges will be calculated for customer classes, and for customers who only receive distribution service from the companies.

According to their filed tariffs, Peoples Gas has about \$29.92 Million in uncollectible expenses in base rates, and North Shore has \$1.65 Million.

## Proposed Interim Order Issued in ComEd's Cost of Service Study Investigation

On February 1, 2010 Administrative Law Judges ("ALJ's) issued a Proposed Interim Order ("PIO") in the special investigation of Commonwealth Edison Company's ("ComEd's") Cost of Service Study ("COSS"). The Illinois Commerce Commission has not yet issued a Final Interim Order.

The ALJ's PIO found that ComEd's revised COSS continued to suffer deficiencies and questions the validity of the study. ALJ's recommended that the Commission adopt ICC Staff's proposal to resolve the deficiencies through a workshop process. The workshop process would be completed in six months from the date of a Final Order in this proceeding. The ALJ's also ruled that no increase or cost reallocation among customer classes be implemented at this time. There is no date for release of the Final Order in this special investigation.

