



Natural Gas Winter Operations Update

January 4, 2005

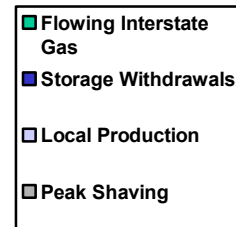
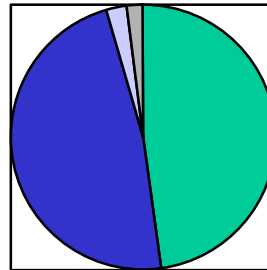
(All Natural Gas Volumes in Billions of Cubic Feet)

Projected Sales Demand* (1/1/05 through 3/31/05):

161.6

Projected Supplies:

Flowing Interstate Gas	77.1	47.7%
Storage Withdrawals	77.4	47.9%
Local Production	4.1	2.5%
Peaking Supplies	3.0	1.9%



Total Projected Supplies:

161.6

* Reported figures reflect consumers who are supplied directly by members of the Energy Association of Pennsylvania, and do not include customers served by third-party natural gas suppliers.

Heating Degree Days:**

Member Company Average Cumulative Actual 11-1-2004 to 01-1-2005 -	1,560
Member Company Average Cumulative Actual 11-1-2003 to 01-1-2004 -	1,523
Member Co. Average Cumulative 30 year Normal – November 1 to January 1 -	1,637

**A measure of how cold a location is over a period of time relative to a base temperature, most commonly specified as 65 degrees Fahrenheit – used in energy analysis as an indicator of heating energy requirements or use. The fact that the current 30 day total is lower than the 30 year average is an indication that temperatures are warmer than normal to date but temperatures are colder than last year's time period. (Note that the 30-year average is used for illustrative purposes and is not necessarily considered "normal weather" for all NGDCs.)

From Our Desk:

Natural Gas Fired -- Fairless Energy LLC

Pennsylvania's newest power station -- natural gas fired Fairless Energy LLC, owned by Richmond, Va. based Dominion (NYSE: D) -- has been producing electricity since last summer. The 1,180 megawatt station consists of two combined-cycle units capable of generating about 590 megawatts each. The power could serve about a million homes and is delivered to the energy market place for sales in the Mid-Atlantic and Northeast. Each combined-cycle unit consists of two combustion turbines and a steam generator. Fueled by natural gas, the combustion turbines are basically large jet engines. Forced air, superheated by natural gas, turns a turbine to generate electricity. Exhaust is captured and used to produce steam to power another turbine. By recapturing the waste heat, combined-cycle units burn less fuel and produce fewer emissions than comparably sized conventional units. Construction on Fairless began in 2002 and the units went commercial earlier this past summer. At the peak of construction, about 1,500 workers were employed. The station currently has 30 employees.

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