



Another one bites the dust...The one-time second largest wholesale energy trader (and Enron rival) **Dynegy** says it will finish phasing out trading operations early this year to concentrate on “asset-based” businesses, like generating power. In other words, on doing something real. Meanwhile, industry figures show recent estimates that the **wholesale market** lost half its volume since the Enron collapse were too kind; new numbers say **70 percent** of the energy trading business simply evaporated. Restructured **retail** electricity markets are not looking too hot, either. An example: **Virginia**, still trying to phase in competition, has only one competitor, more expensive than the incumbent utility and not actively marketing. The state recently halted a multimillion-dollar publicity campaign touting retail choice. **Prices climbing?** Watch for higher generation costs, especially for utilities relying heavily on **natural gas**. Record low amounts of gas in storage, plus an increasing emphasis on gas to fuel new generating plants, add up to more expensive power, underlining the importance of having a well-balanced fuel mix. Industry observers say gas reserves may lag even beyond this year.