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*A Member of the Constellation Energy Group*

December 16, 2004

Sylvie Racine  
Hydro-Québec Distribution  
75, boulevard René-Levesque Ouest  
Montréal (Québec)  
H2Z 1A4

**RE: Transaction Notice to the Régie de l'énergie**

Dear Ms. Racine:

I write to you on behalf of Constellation Energy Commodities Group, Inc., a leading wholesale buyer and seller of electricity in North American markets, presently enabled to transact business with Hydro Québec Distribution ("HQD"), to express our concerns with regard to the recent request by the Régie de l'énergie requiring HQD to furnish detailed transaction information concerning its wholesale purchases and sales of electricity. In particular, we wish to express our strong concern with the potentially harmful effects which may result from disclosure of this information to the public.

Although we understand the need of the Régie to review the transactions entered into by HQD, revealing such detailed information publicly will almost certainly have a chilling effect on the availability of supply offers to HQD and could be harmful to our energy portfolio business in the U.S. as well. This is because disclosure of this pricing information will potentially expose the market positions, market assessments and market strategies of HQD's purchasers and suppliers, including ourselves. To avoid such an outcome, while meeting the Régie de l'énergie's needs, we strongly encourage you and the Régie de l'énergie to consider an alternative process which will maintain confidential treatment of specific transaction information but provide the public with a generic summary of the aggregate transactions over a quarterly or yearly period.

Please keep us apprised of any further consideration of this issue by the Régie de l'énergie and if you have any further questions, please do not hesitate to contact me.

Sincerely,

Stuart Rubenstein  
Chief Operating Officer  
(410) 468-3430

RD  
12/16/04