

OE ENERGY MARKET SNAPSHOT

Southeast States Version – December 2007 Data

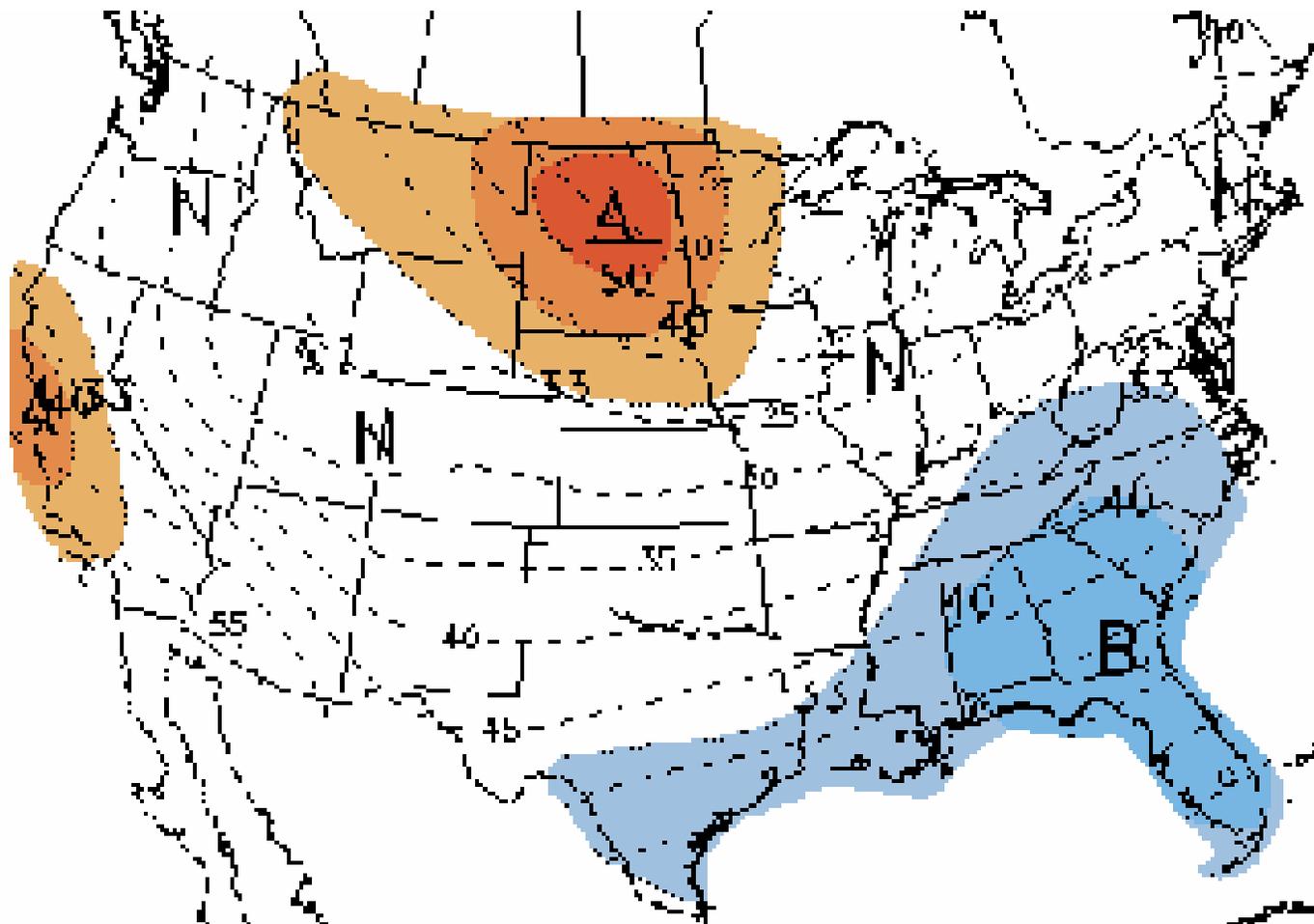
- **Market Fundamentals**
- **Prices and Market Analysis**

Office of Enforcement
Federal Energy Regulatory Commission
January 2008



Market Fundamentals

NOAA's 8 to 14 Day Temperature Forecast Made January 9, Valid for January 17-23, 2008



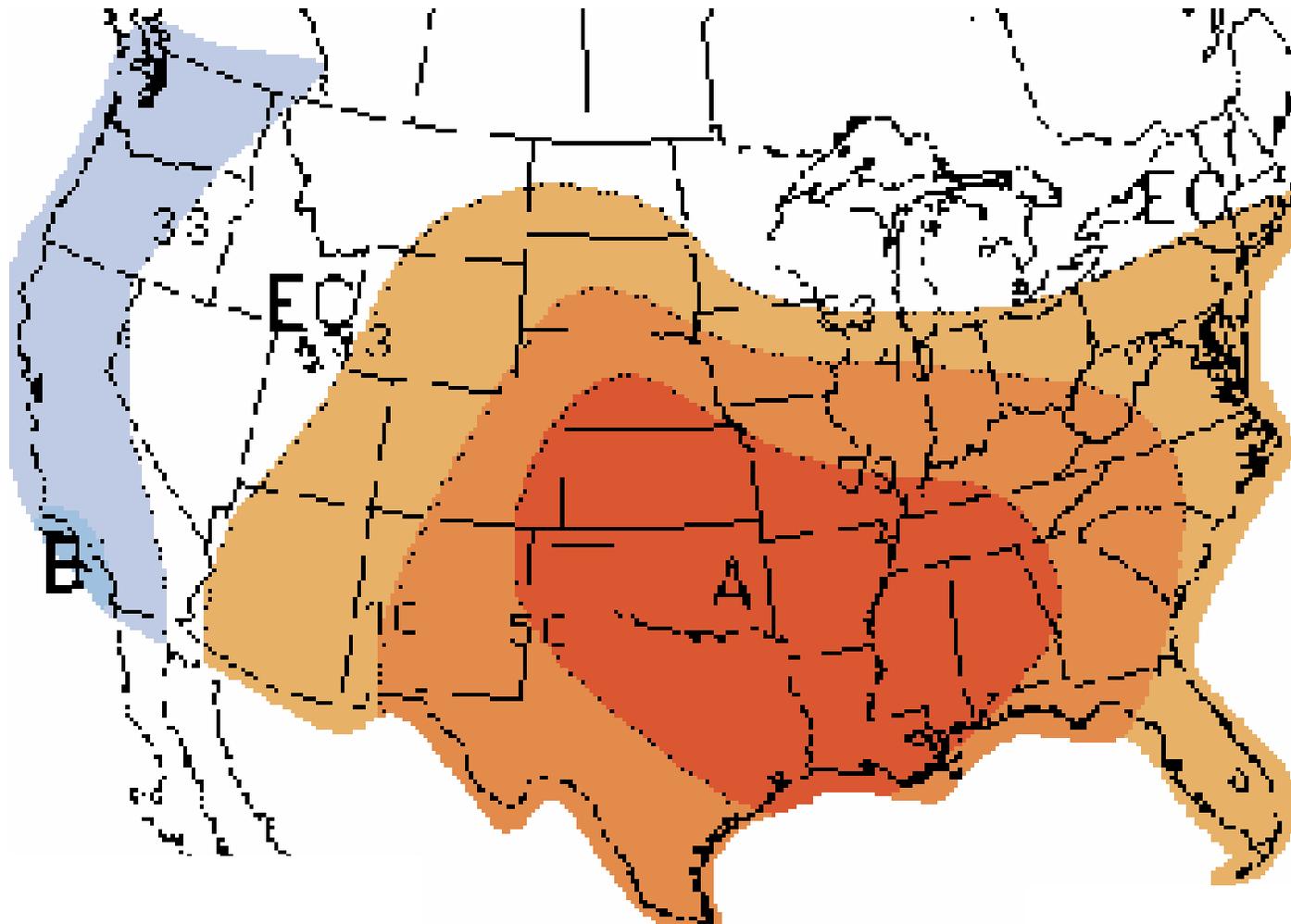
Note: "A" areas are above normal and "B" areas are below normal. Normal is based on the last 30 years of data.

Source: NOAA

Updated January 10, 2008

3012

NOAA's Monthly Temperature Forecast Made December 31, Valid for January 2008



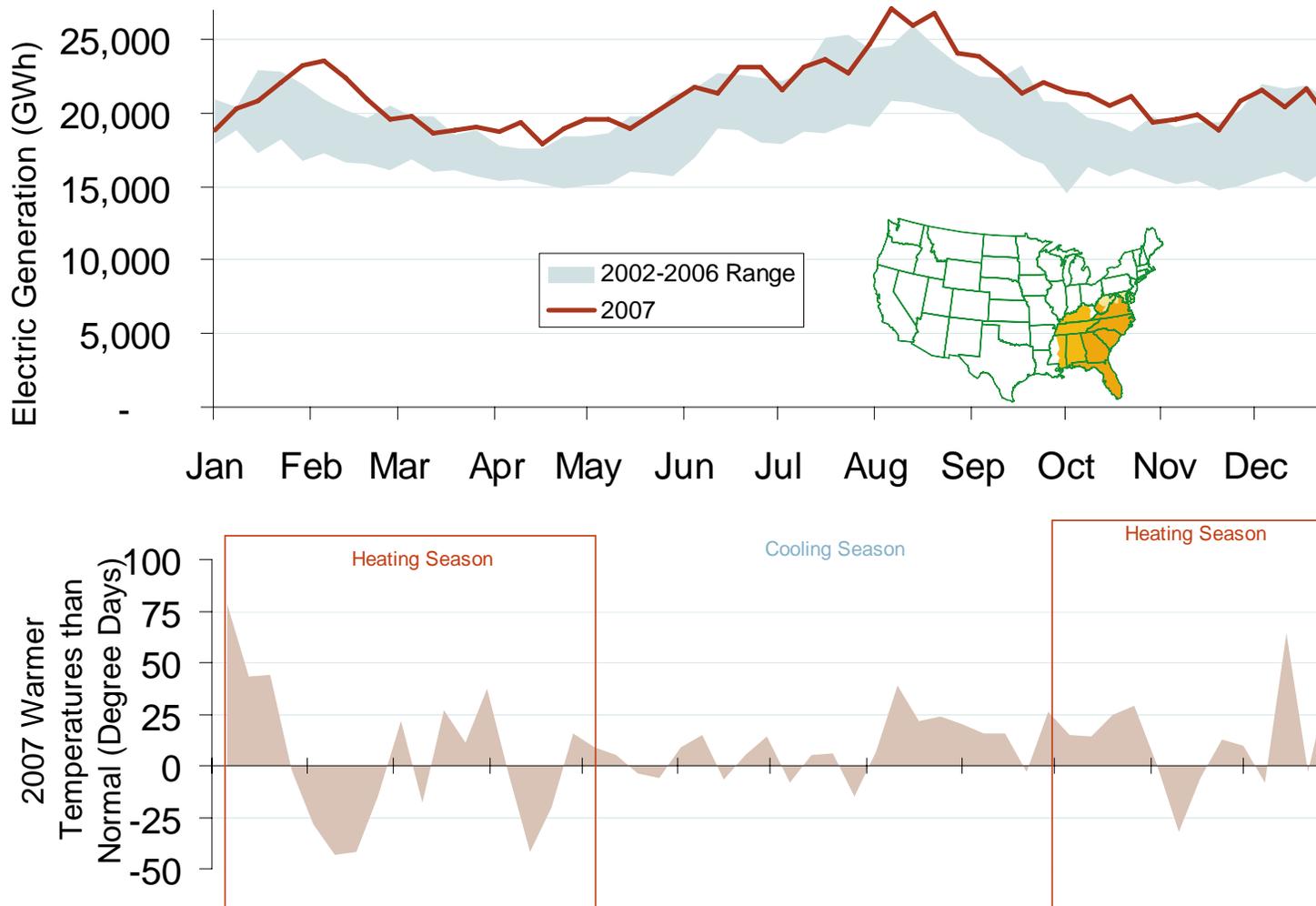
Note: "A" areas are above normal, "B" areas are below normal and "EC" means equal chance. Normal based on the last 30 years of data.

Source: NOAA

Updated January 10, 2008

3012

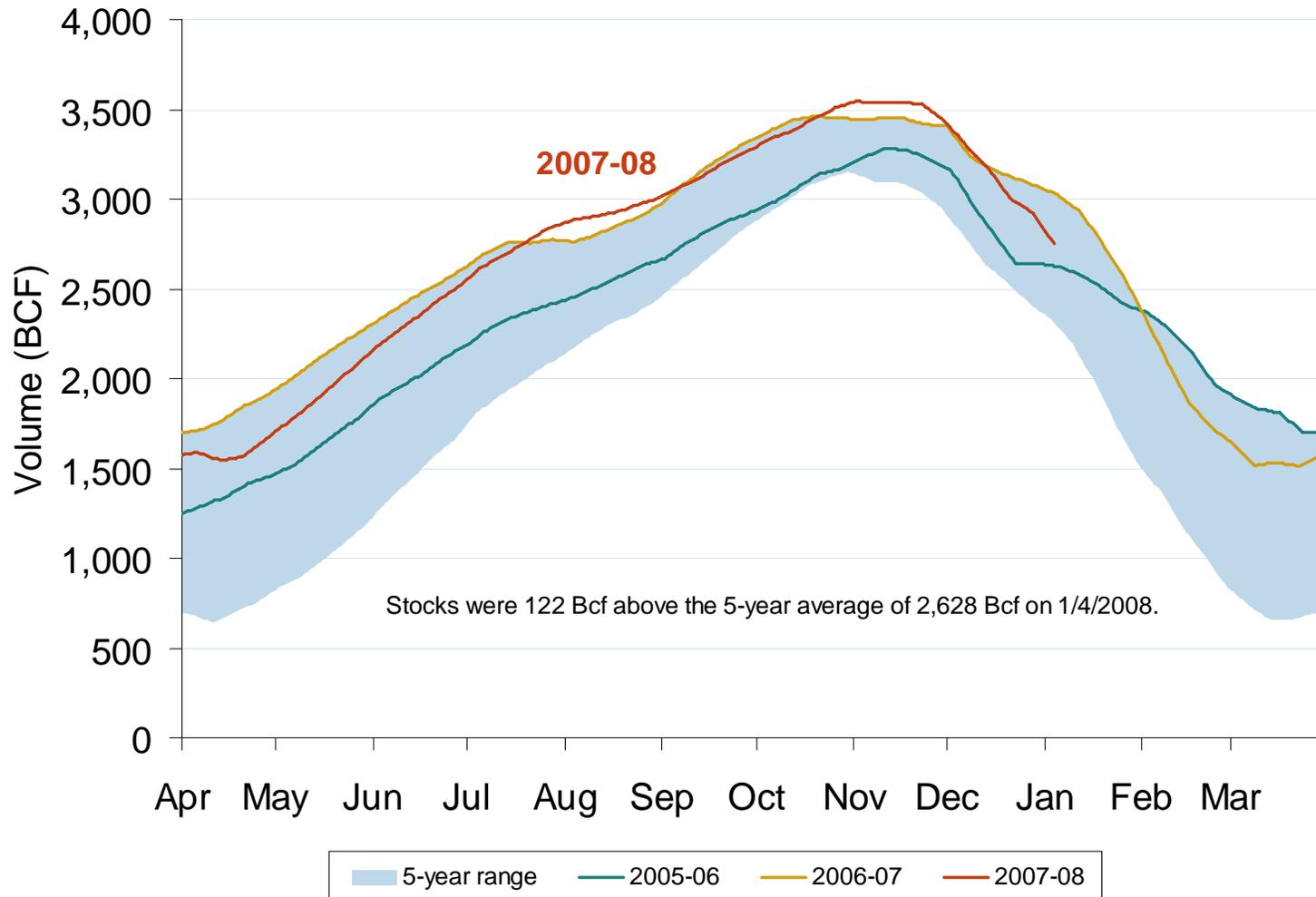
Weekly Electric Generation Output and Temperatures Southeast Region



Source: Derived from EEI and NOAA data.

Updated January 9, 2008

Total U.S. Working Gas in Storage

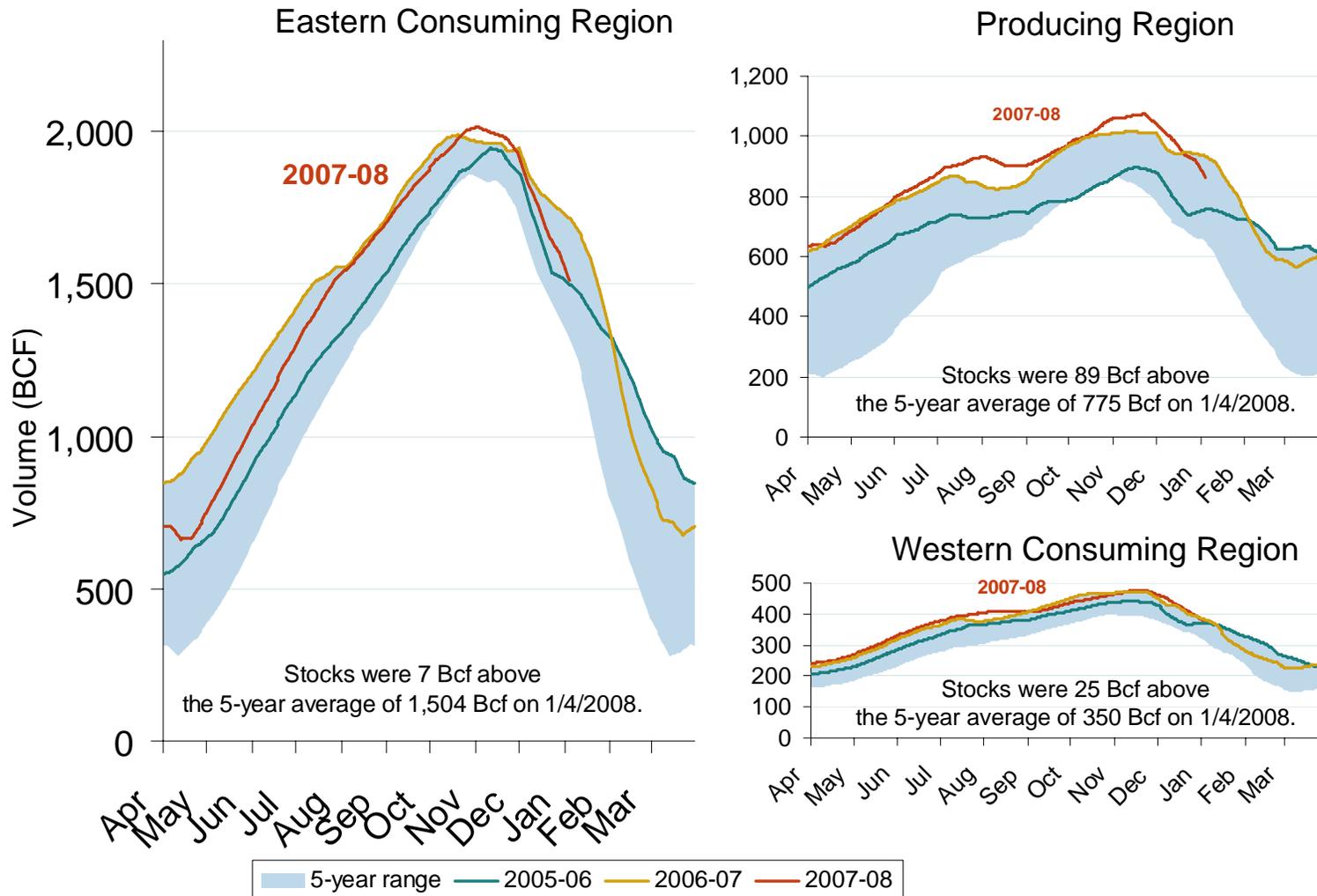


Source: Derived from EIA data.

Updated January 10, 2008

2003

Regional Totals of Working Gas in Storage

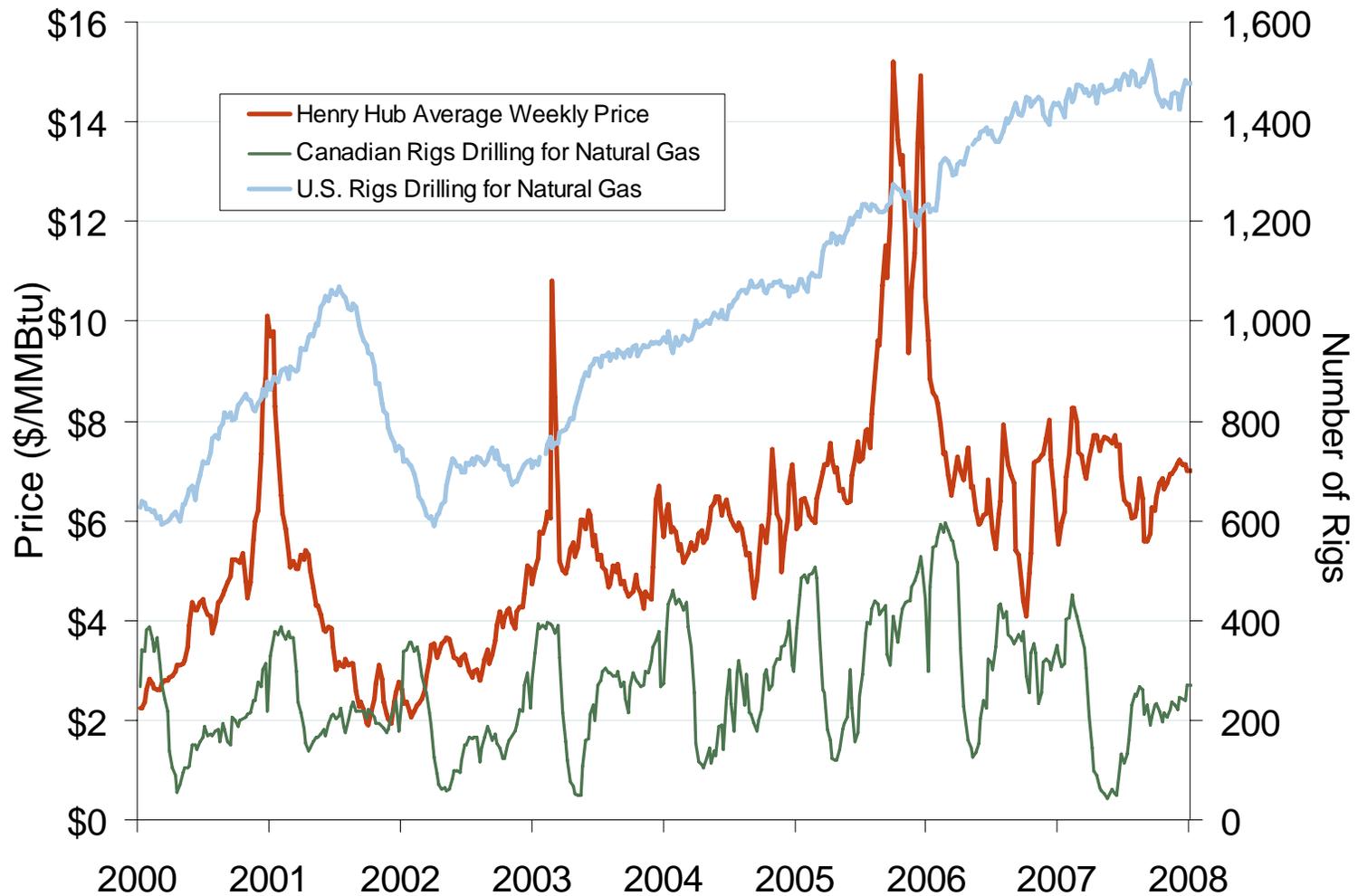


Source: Derived from EIA data.

Updated January 10, 2008

2004

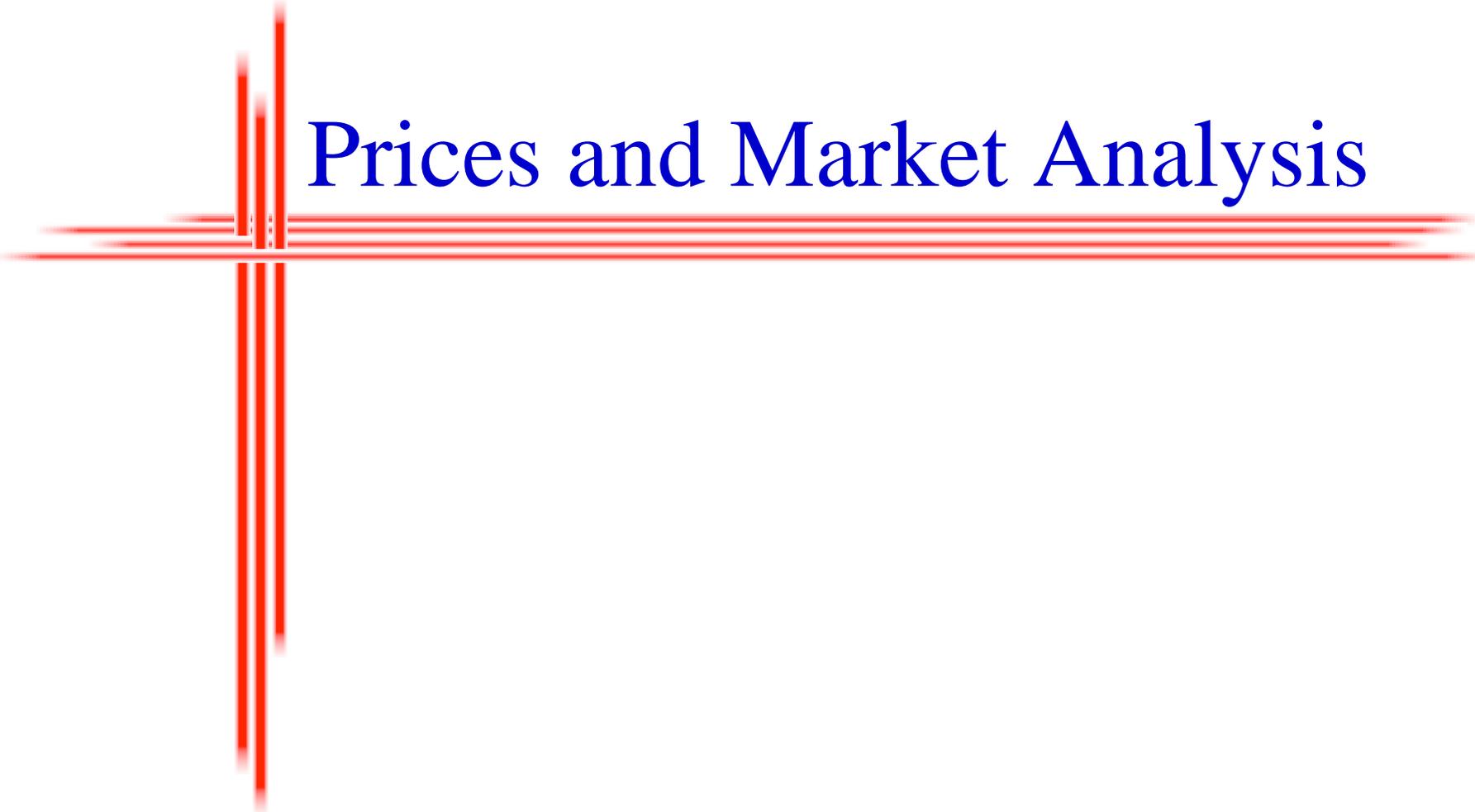
U.S. and Canadian Natural Gas Drilling Rig Count and Daily Spot Prices



Source: Derived from *Platts* and *Baker Hughes* data.

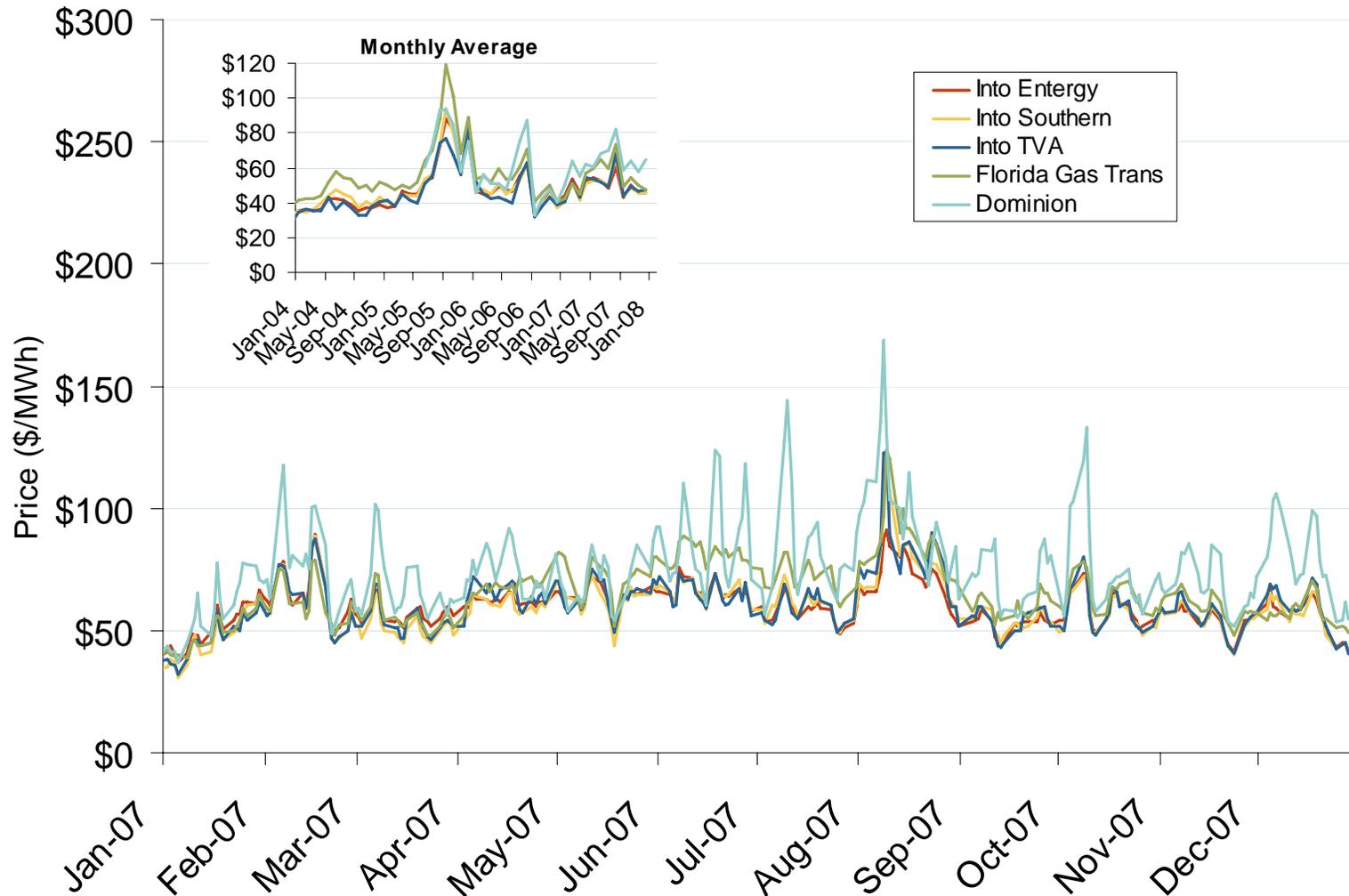
Updated January 9, 2008

2007

A decorative graphic consisting of several overlapping red lines. A vertical line on the left side intersects with a horizontal line that spans across the page. The lines have a slight blur or glow effect.

Prices and Market Analysis

Southeastern Daily Bilateral Day-Ahead On-Peak Prices

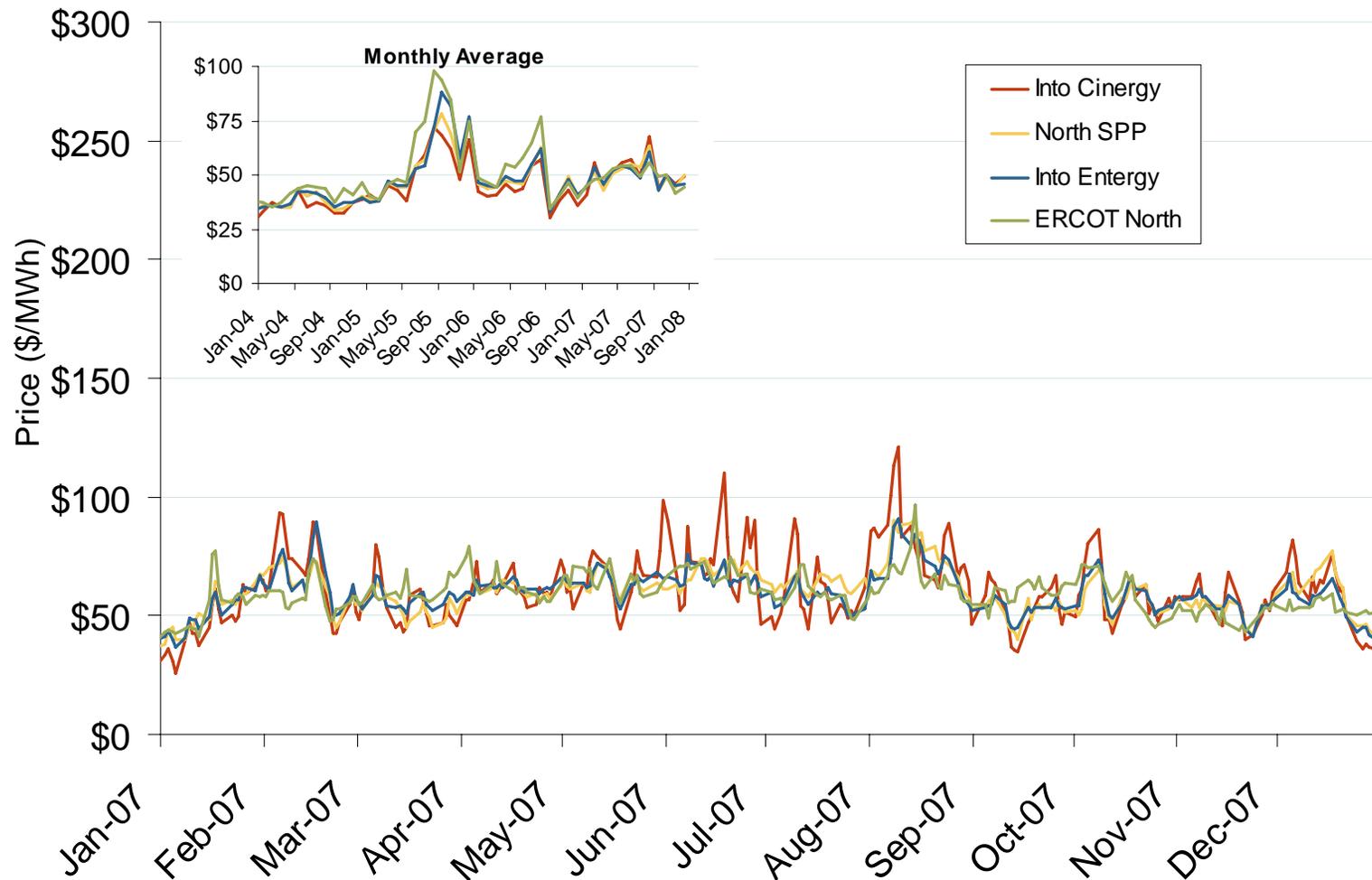


Source: Derived from *Platts* data.

Updated January 9, 2008

1059

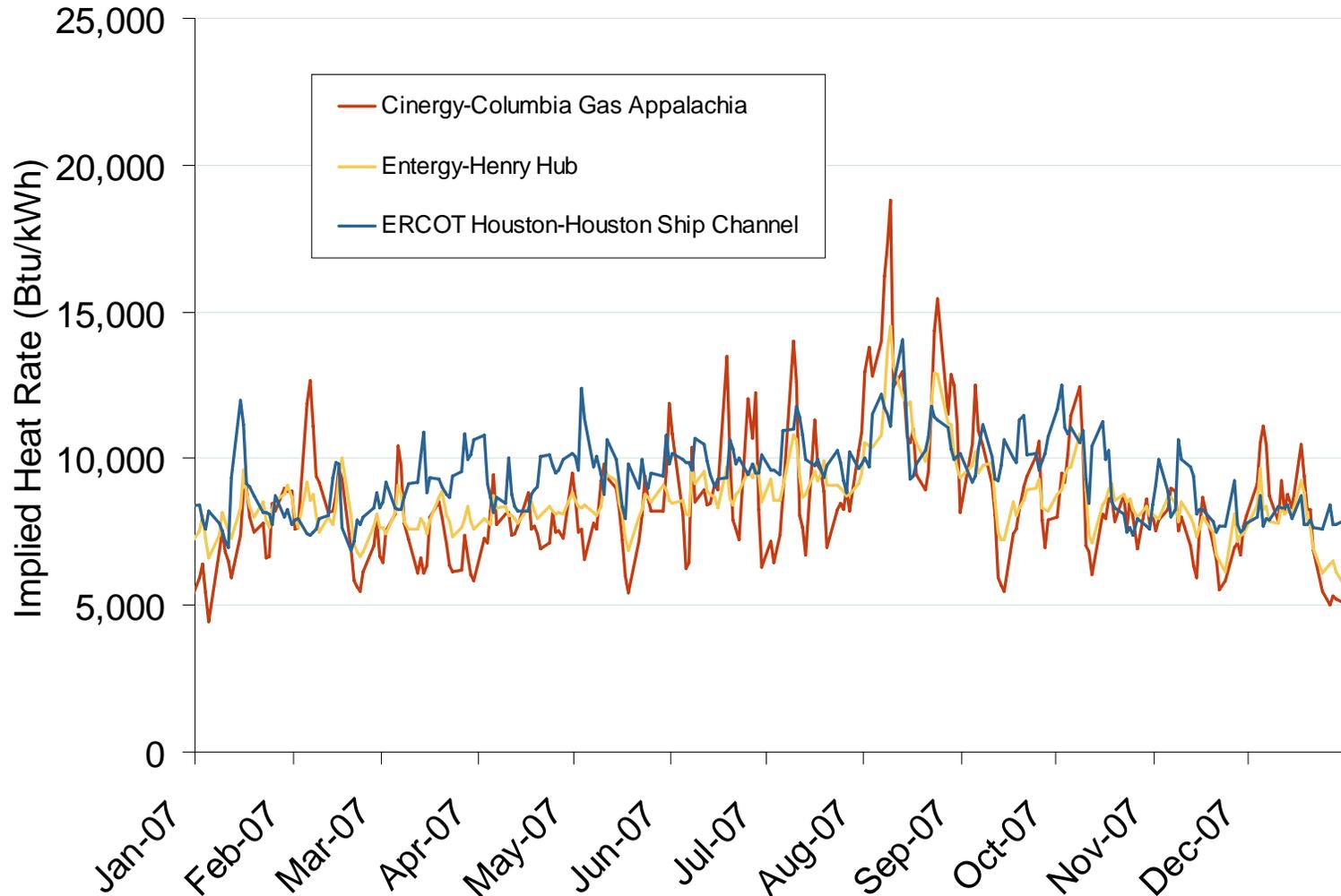
Midwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

Updated January 9, 2008

Implied Heat Rates at South Central Trading Points

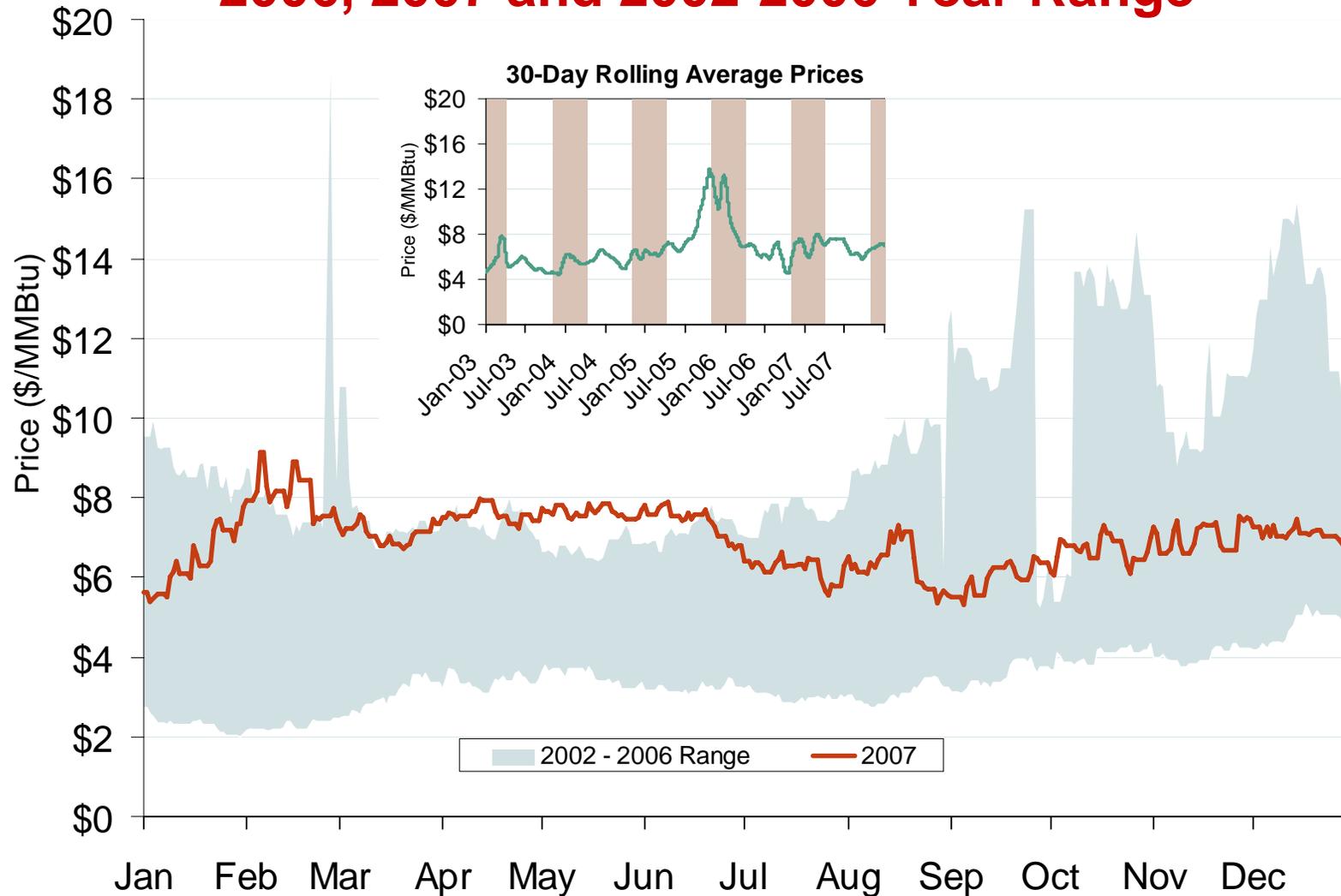


Source: Derived from *Platts* data

Updated January 9, 2008

1139

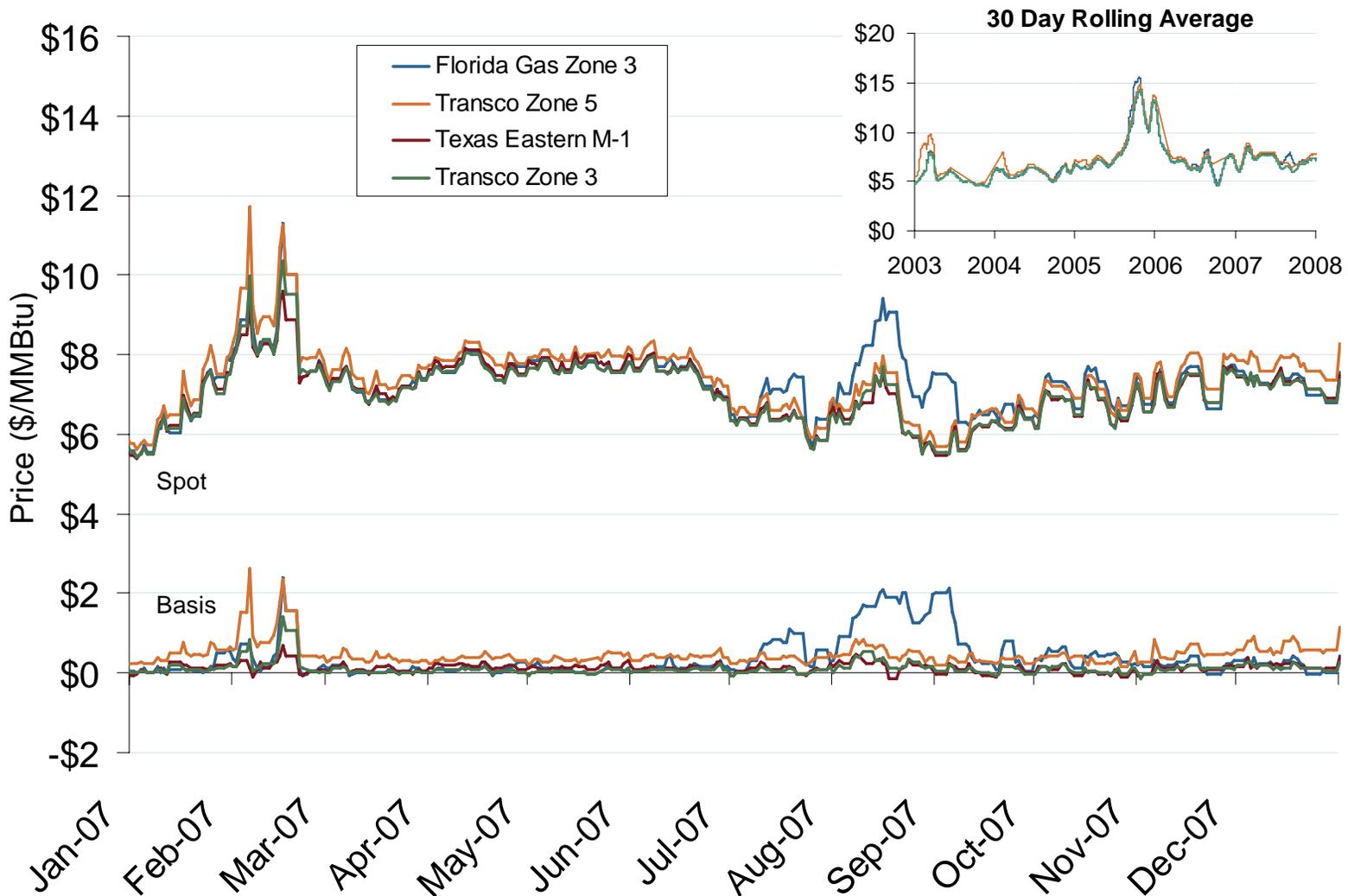
Henry Hub Natural Gas Daily Spot Prices 2006, 2007 and 2002-2006 Year Range



Source: Derived from *Platts* data.

Updated January 9, 2008

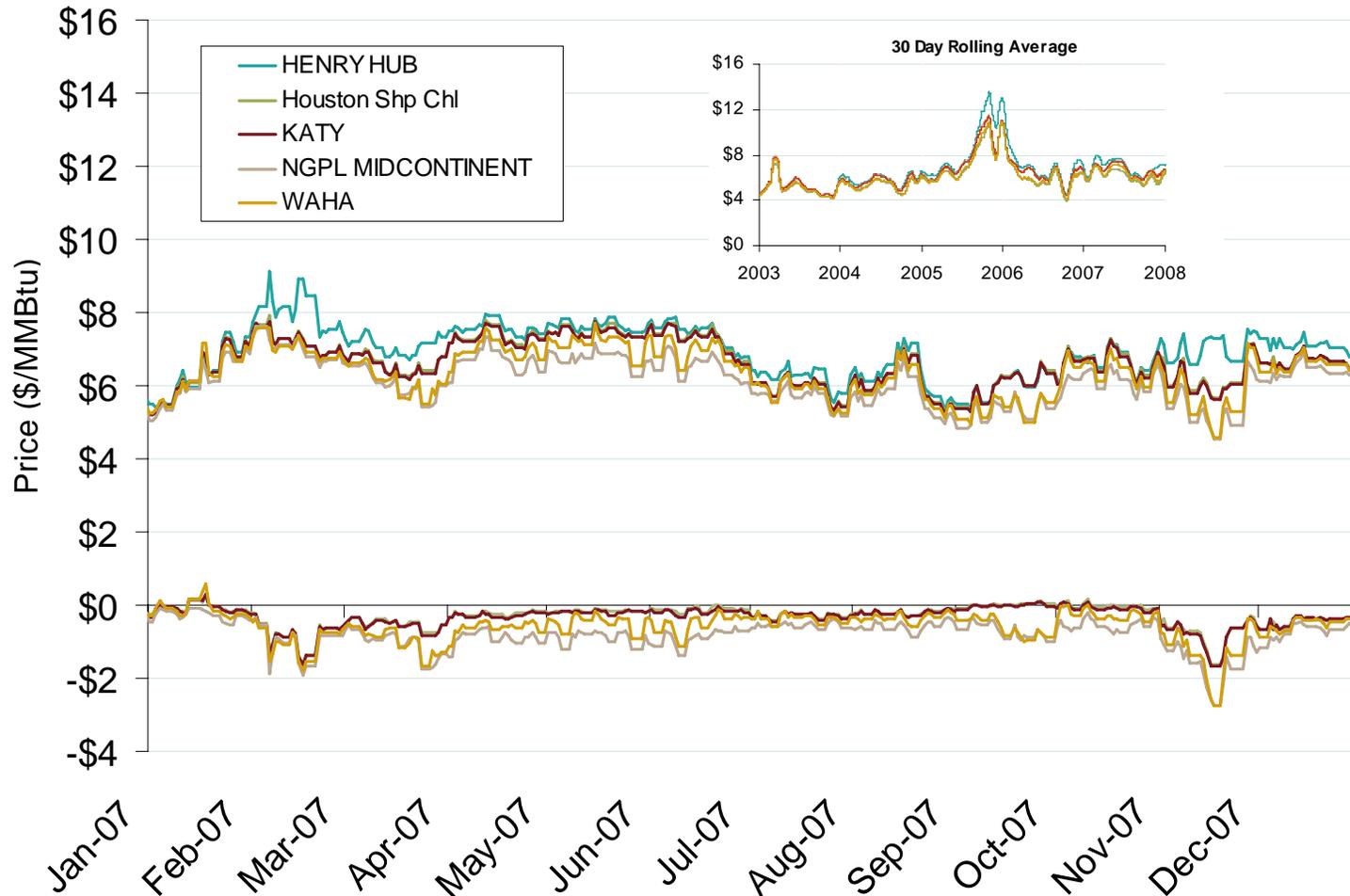
Southeastern Day-Ahead Hub Spot Prices and Basis



Source: Derived from *Platts* data.

Updated January 9, 2008 2058

South Central Day-Ahead Hub Spot Prices and Basis

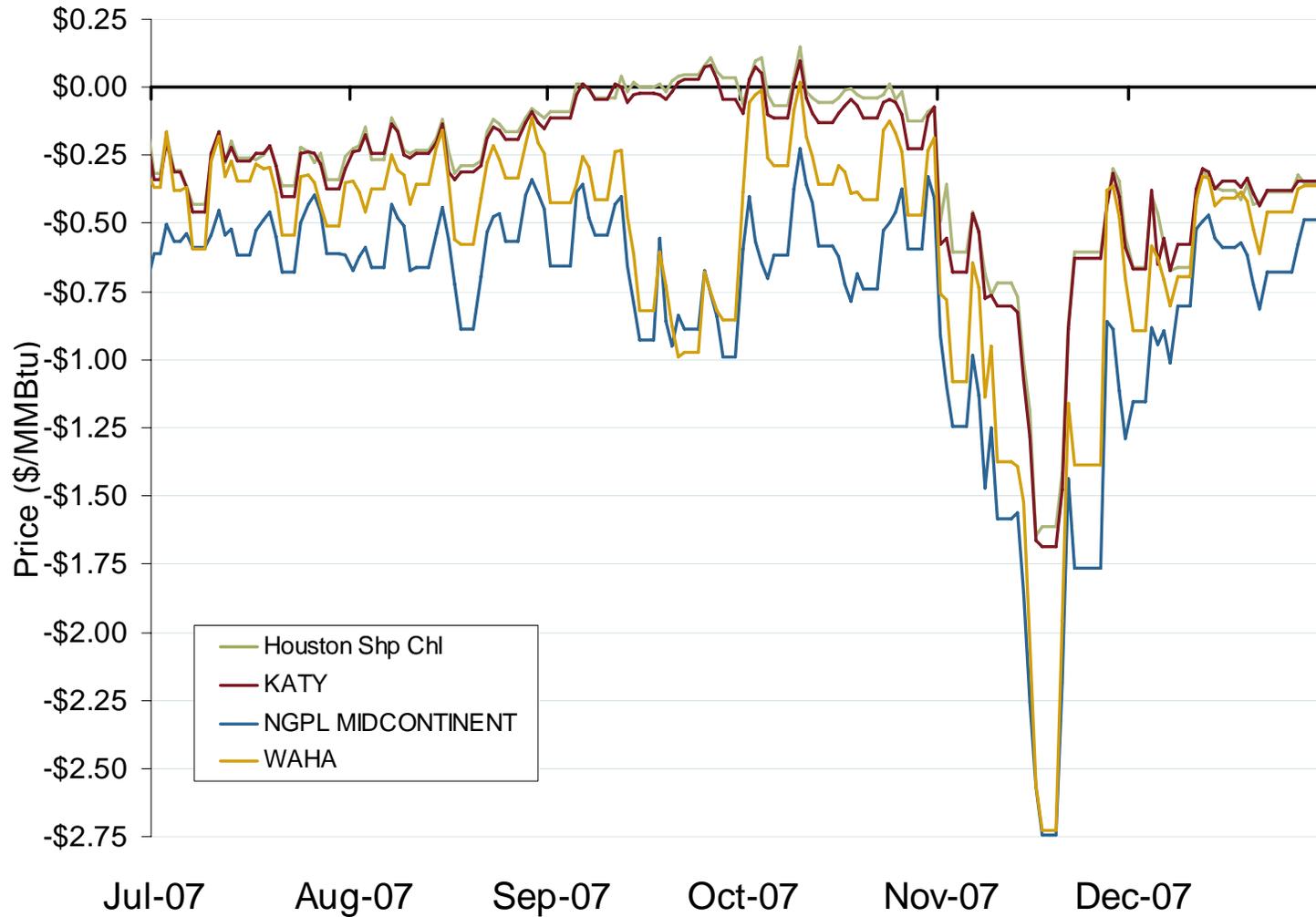


Source: Derived from *Platts* data.

Updated January 9, 2008

2044

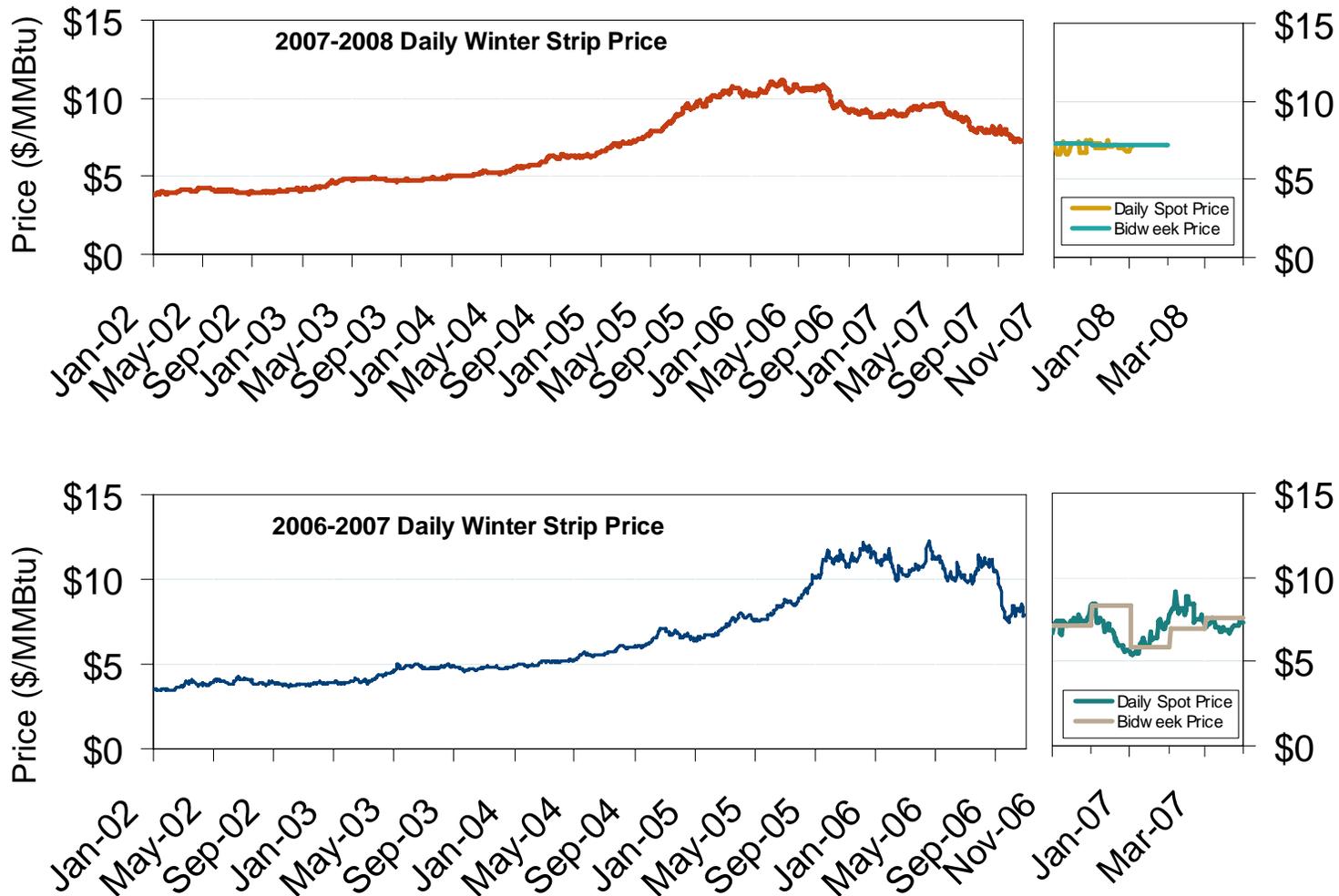
South Central Day-Ahead Basis



Source: Derived from *Platts* data.

Updated January 9, 2008

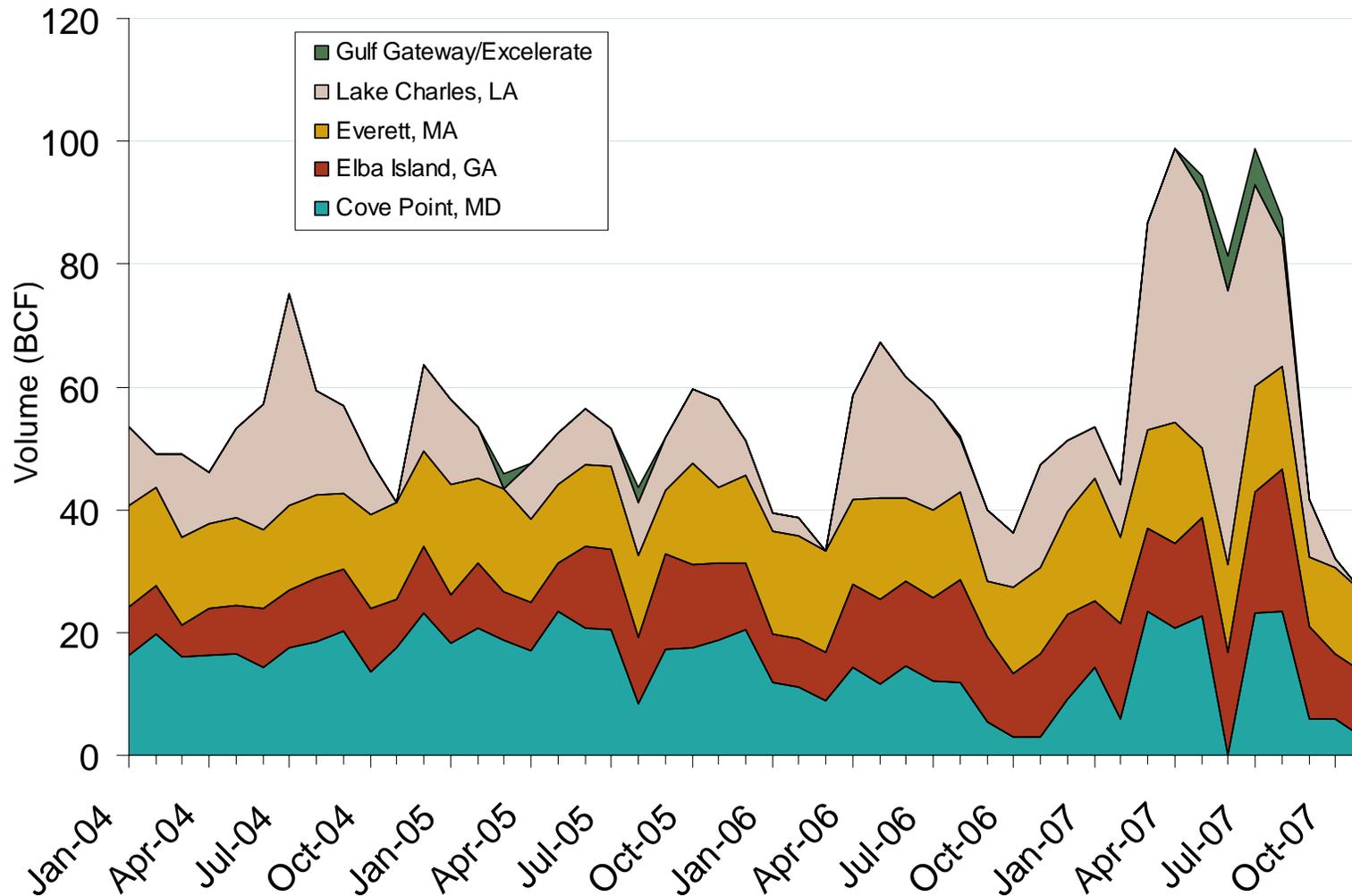
Natural Gas Winter Futures Strip and Daily Henry Hub Spot and Bidweek Prices



Source: Derived from *Platts* and *Nymex* data.

Updated January 9, 2008

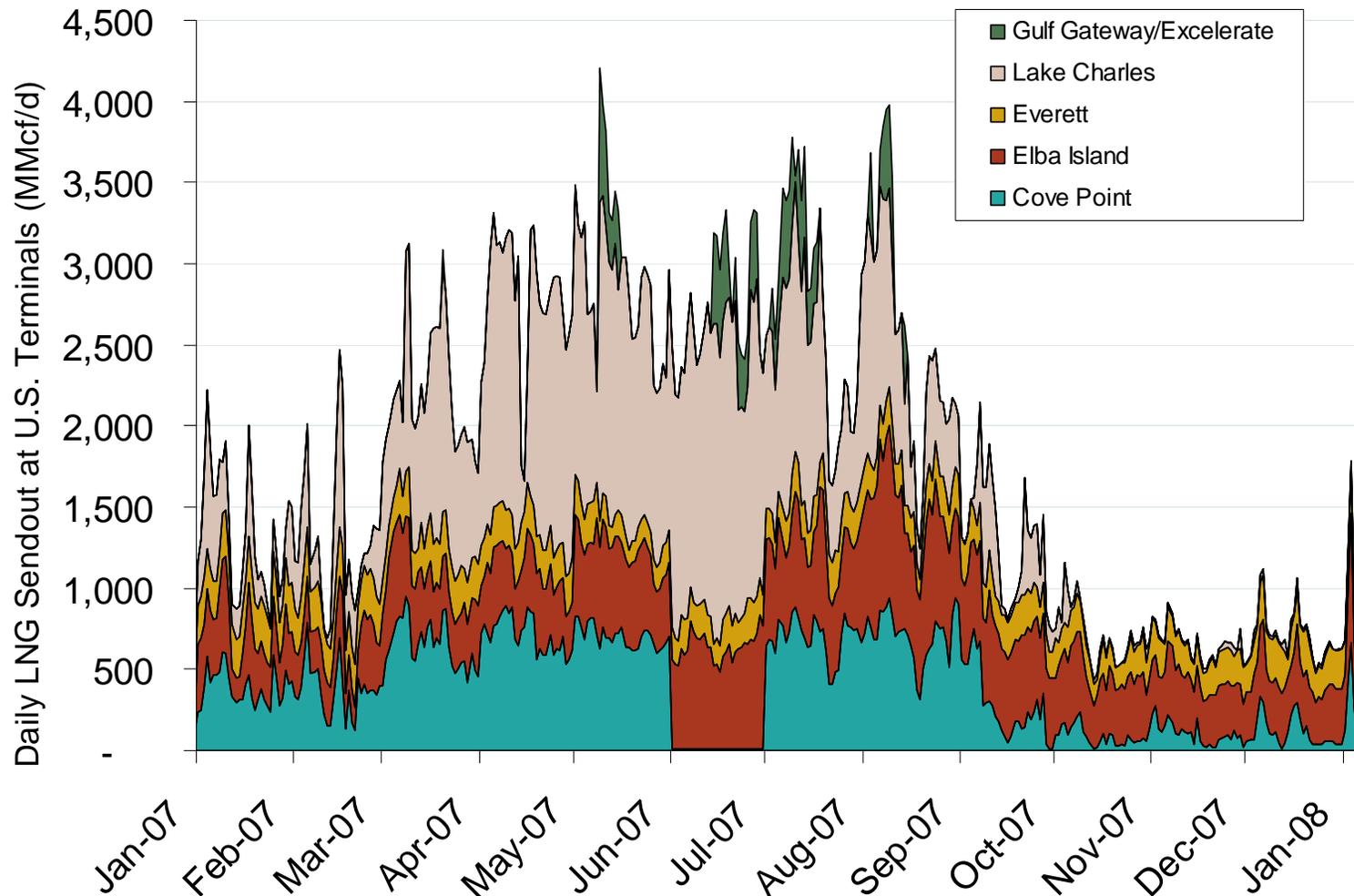
Monthly Gas Imports at Existing U.S. LNG Facilities



Source: Derived from EIA data.

Updated January 9, 2008

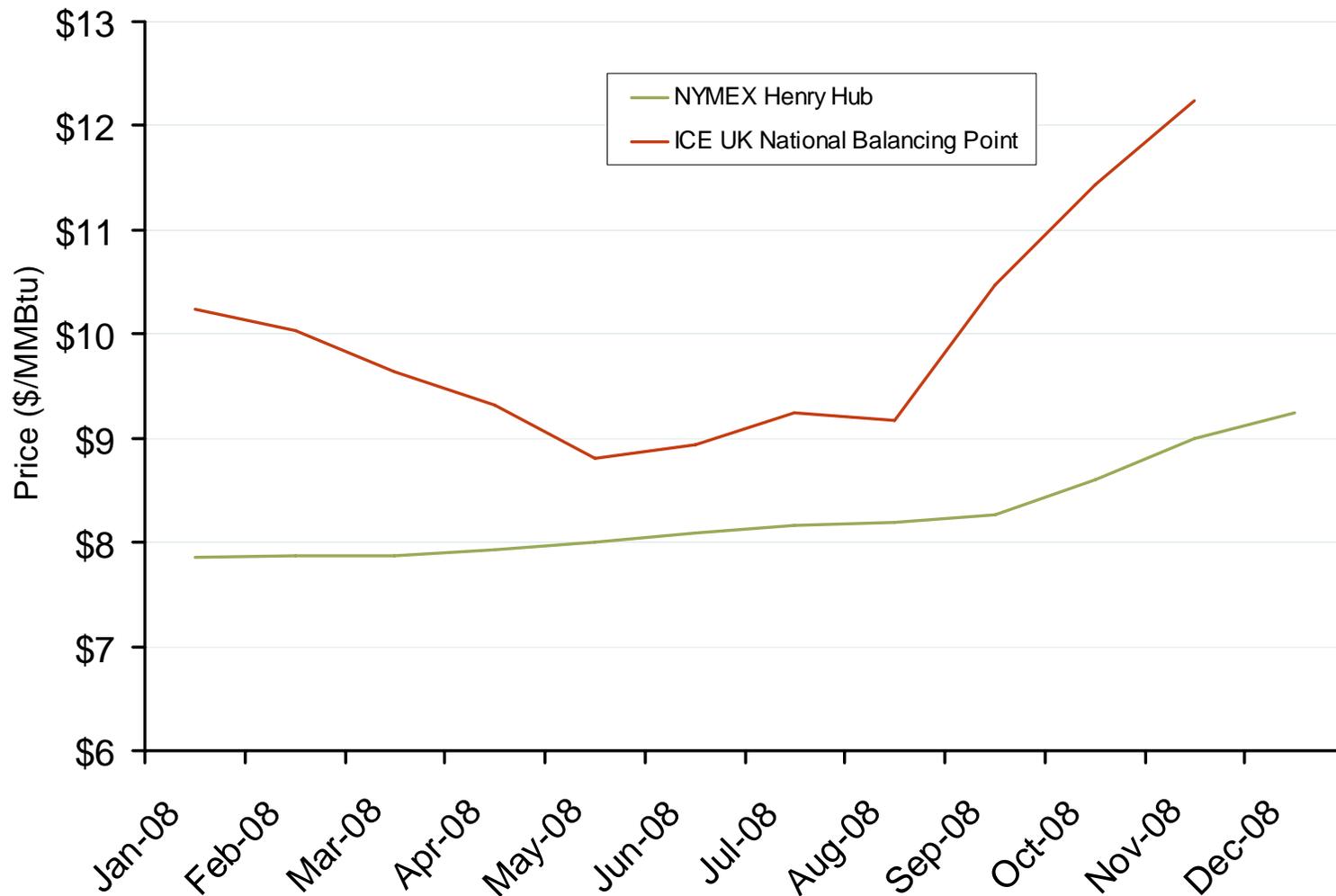
Daily Gas Sendout from Existing U.S. LNG Facilities



Source: Derived from *Bentek* data. Excludes Everett LNG delivered via truck and consumed by the Mystic plant.

Updated January 9, 2008

NYMEX Henry Hub and ICE UK National Balancing Point Natural Gas Forward Price Curves

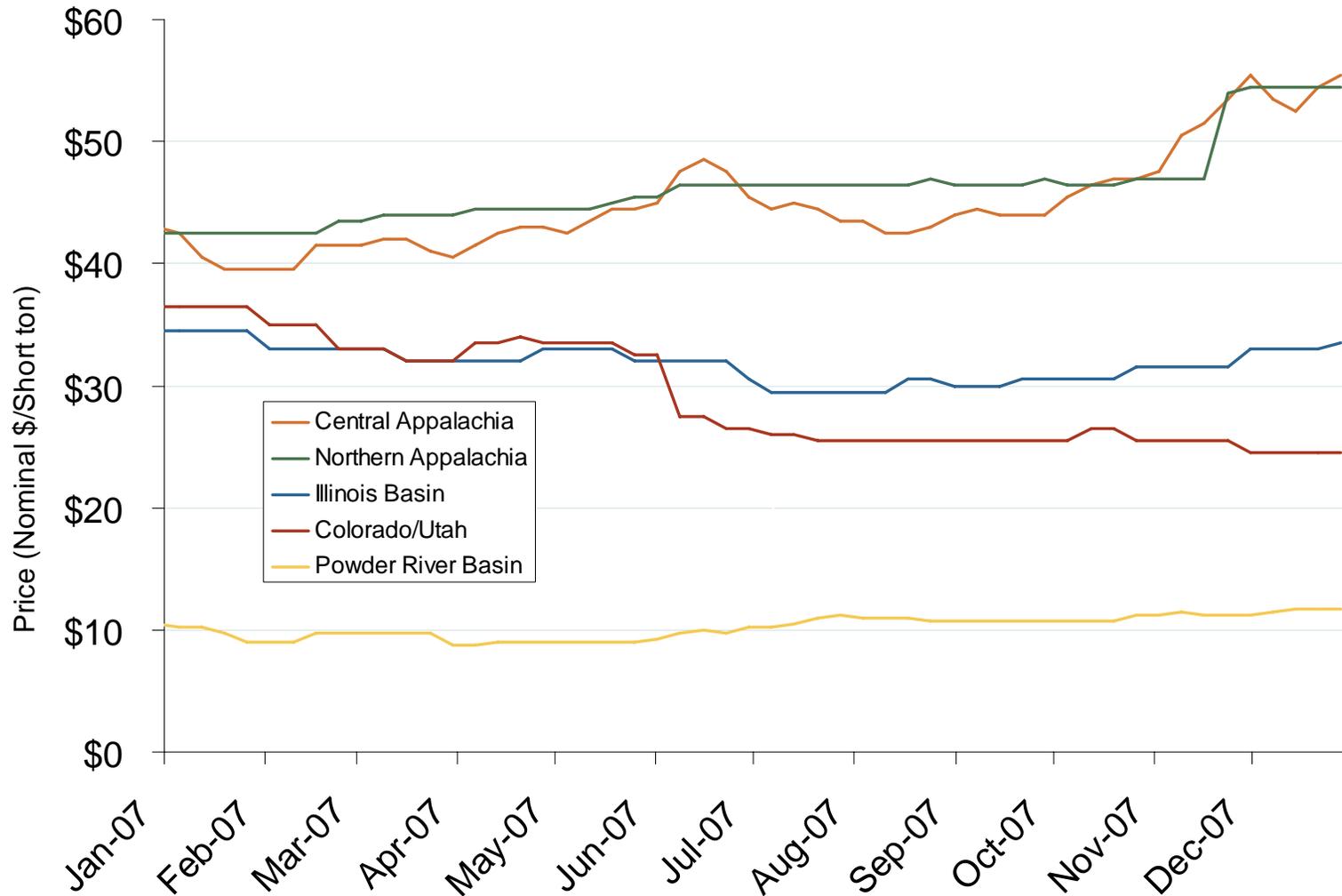


Source: Derived from NYMEX and ICE data.

Updated January 9, 2008

3016

Regional Coal Spot Prices

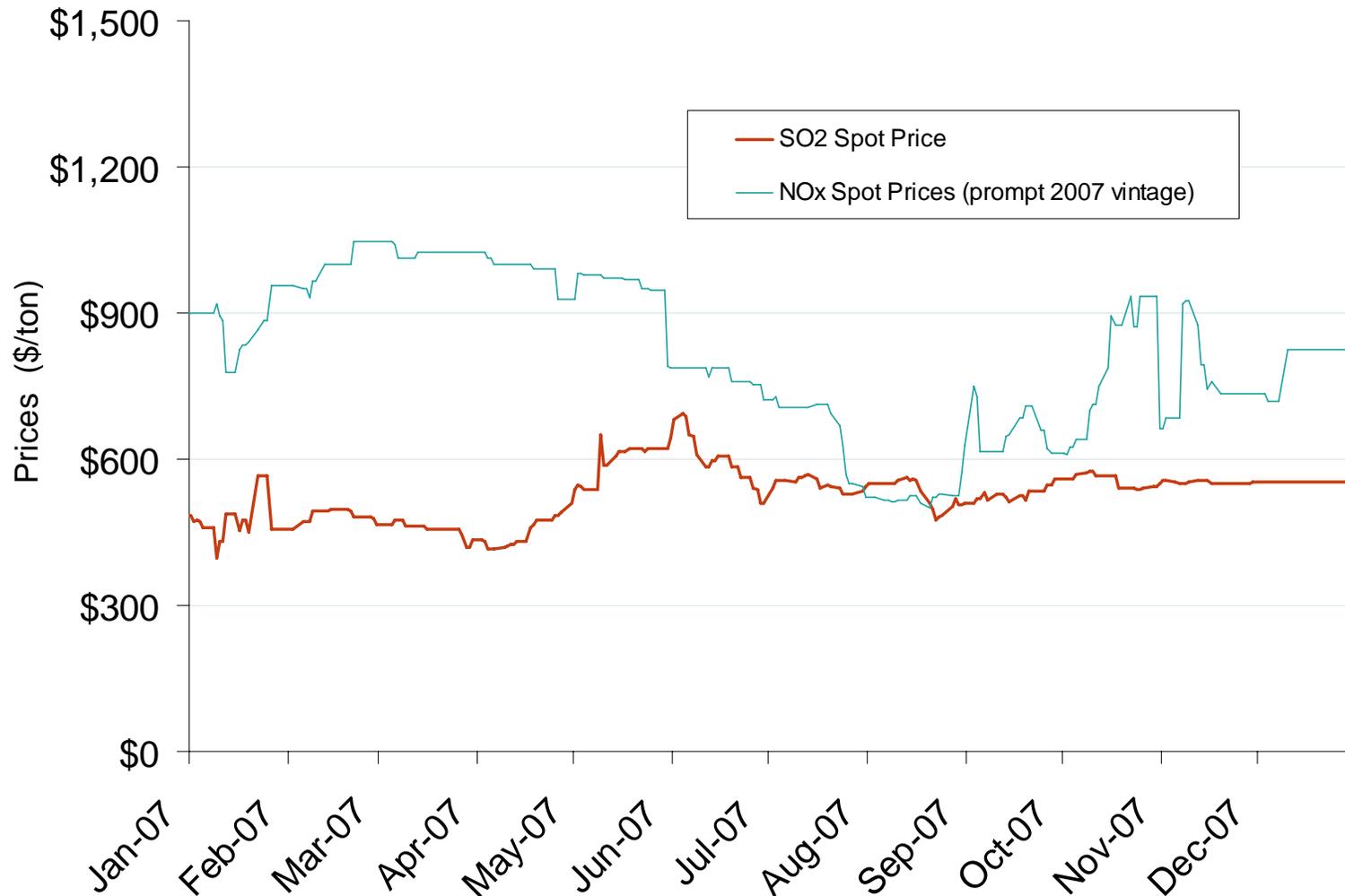


Note: Does not reflect the delivered price of coal; excludes incremental cost of emissions allowances.

Source: Derived from *Bloomberg* data.

Updated January 9, 2008

SO₂ and NO_x Allowance Spot Prices

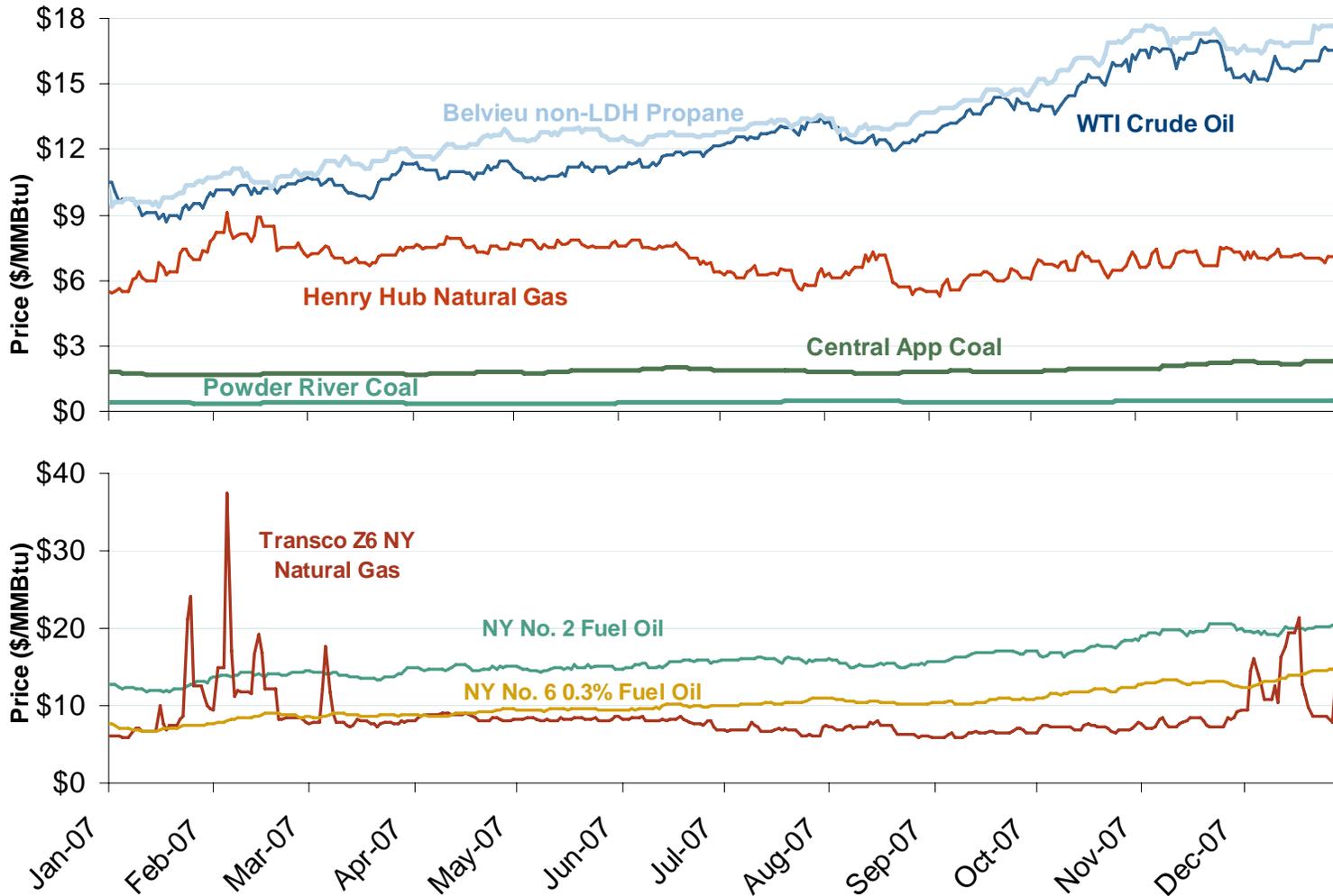


Source: Derived from Cantor Fitzgerald data.

See notes on following pages.

Updated January 9, 2008

Oil, Coal, Natural Gas and Propane Daily Spot Prices



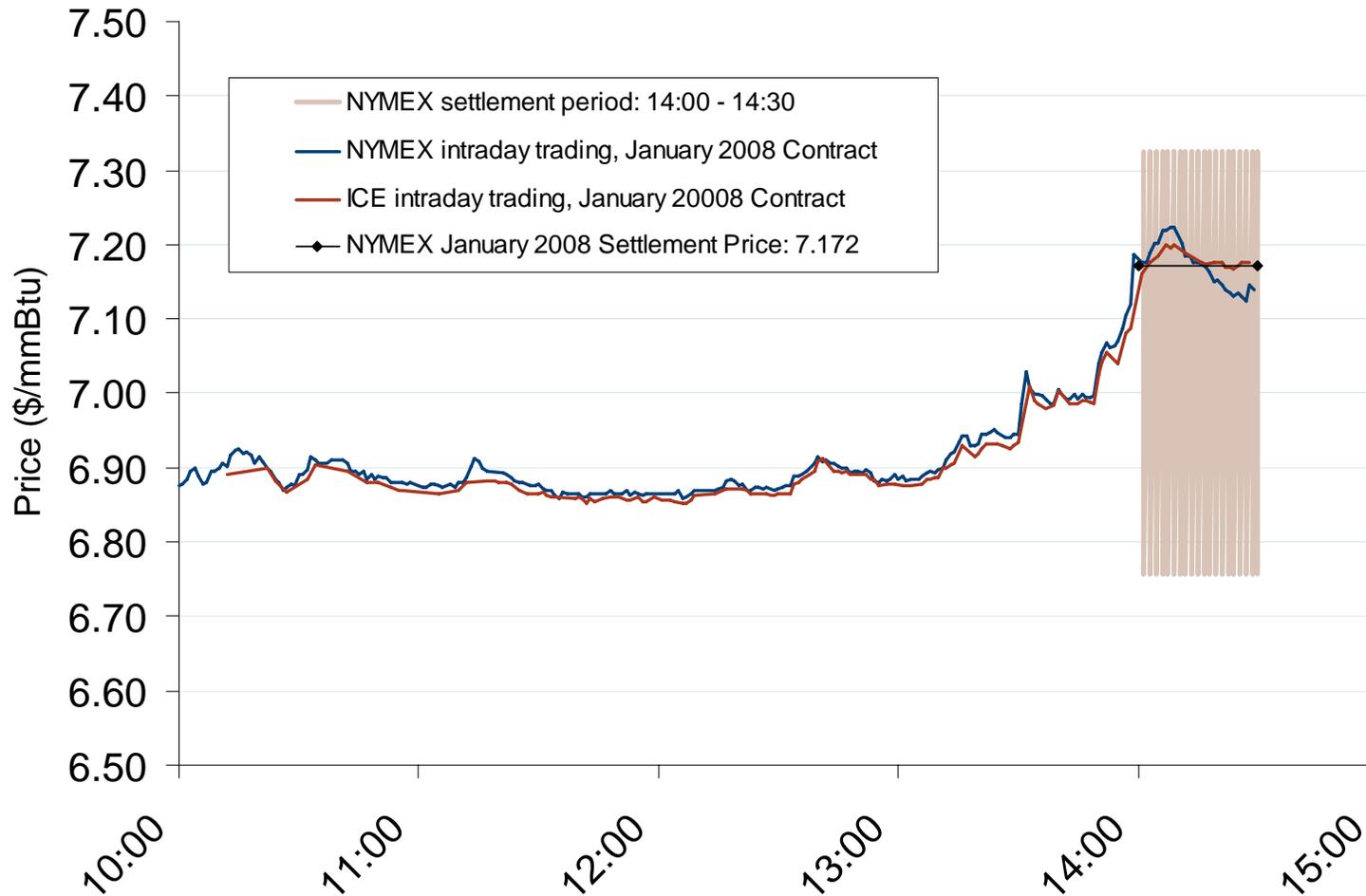
Source: Derived from ICE and Bloomberg data.

Note: Coal prices are quoted in \$/ton. Conversion factors to \$/MMBtu are based on contract specifications of 12,000 btus/pound for Central Appalachian coal and 8800 btus/pound for Powder River Basin coal.

Updated January 9, 2008

3001

January 2008 NYMEX and ICE Contract Final Settlement Day



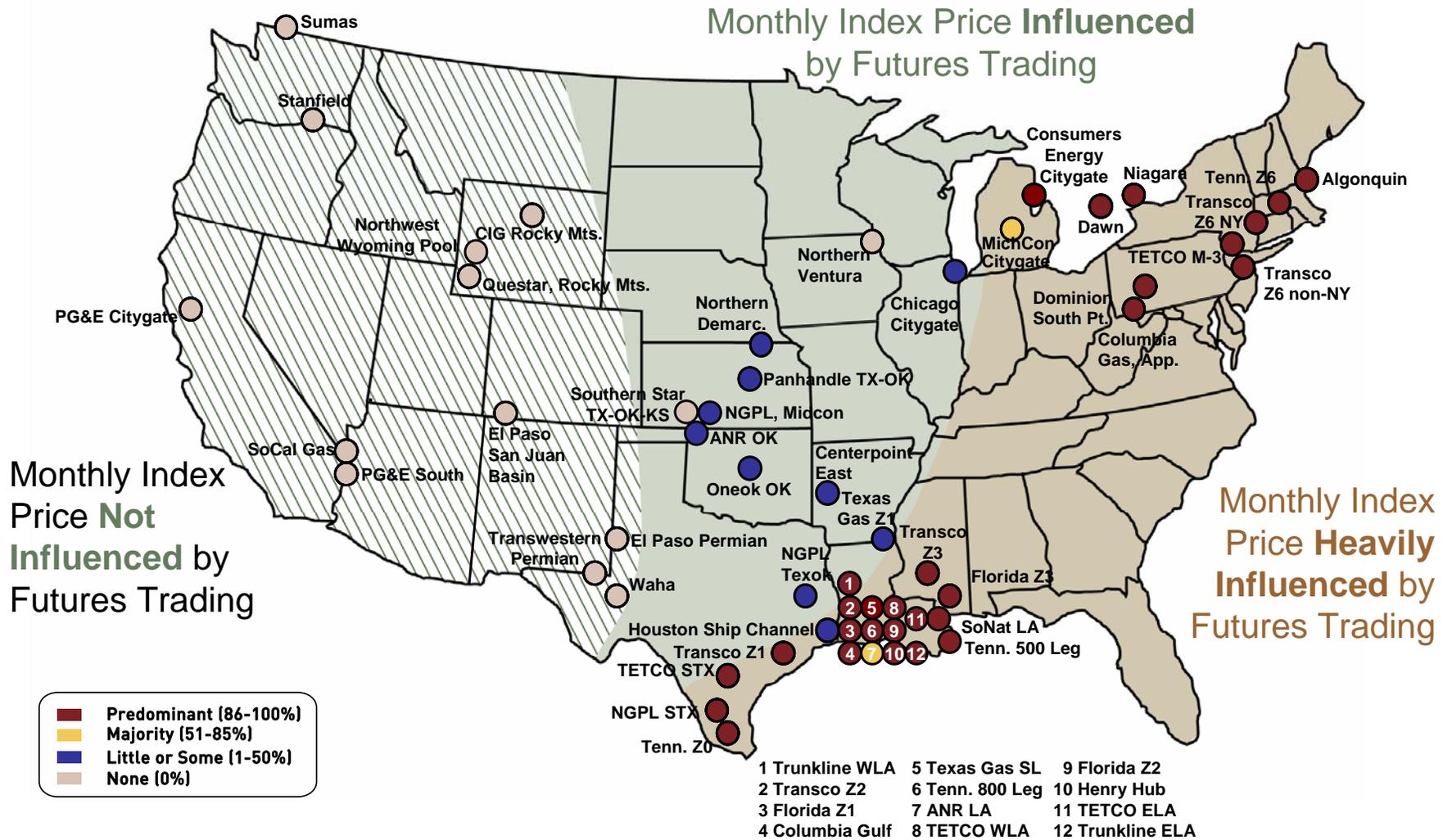
See 2003-2007 historical monthly final settlement day charts.

December 27, 2007 Trade Time

Source: Derived from Nymex and ICE data.

Created December 30, 2007

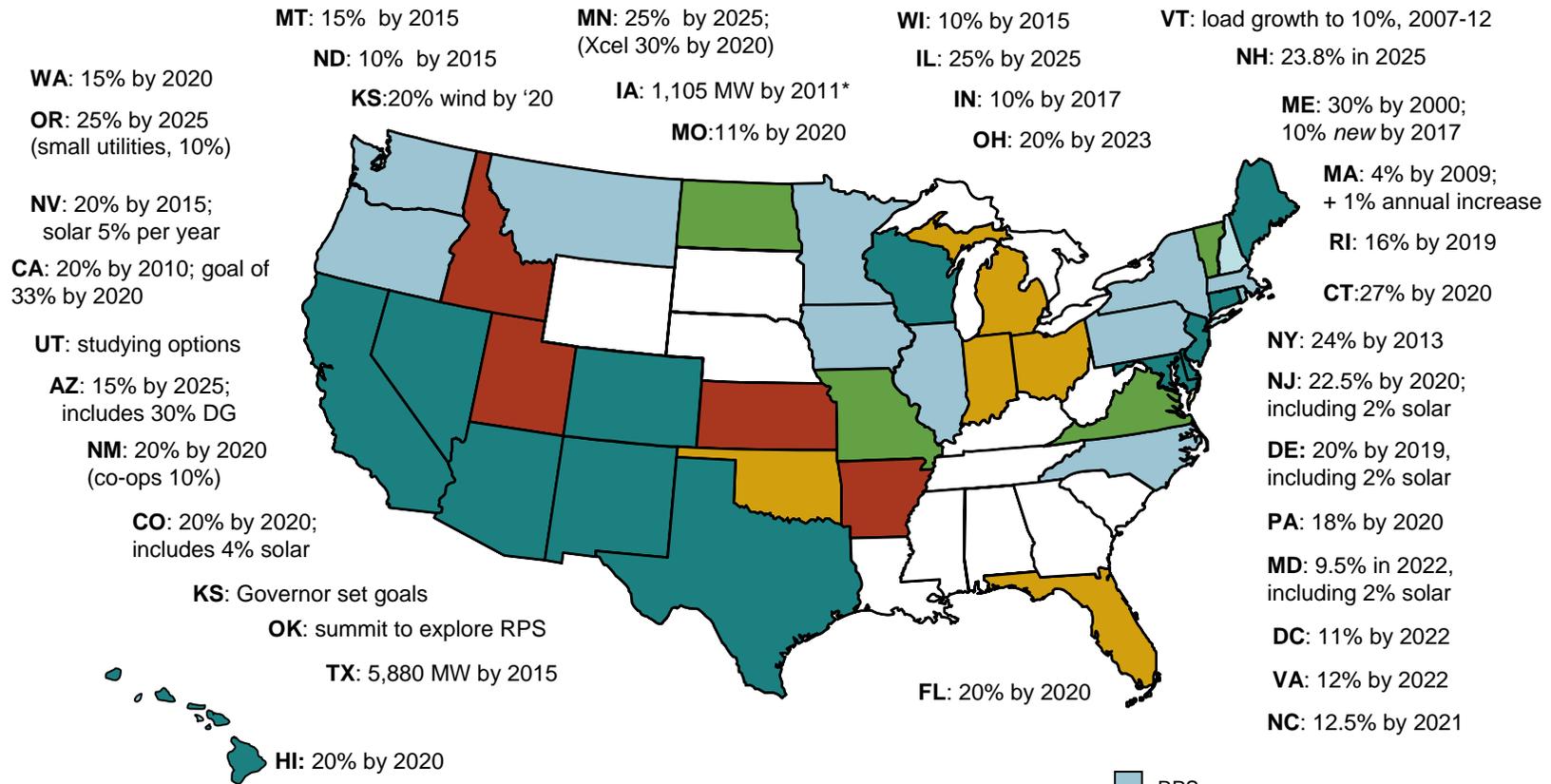
Use of Physical Basis in Natural Gas Price Indices at Major Trading Points, 2007



Source: Derived from *Platts* data for January through October 2007 indices.

Updated October 11, 2007

2007 Review of Renewable Energy Portfolio Standards



Notes: Alaska has no RPS; DG is distributed generation; * Iowa has a goal of 1,000 MW of wind by 2010
Sources: Derived from data in: EEI, EIA, LBNL, PUCs, State legislative tracking services, Database of State Incentives for Renewables and Efficiency, and the Union of Concerned Scientists.

Updated January 15, 2008

2007 Review of Renewable Energy Portfolio Standards

- A Renewable Portfolio Standard (RPS) requires a percent of energy sales or installed capacity to come from renewable resources.
- 26 states and D.C. have an RPS, also known as a Renewable Energy Portfolio Standard.
 - Five passed an RPS in 2007: Illinois, Minnesota, New Hampshire, North Carolina, and Oregon.
 - Eight amended an RPS: Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Mexico, and Texas.
- Four states have renewable goals without financial penalties; three passed them in 2007: Missouri, North Dakota, and Virginia.
 - Virginia's goals include financial incentives.
 - Vermont's goal will be rolled into an RPS if it doesn't attain its stated goals by 2012.
 - Iowa has a voluntary goal of 1,000 MW of wind by 2010, beyond the 105 MW in its RPS.
- Indiana, Michigan, and Ohio proposed RPS legislation in 2007, which didn't pass; they intend to re-introduce bills in 2008.
- Florida and Oklahoma are actively studying an RPS; the Governors of Kansas and Utah announced renewable goals in 2007.
- 54% of U.S. load is located in states with a renewable energy purchase obligation; an additional 6% is in states with a renewable energy goal.
- Eleven states include energy efficiency in their RPS or renewable goals.
- Arkansas proposed that utilities should include clean energy and renewable resources in their integrated resource plans; Idaho's Energy Plan urged utilities to give priority to DR, EE, and in-state renewable energy.
- Some states are addressing the importance of transmission upgrades, building, and interconnection to support renewable resources, often located far from load:
 - The Texas PUC designated five preferred "Competitive Renewable Energy Zones" (CREZ) in October and authorized transmission development to bring power from windy areas to load centers.
 - California and Colorado are developing similar CREZ planning and cost recovery policies.
 - New Mexico created a Renewable Energy Transmission Authority at the same time it increased its RPS goal in March 2007.