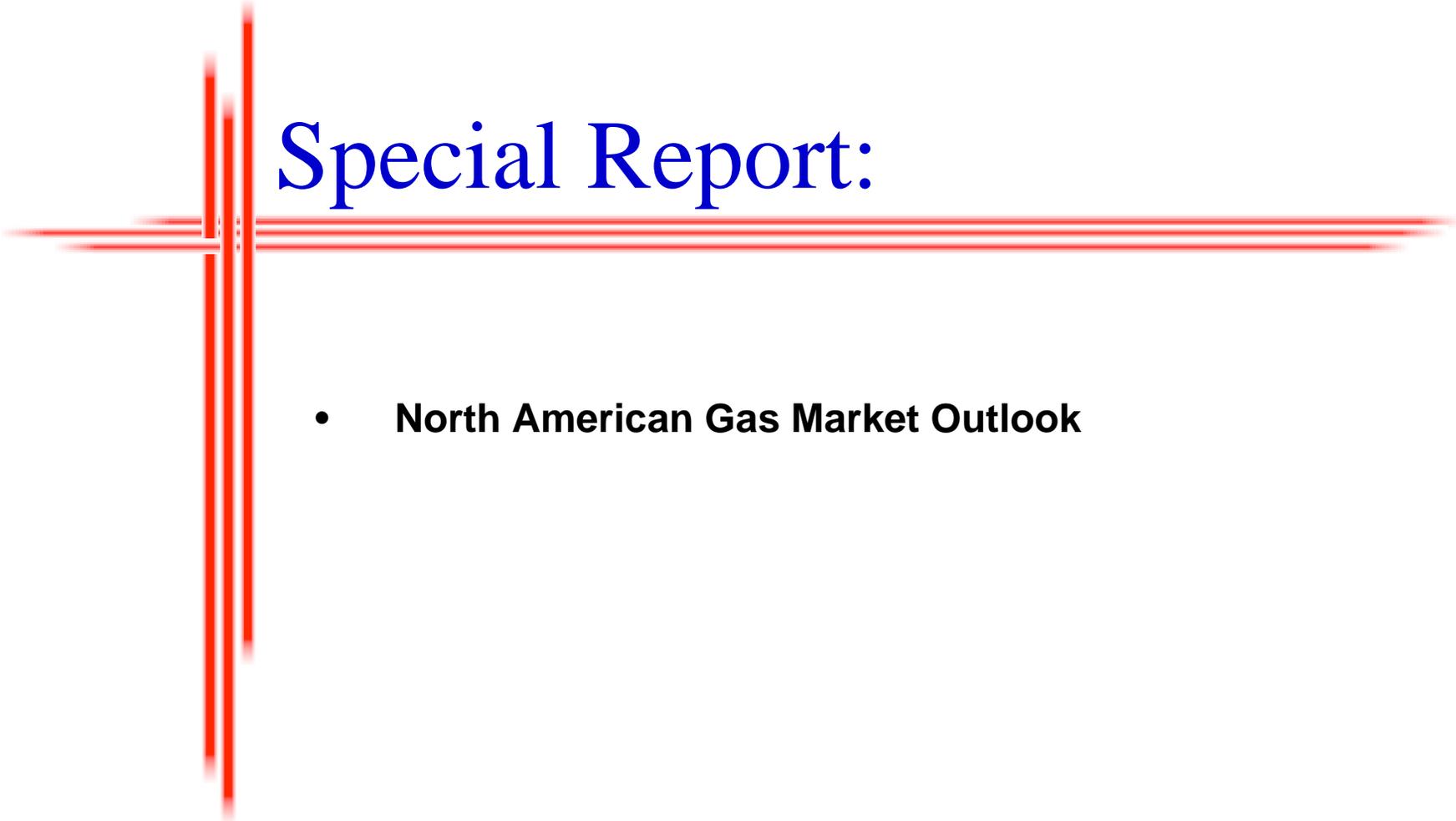


OE ENERGY MARKET SNAPSHOT

National Version – February 2009 Data

- **Special Report**
- **Natural Gas and Fuel Markets**
- **Electricity Markets**

Office of Enforcement
Federal Energy Regulatory Commission
March 2009



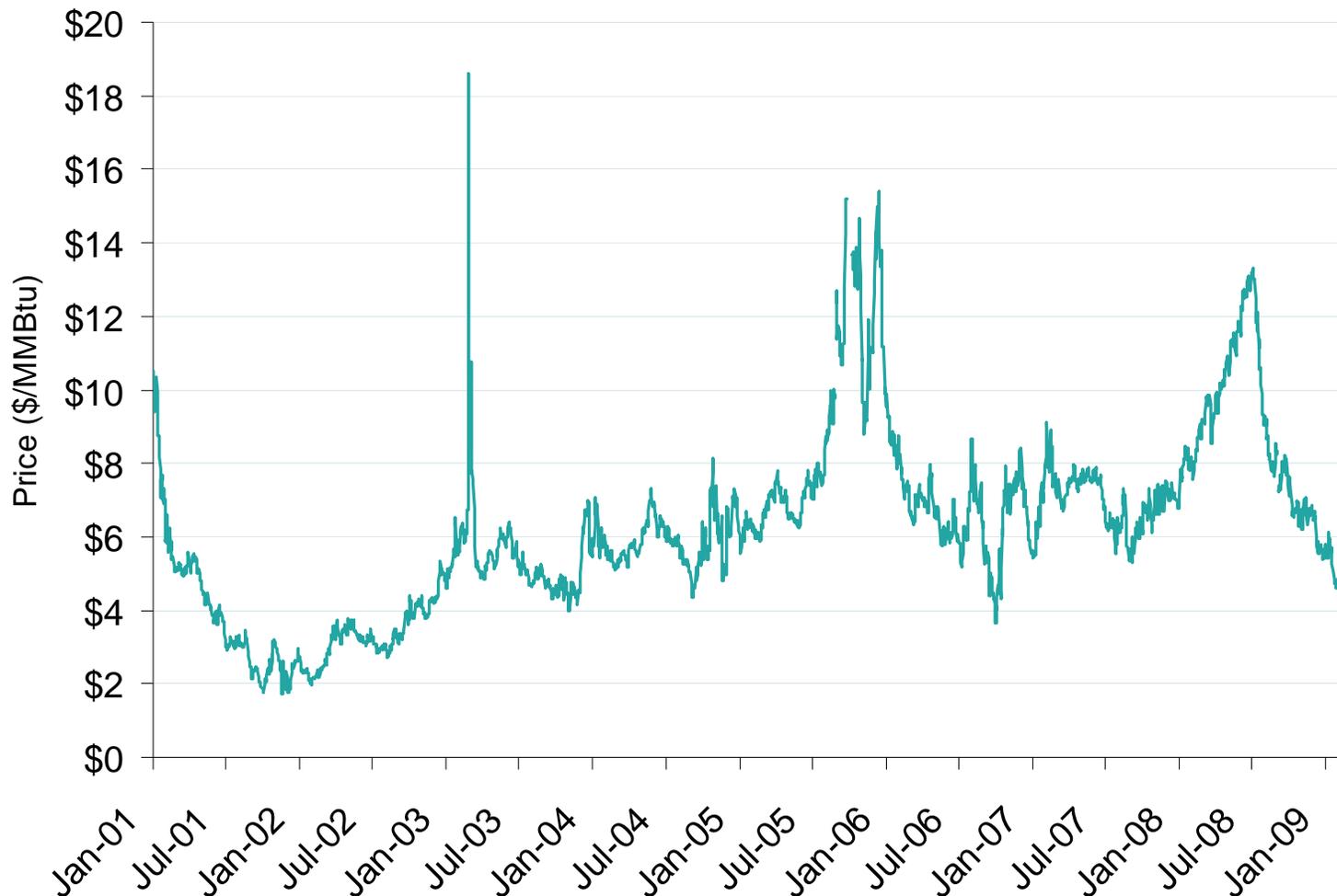
Special Report:

- **North American Gas Market Outlook**

Gas Market Outlook

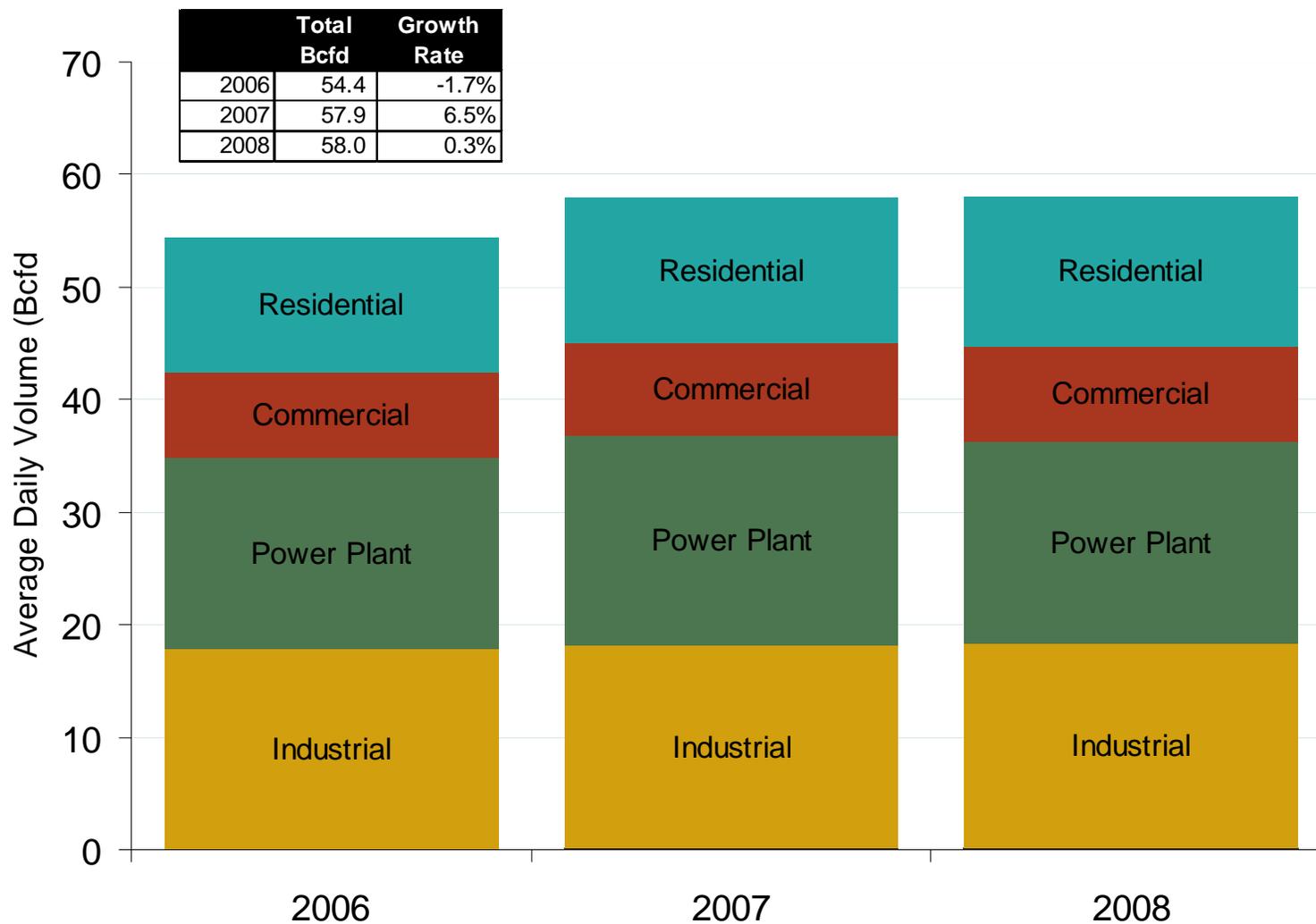
- Gas prices are the lowest they have been since fall 2002 and its winter!
- Gas demand has dropped due to the financial crisis, right? Not really.
- Gas production up and still growing due to unconventional sources.
 - Infrastructure builds have enhanced deliverability.
 - Some analysts expect LNG imports to rise.
- Supply has to match demand – So something has got to give.
 - Gas storage levels may set records this year.
 - Production has got to come down. Drilling rig counts are in free fall.
 - Horizontal & directional rigs coming down more slowly than vertical rigs.
 - Average production per well is up.
 - Will gas prices go lower?
 - Futures prices for the fall at SoCal Border have collapsed.

Henry Hub Natural Gas Daily Spot Prices 2001-2009



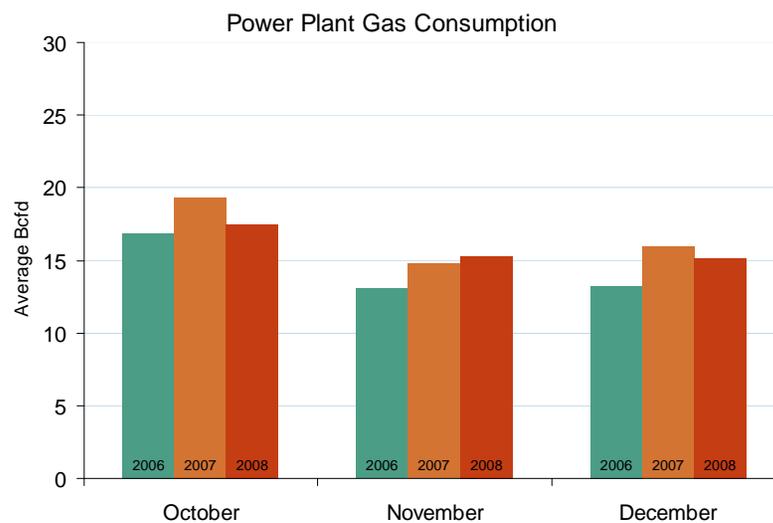
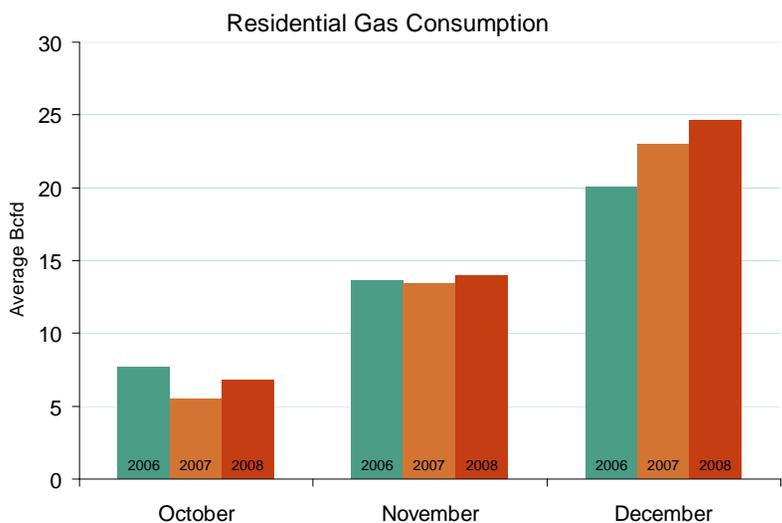
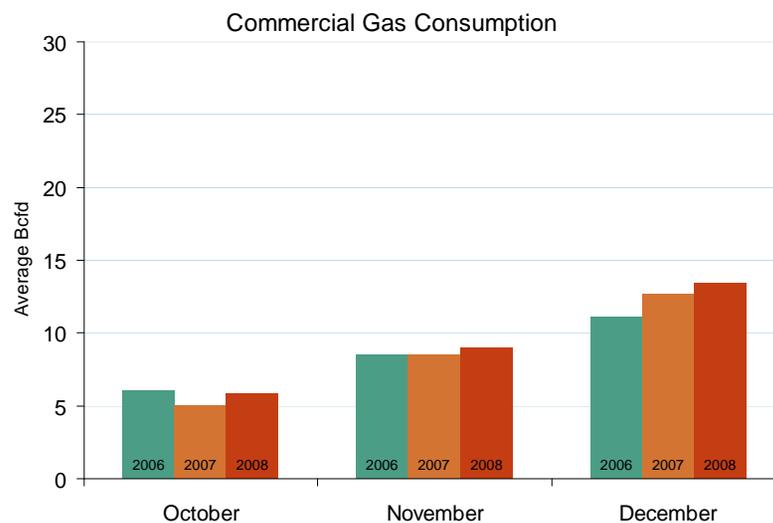
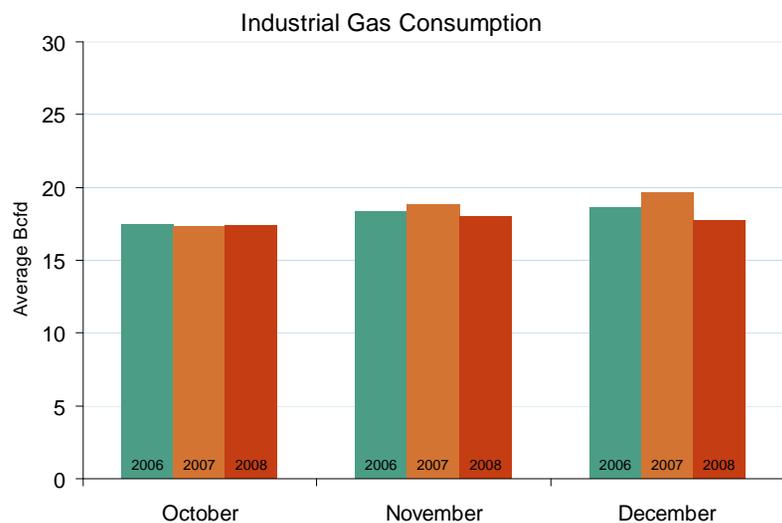
Source: Derived from *Platts* data.
March 2009 National Snapshot Report

U.S. Natural Gas Consumption – Lower 48 States



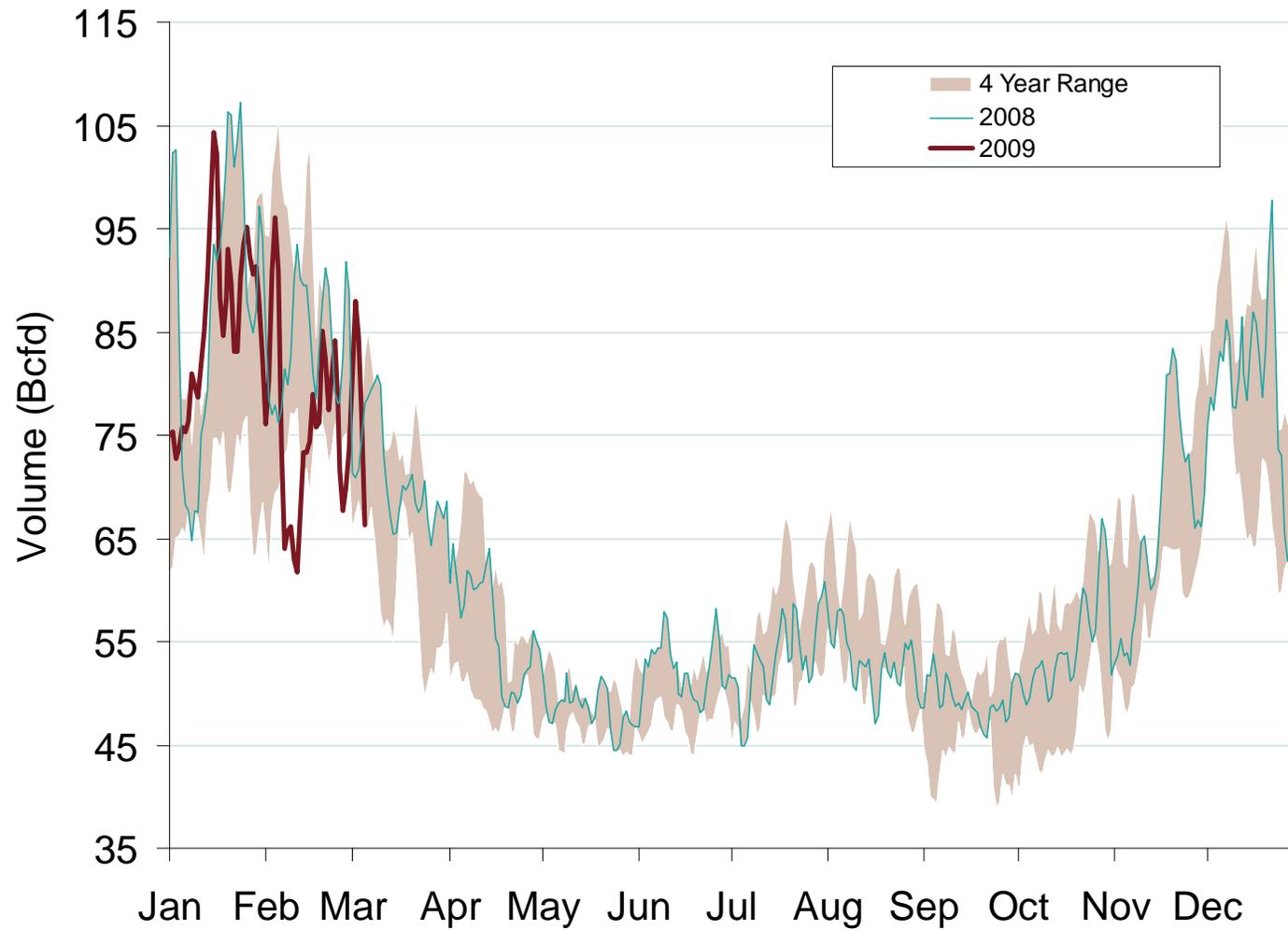
Source: Derived from EIA data.
March 2009 National Snapshot Report

U.S. Natural Gas Consumption

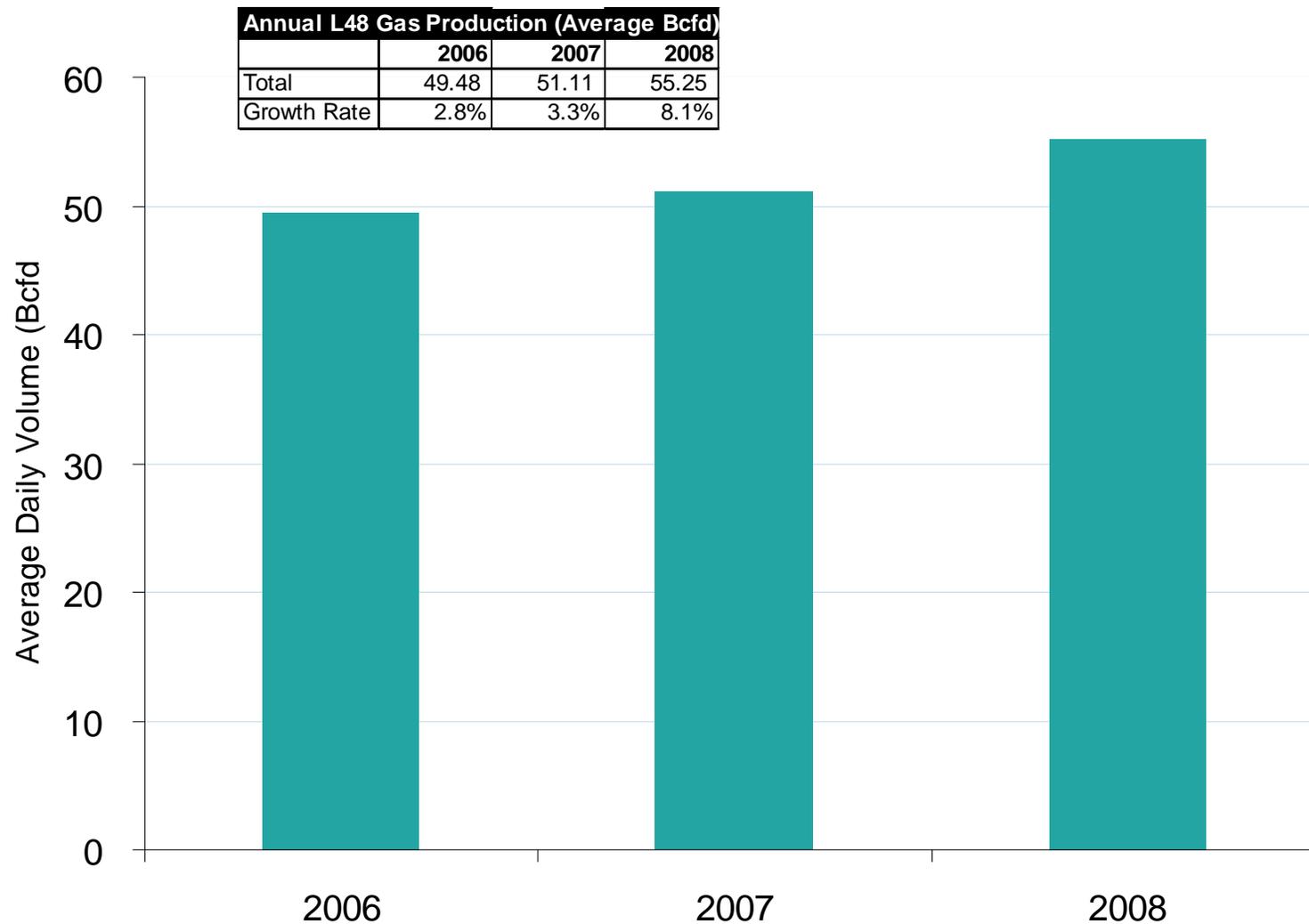


Source: Derived from EIA data. Lower 48 Only.
 March 2009 National Snapshot Report

Total U.S. Natural Gas Demand (All Sectors)

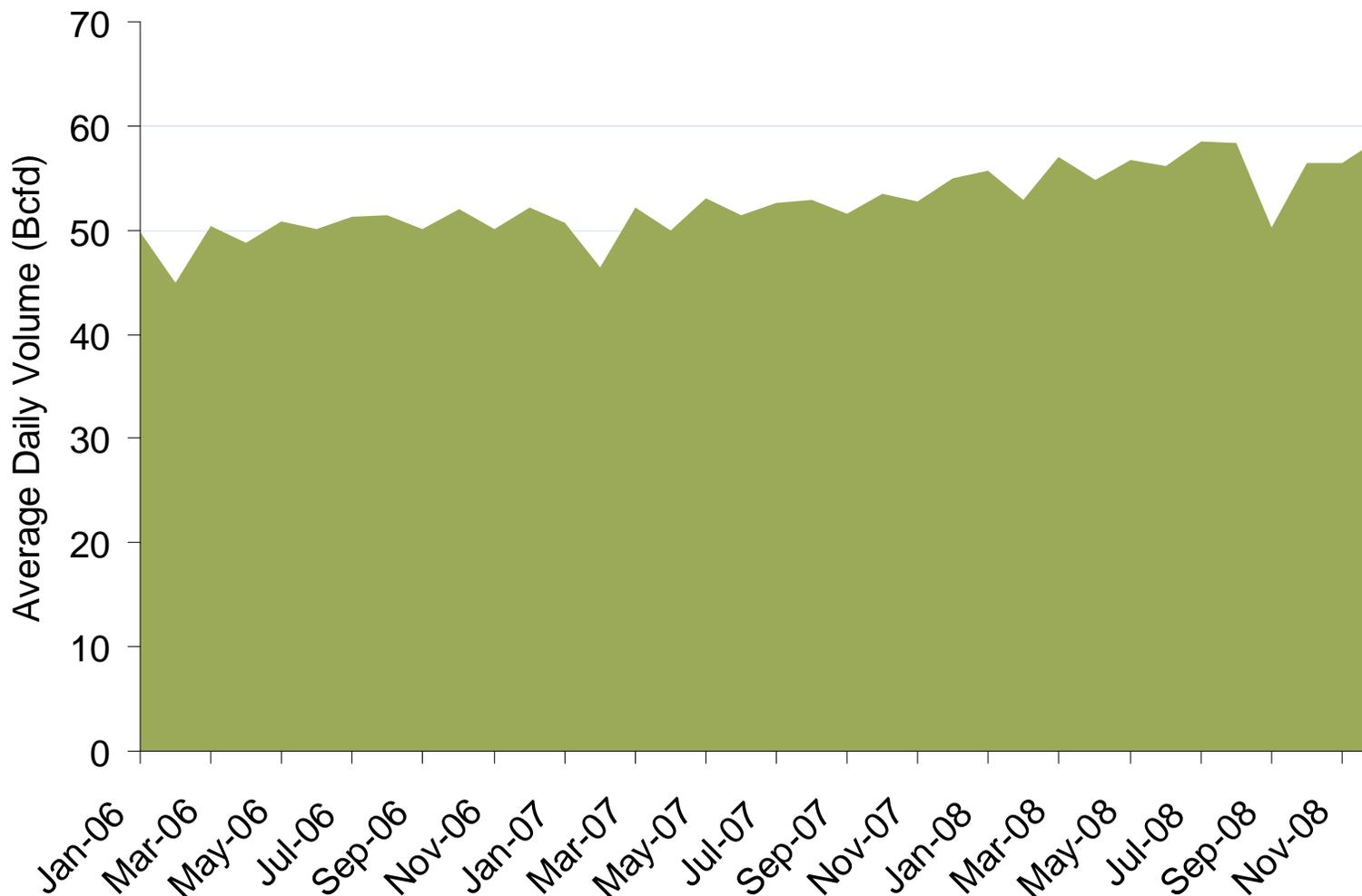


U.S. Dry Gas Production – Lower 48 States



Source: Derived from EIA data.
March 2009 National Snapshot Report

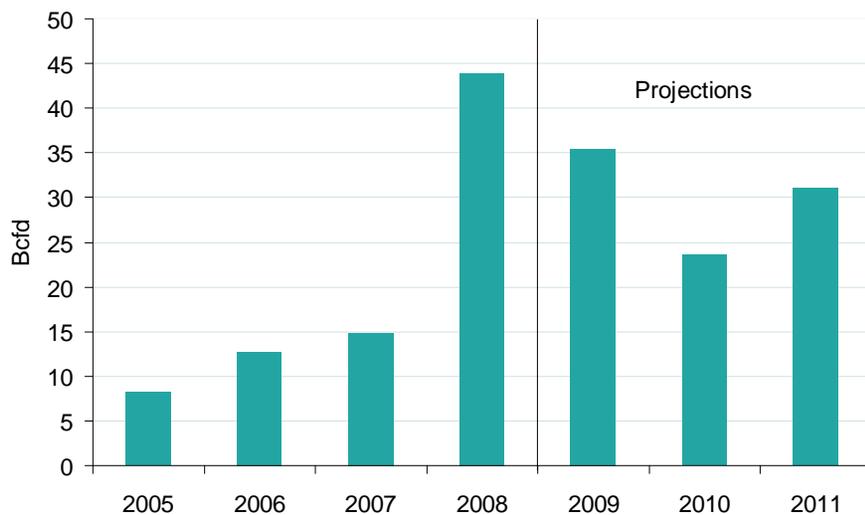
US Gas Production Shows Robust Growth



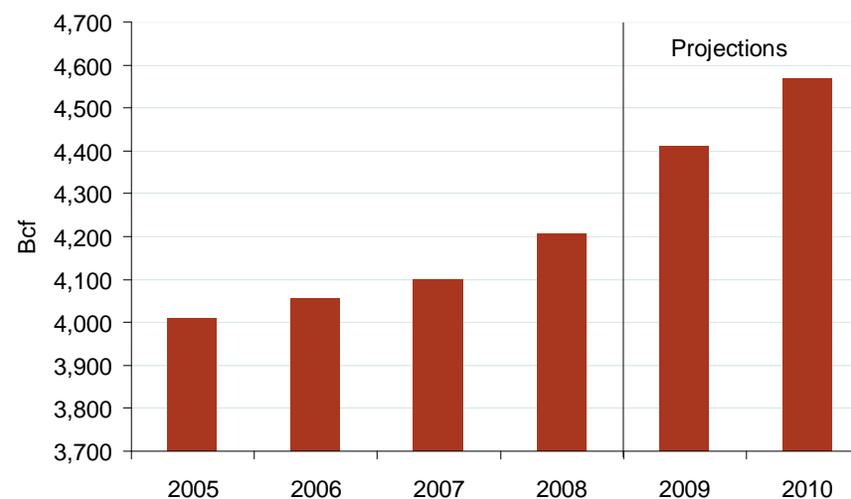
Source: Derived from EIA, *Monthly Energy Review*. Lower 48 Only.
 March 2009 National Snapshot Report

U.S. Natural Gas Infrastructure Additions Pipeline and Storage Capacity Expected to Rise

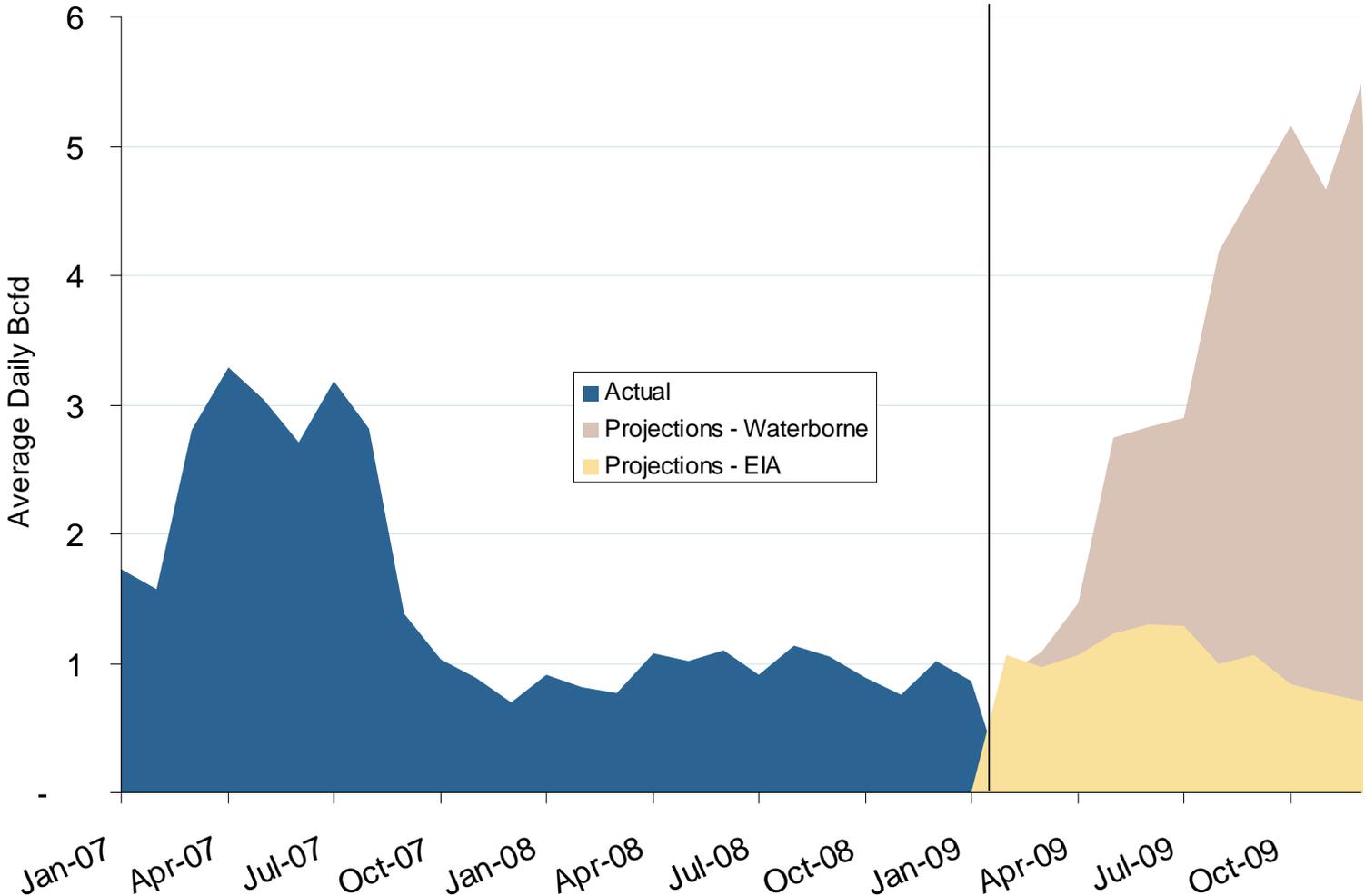
Additions to Interstate Pipeline



Additions to Working Gas Storage



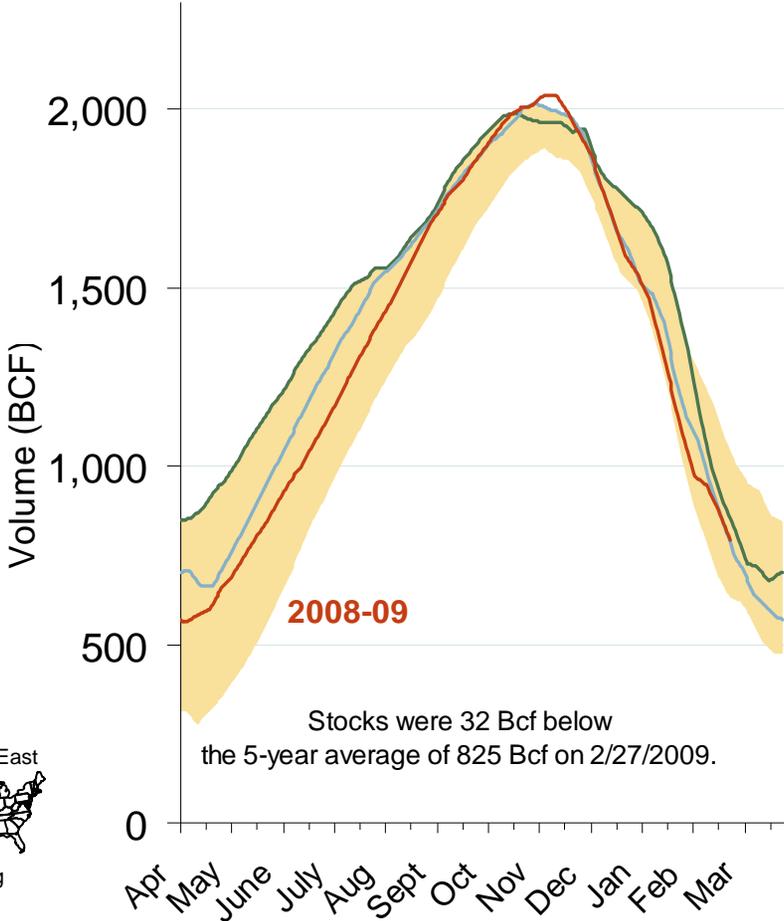
Analyst Projections for Increased LNG Imports



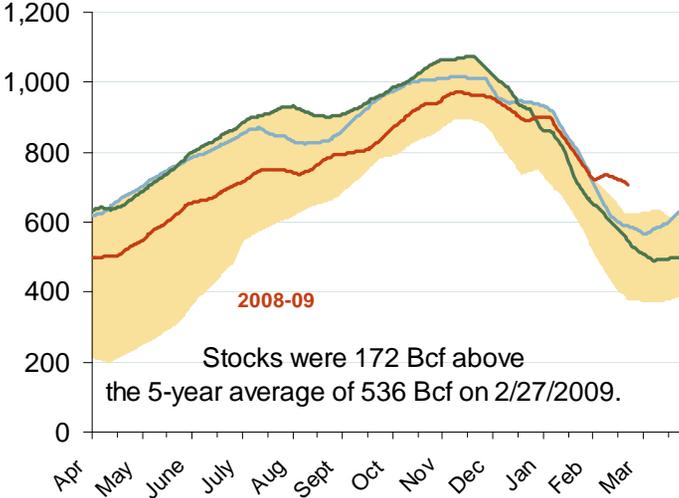
Source: Derived from EIA STEO and *Waterborne LNG* data.
March 2009 National Snapshot Report

Regional Totals of Working Gas in Storage

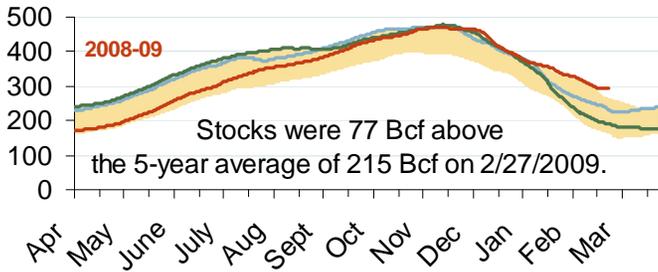
Eastern Consuming Region



Producing Region



Western Consuming Region

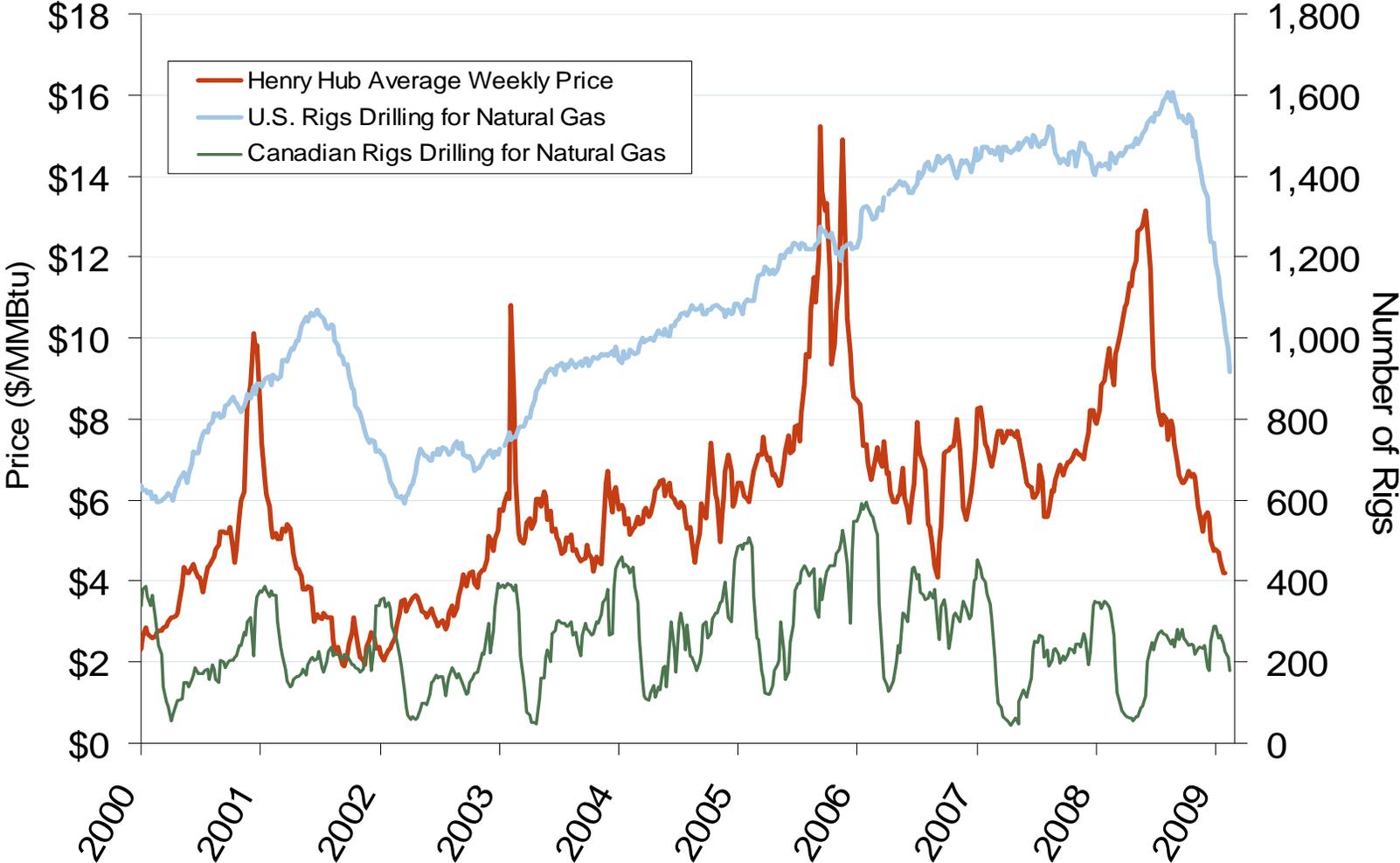


5-year range
 2006
 2007
 2008

Source: Derived from EIA data. March 2009 National Snapshot Report

Updated March 9, 2009

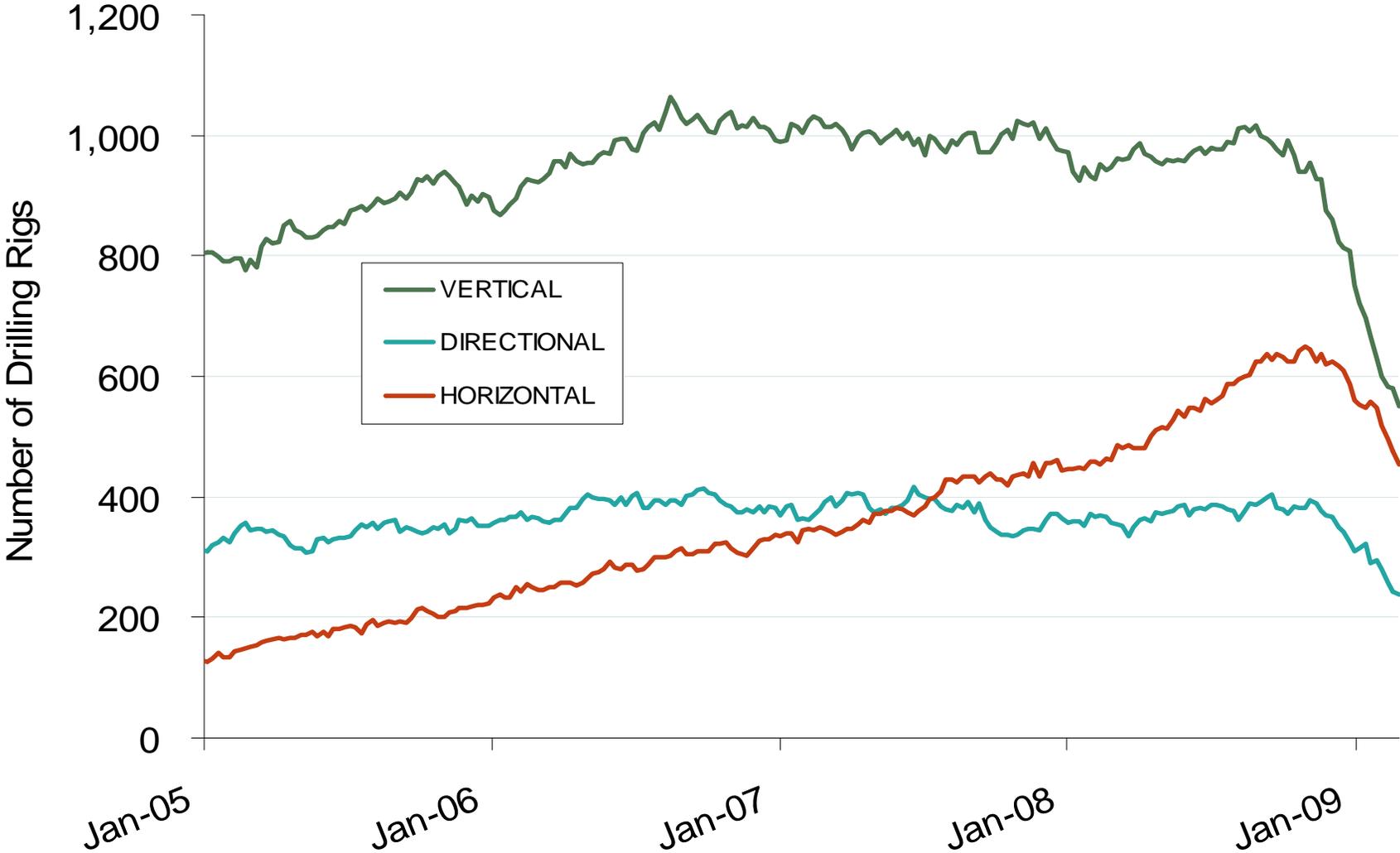
U.S. and Canadian Natural Gas Drilling Rig Count and Daily Spot Prices



Source: Derived from *Platts* and *Baker Hughes* data.
March 2009 National Snapshot Report

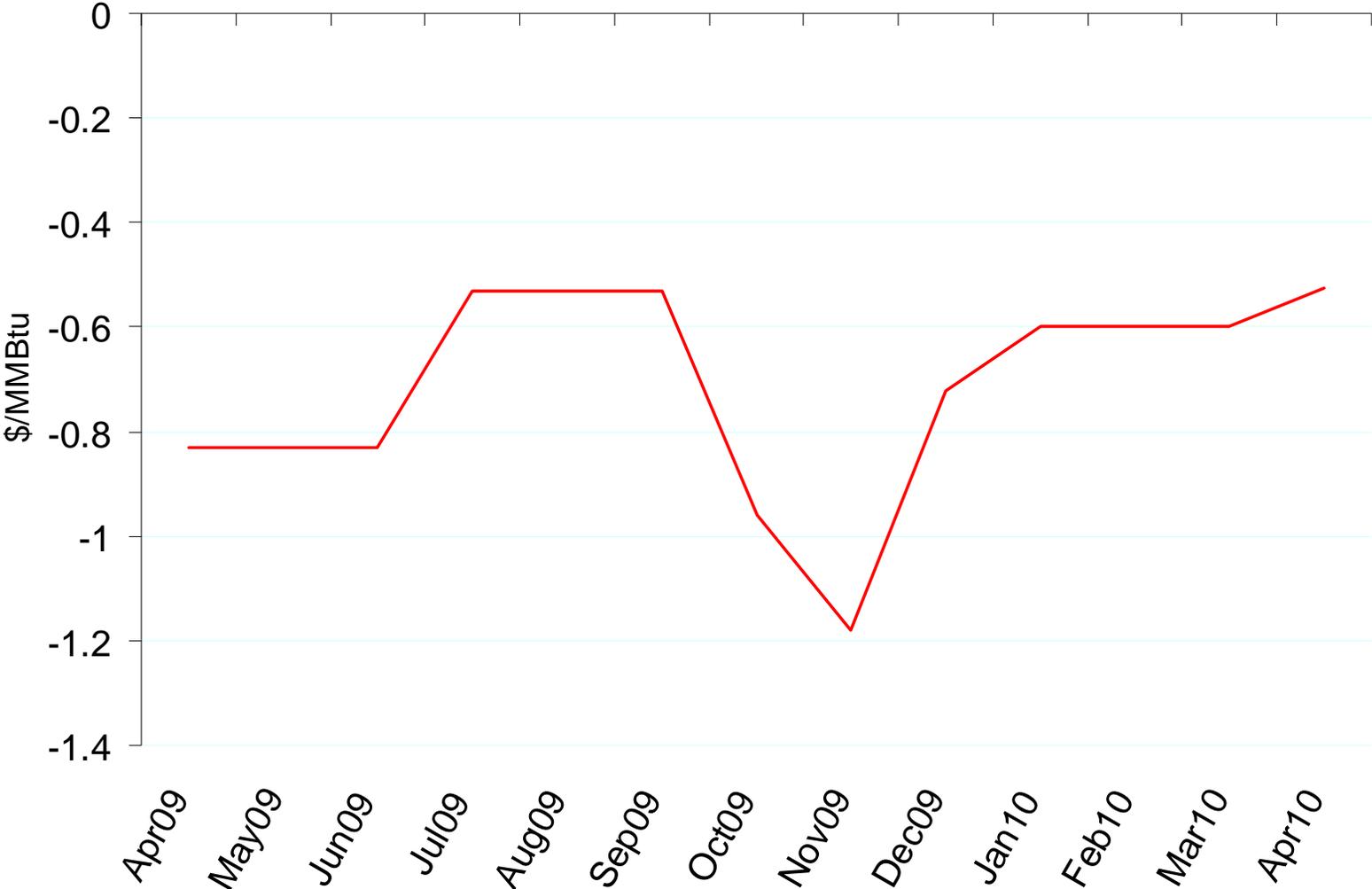
Updated March 9, 2009

U.S. Oil and Natural Gas Drilling Rig Count by Type



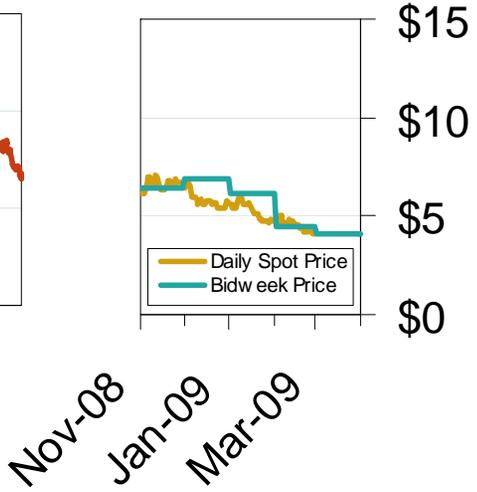
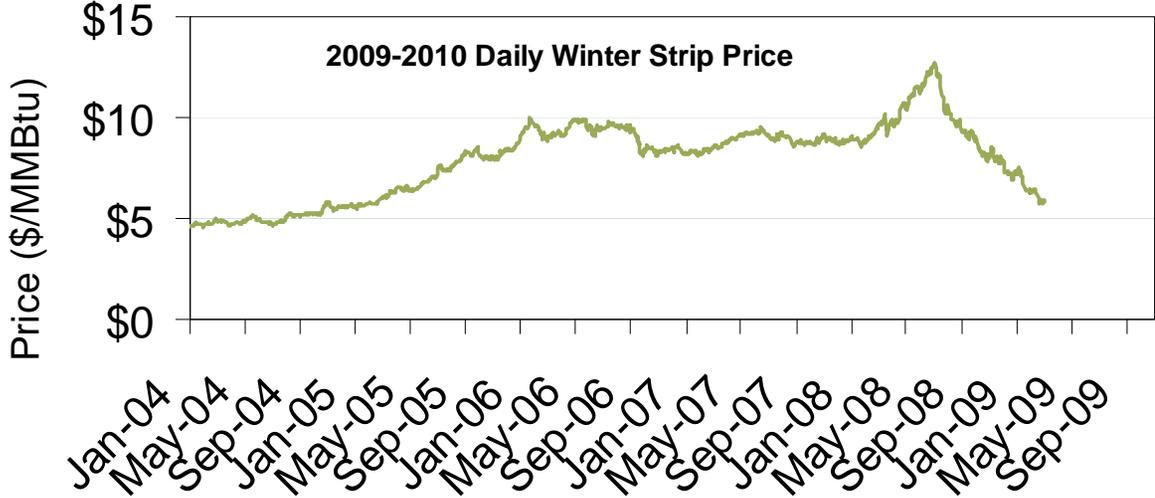
Source: Derived from Baker Hughes data.
March 2009 National Snapshot Report

SoCal Border Forward Basis Swap



Source: Derived from *Bloomberg* data.
March 2009 National Snapshot Report

Natural Gas Winter Futures Strip - Henry Hub

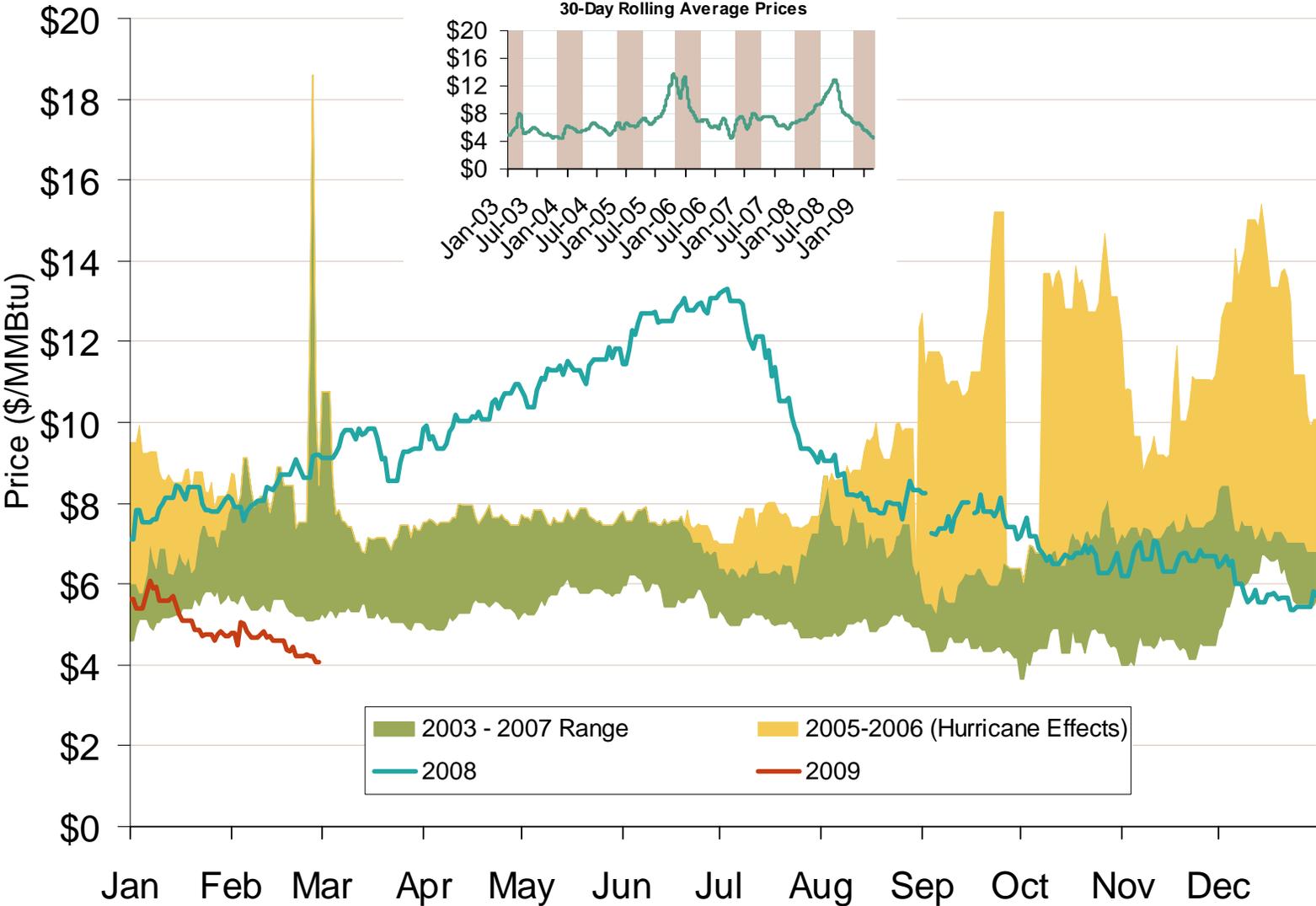


Source: Derived from EIA, *Monthly Energy Review*.
March 2009 National Snapshot Report



Natural Gas and Fuel Markets

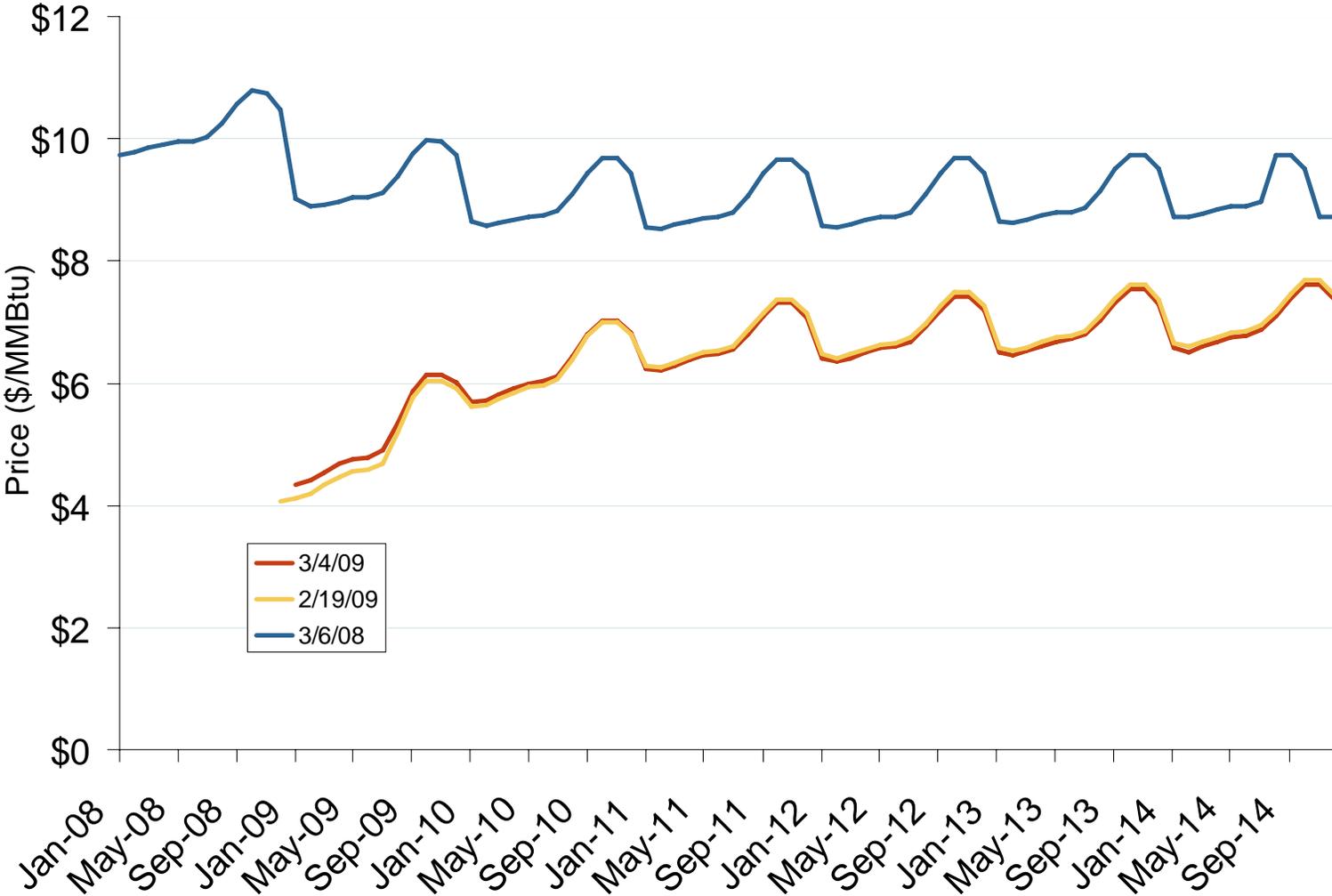
Henry Hub Natural Gas Daily Spot Prices 2008, 2009 and 2003-2007 Year Range



Source: Derived from *Platts* data.
March 2009 National Snapshot Report

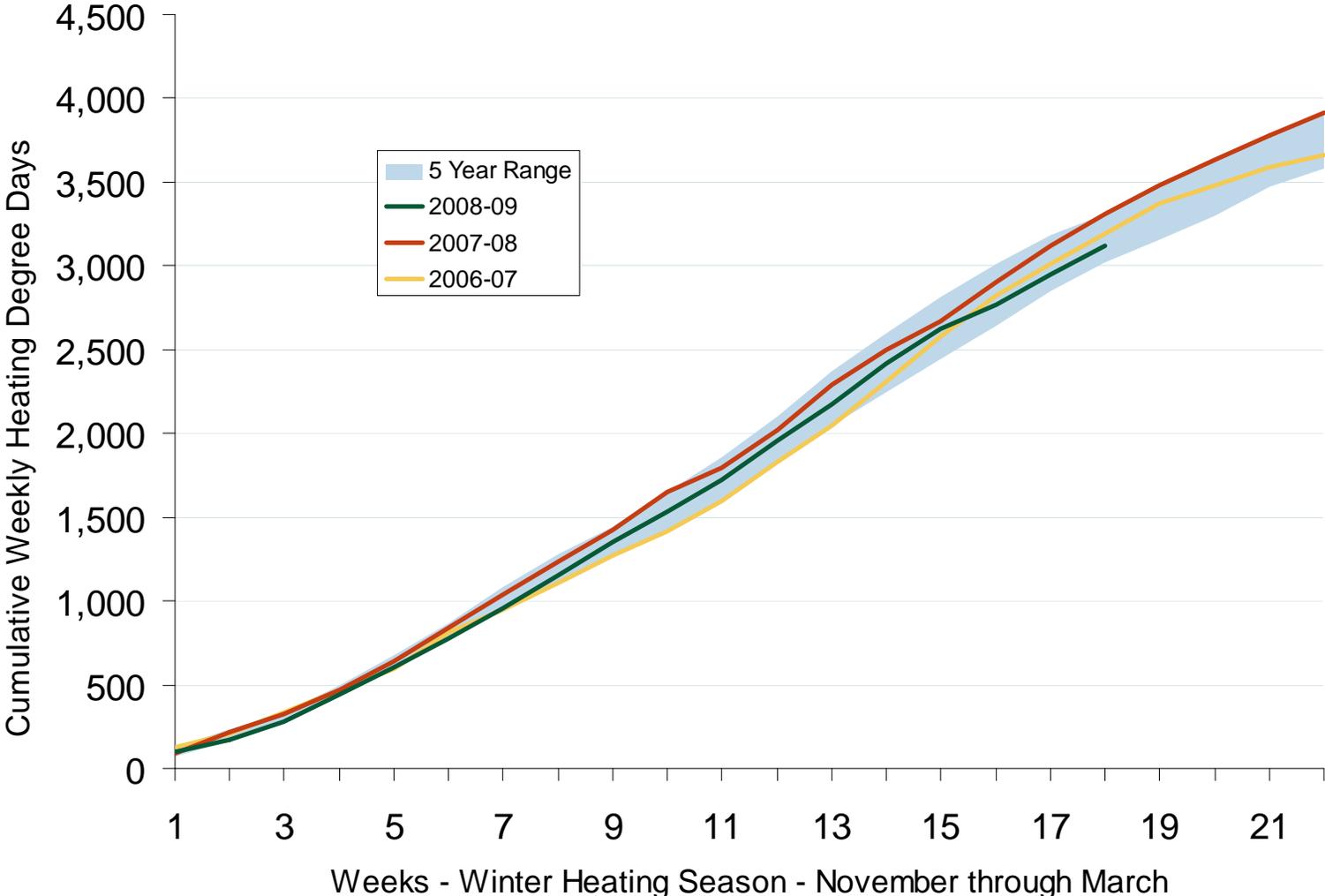
Updated March 9, 2009

NYMEX Natural Gas Forward Price Curve



Source: Derived from NYMEX data.
March 2009 National Snapshot Report

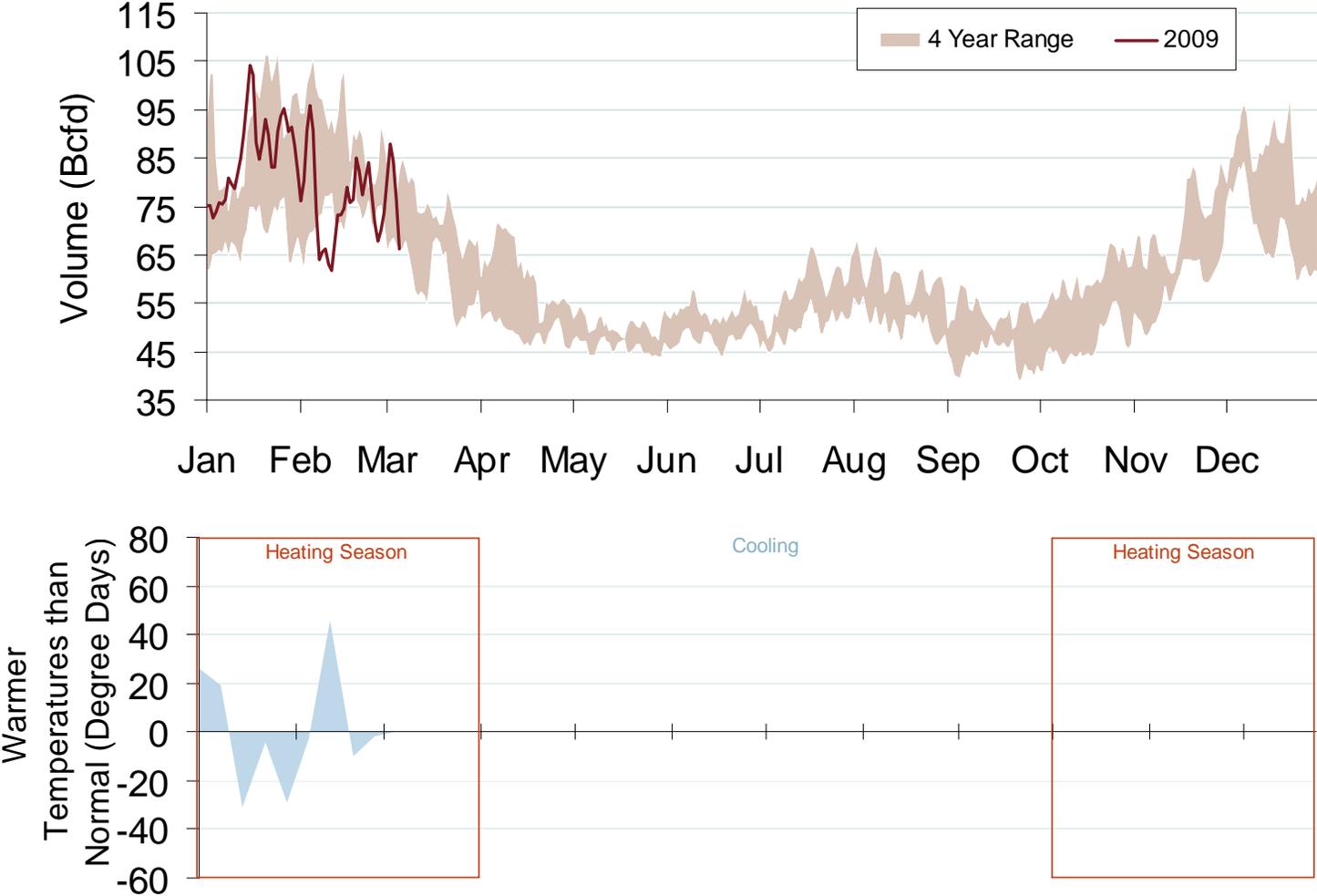
U. S. Winter Cumulative Heating Degree Days



Source: Derived from NOAA data.
March 2009 National Snapshot Report

Updated March 9, 2009

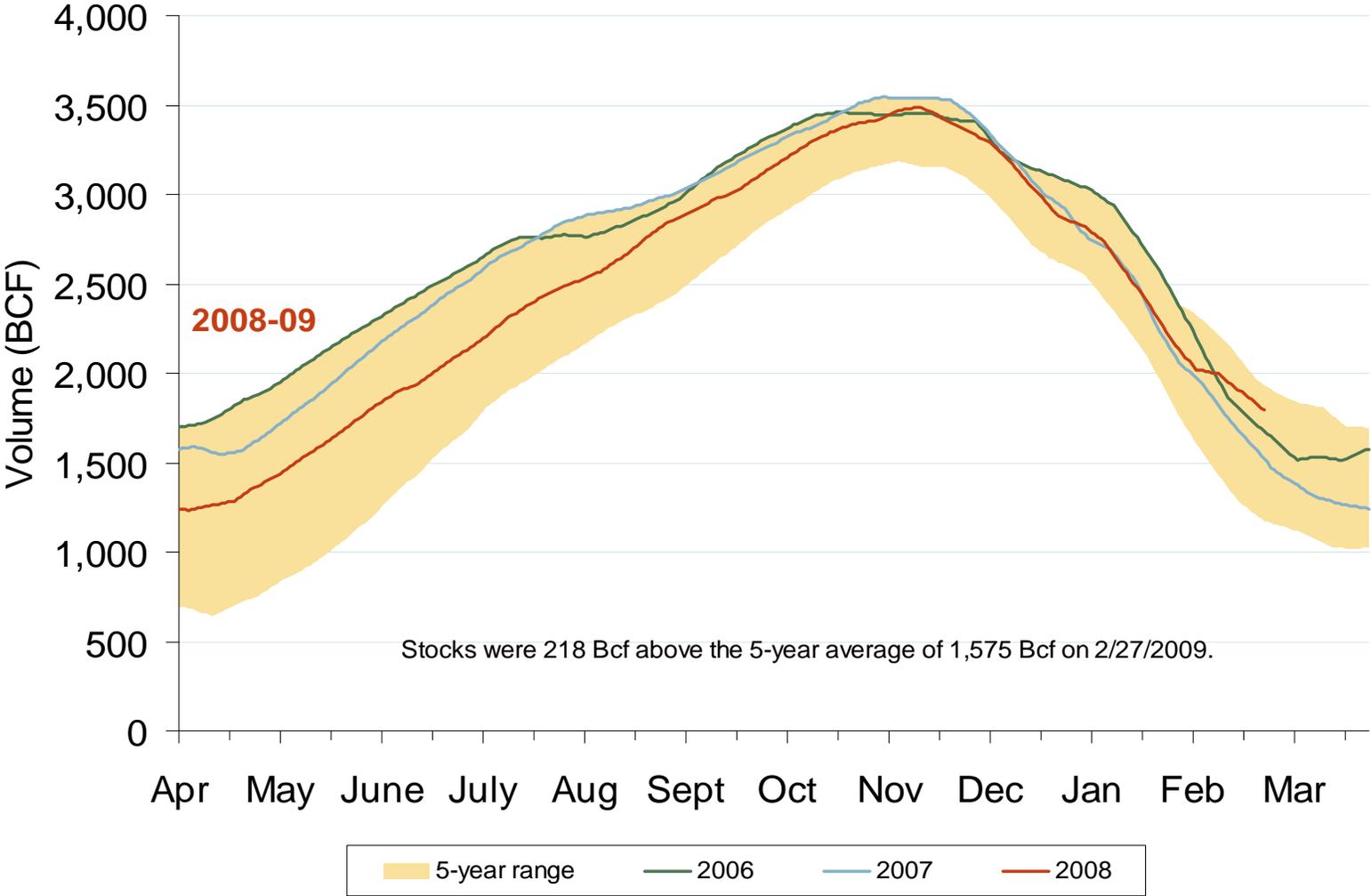
Total U.S. Natural Gas Demand (All Sectors) and Temperatures



Source: Derived from *Bentek Energy* data.
March 2009 National Snapshot Report

Updated March 9, 2009

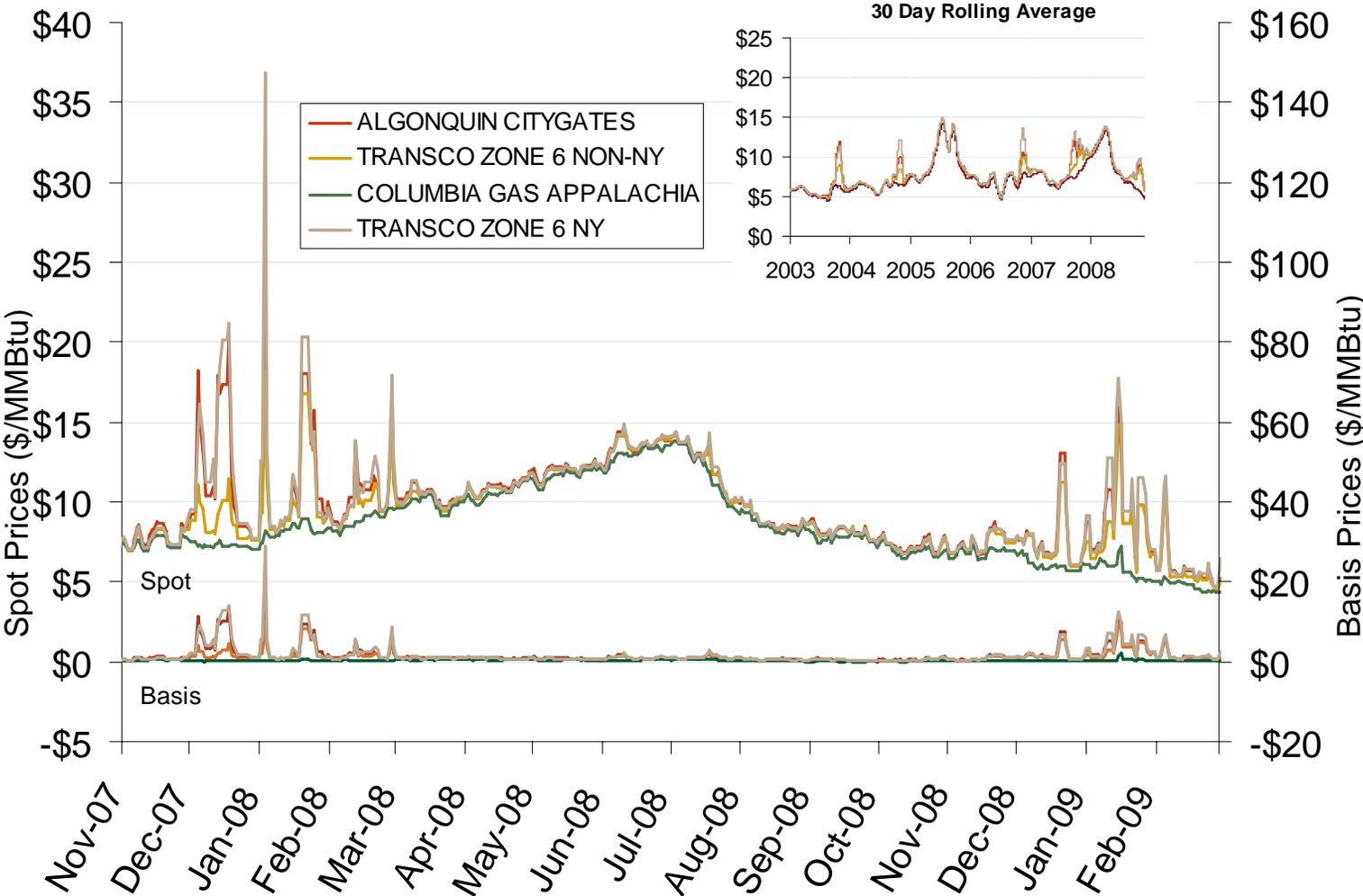
Total U.S. Working Gas in Storage



Source: Derived from EIA data.
March 2009 National Snapshot Report

Updated March 9, 2009

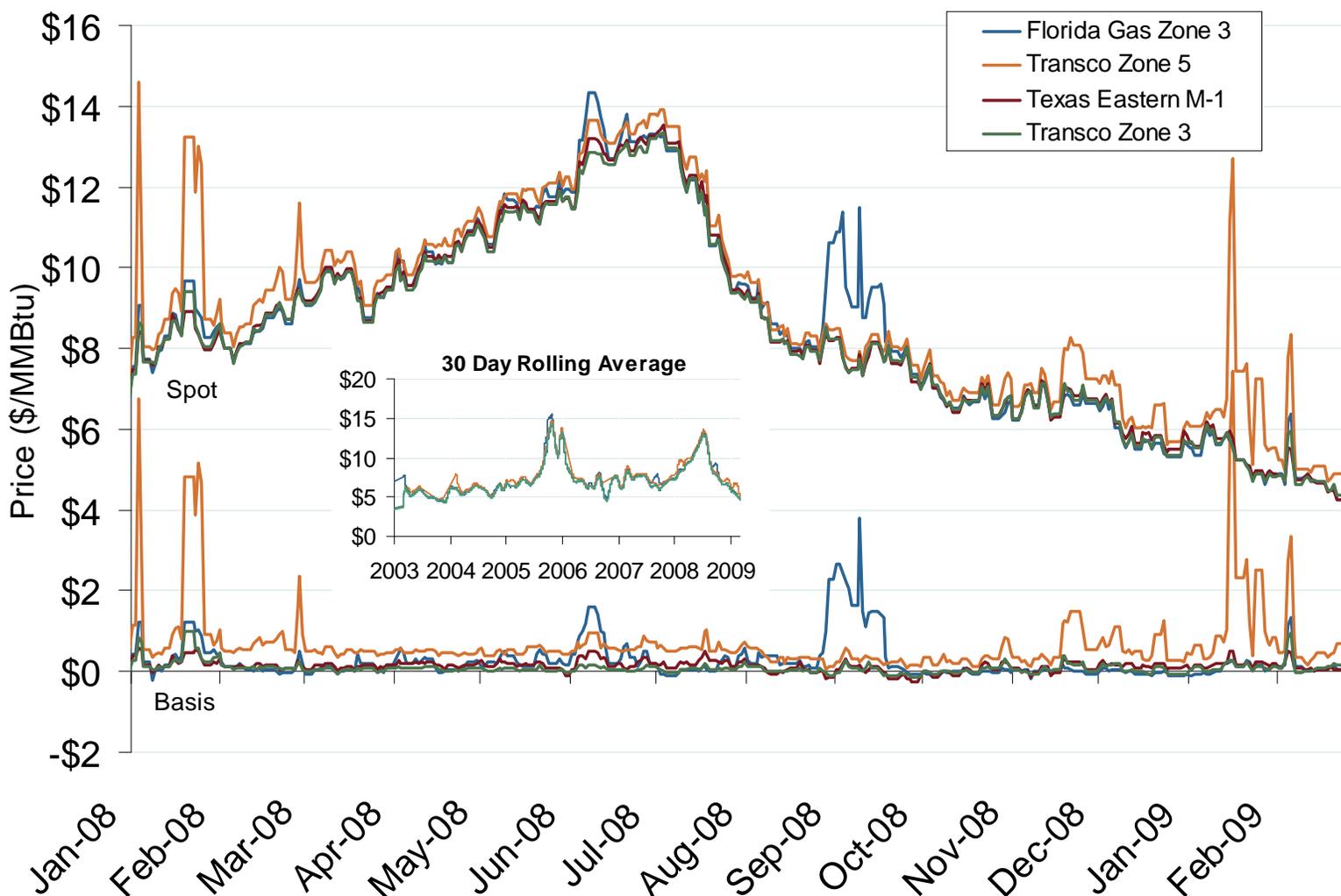
Northeastern Spot Prices and Basis



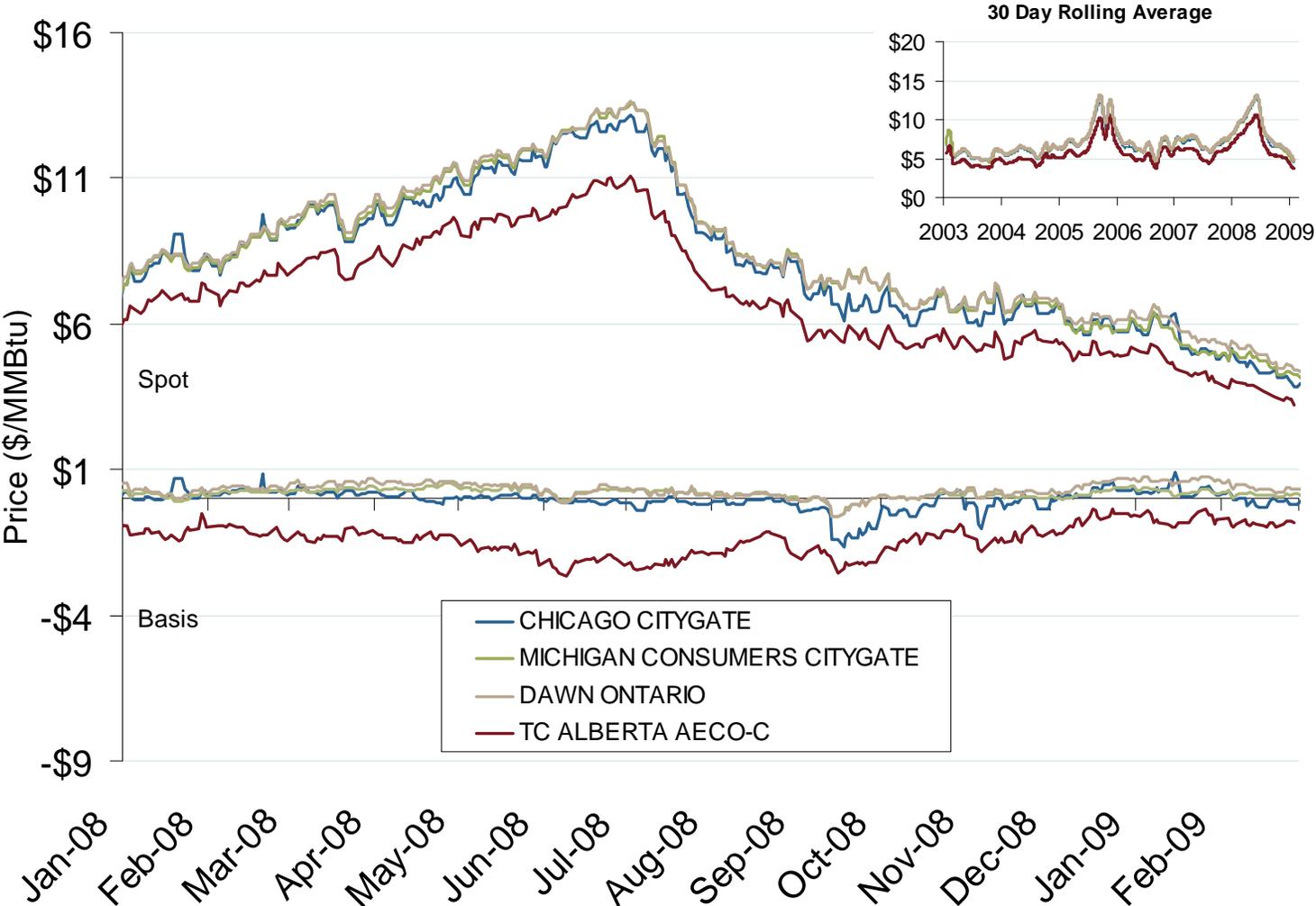
Source: Derived from *Platts* data.
March 2009 National Snapshot Report

Updated March 9, 2009

Southeastern Day-Ahead Hub Spot Prices and Basis



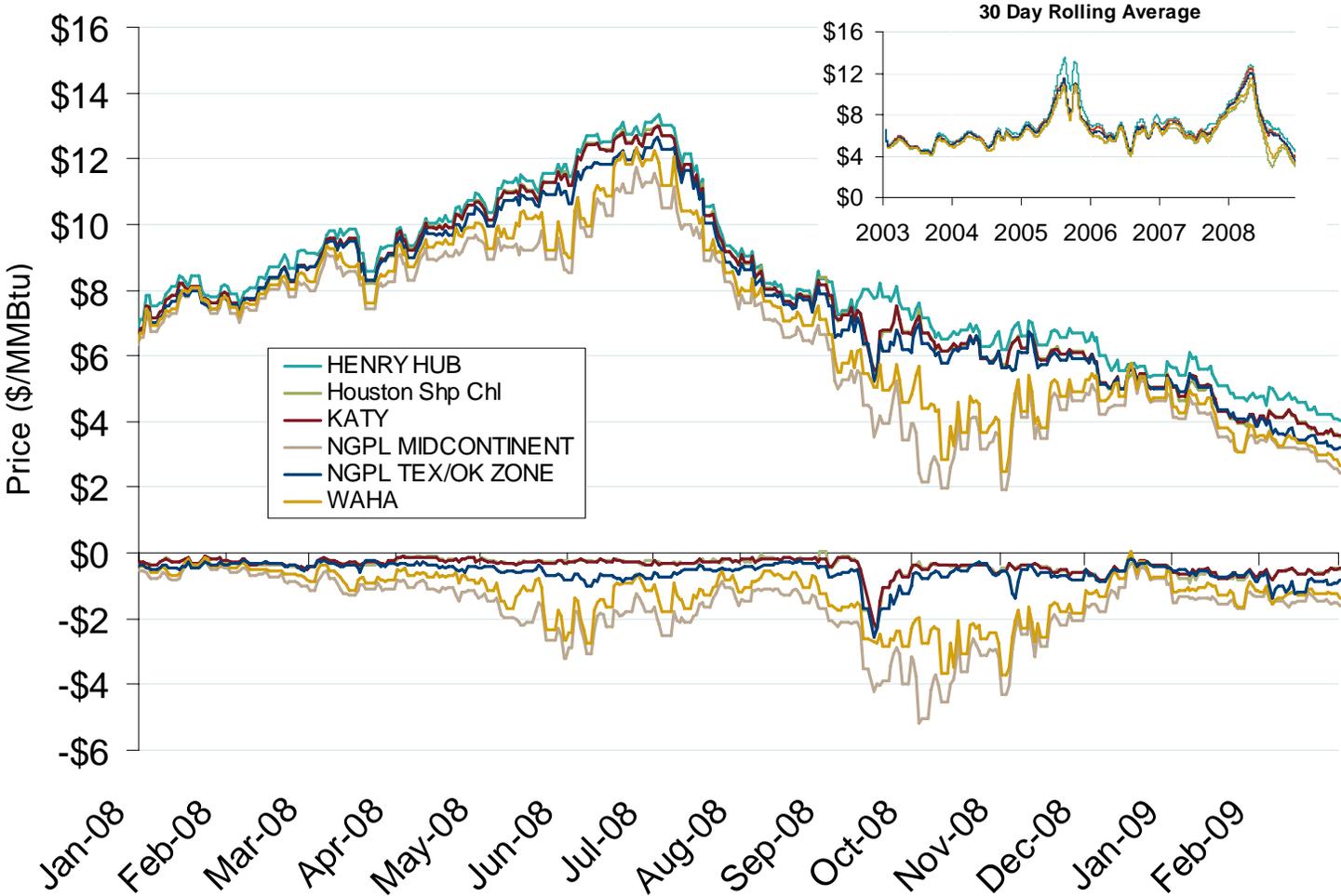
Midwestern Day-Ahead Hub Spot Prices and Basis



Source: Derived from Platts data.
March 2009 National Snapshot Report

Updated March 9, 2009

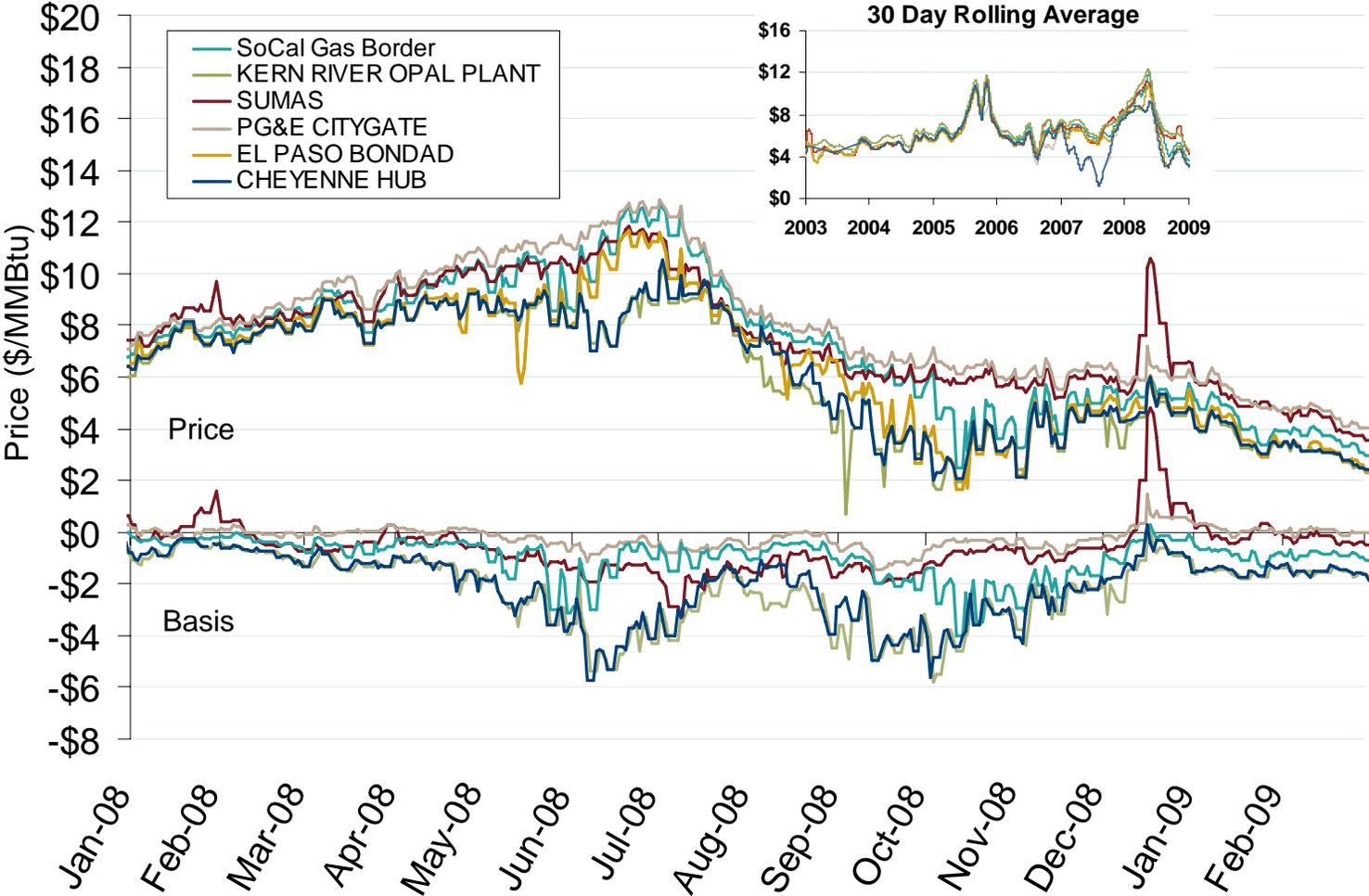
South Central Day-Ahead Hub Spot Prices and Basis



Source: Derived from *Platts* data.
March 2009 National Snapshot Report

Updated March 9, 2009

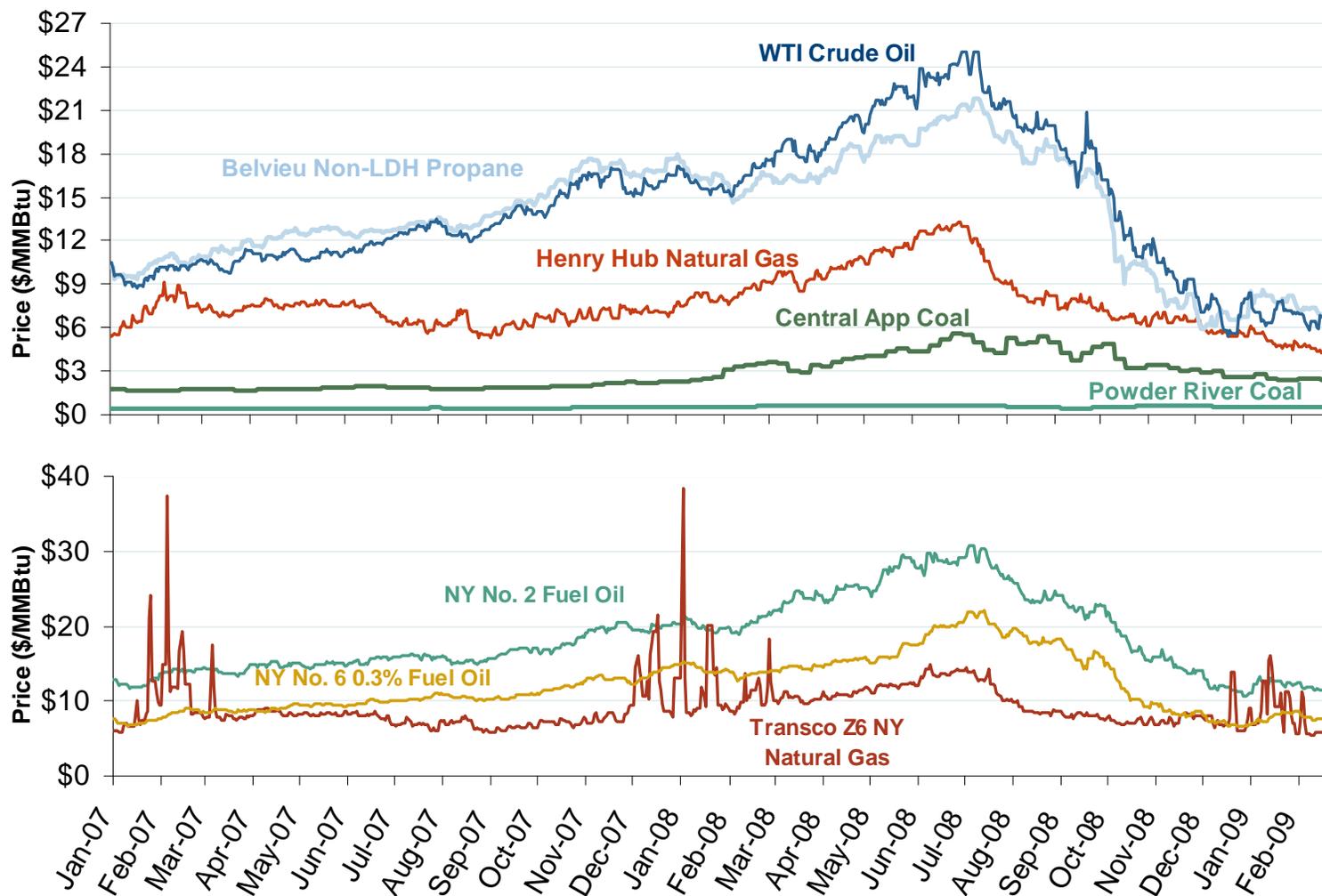
Western Day-Ahead Hub Spot Prices and Basis



Source: Derived from *Platts* data.
March 2009 National Snapshot Report

Updated March 9, 2009

Oil, Coal, Natural Gas and Propane Daily Spot Prices

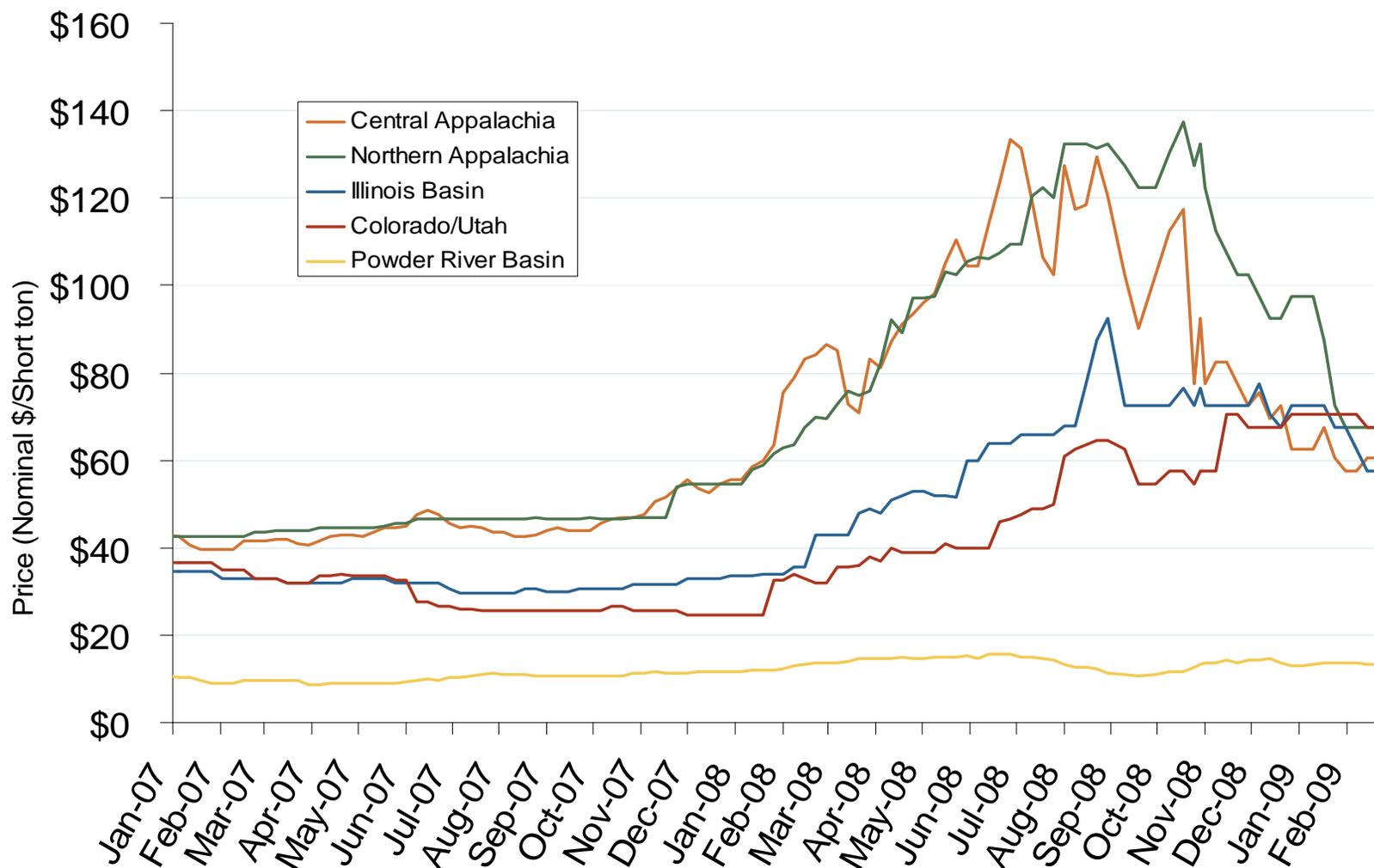


Source: Derived from ICE and Bloomberg data.

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.

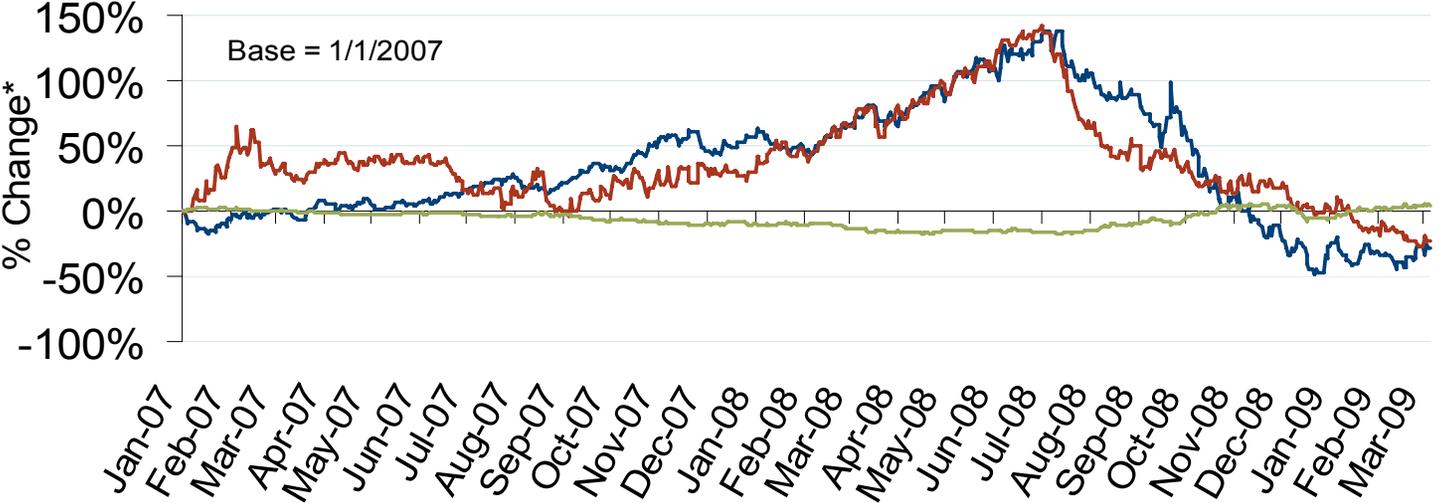
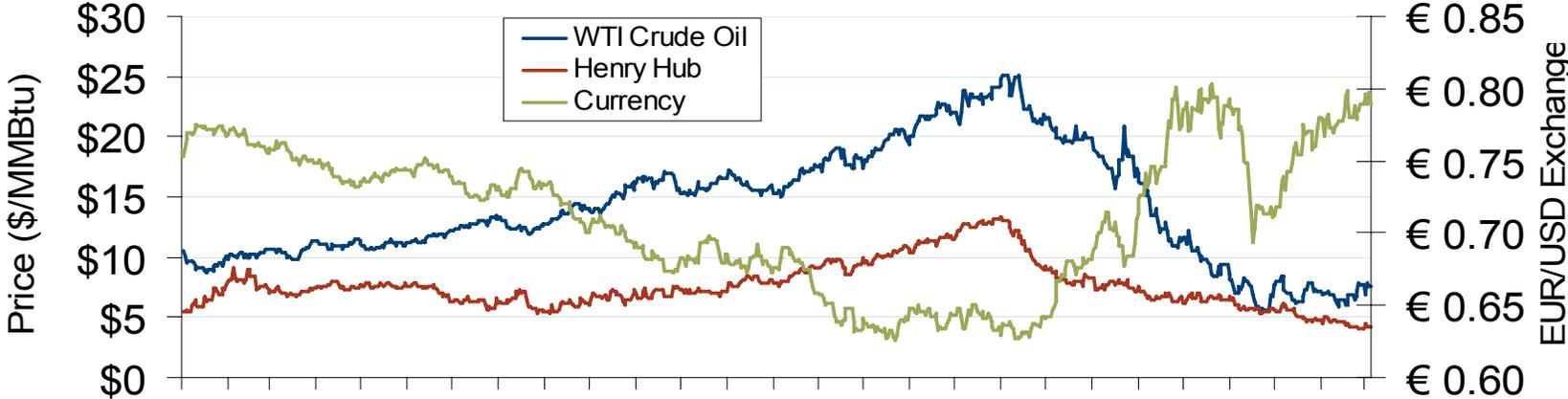
Updated March 9, 2009

Regional Coal Spot Prices



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

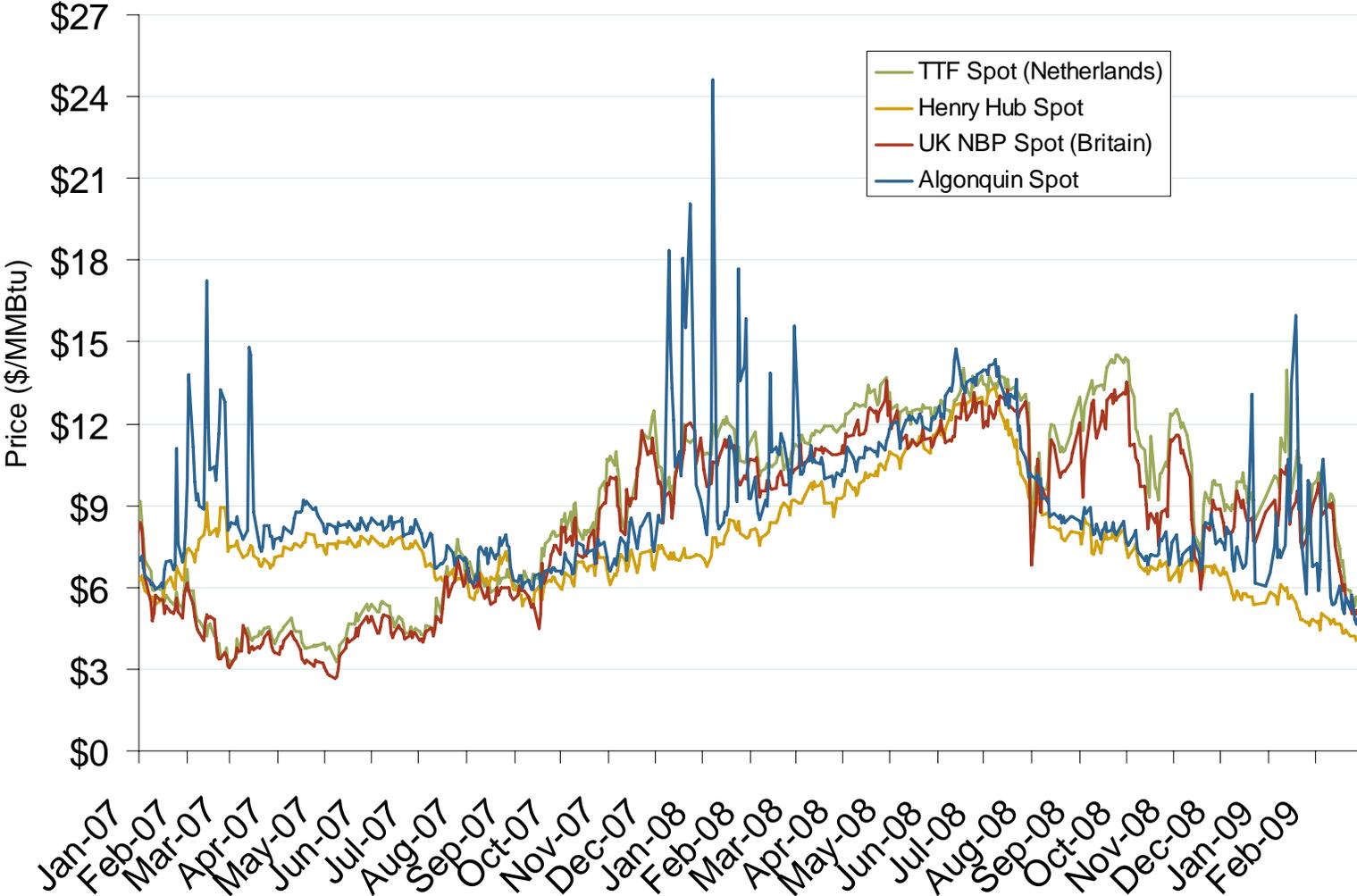
Oil, Natural Gas and Currency Spot Prices



Source: Derived from *Bloomberg* data.

Updated March 9, 2009

Atlantic Basin European and US Spot Natural Gas Prices



Source: Derived from *Bloomberg* and *ICE* data.
March 2009 National Snapshot Report

Updated March 9, 2009

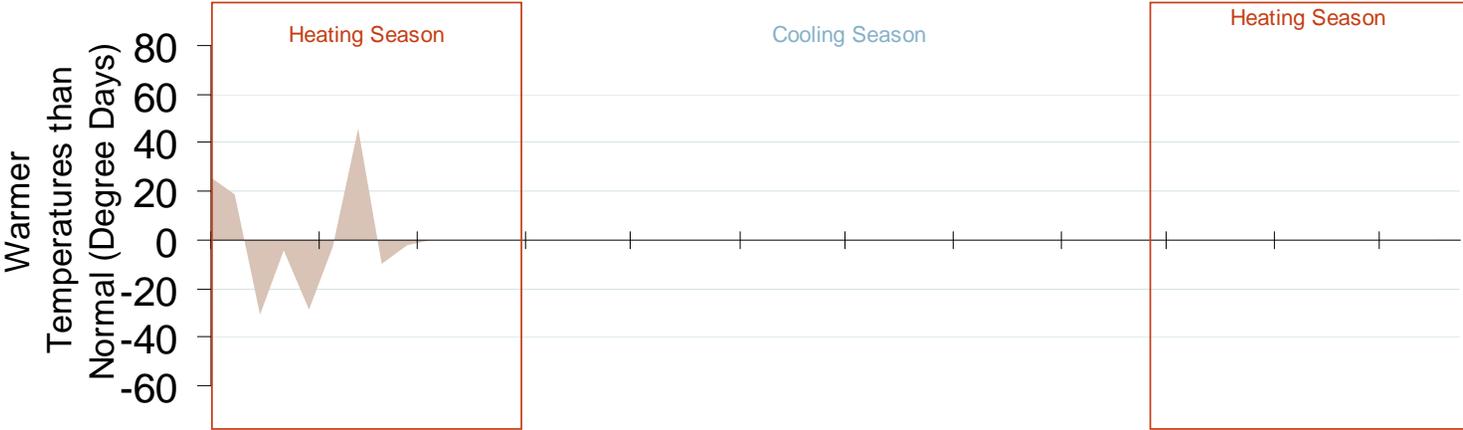
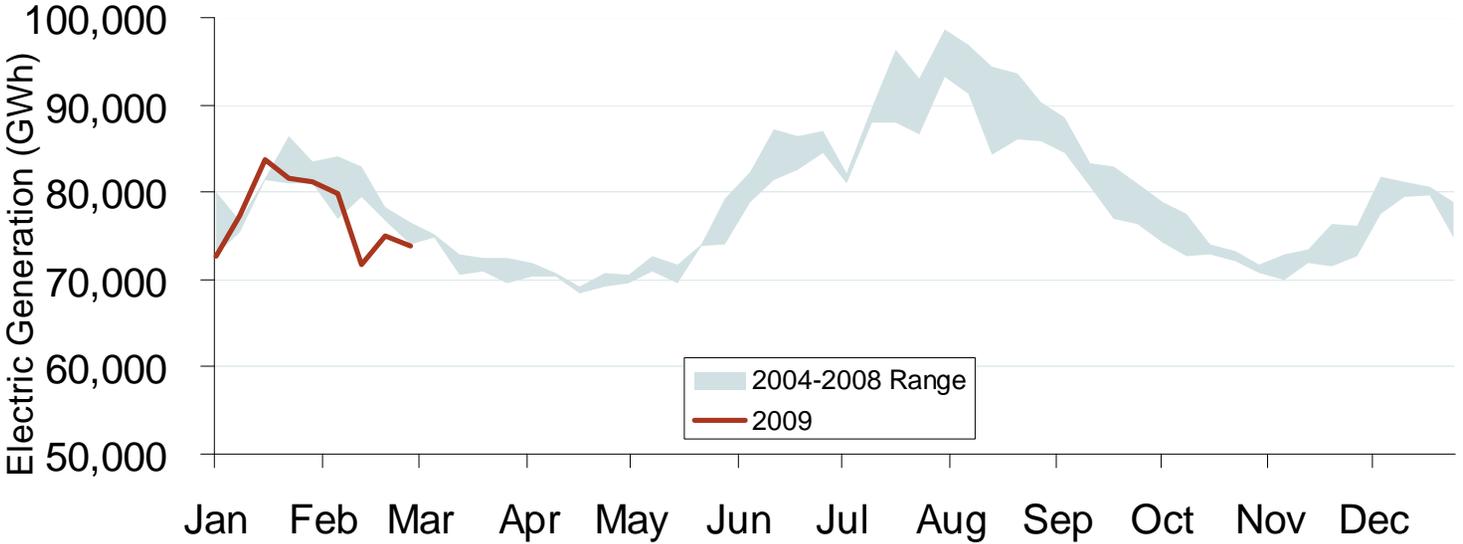
World LNG Estimated March 2009 Landed Prices





Electricity Markets

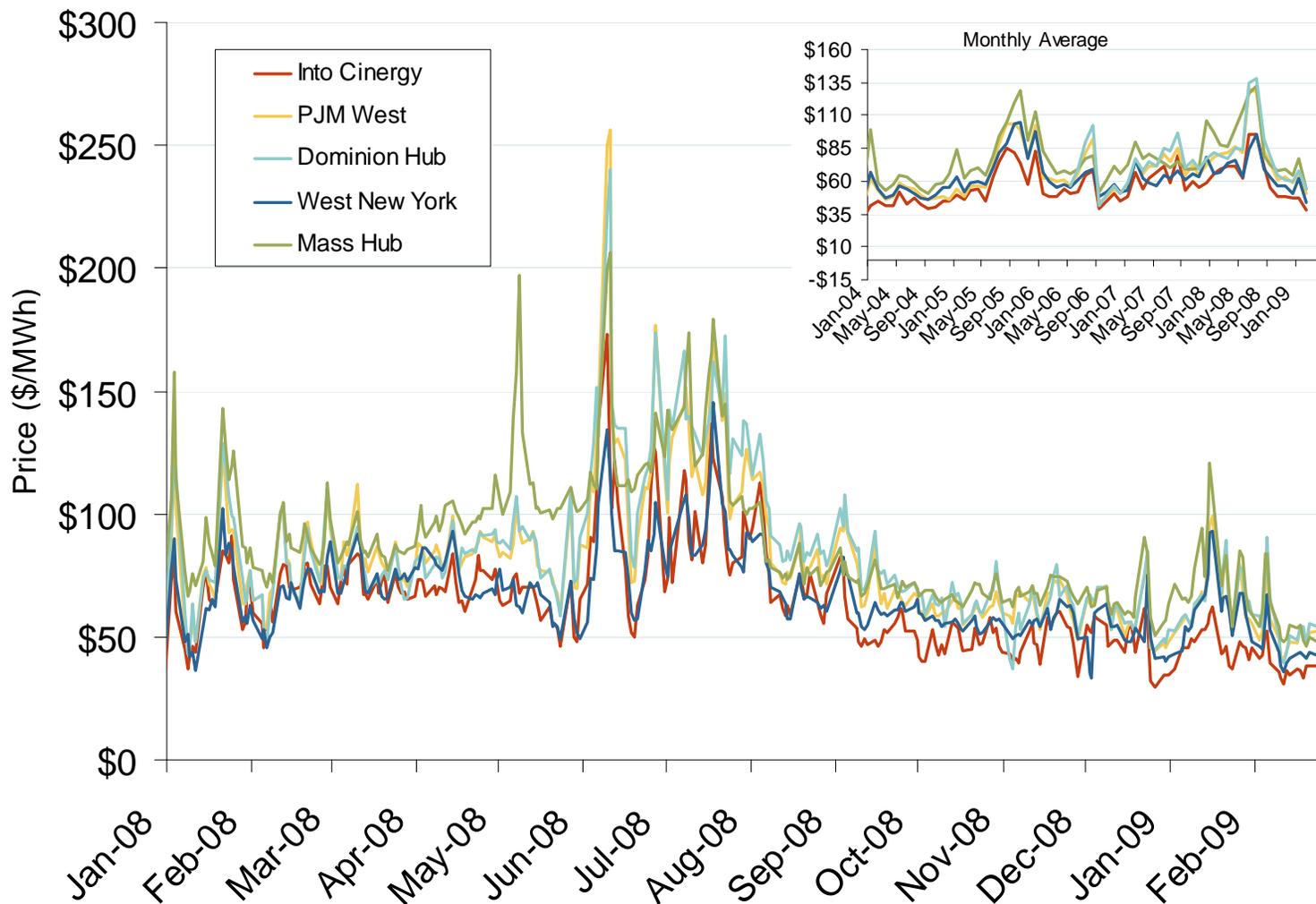
Weekly U.S. Electric Generation Output and Temperatures



Source: Derived from *EEI* and *NOAA* data.
March 2009 National Snapshot Report

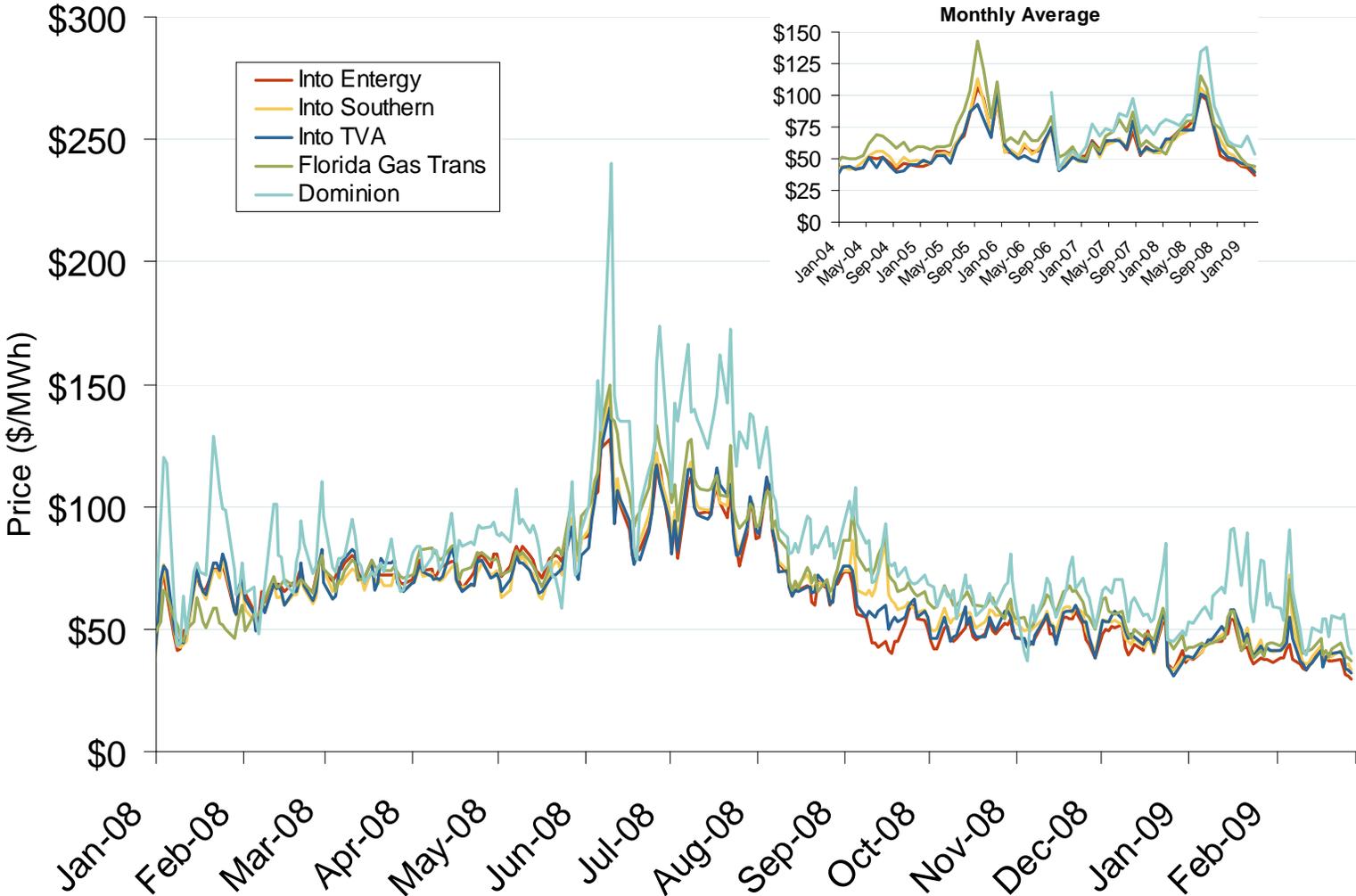
Updated March 9, 2009

Eastern Daily Bilateral Day-Ahead On-Peak Prices



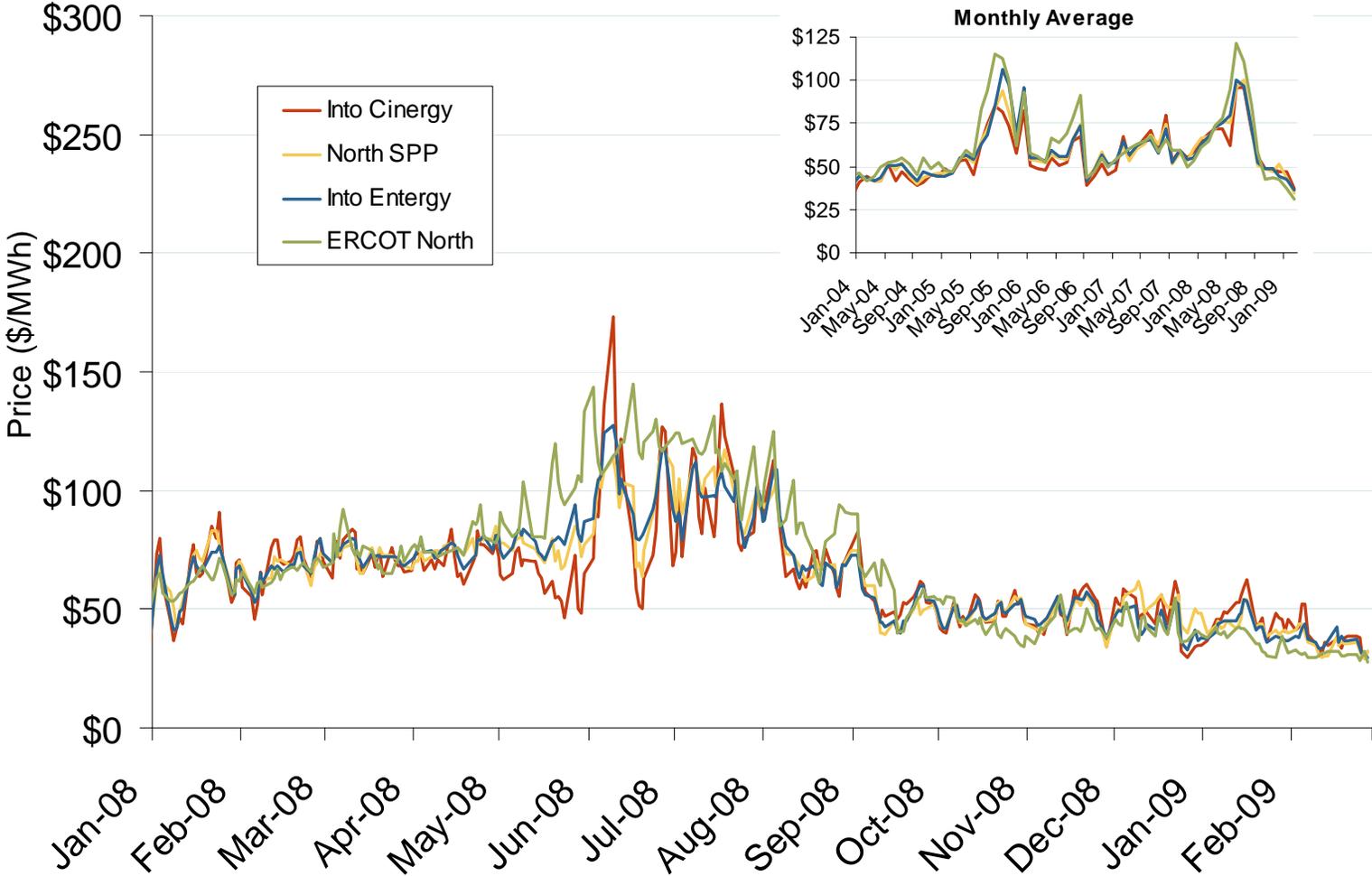
Source: Derived from *Platts* data.
 March 2009 National Snapshot Report

Southeastern Daily Bilateral Day-Ahead On-Peak Prices



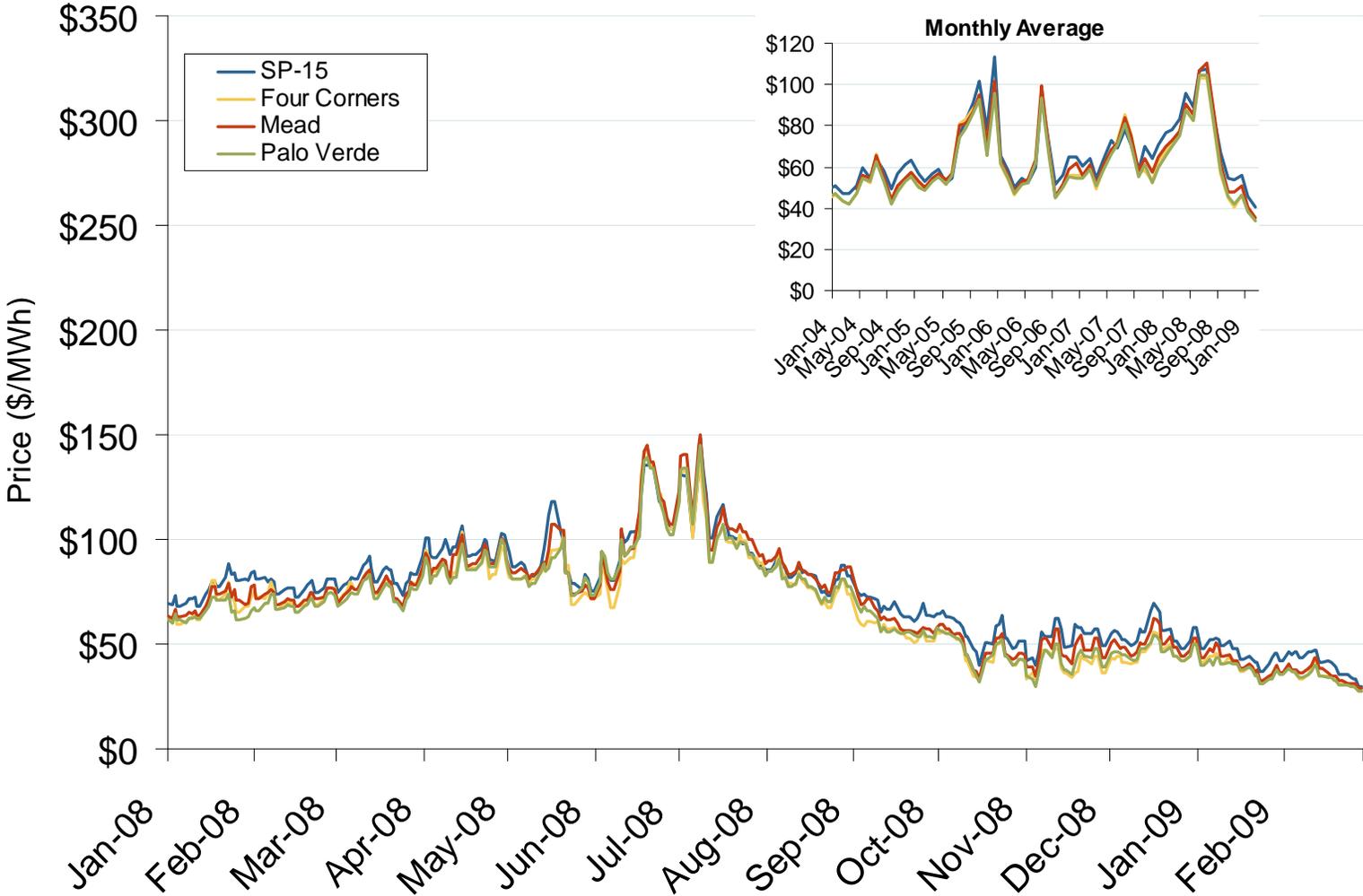
Source: Derived from *Platts* data.
March 2009 National Snapshot Report

Central Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from Platts data.
March 2009 National Snapshot Report

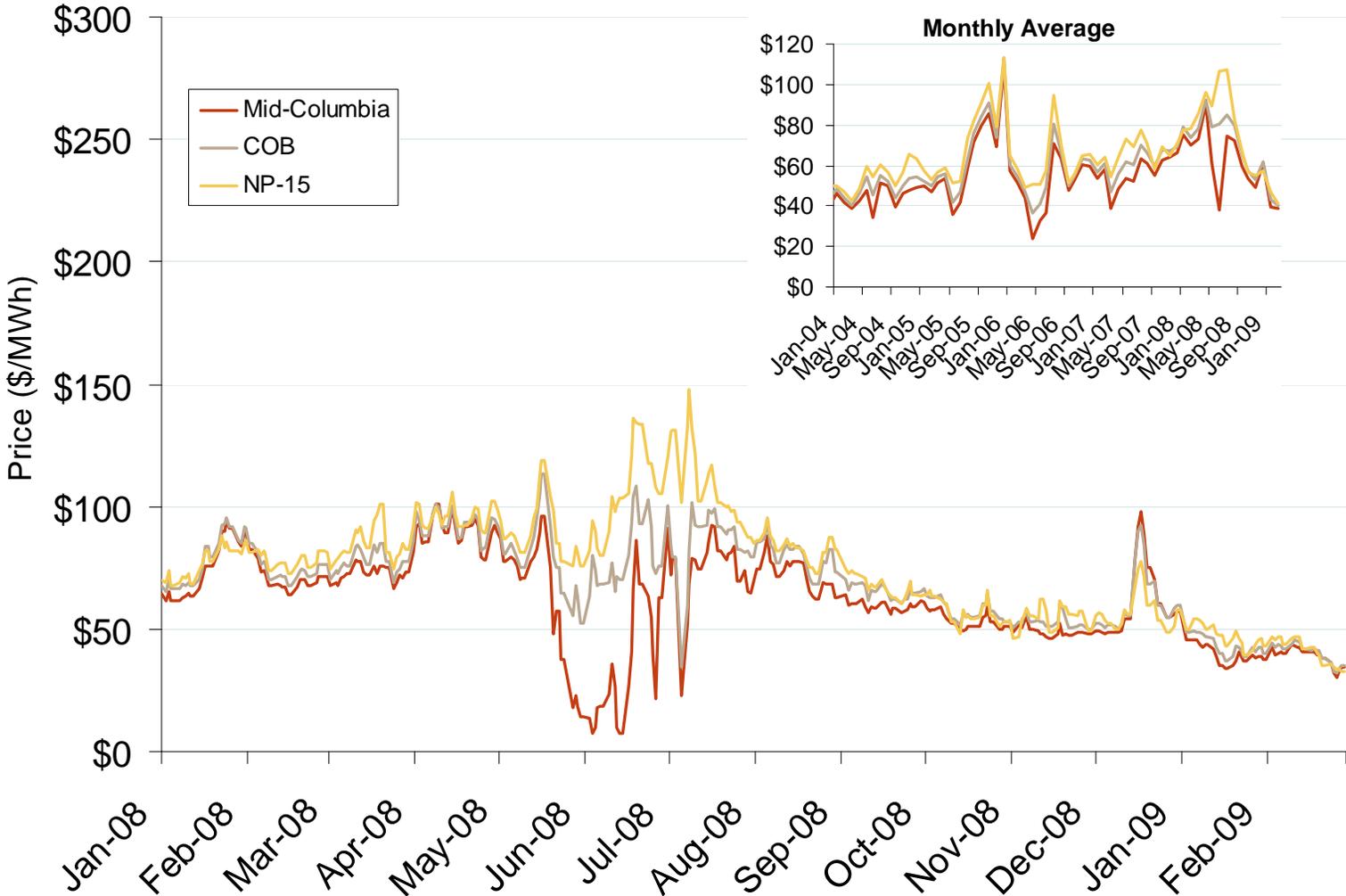
Southwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.
March 2009 National Snapshot Report

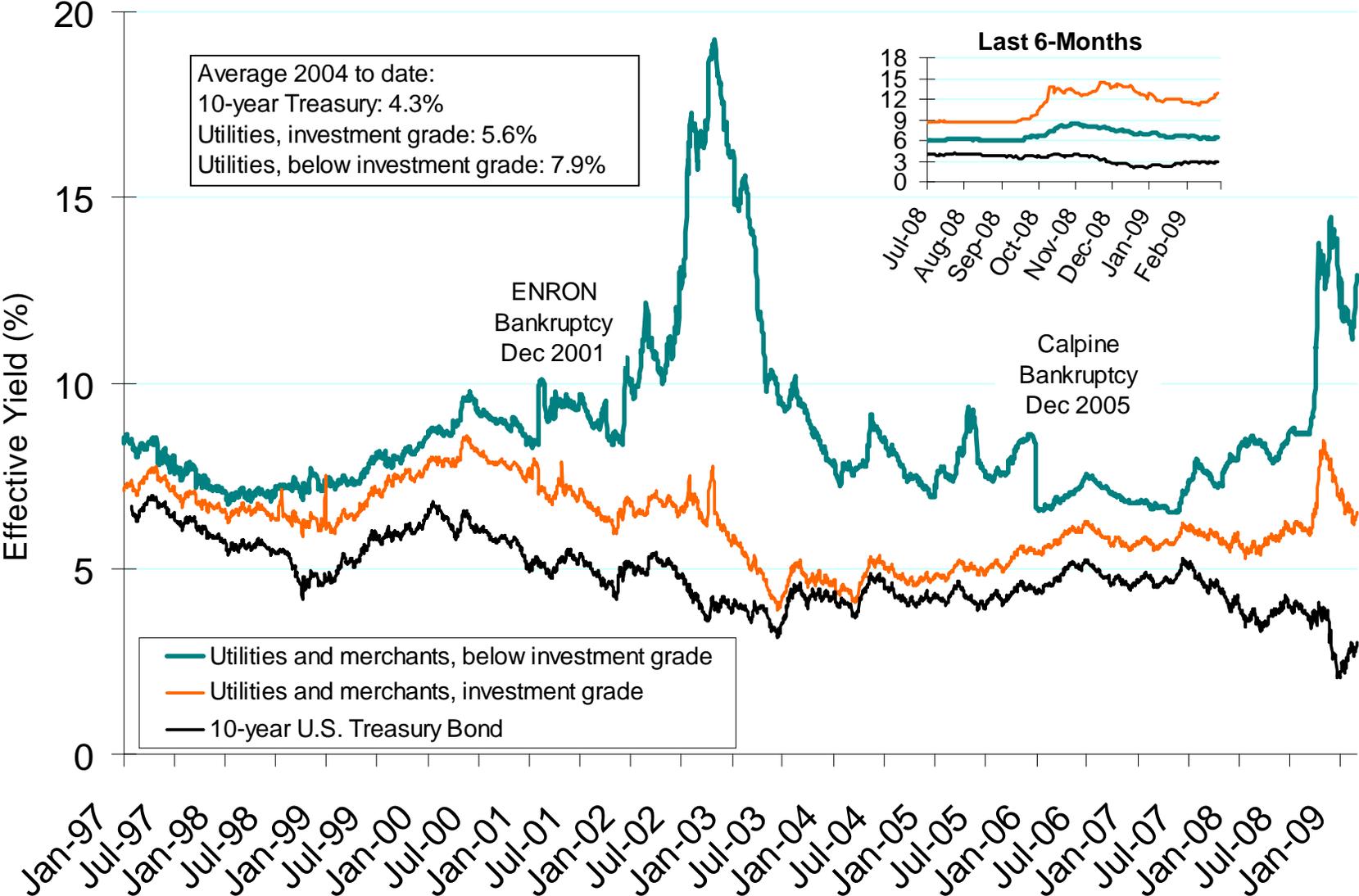
Updated March 9, 2009

Northwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.
March 2009 National Snapshot Report

Yields of Utilities, Merchants and Ten Year Treasury Bonds



Source: Derived from Merrill Lynch Index U.S Corporates, Gas and Electric Utilities and Bloomberg data.
March 2009 National Snapshot Report

Updated March 9, 2009