OE ENERGY MARKET SNAPSHOT

Mid-Atlantic States Version – February 2010 Data

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

Office of Enforcement
Federal Energy Regulatory Commission
March 2010

Special Report:

Agenda Update

- Order 720A
- Electric Transparency Notice of Inquiry
- Credit Notice of Proposed Rulemaking

Order 720A Promotes Greater Transparency in Gas Markets

- Commission voted to reaffirm and clarify Order No. 720 at January meeting
- Requires most "non-interstate pipelines" that deliver ≥ 50 million MMBtu (Bcf) annually to post daily scheduled flows at receipt and delivery points on a publicly accessible website
  - Postings to occur for receipt and delivery points with design capacity ≥15,000 MMBtu/d
- Exemptions primarily for:
  1) Pipelines that deliver < 50 million MMBtu (Bcf) annually
  2) Pipelines that deliver more than 95% of natural gas directly to "retail end-users" (primarily LDCs)
  3) Pipelines that fall entirely upstream of a processing or treatment plant (primarily gatherers)
  4) Storage providers
  5) Pipeline owned or operated by end-users
- Requires interstate pipelines to post no-notice service

Link: http://edocket.access.gpo.gov/2010/pdf/2010-1546.pdf

Electricity Market Transparency NOI

The Commission is seeking comment on whether it should extend the EQR filing requirements to publicly owned utilities, municipal utilities, public utility districts, rural cooperatives, and federal entities in order to improve:

- Ability to monitor power sales for market power and manipulation
- Ex Ante analysis (granting MBR authority)
- Ex Post analysis

Additionally, the Commission is seeking comment on whether FERC should consider other refinements to the existing EQR filing requirements including:

- Reporting the trade date and type of rate;
- Reporting resale of financial transmission rights in secondary markets;
- Standardizing the unit for reporting energy and capacity transactions; and
- Omitting the time zone from the contract section of the EQR.

Comments are due March 30, 2010.

Link: http://www.ferc.gov/whats-new/comm-meet/2010/012110/E-3.pdf

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Source: Item No. E-3, January 21, 2010 Commission Meeting.

Credit Reforms in Organized Wholesale Electric Markets

The Commission is seeking comment on the following proposals:

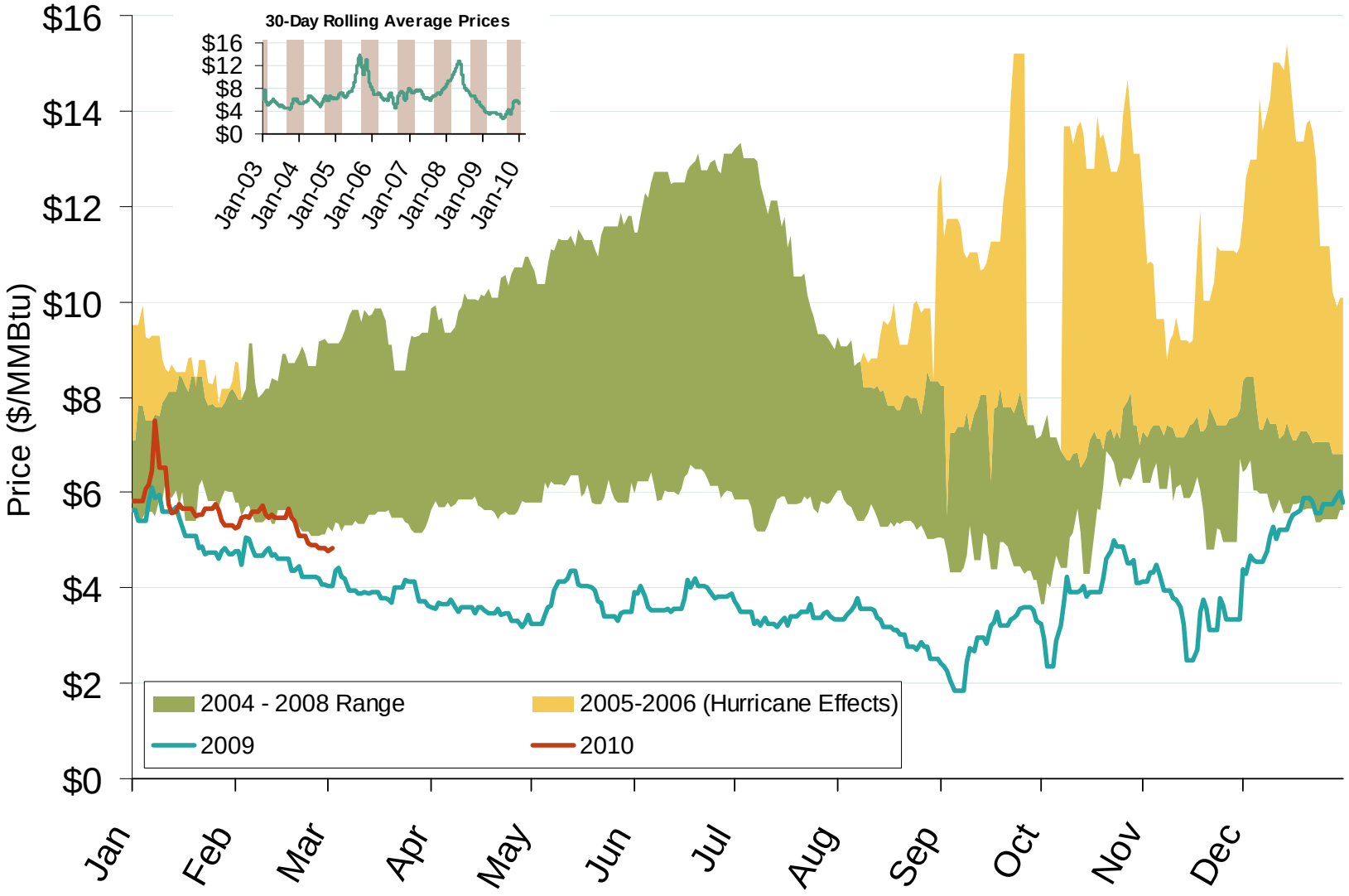
- Shorten the settlement cycle to no more than seven calendar days with no more than an additional seven calendar days for final payment;
- Limit unsecured credit to no more than $50 million per market participant in energy markets and eliminate unsecured credit in Financial Transmission Rights (FTR) markets; Clarify the ability of market administrators to offset amounts owed to market participants against amounts owed by market participants and to manage defaults;
- Establish minimum participation criteria for market participants;
- Specify circumstances in which a market administrator may invoke "material adverse change" to require a market participant to post additional collateral;
- Limit time period allowed for posting additional collateral when additional collateral is requested; and
- Whether the credit reforms should be applied differently to certain market participants depending on their characteristics.

Comments are due March 29, 2010.

Link: http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=12249545

Natural Gas and Fuel Markets

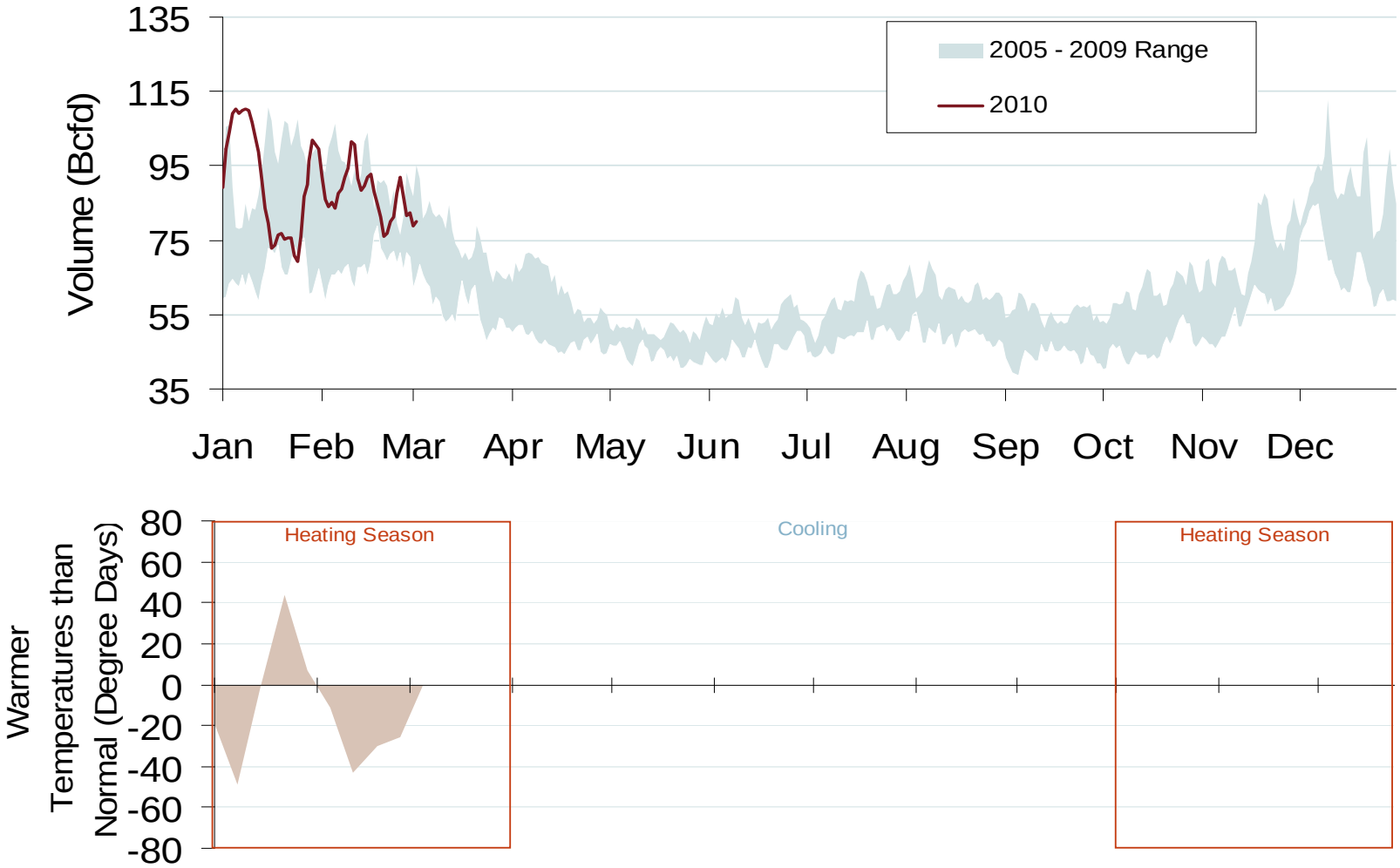
Henry Hub Natural Gas Daily Spot Prices



Source: Derived from *Platts* data.

Updated March 5, 2010

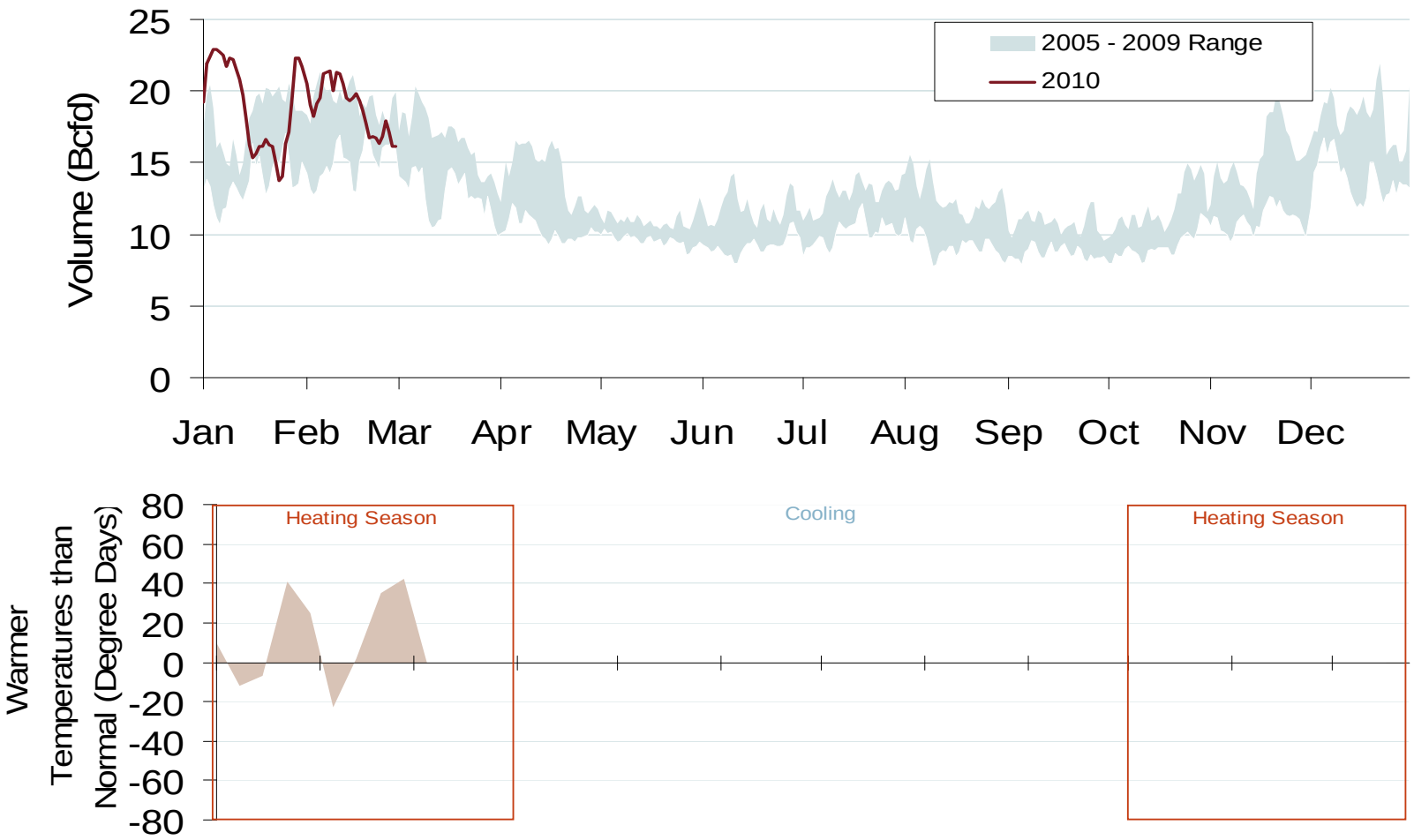
Total U.S. Natural Gas Demand (All Sectors) and Temperatures



Source: Derived from Bentek Energy and NOAA data.

Updated March 5, 2010

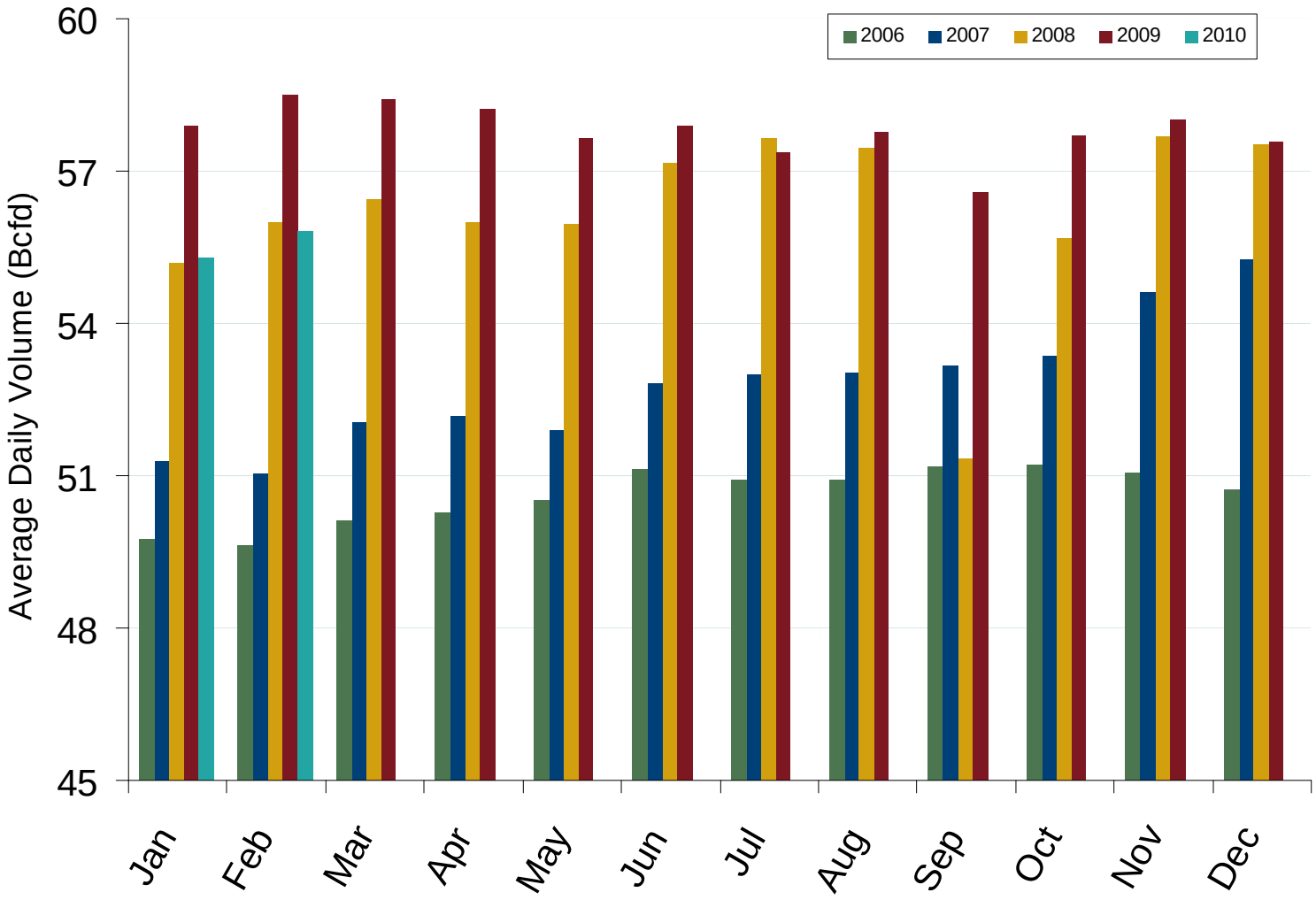
Daily Northeast Natural Gas Demand
All Sectors



Source: Derived from Bentek Energy and NOAA data.

Updated March 5, 2010

U.S. Dry Gas Production

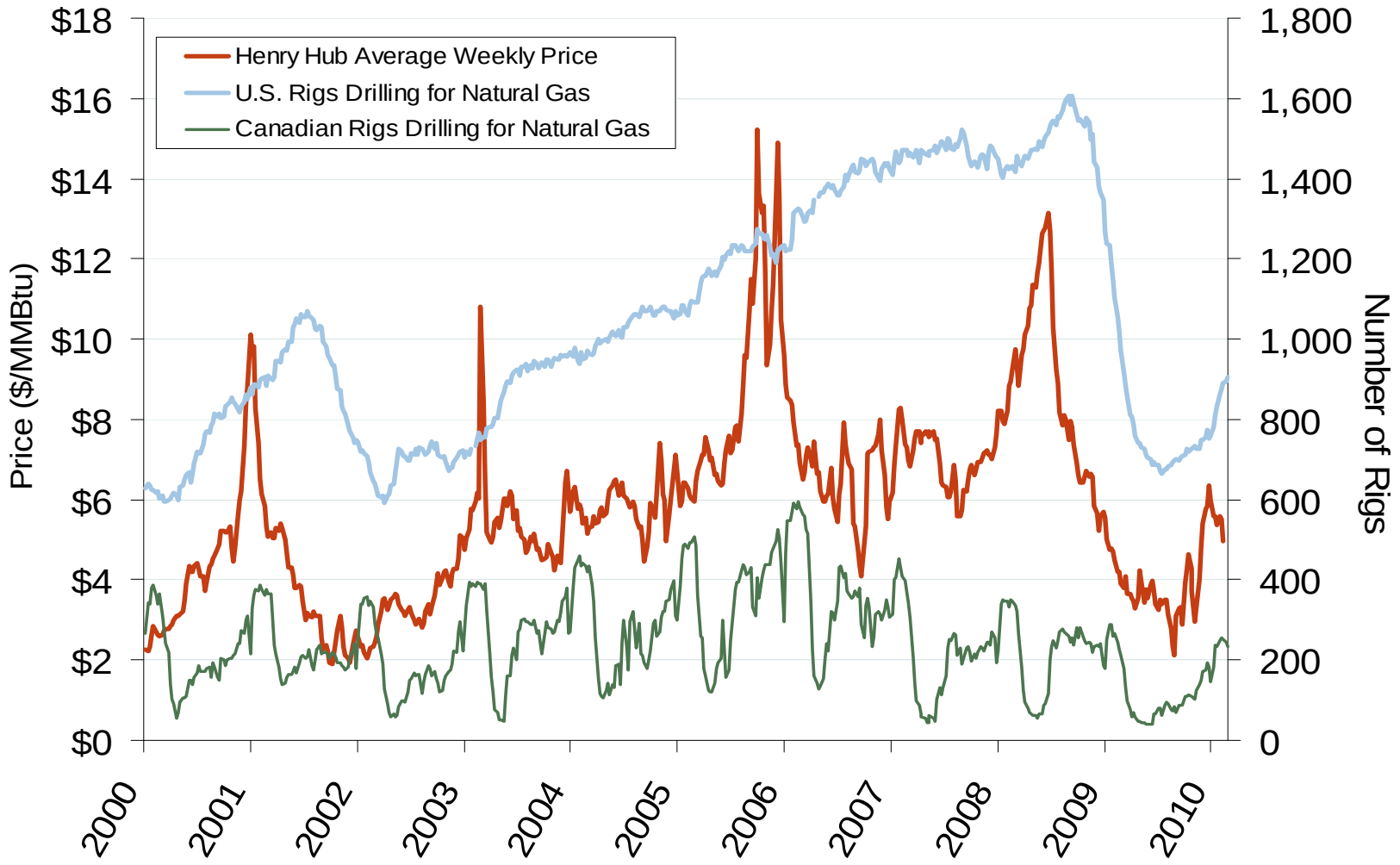


Source: Derived from *EIA and Bentek data.*

March 2010 Mid-Atlantic Snapshot Report

Updated March 5, 2010

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



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

Updated March 5, 2010

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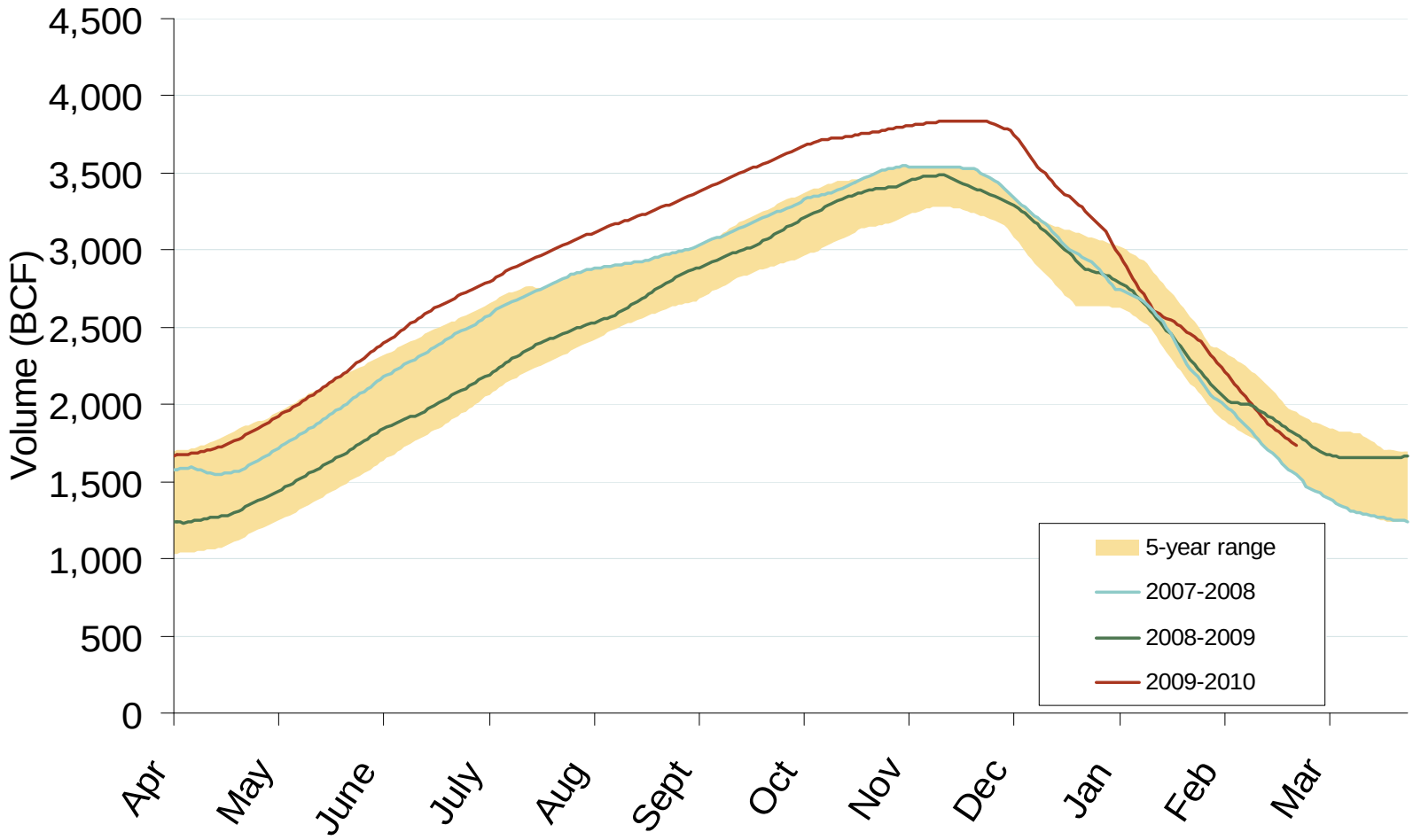
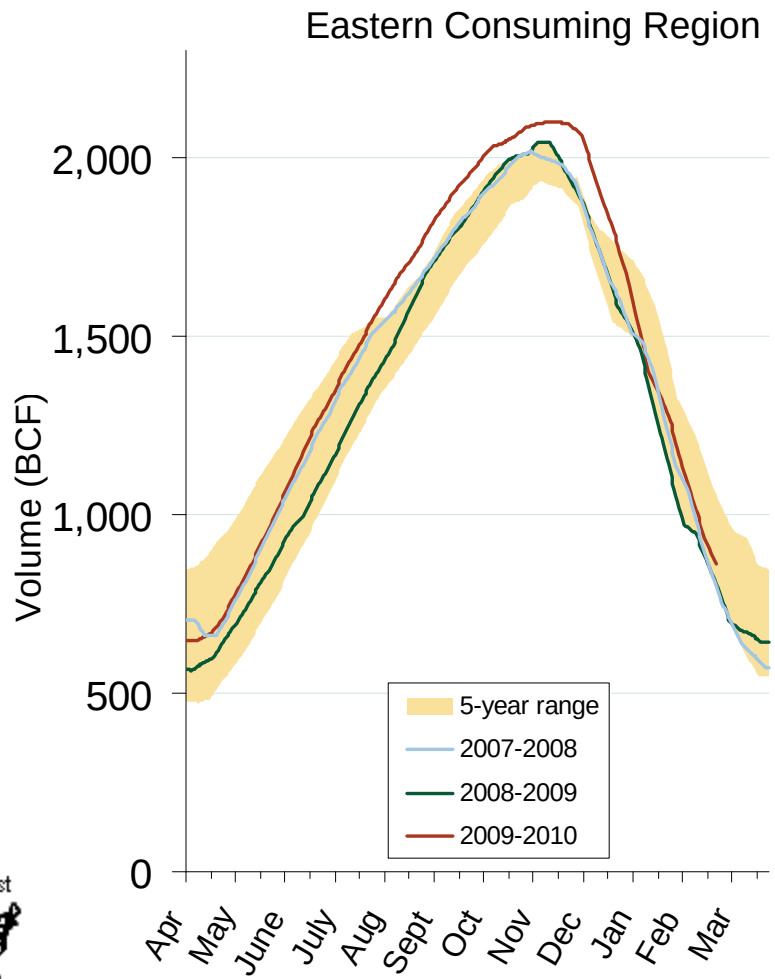
Total U.S. Working Gas in Storage

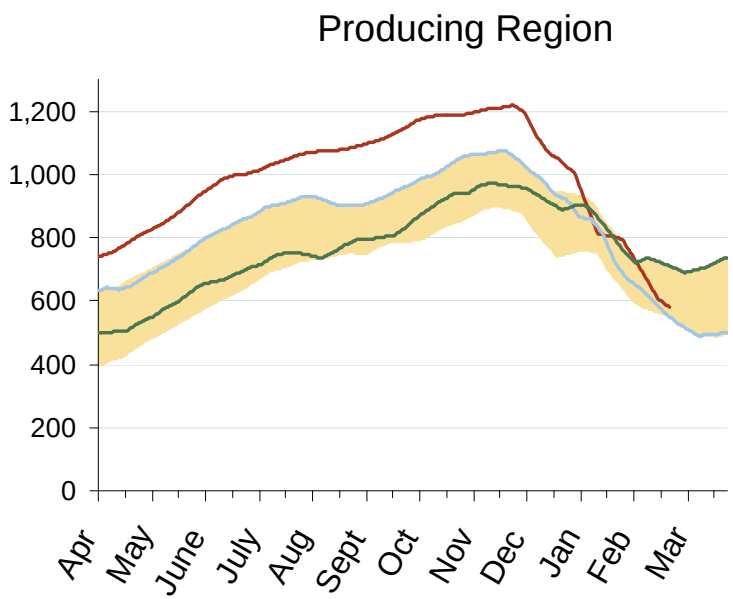


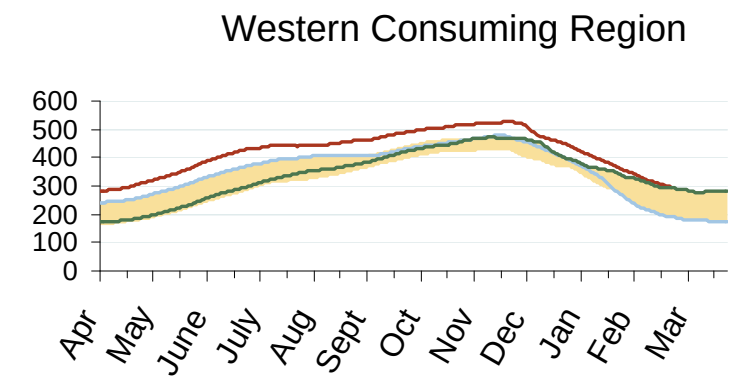
Source: Derived from *EIA* data.

Updated March 5, 2010

Regional Totals of Working Gas in Storage





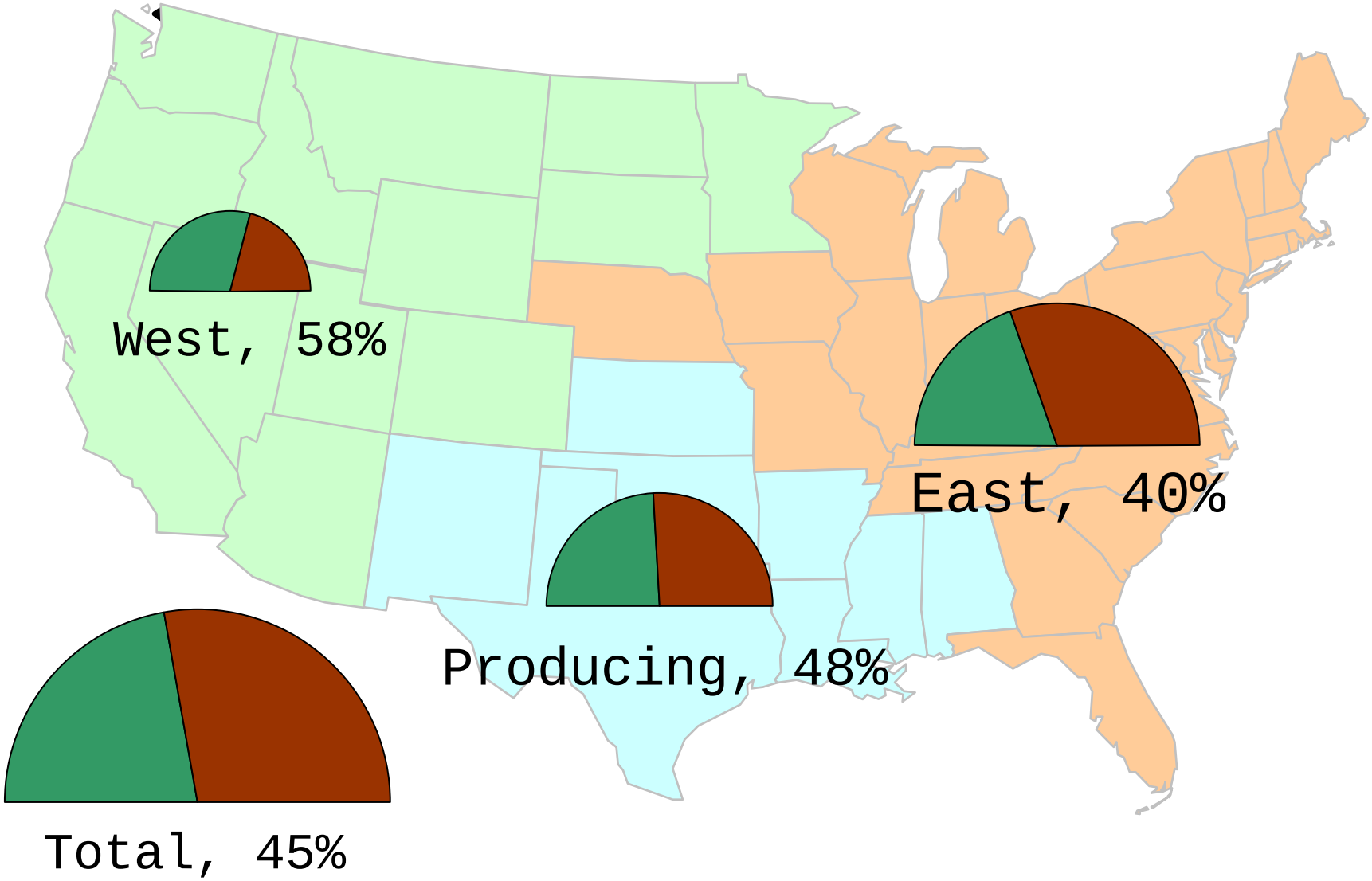


Source: Derived from *EIA* data.

March 2010 Mid-Atlantic Snapshot Report

Updated March 5, 2010

Natural Gas Storage Inventories – February 26, 2010

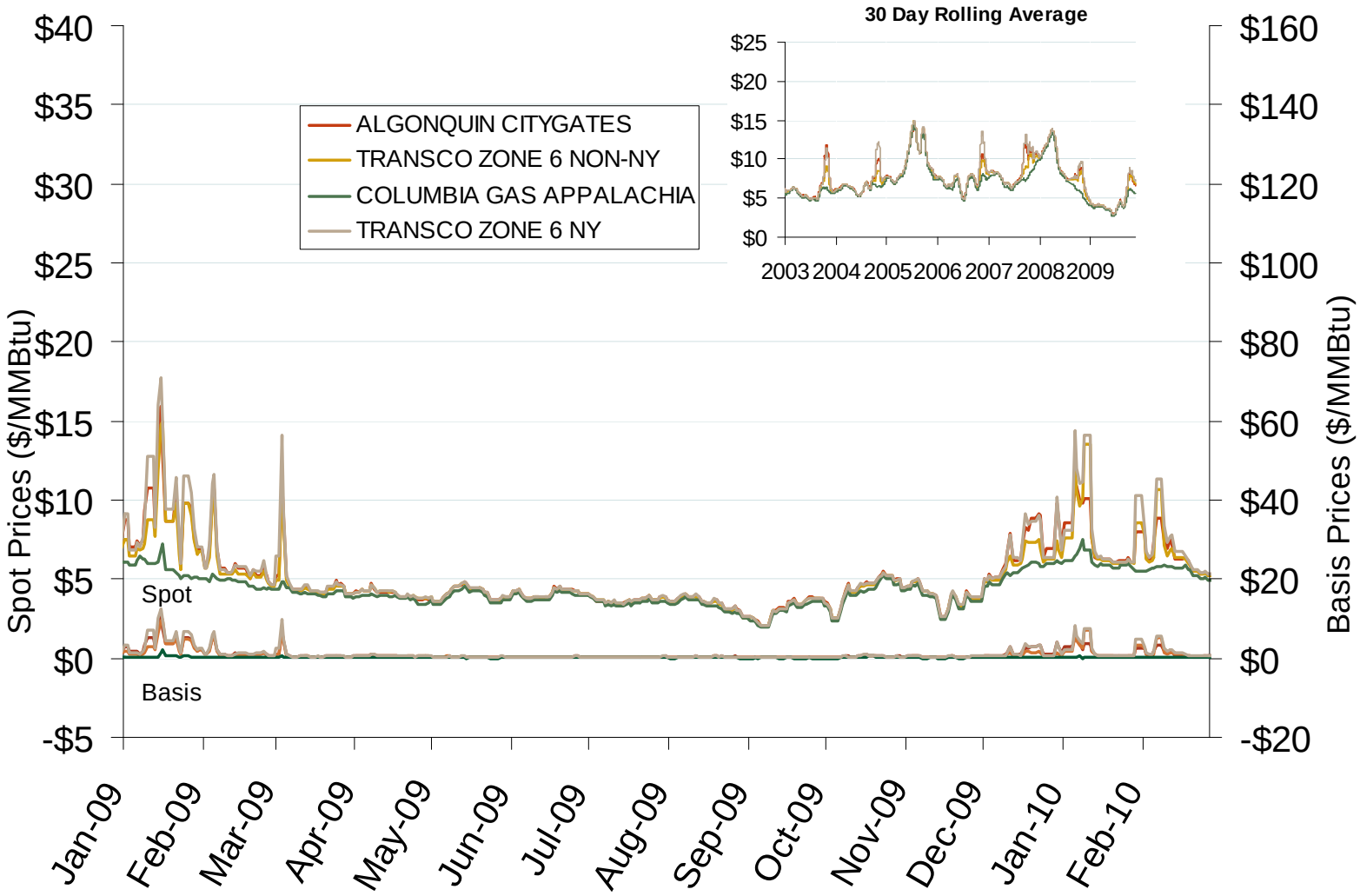


Source: Derived from EIA Storage and Estimated Working Gas Capacity data.

March 2010 Mid-Atlantic Snapshot Report

Updated March 5, 2010

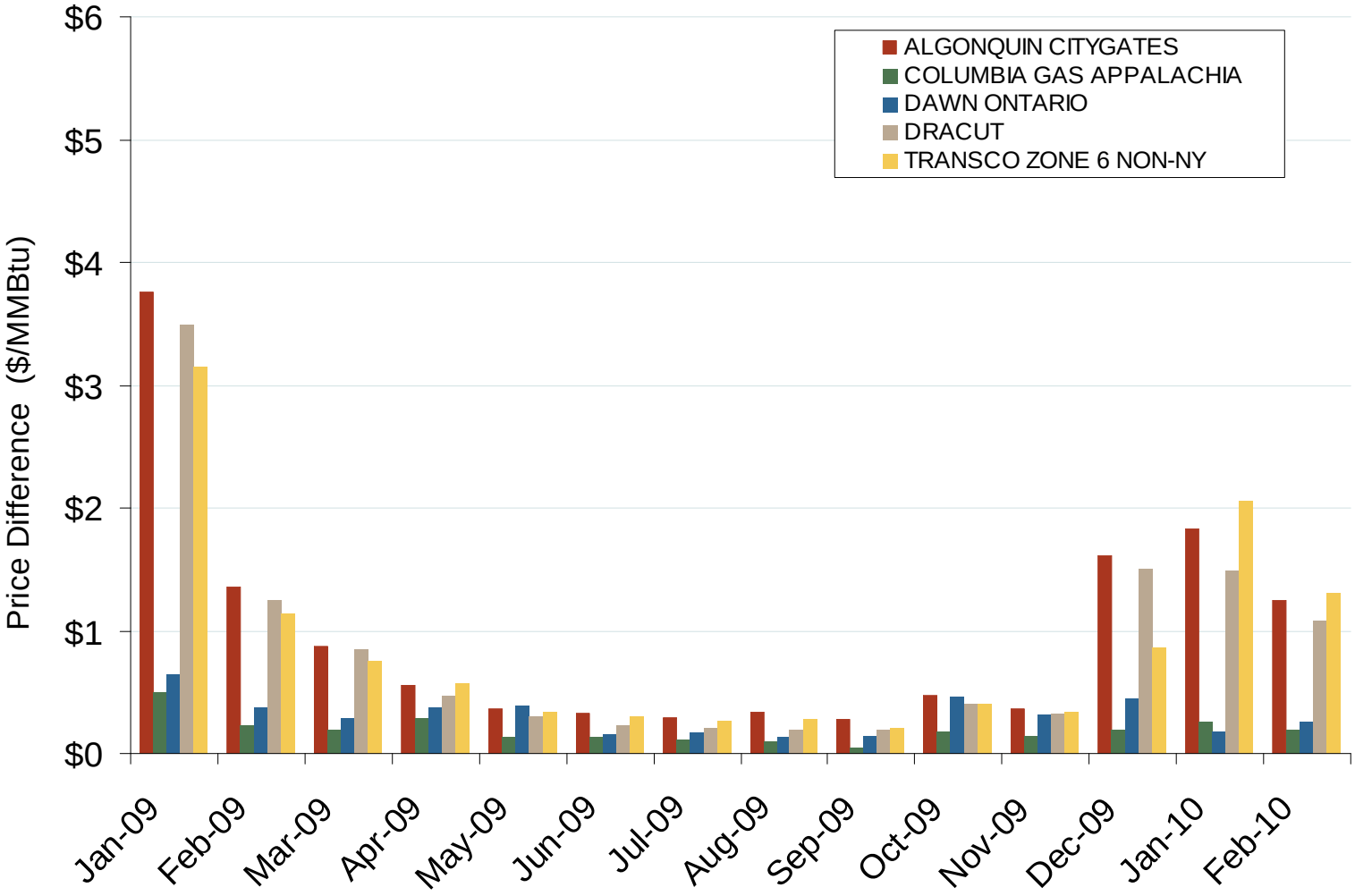
Northeastern Spot Prices and Basis



Source: Derived from *Platts* data.

Updated March 5, 2010

Northeastern Monthly Average Basis Value to Henry Hub

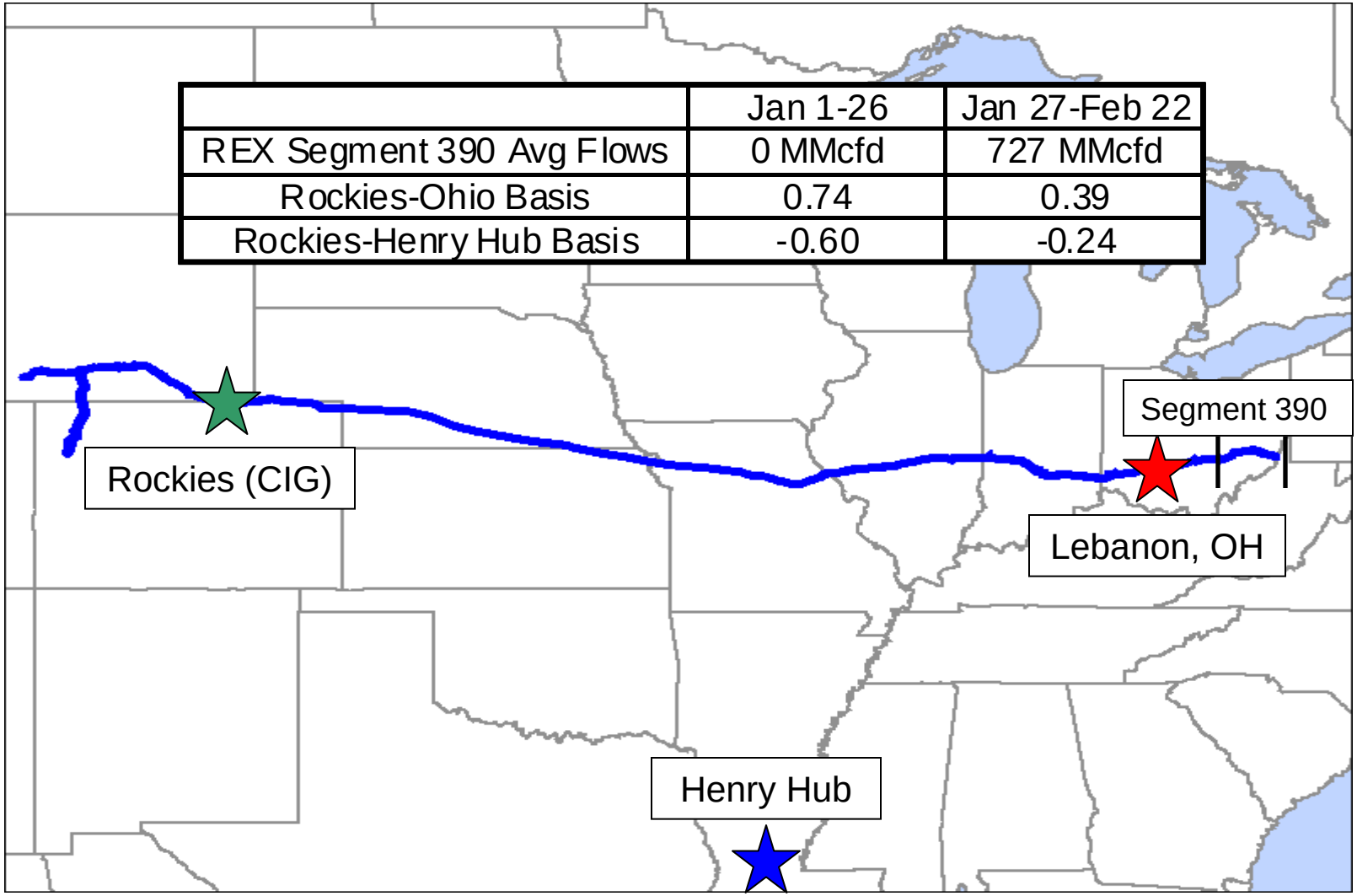


Source: Derived from *Platts* data.

Updated March 5, 2010

Rockies Express-East Segment 390 Returns to Service

	Jan 1-26	Jan 27-Feb 22
REX Segment 390 Avg Flows	0 MMcfd	727 MMcfd
Rockies-Ohio Basis	0.74	0.39
Rockies-Henry Hub Basis	-0.60	-0.24

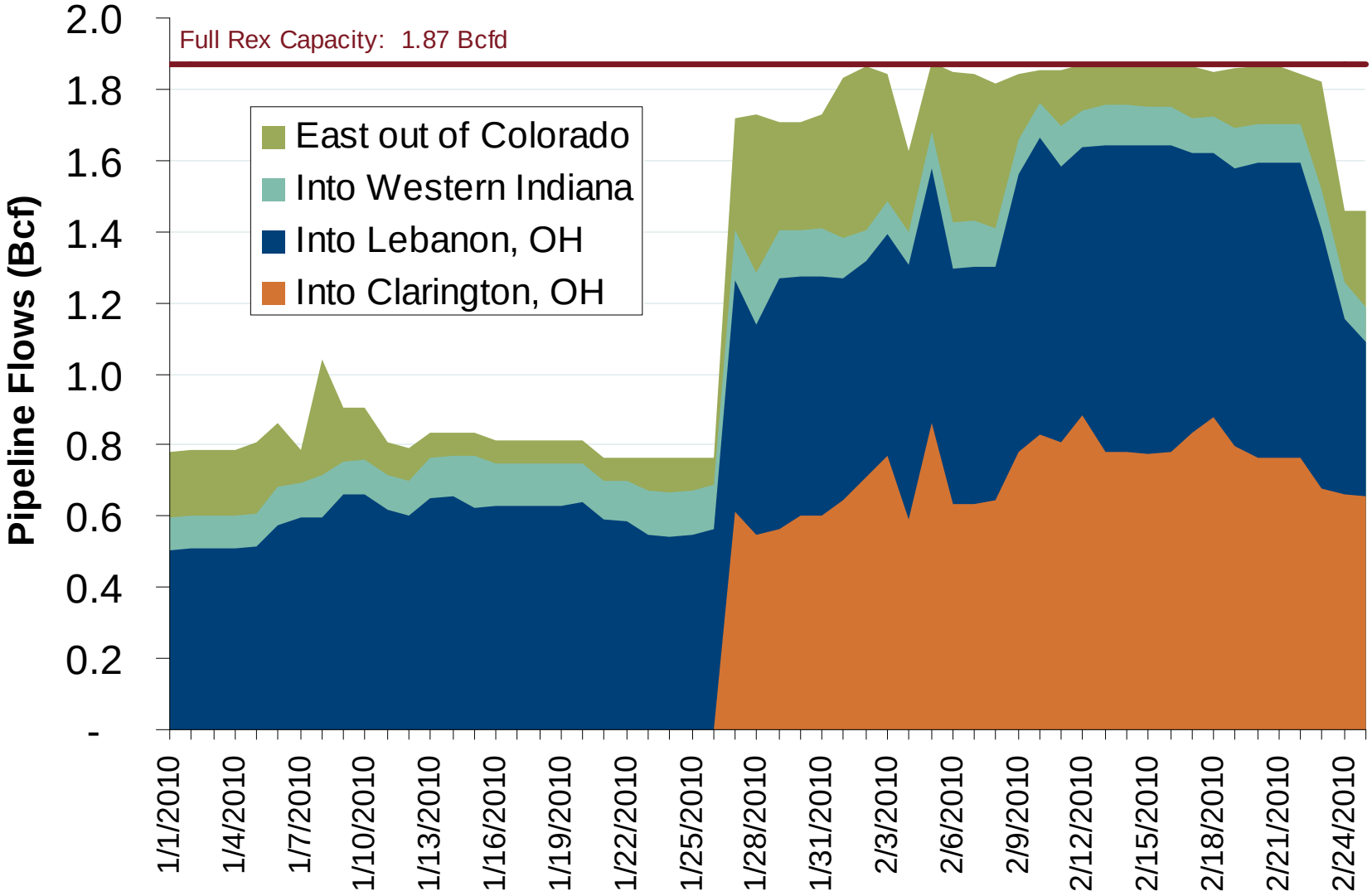


Source: Bentek, Intercontinental Exchange, Ventyx

March 2010 Mid-Atlantic Snapshot Report

Updated February 23, 2010

REX Flows Reach Capacity



Source: Bentek

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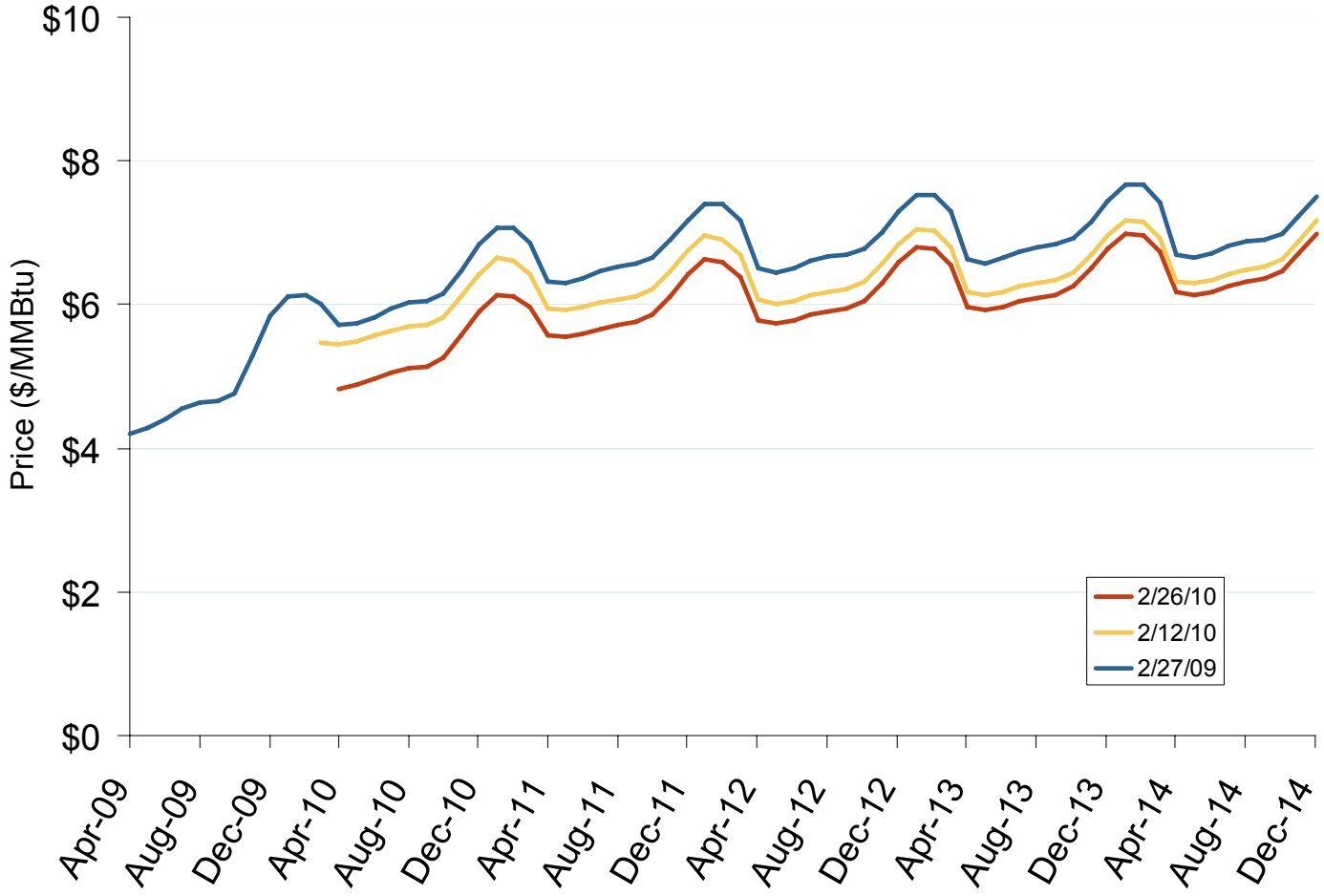
Updated February 25, 2010

NYMEX Natural Gas Forward Price Curve

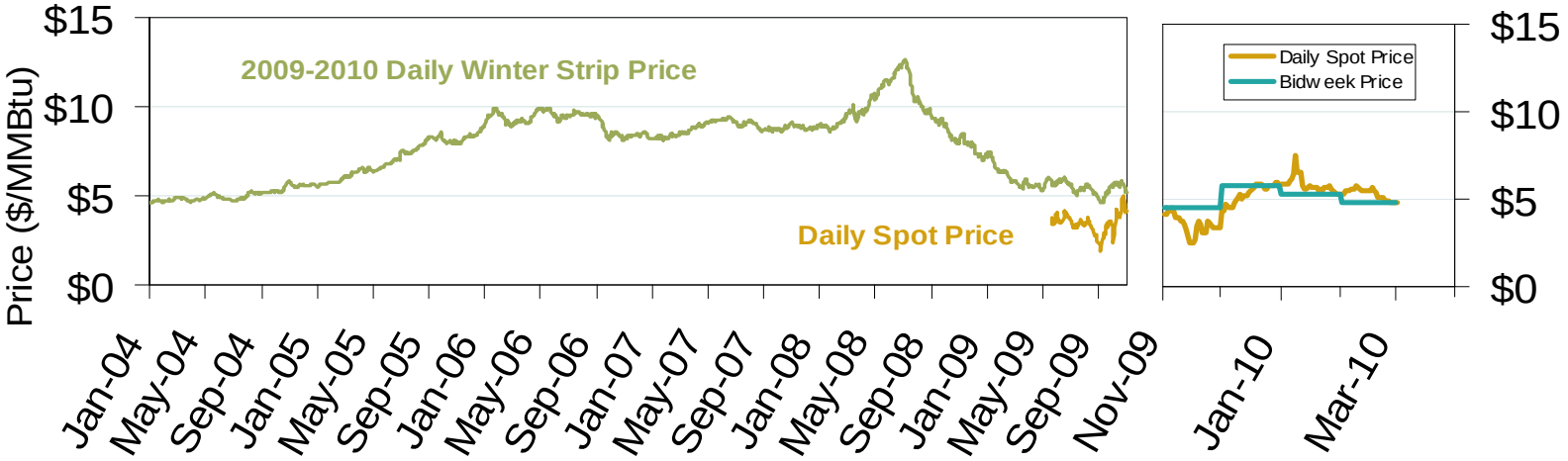


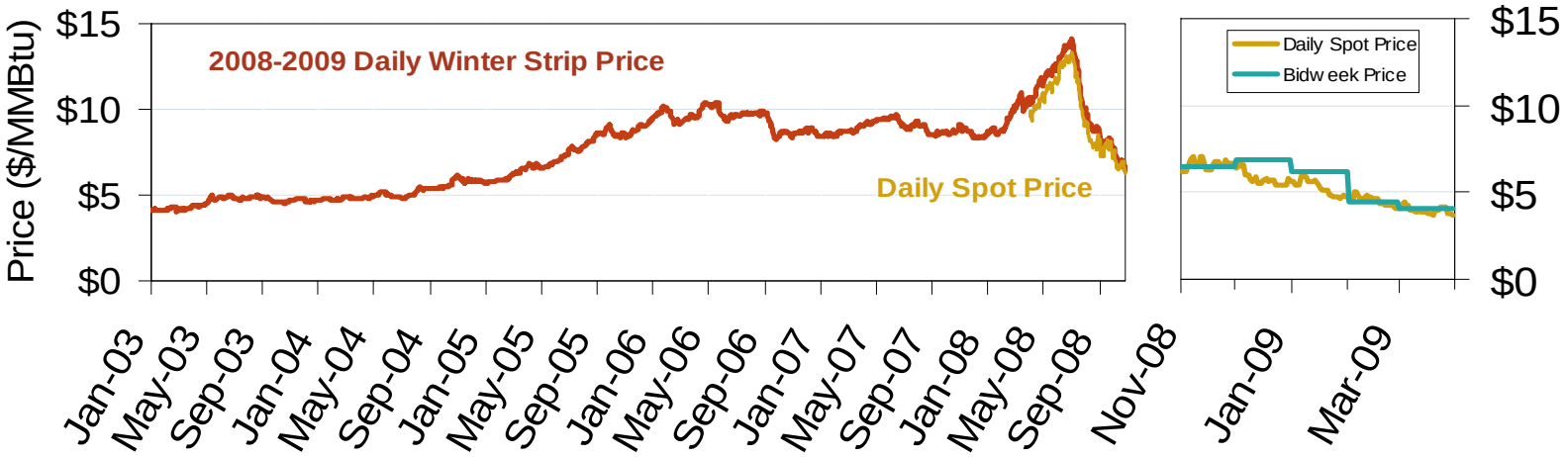
The NYMEX futures contract trades in 10,000 million Btu units. The blue series shows the forward price curve for these contracts 1-year ago. The red and yellow curves show prices for contracts traded on the current and previous months.

Source: Derived from *NYMEX* data.

Updated March 5, 2010

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





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

Updated March 5, 2010

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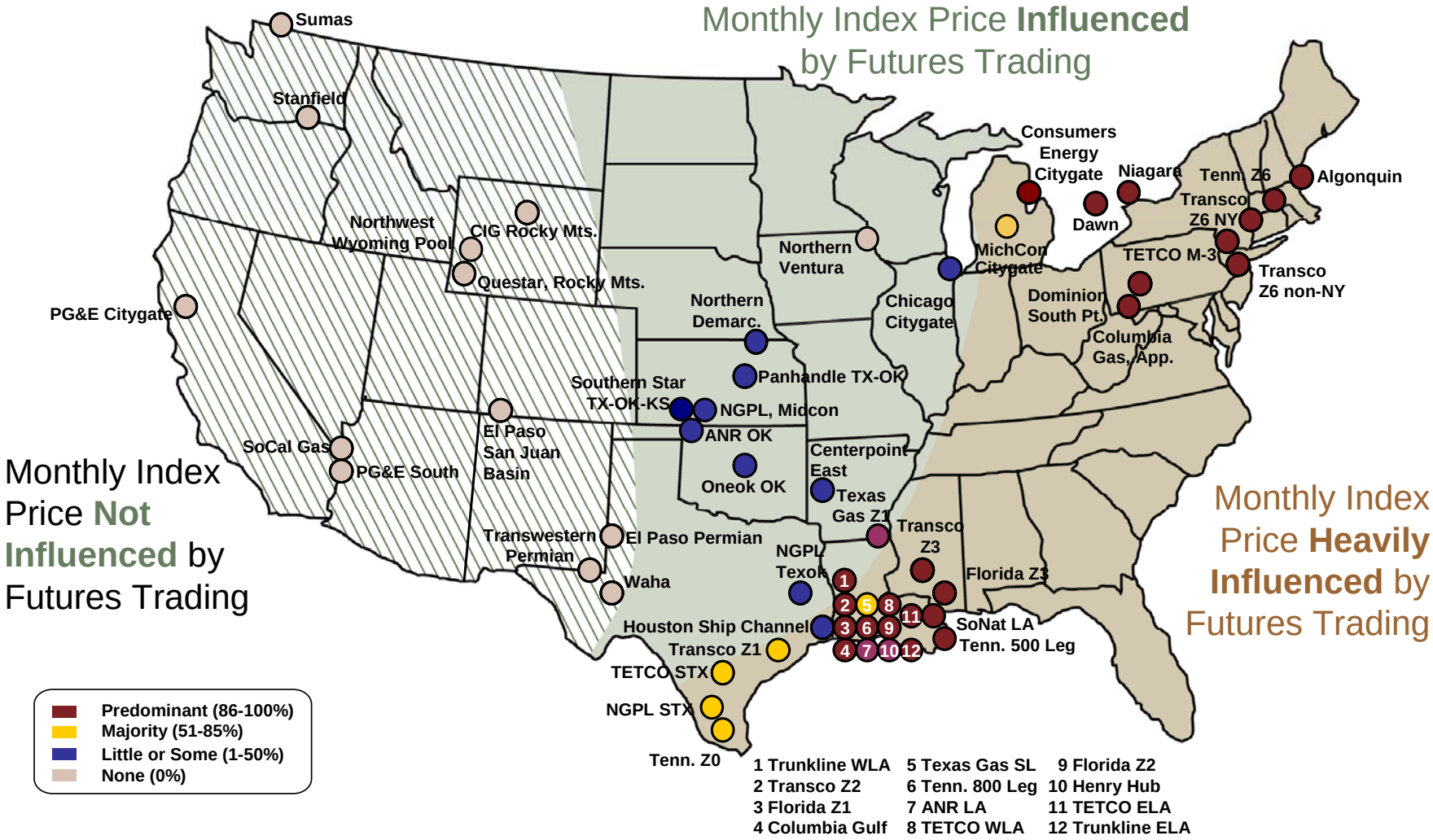
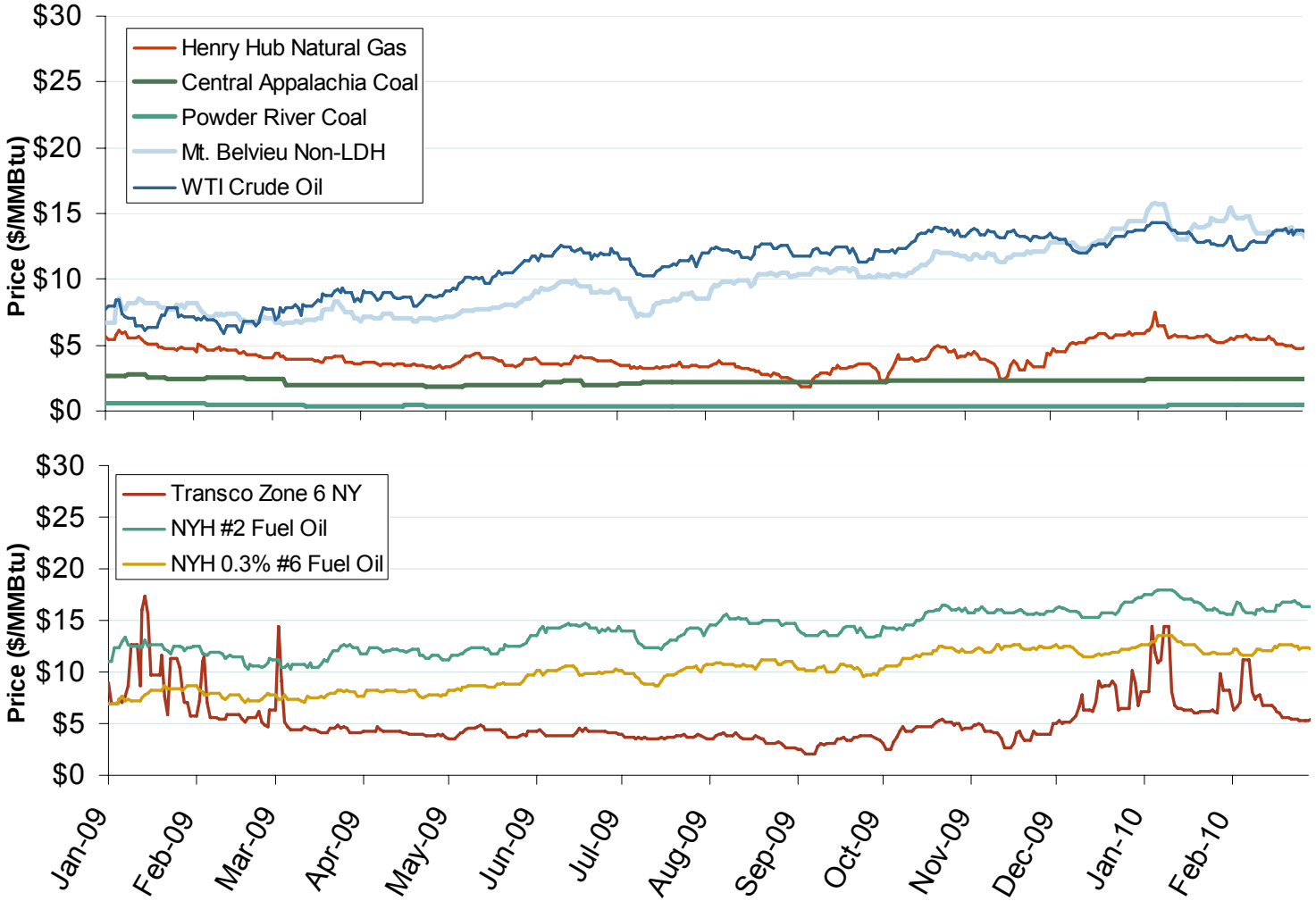
Use of Physical Basis in Natural Gas Price Indices at Major Trading Points, 2009



Source: Derived from *Platts* data for January through June 2009 indices.

Updated June 9, 2009

Oil, Coal, Natural Gas and Propane Daily Spot Prices

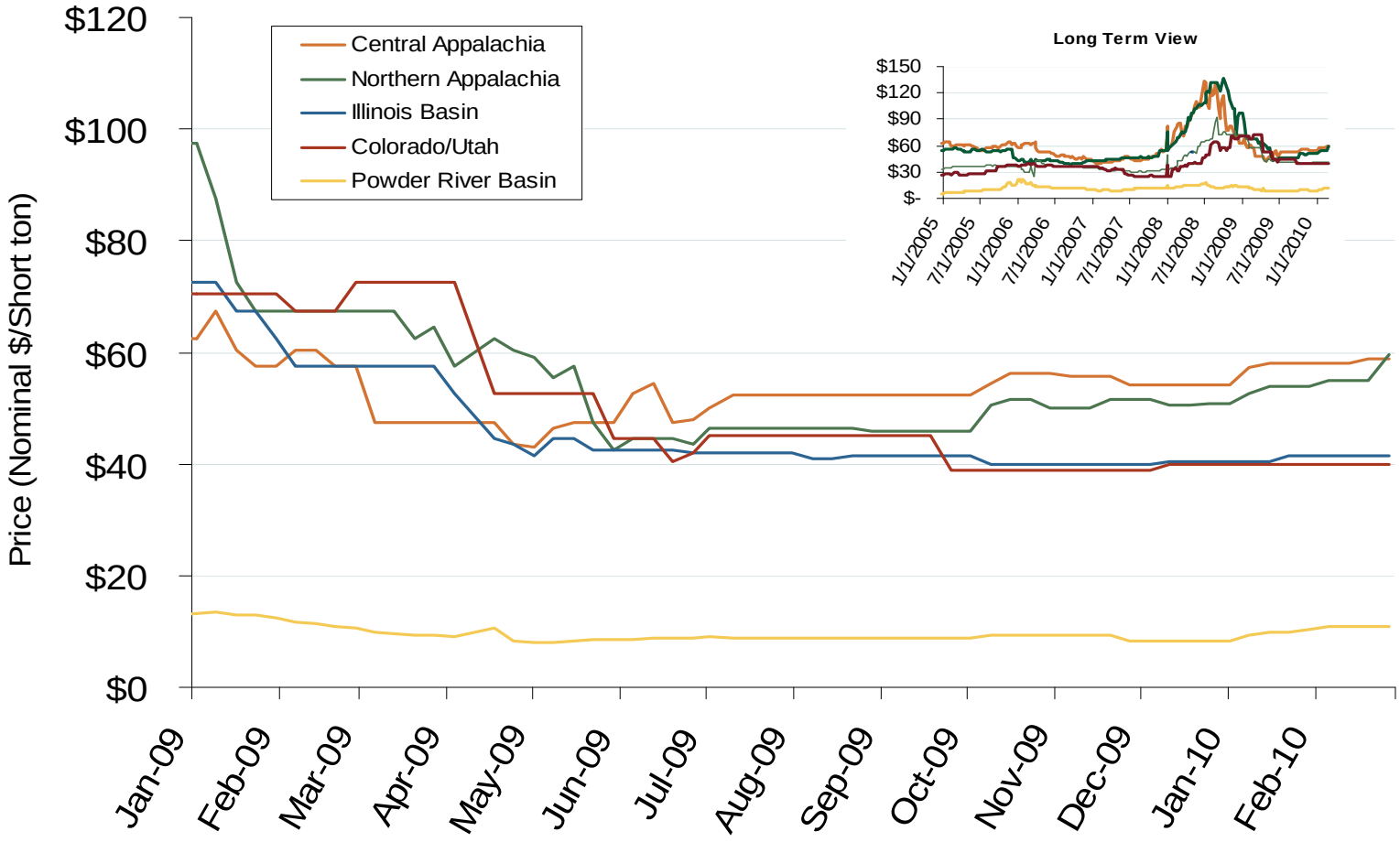


Source: Derived from *ICE* and *Bloomberg* data.

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 5, 2010

Regional Coal Spot Prices

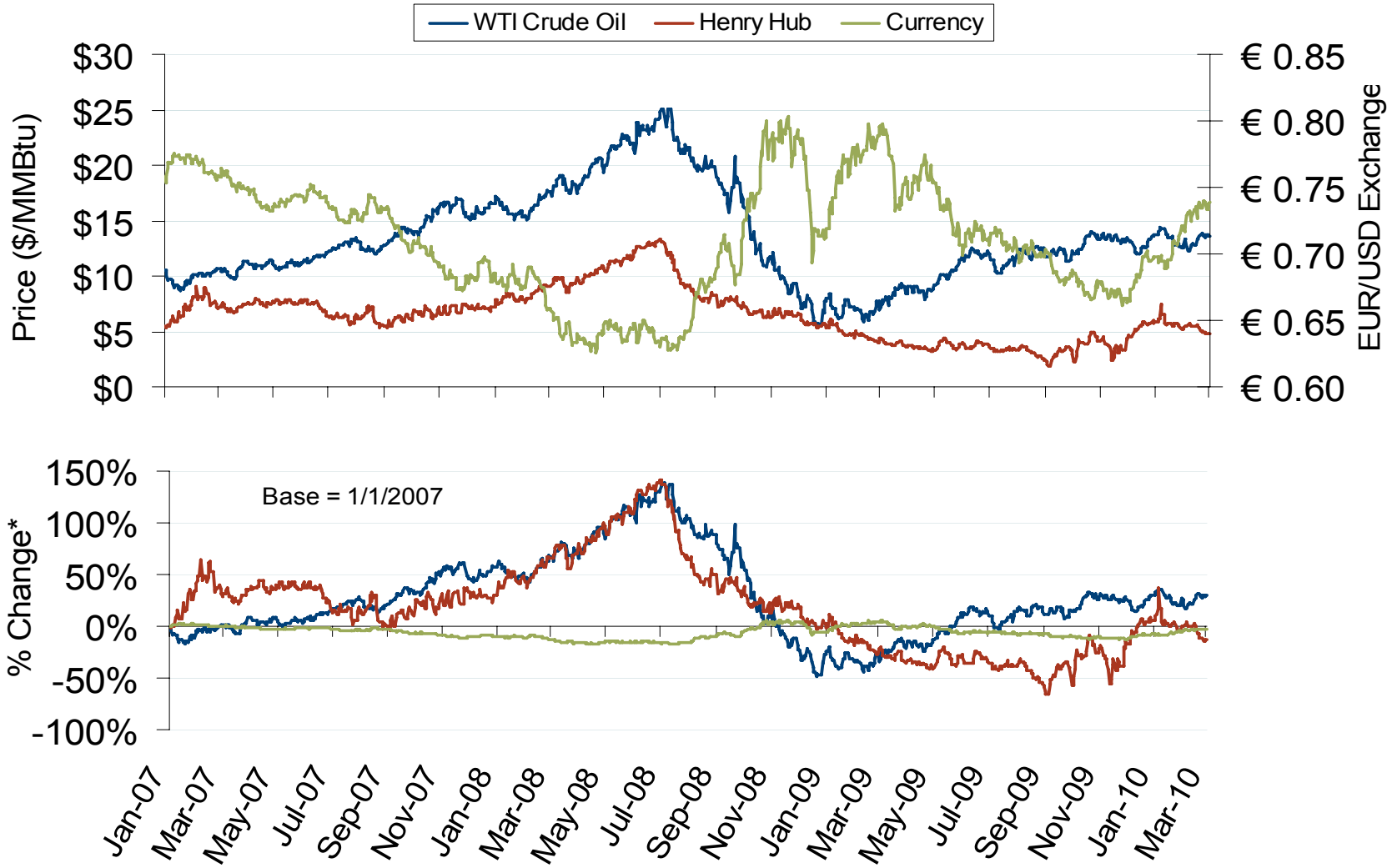


Note: the Central Appalachian (CAPP) coal is priced at Big Sandy. All others are mine mouth prices. Prices do not include transportation costs to a plant, as those can vary widely by contract specifications. Prices exclude incremental cost of emissions allowances.

Source: Derived from *Bloomberg* data.

Updated March 5, 2010

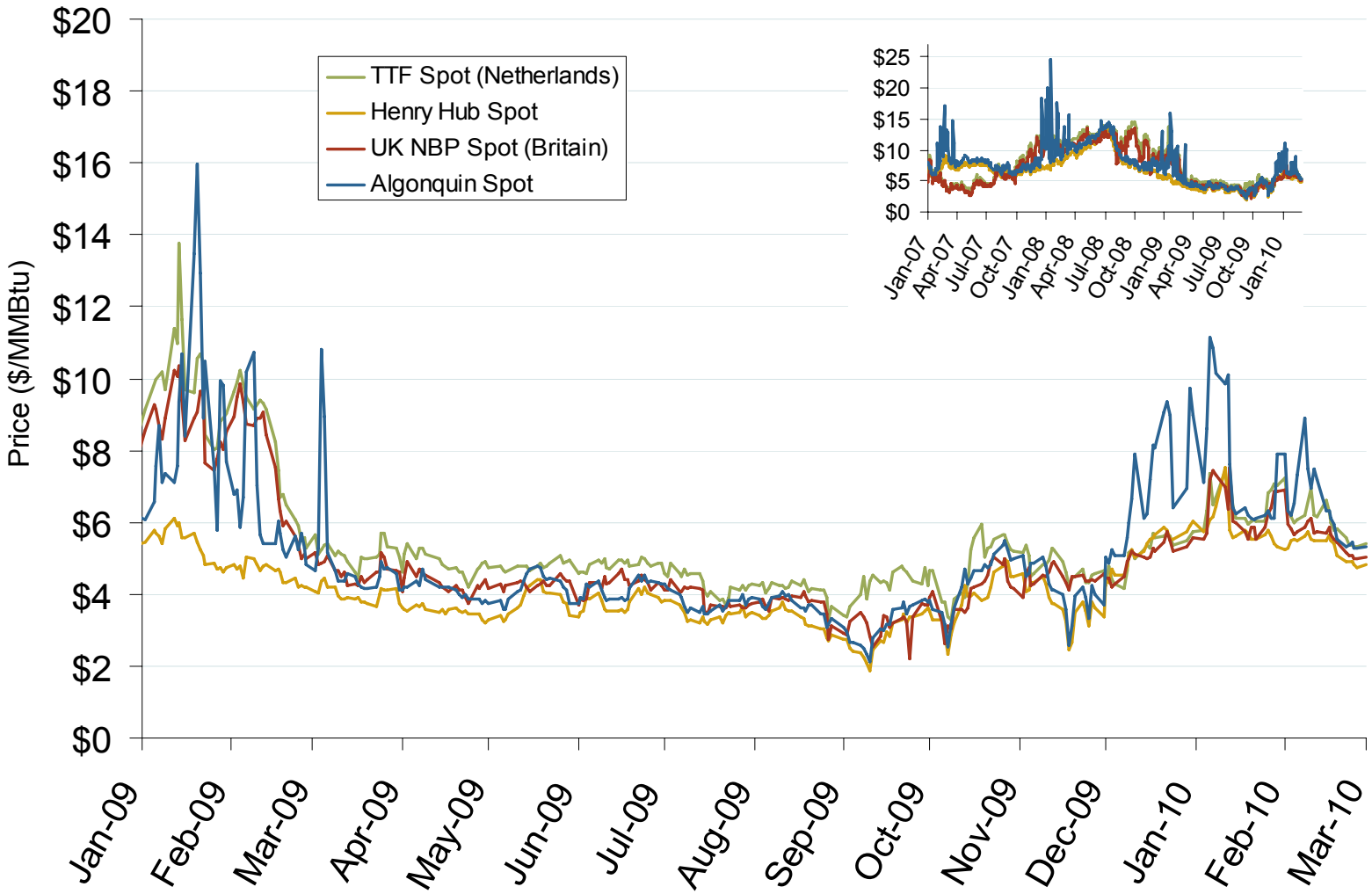
Oil, Natural Gas and Currency Spot Prices



Source: Derived from *Bloomberg* data.

Updated March 5, 2010

Atlantic Basin European and US Spot Natural Gas Prices



Source: Derived from *Bloomberg* and *ICE* data.

Updated March 5, 2010

World LNG Estimated March 2010 Landed Prices

Source: *Waterborne Energy, Inc.* Data in $US/MMBtu.
March 2010 Mid-Atlantic Snapshot Report

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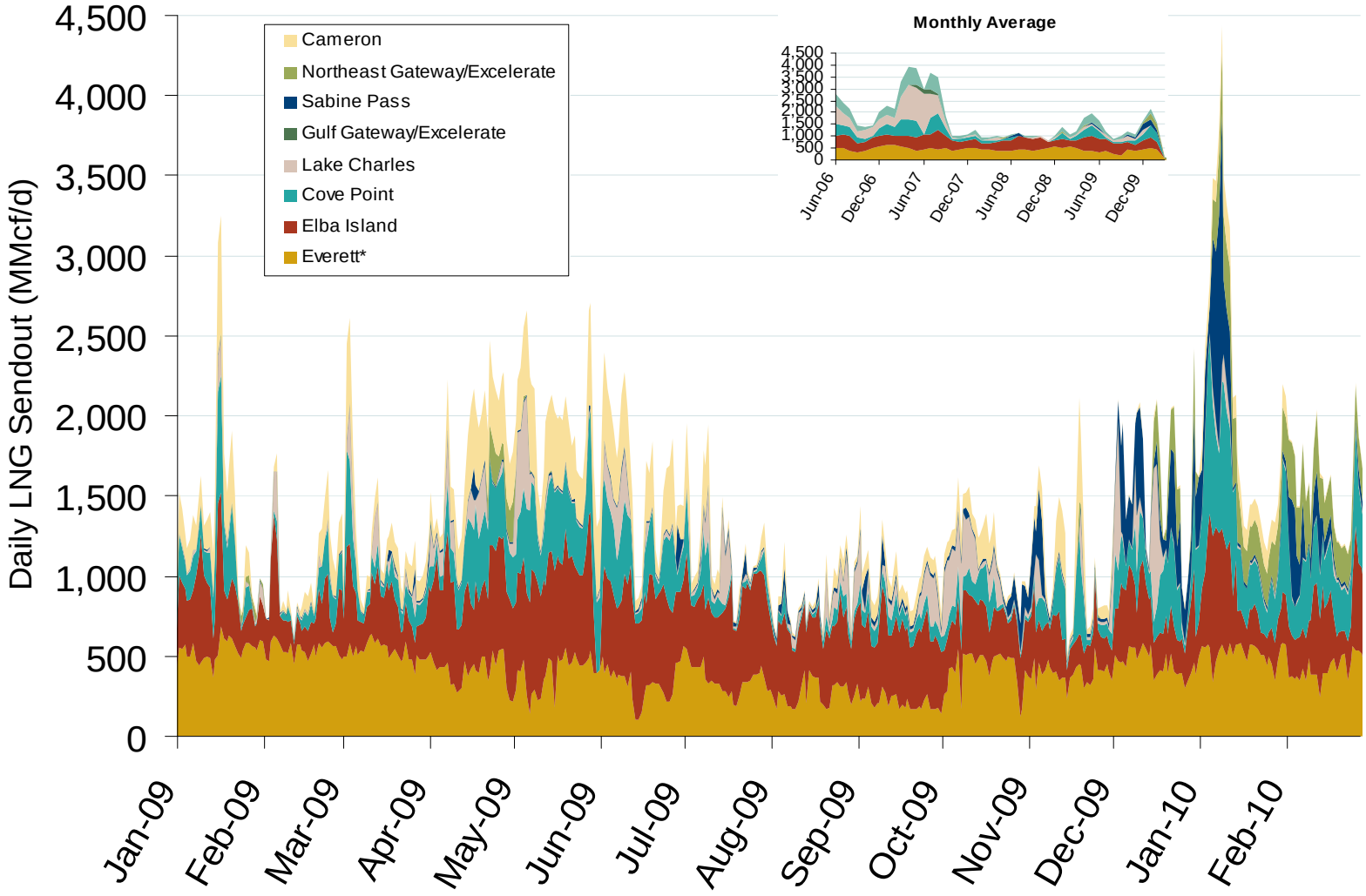
Daily Gas Sendout from Existing U.S. LNG Facilities



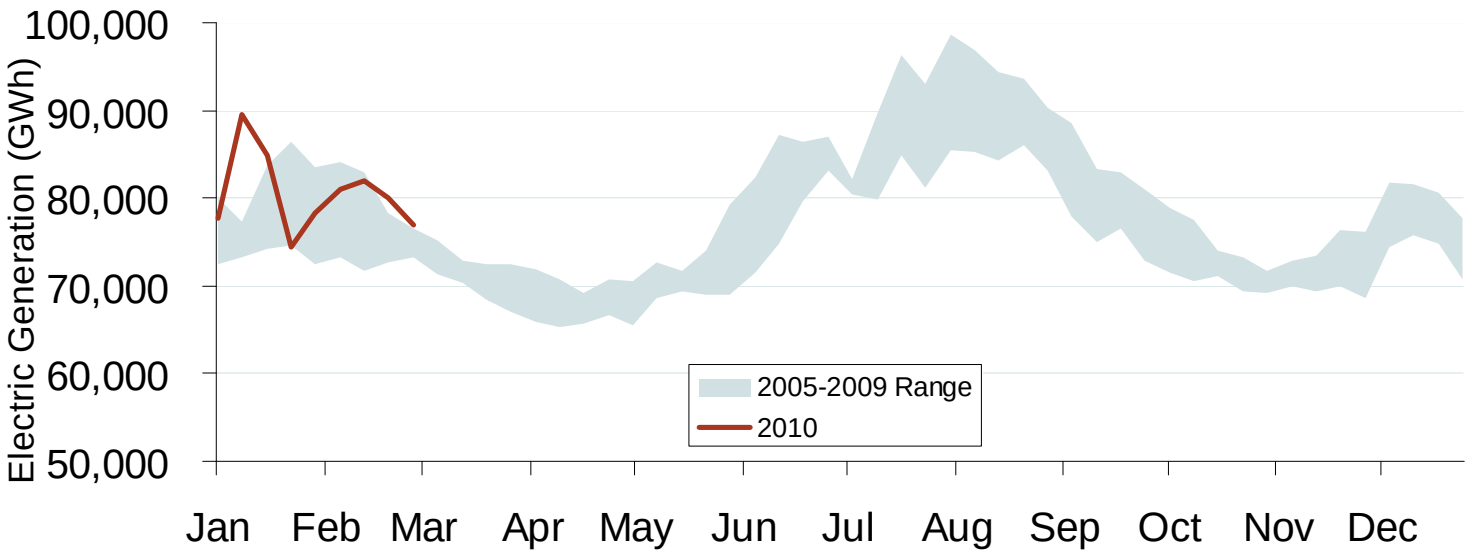
Source: Derived from *Bentek* data.

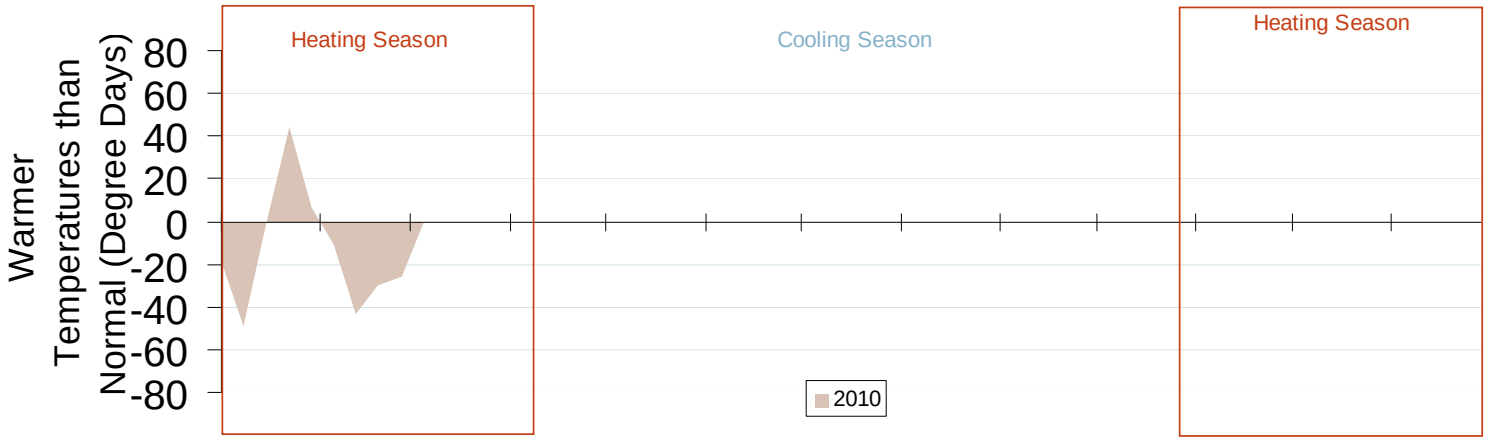
* Everett data includes flows onto the AGT and TGP interstate lines, plus estimates of flows to the Mystic 7 power plant, Keyspan Boston Gas, and LNG trucked out of the terminal. Excludes Freeport LNG which flows via intrastate pipelines.

Updated March 5, 2010

Electricity Markets

Weekly U.S. Electric Generation Output and Temperatures

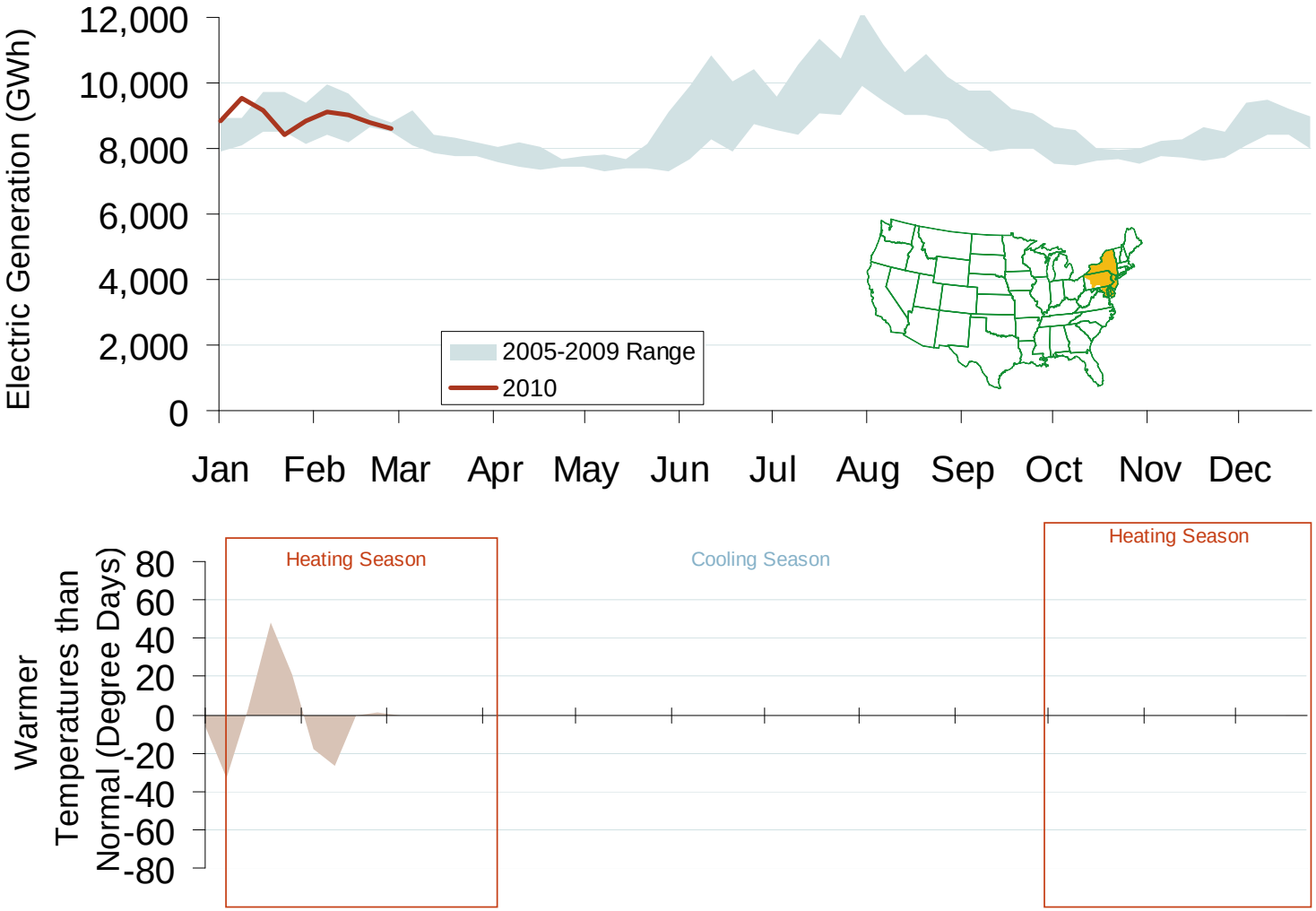




Source: Derived from *EEI* and *NOAA* data.

Updated March 5, 2010

Weekly Electric Generation Output and Temperatures Mid Atlantic Region

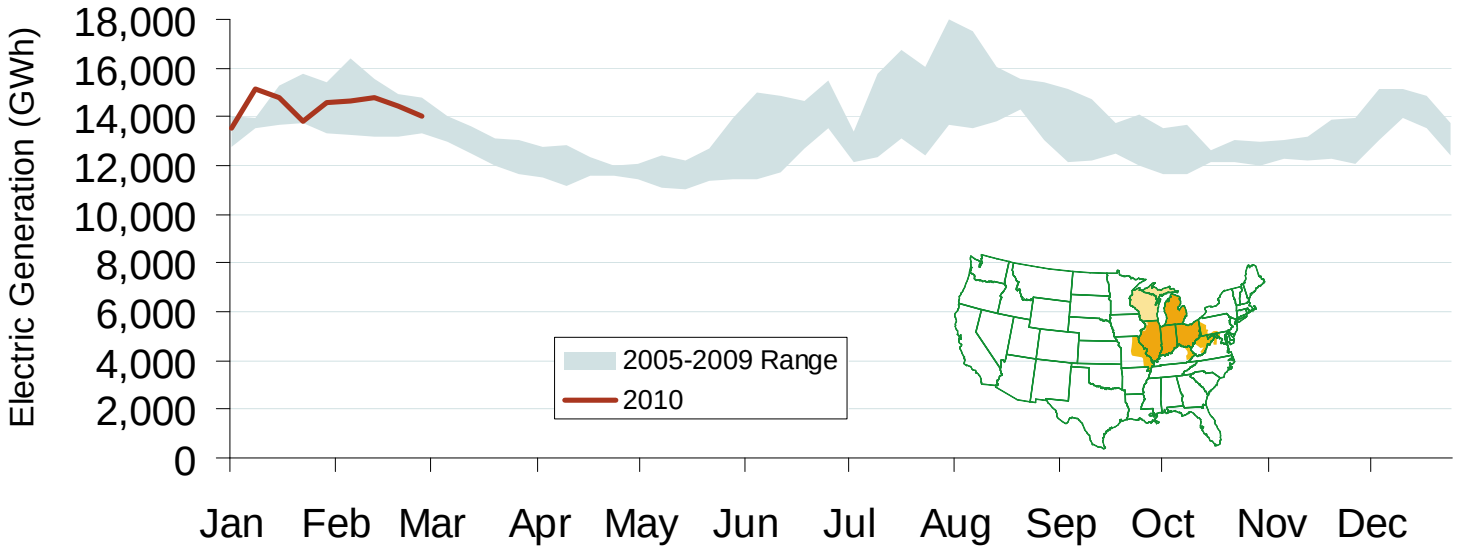


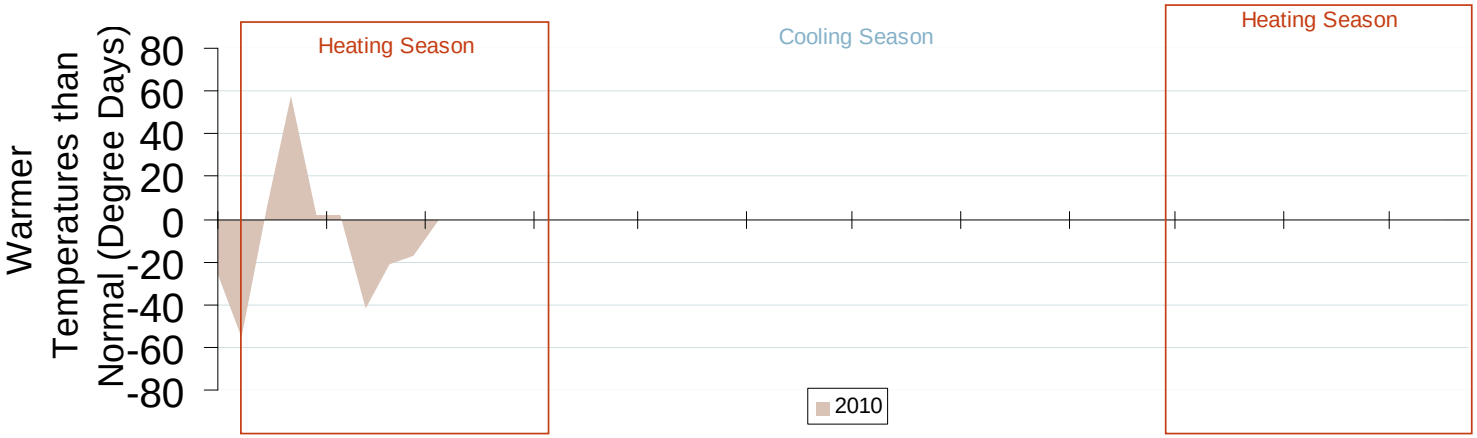
Source: Derived from *EEI* and *NOAA* data.

March 2010 Mid-Atlantic Snapshot Report

Updated March 5, 2010

Weekly Electric Generation Output and Temperatures Central Industrial Region

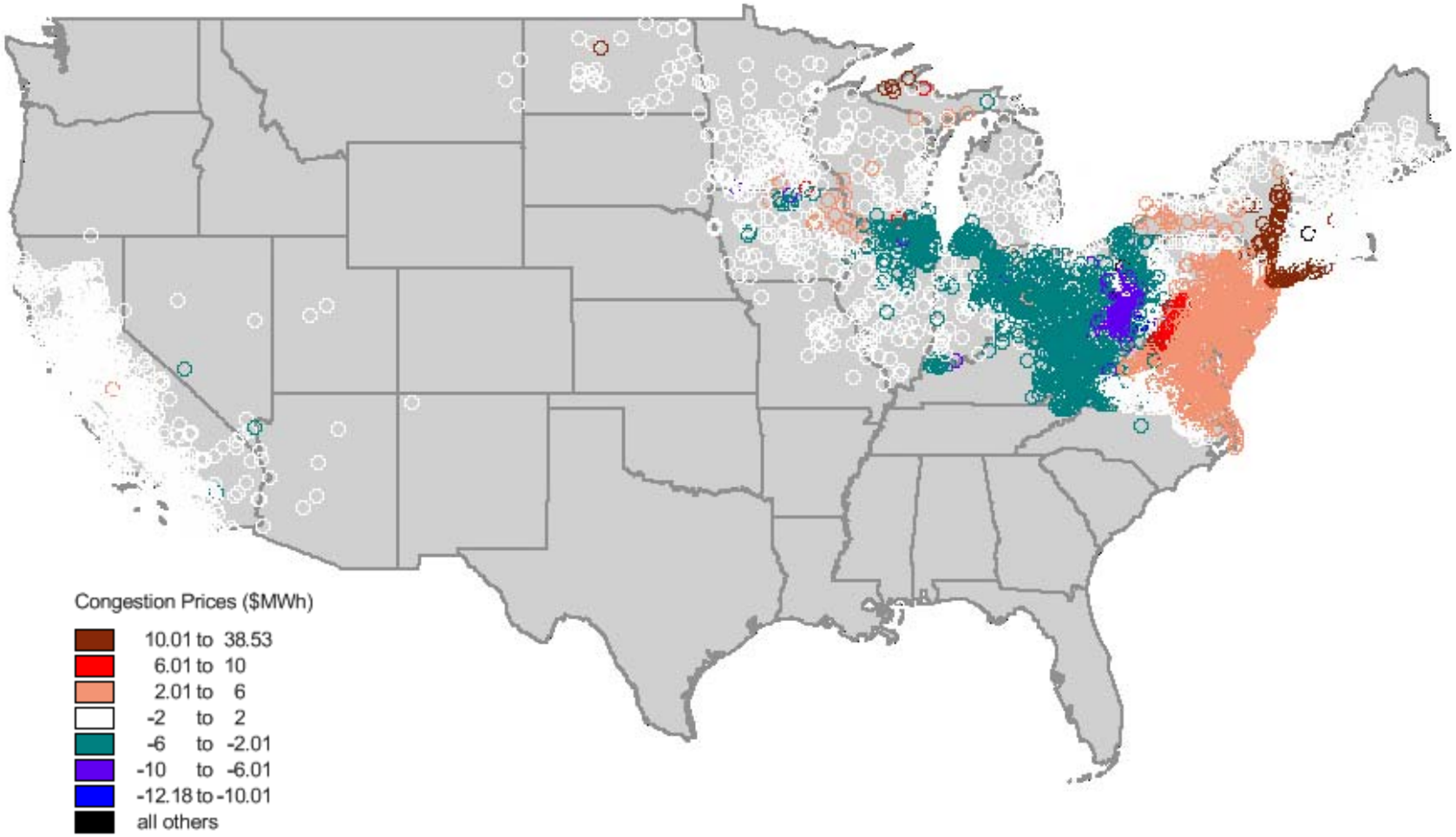




Source: Derived from *EEI* and *NOAA* data.

Updated March 5, 2010

Day Ahead On-Peak Congestion Average Monthly Prices February 2010

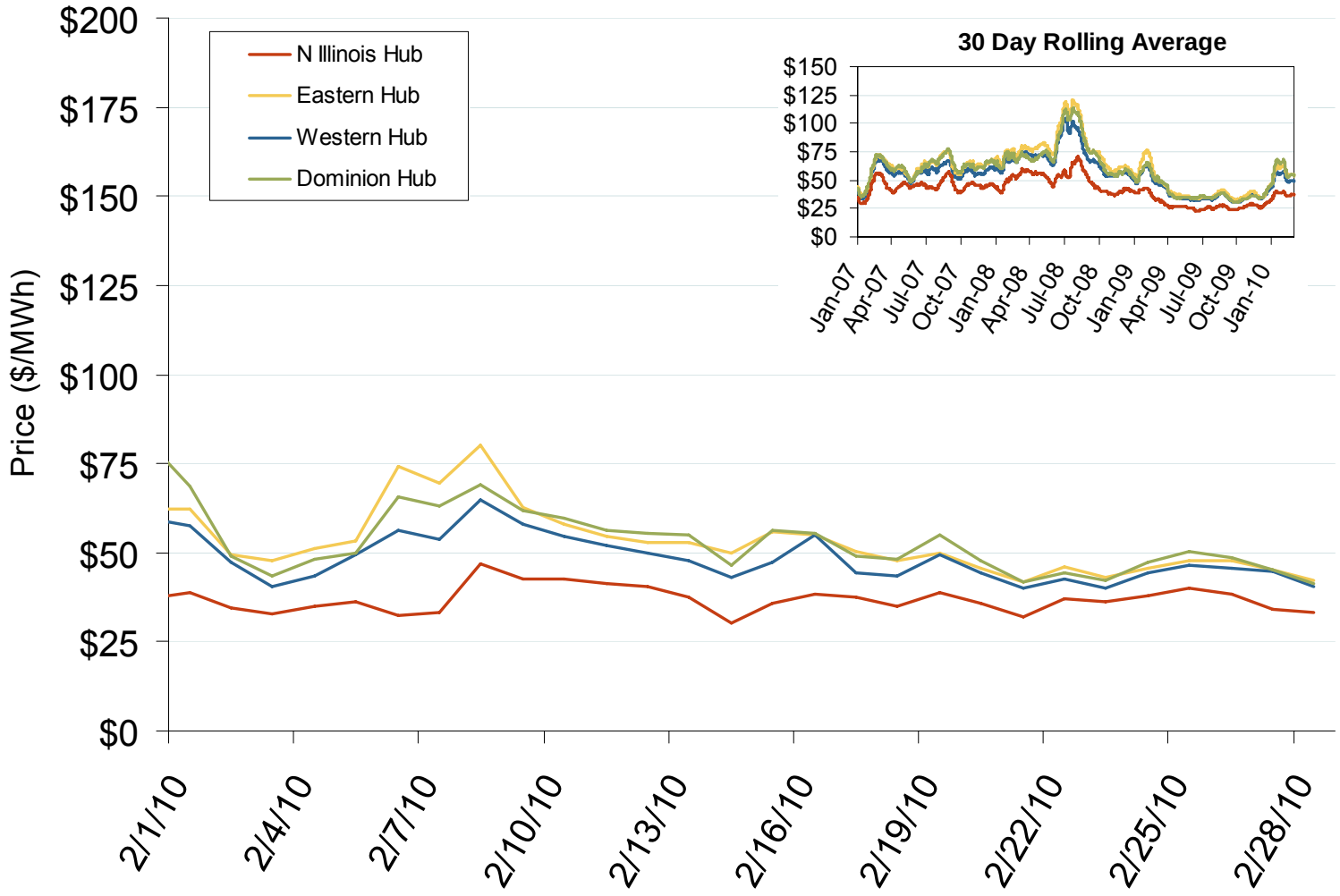


Source: Velocity Suite

March 2010 Mid-Atlantic Snapshot Report

Updated March 5, 2010

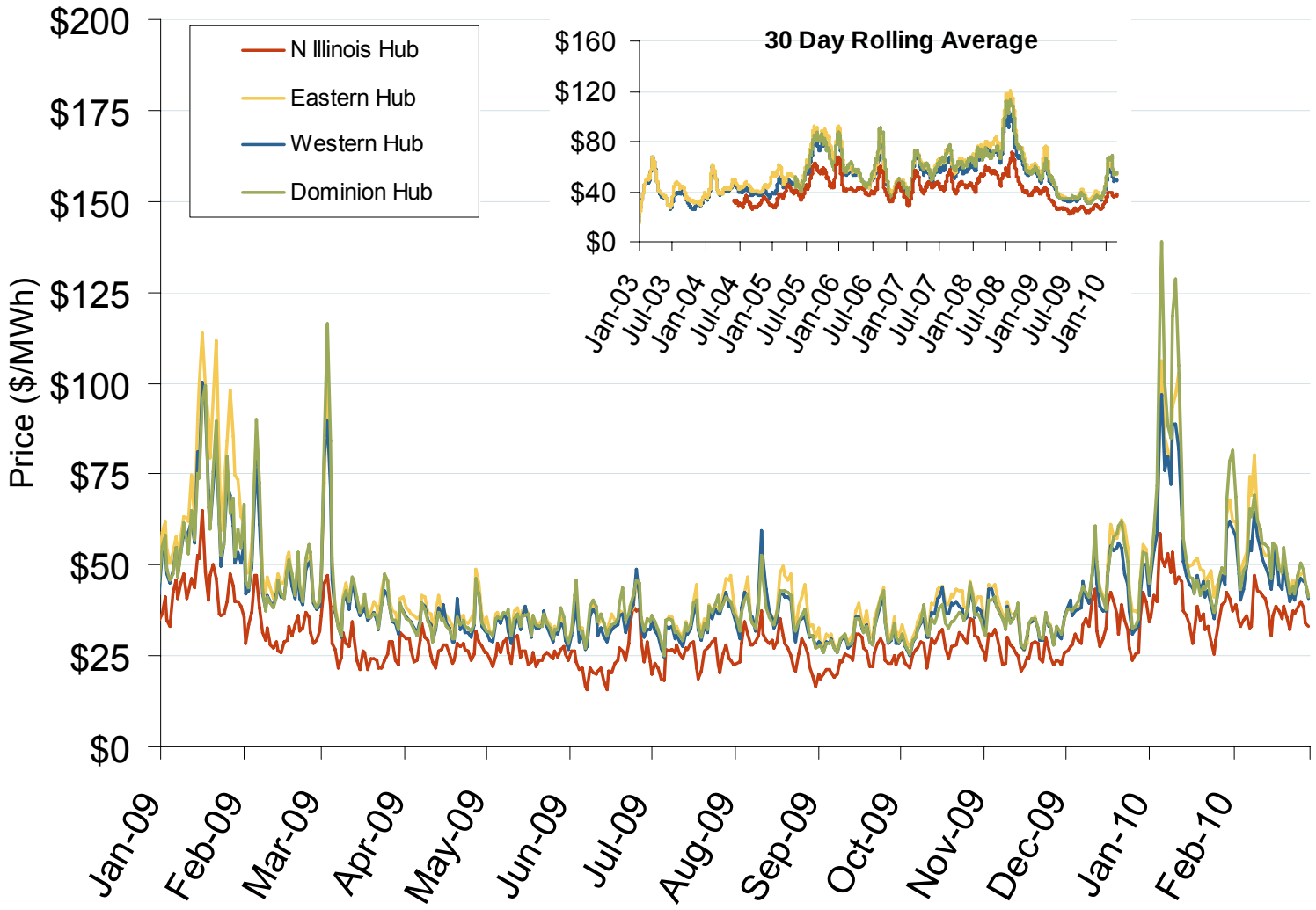
Daily Average of PJM Day-Ahead Prices - All Hours



Source: Derived by *Bloomberg* from *PJM* data as reported by *Bloomberg*.

Updated March 5, 2010

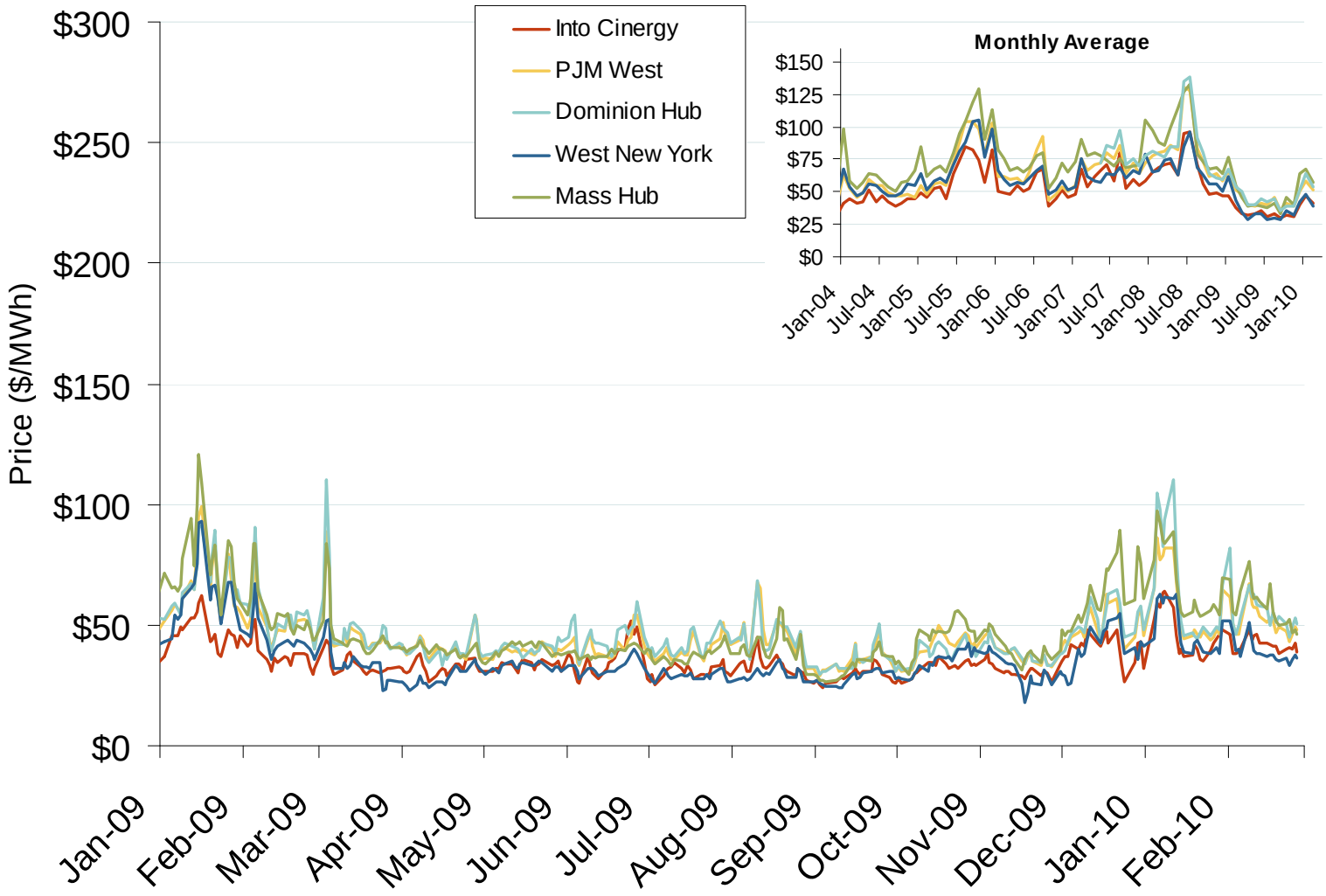
Daily Average of PJM Day-Ahead Prices - All Hours



Source: Derived by *Bloomberg* from *PJM* data as reported by *Bloomberg*.

Updated March 5, 2010

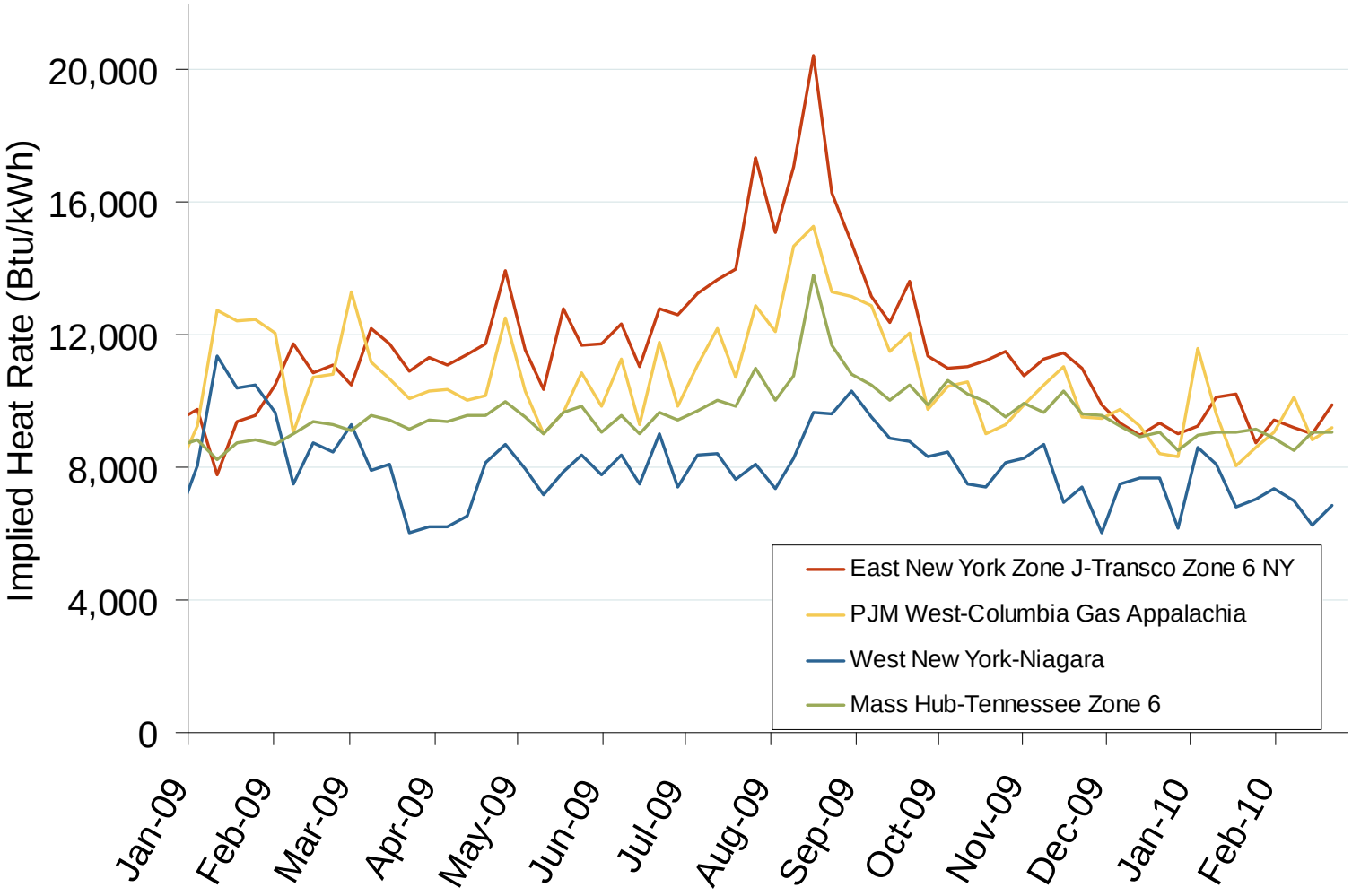
Eastern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

Updated March 5, 2010

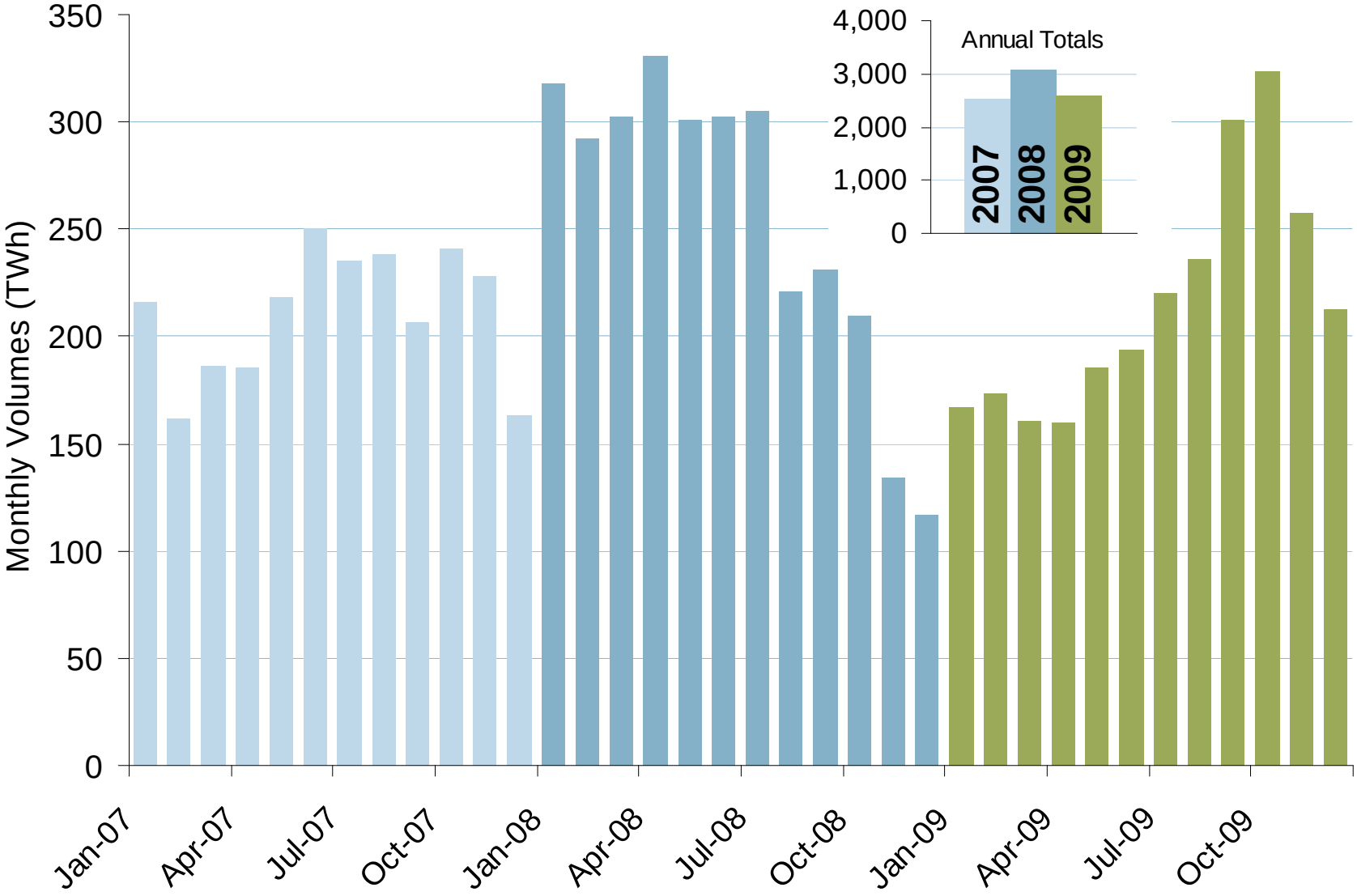
Implied Heat Rates at Eastern Trading Points Weekly Averages



Source: Derived from *Platts* on-peak electric and natural gas price data.

Updated March 5, 2010

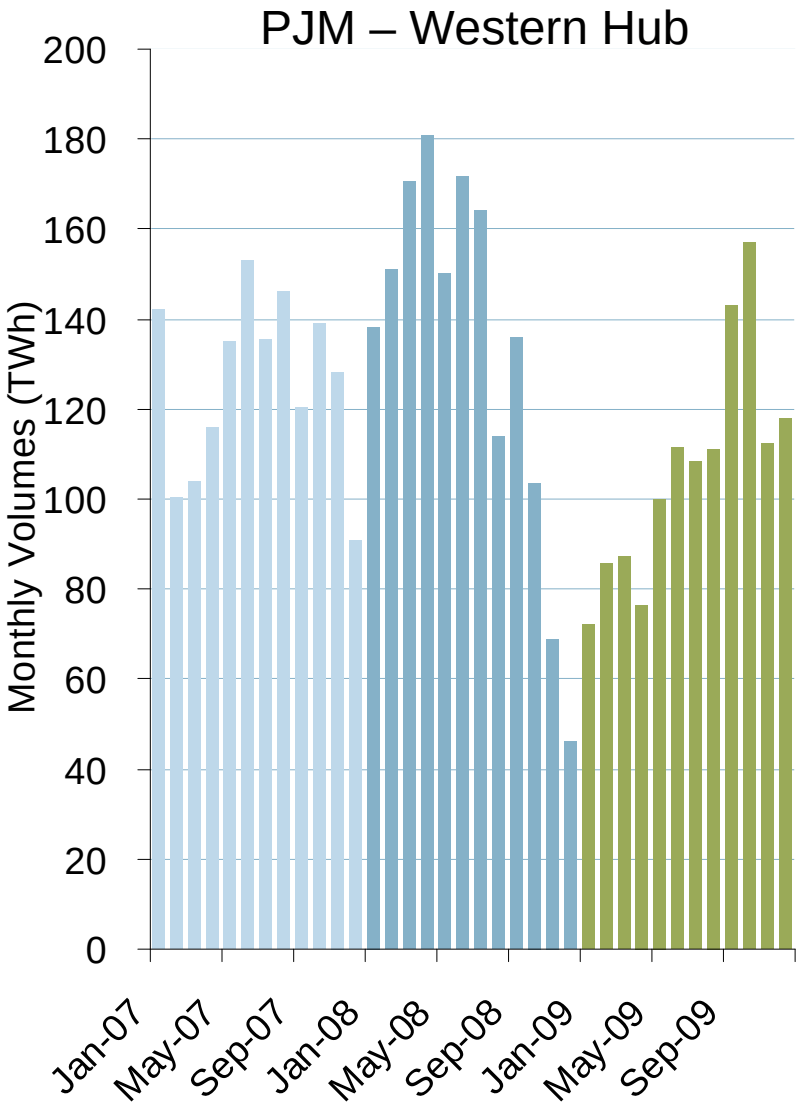
2009 Financial Power Volumes on ICE

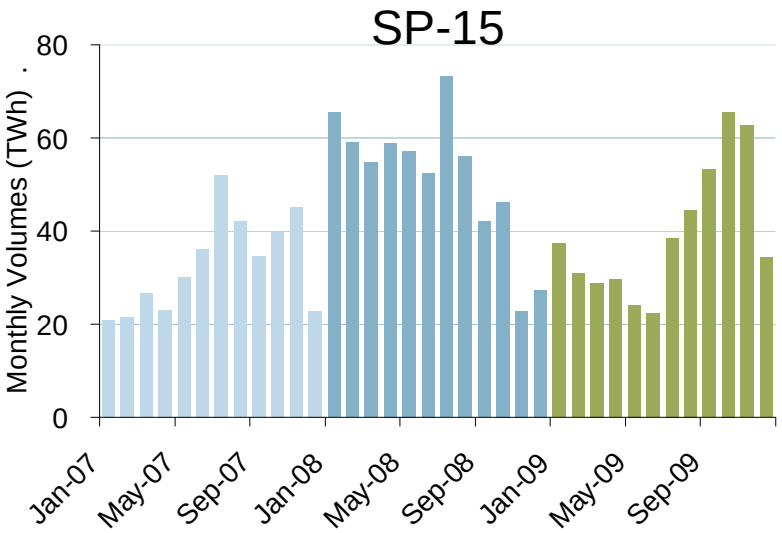


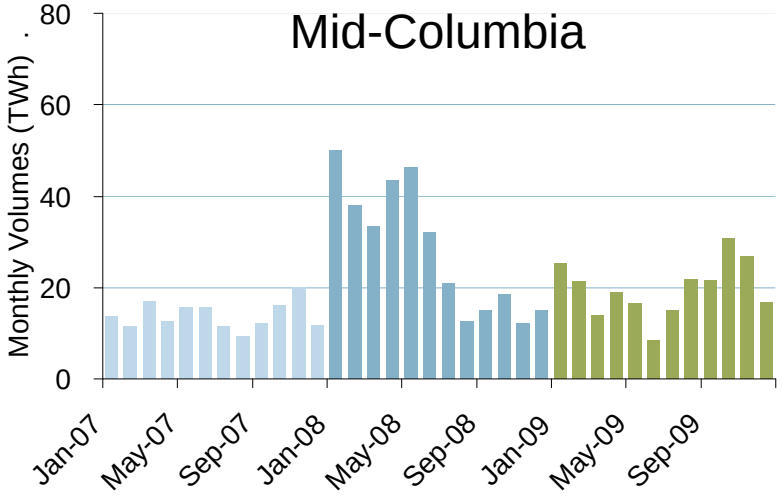
Notes: Derived from IntercontinentalExchange (ICE) data. Financial-Swap volumes aggregated by trade date.

Updated February 3, 2010

Financial Volumes on ICE at Major Hubs



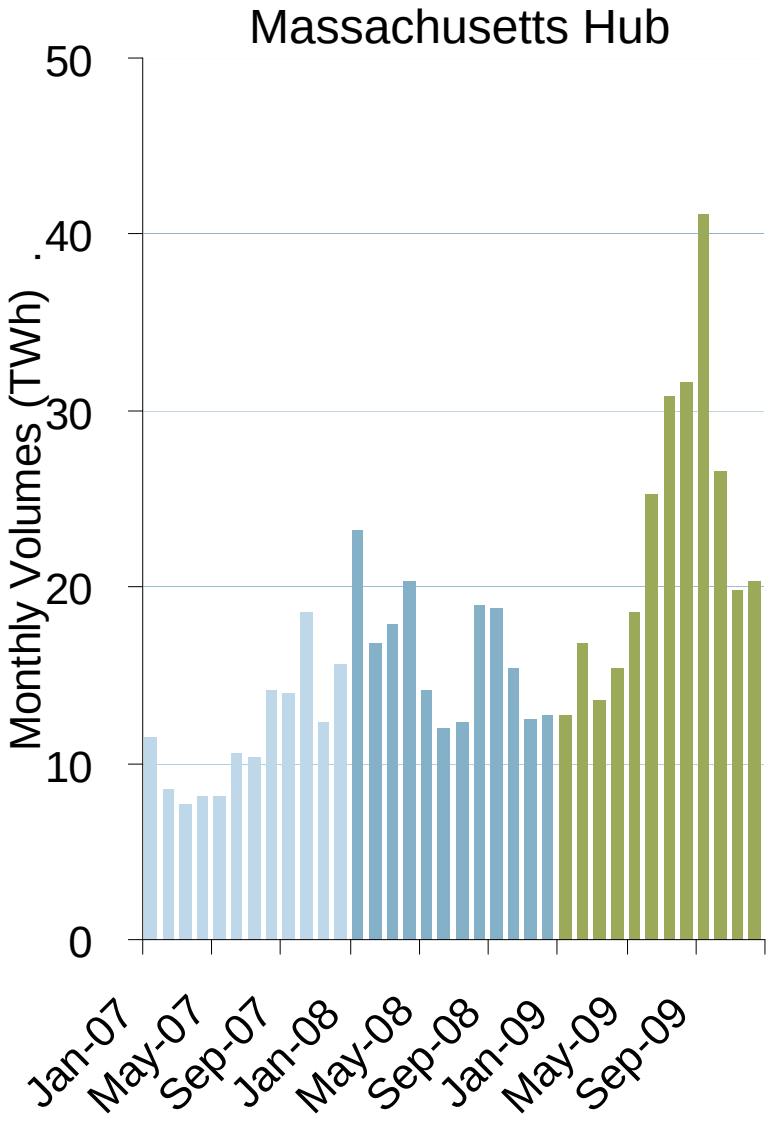


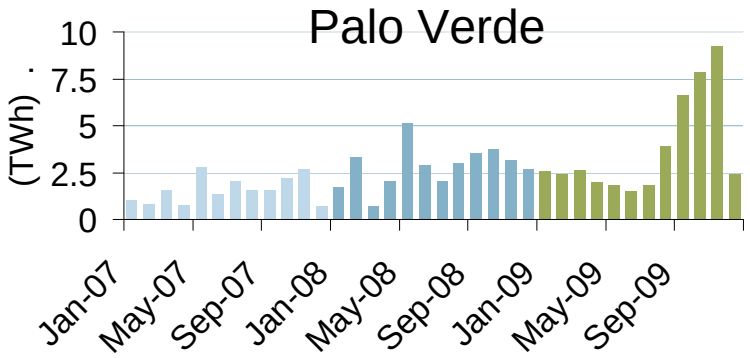


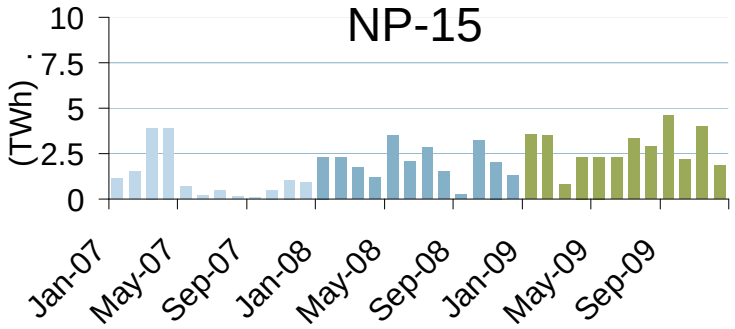
Notes: Derived from IntercontinentalExchange (ICE) data. Financial-Swap volumes aggregated by trade date.

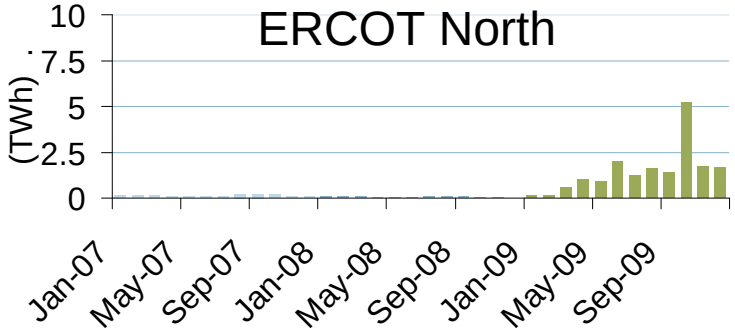
Updated February 3, 2010

Financial Volumes on ICE at Other Select Hubs









Notes: Derived from IntercontinentalExchange (ICE) data. Financial-Swap volumes aggregated by trade date.

Updated February 3, 2010