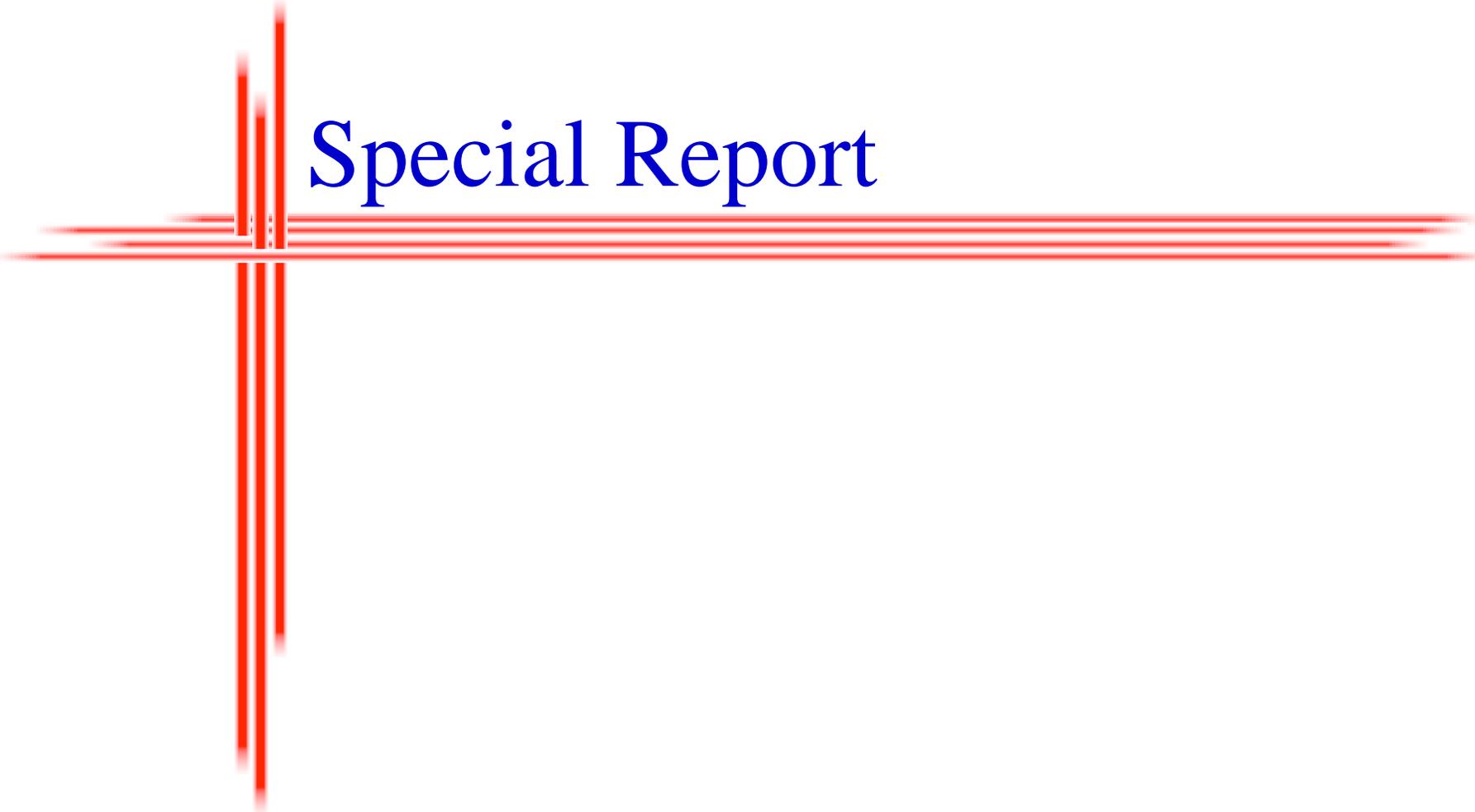


OE ENERGY MARKET SNAPSHOT

Southeast States Version – October 2011 Data

Office of Enforcement
Federal Energy Regulatory Commission
November 2011



Special Report



FEDERAL ENERGY REGULATORY COMMISSION

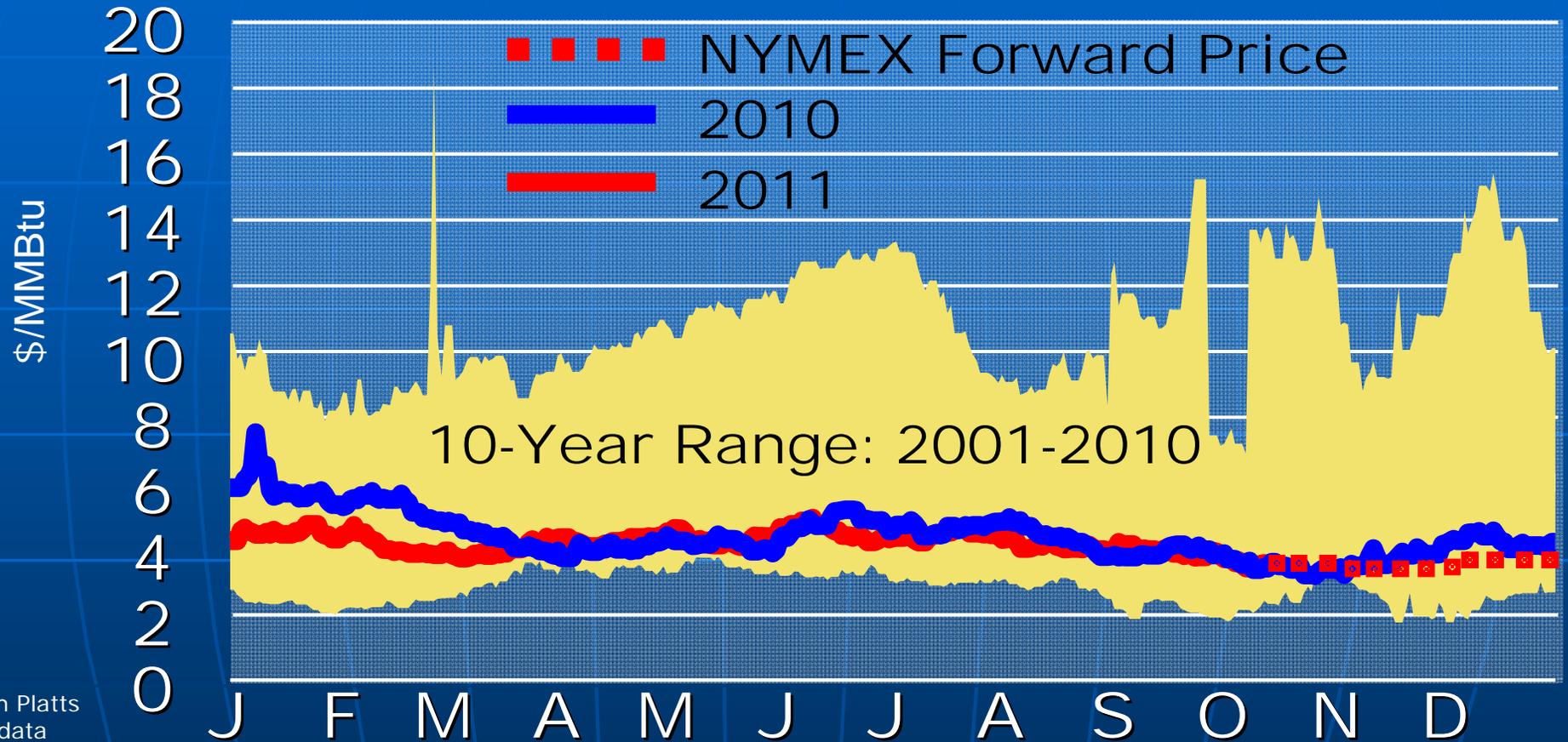
Winter 2011-12 Energy Market Assessment

Item No: A-3

October 20, 2011

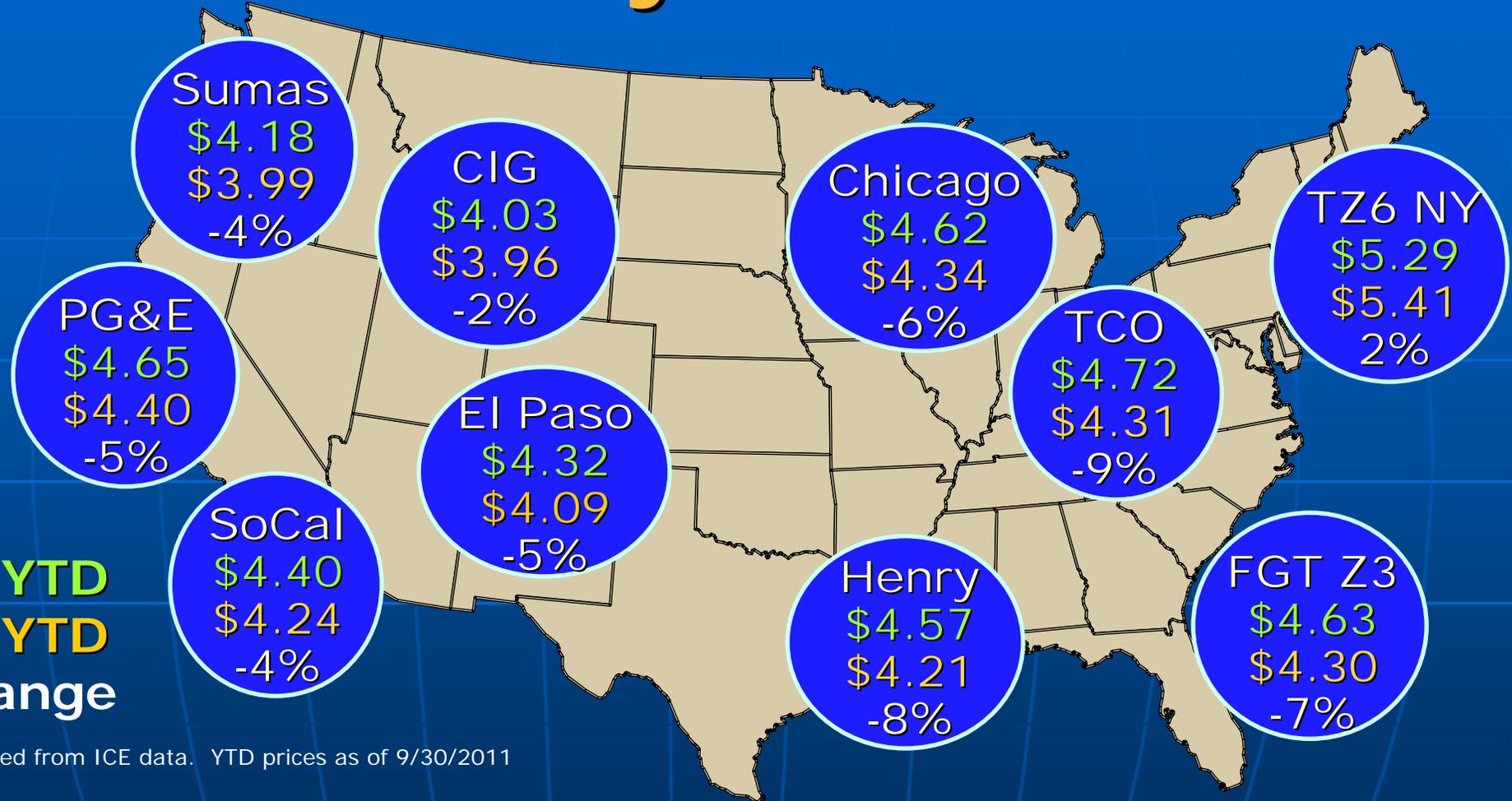
The Winter Assessment provides forward prices for both electric and natural gas markets. These forward prices are not projections of what winter prices may be. No such analysis has been conducted by staff.

2011 Henry Hub Spot Prices Near a 10-Year Low



Source:
Derived from Platts
and NYMEX data

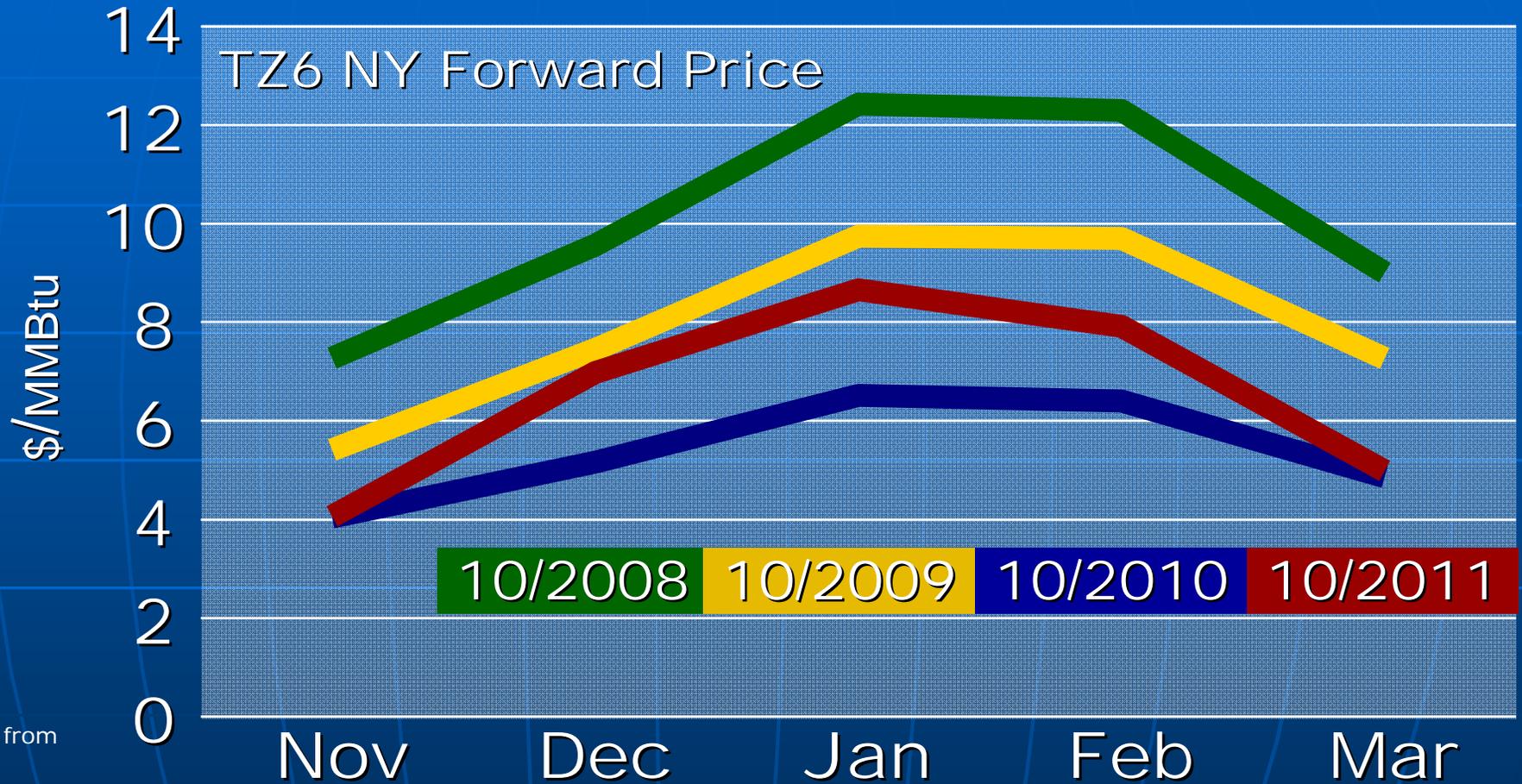
Regional Spot NG Prices Generally Lower in 2011



2010 YTD
2011 YTD
% change

Source: Derived from ICE data. YTD prices as of 9/30/2011

Northeast Forward NG Prices Higher Than 2010



Source: Derived from Bloomberg data

Electric Wholesale On-Peak Forward Winter Prices

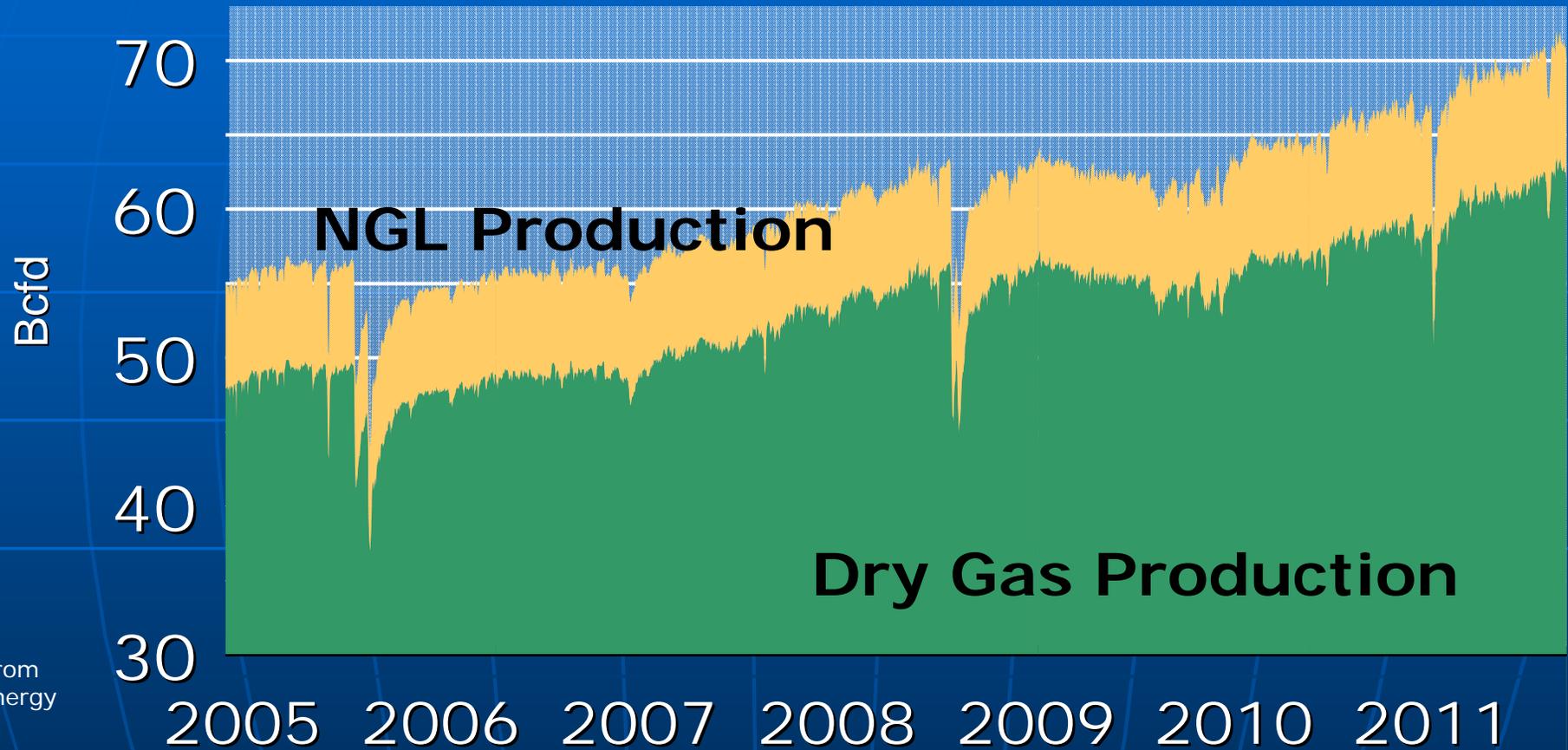
(\$Mwh) FOR JANUARY AND FEBRUARY

Location	2011	2012	% Change
New York City	\$65.75	\$85.13	29%
Massachusetts Hub	\$56.02	\$73.25	31%
PJM Western Hub	\$47.71	\$55.25	16%
Midwest ISO (Cinergy) *	\$36.93	\$43.25	17%
Northwest (Mid C)	\$37.02	\$33.10	-11%
Southern California (SP-15)	\$38.41	\$37.65	-2%
Henry Hub (Gas) \$/MMBtu	\$4.31	\$4.18	-3%

Source: Derived from ICE data as of 09/30/11 for 2012 contracts and as of 09/30/10 for 2011 contracts.

* The Midwest ISO (Cinergy) Hub will become the MISO Indiana Hub at the start of 2012.

U.S. Dry NG Production Continues to Grow



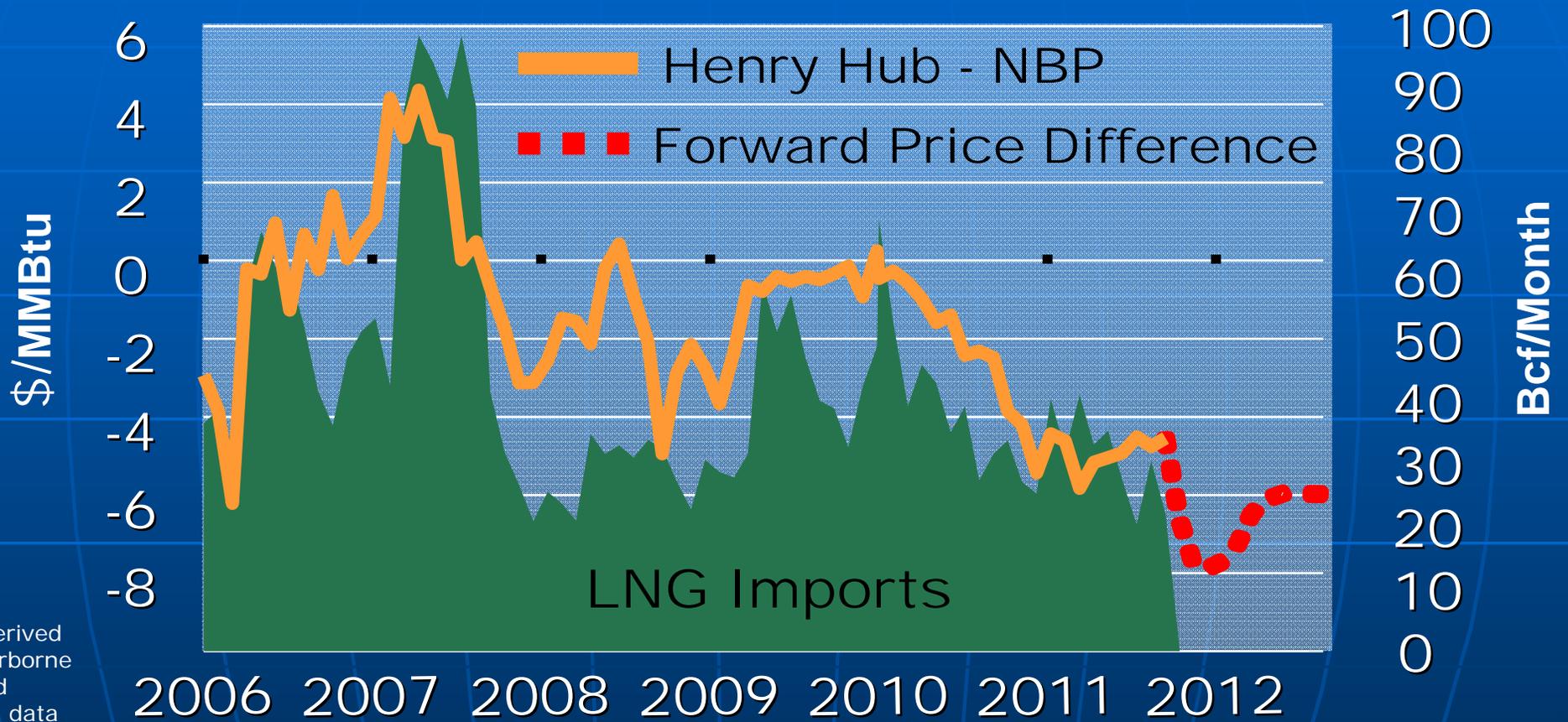
Source:
Derived from
Bentek Energy
data

New Infrastructure for Rising Marcellus Production

Company/Project Name	Capacity (Mmcfd)	Projected In-service Date
1 Central NY Oil & Gas Mark I Project	550	Summer 2012
2 Dominion Appalachian Gateway	484	Fall 2012
3 Tennessee 300 Line Expansion	350	Fall 2011
4 Empire Tioga Line Extension	350	Fall 2011
5 National Fuels Gas Northern Access	320	Fall 2012
6 Equitrans Sunrise Project	314	Summer 2012

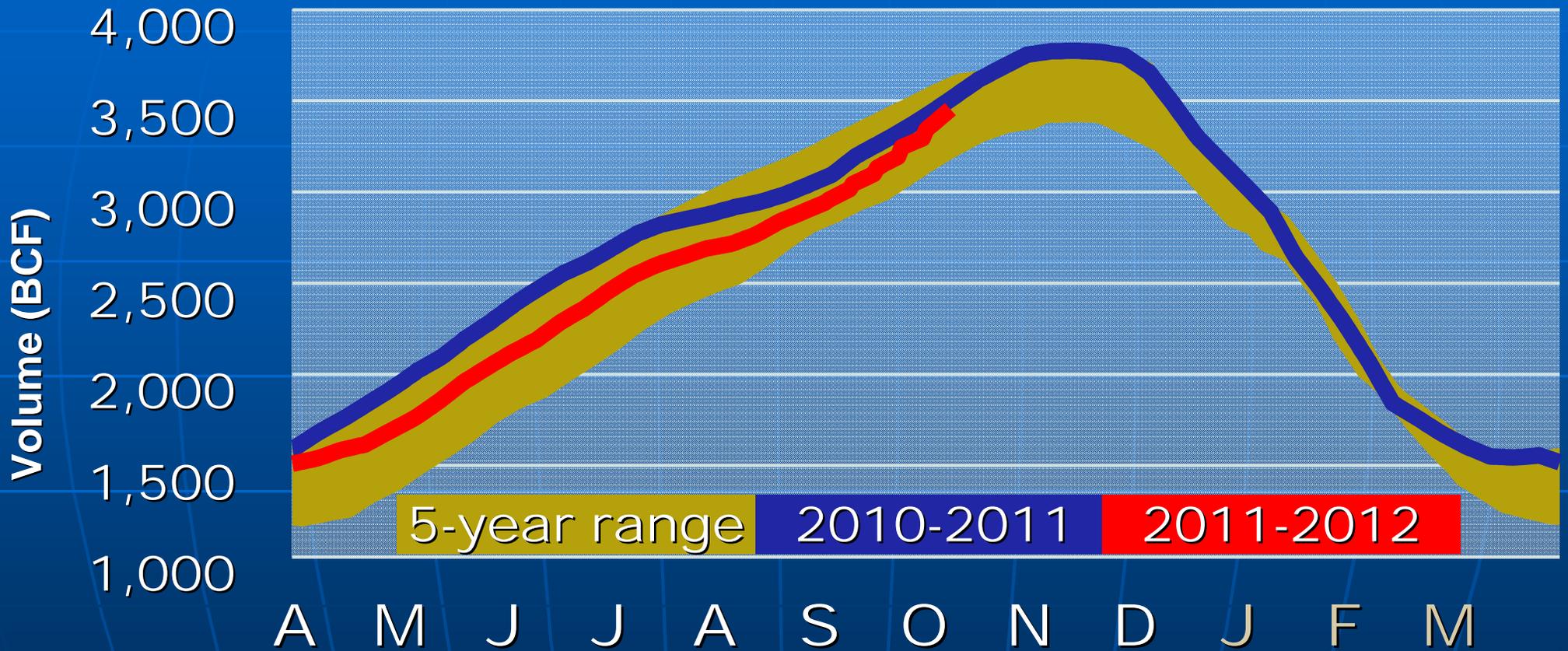
Source: Derived from FERC & industry sources. Note: FERC-Approved or Pending Projects Over 300 MMcf/d Going In-service in the Next Year

LNG Imports Decline As U.S. Prices Drop



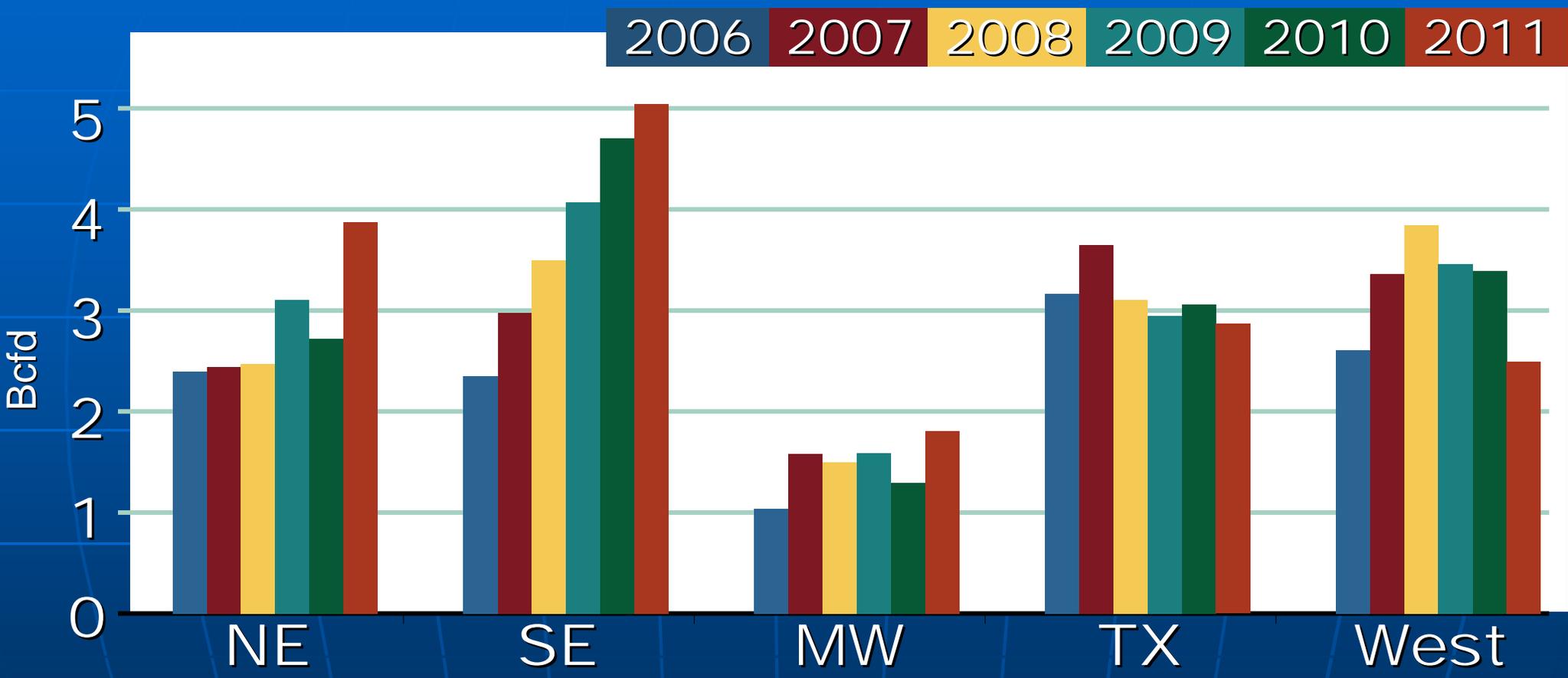
Source: Derived from Waterborne Energy and Bloomberg data

NG in Storage Nears Last Year's Record Level



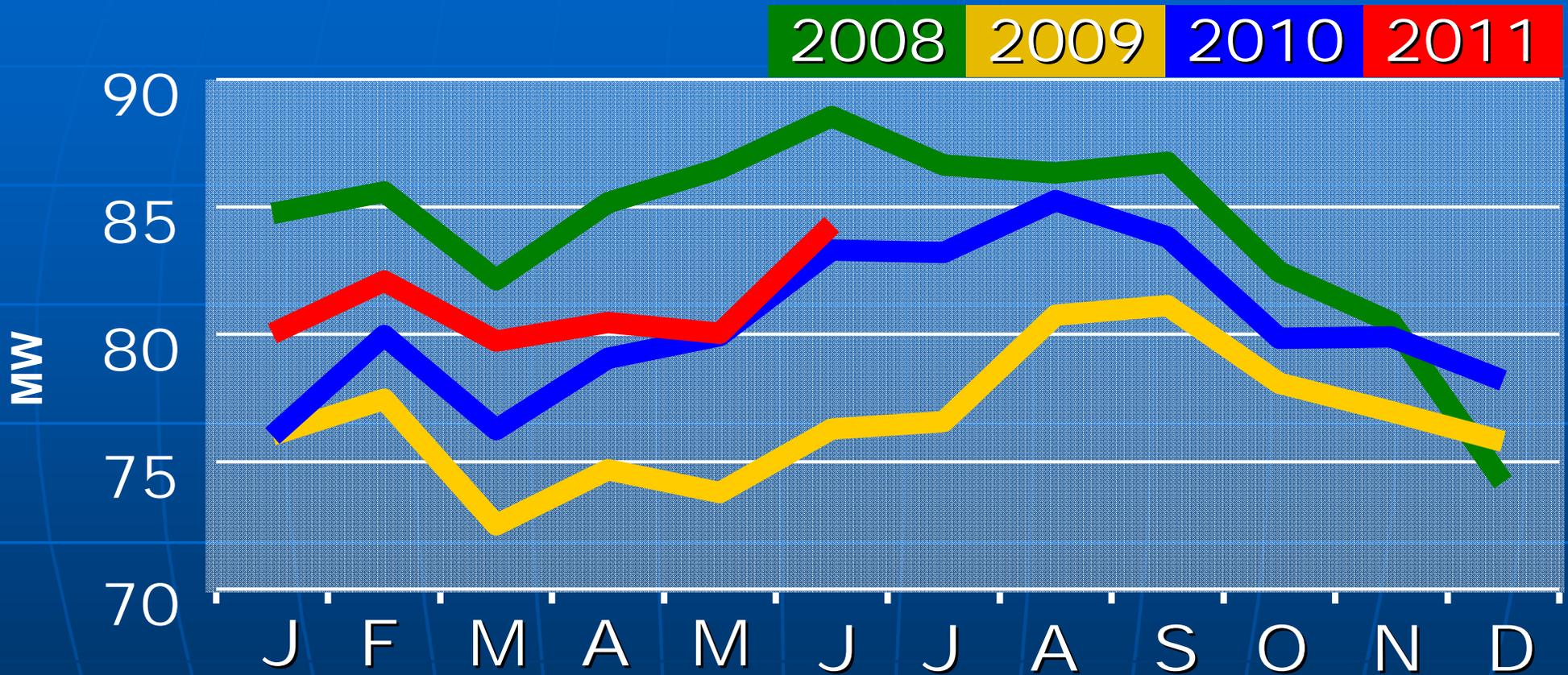
Source: Derived from EIA data as of October 7, 2011

Power Generation Drives NG Demand Higher



Source: Derived from Bentek Energy data Peak season defined as January-March

Electric Industrial Demand Higher than 2010



Source: Derived from EIA Monthly Electric Sales data. Monthly figures adjusted for number of days in the month

Southwest Outage and Curtailments Follow-up

- February 2011, the Southwest region experienced 5–days of unusually cold weather
- 3.7 million electric customers affected
- Natural gas service to over 50,000 customers in New Mexico, Texas and Arizona interrupted
- FERC and NERC initiated an inquiry, and issued recommendations in August
- State led initiatives are already underway to address the problems encountered



FEDERAL ENERGY REGULATORY COMMISSION

Winter 2011-12 Energy Market Assessment

**Item No: A-3
October 20, 2011**

Infrastructure Report

For the September Report, click

<http://www.ferc.gov/legal/staff-reports/10-21-11-energy-infrastructure.pdf>

For the October Report, click

<http://www.ferc.gov/legal/staff-reports/11-14-11-energy-infrastructure.pdf>

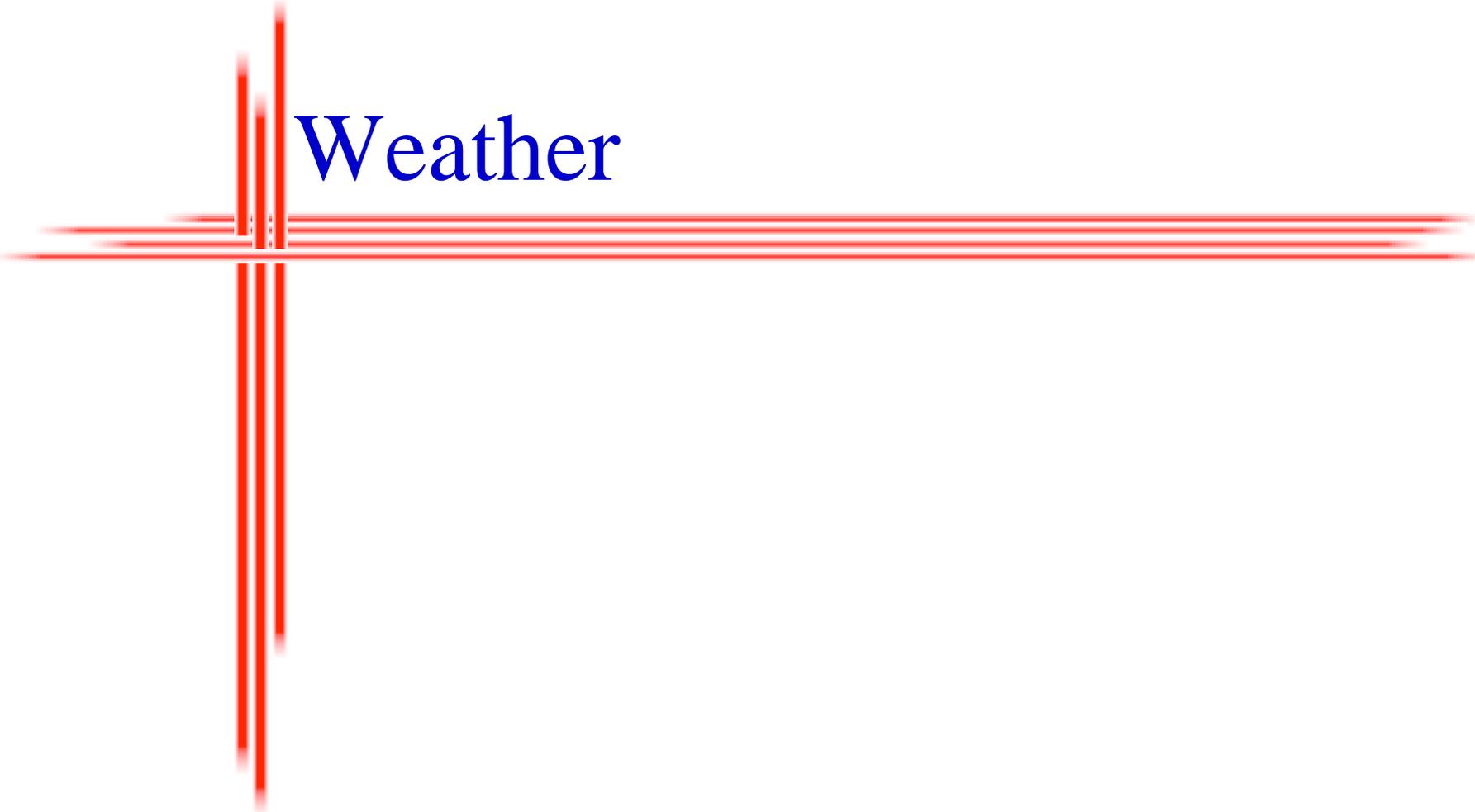
Market Surveillance NOPR

News Release:

<http://www.ferc.gov/media/news-releases/2011/2011-4/10-20-11-E-1.asp> -

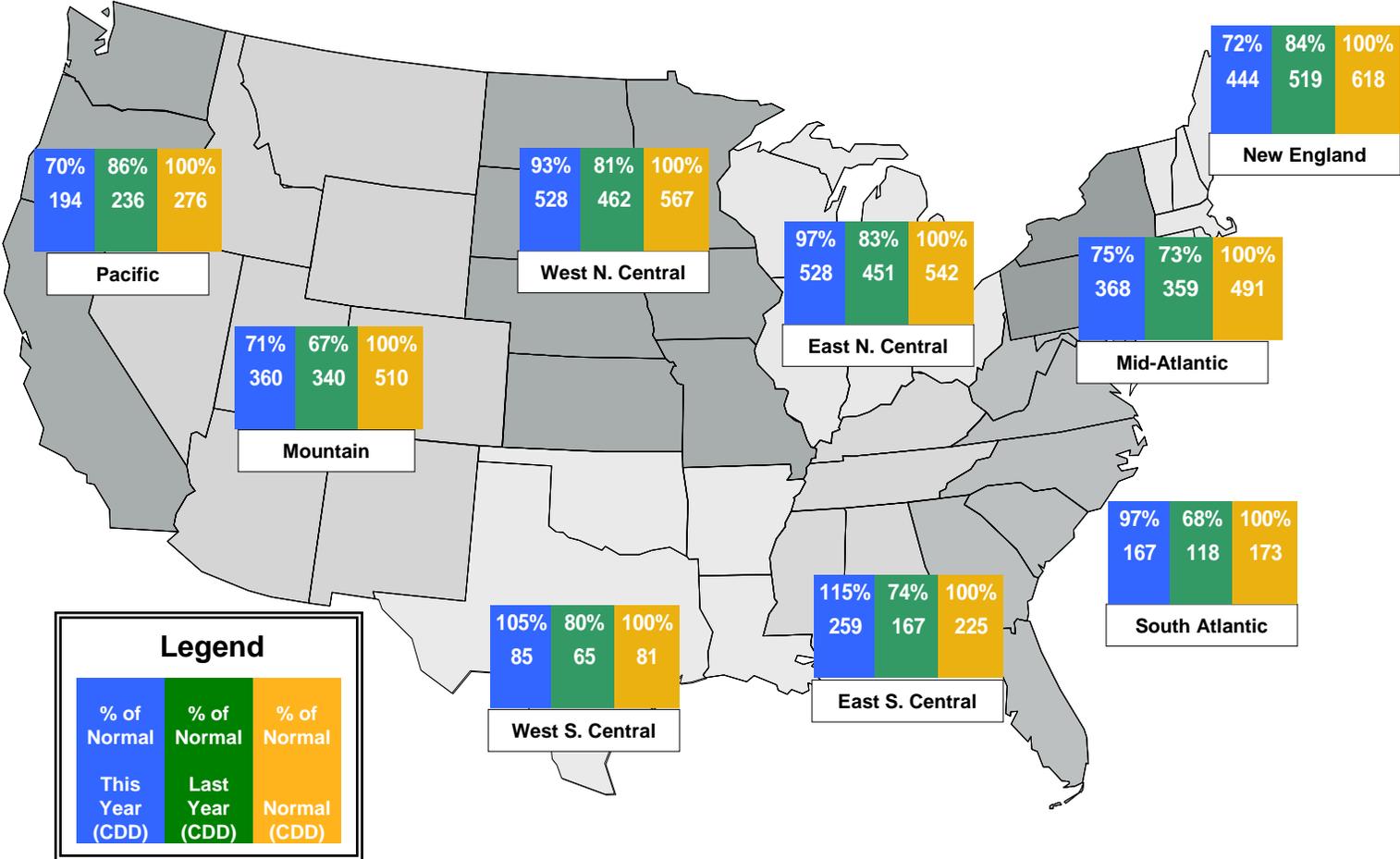
NOPR:

<http://www.ferc.gov/whats-new/comm-meet/2011/102011/E-1.pdf>



Weather

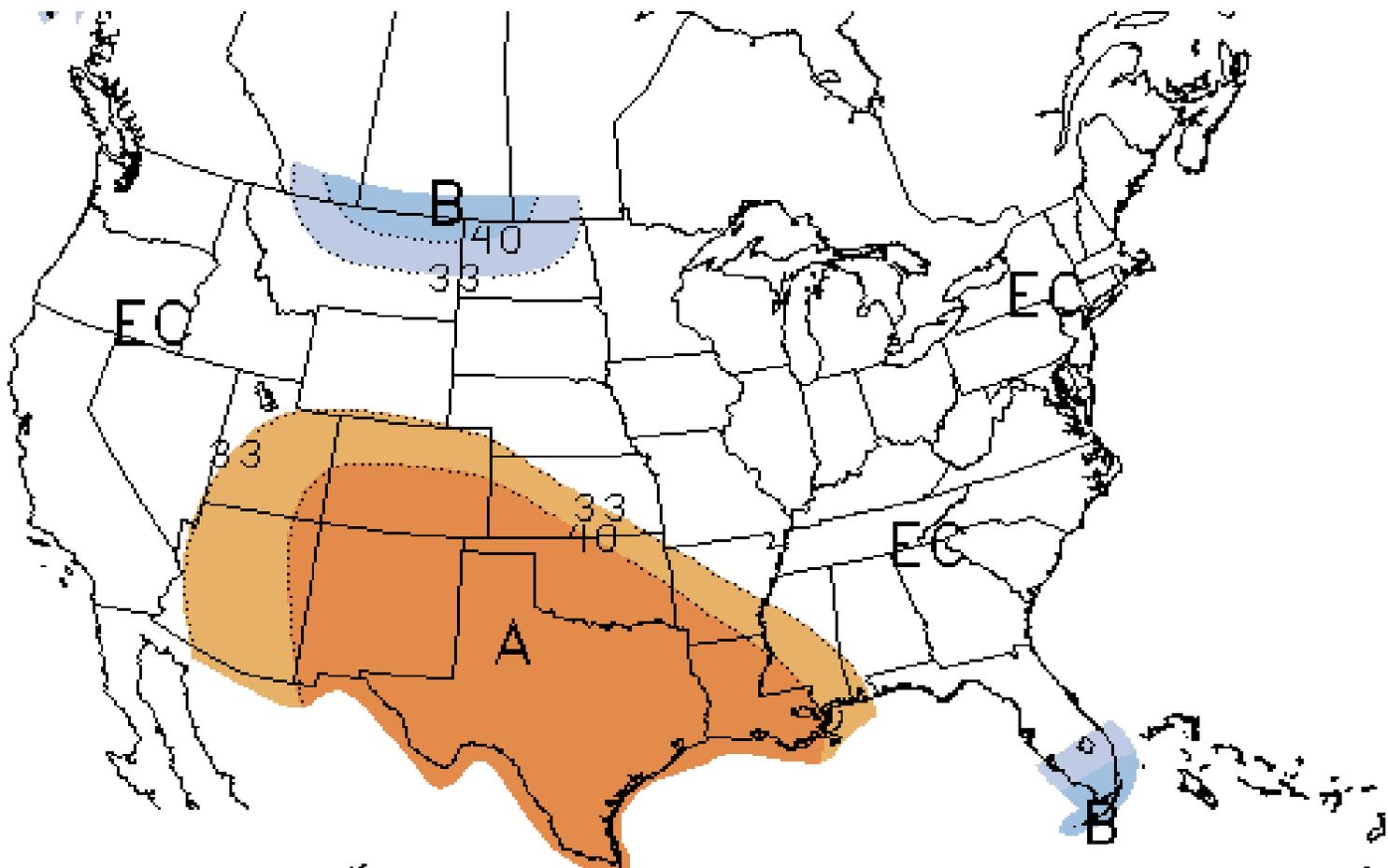
Regional Heating Degree Days – Year to Date October 2011



Source: Derived from NOAA data. Normal is based on a 30-year average of heating degree day data.
November 2011 Southeastern Snapshot

Updated November 4, 2011

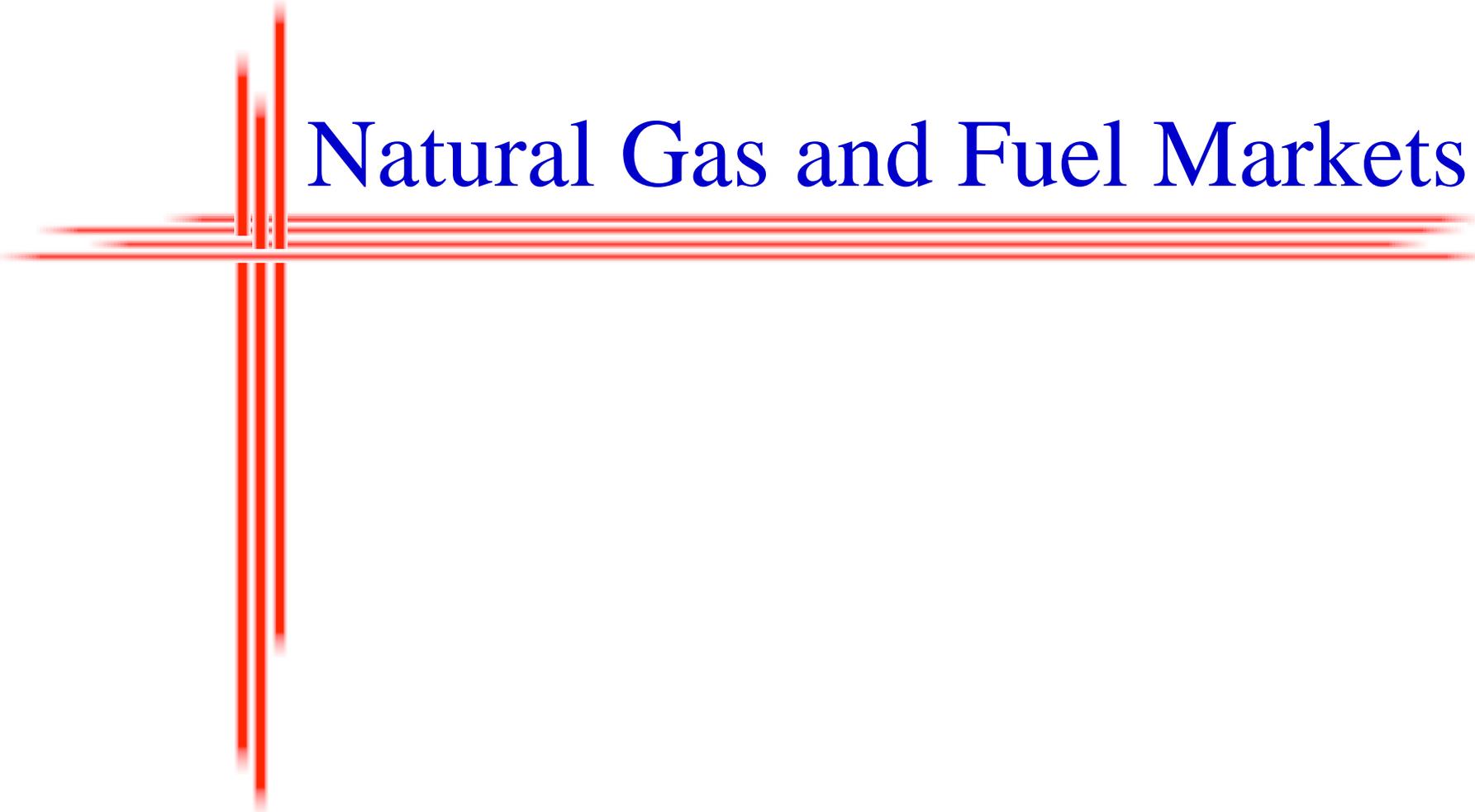
NOAA's 3 Month Temperature Forecast Made October 20, 2011, Valid for Nov 2011 – Jan 2012



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

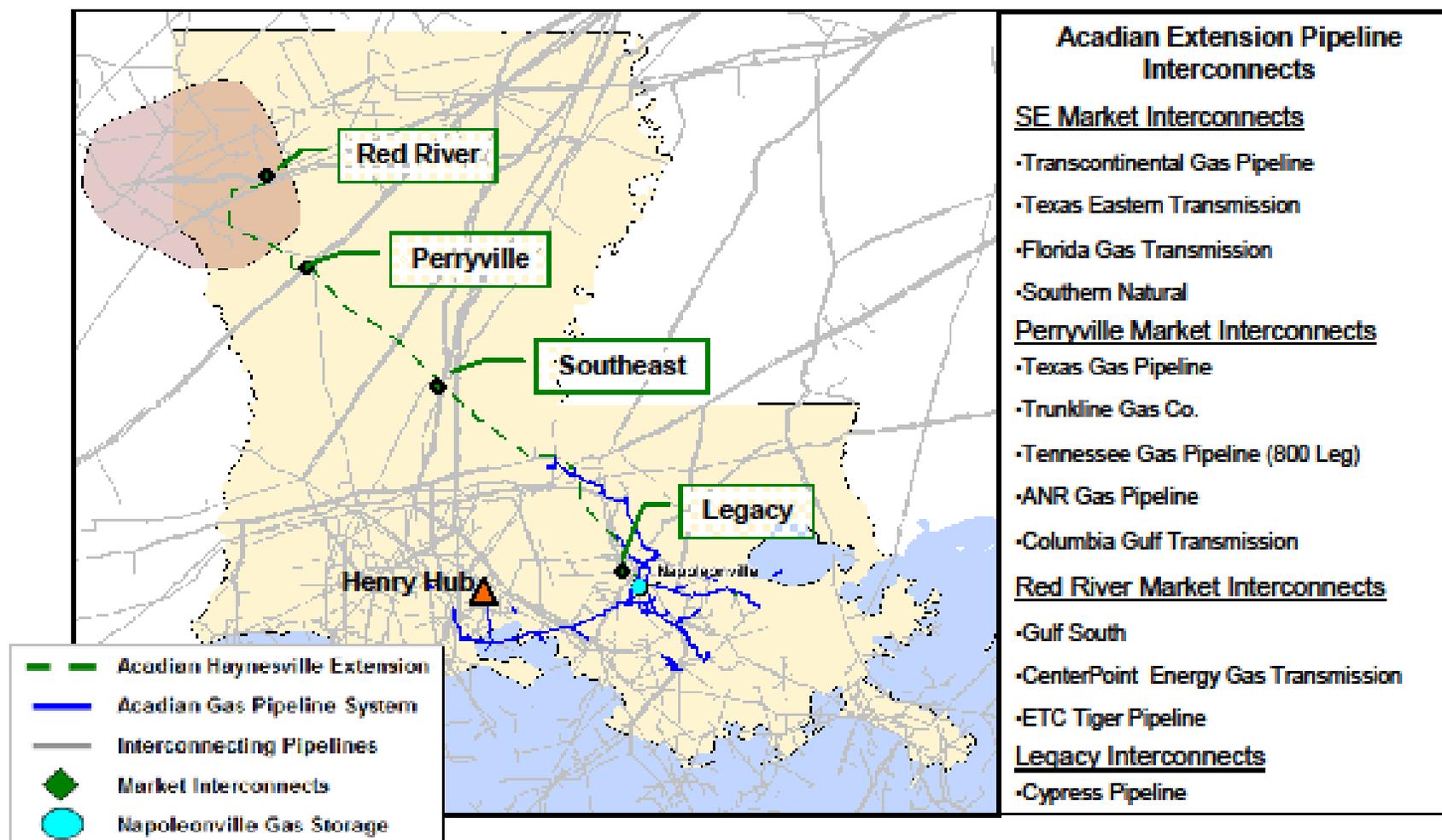
Source: Derived from NOAA data.

Updated: November 02, 2011



Natural Gas and Fuel Markets

Acadian Pipeline Expansion Supplies Haynesville Shale Gas to Major Pipelines and Hubs

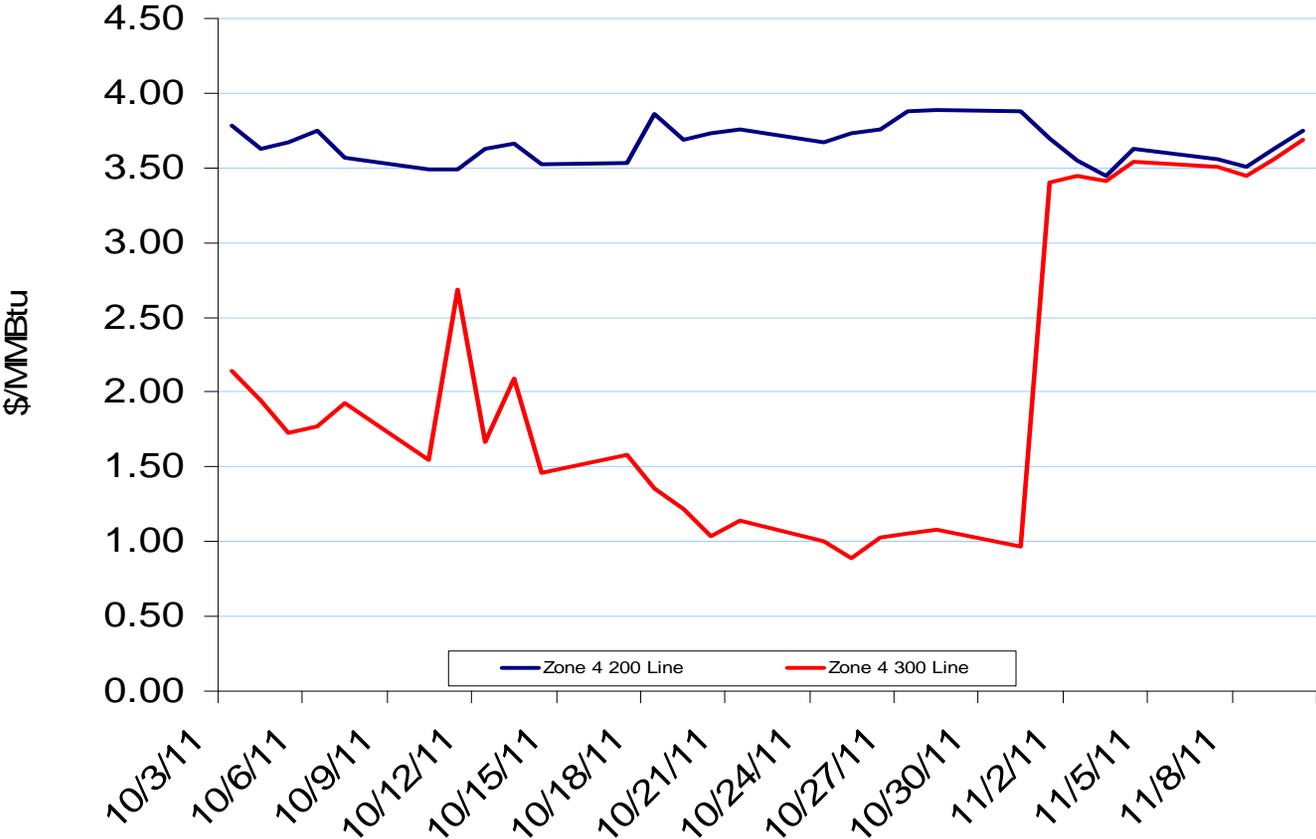


Source: Derived from Velocity Suite data

November 2011 Southeastern Snapshot

Updated November 10, 2011

Tennessee 300 Line Expansion Provides Outlet for Marcellus Gas Production

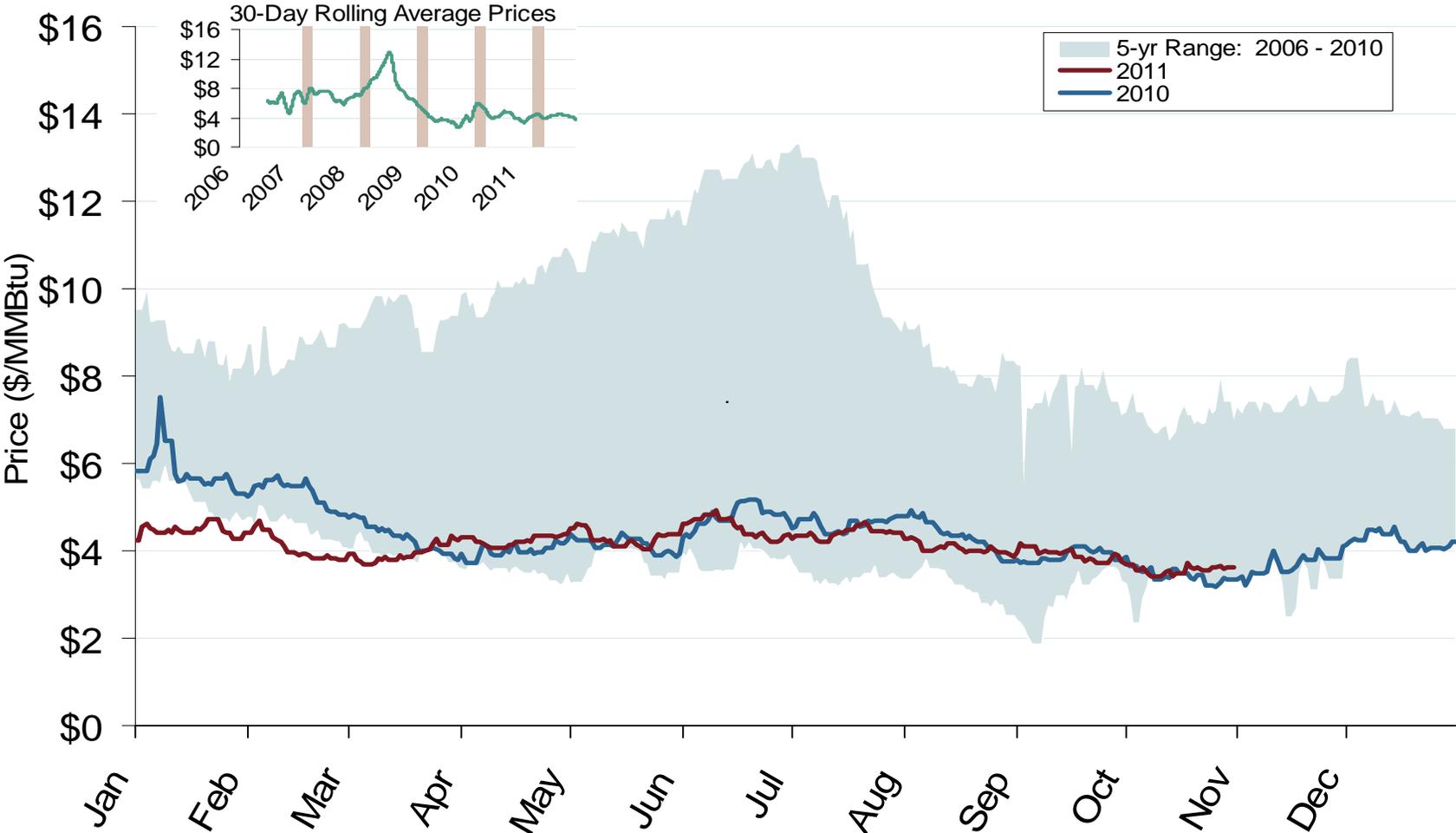


Source: NGI Daily

Natural Gas Market Overview: 5 Year Range of Henry Hub Spot Prices

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

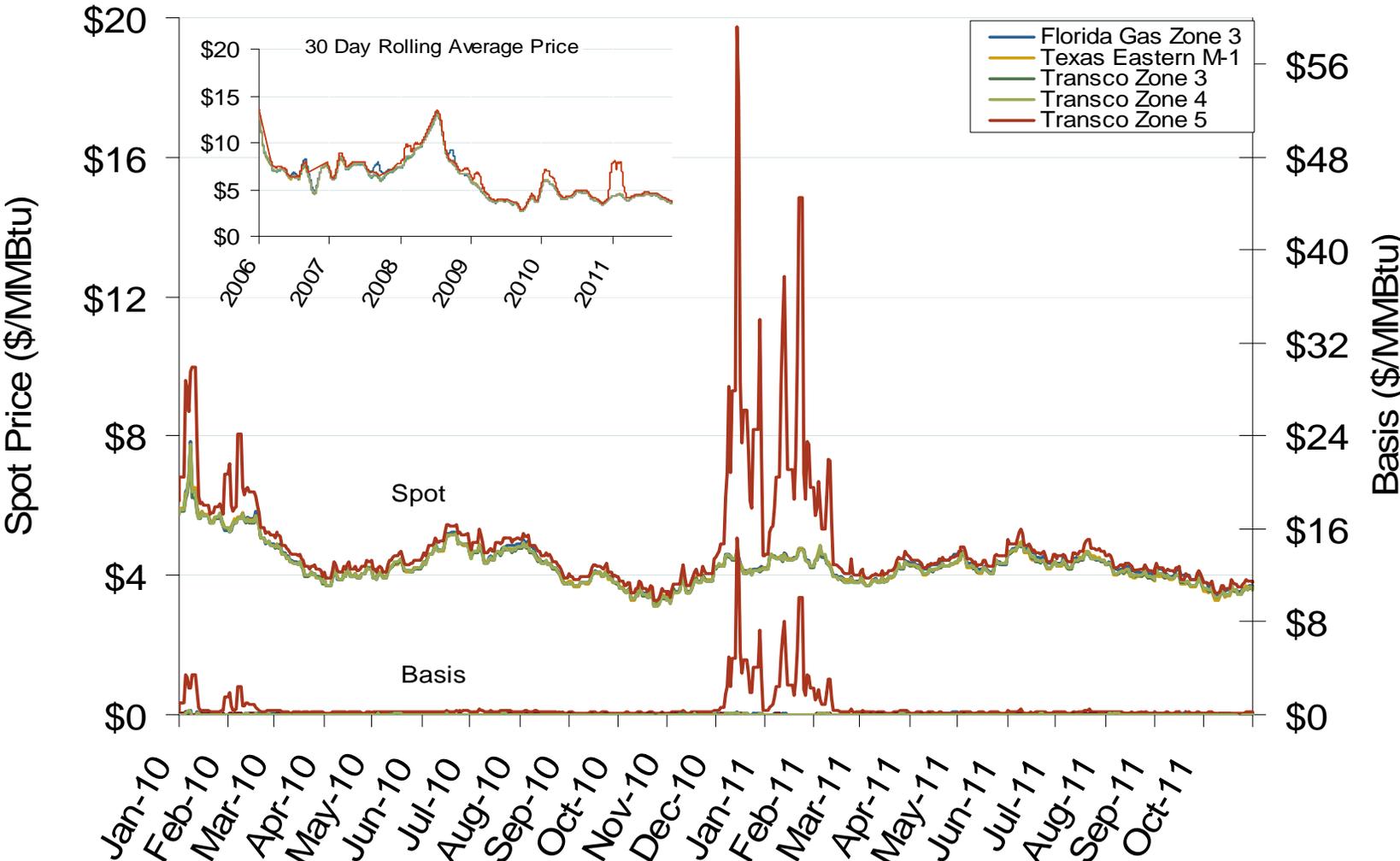
Henry Hub Natural Gas Daily Spot Prices



Source: Derived from *Platts* data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

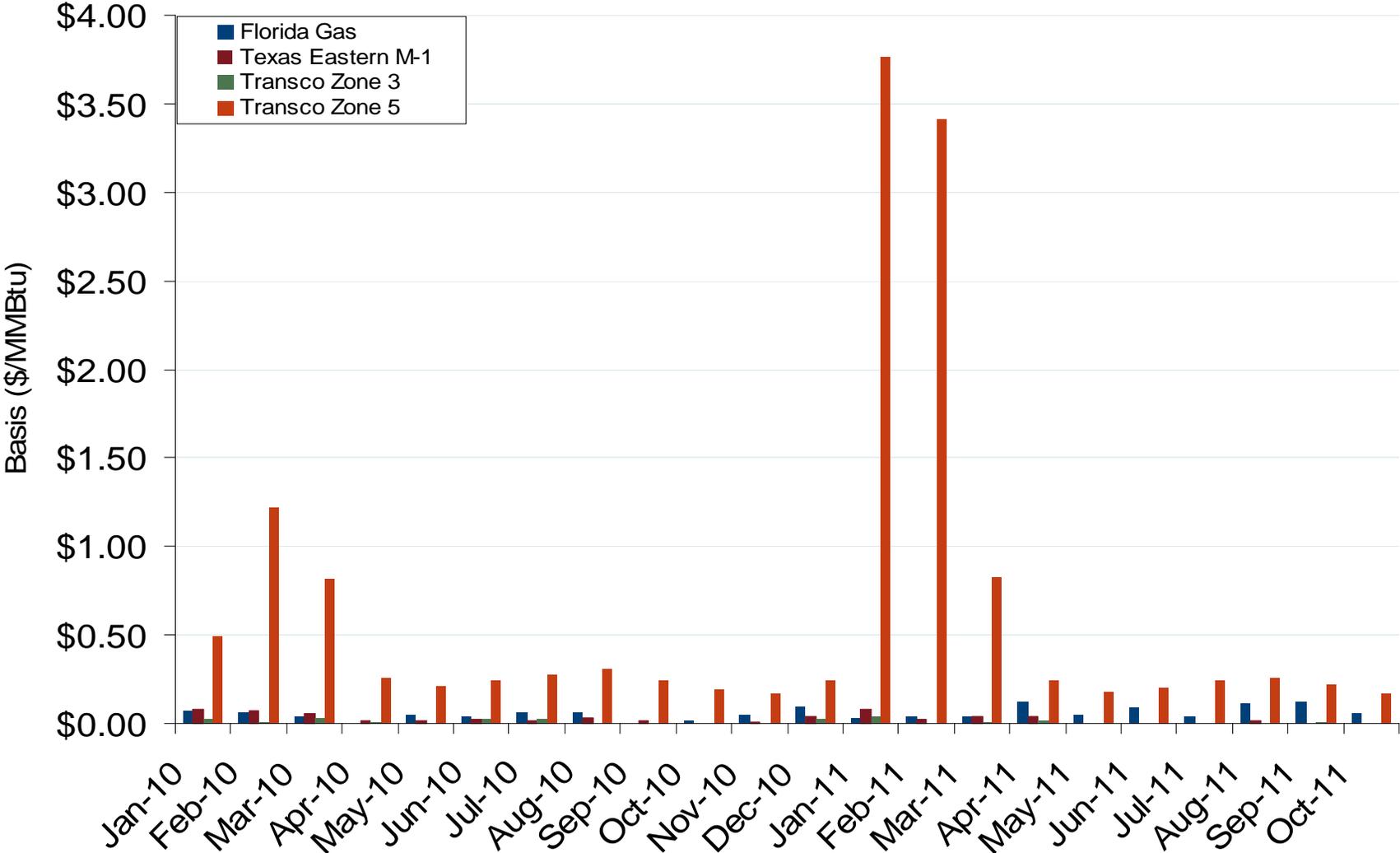
Southeastern Day-Ahead Hub Spot Prices and Basis



Southeast Natural Gas Market: Average Basis to Henry Hub

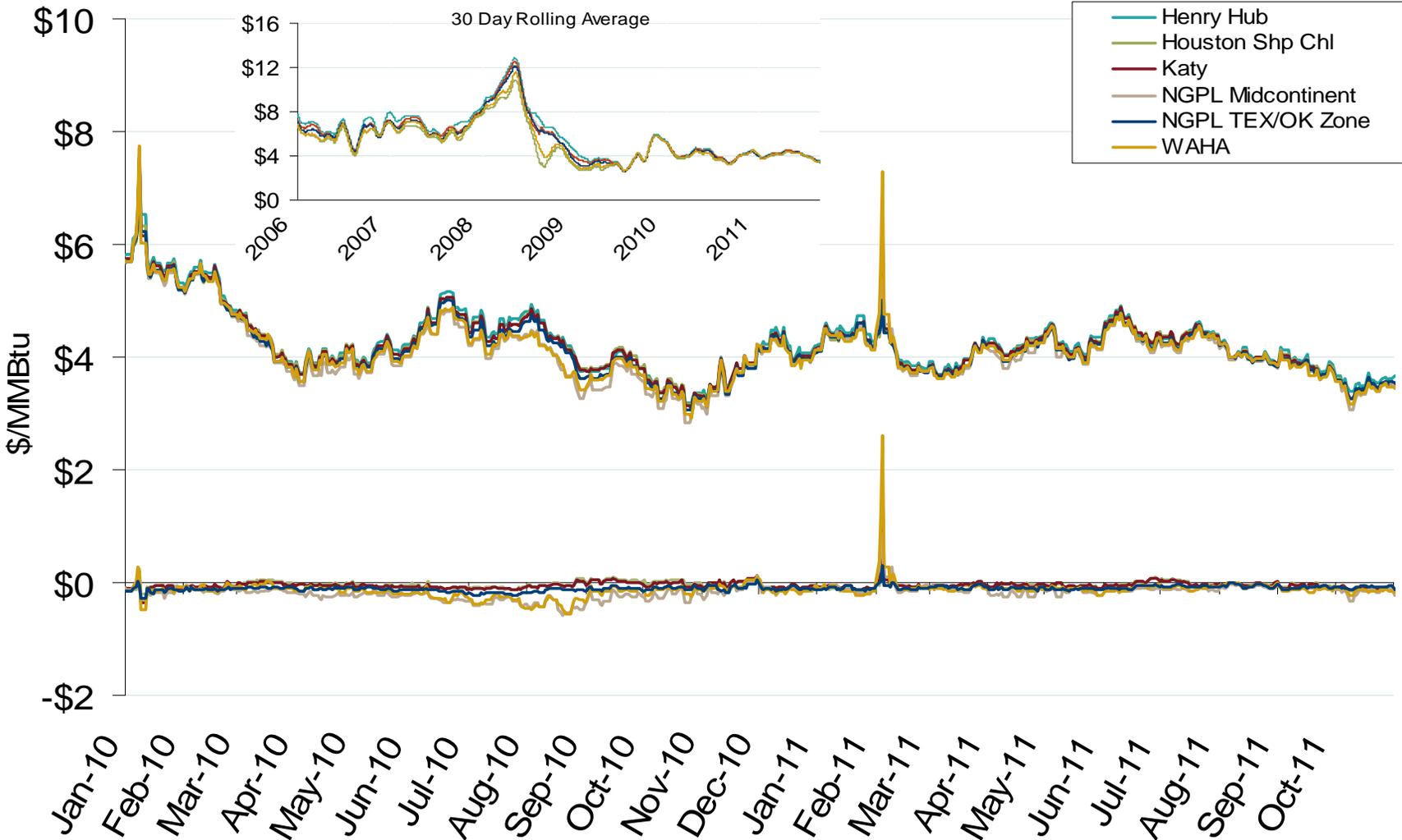
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Southeastern Monthly Average Basis Value to Henry Hub



Source: Derived from *Platts* data
November 2011 Southeastern Snapshot

Gulf Day-Ahead Hub Spot Prices and Basis

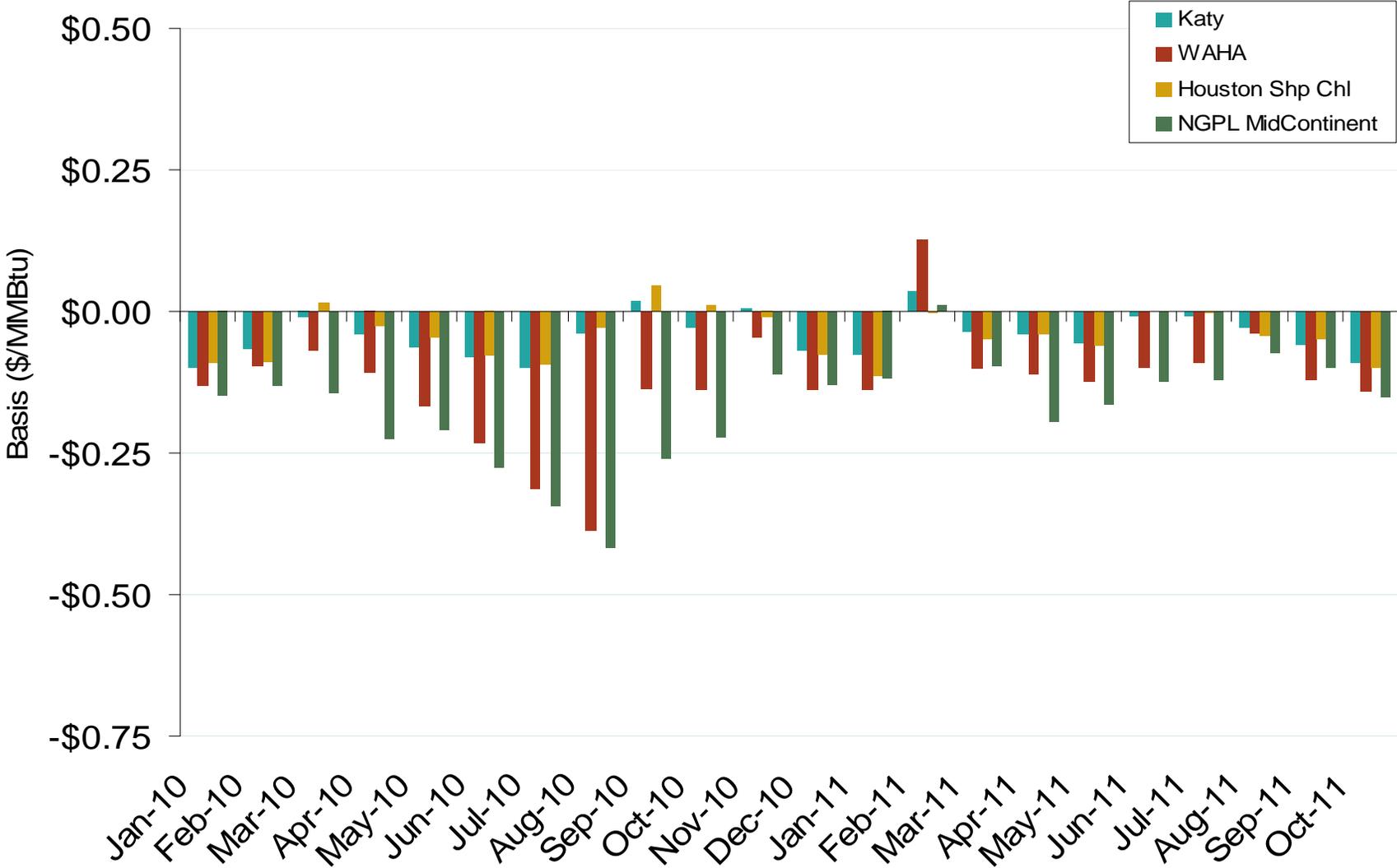


Source: Derived from *Platts* data
November 2011 Southeastern Snapshot

Gulf Natural Gas Market: Average Basis to Henry Hub

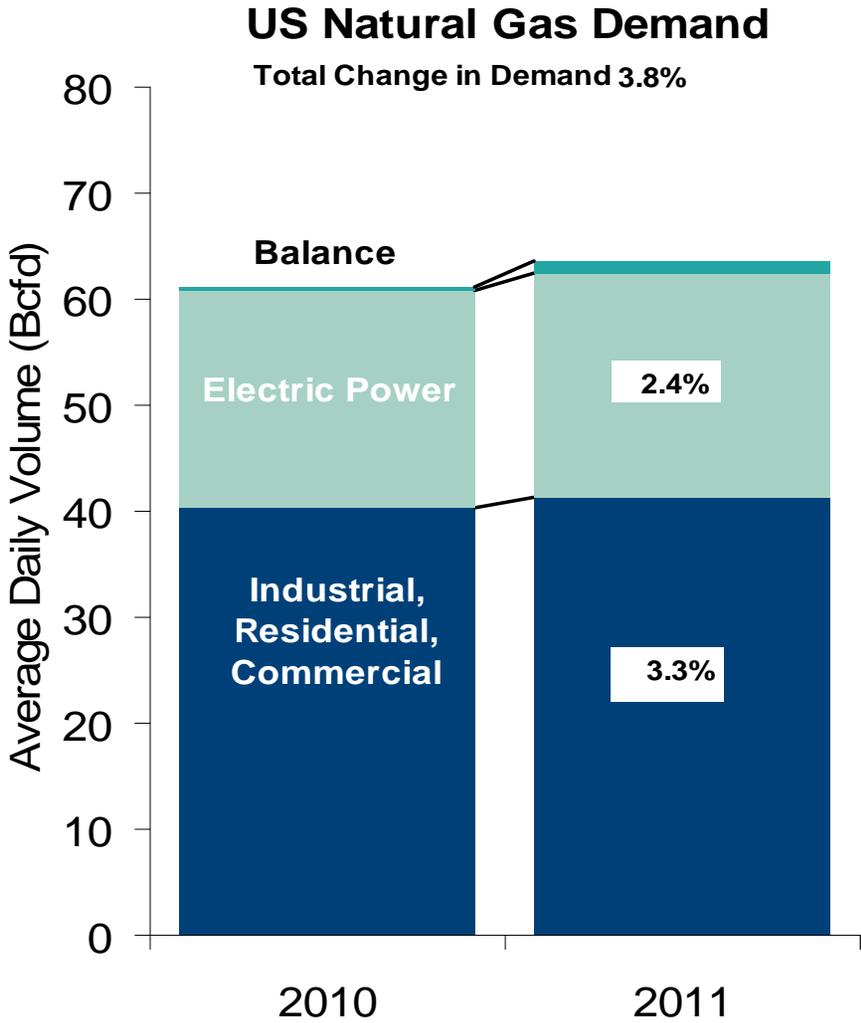
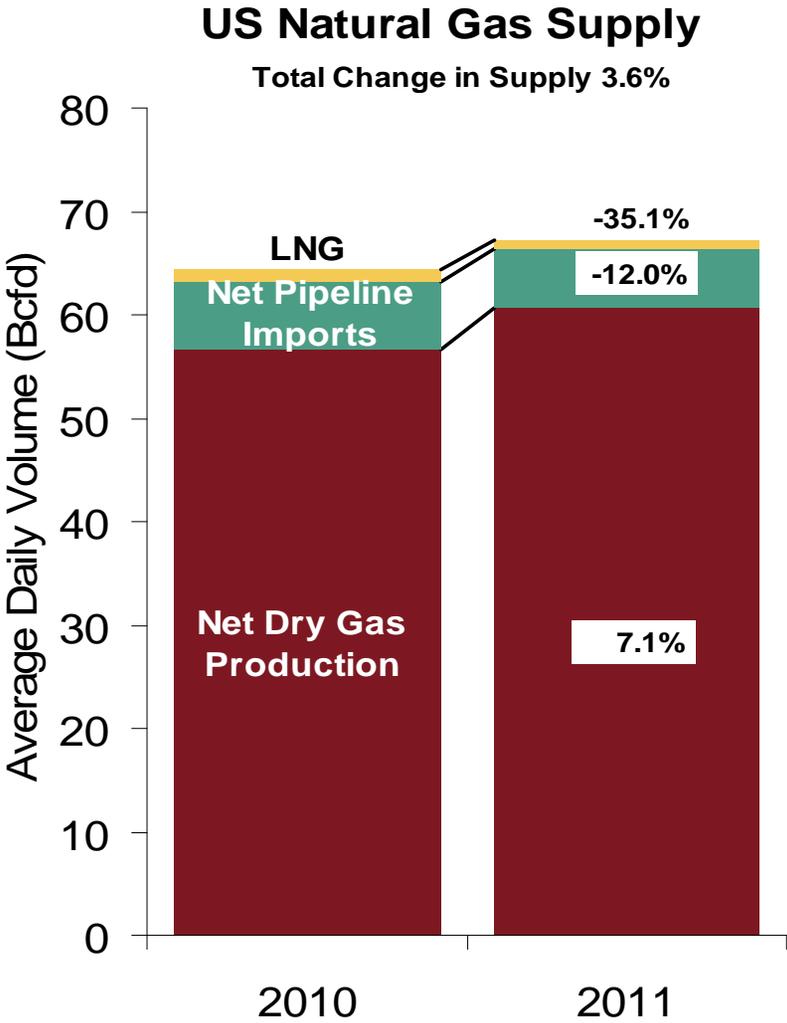
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Gulf Monthly Average Basis Value to Henry Hub



Source: Derived from Platts data
November 2011 Southeastern Snapshot

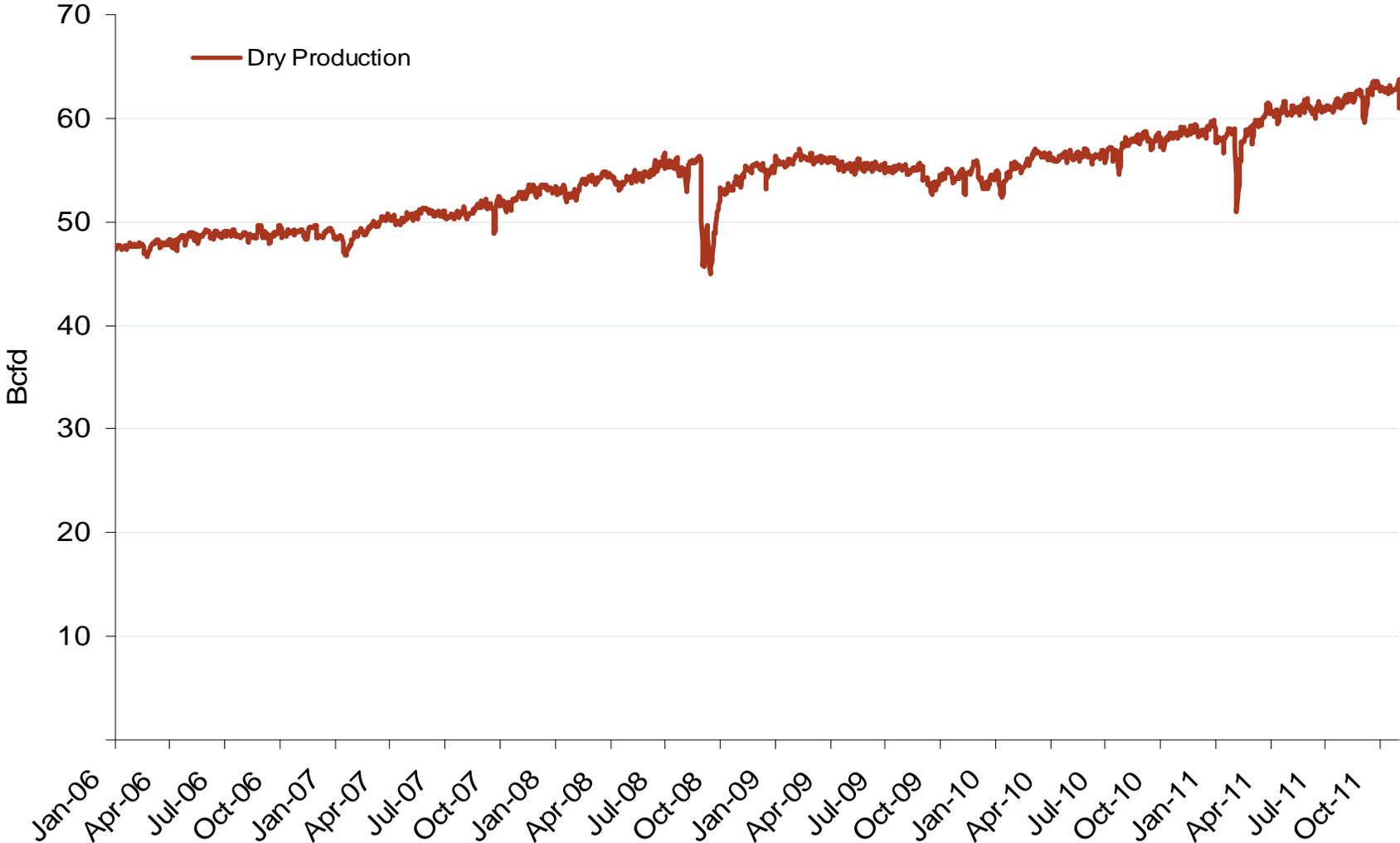
U.S. NG Supply and Demand 2010 vs. 2011: January - October



Note: Balance includes all amounts not attributable to other categories.

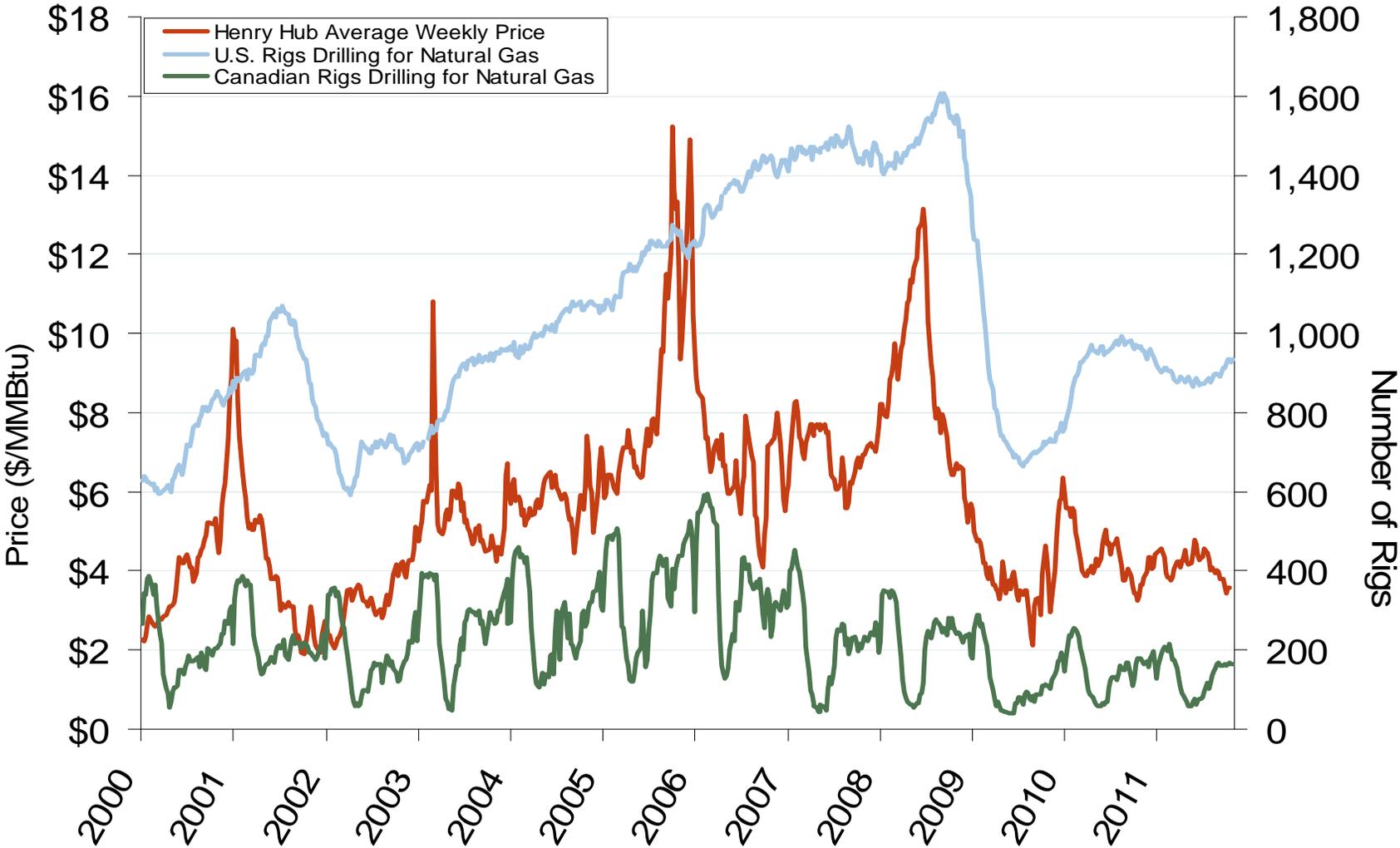
Source: Derived from *Bentek Energy* data
November 2011 Southeastern Snapshot

Monthly U.S. Dry Gas Production – Lower 48 States



Note: Prior to July 2010, chart was derived from a combination of *EIA* and *Bentek Energy* data
Source: Derived from *Bentek Energy* data
November 2011 Southeastern Snapshot

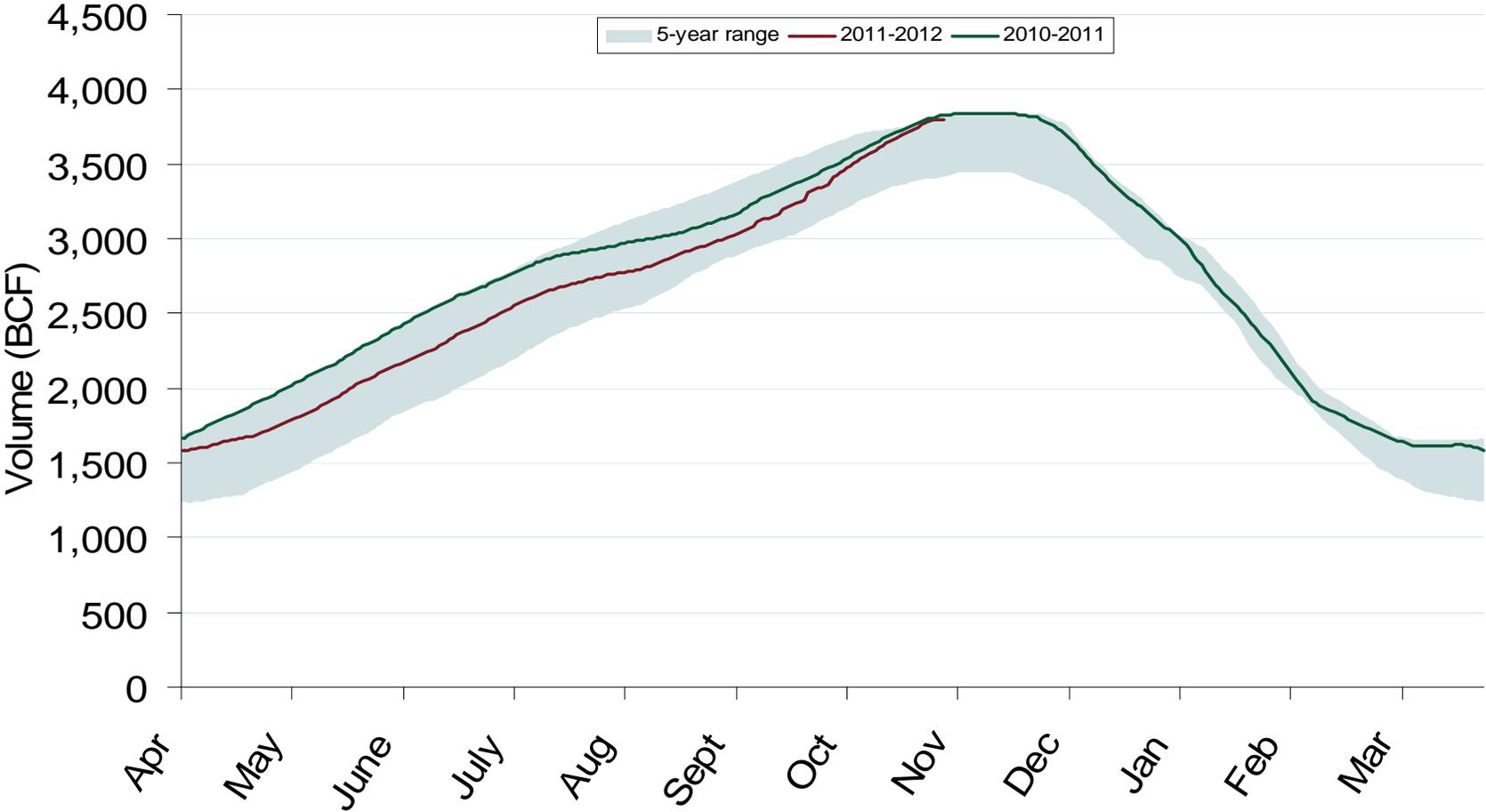
U.S. and Canadian NG Drilling Rig Count and Daily Spot Prices



Source: Derived from *Platts* and *Baker Hughes* data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

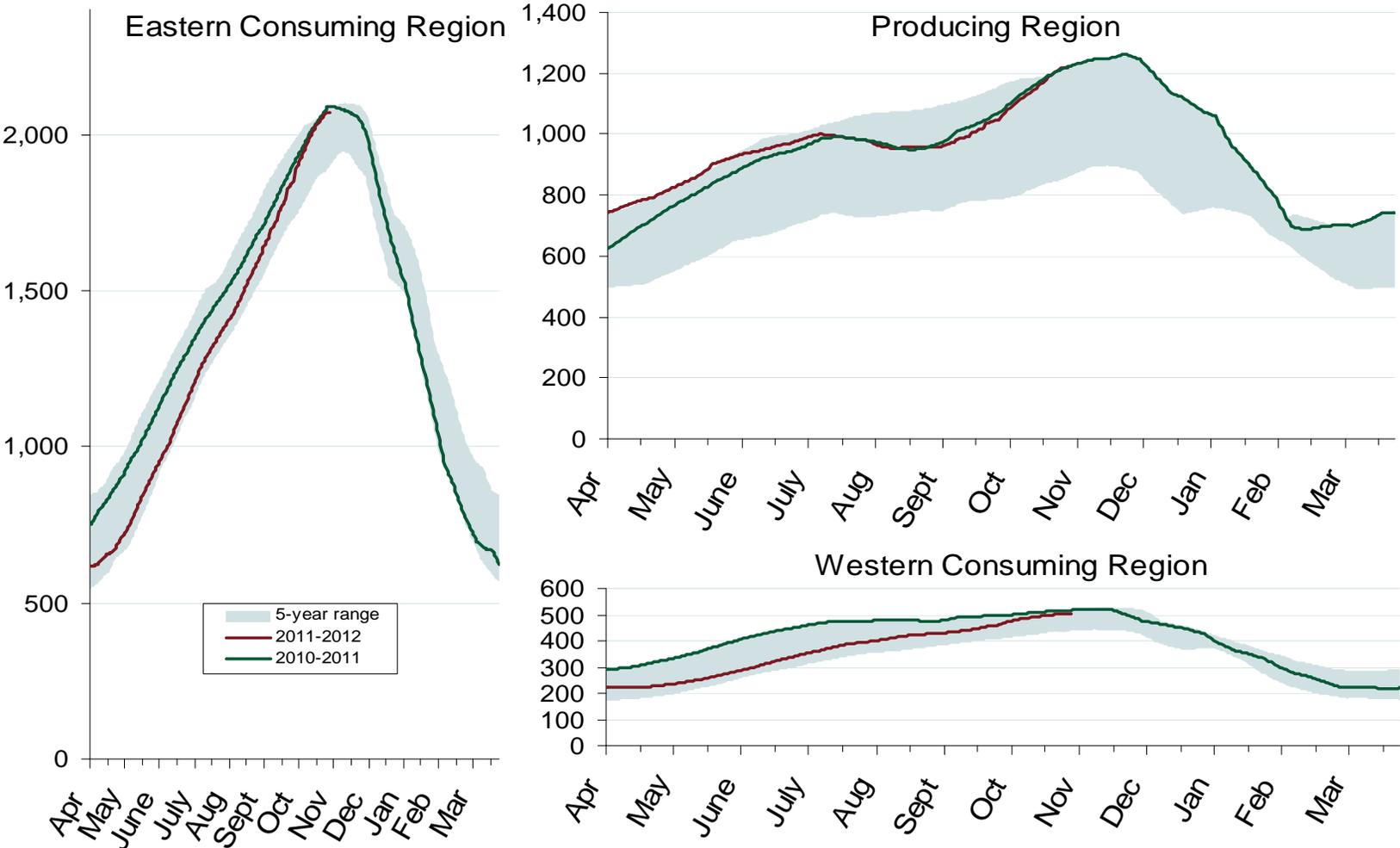
Total U.S. Working Gas in Storage



Source: Derived from EIA data
November 2011 Southeastern Snapshot

Updated: November 04, 2011

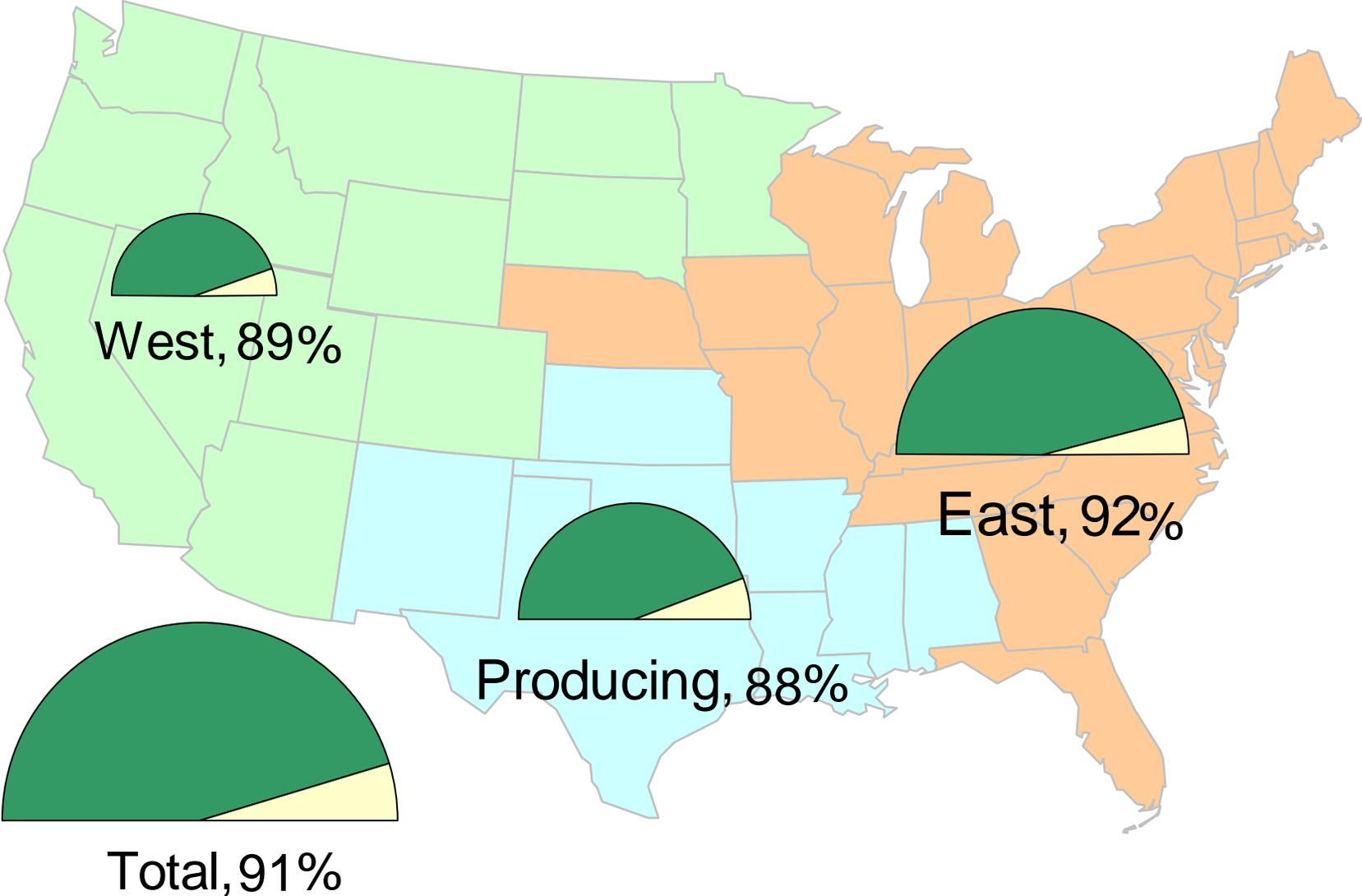
Regional Totals of Working Gas in Storage



Source: Derived from EIA data
November 2011 Southeastern Snapshot

Updated: November 04, 2011

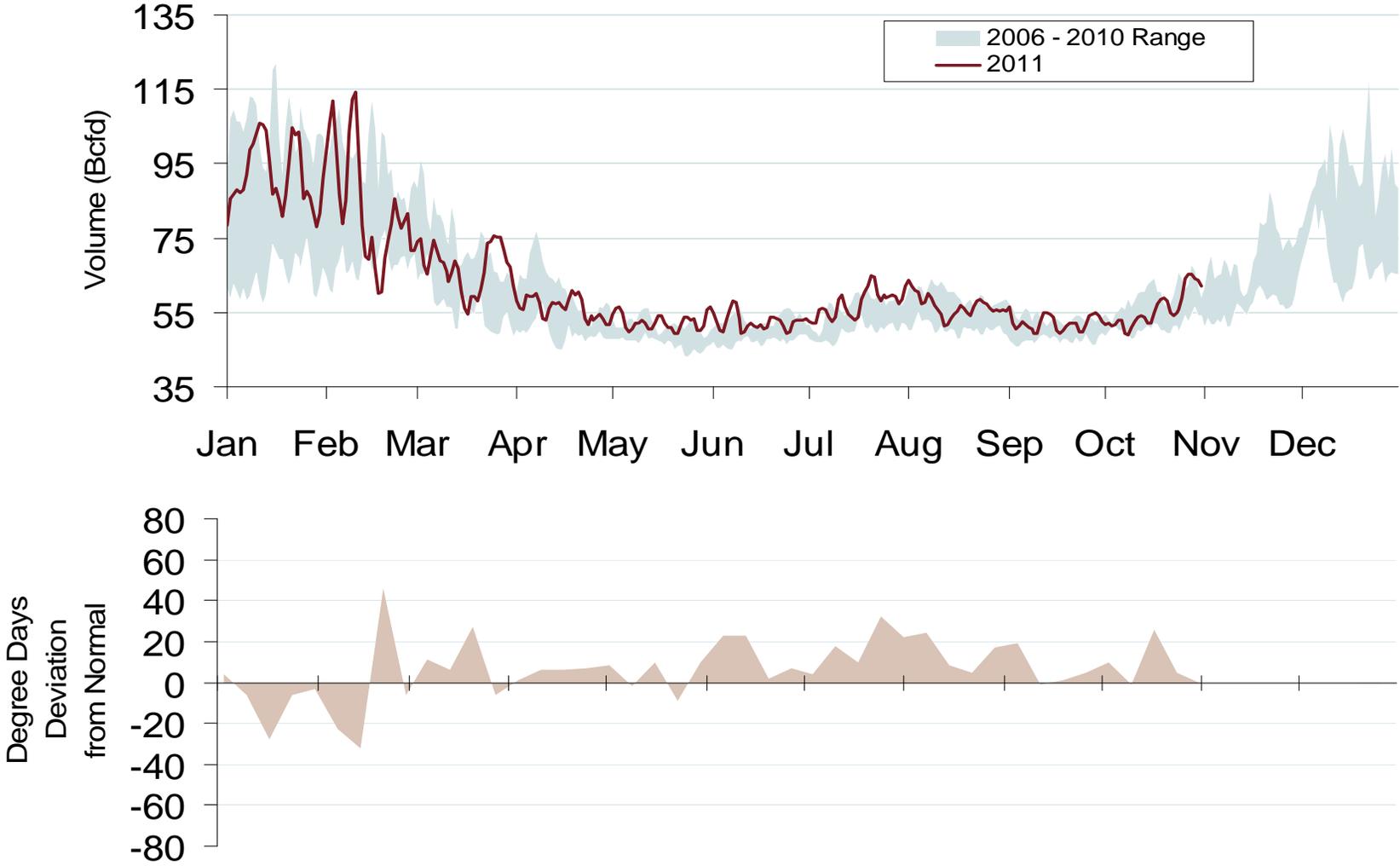
Natural Gas Storage Inventories – October 21, 2011



Source: Derived from EIA Storage and Estimated Working Gas Capacity data
November 2011 Southeastern Snapshot

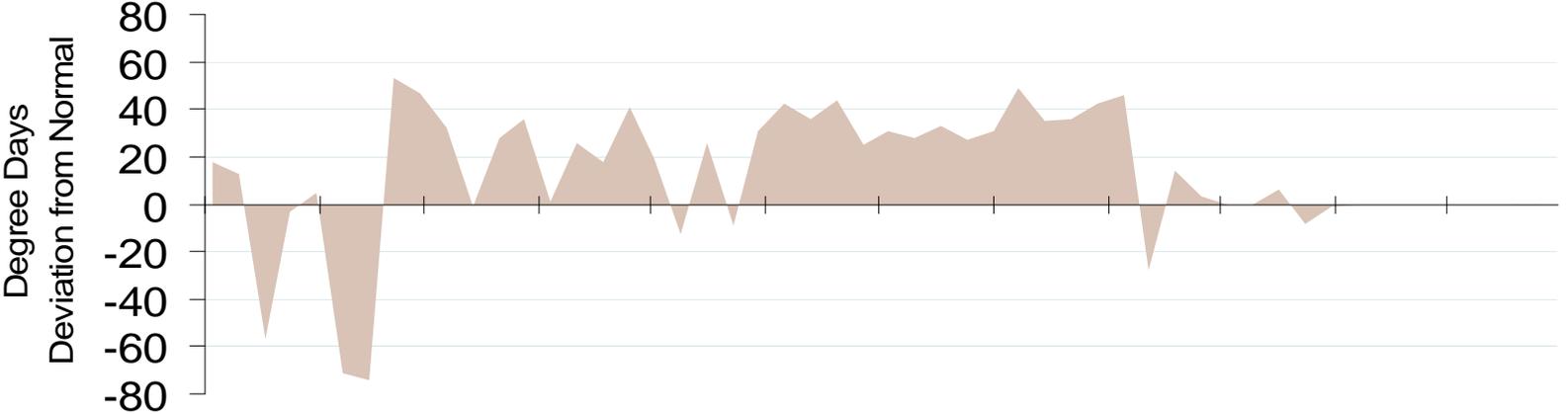
Updated November 4, 2011
20022

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



Source: Derived from *Bentek Energy* and *Weekly NOAA* data
November 2011 Southeastern Snapshot

Daily Gulf Natural Gas Demand - All Sectors

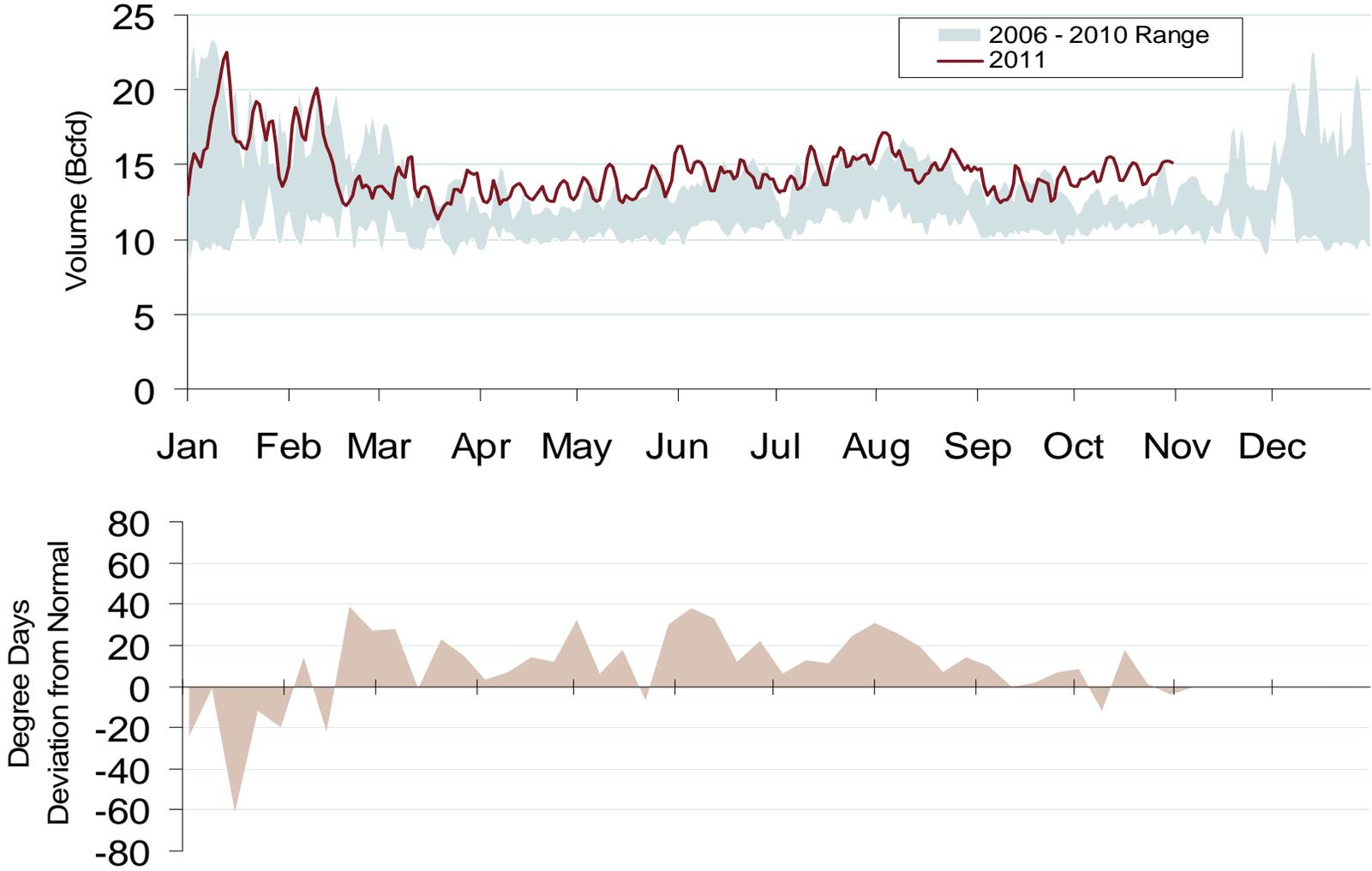


Source: Derived from *Bentek Energy* and Weekly NOAA data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

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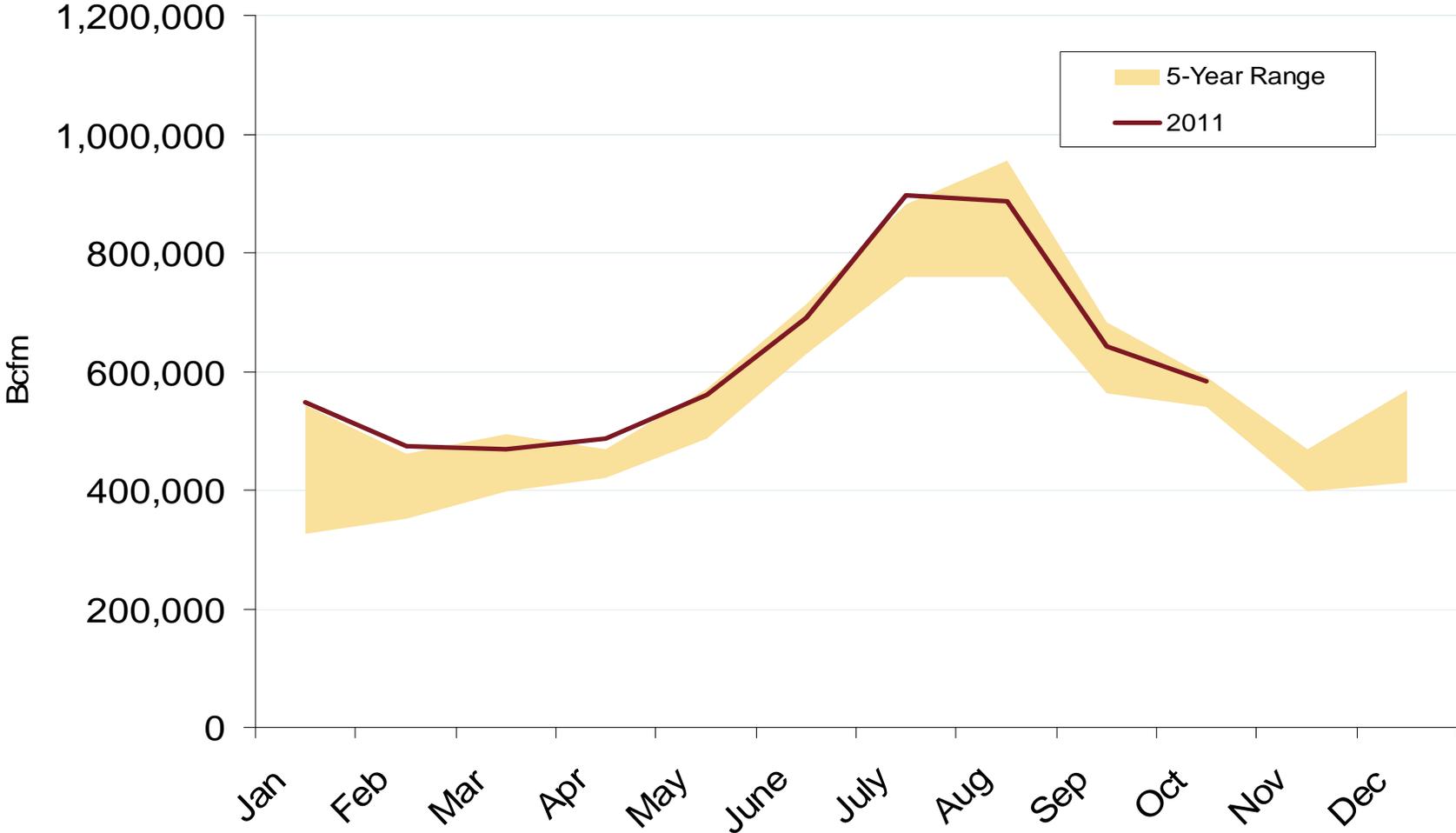
Daily Southeast Natural Gas Demand - All Sectors



Source: Derived from *Bentek Energy* and Weekly NOAA data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

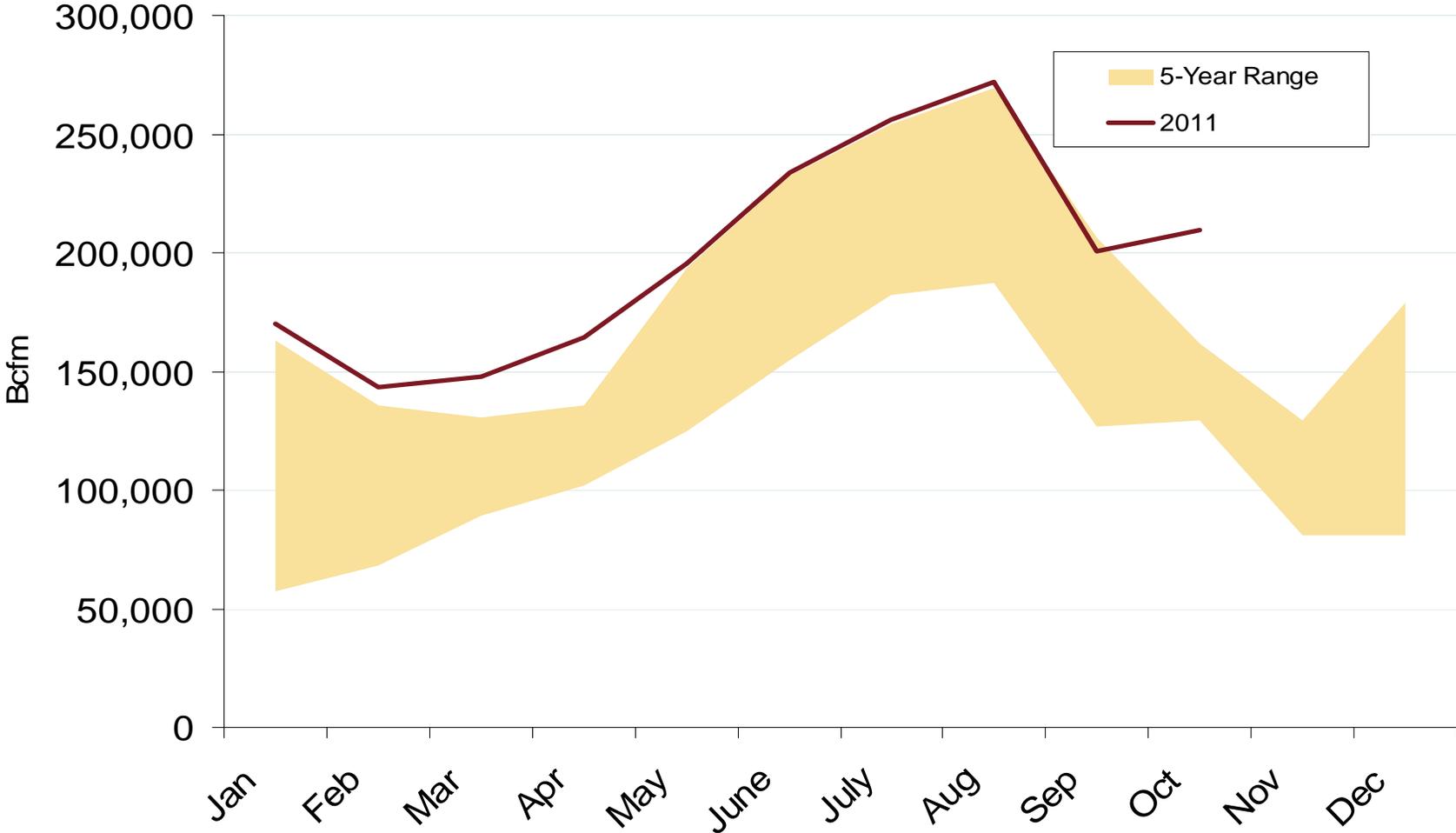
U.S. Natural Gas Consumption for Power Generation



Source: Derived from *Bentek Energy* data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

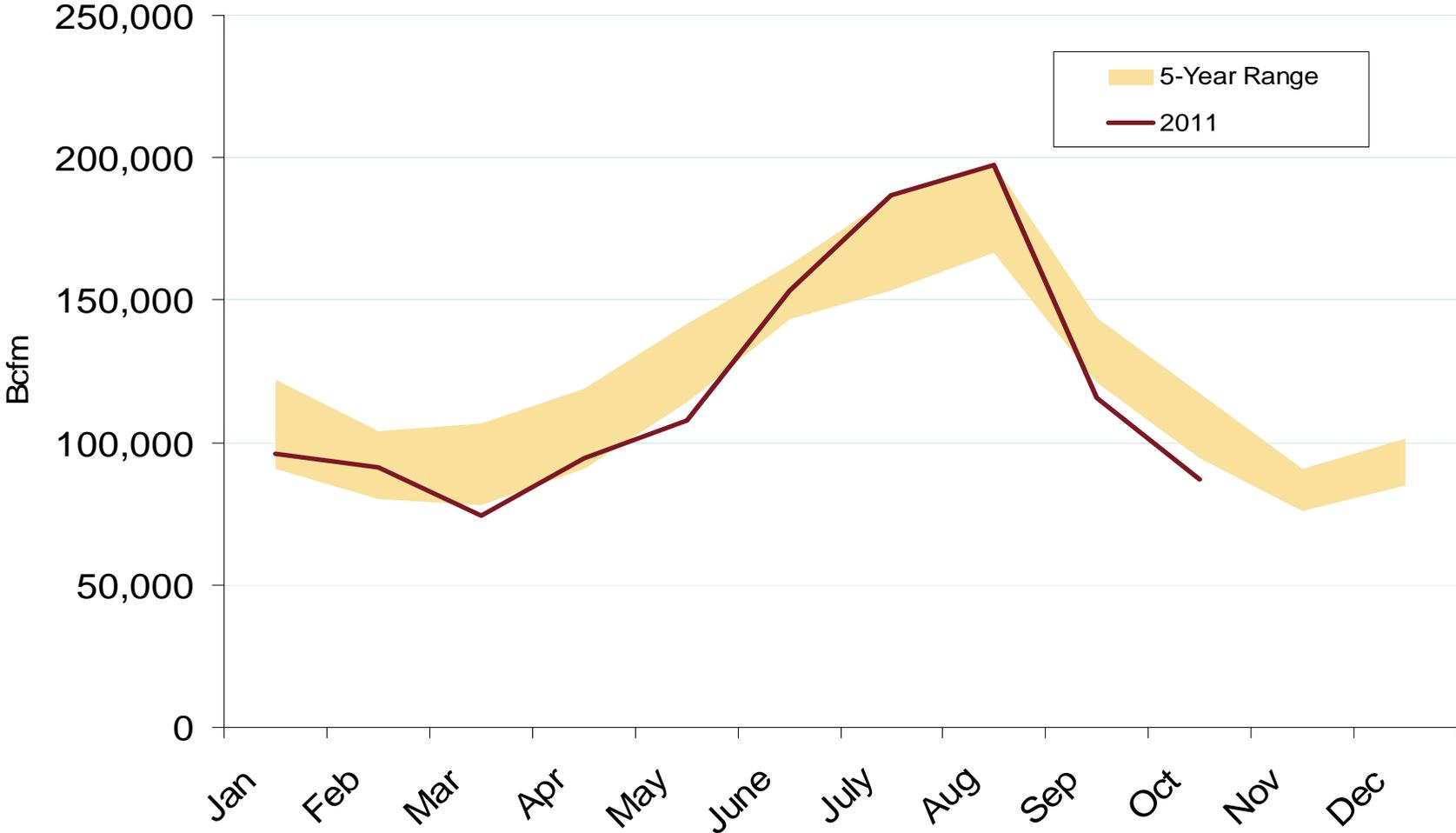
Southeast Natural Gas Consumption for Power Generation



Source: Derived from *Bentek Energy* data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

Gulf Natural Gas Consumption for Power Generation

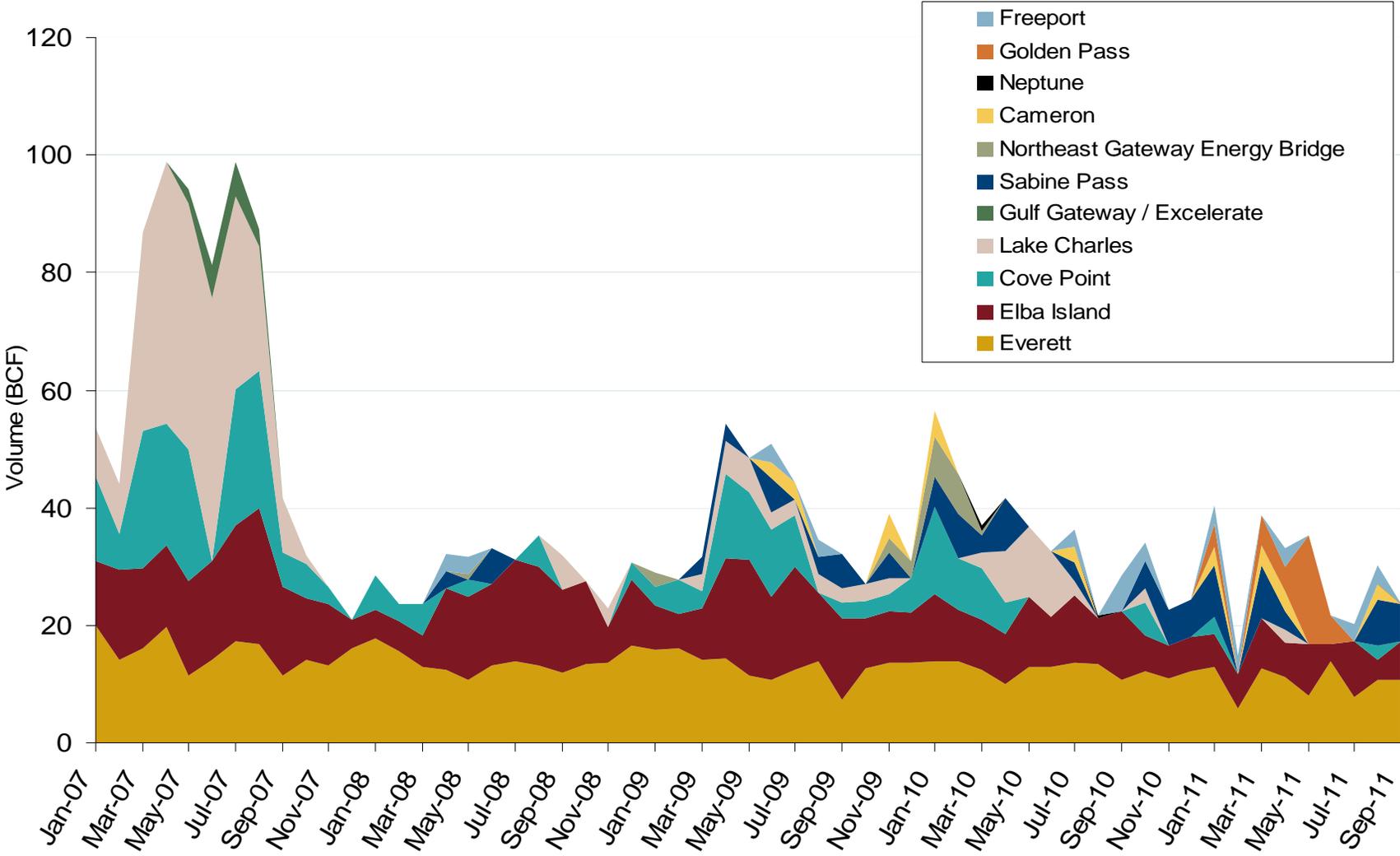


Source: Derived from *Bentek Energy* data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

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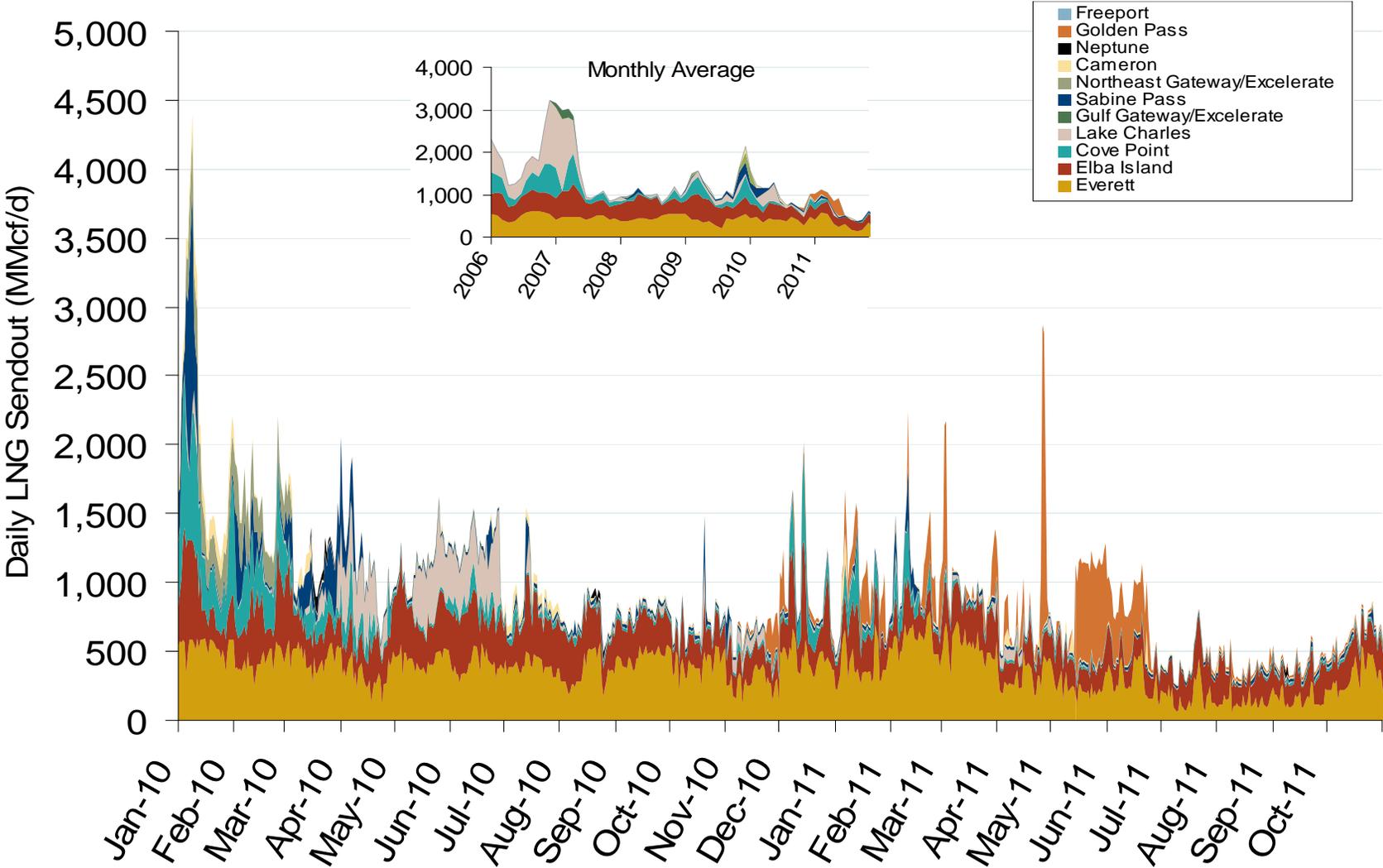
Monthly Gas Imports at Existing U.S. LNG Facilities



Source: Derived from DOE Office of Fossil Energy data
November 2011 Southeastern Snapshot

Updated: November 02, 2011

Daily Gas Sendout from Existing U.S. LNG Facilities



Notes: 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

Source: Derived from Bentek Energy data

November 2011 Southeastern Snapshot

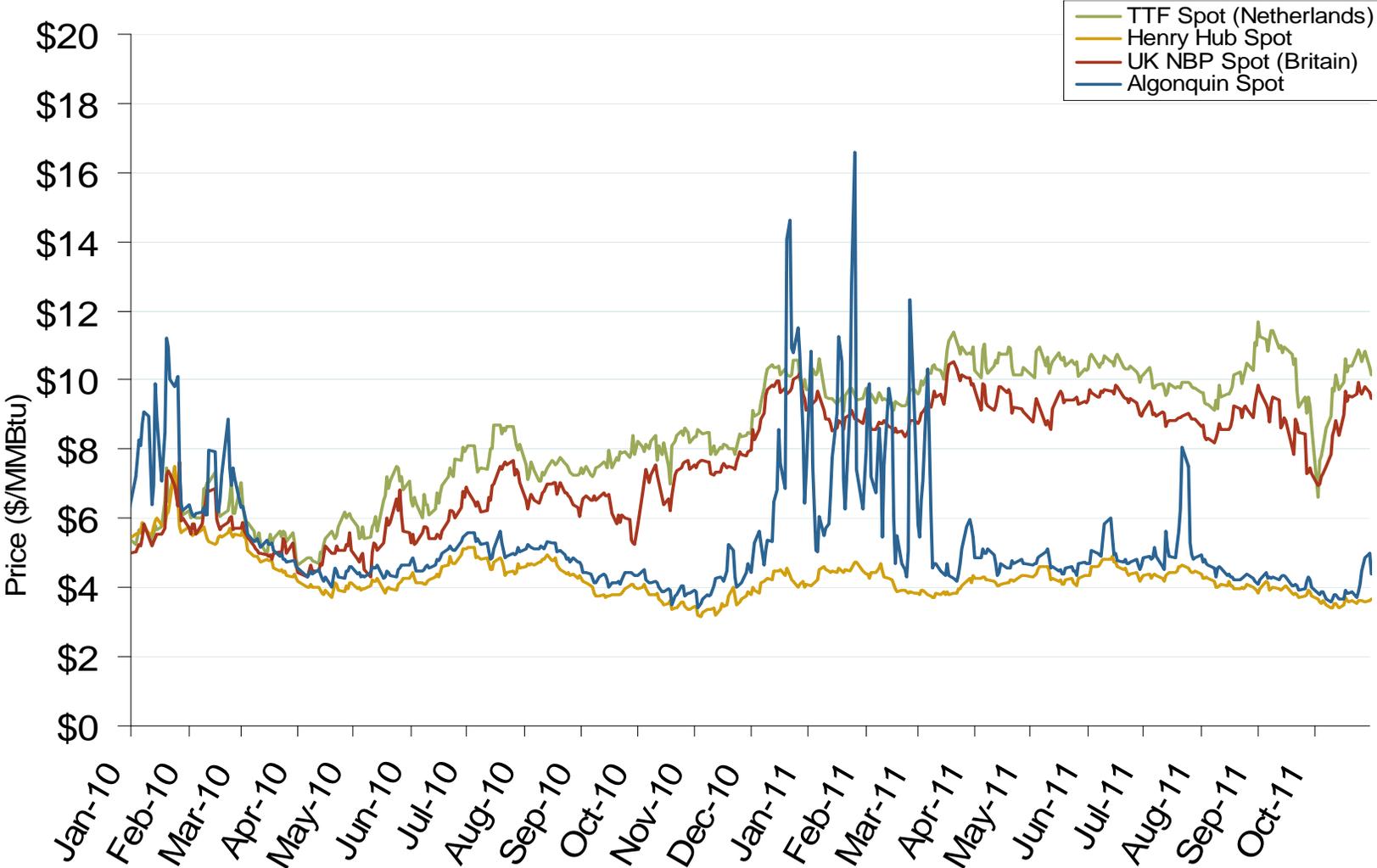
Updated: November 02, 2011

World LNG Estimated December 2011 Landed Prices



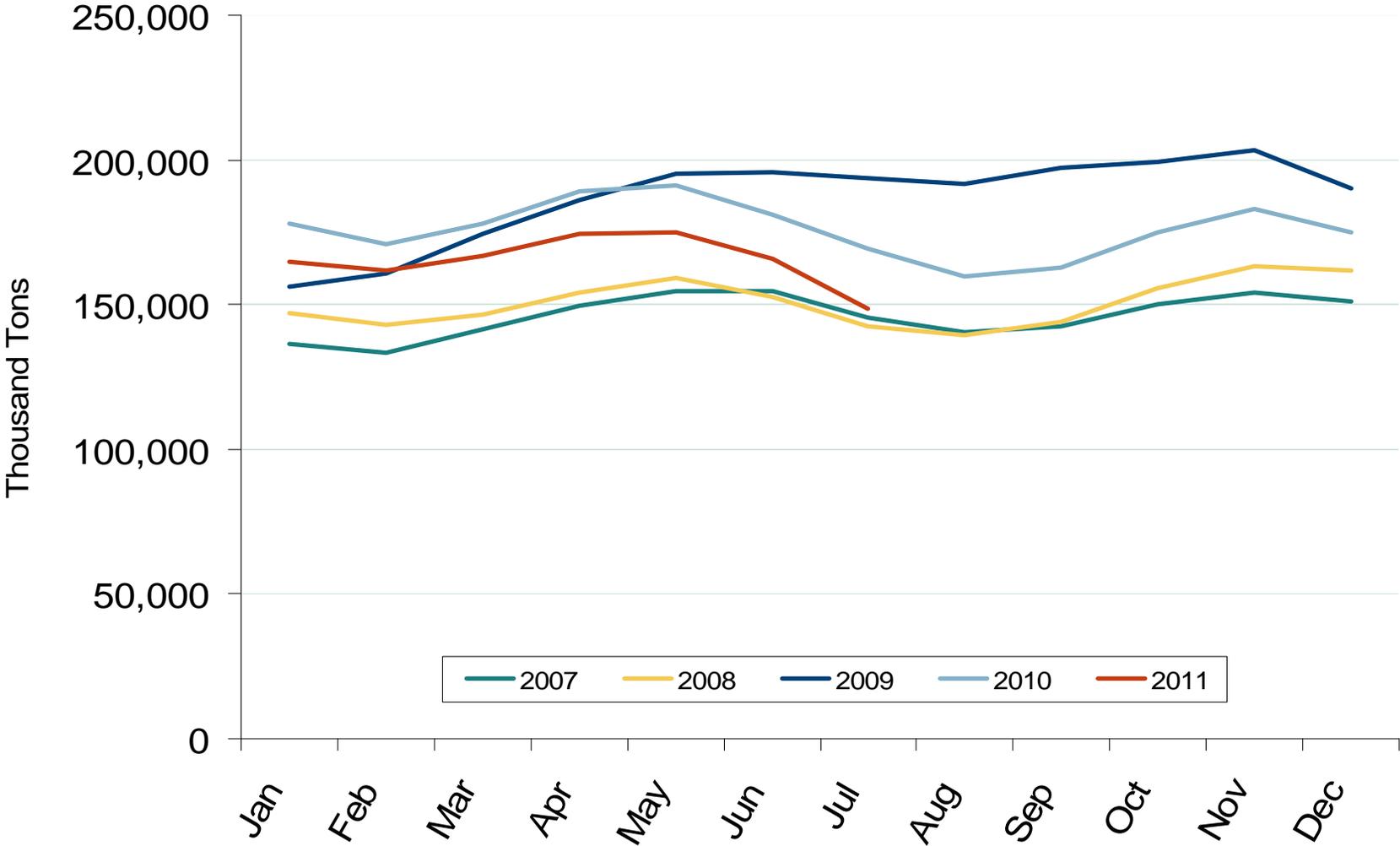
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Atlantic Basin European and US Spot Natural Gas Prices



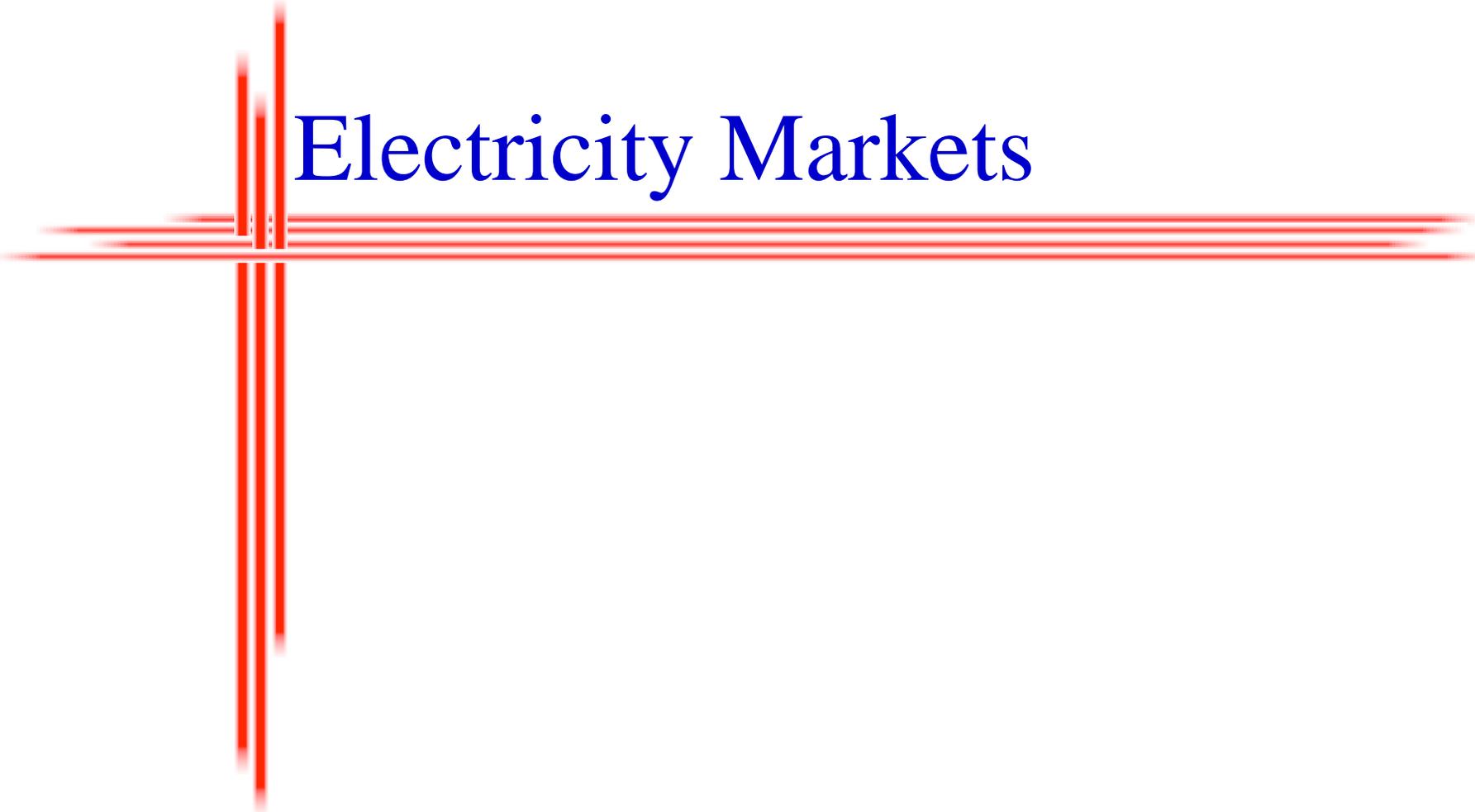
Source: Derived from *Bloomberg* and *ICE* data
November 2011 Southeastern Snapshot

U.S. Coal Stockpiles at Electric Power Generating Facilities



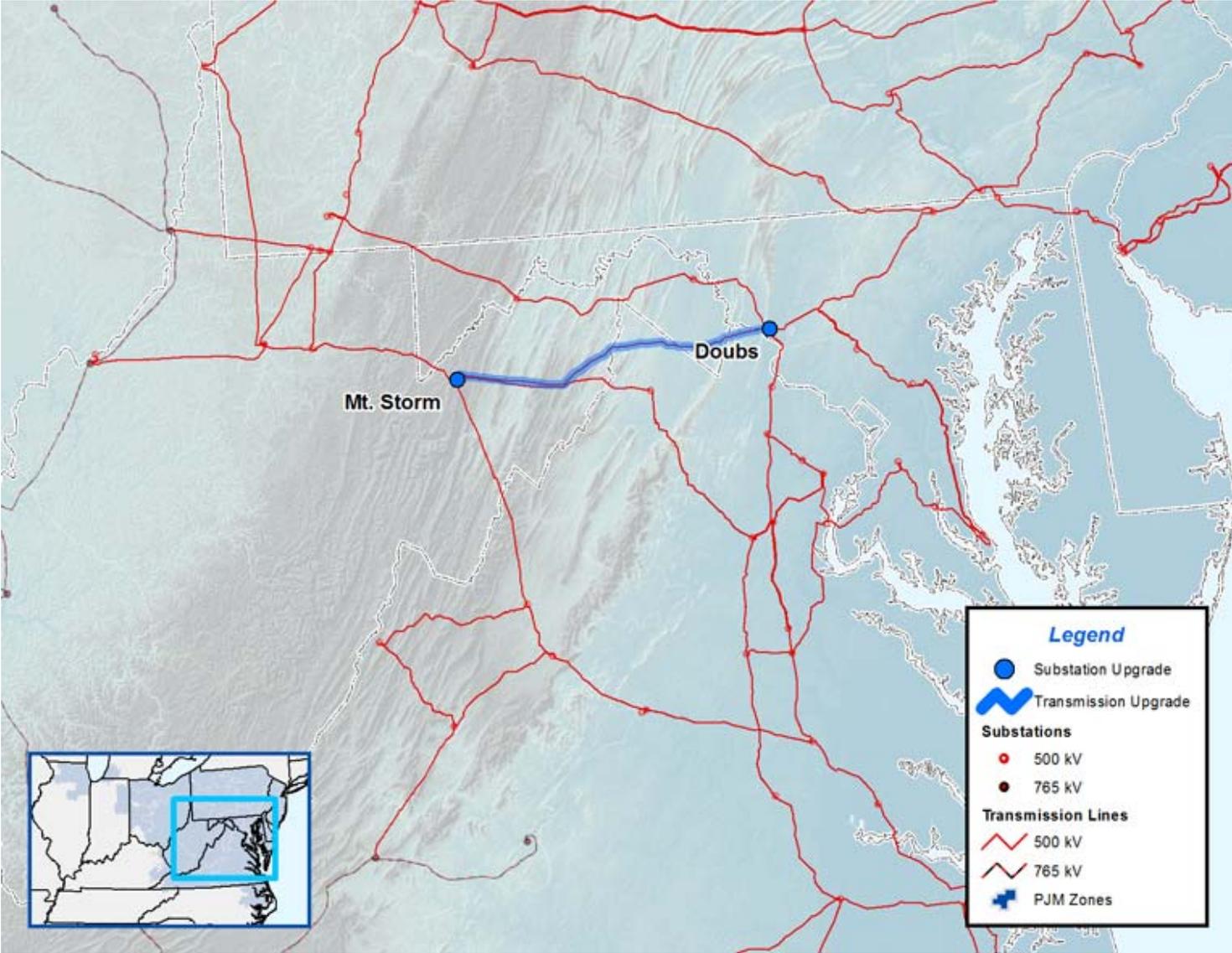
Source: Derived from EIA data. Excludes Industrial and Commercial Plants
November 2011 Southeastern Snapshot

Updated: November 02, 2011



Electricity Markets

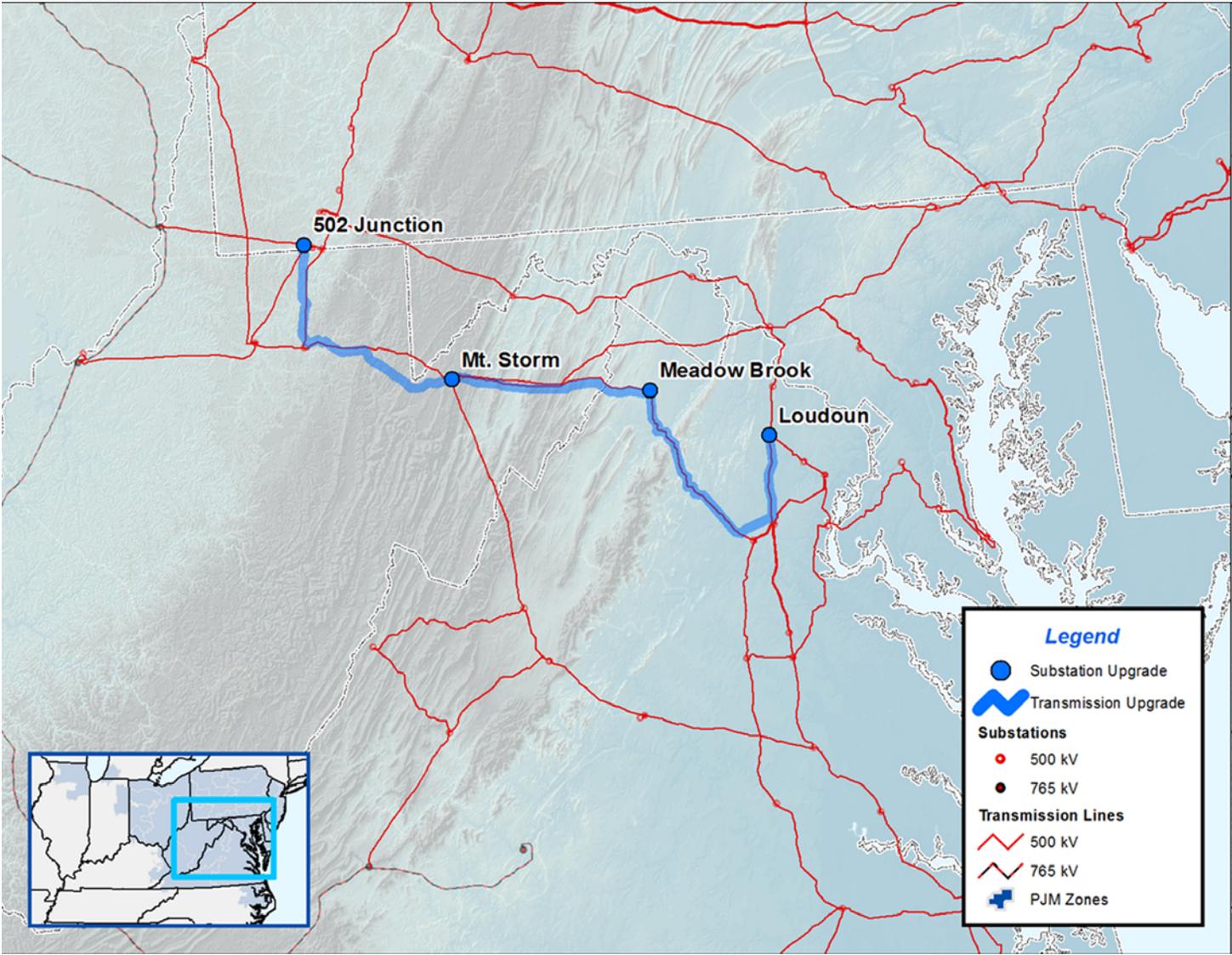
Mt Storm Doubs Is a Major PJM Transmission Path



Source: Derived from PJM Website
November 2011 Southeastern Snapshot

Updated October 11, 2011

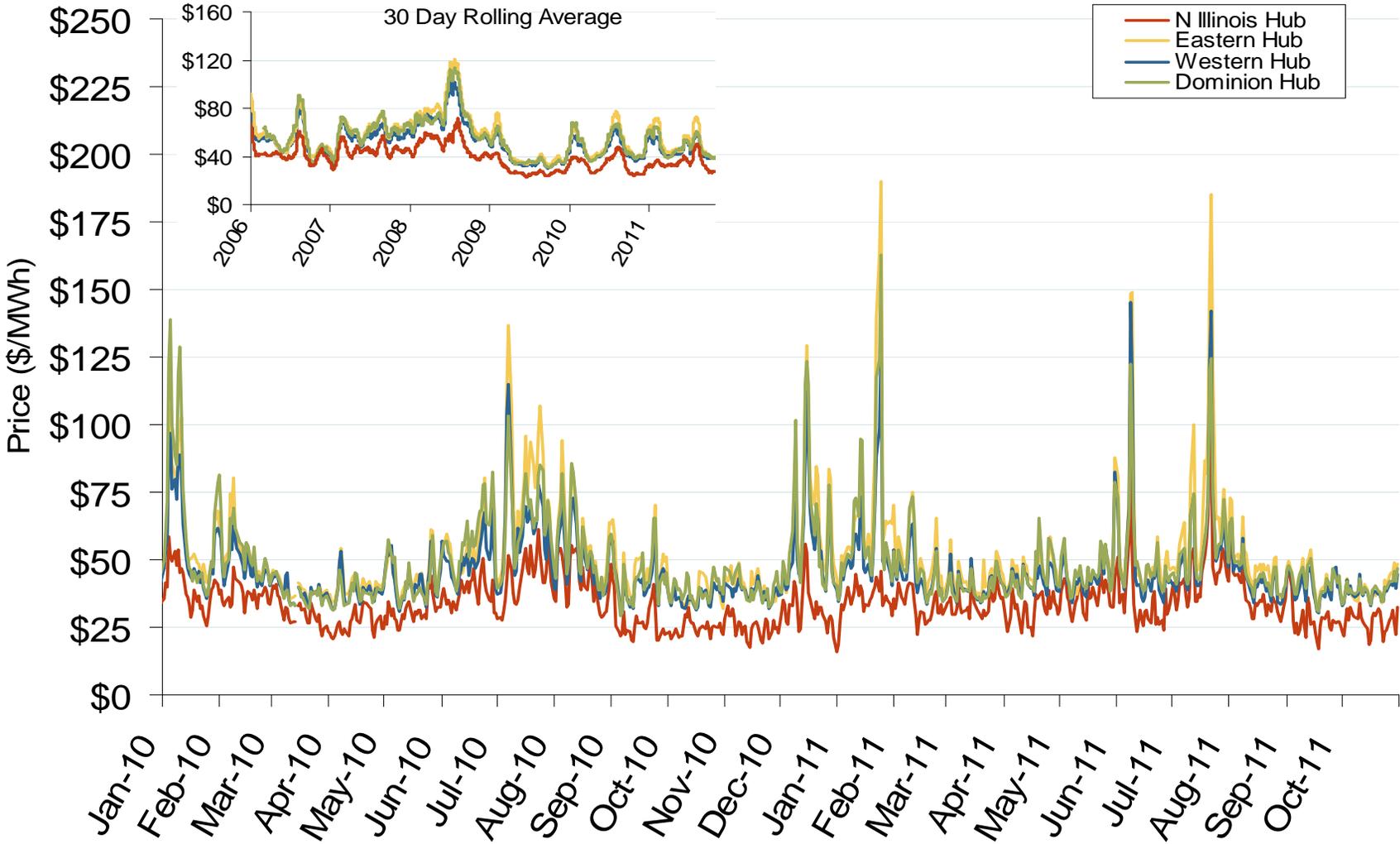
TrAIL Parallels Mt. Storm Doubs Line



Source: Derived from PJM Website
November 2011 Southeastern Snapshot

Updated October 11, 2011

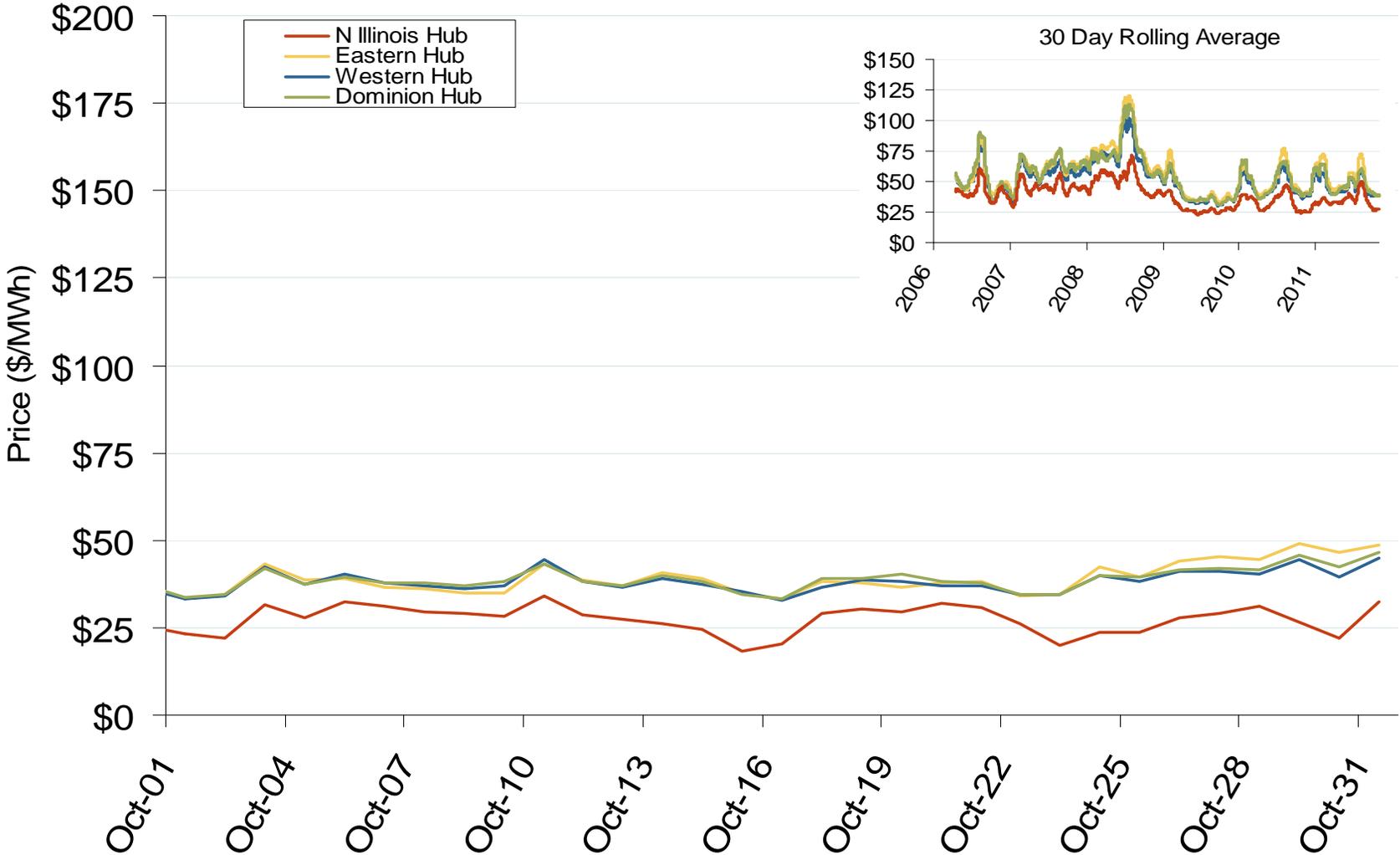
Daily Average of PJM Day-Ahead Prices - All Hours



Source: Derived from *Bloomberg* data
November 2011 Southeastern Snapshot

Updated: November 01, 2011

Daily Average of PJM Day-Ahead Prices - All Hours



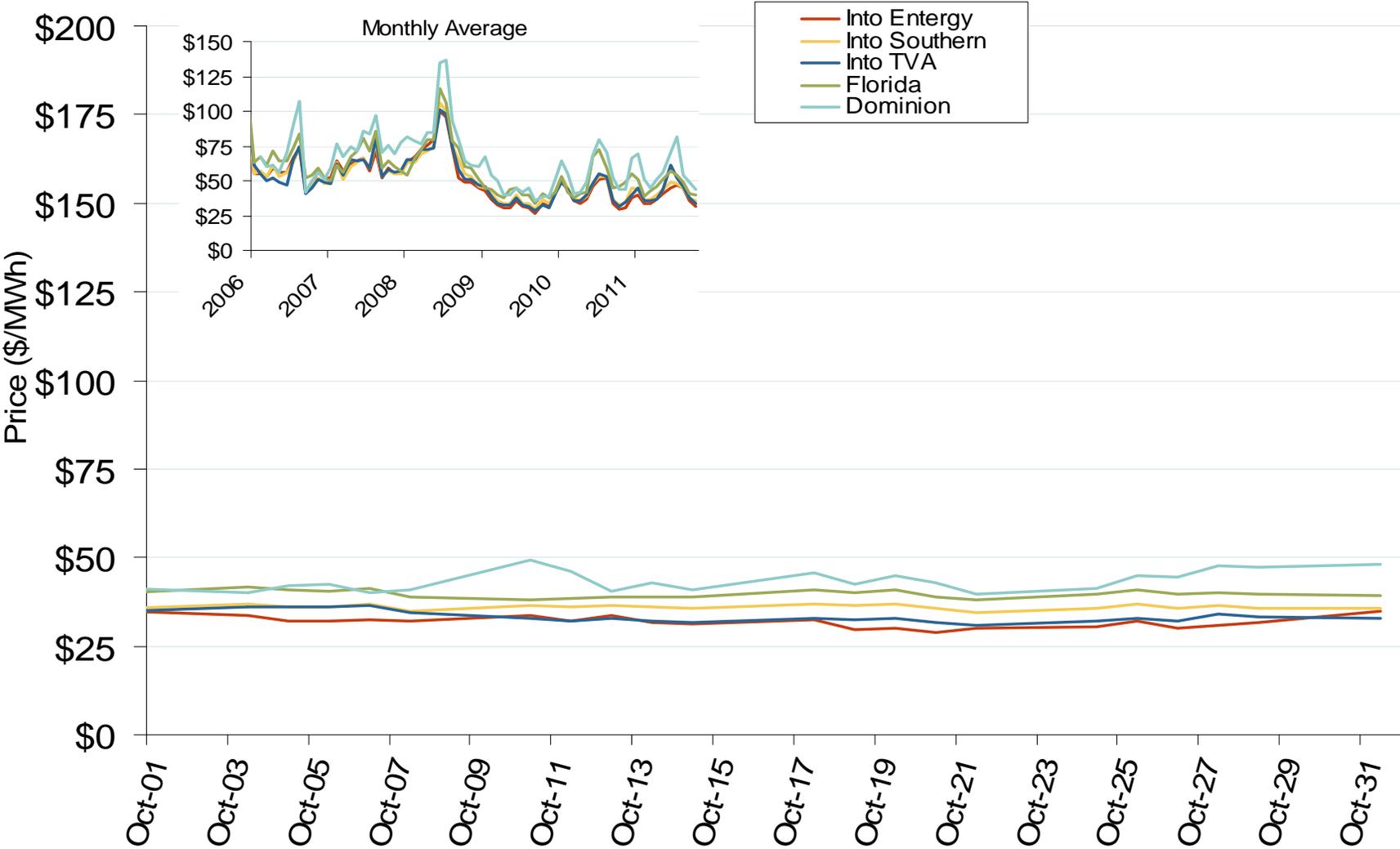
Source: Derived from Bloomberg data
November 2011 Southeastern Snapshot

Updated: November 01, 2011

Southeast Electric Market: Last Month's Southeastern Bilateral Prices

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

Southeastern Daily Bilateral Day-Ahead On-Peak Prices



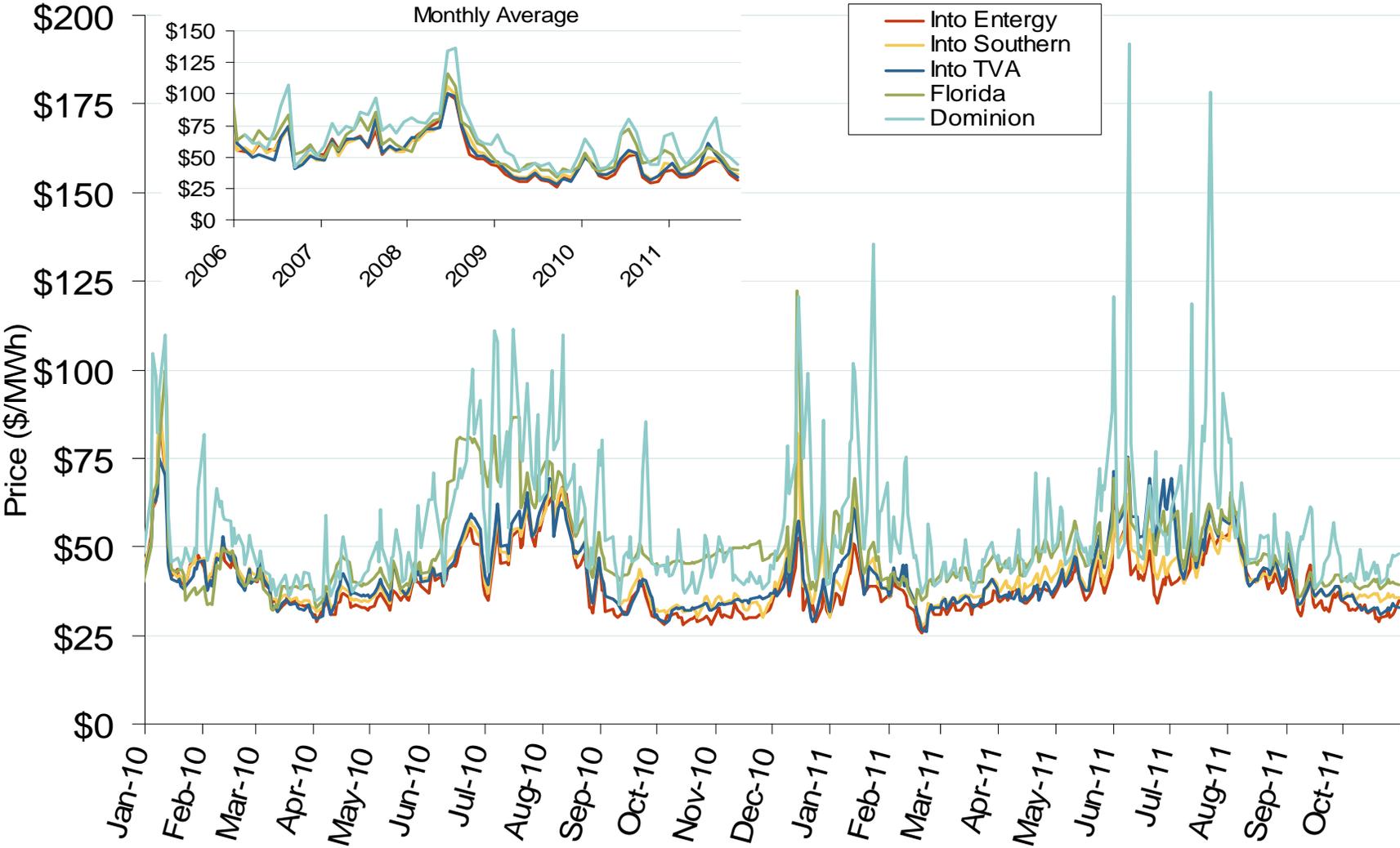
Source: Derived from *Platts* data
November 2011 Southeastern Snapshot

Updated: November 01, 2011

Southeast Electric Market: Southeastern Bilateral Prices

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

Southeastern Daily Bilateral Day-Ahead On-Peak Prices



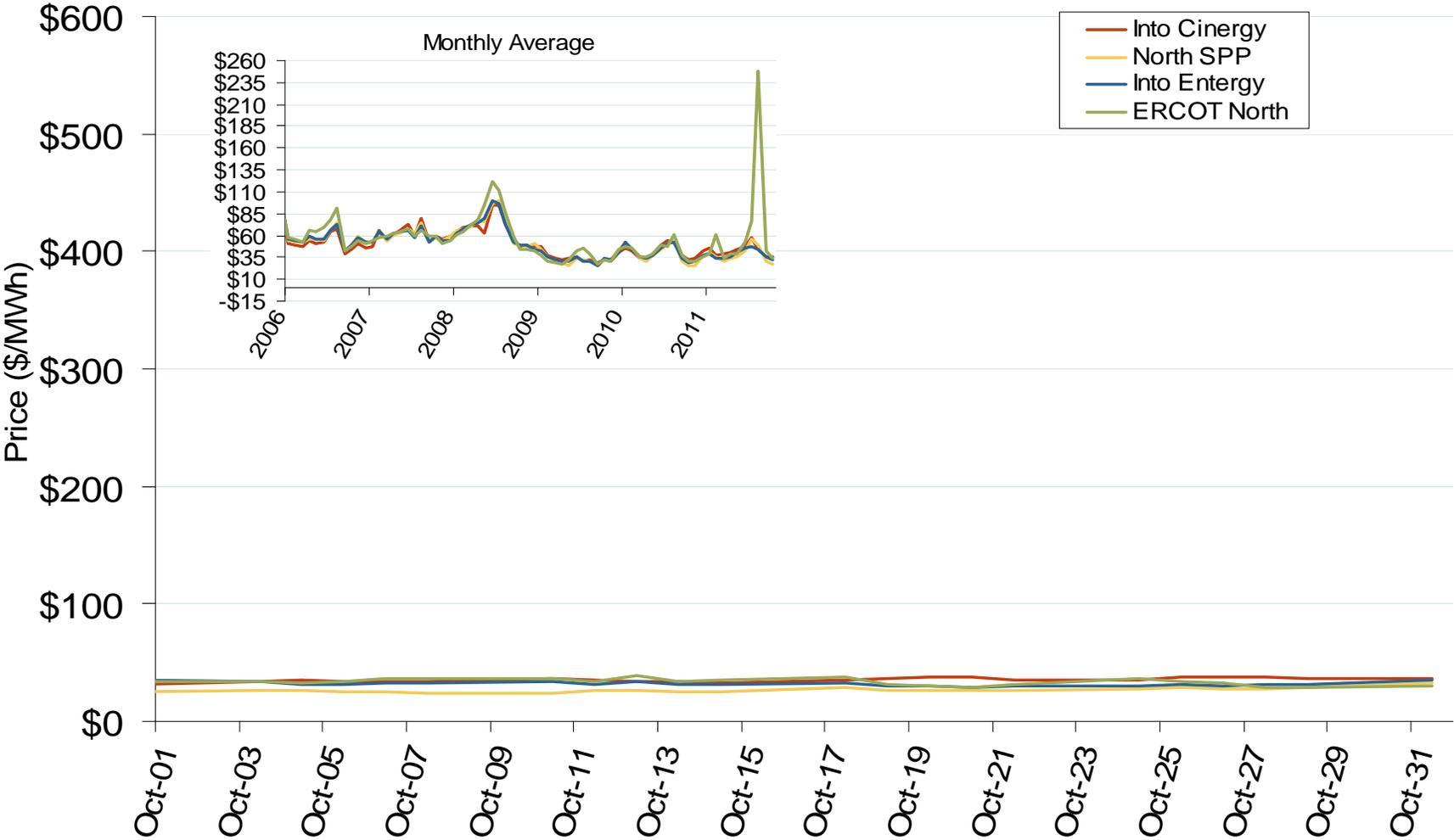
Source: Derived from Platts data
November 2011 Southeastern Snapshot

Updated: November 01, 2011

Southeast Electric Market: Last Month's Midwestern Bilateral Prices

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

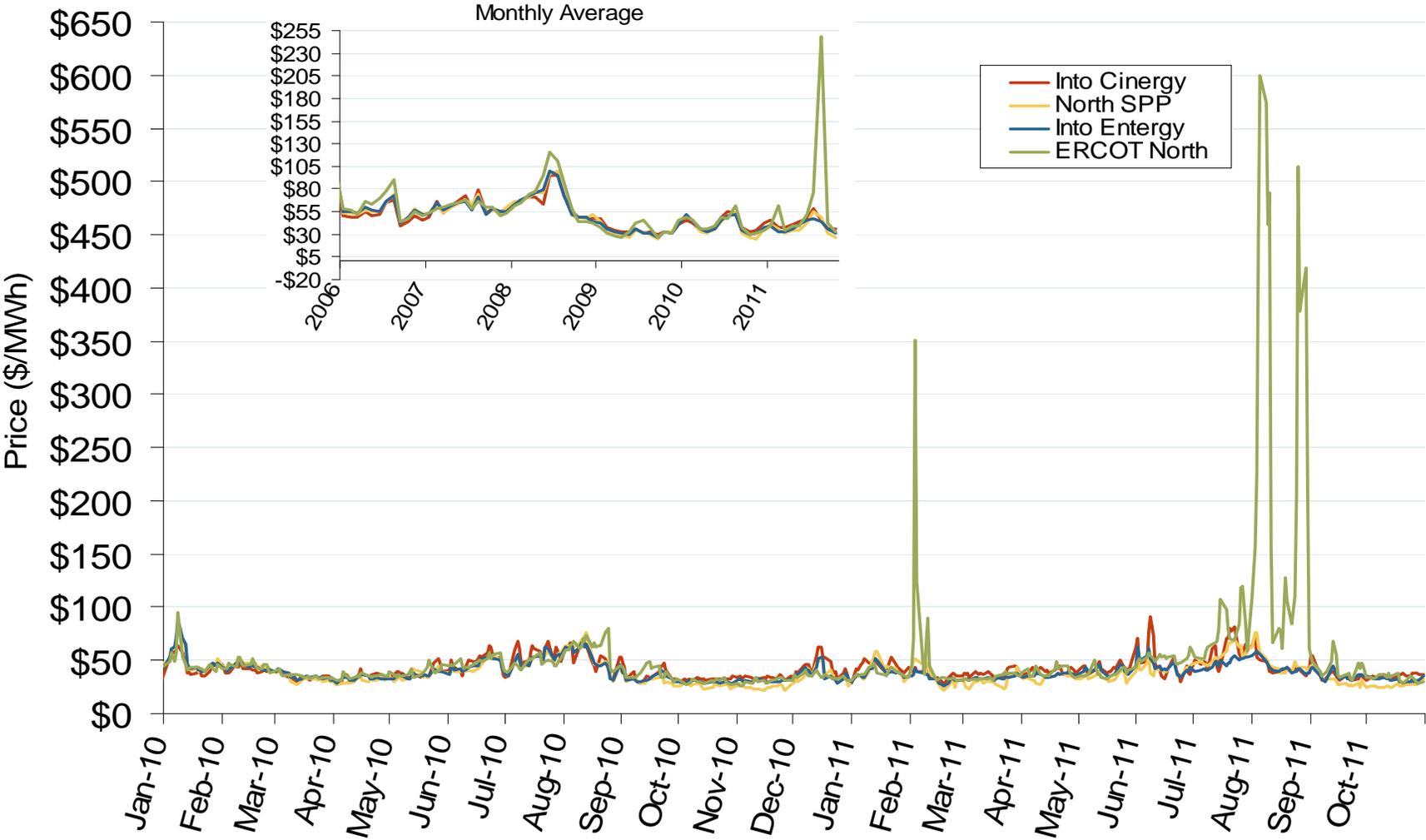
Midwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from Platts data
November 2011 Southeastern Snapshot

Updated: November 01, 2011

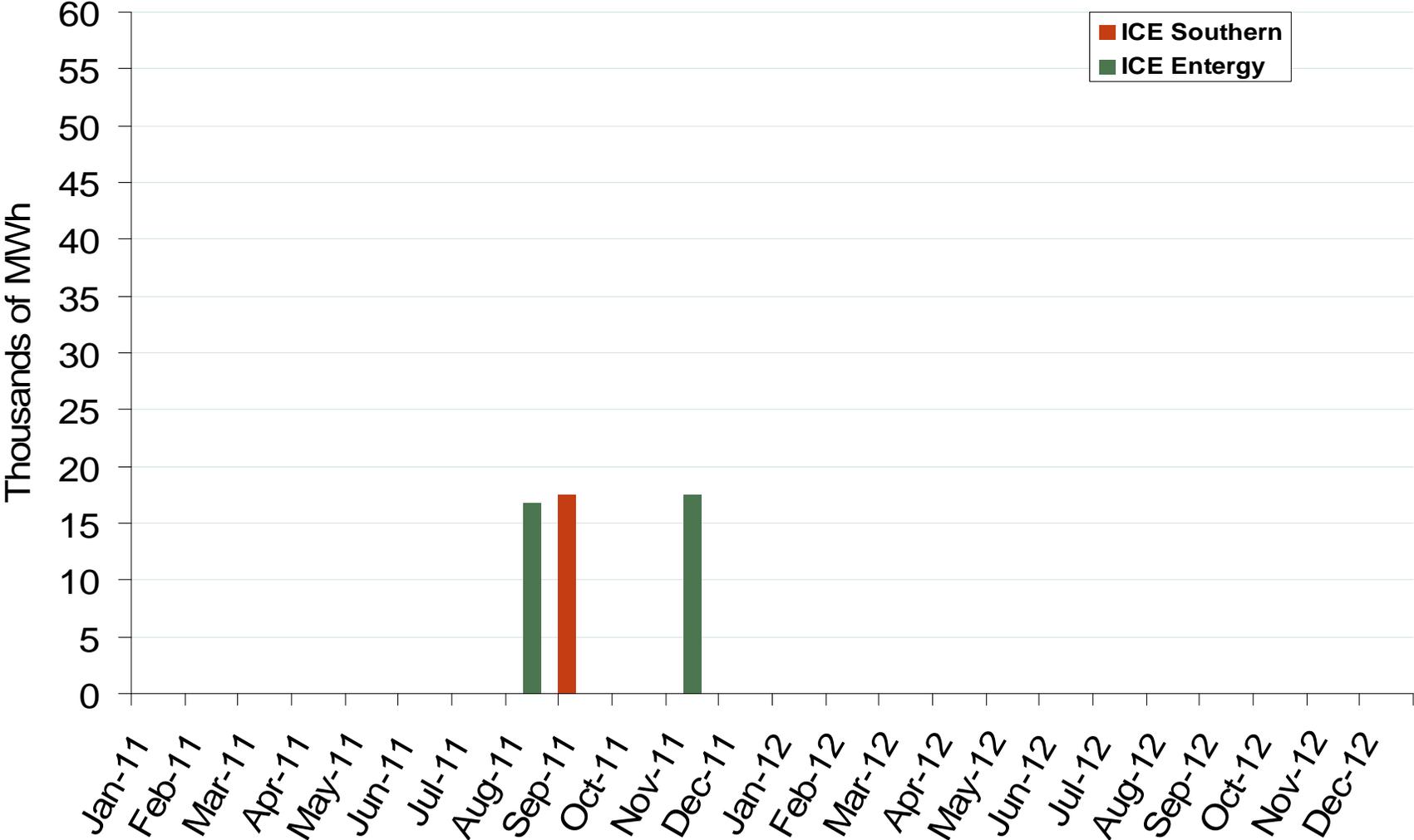
Midwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data
November 2011 Southeastern Snapshot

Updated: November 01, 2011

Southeast Forward Volumes



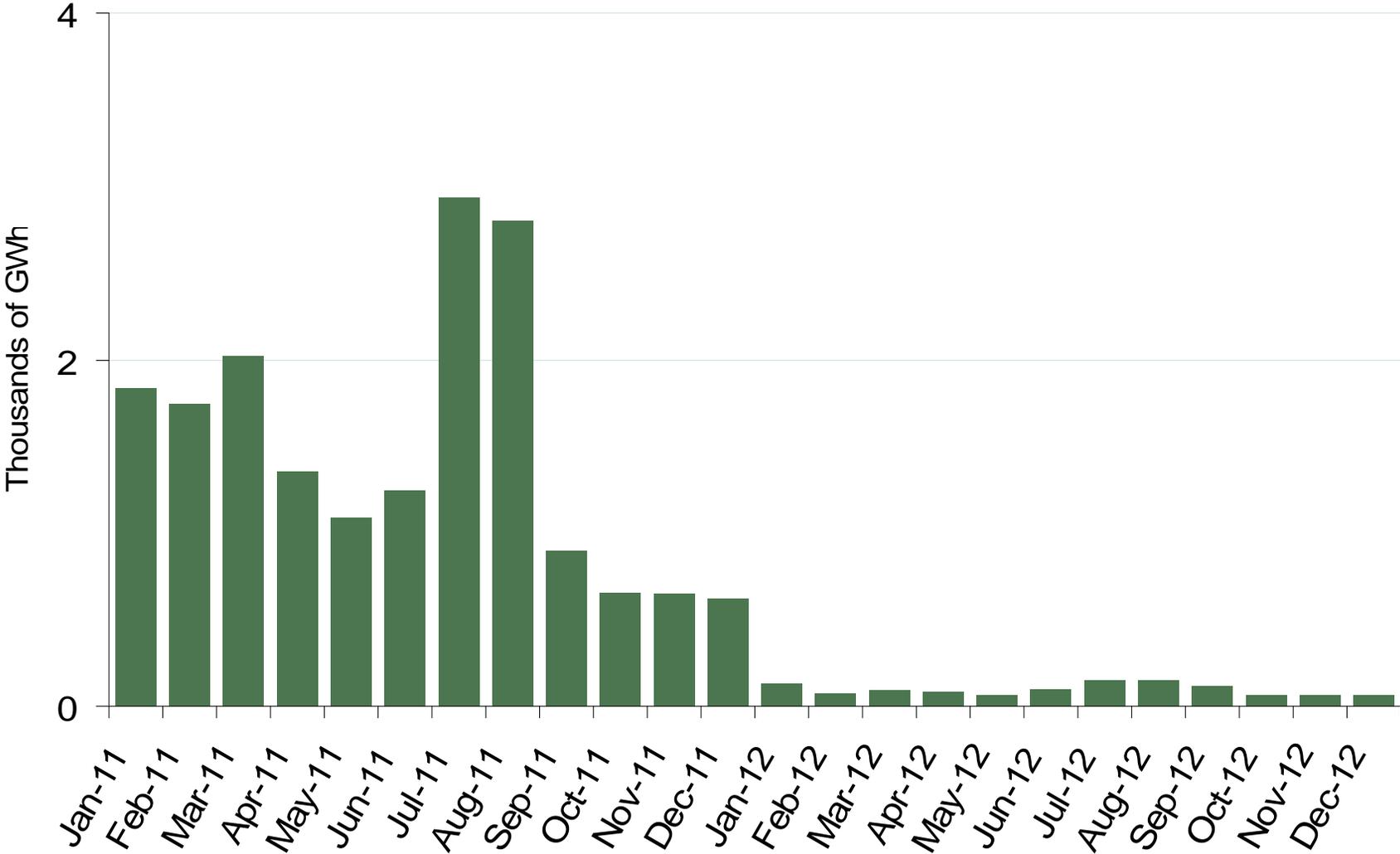
Notes: ICE on-peak forward (physical) volumes are for Entergy, Southern and TVA and include monthly, dual monthly, quarterly, and calendar year contracts traded for each month

Source: Derived from ICE data

November 2011 Southeastern Snapshot

Updated: November 02, 2011

ERCOT Forwards Volume

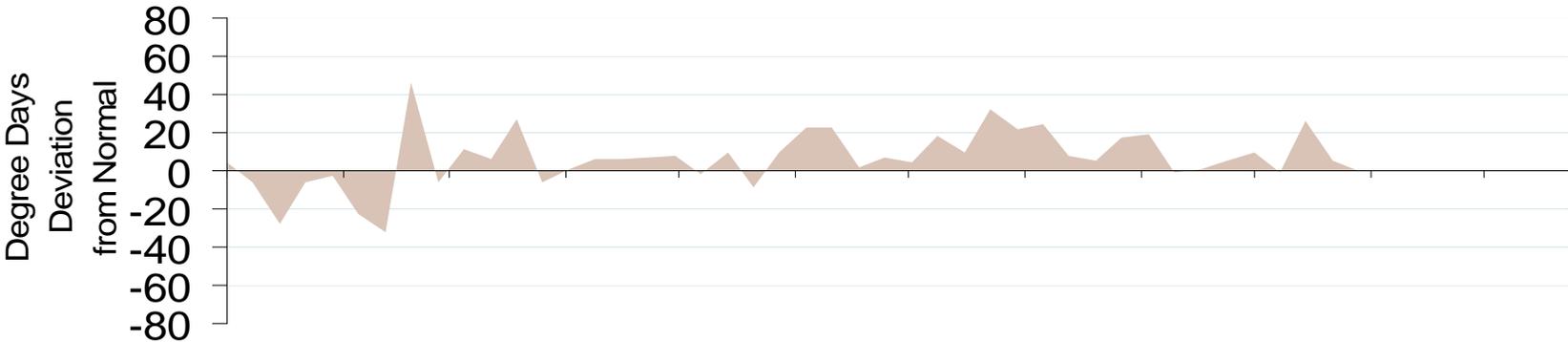
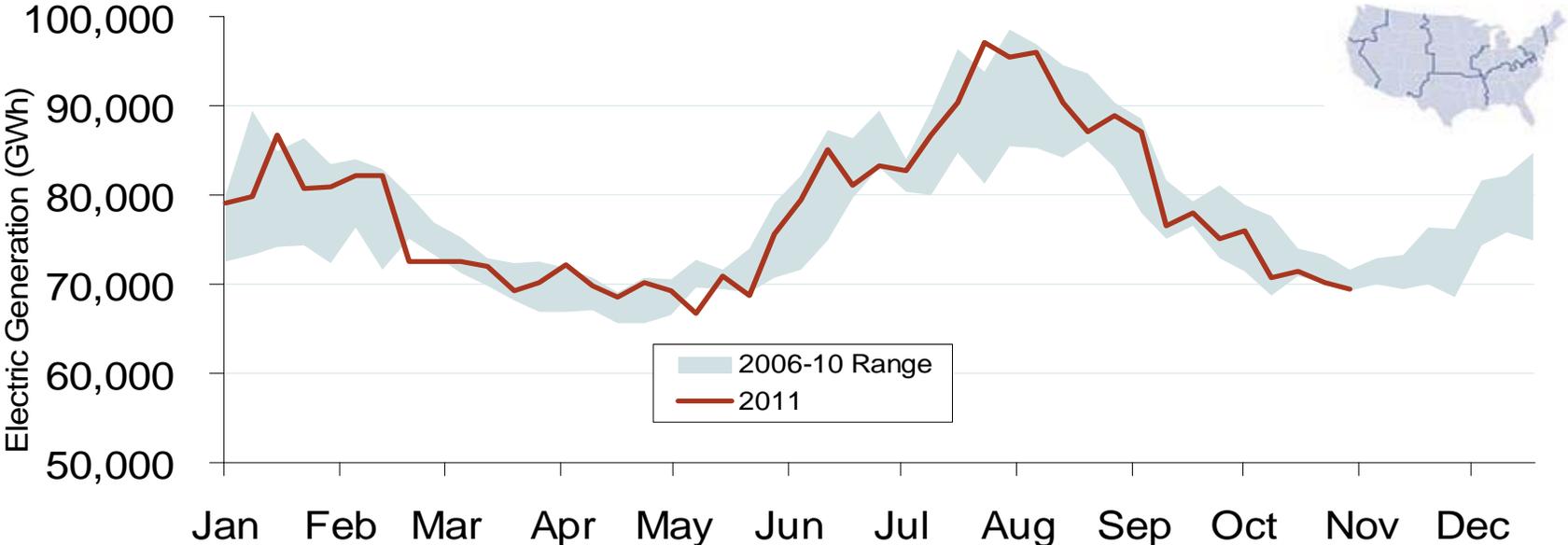


Notes: ICE forwards (physical) volume for ERCOT include on-peak monthly, dual month, quarterly, and calendar year contracts traded for each month

Source: Derived from ICE data

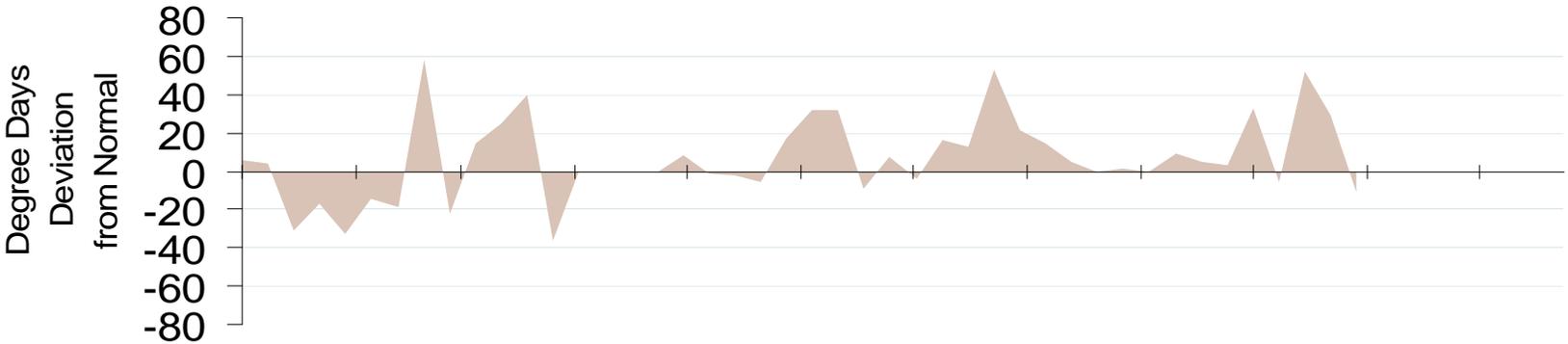
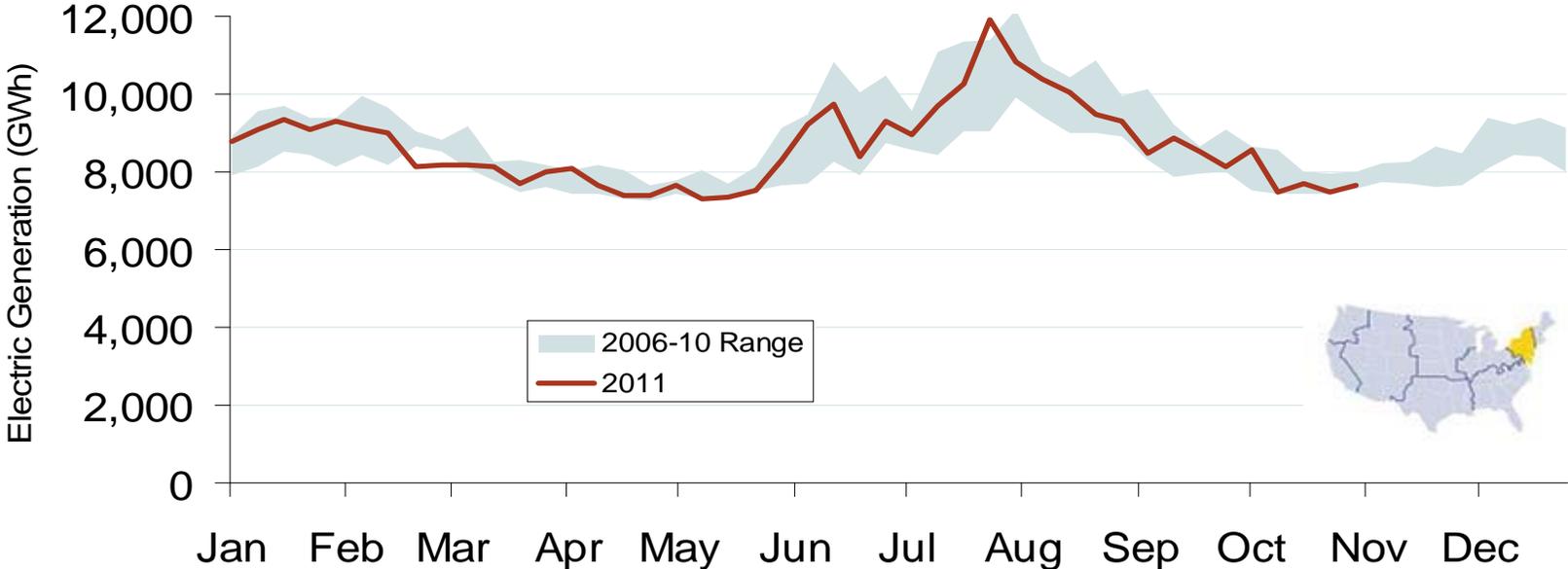
November 2011 Southeastern Snapshot

Weekly U.S. Electric Generation Output and Temperatures

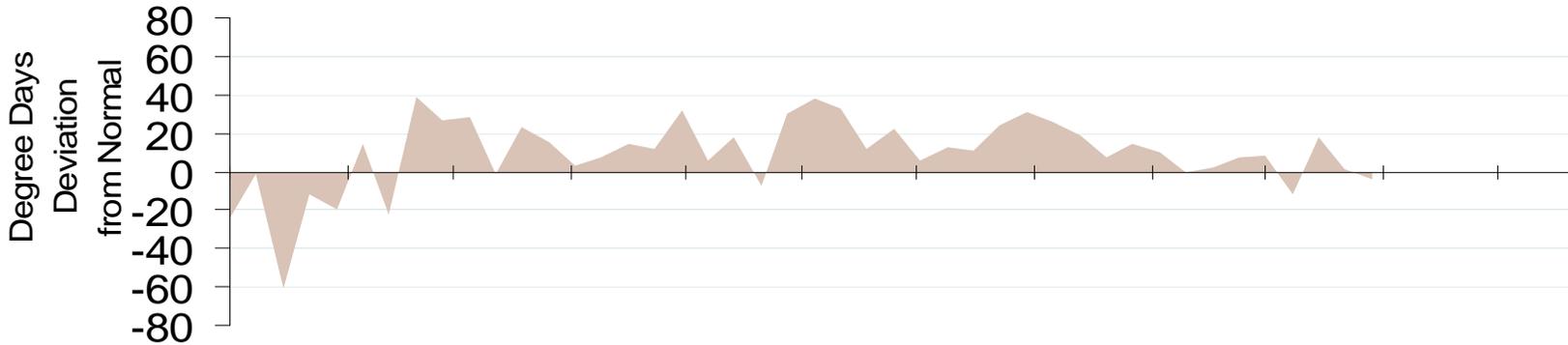
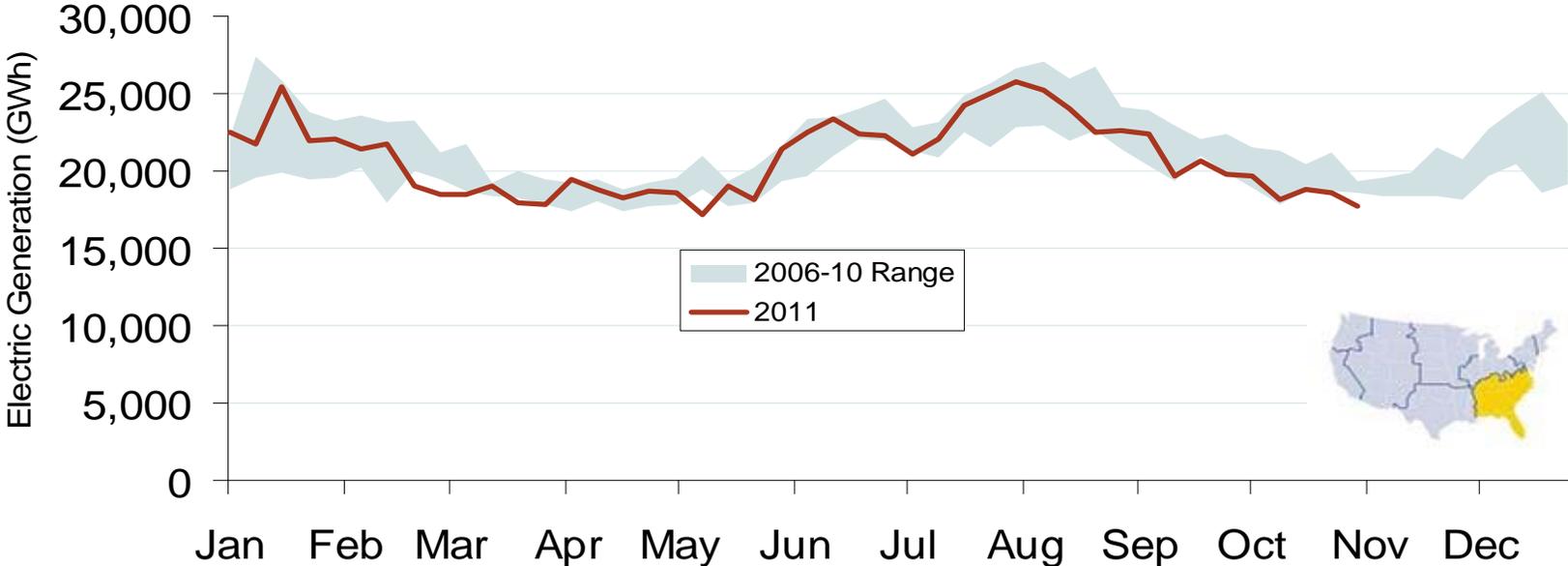


Source: Derived from *EEI* and *NOAA* data
November 2011 Southeastern Snapshot

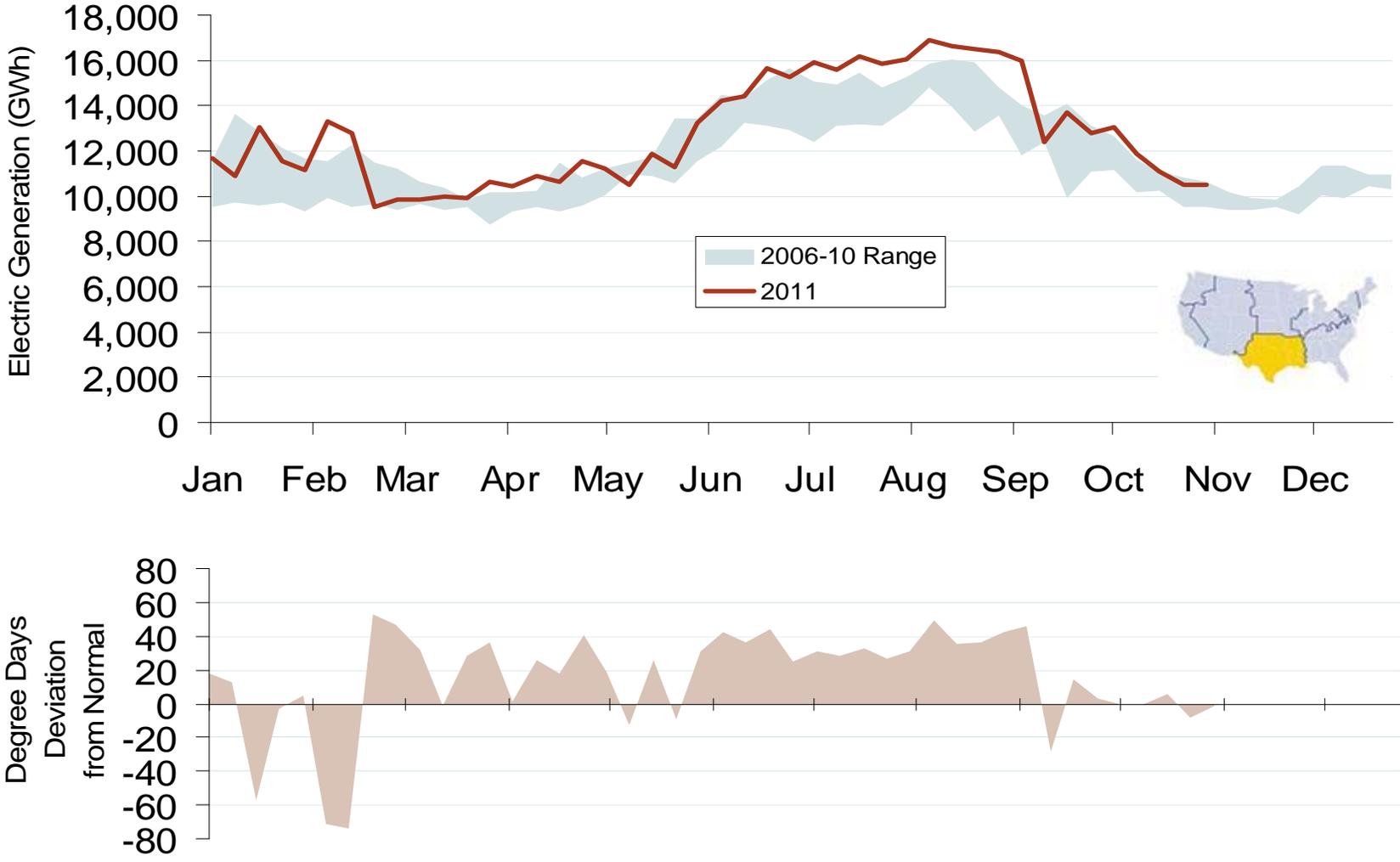
Weekly Power Generation & Temps. - Mid Atlantic



Weekly Power Generation & Temps. - Southeast



Weekly Power Generation & Temps. - South Central

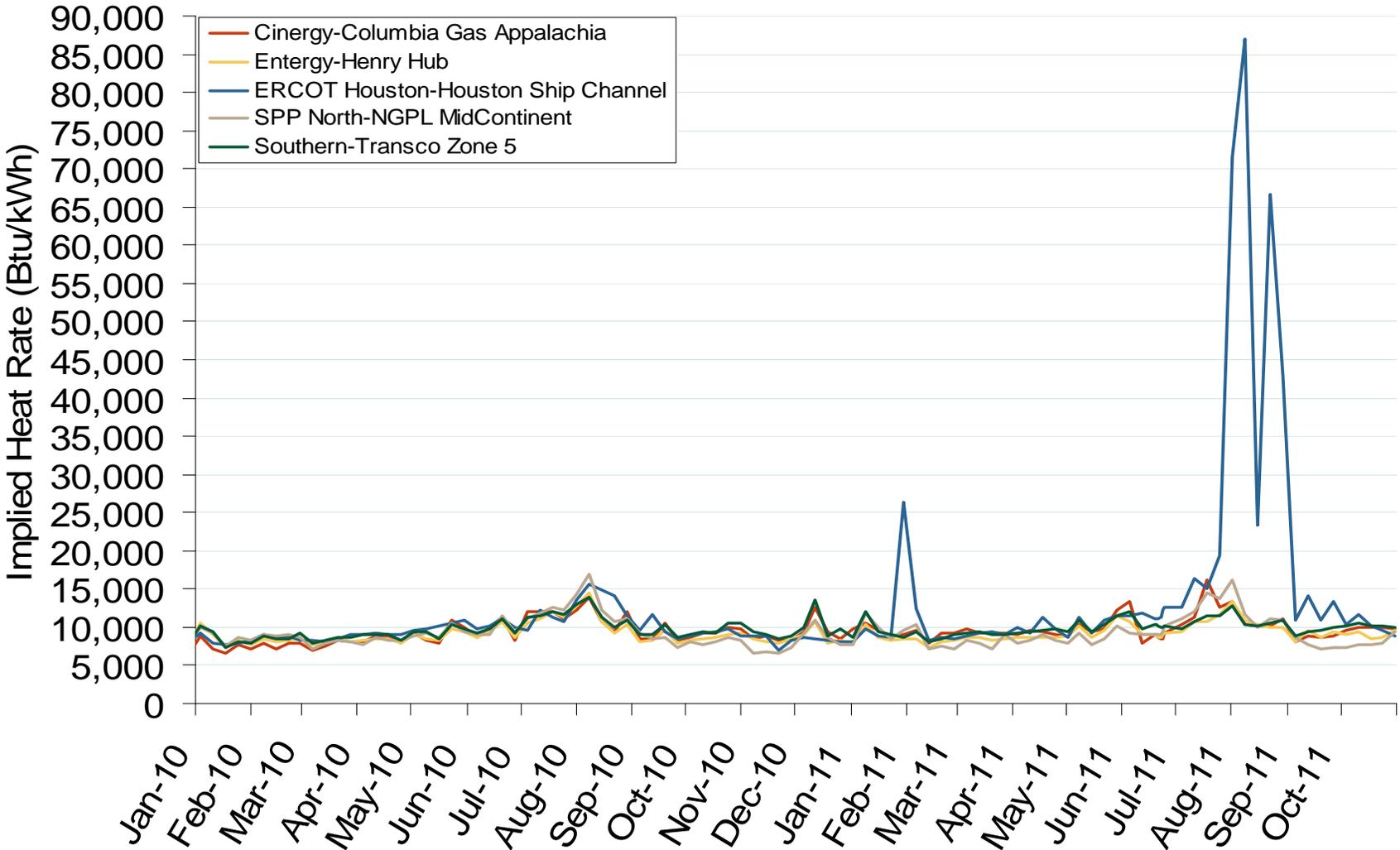


Source: Derived from *EEI* and *NOAA* data
November 2011 Southeastern Snapshot

Southeast Electric Market: South Central Implied Heat Rates

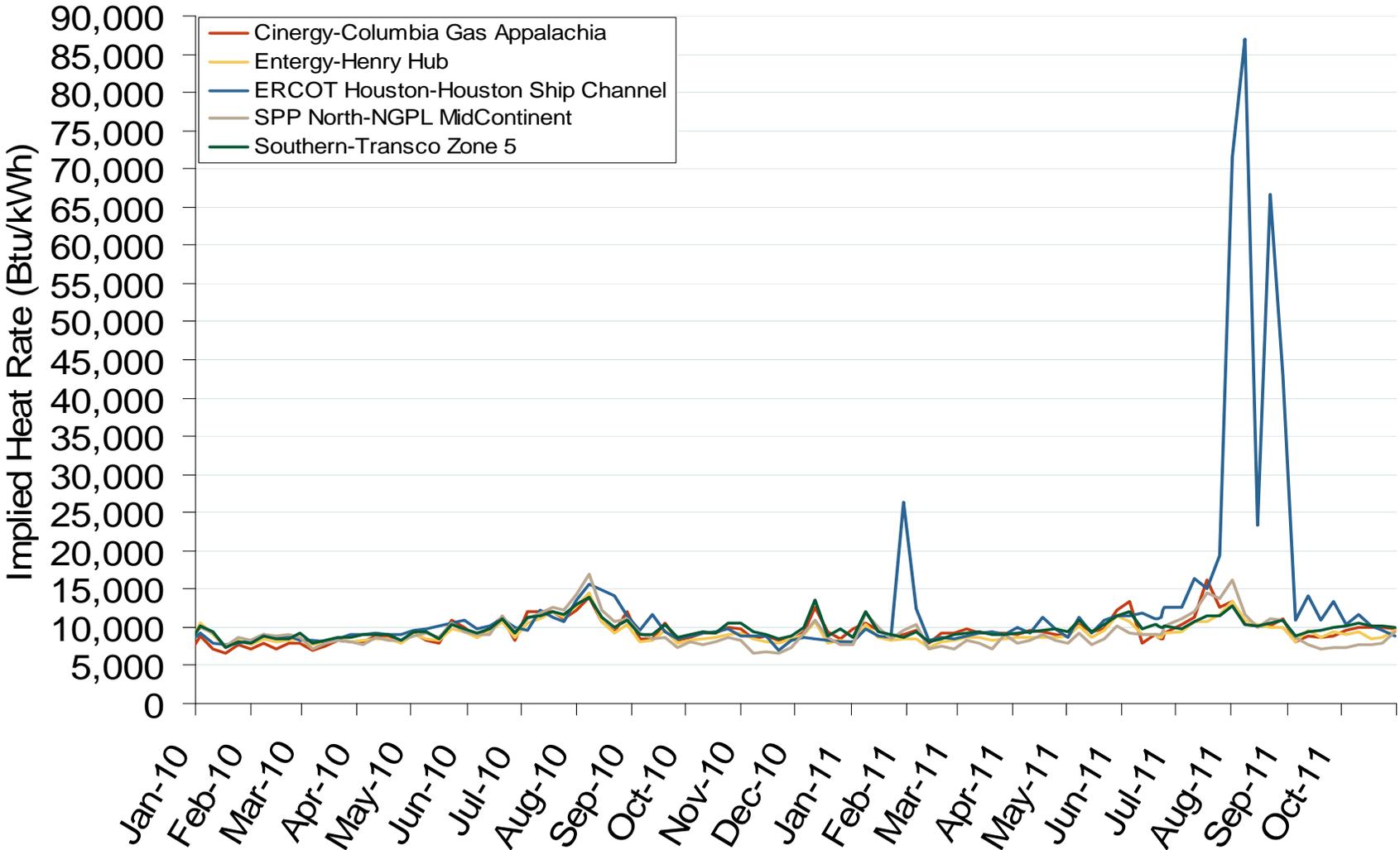
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Implied Heat Rates at South Central Trading Points - Weekly Avgs.



Source: Derived from Platts on-peak electric and natural gas price data
November 2011 Southeastern Snapshot

Implied Heat Rates at South Central Trading Points - Weekly Avgs.



Source: Derived from *Platts* on-peak electric and natural gas price data
November 2011 Southeastern Snapshot

Monthly Southeastern Hydroelectric Generation

