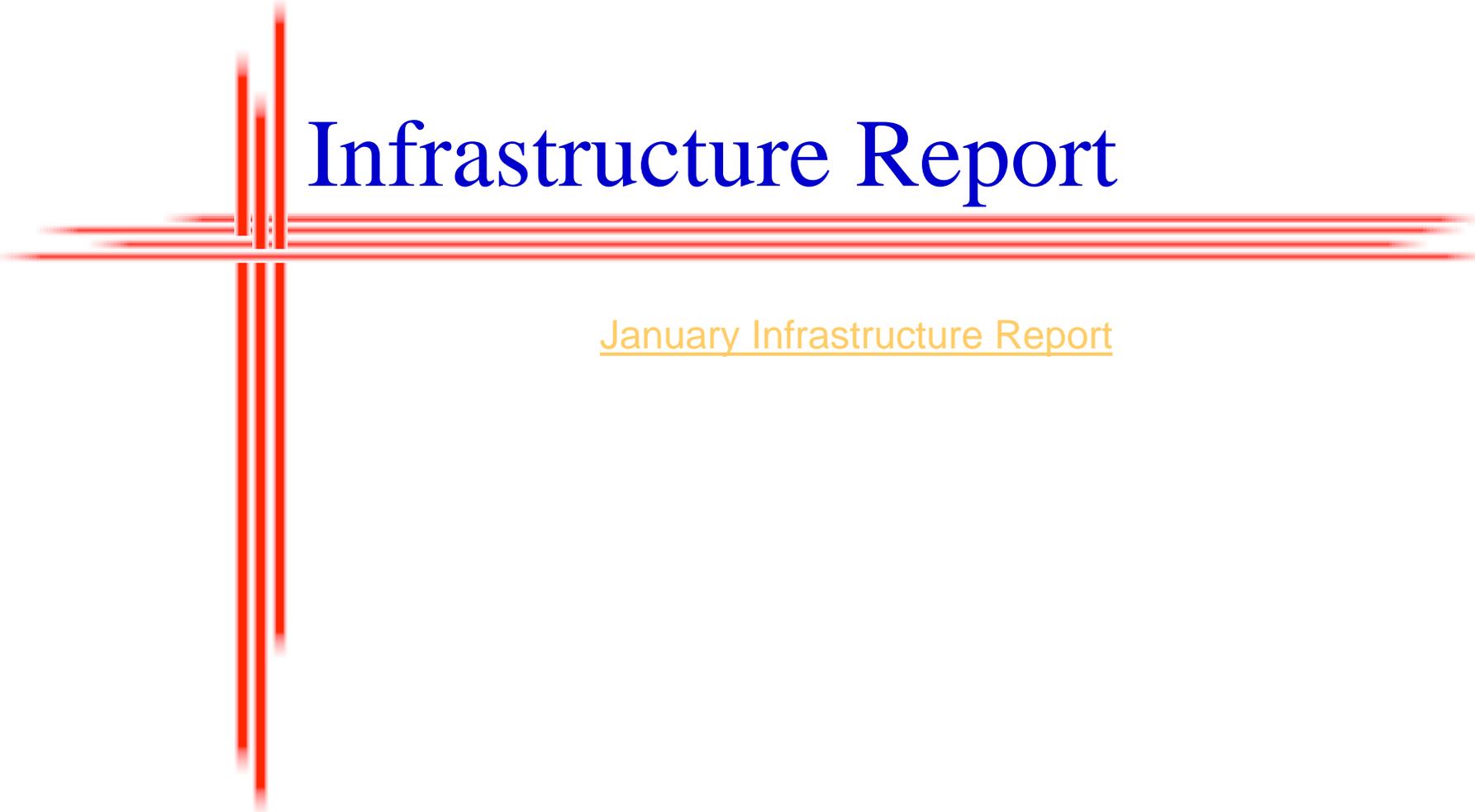


OE ENERGY MARKET SNAPSHOT

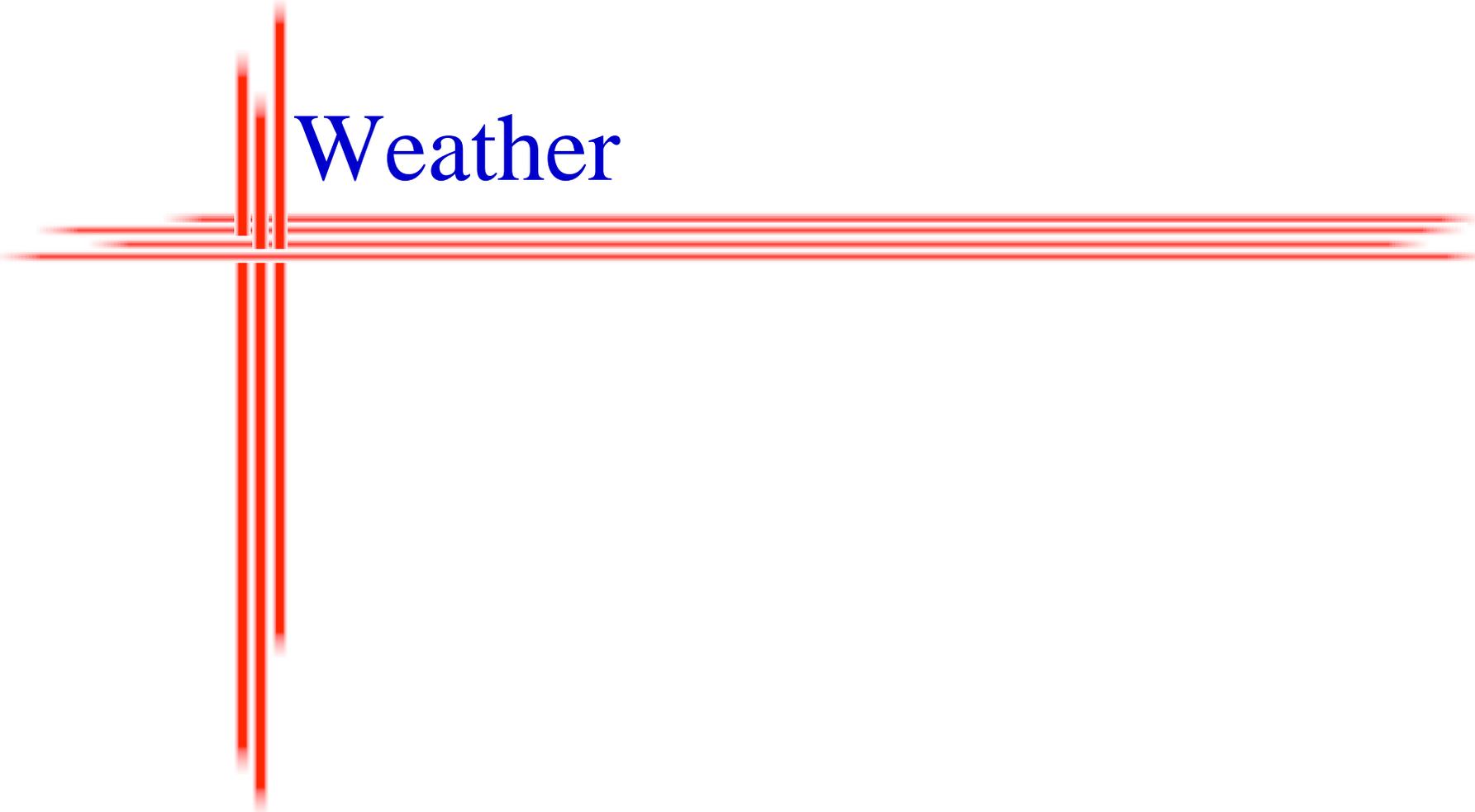
Southeast States Version – January 2012 Data

Office of Enforcement
Federal Energy Regulatory Commission
February 2012



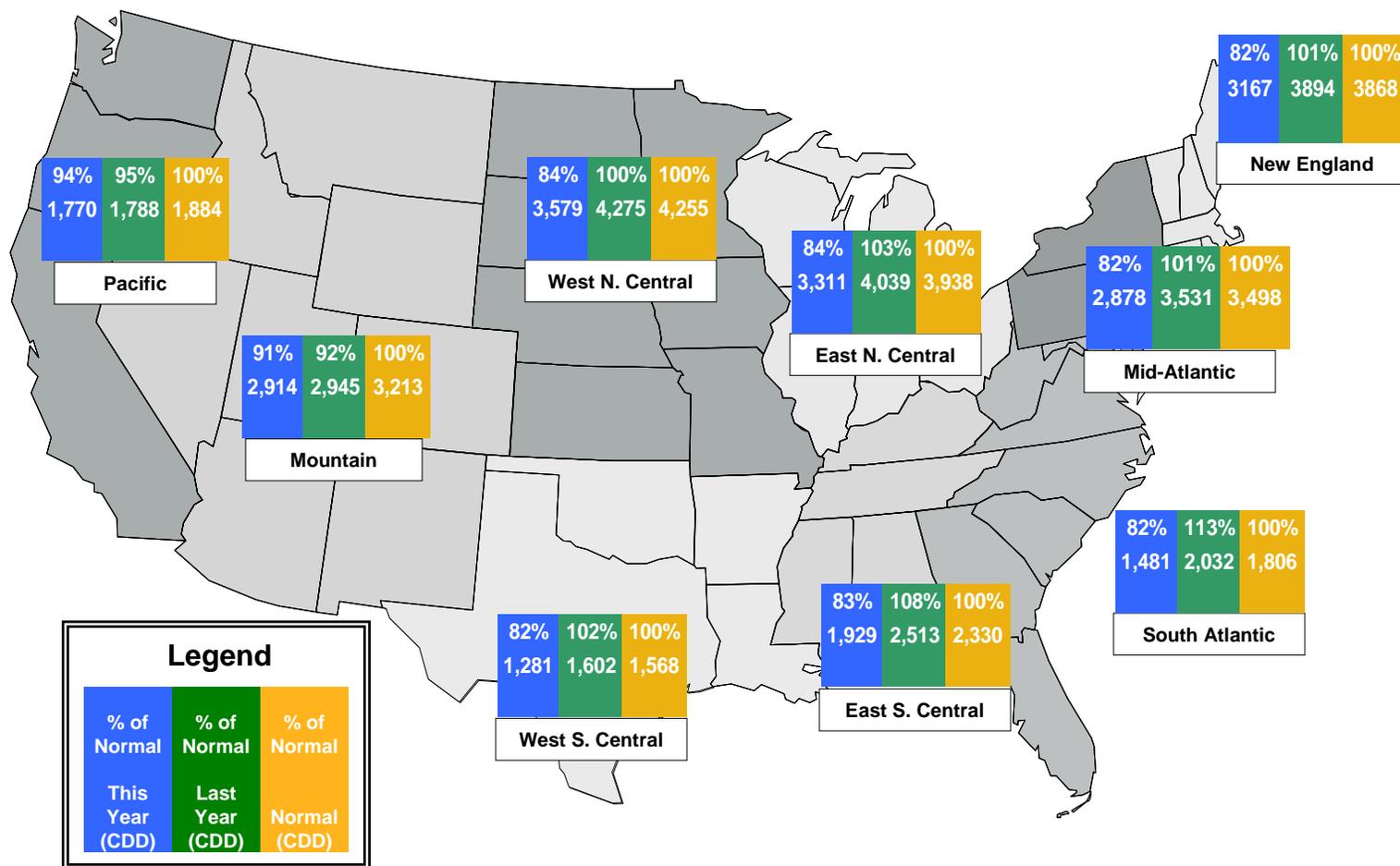
Infrastructure Report

January Infrastructure Report



Weather

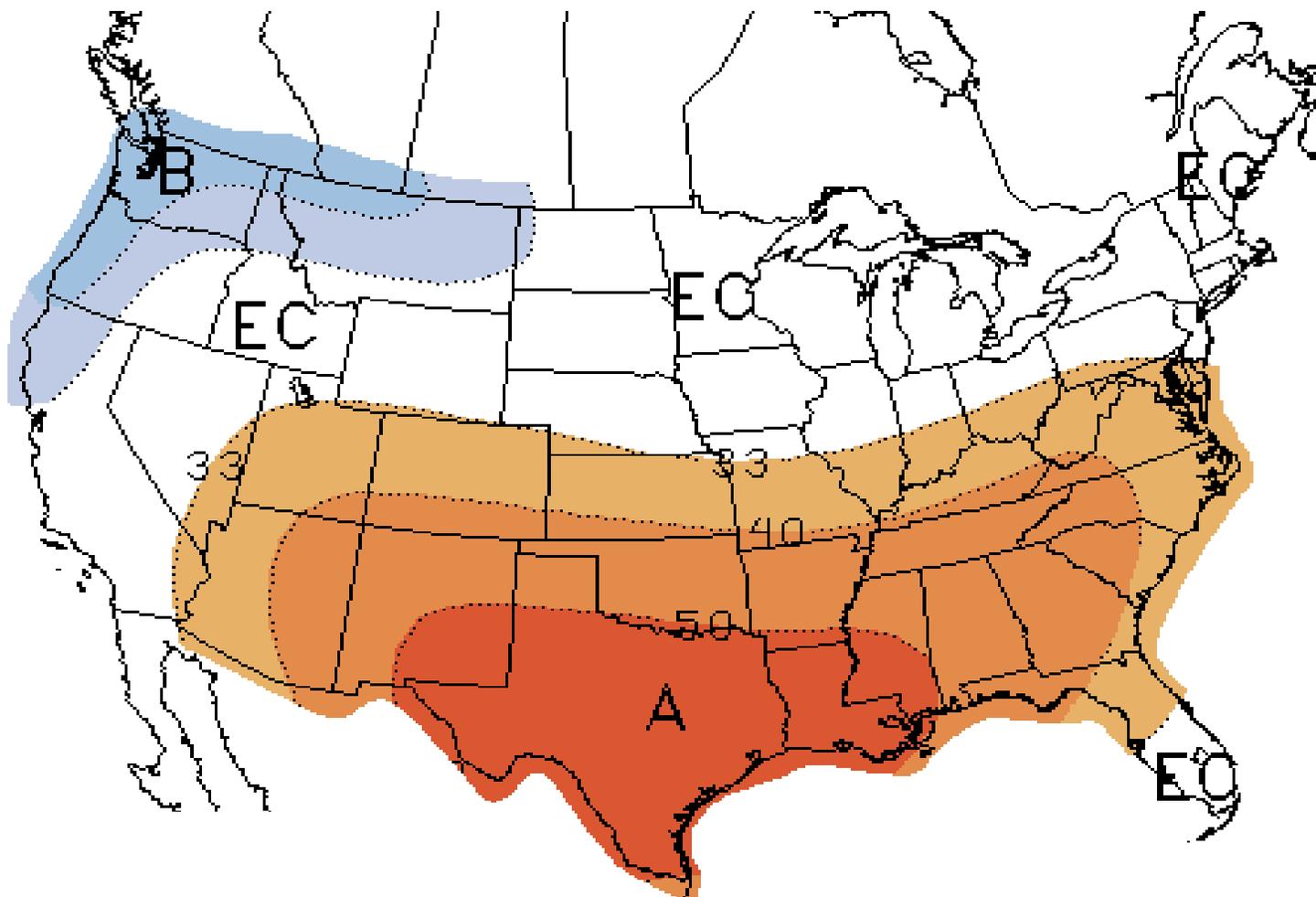
Regional Heating Degree Days – July 2011 to January 2012



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

Updated February 8, 2012

NOAA's 3 Month Temperature Forecast Made January 19, 2012, Valid for February 2012 – April 2012

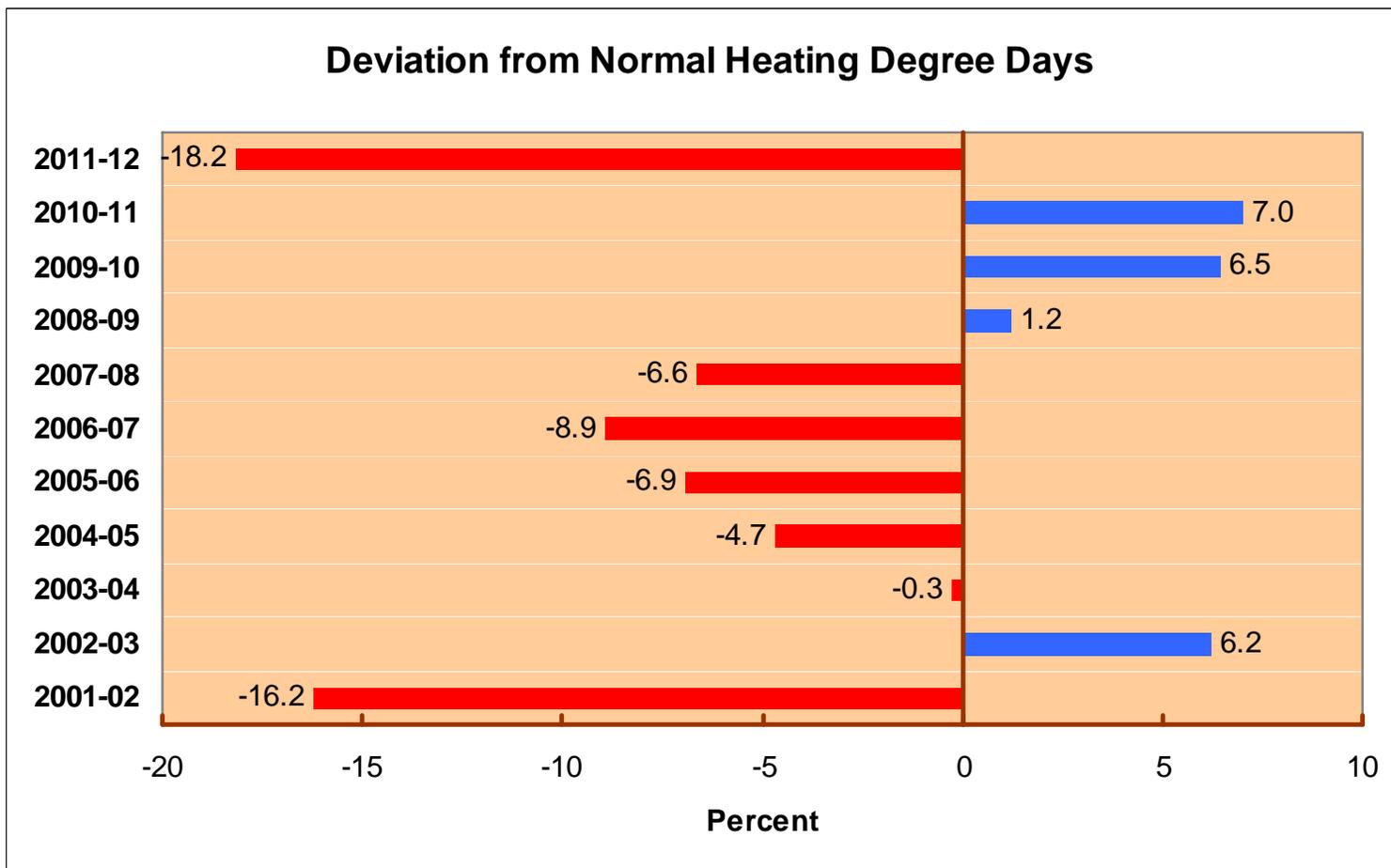


Note: "A" areas are above normal, "B" areas are below normal and "EC" means equal chance. Normal is based on the last 30 years of data.

Source: Derived from NOAA data.

Updated: February 8, 2012

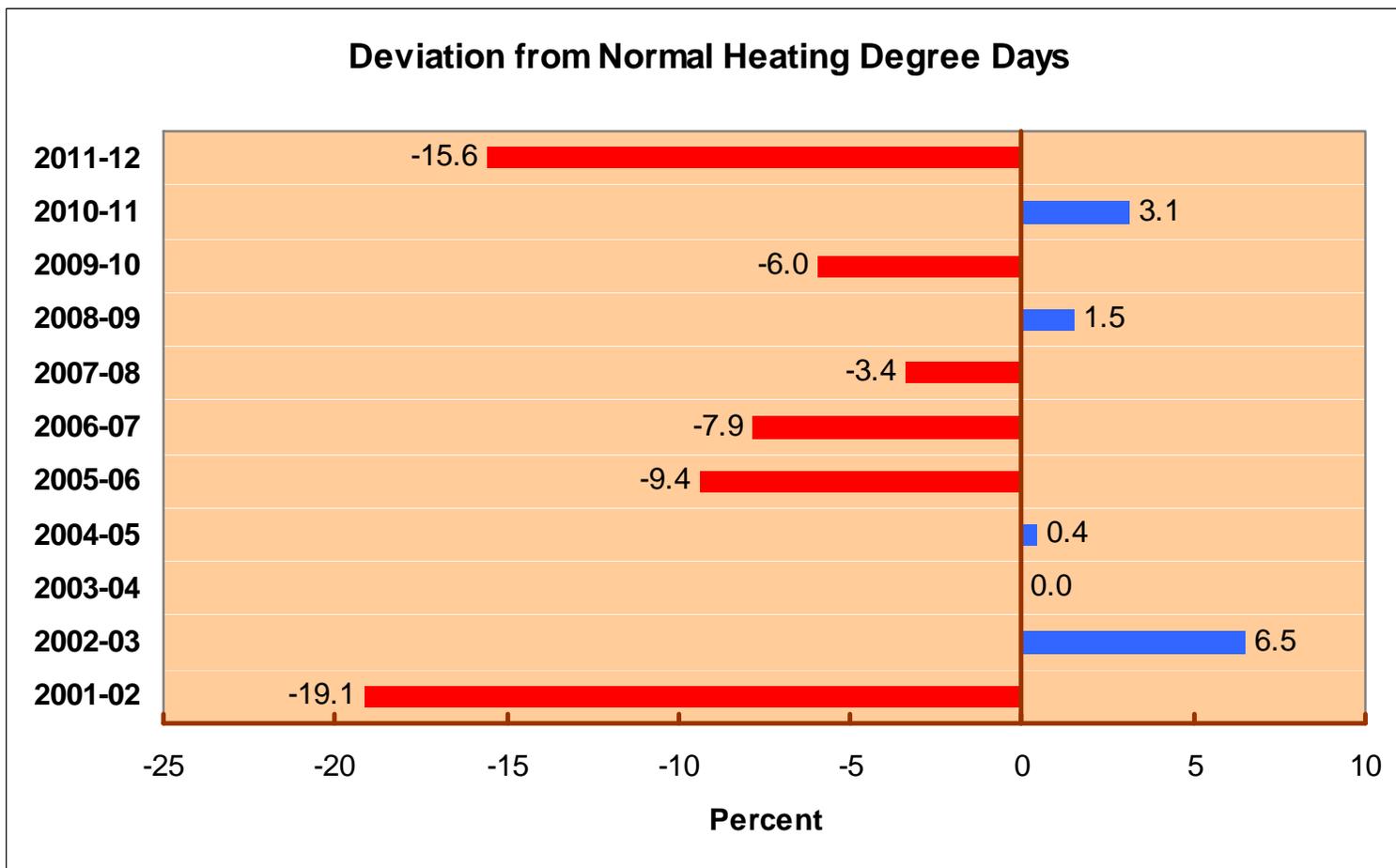
Winter in DE, FL, GA, MD, DC, NC, SC, VA, and WV the Warmest in 10-Years



Source: Derived from NOAA data. Winter is defined as November through March.

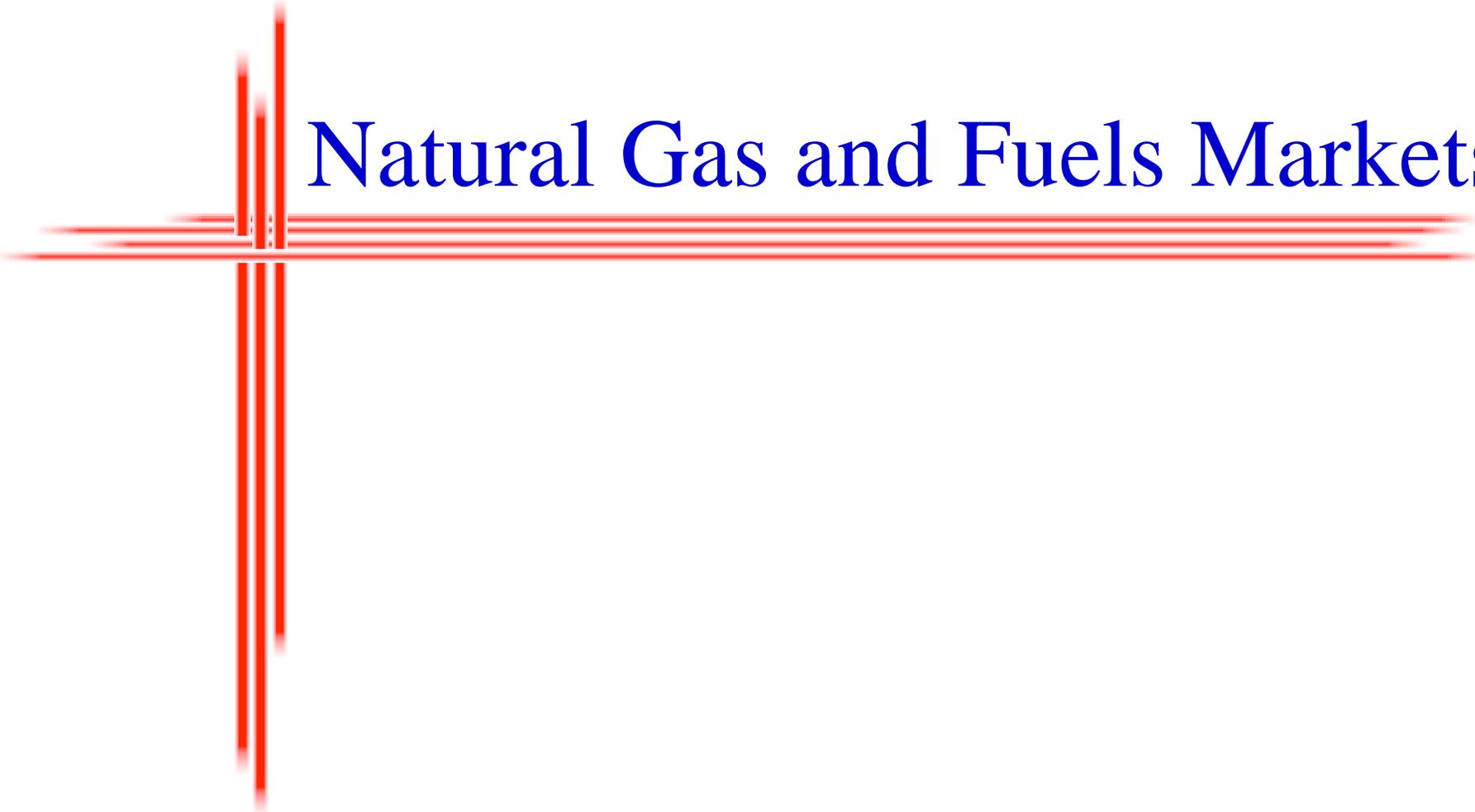
Updated February 16, 2012

Winter in NY, NJ, and PA the Second Warmest in 10-Years



Source: Derived from NOAA data. Winter is defined as November through March.

Updated February 16, 2012

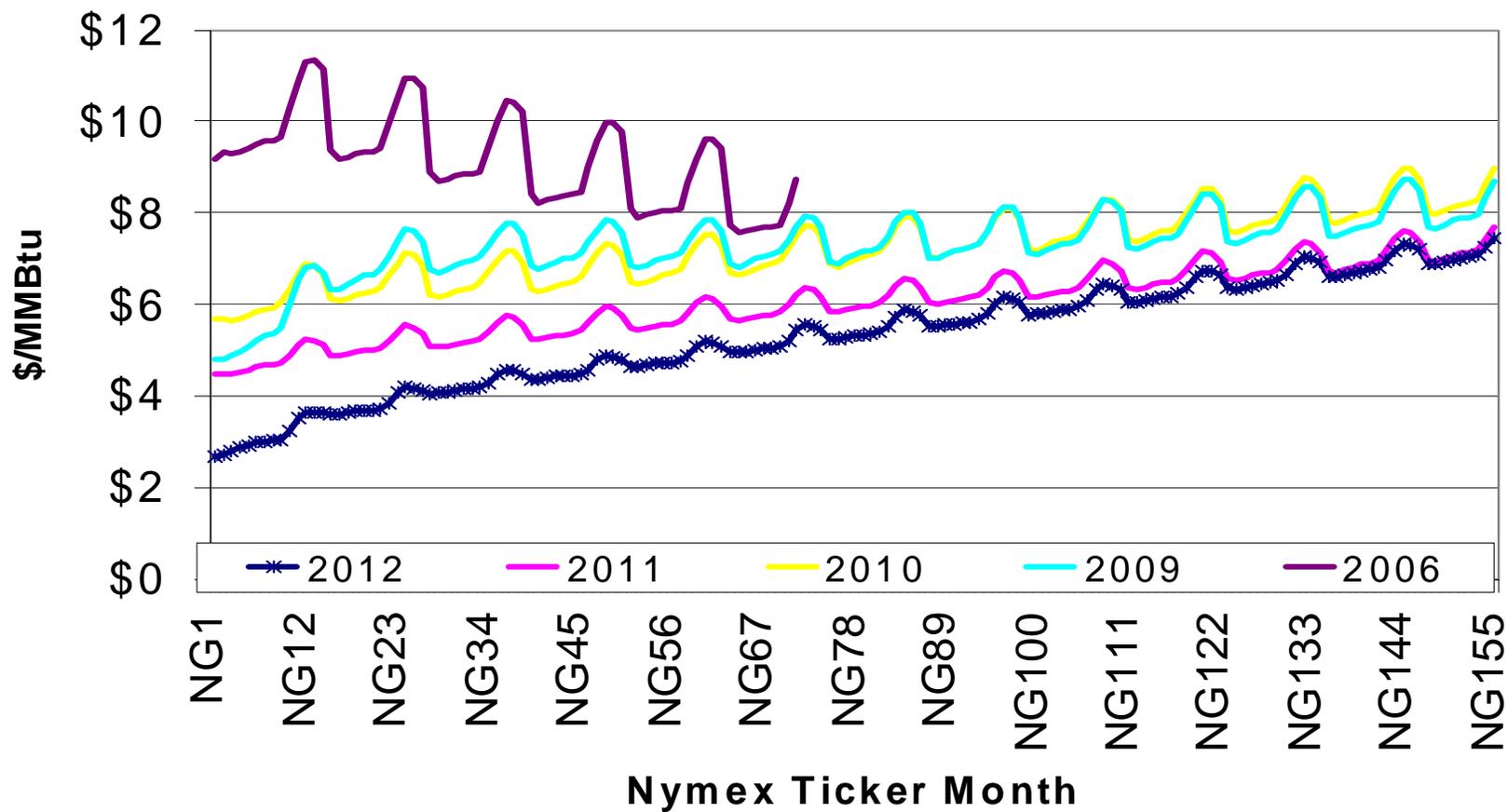


Natural Gas and Fuels Markets

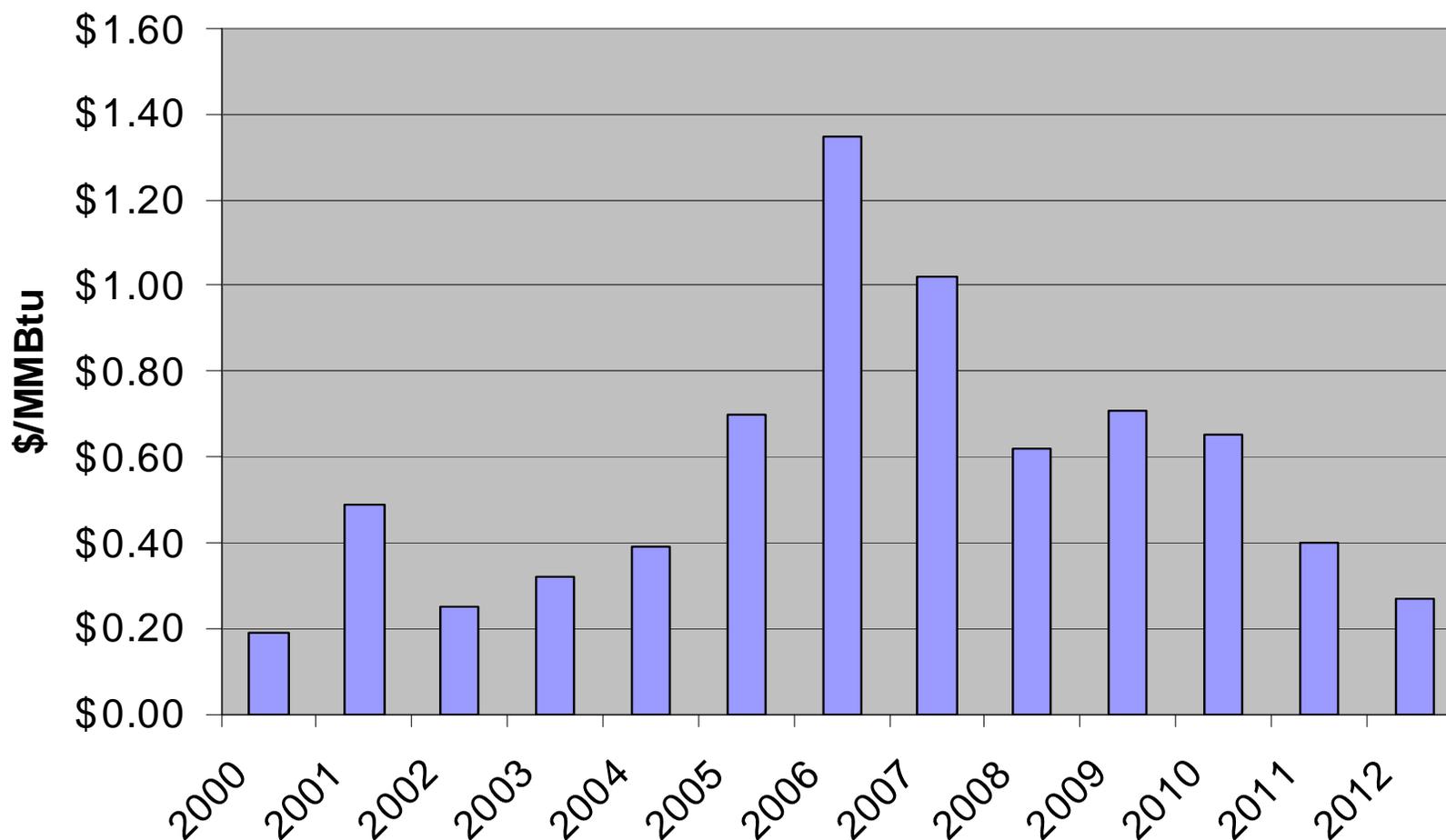
High Value NGL Contribute to Strong Natural Gas Production

Estimated Value Added to 1 Mmbtu of NG based on NGL Content (2011 Avg.)			
	Eagle Ford's Liquids Rich Area 50% NGL Content	At 15% NGL Content	At 10% NGL Content
Natural Gas	3.98	3.98	3.98
Ethane	0.93	0.70	0.47
Propane	0.94	0.70	0.47
Iso-butane	0.42	0.31	0.21
Butane	0.21	0.15	0.10
Natural Gasoline (Condensate)	0.65	0.49	0.33
Natural Gas + NGLs	\$6.48	\$5.85	\$5.23

2012 Nymex forward curve is relatively flat compared to recent years



Current average summer/winter spread of NYMEX forward curve lowest since 2002

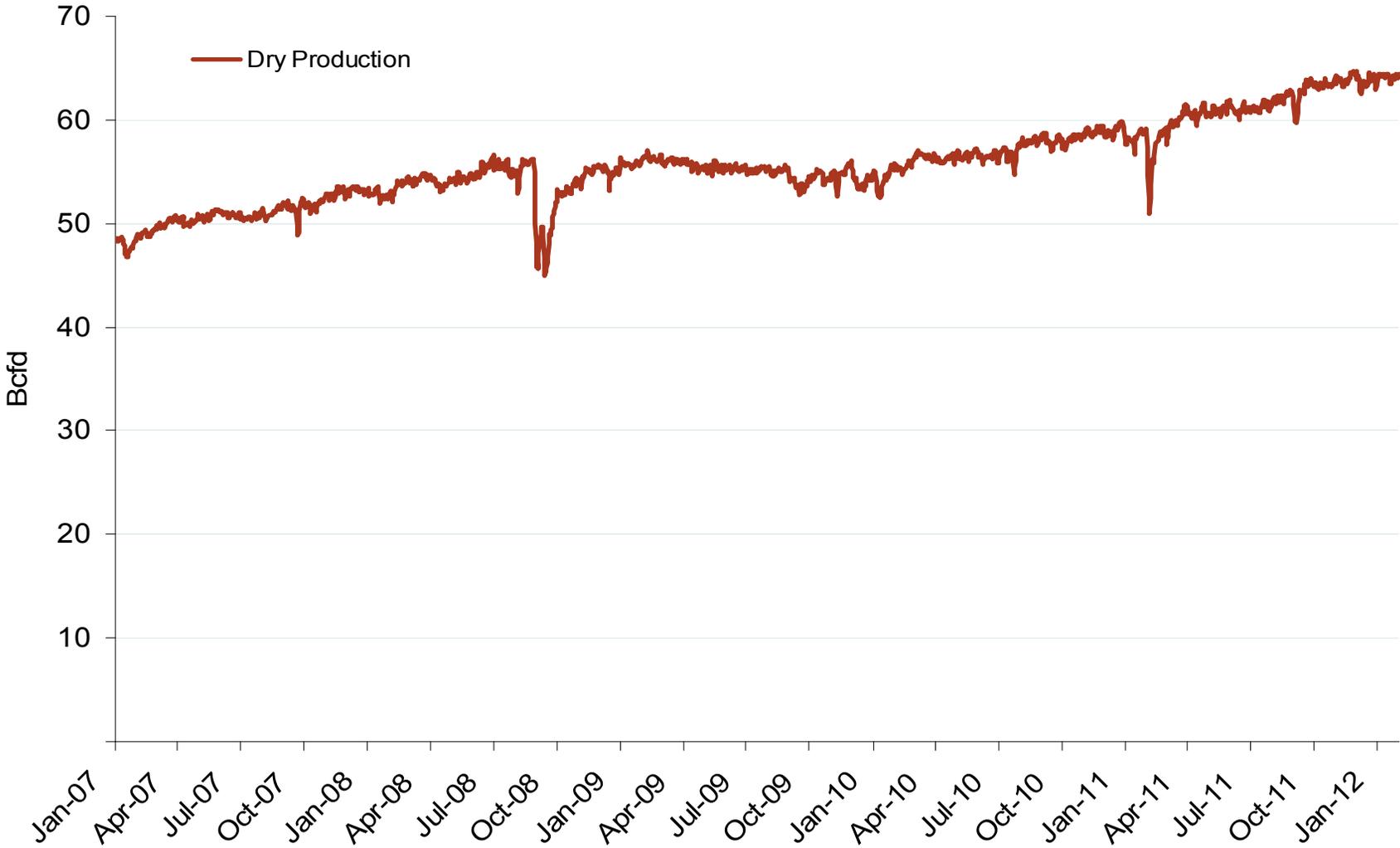


Source: Nymex

Note: The spreads are calculated by looking at forward curve values on January 15th of every year.

Updated February 2012

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



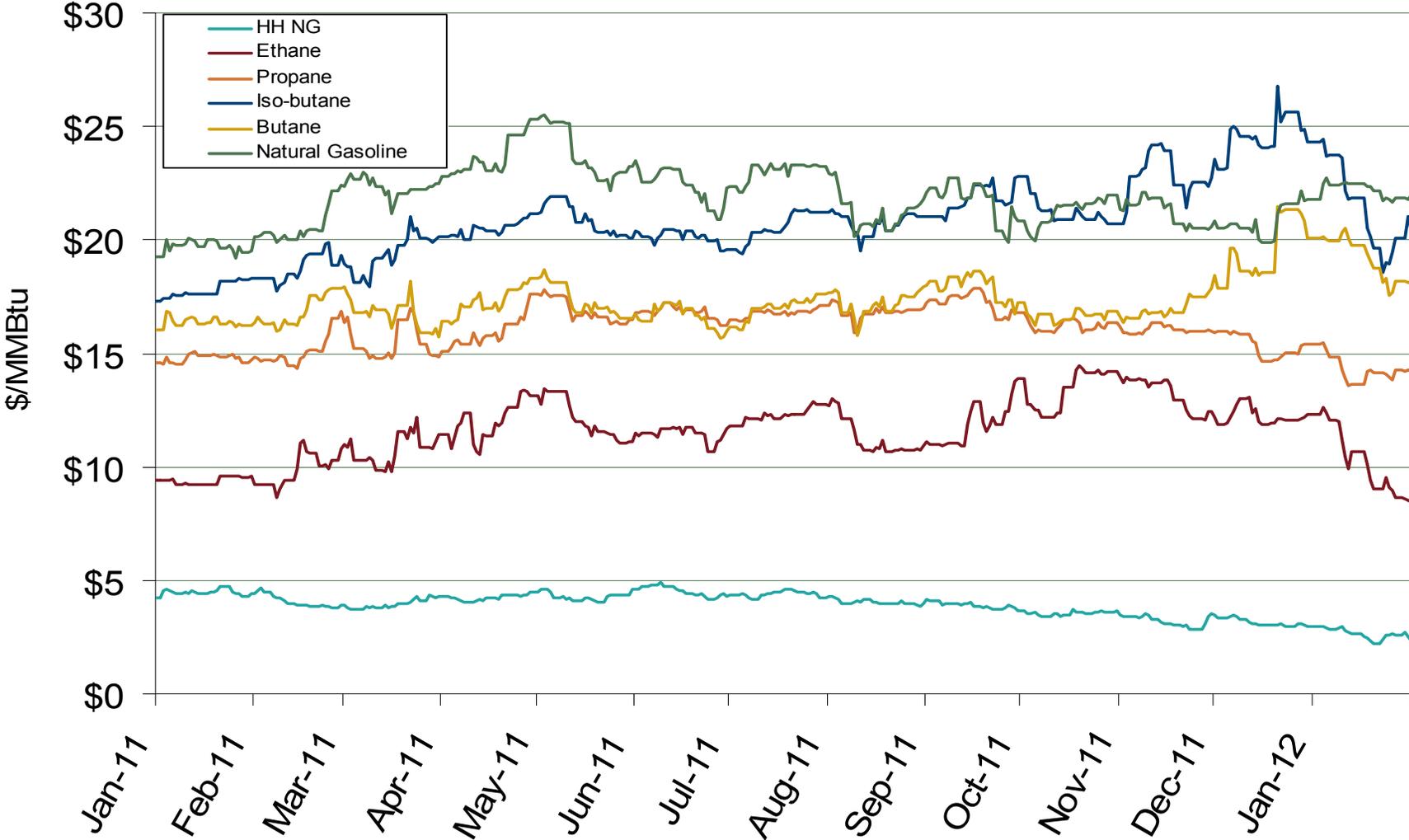
Note: Prior to July 2010, chart was derived from a combination of EIA and Bentek Energy data

Source: Derived from Bentek Energy data

February 2012 Southeastern Snapshot

Updated: February 21, 2012

U.S. Natural Gas vs. Natural Gas Liquids (NGL) Prices



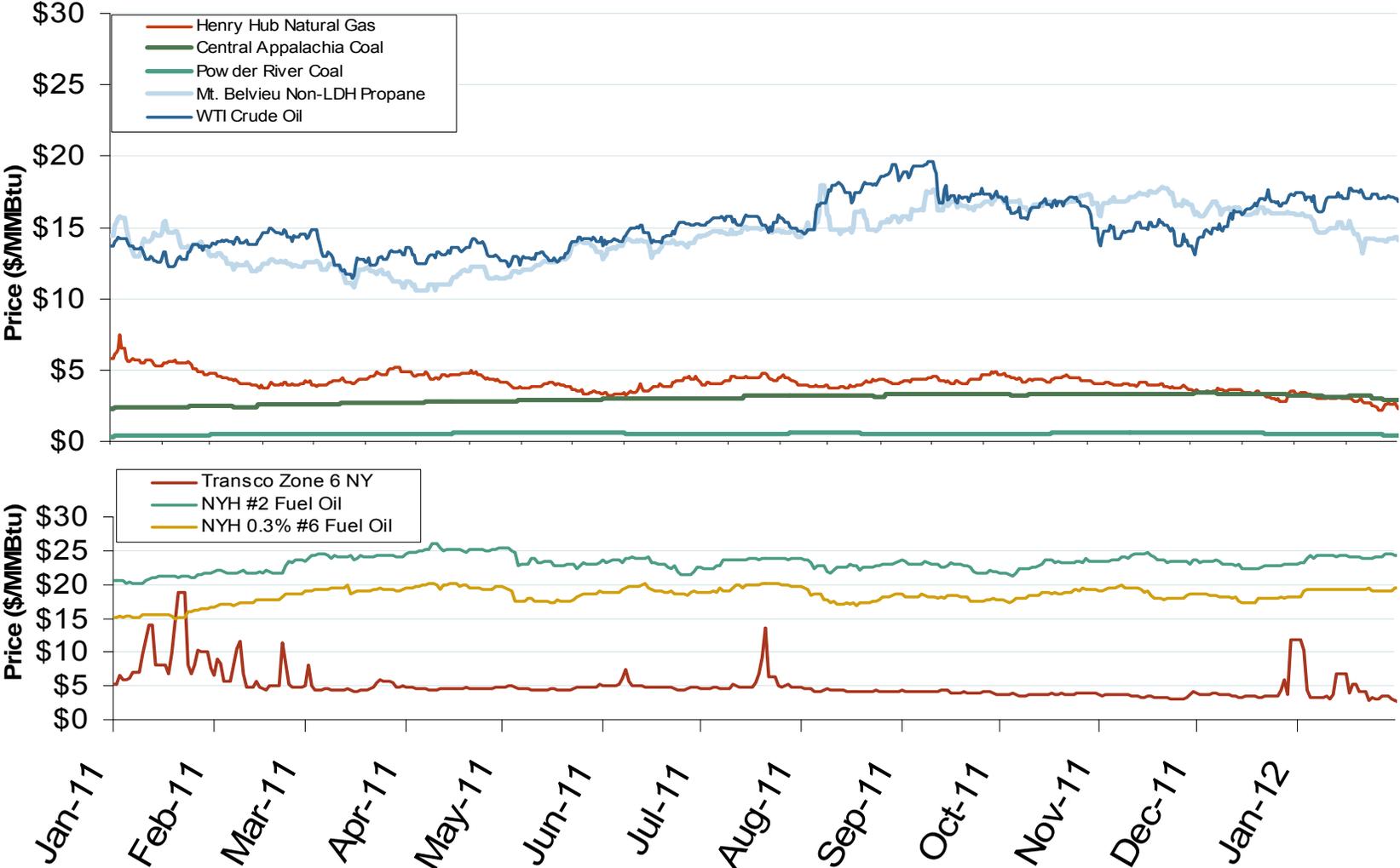
Source: Derived from Bloomberg Data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

Other Fuels Market: Fossil Fuel Prices

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

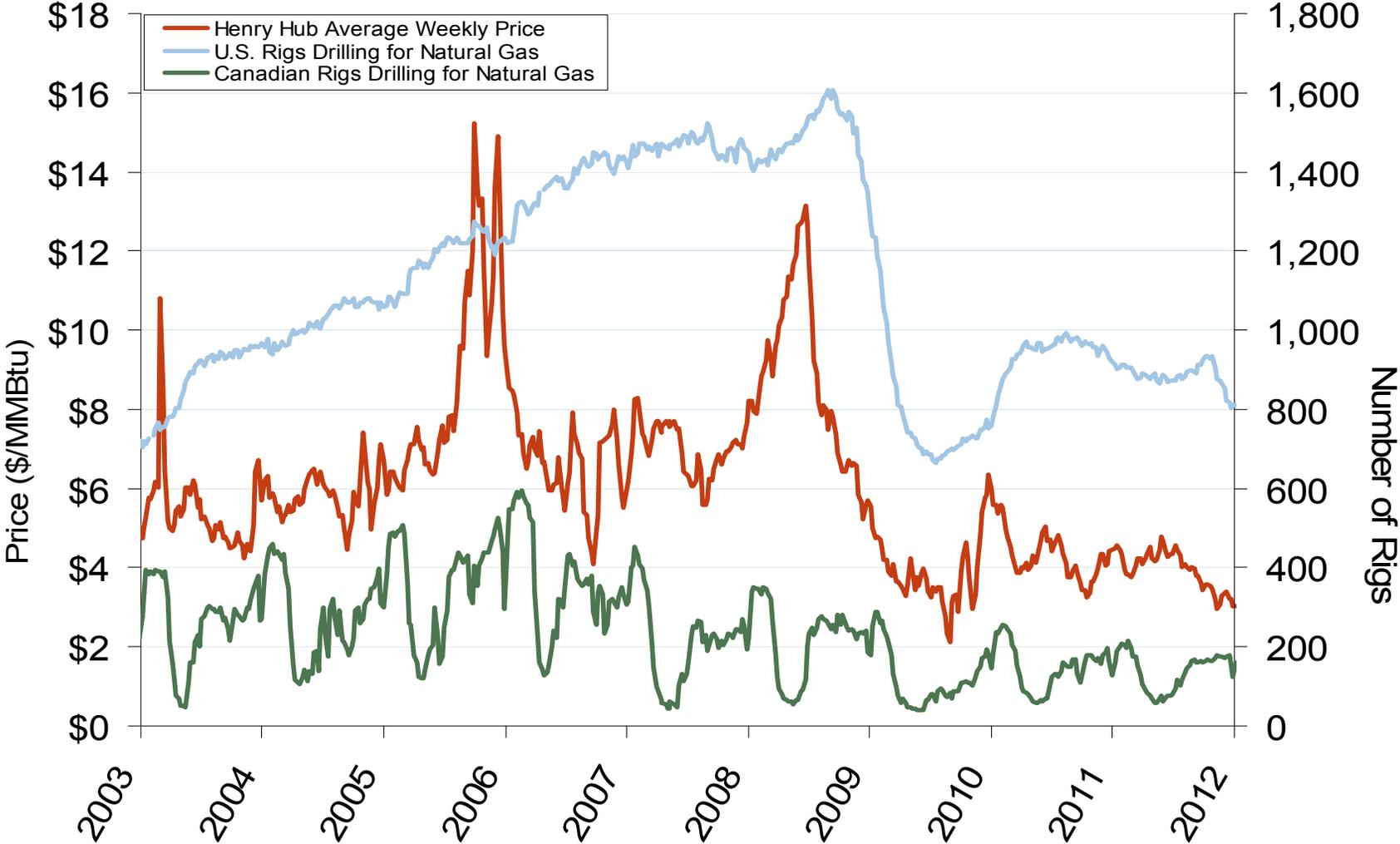
Oil, Coal, Natural Gas and Propane Daily Spot Prices



Notes: 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

Source: Derived from ICE and Bloomberg data

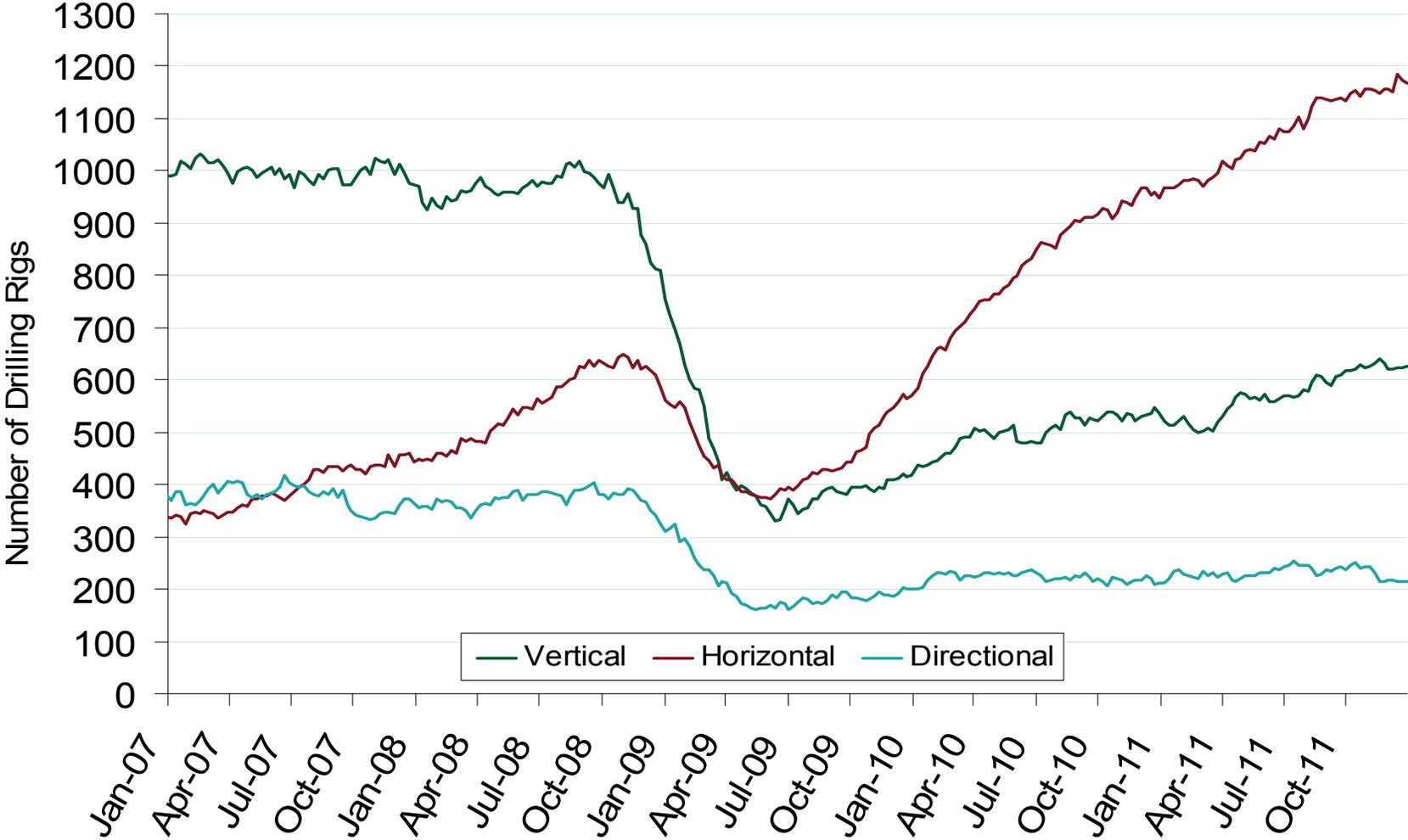
U.S. and Canadian NG Drilling Rig Count and Daily Spot Prices



Source: Derived from *Platts* and *Baker Hughes* data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

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

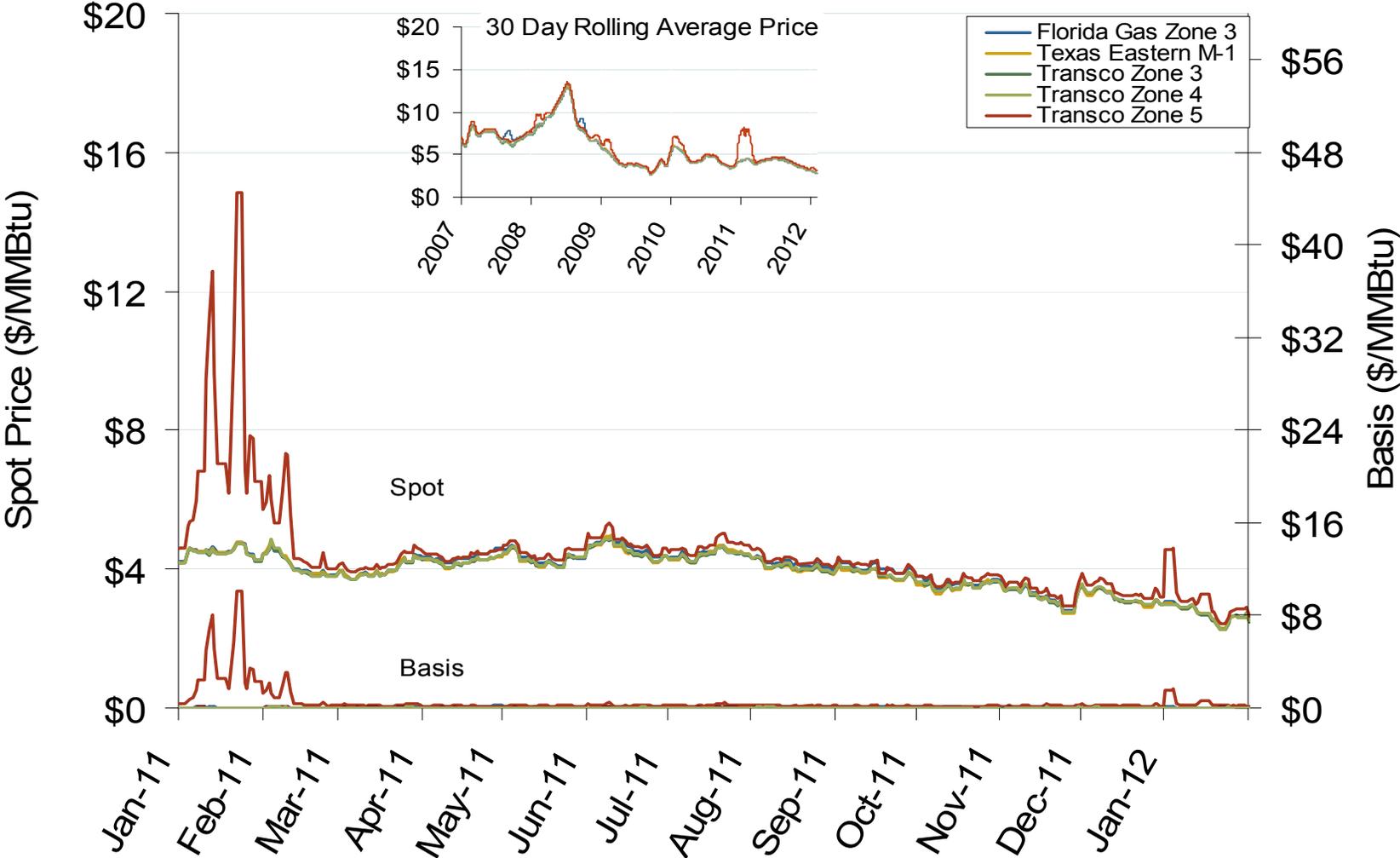


Source: Derived from *Platts* and *Baker Hughes* data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

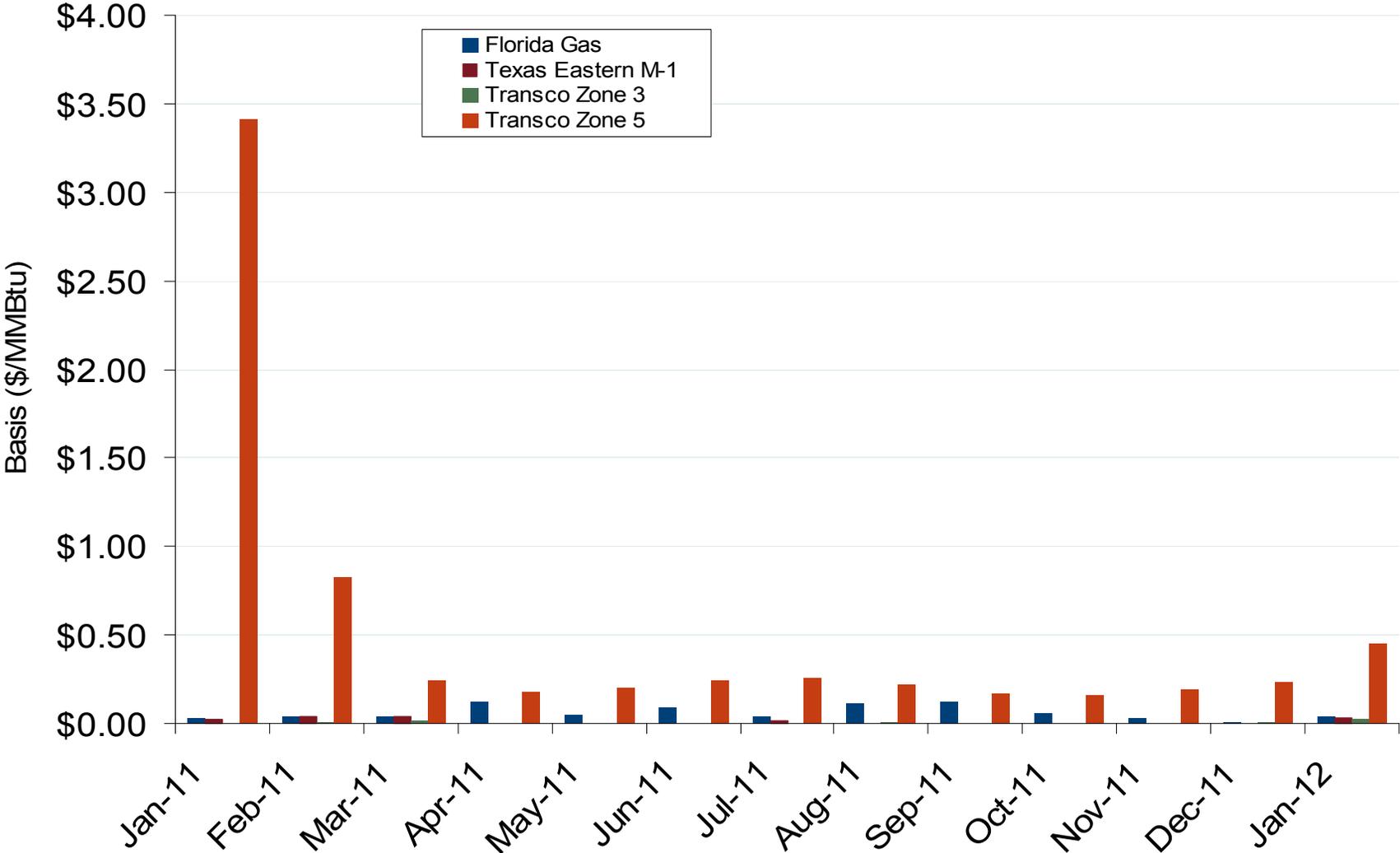
Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

Southeastern Day-Ahead Hub Spot Prices and Basis



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

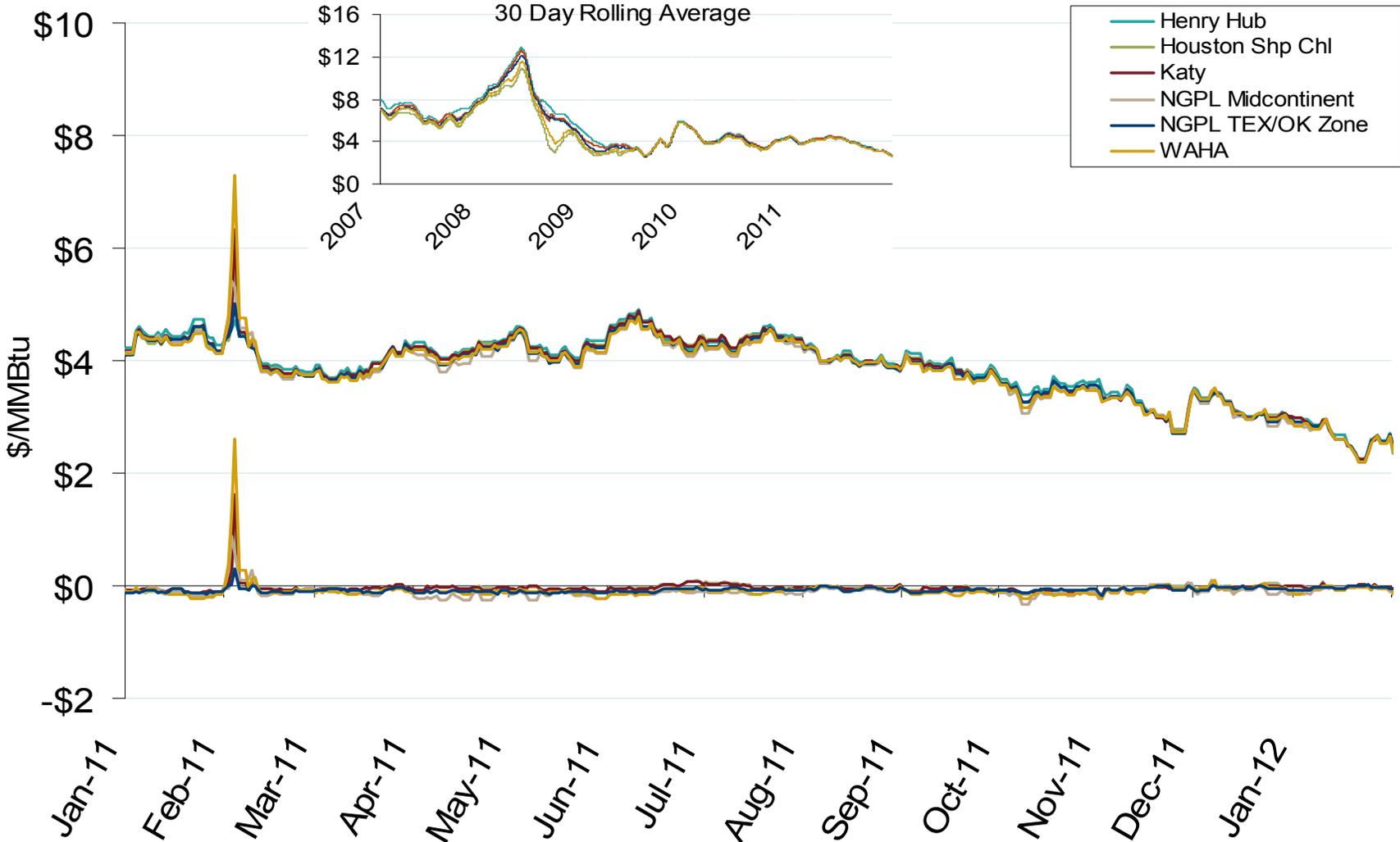
Southeastern Monthly Average Basis Value to Henry Hub



Source: Derived from *Platts* data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

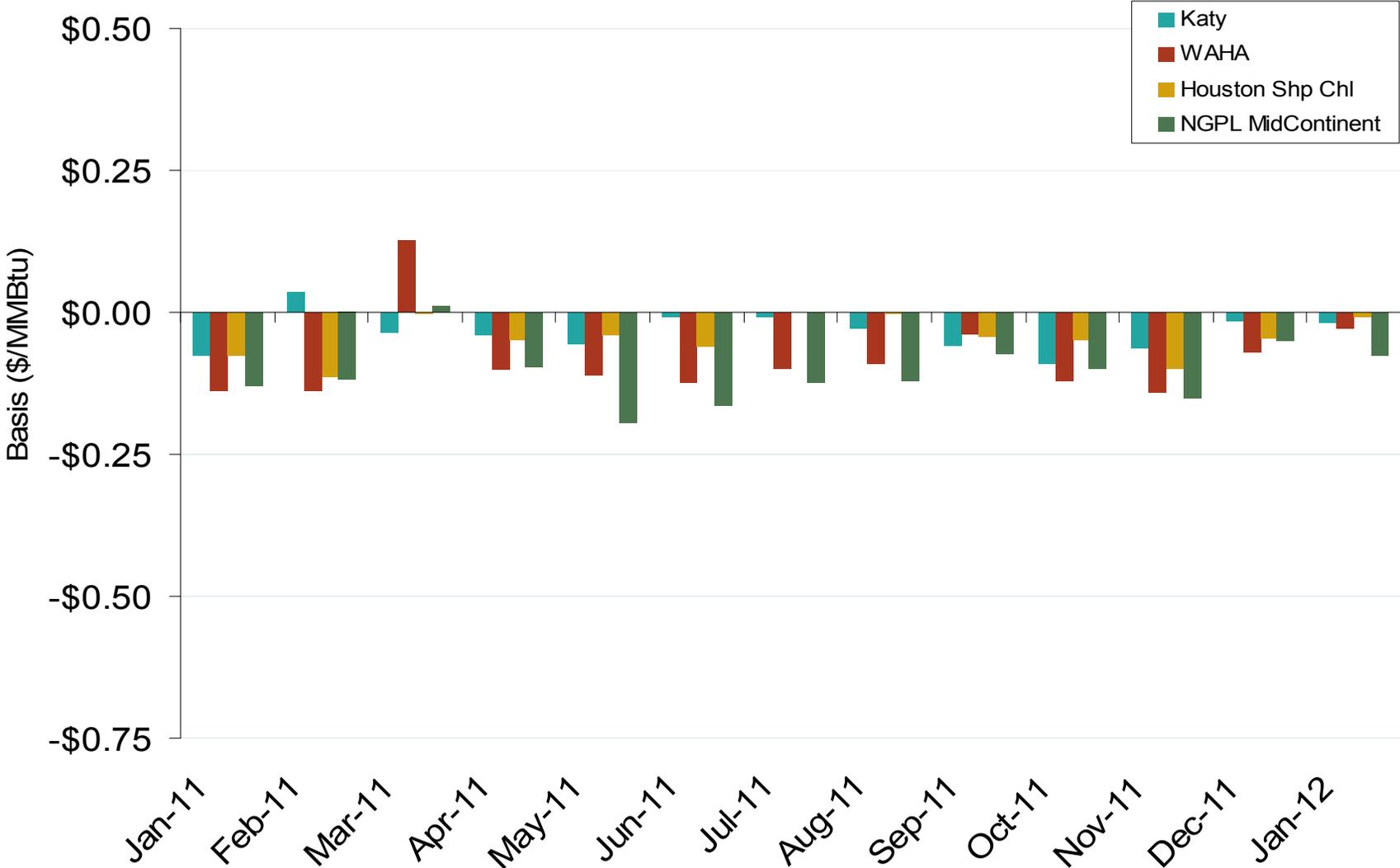
Gulf Day-Ahead Hub Spot Prices and Basis



Source: Derived from Platts data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

Gulf Monthly Average Basis Value to Henry Hub



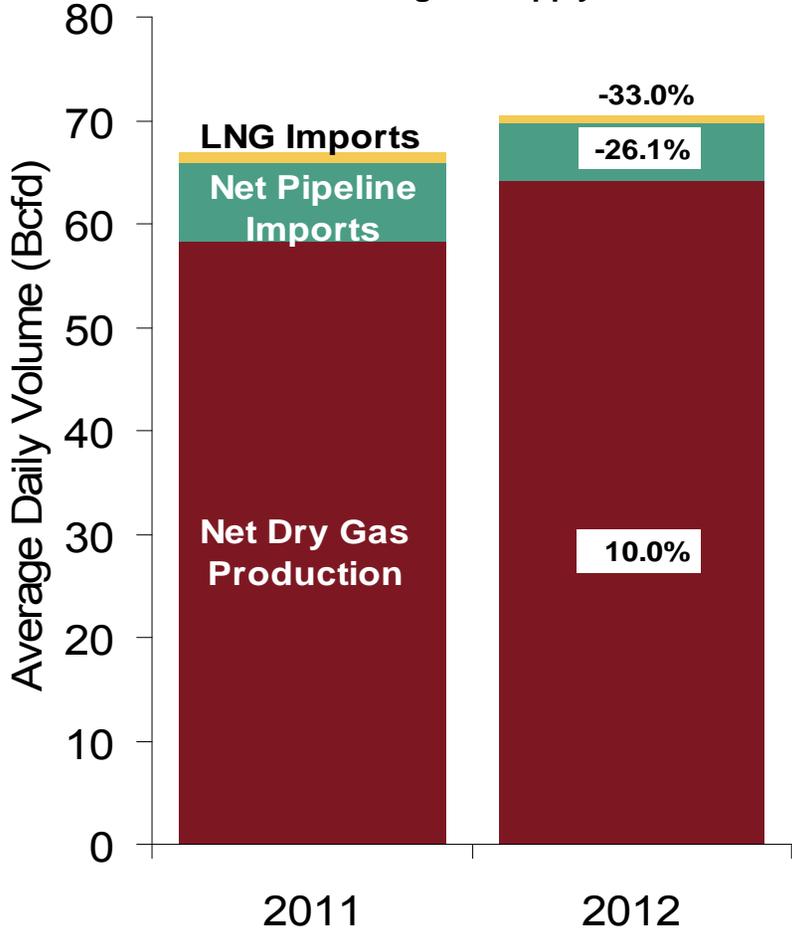
Source: Derived from Platts data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

U.S. NG Supply and Demand 2011 vs. 2012: January - January

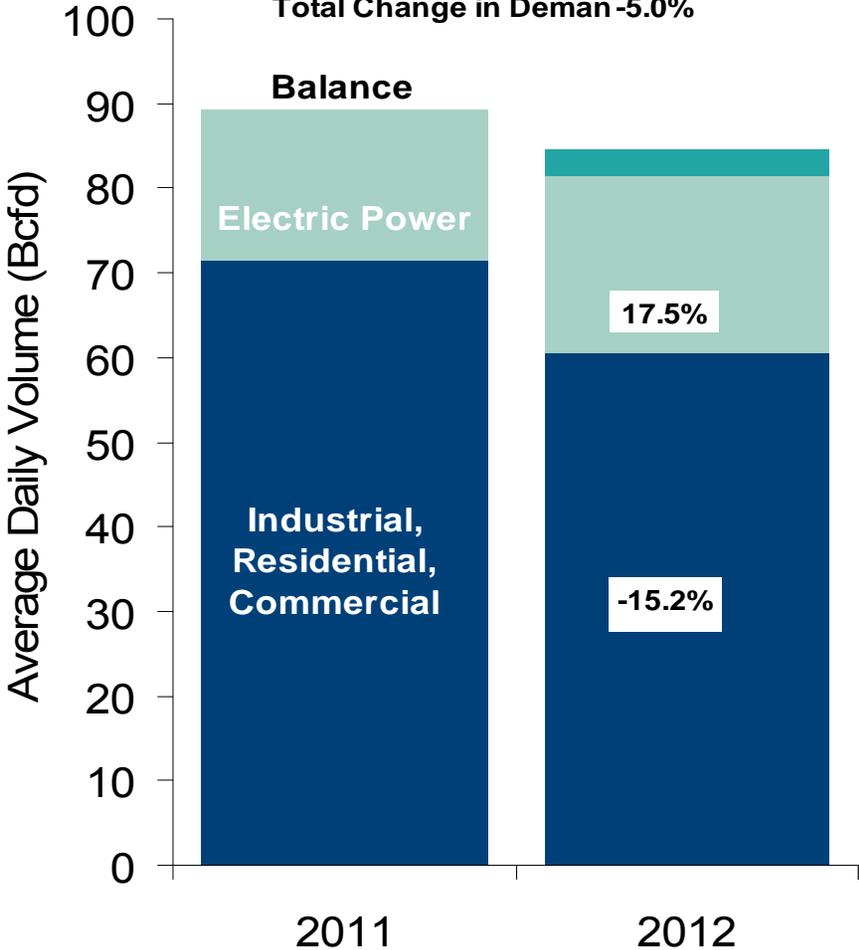
US Natural Gas Supply

Total Change in Supply 5.2%



US Natural Gas Demand

Total Change in Demand -5.0%



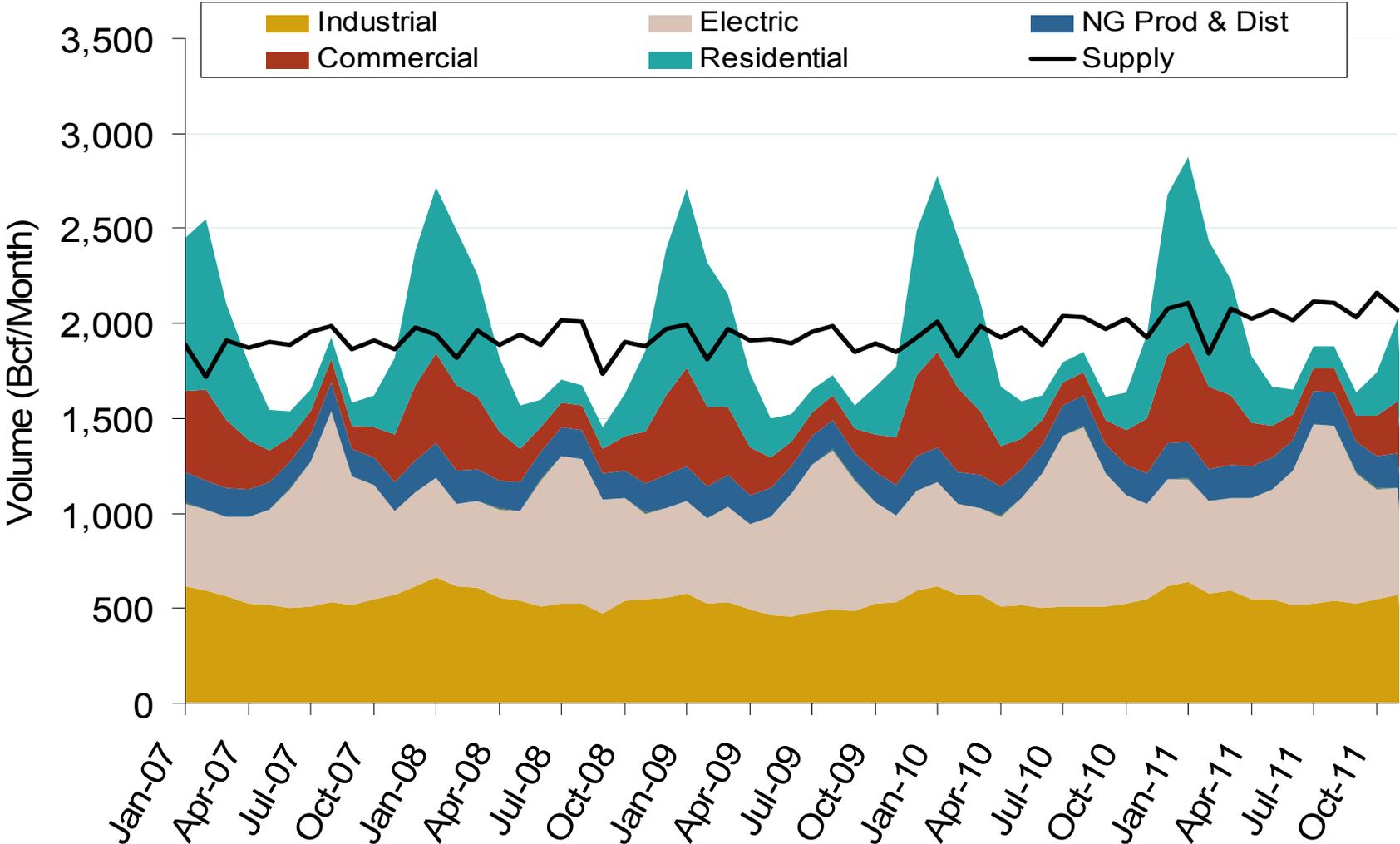
Note: Balance includes all amounts not attributable to other categories.

Source: Derived from Bentek Energy data

February 2012 Southeastern Snapshot

Updated: February 21, 2012

Annual U.S. Natural Gas Consumption by Sector



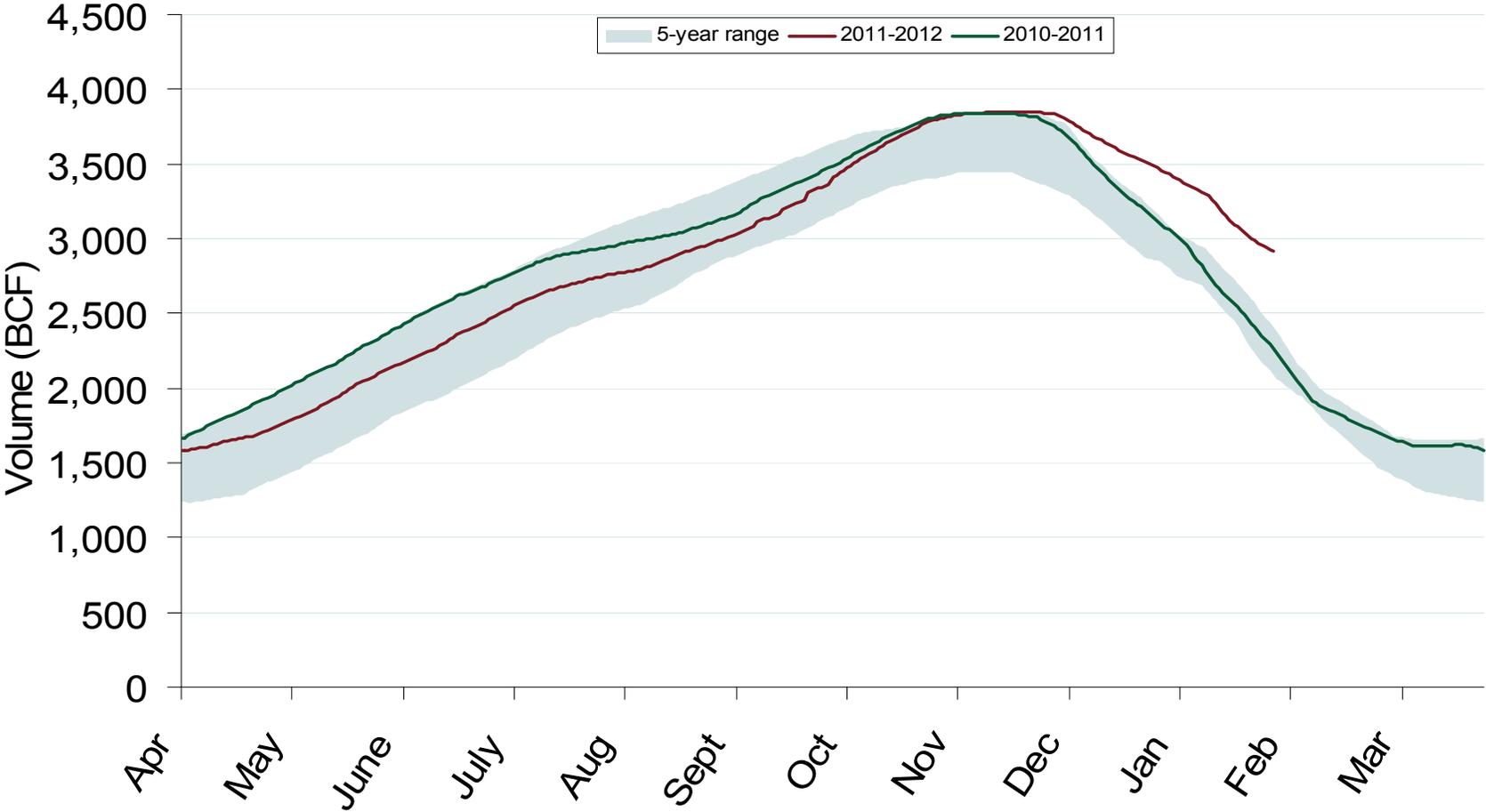
Notes: Supply includes lower 48 state production, net pipeline imports, and LNG imports

Source: Derived from EIA data

February 2012 Southeastern Snapshot

Updated: February 14, 2012

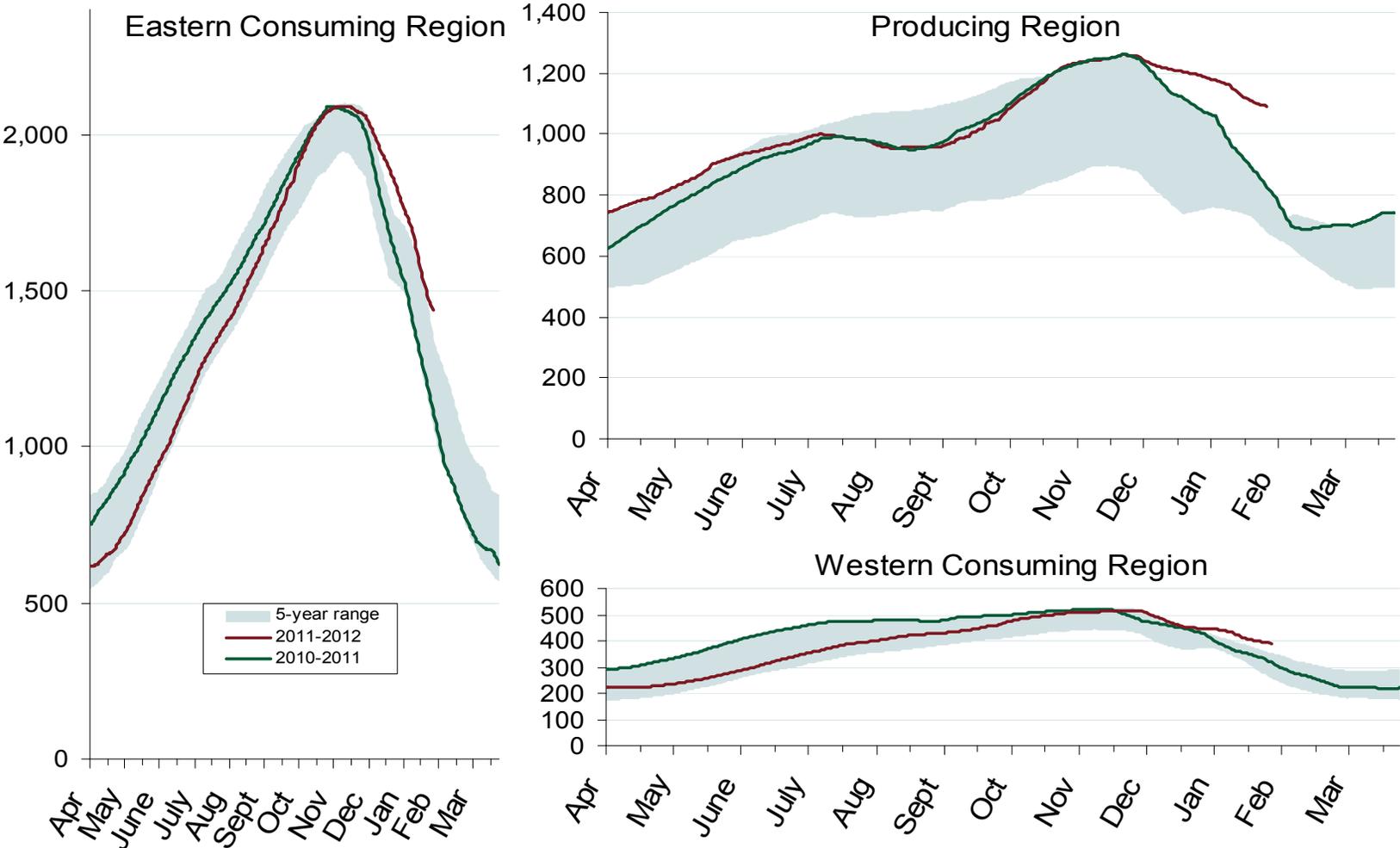
Total U.S. Working Gas in Storage



Source: Derived from EIA data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

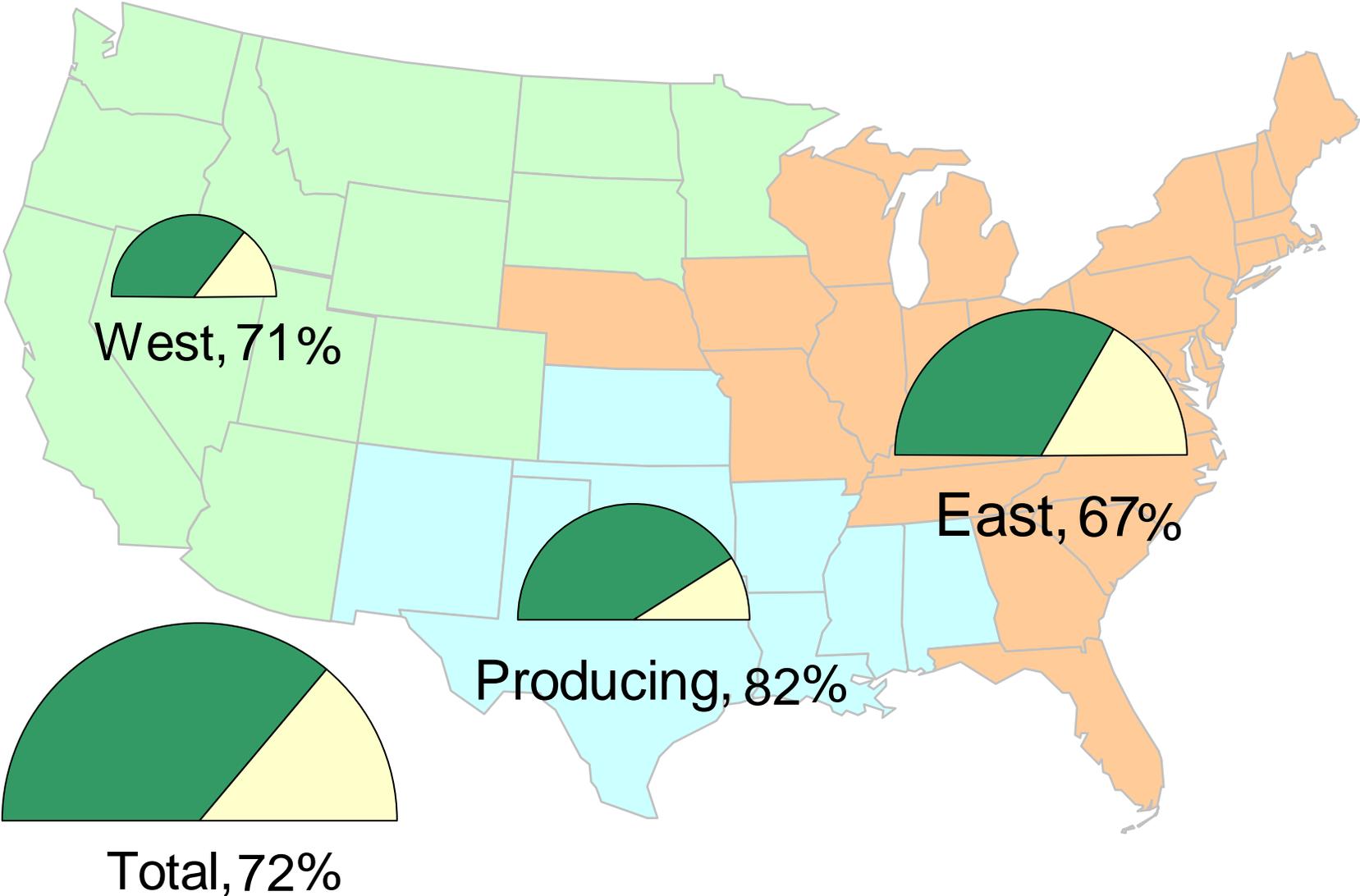
Regional Totals of Working Gas in Storage



Source: Derived from EIA data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

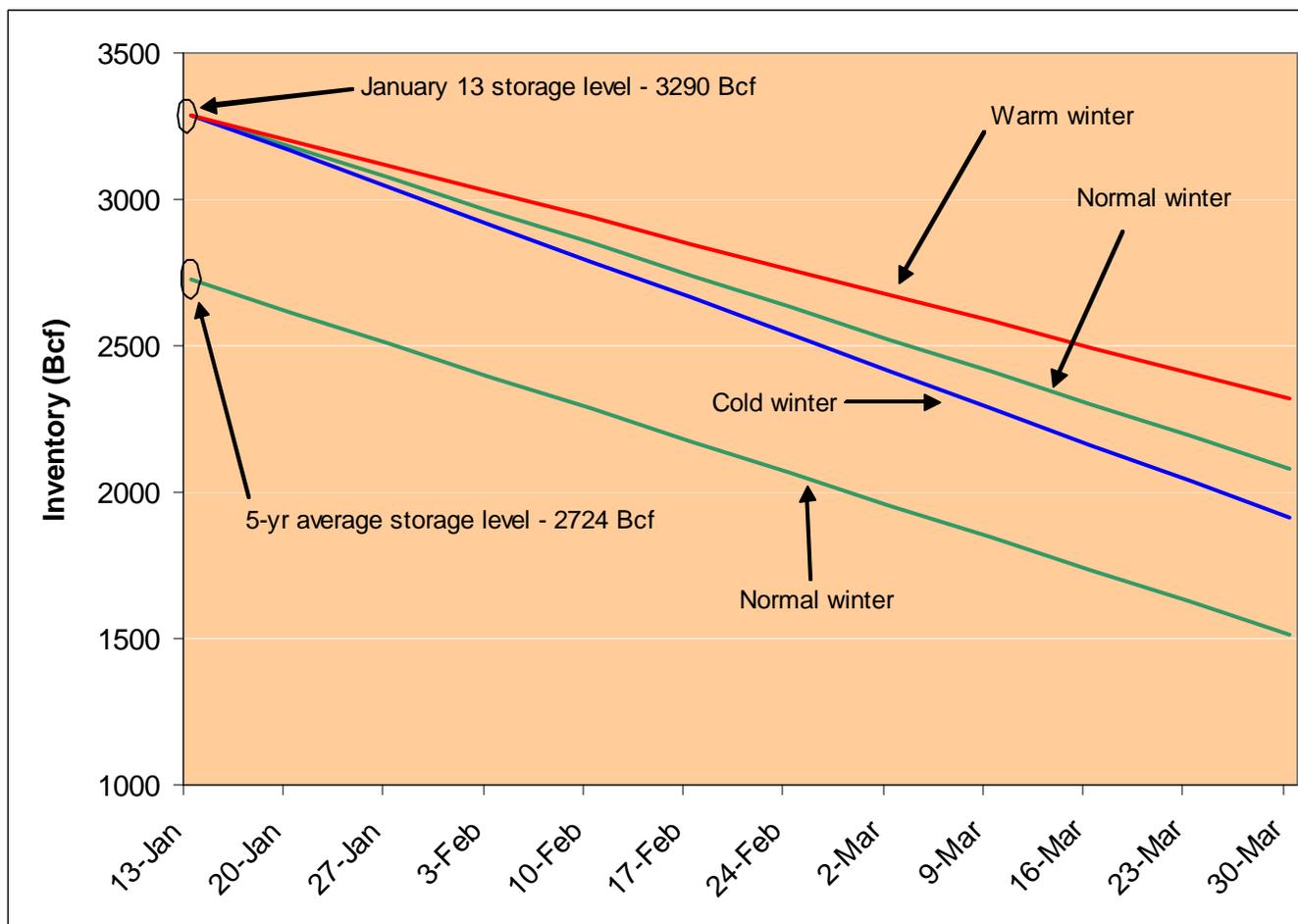
Natural Gas Storage Inventories – February 3, 2012



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

Updated February 8, 2012

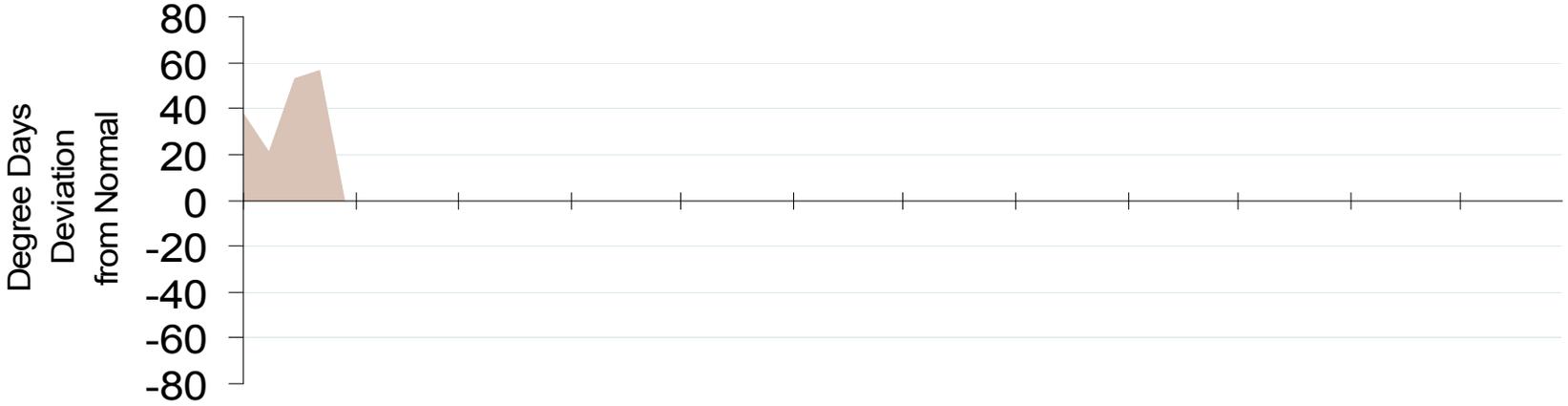
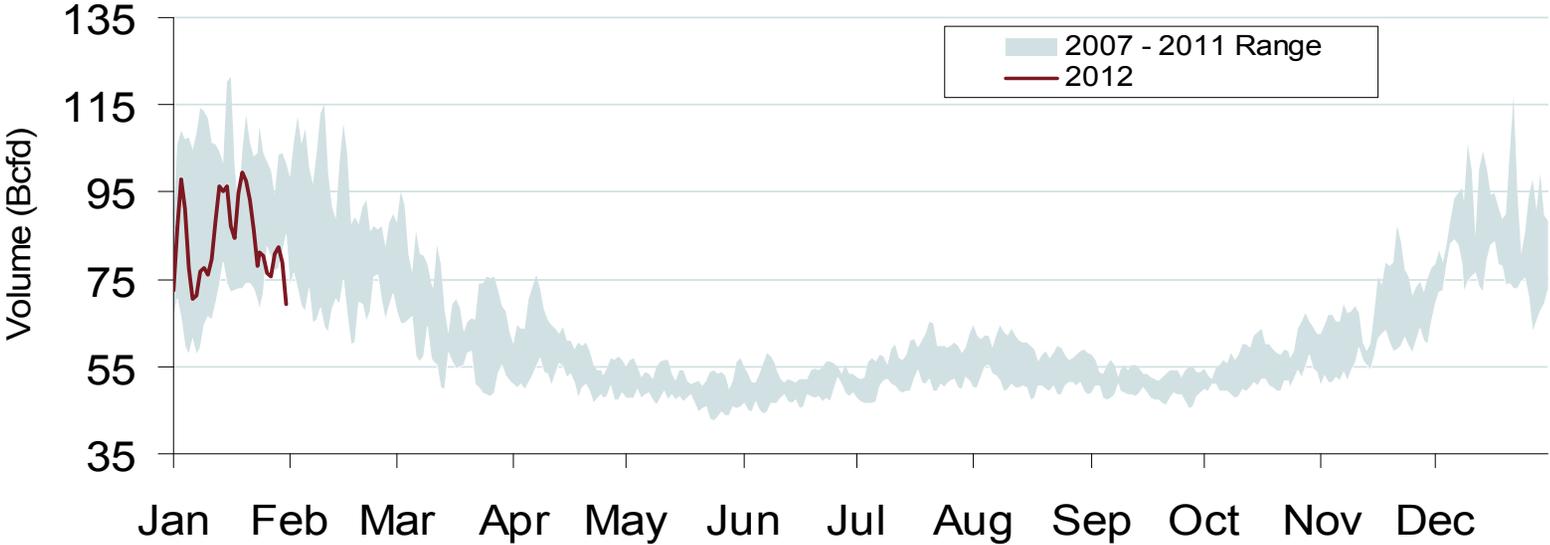
Storage Inventory Could Set a Record



Source: Derived from EIA Weekly Natural Gas Storage Report data.

Updated March 5, 2010

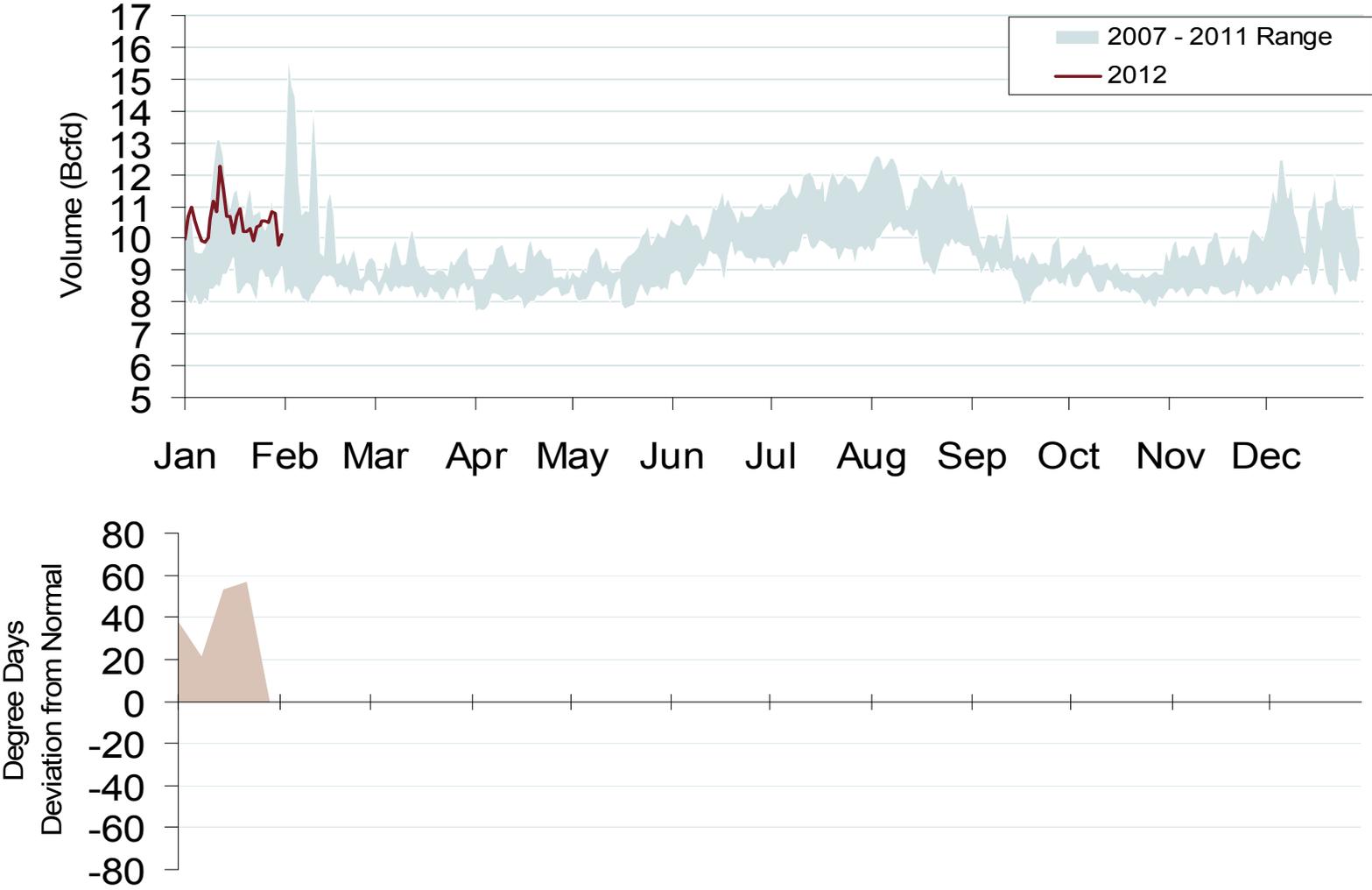
Total U.S. Natural Gas Demand (All Sectors) and Temperatures



Source: Derived from *Bentek Energy* and *Weekly NOAA* data
February 2012 Southeastern Snapshot

Updated: February 21, 2012

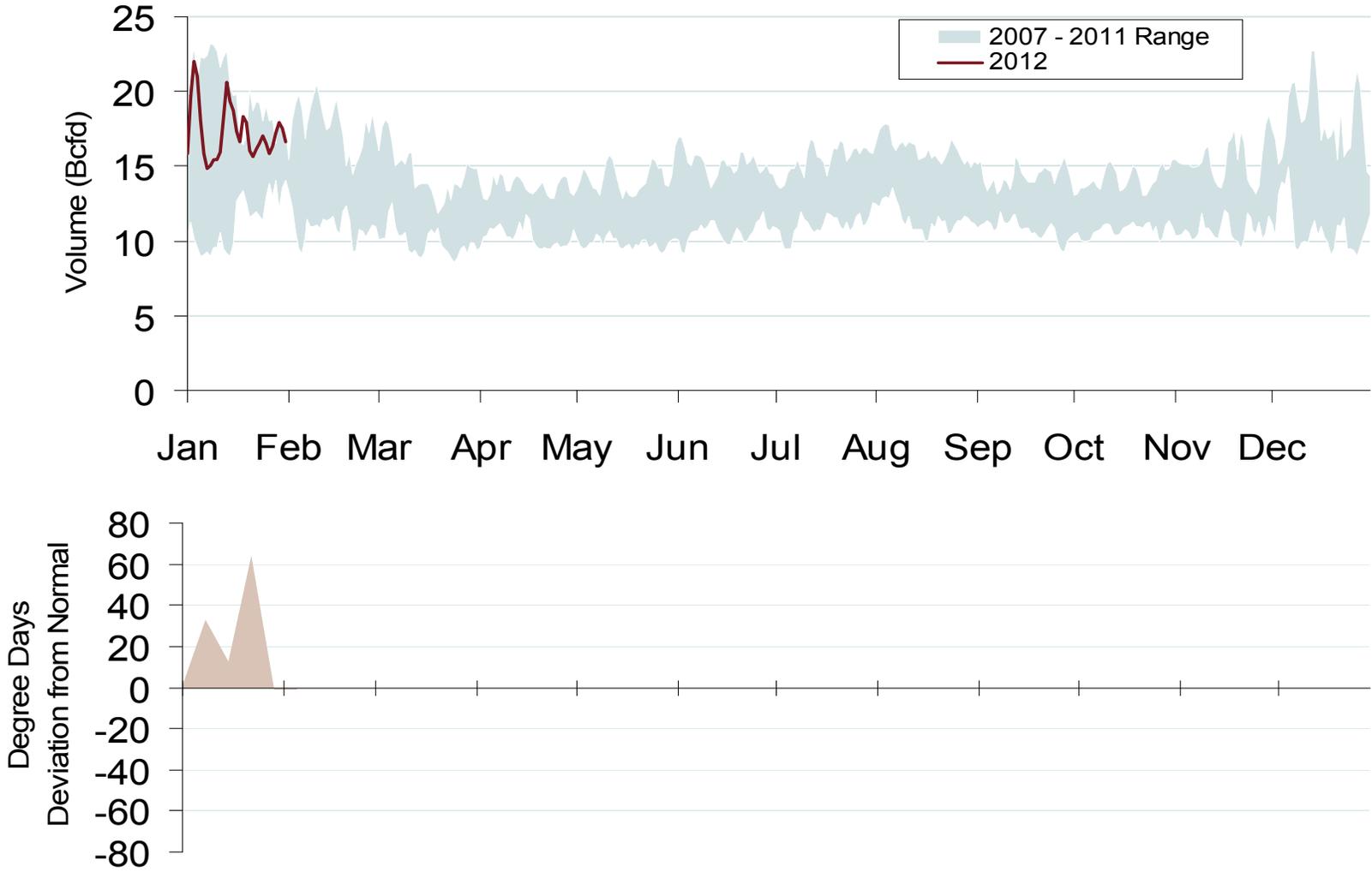
Daily Gulf Natural Gas Demand - All Sectors



Source: Derived from *Bentek Energy* and Weekly NOAA data
February 2012 Southeastern Snapshot

Updated: February 21, 2012

Daily Southeast Natural Gas Demand - All Sectors

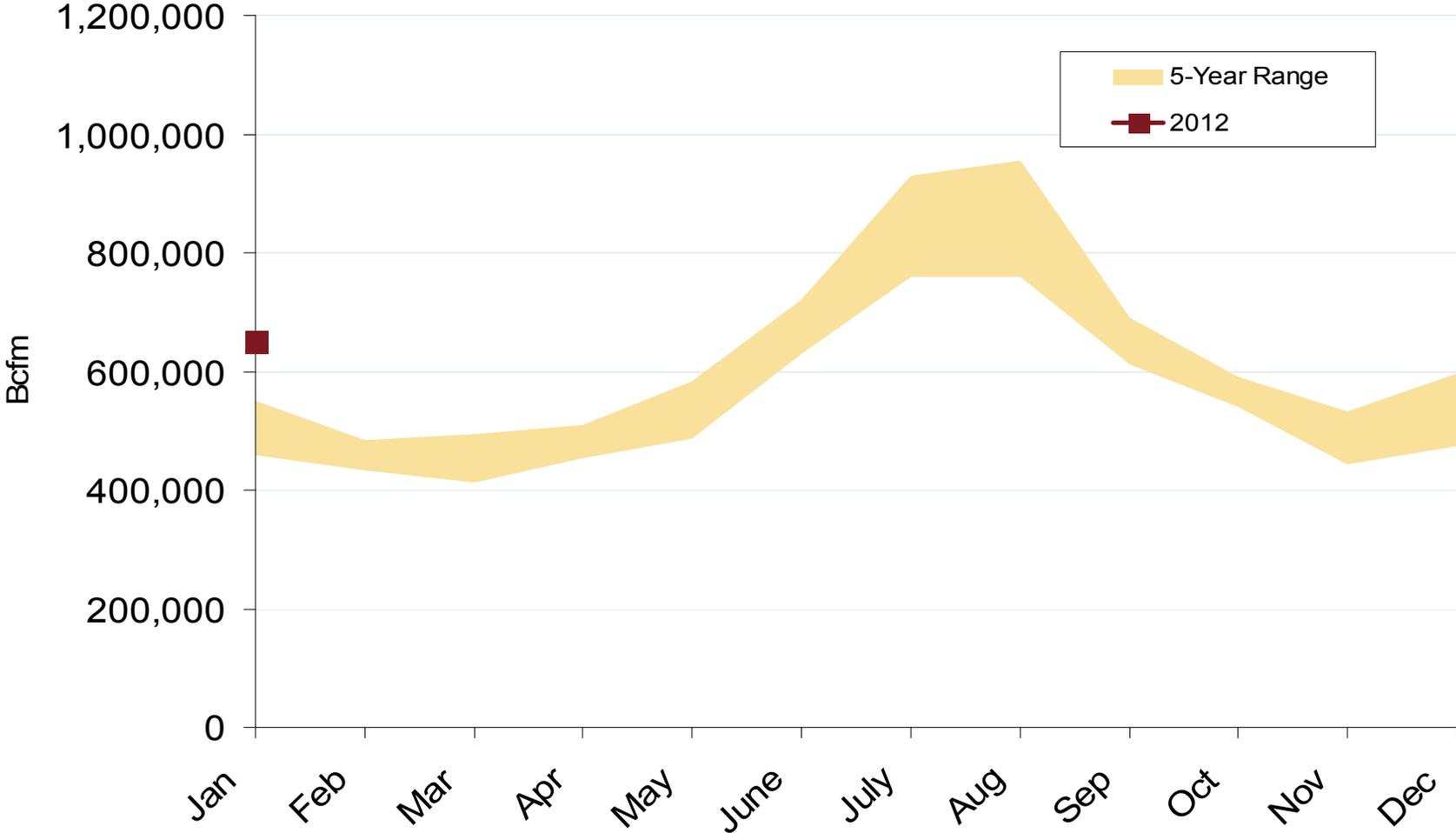


Source: Derived from *Bentek Energy* and Weekly NOAA data
February 2012 Southeastern Snapshot

Updated: February 21, 2012

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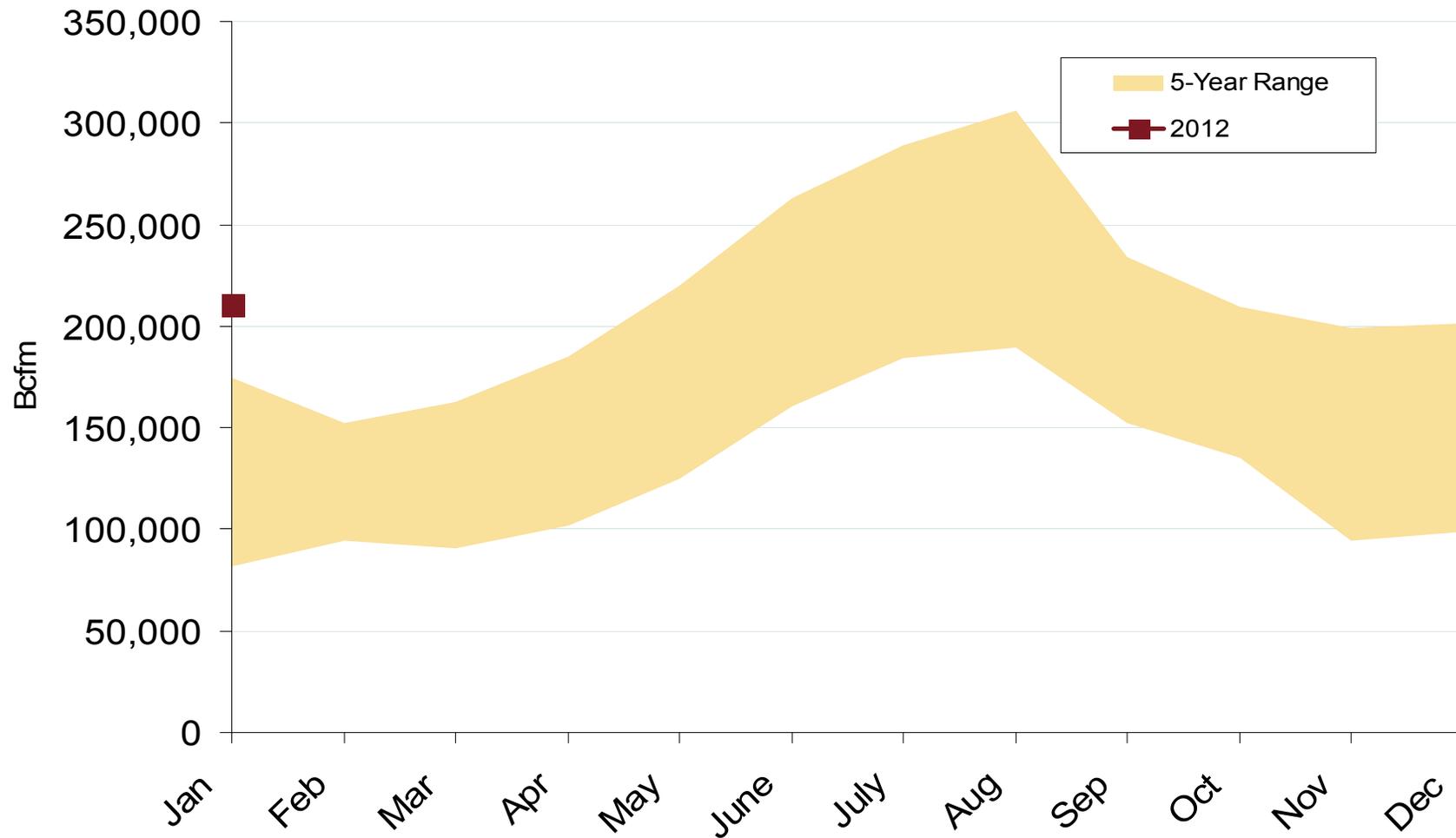
U.S. Natural Gas Consumption for Power Generation



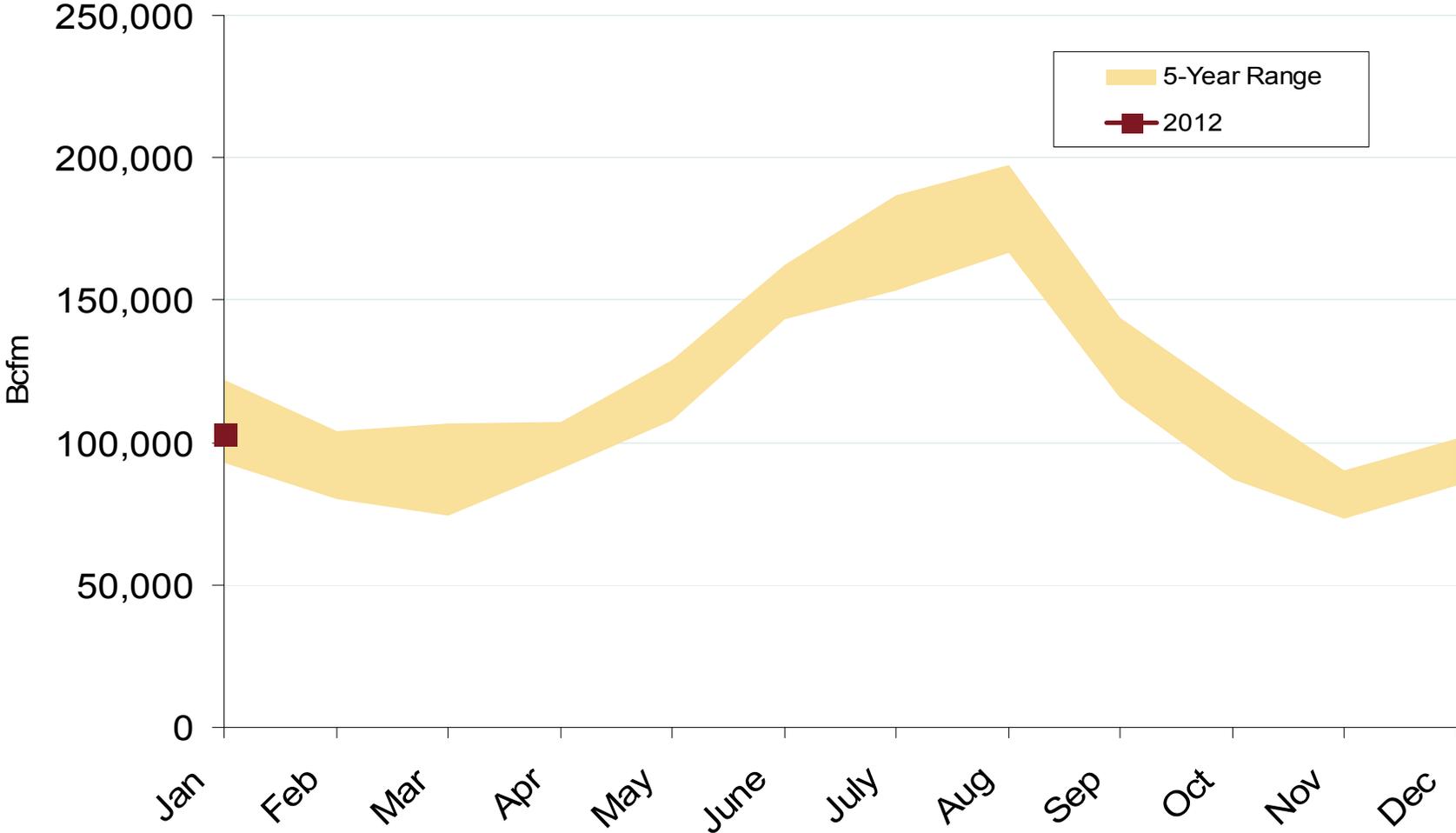
Source: Derived from *Bentek Energy* data
February 2012 Southeastern Snapshot

Updated: February 21, 2012

Southeast Natural Gas Market: NG Consumption for Power Generation

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight**Southeast Natural Gas Consumption for Power Generation**

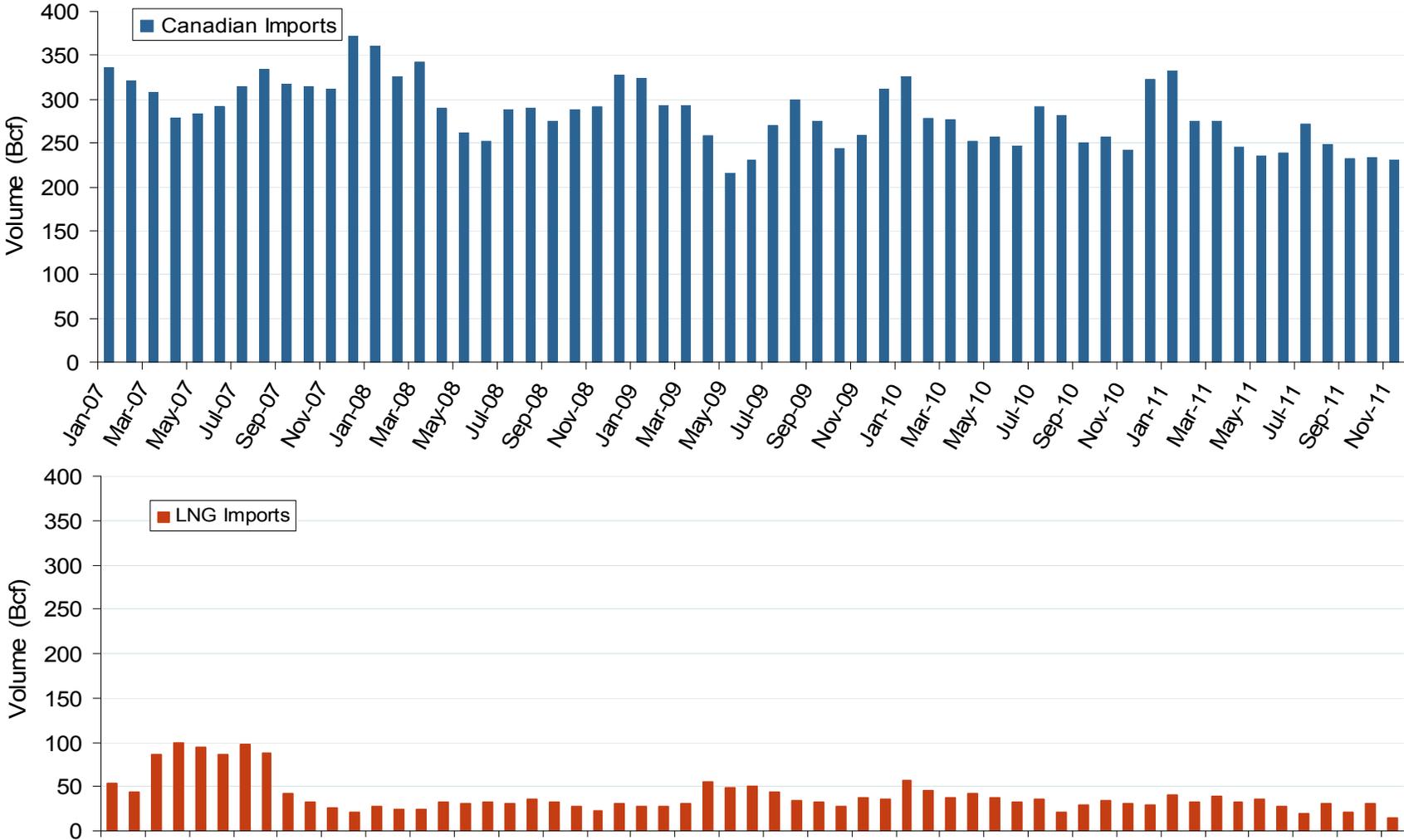
Gulf Natural Gas Consumption for Power Generation



Source: Derived from *Bentek Energy* data
February 2012 Southeastern Snapshot

Updated: February 21, 2012

Canadian and LNG Natural Gas Imports Into the U.S.

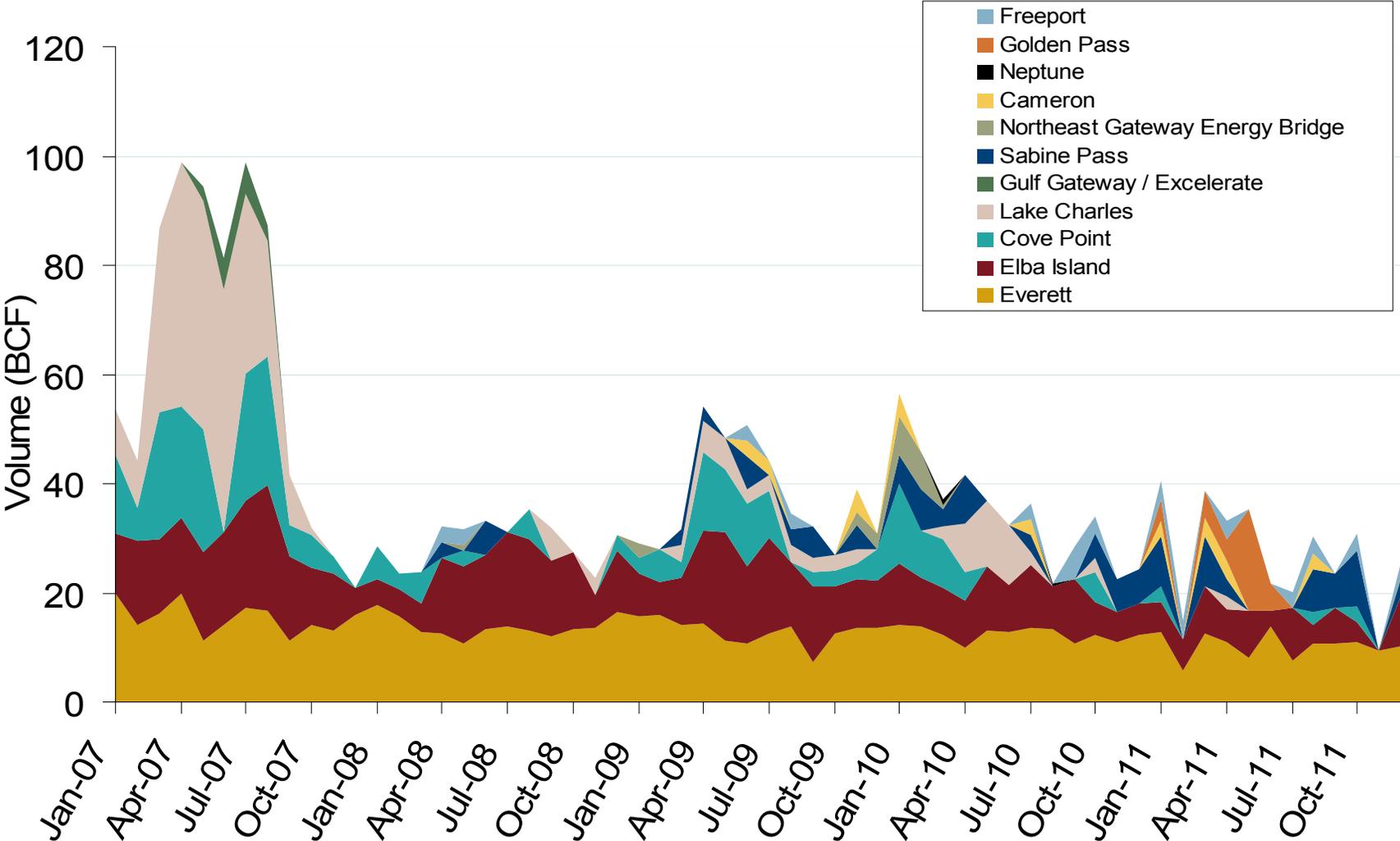


Source: EIA Natural Gas Monthly
February 2012 Southeastern Snapshot

Updated: February 14, 2012

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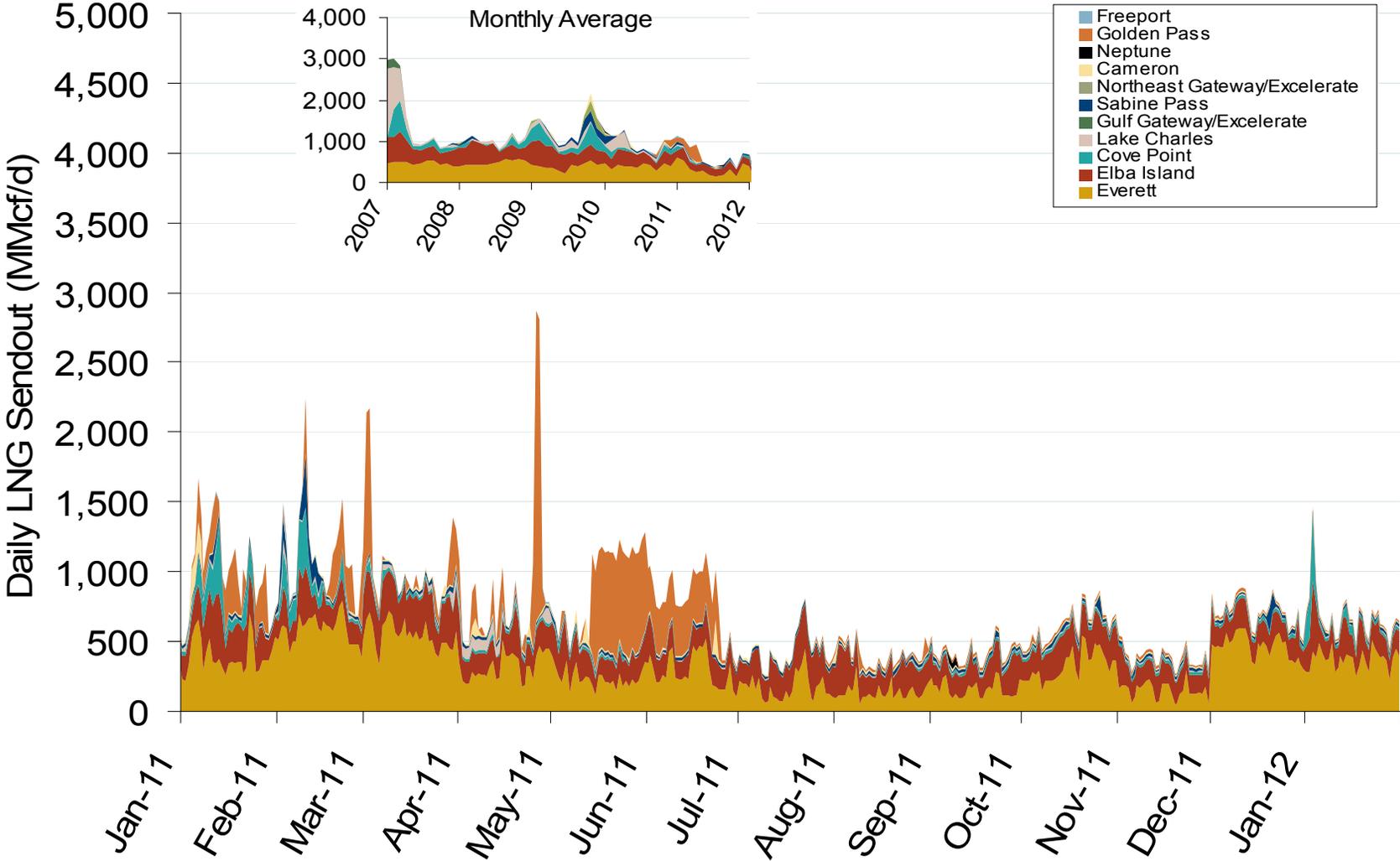
Monthly Gas Imports at Existing U.S. LNG Facilities



Source: Derived from DOE Office of Fossil Energy data
February 2012 Southeastern Snapshot

Updated: February 06, 2012

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

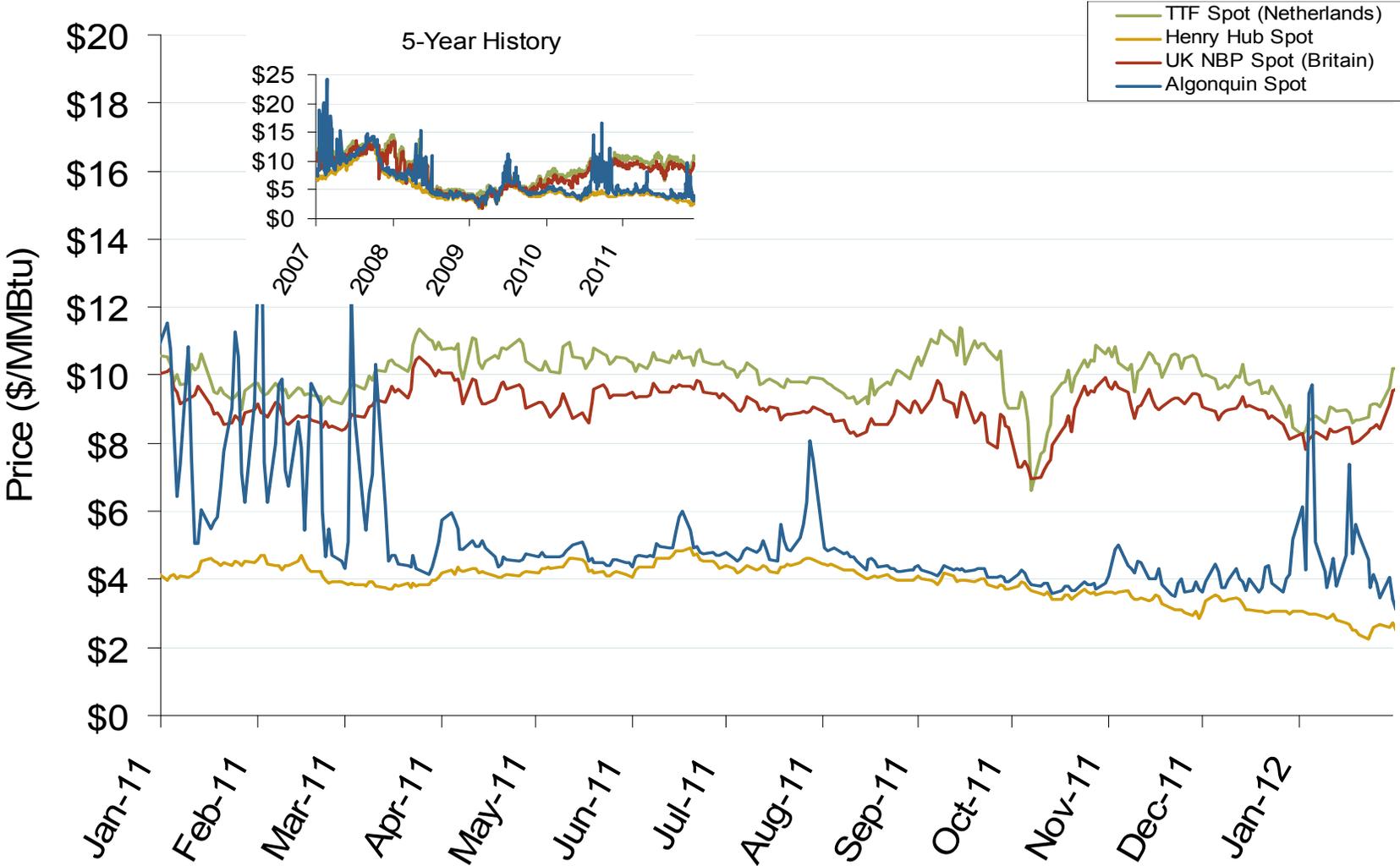
February 2012 Southeastern Snapshot

Updated: February 21, 2012

World LNG Estimated March 2012 Landed Prices



Atlantic Basin European and US Spot Natural Gas Prices



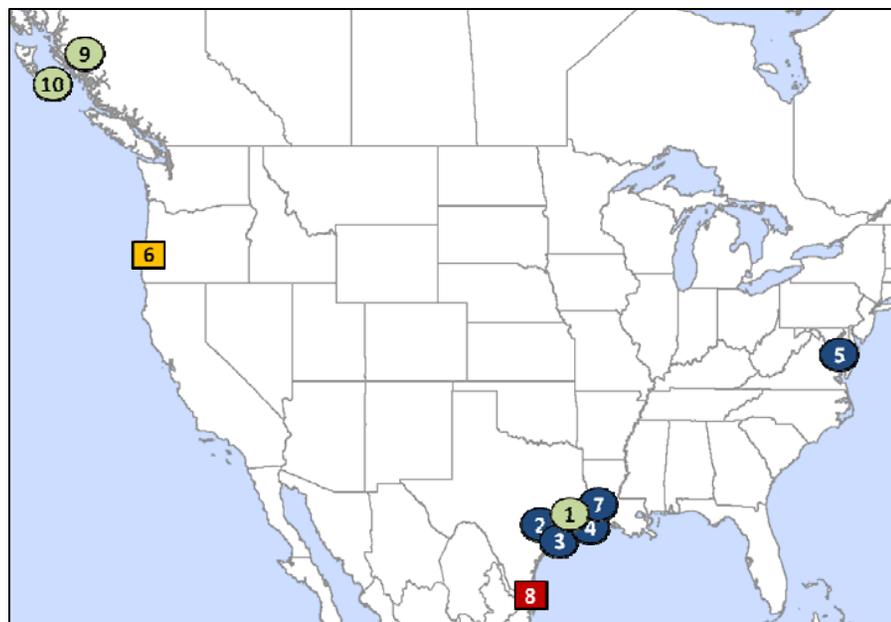
Source: Derived from *Bloomberg* and *ICE* data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

North America: LNG Export Projects

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

Advances in LNG Exports Continue – Sabine Pass Still Ahead



		Quantity (Bcfd)	DOE FTA Approval	DOE Non-FTA Approval	FERC Approval
1	Sabine Pass LNG	2.2	Approved	Approved	Filed
2	Freeport LNG	1.2	Approved	Under Review	na
3	Freeport LNG Exp.	1.2	na	Under Review	na
4	Lake Charles LNG	2	Approved	Under Review	na
5	Cove Point LNG	1	Approved	Under Review	na
6	Jordan Cove LNG	1.2	Approved	na	na
7	Cameron LNG	1.7	Approved	Under Review	na
8	Gulf Coast LNG	2.8	Under Review	Under Review	na
TOTAL		13.3			
		Quantity (Bcfd)	NEB FTA Approval	NEB Non-FTA Approval	
9	Kitimat LNG	1.2	Approved	Approved	
10	BC LNG	0.25	Approved	Approved	
TOTAL		1.45			

Cheniere Energy Export Deals for Sabine Pass LNG Capacity

	BG	BG	Gas Natural	GAIL	KOGAS
Contracted Capacity	460 MMcfd	263 MMcfd	460 MMcfd	460 MMcfd + 30 MMcfd	460 MMcfd
Contract Term	20 yrs	20 yrs	20 yrs	20 yrs	20 yrs
Reservation Fee	\$2.25/MMBtu	\$3.00/MMBtu	\$2.49/MMBtu	\$3.00/MMBtu	\$3.00/MMBtu
Gas Price	100% of HH	100% of HH	100% of HH	100% of HH	100% of HH
Liquefaction Cost	15% of HH	15% of HH	15% of HH	15% of HH	15% of HH

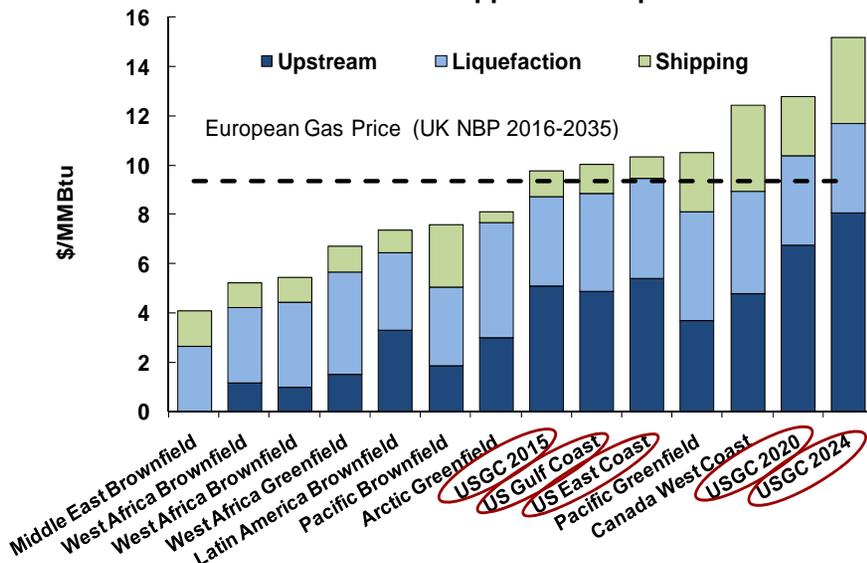
Sources: DOE, NEB, SEC

Updated February 2012

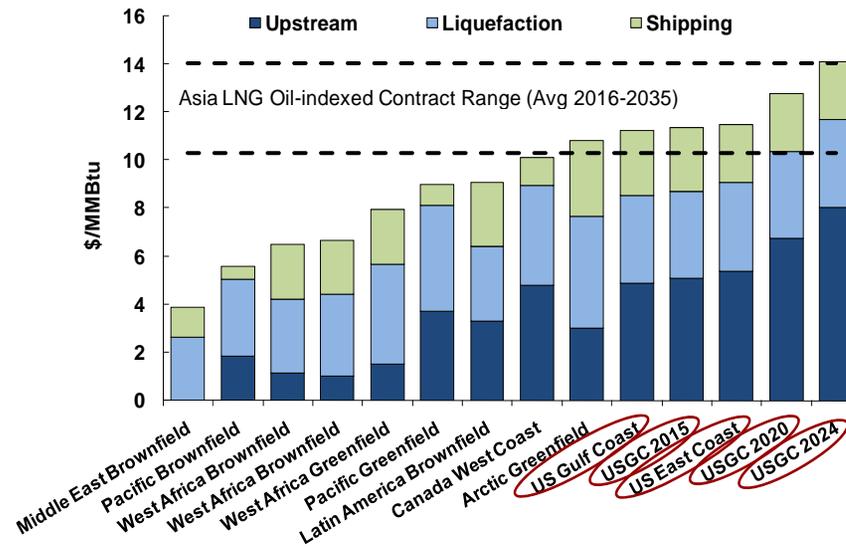
U.S. LNG Exports – The Most Expensive

EIA Study					
LNG Export Scenario	Base	I	II	III	IV
Total Export Capacity		6 Bcfd	6 Bcfd	12 Bcfd	12 Bcfd
Rate per year		1 Bcfd	3 Bcfd	1 Bcfd	3 Bcfd
Henry Hub Price	5.17	5.69	5.83	5.91	6.51
Navigant Study					
LNG Export Scenario	Base	I	II	III	IV
Total Export Capacity	2 Bcfd				
Henry Hub Price	3.29	3.49	3.64	4.5	5.02
Deloitte Study					
LNG Export Scenario	Base				
Total Export Capacity	6 Bcfd				
Price Effect	+22c				
Nymex 2015 avg (1/23/12)	4.13				
Henry Hub Price	4.35				

LNG Shipped to Europe



LNG Shipped to Asia

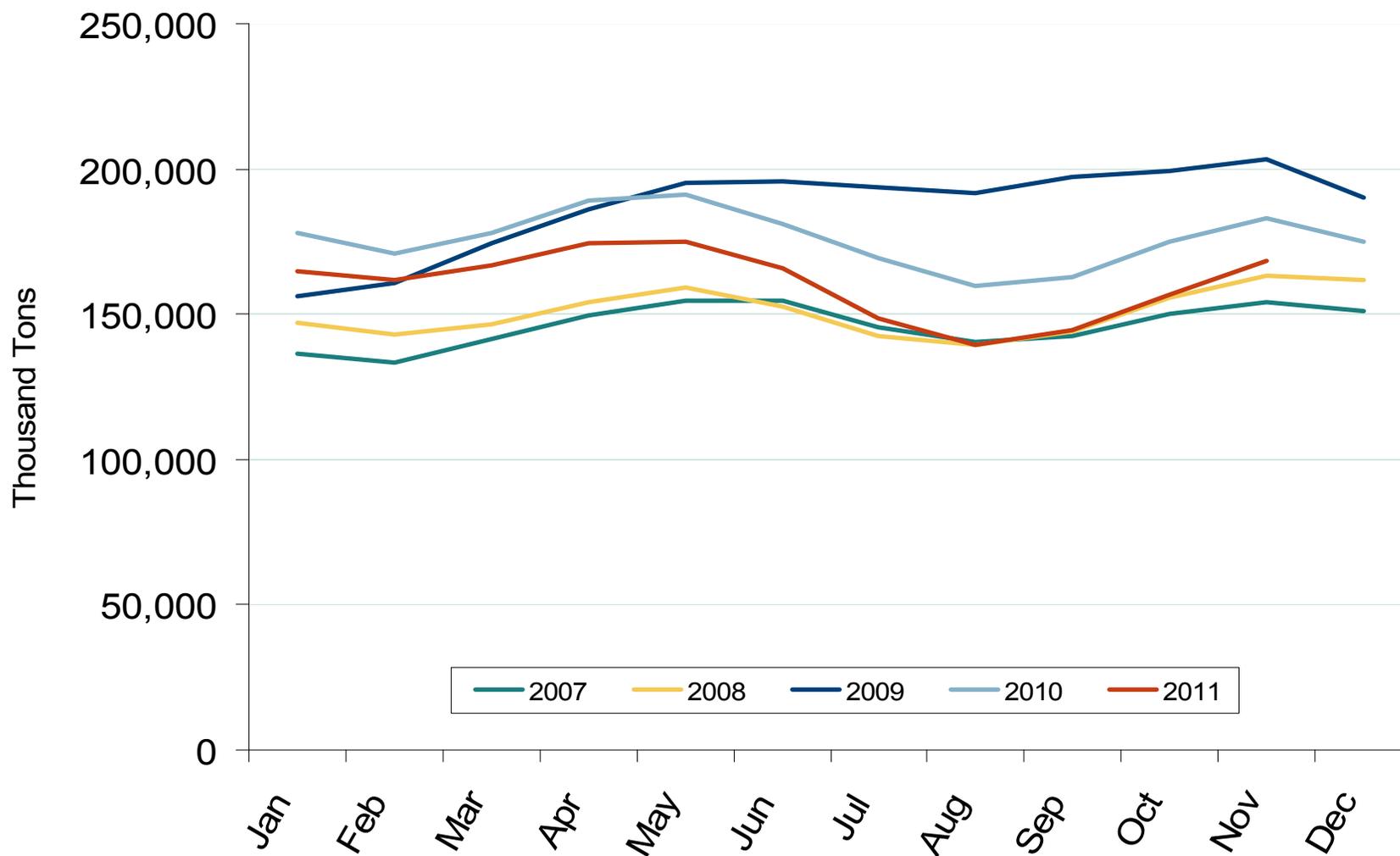


Sources: IHS CERA, Company websites

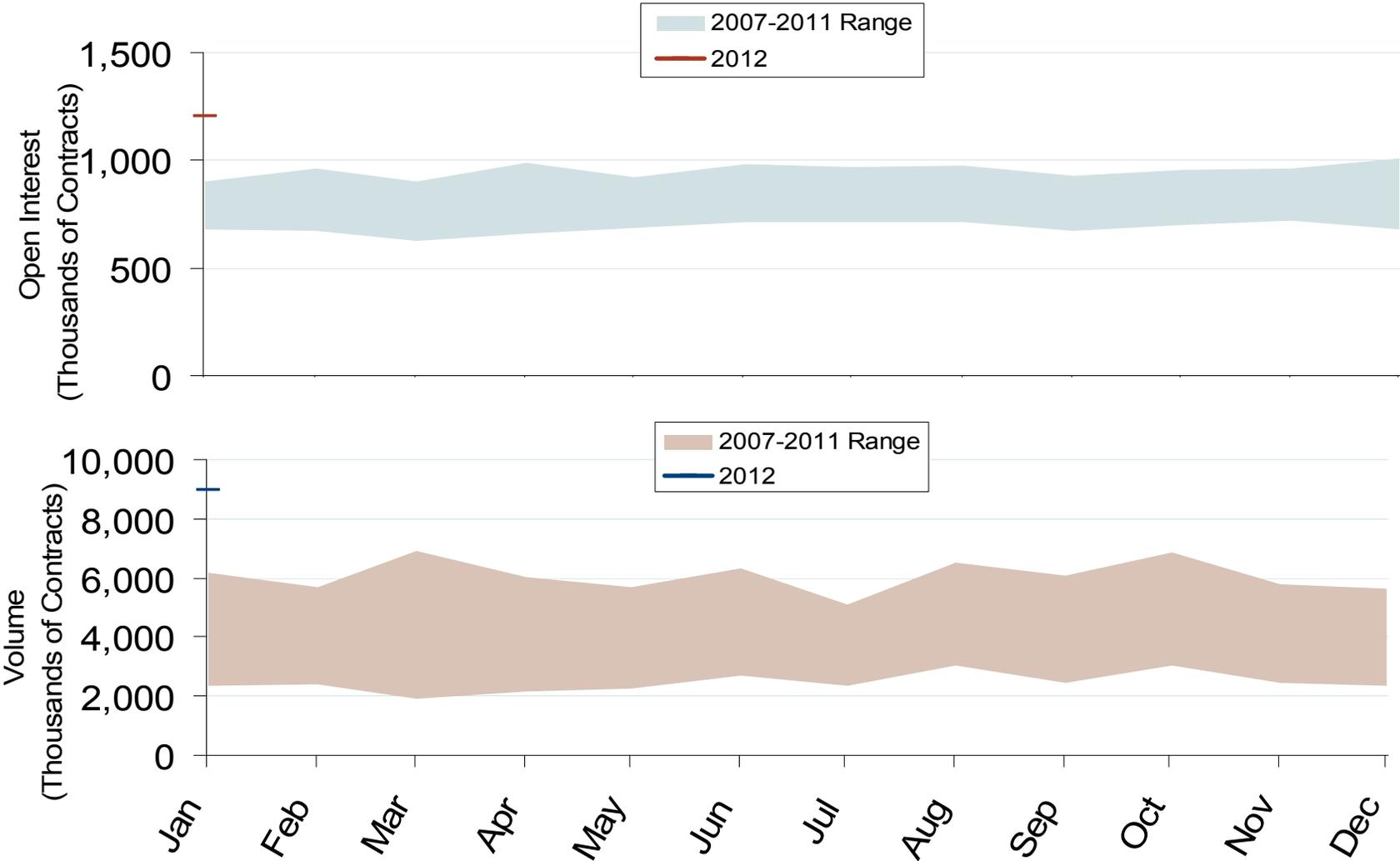
February 2012 Southeastern Snapshot

Updated February 2012

U.S. Coal Stockpiles at Electric Power Generating Facilities



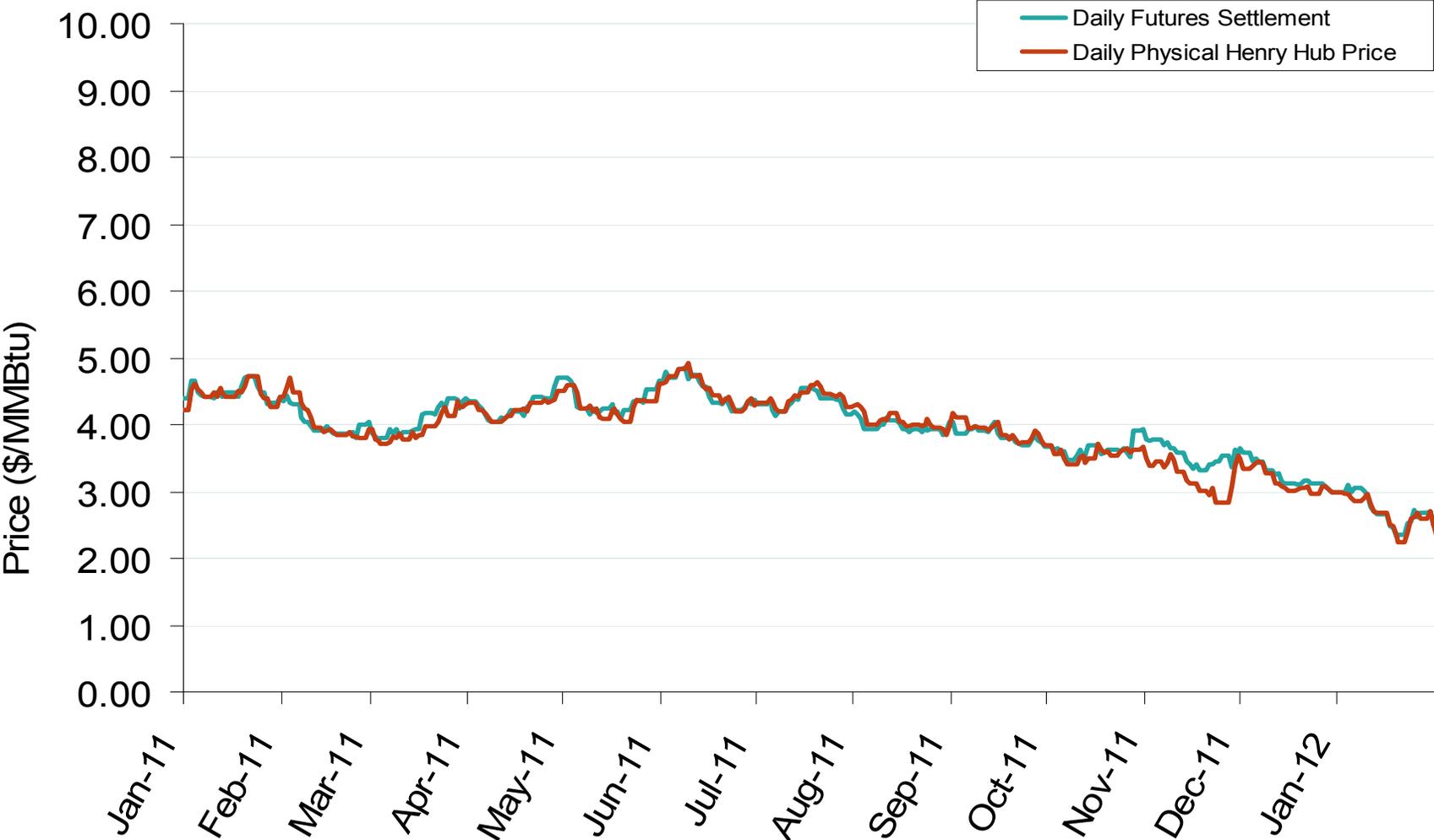
Nymex NG Futures Month-End Open Interest and Monthly Volume



Source: Derived from Nymex data
February 2012 Southeastern Snapshot

Updated: February 08, 2012

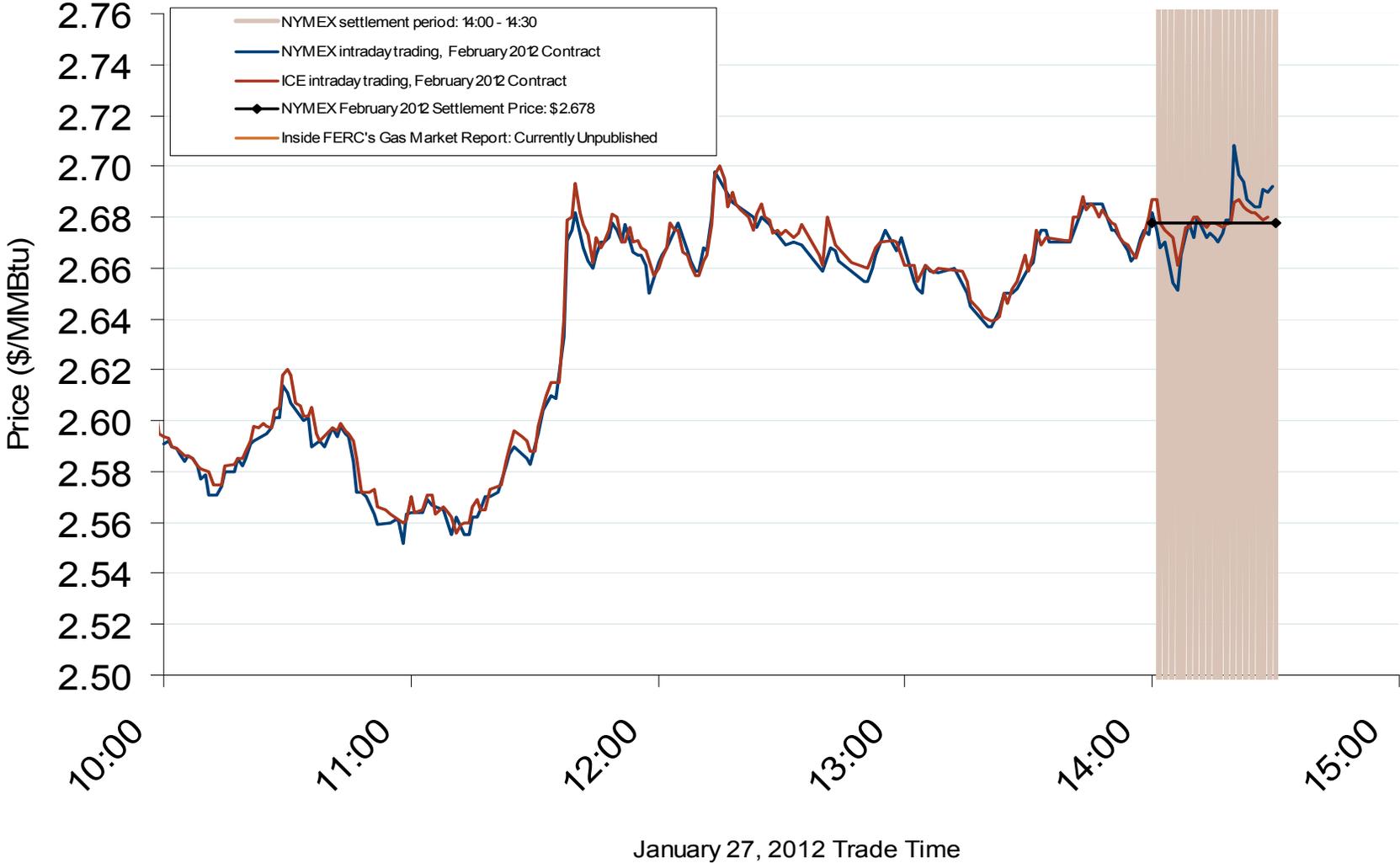
Daily Physical Index Price & Daily Futures Settlement Price



Source: Derived from *Bloomberg* data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

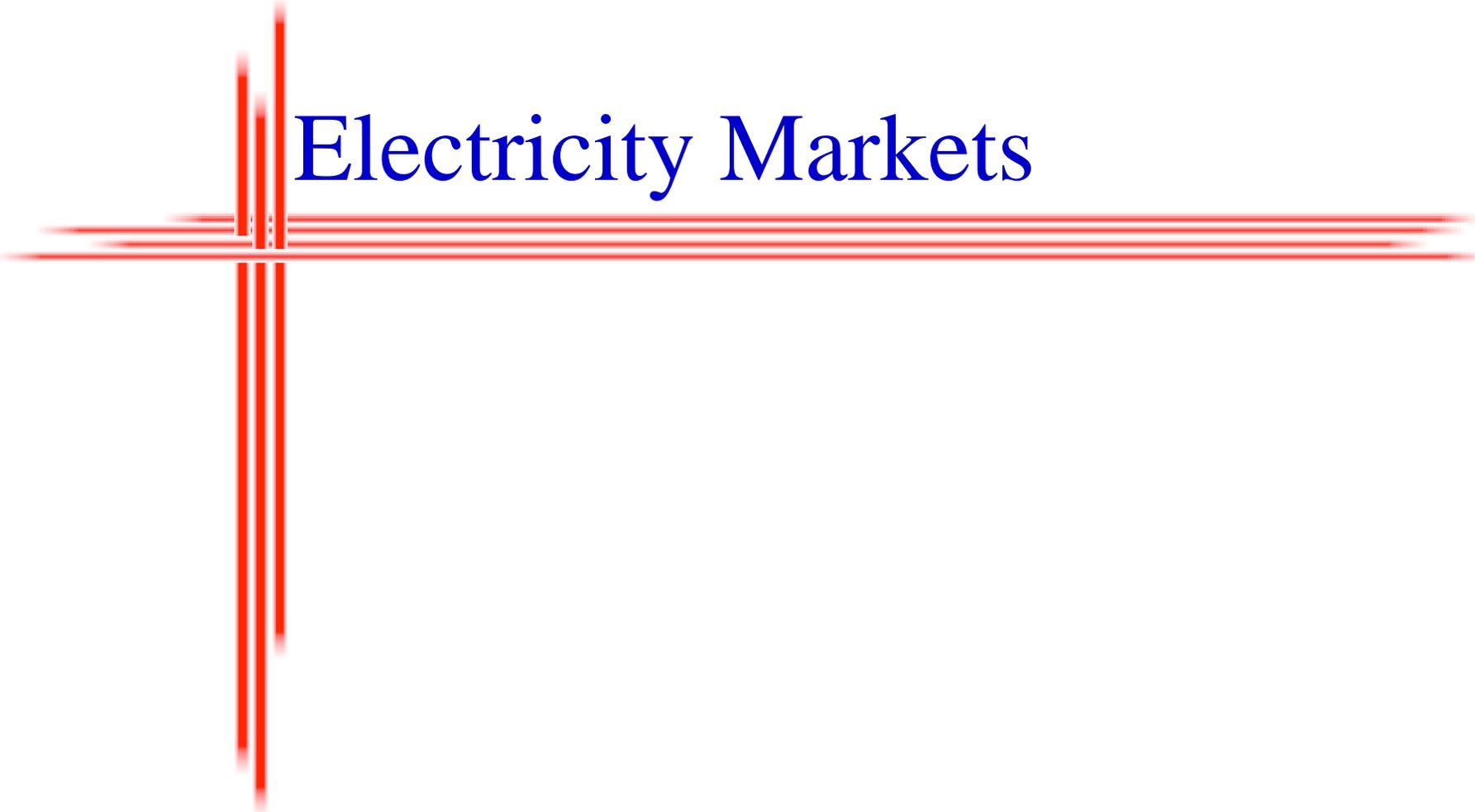
Nymex and ICE Contract Final Settlement - February 2012



Notes: The final settlement day for this Nymex contract is three business days before the start of the contract term (which is the 1st day of the month)

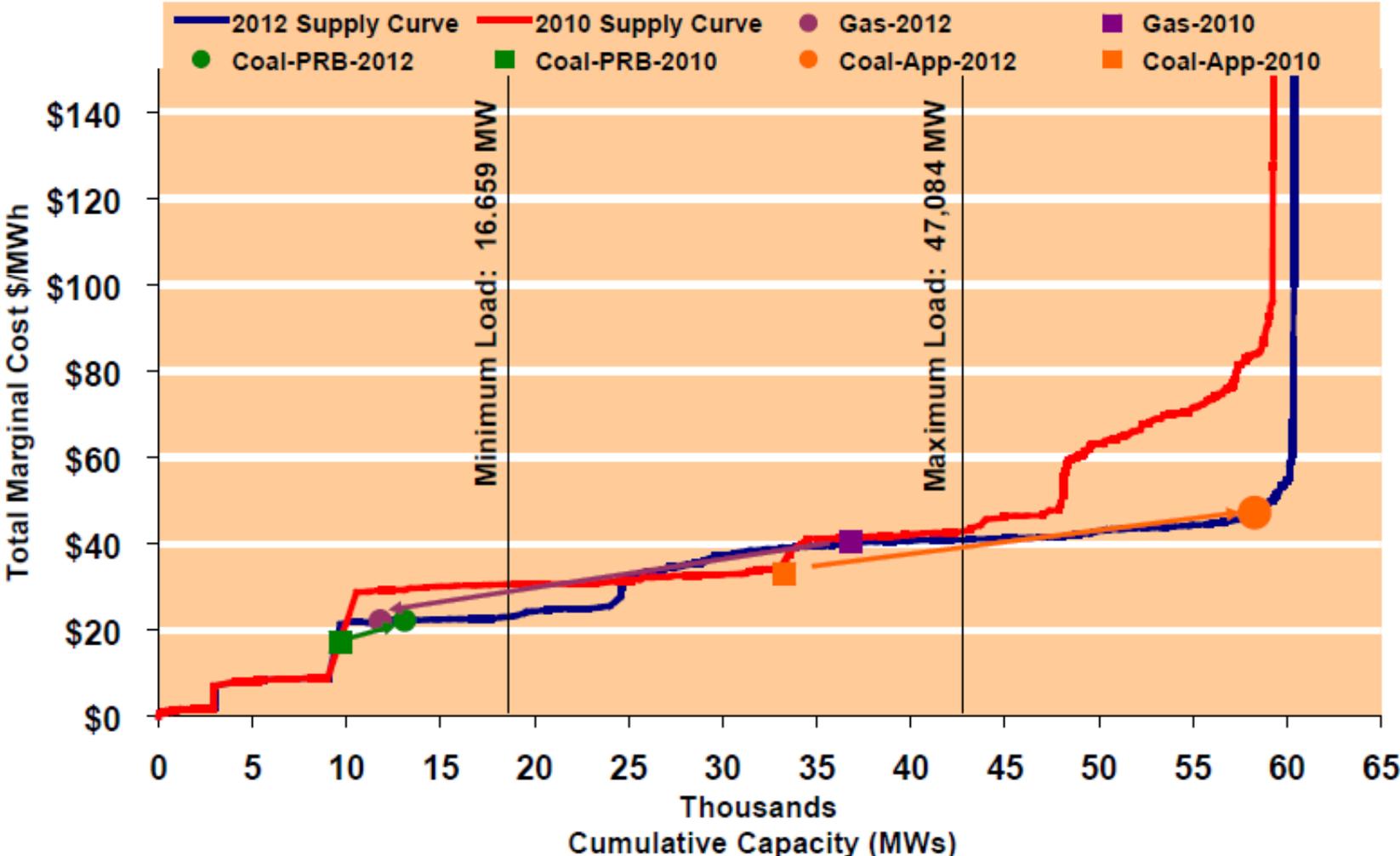
Source: Derived from *Nymex* and *ICE* data
February 2012 Southeastern Snapshot

Updated: February 06, 2012



Electricity Markets

2010 vs. 2012 Coal & Gas Unit Supply Stack Movements in the Southeast



Source: Derived from Ventyx data
February 2012 Southeastern Snapshot

Updated February 10, 2012

Wind in the Heartland Surges in 2011

Capacity Additions Grow (MW)

	Annual Additions		Cumulative Wind		Growth
	2010	2011	2010	2011	2010-11
RTO					
MISO	1,386	1,669	9,011	10,680	19%
SPP	523	1,051	3,836	4,887	27%
Total	1,909	2,720	12,847	15,567	21%

Generation Increases (GWh)

	Average Monthly Output			Total Annual Output		Growth
	2009	2010	2011	2010	2011	2010-11
RTO						
MISO	1,227	1,701	2,153	20,410	25,840	27%
SPP	710	884	1,134	10,612	13,608	28%
Total	1,937	2,585	3,287	31,022	39,448	

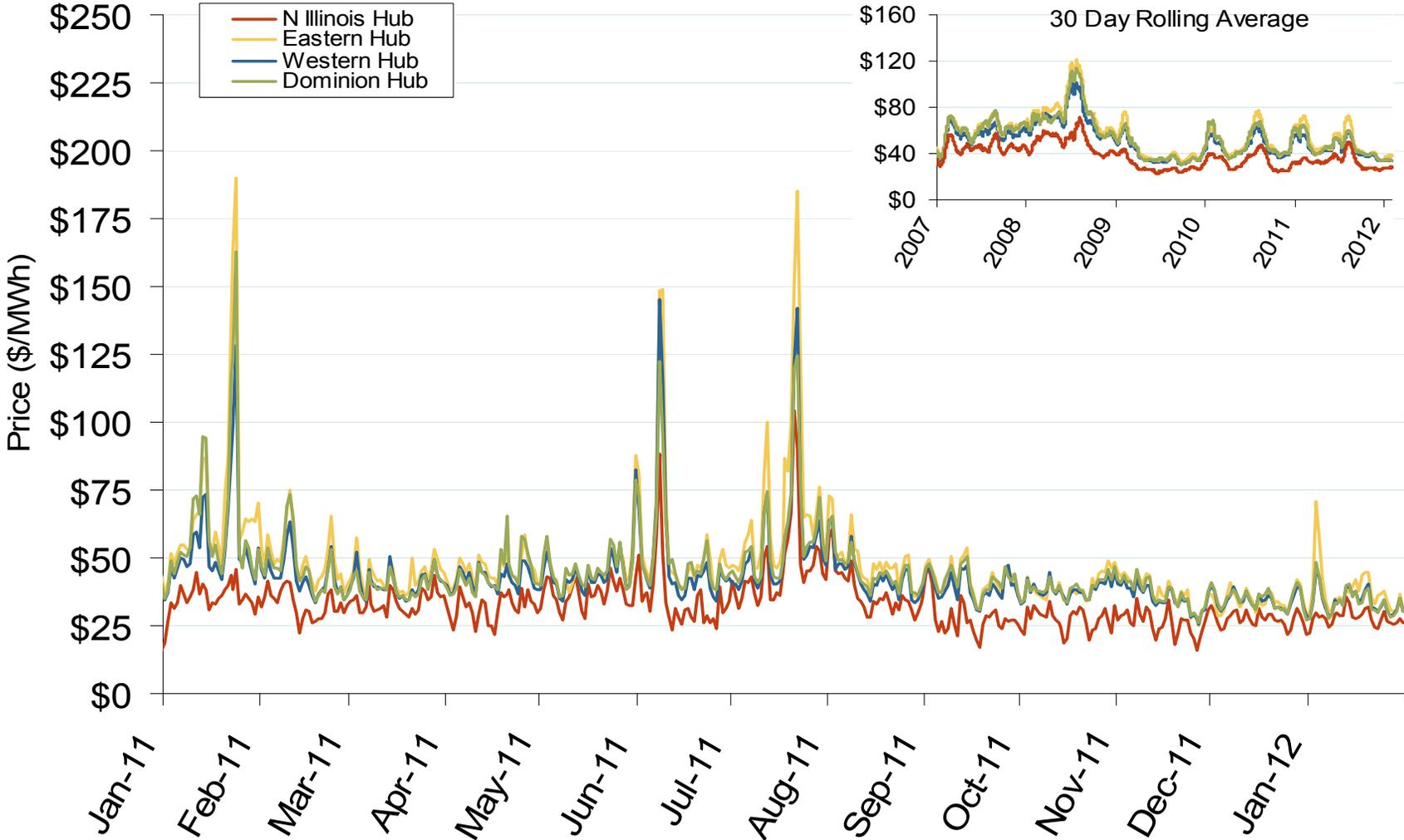
Wind as a percent of System Energy Rises

	Annual Average	
	2010	2011
RTO		
MISO	4%	5%
SPP	4%	6%

Source: Derived from *SNL Financial*, SPP, and MISO data

Updated: February 10, 2012

Daily Average of PJM Day-Ahead Prices - All Hours

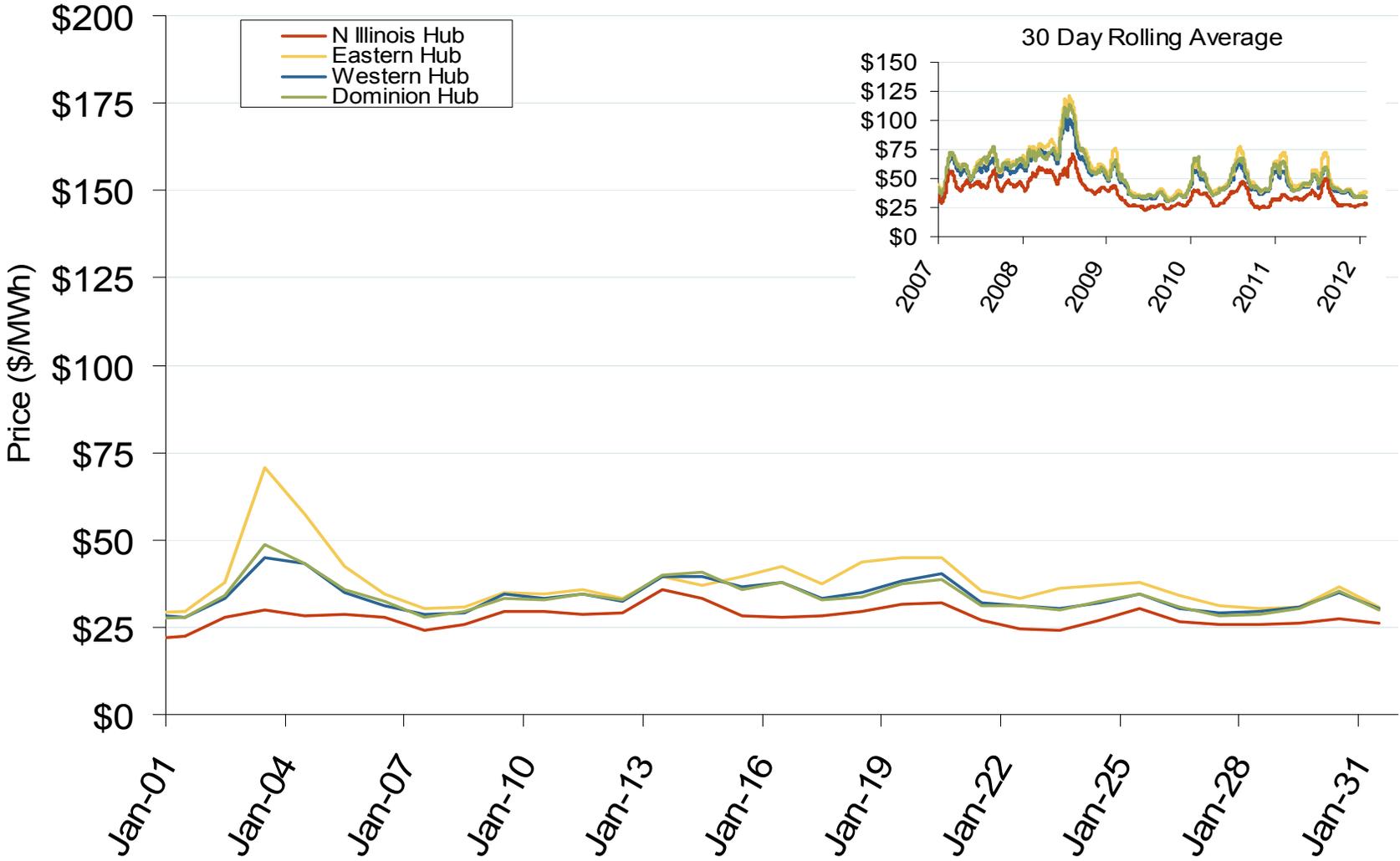


Source: Derived from Bloomberg data
February 2012 Southeastern Snapshot

Updated: February 14, 2012

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Daily Average of PJM Day-Ahead Prices - All Hours



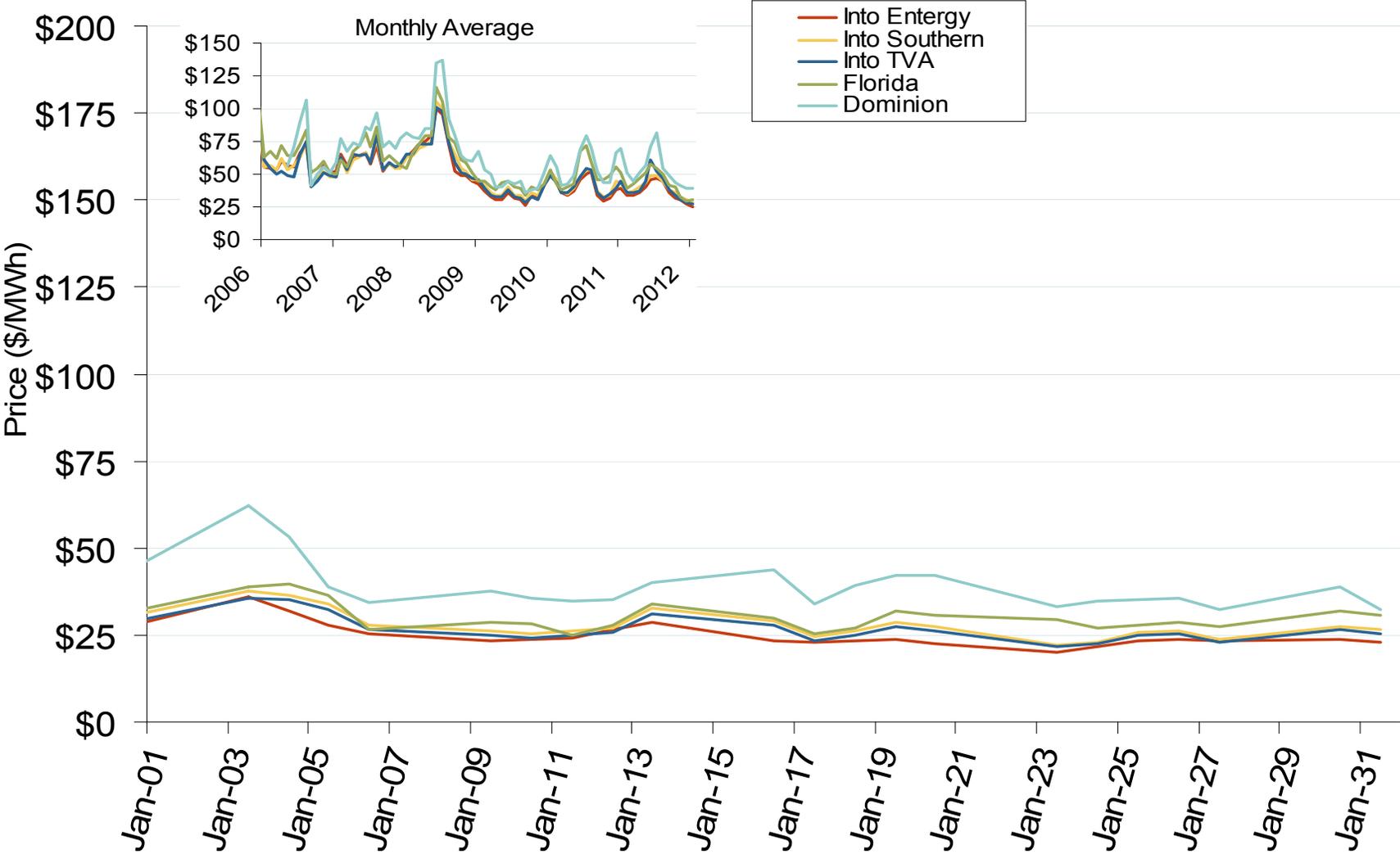
Source: Derived from Bloomberg data
February 2012 Southeastern Snapshot

Updated: February 06, 2012

Southeast Electric Market: Last Month's Southeastern Index Prices

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Southeastern Daily Index Day-Ahead On-Peak Prices



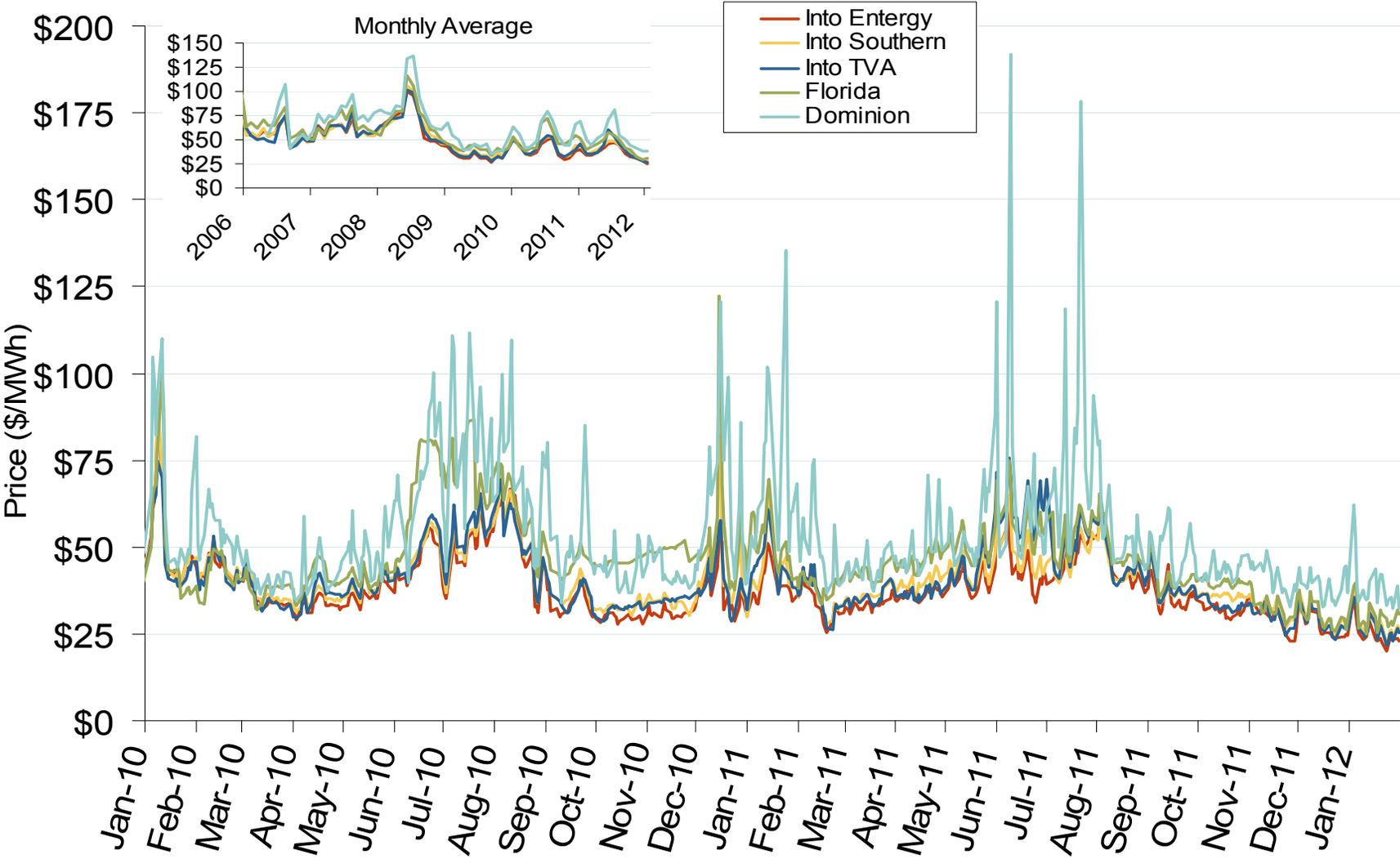
Source: Derived from Platts data
February 2012 Southeastern Snapshot

Updated: February 09, 2012

Southeast Electric Market: Southeastern Index Prices

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Southeastern Daily Index Day-Ahead On-Peak Prices



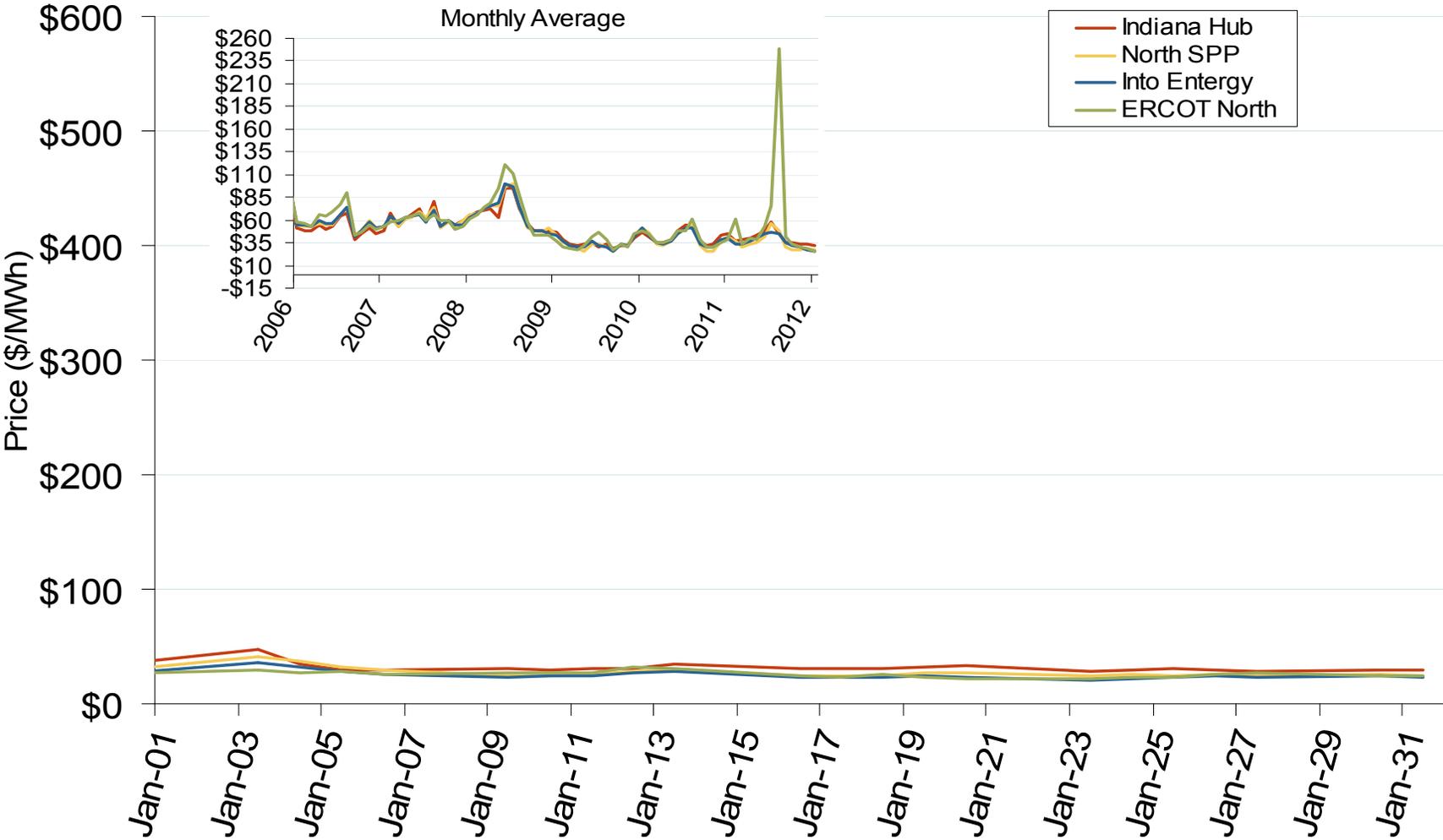
Source: Derived from *Platts* data
February 2012 Southeastern Snapshot

Updated: February 09, 2012

Southeast Electric Market: Last Month's Midwestern Index Prices

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

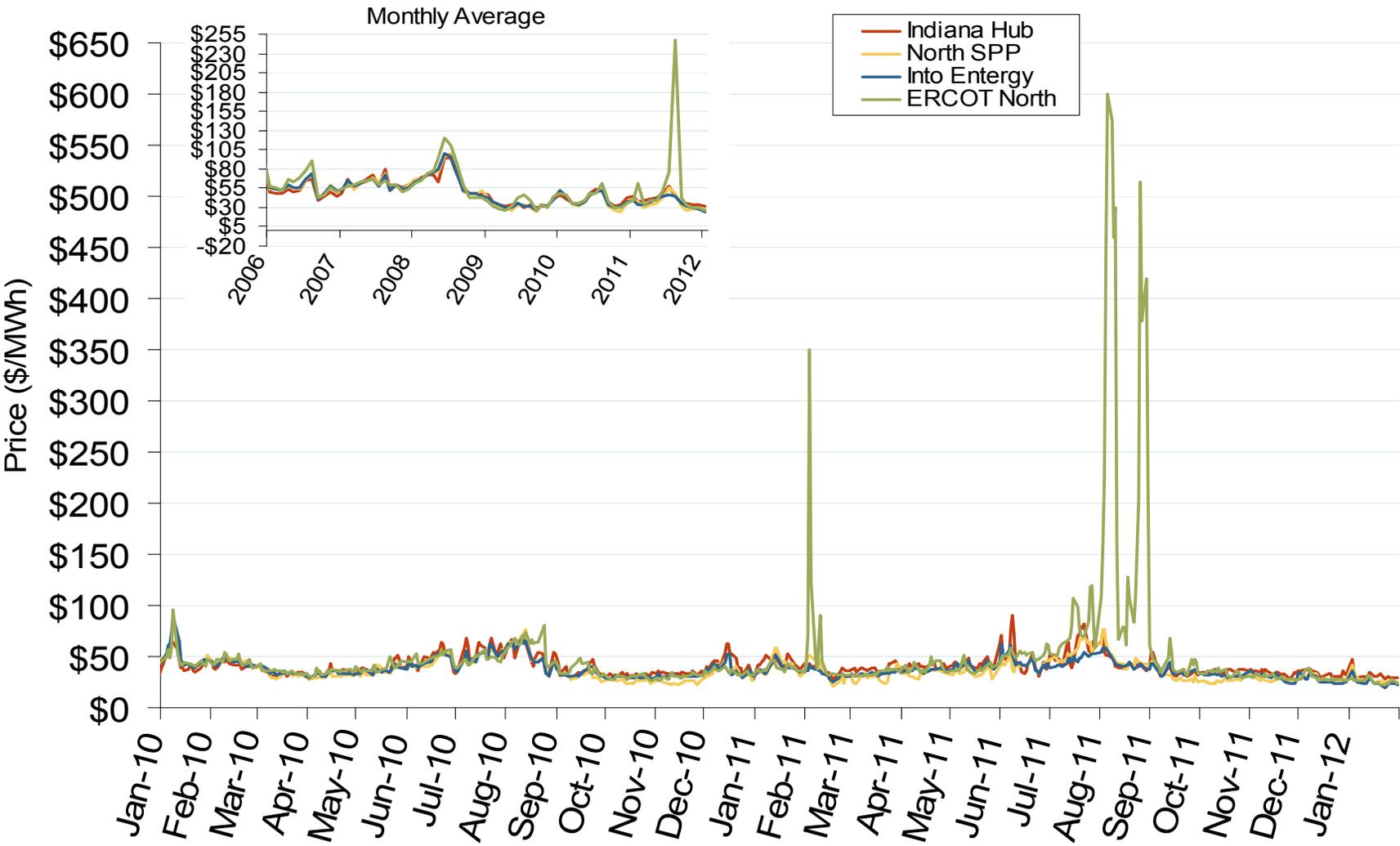
Midwestern Daily Index Day-Ahead On-Peak Prices



Source: Derived from *Platts* data
February 2012 Southeastern Snapshot

Updated: February 09, 2012

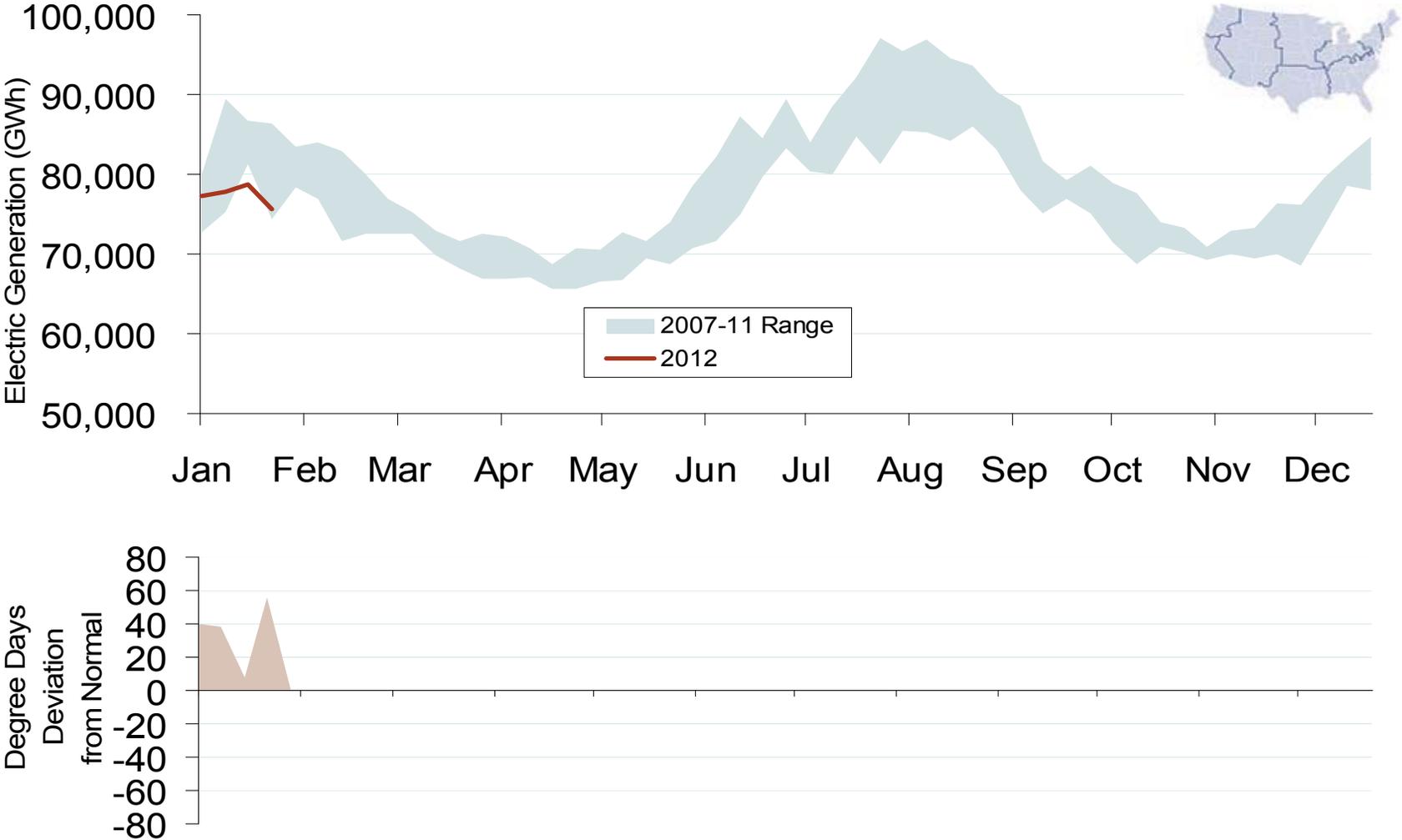
Midwestern Daily Index Day-Ahead On-Peak Prices



Source: Derived from Platts data
February 2012 Southeastern Snapshot

Updated: February 09, 2012

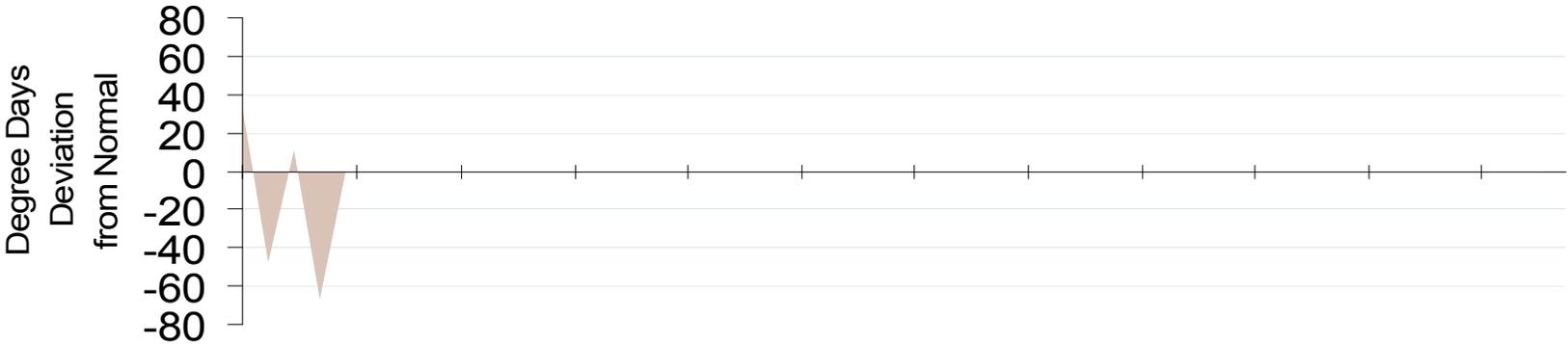
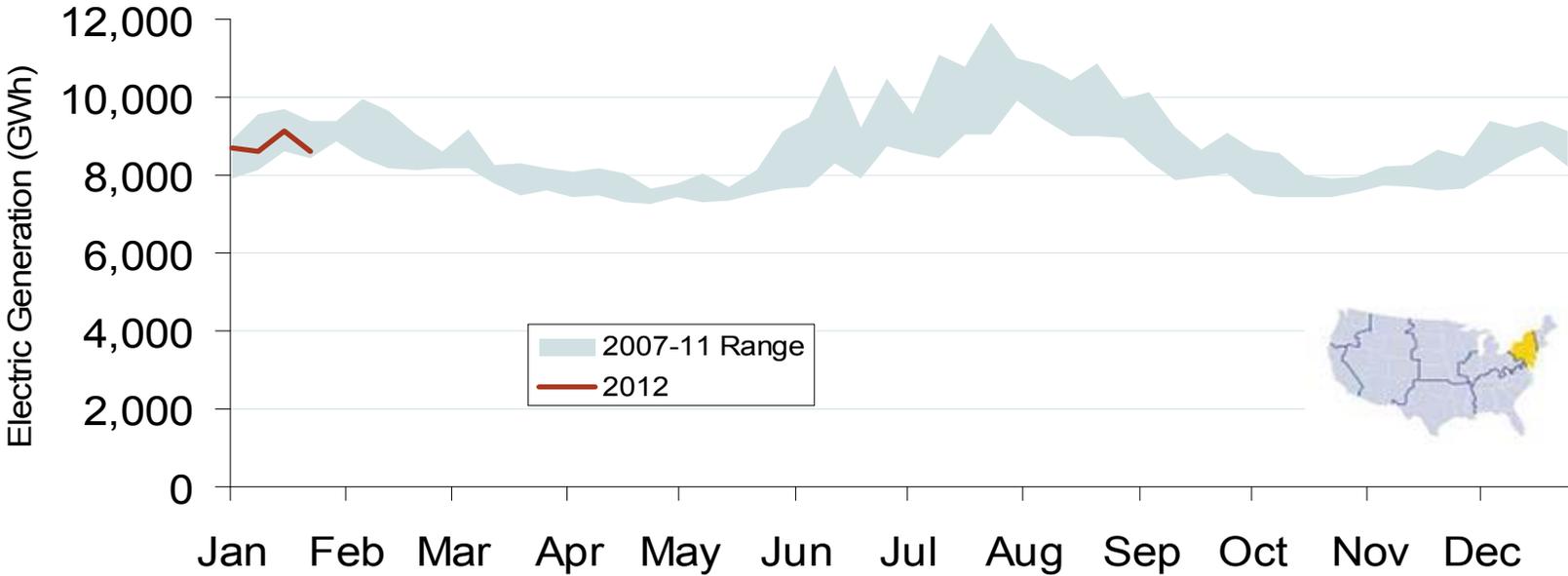
Weekly U.S. Electric Generation Output and Temperatures



Source: Derived from *EEI* and *NOAA* data
February 2012 Southeastern Snapshot

Updated: February 06, 2012

Weekly Power Generation & Temps. - Mid Atlantic



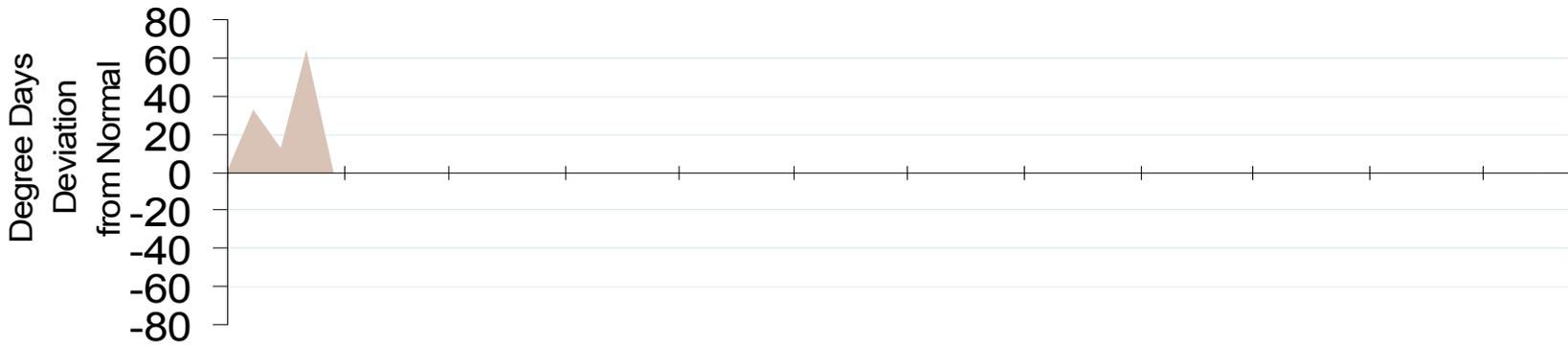
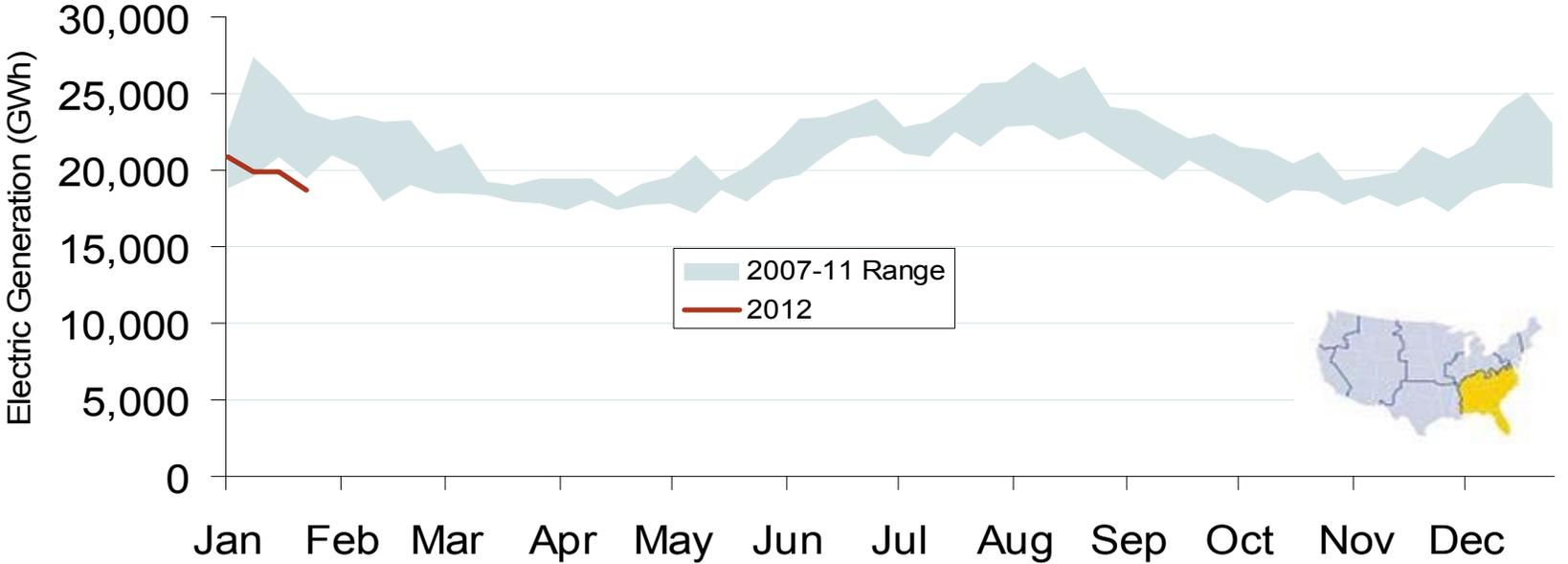
Source: Derived from *EEI* and *NOAA* data
February 2012 Southeastern Snapshot

Updated: February 06, 2012

Southeast Electric Market: Generation Output and Temperatures

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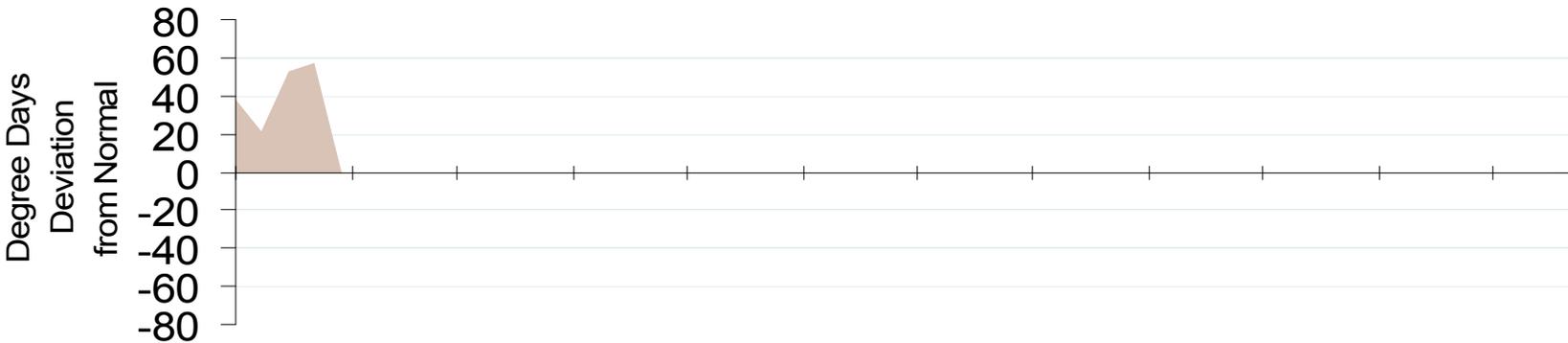
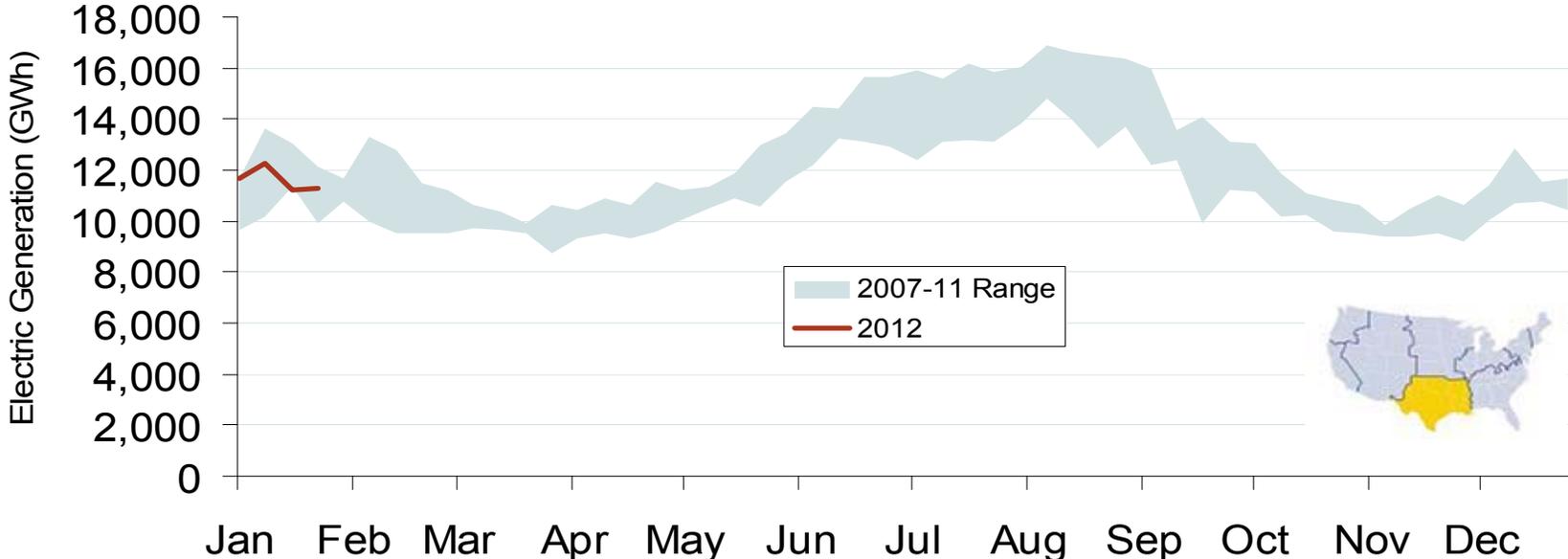
Weekly Power Generation & Temps. - Southeast



Source: Derived from *EEI* and *NOAA* data
February 2012 Southeastern Snapshot

Updated: February 06, 2012

Weekly Power Generation & Temps. - South Central



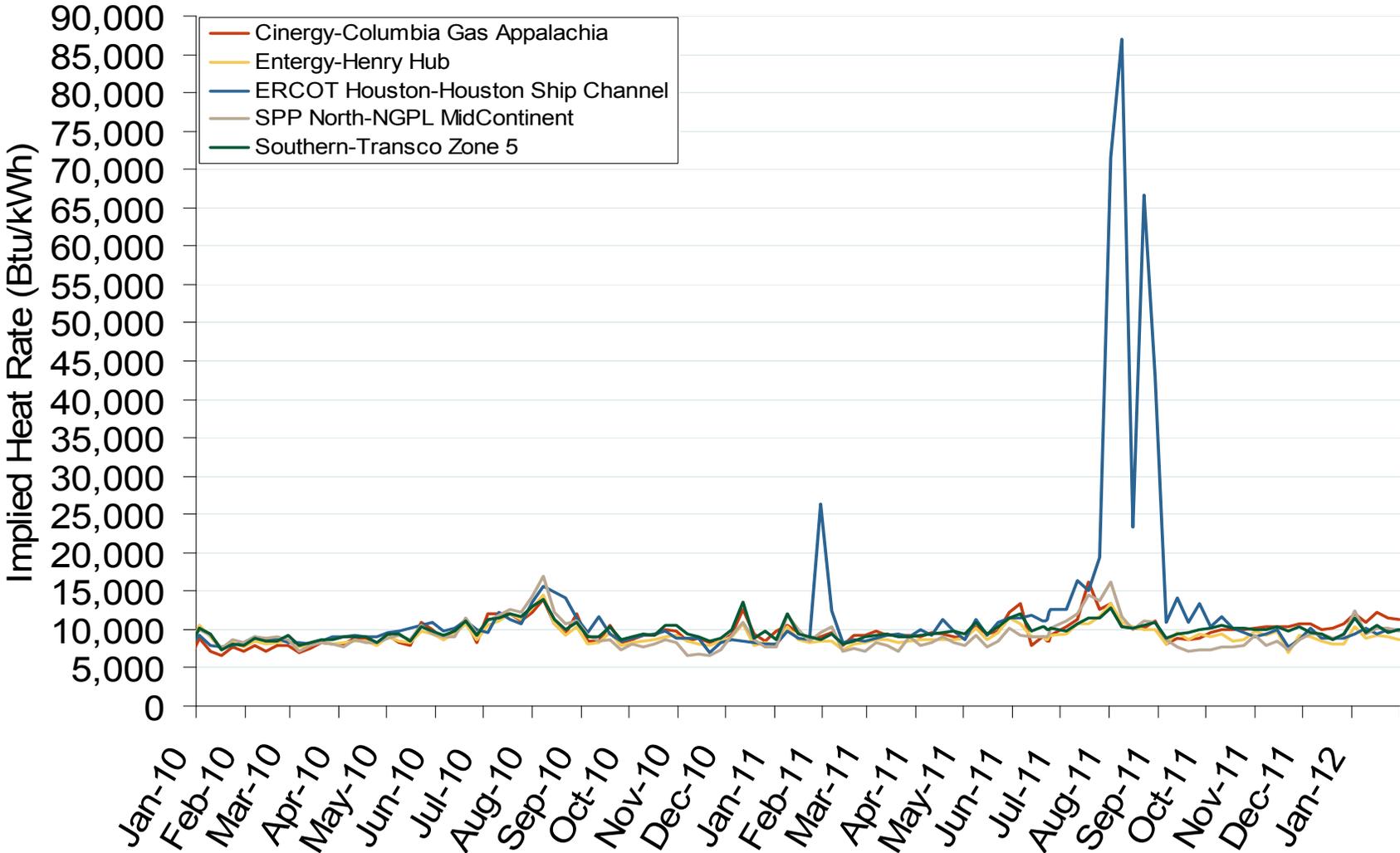
Source: Derived from EEI and NOAA data
February 2012 Southeastern Snapshot

Updated: February 06, 2012

Southeast Electric Market: South Central Implied Heat Rates

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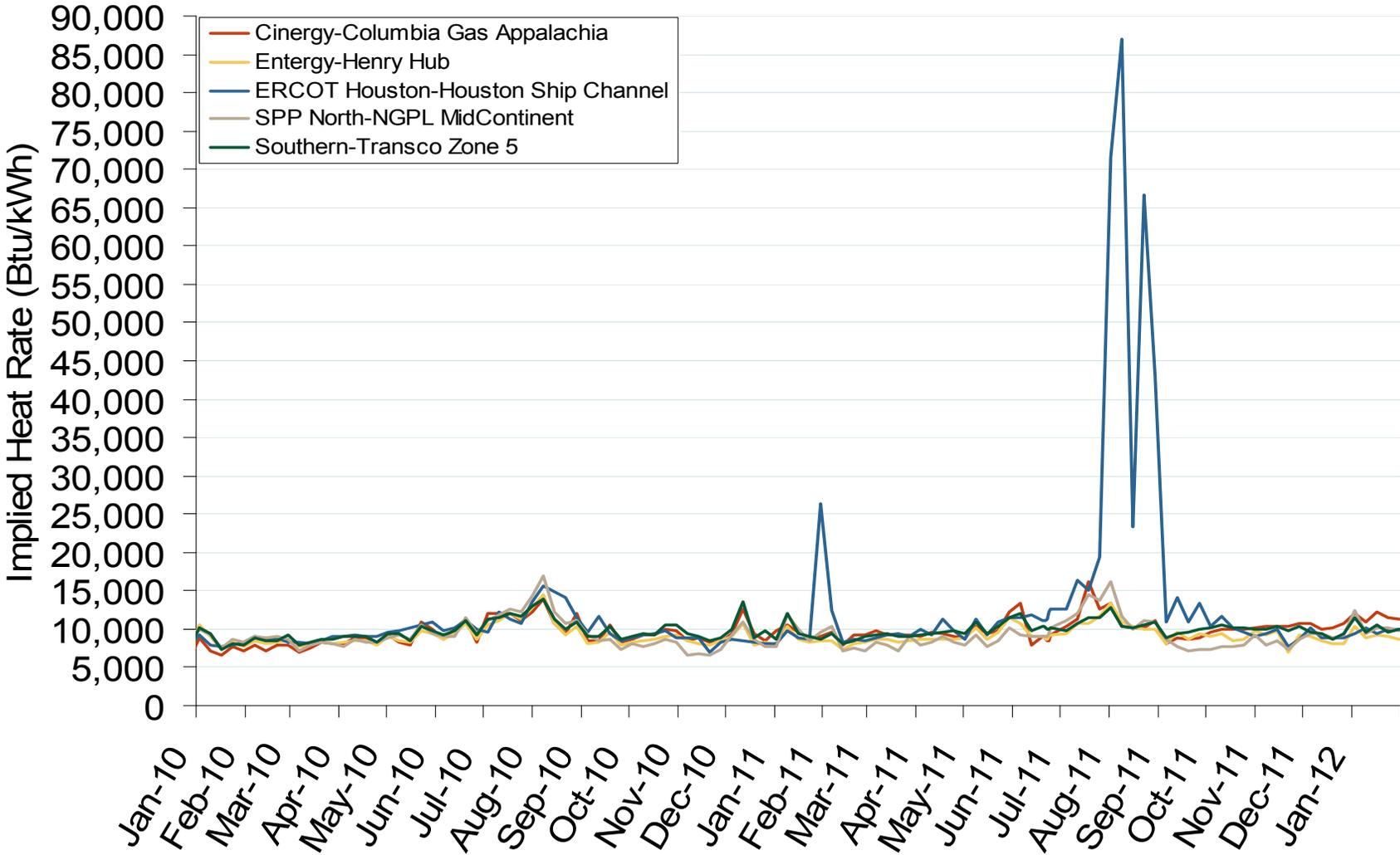
Implied Heat Rates at South Central Trading Points - Weekly Avgs.



Source: Derived from Platts on-peak electric and natural gas price data
February 2012 Southeastern Snapshot

Updated: February 01, 2012

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



Source: Derived from Platts on-peak electric and natural gas price data
February 2012 Southeastern Snapshot

Updated: February 01, 2012

Monthly Southeastern Hydroelectric Generation

