

OE ENERGY MARKET SNAPSHOT

Western States Version – January 2008 Data

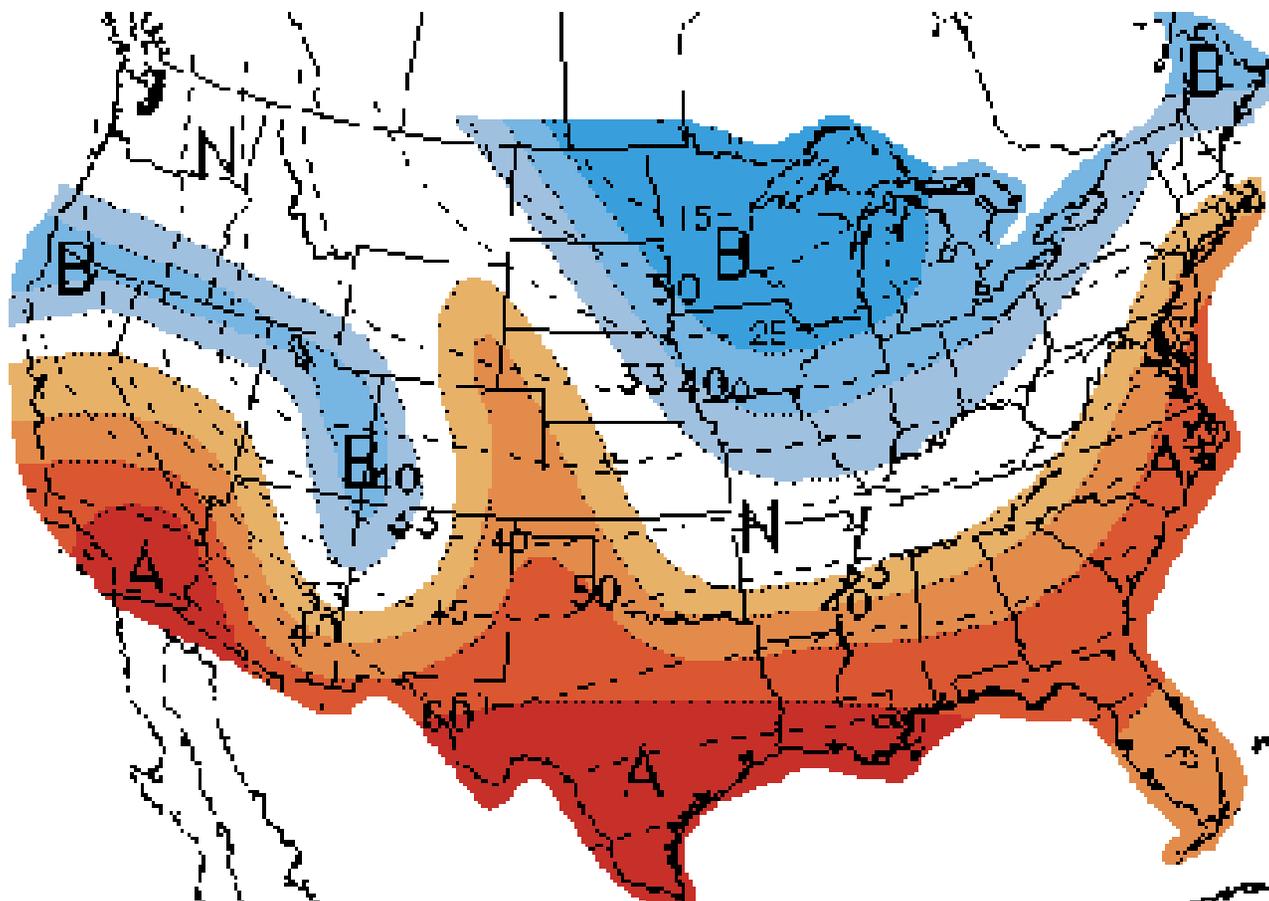
- **Market Fundamentals**
- **Prices and Market Analysis**

Office of Enforcement
Federal Energy Regulatory Commission
February 2008



Market Fundamentals

NOAA's 8 to 14 Day Temperature Forecast Made February 7, Valid for February 15-21, 2008



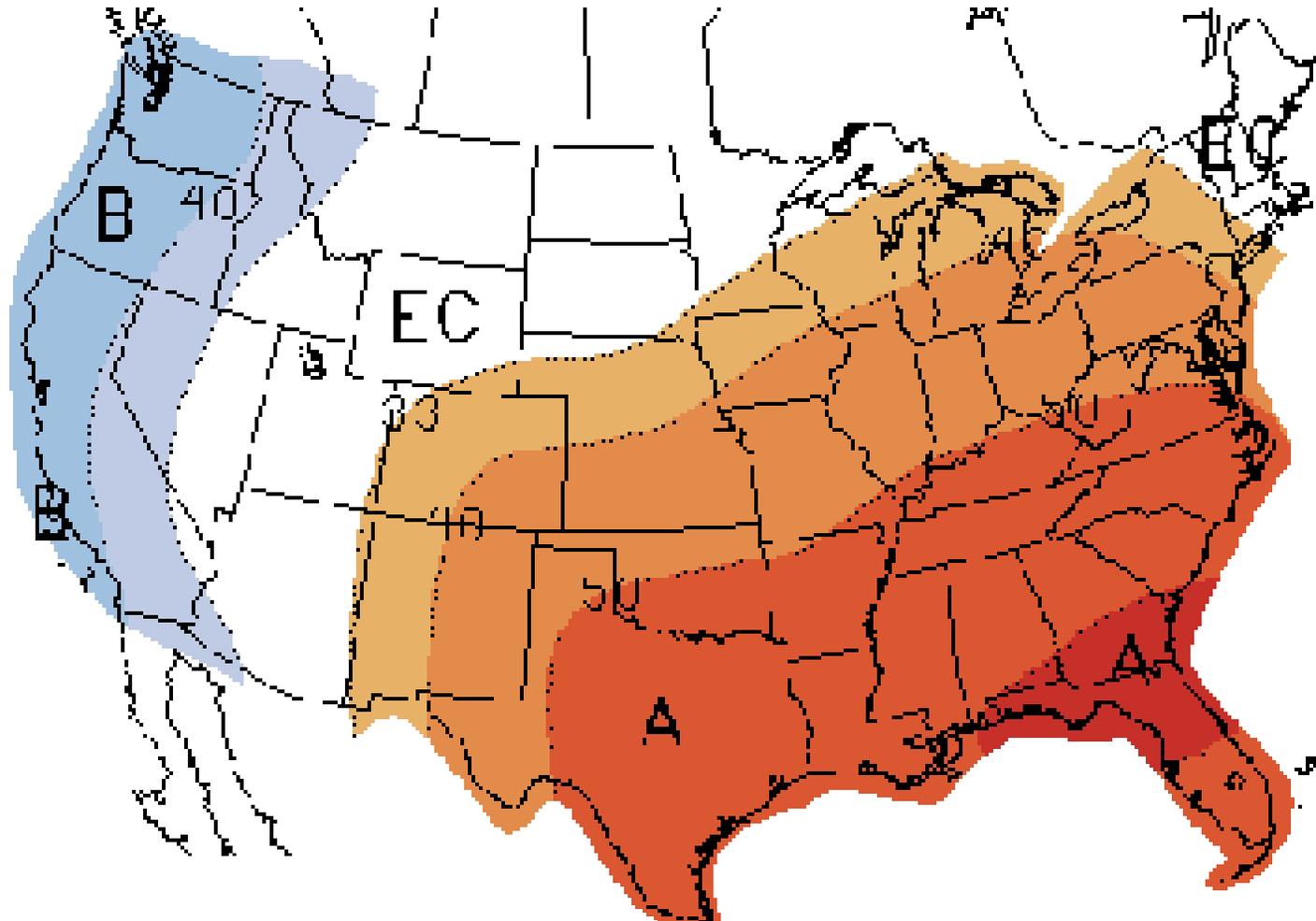
Note: "A" areas are above normal and "B" areas are below normal. Normal is based on the last 30 years of data.

Source: NOAA

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3012

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



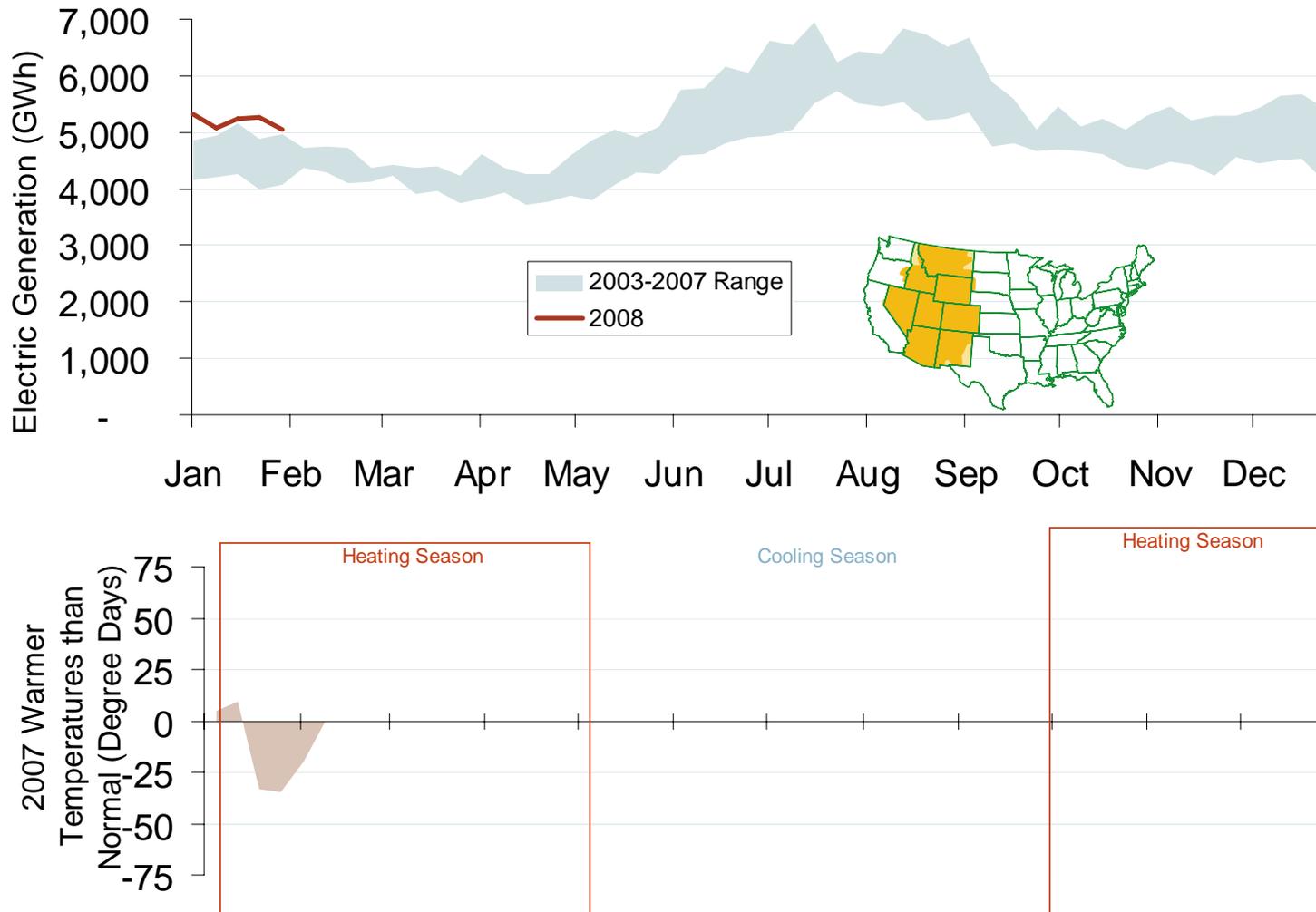
Note: "A" areas are above normal, "B" areas are below normal and "EC" means equal chance. Normal based on the last 30 years of data.

Source: NOAA

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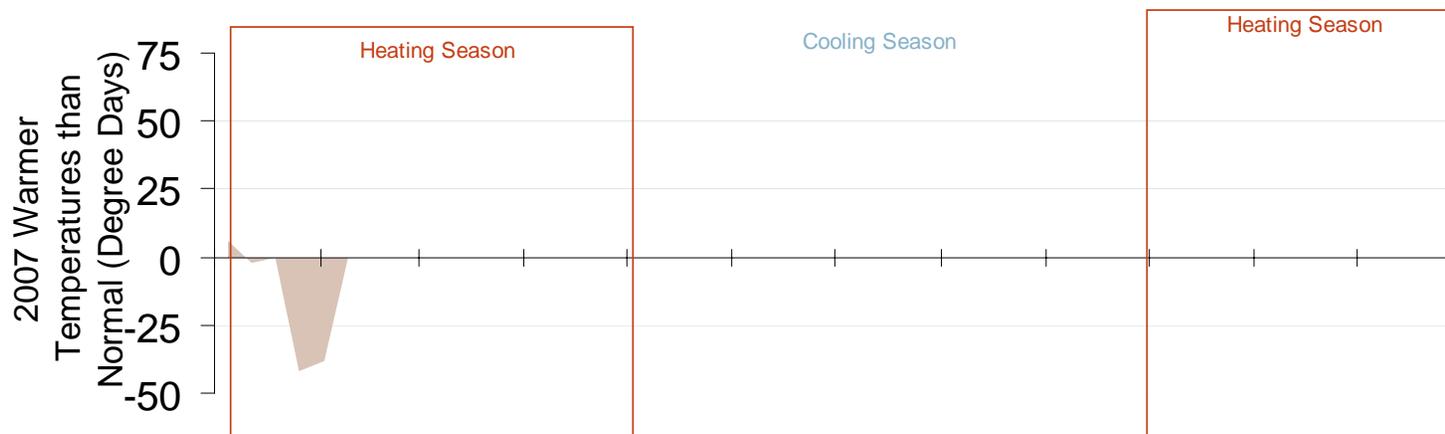
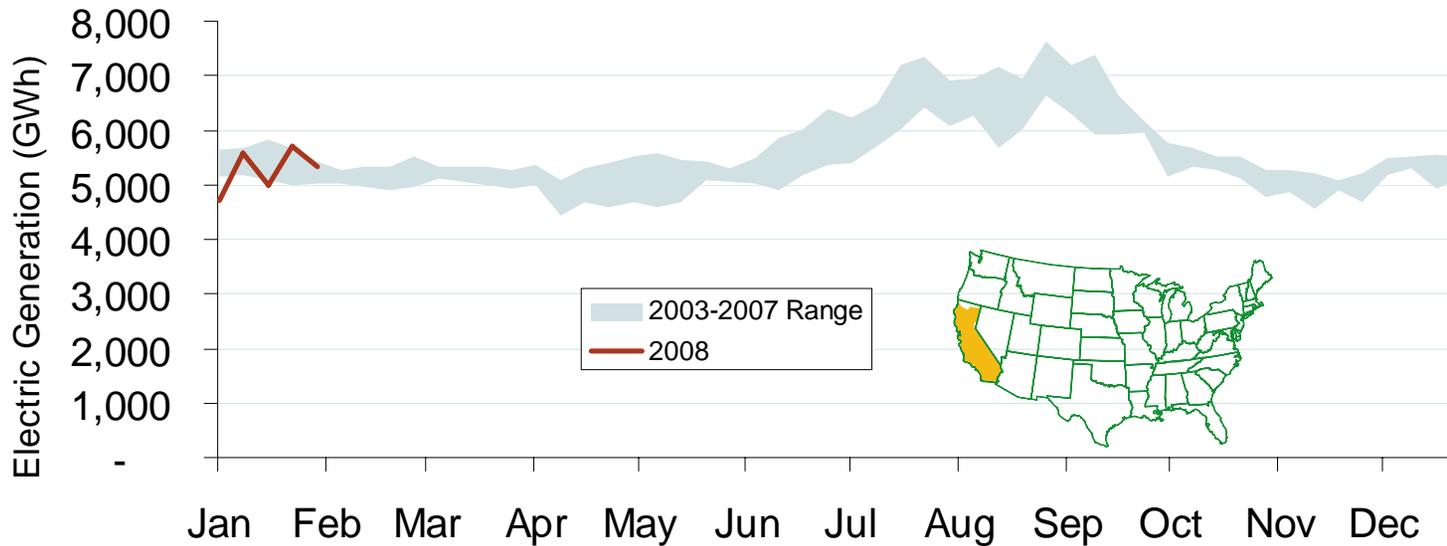
3012

Weekly Electric Generation Output and Temperatures Rocky Mountains Region



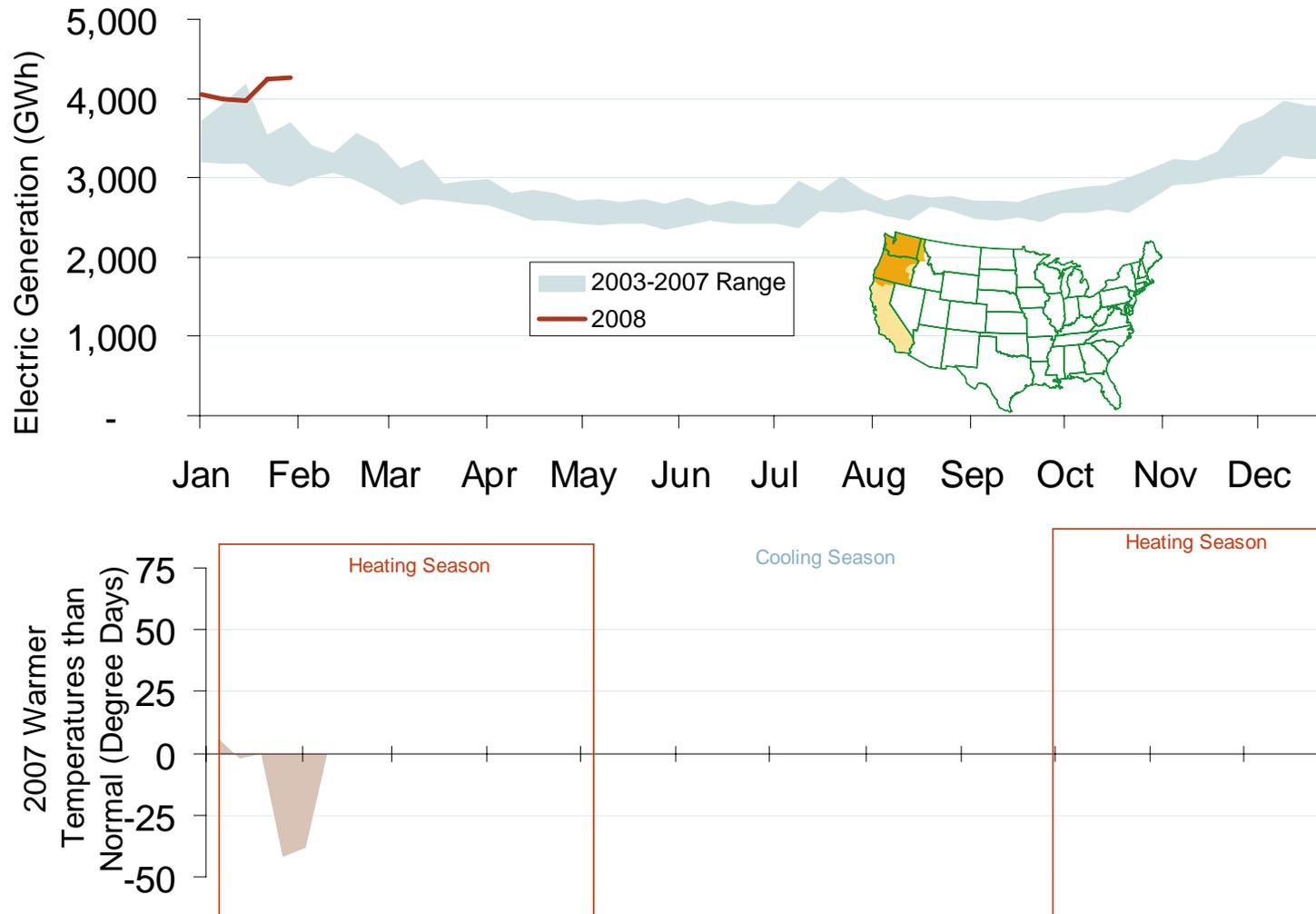
Source: Derived from EEI and NOAA data.

Weekly Electric Generation Output and Temperatures California



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

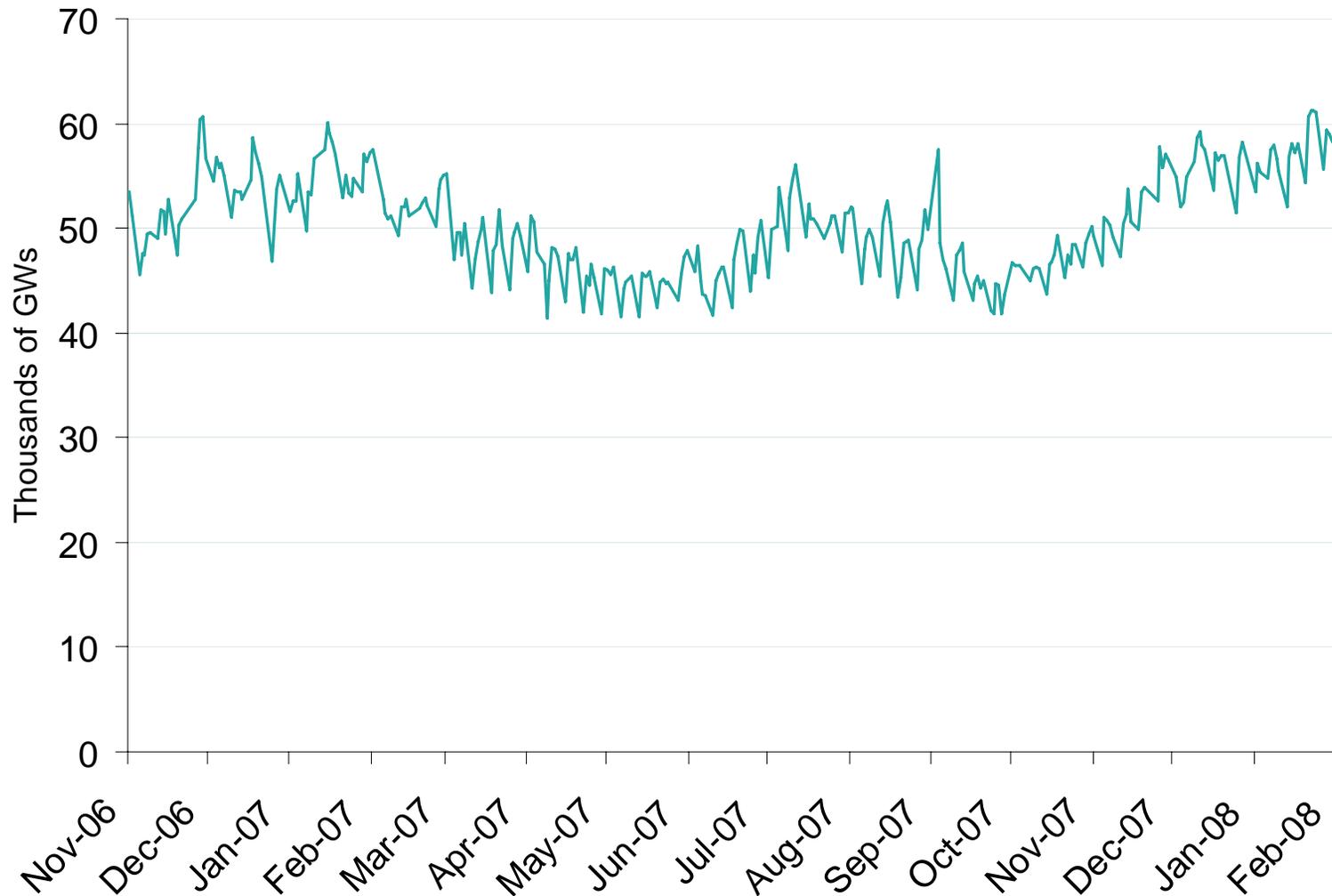
Weekly Electric Generation Output and Temperatures Pacific Northwest Region



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

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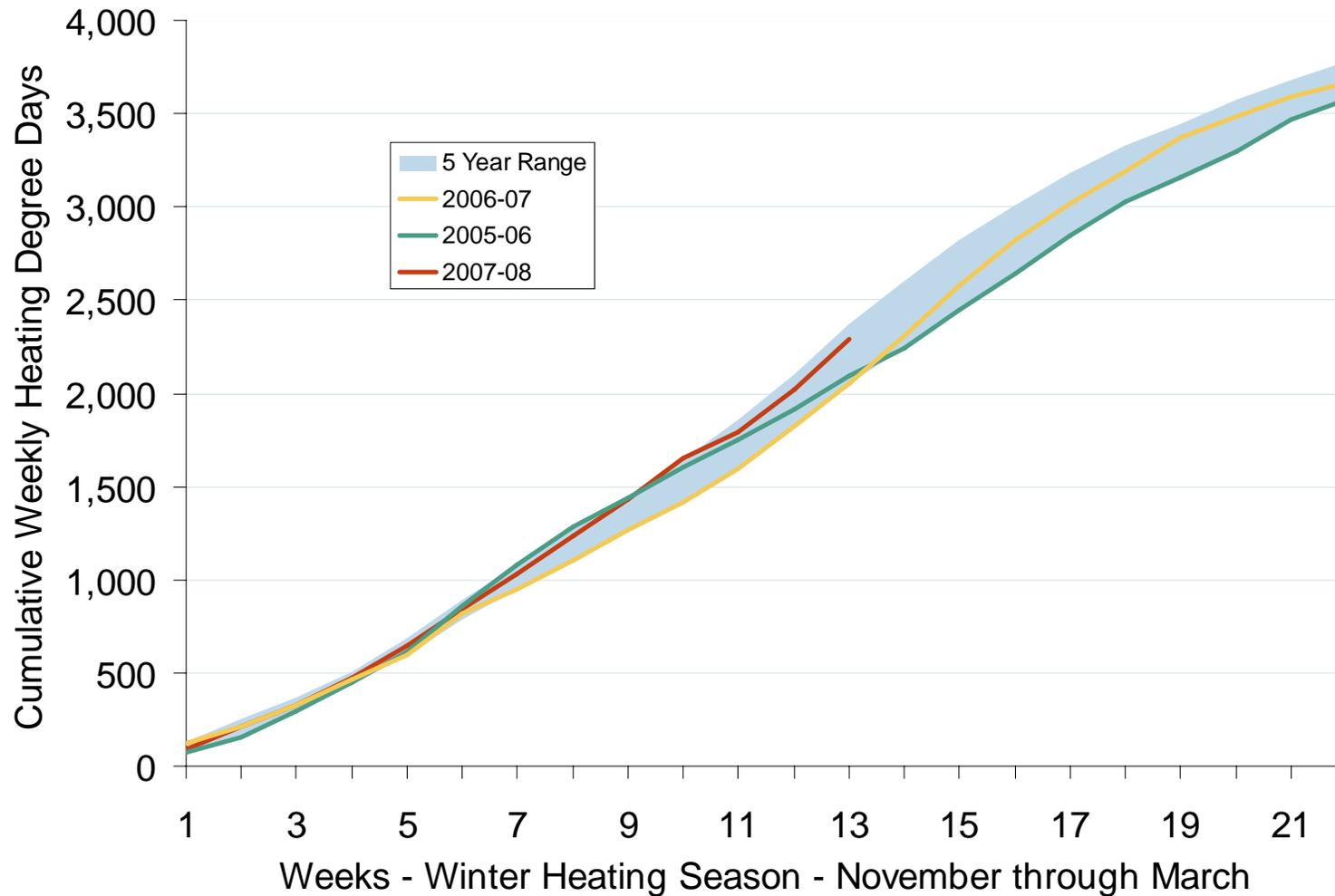
Northwest Daily Actual Peak Demand



Source: Derived from WECC Daily Report data available at <http://wecc.biz>. Data shown is generally Sunday through Thursday due to limitations of daily reports.

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Winter Cumulative Heating Degree Days

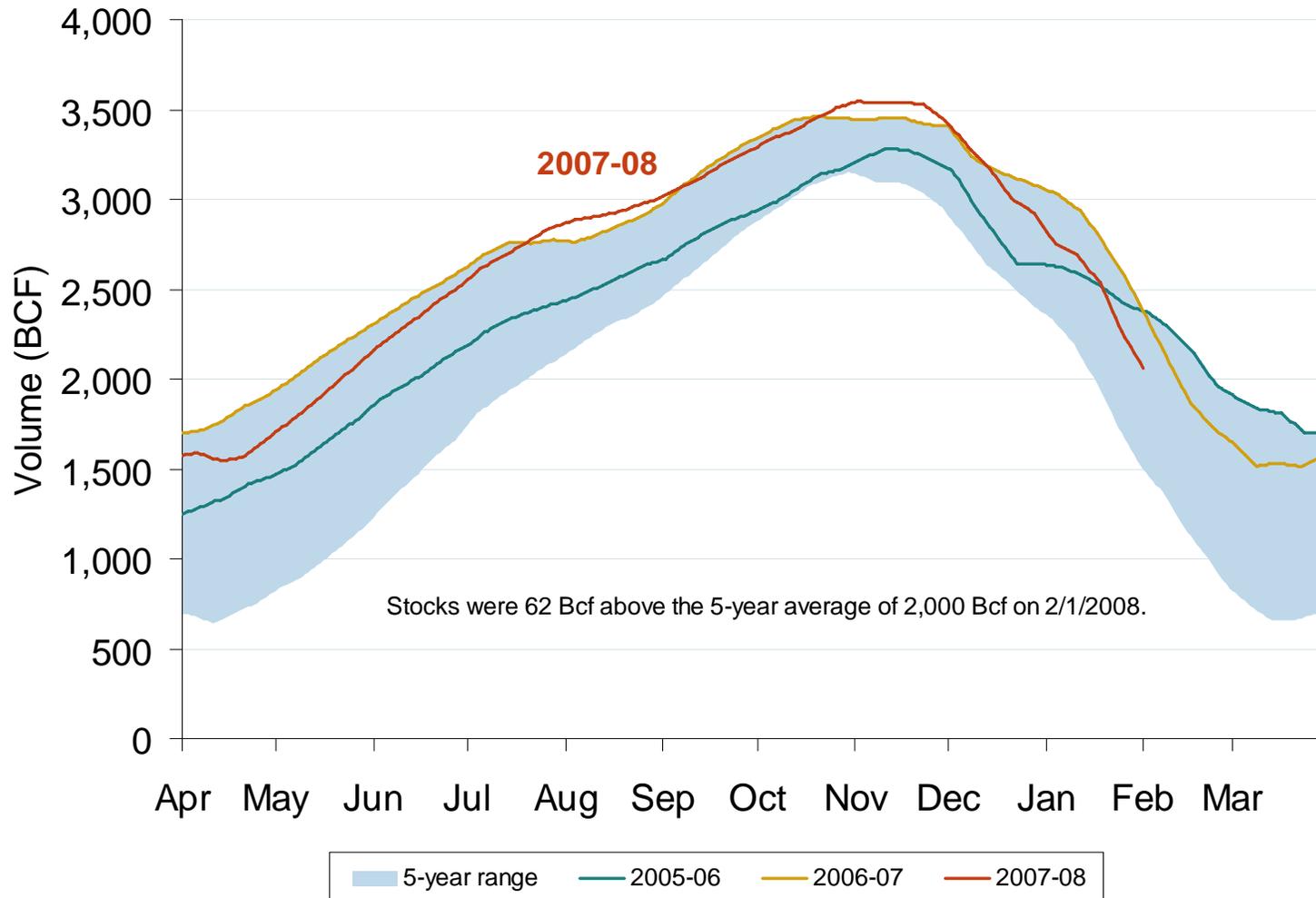


Source: Derived from NOAA data.

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3020

Total U.S. Working Gas in Storage

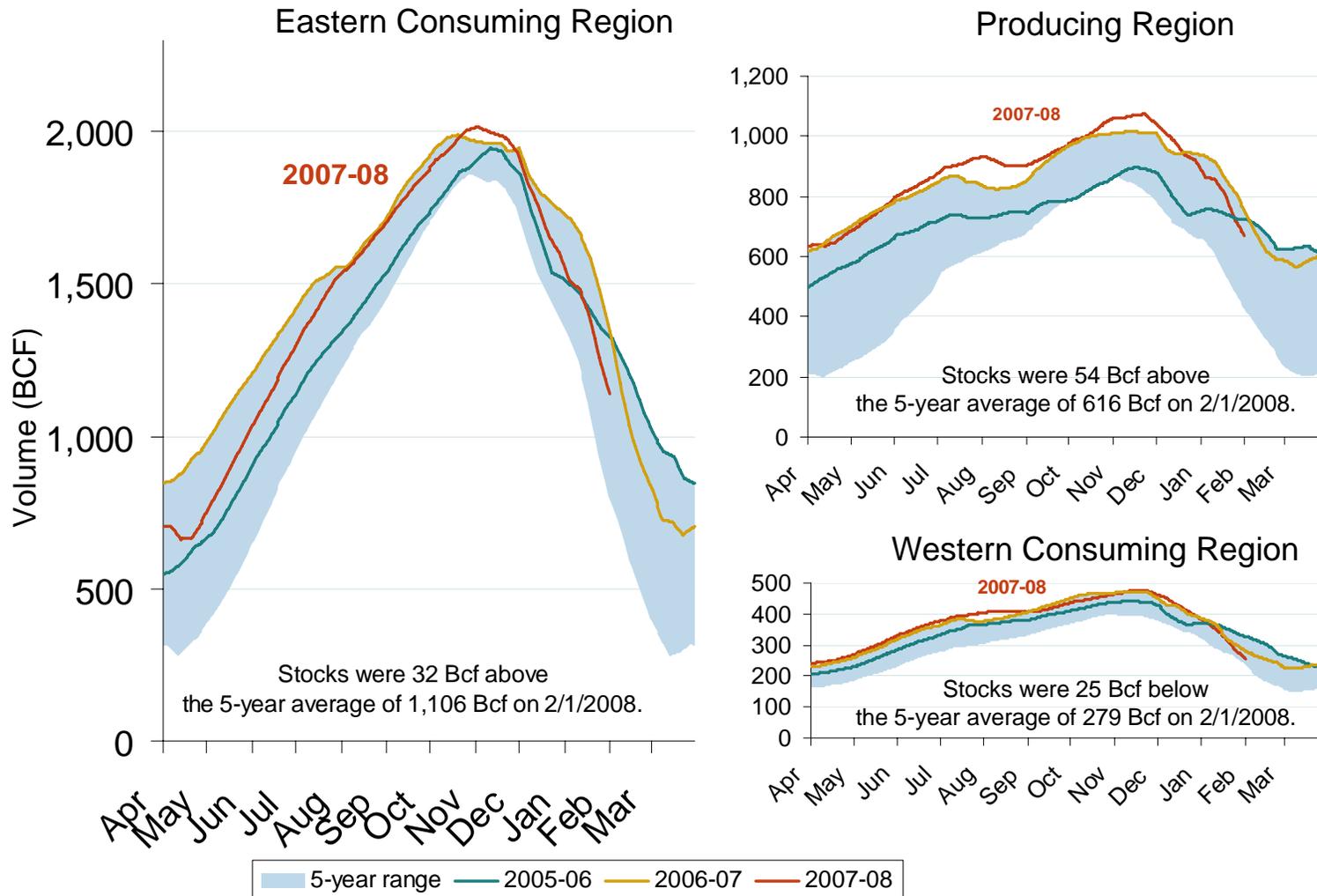


Source: Derived from EIA data.

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2003

Regional Totals of Working Gas in Storage

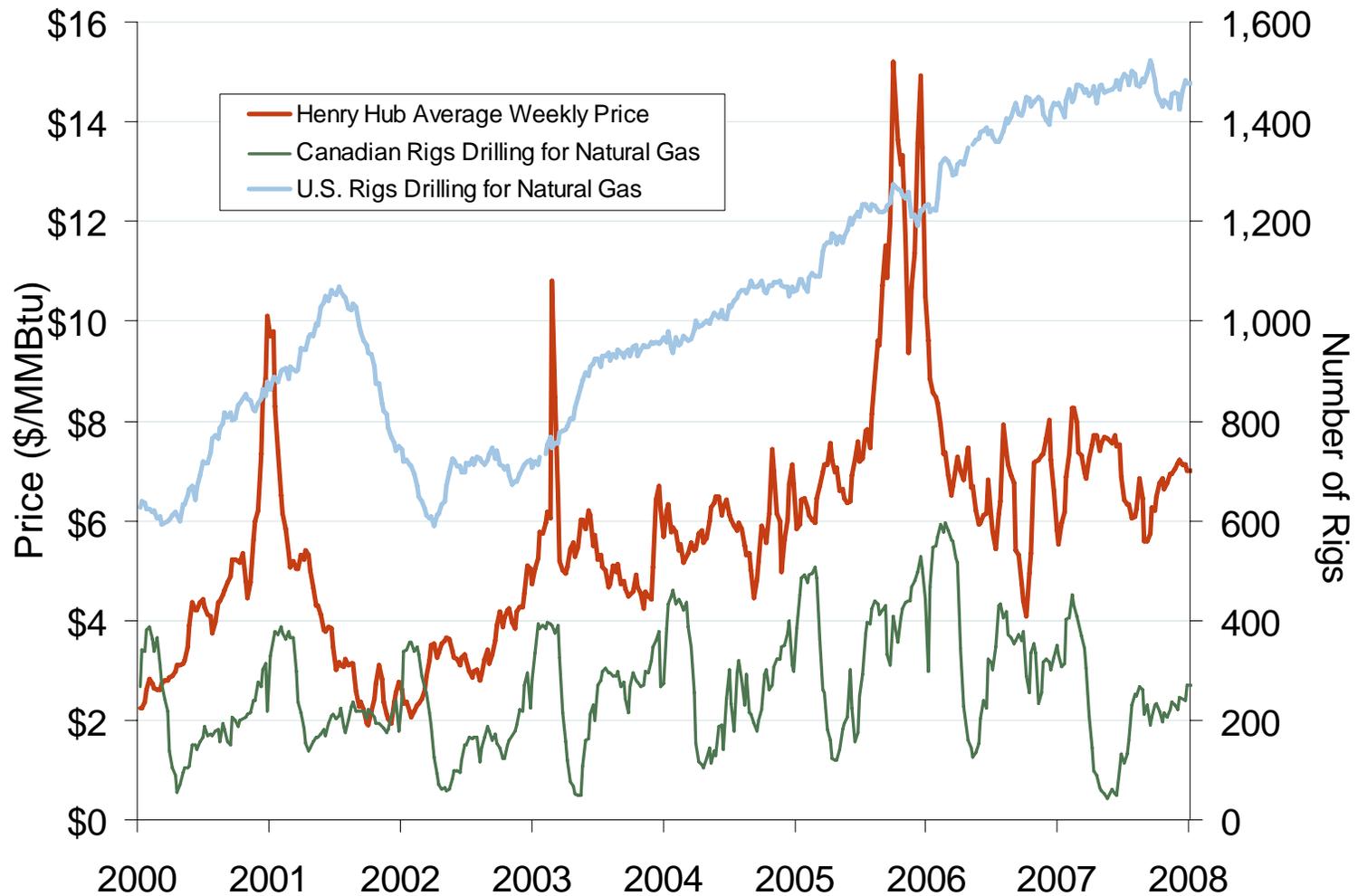


Source: Derived from EIA data.

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2004

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

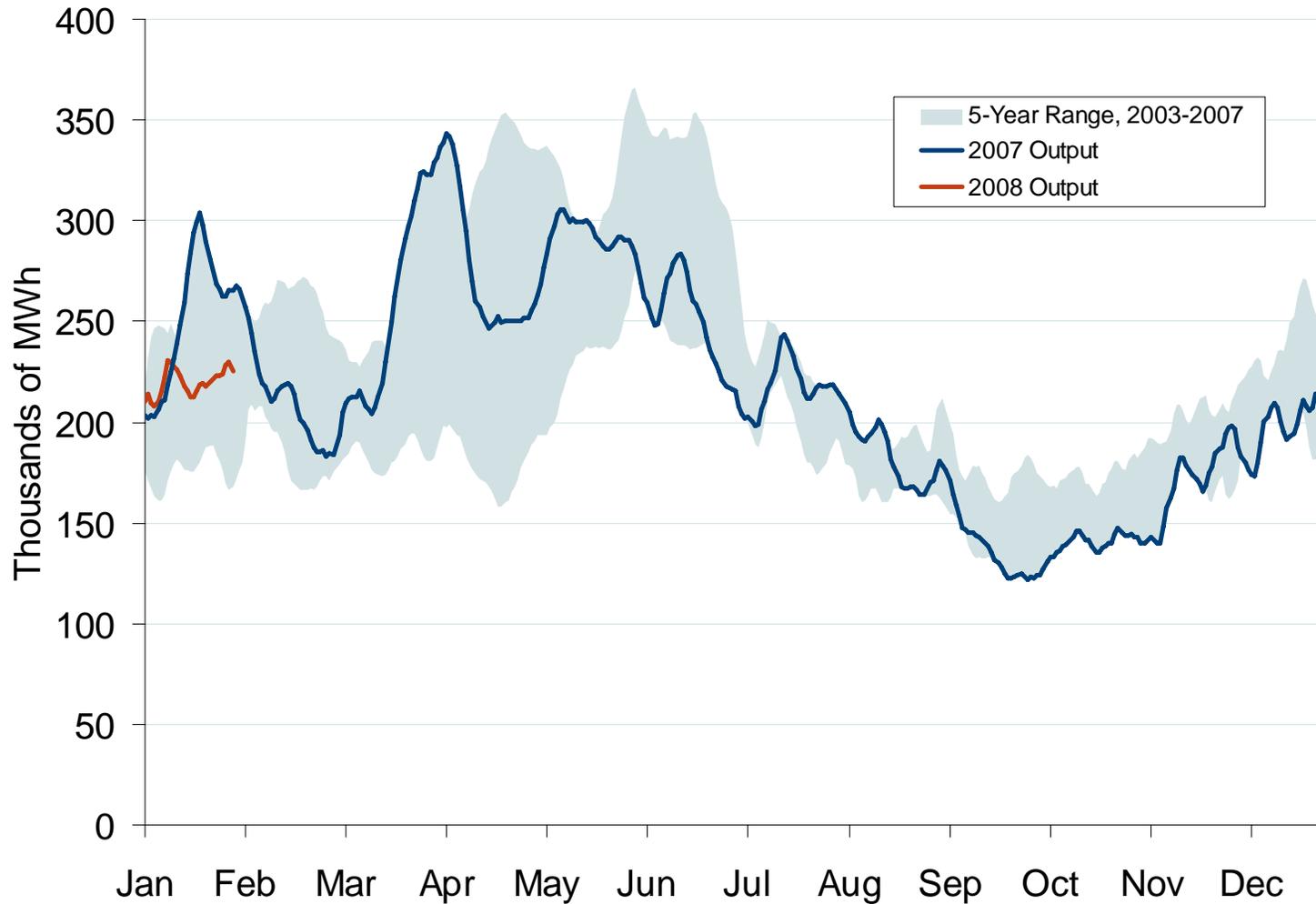


Source: Derived from *Platts* and *Baker Hughes* data.

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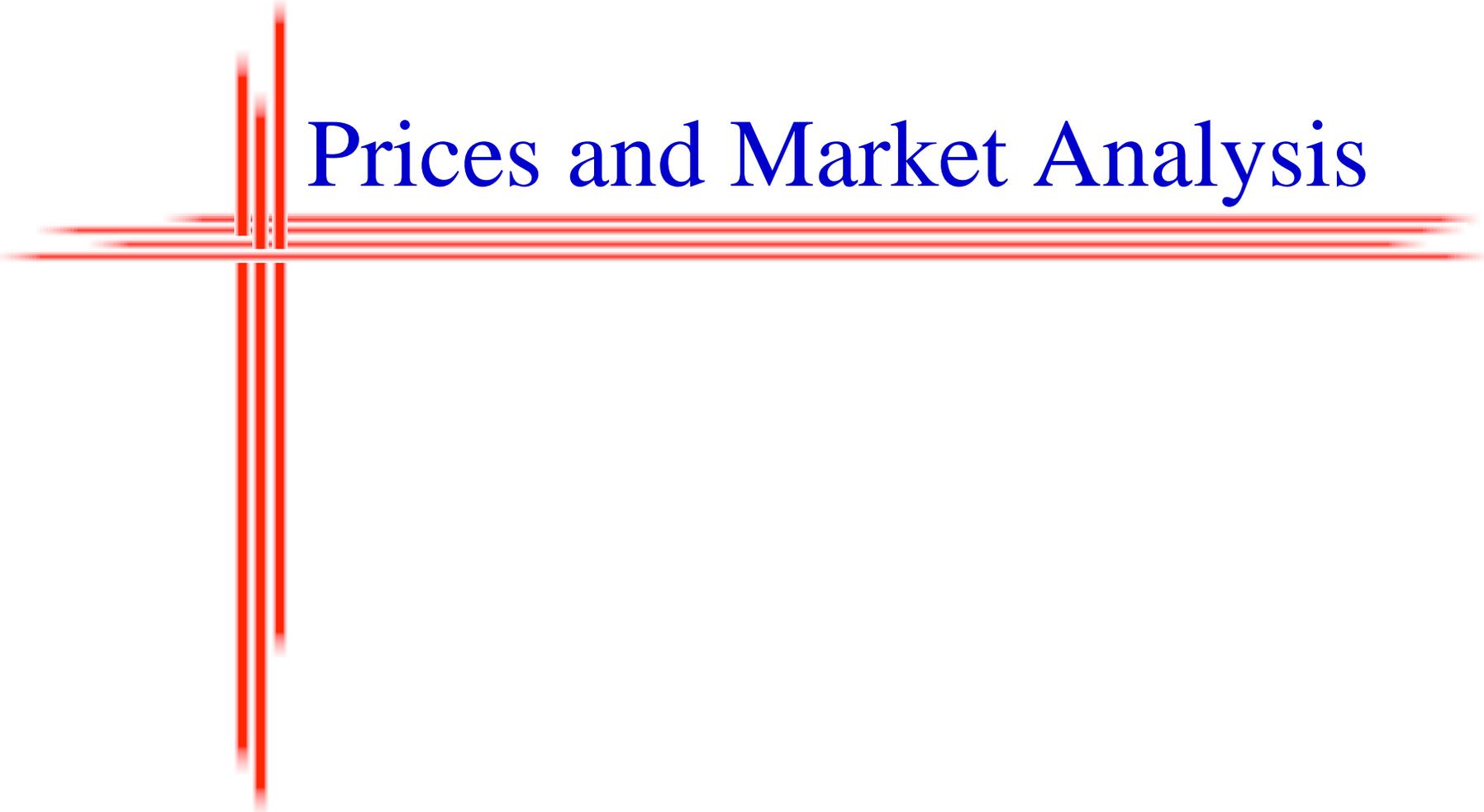
2007

Pacific Northwest Hydroelectric Production



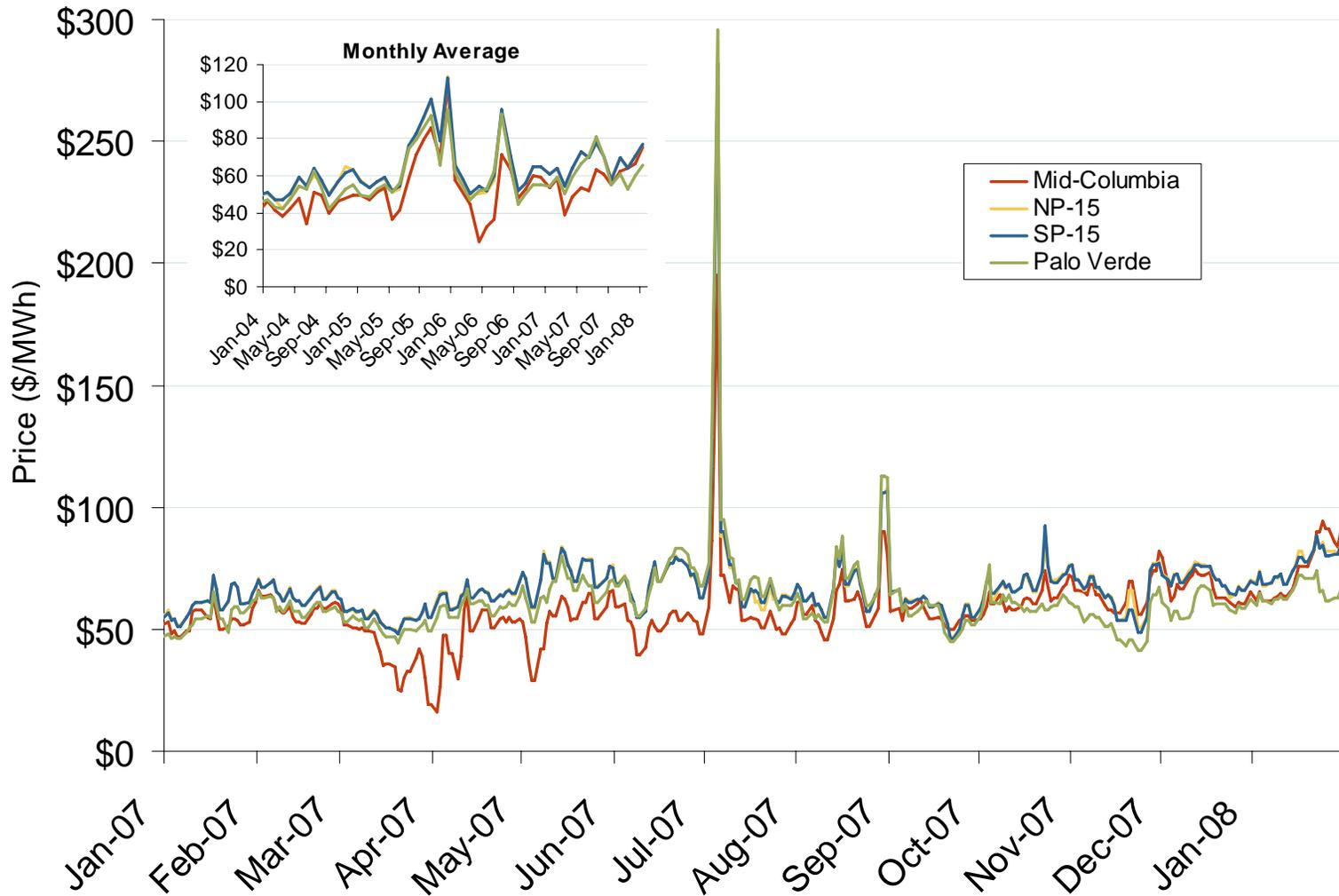
Source: Derived from USACE data.
Trend lines are 7-day moving averages.

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Prices and Market Analysis

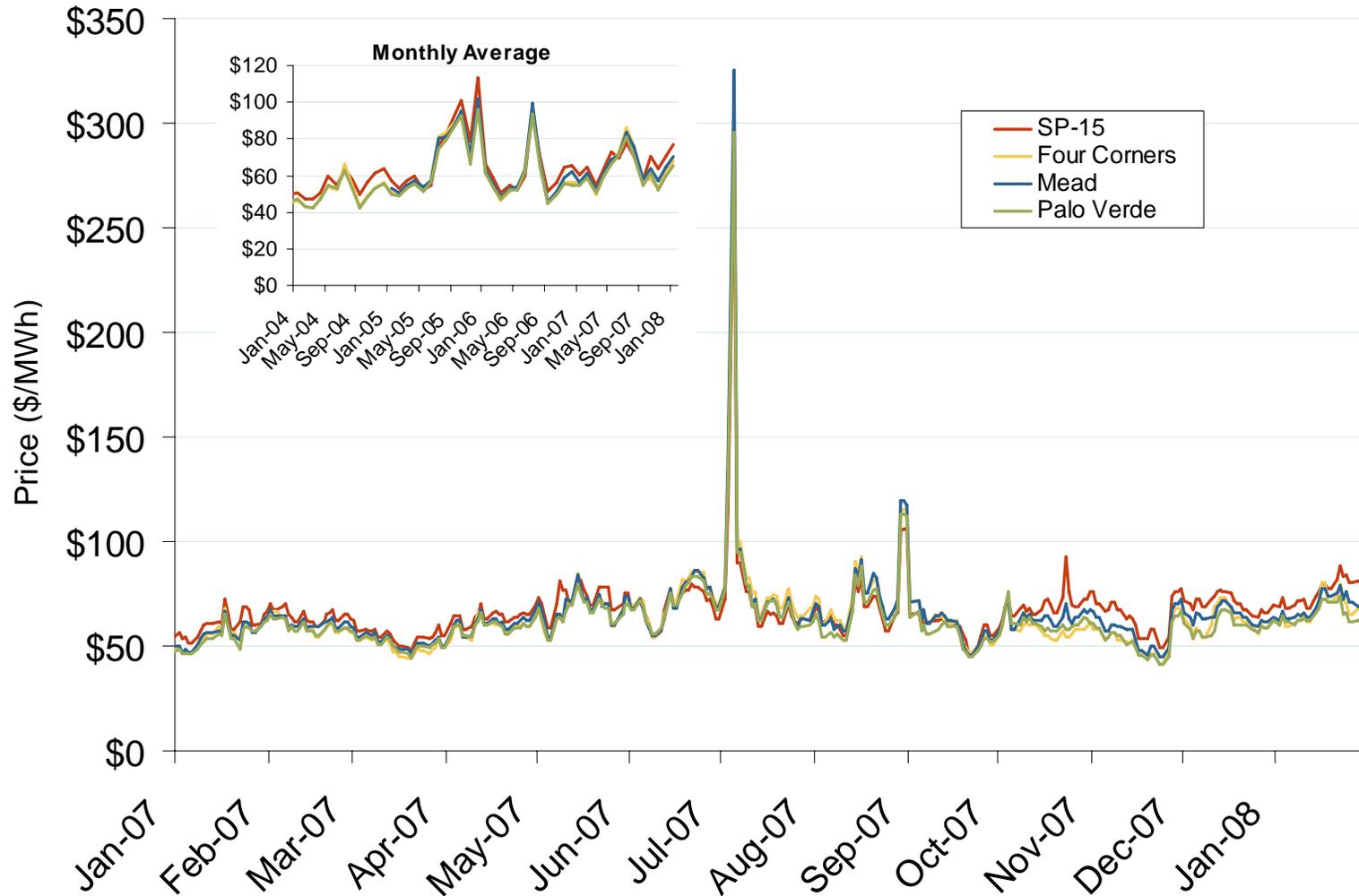
Western Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

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Southwestern Daily Bilateral Day-Ahead On-Peak Prices

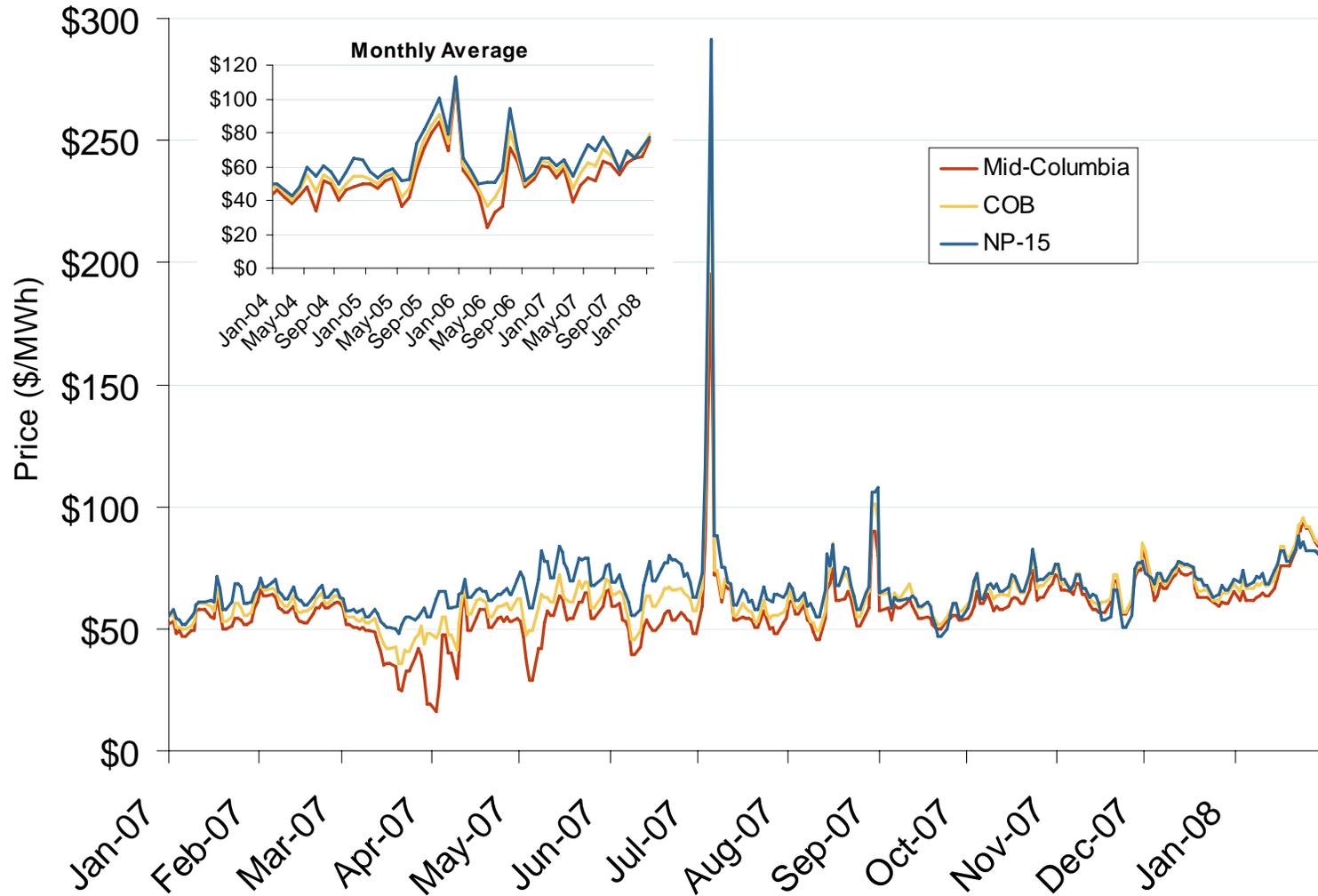


Source: Derived from Platts data.

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1066

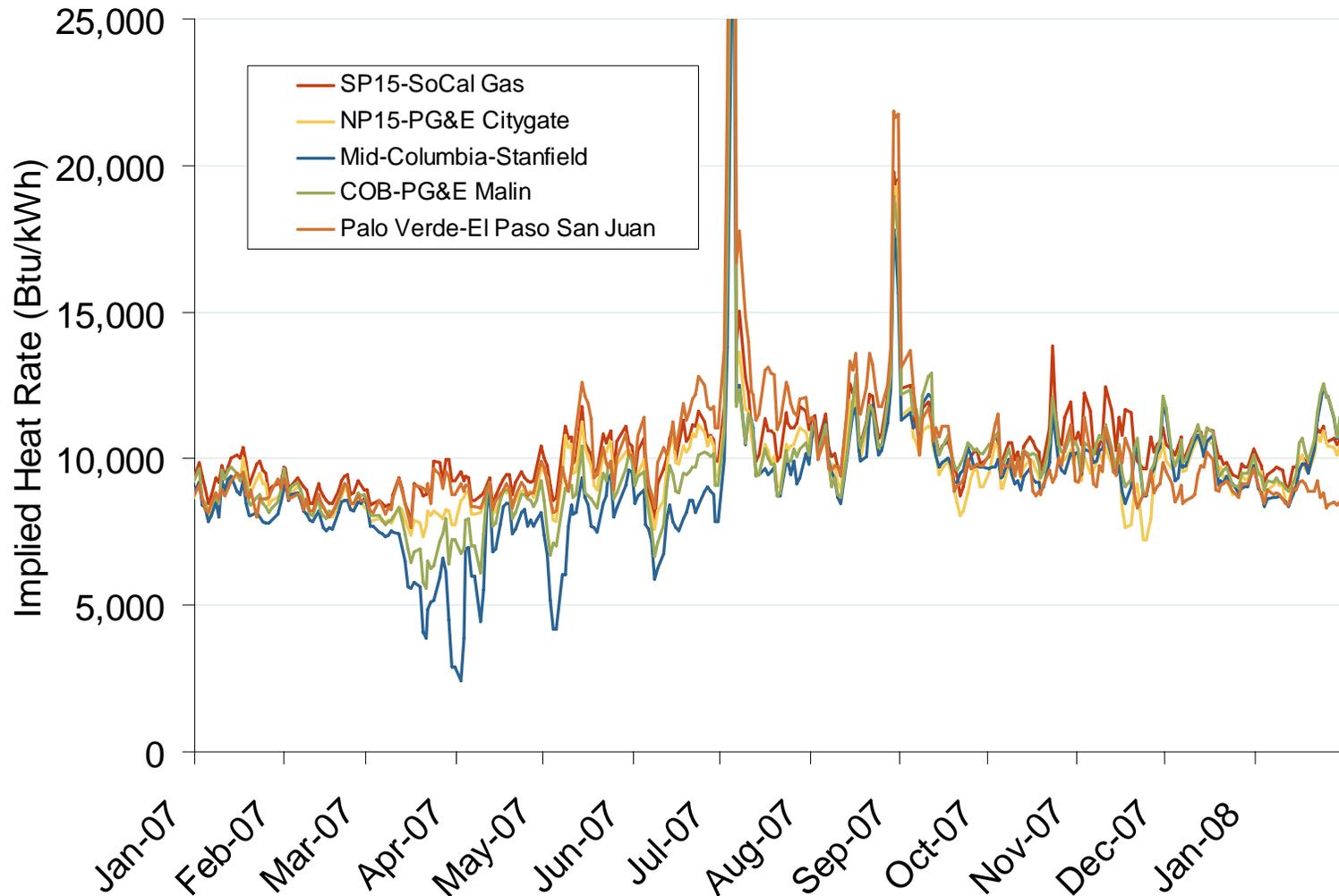
Northwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

Updated February 8, 2008

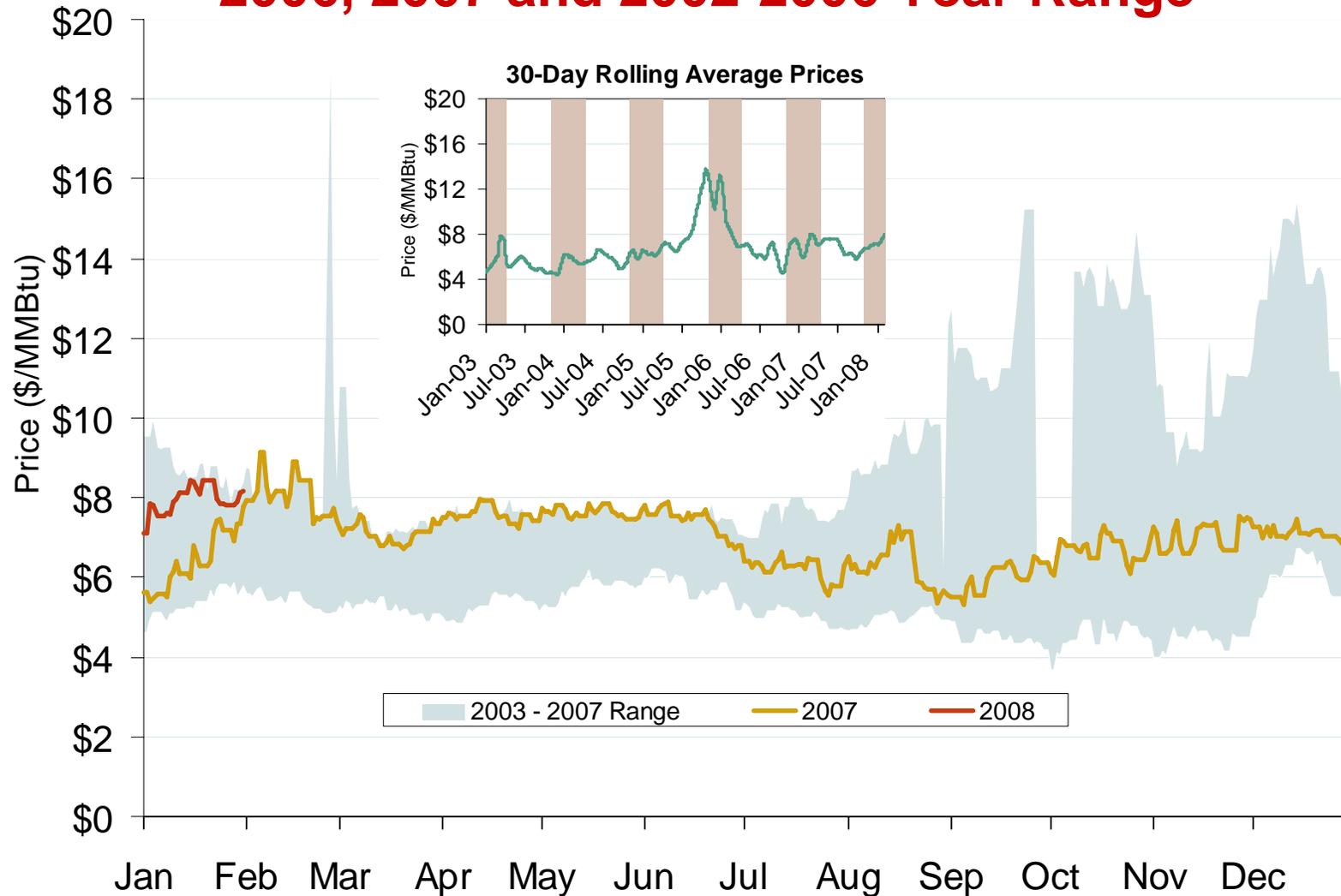
Implied Heat Rates at Western Trading Points



Source: Derived from *Platts* data

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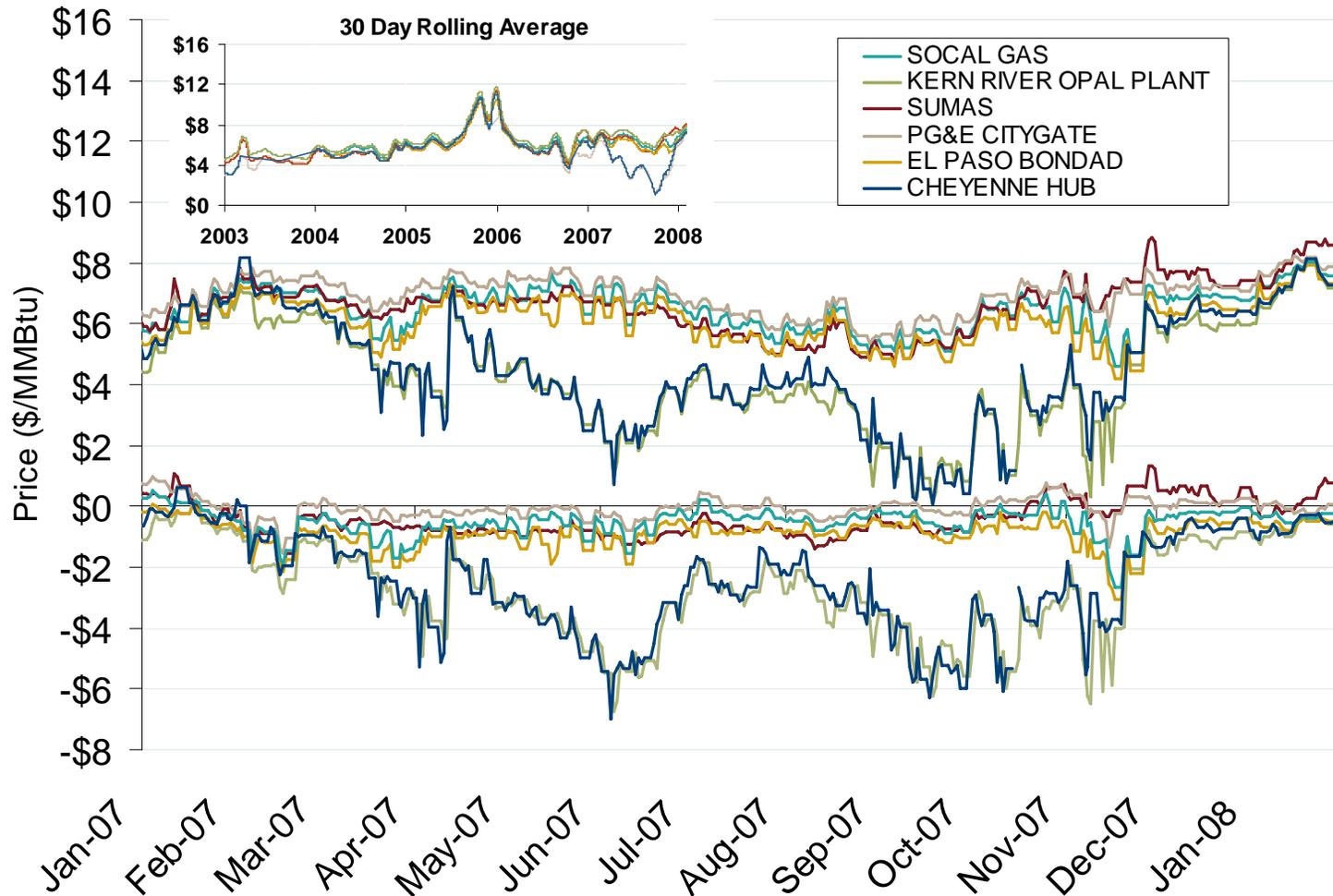
Henry Hub Natural Gas Daily Spot Prices 2006, 2007 and 2002-2006 Year Range



Source: Derived from *Platts* data.

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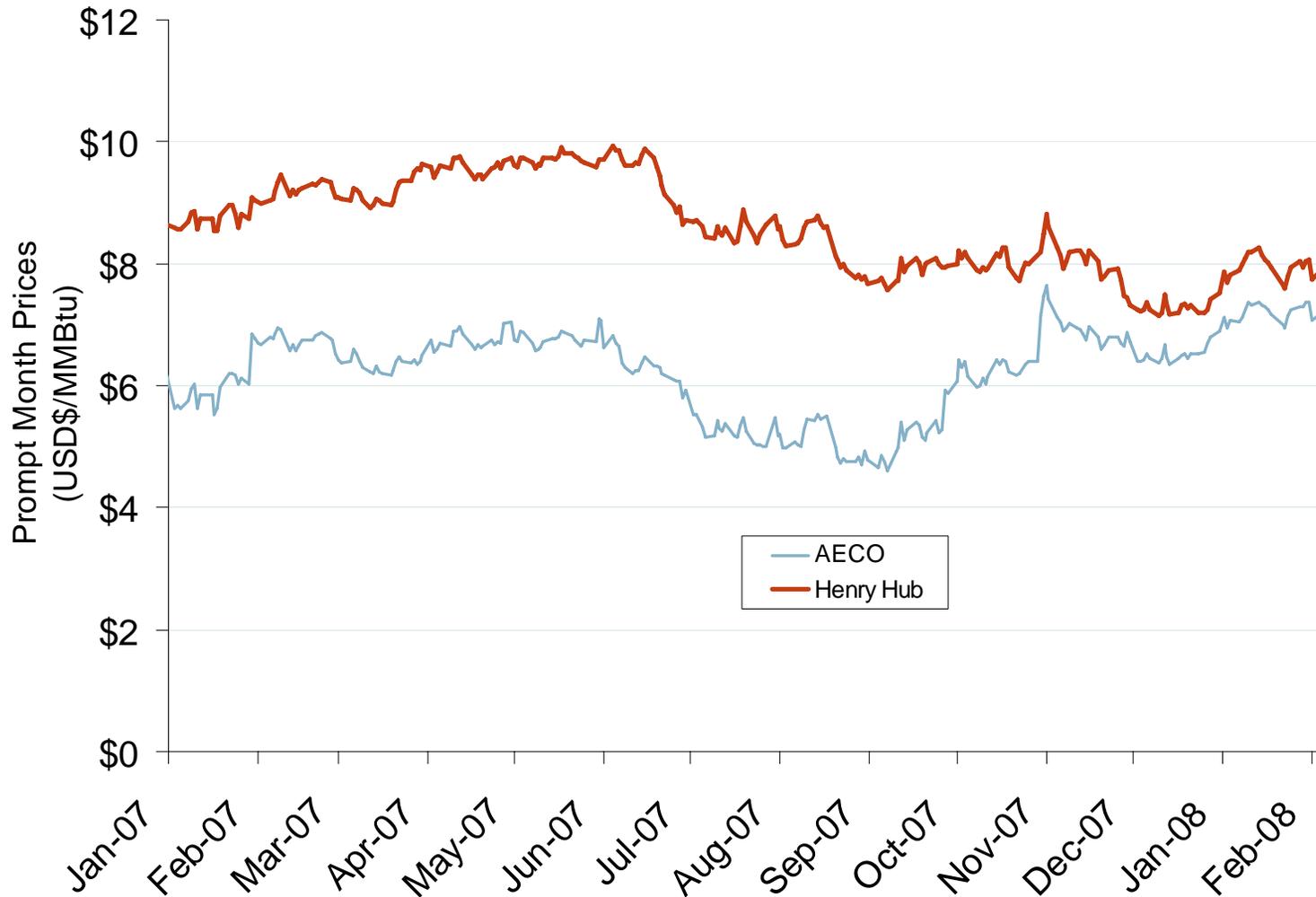
Western Day-Ahead Hub Spot Prices and Basis



Source: Derived from *Platts* data.

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Henry Hub and AECO Prompt-Month Futures Prices

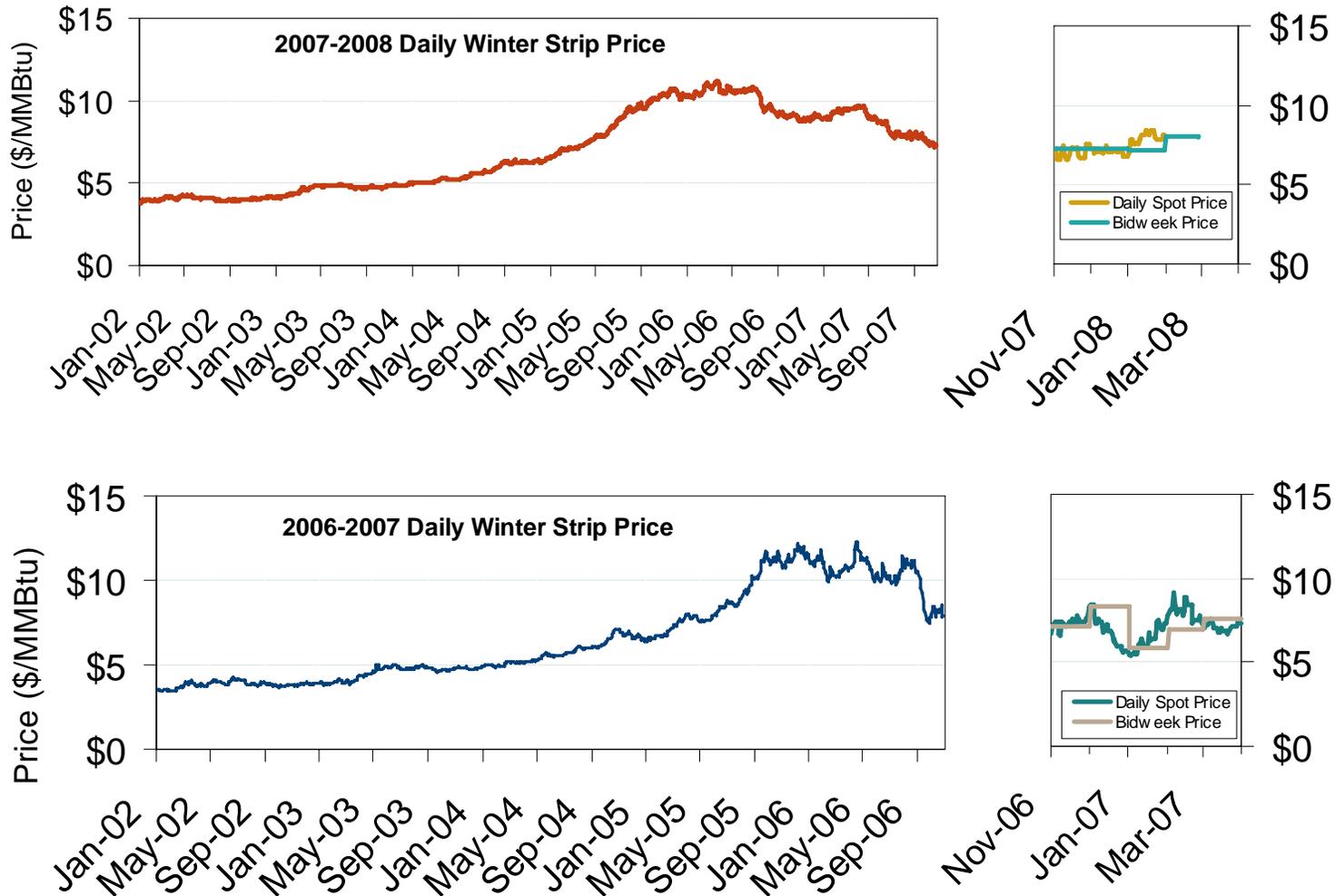


Source: Derived from ICE data.

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2172

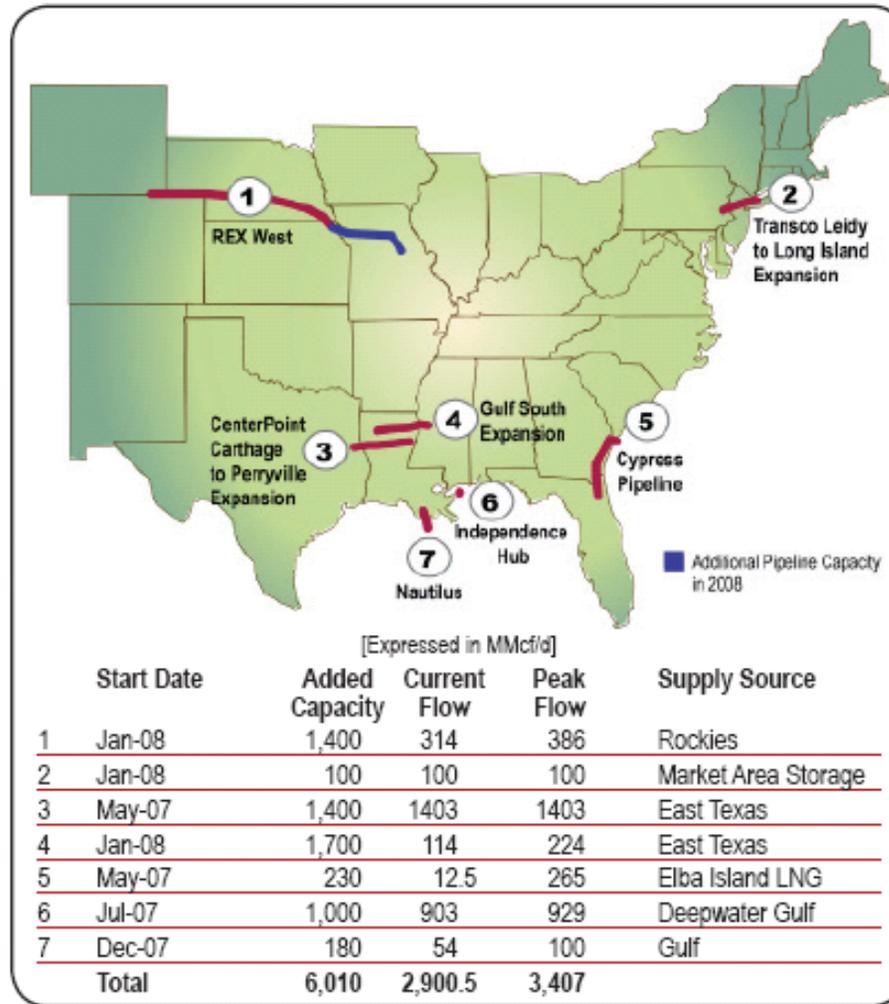
Natural Gas Winter Futures Strip and Daily Henry Hub Spot and Bidweek Prices



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

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Increased Natural Gas Supply Since May 2007

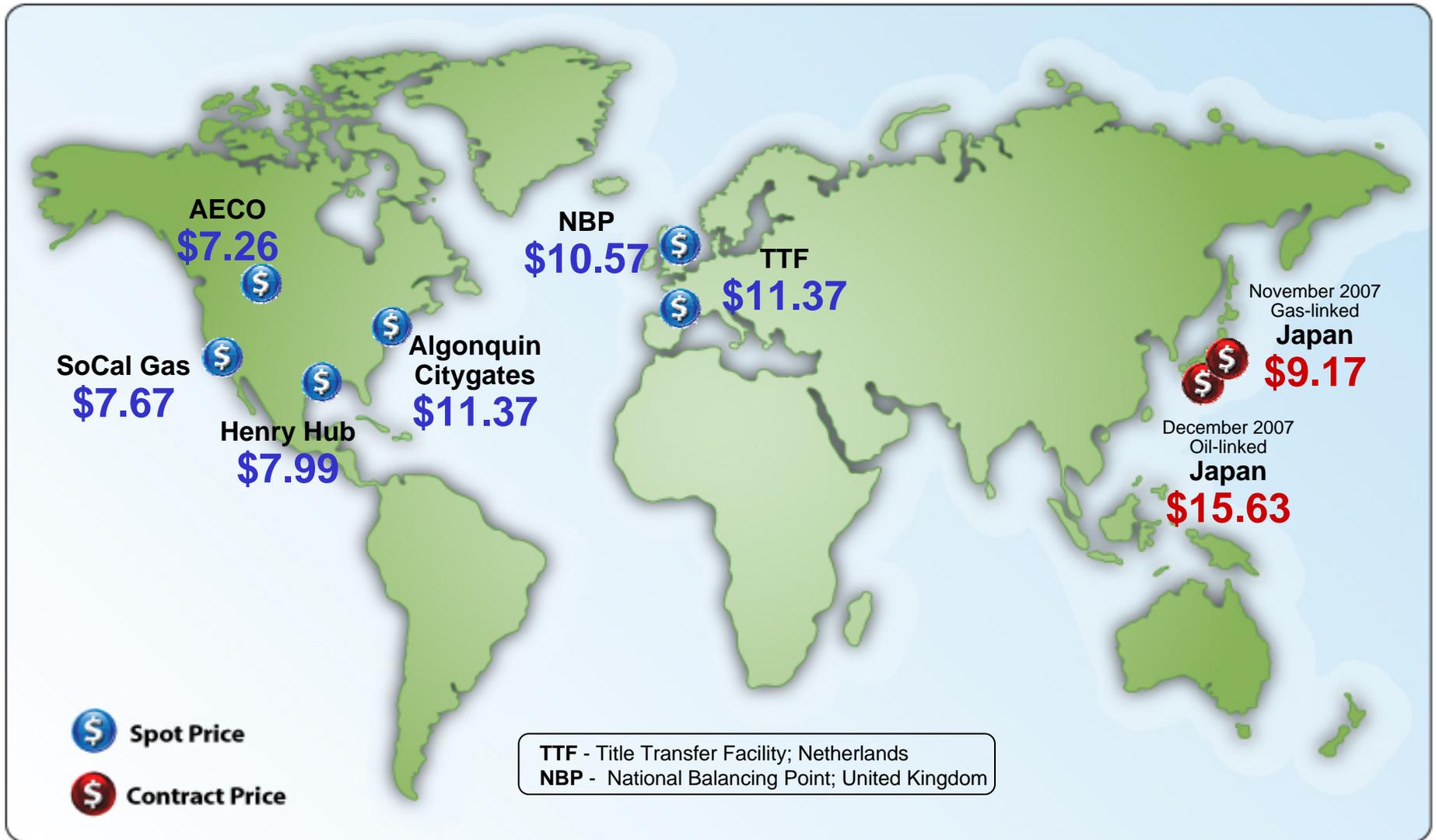


Source: Derived from Bentek Energy LLC data.

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World Natural Gas Prices for January 2008

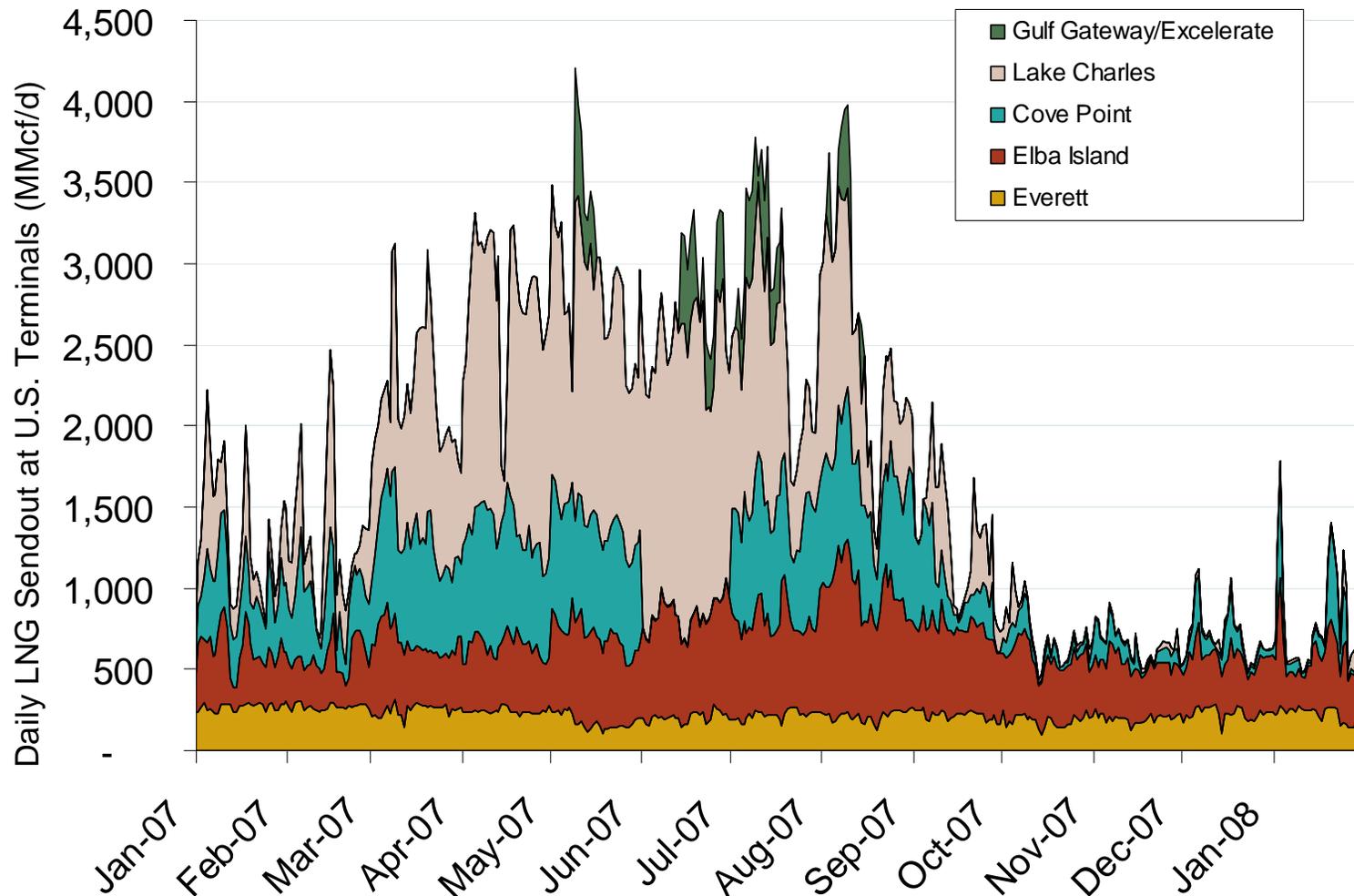


Source: Derived from *Bloomberg, ICE, ICAP and LNG Japan Corp.* data. Spot Price is a monthly average of daily prices. Contract Price is a monthly price. All prices in \$US/MMBtu.

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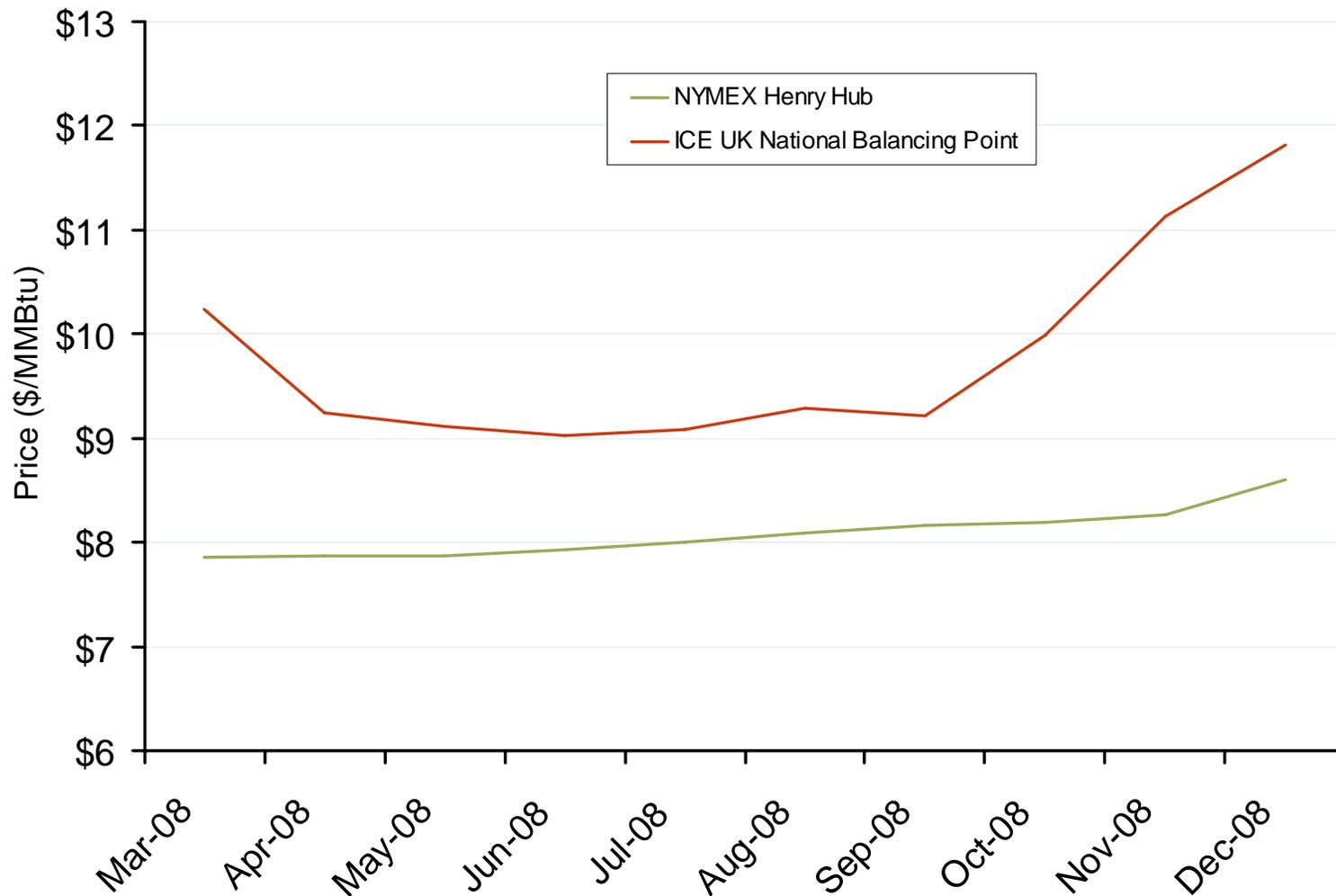
Daily Gas Sendout from Existing U.S. LNG Facilities



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

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

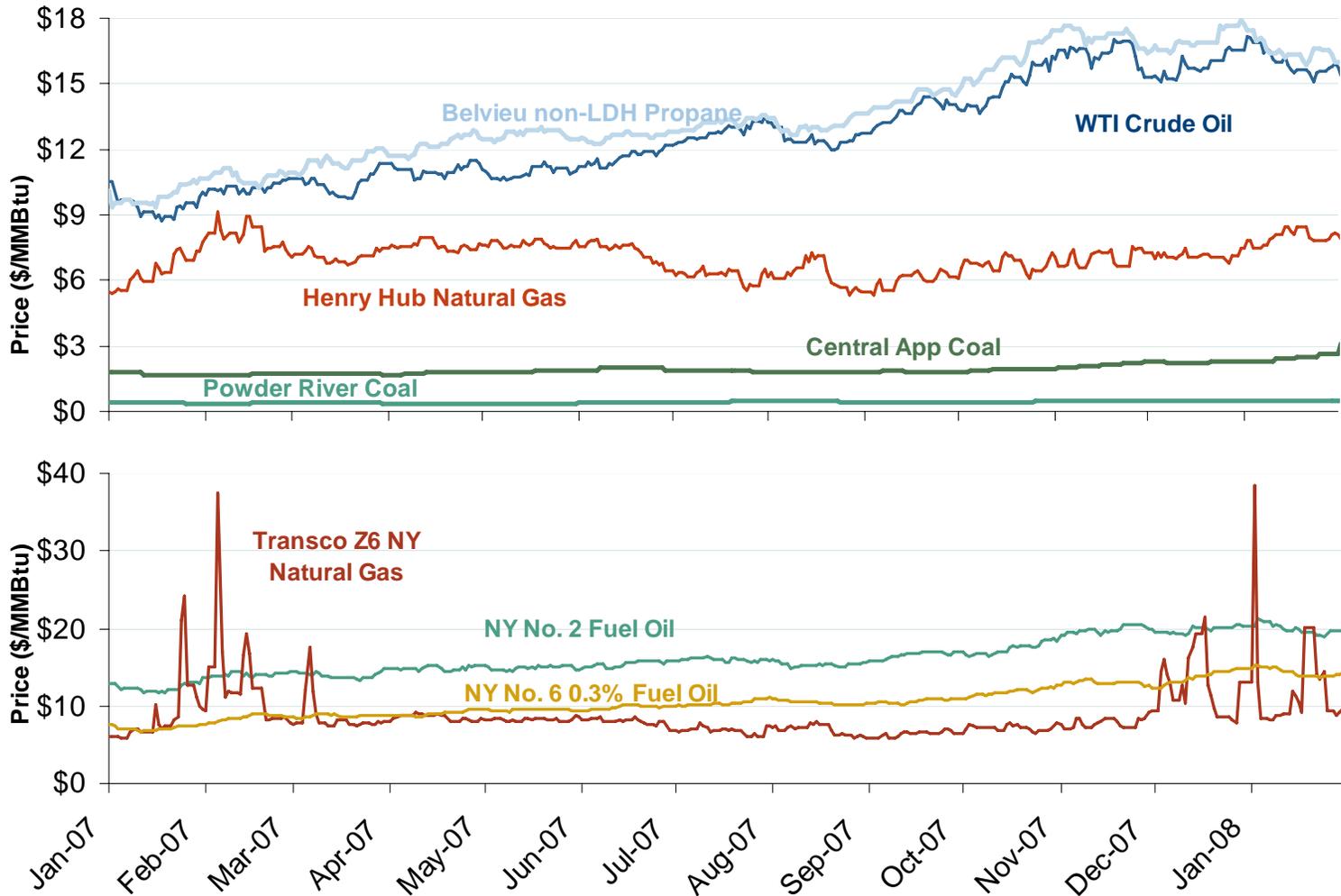


Source: Derived from NYMEX and ICE data.

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Oil, Coal, Natural Gas and Propane Daily Spot Prices

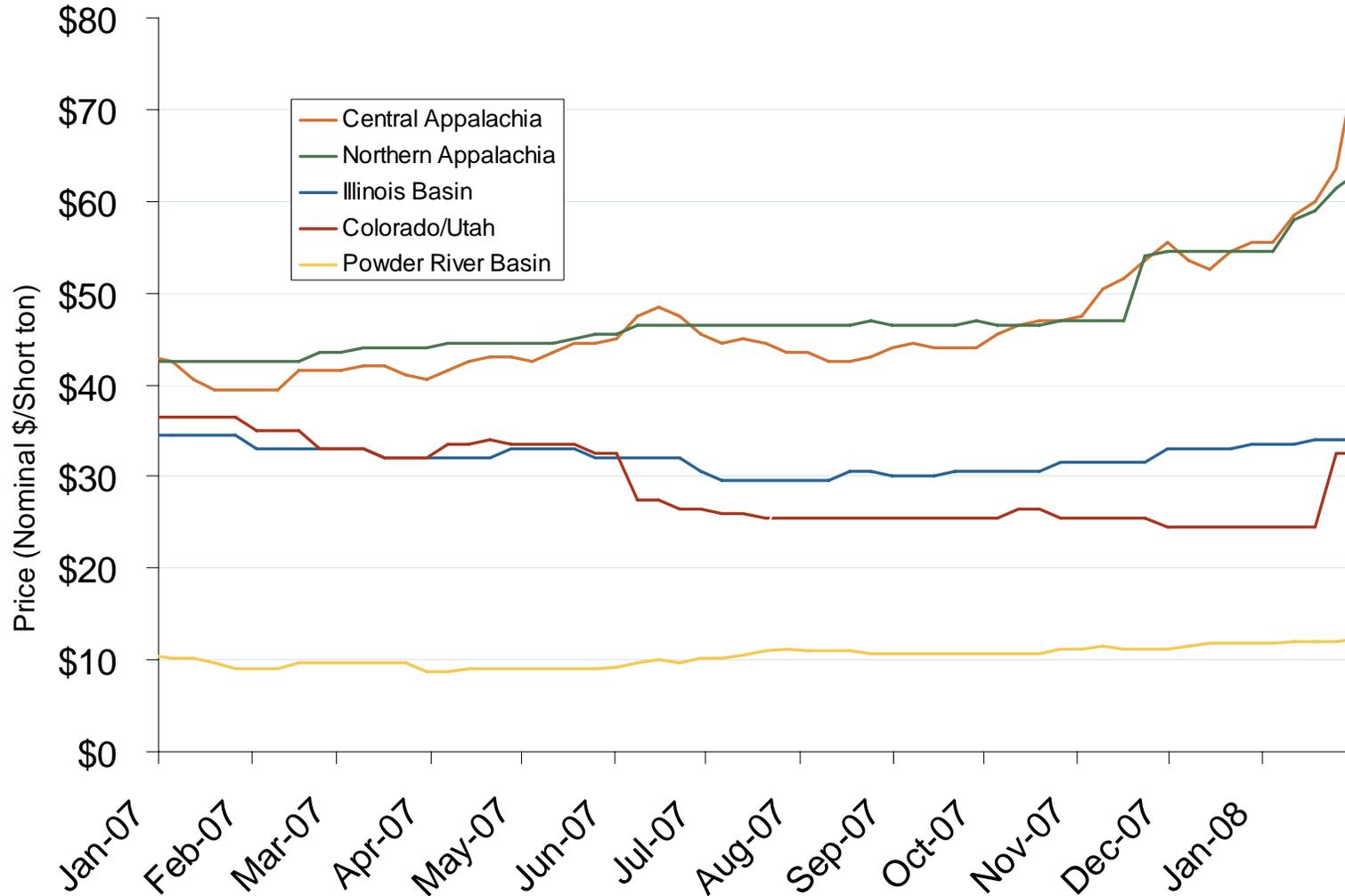


Source: Derived from ICE and Bloomberg data.

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.

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Regional Coal Spot Prices

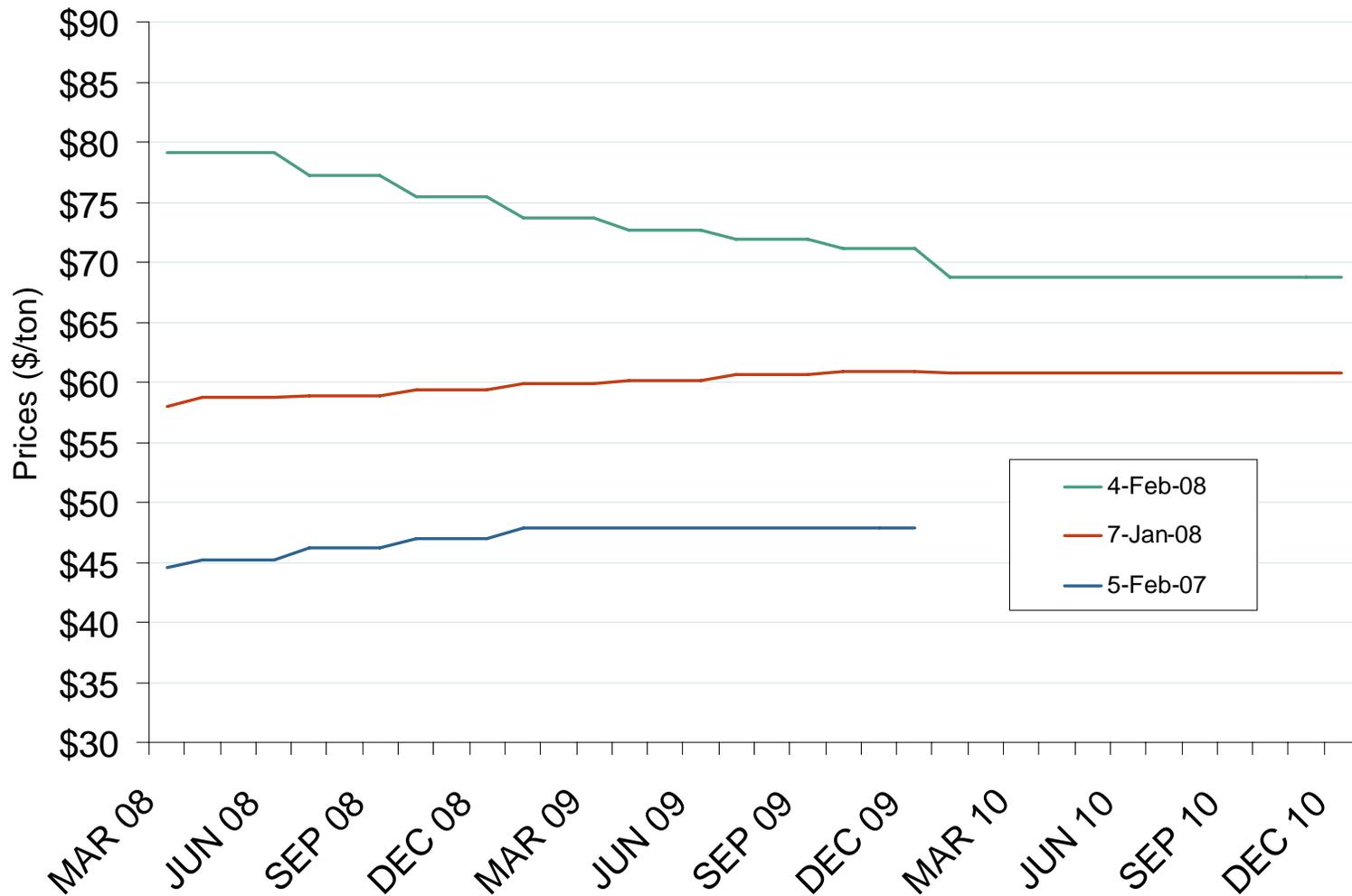


Note: Does not reflect the delivered price of coal; excludes incremental cost of emissions allowances.

Source: Derived from *Bloomberg* data.

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Central Appalachian Coal Futures Prices

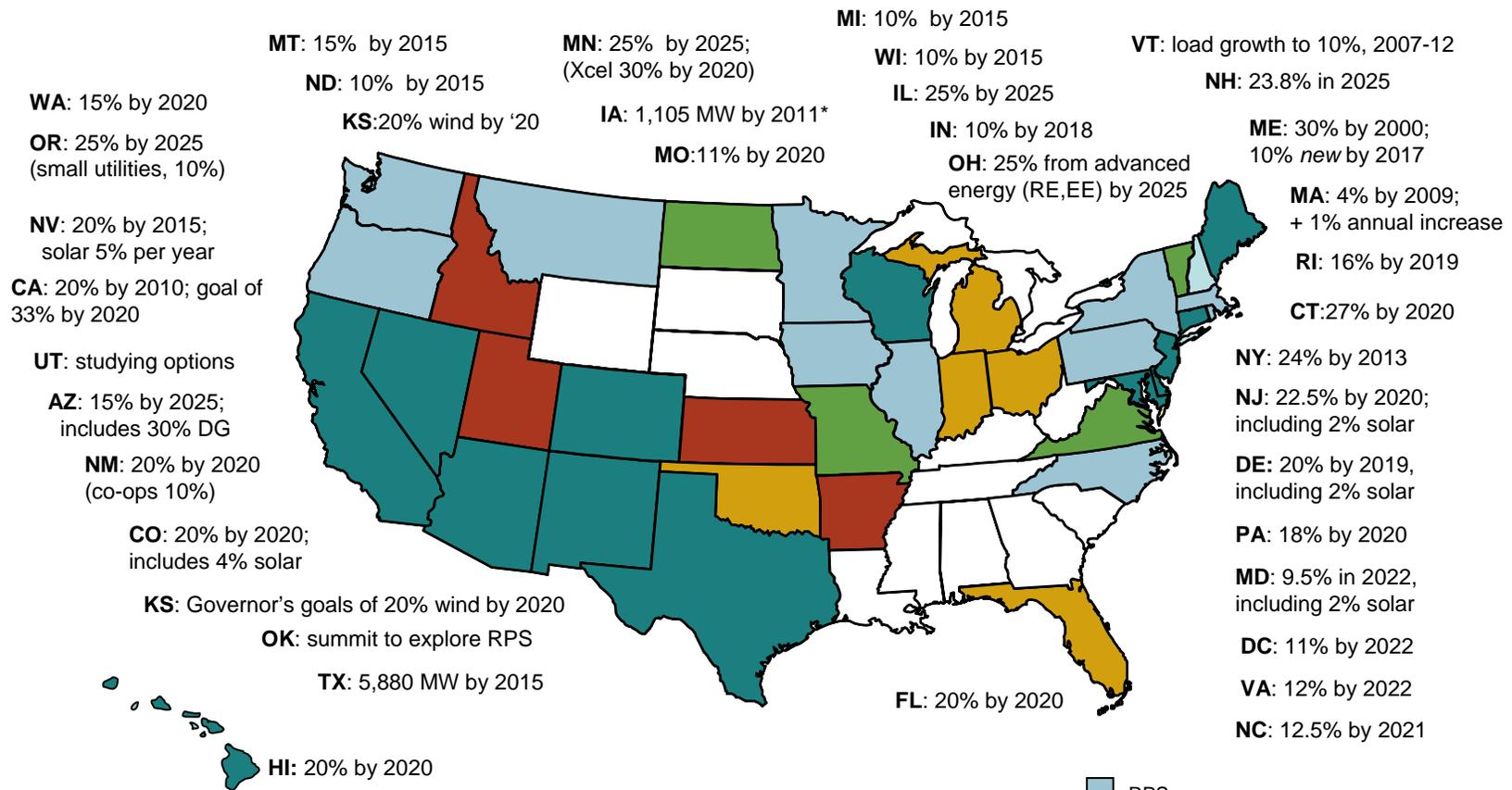


Source: Derived from Nymex data.

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3003

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.

- RPS
- Strengthened/ amended RPS
- Voluntary standards or goals
- Proposed RPS or studying RPS
- Other renewable energy goal

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 renewable energy standards.
- Four states have enacted renewable goals without financial penalties.
- Indiana, Michigan, and Ohio re-introduced RPS legislation which didn't pass in 2007; Michigan's and Ohio's include energy efficiency.
- Iowa, which long ago met its RPS mandate, has an additional goal of 1,000 MW of installed wind by 2010. Kansas' Governor called for wind to be 20% of generation by 2020.
- North Dakota passed a renewable goal in 2007, but has no mandate.
- Some states with an RPS are revisiting earlier goals. Arizona's governor called for its RPS to cover all utilities. D.C. introduced amended legislation. A "green bill" in Massachusetts would increase the use of renewable energy and add energy efficiency. A report from the Maryland Energy Administration called for increasing the RPS and the compliance payment. It also called for energy efficiency and advanced metering measures.
- 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.