



Electricity Outlook: Summer 2006

2006 Summer Fuels Outlook Conference
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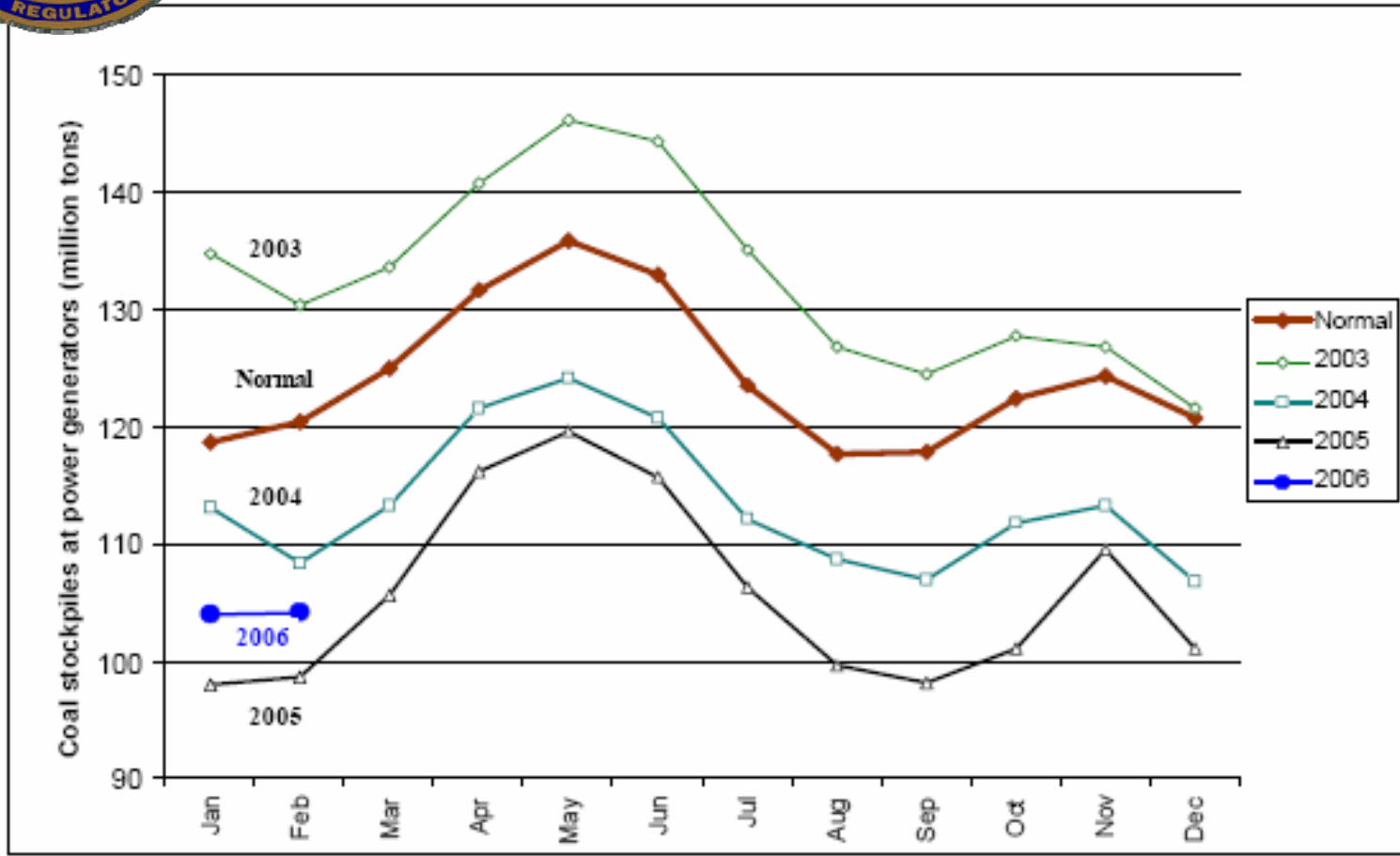


Fuels Issues

- Coal
- Emissions
- Western Hydro
- Natural Gas



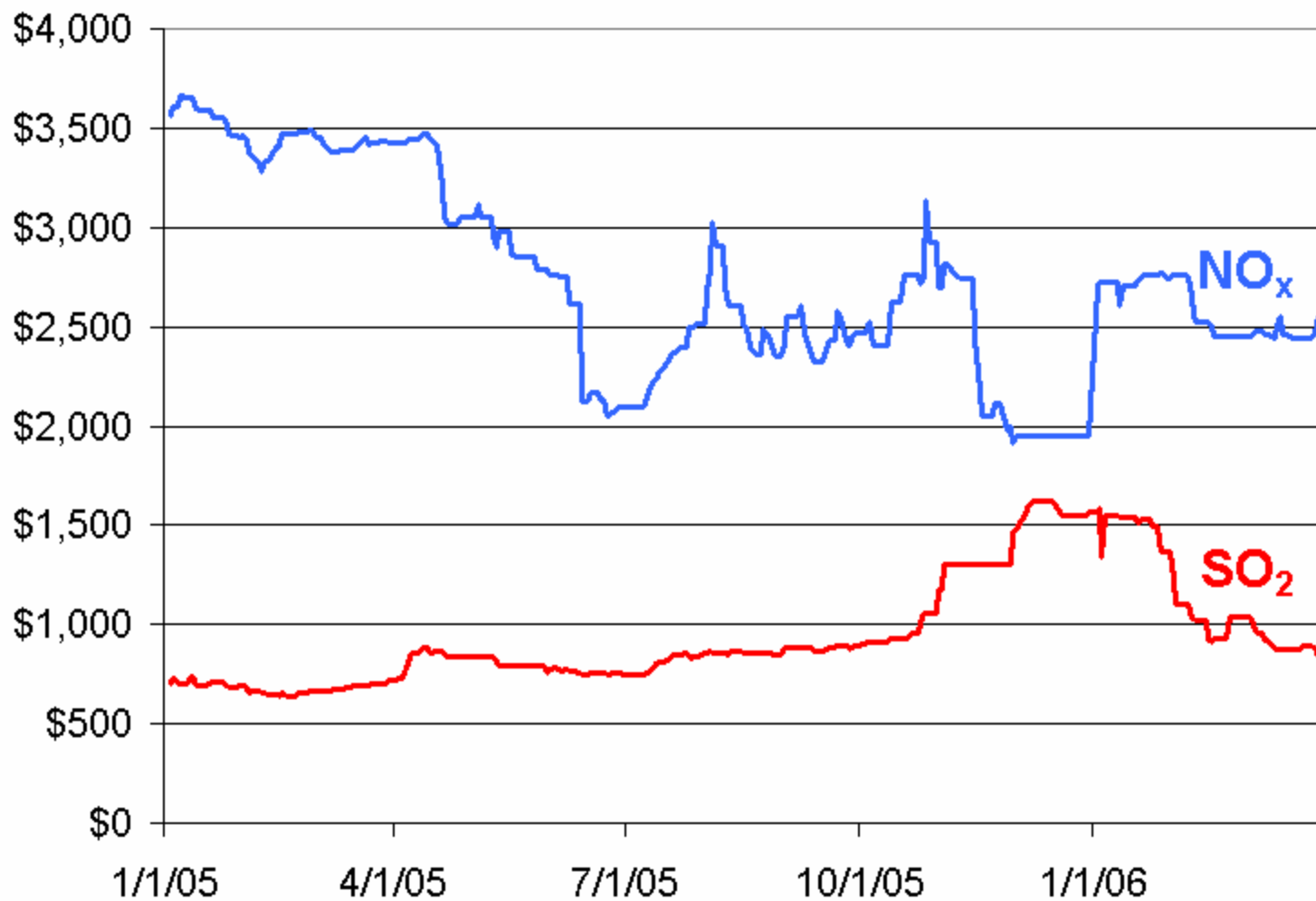
Coal Production Increasing From Recent Lows



Source: *Coal Supply and Demand Indicators 4/3/06*, Steifel Nicolaus, p. 5 and from the Energy Information Administration.



Emissions Prices (2005 to date)





Pacific/Northwest Hydro and Snowpack Levels

	Hydro Generation		Snow Water Equivalent ³	
	In-State Capacity (MW) ¹	Additional Capacity Created Downstream (MW) ²	One Year Ago (% of average)	4/5/06 (% of average)
California	10,400	0	132%	147%
British Columbia	10,000	16,200	89%	96%
Idaho	2,700	19,700	73%	128%
Washington	21,500	0	38%	117%
Montana	2,700	16,200	58%	104%
Oregon	9,100	0	49%	142%

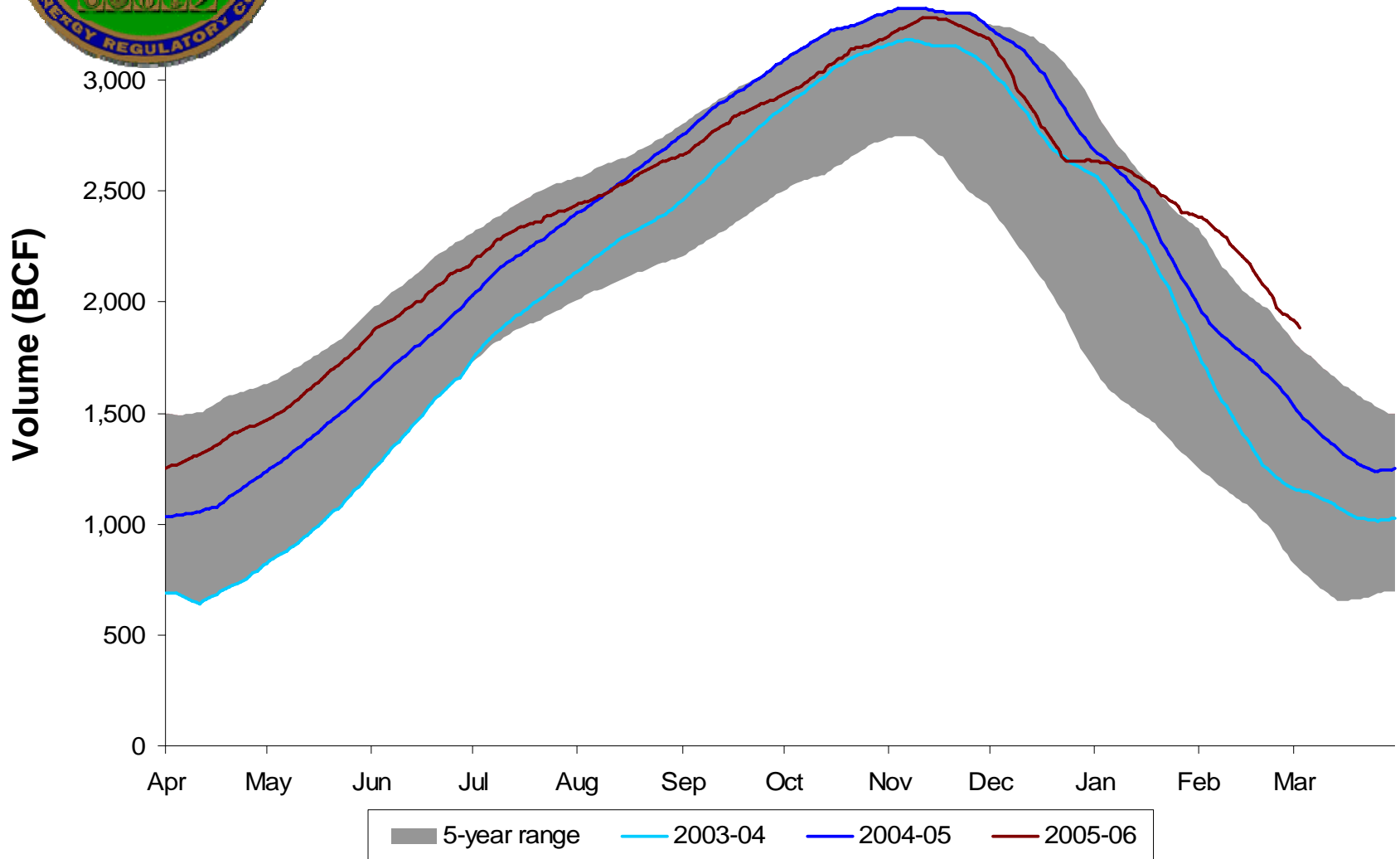
¹ Net summer capacity in megawatts by state (EIA).

² Approximate electric capacity created by water flow through the downstream states (EIA and BPA). The capacity estimates reflect the water flow pattern of the series of hydro facilities on the Snake and Columbia Rivers.

³ Snow Water Equivalent, in percent of the historical average for the same date, is the ratio of current snow water daily data (collected by the Natural Resources Conservation Services' Snowtel Telemetry sites) compared to the average snow water for the same day between 1961-1990. Total Hydro Capacity figures by state do not tie precisely to Snow Water Equivalent data due to such factors as snow basin terrain and complex distribution of run-off to neighboring state hydroelectric dams or shared facilities (e.g., Columbia River hydroelectric dams on the border of Washington and Oregon) (Bloomberg).



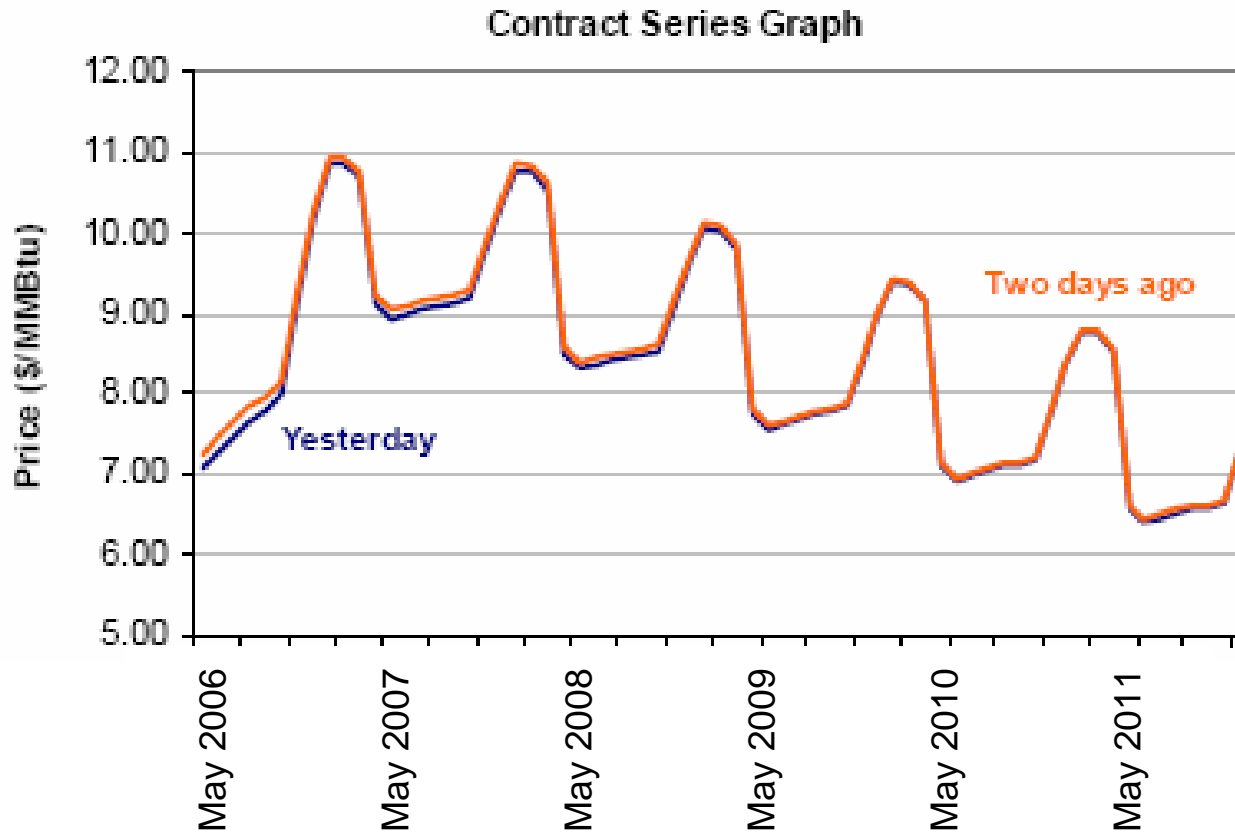
Total U.S. Working Gas in Storage to Date 5 Year Range, April 2000 – March 2006



Note: 5-year range includes data from April 2000 – Feb 2006. Ranges are minimum and maximum weekly volumes over 5-year period.
Sources: OMOI analysis; derived from EIA *Historical Weekly Storage Estimates Database*, *Weekly Natural Gas Storage Report* data through the week ending



Natural Gas Futures Prices Rise Sharply into the Future



Source: NYMEX Clearport.



Price and Delivery Expectations

- Forward swap prices
- Load pockets



Electric and Gas Forward Swap Prices Remain High for Summer 2006

Region	Summer Gas (\$/MMBtu)		Summer Power (\$/MMBtu)	
New England	n/a	Boston Citygate	\$92.15	NEPOOL
New York City	\$8.11	Transco Zone 6 (New York)	\$118.5	NYPP Zone J
Mid-Atlantic	n/a	Transco Zone 6 (Non-New York)	\$85.55	PJM West
Southeast	\$7.55	Transco Zone 3	\$76.50	Entergy
Midwest	\$6.99	Chicago Citygate	\$72.15	Cinergy
Texas	\$7.29	Houston Ship Channel	\$81.05	ERCOT Houston
Northwest	\$6.07	SUMAS	\$39.30	Mid-C
Southern California	\$6.36	SoCal	\$67.08	SP-15
Southwest	\$6.03	San Juan Basin	\$64.58	Palo Verde



Load Pocket Issues

- Boston
- Southwest Connecticut
- Long Island
- Southern California
- Ontario