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From: messenger@ecm.bloomberg.com

Sent: Wed, 13 Dec 2000 08:35:00

To:

Cc:

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Subject: Bloomberg Power Lines Report

Here is today's copy of Bloomberg Power Lines. Adobe Acrobat Reader is required to view the attached pdf file. You can download a free version of Acrobat Reader at

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Don't forget to check out the Bloomberg PowerMatch West Coast indices, most accurate indices anywhere. Index values are calculated from actual trades

and can be audited by all PowerMatch customers.

Our aim is to bring you the most timely electricity market coverage in the industry and we welcome your feedback on how we can improve the product further.

Bloomberg Energy Department

12/13 Bloomberg Daily Power Report

Table

Bloomberg U.S. Regional Electricity Prices

(\$/MWh for 25-50 MWh pre-scheduled packages, excluding transmission costs)

| | On-Peak Index | Change | Low | High |
|---------------|---------------|---------|--------|--------|
| West Coast | | | | |
| Mid-Columbia | 362.50 | -312.50 | 350.00 | 375.00 |
| Ca-Or Border | 452.00 | -172.50 | 430.00 | 475.00 |
| NP15 | 387.50 | -206.25 | 325.00 | 450.00 |
| SP15 | 300.00 | -233.50 | 300.00 | 315.00 |
| Ault Colorado | 350.00 | -125.00 | 300.00 | 315.00 |
| Mead | 35.00 | -187.50 | 320.00 | 350.00 |
| Palo Verde | 336.25 | -136.53 | 320.00 | 350.00 |
| Four Corners | 330.00 | -182.50 | 325.00 | 335.00 |

Mid-Continent

| | | | | |
|---------|-------|--------|-------|-------|
| ECAR | 69.20 | -22.71 | 63.00 | 75.86 |
| East | 75.00 | -13.00 | 74.00 | 76.00 |
| AEP | 67.00 | -25.50 | 59.00 | 75.00 |
| West | 68.00 | -24.50 | 60.00 | 75.00 |
| Central | 67.90 | -23.19 | 59.00 | 75.00 |
| Cinergy | 67.90 | -23.19 | 59.00 | 75.00 |
| South | 70.25 | -23.95 | 65.00 | 80.00 |
| North | 68.33 | -25.67 | 65.00 | 75.00 |

| | | | | |
|--------|--------|--------|-------|--------|
| Main | 72.56 | -19.78 | 62.50 | 87.50 |
| Com-Ed | 68.70 | -21.37 | 60.00 | 75.00 |
| Lower | 76.43 | -18.17 | 65.00 | 100.00 |
| MAPP | 99.92 | -40.91 | 75.00 | 125.00 |
| North | 99.00 | -37.67 | 75.00 | 125.00 |
| Lower | 100.83 | -44.17 | 75.00 | 125.00 |

Gulf Coast

| | | | | |
|---------------|--------|--------|--------|--------|
| SPP | 85.00 | -18.50 | 80.00 | 92.50 |
| Northern | 88.00 | -39.00 | 78.00 | 100.00 |
| ERCOT | 55.00 | -40.00 | 50.00 | 60.00 |
| SERC | 77.04 | -6.66 | 72.34 | 81.98 |
| Va Power | 66.00 | +25.00 | 60.00 | 70.00 |
| VACAR | 67.50 | -9.50 | 62.00 | 70.00 |
| Into TVA | 70.25 | -23.95 | 65.00 | 80.00 |
| Out of TVA | 76.02 | -24.61 | 69.41 | 84.87 |
| Entergy | 80.00 | -30.80 | 75.00 | 85.00 |
| Southern | 90.00 | +10.00 | 90.00 | 90.00 |
| Fla/Ga Border | 85.50 | +4.50 | 81.00 | 90.00 |
| FRCC | 110.00 | +65.00 | 110.00 | 110.00 |

East Coast

| | | | | |
|-----------------|-------|--------|-------|-------|
| NEPOOL | 90.50 | +0.50 | 90.50 | 90.50 |
| New York Zone J | 91.00 | +7.50 | 90.00 | 92.00 |
| New York Zone G | 74.50 | +1.00 | 73.50 | 75.50 |
| New York Zone A | 68.83 | +6.13 | 65.50 | 71.50 |
| PJM | 67.08 | -12.75 | 62.00 | 70.00 |
| East | 67.08 | -12.75 | 62.00 | 70.00 |
| West | 67.08 | -12.75 | 62.00 | 70.00 |
| Seller's Choice | 66.58 | -12.75 | 60.50 | 75.50 |

End Table

Western Power Prices Fall With Warmer Weather, Natural Gas Loss

Los Angeles, Dec. 13 (Bloomberg Energy) -- U.S. Western spot power prices declined today from a combination of warmer weather across the region and declining natural gas prices.

According to Belton, Missouri-based Weather Derivatives Inc., temperatures in the Pacific Northwest will average about 2 degrees Fahrenheit above normal for the next seven days. In the Southwest temperatures will be about 3.5 degree above normal.

At the California-Oregon border, heavy load power fell \$172.00 from yesterday to \$330.00-\$475.00.

"What happened to us in this bitter cold weather we were supposed to have," said one Northwest power marketer. "Since the weather is not as cold as expected prices are drastically lower."

Temperatures in Los Angeles today will peak at 66 degrees, and are expected to rise to 74 degrees this weekend.

Natural gas to be delivered to the California Oregon from the El Paso Pipeline traded between \$20-\$21, down \$3 from yesterday.

"Gas prices are declining causing western daily power prices to fall," said one Northwest power trader.

At the NP-15 delivery point heavy load power decreased \$206.25 from yesterday to \$325.00-\$450.00. Light load energy fell to \$200.00-\$350.00, falling \$175.00 from yesterday.

PSC of New Mexico's 498-megawatt San Juan Unit 4 coal plant was shut down this morning for a tube leak. The unit is scheduled to restart this weekend.

At the Four Corners located in New Mexico, power traded at \$325.00-\$335.00 plunging \$182.50 from yesterday.

-Robert Scalabrino

PJM Spot Power Prices Dip With Weather, Falling Natural Gas

Philadelphia, Dec. 13 (Bloomberg Energy) -- Peak next-day power prices declined at the western hub of the Pennsylvania-New Jersey-Maryland Interconnection amid warmer weather forecasts and falling natural gas prices, traders said.

The Bloomberg index price for peak Thursday power at western PJM declined an average of \$12.75 a megawatt-hour, with trades ranging from \$62.00-\$76.00.

Lexington, Massachusetts-based Weather Services Corp. forecast tomorrow's high temperature in Philadelphia at 40 degrees Fahrenheit, up 7 degrees from today's expected high. Temperatures could climb as high as 42 degrees by Friday.

"Most of the day's activity took place in the early part of the morning," said one PJM-based trader. "By options expiration the market had pretty much dried up."

Traders said that falling natural gas prices were the main reason for the decline in spot market prices.

Bloomberg figures show that spot natural gas delivered to the New York City Gate declined an average of \$1.25 per million British thermal units to \$8.60-\$8.90 per million Btu. Since Monday, delivered natural gas prices have declined an average of \$2.44 per million Btu, as revised 6-10 day weather forecasts indicated reduced utility load requirements.

In New York, prices rose as utilities withheld supplies they normally would have sold, fearing a sudden change in weather forecast could force them into high-price hourly markets.

Peak next-day power at the Zone A delivery point sold \$6.13 higher at a Bloomberg index price of \$71.33, amid trades in the \$67.00-\$75.00 range. Power at Zone J sold \$7.50 higher at \$90.00-\$92.00.

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-Karyn Rispoli

Mid-Continent Power Prices Drop on Revised Forecast, Gas Prices

Cincinnati, Dec. 13 (Bloomberg Energy) -- U.S. Mid-Continent next-day peak power prices plunged as forecasts were revised warmer and natural gas values continued to decline, traders said.

The Bloomberg index price for peak Thursday power on the Cincinnati-based Energy Corp. transmission system dropped \$23.19 to \$67.90 a megawatt-hour, with trades ranging from \$75.00 as the market opened down to \$59.00 after options expired.

In Mid-America Interconnected Network trading, peak power on the Chicago-based Commonwealth Edison Co. grid sold \$21.37 lower on average at \$60.00-\$75.00, while power in lower MAIN sold \$18.17 lower at \$65.00-\$100.00.

Belton, Missouri-based Weather Derivatives Inc. predicted high temperatures would average 2 degrees Fahrenheit above normal in Chicago and at normal levels in Cincinnati over the next seven days, up from 6 and 4 degrees below normal Monday, respectively.

Traders said falling spot natural gas values also pulled

prices down. Natural gas prices were a large factor in recent electricity market surges because of a heavy reliance on gas-fired generation to meet increased weather-related demand.

Spot natural gas at the Cincinnati city gate sold an average of 95 cents less than yesterday at \$7.80-\$8.30 per million British thermal units. Spot gas at the Chicago city gate sold an average of 80 cents less at \$7.65-\$8.15 per million Btu.

"The weather's moderating and gas is down, so you've got people coming to their senses," one trader said. "These are much more realistic prices."

Traders said prices could decline further tomorrow if the outlook for weather continues to be mild. Peak Cinergy power for delivery from Dec. 18-22 was offered at \$60.00, down from \$90.00 yesterday.

Mid-Continent Area Power Pool peak spot power prices plunged with warmer weather forecasts and increased available transmission capacity, selling \$37.67 less in northern MAPP and \$44.17 less in southern MAPP at \$75.00-\$125.00.

"What's happening is the people who don't have firm transmission are getting into the market early and buying at those high prices since they have no choice," one MAPP trader said.

"Then you've got some people who were lucky enough to get a firm path who waited until later in the morning when ComEd prices fell off," he said, "and bought from them at those lower prices, causing the huge gap between the day's high and low trade."

-Ken Fahnestock

Southeast U.S. Electricity Prices Slump After Mild Forecast

Atlanta, Georgia, Dec. 13 (Bloomberg Energy) -- Southeast U.S. peak spot power prices slumped today after warmer weather was forecast for the region this week, traders said.

Traders said Southeast utility demand has been reduced since many large population centers like Atlanta will see temperatures climb into the mid-50s Fahrenheit later this week.

"There was nothing going on in Florida today," said one southern energy trader. "Everything was going to markets in the north."

Traders said supply was being routed from Florida into markets on the Entergy Corp. and the Tennessee Valley Authority grid in the mid-South a megawatt-hour.

"Prices into TVA started in the \$80s and \$90s and crumbled as forecasts came out," said an Entergy power trader. "Prices declined to \$50 and less."

The Bloomberg index TVA index price fell an average of \$23.95 to \$70.25 amid trades in the \$65.00-\$80.00 range. Off-peak trades were noted at \$32.00, several dollars higher than recent estimates.

Southeast power traders said revised 6-10 day weather forecasts and lower temperatures for the balance of this week caused prices to decline in the region.

In the Southwest Power Pool, traders said warmer weather was the main culprit behind lower prices.

"The cold weather's backing off," said one SPP utility trader. "It was minus 35 degrees with the wind chill yesterday and today it's about 9 degrees with the wind chill. Yesterday, it was bitter cold and today it was just plain cold."

Power sold in northern sections of SPP at \$78-\$100, though the Bloomberg index sank an average of 39.00 to \$88.00. Southern SPP traded at \$82.00, \$2 more than yesterday.

-Brian Whary

U.K. Day-Ahead Electricity Prices Rise Amid Increased Demand

London, Dec. 13 (Bloomberg Energy) -- Electricity prices in the U.K. rose today after falling temperatures were expected to increase household consumption for space heating, traders said.

The day-ahead baseload Pool Purchase Price, calculated by the Electricity Pool of England and Wales, rose 1.46 pounds to 20.01 pounds a megawatt-hour.

Temperatures across the U.K. were forecast to fall 6 degrees to 4 degrees Celsius by the weekend, according to Weather Services Corp. in the U.S.

Day-ahead Electricity Forward Agreements dealt at 19.7-20.15 pounds a megawatt-hour, 2.1 pounds higher than yesterday.

December continued to fall amid a combination of positive closing prior to its expiry and continued belief that demand will not rise sufficiently to justify high winter prices, traders said.

December 2000 baseload EFAs traded at 17.9-18.05 pounds a megawatt-hour, 40 pence below yesterday's last trade.

First quarter and its constituent months fell, in line with expectations that mild forecasts into the new year would continue to stifle demand, traders said.

January 2001 baseload EFAs dealt between 24.6-24.73 pounds a megawatt-hour, falling 17 pence.

First quarter 2001 baseload EFAs traded at 21.6-21.7 pounds a megawatt-hour, 10 pence below its previous close.

Season structures traded on the U.K. power exchange, summer 2001 baseload trading unchanged at 15 pounds a megawatt-hour. Winter 2001 baseload dealt 5 pence higher at 21.75 pounds a megawatt-hour.

Open positions on many short-term structures will likely force many traders to deal actively on those contracts in the run-up to Christmas, traders said, adding that other structures will probably remain illiquid until the new year, when demand can more easily be assessed.

-Nick Livingstone

Nordic Electricity Prices Climb Following Cold Weather Forecast

Lysaker, Norway, Dec. 13 (Bloomberg Energy) -- Power prices on the Nord Pool exchange in Lysaker, Norway, closed higher today as colder weather forecasts sparked active trade, traders said.

Week 51 dealt between 145-152 Norwegian kroner a megawatt-hour, 6.62 kroner above yesterday's closing trade on 1,076 megawatts of traded volume. Week 52 rose 6.25 kroner, with 446 megawatts dealt between 134.50-140.25 kroner a megawatt-hour.

Supply from hydro-producers was expected to recede after forecasts indicated reduced precipitation over Scandinavia for next week. These producers typically generate power to prevent reservoirs from overflowing.

Consumption, currently unseasonably low, was expected to rise with falling temperatures because of increased requirements for space heating.

Traded volume on the power exchange increased in active trading on the beginning of typical winter conditions, traders said.

"The market's been waiting for this day for a long time," a Stockholm-based trader said. "For too long, people have been selling because winter hasn't lived up to expectations. We should now see a noticeable increase in the spot price."

Temperatures in parts of Scandinavia were forecast to fall below freezing to minus 5 degrees Celsius, with only limited chances for rain during the 5-day outlook, according to Weather Services Corp. in the U.S.

The day-ahead system average area price fell after demand was expected to remain limited until next week, when forecasts predict temperatures to begin falling.

Thursday's system area price fell 1.57 kroner, or 1.22 percent, to 126.43 kroner a megawatt-hour. Traded volume fell 4,134 megawatts to 295,414 megawatts.

Many dealers anticipate that the spot price will likely rise by 10-15 kroner by the start of next week.

Winter 1, 2001 forward structures rose in line with shorter-term contracts.

Winter 1, 2001 dealt at 136.75-138.5 kroner a megawatt-hour, 1.9 kroner below yesterday's last trade at 135.25 kroner a megawatt-hour.

Also, the delayed restart at a Swedish nuclear unit, although expected, will likely allow abundant supply from hydro-producers to meet the increased demand, other traders said.

Vattenfall's Ringhals 1, an 835-megawatt nuclear reactor, will delay its restart at least until week 52, the company said.

Today's rapid increase was likely induced by traders who used today's news to gain momentum for future increases, traders said.

-Nick Livingstone

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