

OUTLINE OF STUDY ANALYSIS AND DELIVERABLES

I. NORTH AMERICAN NATURAL GAS MARKET ANALYSIS AND FORECASTS

- Frontier and LNG Supply Costs
- Continental Supply and Demand Balances Given:
 - Economic Growth
 - Environmental Premises
 - Conventional Gas Supplies
 - LNG and Frontier Supply Volumes
- Regional Pricing Scenarios

II. POTENTIAL NATURAL GAS DEMAND DESTRUCTION

- Ethane Extraction and Petrochemicals
- Ammonia
- Methanol
- Aluminum
- Iron and Steel
- Other Industry

III. INTERFUEL SUBSTITUTION: OPERATIONAL CAPACITY TO SWITCH TO RESIDUAL FUEL OIL OR DISTILLATE FUEL OIL FROM NATURAL GAS

- Power Sector
 - Historical Gas-Oil Switching Patterns
 - Inventory of Power Plants with Multi-fuel Capabilities
 - Environmental Constraints
 - Dispatch Options
- Industrial Sector
 - Historical Switching Patterns
- Residential and Commercial Sector

IV. THE LONG TERM RESPONSE: FUTURE POWER SECTOR CAPACITY BUILD

- Load Forecasts (Generation and Peak Capacity)
- In-place Generation Capacity Given
 - Economic Obsolescence
 - Nuclear Capacity: Relicensing, Shutdowns and Retirements
 - Current Build: Under Construction
- Reserve Margin & Required New Capacity Build
- Expected Build Fuel Choice Given Costs and Environmental Requirements

V. STAKEHOLDER VIEWS AND CONCLUSIONS