



***Presentation at South Central
Alaska Energy Forum***

September 21, 2006

*Presented By
Robert B. Stiles
President
DRven Corporation*

On August 15, 2006
Miss Katie Blair
Miss Teen Montana
&
Granddaughter of
Bob Stiles
Was crowned
Miss Teen USA





Outline

❖ *Public Information/Knowledge
Base*

❖ *Broad Conclusions*

❖ *Fuel Prices (Snap Shot)*

❖ *What is the Bottom Line*



Information/Knowledge Base

✧ *Railbelt Energy Study (01/04)*

✧ *South Central Alaska Natural
Gas Study (06/04)*

✧ *South Central Alaska Gas
Needs Assessment (draft
01/06)*



Broad Conclusions

- ✧ Coal fired generation needed in South Central Alaska in the 2012 to 2015 time frame.*
- ✧ Base loaded coal fired generation produces the lowest cost power.*
- ✧ Gas fired and renewable resource energy are essential to a balanced reliable generation resource system.*

Fuel Prices \$/MMBtu (Snap Shot)

Thermal Coal

✧ **International**
(1)

\$2.67/MMBtu (2)

\$1.97/MMBTU (3)

✧ **"48" Mine
Mouth**

\$1.10 - \$1.30/MMBtu (4)

(1) *Argus/McCloskey Thermal
Index*

(2) *CIF ARA*

(3) *FOB Richards Bay*

Natural Gas

✧ **Henry Hub**

\$5.09/MMBtu (5)

✧ **NYMEX Futures**

\$7.54/MMBtu (6)

(5) *Sept 15, 2006*

(6) *Sept 2007 Futures Contract
(09/15/06)*

What is the Bottom Line

✧ *Coal fueled generation produces the lowest cost base load power.*

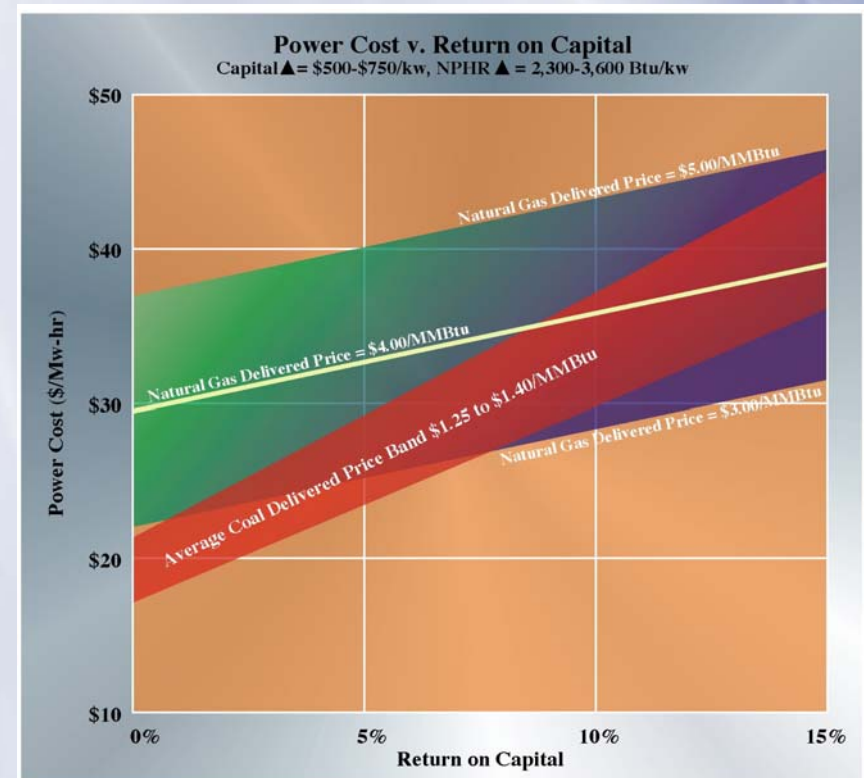
✧ *Major Challenges*

✧ *Capital Accumulation*

✧ *Environmental/Permitting*

✧ *Commitment by generators & major consumers*

✧ *System reliability & flexibility requires*



Thank you
I will gladly
answer any
questions about my
granddaughter.

