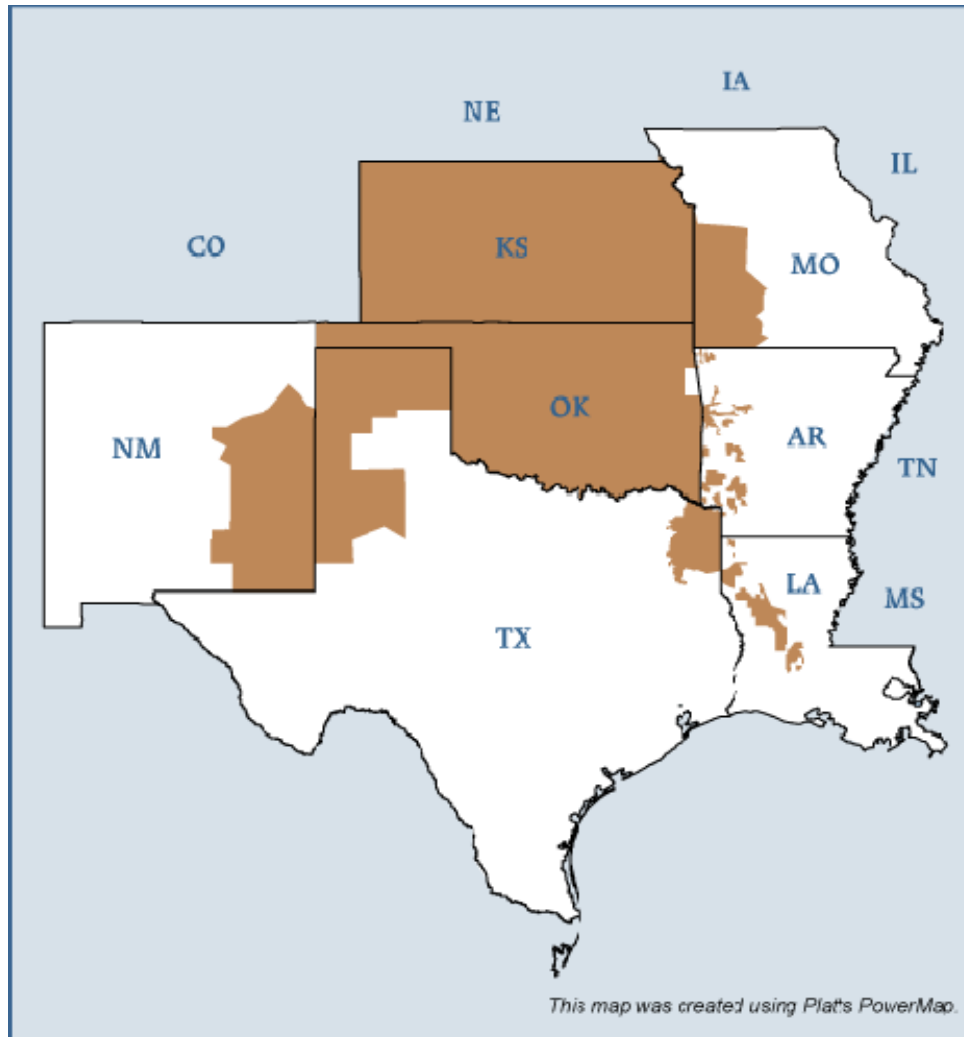


Southwest Power Pool (SPP) Electric Region



Overview

Geography

States covered: Kansas, Oklahoma and parts of New Mexico, Texas, Louisiana, Missouri, Mississippi and Arkansas

Reliability region: Southwest Power Pool (SPP)

Balancing authorities: American Electric Power (CSWS), Board of Public Utilities (Kansas City, KS) (KACY), City of Lafayette, LA (LAFA), City Power & Light (Independence, MO) (INDN), Cleco Power, LLC (CLEC), Empire District Electric Company (EDE), Grand River Dam Authority (GRDA), Kansas City Power & Light Company (KCPL), Louisiana Energy & Power Authority (LEPA), Missouri Public Service (MPS), OG+E Electric Services (OGE), Southwestern Power Administration (SPA), Southwestern Public Service Company (SWPS), Sunflower Electric Power Corp. (SECI), West Plains Energy (WPEK), Westar Energy, Inc. (WR), Western Farmers Electric Coop.(WFEC)

RTO/ISO

Southwest Power Pool (SPP) (granted RTO status in 2004) provides transmission service on the transmission facilities owned by its members.

Market participants trade physical electricity bilaterally, either directly or through brokers.

Interconnections/Seams

Coming soon

Federal Energy Regulatory Commission • Market Oversight @ FERC.gov

Generation/Supply

Marginal fuel type: Coal and natural gas

Generating capacity (summer 2006): 48,267 MW

Capacity reserve (summer 2006): 6,040 MW

Reserve margin (summer 2006): 14%

Demand

All time peak demand: 42.2 GW (set July 19, 2006)

In summer of 2006, demand reached record levels on several occasions due to extremely hot weather.

Peak demand growth: 4.4% (2006–2005)

Summer Peak Demand (GW): 40.5 (2005) 42.2 (2006) Source: Derived from *SPP* Data.

Prices

Annual Average of Platts SPP North Daily Spot Price Index

2004: \$45.19/MWh

2005: \$67.44/MWh

2006: \$56.30/MWh

Prices increased in 2005 as a result of disturbances to the natural gas market. Prices declined in 2006 as natural gas storage levels remained above historical ranges throughout the injection season (April through October).

Focal Points

SPP Is Ready: The Southwest Power Pool (SPP) started its real-time energy imbalance service market on Feb. 1, 2007. On Dec. 22, 2006, SPP certified to the FERC that SPP believes its market is ready to be deployed as scheduled.

SPP Becomes ICT: On Nov. 17, 2006, SPP began serving as the Independent Coordinator of Transmission (ICT) for the Entergy Operating Companies, handling reliability coordination, tariff administration, AFC calculation, transmission planning, and OASIS operation.

SPP Electric Market: Supply and Demand

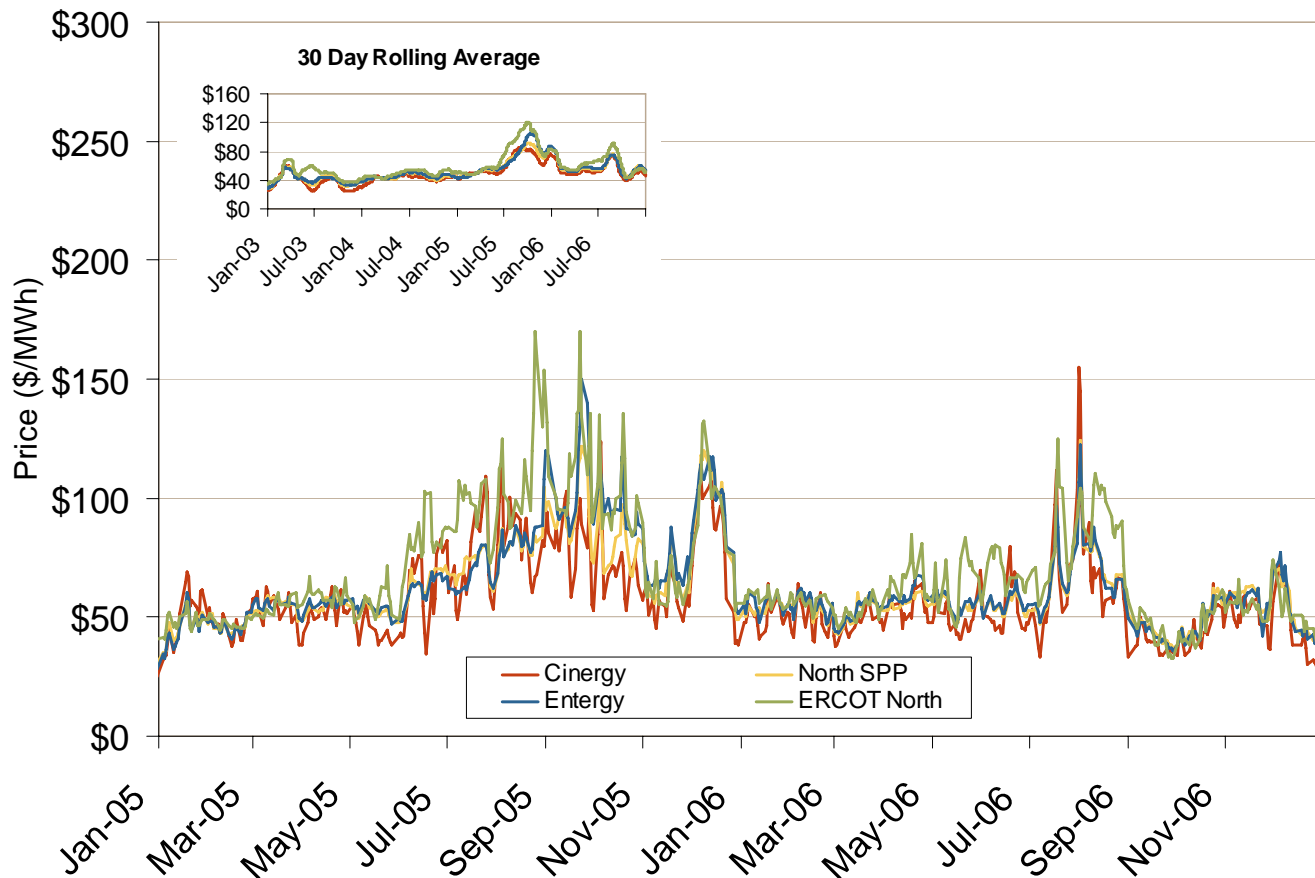
Supply and Demand Statistics for SPP

Supply Demand Statistics			
	2004	2005	2006
Summer Generating Capacity MW (1)	45,039	45,768	48,267
Summer Peak Demand MW	39,383	40,451	42,227
Summer Reserves MW	5,656	5,317	6,040
Summer Reserve Margin:	14%	13%	14%
Annual Load (GWh):	191,829	194,180	205,104
Annual Net Generation GWh	NA	NA	NA

Footnote (1)/ Due to the voluntary nature of the SPP EIS market there can be substantial changes in generating capacity that occur over time.

SPP Electric Market: Prices

Midwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from Platts data.

Updated January 16, 2007