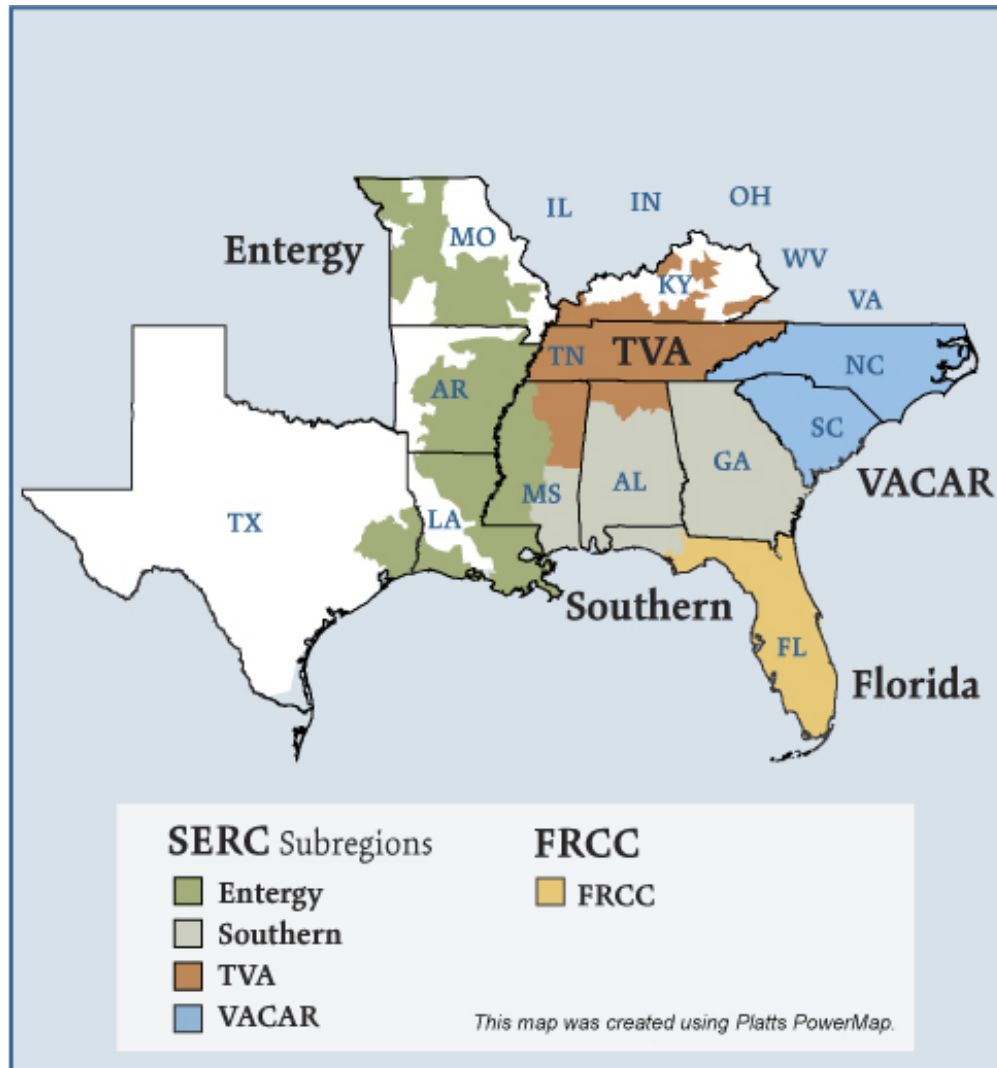


Southeast Electric Regions



Overview

Market Description

Florida Reliability Coordinating Council (FRCC) and SERC Reliability Corporation (SERC) reliability regions minus the portions of SERC in the Midwest ISO (MISO) and in PJM.

Geography

States covered: All or most of Florida, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Tennessee, North Carolina, South Carolina and parts of Missouri, Kentucky and Texas.

Reliability region: Southeastern Electric Reliability Council (SERC) and Florida Reliability Coordinating Council (FRCC)

Balancing authorities: See list on page 5 and 6.

Hubs: Entergy, Southern, TVA

RTO/ISO

None

Generation/Supply

Marginal fuel type: Coal and natural gas

Generating capacity (summer 2006): 299,712 MW

Capacity reserve (summer 2006): 64,188 MW

Reserve margin (summer 2006): 27%

Federal Energy Regulatory Commission • Market Oversight @ FERC.gov

Demand

All time peak demand: 237,100 MW (2005)

In summer of 2006, demand in parts of the region, such as the Southern Company service area, reached record levels on several occasions due to extremely hot weather.

Peak demand growth: -0.6% (2005–2006)

Summer Peak Demand (MW): 237,100 (2005) 235,524 (2006)

Source: Derived from *SERC* and *FRCC* data and discussions.

Prices

Annual Average of Daily Bilateral Day Ahead On-Peak Prices

Platts “Into Southern” Index

2004: \$48.64/MWh

2005: \$70.84/MWh

2006: \$55.50/MWh

2007: \$59.10/MWh

Supply and Demand Statistics for the Southeast

Supply Demand Statistics			
	2004	2005	2006
Summer Generating Capacity MW	272,604	297,221	299,712
Summer Peak Demand MW	220,299	237,100	235,524
Summer Reserves MW	52,305	60,121	64,188
Summer Reserve Margin:	24%	25%	27%
Annual Load (GWh):	1,077,069	1,188,598	1,205,776

Source: Derived from SERC "Reliability Corporation Information Summary," July 2006; "Reliability Review Subcommittee's 2006 Report to the SERC Engineering Committee", "Reliability Review Subcommittee's 2005 Report to the SERC Engineering Committee", and FERC staff discussions with SERC and FRCC

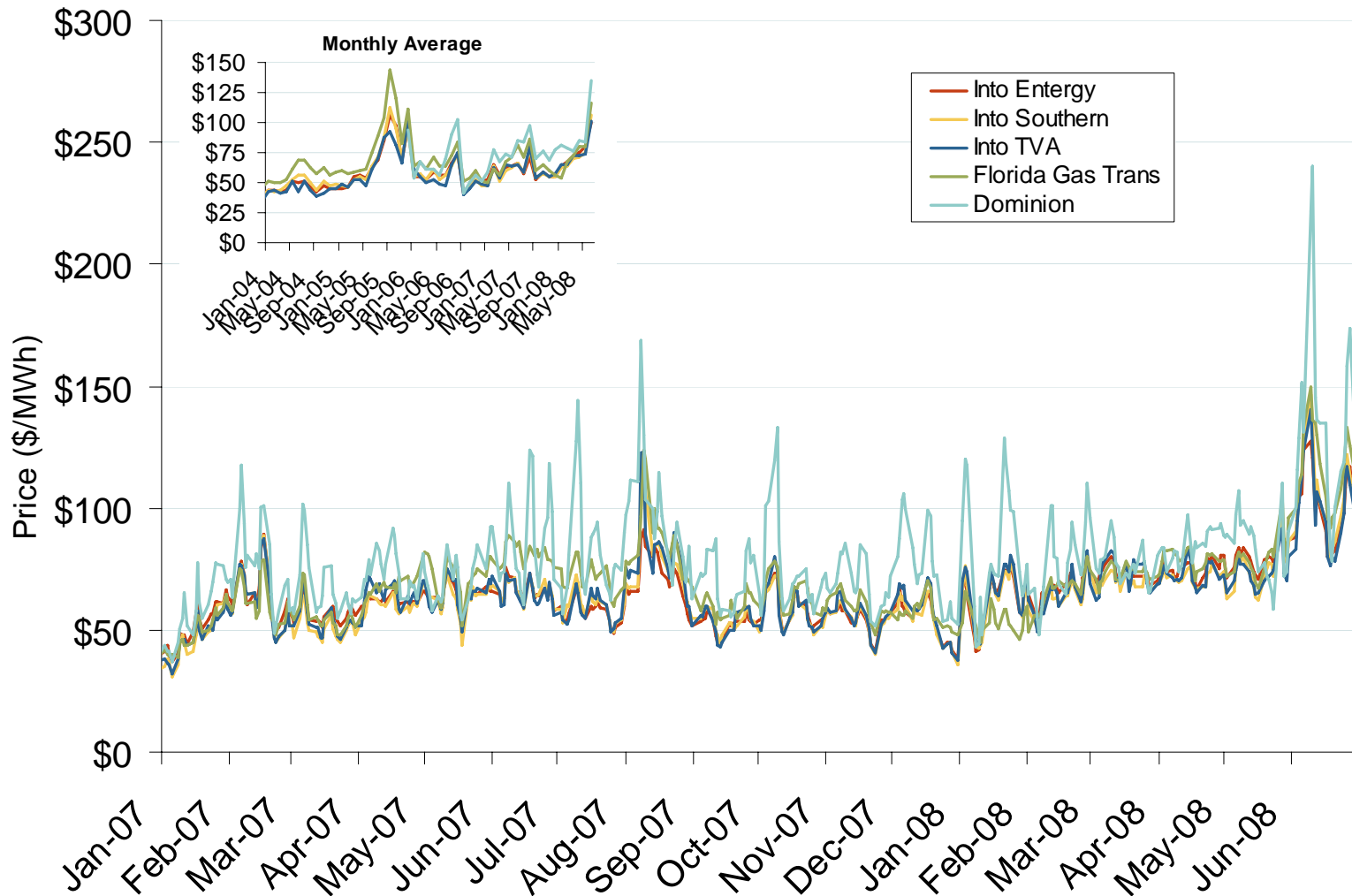
Corrected March 31, 2007

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Annual Average Bilateral Prices

Annual Average Day Ahead On Peak Prices (\$/MWh)				
	2005	2006	2007	5 Years
VACAR	\$71.88	\$56.34	\$60.52	\$55.70
Southern	\$70.84	\$55.50	\$59.10	\$55.11
TVA	\$67.39	\$53.48	\$60.28	\$52.83
Florida	\$85.03	\$64.02	\$65.59	\$65.02
Entergy	\$69.96	\$56.28	\$59.74	\$54.62

Southeastern Daily Bilateral Day-Ahead On-Peak Prices

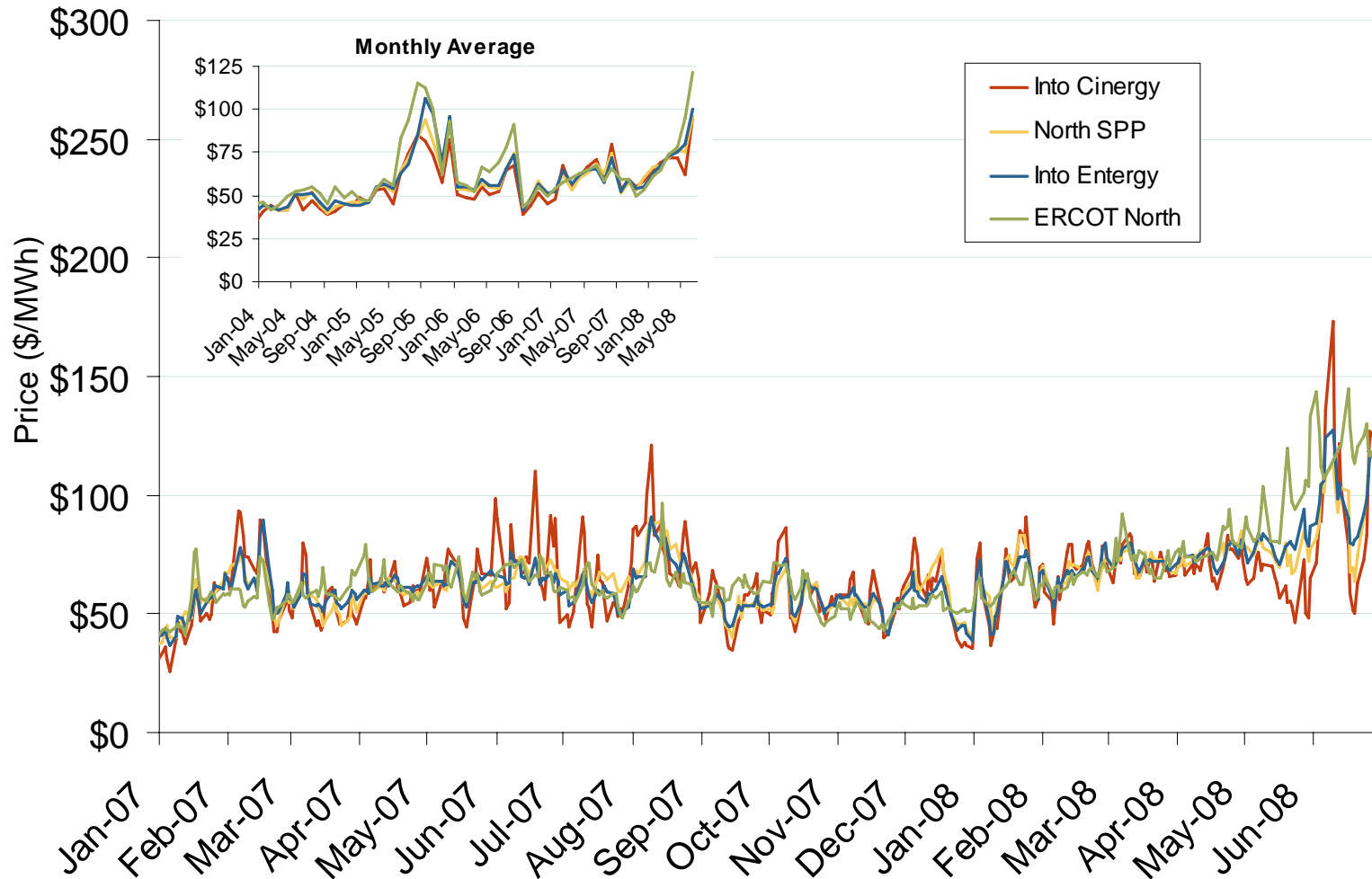


Source: Derived from *Platts* data.

Updated July 9, 2008

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Midwestern Daily Bilateral Day-Ahead On-Peak Prices

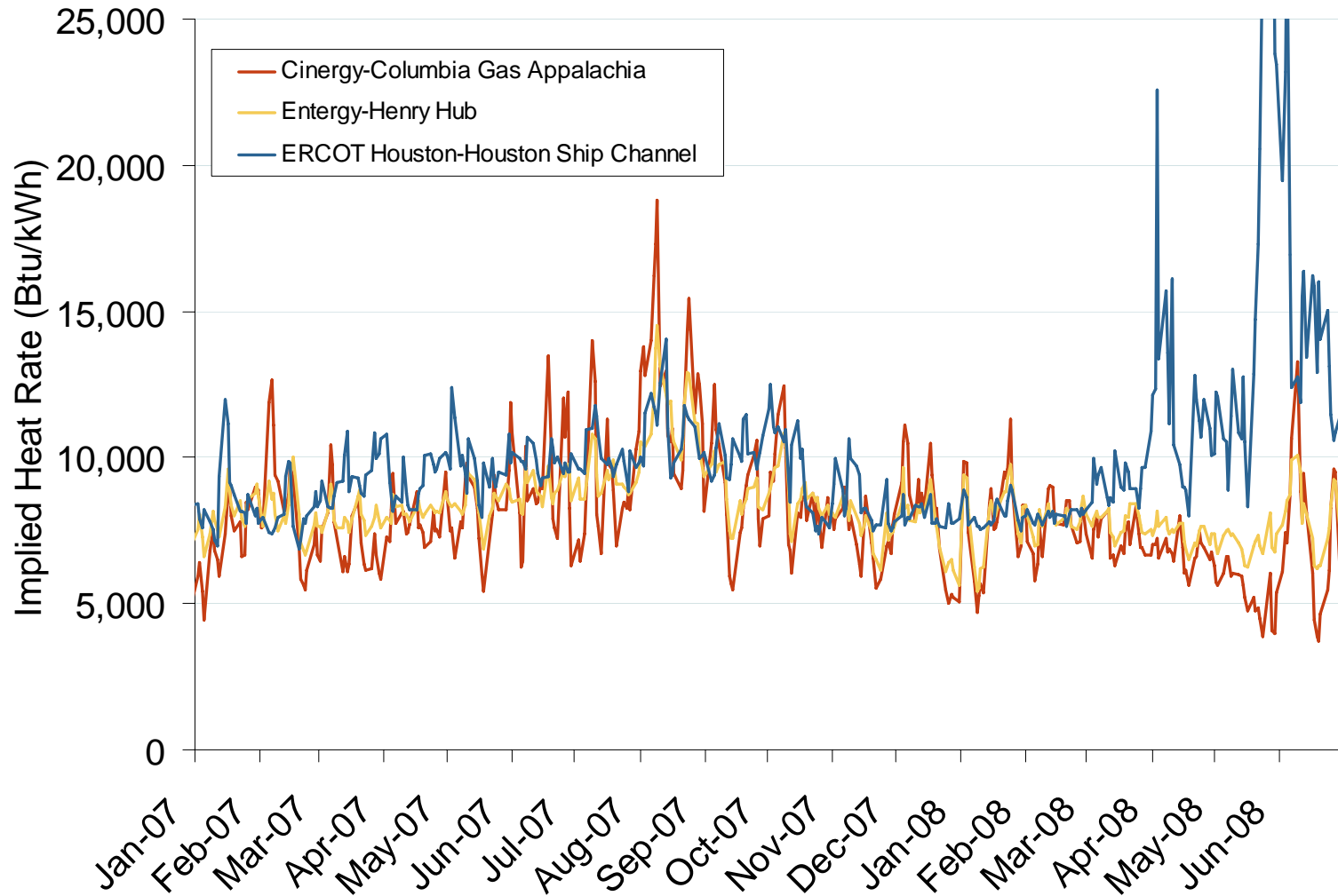


Source: Derived from *Platts* data.

Updated July 9, 2008

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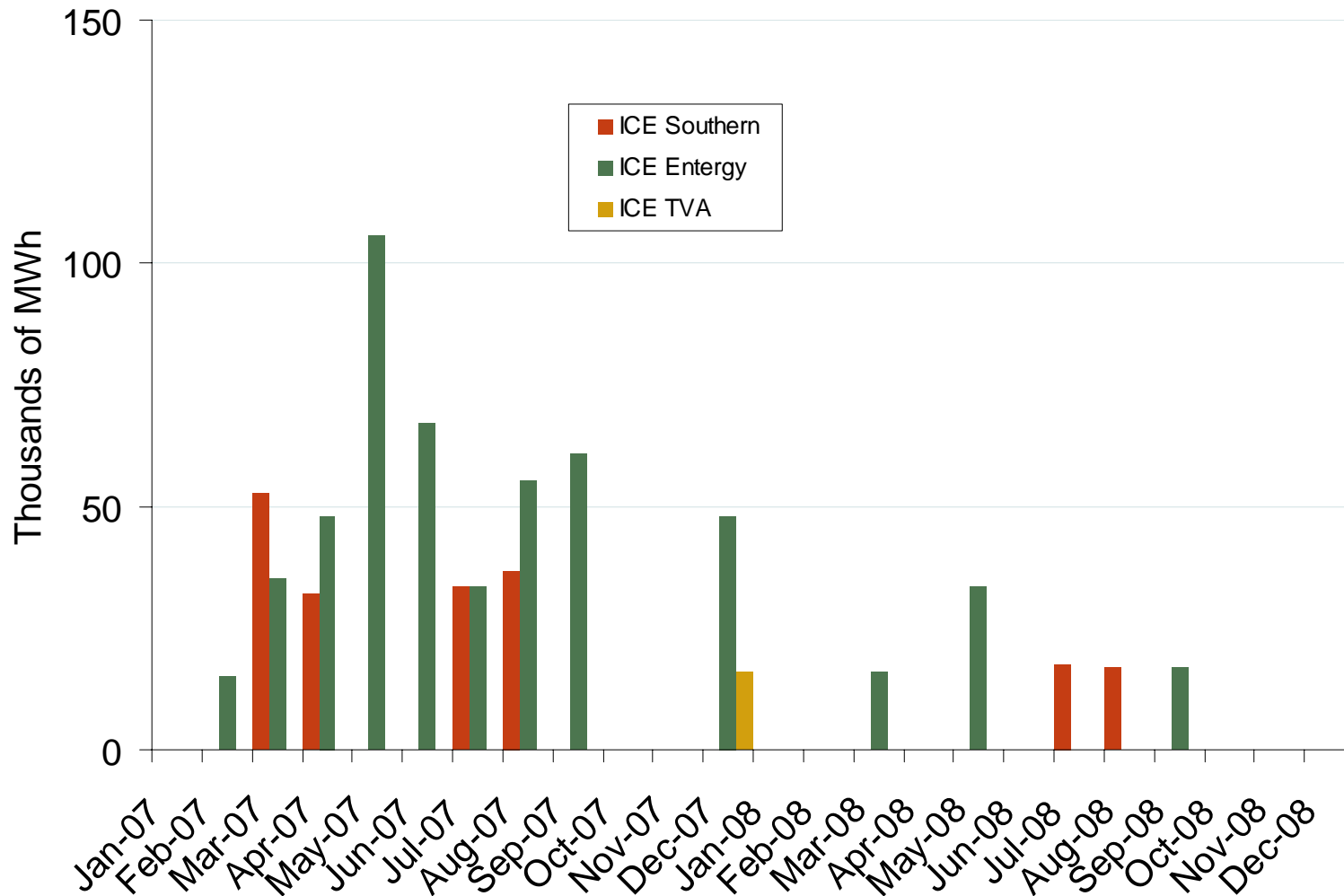
Implied Heat Rates at South Central Trading Points



Source: Derived from *Platts* data

Updated July 9, 2008

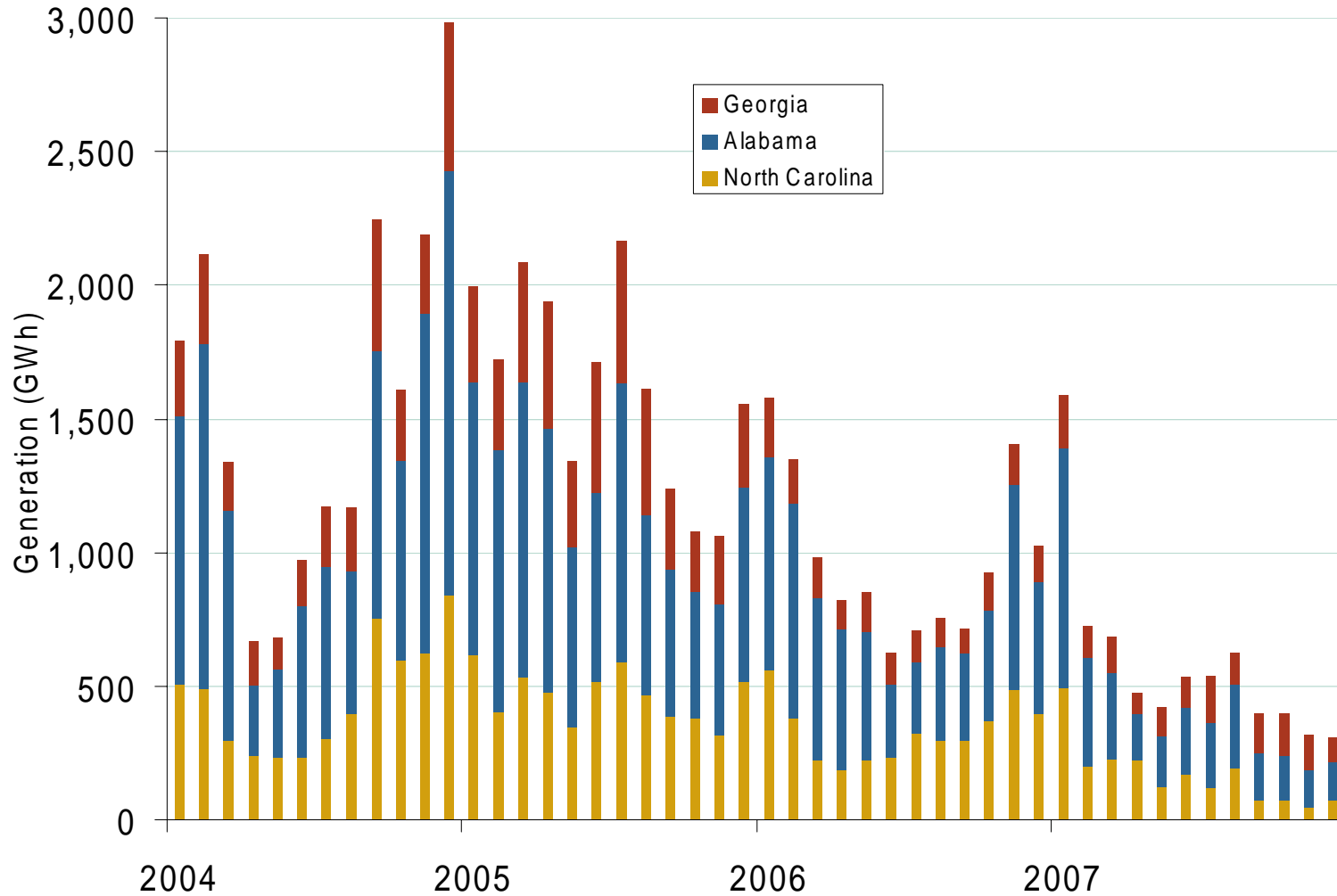
Southeast Forward Volumes



Source: Derived from ICE data. ICE on-peak forward (physical) volumes are for Entergy, Southern and TVA and include monthly, dual monthly, quarterly, and calendar year contracts traded for each month.

Updated July 9, 2008

Monthly Southeastern Hydroelectric Generation



Source: Derived from EIA and EPA data.

Updated April 7, 2008