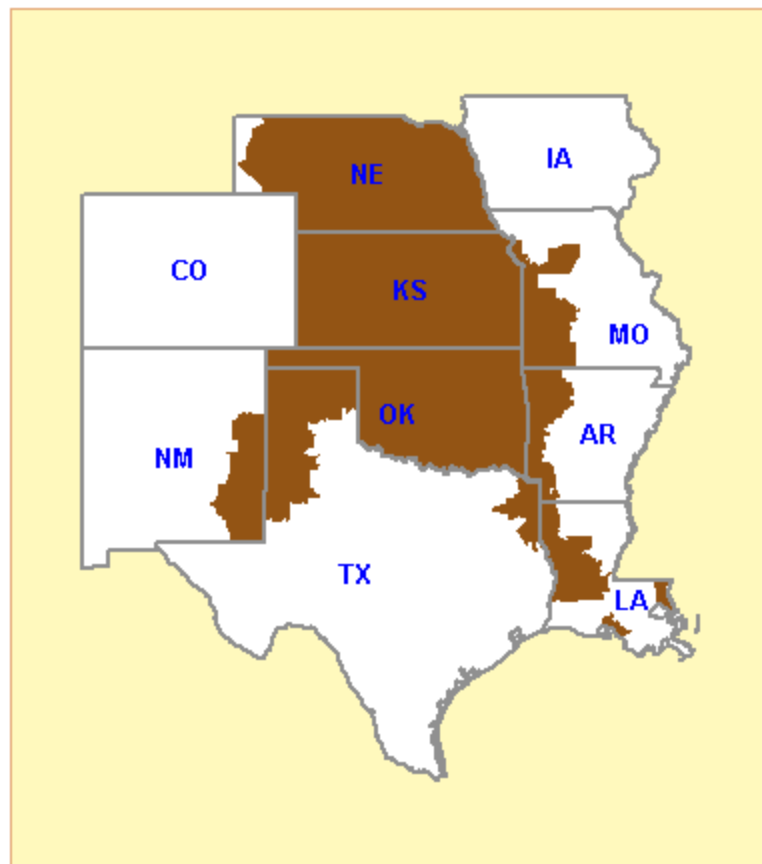


Southwest Power Pool (SPP) Electric Region



Southwest Power Pool Electric Market: Overview and Focal Points

Federal Energy Regulatory Commission • Market Oversight • www.ferc.gov/oversight

Overview

Geography

On April 1, 2009, SPP added a new municipal member, Lincoln Electric System (LES); and two new state agencies, Nebraska Public Power District (NPPD) and Omaha Public Power District (OPPD).

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

Reliability region: Southwest Power Pool (SPP)

Balancing authorities: Balancing authorities are responsible for managing the minute-to-minute supply/demand balance for electricity within their borders to assure reliability. The SPP regional footprint is comprised of 16 balancing authorities:

CSWS - (AEPW) American Electric Power West *

EDE - Empire District Electric

INDN - Independence Power & Light

KCPL - Kansas City Power & Light

LEPA - Louisiana Energy & Power Authority

OKGE - OG+E Electric Services

SPA - Southwestern Power Administration

WR - Westar Energy

CLEC - CLECO Power

GRDA - Grand River Dam Authority

KACY - Kansas City Board of Public Utilities

Lafa - City of Lafayette, Louisiana

MPS - KCP&L Greater Missouri Operations

SECI - Sunflower Electric

SPS - Southwestern Public Service

WFEC - Western Farmers Electric Cooperative

* Formerly Central and South West Services

There are five different SPP footprints: Regional Entity, Reserve Sharing Group, Reliability Coordinator (RC) Area, Regional Transmission Organization/Tariff, EIS Market Region. More information regarding these footprints is available at:

http://www.spp.org/publications/SPP_Footprints.pdf

RTO/ISO

Southwest Power Pool (SPP) (granted RTO status in 2004) provides transmission service on the transmission facilities owned by its members and operates the region's real-time energy imbalance service (EIS) market. Market participants trade physical electricity bilaterally, either directly or through brokers, and through the EIS market.

[SPP 2008 State of the Markets Report](#)

Market Monitor:

Richard Dillon – Director, Market Development & Analysis
Boston Pacific Company, Inc. – External Market Advisor

Generation/Supply

Marginal fuel type: Natural gas (55%) and coal (35%)

Firm generating capacity - summer 2008: 50,600 MW

Capacity reserve - summer 2008: 7,709 MW

Reserve margin - summer 2008: 18%

Demand

Regional Footprint Peak Demand for 2008: 42,891 MW, reached in August.

Peak Demand Growth 2007-2008: 0.7%

All time peak demand:

Reliability Footprint: 43.3 GW (set August 14, 2007)

Market Footprint: 35.9 GW (set August 14, 2007)

In the summer of 2007 demand reached record levels due to extremely hot weather.

Demand (continued)**Summer Peak Demand (GW):**

2004: 39.4
 2005: 40.5
 2006: 42.2
 2007: 43.2
 2008: 42.9

Spot Prices

Annual Average of Platts SPP North Daily Spot Price Index

2004: \$45.19/MWh
2005: \$67.44/MWh
2006: \$55.84/MWh
2007: \$60.21/MWh
2008: \$68.77/MWh

Locational Imbalance Prices (From SPP's Monthly

| SPP 2009 Average Monthly Locational Imbalance Price (LIP) | | | | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|------|------|----------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | 2009 Avg |
| LIP (\$/MWh) | 32.5 | 24.9 | 27.4 | 22.2 | 23.7 | 25.8 | 27.8 | 25.7 | 23.3 | 29.9 | 28.3 | 37.9 | 27.44 |

Contact Information

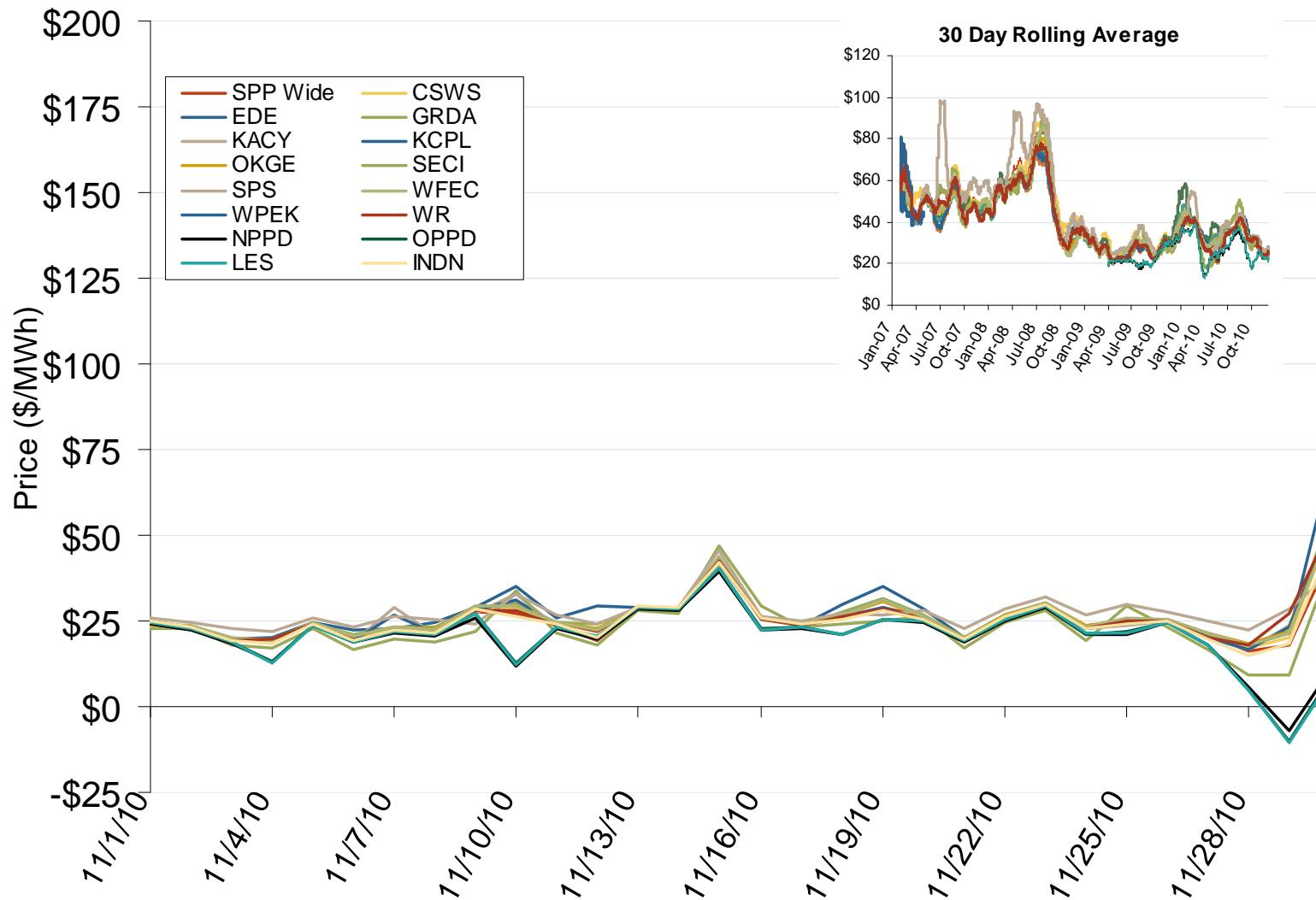
For specific issues regarding the Midwest Natural Gas Region please contact one of the following Analysts:

Laura Vallance – Laura.Vallance@ferc.gov

Annual Average Bilateral Prices

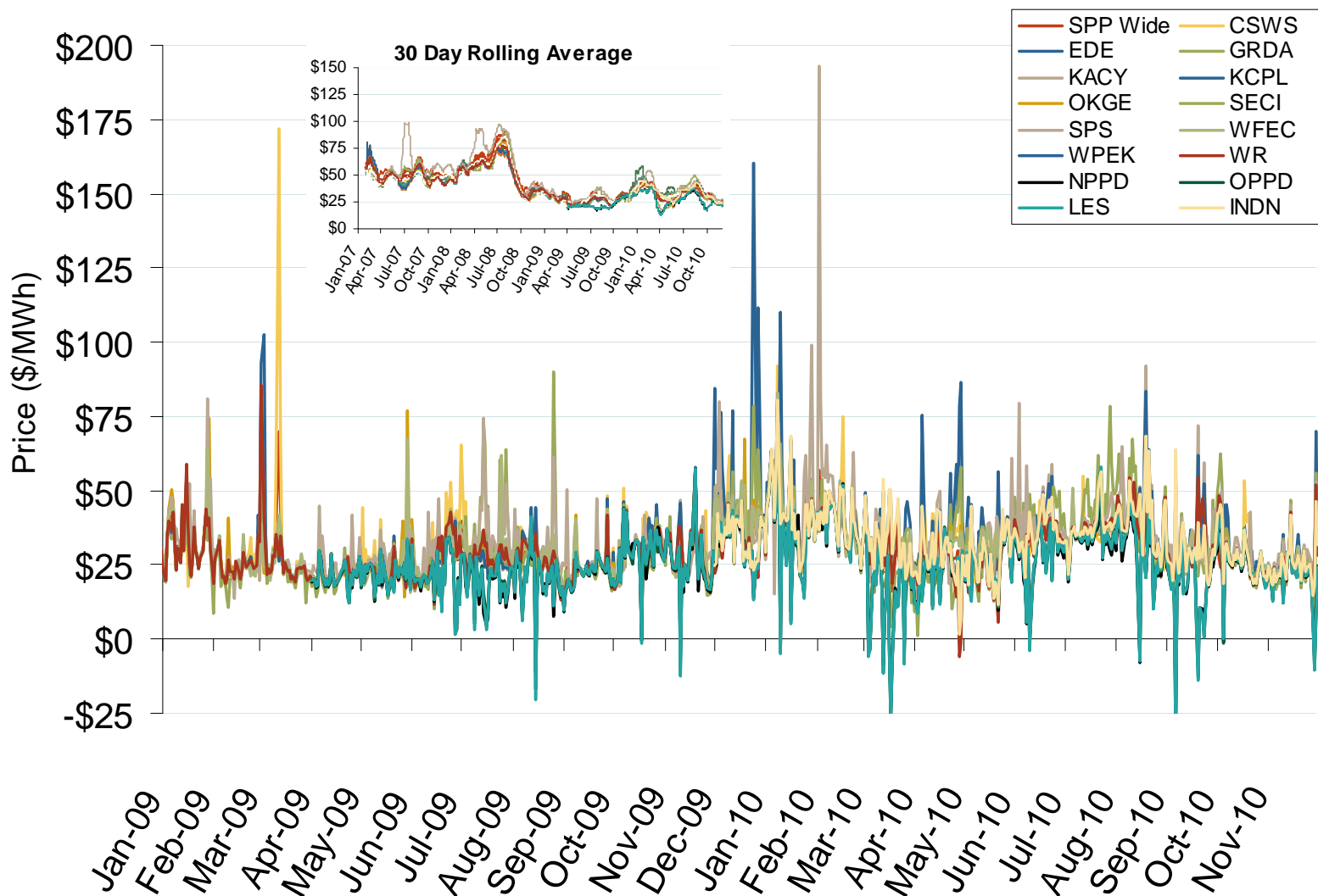
| Annual Average Day Ahead On Peak Prices (\$/MWh) | | | | | | |
|--|---------|---------|---------|---------|---------|------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 5-Year Avg |
| SPP North | \$67.44 | \$55.84 | \$60.21 | \$68.77 | \$32.94 | \$57.04 |
| ERCOT North | \$77.14 | \$61.03 | \$59.53 | \$73.42 | \$34.89 | \$61.16 |

Daily Average of SPP Real Time Prices - All Hours



Source: Derived from SPP data.
December 2010

Daily Average of SPP Real Time Prices - All Hours

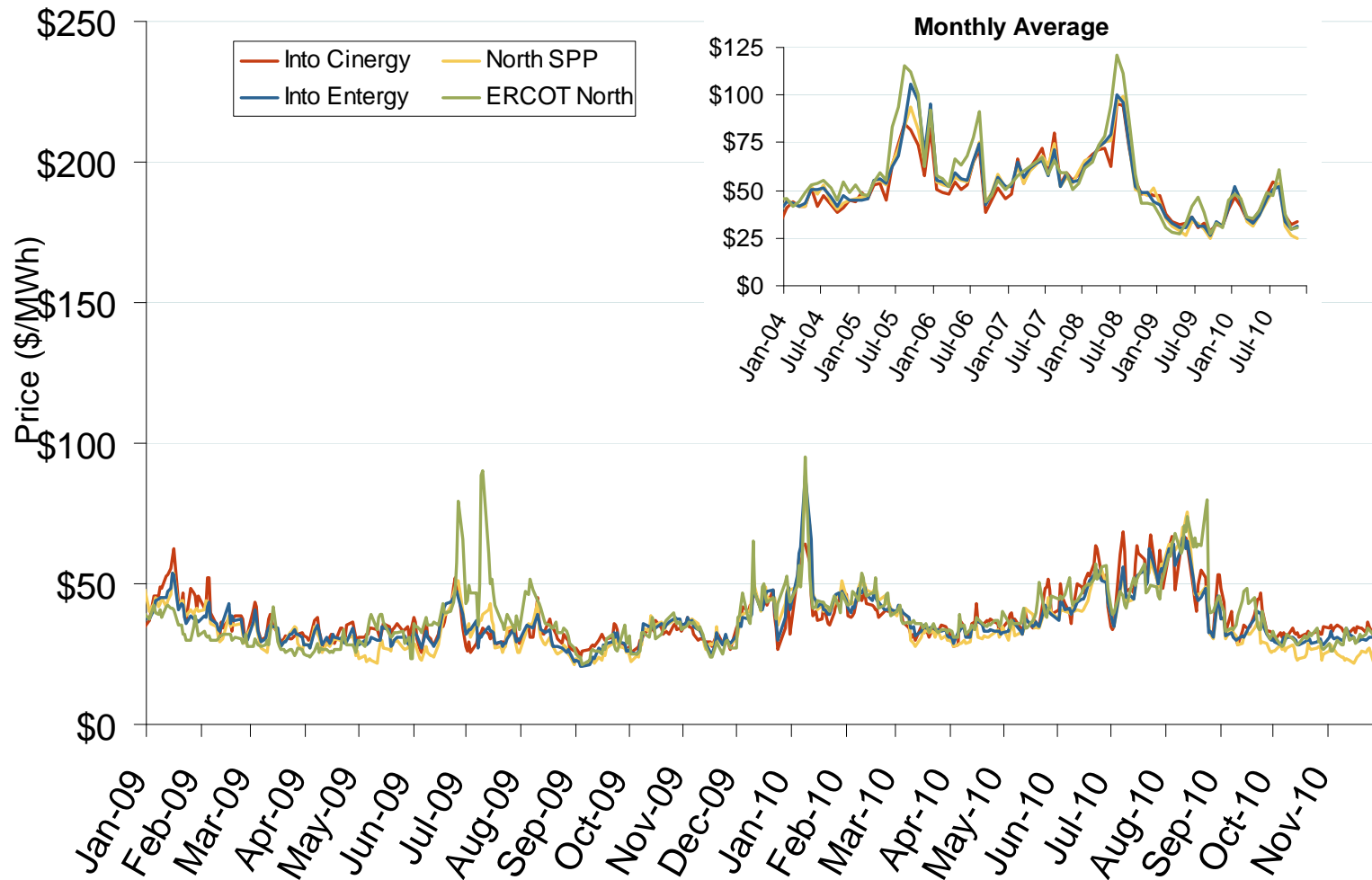


Source: Derived from SPP data.

December 2010

Updated December 8, 2010

Central Daily Bilateral Day-Ahead On-Peak Prices

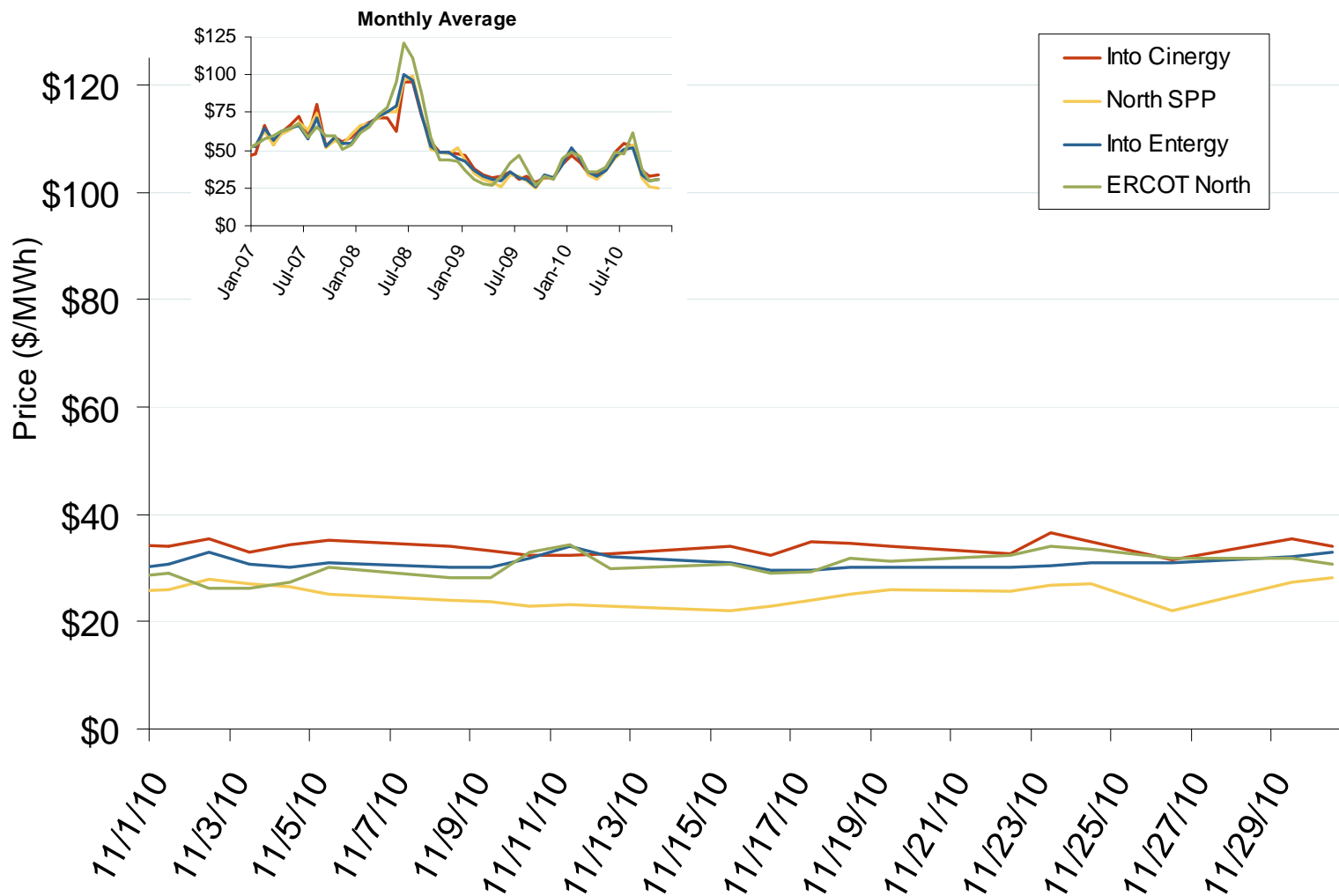


Source: Derived from *Platts* data.

December 2010

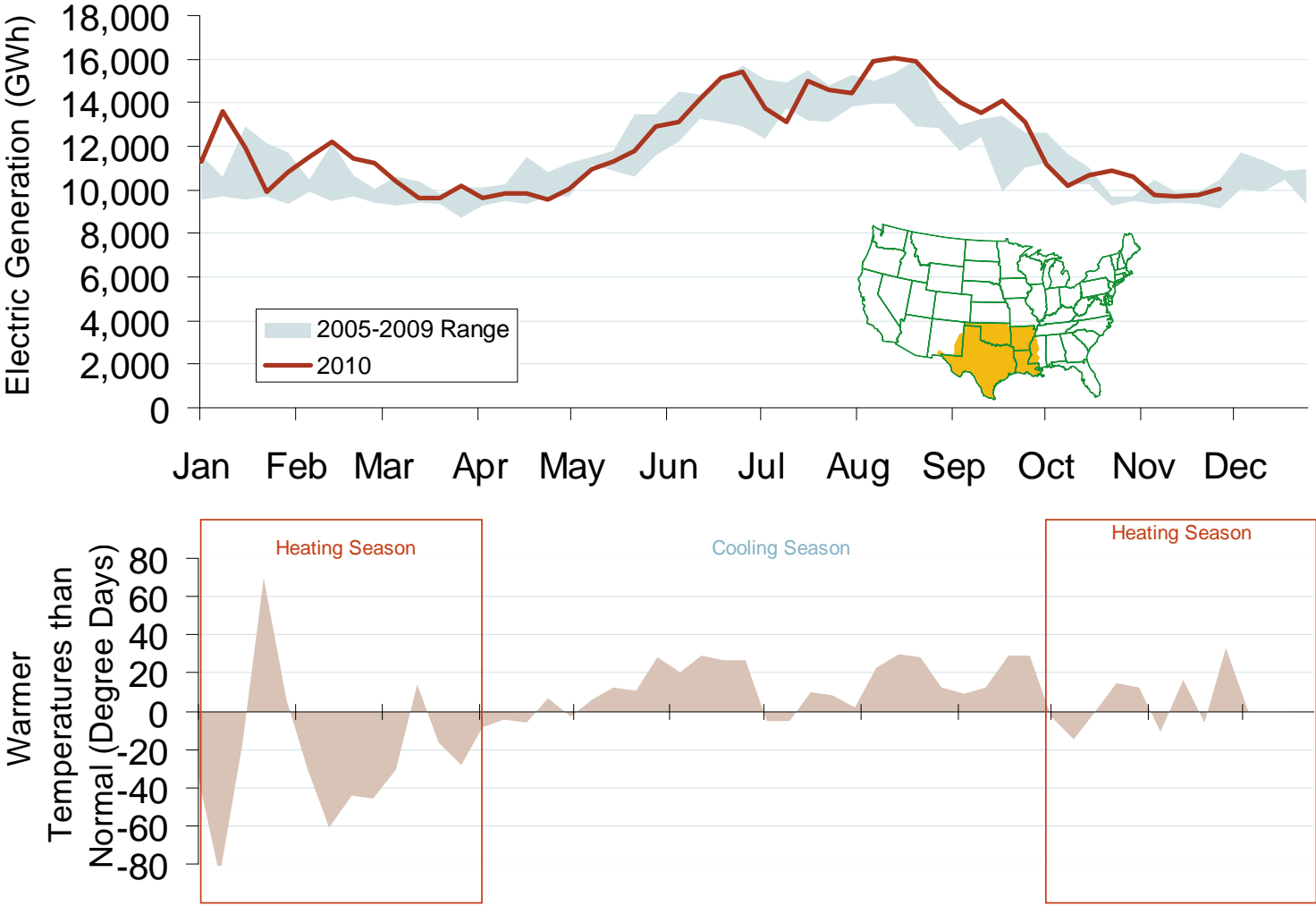
Updated December 8, 2010 1073

Central Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from Platts data.
December 2010

Weekly Electric Generation Output and Temperatures South Central Region



Source: Derived from *EEl* and *NOAA* data.
December 2010