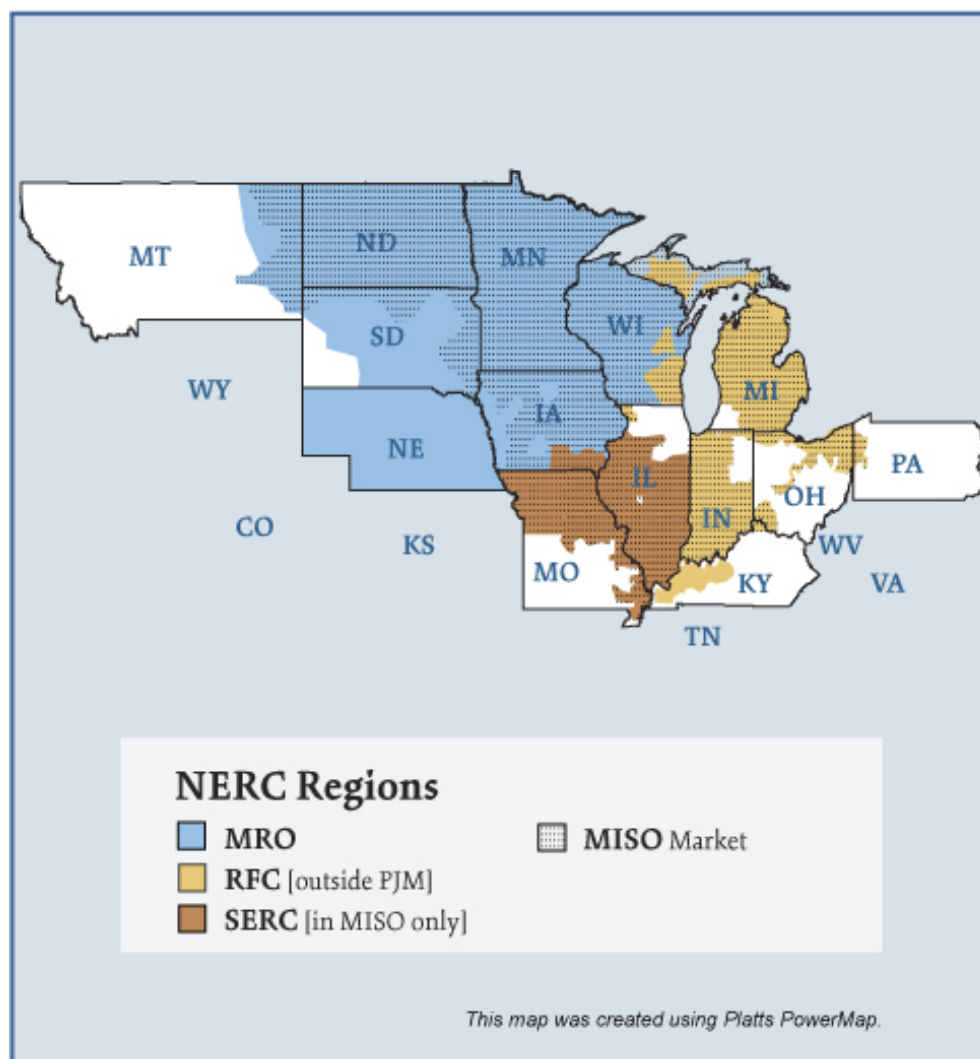


Midwest Electric Regions



Midwest Electric Market: Overview and Focal Points

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

Overview

Market Description

Midwest Reliability Organization (MRO) reliability region and the portion of the SERC reliability region in MISO and the ReliabilityFirst Corporation (RFC) reliability region not in PJM.

Geography

States covered: All or most of North Dakota, South Dakota, Nebraska, Minnesota, Iowa, Wisconsin, Illinois, Indiana, Michigan and parts of Montana, Missouri, Kentucky, and Ohio.

Reliability regions: Midwest Reliability Organization (MRO), Southeastern Electric Reliability Council (SERC) and ReliabilityFirst Corporation (RFC)

(These regions were formerly: East Central Area Reliability Coordination Agreement (ECAR), Mid-America Interconnected Network (MAIN), and Midcontinent Area Power Pool (MAPP) regions.)

Balancing authorities: See list on page 6.

Hubs: Cinergy, First Energy, Illinois, Michigan, Minnesota

RTO/ISO

Midwest ISO (MISO) (established 2002) administers a two-settlement (day ahead and real-time) energy market known as the Day-2 market. It produces hourly locational marginal prices that are rolled up into 5 regional hub prices. MISO also administers a monthly financial transmission rights (FTR) allocation and auction.

Midwest bilateral trading is active on the IntercontinentalExchange (ICE) at the Cinergy Hub and Northern Illinois Hub.

[Midwest ISO 2006 State of the Markets Report](#)

Market Monitor: Dr. David Patton – Independent Market Monitor

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Generation/Supply (MISO only)

Marginal fuel type: Coal

Generating capacity (summer 2006): 137,232 MW

Capacity reserve (summer 2006): 21,025 MW

Reserve margin (summer 2006): 18%

Demand (MISO only)

All time peak demand: 116 GW (set July 31, 2006)

All time peak demand for MISO market footprint excluding LG&E: 110.5 GW (set July 31, 2006)

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

Peak demand growth: 3.4% (2005-2006)

Summer Peak Demand (GW): 112.2 (2005) 116 (2006) 110.5 (2006 MISO market footprint excluding LG&E)

Source: Derived from MISO Data

Prices (MISO only)

Annual Average Day-Ahead Price at Cinergy Hub: \$50.54/MWh (2005) \$40.44/MWh (2006)

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).

Updated June 1, 2007

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Midwest Electric Market: Overview and Focal Points

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Interconnections/Seams

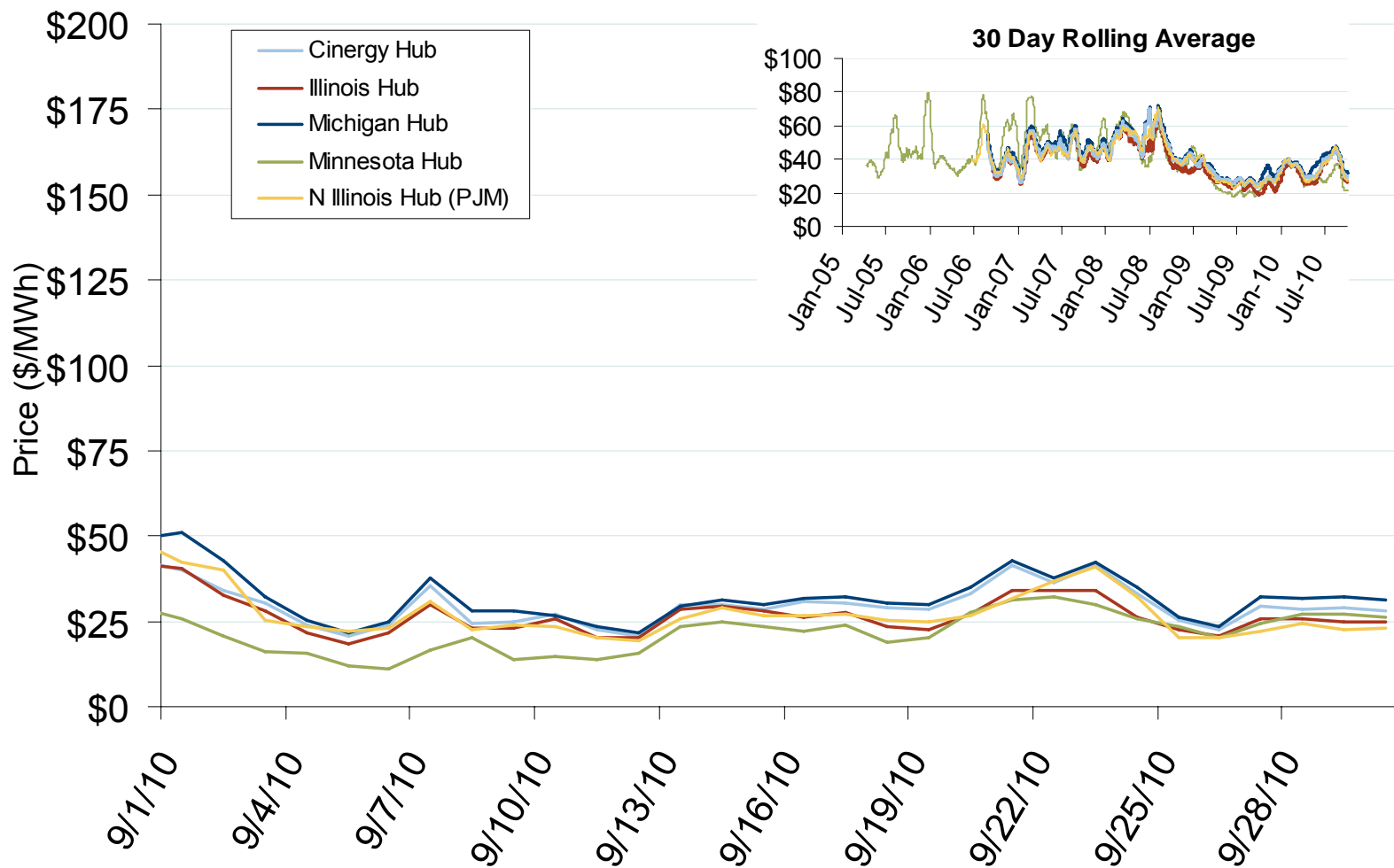
Since the start of the Day-2 market on April 1, 2005, persistent transmission constraints in the Wisconsin and the Upper Peninsula of Michigan (WUMS) and Minnesota areas have caused their prices to diverge from other areas of MISO, usually at times of high loads or decreased generation supply.

Annual Average Bilateral Prices

Annual Average Day Ahead On Peak Prices (\$/MWh)						
	2005	2006	2007	2008	2009	5-Year Avg
Cinergy	\$63.76	\$51.81	\$61.20	\$66.88	\$34.65	\$55.65
Michigan Hub*	N/A	\$55.29	\$64.43	\$69.15	\$36.56	\$58.94
Minnesota Hub*	N/A	\$59.47	\$72.32	\$67.46	\$32.09	\$59.62
NI Hub	\$61.76	\$52.52	\$58.93	\$66.13	\$34.47	\$54.75
Illinois Hub*	N/A	\$51.32	\$59.88	\$62.52	\$31.36	\$53.88
MAPP South	\$65.48	\$55.11	\$61.18	\$69.18	\$33.31	\$56.85

* As of April 1, 2005.

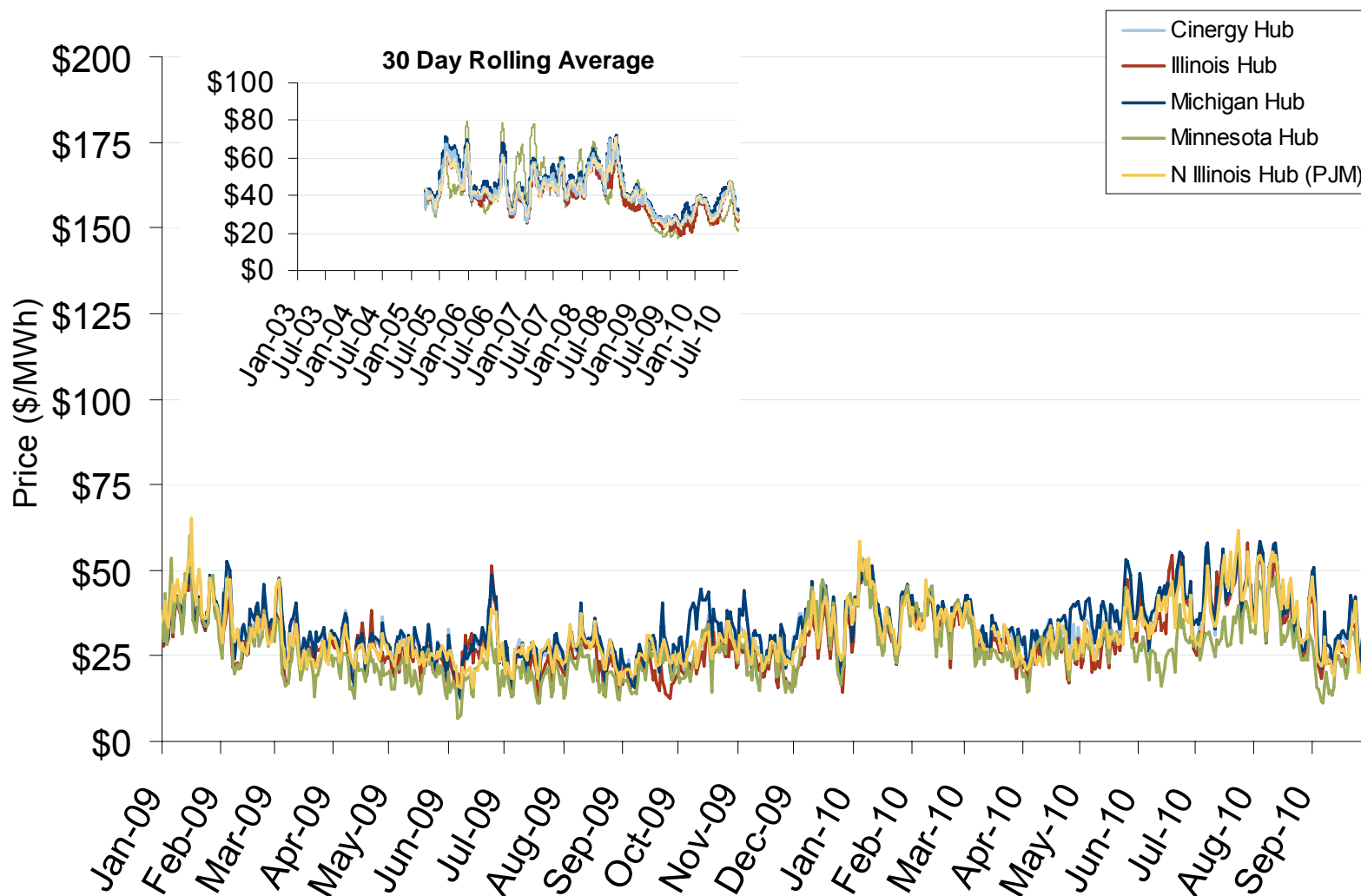
Daily Average of MISO Day-Ahead Prices - All Hours



Source: Derived by Bloomberg from MISO and PJM data as reported by Bloomberg.

Updated October 7, 2010

Daily Average of MISO Day-Ahead Prices - All Hours

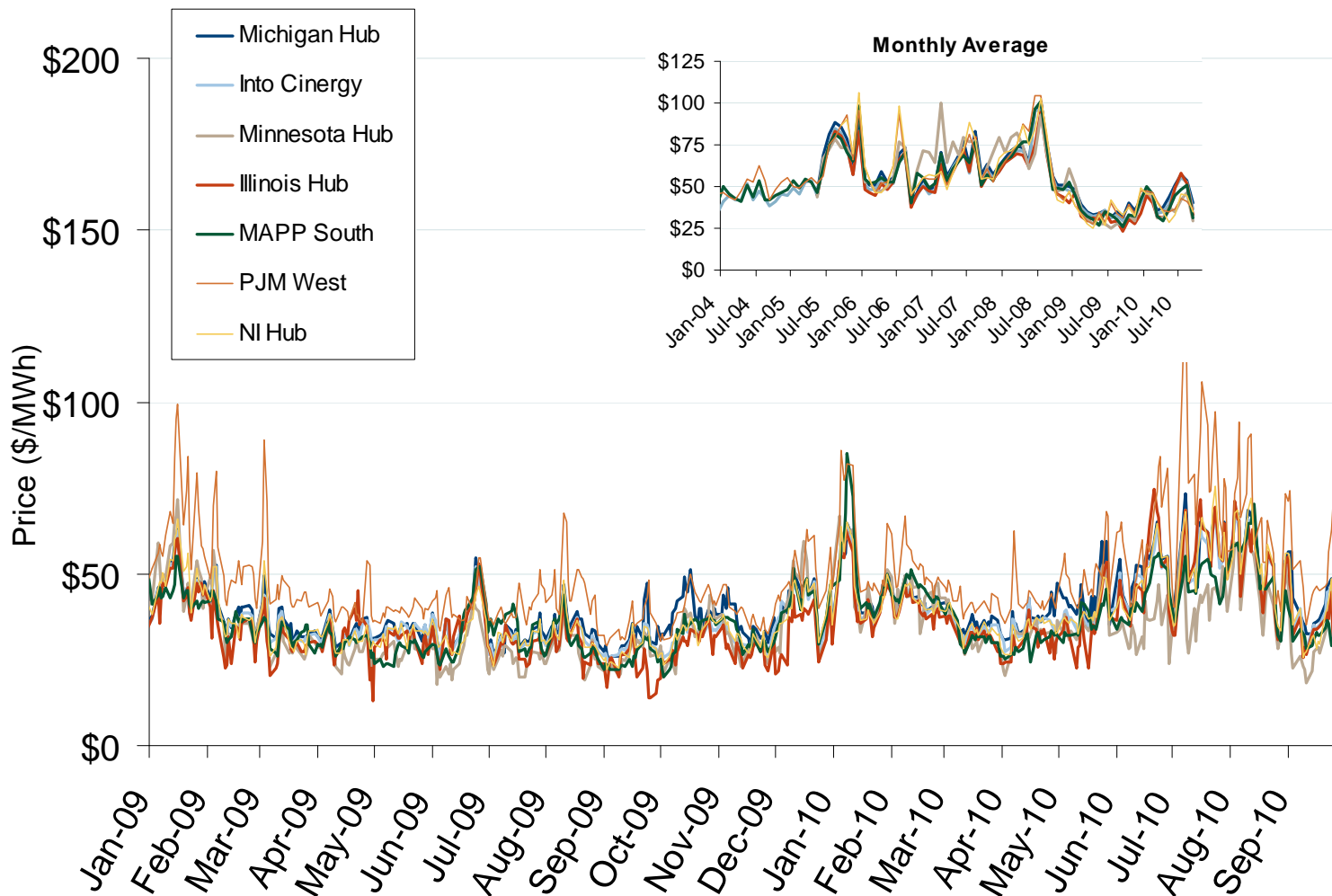


Source: Derived by Bloomberg from MISO and PJM data as reported by Bloomberg.

Updated October 7, 2010

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MISO/PJM Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

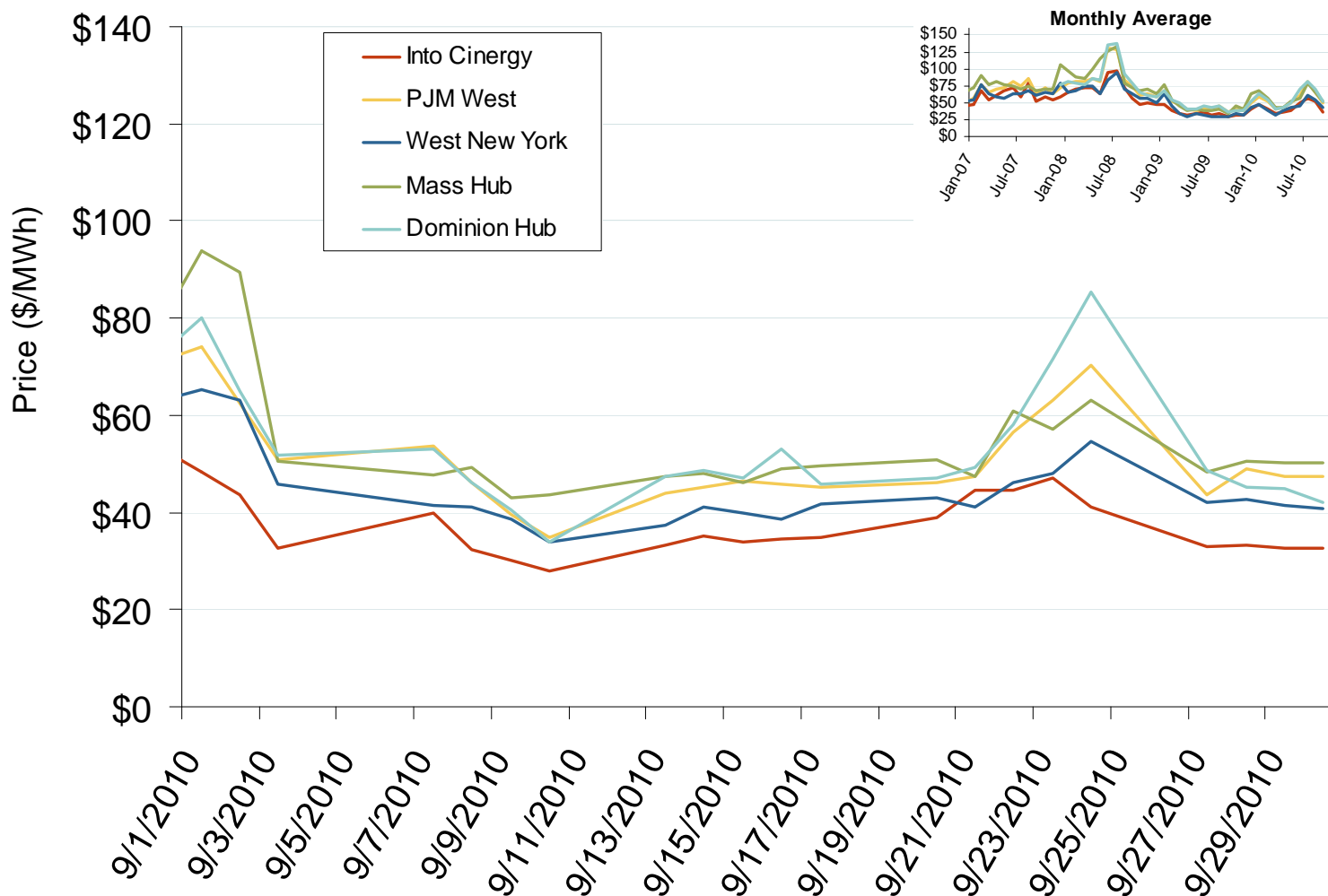
Updated October 7, 2010

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Midwest Electric Market: Last Month's Eastern Bilateral Prices

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

Eastern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from Platts data.

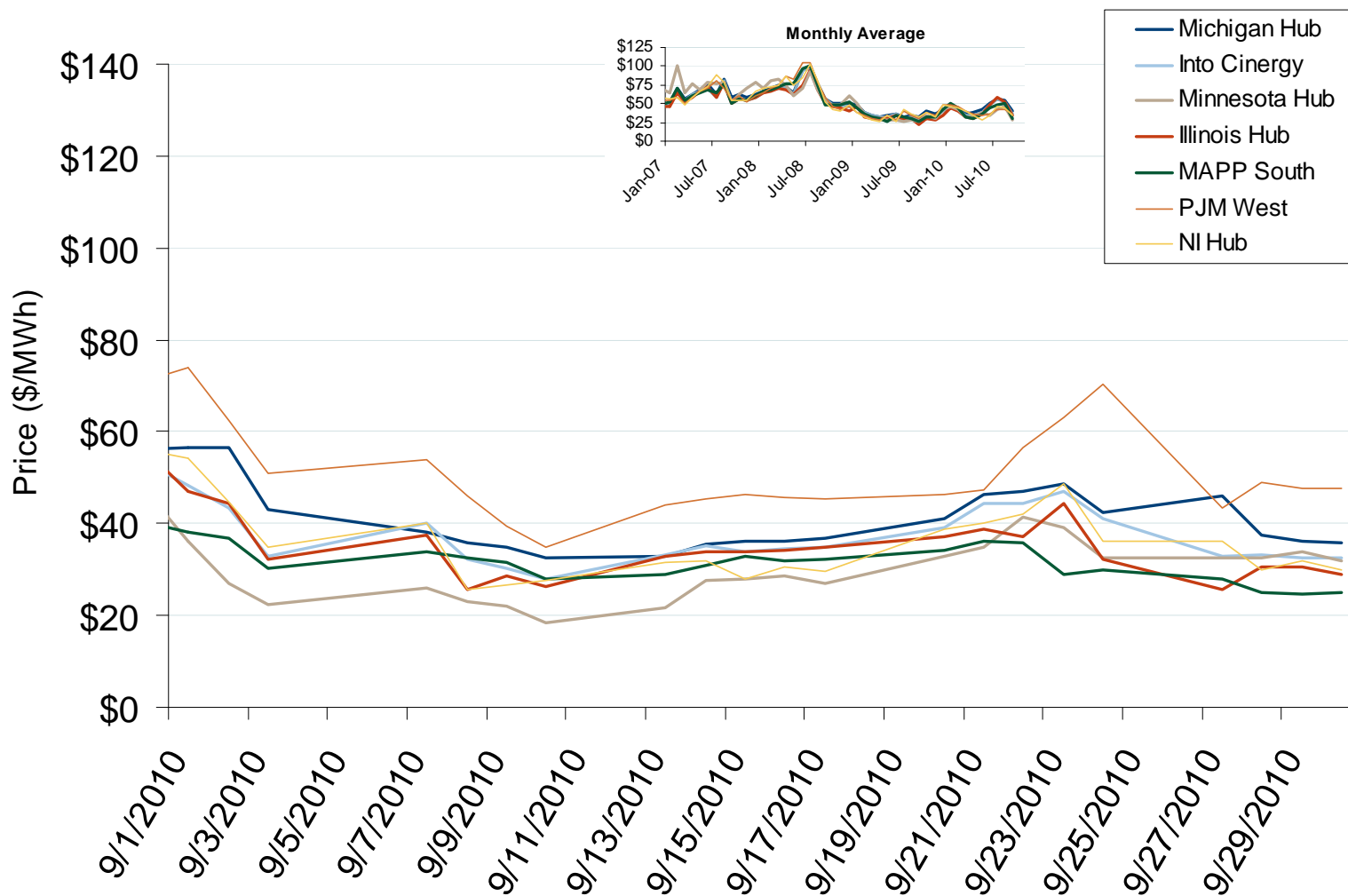
Updated October 7, 2010

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Midwest Electric Market: Last Month's MISO/PJM Bilateral Prices

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

MISO/PJM Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

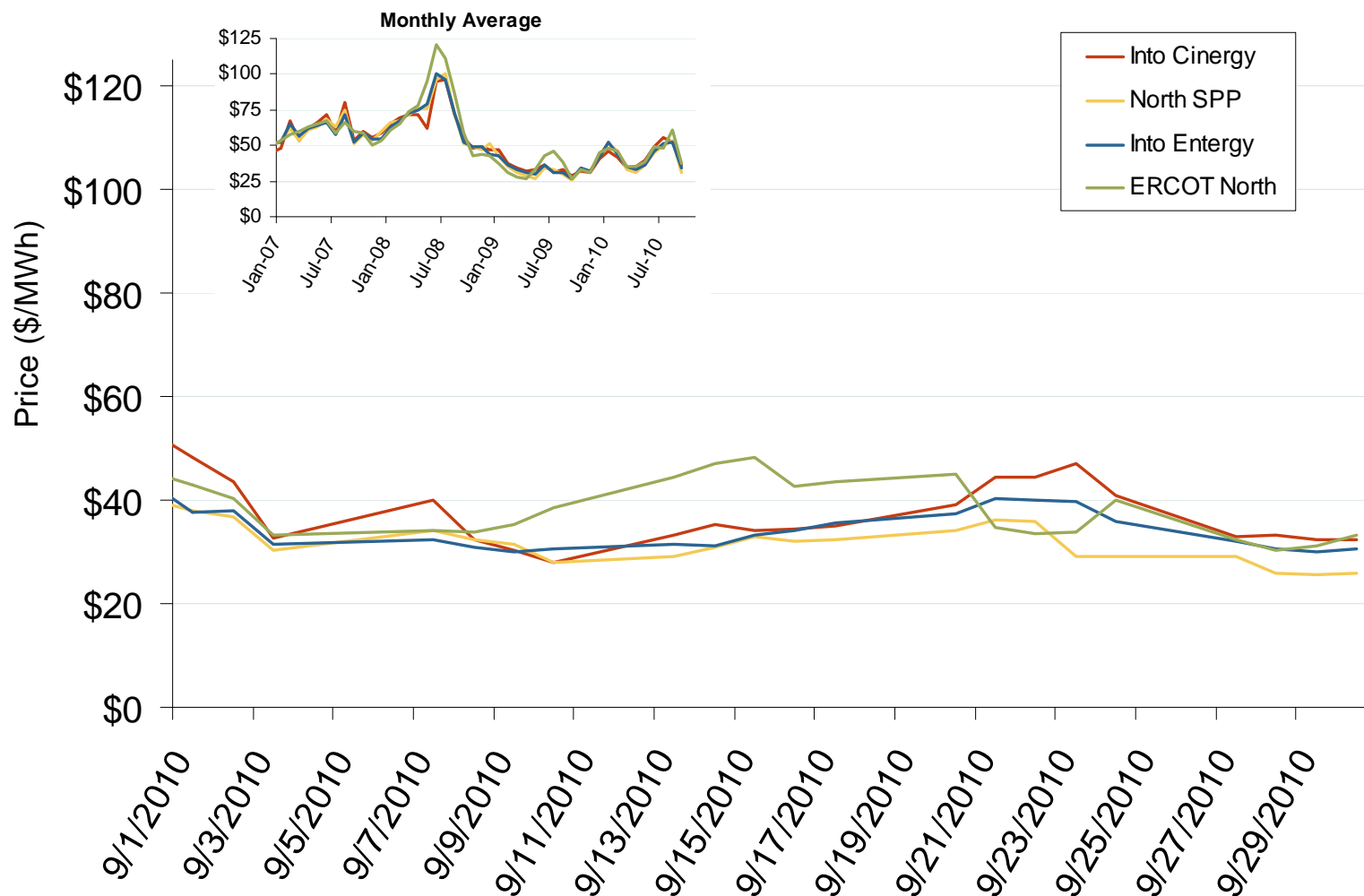
Updated October 7, 2010

11521

Midwest Electric Market: Last Month's Midwestern Bilateral Prices

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

Midwestern Daily Bilateral Day-Ahead On-Peak Prices

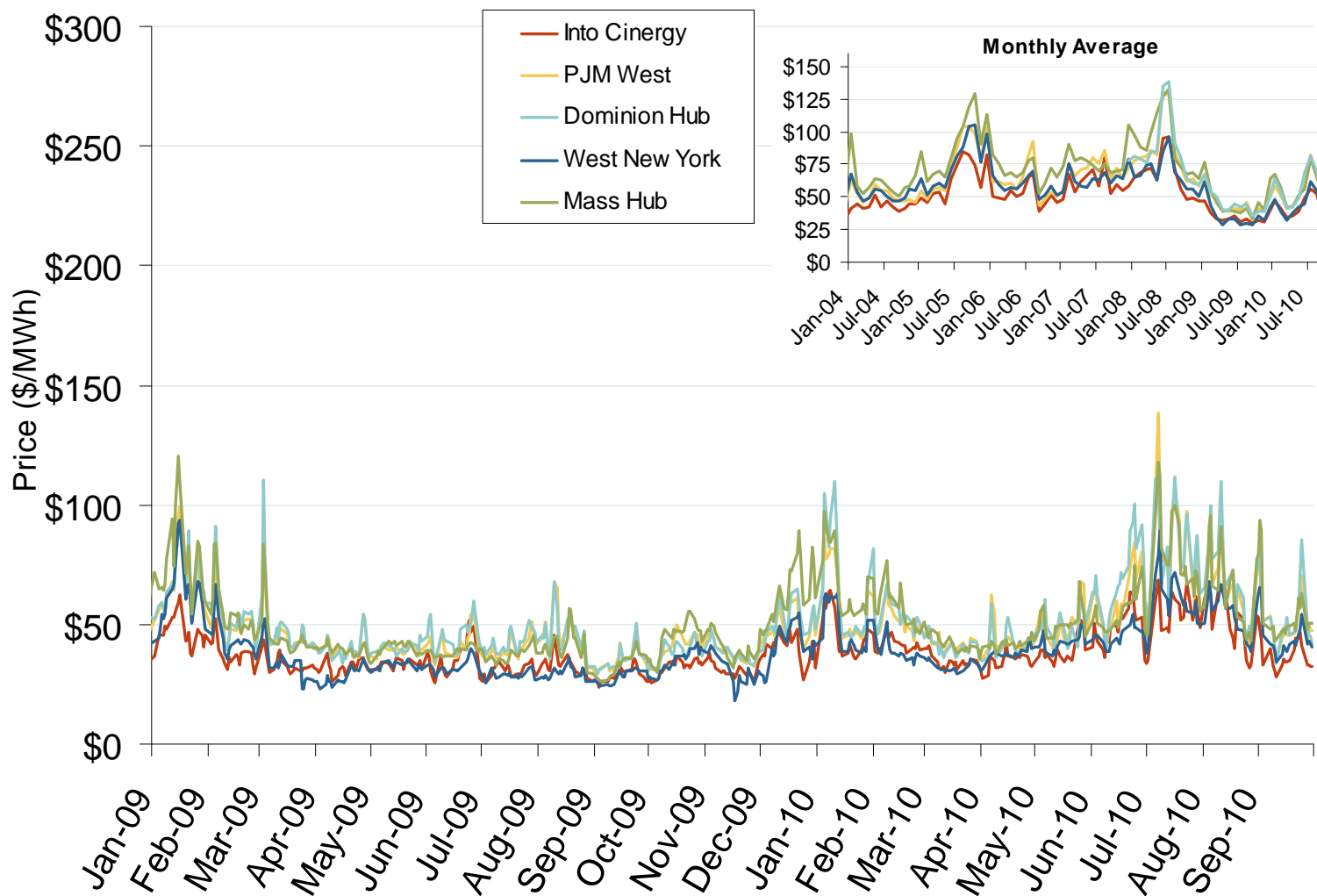


Source: Derived from *Platts* data

Updated October 7, 2010

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Eastern Daily Bilateral Day-Ahead On-Peak Prices

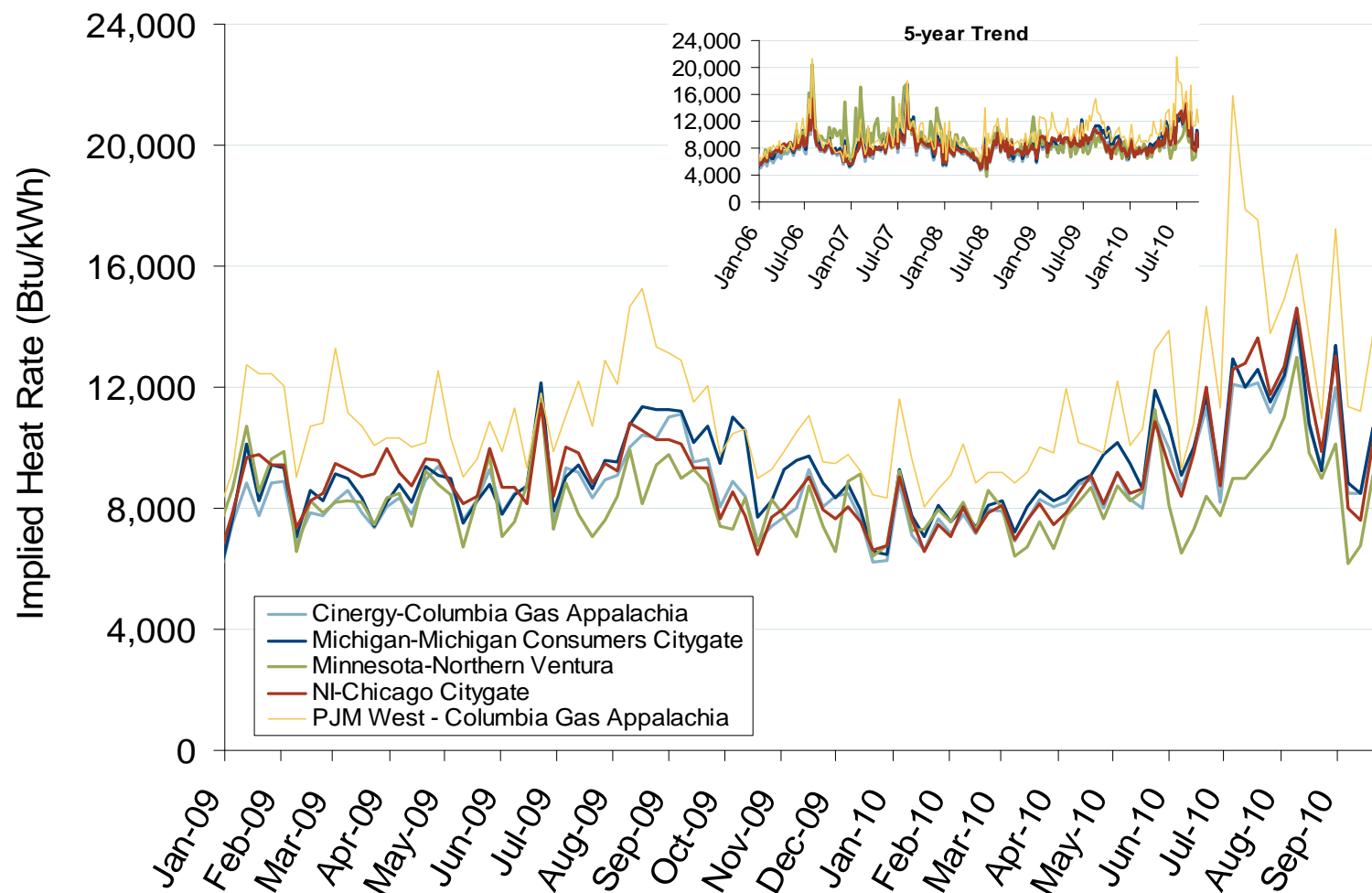


Source: Derived from *Platts* data.

Updated October 7, 2010

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Implied Heat Rates at MISO and PJM Hubs Weekly Averages

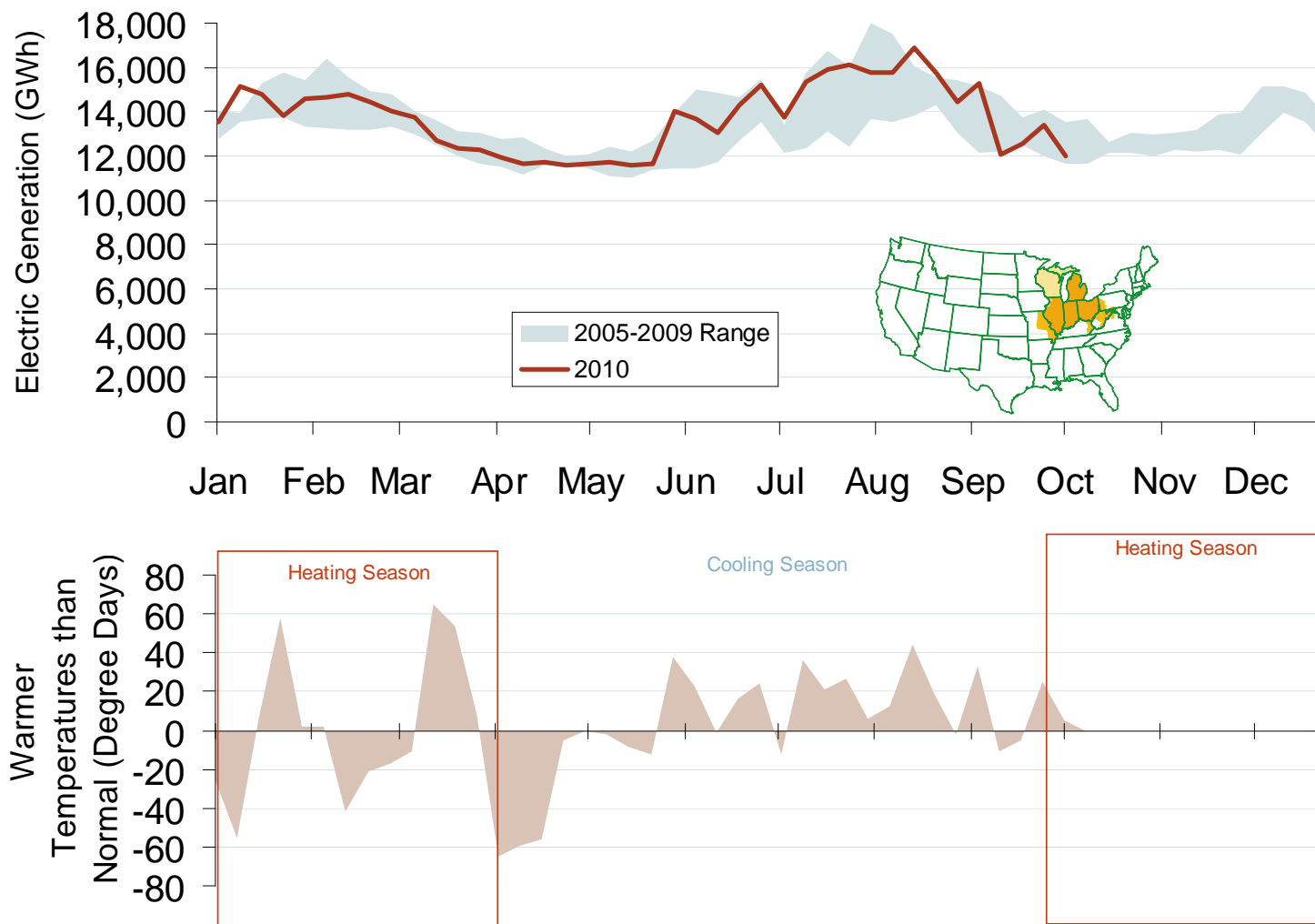


Source: Derived from *Platts* on-peak electric and natural gas price data.

Updated October 14, 2010

1133

Weekly Electric Generation Output and Temperatures Central Industrial Region



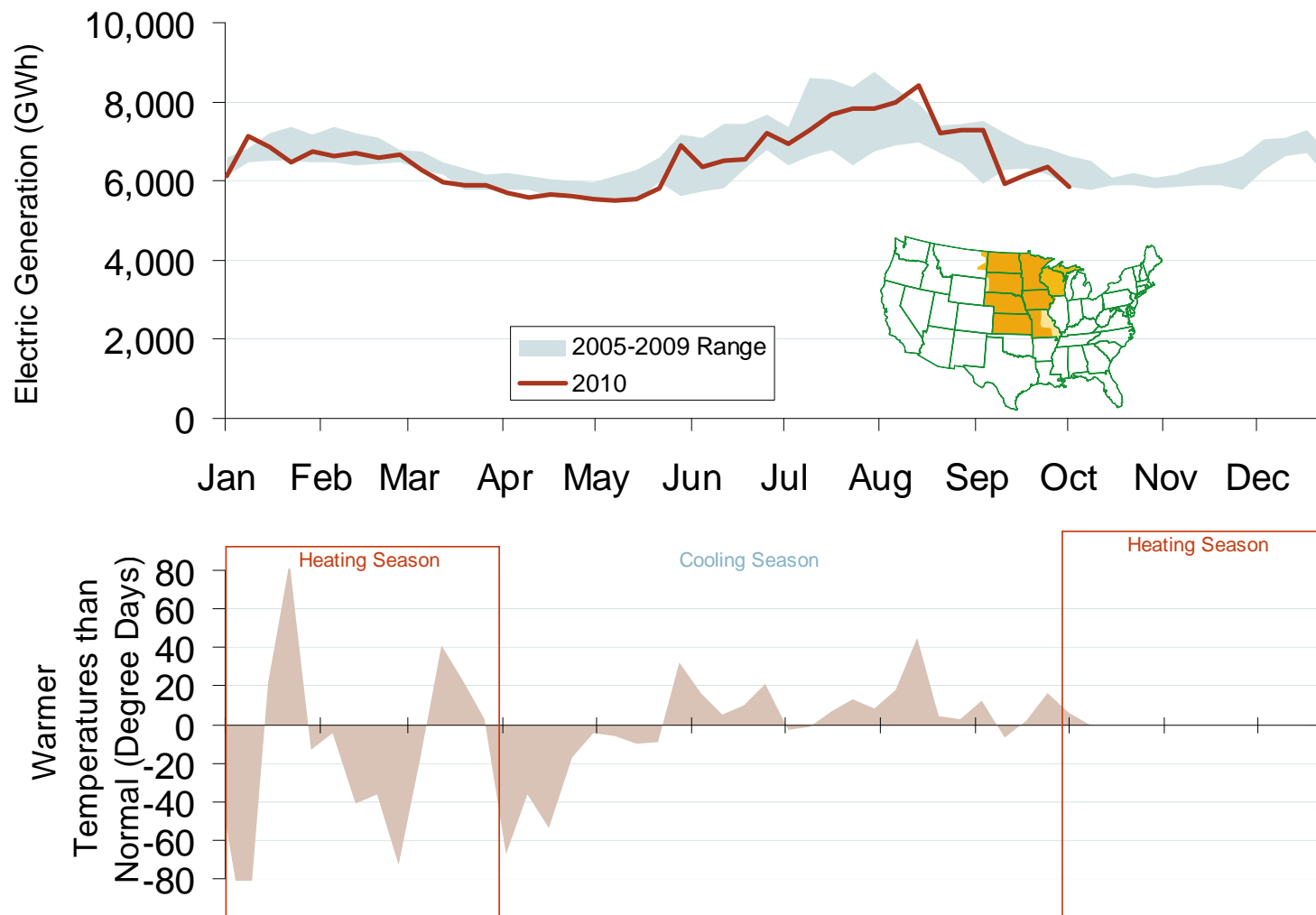
Source: Derived from EEI and NOAA data.

Updated October 7, 2010

Midwest Electric Market: Generation Output and Temperatures

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

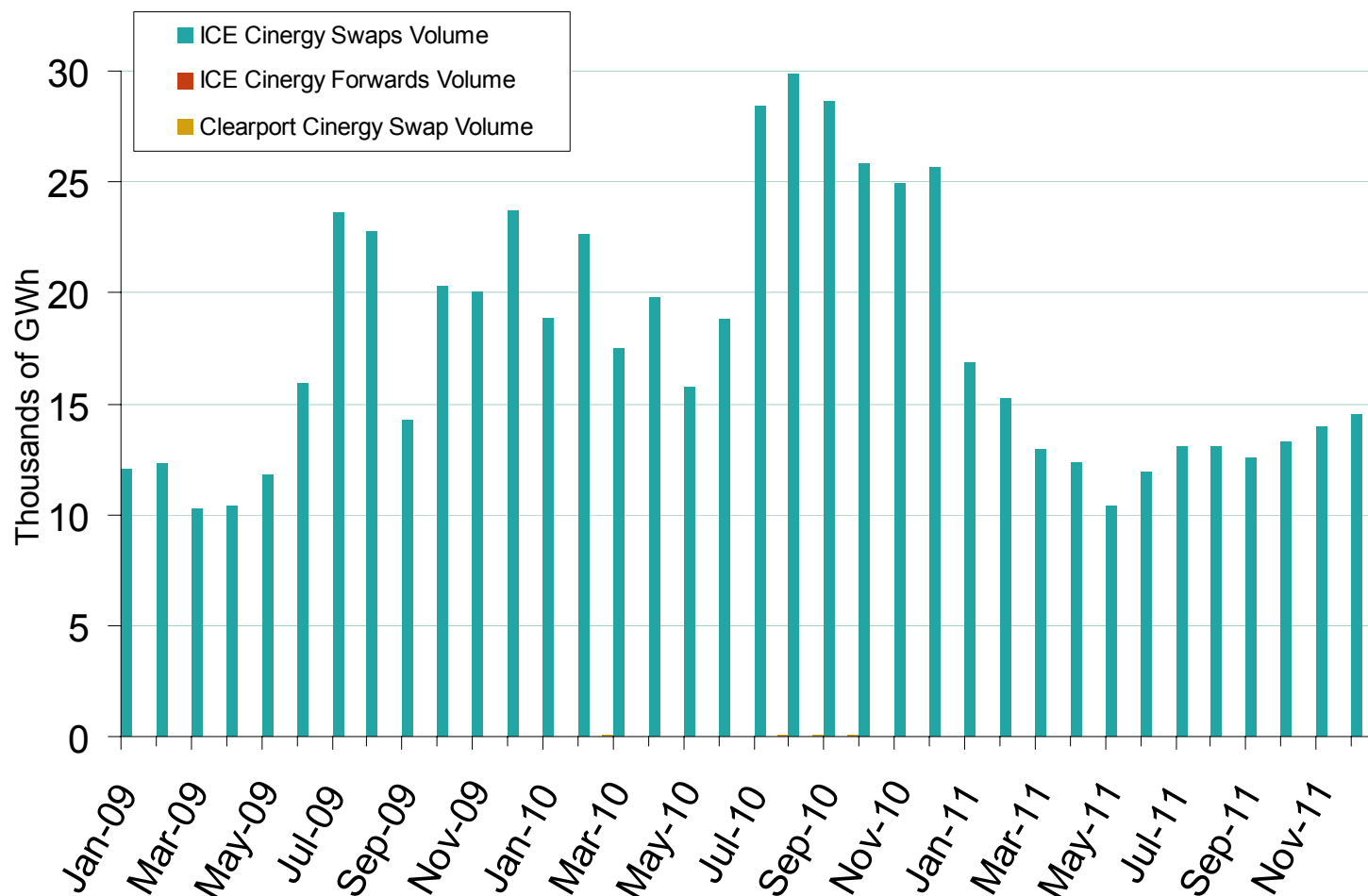
Weekly Electric Generation Output and Temperatures West Central Region

Source: Derived from *EI* and NOAA data.

Updated October 7, 2010

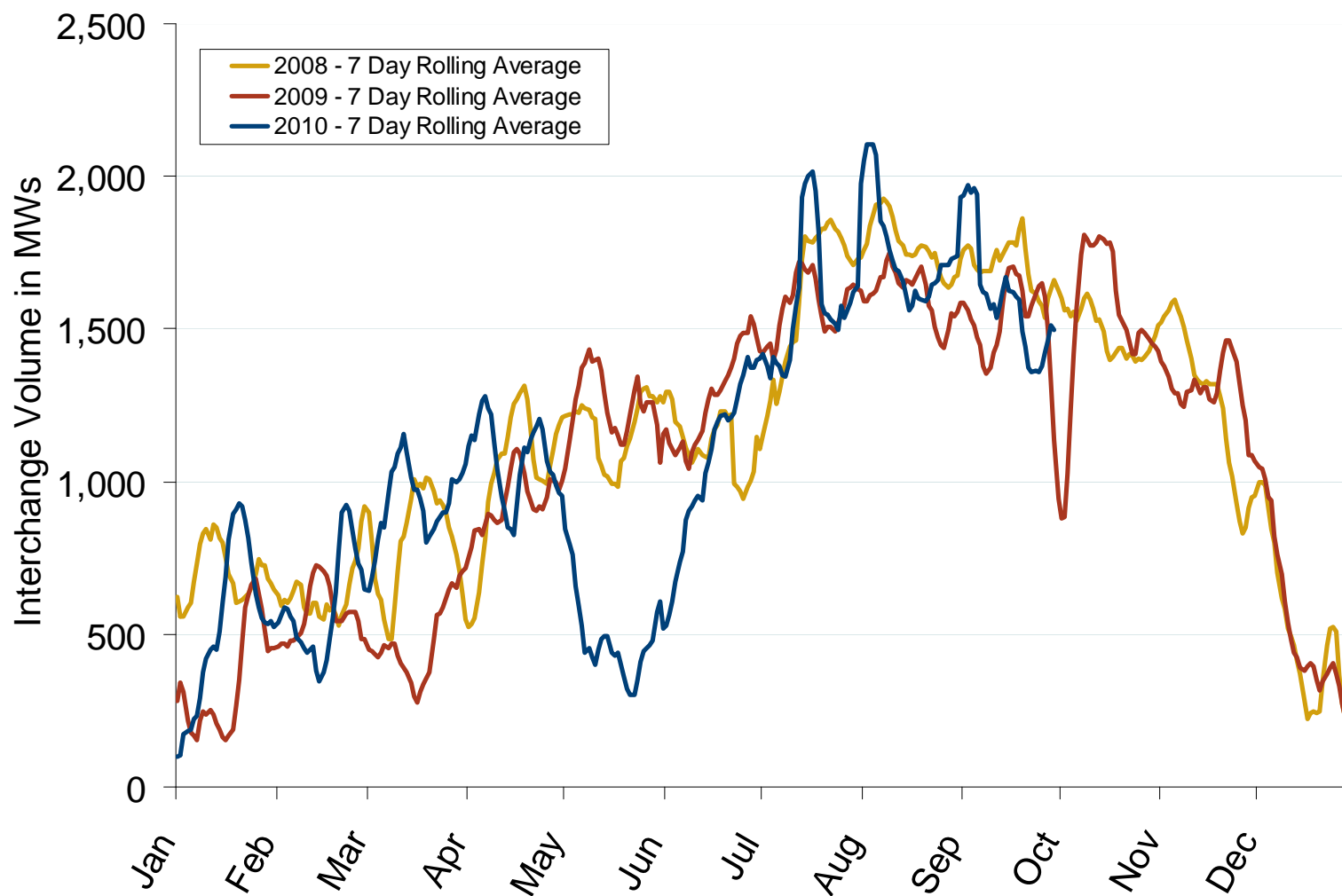
1116

Cinergy Forward and Swap Volumes



Source: Derived from ICE and Nymex ClearPort data. ICE on-peak forward (physical) and swap (financial) volumes are for the Cinergy Hub and include monthly, dual monthly, quarterly, and calendar year contracts traded for each month. Nymex ClearPort on-peak swaps (financial) volume are for the Cinergy Hub traded by month.

Imports into MISO from Manitoba Hydro 2008 - 2010

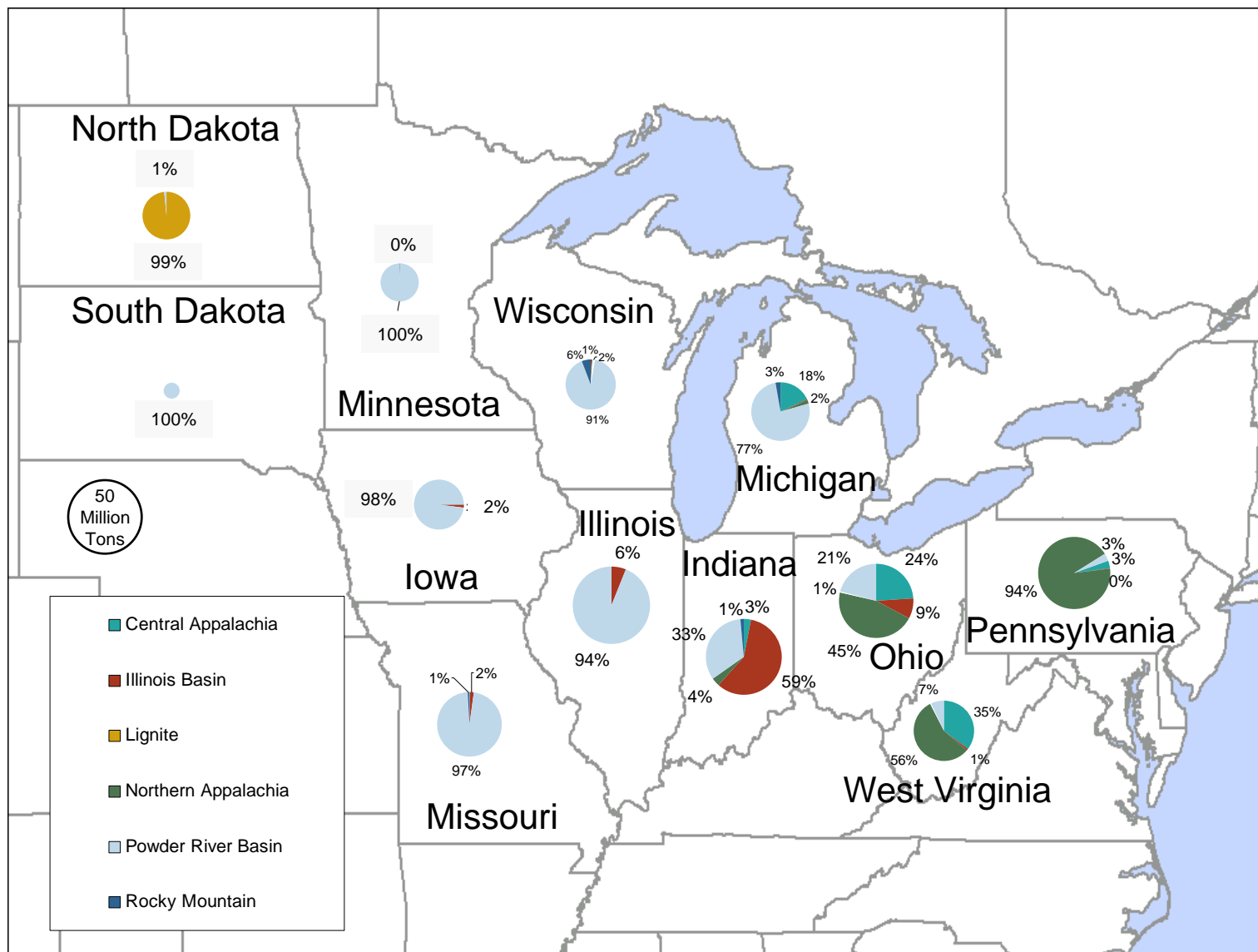


Source: Derived from MISO data.

Updated October 7, 2010

1135

2008 Coal Shipment Origins by Supply Basin



Source: Derived from FERC and EIA data.

Updated March 23, 2009

1195