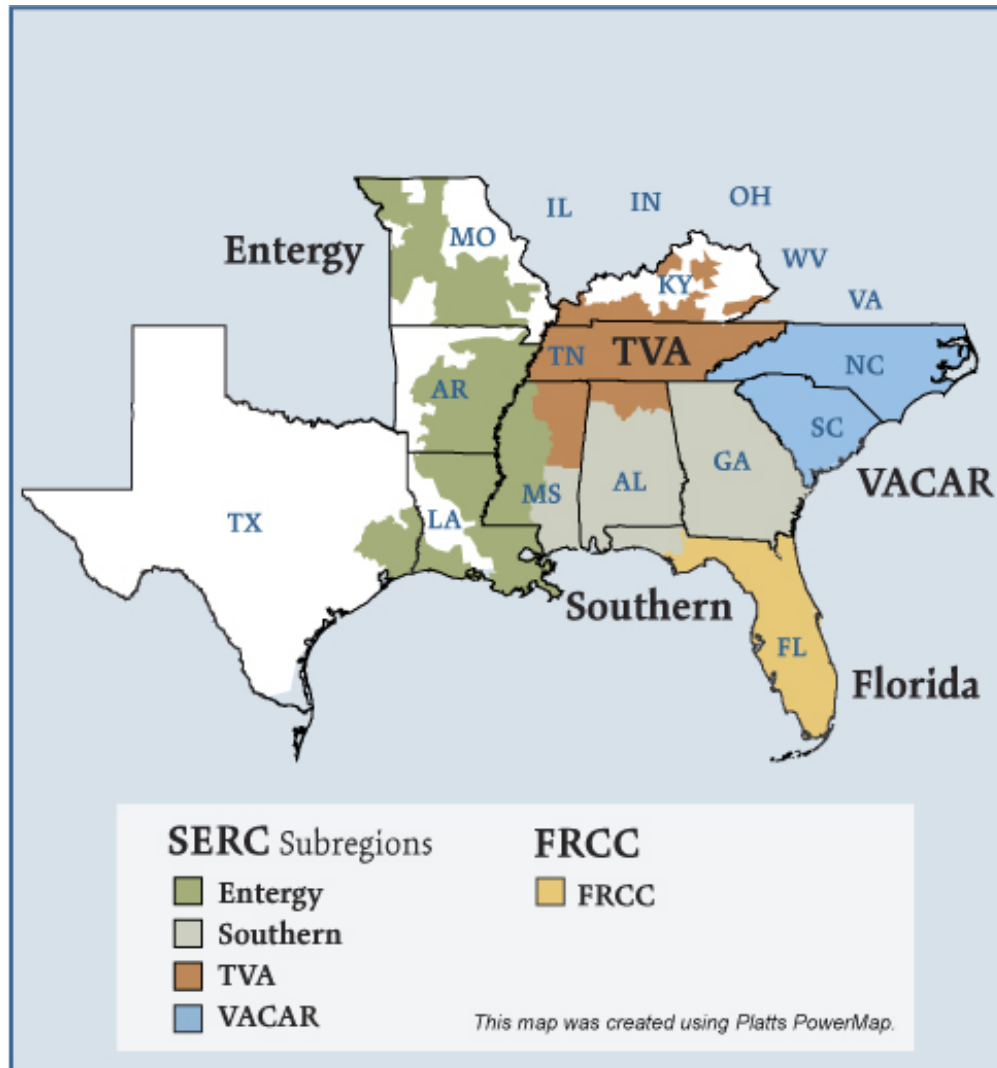


## Southeast Electric Regions



## 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%

## 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

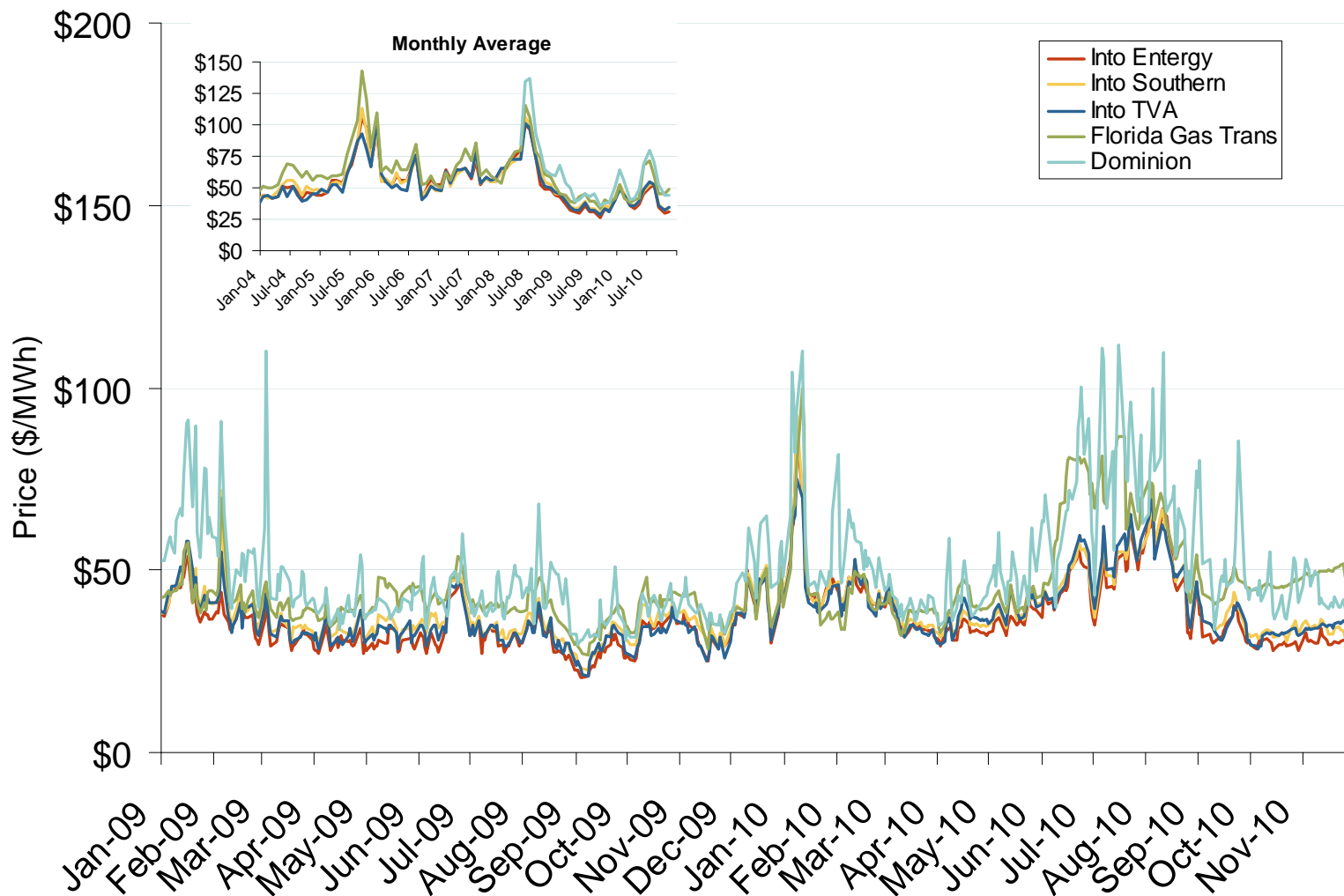
2006: \$55.50/MWh

2007: \$59.10/MWh

## Annual Average Bilateral Prices

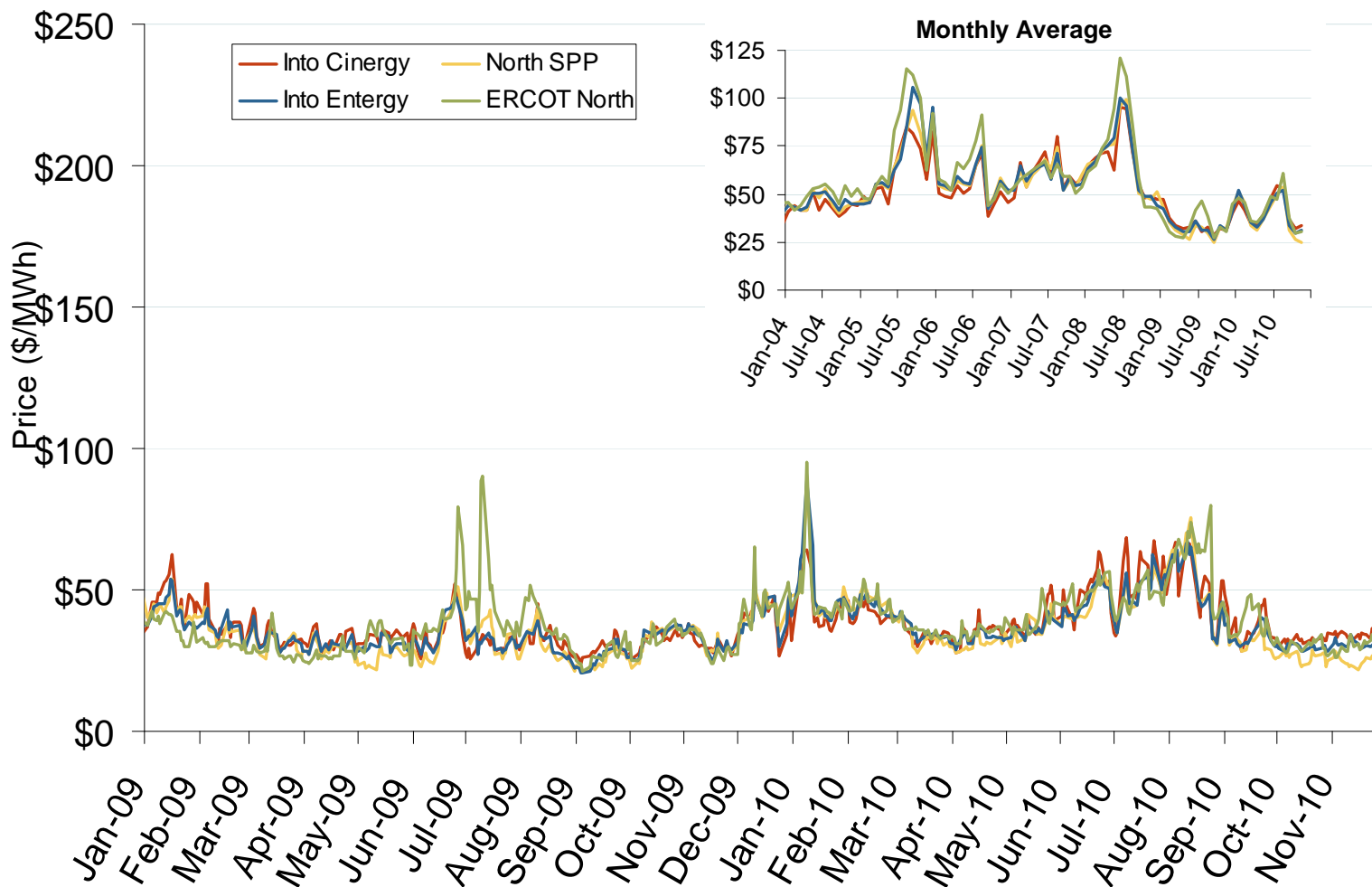
Annual Average Day Ahead On Peak Prices (\$/MWh)						
	2005	2006	2007	2008	2009	5-Year Avg
VACAR	\$71.88	\$56.34	\$60.52	\$70.86	\$36.42	\$59.20
Southern	\$70.84	\$55.50	\$59.10	\$70.13	\$36.58	\$58.43
TVA	\$67.39	\$53.48	\$60.28	\$69.01	\$34.91	\$57.02
Florida	\$85.03	\$64.02	\$65.59	\$74.66	\$40.75	\$66.01
Entergy	\$69.96	\$56.28	\$59.74	\$68.49	\$33.57	\$57.61

# Southeastern Daily Bilateral Day-Ahead On-Peak Prices



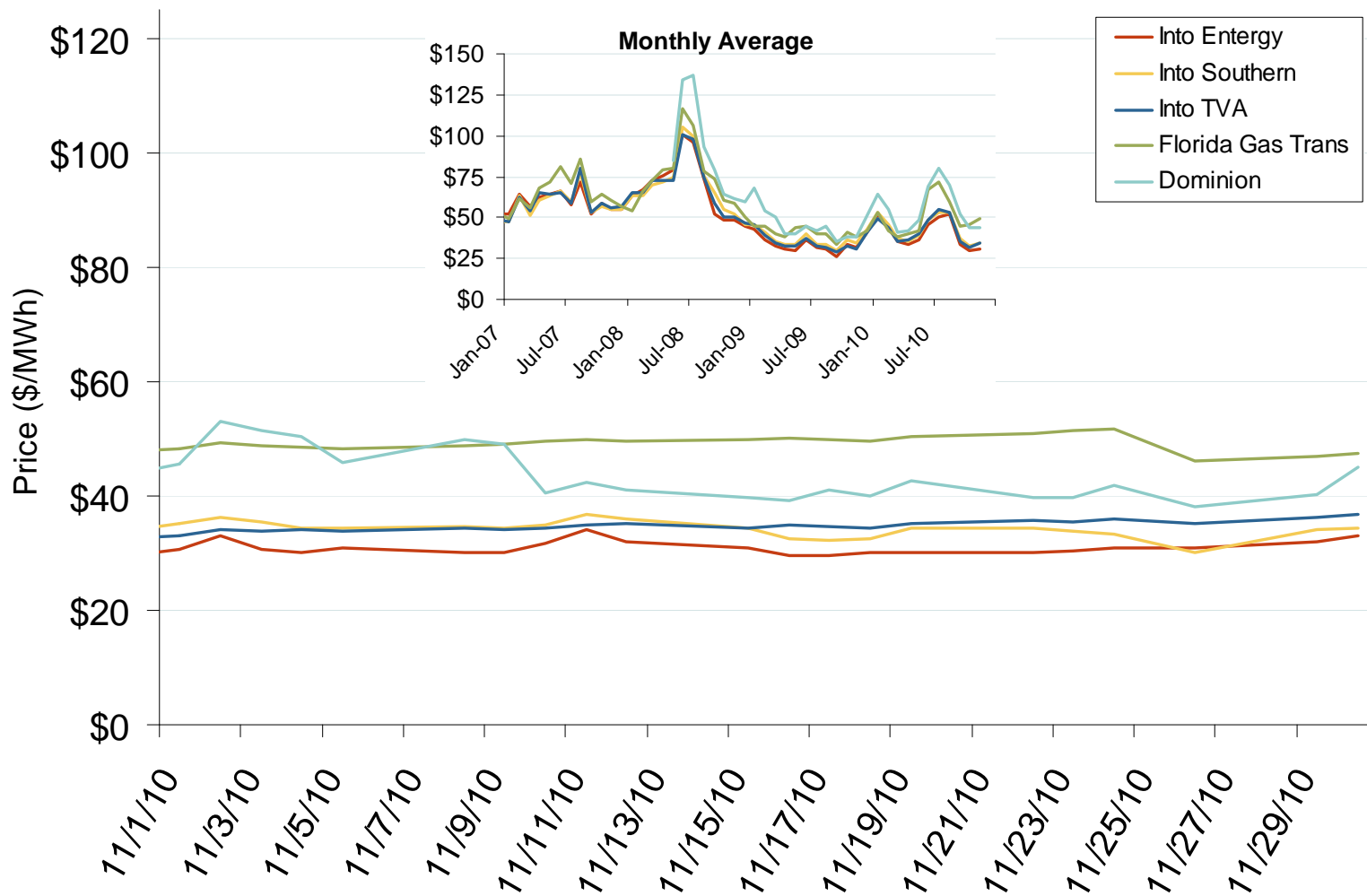
Source: Derived from *Platts* data.

# Midwestern Daily Bilateral Day-Ahead On-Peak Prices



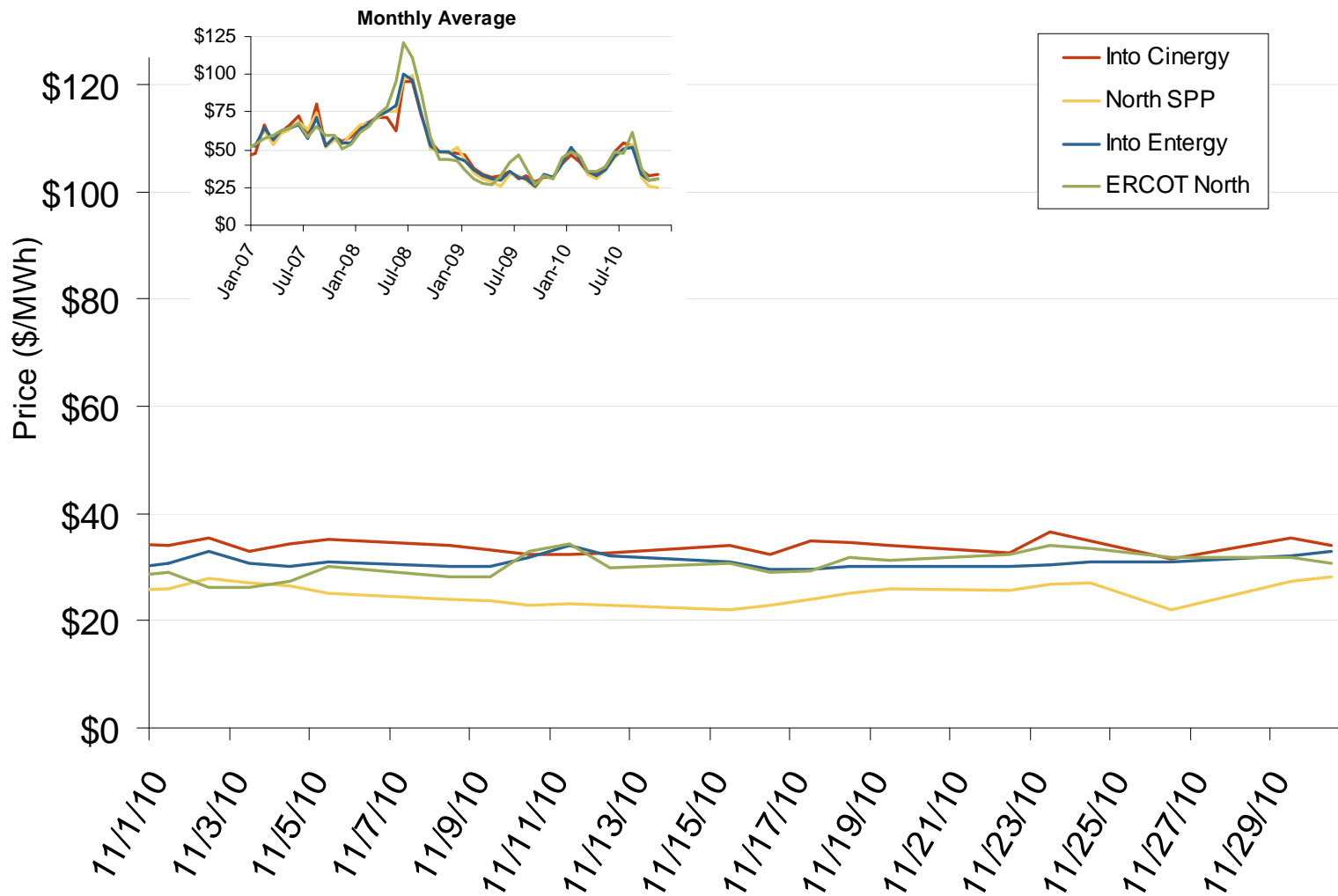
Source: Derived from *Platts* data.

# Southeastern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from Platts data.  
December 2010

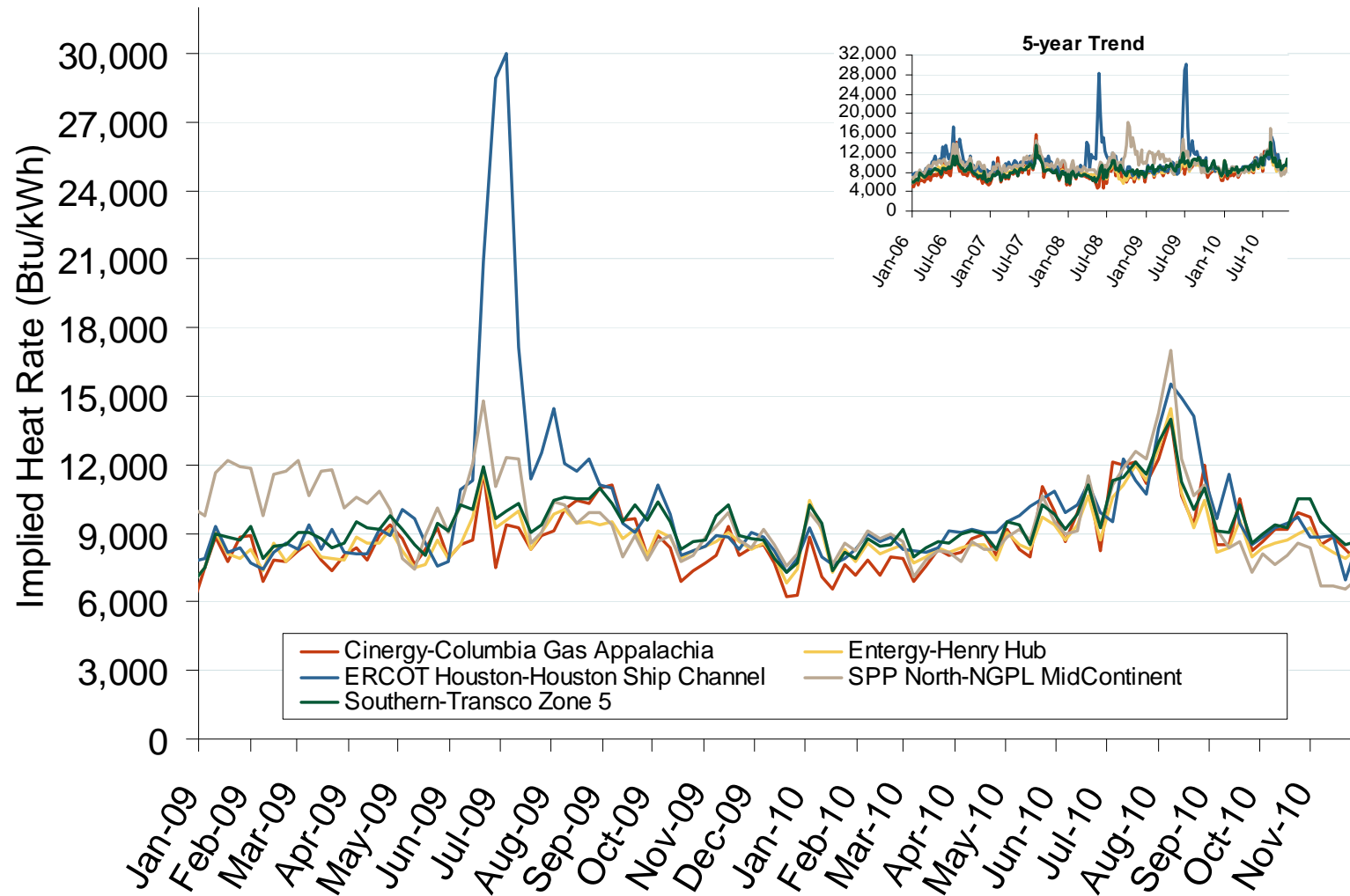
# Midwestern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.  
December 2010

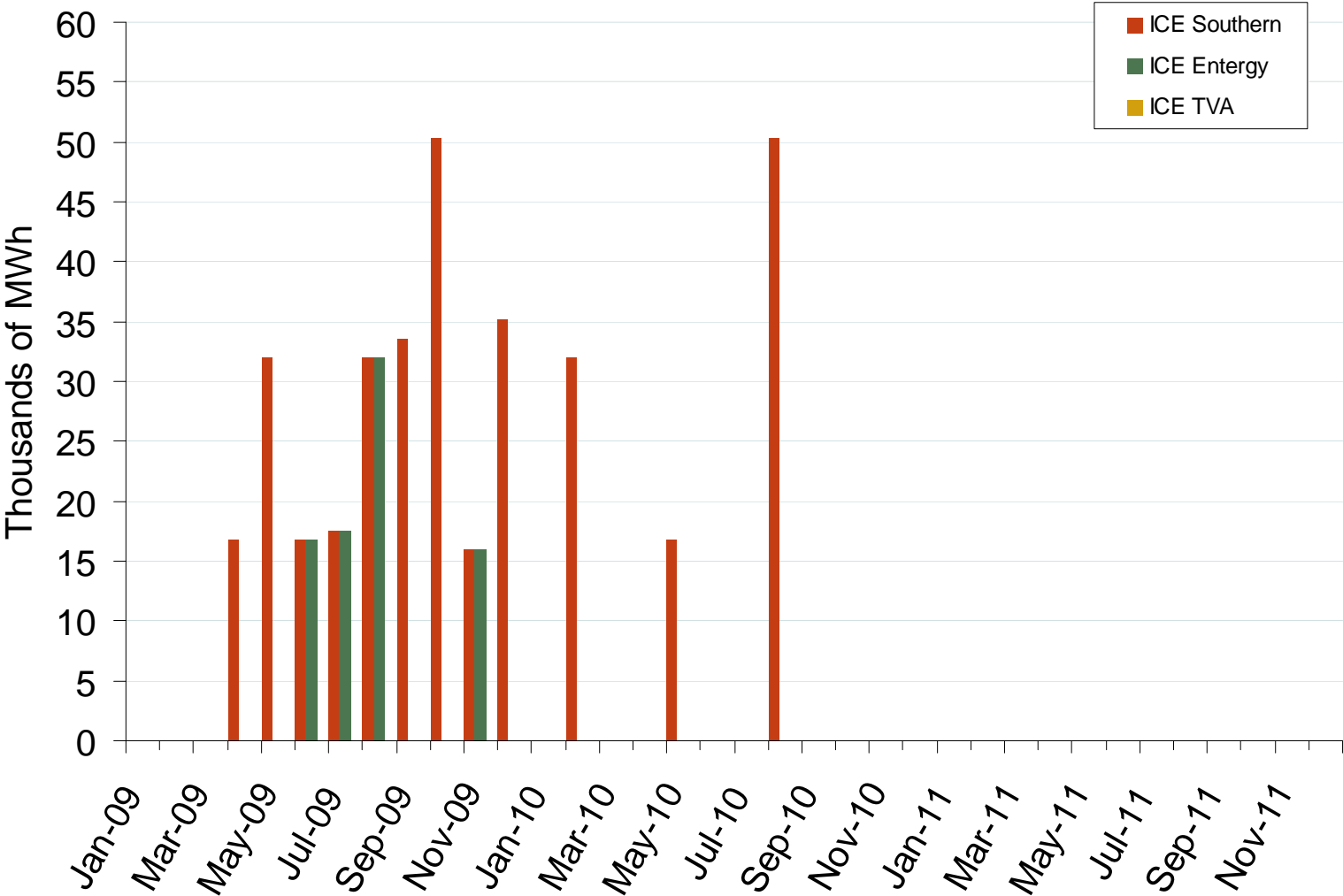


# Implied Heat Rates at South Central Trading Points Weekly Averages



Source: Derived from *Platts* on-peak electric and natural gas price data.  
December 2010

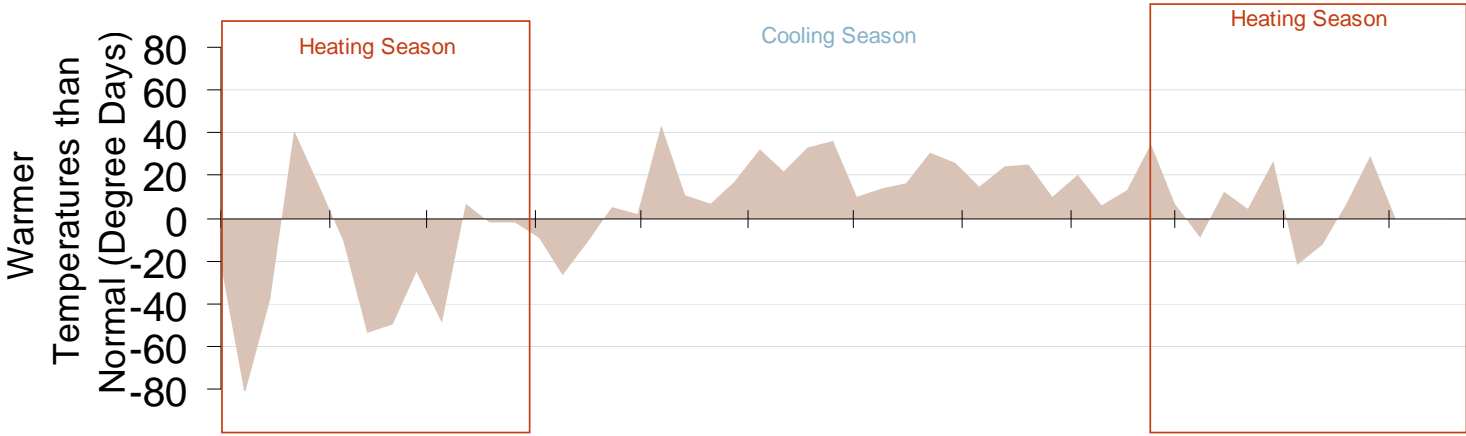
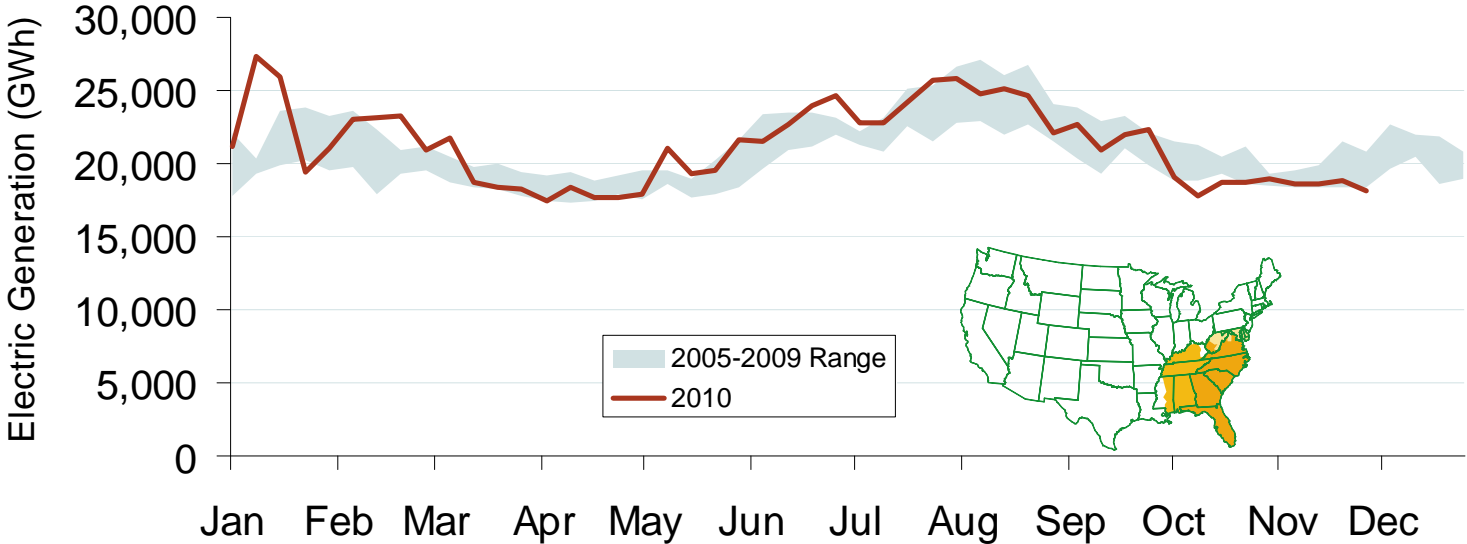
# Southeast Forward Volumes



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.

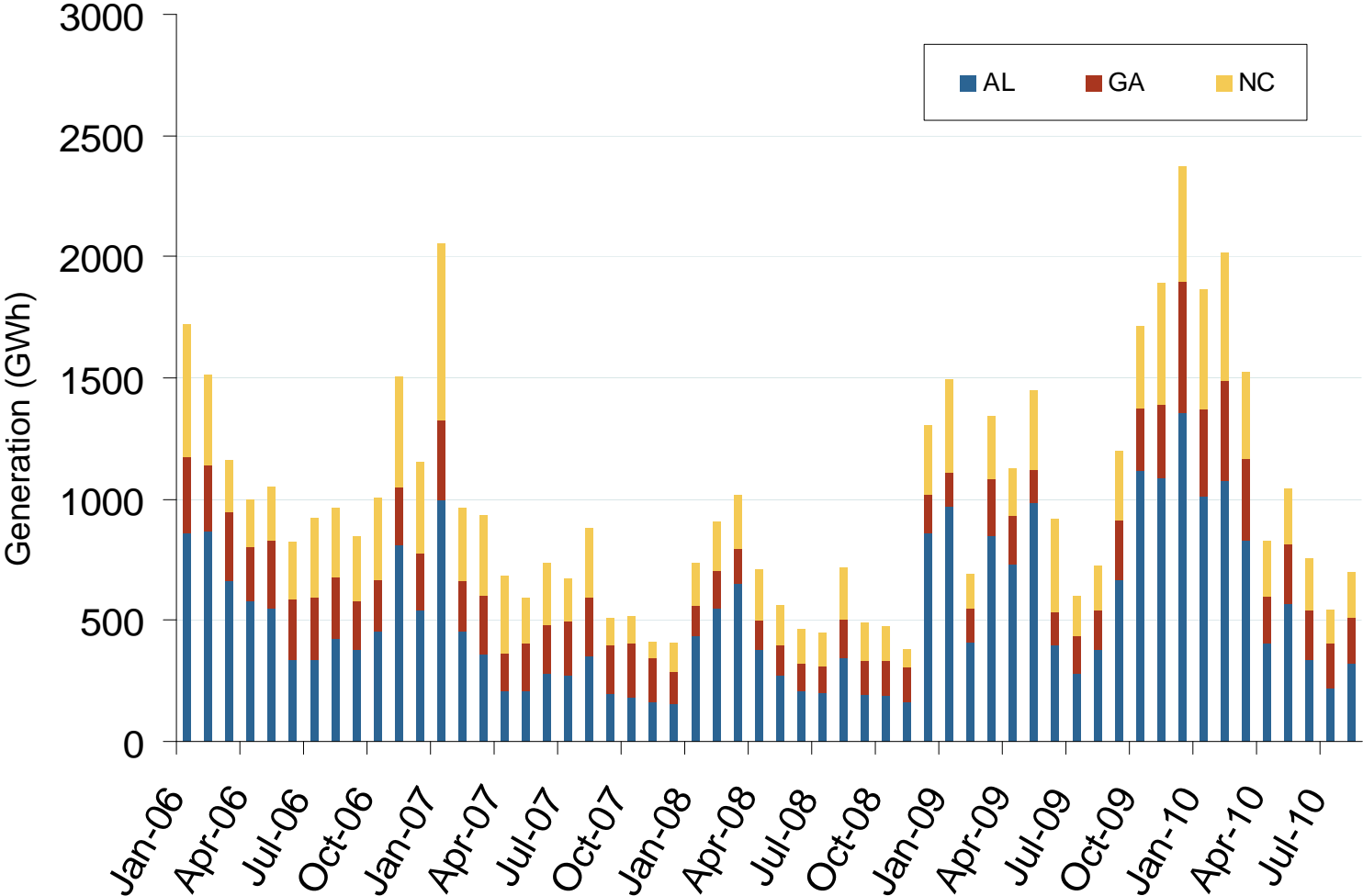
Updated December 8, 2010

# Weekly Electric Generation Output and Temperatures Southeast Region



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

# Monthly Southeastern Hydroelectric Generation



Source: Energy Velocity, Derived from EIA and EPA data.  
December 2010

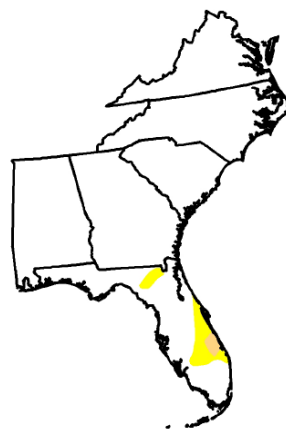
Updated December 8, 2010

# Monthly Southeastern Drought Conditions

## U.S. Drought Monitor Southeast

December 8, 2009  
Valid 7 a.m. EST

	Drought Conditions (Percent Area)					
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	96.4	3.6	0.6	0.0	0.0	0.0
Last Week (12/01/2009 map)	91.8	8.2	1.7	0.0	0.0	0.0
3 Months Ago (09/15/2009 map)	77.5	22.5	10.2	0.1	0.0	0.0
Start of Calendar Year (01/06/2009 map)	65.3	34.7	15.7	5.3	2.8	0.0
Start of Water Year (10/06/2009 map)	82.6	17.4	5.5	1.0	0.0	0.0
One Year Ago (12/09/2008 map)	50.6	49.4	25.5	14.0	7.6	5.0



**Intensity:**  
■ D0 Abnormally Dry  
■ D1 Drought - Moderate  
■ D2 Drought - Severe  
■ D3 Drought - Extreme  
■ D4 Drought - Exceptional

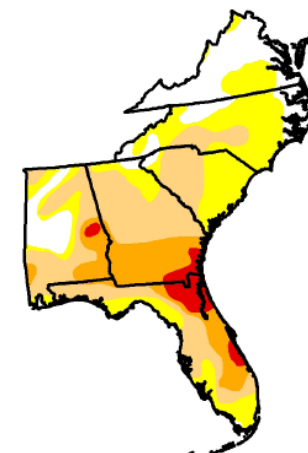
**December 8, 2009**

**December 7, 2010**

## U.S. Drought Monitor Southeast

December 7, 2010  
Valid 7 a.m. EST

	Drought Conditions (Percent Area)					
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	20.2	79.8	50.3	18.2	4.4	0.0
Last Week (11/30/2010 map)	12.9	87.1	50.1	20.3	2.7	0.0
3 Months Ago (09/14/2010 map)	26.3	73.7	29.7	7.1	0.1	0.0
Start of Calendar Year (01/05/2010 map)	99.5	0.5	0.0	0.0	0.0	0.0
Start of Water Year (10/05/2010 map)	37.3	62.7	29.0	6.7	0.8	0.0
One Year Ago (12/08/2009 map)	96.4	3.6	0.6	0.0	0.0	0.0



**Intensity:**  
■ D0 Abnormally Dry  
■ D1 Drought - Moderate  
■ D2 Drought - Severe  
■ D3 Drought - Extreme  
■ D4 Drought - Exceptional