

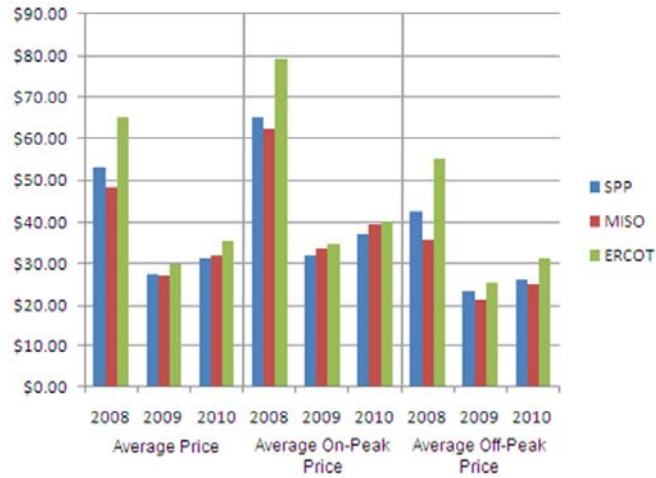


2010 Market Summary

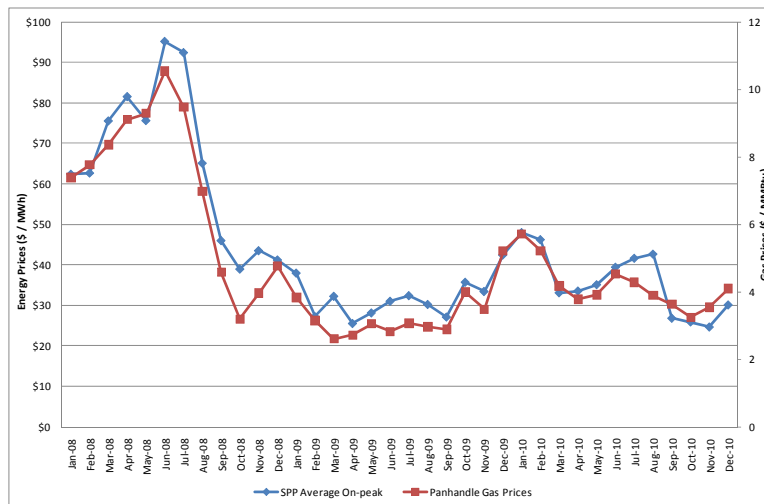
- Overall, market performed well
- Market experienced some significant localized areas of congestion
- No evidence of market power abuse
- Market contains large amounts of excess capacity which does not encourage investment
- SPP exploring interregional issues

OVERALL, MARKET PERFORMED WELL

SPP Prices Competitive Compared to Neighboring Regions



SPP Prices Mirror Gas Prices As Expected



SPP Volatility Low Compared to Neighboring Regions

Region	Average Price	Maximum Price	Minimum Price	Volatility
SPP	\$31.36	\$395.88	-\$124.97	50%
MISO	\$31.88	\$343.36	-\$98.15	59%
ERCOT	\$35.49	\$1,011.86	-\$25.54	105%

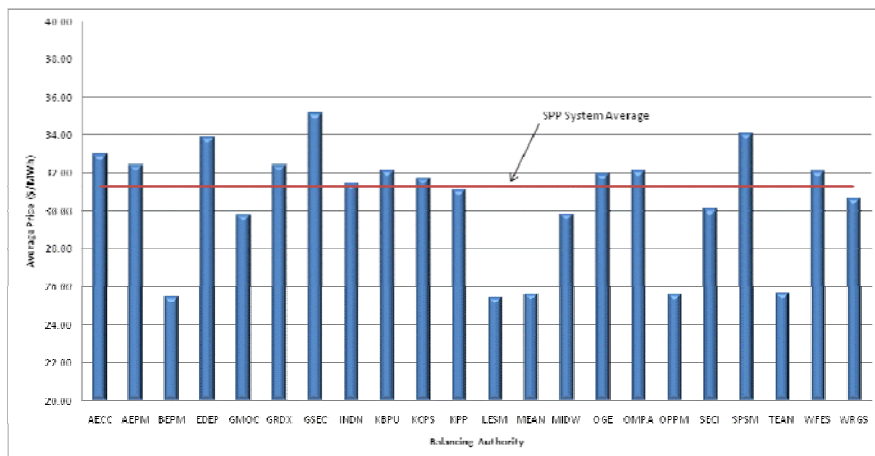
Other Performance Indicators Suggest Healthy Market

- Dispatchable range still following an overall downward trend but the rate of decline has slowed down
- Total available ramp increased slightly
- Ramp deficiencies down overall
- Steady decline in self-dispatched generation
- Coal on the margin increasing over time

MARKET EXPERIENCED SIGNIFICANT LOCALIZED AREAS OF CONGESTION

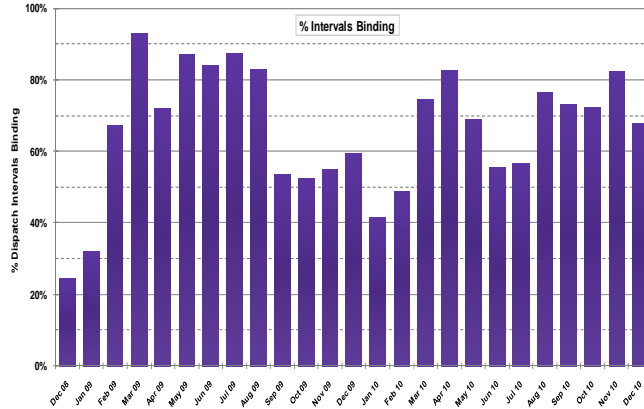
Significant Price Spread between MPs

2010 Average Annual Price by Market Participant



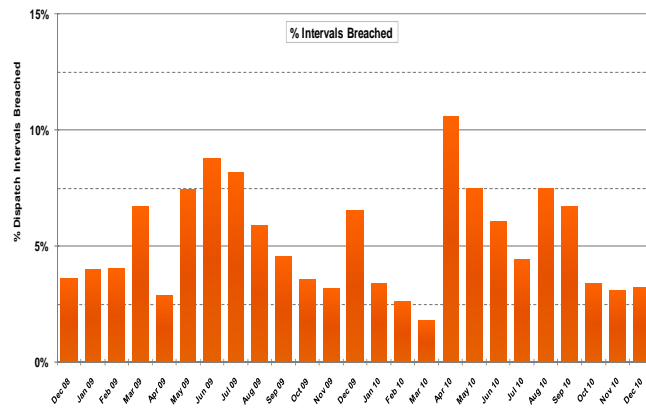
Congestion Sustained Across Time

Intervals with Binding Flowgates



Congestion Sustained Across Time

Intervals with Breached Flowgates



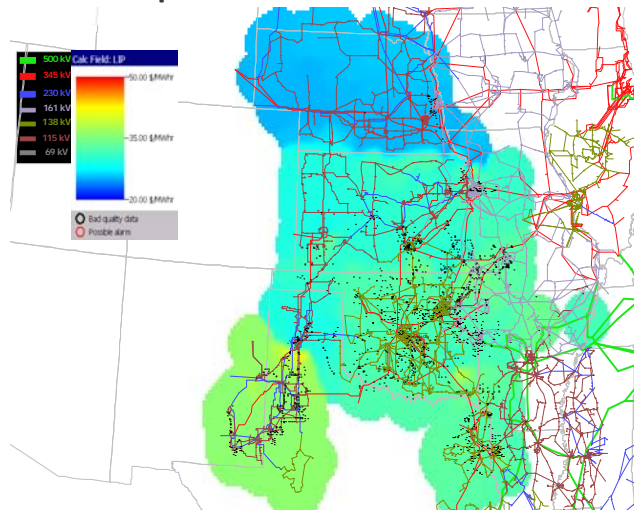
Localized Areas of Congestion Visible

Principal Congested Flowgates by Area

Region	Flowgate Name	Average Hourly Shadow Price (\$/MWh)	Total % Intervals (Breached or Binding)
Texas Panhandle	RANPALAMASWI	\$23.83	15.30%
	OSGCANBUSDEA	\$23.09	16.40%
	SHAXFRTUCOKU	\$4.36	3.00%
SE Kansas	NEOCOLNEODEL	\$10.45	4.30%
SE Oklahoma	LONSARPITVAL	\$11.36	2.70%
Kansas City Area	LAKALASTJHAW	\$9.94	1.60%
	PLAKCISTRERA	\$9.27	1.40%
	LAKALAIATSTR	\$7.70	1.80%
Wichita Area	ELPFARWICWDR	\$7.50	4.30%
SW Kansas	HOLPLYHOLSPE	\$6.31	1.90%

Local Congestion Reflected in Regional Prices

Price Contour Map



NO EVIDENCE OF MARKET POWER

Offer Cap Impact on Prices is Almost Non-existent

Effect of FERC and SPP Offer Caps

Month	% Market Power Intervals	% Mitigated Intervals
Jan-10	9.44%	0.000000%
Feb-10	6.80%	0.000100%
Mar-10	10.61%	0.000100%
Apr-10	7.58%	0.000800%
May-10	9.01%	0.000500%
Jun-10	11.78%	0.000800%
Jul-10	16.21%	0.000100%
Aug-10	21.42%	0.001400%
Sep-10	13.48%	0.000200%
Oct-10	8.97%	0.000000%
Nov-10	6.66%	0.000000%
Dec-10	11.27%	0.000100%
2010 Average	11.17%	0.000338%

Overall, Market is Very Competitive

HHI for Total Generation Capacity	
Year	HHI
2007	1190
2008	1276
2009	970
2010	954

<1000 = competitive or unconcentrated
Between 1000-1800 = moderate concentration
>1800 = highly concentrated market

**SIGNIFICANT EXCESS CAPACITY DOES
NOT ENCOURAGE INVESTMENT**

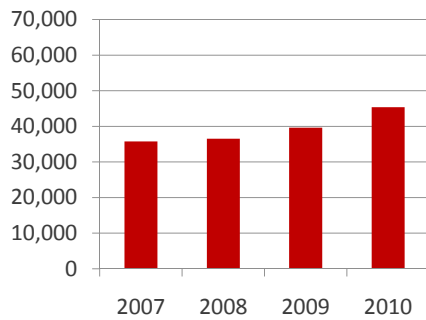
System Load Up

Total System Load (MWh)

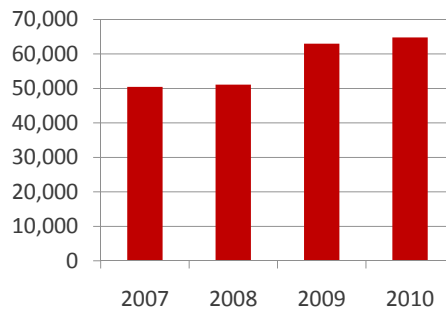
Month	2008	2009	2010
JAN	15,113,486	14,848,933	19,359,032
FEB	13,664,629	12,247,958	17,188,945
MAR	13,440,300	13,107,718	16,618,388
APR	12,819,711	14,452,450	15,124,557
MAY	14,061,726	15,507,512	17,163,476
JUN	16,540,860	18,931,329	21,261,878
JUL	18,638,178	20,643,673	22,994,452
AUG	17,759,991	20,293,356	24,403,925
SEP	14,113,763	16,634,983	18,583,166
OCT	13,020,357	15,521,744	15,972,880
NOV	12,828,939	15,453,570	15,893,856
DEC	14,844,294	19,163,485	18,465,814

Excess Capacity Continues to Grow

Annual Peak Demand (MW)



Annual Total Capacity (MW)



Year	Reserve Margin
2007	29.09%
2008	28.51%
2009	37.12%
2010	29.97%

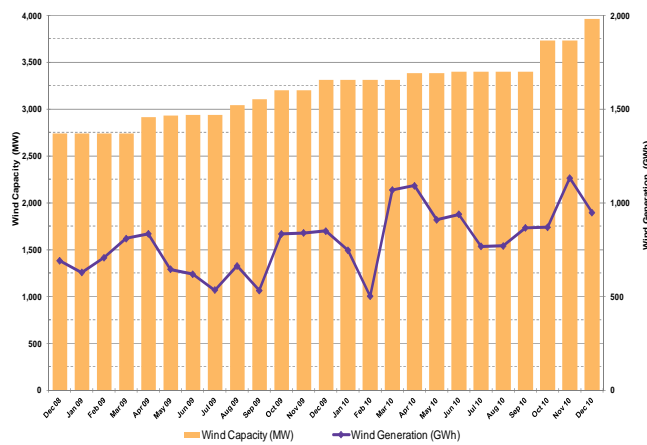
Market had Several Capacity Additions

Capacity Additions by Fuel Type

Fuel Type	Capacity Addition
Coal	1297
Gas	575
Oil	20
Other	6
Wind	621
Total	2519

Wind Capacity Continues to Increase

Wind Capacity and Generation



SPP EXPLORING INTERREGIONAL ISSUES

Interregional Issues

- SPP is neighbor of 7 other entities
- Operational and structural differences can cause discrepancies in
 - Prices
 - Cost allocation
 - Responses to constrained elements
- Several activities underway to address differences
 - Direct discussions between RTO operations groups
 - CMPWG: Seams Steering Committee and Task Force

Interregional Issues Requiring Further Study

- Initial analysis identified issues requiring further study and resolution:
 - Improvement of market flow calculations
 - Improvement of coordinated planning
 - Comprehensive cost allocation methodology
 - Parallel flow visualization methodology

Conclusions

Positive Market Developments

- Overall, market performing well
- Integrated Marketplace design includes best practices

Pressing Issues

- Price separation between market participants
- Interregional issues