

2007 Year in Review



Midwest ISO Cornerstones

- Customer Service
- Effective Communication
- Operational Excellence

Balancing Authority Functional Alignment and Ancillary Services Market (ASM) Project

2007 Milestones:

- February – FERC Filing #1
- September – FERC Filing #2
- September – Infrastructure Completed
- October/November – Completed Business Process Testing (BPT) Phase 1
- December – Completed Balancing Authority (BA) Certification Phase 1

Project Remains on Schedule for 2008

Real-time Operations

- Five Members Set New All-Time Peaks
- NERC Notes Six Examples of Excellence during Reliability Readiness Audit
- Provided 100 Hours of Training Per Real-Time Employee

Market Operations Improvements

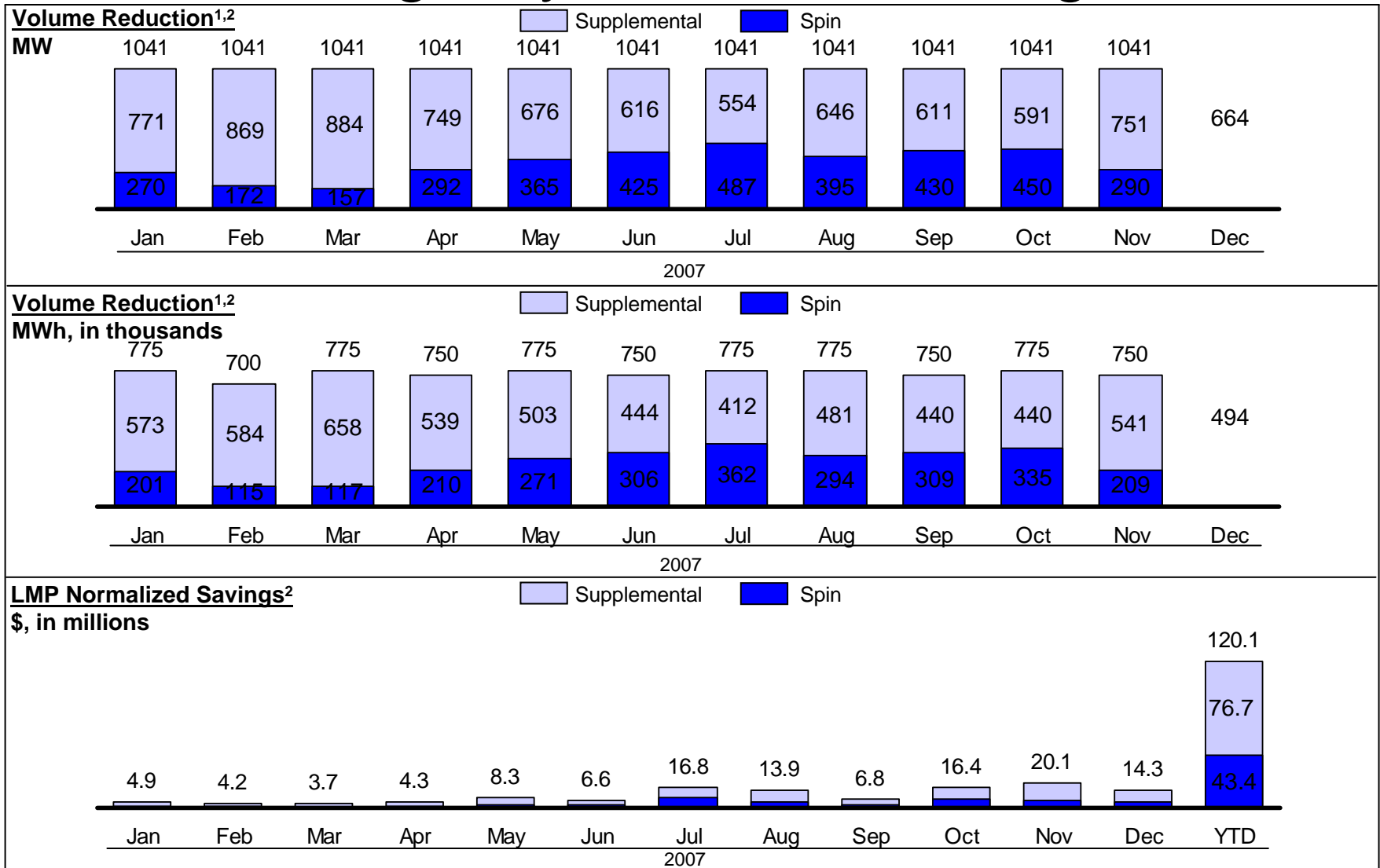
- >98 Percent On-Time Posting of Day-Ahead Results
- Short-Term and Mid-Term Load Forecasting
- Day-Ahead and Real-Time Market Solutions

Contingency Reserve Sharing

January 31:

- Successful Launch of Midwest Contingency Reserve Sharing Group (CRSG)
 - Saved More Than \$120 Million by Reducing Reserve Volume by Almost 12,500 MWHs

Contingency Reserve Sharing



1 - Data is self-scheduled and as supplied by Balancing Authorities, causing the variation in volumes from the Contingency Reserve Requirements

2 - Reductions and savings calculated as the savings over the same month in the previous year

Value Proposition is reviewed with stakeholders

www.midwestmarket.org/page/Value%20Proposition

Reliability, Efficiency, Development.

Balancing an increasing demand for electricity against an aging electric transmission infrastructure requires a commitment to protecting reliability, an independent eye to maintain equal treatment and fair access to the transmission system, and a strong desire to seek cost-effective ways to improve the way energy is delivered.

This is the charge of the more than 700 employees and 300 Market Participants who form the Midwest ISO.

Every day, we protect the reliable delivery of energy across thousands of miles of high-voltage electric transmission lines in the Midwest. In addition, we provide fair opportunity for all interested parties to participate in serving the electric energy needs of consumers in 15 states and the Canadian province of Manitoba. We do all of this with an eye to the future, identifying improvements to be made to the wholesale bulk electric power system.

Find out more about how we and our members are energizing the heartland.

Benefits of Midwest ISO

The Midwest ISO is the first federally approved Regional Transmission Organization (RTO) and the sole North American RTO built from the ground up. Since it began operations in 2001, the Midwest ISO has faced its share of challenges and successes. Through it all, the staff and members of the Midwest ISO continue to focus on identifying ways to improve reliability and increase efficiency in the delivery of electric energy in the Midwest.

Almost a decade after initial formation discussions began, Midwest ISO services provide annual benefits of between \$355 million and \$950 million. These benefits derive from improved reliability, increased efficiencies in the use of generation resources, and improved regional planning. During the next 10 years this savings is expected to provide net benefits to the region of between \$4.6 billion and \$6.9 billion.

As shown in the chart below, these benefits flow from a number of areas. The following briefly describes each benefit area.

- Improved Reliability** – Since the establishment of the Midwest ISO, the use of the region's electric system has undergone significant change as infrastructure built primarily for local use is operated on a regional basis. Despite this increased pressure on the grid, analysis of distribution data available from the North

Midwest ISO Annual Benefit by Value Driver¹ (in millions)

Value Driver	Benefit (in millions)
Improved Reliability	200
Dispatch of Energy	60
Dispatch of Resources	40
Contingency Reserves	10
Generation Investment Deferral	10
Green Benefits	10
Midwest ISO Cost Action	10
Net Benefits	950

¹Figures shown reflect annual benefits and costs reflected in 2007 dollars. These benefits reflect both verified achieved benefits (such as improved reliability, dispatch of energy and contingency reserves) and projected future benefits (such as the dispatch of reserves via the Auxiliary Services Market initiative).

Customer Service Milestones

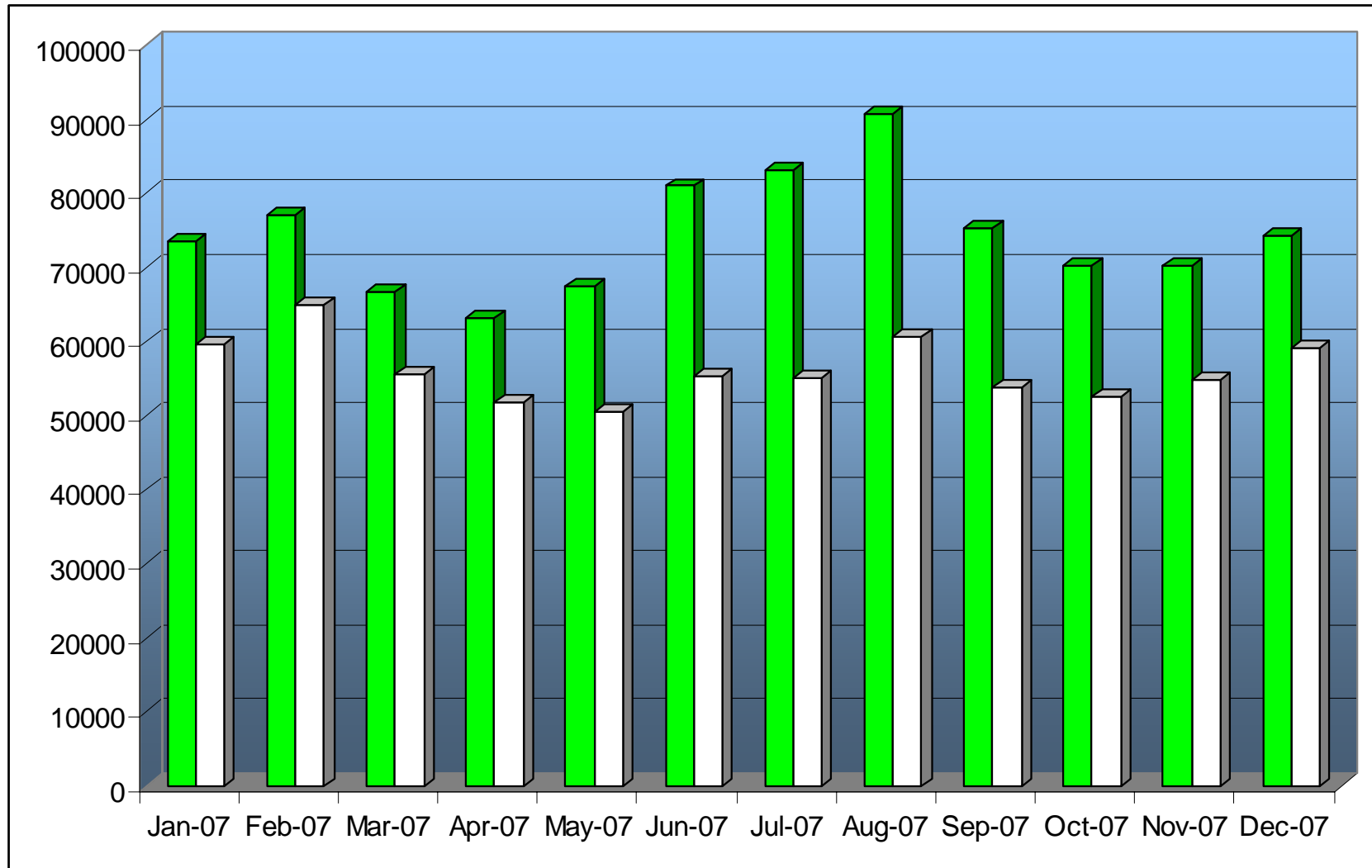
- Gained 10 New Members
- Gained 24 Market Participants
- Provided Training to 1,300+ Students
- Provided More Than 4,000+ Continuing Education Hours to Students

Legal

- April 2007 - Filed the Redispatch Agreement with East Kentucky Power Cooperative (“EKPC”), which is intended to alleviate transmission constraints on EKPC’s flowgates. Under the agreement, the Midwest ISO agrees to compensate EKPC when the cooperative is asked by the Midwest ISO and agrees to redispatch units to accommodate some of the Midwest ISO’s power flows and relieve congestion on the bulk electric transmission system.
- Sept. 2007 - Filed revisions and amendments to the Open Access Transmission and Energy Markets Tariff relating to the implementation of Day-Ahead and Real-Time Energy and Ancillary Services Markets (“Tariff”) to integrate changes relating to proposed amendments to the Balancing Authority Agreement.

Average Day-Ahead MW Supply Cleared

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead MW Supply Cleared

Average Hour-Ending (HE) High:

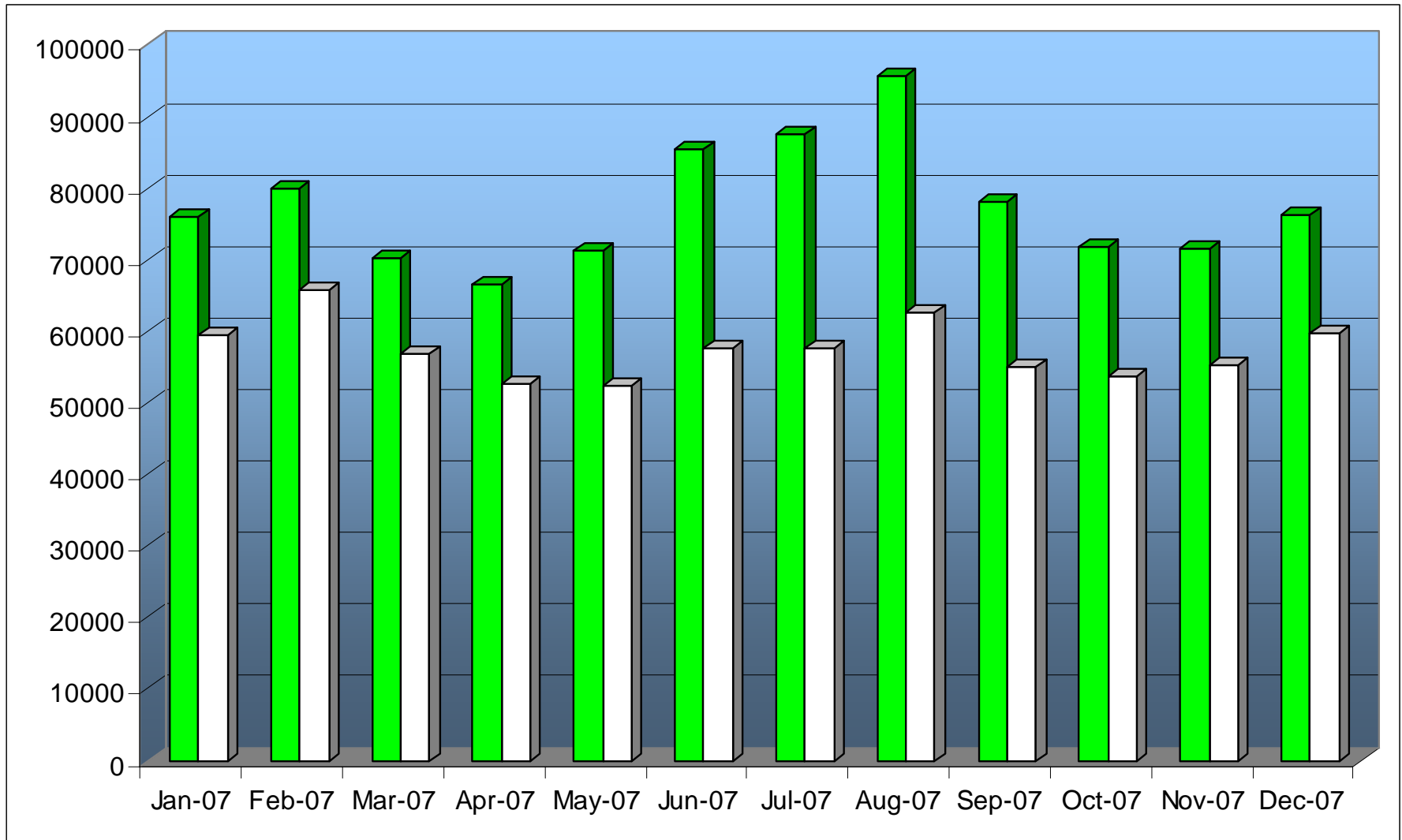
- Jan. 07: HE 20 - 73549.87
- Feb. 07: HE 20 - 77028.06
- Mar. 07: HE 20 – 66750.06
- Apr. 07: HE 11 - 63029.18
- May 07: HE 14 - 67439.66
- June 07: HE 17 - 80968.59
- July 07: HE 17 – 83119.23
- Aug. 07: HE 17 – 90713.27
- Sept. 07: HE 16 – 75370.65
- Oct. 07: HE 19 – 70249.79
- Nov. 07: HE 19 – 70151.59
- Dec. 07: HE 20 – 74387.94

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 4 – 59503.4
- Feb. 07: HE 4 – 64951.79
- Mar. 07: HE 3 – 55520.35
- Apr. 07: HE 3 – 51873.59
- May 07: HE 4 – 50481.69
- June 07: HE 4 – 55409.05
- July 07: HE 4 – 55097.15
- Aug. 07: HE - 60533.07
- Sept. 07: HE – 53751.11
- Oct. 07: HE – 52418.84
- Nov. 07: HE – 54838.54
- Dec. 07: HE – 59119.16

Day-Ahead Demand MW Cleared

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead Demand MW Cleared

Averaged Hour-Ending (HE) High:

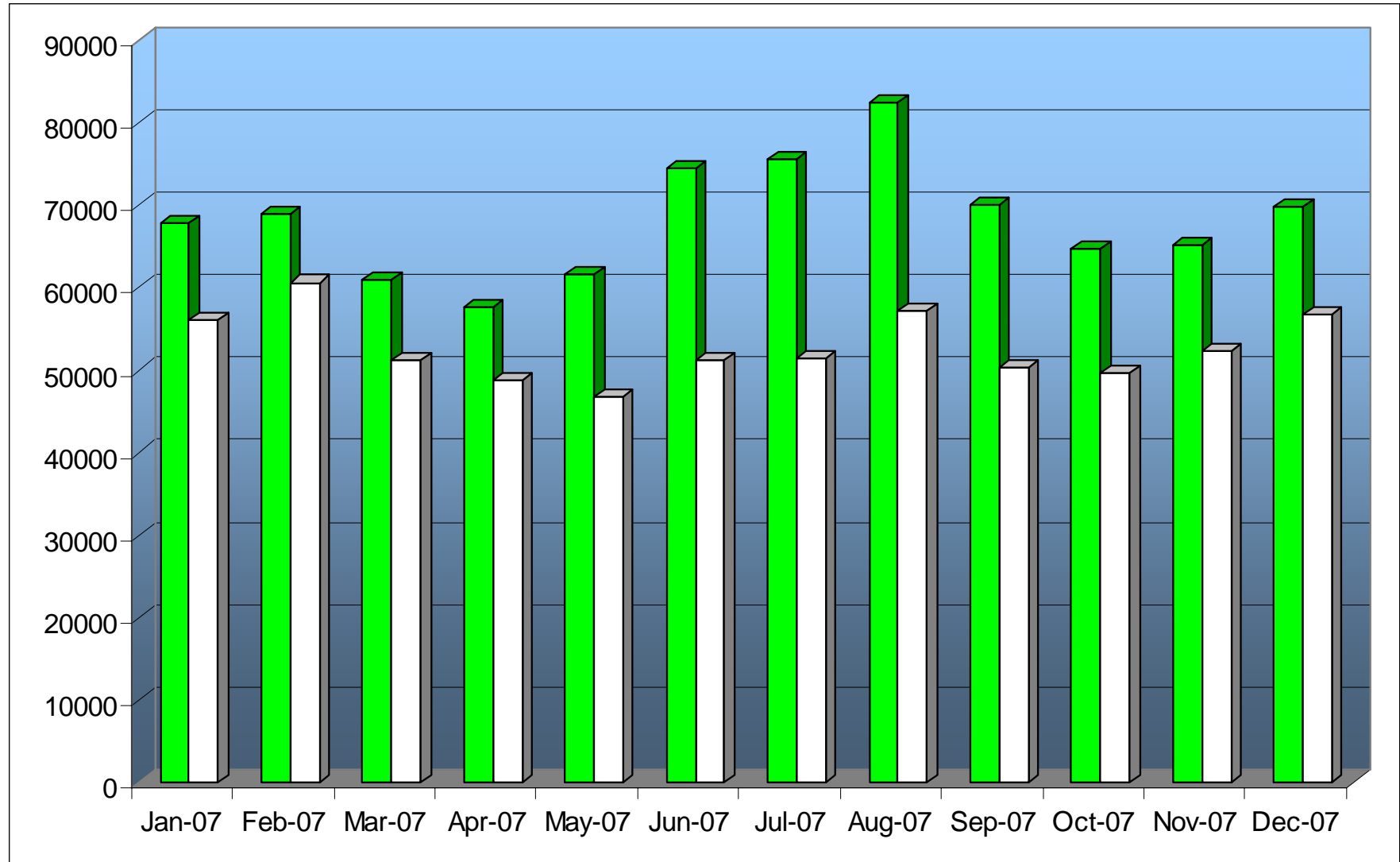
- Jan. 07: HE 19 – 75914.64
- Feb. 07: HE 20 – 80001.4
- Mar. 07: HE 20 – 70267.98
- Apr. 07: HE 11 – 66444.23
- May 07: HE 14 – 71176.85
- June 07: HE 16 – 85325.8
- July 07: HE 17 – 87544.37
- Aug. 07: HE 17 – 95753.02
- Sept. 07: HE 16 – 78152.28
- Oct. 07: HE 19 – 71658.69
- Nov. 07: HE 19 – 71620.72
- Dec. 07: HE 19 – 76305.88

Averaged Hour-Ending (HE) Low :

- Jan. 07: HE 4 – 59538.71
- Feb. 07: HE 4 – 65628.64
- Mar. 07: HE 3 – 56893.58
- Apr. 07: HE 3 – 52707.87
- May 07: HE 3 – 52239.01
- June 07: HE 4 – 57593.11
- July 07: HE 4 – 57576.85
- Aug. 07: HE 4 – 62630.83
- Sept. 07: HE 4 – 55107.39
- Oct. 07: HE 3 – 53559.81
- Nov. 07: HE 4 – 55373.99
- Dec. 07: HE 4 – 59727.83

Day-Ahead MW Physical Supply Cleared

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead MW Physical Supply Cleared

Averaged Hour-Ending (HE) High:

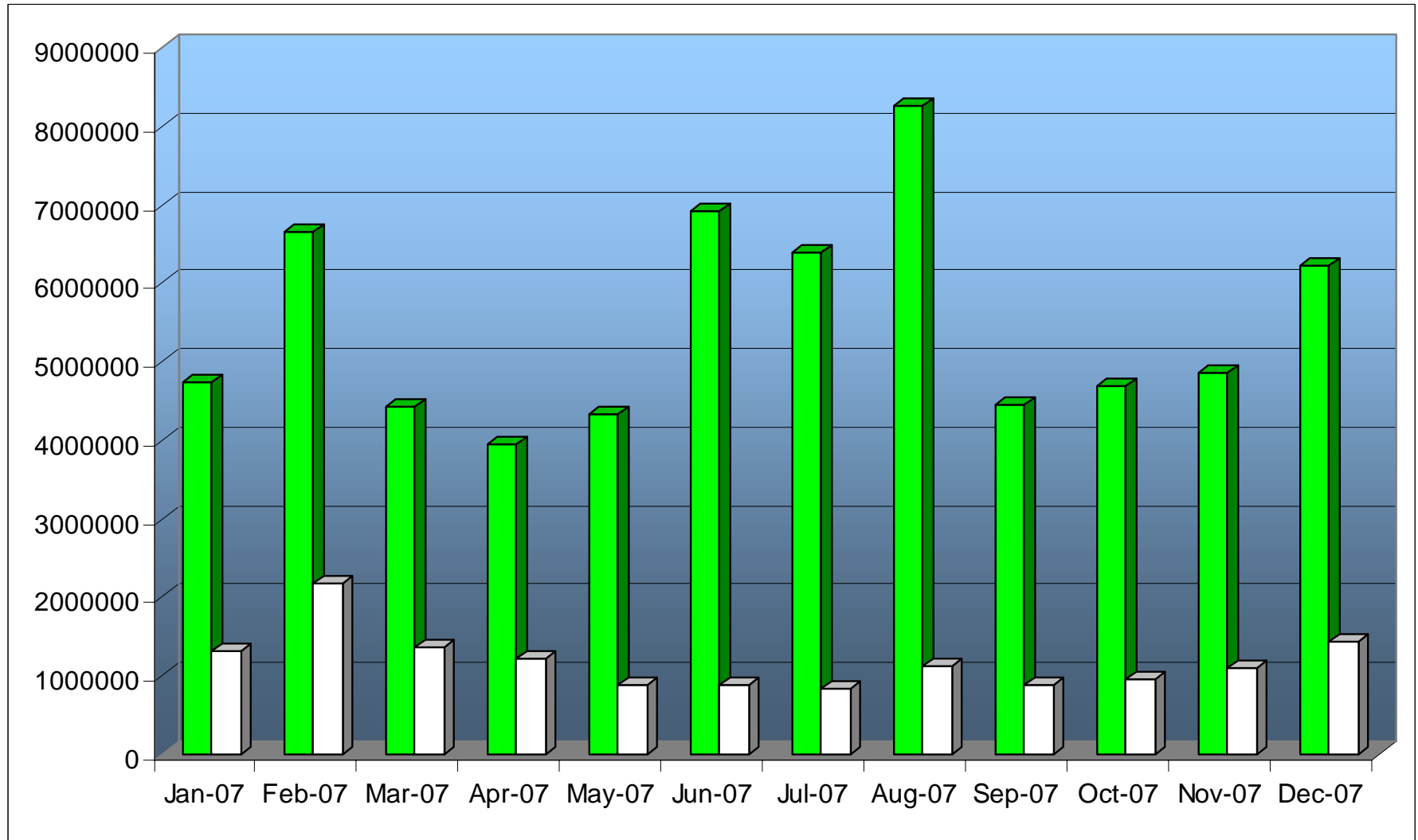
- Jan. 07: HE 19 – 67785.24
- Feb. 07: HE 20 – 69040.95
- Mar. 07: HE 20 – 60943.1
- Apr. 07: HE 11 – 57688.89
- May 07: HE 15 – 61652.31
- June 07: HE 16 – 74524.73
- July 07: HE 16 – 75660.85
- Aug. 07: HE 16 – 82418.28
- Sept. 07: HE 16 – 69973.29
- Oct. 07: HE 20 – 64803.7
- Nov. 07: HE 19 – 65102.94
- Dec. 07: HE 19 – 69851.09

Averaged Hour-Ending (HE) Low :

- Jan. 07: HE 4 – 56088.7
- Feb. 07: HE 4 – 60644.28
- Mar. 07: HE 3 – 51179.25
- Apr. 07: HE 3 – 48733.23
- May 07: HE 3 – 46867.9
- June 07: HE 4 – 51305.84
- July 07: HE 4 – 51348.91
- Aug. 07: HE 4 – 57278.34
- Sept. 07: HE 4 – 50238.59
- Oct. 07: HE 3 – 49592.45
- Nov. 07: HE 4 – 52277.06
- Dec. 07: HE 4 – 56699.65

Day-Ahead Dollars Physical Supply Cleared

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead Dollars Physical Supply Cleared

Averaged Hour-Ending (HE) High:

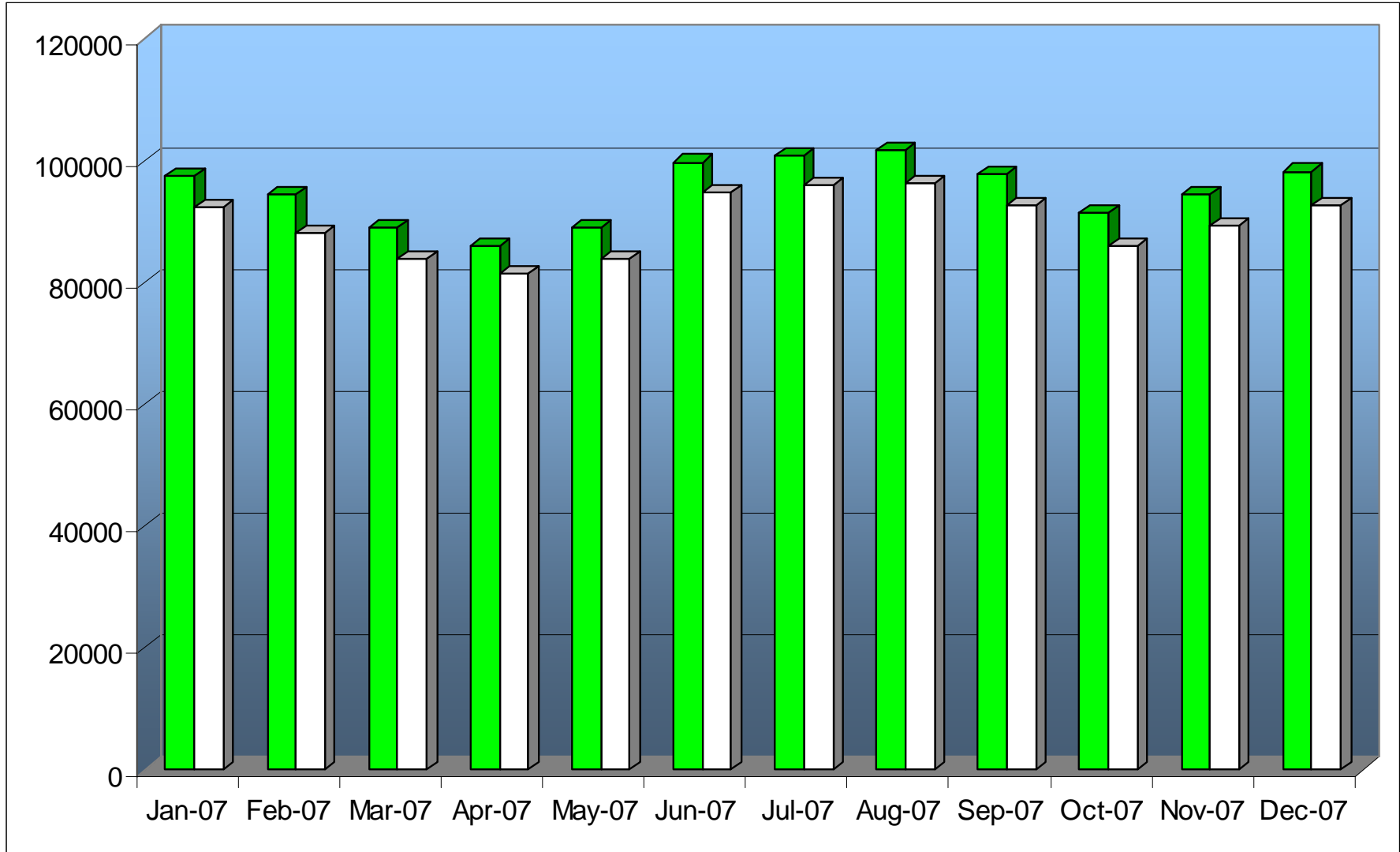
- Jan. 07: HE 19 – 67785.24
- Feb. 07: HE 20 – 69040.95
- Mar. 07: HE 20 – 60943.1
- Apr. 07: HE 10 – 57688.89
- May 07: HE 15 – 61652.31
- June 07: HE 16 – 74524.73
- July 07: HE 16 – 75660.85
- Aug. 07: HE 16 – 82418.28
- Sept. 07: HE 16 – 69973.29
- Oct. 07: HE 19 – 64803.7
- Nov. 07: HE 19 – 65102.94
- Dec. 07: HE 19 – 69851.09

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 4 – 1305597.79
- Feb. 07: HE 5 – 2180364.62
- Mar. 07: HE 4 – 1370398.23
- Apr. 07: HE 3 – 1216507.5
- May 07: HE 3 – 894580.17
- June 07: HE 4 – 884681.77
- July 07: HE 4 – 845541.31
- Aug. 07: HE 4 – 1127777.25
- Sept. 07: HE 4 – 878406.79
- Oct. 07: HE 3 – 959779.16
- Nov. 07: HE 4 – 1101082.85
- Dec. 07: HE 4 – 1443412.92

Day-Ahead Generation Resource Offer

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead Generation Resource Offer

Averaged Hour-Ending (HE) High:

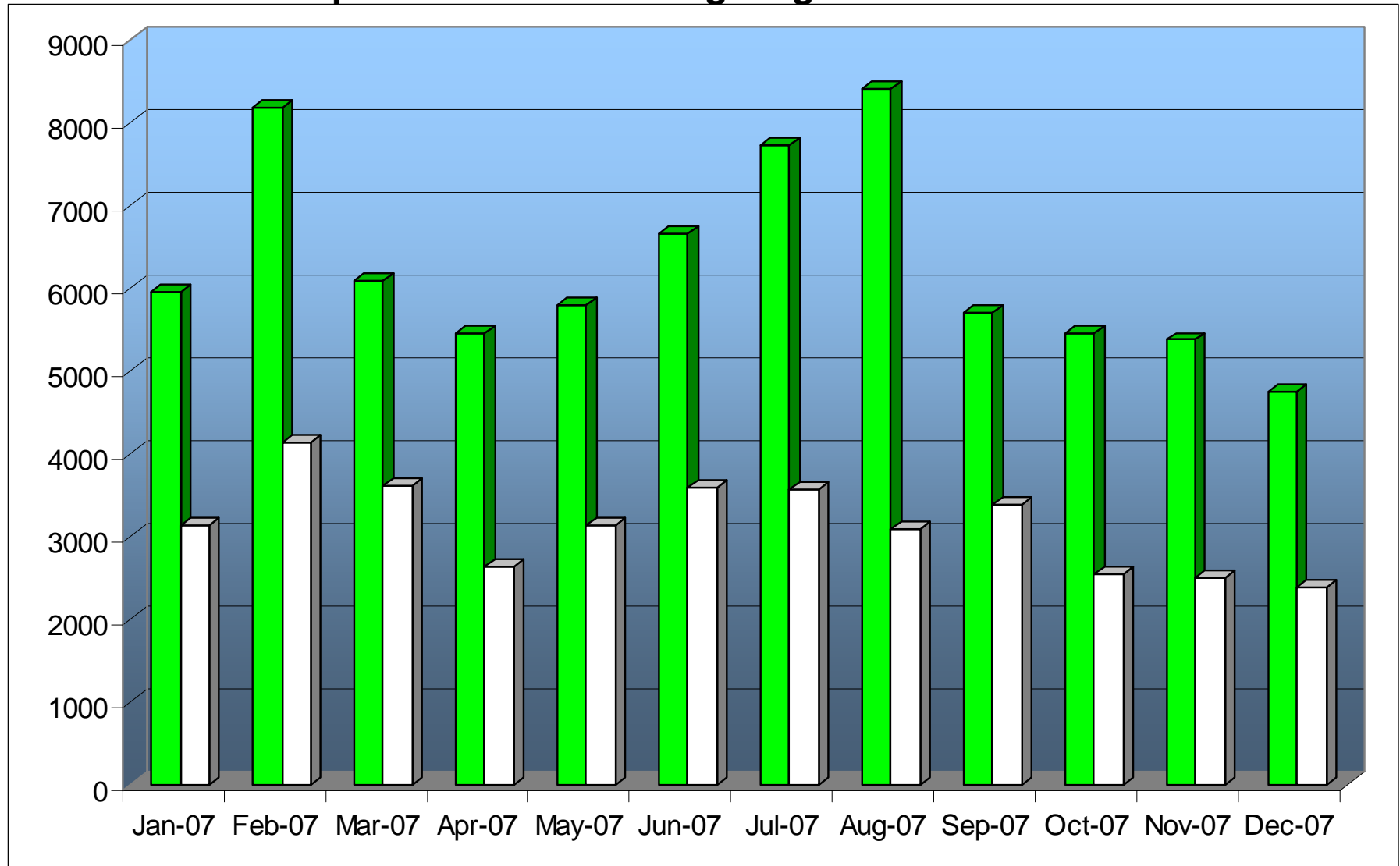
- Jan. 07: HE 20 – 97419.54
- Feb. 07: HE 20 – 94419.36
- Mar. 07: HE 20 – 89152.41
- Apr. 07: HE 19 – 85917.24
- May 07: HE 20 – 88922.16
- June 07: HE 18 – 99758.33
- July 07: HE 18 – 100864.4
- Aug. 07: HE 16 – 101699.1
- Sept. 07: HE 18 – 97794.04
- Oct. 07: HE 19 – 91348.91
- Nov. 07: HE 19 – 94371.58
- Dec. 07: HE 21 – 98259.5

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 3 – 92313.04
- Feb. 07: HE 3 – 88003.66
- Mar. 07: HE 2 – 84026.73
- Apr. 07: HE 2 – 81392.25
- May 07: HE 2 – 83892.68
- June 07: HE 2 – 94641.5
- July 07: HE 2 – 95876.35
- Aug. 07: HE 3 – 96381.59
- Sept. 07: HE 2 – 92741.16
- Oct. 07: HE 2 – 86097.48
- Nov. 07: HE 3 – 89372.86
- Dec. 07: HE 3 – 92693.73

Day-Ahead Virtual MW Cleared

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead Virtual MW Cleared

Averaged Hour-Ending (HE) High:

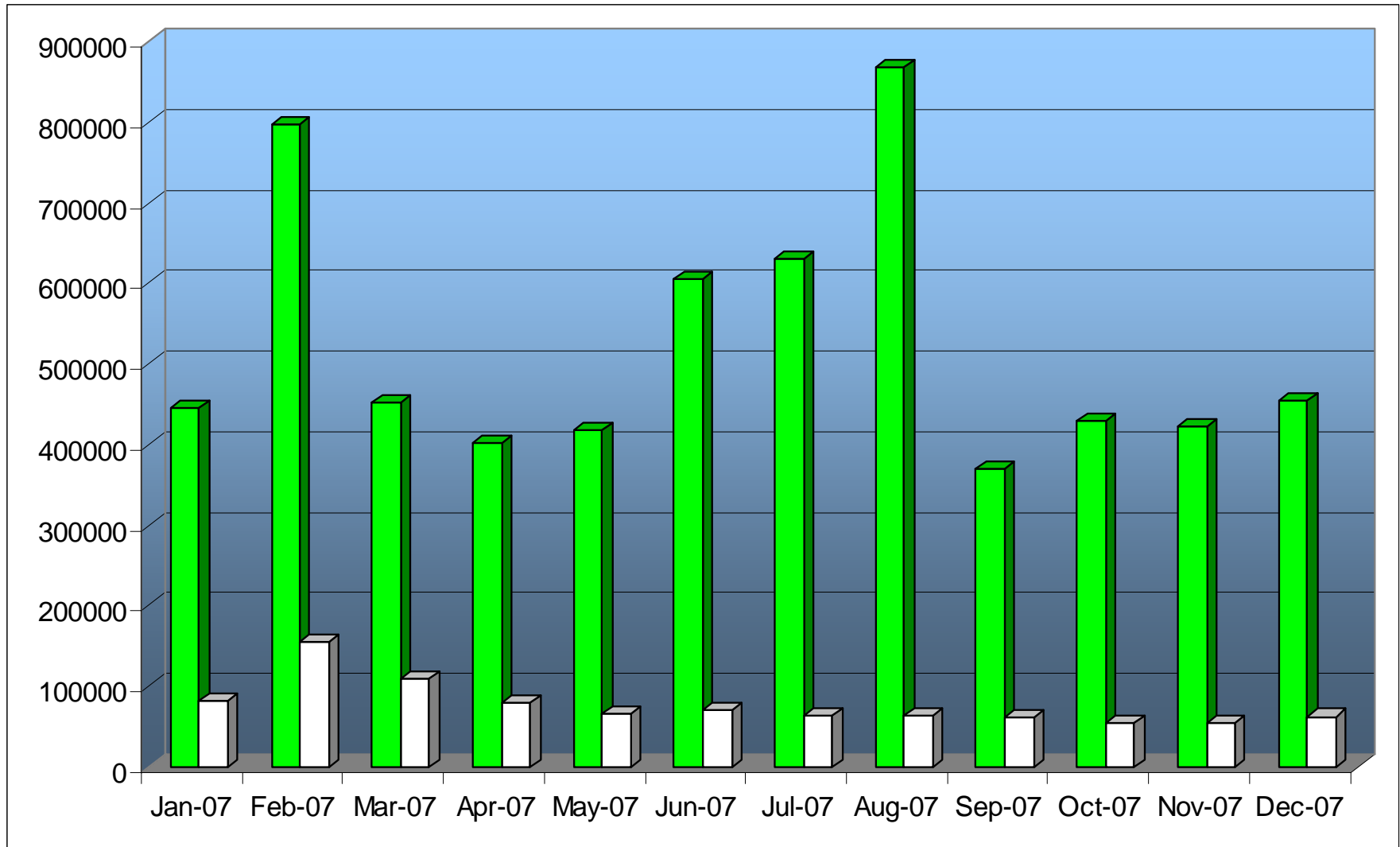
- Jan. 07: HE 9 – 5965.37
- Feb. 07: HE 9 – 8196.26
- Mar. 07: HE 8 – 6101.61
- Apr. 07: HE 8 – 5466.61
- May 07: HE 14 – 5804.39
- June 07: HE 18 – 6662.59
- July 07: HE 18 – 7733.05
- Aug. 07: HE 17 – 8428.25
- Sept. 07: HE 18 – 5699.95
- Oct. 07: HE 19 – 5465.17
- Nov. 07: HE 20 – 5377.24
- Dec. 07: HE 20 – 4747.42

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 24 – 3127.32
- Feb. 07: HE 24 – 4137.22
- Mar. 07: HE 24 – 3601.68
- Apr. 07: HE 24 – 2632.3
- May 07: HE 23 – 3137.55
- June 07: HE 24 – 3596.05
- July 07: HE 24 – 3556.07
- Aug. 07: HE 2 – 3082.52
- Sept. 07: HE 6 – 3378.4
- Oct. 07: HE 5 – 2544.91
- Nov. 07: HE 2 – 2503.36
- Dec. 07: HE 5 – 2373.14

Day-Ahead Virtual Dollars Cleared

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead Virtual Dollars Cleared

Averaged Hour-Ending (HE) High:

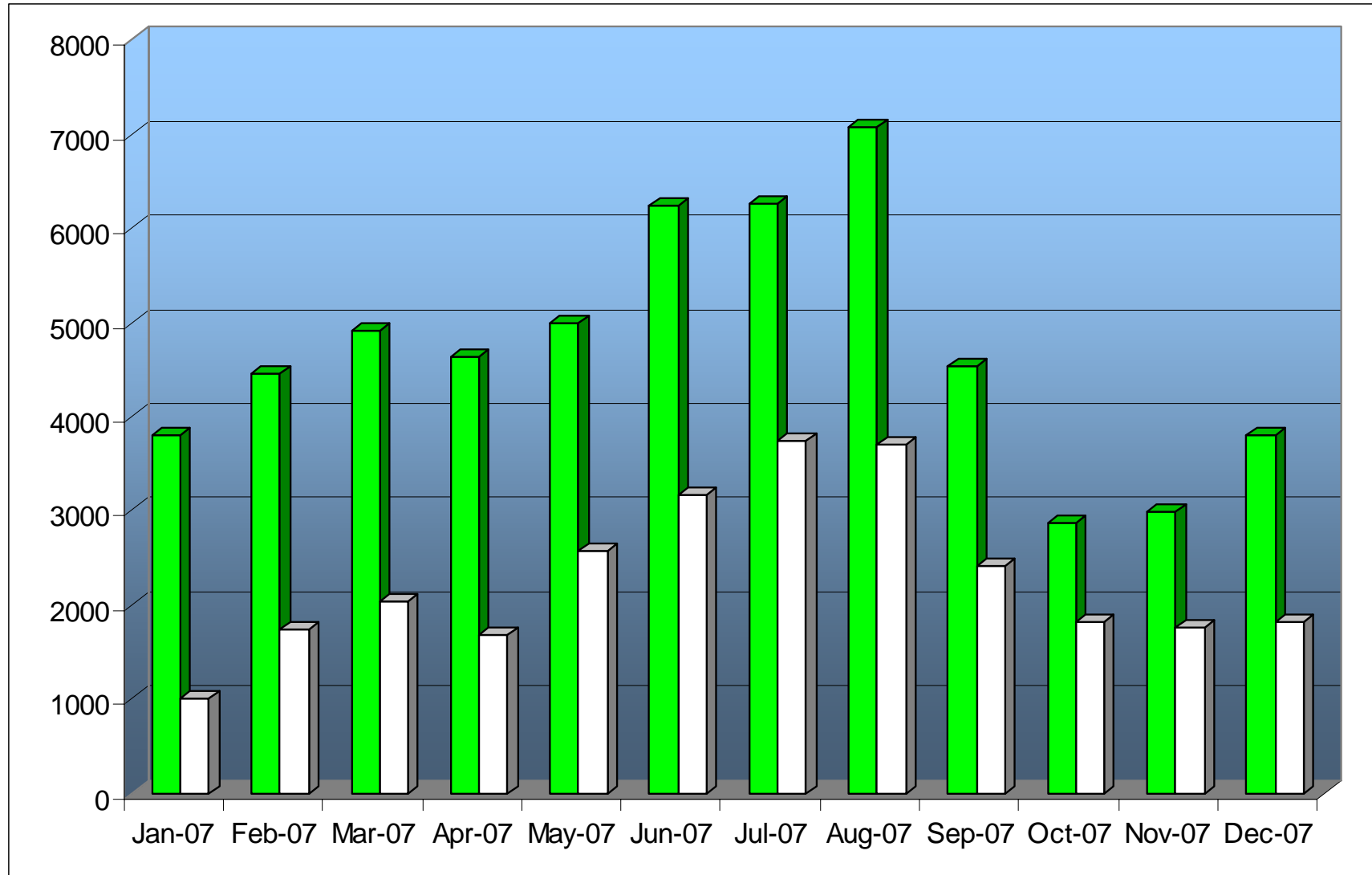
- Jan. 07: HE 19 – 446303.81
- Feb. 07: HE 20 – 796978.03
- Mar. 07: HE 20 – 451592.85
- Apr. 07: HE 10 – 401274.36
- May 07: HE 15 – 417873.69
- June 07: HE 16 – 604345.64
- July 07: HE 16 – 631434.92
- Aug. 07: HE 16 – 869045.82
- Sept. 07: HE 16 – 369082.26
- Oct. 07: HE 19 – 428713.94
- Nov. 07: HE 19 – 423224.76
- Dec. 07: HE 19 – 454983.28

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 4 – 81314.95
- Feb. 07: HE 5 – 154181.4
- Mar. 07: HE 4 – 109322.7
- Apr. 07: HE 4 – 79616.32
- May 07: HE 4 – 66920.42
- June 07: HE 3 – 69723.48
- July 07: HE 3 – 62795.56
- Aug. 07: HE 4 – 64760.91
- Sept. 07: HE 4 – 61487
- Oct. 07: HE 3 – 53957.44
- Nov. 07: HE 4 – 55413.34
- Dec. 07: HE 4 – 62729.74

Day-Ahead Net Scheduled Interchange

*numbers provided show average high and low hour for month



Supporting Data

Day-Ahead Net Scheduled Interchange

Averaged Hour-Ending (HE) High:

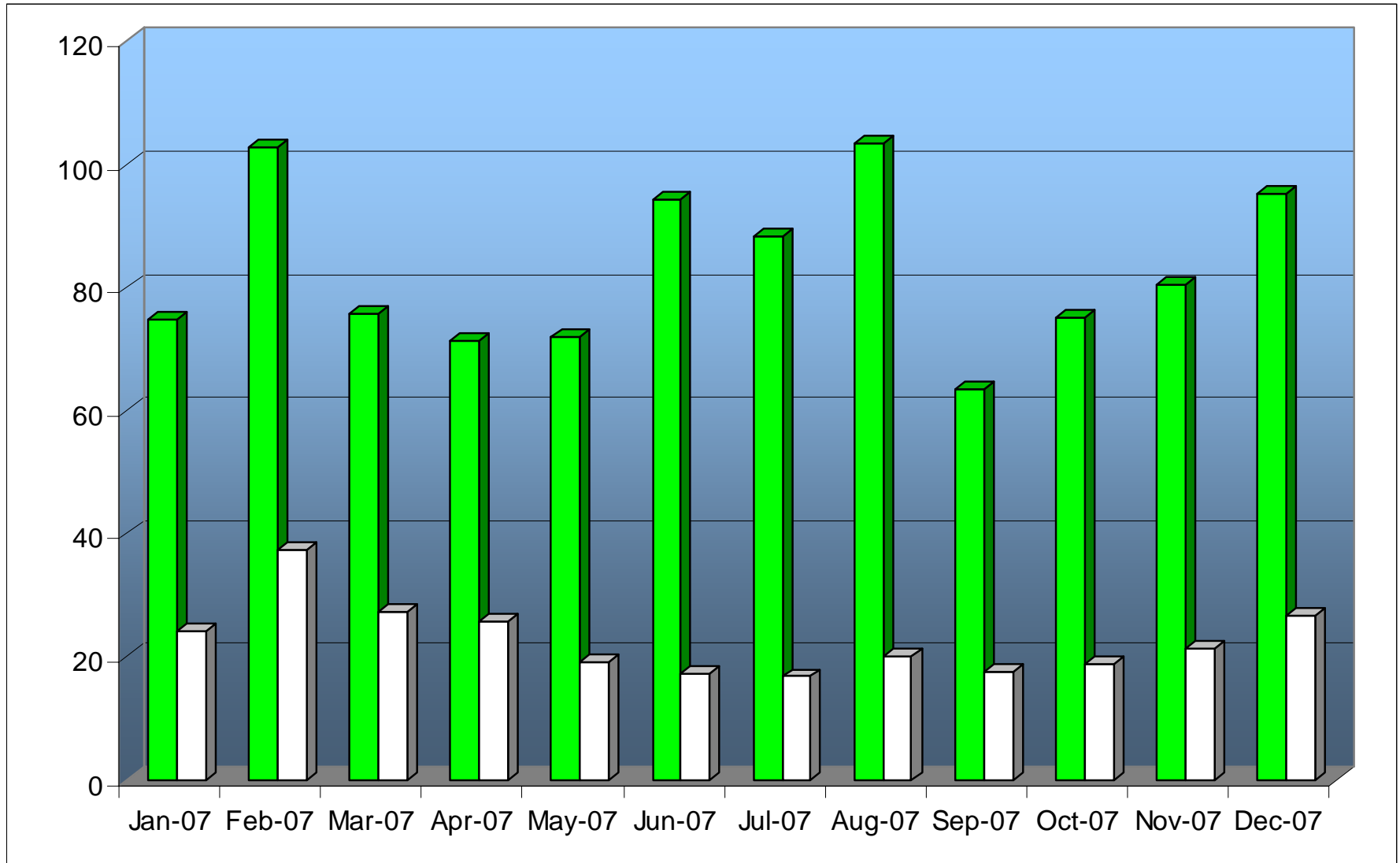
- Jan. 07: HE 19 – 3806.1
- Feb. 07: HE 20 – 4462.21
- Mar. 07: HE 20 – 4907.23
- Apr. 07: HE 21 – 4632.6
- May 07: HE 12 – 5001.03
- June 07: HE 16 – 6249.83
- July 07: HE 17 – 6270.65
- Aug. 07: HE 16 – 7081.87
- Sept. 07: HE 16 – 4543.23
- Oct. 07: HE 19 – 2871.06
- Nov. 07: HE 19 – 2990.03
- Dec. 07: HE 18 – 3799.68

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 5 – 1005.52
- Feb. 07: HE 5 – 1745.33
- Mar. 07: HE 24 – 2033.26
- Apr. 07: HE 4 – 1684.44
- May 07: HE 24 – 2571.13
- June 07: HE 4 – 3165.93
- July 07: HE 1 – 3732.81
- Aug. 07: HE 4 – 3707.13
- Sept. 07: HE 1 – 2403.47
- Oct. 07: HE 23 – 1814.19
- Nov. 07: HE 4 – 1751.67
- Dec. 07: HE 6 – 1825.65

Midwest ISO Average Locational Marginal Pricing (LMP)

*numbers provided show average high and low hour for month



Supporting Data

Midwest ISO Average Locational Marginal Pricing (LMP)

Averaged Hour-Ending (HE) High:

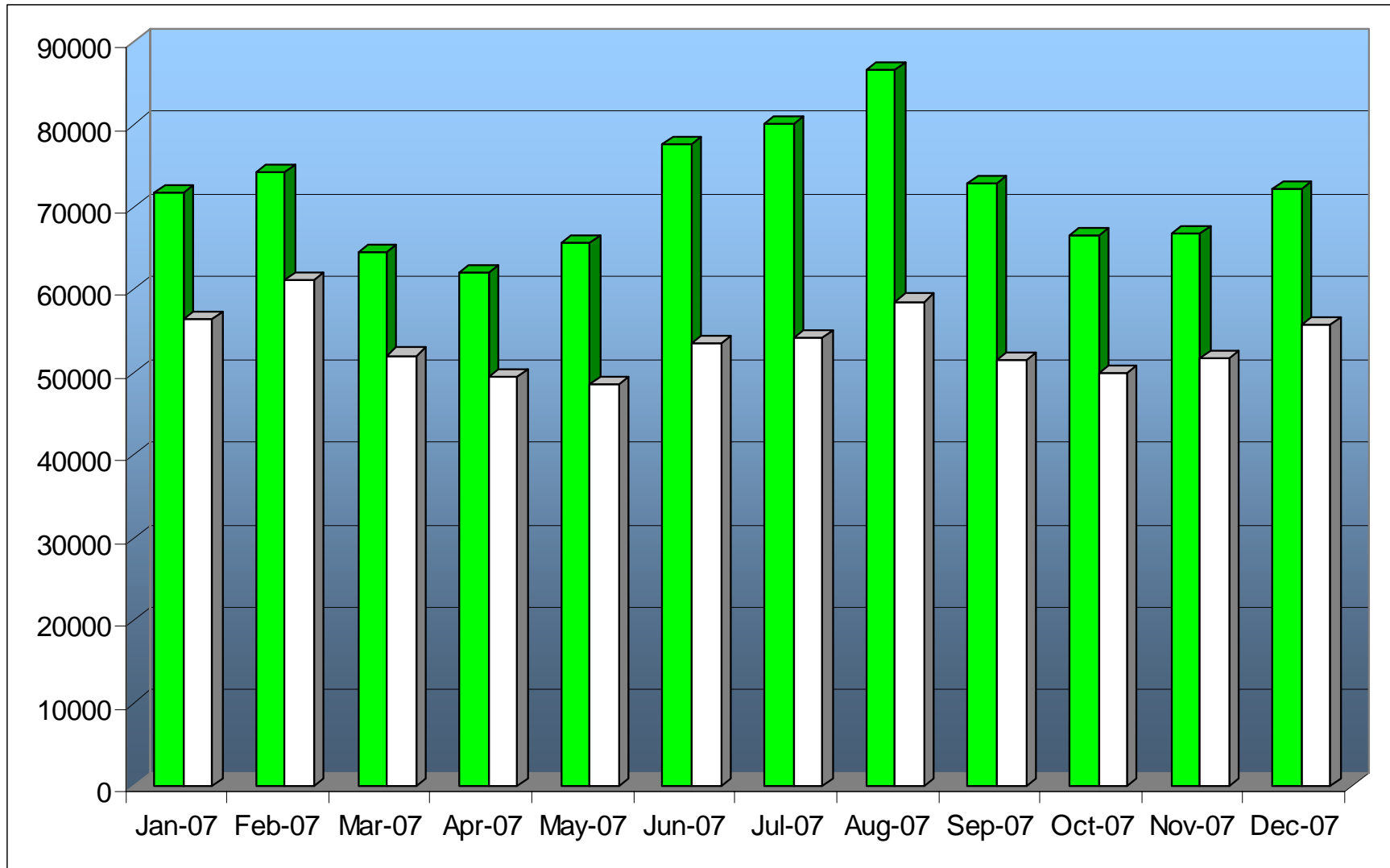
- Jan. 07: HE 19 – 74.692
- Feb. 07: HE 20 – 102.863
- Mar. 07: HE 20 – 75.648
- Apr. 07: HE 10 – 71.204
- May 07: HE 16 – 71.864
- June 07: HE 16 – 94.306
- July 07: HE 16 – 88.378
- Aug. 07: HE 16 – 103.306
- Sept. 07: HE 16 – 63.501
- Oct. 07: HE 19 – 75.144
- Nov. 07: HE 19 – 80.426
- Dec. 07: HE 19 – 95.345

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 4 – 24.055
- Feb. 07: HE 5 – 37.251
- Mar. 07: HE 4 – 27.148
- Apr. 07: HE 4 – 25.621
- May 07: HE 4 – 19.134
- June 07: HE 4 – 17.261
- July 07: HE 4 – 16.754
- Aug. 07: HE 4 – 19.906
- Sept. 07: HE 4 – 17.439
- Oct. 07: HE 3 – 18.662
- Nov. 07: HE 4 – 21.315
- Dec. 07: HE 4 – 26.54

Real-Time Load

*numbers provided show average high and low hour for month



Supporting Data

Real-Time State Estimator Load

Averaged Hour-Ending (HE) High:

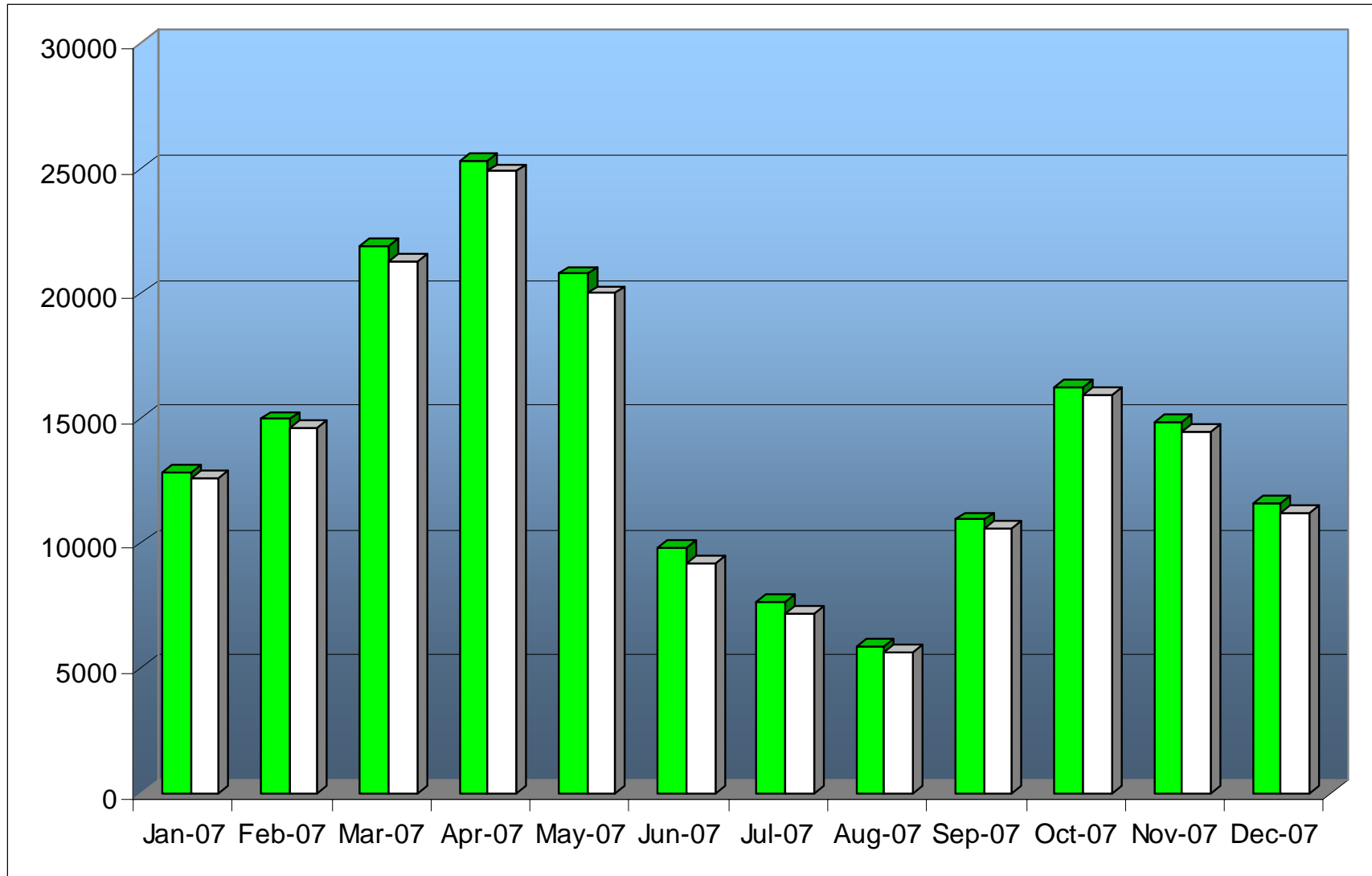
- Jan. 07: HE 20 – 71741.71
- Feb. 07: HE 20 – 74150.97
- Mar. 07: HE 20 – 64674.82
- Apr. 07: HE 11 – 62046.99
- May 07: HE 14 – 65675.96
- June 07: HE 16 – 77642.52
- July 07: HE 17 – 80160.4
- Aug. 07: HE 17 – 86545.9
- Sept. 07: HE 16 – 72840.46
- Oct. 07: HE 20 – 66668.94
- Nov. 07: HE 19 – 66742.86
- Dec. 07: HE 19 – 72204.98

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 4 – 56507.21
- Feb. 07: HE 4 – 61161.35
- Mar. 07: HE 3 – 52088.94
- Apr. 07: HE 3 – 49443.47
- May 07: HE 4 – 48509.03
- June 07: HE 4 – 53535.5
- July 07: HE 4 – 54138.84
- Aug. 07: HE 4 – 58620.08
- Sept. 07: HE 4 – 51523.9
- Oct. 07: HE 3 – 49869.6
- Nov. 07: HE 4 – 51677.41
- Dec. 07: HE 4 – 55882.16

Real-Time Outage MW

*numbers provided show average high and low hour for month



Supporting Data

Real-Time Outage MW

Averaged Hour-Ending (HE) High:

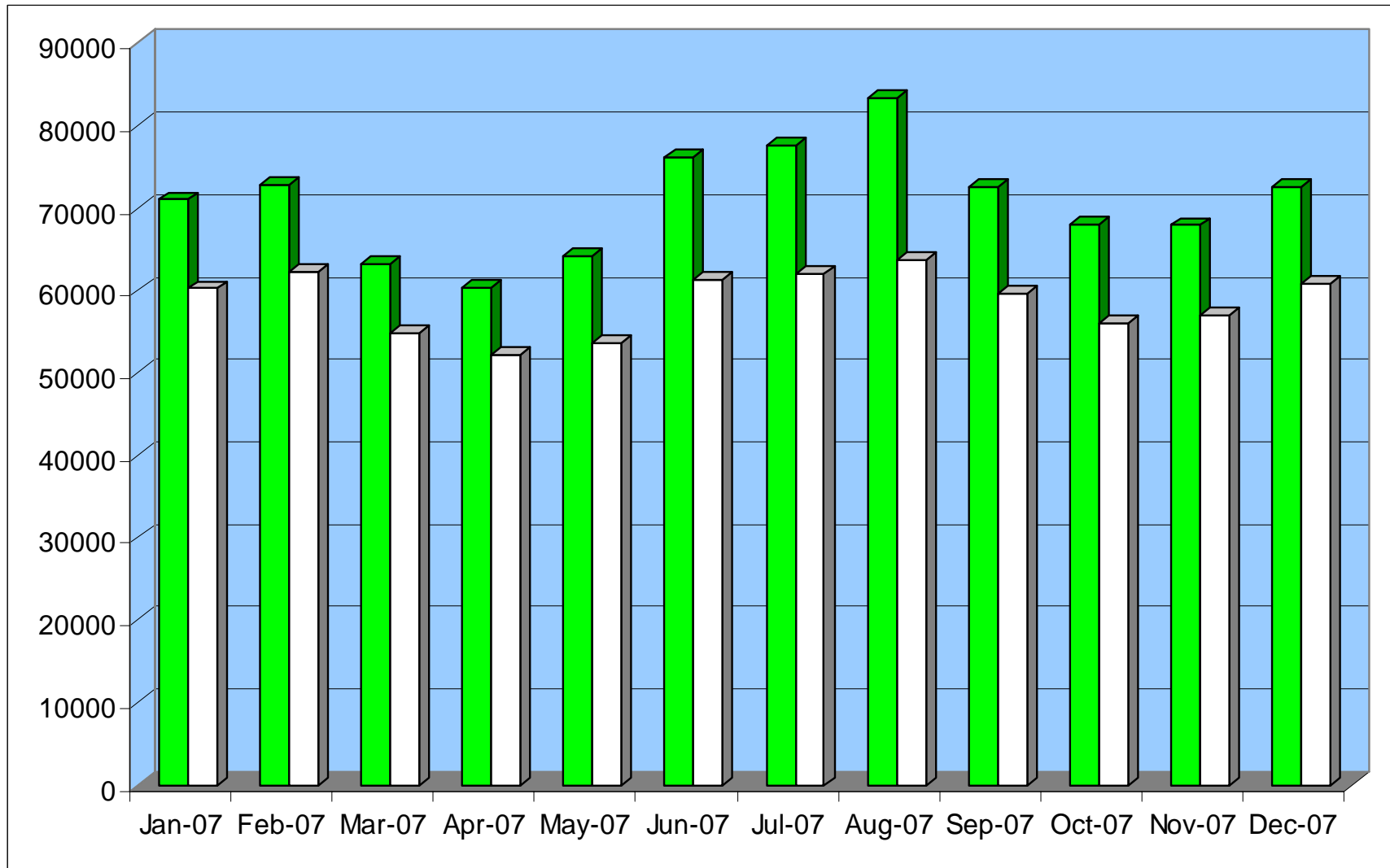
- Jan. 07: HE 11 – 12859.81
- Feb. 07: HE 13 – 14968.42
- Mar. 07: HE 2 – 21917.02
- Apr. 07: HE 2 – 25319.79
- May 07: HE 2 – 20770.32
- June 07: HE 4 – 9809.5
- July 07: HE 6 – 7616.81
- Aug. 07: HE 24 – 5855.19
- Sept. 07: HE 8 – 10934.45
- Oct. 07: HE 2 – 16223.75
- Nov. 07: HE 1 – 14847.83
- Dec. 07: HE 2 – 11586.88

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 23 – 12607.04
- Feb. 07: HE 20 – 14618.86
- Mar. 07: HE 20 – 21288.84
- Apr. 07: HE 20 – 24877.74
- May 07: HE 22 – 19994.22
- June 07: HE 21 – 9213.59
- July 07: HE 21 – 7171.64
- Aug. 07: HE 18 – 5625.25
- Sept. 07: HE 19 – 10615.63
- Oct. 07: HE 22 – 15903.58
- Nov. 07: HE 22 – 14431.69
- Dec. 07: HE 23 – 11184.81

Real-Time Committed MW

*numbers provided show average high and low hour for month



Supporting Data

Real-Time Committed MW

Averaged Hour-Ending (HE) High:

- Jan. 07: HE 19 – 71012.08
- Feb. 07: HE 20 – 72902.61
- Mar. 07: HE 21 – 63265.78
- Apr. 07: HE 21 – 60417.24
- May 07: HE 15 – 64283.35
- June 07: HE 16 – 76169.96
- July 07: HE 17 – 77614.94
- Aug. 07: HE 16 – 83351.14
- Sept. 07: HE 17 – 72495.69
- Oct. 07: HE 20 – 67966.36
- Nov. 07: HE 20 – 67905.78
- Dec. 07: HE 19 – 72566.34

Averaged Hour-Ending (HE) Low:

- Jan. 07: HE 3 – 60238.36
- Feb. 07: HE 3 – 62181.59
- Mar. 07: HE 3 – 54889.7
- Apr. 07: HE 3 – 52133.03
- May 07: HE 3 – 53606.62
- June 07: HE 3 – 61316.24
- July 07: HE 3 – 62020.81
- Aug. 07: HE 3 – 63633.78
- Sept. 07: HE 3 – 59633.76
- Oct. 07: HE 3 – 55936.49
- Nov. 07: HE 3 – 56955.65
- Dec. 07: HE 4 – 60903.59