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CME Group
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CME Group Overview

- **The world's most diverse derivatives marketplace**
- **Operates four separate Exchanges CME, CBOT, NYMEX, and COMEX**
- **The widest range of benchmark products available across all major asset classes, including futures and options based on interest rates, equity indexes, foreign exchange, energy, metals, agricultural, environmental emissions, and alternative investment products**
- **All CME Group futures and options contracts Are Designated Contract Markets, the highest level of Commodity Futures Trading Commission regulation**
- **Also offers Swaps trading and clearing.**

CME Group Overview

Leading size and scale—2.6 billion contracts, 2009

Advanced Globex trading technology—4.6 msec execution

Financial safeguards

Transparent and anonymous marketplace

CME ClearPort— Largely OTC Executed and then *Novated* into Clearinghouse

- Brings together more than 10,000 registered users around the world
 - Commercial, banking, hedge funds, trading entities
 - IDBs, FCMs and clearing firms.
- Features more than 900 listed contracts available for clearing, with more to come.

CME Group Provides Leading Risk Management

Highly Efficient Markets

- Most diverse product line
- Deep liquidity / low execution costs
- Diverse customer base

CME Globex

- Highly scalable, reliable, and fast
- Virtually 24 hours a day
- Broad global distribution
- Integrated business model

CME Clearing

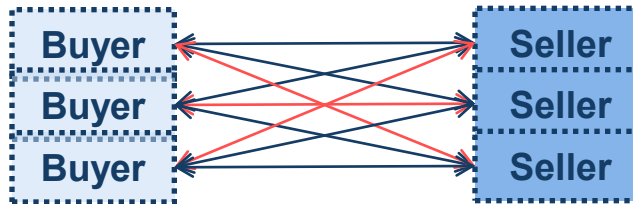
- \$8 Billion Financial Safeguards System
- Leading risk management practices
- Portfolio margining

Strong Leadership Position

- Seasoned leadership
- Track record of innovation
- Customer focused
- Global partner of choice

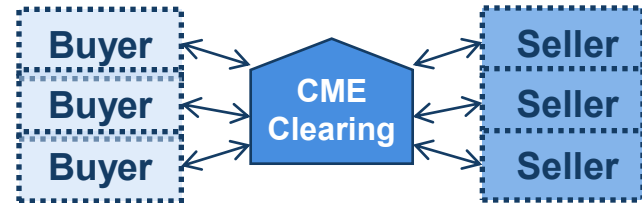
A centrally cleared solution with CME Clearing has significant benefits over the current OTC environment

Bilateral Market without Central Clearing Counterparty



- Multiple bilateral relationships where **buyers and sellers face each other as counterparties**
 - Sellers must accept each buyer's credit
 - Buyers send payment directly to each seller
 - Buyers must accept each seller's ability to perform on the contract
- **Pricing is differentiated by quality** of counterparty
- If either party wants to close out a deal prior to expiry, they **must negotiate terms**

Market with a Central Clearing Counterparty



- **CME Clearing faces each counterparty directly**, becoming the seller to the buyer and buyer to the seller through novation
- Buyer and seller are **guaranteed performance by CME Clearing**
- Buyer and seller **no longer have credit exposure** to one another
- Parties **closeout transactions with** whomever provides **the best price**

CME Group Energy Product Complex

Petroleum

Ethanol

Emissions

Natural Gas

Electricity

Natural Gas Liquids

Coal

Uranium

Freights

CME Group Electricity Complex

- **Complex Provides Risk Management and Price Discovery for U.S. ISO/RTO Markets**
- **2.5 and 5 MW Contract Units to Cover DA and RT Risk Management Requirements**
- **Contracts Settle on ISO/RTO DA and RT Posted Prices**
- **Monthly Futures Contracts Listed for Current and Next Five Years**
- **Daily Futures Contracts Listed for Current Month and Next Month**

CME Group Electricity Futures and Options Complex

Market	Listed	Contract Type
• PJM	59	DA, RT, Options
• NYISO	17	DA, Options
• ISO-NE	20	DA, Options
• MISO	17	DA, RT, Options
• ERCOT	31	RT
• CAISO	16	DA, RT
• DJ Western	5	DA
Total:	165	

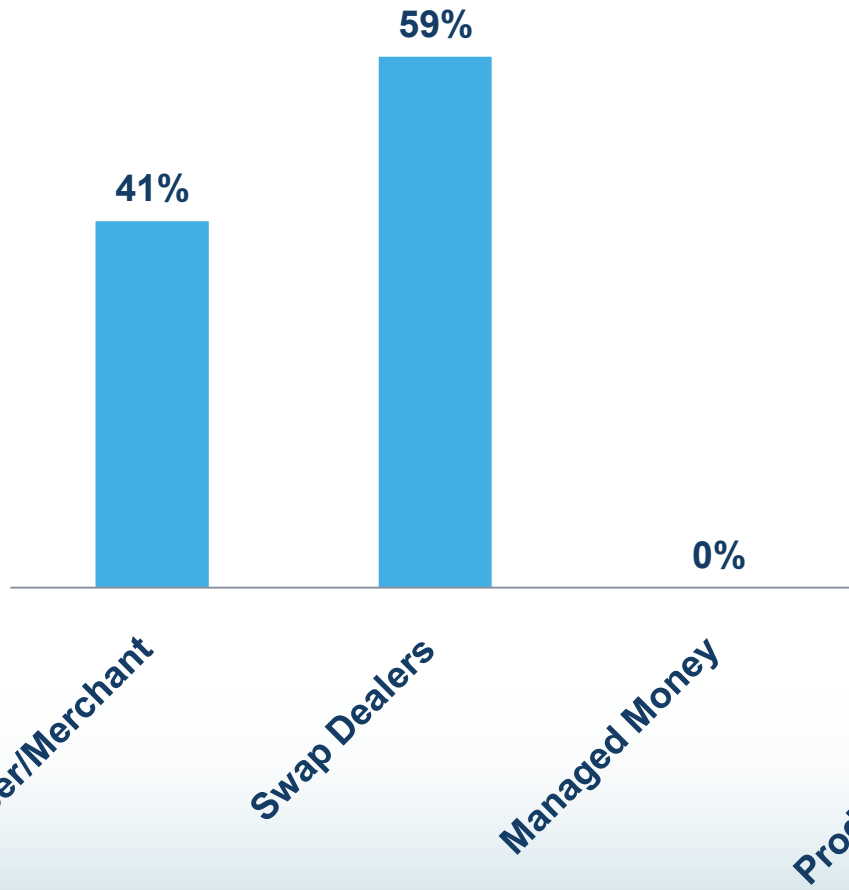
CME Group PJM Electricity Complex

PJM Hubs	MWh YTD (10/10)	PJM Zones	MWh YTD (10/10)
AEP-Dayton	14,272,007	AECO	924,350
Eastern	2,347,730	APS	319,510
NI Hub	16,649,755	BGE	2,868,515
Western	824,778,378	COMED	64,440
Total:	858,047,870	DPL	575,880
		DUQ	1,236,000
		JCPL	3,504,280
		METED	1,628,950
		PECO	5,820,190
		PENELEC	704,495
		PEPCO	3,624,105
		PPL	6,147,955
		PSEG	12,745,445
		Total:	40,164,115

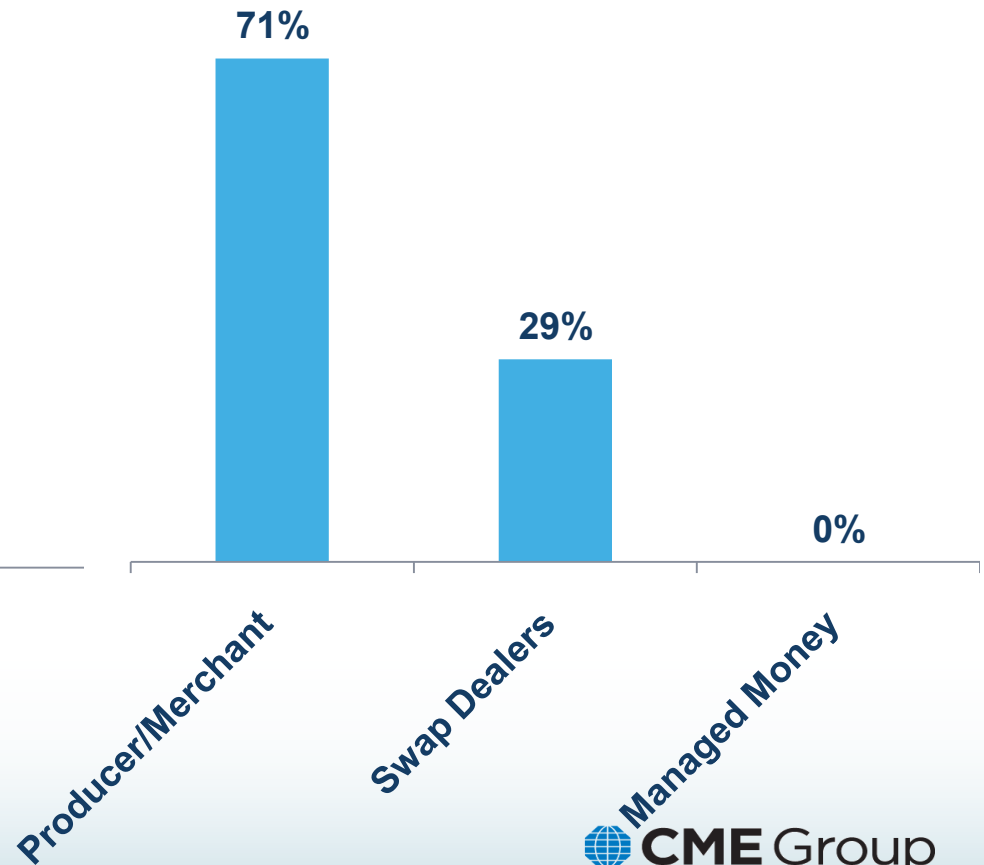
CFTC Commitments of Traders Report

(November 16, 2010)

PSEG DA Peak Long



PSEG DA Peak Short



CFTC Commitments of Traders Long (11/16/10)

	Producer/Merchant	Swap Dealers	Managed Money	Prod/Mer+Swap
PJM WH RT Peak	66%	7%	15%	73%
NI Hub RT Peak	70%	7%	0%	77%
NI Hub DA Peak	95%	4%	0%	99%
NI Hub DA Off Peak	95%	5%	0%	99%
PEPCO DA Peak	87%	13%	0%	100%
PPL DA Peak	89%	9%	0%	99%
PPL DA Off Peak	89%	11%	0%	100%
PSEG DA Peak	41%	59%	0%	100%
PSEG DA Off Peak	38%	62%	0%	100%
WH DA Peak	56%	43%	0%	99%
WH DA Off Peak	58%	42%	0%	100%
WH RT Peak	79%	14%	0%	92%
WH RT Off Peak	83%	9%	0%	92%
NI Hub RT Off Peak	86%	11%	0%	97%

CFTC Commitments of Traders Short

11/16/10

	Producer/Merchant	Swap Dealers	Managed Money	Prod/Mer+Swap
PJM WH RT Peak	67%	21%	0%	88%
NI Hub RT Peak	83%	10%	0%	93%
NI Hub DA Peak	69%	29%	0%	98%
NI Hub DA Off Peak	62%	36%	0%	98%
PEPCO DA Peak	83%	15%	0%	98%
PPL DA Peak	85%	15%	0%	100%
PPL DA Off Peak	81%	19%	0%	100%
PSEG DA Peak	71%	29%	0%	100%
PSEG DA Off Peak	74%	26%	0%	100%
WH DA Peak	72%	27%	0%	99%
WH DA Off Peak	73%	27%	0%	100%
WH RT Peak	91%	0%	0%	91%
WH RT Off Peak	88%	1%	0%	89%
NI Hub RT Off Peak	82%	14%	0%	96%

Exchange Risk Management and ISO/RTO Markets

- **CME Group's Clearing Team is Seasoned and has Broad Risk Management Experience— *Energy Price Risk, Leadership in Managing (and *reducing*) Financial Shocks— *Deep Bench****
- **8 ½ Years of Transferring Risk from OTC Energy Transactions into a regulated Clearinghouse that:**
 - Meets Public Transparency Requirements
 - Offers Multi-dimensional Risk-Based Offsets
 - Responds Quickly to Customer and Institutional needs
- **Established Record as a Responsible Energy Market Citizen; and Electricity Market Citizen**

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