OPERATIONS MONTHLY REPORT

May 2004

ERCOT System Operations
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   Joel Mickey, Manager
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Daily Peak Demand
May 2004

Peak Demand for the Month: 5/31/04  17:00  48701

Monthly Peak Demand
May 2003 - May 2004

Note: Peak Demand is Peak Interval Demand
Trend of Temperature in Five Congestion Management Zones

- Houston
- North
- South
- West
- NorthEast
OOMC and RMR Activity

Relative Activity Capacity Purchases - OOMC & RMR
May 2004

Note: 1 Unit-Day = 1 unit procured during any time period within one trade day.
### Local Congestion Management

#### Total Number of Days of Local Congestion Management

<table>
<thead>
<tr>
<th>Contingency</th>
<th>Congestion Element</th>
<th>Number of Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lon Hill - Whitepoint</td>
<td>Nueces Bay - Whitepoint</td>
<td>13</td>
</tr>
<tr>
<td>Allen Switch - Royse Switch/Monticello</td>
<td>Allen Switch - Ben Davis</td>
<td>11</td>
</tr>
<tr>
<td>N McAllen - N Edinburg</td>
<td>Polk - Hall Acres</td>
<td>7</td>
</tr>
<tr>
<td>Enterprise - Trinidad/Martin Lake</td>
<td>Martin Lake - Tricorner</td>
<td>5</td>
</tr>
<tr>
<td>Odessa Switch - Moss</td>
<td>Moss Switch - Amaco N Cowden Tap</td>
<td>4</td>
</tr>
<tr>
<td>Morgan Creek - Odessa</td>
<td>Odessa - Big Three</td>
<td>4</td>
</tr>
<tr>
<td>Midland East - Odessa</td>
<td>Odessa - Big Three</td>
<td>4</td>
</tr>
<tr>
<td>Benbrook - Parker/Graham</td>
<td>Stephenville - Lingleville</td>
<td>2</td>
</tr>
<tr>
<td>West Levee - Watermill</td>
<td>Cedar Hill - Watermill</td>
<td>2</td>
</tr>
<tr>
<td>N McAllen - N Edinburg</td>
<td>N Edinburg - Moore Field</td>
<td>2</td>
</tr>
<tr>
<td>Marion - Hill Country/Skyline</td>
<td>Cibolo - Schertz</td>
<td>2</td>
</tr>
<tr>
<td>Kirkland Park - North Haven</td>
<td>Central Expressway - Kirkland Park</td>
<td>2</td>
</tr>
<tr>
<td>Enterprise - Stryker Creek</td>
<td>Trinidad - Martin Lake</td>
<td>2</td>
</tr>
<tr>
<td>Clear Springs - Marion/Zom</td>
<td>SMI - McQueeney</td>
<td>2</td>
</tr>
<tr>
<td>Calaveras- Skyline/Walzem Rd</td>
<td>Calaveras - Ball Park</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: 1 day = units procured during any time period within one trade day. Total numbers of 1 day or less of local congestion management are not shown in the graph. Occurrences of 1 day or less are not listed in the table but are totaled in the graph.
CSC Congestion Management

Instances of CSC congestion

Number of intervals

EN  SN  NH  SH  WN
Notable Events

New Procedures/ Forms/ Operations Bulletins

Bulletin 82  Modified section 2.9 to include handling Inadvertent Payback (Frequency).

Bulletin 83  Updated the first bullet in section 3.5 Appendix 4 stating that during the months of April, May or October for hours that the forecasted load will be within 85% (was 80%) of forecasted peak load for the operating day the (Day Ahead).

Bulletin 84  Added new section 2.1.3 to address initial synchronization of new resources (Supervisor).

Bulletin 85  Revision for consistent process for OC1 changes needed to support outages. Also changed verbiage in section 2.2.1 from a constraint to a CSC (Transmission).

Bulletin 86  Clarification of section 2.5.3 “Operator Instructions for High Frequency” (Frequency).

Bulletin 87  Section 2.2.1 “Monitoring Outages” added back in procedure, existing 2.2.1 moved to new section 2.2.2 “OC1 Limits for Outage Support” (Transmission).

Bulletin 88  EECP Load Shed Table updated in the Operating Guides section 4.5.3.

Bulletin 89/90  Added new section 2.6.4 “Notification of Condition Termination” (Frequency & Transmission).

Bulletin 91  Verbiage modified in the first note under “Operator Instruction for High Frequency” concerning the Frequency Control Desk. Operator “must” was changed to operator “may” consult with the T&S desk to confirm that no OOMs from that desk could be affecting frequency (Frequency).

Bulletin 92  TC#228 extending TC#112 regarding interrupted outages due to computer software program unable to execute procedure.

Security Alert Stage/ Threatcon/ Related issues

Security Threat Alert Yellow (Elevated) maintained through May.

EECP Occurrence

None

Major Weather Related Power System Problems

None

Major system Voltage problems

None

OCN, Advisory, Alert, Emergency Notice and Major Disturbances

5/01 10:11-14:00  OCN issued for severe weather in Houston Area

5/08 15:58 thru 5/09 2:04  Alert issued for 69kV Amoco to Terminal Switch

5/11 15:00-21:00  OCN issued in the Houston Zone for severe weather

5/12 10:23-12:00  Transmission Alert for Allen Sw-Shilo Rd 138 line.
5/19  15:30-22:00  Alert-Post Contingency loading on West Levee Auto #2.

5/27  15:30-24:00  Alert issued for North McAllen-North Edinburg

**Significant Communication Problems**

5/2  Held 01:00 interval.  CSC Constraint activated when it should not have.
5/4  07:45-08:30  Portal not functioning
5/11  Held 18:15 interval.  OOME and significant Resource Plan Changes caused a bad offset calculation

**Major Computer System Problems/Fixes**

None

**Load Shed incidences**

None

**Update on New Generation**

None

**Max / Min Temperature**

Max:  101.5°F  FW
Min:  39.5°F  FW

**New SPS & RAP’s**

None.

**Other**

None
Market Operation

Ancillary Services
Average Hourly Procurement by Ancillary Service
May 2004

Average Hourly Procurement by Ancillary Service
May 2003 - May 2004
Average Deployment by Ancillary Service
May 2004

Average Deployment by Ancillary Service
May 2003 - May 2004
Balancing Energy

Average Balancing Energy Deployed
Average UBES Deployment in Five Zones
May 2004

Average DBES Deployment in Five Zones
May 2004
Balancing Energy

% of Total ERCOT Energy Requirement
Balancing Energy

Average MCPE
Balancing Energy

Average Shadow Price
Average Shadow Price
May 2004

Average Shadow Price
May 2003 - May 2004
Cost Summary
Note: There is not a price for self-arranged Ancillary Services. MCPC is used to calculate the cost for self-arrangement.
Estimated OOMC Cost At Final Settlement
May 2004

Note:
All OOMC’d units are paid Generic Start-Up Cost and Generic Operational Cost in Initial Settlement. The Start-Up payment for some units will be taken back in Final Settlement if those units did not have an actual startup.

OOMC Cost provided in this chart is an estimation because of the potential of disputes before Final Settlement. This chart will be updated after Final Settlement is completed.
Total 6.10 Million

Local Congestion Cost
May 2004

- DN Payment for Aggregated Units for Both Manual and LBE Deployment
- UP Payment for Aggregated Units for Both Manual and LBE Deployment
- DN Payment for LBE Deployment without Market Solution
- UP Payment for LBE Deployment without Market Solution
- DN Payment for Manual OOME Deployment
- UP Payment for Manual OOME Deployment
- DN Payment for LBE Deployment with Market Solution
- UP Payment for LBE Deployment with Market Solution
Verified Actual RMR Cost (Final Settlement)

RMR Net Cost: $ 37.60

Note:

1. Trade dates 1/1/04 thru 4/24/04 complete with Final Resettlement data, using verifiable actual cost data provided by the RMR Unit owner.

2. Trade date 4/25/04 thru 5/31/04 complete with Initial Resettlement data, using estimated eligible costs.
Note:

1. DBES cost is a credit to system costs and therefore is shown as a negative number here to differentiate it from the other types of Reliability Costs.

2. BES deployment costs include two parts: the cost for Power Balance and the cost for CSC Congestion. Due to Relaxed Balanced Schedule, the cost paid for Power Balance covers both the difference between ERCOT load forecast and QSE's schedule and the difference between QSE's Relaxed scheduled load and the load it would schedule should RBS were not allowed. The cost for Power Balance is not further divided accordingly because currently we do not have a way to differentiate these two types of Power Balance costs.
Please contact Shuye Teng at 512-248-3998 or email at steng@ercot.com should you have any questions.