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### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AS</td>
<td>Ancillary Service</td>
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<tr>
<td>BES</td>
<td>Balancing Energy Service</td>
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<tr>
<td>DBES</td>
<td>Down Balancing Energy Service</td>
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<tr>
<td>DRS</td>
<td>Down Regulation Service</td>
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<tr>
<td>LBE</td>
<td>Local Balancing Energy</td>
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<tr>
<td>MCPC</td>
<td>Market Clearing Price for Capacity</td>
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<td>MCPE</td>
<td>Market Clearing Price for Energy</td>
</tr>
<tr>
<td>NSRS</td>
<td>Non-Spinning Reserve Service</td>
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<tr>
<td>OOMC</td>
<td>Out of Merit Capacity</td>
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<td>OOME</td>
<td>Out of Merit Energy</td>
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<tr>
<td>QSE</td>
<td>Qualified Scheduling Entity</td>
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<tr>
<td>RMR</td>
<td>Reliability Must Run</td>
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<td>RPRS</td>
<td>Replacement Reserve Service</td>
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<td>RRS</td>
<td>Responsive Reserve Service</td>
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<tr>
<td>UBES</td>
<td>Up Balancing Energy Service</td>
</tr>
<tr>
<td>URS</td>
<td>Up Regulation Service</td>
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</table>
Grid Operation
Daily Peak Demand
October 2004

Peak Demand for the Month: 10/20/04  16:30  47714

Monthly Peak Demand
October 2003 - October 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

October 2004

- **East Rio Grande**: 47 OOMC, 1 RMR
- **Laredo Area**: 86 OOMC, 0 RMR
- **DFW**: 26 OOMC, 42 RMR
- **West Rio Grande**: 60 OOMC, 0 RMR
- **Bryan Area**: 0 OOMC, 55 RMR
- **Corpus Christi Area**: 31 OOMC, 28 RMR
- **Abilene Area**: 11 OOMC, 28 RMR
- **San Angelo Area**: 3 OOMC, 11 RMR
- **San Antonio**: 0 OOMC, 0 RMR

*Note: 1 Unit-Day = 1 unit procured during any time period within one trade day.*
<table>
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<tr>
<th>Contingency</th>
<th>Congestion Element</th>
<th>Number of Days</th>
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<td>N Edinburg - Bates</td>
<td>McColl Rd - McAllen</td>
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<td>Heights Sub - Freeway Park</td>
<td>Heights - PH Robinson</td>
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<td>Citgo Oak Park - Highway 9</td>
<td>Nueces Bay - Hiway 9</td>
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<tr>
<td>Roanoke - Parker</td>
<td>Benbrook - Horne</td>
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<tr>
<td>Gibbons Creek - Greens Prairie/East</td>
<td>TAMU - Dansby</td>
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<tr>
<td>Austrop - Sandow</td>
<td>Austrop Tr</td>
<td>6</td>
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<tr>
<td>Big Brown - Richland Chambers</td>
<td>Seagoville - Kleberg Tap</td>
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<tr>
<td>Ennis West - Sterret</td>
<td>Desoto - Red Oak</td>
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<td>Benbrook - Parker/Graham</td>
<td>Stephenville - Lingleville</td>
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<tr>
<td>Clear Springs - Marion/Zorn</td>
<td>SMI - McQueeny</td>
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<tr>
<td>Dilley Switch - San Miguel</td>
<td>Derbys - Pearsall</td>
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<tr>
<td>Gibbons Creek - Greens Prairie/East</td>
<td>Briarcrest - Nall Lane</td>
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<td>La Palma - Rio Hondo</td>
<td>La Palma - Rio Hondo</td>
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<tr>
<td>Marion - Hill Country/Skyline</td>
<td>Seguin - Seguin West</td>
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<tr>
<td>Nueces Bay - Whitepoint</td>
<td>Nueces Bay - Whitepoint</td>
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<tr>
<td>STP - Skyline/Hill Country</td>
<td>Blessing - Lolita</td>
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<tr>
<td>Allen Renner/Tennyson</td>
<td>Allen Plano Alma Rd</td>
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<td>Bates - Frontera</td>
<td>McAllen - McColl Rd</td>
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<td>Big Brown - Richland Chambers</td>
<td>Navarro - Haney</td>
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<td>Jewet - Watsons Chapel</td>
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<td>Nacogdoches Tr</td>
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<td>Henne - Comal</td>
<td>Seguin - Zom</td>
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<td>Morgan Creek - Eskota</td>
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<td>Mt Enterprise - Trinidad / Martin Lake - Stryker Creek</td>
<td>Nacogdoches Tr</td>
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<td>N McAllen - Frontera</td>
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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 table but are totaled in graph.
CSC Congestion Management

Instances of CSC congestion

Number of intervals

EN  SN  NH  SH  WN

Notable Events

New Procedures/ Forms/ Operations Bulletins

10/1/2004  Ercot Power Operations Bulletin 114  Revision to Shift Supervisor V3R9

Security Alert Stage/ Threatcon/ Related issues

Security Threat Alert Yellow (Elevated) maintained through October.

EECP Occurrence

None

Major Weather Related Power System Problems

None

Major system Voltage problems

None

Significant Communication Problems

10/14/2004  18:40  Portal Inoperable. Deployments sent manually
10/19/2004  9:52-17:10  MOI experiencing intermittent failure.
10/22/2004  Held 11:45 Interval

Major Computer System Problems/ Fixes

10/5/2004  15:00  Outage Scheduler enhancements placed in production.

Load Shed incidences

None

New SPS & RAP’s

None

OCN, Advisory, Alert, Emergency Notice and Major Disturbances

None

Update on New Generation

None

Max / Min Temperature

Max: 94.6°F  S
Min: 46.5°F  FW and N
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| 10/30 | | | | | | | | | | | | | *
| 10/31 | | | | | | | | | | | | | *
Market Operation

Ancillary Services
Average MCPC by Ancillary Service
October 2004

Average MCPC by Ancillary Service
October 2003 - October 2004

Note: MCPC of each service is averaged over intervals which have a procurement (>0MW) of that service.
Balancing Energy

Average Balancing Energy Deployed
Balancing Energy

% of Total ERCOT Energy Requirement
Balancing Energy
Average MCPE
MCPE: Rolling 12 Month Records
October 2003 - October 2004

Trend of Average Fuel Index
October 2003 - October 2004
Balancing Energy

Average Shadow Price
Note: There is not a price for self-arranged Ancillary Services. MCPC is used to calculate the cost for self-arrangement.
Total Net Cost $15.94 Million
Verified Actual RMR Cost (Final Settlement)*

RMR Net Cost: $95.37 Million

- Note:
  1. Trade dates 1/1/04 thru 9/20/04 complete with Final Resettlement data, using verifiable actual cost data provided by the RMR Unit owner.
  2. Trade date 9/21/04 thru 10/31/04 complete with Initial Resettlement data, using estimated eligible costs.
Total Local Congestion Costs by Area
October 2004

- North: $3.92
- DFW: $2.52
- Corpus: $0.80
- Houston: $0.61
- San Antonio: $0.21
- Valley: $0.72
- South: $1.01
- West: $0.04
- Wind: $0.01

Total: $9.92 Million

Total Local Congestion Costs by Instruction Type (in Million $)
October 2004

- LBE-operate at or below a level: $3.99
- LBE-operate at or above a level: $0.19
- LBE-hold at a level: $1.72
- Manual OOME DN: $0.04
- Manual OOME UP: $1.72
- OOMC: $0.01

Total: $9.92 Million
Total $4.9 Million

Local Congestion Cost for Energy
October 2004

Million $

1.2
1.0
0.8
0.6
0.4
0.2
0.0


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
Cost Summary

(Total w/ DBES: $103.65  Total w/o DBES: $116.70)

October 2003 - October 2004

- Total with DBES (Total: $846.31 Million)
- Total Without DBES (Total: $1079.13 Million)
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.