Acronyms

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

Daily Peak Demand

Peak Demand for the Month: 12/08/05 19:00 48136

13 Month Review of Peak Demand

Peak Demand is Peak Interval Demand
Daily Average Temperature in Five Congestion Management Zones

Relative Activity Capacity Purchases – OOMC & RMR

Total Number of Days of Local Congestion Management

Contingency | Congestion Element | # of Days
--- | --- | ---
Dansby-Hearne 138kV | Hearne-Hearne Switch 69kV | 9
Marion-Skyline-STP 345kV | Schertz-Parkway 138kV | 9
Comanche Peak 1 & 2 | Uvalde-Asphalt Mines 138kV | 7
Oklahoma | Steenvilie-Lingville 138kV | 6
Marion-Zorn-Clear Spring 345kV | Seguin-Zorn 138kV | 5
Benbrook-Parker & Graham 345kV | Steenvilie-Lingville 138kV | 4
Comanche Peak-Decordova & Wolf Hollow-Rocky Creek 345kV | Concord 345kV/138kV Auto | 3
Kendall-Fredericksburg 138kV | Kendall-Comfort 138kV | 3
Asherton-West Conoco 138kV | Uvalde-Asphalt Mines 138kV | 2
Comanche Peak 1 & 2 | Gideon-Butler 138kV | 2
Dilley SW-North Laredo 138kV | North Laredo-Asherton 138kV | 2
Graham-Benbrook-Parker 345kV | Steenvilie-Lingville 138kV | 2
Hi Cross-Salem Walk 138kV | Burleson-Pedernales 138kV | 2
Holt Switch-Andrews North 138kV | Holt Switch-Emma Tap 69kV | 2
Marion-Hill Country 345kV | Schertz-Parkway 138kV | 2
North Edinburg 345kV/138kV Auto | Rio Hondo-Magic Valley Burns 138kV | 2
Trinidad-Watermill-Tricorner 345kV | TRSES 345kV/138kV Auto | 2

Note: 1 Unit-Day = 1 unit procured during any time period within one trade day.
Instances of CSC Congestion

Notable Events

New Procedures/ Forms/ Operations Bulletins

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/01/05</td>
<td>Power Operations Bulletin 230</td>
</tr>
<tr>
<td>12/01/05</td>
<td>T&amp;S Desk – Maintenance Level 2 &amp; 3 Outages</td>
</tr>
<tr>
<td>12/01/05</td>
<td>T&amp;S Desk – Block Load Transfer</td>
</tr>
<tr>
<td>12/01/05</td>
<td>T&amp;S Desk – Western Area Action Plan for Voltage Support</td>
</tr>
<tr>
<td>12/01/05</td>
<td>FC Desk – DC Ties</td>
</tr>
<tr>
<td>12/01/05</td>
<td>FC Desk – South DC Ties</td>
</tr>
</tbody>
</table>

Significant Communication Problems

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/03/05</td>
<td>Portal not operable</td>
</tr>
<tr>
<td>12/06/05</td>
<td>ERCOT lost of frequency control and placed a QSE on constant frequency.</td>
</tr>
<tr>
<td>12/09/05</td>
<td>Interval held, incorrect offset entered</td>
</tr>
<tr>
<td>12/13/05</td>
<td>Interval held, 10:00 fail over caused problems with the Hour Ahead study.</td>
</tr>
<tr>
<td>12/18/05</td>
<td>Several QSEs had difficulty submitting schedules to ERCOT.</td>
</tr>
</tbody>
</table>

OCN, Advisory, Alert, Emergency Notice and Major Disturbances

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/02/05</td>
<td>Trans. Alert Loss of Odessa-Moss Sw loads Odellin Sw-General Tire</td>
</tr>
<tr>
<td>12/03/05</td>
<td>OCN Insufficient capacity for hours 18:00~20:00</td>
</tr>
<tr>
<td>12/03/05</td>
<td>Alert Insufficient capacity for hours 19:00~20:00</td>
</tr>
<tr>
<td>12/06/05</td>
<td>Trans. Emergency Loss of Sonora-Hamilton loads Uvalde-Asphalt Mines</td>
</tr>
<tr>
<td>12/07/05</td>
<td>Trans. Emergency Loss of Sonora-Hamilton loads Uvalde-Asphalt Mines</td>
</tr>
<tr>
<td>12/07/05</td>
<td>Advisory Issued Advisory for winter storm</td>
</tr>
<tr>
<td>12/07/05</td>
<td>OCN Issued OCN for winter storm</td>
</tr>
<tr>
<td>12/07/05</td>
<td>Alert Issued Alert for winter storm</td>
</tr>
<tr>
<td>12/08/05</td>
<td>Trans. Emergency Loss of Sonora-Hamilton loads Uvalde-Asphalt Mines</td>
</tr>
<tr>
<td>12/08/05</td>
<td>Trans. Alert Loss of San Miguel 138/69 loads Derby Pearlsall</td>
</tr>
<tr>
<td>12/09/05</td>
<td>Trans. Emergency Comfort Kendall 138 kV loading</td>
</tr>
<tr>
<td>12/09/05</td>
<td>Trans. Emergency Loss of Sonora-Hamilton loads Uvalde-Asphalt Mines</td>
</tr>
<tr>
<td>12/09/05</td>
<td>Trans. Emergency Del Rio area forced outages</td>
</tr>
<tr>
<td>12/21/05</td>
<td>OCN Insufficient capacity for hour 01:00 on 12/22/05</td>
</tr>
<tr>
<td>12/22/05</td>
<td>OCN Insufficient capacity for hours 08:00~10:00</td>
</tr>
<tr>
<td>12/31/05</td>
<td>OCN Insufficient capacity for hours 09:00~13:00</td>
</tr>
</tbody>
</table>

Major system Voltage problems/ Load Shed incidences

- 12/03/05 08:13: A broken cross-arm and insulator between Shell Bailey and City of Sonora caused the loss of several elements and stations. Up to 10 MW load lost in the Sonora/El Dorado area. All load and transmission elements were restored by 10:06.
- 12/08/05 20:14: Two transmission lines to the Del Rio/Eagle Pass area tripped due to a broken cross-arm and burned sleeve while a third was out for planned maintenance. This resulted in up to 171 MW load lost. All load restored at 14:00 on 12/10/05.

Major Computer System Problems/Enhancements/Fixes

None

Security Alert Stage/ Threatcon/ Related issues

None/Yellow

Major Weather Related Power System Problems

None
None

New SPS & RAP's
None

Update on New Generation
12/29/05  Three combined cycle units totaling 620 MW commercially available in the North Zone.

Max / Min Temperature
Max:  88 F  NCentral
Min:  8.5 F  FW
Average Hourly Procurement by Ancillary Service

13 Month Review of Average Hourly Procurement by Ancillary Service

Average MCPC by Ancillary Service

13 Month Review of Average MCPC by Ancillary Service
Balancing Energy
Energy Purchased Through ERCOT

(PPR404: Any Balancing Energy scheduled through the ERCOT Scheduling process)
Balancing Energy
% of Total ERCOT Energy Requirement

Average BES Deployed: as a Percentage of Total Energy Requirement

13 Month Review of Average BES Deployed: as A Percentage of Total Energy Requirement
Balancing Energy

Average MCPE
13 Month Review of MCPE

Average Fuel Index

Balancing Energy
Average Shadow Price
13 Month Review of Average Shadow Price

Cost Summary
Note: There is not a price for self-arranged Ancillary Services. MCPC is used to calculate the cost for self-arrangement
**OOMC Cost At Final**

- Start-Up Payment (Total: $1.36 Million)
- RMR Net Cost (Initial Settlement)

**RMR Cost (Initial Settlement)**

- Energy
- Stand By
- Start Up
- BIENA Credit

**13 Month Review of OOMC Cost At Final Settlement and True Up**

- Total OOMC Payment (Total: $86.21 Million)
- Total OOMC Payment (Total: $14.48 Million)

**RMR Net Cost (Initial Settlement)**

- Total Net Cost $8.51 Million
*Note:

1. Trade dates thru 12/31/05 complete with Initial Settlement data, using estimated eligible costs.

2. Trade dates thru 11/19/05 complete with Final Settlement data, using verifiable actual cost data provided by the RMR Unit owner.
Local Congestion Cost By Instruction Type by Day

- OOMC
- Manual OOME Up
- Manual OOME Dn
- LBE-operate at or above level
- LBE-operate at or below level

Total: $24.87 Million

Top Ten Local Energy Deployment Cost by Local Constraints
(Does not include OOMC)

- Comanche Peak 1 & 2
- Marion-Skyline-345kv
- Marion-Zorn-Clear Springs 345kv
- Austrop-Sandow 345kv
- Benbrook-Parker & Graham 345kv
- Dansby Xfmr2 Zorn-Lytton Springs 345kv
- Kendall-Fredericksburg 138kv
- Dansby-Hearne 138kv
- Hi Cross-Salemwalk 138kv
- Uvalde-Asphalt 138kv
- Schertz-Parkway 138kv
- Zorn-Seguin 138kv
- Gideon-Butler 138kv
- Stephenville-Lingleville 138kv
- Hearn-Hearne 69kv
- San Marcos-Canyon 138kv
- Kendall-Comfort 138kv
- Hearn-Hearne 69kv
- Burleson-Pedernales 138kv

Total: $8.13 Million
The historical data gathered from the monthly reports has been compiled into an Excel workbook which will be updated and posted along with this report at the following link:


Please contact Shuye Teng at 512-248-3998 or email at steng@ercot.com should you have any questions.
Addendum: Map of Local Congestion Areas (charts on pages 35 & 36)