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### Acronyms

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<th>Description</th>
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<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: 6/13/06 6:15 57981

13 Month Review of Peak Demand

Peak Demand is Peak Interval Demand
Instances of CSC Congestion

Notable Events

New Procedures/ Forms/ Operations Bulletins

<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
<th>Bulletin</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/26/2006</td>
<td>Day Ahead Desk - Temporary Solution for RPRS Selecting Certain Blackstart Resources</td>
<td>271</td>
</tr>
<tr>
<td>06/01/2006</td>
<td>Transmission &amp; Security Desk V3R71</td>
<td>268</td>
</tr>
<tr>
<td>06/01/2006</td>
<td>Frequency Control Desk V3R37</td>
<td>267</td>
</tr>
<tr>
<td>06/01/2006</td>
<td>Transmission and Generation Energize Approval Procedure</td>
<td>266</td>
</tr>
<tr>
<td>06/26/2006</td>
<td>Day Ahead Desk - Temporary Solution for RPRS Selecting Certain Blackstart Resources</td>
<td>271</td>
</tr>
<tr>
<td>06/07/2006</td>
<td>Maintenance Level 2 &amp; 3 Outages - Frequency Control Desk</td>
<td>270</td>
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<tr>
<td>06/01/2006</td>
<td>Day Ahead Desk-Instructions on Scaling of the MTLF</td>
<td>269</td>
</tr>
<tr>
<td>06/01/2006</td>
<td>Maintenance Level 2 &amp; 3 Outages - Frequency Control Desk</td>
<td>270</td>
</tr>
<tr>
<td>06/01/2006</td>
<td>Day Ahead Desk-Instructions on Scaling of the MTLF</td>
<td>269</td>
</tr>
</tbody>
</table>

Significant Communication Problems

None

OCN, Advisory, Alert, Emergency Notice and Major Disturbances

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-June</td>
<td>16:00</td>
<td>Transmission Alert Cedar Hill Sw-Watermill 345kV overloads Watermill 345/138kV Auto</td>
</tr>
<tr>
<td>1-June</td>
<td>15:45</td>
<td>Alert Second Replacement Reserve Service Market opened for Saturday 06/10/06.</td>
</tr>
<tr>
<td>1-June</td>
<td>15:30</td>
<td>Emergency Notice For the Laredo area due to outage on XXXX.</td>
</tr>
<tr>
<td>1-June</td>
<td>15:00</td>
<td>Emergency Notice For the Laredo area due to outage on XXXX.</td>
</tr>
<tr>
<td>1-June</td>
<td>14:13</td>
<td>Transmission Alert San Miguel Switchyard 138kV-San Miguel Switchyard 69kV overloads Derby-Pearsall 69kV line.</td>
</tr>
<tr>
<td>1-June</td>
<td>14:04</td>
<td>Transmission Alert San Miguel Switchyard 138kV-San Miguel Switchyard 69kV overloads Derby-Pearsall 69kV line.</td>
</tr>
<tr>
<td>1-June</td>
<td>14:08</td>
<td>Transmission Alert Asherton 138/69kV Autotransformer overloads the Uvalde 138/69 kV Autotransformer.</td>
</tr>
<tr>
<td>20-June</td>
<td>11:45</td>
<td>Transmission Alert Asherton-Escondido 138kV overloads Uvalde-Asphalt Mines 138kV</td>
</tr>
<tr>
<td>20-June</td>
<td>11:45</td>
<td>Transmission Alert Asherton 138/69kV Autotransformer overloads Uvalde 138/69 kV Autotransformer.</td>
</tr>
<tr>
<td>20-June</td>
<td>11:30</td>
<td>Transmission Alert San Miguel-Pearsall 138kV overloads Moore-Downdie 138kV line.</td>
</tr>
<tr>
<td>20-June</td>
<td>11:30</td>
<td>Transmission Alert San Miguel Switchyard 138kV-San Miguel Switchyard 69kV overloads Derby-Pearsall 69kV line.</td>
</tr>
<tr>
<td>21-June</td>
<td>01:00</td>
<td>Alert Second Replacement Reserve Service Market opened for Wednesday 06/21/06.</td>
</tr>
<tr>
<td>21-June</td>
<td>20:55</td>
<td>Transmission Alert San Miguel Switchyard 13 kV-San Miguel Switchyard 69kV overloads Derby-Pearsall 69kV line.</td>
</tr>
<tr>
<td>22-June</td>
<td>21:00</td>
<td>Transmission Alert Lake Creek-Jewett 138kV overloads Navarro-Richland 69kV line.</td>
</tr>
<tr>
<td>16-14</td>
<td>21:00</td>
<td>Transmission Alert Big Brown-Jewett 345kV overloads Trinity-Winkler BEPC 138 kV line.</td>
</tr>
</tbody>
</table>
23-Jun
15:14 21:30 Transmission Alert San Miguel Switchyard 138kV-San Miguel Switchyard 69kV overloads Derby-Pearsall 69kV line.

24-Jun
14:54 19:00 Transmission Alert San Miguel 138/69kV Auto overloads Derby-Pearsall 69kV line.

25-Jun
11:14 12:30 OCN capacity shortage hours 16:00 to 18:00
12:30 15:00 Alert capacity shortage hours 16:00 to 18:00
13:32 15:00 OCN shortage of USES bids for hours 16:00 to 15:00
15:25 20:00 Transmission Alert San Miguel-Sigmor 138kv line overload
15:25 20:00 Transmission Alert Jewett-Palestine 138kV overloads Palestine-Elkhart 69kV.

Major system Voltage problems/ Load Shed incidences
6/12 19:42: The following elements were lost:
- Manor – Cedar Hill LCRA 138kV line locked out
- Dessau – Daffin Gin 138kV line locked out
- Dessau – Sprinkle 138kV line locked out
- Double Circuit Dessau – McNeil 138kV lines locked out
- Decker – Sprinkle 138kV line locked out
- Capacitor bank on the 138kV bus at Round Rock tripped
- Decker – McNeil 138kV line was open ended at Decker
- Howard Lane – Techridge 138kV line was open ended at Howard Lane
- Daffin Gin – Austrop 138kV line was open ended at Daffin Gin
- Fiskville – McNeil 138kV line was open ended at Fiskville

Major Computer System Problems/Enhancements/Fixes
None

Security Alert Stage/ Threatcon/ Related issues
None/Yellow

Major Weather Related Power System Problems
None

New SPS & RAP’s
None

Update on New Generation
None

Max / Min Temperature
Max: 109 ºF West
Min: 57.2 ºF West
Average Deployment by Ancillary Service

13 Month Review of Average Deployment by Ancillary Service

Balancing Energy
Average Balancing Energy Deployed
Balancing Energy
Energy Purchased Through ERCOT

(PRR404: Any Balancing Energy scheduled through the ERCOT Scheduling process)
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
Balancing Energy
Average Shadow Price

13 Month Review of Average Shadow Price
13 Month Review of Ancillary Service Capacity Cost

Note: There is not a price for self-arranged Ancillary Services. MCPC is used to calculate the cost for self-arrangement.
13 Month Review of Ancillary Service Deployment Cost

<table>
<thead>
<tr>
<th>DR</th>
<th>URS</th>
<th>RRS</th>
<th>NSRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Total w/DRS: $0.65 Million  Total w/o DRS: $4.66 Million

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

<table>
<thead>
<tr>
<th>DR</th>
<th>URS</th>
<th>RRS</th>
<th>NSRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(0.3)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Total w/DRS: $12.22 Million  Total w/o DRS: $88.36 Million

Totals are for time range of the chart.
Total Net Cost $6.40 Million

Verified Actual RMR Cost*

*Note:
1. Trade dates thru 5/31/06 complete with Initial Settlement data, using estimated eligible costs.
2. Trade dates thru 4/17/06 complete with Final Settlement data, using verifiable actual cost data provided by the RMR Unit owner.
Total Local Congestion Costs by the Physical Location of Instructed Units

- CENTEX: $4.61
- CORPUS: $0.03
- SOUTH: $0.04
- VALLEY: $0.86
- DFW: $2.15
- NORTH: $0.75
- HOUSTON: $0.70
- WEST: $0.74
- MCCAMEY: $0.11

Total: $9.98 Million

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

- RPRS STEP1: $3.63
- Manual OOME DN: $1.70
- Manual OOME UP: $0.84
- OOMC: $0.80
- LBE-hold at a level: $0.77
- LBE-operate at or above a level: $0.84
- LBE-operate at or below a level: $2.20
- OOMEDN: $0.84
- OOMEUP: $0.84
- DOMC: $0.80
- DOMEDN: $0.84
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)