Acronyms...................................................................................................................................4

Grid Operation .........................................................................................................................5

  Daily Peak Demand ..................................................................................................................6
  13 Month Review of Peak Demand ............................................................................................6
  Daily Average Temperature in Five Congestion Management Zones .....................................6
  Relative Activity Capacity Purchases - OOMC & RMR .............................................................7
  Total Number of Days of Local Congestion Management ....................................................7
  Instances of CMC Congestion .................................................................................................8
  Notable Events ........................................................................................................................9

Market Operation .....................................................................................................................11

Ancillary Services .....................................................................................................................11

  Average Hourly Procurement by Ancillary Service .................................................................12
  13 Month Review of Average Hourly Procurement by Ancillary Service ..............................12
  Average MCPC by Ancillary Service .......................................................................................13
  13 Month Review of Average MCPC by Ancillary Service ......................................................13
  Average Deployment by Ancillary Service .............................................................................14
  13 Month Review of Average Deployment by Ancillary Service ...........................................14

Balancing Energy ....................................................................................................................15

  Average Balancing Energy Deployed.......................................................................................15
  Average UBES Deployment in Five Zones ...............................................................................16
  Average DBES Deployment in Five Zones ...............................................................................16
  13 Month Review of UBES Deployment ...............................................................................17
  13 Month Review of DBES Deployment ...............................................................................17

Energy Purchased Through ERCOT .......................................................................................18

  Total Daily Balancing Energy Scheduled for Purchase Through ERCOT (GWh) ................19
  13 Month Review of Total Balancing Energy Scheduled for Purchase through ERCOT (GWh) 19
  Average Balancing Energy Scheduled for Purchase Through ERCOT by Interval (MWh) ...20

% of Total ERCOT Energy Requirement ................................................................................21

  Average BES Deployed as a Percentage of Total Energy Requirement ................................22
  13 Month Review of Average BES Deployed as A Percentage of Total Energy Requirement 22

Average MCPE .......................................................................................................................23

  Average MCPE in Five Zones ................................................................................................24
  Average MCPE at Each Interval for Five Zones ...................................................................24
  13 Month Review of MCPE ...................................................................................................25
  Average Fuel Index ..............................................................................................................25

Average Shadow Price .........................................................................................................26

  Average Shadow Price ........................................................................................................27
  13 Month Review of Average Shadow Price .......................................................................27

Cost Summary .........................................................................................................................28

  Ancillary Service Capacity Cost ...............................................................................................29
  13 Month Review of Ancillary Service Capacity Cost ............................................................29
  Ancillary Service Deployment Cost ........................................................................................30
  13 Month Review of Ancillary Service Deployment Cost .....................................................30
  OOMC Cost At Final  ...........................................................................................................31
  13 Month Review of OOMC Cost At Final Settlement and True Up ..................................31
  RMR Cost (Initial Settlement) ...............................................................................................32
  RMR Net Cost (Initial Settlement) .......................................................................................32
  Verified Actual RMR Cost* .................................................................................................33
  Total Local Congestion Costs by the Physical Location of Instructed Units .........................34
  Total Local Congestion Costs by Instruction Type (in Million $) ........................................34
  Local Congestion Cost By Instruction Type by Day .............................................................35
Grid Operation

Daily Peak Demand

13 Month Review of Peak Demand

Peak Demand for the Month: 1/18/06 7:15 39387

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
--- | --- | ---
Skyline - Marion - STP 345kV | Shertz - Parkway 138kV | 9
Bowie TMPP - Patterson St. 138kV | Bowles 138/69kV Transformer | 6
Lon Hill - North Edinburg 345kV | Lon Hill - Stratton 138kV | 5
Sandow 345/138kV auto | Sandow - Salty 138kV | 3
San Angelo - Menard 138kV | Ballinger - Paint Rock 69kV | 3
Dilley Sw - North Laredo 138kV | Asherton - North Laredo 138kV | 2
La Palma - Rio Hondo 345kV | La Palma - Rio Hondo 138kV | 2
Sandow - Salty 138kV | Rexene Nylon Tap - Odessa EHV | 2
Bluff Creek - Oak Creek | Blessing - Lotta 138kV | 2
Sandow - Salty 138kV | Prosper - Temple Valley 69kV | 2
Bowie TMPP - Patterson St. 138kV | Allen Switch 345/138kV auto #2 | 2
Lon Hill - Stratton 138kV | Sweetwater Tr | 2
Lon Hill - Stratton 138kV | Moore - Downie 138kV | 2

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

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 this report. Occurrences of 1 day or less are not listed in table but are totaled in graph.

Indicates congestion affected by outages.
Instances of CSC Congestion

Notable Events

New Procedures/Forms/Operations Bulletins

- 01/17/06 Operating Period Desk—Emergency Site Failover
- 01/17/06 Transmission & Security Desk—Emergency Site Failover
- 01/17/06 Frequency Control Desk—Emergency Site Failover
- 01/16/06 Transmission & Security Desk—VSAT Procedure
- 01/13/06 Frequency Control Desk—Maintenance Level 2 and 3 Outages

Significant Communication Problems

- 01/06/06 Held 00:00 interval due to an error detected in the Balancing calculation.
- 01/28/06 Conducted scheduled maintenance on Portal.

OCN, Advisory, Alert, Emergency Notice and Major Disturbances

- 01/01/06 12:10-13:00 OCN-Capacity Insufficiency HE 19:00-20:00
- 01/01/06 13:00-23:00 Alert-Capacity Insufficiency HE 19:00-20:00
- 01/08/06 18:00-23:00 OCN-Capacity Insufficiency HE 19:00-21:00 & 23:00
- 01/14/06 2:40-6:30 OCN-Capacity Insufficiency HE 08:00-09:00
- 01/14/06 6:30-8:00 OCN-Capacity Insufficiency HE 08:00-13:00
- 01/18/06 2:15-4:15 OCN-Capacity Insufficiency HE 08:00
- 01/31/06 1:30-3:00 OCN-Capacity Insufficiency HE 08:00
- 01/31/06 3:00-7:00 Alert-Capacity Insufficiency HE 08:00

Major system Voltage problems/Load Shed incidences

None

Major Computer System Problems/Enhancements/Fixes

- 01/4/06 10:30 Release 4 patches installed
- 01/5/06 18:00 OOMC patch installed
- 01/20/06 Control problems due to ERCOT AGC unintentionally changed from Constant Frequency Control to Tie Line Bias Control

Security Alert Stage/Threatcon/Related issues

None/Yellow

Major Weather Related Power System Problems

None

New SPS & RAPs

None

Update on New Generation

None

Max/Min Temperature

Max: 87.2°F SW
Min: 21°F FW
Market Operation

Ancillary Services

Average Hourly Procurement by Ancillary Service

13 Month Review of Average Hourly Procurement by Ancillary Service
Balancing Energy
Average Balancing Energy Deployed
13 Month Review of UBES Deployment

13 Month Review of DBES Deployment

Balancing Energy
Energy Purchased Through ERCOT

(PRRA04: 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

Average MCPE in Five Zones

Average MCPE at Each Interval for Five Zones
13 Month Review of MCPE

Average Fuel Index

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

Cost Summary
ERCOT OPERATIONS MONTHLY REPORT – JANUARY 2006

1. Ancillary Service Capacity Cost

- DRS
- URS
- RRS
- NSRS

Total: $48.34 Million

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.

2. Ancillary Service Deployment Cost

- DRS
- URS
- RRS
- NSRS

Total w/DRS: $0.23 Million  Total w/o DRS: $81.52 Million

13 Month Review of Ancillary Service Deployment Cost

Totals are for time range of the chart.
13 Month Review of OOMC Cost At Final Settlement and True Up

- OOMC Cost At Final Settlement
- RMR Cost (Initial Settlement)
- RMR Net Cost (Initial Settlement)

**OOMC Cost At Final**
- Start-Up Payment (Total: $1.03 Million)
- Total OOMC Payment (Total: $4.47 Million)

**RMR Cost (Initial Settlement)**
- Energy
- Stand By
- Start Up
- BENA Credit

**RMR Net Cost (Initial Settlement)**
- Total Net Cost $7.22 Million

Totals are for time range of the chart.
1. Trade dates thru 1/31/06 complete with Initial Settlement data, using estimated eligible costs.

2. Trade dates thru 12/19/05 complete with Final Settlement data, using verifiable actual cost data provided by the RMR Unit owner.

*Note:
Local Congestion Cost By Instruction Type by Day

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

Total $ 5.67 Million

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

Top Ten Total: $1.05 Million

Marion-Skyline Stp 345
Comanche Peak Units
Temple-San Saba County Line 138
Comanche-Zorn & Clear Springs
Base Case Morgan Ck-Ector 345
Menard County 138
San Angelo To Menard 138
Top Ten Total $ 1.05 Million
Base Case Batesville-Clark Pearsall 138
Schertz-Parkway 138
Uvalde-Asphalt Mines 138
Poege-Temple Taylor Valley 69
Seguin-Zorn 138 Bowie 138/69kv
Boerne Pearsall 138
Sandow Auto General Tire Stp
Ballinger-Paint Rock 69
Bluff Creek-Oak Creek
Moore-Downie 138

Contingency
Overloaded
Element

San Antonio Southside 138
Callaghan-Boerne 138
Seguin-Zorn 138 Bowie 138/69kv
Bowie-Temple Valley 69
San Angelo To Menard 138
Base Case Batesville-Clark Pearsall 138
Schertz-Parkway 138
Uvalde-Asphalt Mines 138
Poege-Temple Taylor Valley 69
Seguin-Zorn 138 Bowie 138/69kv
Boerne Pearsall 138
Sandow Auto General Tire Stp
Ballinger-Paint Rock 69
Bluff Creek-Oak Creek
Moore-Downie 138

San Antonio Southside 138
Callaghan-Boerne 138
Seguin-Zorn 138 Bowie 138/69kv
Bowie-Temple Valley 69
San Angelo To Menard 138
Base Case Batesville-Clark Pearsall 138
Schertz-Parkway 138
Uvalde-Asphalt Mines 138
Poege-Temple Taylor Valley 69
Seguin-Zorn 138 Bowie 138/69kv
Boerne Pearsall 138
Sandow Auto General Tire Stp
Ballinger-Paint Rock 69
Bluff Creek-Oak Creek
Moore-Downie 138
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.

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 amount of energy that QSEs intend to buy from Real-Time Energy market.
Addendum: Map of Local Congestion Areas (charts on pages 34 & 35)