OPERATIONS MONTHLY REPORT

March 2007

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### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<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>
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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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<tr>
<td>MCPE</td>
<td>Market Clearing Price for Energy</td>
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<tr>
<td>NSRS</td>
<td>Non-Spinning Reserve Service</td>
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<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>
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<tr>
<td>RMR</td>
<td>Reliability Must Run</td>
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<tr>
<td>RPRS</td>
<td>Replacement Reserve Service</td>
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<tr>
<td>RRS</td>
<td>Responsive Reserve Service</td>
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<tr>
<td>UBERES</td>
<td>Up Balancing Energy Service</td>
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<tr>
<td>URS</td>
<td>Up Regulation Service</td>
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### ERCOT OPERATIONS MONTHLY REPORT – MARCH 2007

- **Total Local Congestion Costs by Instruction Type (in Million $)**: 36
- **Local Congestion Cost By Instruction Type by Day**: 37
- **Top Ten Local Energy Deployment Cost by Local Constraints**: 38
- **Cost Summary**: 39
- **13 Month Review of Cost Summary**: 39

### Addendum: Map of Local Congestion Areas (charts on pages 30 & 31)
Daily Peak Demand

Peak Demand for the Month: 3/05/07 7:15 38739

Grid Operation
13 Month Review of Peak Demand

Peak Demand is Peak Interval Demand

Daily Average Temperature in Four Congestion Management Zones

Instances of CSC Congestion
Market Operation

Ancillary Services

Average Hourly Procurement by Ancillary Service

13 Month Review of Average Hourly Procurement by Ancillary Service
13 Month Review of Average Deployment by Ancillary Service

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

Average DBES Deployment in Five Zones

13 Month Review of UBES Deployment

13 Month Review of DBES Deployment
Balancing Energy
Energy Purchased Through ERCOT

(PRR404: Any Balancing Energy scheduled through the ERCOT Scheduling process)
Average Balancing Energy Scheduled for Purchase Through ERCOT by Interval (MWh)

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 Four Zones

Average MCPE at Each Interval for Four Zones

13 Month Review of MCPE

Average Fuel Index
Balancing Energy
Average Shadow Price

Average Shadow Price

$/MW

NH  NW  SH  SN  WN
13 Month Review of Average Shadow Price

Cost Summary
ERCOT OPERATIONS MONTHLY REPORT – MARCH 2007

Ancillary Service Capacity Cost

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.

Total: $38.08 Million

Total w/DRS: $0.18 Million  Total w/o DRS: $4.92 Million
Verified Actual RMR Cost*

*Note:

1. Trade dates thru 3/31/07 complete with Initial Settlement data, using estimated eligible costs.

2. Trade dates thru 2/11/07 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: $1.96
- CORPUS: $0.37
- SOUTH: $0.6
- VALLEY: $1.67
- DFW: $0.29
- NORTH: $0.05
- HOUSTON: $0.8
- WEST: $2.98
- MCCAMEY: $0.0

Total: $8.80 Million

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

- LBE-operate at or below a level: 2.60
- LBE-operate at or above a level: 1.91
- LBE-hold at a level: 0.66
- Manual OOME UP: 0.26
- Manual OOME DN: 0.14
- OOMC: 0.37
- OOMEDN: 0.29
- RPRS STEP1: 0.05
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.

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 30 & 31)