

NOTICE DATE: March 16, 2006

NOTICE TYPE: Notice of System Change

SHORT DESCRIPTION: ERCOT implementation of PRR568 – Change Initial Settlement from 17 days to 10 days

INTENDED AUDIENCE: QSE settlement and Operations Personnel

DAY AFFECTED: Calendar Day March 23, 2006

LONG DESCRIPTION:

Settlement:

ERCOT has completed the process of changing the publication date of Initial Settlement Statements for an Operating day from 17 days to 10 days after the Operating Day. The Initial Settlement Statement for the Operating Day of March 6, 2006 was published 10 days after the Operating day on March 16, 2006. The Invoice generated on March 23, 2006 will be the last invoice containing 8 Initial Settlement Statements as a result of the transition period for this PRR. Invoices published after March 23, 2006 will contain 7 Initial Settlement Statements. All Initial Settlement Statements for Operating Days of March 6, 2006 and forward will be posted 10 days following the Operating day, unless that day is a weekend or a holiday in which case it is posted on the next business day.

Operations:

PRR 568 also changed the number of days ERCOT looks back to determine QSE load ratio shares for purposes of posting initial Ancillary Service obligations from 21 days to 14 days before the Operating day. ERCOT has changed the look back for the purposes of determining the initial Ancillary Services Obligation from 21 days to 14 days. All Ancillary Service Obligations posted for Operating Days of March 6, 2006 and forward used each QSE's Load Ratio Share determined by the Initial Settlement of the Operating Day 14 days prior to the day for which the Obligations are posted.

ADDITIONAL INFORMATION:

The ERCOT Settlement Calendar is located at the following link:

http://www.ercot.com/mktinfo/settlements/ERCOT_Settlement_Calendar.xls

CONTACT: If you have any questions, please contact your ERCOT Account Manager. You may also call the general ERCOT Client Relations phone number

at (512) 248-3900 or contact ERCOT Client Relations via e-mail at ClientRelations@ercot.com.