

Market Operations Presentation Board of Director's Meeting

December 14, 2004

Retail Activity

- Overall Activity
- Migration From Native AREPs
- Performance Measures (Quarter Only)

Wholesale Activity

- Reliability Services
- Balancing Services
- Congestion Management Services

Other Items

Retail Transactions Summary

since June 1, 2001

As of Friday, October 29, 2004

Transaction Type	
Switches	1,570,871
Move - Ins	5,373,340
Move Out	3,080,927
CSA	919,853
Drop to POLR	295,232
Total	11,240,223
Compared to Last Month	373,701

Migration from Native AREP

	% of Load *	% of ESI IDs	
	at <u>10-31-04</u>	at <u>10-31-04</u>	at <u>10-31-03</u>
Residential	22%	19%	13%
Small Non-Residential	60%	23%	16%
Large Non-Residential	67%	63%	54%

* % of Peak Demand on 08-07-03

Reliability Services

	YTD (\$'s in millions)		October (\$'s in millions)	
	<u>10/31/04</u>	<u>10/31/03</u>	<u>2004</u>	<u>2003</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$24,600.7	24,306.3	2,440.6	2,228.0
Volume (GWh)	246,007	243,063	24,406	22,280
% Increase	1.2%		9.5%	
Natural Gas Price Index (\$/MMBTU)	5.6	5.4	6.0	4.6
% Increase	3.7%		30.4%	
• RMR:				
RMR Capacity and Start Up	37.7	41.4	3.7	4.2
RMR Energy	231.8	185.3	27.1	20.2
BENA Credit	<u>-164.9</u>	<u>-129.9</u>	<u>-21.6</u>	<u>-12.3</u>
Net RMR	104.6	96.8	9.2	12.1
• Other Capacity Services:				
Replacement Reserve	0.0	0.0	0.0	0.0
Reg Up and Down	47.9	44.6	10.4	4.9
Responsive (Spinning) Reserve	46.8	63.7	7.9	6.5
Non-Spinning Reserve	5.8	6.9	1.5	0.9
Black Start	6.1	6.1	0.6	0.6
TOTAL RELIABILITY SERVICES	\$211.2	218.1	29.6	25.0

Balancing Services

	YTD (\$'s in millions)		October (\$'s in millions)	
	<u>10/31/04</u>	<u>10/31/03</u>	<u>2004</u>	<u>2003</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$24,600.7	24,306.3	2,440.6	2,228.0
Volume (GWh)	246,007	243,063	24,406	22,280
% Increase	1.2%		9.5%	
Natural Gas Price Index (\$/MMBTU)	5.6	5.4	6.0	4.6
% Increase	3.7%		30.4%	
• Balancing Energy:				
Balancing Energy - Up	\$391.1	663.9	59.3	35.0
% Increase	-41.1%		69.4%	
Up (GWh)	8,027.7	9,472.6	991.9	728.7
% Increase	-15.3%		36.1%	
% of Market	3.6%	4.3%	3.7%	3.0%
Balancing Energy - Down	-\$265.4	-314.8	-21.6	-26.1
% Increase	-15.7%		-17.2%	
Down (GWh)	-5,799.2	-5,543.0	-366.7	-432.0
% Increase	4.6%		-15.1%	
% of Market	2.6%	2.5%	1.4%	1.8%



Congestion Management Services

	YTD (\$'s in millions)		October (\$'s in millions)	
	<u>10/31/04</u>	<u>10/31/03</u>	<u>2004</u>	<u>2003</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$24,600.7	24,306.3	2,440.6	2,228.0
Volume (GWh)	246,007	243,063	24,406	22,280
% Increase	1.2%		9.5%	
Natural Gas Price Index (\$/MMBTU)	5.6	5.4	6.0	4.6
% Increase	3.7%		30.4%	
• Local Congestion:				
OOMC	68.9	120.2	3.9	8.7
"Market Solution" Down	0.0	22.0	0.0	0.0
"Market Solution" Up	0.0	11.6	0.0	0.0
OOME - Down	50.9	60.6	5.4	7.0
OOME - Up	<u>16.8</u>	<u>34.5</u>	<u>0.6</u>	<u>2.2</u>
Total Local Congestion Costs	\$136.6	\$248.9	\$9.9	\$17.9
• Zonal Congestion:				
TCR Payments (TCRCP = TCRs Sold*SP)	\$31.2	30.3	3.6	1.8
TCR Estimate Collected [ZCR = (OC1+Settlement Adjustment)*SP]	<u>-26.4</u>	<u>-15.5</u>	<u>-2.0</u>	<u>-2.2</u>
BENA Charge (TCRCP - ZCR)	\$4.8	\$14.8	\$1.6	-\$0.4

- **Settlements Process – we are now on a normal schedule**
 - 2003 Completed
 - 2004 Completed
- **Actions related to Board resolution on Auction Day-Ahead Market**
 - TNT White Paper moves EHDAEM to Day 1 of Texas Nodal
 - Eliminates need for ADAM to comply with PUCT Order
- **Added Reps**
 - ✓ W Power & Light
 - ✓ Star Electricity
 - ✓ Good Guys
 - ✓ M3
 - ✓ Azor Energy
 - ✓ Neumin
- **Added QSEs**
 - ✓ Texas Genco II
 - ✓ Azor Energy