



Market Operations Presentation Board of Director's Meeting

February 21, 2006



Agenda

Retail Activity

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

Wholesale Activity

- Capacity Services
- Energy Services including Summary Hub Price Data
- Congestion Services
- REPs and QSEs Added/Deleted

Other Items



Overall Activity

Retail Transactions Summary

since June 1, 2001

As of Friday, December 30, 2005

Transaction Type

Switches	2,287,492
Move - Ins	8,047,629
Move Out	4,624,849
CSA	1,334,897
Drop to POLR	308,667

Total

16,603,534

Compared to
Last Month

323,803



Migration from Native AREP

	% of Load *		% of ESI IDs	
	at <u>12-31-05</u>	at <u>12-31-05</u>	at <u>12-31-05</u>	at <u>12-31-04</u>
Residential	36%	28%	20%	20%
Small Non-Residential	81%	31%	25%	25%
Large Non-Residential	73%	73%	57%	57%

* % of Peak Demand on 08-03-04



Q4 2005 Performance Measures submitted to PUCT

SWITCHES

814 Transactions - Enrollment and Meter Read Scheduling

	<u>Request</u>	<u>Reject</u>	<u>to TDSP</u>	<u>Schedule</u>	<u>to New CR</u>	<u>to Old CR</u>	<u>from Old CR</u>
	173,714	14,492	158,572	161,226	158,282	132,589	139,396
% in Protocol	n/a	98.7%	97.4%	99.9%	99.7%	94.6%	96.3%

867 Transactions - Historical Usage (H) and Initial (I) Meter Read Deliveries

	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	148,802	148,802	146,698	146,687
% in Protocol	99.9%	100.0%	n/a	98.4%



Q4 2005 Performance Measures submitted to PUCT

MIMO

814 Transactions - Enrollment and Meter Read Scheduling

	<u>Request</u>	<u>Reject</u>	<u>to TDSP</u>	<u>Schedule</u>	<u>to New CR</u>	<u>to Old CR</u>	<u>from Old CR</u>
	644,935	11,170	629,027	623,129	613,960	306,298	307,526
% in Protocol	n/a	89.0%	92.1%	96.8%	96.2%	96.2%	99.2%

867 Transactions - Historical Usage (H) and Initial (I) Meter Read Deliveries

	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	340,305	340,305	585,103	585,099
% in Protocol	99.2%	100.0%	n/a	98.6%



Capacity Services

	YTD (\$'s in millions)		December (\$'s in millions)	
	<u>12/31/05</u>	<u>12/31/04</u>	<u>2005</u>	<u>2004</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$29,878.2	28,891.8	2,323.7	2,284.1
Volume (GWh)	298,782	288,918	23,237	22,841
% Increase	3.4%		1.7%	
Natural Gas Price Index (\$/MMBTU)	8.1	5.8	11.2	6.4
% Increase	39.7%		75.0%	
• Other Capacity Services:				
Replacement Reserve	\$0.0	0.0	0.0	0.0
Reg Up and Down	173.3	74.4	17.2	15.0
Responsive (Spinning) Reserve	159.1	64.7	11.6	9.0
Non-Spinning Reserve	39.7	6.3	1.4	0.5
Black Start	6.9	7.3	0.6	0.6
TOTAL CAPACITY SERVICES	\$467.9	261.2	36.3	30.8



Capacity Services – Reg Up and Down and Responsive Reserve

	YTD		December	
	<u>12/31/05</u>	<u>12/31/04</u>	<u>2005</u>	<u>2004</u>
Reg Up:				
Required (MW)	6,706,894	7,594,308	592,519	655,566
Self Arranged (MW)	2,865,522	4,827,409	240,018	314,609
Procured (MW)	3,858,114	2,776,798	353,272	341,036
% Procured	58%	37%	60%	52%
Weighted Avg MCPC (\$/MW)	21.2	14.0	21.3	20.7
Reg Down:				
Required (MW)	7,494,482	7,943,631	654,941	691,168
Self Arranged (MW)	3,367,268	5,341,619	274,511	407,077
Procured (MW)	4,160,099	2,612,683	382,379	284,671
% Procured	56%	33%	58%	41%
WeightedAvg MCPC (\$/MW)	22.0	13.6	25.3	27.7
Responsive (Spinning) Reserve:				
Required (MW)	20,074,969	20,190,377	1,709,591	1,710,690
Self Arranged (MW)	10,566,223	12,923,371	907,587	996,042
Procured (MW)	9,576,632	7,277,351	803,612	715,158
% Procured	48%	36%	47%	42%
WeightedAvg MCPC (\$/MW)	16.6	8.9	14.4	12.5
Responsive (Non Spinning) Reserve:				
Required (MW)	2,551,717	2,723,860	97,606	106,523
Self Arranged (MW)	1,013,221	1,969,288	36,336	64,686
Procured (MW)	1,534,193	752,189	61,164	41,559
% Procured	60%	28%	63%	39%
WeightedAvg MCPC (\$/MW)	25.9	8.4	22.3	13.4



Energy Services

	YTD (\$'s in millions)		December (\$'s in millions)	
	<u>12/31/05</u>	<u>12/31/04</u>	<u>2005</u>	<u>2004</u>
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Natural Gas Price Index (\$/MMBTU)	8.1	5.8	11.2	6.4
% Increase	39.7%		75.0%	
• Balancing Energy:				
Balancing Energy - Up	\$1,105.4	\$477.7	\$100.0	\$44.2
% Increase	131.4%		126.2%	
Up (GWh)	11,960.8	9,566.3	865.5	816.5
% Increase	25.0%		6.0%	
% of Market	4.0%	3.3%	3.7%	3.6%
Balancing Energy - Down	-\$301.2	-297.6	-44.7	-15.8
% Increase	1.2%		182.9%	
Down (GWh)	-5,306.9	-6,624.4	-511.4	-472.3
% Increase	-19.9%		8.3%	
% of Market	1.8%	2.3%	2.2%	2.1%



Hub Summary Data

- ERCOT Hubs**

Balancing Energy Weighted Average Price (\$/MWH)

<u>HUB</u>	<u>Dec</u> <u>2005</u>	<u>Nov</u> <u>2005</u>	<u>Oct</u> <u>2005</u>	<u>Sept</u> <u>2005</u>	<u>Aug</u> <u>2005</u>	<u>July</u> <u>2005</u>	<u>June</u> <u>2005</u>	<u>May</u> <u>2005</u>
South	\$89.00	\$69.65	\$114.96	\$104.55	\$84.76	\$77.03	\$62.27	\$58.27
North	\$96.26	\$72.01	\$117.39	\$121.40	\$106.76	\$81.62	\$75.23	\$60.77
Houston	\$86.11	\$72.48	\$143.31	\$125.73	\$115.75	\$87.38	\$80.92	\$67.43
West	\$93.14	\$67.41	\$128.08	\$130.39	\$121.16	\$92.23	\$80.11	\$68.90
ERCOT Hub	\$91.70	\$70.64	\$121.75	\$117.74	\$103.10	\$83.24	\$73.43	\$62.80
ERCOT Bus	\$92.16	\$70.65	\$123.09	\$119.27	\$105.09	\$83.26	\$74.46	\$62.69
% Change	30.4%	(42.6%)	3.2%	13.5%	26.2%	11.8%	18.8%	
NGPI % Change	47.4%	(33.3%)	5.6%	18.7%	21.3%	4.2%	12.5%	



Hub Summary Data

- ERCOT Hubs**

Balancing Energy Average Daily Dollar Volume (\$'s in thousands)

HUB	Dec 2005	Nov 2005	Oct 2005	Sept 2005	Aug 2005	July 2005	June 2005	May 2005
South	\$1,149.35	\$1,069.95	\$1,500.73	\$1,559.29	\$1,234.30	\$946.48	\$786.05	\$750.05
North	\$1,685.05	\$979.42	\$2,412.98	\$3,416.58	\$2,655.25	\$2,129.30	\$2,098.59	\$1,075.51
Houston	\$546.99	\$454.82	\$1,427.56	\$1,628.39	\$1,760.65	\$1,263.47	\$1,162.25	\$770.55
West	\$711.83	\$304.40	\$568.08	\$891.48	\$695.04	\$613.65	\$563.27	\$405.77
ERCOT Hub	\$4,072.69	\$2,808.19	\$8,545.10	\$7,399.43	\$6,224.90	\$4,951.90	\$4,546.54	\$3,007.52
ERCOT Bus	\$4,093.22	\$2,808.59	\$5,909.72	\$7,495.75	\$6,345.23	\$4,952.88	\$4,610.15	\$3,001.88
% Change	45.7%	(52.5%)	(21.2%)	18.1%	28.1%	7.4%	53.6%	



Hub Summary Data

- **ERCOT Hubs**
Balancing Energy Average Daily Volume (GWH)

<u>HUB</u>	<u>Dec</u> <u>2005</u>	<u>Nov</u> <u>2005</u>	<u>Oct</u> <u>2005</u>	<u>Sept</u> <u>2005</u>	<u>Aug</u> <u>2005</u>	<u>July</u> <u>2005</u>	<u>June</u> <u>2005</u>	<u>May</u> <u>2005</u>
South	12.9	15.4	13.1	14.9	14.6	12.3	12.6	12.9
North	17.5	13.6	20.6	28.1	24.9	26.1	27.9	17.7
Houston	6.4	6.3	10.0	13.0	15.2	14.5	14.4	11.4
West	7.6	4.5	4.4	6.8	5.7	6.7	7.0	5.9
ERCOT Hub	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
ERCOT Bus	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
% Change	12%	(17%)	(24%)	4%	2%	(4%)	29%	



Hub Summary Data

- ERCOT Hubs**
Balancing Energy Monthly Volume (GWH)

<u>HUB</u>	<u>Dec</u> <u>2005</u>	<u>Nov</u> <u>2005</u>	<u>Oct</u> <u>2005</u>	<u>Sept</u> <u>2005</u>	<u>Aug</u> <u>2005</u>	<u>July</u> <u>2005</u>	<u>June</u> <u>2005</u>	<u>May</u> <u>2005</u>
South	400.3	460.8	404.7	447.4	451.4	368.6	391.3	399.1
North	542.7	408.0	637.2	844.3	771.0	782.6	864.8	548.6
Houston	196.9	188.2	308.8	388.5	471.5	433.8	445.3	354.2
West	236.9	135.5	137.5	205.1	177.8	199.6	218.0	182.6
ERCOT Hub	1,376.8	1,192.6	1,488.2	1,885.4	1,871.8	1,784.6	1,919.3	1,484.5
ERCOT Bus	1,376.8	1,192.6	1,488.2	1,885.4	1,871.8	1,784.6	1,919.3	1,484.5
% Change	15%	(20%)	(21%)	1%	5%	(7%)	29%	



Congestion Services

	YTD (\$'s in millions)		December (\$'s in millions)	
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Natural Gas Price Index (\$/MMBTU)	8.1	5.8	11.2	6.4
% Increase	39.7%		75.0%	
• Local Congestion:				
OOMC	\$82.2	\$78.9	\$14.5	\$3.9
"Market Solution" Down	4.2	0.0	0.7	0.0
"Market Solution" Up	3.7	0.0	1.1	0.0
OOME - Down	42.3	55.4	0.1	1.8
OOME - Up	<u>28.7</u>	<u>19.0</u>	<u>8.6</u>	<u>1.9</u>
Total Local Congestion Costs	\$161.1	\$153.3	\$25.0	\$7.6
• Zonal Congestion:				
TCR Auction Revenue from TCR Holders	\$40.2	35.1	3.7	2.5
Direct Assignment Revenue Paid by QSEs based on schedules	79.0	31.2	2.1	5.9
TCR/PCR Payments including Auction Revenue Refunds	<u>(119.0)</u>	<u>(43.9)</u>	<u>(3.5)</u>	<u>(12.5)</u>
Net Under (Over) Sold TCRs	\$0.2	\$22.4	\$2.3	(\$4.1)
• RMR:				
RMR Capacity and Start Up	\$45.6	\$46.0	\$2.8	\$5.4
RMR Energy	272.2	264.9	18.7	19.0
BENA Credit	<u>-176.5</u>	<u>-184.8</u>	<u>-10.2</u>	<u>-10.1</u>
Net RMR	\$141.3	\$126.1	\$11.3	\$14.3



REPs and QSEs Added/Deleted

- **Added Reps**

- ✓ None

- **Added QSEs**

- ✓ Calbear Energy, LP
- ✓ Liberty Power Texas, LLC

- **Deleted Reps**

- ✓ Ideal Energy

- **Deleted QSEs**

- ✓ TXU SESCO Co.