

# **Market Operations Presentation Board of Director's Meeting**

March 21, 2006

## **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**

## Retail Transactions Summary

since June 1, 2001

As of Tuesday, January 31, 2006

Transaction Type	
Switches	2,341,138
Move - Ins	8,256,661
Move Out	4,742,469
CSA	1,361,555
Drop to POLR	309,864
Total	17,011,687
Compared to Last Month	408,153

# Migration from Native AREP

	% of Load *	% of ESI IDs	
	at <u>01-31-06</u>	at <u>01-31-06</u>	at <u>01-31-05</u>
Residential	37%	29%	21%
Small Non-Residential	75%	32%	27%
Large Non-Residential	74%	72%	62%

\* % of Peak Demand on 08-23-05

# Capacity Services

	YTD (\$'s in millions)		January (\$'s in millions)	
	<u>01/31/06</u>	<u>01/31/05</u>	<u>2006</u>	<u>2005</u>
• <b>Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.10/kWh PTB)	<b>\$2,142.7</b>	<b>2,264.7</b>	<b>2,142.7</b>	<b>2,264.7</b>
Volume (GWh)	21,427	22,647	21,427	22,647
% Increase	-5.4%		-5.4%	
Natural Gas Price Index (\$/MMBTU)	7.6	8.1	7.6	8.1
% Increase	-6.2%		-6.2%	
• <b>Other Capacity Services:</b>				
Replacement Reserve	0.0	0.0	0.0	0.0
Reg Up and Down	16.4	17.6	16.4	17.6
Responsive (Spinning) Reserve	9.7	11.4	9.7	11.4
Non-Spinning Reserve	0.0	1.0	0.0	1.0
Black Start	0.5	0.6	0.5	0.6
<b>TOTAL CAPACITY SERVICES</b>	<b>\$26.6</b>	<b>\$30.6</b>	<b>\$26.6</b>	<b>\$30.6</b>

# Capacity Services – Reg Up and Down and Responsive Reserve

	YTD		January	
	<u>01/31/06</u>	<u>01/31/05</u>	<u>2006</u>	<u>2005</u>
<b>Reg Up:</b>				
Required (MW)	686,165	652,003	686,165	652,003
Self Arranged (MW)	281,472	282,419	281,472	282,419
Procured (MW)	405,953	371,555	405,953	371,555
% Procured	<b>59%</b>	<b>57%</b>	<b>59%</b>	<b>57%</b>
Weighted Avg MCPC (\$/MW)	23.8	31.0	23.8	31.0
<b>Reg Down:</b>				
Required (MW)	633,337	657,345	633,337	657,345
Self Arranged (MW)	192,942	445,945	192,942	445,945
Procured (MW)	442,108	212,121	442,108	212,121
% Procured	<b>70%</b>	<b>32%</b>	<b>70%</b>	<b>32%</b>
Weighted Avg MCPC (\$/MW)	15.2	28.8	15.2	28.8
<b>Responsive (Spinning) Reserve:</b>				
Required (MW)	1,709,597	1,710,821	1,709,597	1,710,821
Self Arranged (MW)	984,024	904,134	984,024	904,134
Procured (MW)	727,176	806,358	727,176	806,358
% Procured	<b>43%</b>	<b>47%</b>	<b>43%</b>	<b>47%</b>
Weighted Avg MCPC (\$/MW)	13.3	14.1	13.3	14.1
<b>Responsive (Non Spinning) Reserve:</b>				
Required (MW)	5,002	93,913	5,002	93,913
Self Arranged (MW)	1,874	49,881	1,874	49,881
Procured (MW)	3,126	43,869	3,126	43,869
% Procured	<b>62%</b>	<b>47%</b>	<b>62%</b>	<b>47%</b>
Weighted Avg MCPC (\$/MW)	24.4	24.0	24.4	24.0

	YTD (\$'s in millions)		January (\$'s in millions)	
	<u>01/31/06</u>	<u>01/31/05</u>	<u>2006</u>	<u>2005</u>
• <b>Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.10/kWh PTB)	<b>\$2,142.7</b>	<b>2,264.7</b>	<b>2,142.7</b>	<b>2,264.7</b>
Volume (GWh)	21,427	22,647	21,427	22,647
% Increase	-5.4%		-5.4%	
Natural Gas Price Index (\$/MMBTU)	7.6	8.1	7.6	8.1
% Increase	-6.2%		-6.2%	
• <b>Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$34.8</b>	<b>\$38.7</b>	<b>\$34.8</b>	<b>\$38.7</b>
% Increase	-10.1%		-10.1%	
Up (GWh)	516.3	829.7	516.3	829.7
% Increase	-37.8%		-37.8%	
% of Market	2.4%	3.7%	2.4%	3.7%
<b>Balancing Energy - Down</b>	<b>-\$16.5</b>	<b>-13.1</b>	<b>-16.5</b>	<b>-13.1</b>
% Increase	26.0%		26.0%	
Down (GWh)	-449.1	-346.0	-449.1	-346.0
% Increase	29.8%		29.8%	
% of Market	2.1%	1.5%	2.1%	1.5%

# Hub Summary Data

- ERCOT Hubs**  
**Balancing Energy Weighted Average Price (\$/MWH)**

<u>HUB</u>	<u>Jan 2006</u>	<u>Dec 2005</u>	<u>Nov 2005</u>	<u>Oct 2005</u>	<u>Sept 2005</u>	<u>Aug 2005</u>	<u>July 2005</u>	<u>June 2005</u>	<u>May 2005</u>
South	\$58.79	\$89.00	\$69.65	\$114.96	\$104.55	\$84.76	\$77.03	\$62.27	\$58.27
North	\$50.59	\$96.26	\$72.01	\$117.39	\$121.40	\$106.76	\$81.62	\$75.23	\$60.77
Houston	\$52.18	\$86.11	\$72.48	\$143.31	\$125.73	\$115.75	\$87.38	\$80.92	\$67.43
West	\$54.06	\$93.14	\$67.41	\$128.08	\$130.39	\$121.16	\$92.23	\$80.11	\$68.90
ERCOT Hub	\$53.37	\$91.70	\$70.64	\$121.75	\$117.74	\$103.10	\$83.24	\$73.43	\$62.80
ERCOT Bus	\$53.35	\$92.16	\$70.65	\$123.09	\$119.27	\$105.09	\$83.26	\$74.46	\$62.69
% Change	-42.1%	30.4%	-42.6%	3.2%	13.5%	26.2%	11.8%	18.8%	
NGPI % Change	-32.1%	47.4%	-33.3%	5.6%	18.7%	21.3%	4.2%	12.5%	

# Hub Summary Data

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

<u>HUB</u>	<u>Jan</u> <u>2006</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	237.8	400.3	460.8	404.7	447.4	451.4	368.6	391.3	399.1
North	400.0	542.7	408.0	637.2	844.3	771.0	782.6	864.8	548.6
Houston	227.5	196.9	188.2	308.8	388.5	471.5	433.8	445.3	354.2
West	100.1	236.9	135.5	137.5	205.1	177.8	199.6	218.0	182.6
ERCOT Hub	965.4	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	965.4	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	-30%	15%	-20%	-21%	1%	5%	-7%	29%	

# Hub Summary Data

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

	Jan	Dec	Nov	Oct	Sept	Aug	July	June	May
<u>HUB</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>	<u>2005</u>
South	7.7	12.9	15.4	13.1	14.9	14.6	12.3	12.6	12.9
North	12.9	17.5	13.6	20.6	28.1	24.9	26.1	27.9	17.7
Houston	7.3	6.4	6.3	10.0	13.0	15.2	14.5	14.4	11.4
West	3.2	7.6	4.5	4.4	6.8	5.7	6.7	7.0	5.9
ERCOT Hub	31.1	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
ERCOT Bus	31.1	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
% Change	-30%	12%	-17%	-24%	4%	2%	-4%	29%	

# Hub Summary Data

- ERCOT Hubs

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

<u>HUB</u>	<u>Jan 2006</u>	<u>Dec 2005</u>	<u>Nov 2005</u>	<u>Oct 2005</u>	<u>Sept 2005</u>	<u>Aug 2005</u>	<u>July 2005</u>	<u>June 2005</u>	<u>May 2005</u>
South	\$451.0	\$1,149.4	\$1,070.0	\$1,500.7	\$1,559.3	\$1,234.3	\$946.5	\$786.1	\$750.1
North	\$652.8	\$1,685.1	\$979.4	\$2,413.0	\$3,416.6	\$2,655.3	\$2,129.3	\$2,098.6	\$1,075.5
Houston	\$382.9	\$547.0	\$454.8	\$1,427.6	\$1,628.4	\$1,760.7	\$1,263.5	\$1,162.3	\$770.6
West	\$174.6	\$711.8	\$304.4	\$568.1	\$891.5	\$695.0	\$613.7	\$563.3	\$405.8
ERCOT Hub	\$1,662.2	\$4,072.7	\$2,808.2	\$8,545.1	\$7,399.4	\$6,224.9	\$4,951.9	\$4,546.5	\$3,007.5
ERCOT Bus	\$1,661.3	\$4,093.2	\$2,808.6	\$5,909.7	\$7,495.8	\$6,345.2	\$4,952.9	\$4,610.2	\$3,001.9
% Change	-59.4%	45.7%	-52.5%	-21.2%	18.1%	28.1%	7.4%	53.6%	
NGPI % Change	-32.1%	47.4%	-33.3%	5.6%	18.7%	21.3%	4.2%	12.5%	

# Congestion Services

	YTD (\$'s in millions)		January (\$'s in millions)	
	<u>01/31/06</u>	<u>01/31/05</u>	<u>2006</u>	<u>2005</u>
• <b>Market Perspective:</b>				
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Natural Gas Price Index (\$/MMBTU)	7.6	8.1	7.6	8.1
% Increase	-6.2%		-6.2%	
• <b>Local Congestion:</b>				
OOMC	\$4.5	\$1.5	\$4.5	\$1.5
"Market Solution" Down	0.2	0.0	0.2	0.0
"Market Solution" Up	0.2	0.0	0.2	0.0
OOME - Down	0.1	0.0	0.1	0.0
OOME - Up	<u>0.8</u>	<u>1.1</u>	<u>0.8</u>	<u>1.1</u>
<b>Total Local Congestion Costs</b>	<b>\$5.8</b>	<b>\$2.6</b>	<b>\$5.8</b>	<b>\$2.6</b>
• <b>Zonal Congestion:</b>				
TCR Auction Revenue from TCR Holders	\$4.9	\$1.9	\$4.9	\$1.9
Direct Assignment Revenue Paid by QSEs based on schedules	0.0	1.5	0.0	1.5
TCR/PCR Payments including Auction Revenue Refunds	<u>(0.3)</u>	<u>(1.4)</u>	<u>(0.3)</u>	<u>(1.4)</u>
<b>Net Under (Over) Sold TCRs</b>	<b>\$4.6</b>	<b>\$2.0</b>	<b>\$4.6</b>	<b>\$2.0</b>
• <b>RMR:</b>				
RMR Capacity and Start Up	\$2.7	\$2.5	\$2.7	\$2.5
RMR Energy	11.8	9.0	11.8	9.0
BENA Credit	<u>-7.3</u>	<u>-5.5</u>	<u>-7.3</u>	<u>-5.5</u>
<b>Net RMR</b>	<b>\$7.2</b>	<b>\$6.0</b>	<b>\$7.2</b>	<b>\$6.0</b>

# REPs and QSEs Added/Deleted

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- **Added Reps**

- ✓ None

- **Added QSEs**

- ✓ Constellation Energy Commodities Group, Inc.
- ✓ JPMorgan Ventures Energy Corp.
- ✓ Lehman Brothers Commodity Services, Inc.
- ✓ Barclays Bank PLC

- **Deleted Reps**

- ✓ None

- **Deleted QSEs**

- ✓ None