



Market Operations Presentation

Board of Director's Meeting

04/18/2006

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, February 28, 2006

Transaction Type

Switches	2,374,097
----------	-----------

Move - Ins	8,438,958
------------	-----------

Move Out	4,841,619
----------	-----------

CSA	1,382,039
-----	-----------

Drop to POLR	310,703
--------------	---------

Total	17,347,416
-------	------------

Compared to Last Month	335,729
---------------------------	---------

Migration from Native AREP

	% of Load *	% of ESI IDs	
	at <u>02-28-06</u>	at <u>02-28-06</u>	at <u>02-28-05</u>
Residential	37%	29%	21%
Small Non-Residential	75%	32%	27%
Large Non-Residential	75%	72%	62%

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

Capacity Services

	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/06</u>	<u>02/28/05</u>	<u>2006</u>	<u>2005</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$4,217.0	4,255.2	2,074.3	1,990.5
Volume (GWh)	42,170	42,552	20,743	19,905
% Increase	-0.9%		4.2%	
Natural Gas Price Index (\$/MMBTU)	7.4	5.8	7.2	5.8
% Increase	27.6%		24.1%	
• Other Capacity Services:				
Replacement Reserve	0.0	0.0	0.0	0.0
Reg Up and Down	25.0	26.7	9.3	9.1
Responsive (Spinning) Reserve	17.0	20.5	7.4	9.2
Non-Spinning Reserve	0.6	1.3	0.5	0.2
Black Start	1.0	1.1	0.5	0.5
TOTAL CAPACITY SERVICES	\$43.6	\$49.6	\$17.7	\$19.0

Capacity Services – Reg Up and Down and Responsive Reserve

	YTD		February	
	<u>02/28/06</u>	<u>02/28/05</u>	<u>2006</u>	<u>2005</u>
Reg Up:				
Required (MW)	1,199,843	1,179,308	513,678	527,305
Self Arranged (MW)	477,394	530,102	195,922	247,683
Procured (MW)	725,511	652,512	319,558	280,957
% Procured	60%	55%	62%	53%
Weighted Avg MCPC (\$/MW)	18.9	24.4	12.6	15.7
Reg Down:				
Required (MW)	1,221,453	1,236,372	588,116	579,027
Self Arranged (MW)	367,679	739,604	174,737	293,659
Procured (MW)	856,911	497,922	414,803	285,801
% Procured	70%	40%	71%	49%
Weighted Avg MCPC (\$/MW)	13.2	21.7	13.2	21.7
Responsive (Spinning) Reserve:				
Required (MW)	3,254,091	3,255,459	1,544,494	1,544,638
Self Arranged (MW)	1,862,537	1,725,292	878,513	821,158
Procured (MW)	1,394,143	1,530,800	666,967	724,442
% Procured	43%	47%	43%	47%
Weighted Avg MCPC (\$/MW)	12.2	13.4	11.0	12.7
Responsive (Non Spinning) Reserve:				
Required (MW)	62,493	137,784	57,491	43,871
Self Arranged (MW)	24,682	67,904	22,808	18,023
Procured (MW)	37,818	69,596	34,692	25,727
% Procured	61%	51%	60%	59%
Weighted Avg MCPC (\$/MW)	15.9	18.4	15	8.8

	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/06</u>	<u>02/28/05</u>	<u>2006</u>	<u>2005</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$4,217.0	4,255.2	2,074.3	1,990.5
Volume (GWh)	42,170	42,552	20,743	19,905
% Increase	-0.9%		4.2%	
Natural Gas Price Index (\$/MMBTU)	7.4	5.8	7.2	5.8
% Increase	27.6%		24.1%	
• Balancing Energy:				
Balancing Energy - Up	\$84.5	\$70.5	\$49.6	\$31.8
% Increase	19.9%		56.0%	
Up (GWh)	1,280.6	1,448.2	764.3	618.6
% Increase	-11.6%		23.6%	
% of Market	3.0%	3.4%	3.7%	3.1%
Balancing Energy - Down	-\$32.9	-24.9	-16.4	-11.8
% Increase	32.1%		39.0%	
Down (GWh)	-884.8	-732.7	-435.7	-386.7
% Increase	20.8%		12.7%	
% of Market	2.1%	1.7%	2.1%	1.9%

- ERCOT Hubs**

Balancing Energy Weighted Average Price (\$/MWH)

HUB	Feb 2006	Jan 2006	Dec 2005	Nov 2005	Oct 2005	Sept 2005	Aug 2005	July 2005	June 2005	May 2005
South	\$55.16	\$58.79	\$89.00	\$69.65	\$114.96	\$104.55	\$84.76	\$77.03	\$62.27	\$58.27
North	\$55.19	\$50.59	\$96.26	\$72.01	\$117.39	\$121.40	\$106.76	\$81.62	\$75.23	\$60.77
Houston	\$51.77	\$52.18	\$86.11	\$72.48	\$143.31	\$125.73	\$115.75	\$87.38	\$80.92	\$67.43
West	\$58.20	\$54.06	\$93.14	\$67.41	\$128.08	\$130.39	\$121.16	\$92.23	\$80.11	\$68.90
ERCOT Hub	\$55.30	\$53.37	\$91.70	\$70.64	\$121.75	\$117.74	\$103.10	\$83.24	\$73.43	\$62.80
ERCOT Bus	\$55.04	\$53.35	\$92.16	\$70.65	\$123.09	\$119.27	\$105.09	\$83.26	\$74.46	\$62.69
% Change	3.2%	-42.1%	30.4%	-42.6%	3.2%	13.5%	26.2%	11.8%	18.8%	
NGPI % Change	-5.3%	-32.1%	47.4%	-33.3%	5.6%	18.7%	21.3%	4.2%	12.5%	

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

<u>HUB</u>	<u>Feb</u> <u>2006</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	403.8	237.8	400.3	460.8	404.7	447.4	451.4	368.6	391.3	399.1
North	470.0	400.0	542.7	408.0	637.2	844.3	771.0	782.6	864.8	548.6
Houston	177.8	227.5	196.9	188.2	308.8	388.5	471.5	433.8	445.3	354.2
West	148.3	100.1	236.9	135.5	137.5	205.1	177.8	199.6	218.0	182.6
ERCOT Hub	1,200.0	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	1,200.0	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	24%	-30%	15%	-20%	-21%	1%	5%	-7%	29%	

- **ERCOT Hubs**

Balancing Energy Average Daily Volume (GWH)

<u>HUB</u>	<u>Feb 2006</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	14.4	7.7	12.9	15.4	13.1	14.9	14.6	12.3	12.6	12.9
North	16.8	12.9	17.5	13.6	20.6	28.1	24.9	26.1	27.9	17.7
Houston	6.4	7.3	6.4	6.3	10.0	13.0	15.2	14.5	14.4	11.4
West	5.3	3.2	7.6	4.5	4.4	6.8	5.7	6.7	7.0	5.9
ERCOT Hub	42.9	31.1	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
ERCOT Bus	42.9	31.1	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
% Change	38%	-30%	12%	-17%	-24%	4%	2%	-4%	29%	

- ERCOT Hubs**

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

HUB	Feb 2006	Jan 2006	Dec 2005	Nov 2005	Oct 2005	Sept 2005	Aug 2005	July 2005	June 2005	May 2005
South	\$795.5	\$451.0	\$1,149.4	\$1,070.0	\$1,500.7	\$1,559.3	\$1,234.3	\$946.5	\$786.1	\$750.1
North	\$926.5	\$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	\$328.7	\$382.9	\$547.0	\$454.8	\$1,427.6	\$1,628.4	\$1,760.7	\$1,263.5	\$1,162.3	\$770.6
West	\$308.3	\$174.6	\$711.8	\$304.4	\$568.1	\$891.5	\$695.0	\$613.7	\$563.3	\$405.8
ERCOT Hub	\$2,370.0	\$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	\$2,359.0	\$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	42.0%	-59.4%	45.7%	-52.5%	-21.2%	18.1%	28.1%	7.4%	53.6%	
NGPI % Change	-5.3%	-32.1%	47.4%	-33.3%	5.6%	18.7%	21.3%	4.2%	12.5%	

Congestion Services

	YTD (\$'s in millions)		February (\$'s in millions)	
	<u>02/28/06</u>	<u>02/28/05</u>	<u>2006</u>	<u>2005</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$4,217.0	4,255.2	2,074.3	1,990.5
Volume (GWh)	42,170	42,552	20,743	19,905
% Increase	-0.9%		4.2%	
Natural Gas Price Index (\$/MMBTU)	7.4	5.8	7.2	5.8
% Increase	27.6%		24.1%	
• Local Congestion:				
OOMC	\$12.9	\$3.1	\$8.5	\$1.6
"Market Solution" Down	1.2	0.0	1.0	0.0
"Market Solution" Up	0.3	0.0	0.1	0.0
OOME - Down	0.5	2.8	0.4	1.7
OOME - Up	<u>4.2</u>	<u>1.7</u>	<u>3.4</u>	<u>0.9</u>
Total Local Congestion Costs	\$19.1	\$7.6	\$13.4	\$4.2
• Zonal Congestion:				
TCR Auction Revenue from TCR Holders	\$9.3	\$3.5	\$4.4	\$1.6
Direct Assignment Revenue Paid by QSEs based on schedules	0.8	5.0	0.8	3.5
TCR/PCR Payments including Auction Revenue Refunds	<u>-1.6</u>	<u>-6.6</u>	<u>-1.3</u>	<u>-5.2</u>
Net Under (Over) Sold TCRs	\$8.5	\$1.9	\$3.9	-\$0.1
• RMR:				
RMR Capacity and Start Up	\$4.7	\$5.6	\$2.4	\$3.1
RMR Energy	25.6	17.3	13.9	8.3
BENA Credit	<u>-16.1</u>	<u>-10.4</u>	<u>-8.7</u>	<u>-4.9</u>
Net RMR	\$14.2	\$12.5	\$7.6	\$6.5

- **Added Reps**

- ✓ Blu Power of Texas, LLC

- **Added QSEs**

- ✓ Blu Power of Texas, LLC
- ✓ Occidental Power Services, Inc.

- **Deleted Reps**

- ✓ None

- **Deleted QSEs**

- ✓ None