



Market Operations Presentation

Board of Director's Meeting

June 20, 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 Friday, April 28, 2006

Transaction Type

Switches	2,464,278
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Move - Ins	8,811,905
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Move Out	5,055,227
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CSA	1,418,697
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Drop to POLR	312,343
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Total	18,062,450
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Compared to Last Month	337,786
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Migration from Native AREP

	% of Load *	% of ESI IDs	
	at <u>04-30-06</u>	at <u>04-30-06</u>	at <u>04-30-05</u>
Residential	39%	30%	22%
Small Non-Residential	78%	33%	28%
Large Non-Residential	75%	72%	69%

* % of Peak Demand on 08-23-05

Capacity Services

- **Market Perspective:**

Approximate Retail Market (at \$.10/kWh PTB)

Volume (GWh)

% Increase

Natural Gas Price Index (\$/MMBTU)

% Increase

YTD
(\$'s in millions)
04/30/06 04/30/05

April
(\$'s in millions)
2006 2005

\$9,088.0	8,377.3	2,694.5	2,041.3
90,880	83,773	26,945	20,413
8.5%		32.0%	
7.1	6.3	6.9	6.9
12.7%		0.0%	

- **Capacity Services:**

Reg Up and Down

Responsive (Spinning) Reserve

Non-Spinning Reserve

Black Start

Local Replacement Reserve

Zonal Replacement Reserve

45.4	53.5	11.2	12.5
40.5	44.2	12.6	13.1
6.4	5.8	5.6	3.8
2.1	2.3	0.5	0.6
1.4	0.0	1.4	0.0
<u>1.9</u>	<u>0.0</u>	<u>1.9</u>	<u>0.0</u>

TOTAL CAPACITY SERVICES

\$97.7	\$105.8	\$33.2	\$30.0
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Capacity Services – Reg Up and Down and Responsive Reserve

	YTD		April	
	<u>04/30/06</u>	<u>04/30/05</u>	<u>2006</u>	<u>2005</u>
Reg Up:				
Required (MW)	2,455,729	2,319,816	657,077	580,848
Self Arranged (MW)	967,660	1,012,560	252,932	226,284
Procured (MW)	1,495,470	1,314,586	406,358	357,273
% Procured	61%	57%	62%	62%
Weighted Avg MCPC (\$/MW)	18.3	21.5	19.3	17.4
Reg Down:				
Required (MW)	2,353,764	2,376,716	552,803	564,884
Self Arranged (MW)	711,796	1,233,433	184,868	245,265
Procured (MW)	1,649,299	1,146,761	370,232	320,860
% Procured	70%	48%	70%	48%
Weighted Avg MCPC (\$/MW)	10.9	21.9	10.9	21.9
Responsive (Spinning) Reserve:				
Required (MW)	6,617,326	6,617,330	1,652,839	1,652,086
Self Arranged (MW)	3,780,391	3,395,490	956,789	801,944
Procured (MW)	2,840,267	3,225,147	696,906	851,756
% Procured	43%	49%	42%	52%
Weighted Avg MCPC (\$/MW)	14.3	13.7	18.1	15.4
Responsive (Non Spinning) Reserve:				
Required (MW)	504,008	703,718	436,523	522,371
Self Arranged (MW)	220,388	285,702	193,685	195,165
Procured (MW)	283,309	416,698	242,512	326,160
% Procured	56%	59%	56%	62%
Weighted Avg MCPC (\$/MW)	22.5	14.1	23	11.6
Local Replacement Reserve:				
Procured (MW)	86,497	0	86,497	0
Zonal Replacement Reserve:				
Procured (MW)	10,617	0	10,617	0

	YTD (\$'s in millions)		April (\$'s in millions)	
	<u>04/30/06</u>	<u>04/30/05</u>	<u>2006</u>	<u>2005</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$9,088.0	8,377.3	2,694.5	2,041.3
Volume (GWh)	90,880	83,773	26,945	20,413
% Increase	8.5%		32.0%	
Natural Gas Price Index (\$/MMBTU)	7.1	6.3	6.9	6.9
% Increase	12.7%		0.0%	
• Balancing Energy:				
Balancing Energy - Up	\$216.4	\$153.1	\$83.6	\$46.6
% Increase	41.3%		79.4%	
Up (GWh)	2,989.3	2,716.4	969.8	695.2
% Increase	10.0%		39.5%	
% of Market	3.3%	3.2%	4.5%	3.4%
Balancing Energy - Down	-\$65.6	-52.1	-19.8	-17.9
% Increase	25.9%		10.6%	
Down (GWh)	-1,808.9	-1,407.1	-566.6	-398.9
% Increase	28.6%		42.0%	
% of Market	2.0%	1.7%	2.1%	2.0%

- ERCOT Hubs**

Balancing Energy Weighted Average Price (\$/MWH)

HUB	Apr 2006	Mar 2006	Feb 2006	Jan 2006	Dec 2005	Nov 2005	Oct 2005	Sept 2005	Aug 2005	July 2005	June 2005	May 2005
South	\$63.14	\$57.19	\$55.16	\$58.79	\$89.00	\$69.65	\$114.96	\$104.55	\$84.76	\$77.03	\$62.27	\$58.27
North	\$66.04	\$54.87	\$55.19	\$50.59	\$96.26	\$72.01	\$117.39	\$121.40	\$106.76	\$81.62	\$75.23	\$60.77
Houston	\$68.50	\$54.92	\$51.77	\$52.18	\$86.11	\$72.48	\$143.31	\$125.73	\$115.75	\$87.38	\$80.92	\$67.43
West	\$92.11	\$59.41	\$58.20	\$54.06	\$93.14	\$67.41	\$128.08	\$130.39	\$121.16	\$92.23	\$80.11	\$68.90
ERCOT Hub	\$67.35	\$55.89	\$55.30	\$53.37	\$91.70	\$70.64	\$121.75	\$117.74	\$103.10	\$83.24	\$73.43	\$62.80
ERCOT Bus	\$67.81	\$55.91	\$55.04	\$53.35	\$92.16	\$70.65	\$123.09	\$119.27	\$105.09	\$83.26	\$74.46	\$62.69
% Change	21.3%	1.6%	3.2%	-42.1%	30.4%	-42.6%	3.2%	13.5%	26.2%	11.8%	18.8%	
NGPI % Change	6.2%	-9.7%	-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)

HUB	Apr 2006	Mar 2006	Feb 2006	Jan 2006	Dec 2005	Nov 2005	Oct 2005	Sept 2005	Aug 2005	July 2005	June 2005	May 2005
South	349.2	310.1	403.8	237.8	400.3	460.8	404.7	447.4	451.4	368.6	391.3	399.1
North	747.2	441.1	470.0	400.0	542.7	408.0	637.2	844.3	771.0	782.6	864.8	548.6
Houston	327.6	254.3	177.8	227.5	196.9	188.2	308.8	388.5	471.5	433.8	445.3	354.2
West	112.4	90.8	148.3	100.1	236.9	135.5	137.5	205.1	177.8	199.6	218.0	182.6
ERCOT Hub	1,536.4	1,096.3	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	1,536.4	1,096.3	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	40%	-9%	24%	-30%	15%	-20%	-21%	1%	5%	-7%	29%	

- **ERCOT Hubs**

Balancing Energy Average Daily Volume (GWH)

<u>HUB</u>	<u>Apr</u> <u>2006</u>	<u>Mar</u> <u>2006</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	11.6	10.0	14.4	7.7	12.9	15.4	13.1	14.9	14.6	12.3	12.6	12.9
North	24.9	14.2	16.8	12.9	17.5	13.6	20.6	28.1	24.9	26.1	27.9	17.7
Houston	10.9	8.2	6.4	7.3	6.4	6.3	10.0	13.0	15.2	14.5	14.4	11.4
West	3.7	2.9	5.3	3.2	7.6	4.5	4.4	6.8	5.7	6.7	7.0	5.9
ERCOT Hub	51.2	35.4	42.9	31.1	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
ERCOT Bus	51.2	35.4	42.9	31.1	44.4	39.8	48.0	62.8	60.4	59.5	61.9	47.9
% Change	45%	-18%	38%	-30%	12%	-17%	-24%	4%	2%	-4%	29%	

Hub Summary Data

- ERCOT Hubs**

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

HUB	Apr 2006	Mar 2006	Feb 2006	Jan 2006	Dec 2005	Nov 2005	Oct 2005	Sept 2005	Aug 2005	July 2005	June 2005	May 2005
South	\$734.8	\$572.0	\$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	\$1,644.8	\$780.7	\$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	\$748.1	\$450.5	\$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	\$345.2	\$174.0	\$308.3	\$174.6	\$711.8	\$304.4	\$568.1	\$891.5	\$695.0	\$613.7	\$563.3	\$405.8
ERCOT Hub	\$3,449.2	\$1,976.6	\$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	\$3,472.9	\$1,977.2	\$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	75.6%	-16.2%	42.0%	-59.4%	45.7%	-52.5%	-21.2%	18.1%	28.1%	7.4%	53.6%	
NGPI % Change	6.2%	-9.7%	-5.3%	-32.1%	47.4%	-33.3%	5.6%	18.7%	21.3%	4.2%	12.5%	

Congestion Services

- **Market Perspective:**

- **Approximate Retail Market** (at \$.10/kWh PTB)

- Volume (GWh)

- % Increase

- Natural Gas Price Index (\$/MMBTU)

- % Increase

- **Local Congestion:**

- OOMC

- "Market Solution" Down

- "Market Solution" Up

- OOME - Down

- OOME - Up

- Total Local Congestion Costs**

- **Zonal Congestion and TCR / PCR Activity:**

- Proceeds Paid to TCR / PCR Holders including Auction Refunds

- TCR / PCR Annual Auction Proceeds received from Holders

- TCR Monthly Auction Proceeds received from TCR Holders

- Direct Assignment Proceeds received from QSEs based on schedules

- Total Zonal Congestion and TCR / PCR Activity**

- **RMR:**

- RMR Capacity and Start Up

- RMR Energy (Net of Credit to BENA)

- RMR**

YTD (\$'s in millions)		April (\$'s in millions)	
<u>04/30/06</u>	<u>04/30/05</u>	<u>2006</u>	<u>2005</u>
\$9,088.0	8,377.3	2,694.5	2,041.3
90,880	83,773	26,945	20,413
8.5%		32.0%	
7.1	6.3	6.9	6.9
12.7%		0.0%	
\$26.3	\$6.5	\$6.8	\$2.8
2.0	0.0	0.3	0.0
0.5	0.0	0.1	0.0
3.6	8.2	2.5	4.4
<u>6.0</u>	<u>3.6</u>	<u>1.3</u>	<u>1.8</u>
\$38.4	\$18.3	\$11.0	\$9.0
\$18.0	\$14.6	\$15.9	\$4.6
(\$15.8)	(\$5.6)	(\$3.9)	(\$1.4)
(\$5.3)	(\$3.1)	(\$2.6)	(\$1.3)
<u>(\$15.0)</u>	<u>(\$9.3)</u>	<u>(\$13.8)</u>	<u>(\$2.1)</u>
(\$18.1)	(\$3.3)	(\$4.5)	(\$0.2)
\$8.9	\$15.0	\$2.6	\$3.0
<u>17.3</u>	<u>14.1</u>	<u>4.4</u>	<u>3.5</u>
\$26.2	\$29.1	\$7.0	\$6.5

- **Added Reps**

- ✓ Retail Power Supply
- ✓ Sitara Energy
- ✓ Pepco Energy

- **Added QSEs**

- ✓ Pepco Energy Services, Inc.

- **Deleted Reps**

- ✓ NM Energy

- **Deleted QSEs**

- ✓ None