

2007 Planning Long-Term Hourly Demand and Energy Forecast

*Board of Directors Meeting
May 16, 2007
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Forecasting Assumptions and Methodology

- **Economic history and forecast for Texas**

- Source is Moody's Economy.com
- Proprietary data
 - **Population**
 - **Income**
 - **Other economic variables**

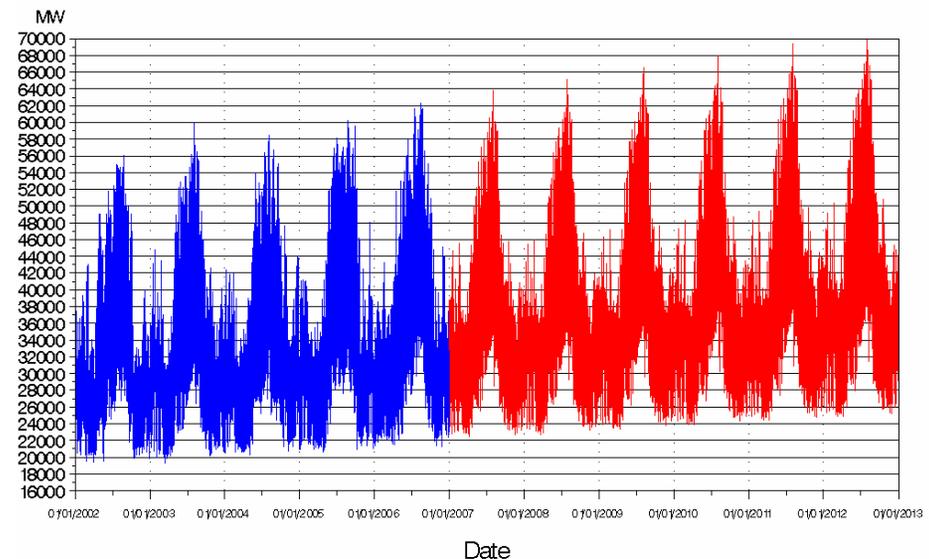
- **Historic weather data from each ERCOT weather zone**

- Source is WeatherBank
- Not a weather forecast
 - **Temperature**
 - **Humidity**
 - **Cooling Degree Days (CDD)**
 - **Heating Degree Days (HDD)**

- **Calendar Data**

- Seasonal Variation
- Daily Variation
- Weekly Variation
- Holidays

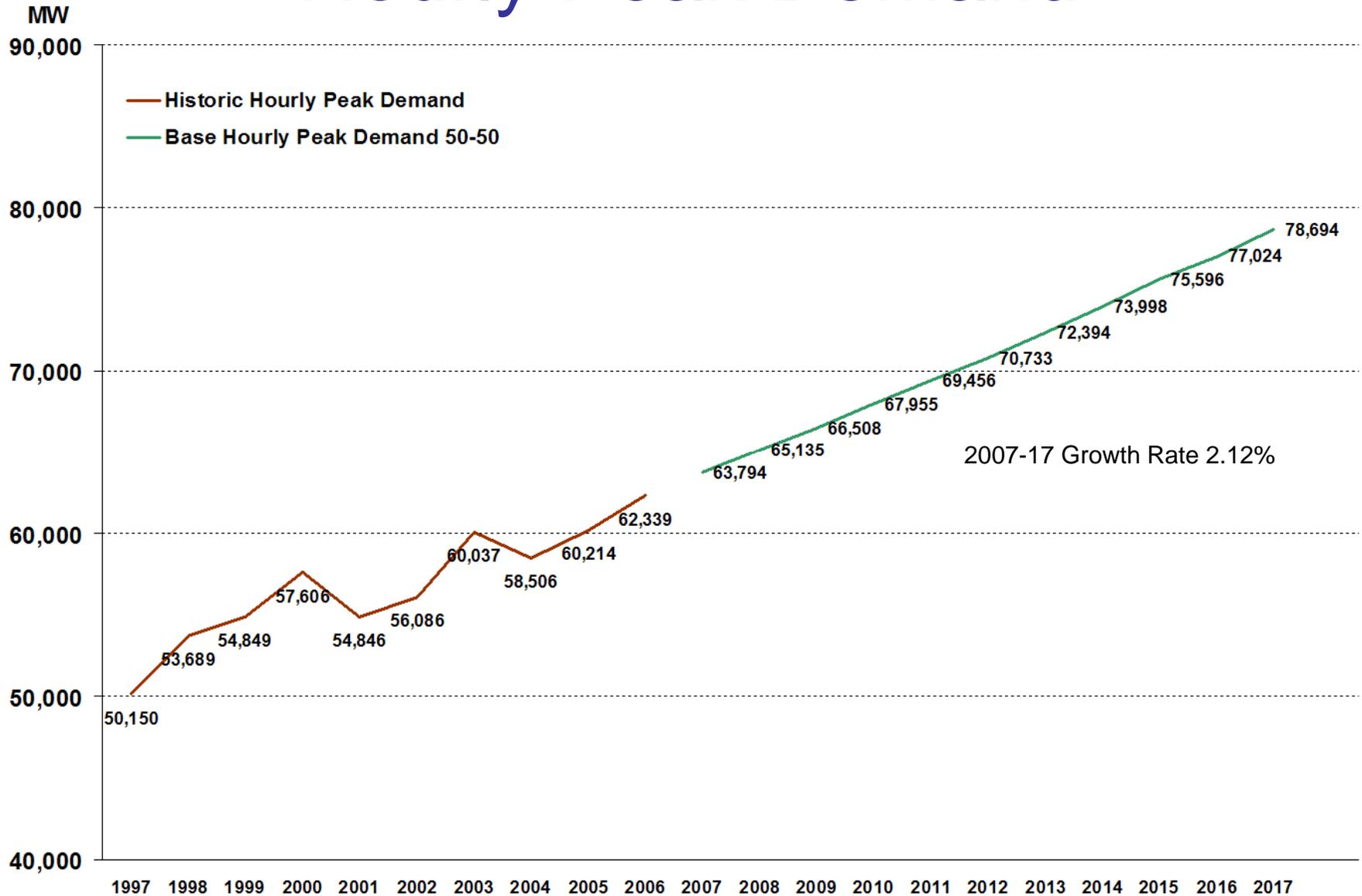
ERCOT Hourly Load Shape
Actual and Forecasts (2002 – 2006)
April 6, 2007



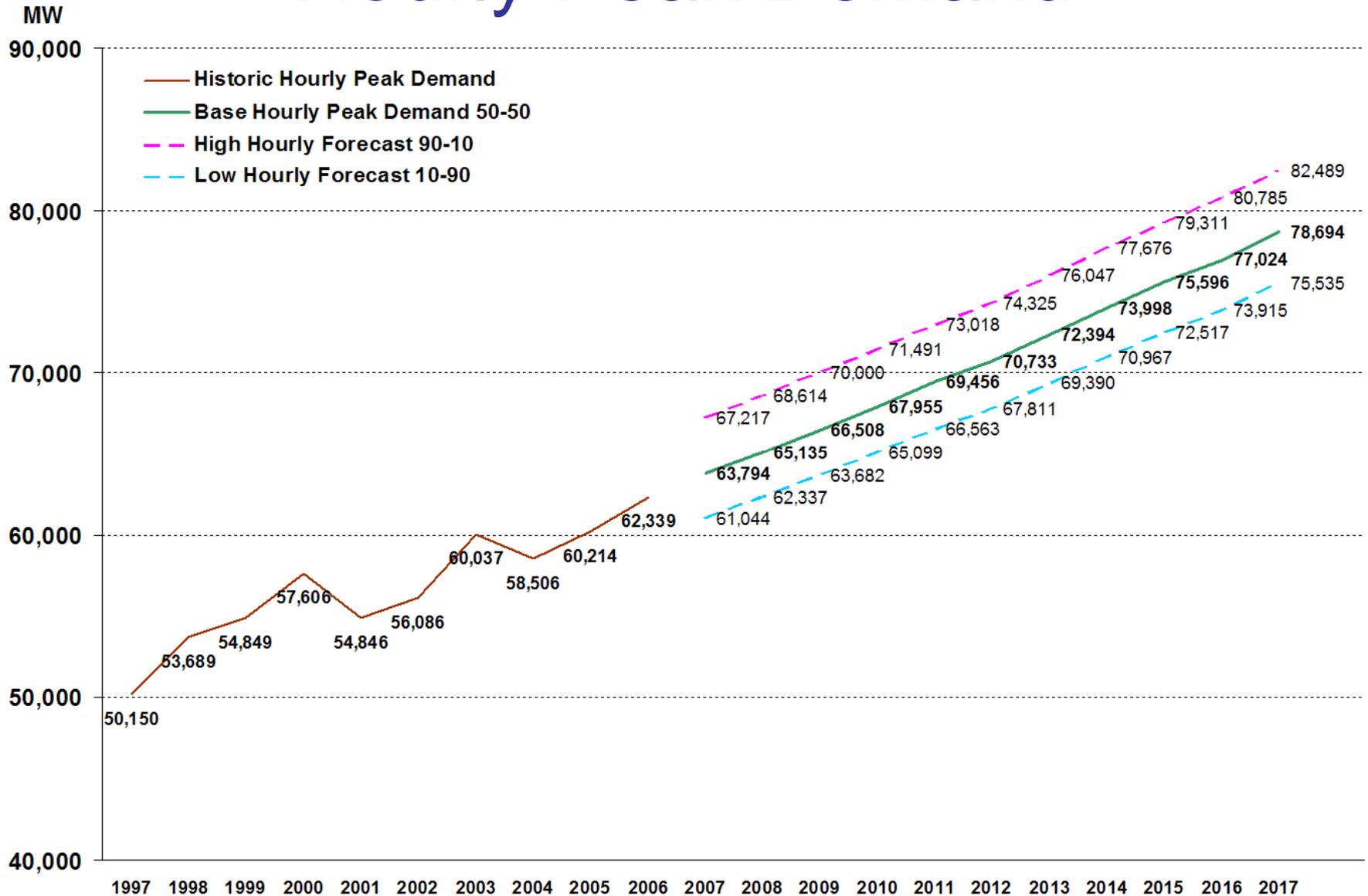
— Forecast Load — Actual Load

Transmission Services
Load Forecasting

Hourly Peak Demand



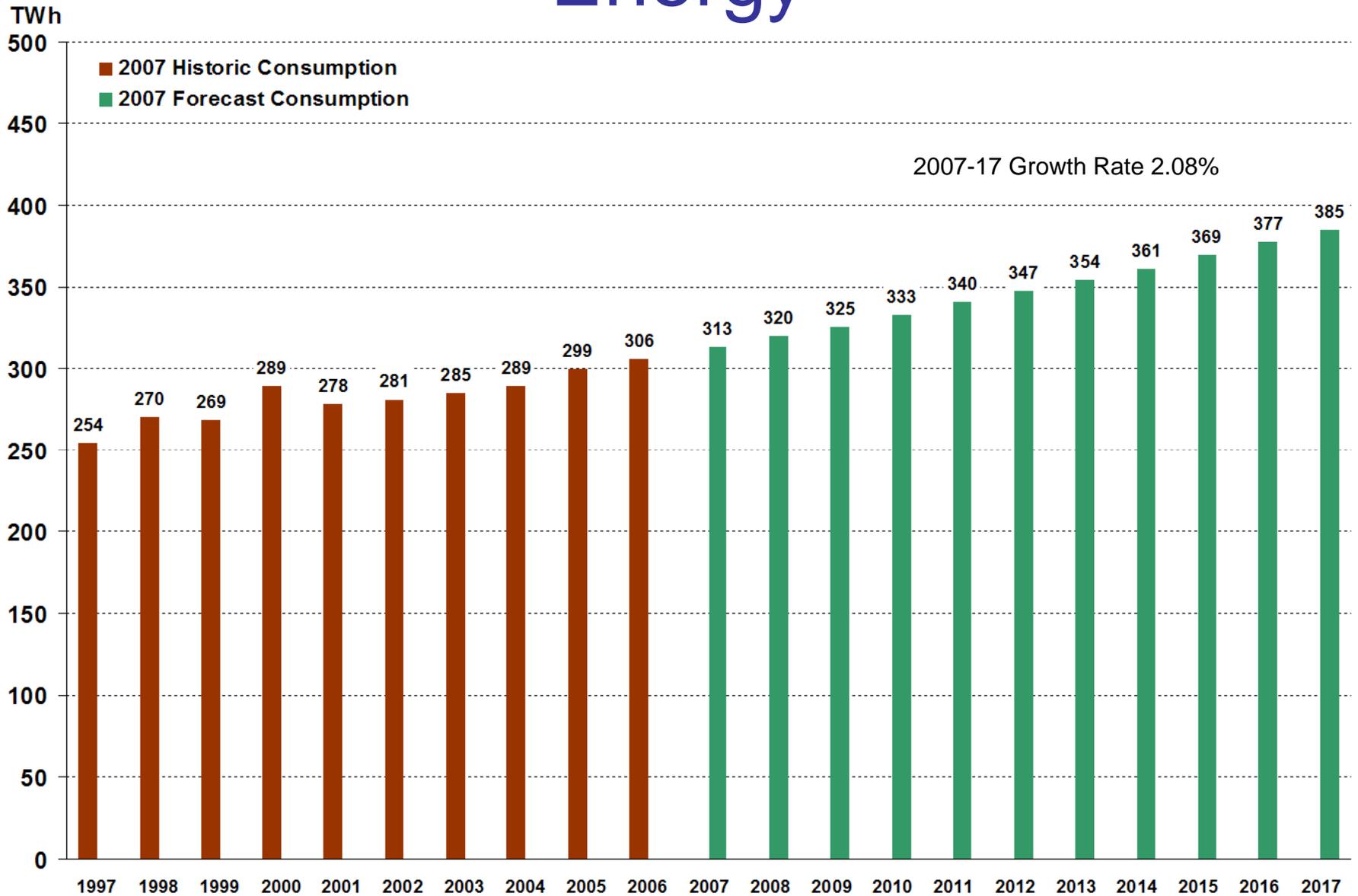
Hourly Peak Demand



Reconciliation Of Forecast Differences

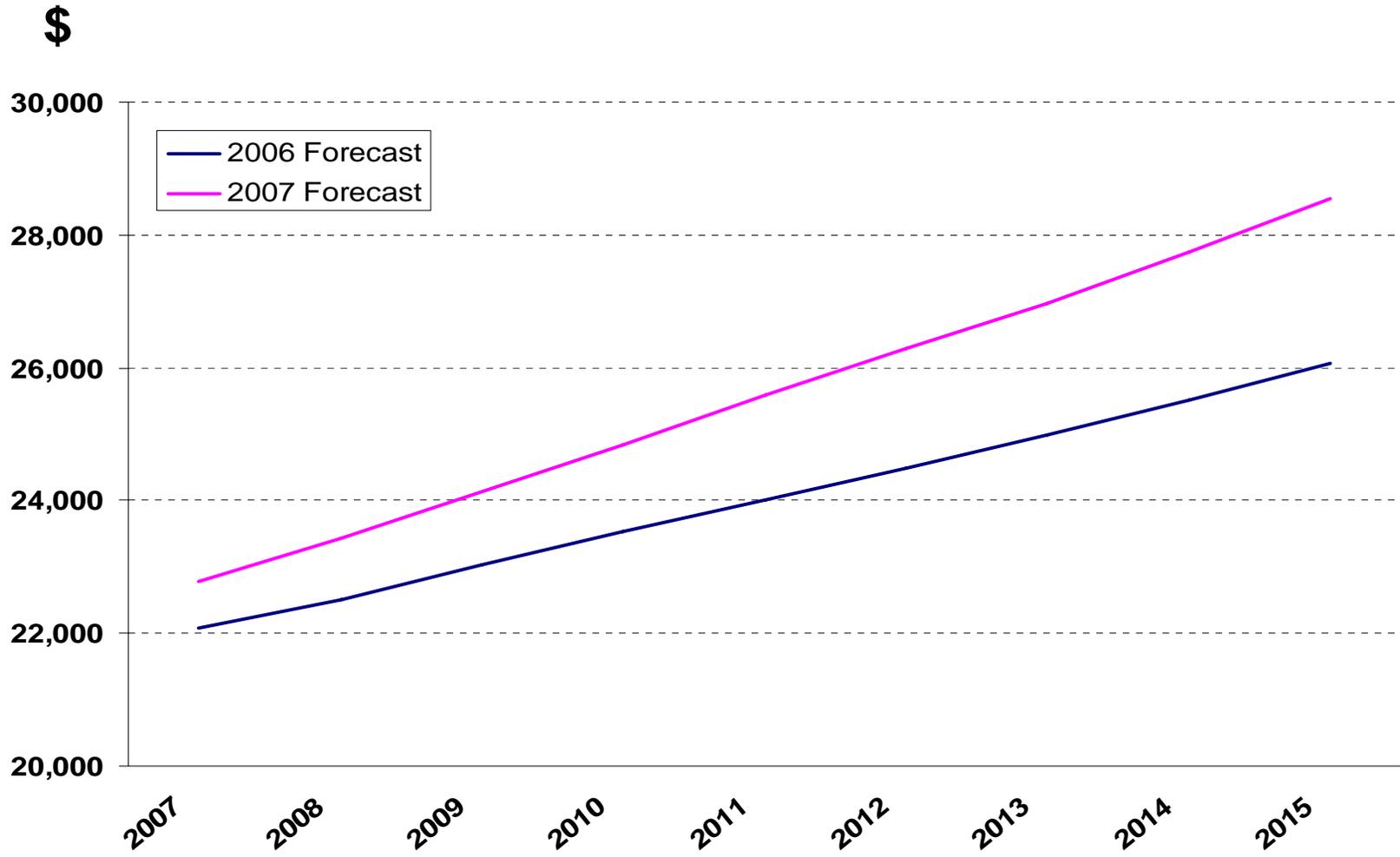
- **The basic methodology used to produced the forecast has remained the same**
- **The main sources of differences in the forecasts produced by the 2006 Long-Term Forecast Model (LTFM) and the 2007 LTFM for 2007 are:**
 - More optimistic economic forecasts throughout the ERCOT territory
 - Adjustments to calibrate the performance and weather sensitivity of the model based on last's year forecast versus actual data

Energy



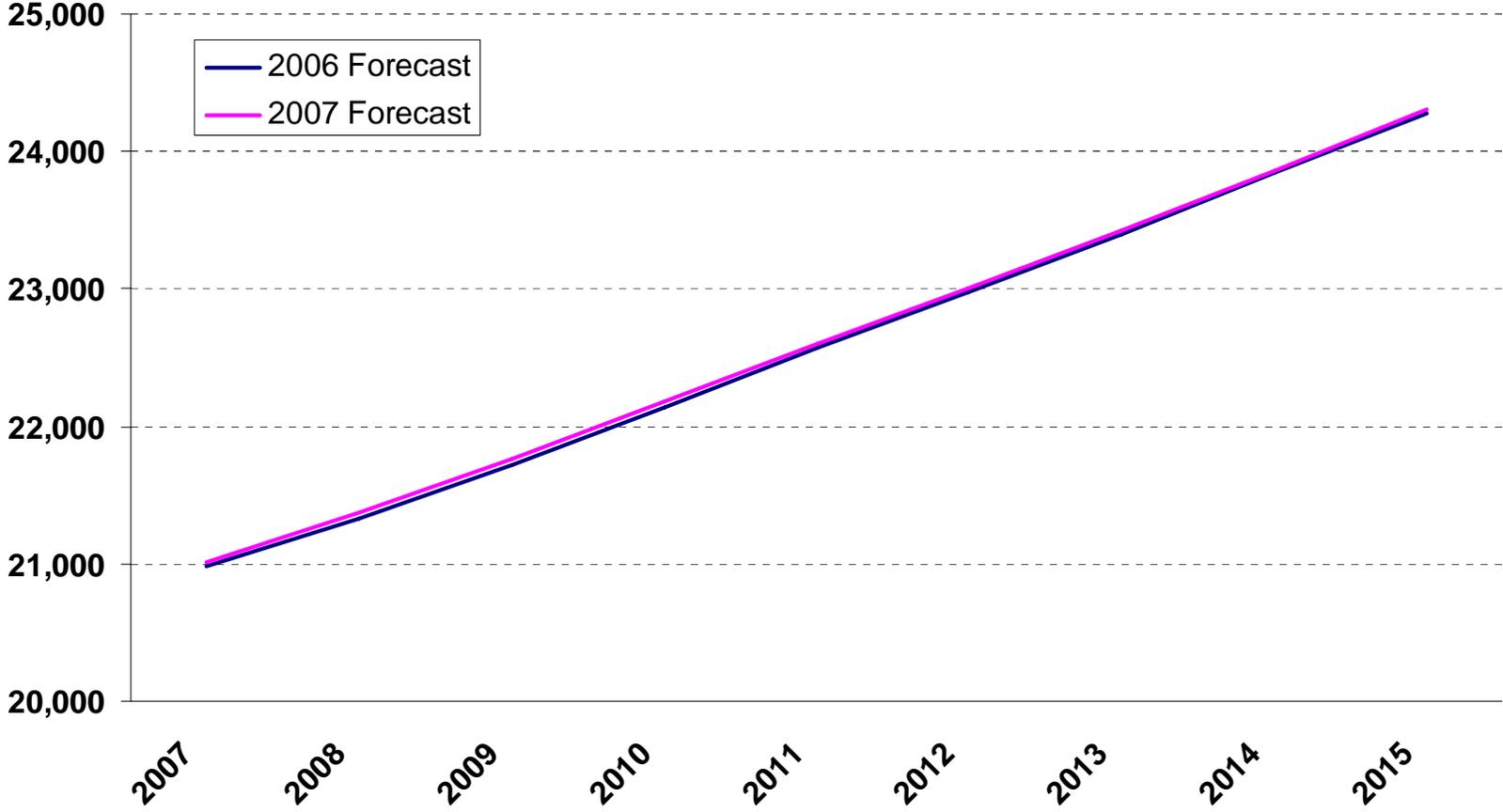
BACKUP MATERIAL

Real Personal Per-Capita Income



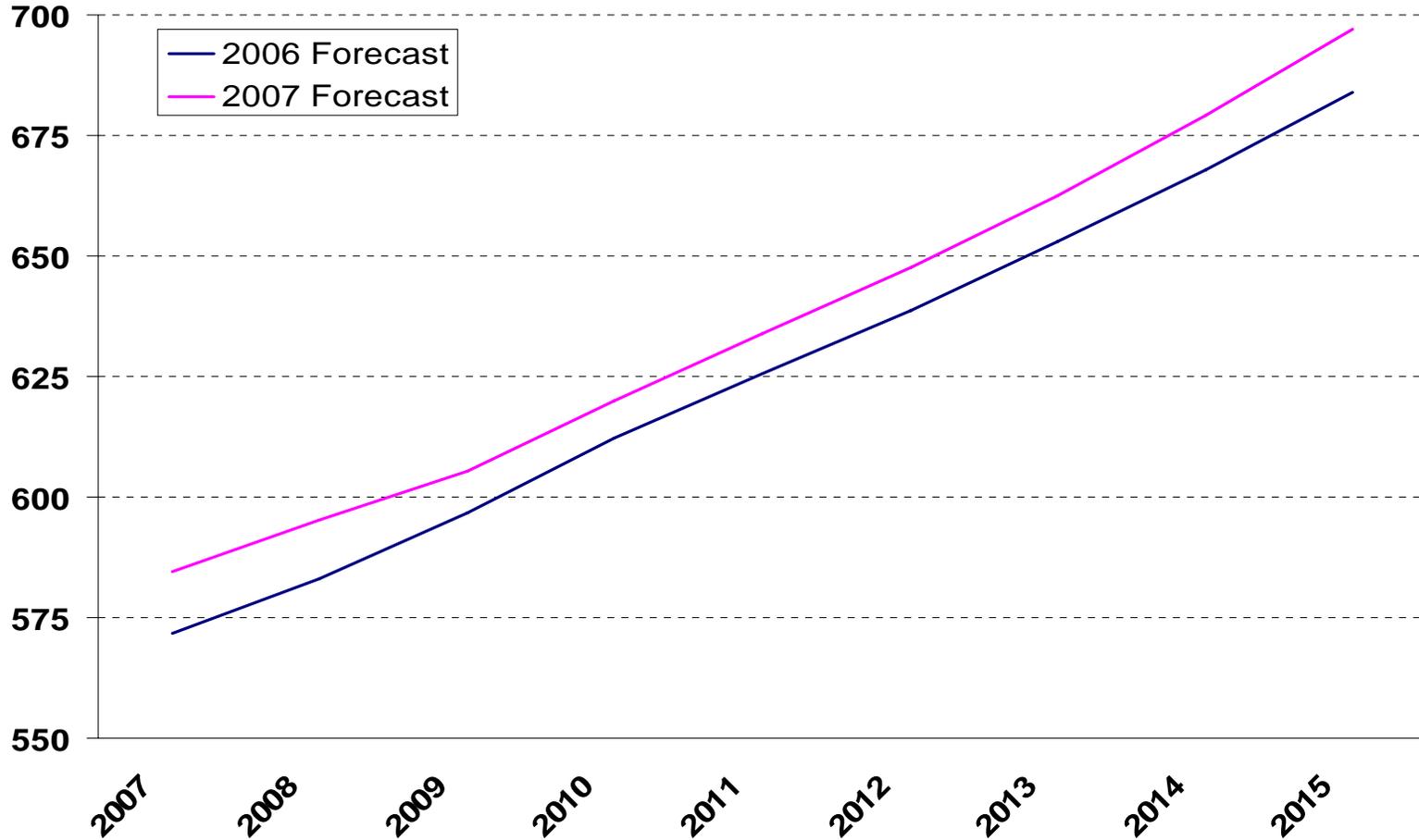
Population in ERCOT Territory

People
in thousands



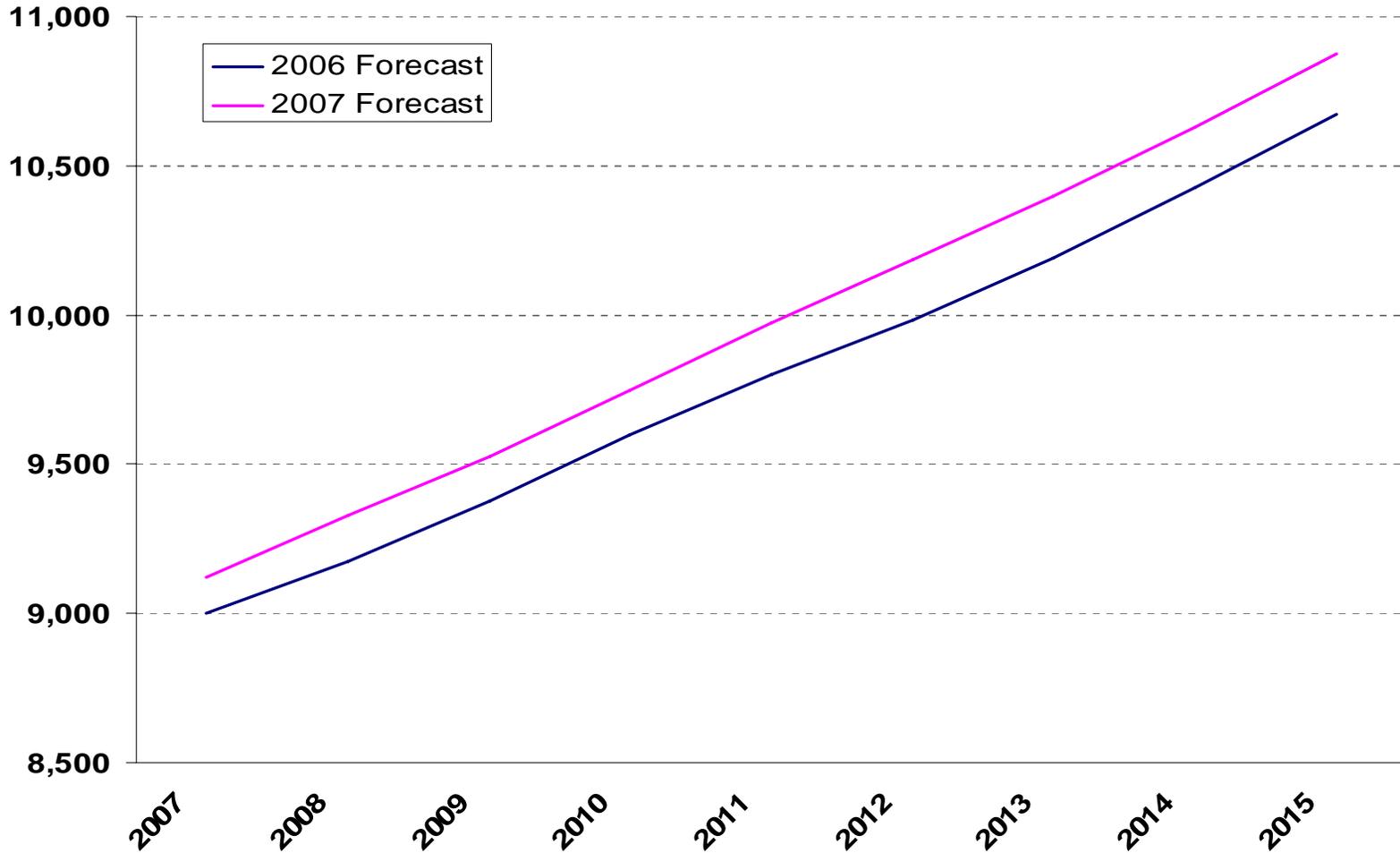
Employment in the Financial Services

People
in thousands



Non-Farm Employment in ERCOT Territory

People
in thousands



Total Employed in ERCOT Territory

People
in thousands

