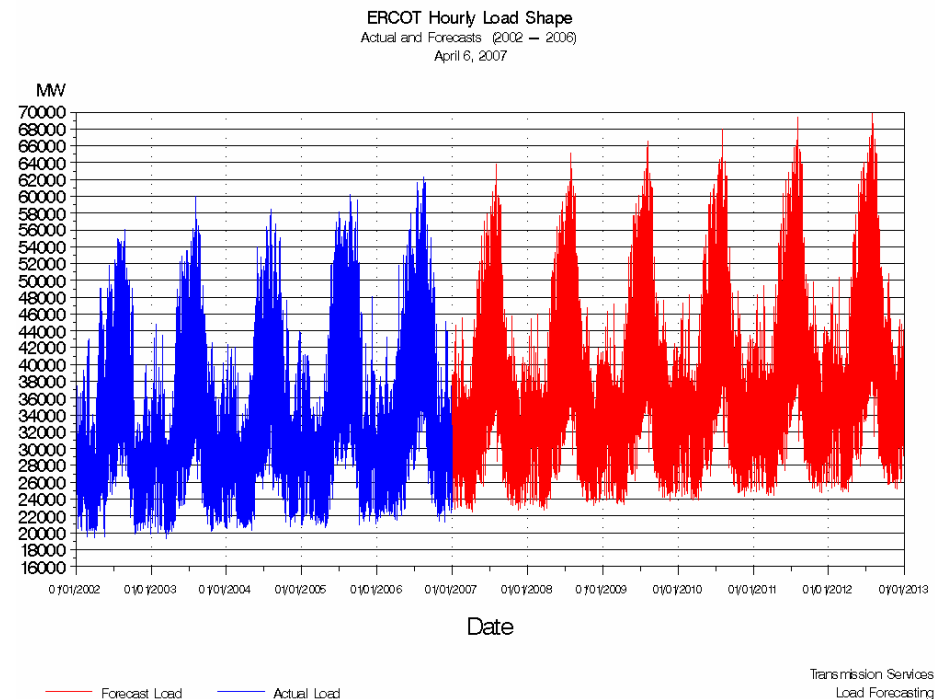


2007 Planning Long-Term Hourly Demand and Energy Forecast

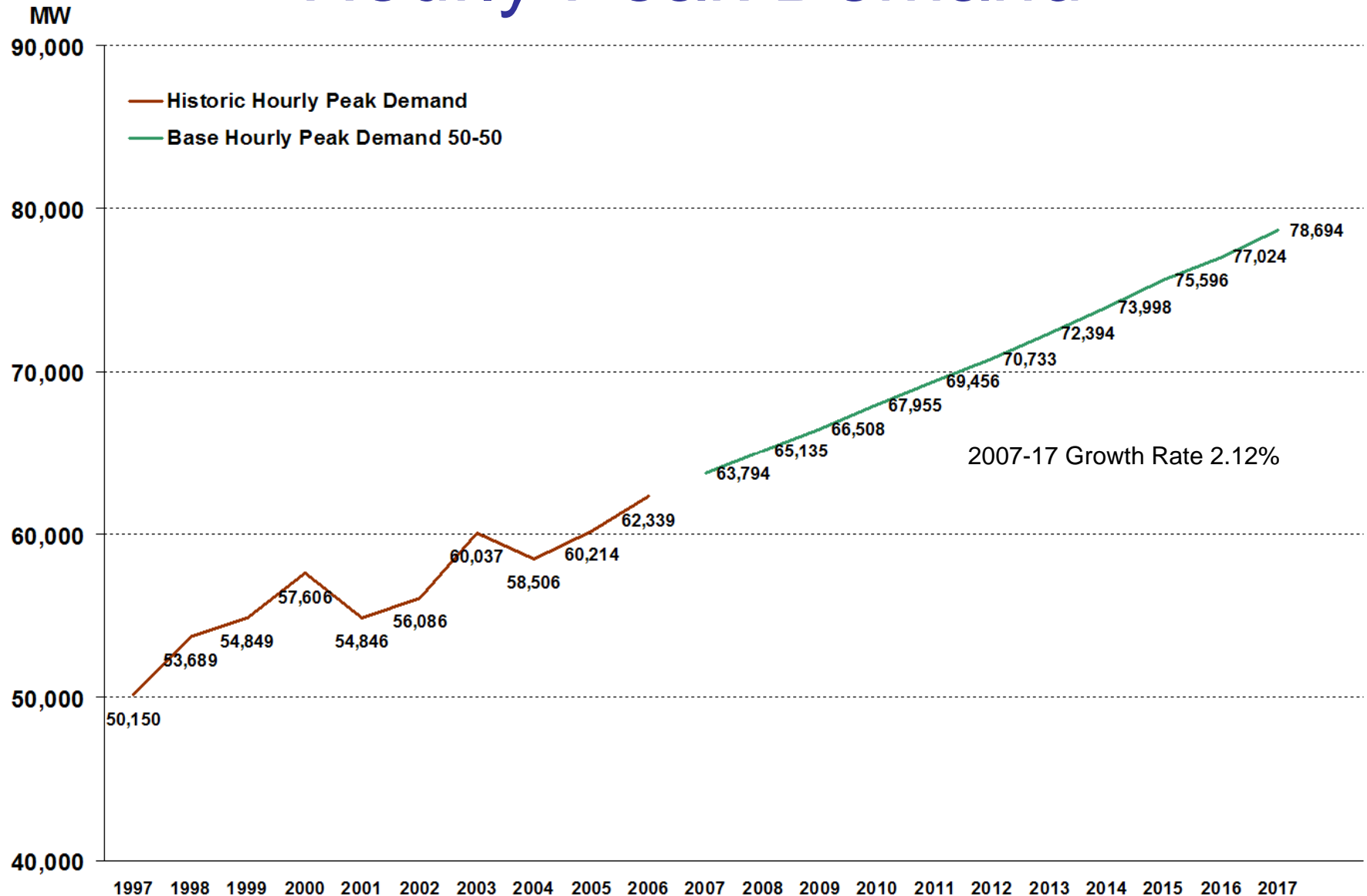
*Board of Directors Meeting
May 16, 2007
Bill Bojorquez*

Forecasting Assumptions and Methodology

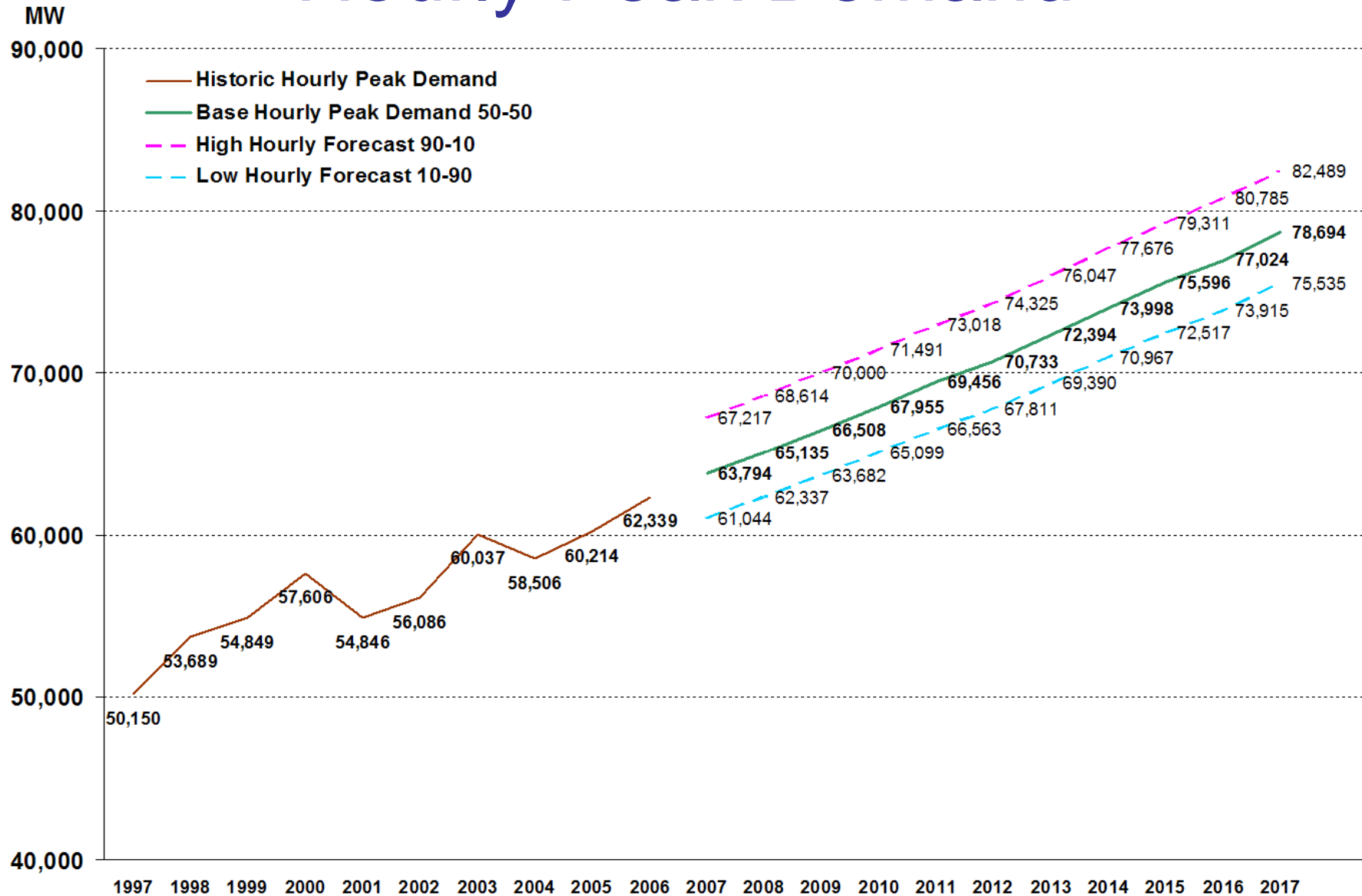
- **Economic history and forecast for Texas**
 - Source is Moody's Economy.com
 - Proprietary data
 - Population
 - Income
 - Other economic variables
- **Historic weather data from each ERCOT weather zone**
 - Source is WeatherBank
 - Not a weather forecast
 - Temperature
 - Humidity
 - Cooling Degree Days (CDD)
 - Heating Degree Days (HDD)
- **Calendar Data**
 - Seasonal Variation
 - Daily Variation
 - Weekly Variation
 - Holidays



Hourly Peak Demand



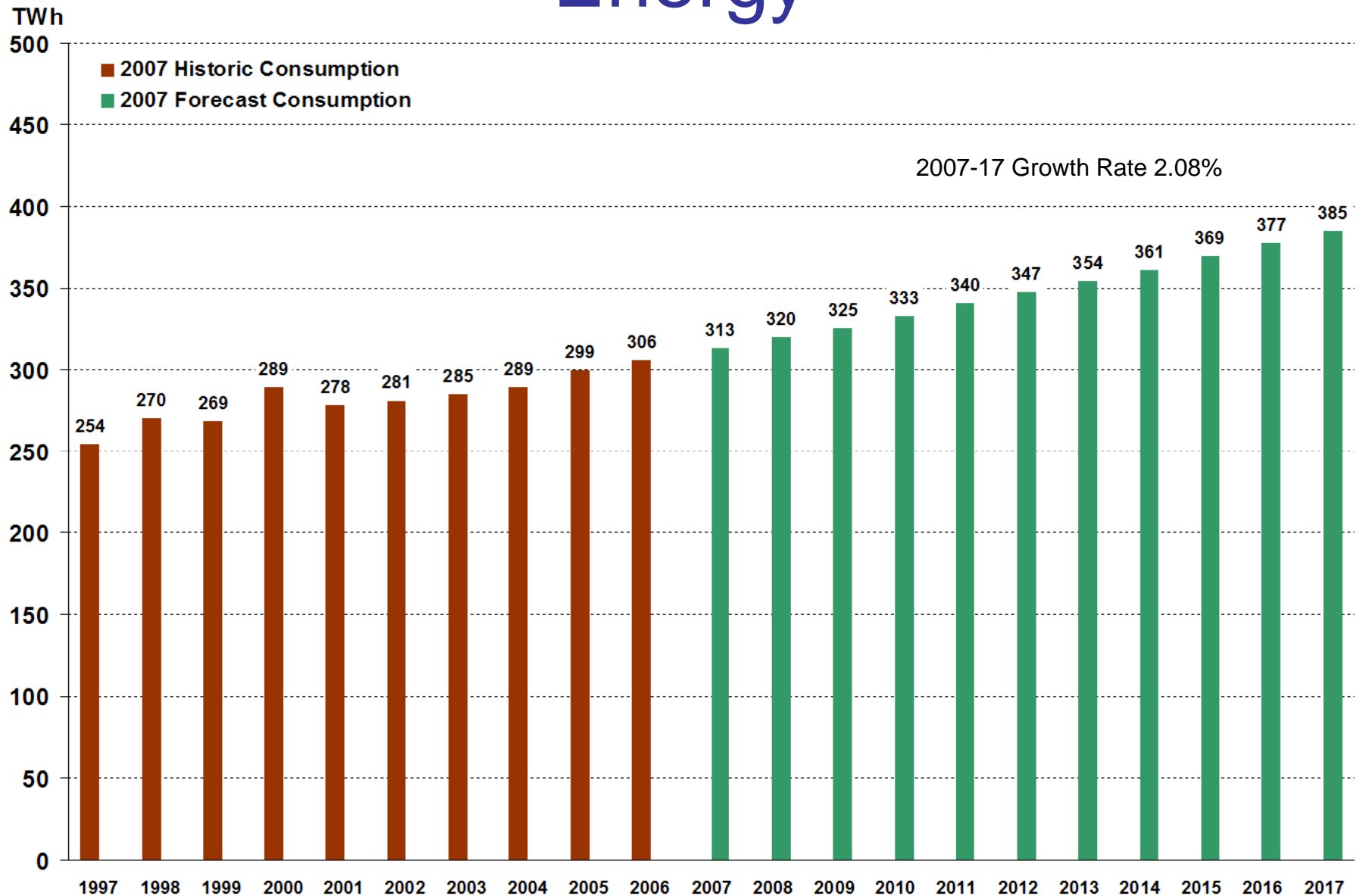
Hourly Peak Demand



Reconciliation Of Forecast Differences

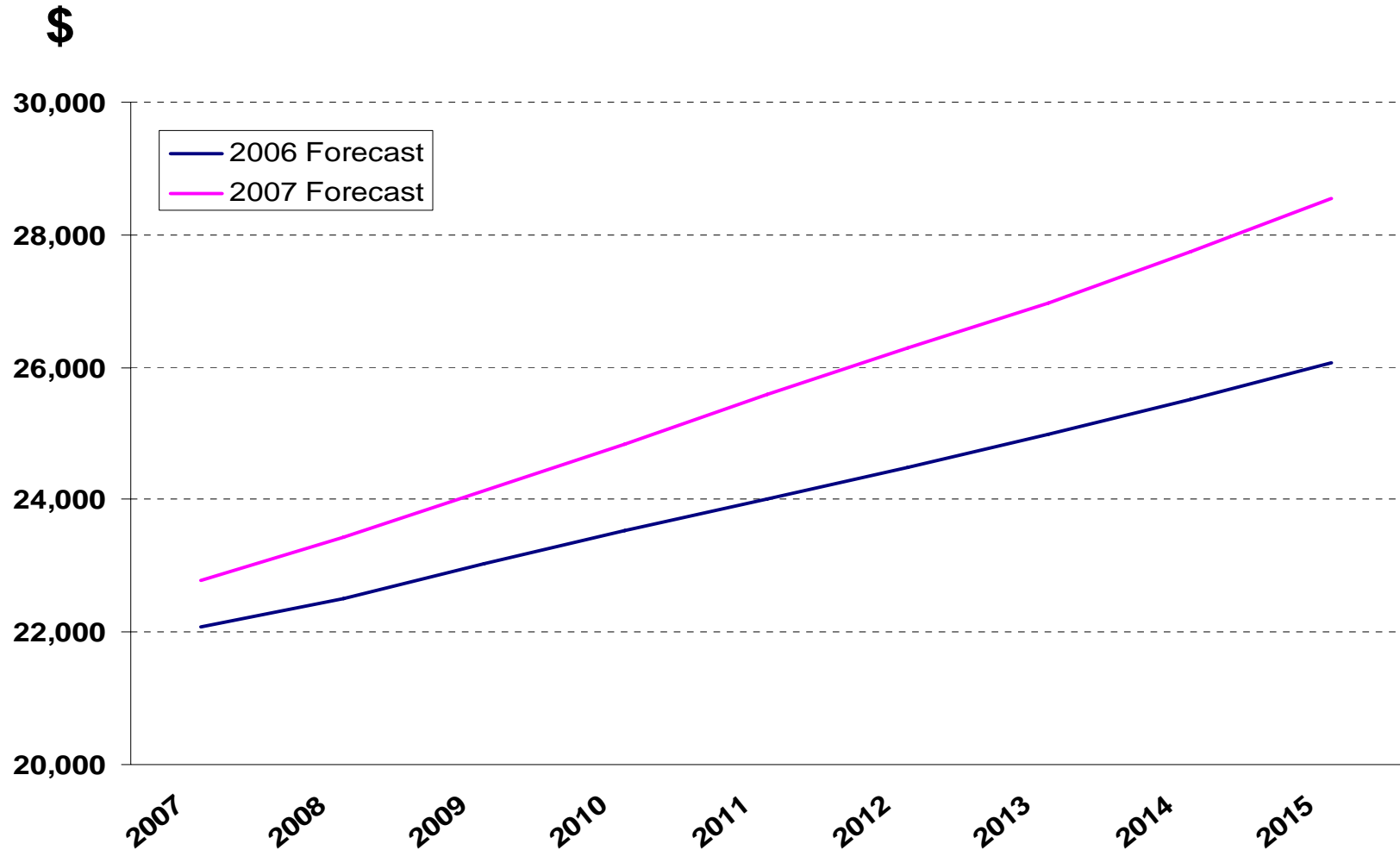
- **The basic methodology used to produced the forecast has remained the same**
- **The main sources of differences in the forecasts produced by the 2006 Long-Term Forecast Model (LTFM) and the 2007 LTFM for 2007 are:**
 - More optimistic economic forecasts throughout the ERCOT territory
 - Adjustments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

Energy



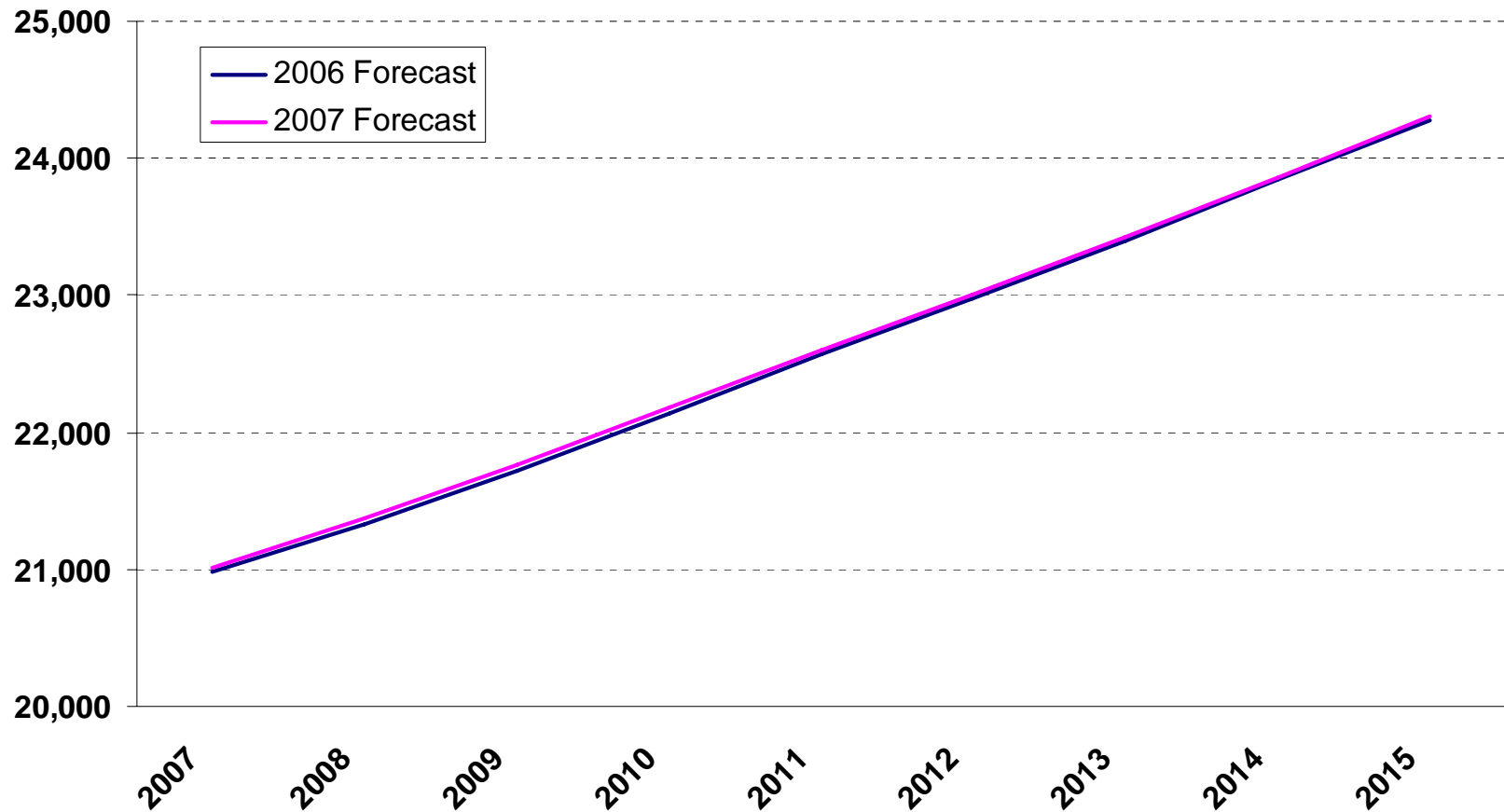
BACKUP MATERIAL

Real Personal Per-Capita Income



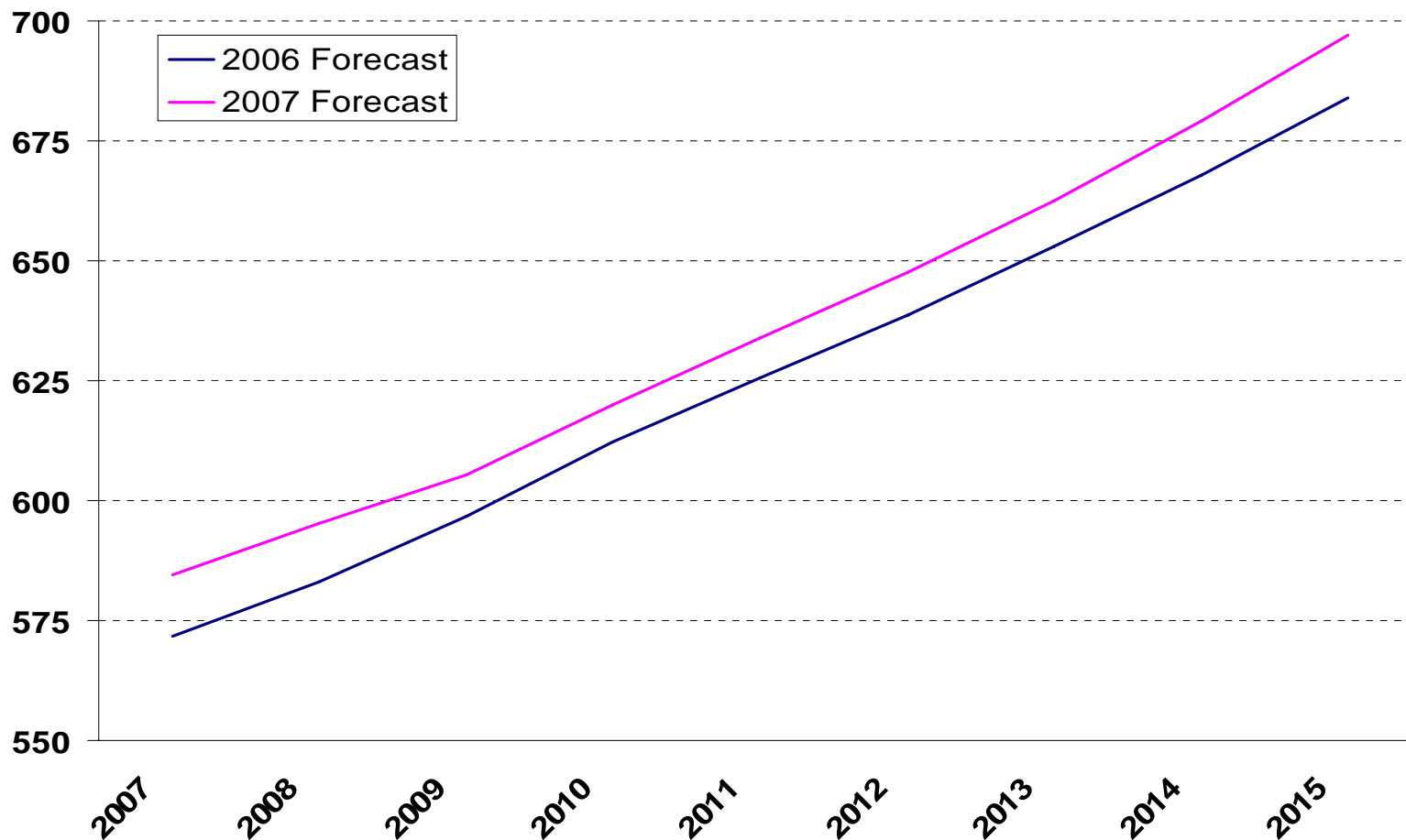
Population in ERCOT Territory

People
in thousands



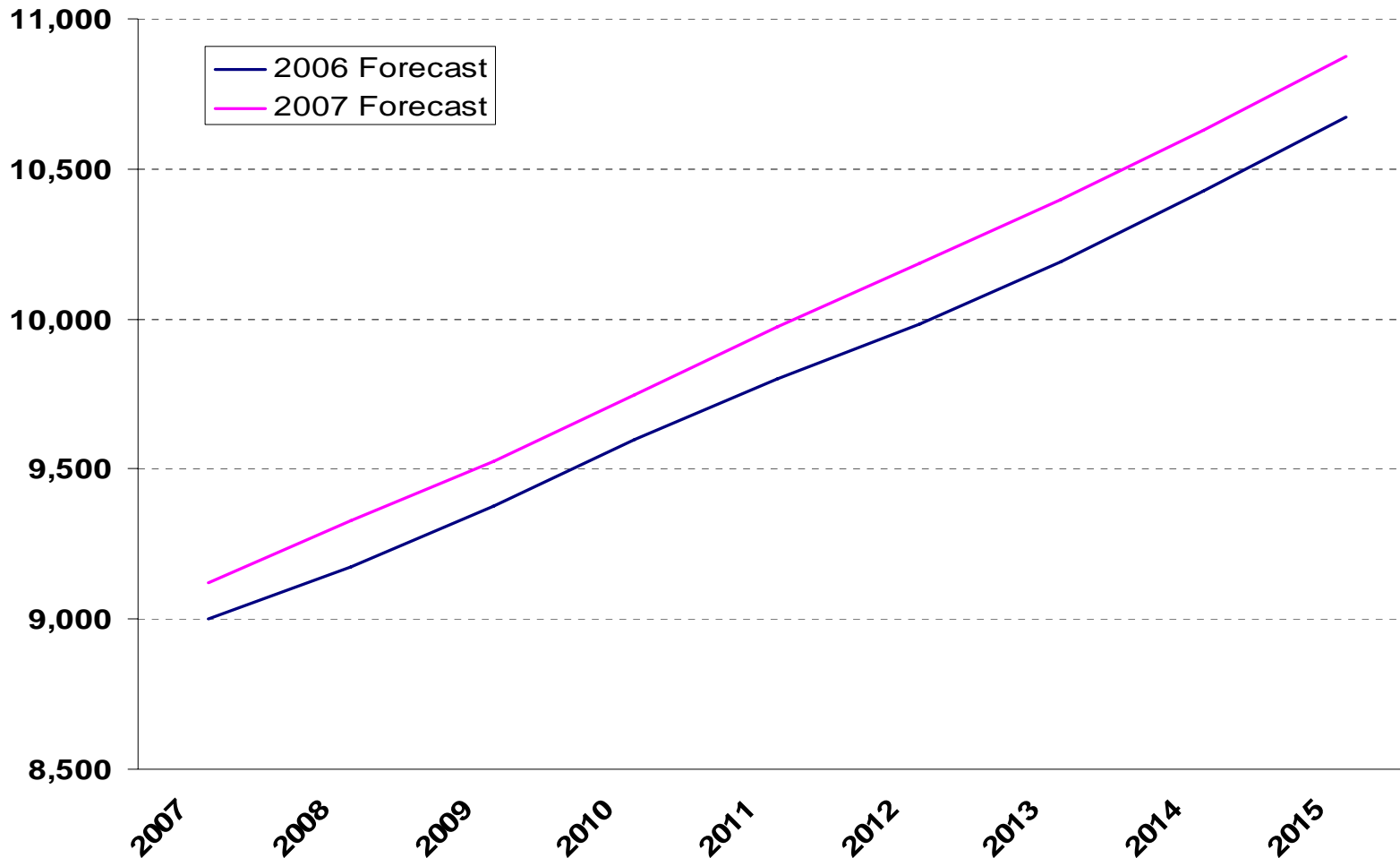
Employment in the Financial Services

People
in thousands



Non-Farm Employment in ERCOT Territory

People
in thousands



Total Employed in ERCOT Territory

People
in thousands

