

# Market Performance Report for February 2008



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Board of Governors  
General Session  
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# Market Highlights

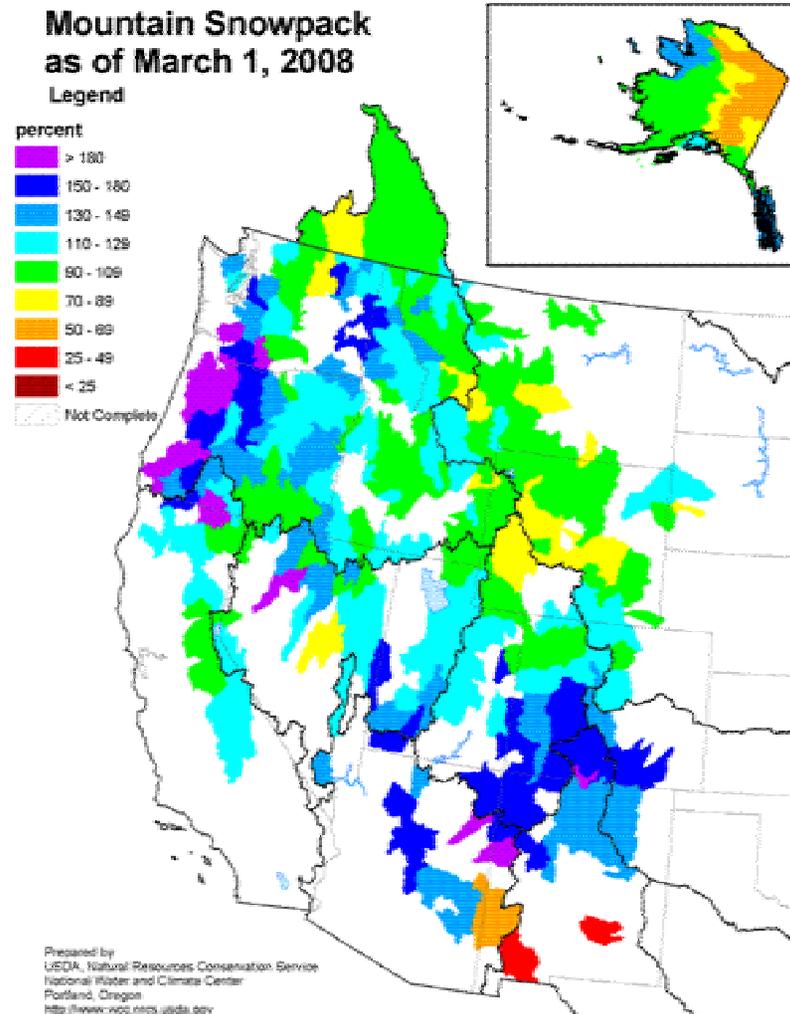
- 🌐 February was a quiet month
- 🌐 Weighted average prices increased for all Ancillary Services except Non-Spin, which remained unchanged
- 🌐 The Inter-zonal Congestion costs decreased sharply to \$1.9 million from \$6.1 million in January

# Monthly Market Performance Metrics through February 2008

| Monthly Metrics                     | Mar     | Apr     | May     | Jun     | Jul     | Aug     | Sep     | Oct     | Nov     | Dec     | Jan     | Feb     | Avg     |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Average Gas Price                   | \$6.53  | \$7.19  | \$7.27  | \$6.89  | \$6.14  | \$5.93  | \$5.73  | \$6.80  | \$7.05  | \$7.00  | \$7.78  | \$8.31  | \$6.88  |
| Average On-Peak Contract Price      | \$54.90 | \$64.78 | \$75.04 | \$68.47 | \$71.76 | \$71.40 | \$59.64 | \$71.89 | \$64.21 | \$70.41 | \$76.90 | \$77.52 | \$68.91 |
| Average Real-Time Price             | \$41.75 | \$50.24 | \$59.14 | \$54.85 | \$55.84 | \$62.44 | \$47.22 | \$56.59 | \$56.95 | \$62.84 | \$70.64 | \$66.07 | \$57.05 |
| No. of Price Spikes Over \$250      | 131     | 203     | 101     | 77      | 79      | 167     | 10      | 93      | 72      | 122     | 192     | 192     | 120     |
| Costs Incurred over \$250 (percent) | 24%     | 33%     | 22%     | 18%     | 14%     | 24%     | 3%      | 27%     | 16%     | 29%     | 28%     | 26%     | 22%     |
| AS Cost (\$ per MWh)                | \$0.58  | \$0.38  | \$0.74  | \$0.59  | \$1.16  | \$0.78  | \$0.58  | \$0.47  | \$0.56  | 0.5     | 0.45    | 0.63    | \$0.62  |
| RA Unit Commitment Costs (\$M)      | \$1.3   | \$2.1   | \$1.9   | \$3.4   | \$4.8   | \$3.2   | \$2.9   | \$4.3   | \$5.0   | \$5.0   | \$7.0   | \$4.0   | \$3.7   |
| FERC Unit Commitment Costs (\$M)    | \$0.7   | \$0.1   | \$0.0   | \$1.4   | \$1.4   | \$1.4   | \$0.8   | \$3.8   | \$0.6   | \$0.1   | \$0.0   | \$0.0   | \$0.9   |
| Inc OOS Redispatch Costs (\$M)      | \$1.1   | \$1.7   | \$1.5   | \$1.2   | \$2.1   | \$1.2   | \$1.2   | \$4.5   | \$2.0   | \$3.1   | \$3.4   | \$3.0   | \$2.2   |
| Dec OOS Redispatch Costs (\$M)      | \$0.4   | \$0.3   | \$0.7   | \$0.3   | \$0.4   | \$0.5   | \$0.3   | \$2.5   | \$2.5   | \$1.2   | \$2.3   | \$2.5   | \$1.2   |
| Total Interzonal Congestion (\$M)   | \$8.1   | \$5.0   | \$12.5  | \$4.5   | \$4.2   | \$3.1   | \$4.3   | \$12.9  | \$10.3  | \$12.3  | \$6.1   | \$1.9   | \$7.1   |

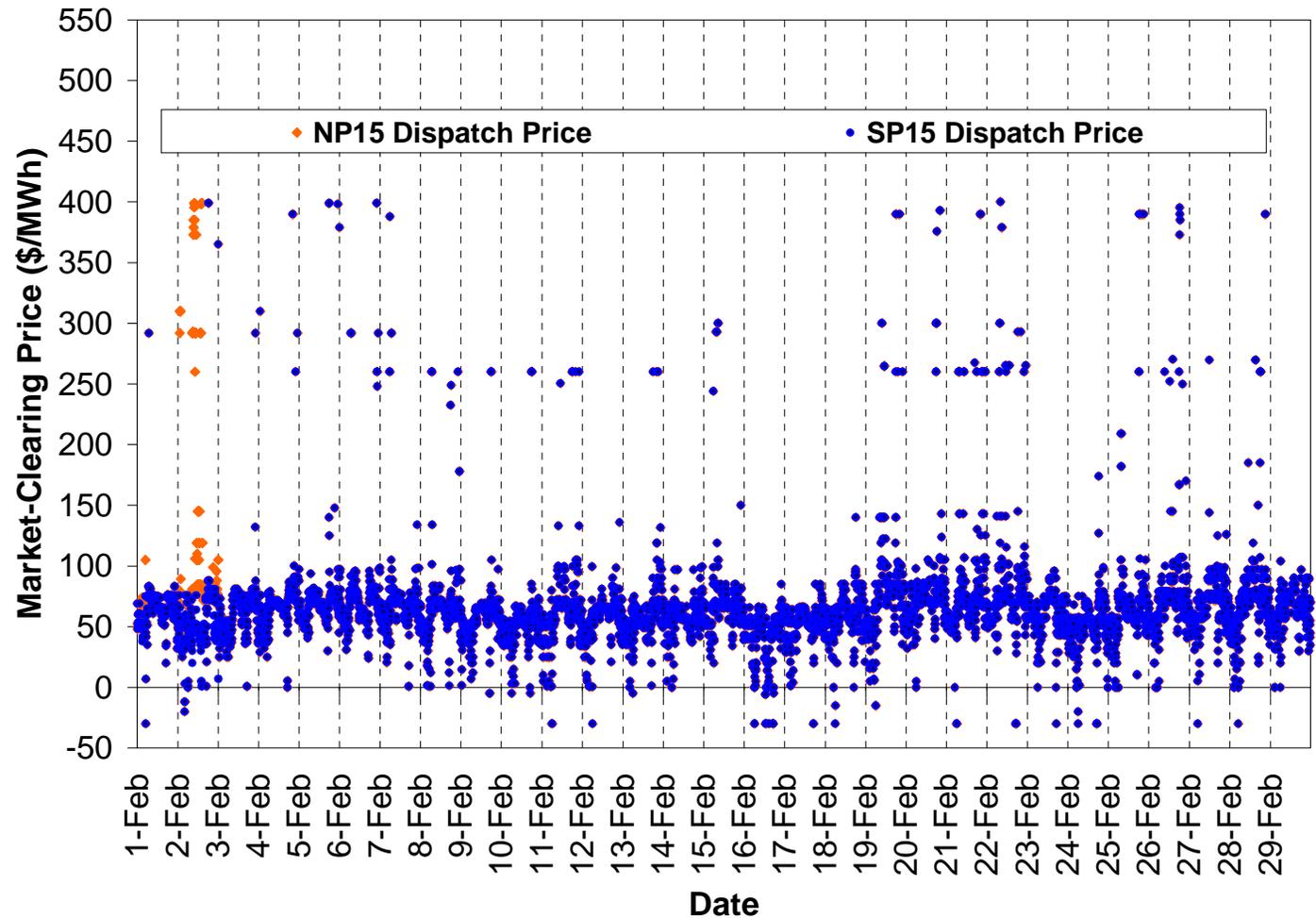
# Western Snowpack 2008

- ❶ Snow pack levels are above average
- ❷ Less pressure on Gas prices



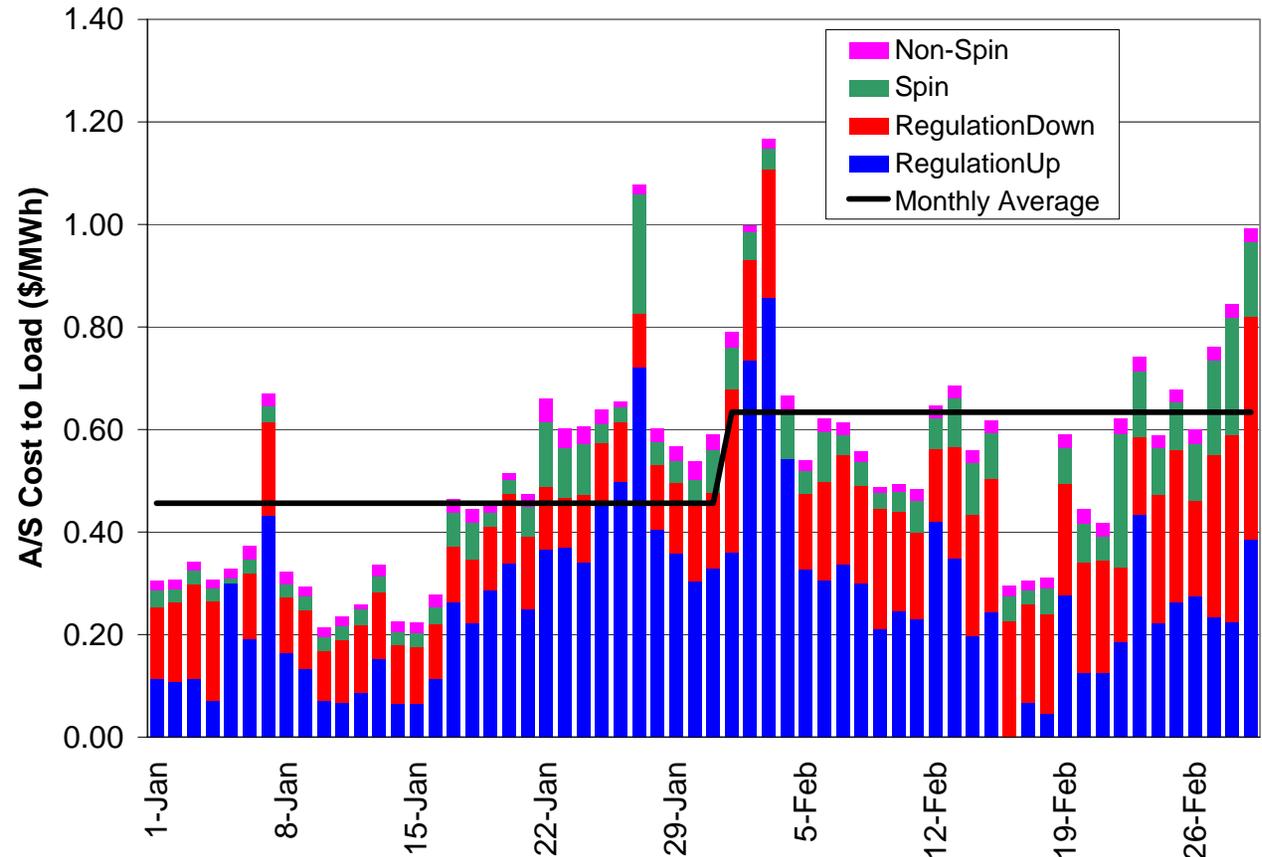
# Real Time Balancing Energy Prices

- 192 intervals of prices over \$250, unchanged from January's 192 intervals



# Ancillary Services Markets

- Weighted average prices increased for all services except Non-Spin which remained unchanged



|        | Average Required (MW) |      |       |       | Weighted Average Price (\$/MW) |          |         |         |
|--------|-----------------------|------|-------|-------|--------------------------------|----------|---------|---------|
|        | RU                    | RD   | SP    | NS    | RU                             | RD       | SP      | NS      |
| Jan 08 | 373                   | 356  | 884   | 824   | \$ 17.57                       | \$ 9.65  | \$ 1.46 | \$ 0.74 |
| Feb 08 | 373                   | 357  | 801   | 808   | \$ 19.99                       | \$ 16.09 | \$ 2.78 | \$ 0.74 |
|        | 0.0%                  | 0.2% | -9.4% | -1.9% | 13.8%                          | 66.8%    | 90.7%   | 0.0%    |

# Inter-zonal Congestion Costs

Total inter-zonal congestion costs decreased sharply to \$1.9 million in February from \$6.1 million in January

## Daily Total Inter-Zonal Congestion Costs

