February 2003 Report Card on Competition

Residential Market Competitive Offers as of January 2003

Customers have meaningful choices with multiple REPs in all areas. Spark Energy entered all five service areas in January 2003. In addition, Reliant entered the CPL service area and Utility Choice entered the WTU service area in January 2003.

Most REPs are still offering one product; however Green Mountain Energy is currently offering two products in all areas except WTU. A complete listing of offers by service area is attached and can be found on the PUC's website.

TDSP	# of REPs (incl. AREP)	# of all products (incl. PTB)	# of Renewable Products
Oncor	11	12	2
CenterPoint	11	12	2
AEP Central (CPL)	9	10	2
TNMP	6	7	2
AEP North (WTU)	5	5	0

2002 Residential Savings Due to Price-to-beat Reduction

- Residential customers paid approximately **$902 million** less under the price-to-beat rates in 2002 than they did in 2001.
  - **$225 million** from statutorily mandated 6% reduction.
  - **$677 million** from reduced fuel costs and expiration of fuel surcharges.

Estimated Price-to-beat Savings—2002

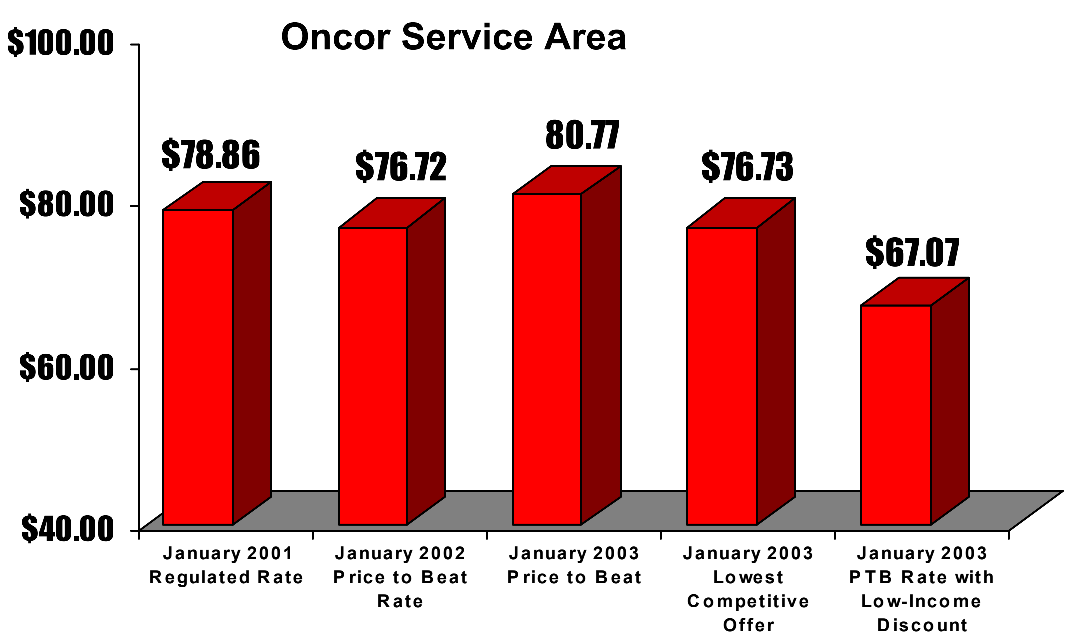
TDSP	Estimated Savings through December 2002
Oncor	$390 million
CenterPoint	$386 million
AEP Central (CPL)	$68 million
TNMP	$44 million
AEP North (WTU)	$14 million
TOTAL	**$902 million**

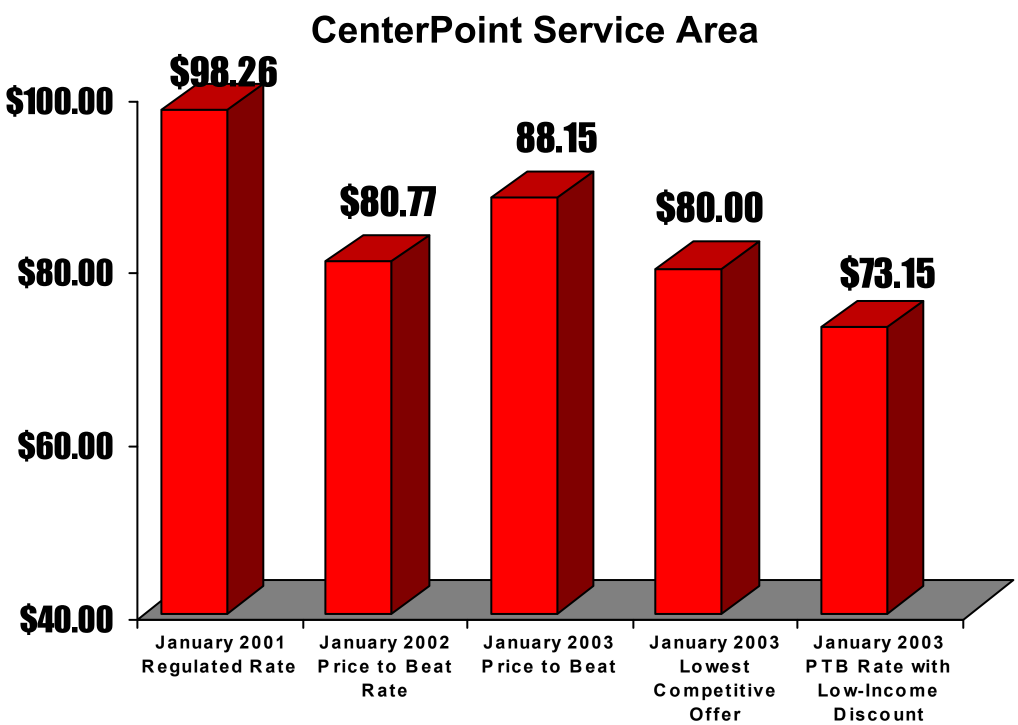
Additional Annualized Savings Available

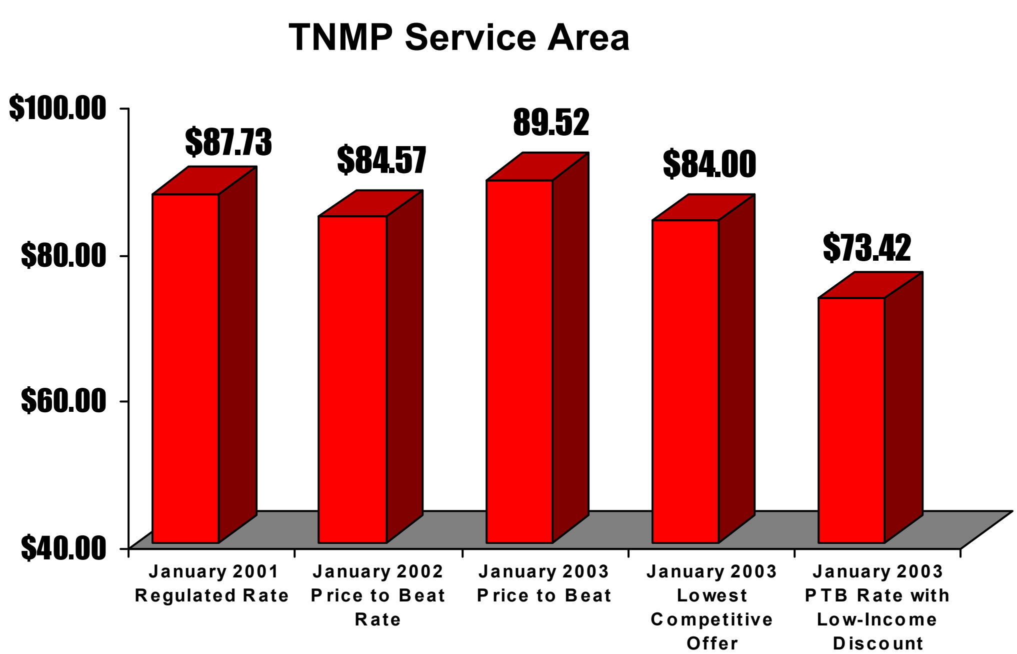
As of December 2002, additional savings off the price to beat of up to 14% were available to residential customers. A household using an average of 1,000 kWh per month can save as much as $166 a year by switching to the lowest competitive offer in some areas. Customers who signed up on long-term contracts earlier in the year at rate levels that are no longer available may see savings in excess of this amount. The following chart summarizes the additional annual savings that would be realized by residential customers in Texas if they switched to the lowest current offer available in their area.

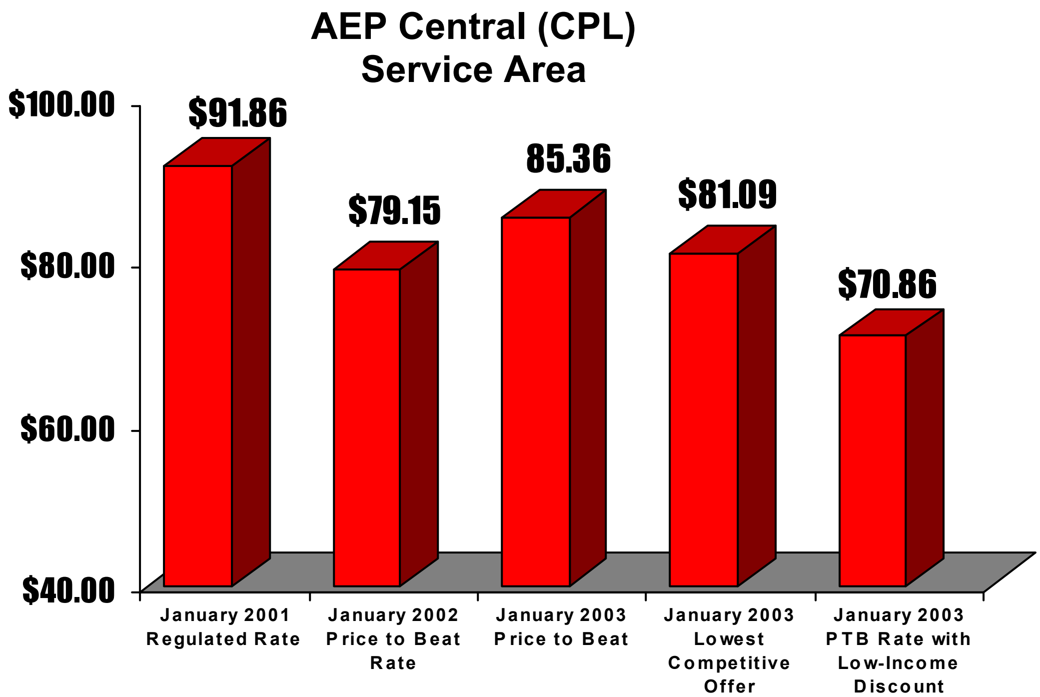
% switched	Additional Annual Savings Available
5%	$32 million
10%	$64 million
15%	$95 million
20%	$127 million
25%	$159 million
100%	**$636 million**

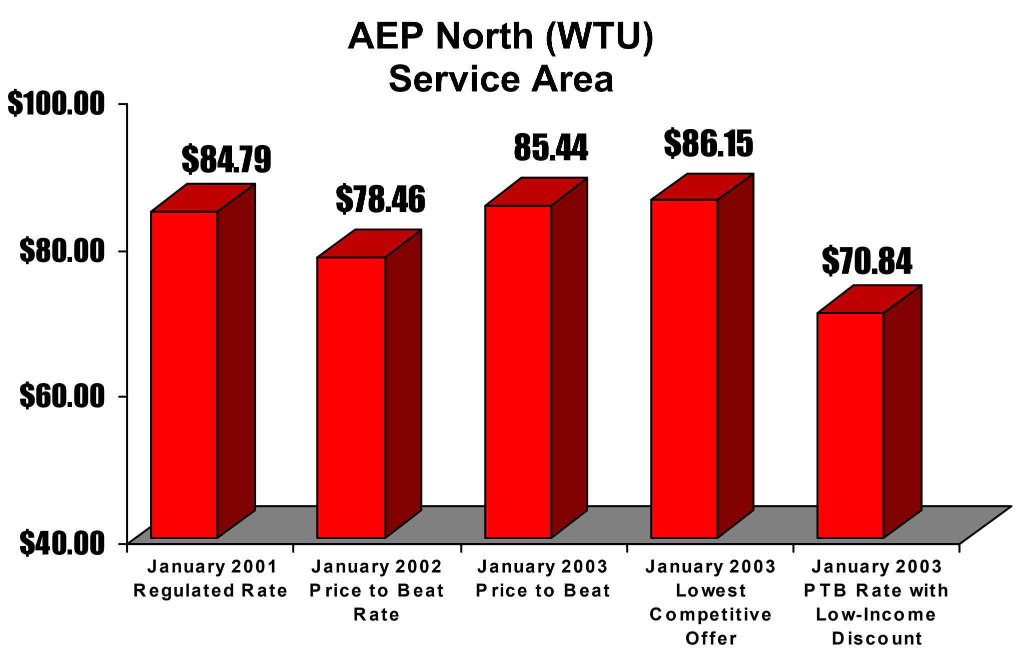
Comparison of January 2003 bills for Household using 1000 kWh




CenterPoint Service Area
$98.26
$80.77
88.15
$80.00
$73.15
$100.00
$80.00
$60.00
$40.00
January 2001 Regulated Rate
January 2002 Price to Beat Rate
January 2003 Price to Beat
January 2003 Lowest Competitive Offer
January 2003 PTB Rate with Low-Income Discount


TNMP Service Area
$87.73
$84.57
89.52
$84.00
$73.42
$100.00
$80.00
$60.00
$40.00
January 2001 Regulated Rate
January 2002 Price to Beat Rate
January 2003 Price to Beat
January 2003 Lowest Competitive Offer
January 2003 PTB Rate with Low-Income Discount


AEP Central (CPL)
Service Area
$100.00
$80.00
$60.00
$40.00
$91.86
$79.15
85.36
$81.09
$70.86
January 2001 Regulated Rate
January 2002 Price to Beat Rate
January 2003 Price to Beat
January 2003 Lowest Competitive Offer
January 2003 PTB Rate with Low-Income Discount


AEP North (WTU)
Service Area
$100.00
$80.00
$60.00
$40.00
$84.79
$78.46
85.44
$86.15
$70.84
January 2001 Regulated Rate
January 2002 Price to Beat Rate
January 2003 Price to Beat
January 2003 Lowest Competitive Offer
January 2003 PTB Rate with Low-Income Discount

Market Activity

Total Switch Requests as of February 7, 2003

Total Switch Requests submitted to ERCOT *as of February 7, 2003*. This includes switches during the pilot program (July 31, 2001 through December 31, 2001). This does not measure the number of customers who have switched to a competitive provider because it includes customers who may be switched back to the Affiliate REP or who may have switched more than once since competition began.

TDSP	Completed	In Review	Scheduled	Total
Oncor	310,599	832	26,192	**337,623**
CenterPoint	239,277	2,874	19,106	**261,257**
AEP Central (CPL)	51,180	64	9,065	**60,309**
TNMP	8,866	22	912	**9,800**
AEP North (WTU)	13,086	50	1,688	**14,824**
SESCO	0	1	1	**2**
TOTAL	**623,008**	**3,843**	**56,964**	**683,815**

Change in Switching Activity Since January 10, 2003

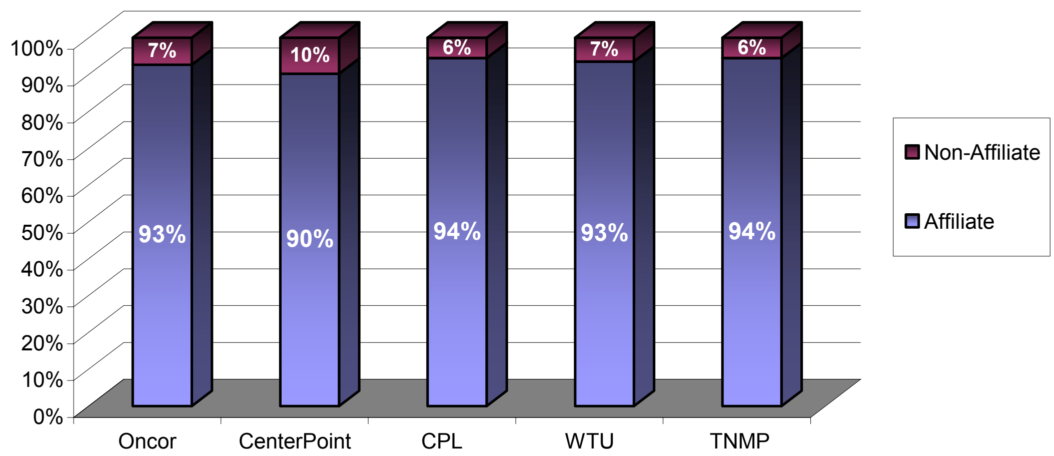
Activity from January 10, 2003 to February 7, 2003. Overall, the rate of switching is the same since the September report card. The rate of switching increased in the service areas of AEP Central (CPL) and AEP North (WTU); stayed the same in the areas of CenterPoint and SESCO; and decreased in the areas of Oncor and TNMP.

TDSP	# of Switch Requests since January 10, 2003	% Increase
Oncor	20,908	6%
CenterPoint	25,875	10%
AEP Central (CPL)	11,898	20%
TNMP	739	8%
AEP North (WTU)	1,949	13%
SESCO	0	0%
TOTAL	**61,369**	**9%**

Market Share

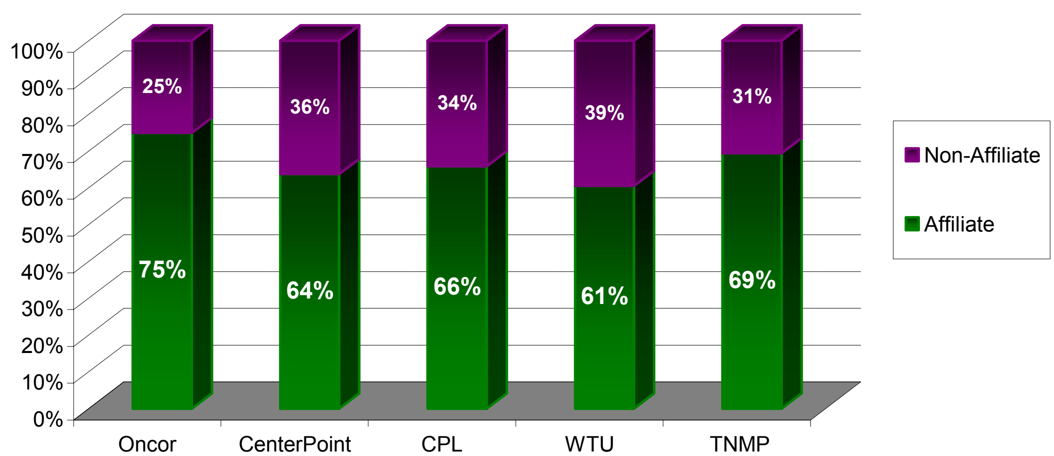
The following chart shows the total market share in each TDSP service area. As of December 31, 2002, 6 percent of the customers in all competitive areas have been switched to non-Affiliated REPs in their respective affiliated TDSP service area. This information was compiled using data requested from TDSPs in project 25645.

Total Market Share by Number of Customers



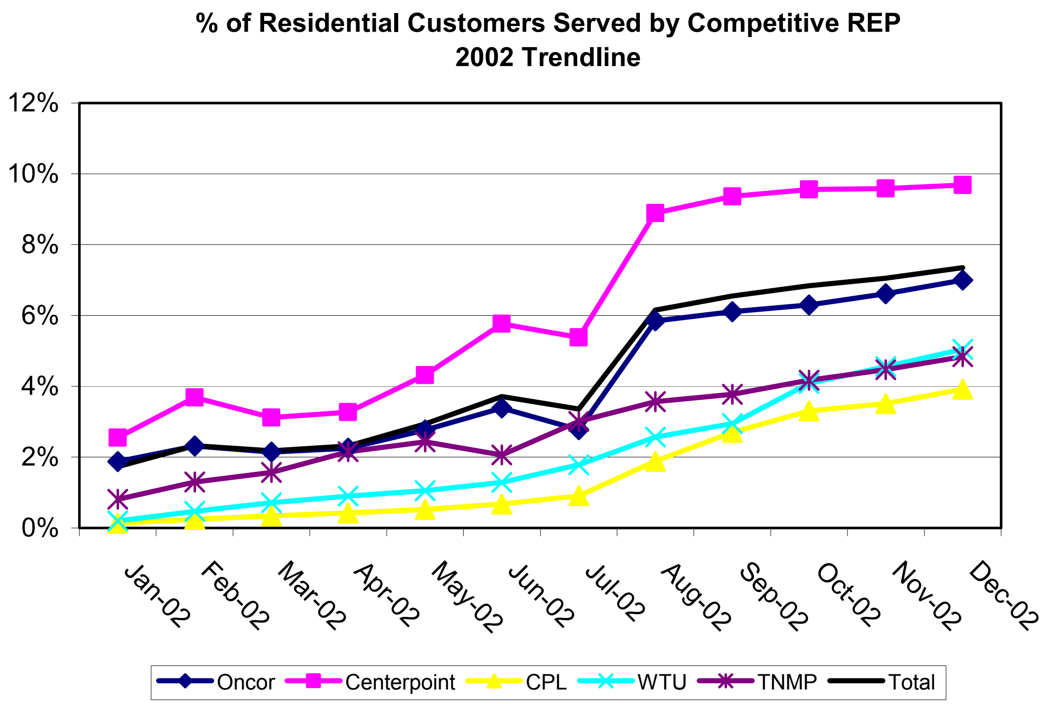
As of December 31, 2002, 31 percent of Megawatt-hours sold in all competitive areas has been switched to non-Affiliated REPs in their respective affiliated TDSP service area.

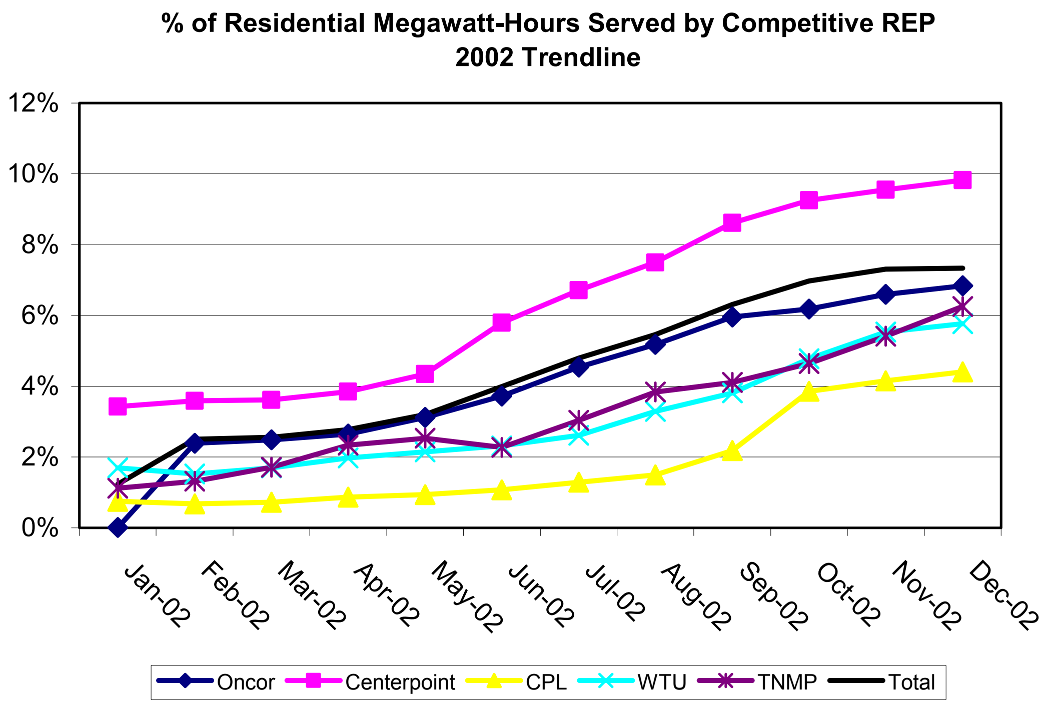
Total Market Share by Megawatt-Hours Sold



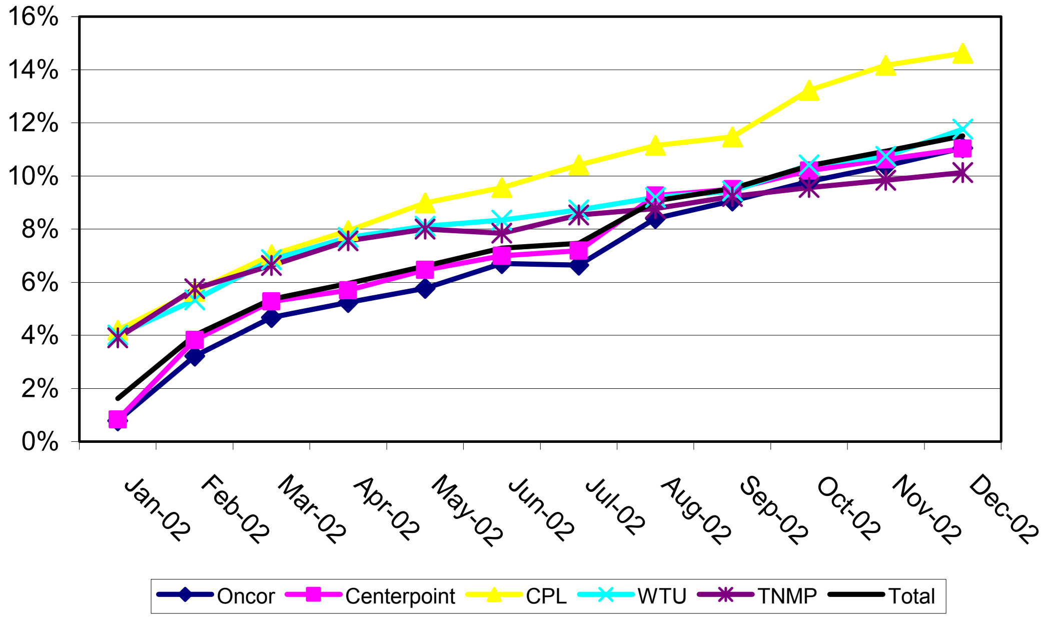
Market Share in each Customer Class

The data in the following charts are compiled from TDSP reports in project no. 25645.

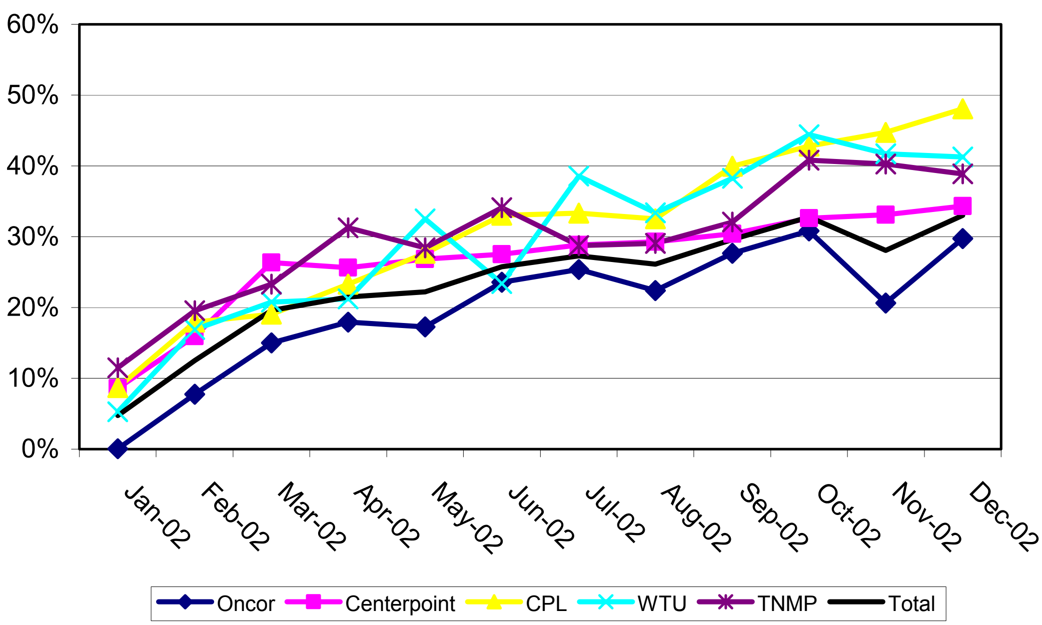


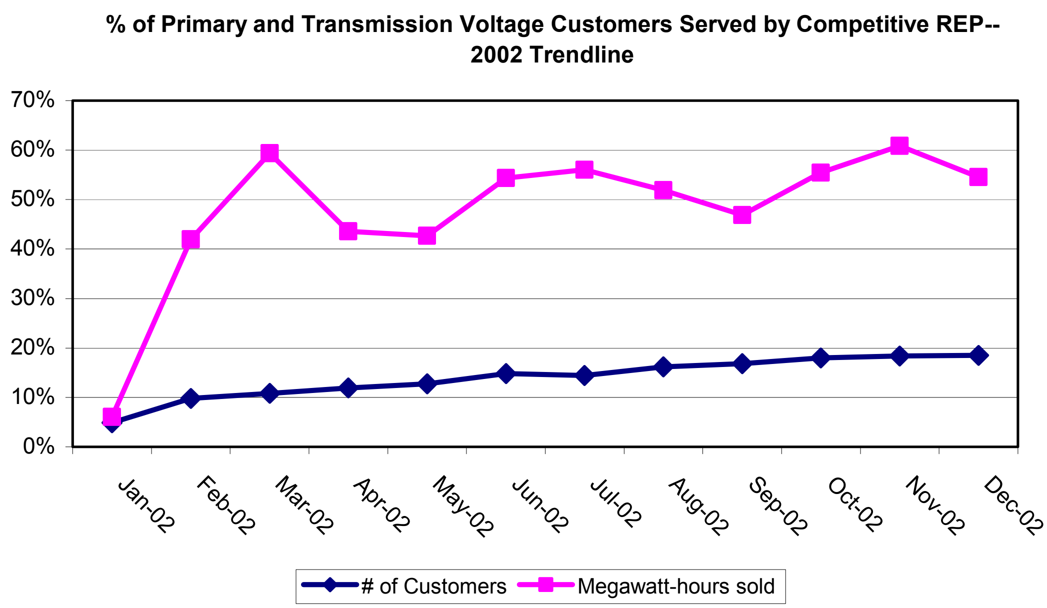


% of Secondary Voltage Customers Served by Competitive REP
2002 Trendline

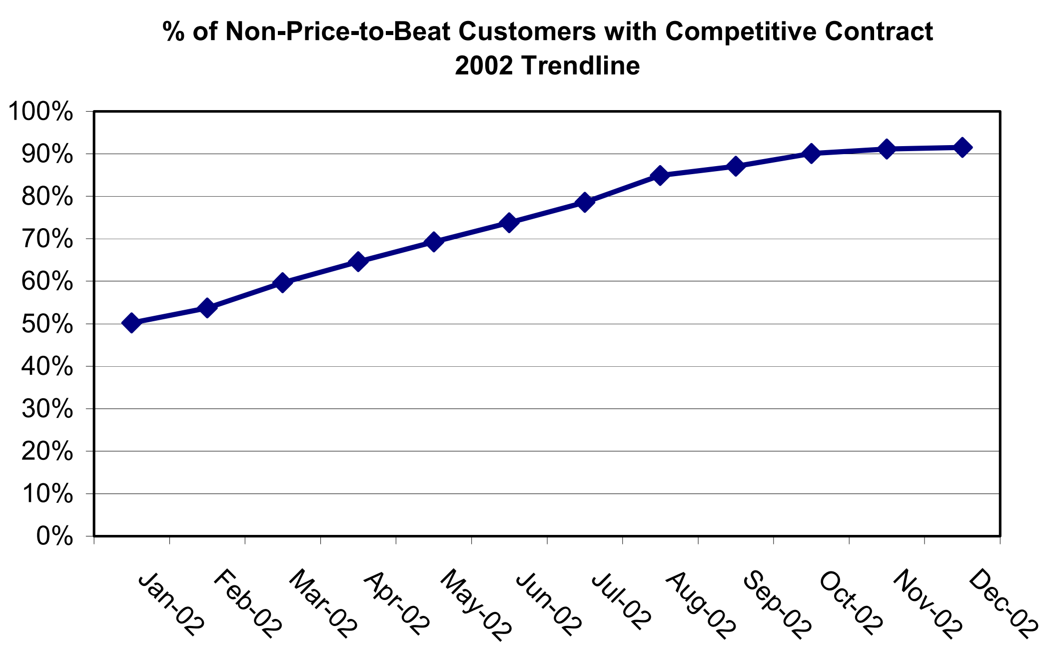


% of Secondary Voltage MWh sold by Competitive REP
2002 Trendline





The following chart shows the percentage of non-Price-to-Beat customers that have competitive contracts. These commercial customers do not have a price-to-beat and may negotiate a contract with the Affiliate REP or any other competitive REP. As of December 31, 2002, 91.54% of these customers have signed a competitive contract.



<u>SBF and Low Income Discounts through December 2002</u>

This has been updated to reflect discounts as disbursed in December 2002. In addition, staff filed an updated report for 2002 on the System Benefit Fund and LITE-UP Texas program in Project No. 24116.

T&D Service Area	# of Customers receiving discount	$ of Discounts Disbursed in December 2002
Oncor	316,429	$4.45 million
CenterPoint	195,193	$2.50 million
CPL	126,268	$1.50 million
TNMP	17,649	$216,000
WTU	20,129	$236,000
Sharyland	1	$10.00
SESCO	1	$14.00
December Total	**672,670**	**$8.90 million**
Total Discounts in 2002		$85.87 million