October 2003 Report Card on Retail Competition

Customer Choice

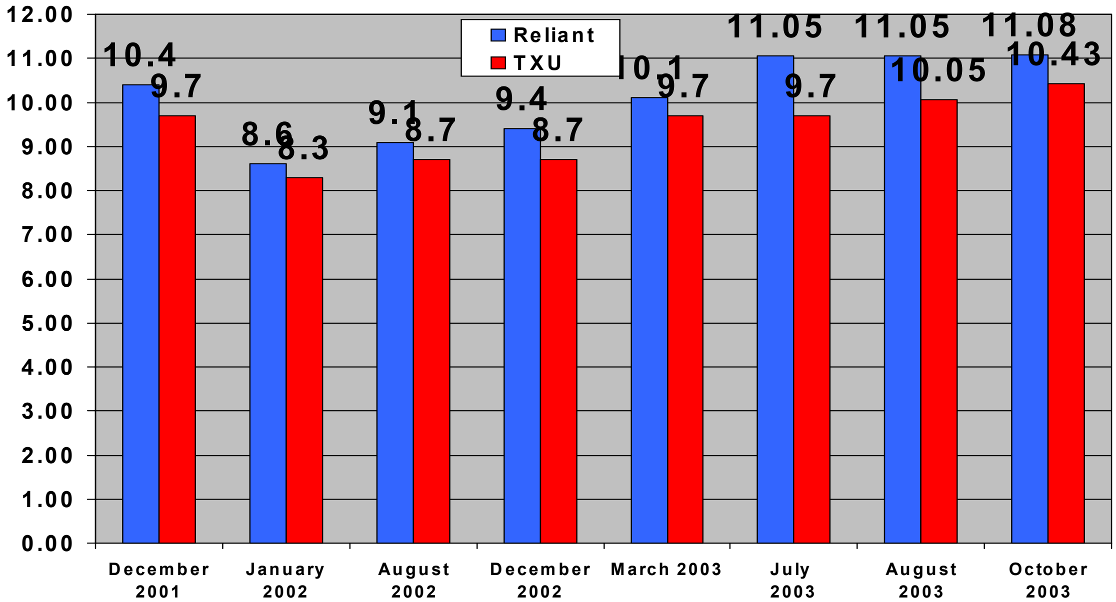
Customers have meaningful choices with multiple REPs in all areas. Since the last report, an additional REP is offering service in each of the AEP areas. Green Mountain has increased its selection of renewable energy products to three in all of the areas in which it offers service. In addition, Reliant continues to offer a renewable product in the Oncor and AEP areas.

Options for Residential Customers

Area	REPs	Products	Renewable Options
Oncor (DFW)	11	14	4
CenterPoint (Houston)	11	13	3
TNMP	6	9	4
AEP Central (Corpus Christi)	10	13	4
AEP North (Abilene)	6	6	0

Price to Beat Rates for TXU and Reliant Territories

Rising natural gas prices have resulted in slowly increasing electricity prices in the Texas marketplace this year. The Price to Beat offered by Reliant to residential customers with 1000 KWH of demand has risen approximately 6.5% since December 2001, due to rising natural gas prices, while the TXU Price to Beat for those customers has risen about 7.5% in the same time span. By comparison, the average cost for that power in areas of Texas not in competition has risen approximately 12.3% in the same time period.



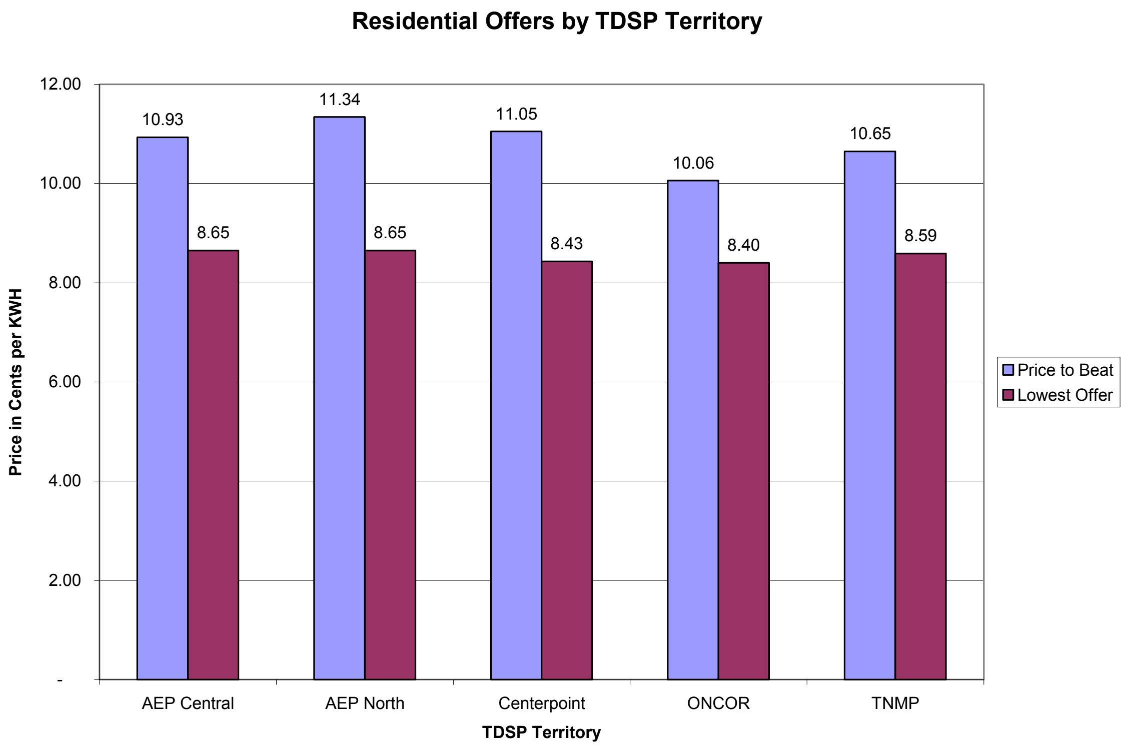
Market Activity: Total Switch Requests as of October 17, 2003

Over a million customers have switched suppliers. This includes switches during the pilot program (July 31, 2001 – December 31, 2001). This does not measure the number of customers currently being served by a competitive provider, because it includes customers who may have switched back to the Affiliate REP or who may have switched more than once since competition began.

TDSP	Completed	In Review	Scheduled	Total
Oncor	532,513	643	21,071	554,227
CenterPoint	350,400	203	13,856	364,459
AEP Central	142,820	556	11,405	154,781
AEP North	33,230	119	2,920	36,269
TNMP	22,199	103	1,277	23,579

Competitive Activity

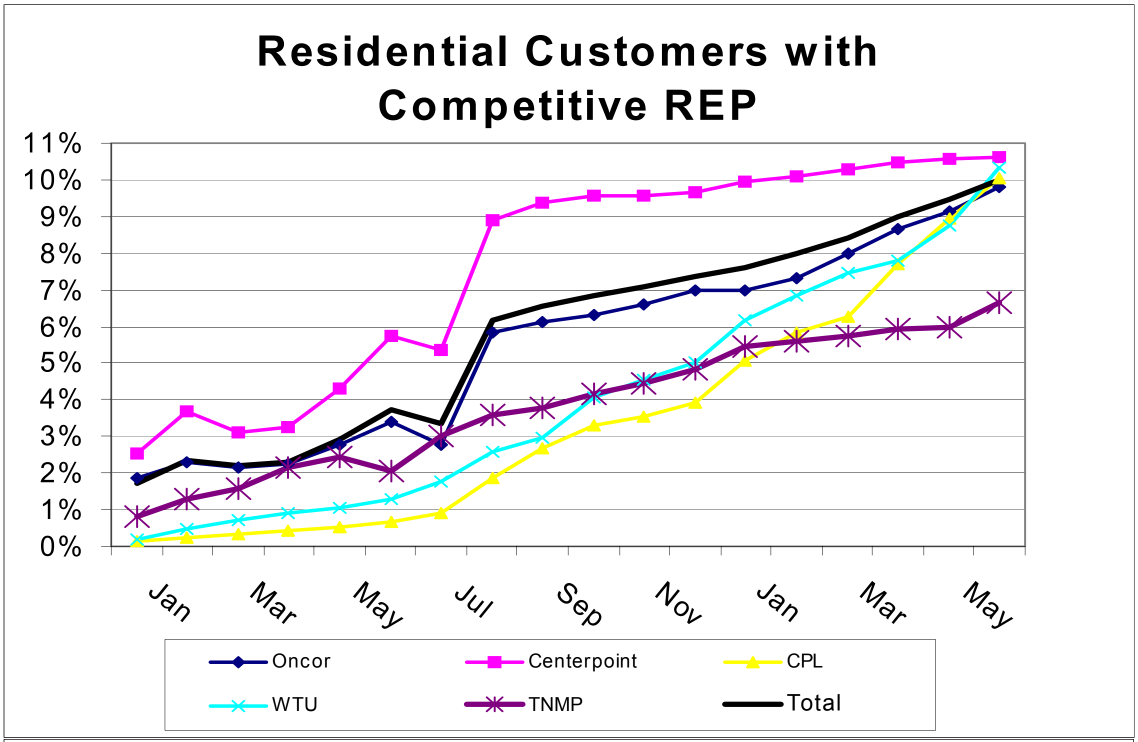
Competitive offers are available which provide savings of between $16 and $36 per month over Price to Beat for residential customers with usage of 1000 KWH per month. Customers with usage from 500 KWH per month to 2000 KWH per month can save at least 1 cent per KWH in every PTB region. (Based on average annual rate comparison.)

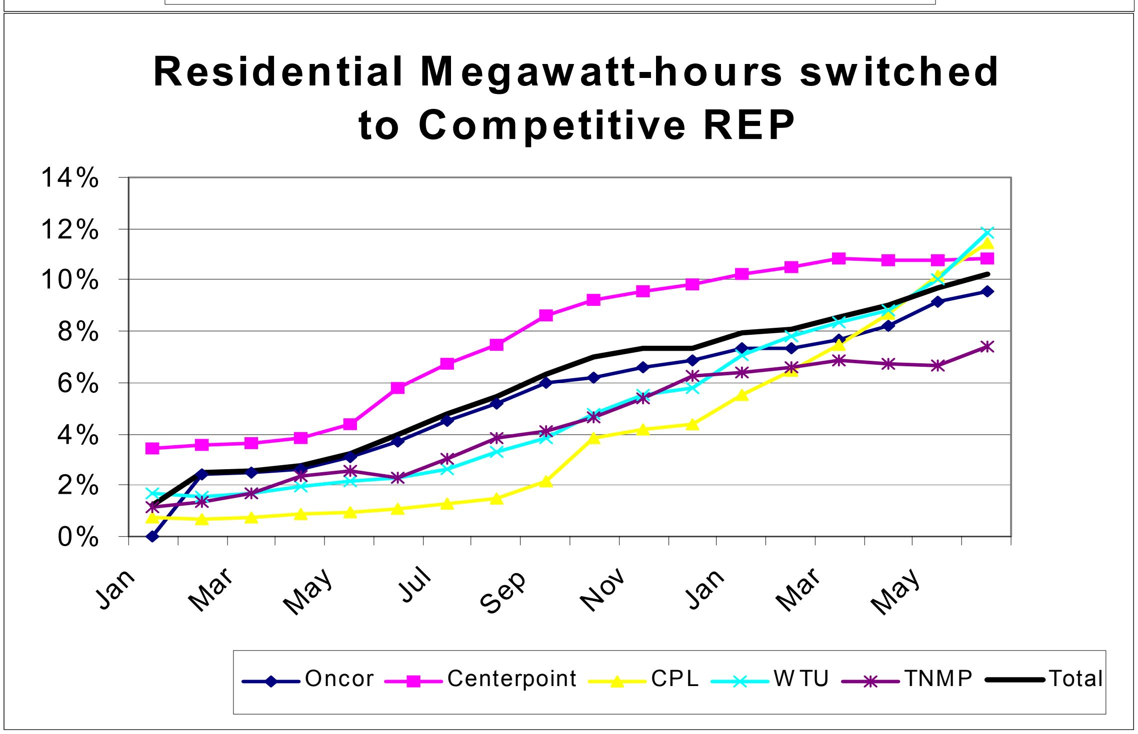


Based on 1000 KWH usage.

<u>Market Share – Residential Class</u>

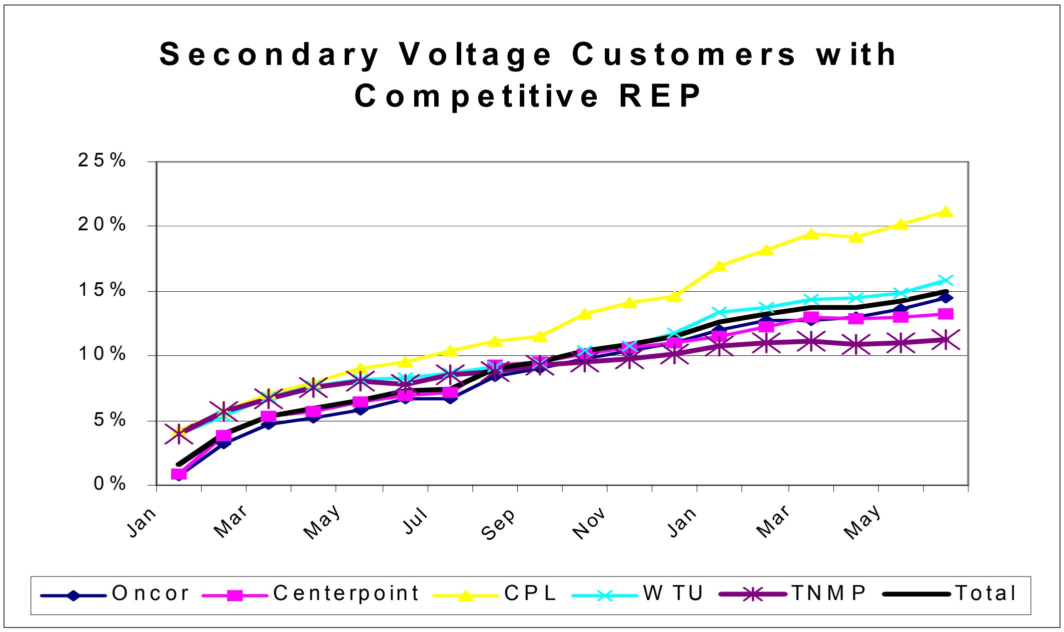
Residential market share for competitive REPs has been steadily increasing in all markets for the last year. In most areas, approximately 10% of residential customers have switched as of June, 2003.

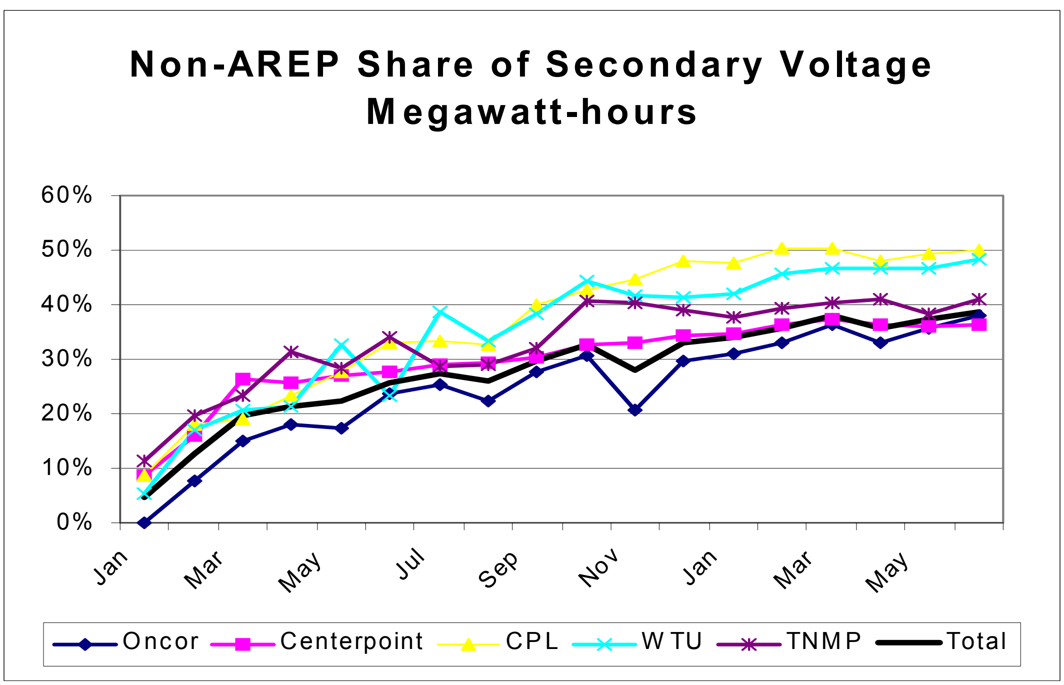




Market Share – Secondary Voltage Customers

Most secondary voltage customers fall in the small non-residential class. Across TDSP areas, between 12% and 22% of secondary voltage customers have switched, accounting for 36% - 50% of secondary voltage load. As of October 21, 2003, Oncor and TNMP had filed evidence of reaching the 40% threshold of Small Non-Residential demand switching. AEP North and AEP Central had filed evidence of reaching the 35% threshold of Small Non-Residential Demand switching.

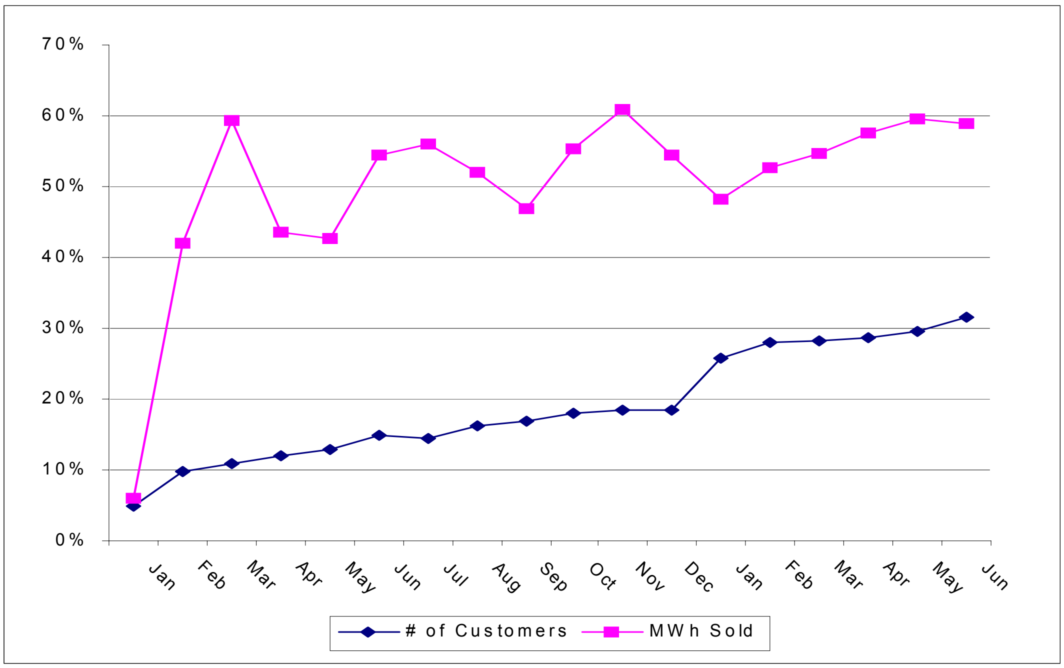




Market Share – Primary Voltage Customers

As of June 2003, approximately 32% of primary and transmission voltage customers had switched to competitive REPs, accounting for approximately 59% of total demand. As of the end of December 2002, after only 1 year of retail electric competition, approximately 91.5% of non Price-to-Beat customers in the Large non-Residential class had signed competitive rate contracts with either a competitive REP or the affiliated REP.

% of Primary and Transmission Voltage Customers Served by Competitive REP



System Benefit Fund

The low-income discount program had 758,526 customers using 1.1 billion KWH in energy in September 2003, up from 597,523 and 900 million KWH in September 2002. Customers are eligible for a discount of 10% off their bill if they have income less than 125% of the federal poverty level, or receive assistance from any of several state low-income assistance programs.

T&D Service Area	# of Customers Receiving Discount	$ of Discount Disbursed in September 2003
Oncor	340,027	5,105,178
CenterPoint	248,002	4,665,984
AEP Central	128,444	2,812,630
AEP North	21,150	408,879
TNMP	20,824	346,459
Sharyland	58	1,483
SESCO	21	539
September Total	758,526	13,341,152
Total Discounts in Jan. – Sept. 2003		127,305,734