

Results of Market Participant Poll on TCC Durations Spring 2005

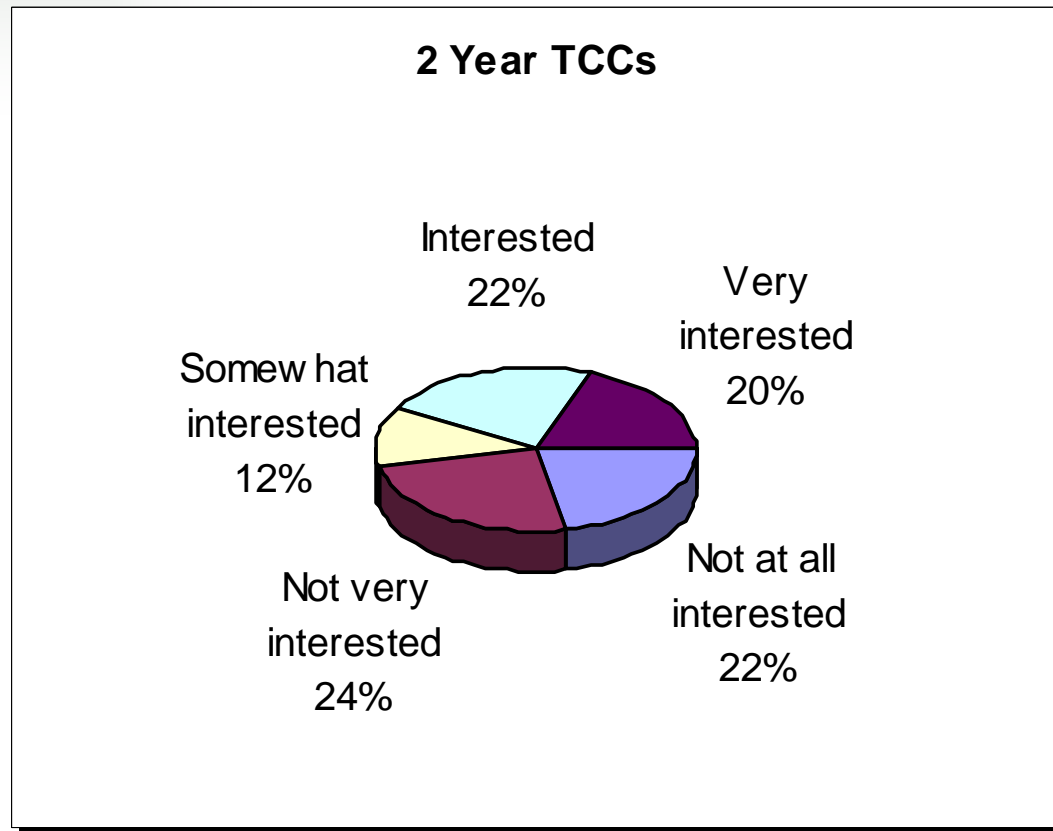
**Market Structures WG
Kathy Whitaker**

August 2, 2005

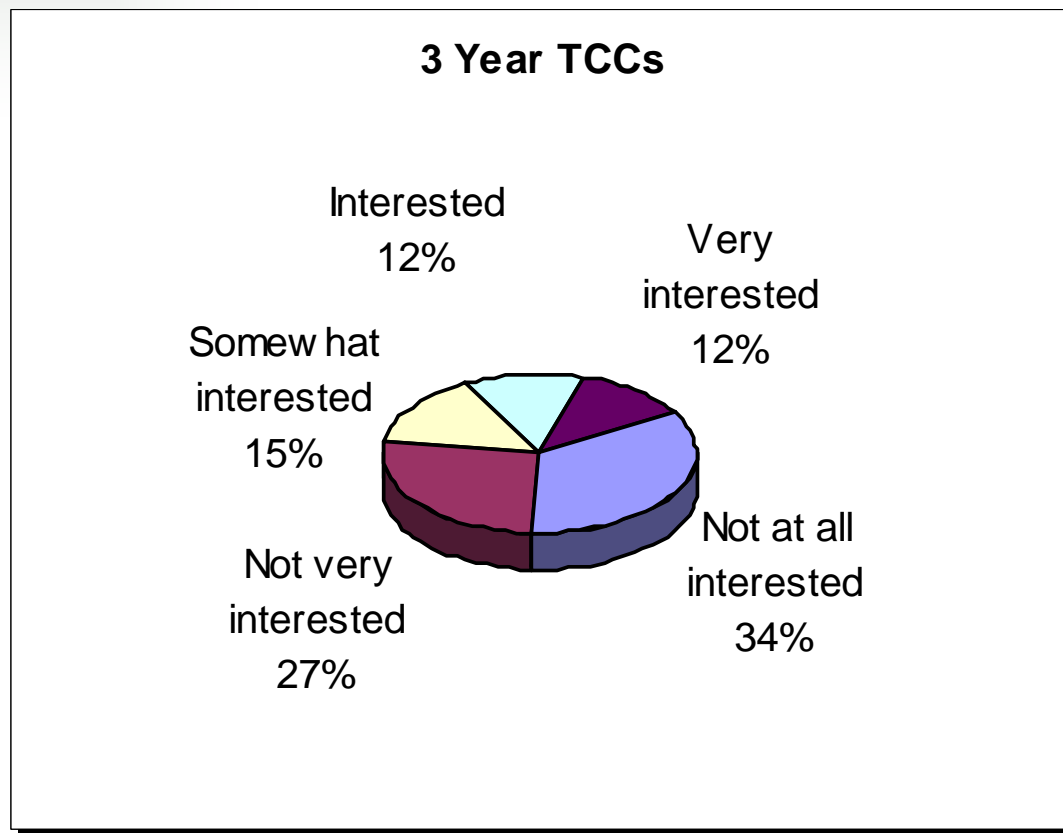
TCC Duration Poll

- ✓ Poll conducted May 9 through May 20, 2005 by email
- ✓ Sent to all Market Participant Organizations
- ✓ Approximately 12 percent response rate
- ✓ Asked to rate interest over the next year in:
 - *2-Year TCCs*
 - *3-Year TCCs*
 - *5-Year TCCs*
- ✓ Asked whether there was interest in other long-term TCCs in 2007 and beyond

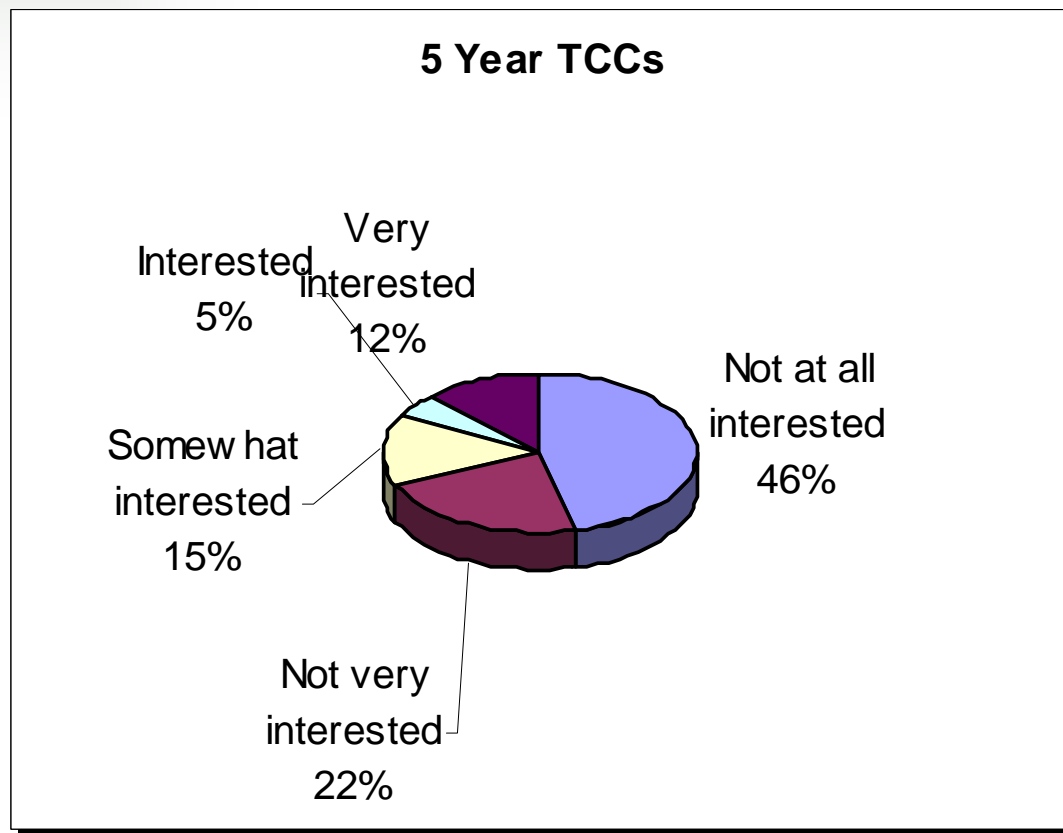
Interest in 2-Year TCCs



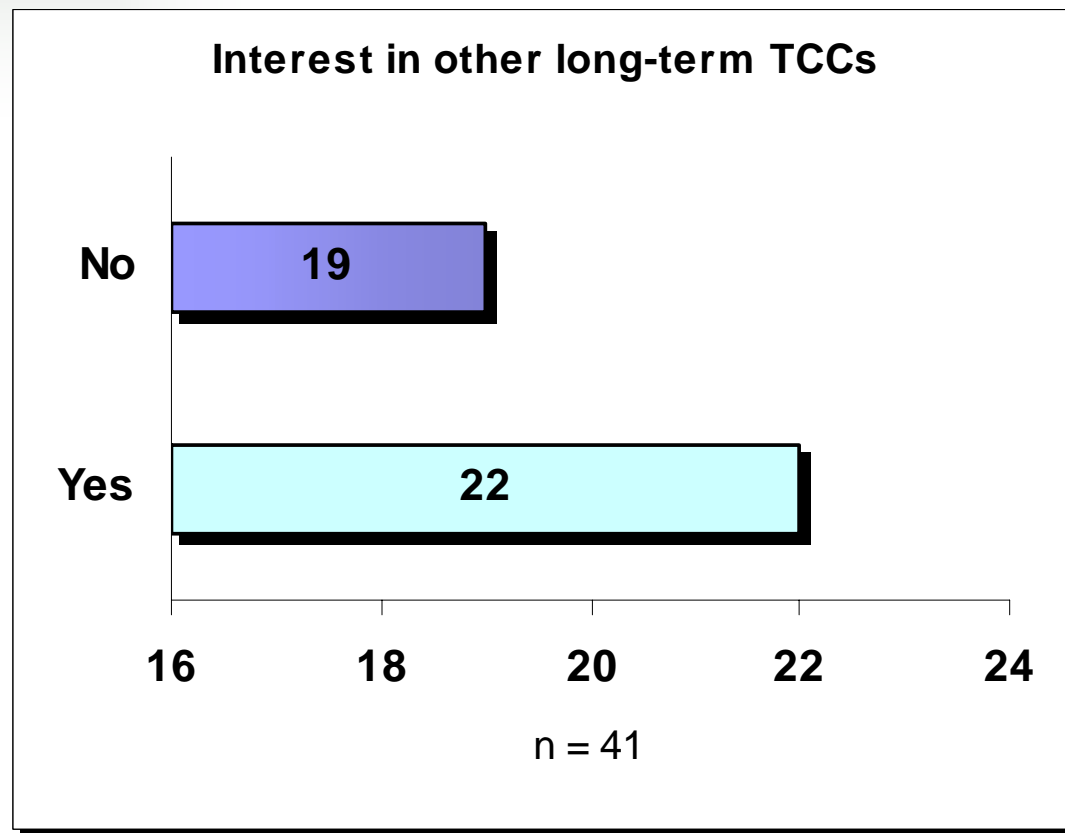
Interest in 3-Year TCCs



Interest in 5-Year TCCs



Interest in Other Long-Term TCCs



Comments on Other Long-Term TCCs

- ✓ From “Important” to “Very little interest”
- ✓ Duration
 - *Interest in 3-year*
 - *Interest in 5-year/5-year is too long*
 - *Interest in all durations*
- ✓ Benefits
 - *Hedging retail load, high gas prices, long-term sales (2)*
 - *Liquidity for long-term generation projects*
 - *Accommodating economic development*
- ✓ But...
 - *Length of market contracts*
 - *Required Collateral*
 - *Long-term outage Information*

Conclusions

- ✓ No significant interest in TCCs longer than 2 years at this time
- ✓ Interest in additional flexibility in the TCC market
 - *On peak/off peak*
 - *Options*
 - *Different durations in the same auction*
 - *Durations determined by bids*