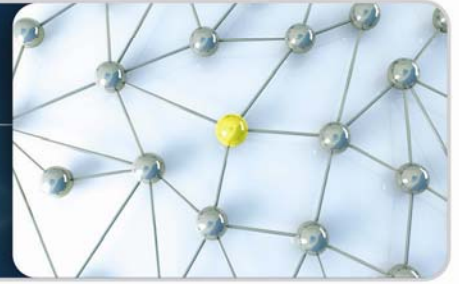


Nodal



Transition Complete

Starting on December 1, 2010, a new market design was introduced to Texas. In the past, the Texas grid was divided into four large congestion management zones, which transitioned to more than four thousand smaller nodes. In general, the transition allows for greater granularity on the grid and more direct allocation of some of the energy costs that were spread across larger areas. TriEagle actively participated in intensive nodal testing to ensure a seamless transition for our customers, and to take advantage of any opportunities as they become available.

Advantages

Customers: New products will be available to help mitigate risk and correctly allocate costs

Grid Operation: By efficiently dispatching generation at the resource level, the overall cost of power supply is expected to be reduced

Suppliers: Newly available hedging instruments will allow suppliers to more closely match their customers' power needs to power purchases

How it will Affect Your Company

The main impact of the introduction of the nodal system will be to allocate certain costs more directly to the customers that are creating the costs on the grid. In general, this will affect customers in most "congested", or areas of heavy demand, more than customers in lower demand areas. Some customers will benefit from reduced costs from nodal, while others may see their costs rise slightly.

Impacts

The most important consideration in the new Nodal market is to align your company with an electric provider like TriEagle that is well-prepared for the transition. TriEagle's wholesale team is considered to be on the leading edge for new products and risk-avoidance strategies. We look forward to working with your business during this important time in Texas power.