



Update on Natural Gas Prices

The price-to-beat is the price for electricity that can be charged by affiliate REPs in their incumbent service territories to serve residential and small-commercial customers. Though the price-to-beat price is fixed, its fuel factor may be adjusted by the affiliate REP up to twice per year. In ERCOT, the marginal fuel for electric generation is natural gas. As a result, wholesale power prices highly correlate with the price of natural gas.

**Daily Moving Average 12 Month
NYMEX Forward Natural Gas Price (\$/MMBtu)***

(*Per PUCT rules, a 10-day moving average was used prior to 4/23/2003 and a 20-day moving average was used thereafter)

