



Market Operations Presentation

Board of Director's Meeting - Public

February 19, 2008

Retail Activity

- **Overall Activity** – number of switches was lower for 2007 as expected post price-to-beat.
- **Migration From Native AREPs** – pace has slowed down, but steady migration continues.
- **Transaction Performance Measures** – near perfect performance.

Wholesale Activity

- **Settlements & Billing Performance Measures** – fully recovered during second week of December from AIX conversion problems.
- **Energy Services** – overall activity was comparable to prior year.
- **Summary Hub Price Data** – pricing activity appears reasonable.
- **REPs and QSEs Added/Deleted**
 - 1 new REP
 - 11 new QSEs

Retail Transactions Summary

Transaction Type	YTD		December	
	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>2007</u>	<u>2006</u>
Switches	715,239	846,705	45,561	78,690
Move - Ins	2,337,905	2,404,488	167,992	168,904
Move Out	1,321,304	1,390,311	98,451	98,488
CSA	351,386	298,852	25,503	22,776
Total	4,725,834	4,940,356	337,507	368,858
Since June 1, 2001	21,235,223			

ESI IDs and Load served by providers other than Affiliate REP

	% of Load ¹	% of ESI IDs	
	at <u>12-31-07</u>	at <u>12-31-07</u>	at <u>12-31-06</u>
Residential	46%	41%	36%
Small Non-Residential	66%	44%	38%
Large Non-Residential	70%	71%	72%

¹ - % of Deregulated (Non-NOIE) Peak Demand on historic peak day of 08-17-06

Switches

Enrollment and Meter Read Scheduling

	<u>Request</u>	<u>Reject</u>	<u>to TDSP</u>	<u>Schedule</u>	<u>to New CR</u>	<u>to Old CR</u>	<u>from Old CR</u>
	48,446	2,284	46,148	46,623	46,458	20,518	38,962
% in Protocol	n/a	100.0%	100.0%	100.0%	100.0%	100.0%	99.6%

Historical Usage (H) and Initial (I) Meter Read Deliveries

	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	43,282	43,222	44,674	44,616
% in Protocol	99.6%	100.0%	n/a	100.0%

Move In / Move Out

Enrollment and Meter Read Scheduling

	<u>Request</u>	<u>Reject</u>	<u>to TDSP</u>	<u>Schedule</u>	<u>to New CR</u>	<u>to Old CR</u>	<u>from Old CR</u>
	176,217	2,720	173,472	170,403	169,695	84,215	81,550
% in Protocol	n/a	97.5%	99.8%	99.9%	99.9%	99.3%	98.8%

Historical Usage (H) and Initial (I) Meter Read Deliveries

	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	102,274	102,213	166,265	166,154
% in Protocol	99.4%	100.0%	n/a	100.0%

Settlements & Billing Performance Measures – December 2007

	YTD		December	
	<u>12/31/07</u>	<u>12/31/06</u>	<u>2007</u>	<u>2006</u>
Settlement Statements:				
Total	121,568	102,933	10,837	8,817
Late	753	347	119	1
– <i>Less than 24 hours late</i>	753	347	119	1
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	120,815	102,586	10,718	8,816
% Within Protocol	99.4%	99.7%	98.9%	100.0%
Invoices:				
Total	6,568	5,821	545	494
Late	134	22	0	22
– <i>Less than 24 hours late</i>	134	22	0	22
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	6,434	5,799	545	472
% Within Protocol	98.0%	99.6%	100.0%	95.6%
Grand Total:				
Total	128,136	108,754	11,382	9,311
Late	887	369	119	23
– <i>Less than 24 hours late</i>	887	369	119	23
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	127,249	108,385	11,263	9,288
% Within Protocol	99.3%	99.7%	99.0%	99.8%

	YTD (\$'s in millions)		December (\$'s in millions)	
	<u>12/31/07</u>	<u>12/31/06</u>	<u>2007</u>	<u>2006</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh PTB)	\$30,716.4	30,775.5	2,378.3	2,324.6
Volume (GWh)	307,164	307,755	23,783	23,246
% Increase	-0.2%		2.3%	
Natural Gas Price Index (\$/MMBTU)	6.6	6.3	6.6	6.5
% Increase	4.8%		1.5%	
• Balancing Energy:				
Balancing Energy - Up	\$673.1	\$710.6	\$54.3	\$54.5
% Increase	-5.3%		-0.4%	
Up (GWh)	9,445.4	10,018.0	750.4	771.3
% Increase	-5.7%		-2.7%	
% of Market	3.1%	3.3%	3.2%	3.3%
Balancing Energy - Down	-\$410.4	-\$323.2	-\$22.0	-\$28.5
% Increase	27.0%		-22.8%	
Down (GWh)	-10,066.9	-8,607.6	-756.0	-718.7
% Increase	17.0%		5.2%	
% of Market	3.3%	2.8%	3.2%	3.1%

Hub Summary Data

- ERCOT Hubs**

Balancing Energy Weighted Average Price (\$/MWH)

HUB	Dec 2007	Nov 2007	Oct 2007	Sep 2007	Aug 2007	July 2007	June 2007	May 2007	Apr 2007	Mar 2007	Feb 2007	Jan 2007
South	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13	\$50.85	\$59.54	\$59.53	\$56.64	\$55.75	\$53.41	\$54.71
North	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38	\$50.57	\$54.70	\$51.68	\$51.63	\$55.53	\$51.48	\$52.59
Houston	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38	\$49.83	\$56.88	\$64.23	\$65.36	\$58.72	\$56.30	\$55.11
West	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86	\$58.44	\$75.18	\$58.92	\$70.75	\$63.86	\$63.95	\$56.86
ERCOT Hub	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60	\$51.33	\$58.99	\$57.21	\$56.78	\$57.39	\$53.65	\$54.33
ERCOT Bus	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69	\$51.14	\$58.70	\$57.12	\$56.84	\$57.41	\$53.57	\$54.06
% Change	7.1%	-2.2%	-28.3%	11.1%	18.7%	-12.9%	2.8%	0.5%	-1.0%	7.2%	-0.9%	-2.8%
NGPI % Change	6.5%	-7.5%	11.7%	-1.6%	3.4%	-19.2%	-2.7%	2.7%	10.6%	-9.6%	15.9%	-3.1%

HUB	Dec 2006	Nov 2006	Oct 2006	Sept 2006	Aug 2006	July 2006	June 2006	May 2006	Apr 2006	Mar 2006	Feb 2006	Jan 2006
South	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66	\$58.30	\$63.14	\$57.19	\$55.16	\$58.79
North	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31	\$58.27	\$66.04	\$54.87	\$55.19	\$50.59
Houston	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52	\$60.27	\$68.50	\$54.92	\$51.77	\$52.18
West	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50	\$81.01	\$92.11	\$59.41	\$58.20	\$54.06
ERCOT Hub	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30	\$60.08	\$67.35	\$55.89	\$55.30	\$53.37
ERCOT Bus	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07	\$60.38	\$67.81	\$55.91	\$55.04	\$53.35
% Change	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	-7.1%	-11.0%	21.3%	1.6%	3.2%	
NGPI % Change	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	1.7%	-13.0%	6.2%	-9.7%	-5.3%	

- **Added Reps**

- ✓ Prier Energy, Inc.

- **Deleted Reps**

- ✓ None

- **Added QSEs**

- ✓ Invenergy Camp Springs I
- ✓ Invenergy Camp Springs II
- ✓ Invenergy Stanton
- ✓ Airtricity Champion SQE
- ✓ DTE Energy Trading, Inc.
- ✓ Lehman Brothers SQ2
- ✓ Chain Lakes Power d/b/a Simple Power
- ✓ FSQL
- ✓ First Choice Power, LP
- ✓ PSEG Energy Resources & Trade, LLC
- ✓ Texas Utility Solutions, LLC

- **Deleted QSEs**

- ✓ None