



# Market Operations Presentation

ERCOT Board of Directors

19 August 2008

**Betty Day**

**Director, Commercial Operations**

## Retail Activity

- **Overall Activity** – June switch activity was significantly higher than last year. Some due to REP switching to another DUNS within their umbrella. Other switching may be due to higher retail prices.
- **Migration From Former Affiliated REPs** – Residential switching away from former Affiliated REP continues to increase.
- **Transaction Performance Measures** – Unplanned outage in June impacted some transaction processing performance measures.

## Wholesale Activity

- **Settlements & Billing Performance Measures** – Continued strong performance.
- **Energy Services** – 11.7% increase in market volume likely due to higher summer temperatures in 2008 than 2007.
- **Summary Balancing Energy Price Data & Total Load Data** – continued increase in natural gas prices; hub price increases are lower than prior months. New slide showing preliminary price information based on operations data rather than settlements data to present more current information.
- **REPs and QSEs Added/Deleted**
  - 1 new REP
  - 4 new QSEs
  - 0 deleted REPs
  - 1 deleted QSEs

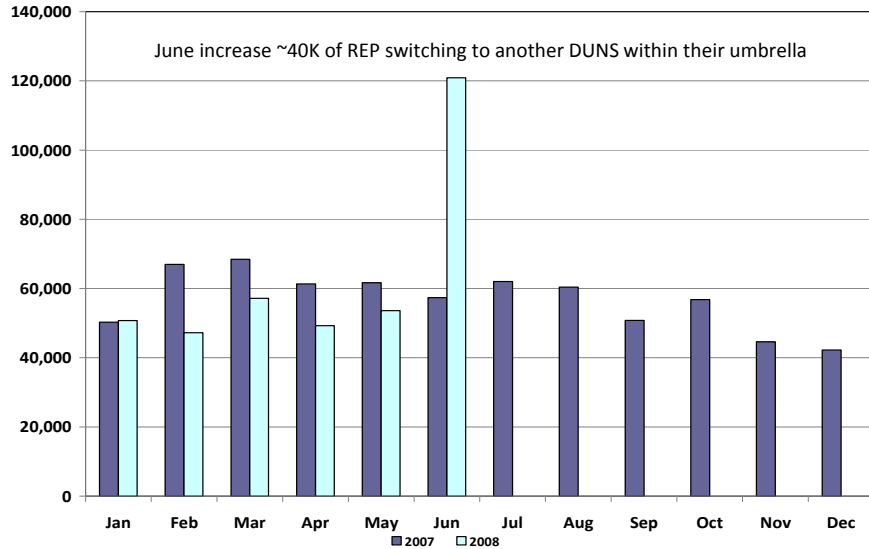
## Retail Transactions Summary

Transaction Type	YTD		June	
	<u>06/30/2008</u>	<u>06/30/2007</u>	<u>2008</u>	<u>2007</u>
Switches	317,101	387,187	65,822	59,274
Move - Ins	1,137,138	1,138,560	220,163	203,712
Move Out	613,998	652,991	115,865	118,109
CSA	183,942	209,307	31,696	25,508
Mass Transition	40,869	851	32,628	1
<b>Total</b>	<b>2,252,179</b>	<b>2,388,896</b>	<b>433,546</b>	<b>406,604</b>
Since June 1, 2001	<b>28,575,723</b>			

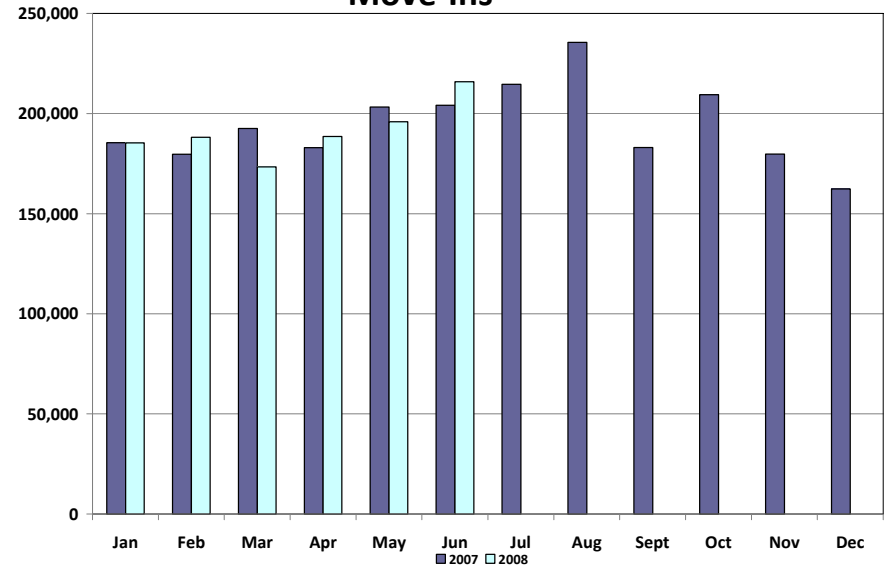
\* Reflects only Completed transactions during the period.

# Retail Transactions Summary\*

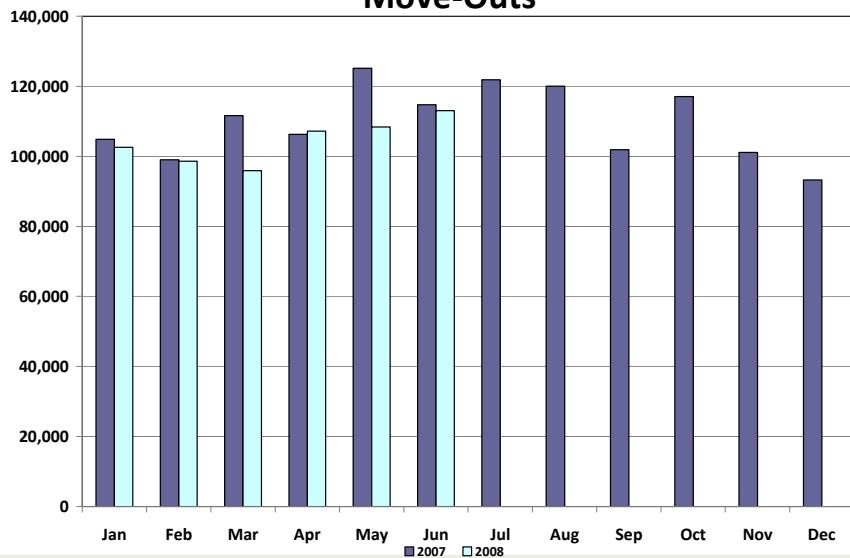
## Switches



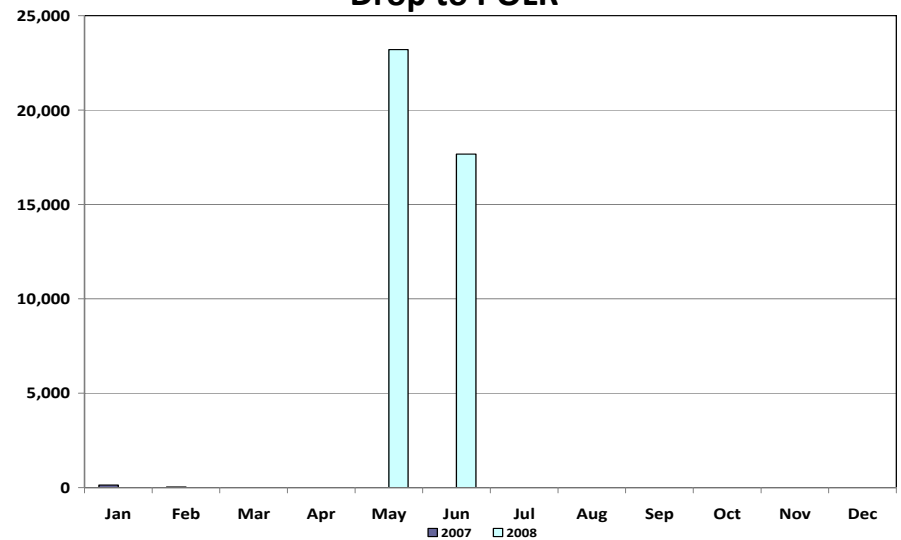
## Move-Ins



## Move-Outs



## Drop to POLR

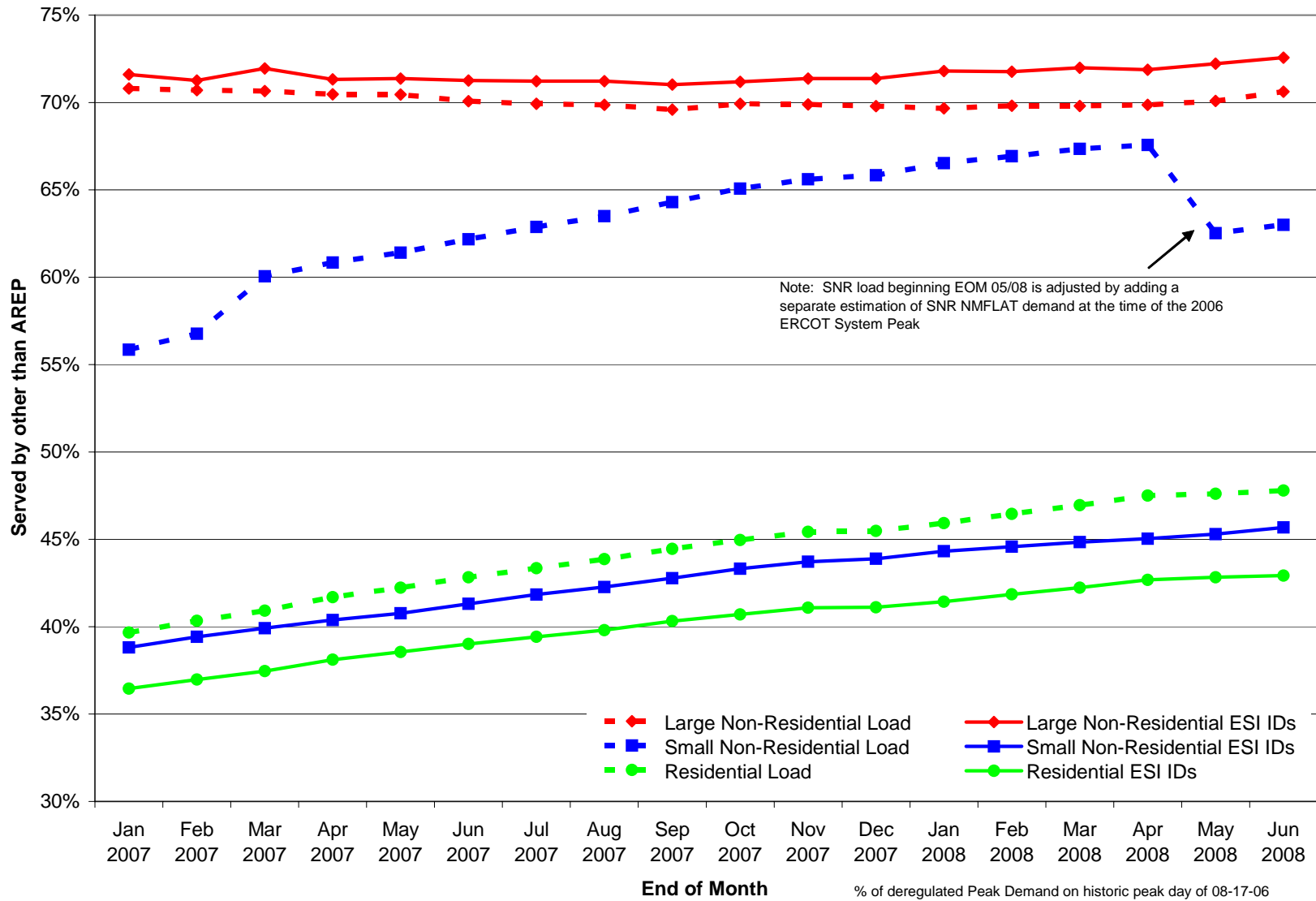


\* Includes Scheduled, In Review, and Completed transactions during the period.

	<b>% of Load <sup>1</sup></b>	<b>% of ESI IDs</b>	
	<b>at <u>06-30-08</u></b>	<b>at <u>06-30-08</u></b>	<b>at <u>06-30-07</u></b>
<b>Residential</b>	48%	43%	39%
<b>Small Non-Residential</b>	63%	46%	41%
<b>Large Non-Residential</b>	71%	73%	71%

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

# ESI IDs and Load served by providers other than former AREP



## 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>
	142,757	9,282	133,448	131,691	130,965	75,641	58,454
% in Protocol	n/a	100.0%	100.0%	99.9%	100.0%	97.1%	97.3%

### 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>
	87,161	86,995	63,181	63,119
% in Protocol	99.9%	100.0%	n/a	99.9%

## 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>
	234,461	3,084	231,332	227,613	226,146	128,338	123,234
% in Protocol	n/a	98.5%	99.2%	99.9%	100.0%	97.7%	99.3%

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

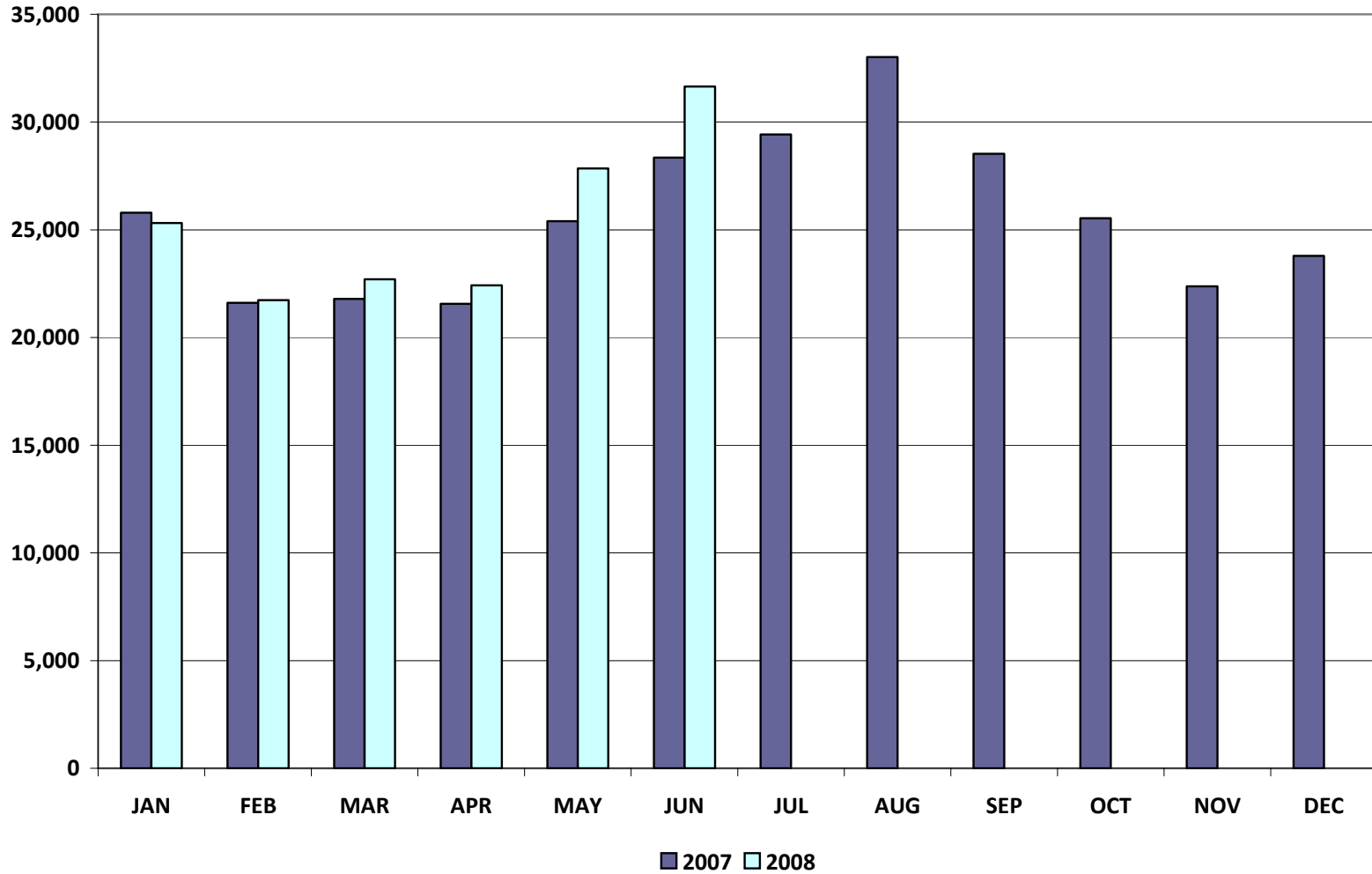
	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	146,365	146,203	210,018	209,838
% in Protocol	99.5%	100.0%	n/a	100.0%

# Settlements & Billing Performance Measures – June 2008

	YTD		June	
	<u>06/30/08</u>	<u>06/30/07</u>	<u>2008</u>	<u>2007</u>
<b>Settlement Statements:</b>				
Total	70,476	57,329	12,124	9,188
Late	755	2	1	0
– Less than 24 hours late	<b>754</b>	<b>2</b>	<b>0</b>	<b>0</b>
– Greater than 24 hours late	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
Balance	69,721	57,327	12,123	9,188
% Within Protocol	<b>98.71%</b>	<b>99.99%</b>	<b>99.99%</b>	<b>100.00%</b>
<b>Invoices:</b>				
Total	3,940	3,174	624	481
Late	0	0	0	0
– Less than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
– Greater than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance	3,940	3,174	624	481
% Within Protocol	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

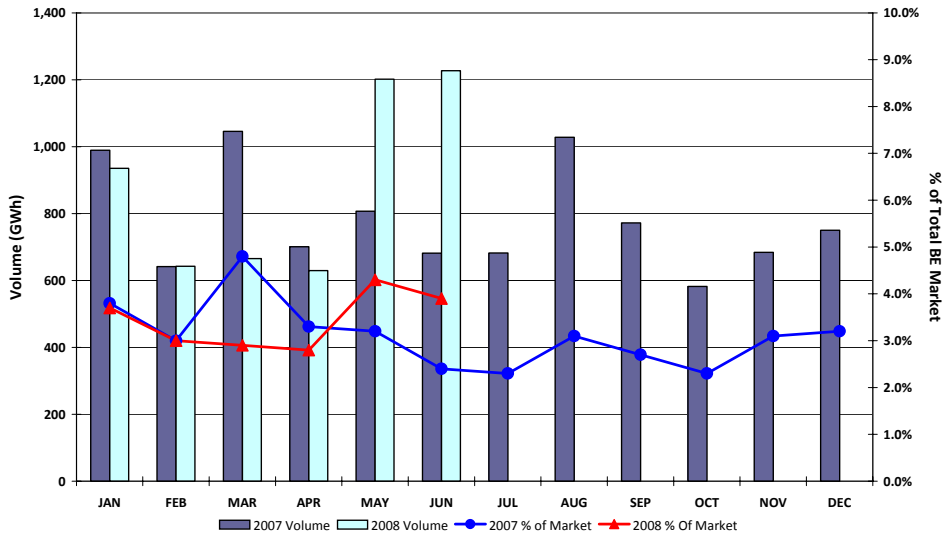
	YTD (\$'s in millions)		June (\$'s in millions)	
	<u>06/30/08</u>	<u>06/30/07</u>	<u>2008</u>	<u>2007</u>
<ul style="list-style-type: none"> <li> <b>Market Perspective:</b> <ul style="list-style-type: none"> <li> <b>Approximate Retail Market</b> (at \$.11/kWh)                             <ul style="list-style-type: none"> <li>Volume (GWh)</li> <li>% Increase</li> <li>Natural Gas Price Index (\$/MMBTU)</li> <li>% Increase</li> </ul> </li> </ul> </li> </ul>	<b>\$16,686.2</b>	<b>15,895.7</b>	<b>3,482.1</b>	<b>3,118.5</b>
	151,693	144,506	31,655	28,350
	5.0%		11.7%	
	9.9	7.0	12.4	7.3
	41.9%		69.9%	
<ul style="list-style-type: none"> <li> <b>Balancing Energy:</b> <ul style="list-style-type: none"> <li> <b>Balancing Energy - Up</b> <ul style="list-style-type: none"> <li>% Increase</li> <li>Up (GWh)</li> <li>% Increase</li> <li>% of Market</li> </ul> </li> <li> <b>Balancing Energy - Down</b> <ul style="list-style-type: none"> <li>% Increase</li> <li>Down (GWh)</li> <li>% Increase</li> <li>% of Market</li> </ul> </li> </ul> </li> </ul>	<b>\$662.7</b>	<b>\$333.9</b>	<b>\$190.0</b>	<b>\$50.6</b>
	98.5%		275.5%	
	5,183.4	4,865.7	1,227.1	681.4
	6.5%		80.1%	
	3.4%	3.4%	3.9%	2.4%
	<b>-\$262.9</b>	<b>-\$222.4</b>	<b>-\$75.5</b>	<b>-\$54.1</b>
	18.2%		39.6%	
	-5,775.6	-4,938.7	-1,094.2	-1,051.4
	16.9%		4.1%	
	3.8%	3.4%	3.5%	3.7%

## Total Market Volume (GWh)

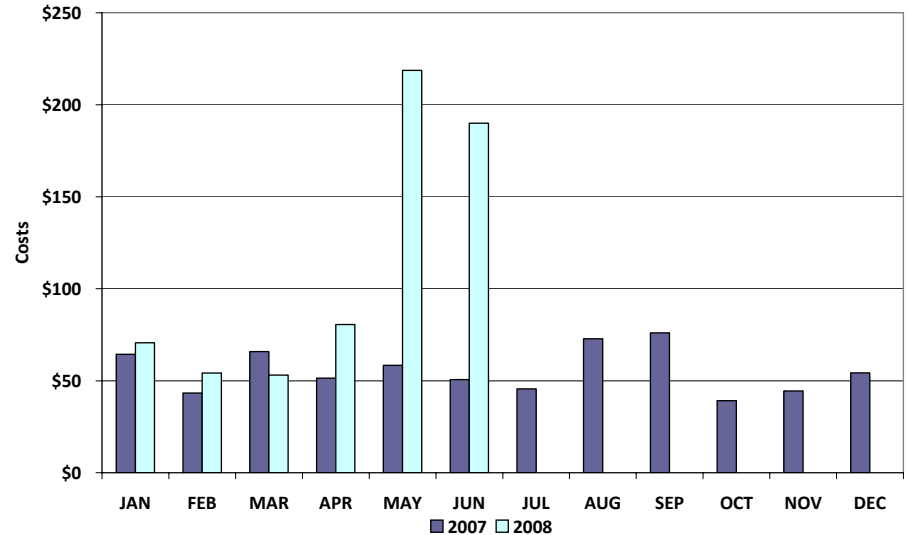


# Balancing Energy Services – Volume and Cost

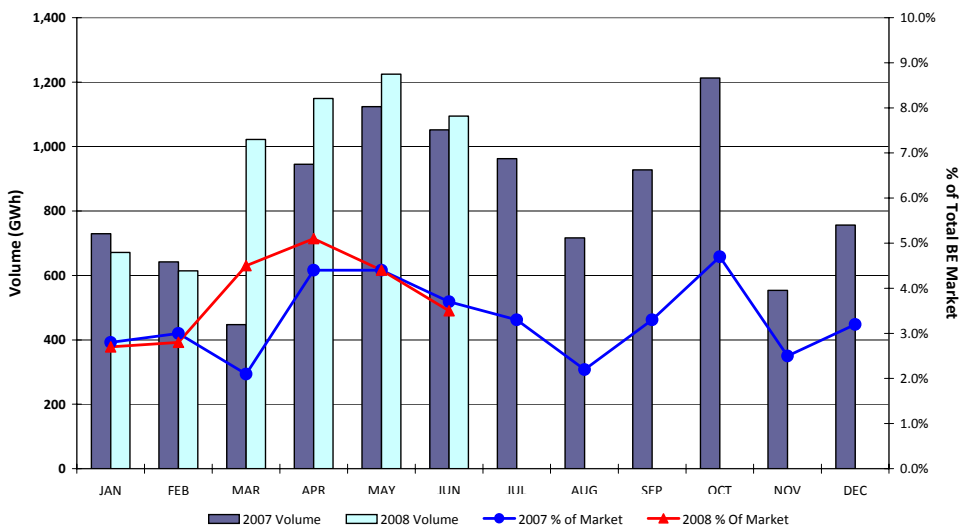
### Balancing Energy Up



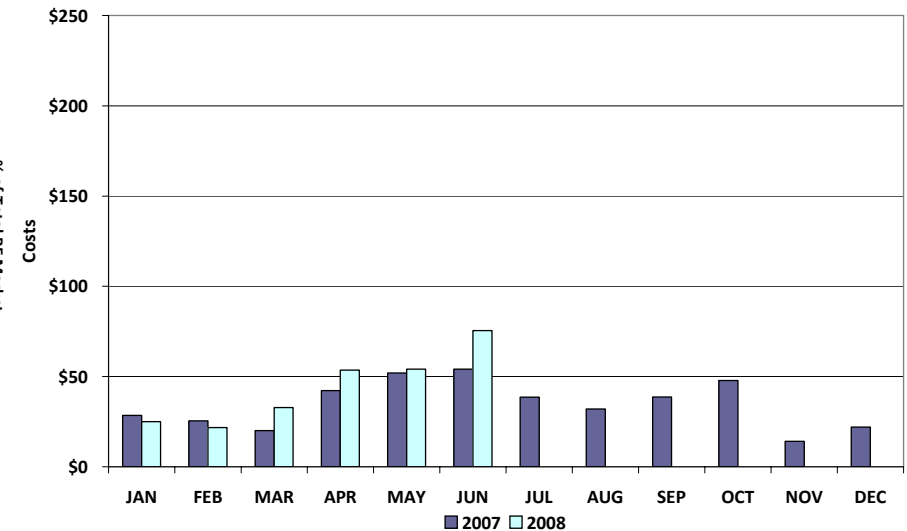
### Balancing Energy Up Costs (\$ in millions)



### Balancing Energy Down

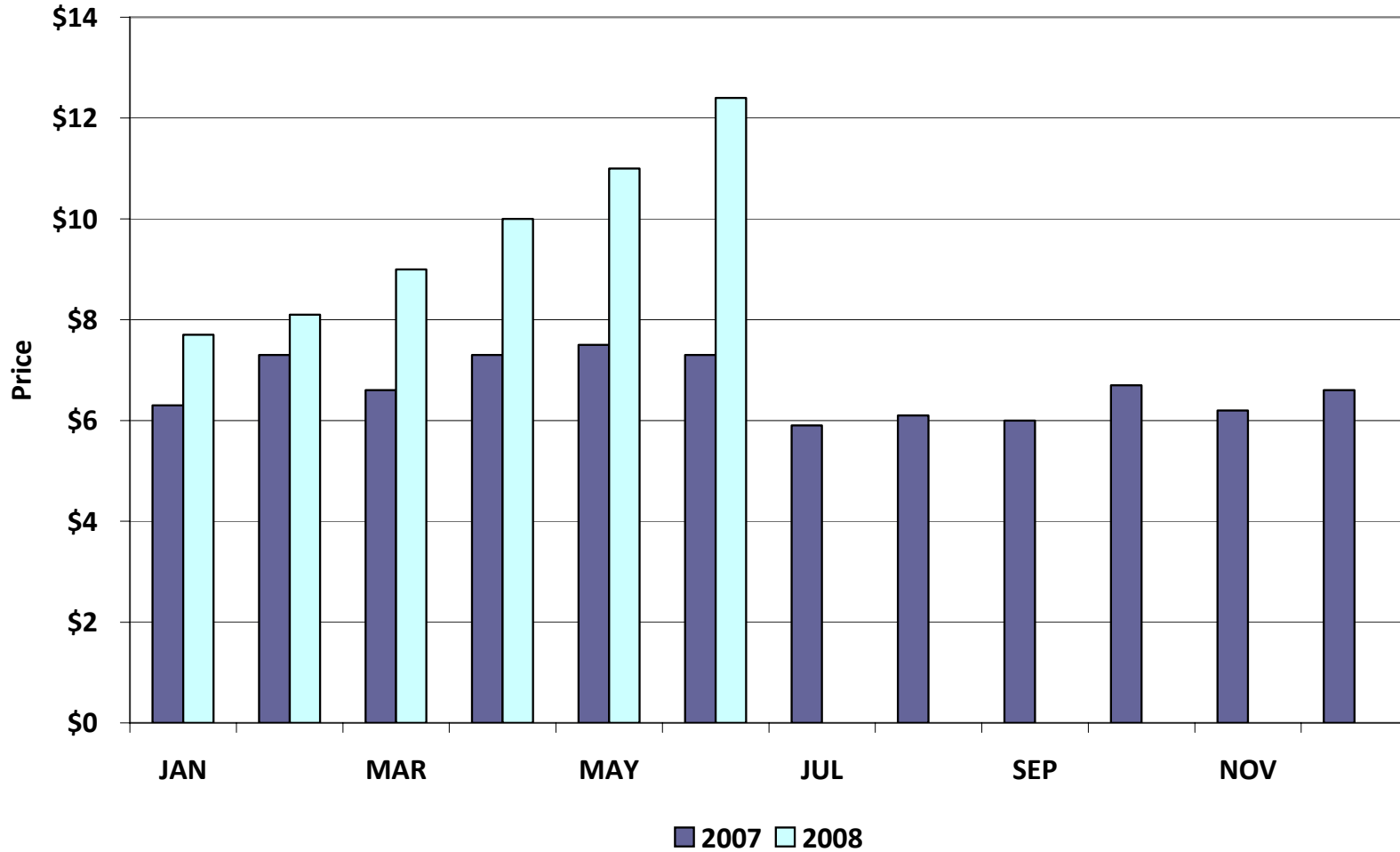


### Balancing Energy Down Costs (\$ in millions)



# Natural Gas Price Index

Natural Gas Price Index (\$/MMBTU)



# Balancing Energy Price Data

## Balancing Energy Weighted Average Price (\$/MWH)

[MCPE weighted by Balancing Energy Load]

<b>HUB</b>	<b>June 2008</b>	<b>May 2008</b>	<b>Apr 2008</b>	<b>Mar 2008</b>	<b>Feb 2008</b>	<b>Jan 2008</b>	<b>Dec 2007</b>	<b>Nov 2007</b>	<b>Oct 2007</b>	<b>Sep 2007</b>	<b>Aug 2007</b>	<b>July 2007</b>
South	\$129.18	\$130.31	\$75.24	\$57.97	\$64.73	\$58.45	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13	\$50.85
North	\$108.67	\$88.72	\$75.45	\$67.72	\$58.83	\$67.91	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38	\$50.57
Houston	\$137.29	\$156.87	\$100.50	\$66.33	\$64.29	\$57.61	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38	\$49.83
West	\$44.34	\$26.88	\$17.06	(\$11.11)	\$46.21	\$35.64	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86	\$58.44
ERCOT Hub	\$117.19	\$114.83	\$74.82	\$55.79	\$60.94	\$59.39	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60	\$51.33
ERCOT Bus	\$114.24	\$111.72	\$75.36	\$52.57	\$60.51	\$59.80	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69	\$51.14
% Change	2.3%	48.3%	43.3%	-13.1%	1.2%	18.0%	7.1%	-2.2%	-28.3%	11.1%	18.7%	-12.9%
NGPI % Change	12.7%	10.0%	11.1%	11.1%	5.2%	16.7%	6.5%	-7.5%	11.7%	-1.6%	3.4%	-19.2%

<b>HUB</b>	<b>June 2007</b>	<b>May 2007</b>	<b>Apr 2007</b>	<b>Mar 2007</b>	<b>Feb 2007</b>	<b>Jan 2007</b>	<b>Dec 2006</b>	<b>Nov 2006</b>	<b>Oct 2006</b>	<b>Sept 2006</b>	<b>Aug 2006</b>	<b>July 2006</b>
South	\$59.54	\$59.53	\$56.64	\$55.75	\$53.41	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08
North	\$54.70	\$51.68	\$51.63	\$55.53	\$51.48	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89
Houston	\$56.88	\$64.23	\$65.36	\$58.72	\$56.30	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17
West	\$75.18	\$58.92	\$70.75	\$63.86	\$63.95	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29
ERCOT Hub	\$58.99	\$57.21	\$56.78	\$57.39	\$53.65	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41
ERCOT Bus	\$58.70	\$57.12	\$56.84	\$57.41	\$53.57	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02
% Change	2.8%	0.5%	-1.0%	7.2%	-0.9%	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	
NGPI % Change	-2.7%	2.7%	10.6%	-9.6%	15.9%	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	

## Balancing Energy Weighted Average Price (\$/MWH)

[MCPE weighted by Balancing Energy Load]

<b><u>LOAD ZONE</u></b>	<b><u>July</u></b> <b><u>2008</u></b>	<b><u>June</u></b> <b><u>2008</u></b>
South	\$88.48	\$131.10
North	\$91.44	\$109.03
Houston	\$79.00	\$130.02
West	\$79.47	\$39.64

Based on Operations data that is updated daily at:

[http://www.ercot.com/content/mktinfo/services/bal/2008/2008-07\\_BES.xls](http://www.ercot.com/content/mktinfo/services/bal/2008/2008-07_BES.xls)

*Note – based on preliminary Operations data that may differ from approved Settlement data.*

## Total Load Weighted Average Price (\$/MWH)

[MCPE weighted by Total Zonal Load]

<b>LOAD ZONE</b>	<b>June 2008</b>	<b>May 2008</b>	<b>Apr 2008</b>	<b>Mar 2008</b>	<b>Feb 2008</b>	<b>Jan 2008</b>
South	\$147.24	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$104.37	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$129.48	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$82.22	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

<b>LOAD ZONE</b>	<b>June 2007</b>	<b>May 2007</b>	<b>Apr 2007</b>	<b>Mar 2007</b>	<b>Feb 2007</b>	<b>Jan 2007</b>
South	\$58.71	\$57.90	\$59.71	\$56.15	\$54.37	\$53.13
North	\$58.60	\$55.85	\$57.98	\$56.29	\$54.94	\$52.87
Houston	\$59.75	\$60.07	\$61.76	\$56.02	\$53.83	\$52.07
West	\$58.34	\$55.02	\$55.31	\$55.45	\$54.84	\$52.79

- **Added Reps**

- ✓ Texas Power, LP

- **Deleted Reps**

- ✓ None

- **Added QSEs**

- ✓ PPM Energy, Inc.
- ✓ EC and R Panther Creek
- ✓ Integrys Energy Services, Inc.
- ✓ Invenergy McAdoo

- **Deleted QSEs**

- ✓ Entergy Solutions Supply, Ltd.

Questions ?