



# Market Operations Presentation

**Board of Director's Meeting**

**March 21, 2007**

## Retail Activity

- **Overall Activity** – Robust switching volume post Price to Beat
- **Migration From Native AREPs** – Small non-residential switches > 90% of load

## Wholesale Activity

- **Energy Services** – Balancing Energy volume grew from 2.4% of market to 3.8% of market
- **Summary Hub Price Data** – ERCOT system-wide price down 2.8%
- **REPs and QSEs Added/Deleted in February '07**
  - Six new REPs
  - No change in QSEs

# Overall Activity

## Retail Transactions Summary

since June 1, 2001

As of Wednesday, January 31, 2007

Transaction Type	
Switches	3,217,434
Move - Ins	10,635,009
Move Out	6,119,004
CSA	1,670,398
Drop to POLR	321,438
<b>Total</b>	<b>21,963,283</b>
<b>Compared to Last Month</b>	<b>407,295</b>

# Migration from Native AREP

	% of Load *		% of ESI IDs	
	at <u>01-31-07</u>	at <u>01-31-07</u>	at <u>01-31-07</u>	at <u>01-31-06</u>
<b>Residential</b>	45%	37%	37%	29%
<b>Small Non-Residential</b>	91%	39%	39%	32%
<b>Large Non-Residential</b>	71%	72%	72%	72%

\* % of AREP Peak Demand on 08-17-06

# Energy Services

	YTD (\$'s in millions)		January (\$'s in millions)	
	<u>01/31/07</u>	<u>01/31/06</u>	<u>2007</u>	<u>2006</u>
<b>• Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.10/kWh PTB)	<b>\$2,579.7</b>	<b>2,142.7</b>	<b>2,579.7</b>	<b>2,142.7</b>
Volume (GWh)	25,797	21,427	25,797	21,427
% Increase	20.4%		20.4%	
Natural Gas Price Index (\$/MMBTU)	6.3	7.6	6.3	7.6
% Increase	-17.1%		-17.1%	
<b>• Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$64.4</b>	<b>\$36.0</b>	<b>\$64.4</b>	<b>\$36.0</b>
% Increase	78.9%		78.9%	
Up (GWh)	989.3	516.3	989.3	516.3
% Increase	91.6%		91.6%	
% of Market	3.8%	2.4%	3.8%	2.4%
<b>Balancing Energy - Down</b>	<b>-\$28.5</b>	<b>-\$15.6</b>	<b>-\$28.5</b>	<b>-\$15.6</b>
% Increase	82.7%		82.7%	
Down (GWh)	-729.4	-449.1	-729.4	-449.1
% Increase	62.4%		62.4%	
% of Market	2.8%	2.1%	2.8%	2.1%

# Hub Summary Data

- ERCOT Hubs**

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

<b>HUB</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>	<b>June 2006</b>	<b>May 2006</b>	<b>Apr 2006</b>	<b>Mar 2006</b>	<b>Feb 2006</b>
South	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66	\$58.30	\$63.14	\$57.19	\$55.16
North	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31	\$58.27	\$66.04	\$54.87	\$55.19
Houston	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52	\$60.27	\$68.50	\$54.92	\$51.77
West	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50	\$81.01	\$92.11	\$59.41	\$58.20
ERCOT Hub	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30	\$60.08	\$67.35	\$55.89	\$55.30
ERCOT Bus	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07	\$60.38	\$67.81	\$55.91	\$55.04
% Change	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	-7.1%	-11.0%	21.3%	1.6%	
NGPI % Change	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	1.7%	-13.0%	6.2%	-9.7%	

- **Added Reps**

- ✓ APNA Holdings LLC
- ✓ Sempra Energy Solutions
- ✓ Ameripower LLC
- ✓ Calpine Power America LP
- ✓ Liberty Power Holdings LLC
- ✓ First Choice Power Special Purpose LP  
d/b/a First Choice POLR

- **Deleted Reps**

- ✓ None

- **Added QSEs**

- ✓ None

- **Deleted QSEs**

- ✓ None