



Market Operations Presentation

Board of Director's Meeting

May 16, 2007

Retail Activity

- **Overall Activity** – Switch activity is still robust
- **Migration From Native AREPs** – New methodology to calculate % of load
- **Transaction Performance Measures** – processing nearly 100% within Protocol deadlines

Wholesale Activity

- **Energy Services** – BE volume higher than last year believed to be maintenance scheduling related
- **Summary Hub Price Data** – BE unit prices increased due to BE volume increase vs. February
- **REPs and QSEs Added/Deleted**
 - One new REP
 - One new QSE

Retail Transactions Summary

since June 1, 2001

As of Friday, March 30, 2007

Transaction Type	
Switches	3,329,335
Move - Ins	11,005,634
Move Out	6,325,985
CSA	1,724,958
Drop to POLR	321,604
Total	22,707,516
Compared to Last Month	399,802

Migration from Native AREP

	% of Load ^{1,2}	% of ESI IDs	
	at <u>03-31-07</u>	at <u>03-31-07</u>	at <u>03-31-06</u>
Residential	41%	38%	30%
Small Non-Residential	60%	40%	32%
Large Non-Residential	71%	72%	72%

¹ - % of AREP Peak Demand on 08-17-06

² - New method based on load research data; prior method was a simplified analysis

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>
	79,062	2,701	70,289	76,003	69,955	43,770	36,306
% in Protocol	n/a	99.9%	99.6%	99.9%	99.6%	99.9%	99.7%

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>
	74,642	74,156	69,404	63,177
% in Protocol	100.0%	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>
	215,359	3,803	191,435	208,809	187,712	95,399	64,361
% in Protocol	n/a	97.6%	99.8%	96.5%	99.7%	99.9%	99.4%

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>
	123,247	122,334	197,143	187,967
% in Protocol	99.8%	100.0%	n/a	100.0%

	YTD (\$'s in millions)		March (\$'s in millions)	
	<u>03/31/07</u>	<u>03/31/06</u>	<u>2007</u>	<u>2006</u>
<ul style="list-style-type: none"> Market Perspective: <ul style="list-style-type: none"> Approximate Retail Market (at \$.10/kWh PTB) <ul style="list-style-type: none"> Volume (GWh) % Increase Natural Gas Price Index (\$/MMBTU) % Increase 	\$6,920.1 69,201 8.2% 6.7 -5.6%	6,393.5 63,935 7.1 	2,179.1 21,791 0.1% 6.7 3.1%	2,176.5 21,765 6.5
<ul style="list-style-type: none"> Balancing Energy: <ul style="list-style-type: none"> Balancing Energy - Up <ul style="list-style-type: none"> % Increase Up (GWh) % Increase % of Market Balancing Energy - Down <ul style="list-style-type: none"> % Increase Down (GWh) % Increase % of Market 	\$173.5 29.5% 2,676.3 32.5% 3.9% -\$74.0 65.2% -1,818.9 46.4% 2.6%	\$134.0 2,019.4 3.2% -\$44.8 -1,242.3 1.9%	\$65.8 36.0% 1,045.4 41.5% 4.8% -\$20.1 55.8% -447.3 25.2% 2.1%	\$48.4 738.9 3.4% -\$12.9 -357.4 1.6%

- ERCOT Hubs**

Balancing Energy Weighted Average Price (\$/MWH)

HUB	Mar 2007	Feb 2007	Jan 2007	Dec 2006	Nov 2006	Oct 2006	Sept 2006	Aug 2006	July 2006	June 2006	May 2006	Apr 2006
South	\$55.75	\$53.41	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66	\$58.30	\$63.14
North	\$55.53	\$51.48	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31	\$58.27	\$66.04
Houston	\$58.72	\$56.30	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52	\$60.27	\$68.50
West	\$63.86	\$63.95	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50	\$81.01	\$92.11
ERCOT Hub	\$57.39	\$53.65	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30	\$60.08	\$67.35
ERCOT Bus	\$57.41	\$53.57	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07	\$60.38	\$67.81
% Change	7.2%	-0.9%	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	-7.1%	-11.0%	
NGPI % Change	-8.2%	15.9%	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	1.7%	-13.0%	

- **Added Reps**

- ✓ Texpo Power LP

- **Deleted Reps**

- ✓ None

- **Added QSEs**

- ✓ Texpo Power LP d/b/a Texpo Energy

- **Deleted QSEs**

- ✓ None