



Market Operations Presentation

ERCOT Board of Directors
June 17, 2008

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Retail Activity

- **Overall Activity** – switch activity is lower than last year, but still robust.
- **Migration From Native AREPs** – Residential and Small Non-Residential migrations still quite active.
- **Transaction Performance Measures** – fully recovered from problems in March.

Wholesale Activity

- **Settlements & Billing Performance Measures** – fully recovered from problems in March.
- **Energy Services** – significant increase in natural gas prices; 4% increase in market volume from April 2007 to April 2008 was a significant change.
- **Summary Balancing Energy Price Data** – significant upward price pressure from increasing natural gas prices along with some congestion issues.
- **Summary Total Load Price Data** – NEW REPORT; prices weighted for total zonal load rather than ERCOT balancing energy.
- **REPs and QSEs Added/Deleted**
 - 1 new REP
 - 11 new QSEs

Retail Transactions Summary

Transaction Type	YTD		April	
	<u>04/30/2008</u>	<u>04/30/2007</u>	<u>2008</u>	<u>2007</u>
Switches	200,782	264,153	59,453	69,015
Move - Ins	728,573	739,397	183,645	185,880
Move Out	395,316	417,914	102,800	107,089
CSA	123,659	143,897	35,286	52,688
Total	1,448,330	1,565,361	381,184	414,672
Since June 1, 2001	27,409,387			

	% of Load ¹		% of ESI IDs	
	at <u>04-30-08</u>	at <u>04-30-08</u>	at <u>04-30-07</u>	at <u>04-30-07</u>
Residential	48%	43%	38%	
Small Non-Residential	68%	45%	40%	
Large Non-Residential	70%	72%	71%	

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>
	59,056	2,730	56,262	57,326	56,733	43,592	53,530
% in Protocol	n/a	100.0%	100.0%	100.0%	100.0%	100.0%	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>
	53,765	53,633	61,070	60,996
% 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>
	203,299	2,716	200,565	197,483	196,461	104,028	100,616
% in Protocol	n/a	99.5%	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>
	122,810	122,680	185,791	185,645
% in Protocol	99.5%	100.0%	n/a	100.0%

Settlements & Billing Performance Measures – April 2008

	YTD		April	
	<u>04/30/08</u>	<u>04/30/07</u>	<u>2008</u>	<u>2007</u>
Settlement Statements:				
Total	46,706	38,347	11,507	9,466
Late	754	2	0	1
– <i>Less than 24 hours late</i>	754	2	0	1
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	45,952	38,345	11,507	9,465
% Within Protocol	98.4%	100.0%	100.0%	100.0%
Invoices:				
Total	2,560	2,088	612	478
Late	0	0	0	0
– <i>Less than 24 hours late</i>	0	0	0	0
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	2,560	2,088	612	478
% Within Protocol	100.0%	100.0%	100.0%	100.0%
Grand Total:				
Total	49,266	40,435	12,119	9,944
Late	754	2	0	1
– <i>Less than 24 hours late</i>	754	2	0	1
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	48,512	40,433	12,119	9,943
% Within Protocol	98.5%	100.0%	100.0%	100.0%

	YTD (\$'s in millions)		April (\$'s in millions)	
	<u>04/30/08</u>	<u>04/30/07</u>	<u>2008</u>	<u>2007</u>
<ul style="list-style-type: none"> Market Perspective: <ul style="list-style-type: none"> Approximate Retail Market (at \$.11/kWh) <ul style="list-style-type: none"> Volume (GWh) % Increase Natural Gas Price Index (\$/MMBTU) % Increase 	\$10,140.4 92,185 1.6% 8.7 27.9%	9,983.5 90,759 6.8	2,466.9 22,426 4.0% 10.0 37.0%	2,371.4 21,558 7.3
<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 	\$254.0 12.9% 2,754.6 -18.4% 3.0% -\$133.3 14.7% -3,456.4 25.1% 3.7%	\$224.9 3,377.3 3.7%	\$80.6 56.8% 629.6 -10.2% 2.8% -\$53.6 27.0% -1,149.1 21.6% 5.1%	\$51.4 700.9 3.3% -\$42.2 -944.8 4.4%

Balancing Energy Price Data

Balancing Energy Weighted Average Price (\$/MWH)

[MCPE times Balancing Energy Load]

HUB	Apr 2008	Mar 2008	Feb 2008	Jan 2008	Dec 2007	Nov 2007	Oct 2007	Sep 2007	Aug 2007	July 2007	June 2007	May 2007
South	\$75.24	\$57.97	\$64.73	\$58.45	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13	\$50.85	\$59.54	\$59.53
North	\$75.45	\$67.72	\$58.83	\$67.91	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38	\$50.57	\$54.70	\$51.68
Houston	\$100.50	\$66.33	\$64.29	\$57.61	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38	\$49.83	\$56.88	\$64.23
West	\$17.06	(\$11.11)	\$46.21	\$35.64	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86	\$58.44	\$75.18	\$58.92
ERCOT Hub	\$74.82	\$55.79	\$60.94	\$59.39	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60	\$51.33	\$58.99	\$57.21
ERCOT Bus	\$75.36	\$52.57	\$60.51	\$59.80	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69	\$51.14	\$58.70	\$57.12
% Change	43.3%	-13.1%	1.2%	18.0%	7.1%	-2.2%	-28.3%	11.1%	18.7%	-12.9%	2.8%	0.5%
NGPI % Change	11.1%	11.1%	5.2%	16.7%	6.5%	-7.5%	11.7%	-1.6%	3.4%	-19.2%	-2.7%	2.7%

HUB	Apr 2007	Mar 2007	Feb 2007	Jan 2007	Dec 2006	Nov 2006	Oct 2006	Sept 2006	Aug 2006	July 2006	June 2006	May 2006
South	\$56.64	\$55.75	\$53.41	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66	\$58.30
North	\$51.63	\$55.53	\$51.48	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31	\$58.27
Houston	\$65.36	\$58.72	\$56.30	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52	\$60.27
West	\$70.75	\$63.86	\$63.95	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50	\$81.01
ERCOT Hub	\$56.78	\$57.39	\$53.65	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30	\$60.08
ERCOT Bus	\$56.84	\$57.41	\$53.57	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07	\$60.38
% Change	-1.0%	7.2%	-0.9%	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	-7.1%	
NGPI % Change	10.6%	-9.6%	15.9%	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	1.7%	

Total Load Weighted Average Price (\$/MWH)

[MCPE times Total Zonal Load]

<u>LOAD ZONE</u>	<u>Apr</u> <u>2008</u>	<u>Mar</u> <u>2008</u>	<u>Feb</u> <u>2008</u>	<u>Jan</u> <u>2008</u>
South	\$83.65	\$64.34	\$63.26	\$60.24
North	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$100.00	\$68.19	\$60.06	\$60.16
West	\$58.59	\$38.52	\$56.84	\$52.04

- **Added Reps**

- ✓ Acacia Energy, Inc.

- **Added QSEs**

- ✓ Sempra Energy Trading, LLC
- ✓ Suez Energy Marketing N.A., Inc.
- ✓ Shell Energy N.A. (US) LP (SQ3 – SQ6)
- ✓ Acacia Energy, Inc. (QSE, SQ1)
- ✓ LQA, LLC
- ✓ Enernoc, Inc.
- ✓ City of Garland

- **Deleted Reps**

- ✓ None

- **Deleted QSEs**

- ✓ None

Questions ?