



# Market Operations Presentation

ERCOT Board of Directors  
July 15, 2008

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## Retail Activity

- **Overall Activity** – some REP consolidations; switch activity is lower than last year.
- **Migration From Native AREPs** – more than 50% of residential load still with affiliate REP.
- **Transaction Performance Measures** – outstanding results; beginning July, metrics for Move In/Move Out transaction turnaround time will be tighter, going from five (5) hours to two (2) hours for normal transactions and from two (2) hours to one (1) hour for priority transactions.

## Wholesale Activity

- **Settlements & Billing Performance Measures** – outstanding results.
- **Energy Services** – 9.7% increase in market volume from May 2007 to May 2008 was a significant change; prices were up as well.
- **Summary Balancing Energy Price Data & Total Load Data** – significant increase in natural gas prices; 9.7% increase in market volume from May 2007 to May 2008 was a significant change; reached scarcity prices for some intervals.
- **REPs and QSEs Added/Deleted**
  - 1 new REP
  - 2 deleted REPs
  - 3 new QSEs
  - 3 deleted QSEs

**SAS 70 Testing resulted in no exceptions for period 10/01/2007 - 04/30/2008.**

## Retail Transactions Summary

Transaction Type	YTD		May	
	<u>05/31/2008</u>	<u>05/31/2007</u>	<u>2008</u>	<u>2007</u>
Switches	251,279	327,913	50,497	63,760
Move - Ins	916,975	934,848	188,402	195,451
Move Out	498,133	534,882	102,817	116,968
CSA	152,246	183,799	28,587	39,902
Mass Transition	8,241	850	8,241	1
<b>Total</b>	<b>1,826,874</b>	<b>1,982,292</b>	<b>378,544</b>	<b>416,082</b>
<b>Since June 1, 2001</b>	<b>28,109,549</b>			

	% of Load <sup>1</sup>	% of ESI IDs	
	at <u>05-31-08</u>	at <u>05-31-08</u>	at <u>05-31-07</u>
<b>Residential</b>	48%	43%	39%
<b>Small Non-Residential</b>	63%	45%	41%
<b>Large Non-Residential</b>	70%	72%	71%

<sup>1</sup> - % 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>
	66,419	3,838	62,417	62,110	61,683	43,220	45,062
% in Protocol	n/a	100.0%	100.0%	100.0%	99.9%	99.7%	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>
	60,211	60,025	52,435	52,320
% in Protocol	99.1%	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>
	233,197	5,081	215,731	211,028	209,557	111,181	108,920
% in Protocol	n/a	98.7%	99.9%	100.0%	99.1%	99.7%	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>
	136,940	136,507	200,894	200,785
% in Protocol	99.0%	100.0%	n/a	100.0%

# Settlements & Billing Performance Measures – May 2008

	YTD		May	
	<u>05/31/08</u>	<u>05/31/07</u>	<u>2008</u>	<u>2007</u>
<b>Settlement Statements:</b>				
Total	58,352	48,141	11,646	9,794
Late	0	0	0	0
– Less than 24 hours late	754	2	0	0
– Greater than 24 hours late	0	0	0	0
Balance	57,598	48,139	11,646	9,794
% Within Protocol	98.7%	100.0%	100.0%	100.0%
<b>Invoices:</b>				
Total	3,316	2,693	756	605
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	3,316	2,693	756	605
% Within Protocol	100.0%	100.0%	100.0%	100.0%
<b>Grand Total:</b>				
Total	61,668	50,834	12,402	10,399
Late	0	0	0	0
– Less than 24 hours late	754	2	0	0
– Greater than 24 hours late	0	0	0	0
Balance	60,914	50,832	12,402	10,399
% Within Protocol	98.8%	100.0%	100.0%	100.0%

	YTD (\$'s in millions)		May (\$'s in millions)	
	<u>05/31/08</u>	<u>05/31/07</u>	<u>2008</u>	<u>2007</u>
• <b>Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.11/kWh)	<b>\$13,204.2</b>	<b>12,777.2</b>	<b>3,063.8</b>	<b>2,793.8</b>
Volume (GWh)	120,038	116,156	27,853	25,398
% Increase	3.3%		9.7%	
Natural Gas Price Index (\$/MMBTU)	9.2	7.0	11.0	7.5
% Increase	32.1%		47.4%	
• <b>Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$472.7</b>	<b>\$283.3</b>	<b>\$218.7</b>	<b>\$58.4</b>
% Increase	66.9%		274.5%	
Up (GWh)	3,956.3	4,184.3	1,201.7	807.0
% Increase	-5.4%		48.9%	
% of Market	3.3%	3.6%	4.3%	3.2%
<b>Balancing Energy - Down</b>	<b>-\$187.4</b>	<b>-\$168.3</b>	<b>-\$54.1</b>	<b>-\$52.0</b>
% Increase	11.3%		4.0%	
Down (GWh)	-4,681.4	-3,887.3	-1,225.0	-1,123.7
% Increase	20.4%		9.0%	
% of Market	3.9%	3.3%	4.4%	4.4%

# Balancing Energy Price Data

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

[MCPE times Balancing Energy Load]

<b>HUB</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>	<b>June 2007</b>
South	\$130.31	\$75.24	\$57.97	\$64.73	\$58.45	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13	\$50.85	\$59.54
North	\$88.72	\$75.45	\$67.72	\$58.83	\$67.91	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38	\$50.57	\$54.70
Houston	\$156.87	\$100.50	\$66.33	\$64.29	\$57.61	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38	\$49.83	\$56.88
West	\$26.88	\$17.06	(\$11.11)	\$46.21	\$35.64	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86	\$58.44	\$75.18
ERCOT Hub	\$114.83	\$74.82	\$55.79	\$60.94	\$59.39	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60	\$51.33	\$58.99
ERCOT Bus	\$111.72	\$75.36	\$52.57	\$60.51	\$59.80	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69	\$51.14	\$58.70
% Change	48.3%	43.3%	-13.1%	1.2%	18.0%	7.1%	-2.2%	-28.3%	11.1%	18.7%	-12.9%	2.8%
NGPI % Change	10.0%	11.1%	11.1%	5.2%	16.7%	6.5%	-7.5%	11.7%	-1.6%	3.4%	-19.2%	-2.7%

<b>HUB</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>	<b>June 2006</b>
South	\$59.53	\$56.64	\$55.75	\$53.41	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66
North	\$51.68	\$51.63	\$55.53	\$51.48	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31
Houston	\$64.23	\$65.36	\$58.72	\$56.30	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52
West	\$58.92	\$70.75	\$63.86	\$63.95	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50
ERCOT Hub	\$57.21	\$56.78	\$57.39	\$53.65	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30
ERCOT Bus	\$57.12	\$56.84	\$57.41	\$53.57	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07
% Change	0.5%	-1.0%	7.2%	-0.9%	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	
NGPI % Change	2.7%	10.6%	-9.6%	15.9%	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	



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

[MCPE times Total Zonal Load]

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

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

- **Added Reps**

- ✓ The Royal Bank of Scotland, PLC

- **Deleted Reps**

- ✓ National Power Co., Inc.
- ✓ Pre Buy Electric, LLC

- **Added QSEs**

- ✓ Luminant Energy Co., LLC
- ✓ NRG Texas Wind
- ✓ Invenergy McAdoo

- **Deleted QSEs**

- ✓ Leach Energy Trading, LLC
- ✓ Pre Buy Electric, LLC
- ✓ National Power Co., Inc.

Questions ?