



Market Operations Presentation

ERCOT Board of Directors
September 16, 2008

Betty Day

Retail Activity

- **Overall Activity** – July switches higher than in 2007. High switch numbers during the summer are mostly due to customers that were dropped to POLR selecting a new CR.
- **Migration From Native AREPs** – Small Non-Residential switching from Affiliated REP increased in July
- **Transaction Performance Measures** – strong performance during July

Wholesale Activity

- **Settlements & Billing Performance Measures** – no late statements/invoices during July
- **Energy Services** – continued higher volumes during summer 2008 compared to 2007 – likely due to higher temperatures
- **Summary Balancing Energy Price Data & Total Load Data** – natural gas prices down compared to June, but still significantly higher than 2007. ERCOT hub prices lower in July compared to June but still significantly higher than prices in 2007.
- **REPs and QSEs Added/Deleted**
 - 2 new REPs
 - 2 deleted REPs
 - 1 new QSEs
 - 3 deleted QSEs

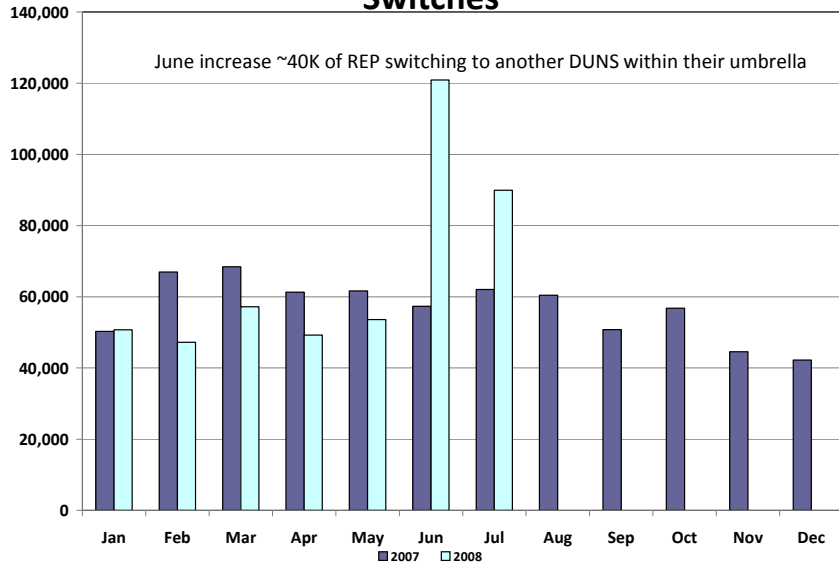
Retail Transactions Summary

Transaction Type	YTD		July	
	<u>07/31/2008</u>	<u>07/31/2007</u>	<u>2008</u>	<u>2007</u>
Switches	436,574	446,008	119,473	58,821
Move - Ins	1,353,565	1,351,087	216,427	212,527
Move Out	728,513	772,102	114,515	119,111
CSA	215,056	231,895	31,114	22,588
Mass Transition	42,899	851	2,030	0
Total	2,733,708	2,801,943	481,529	413,047
Since June 1, 2001	29,059,282			

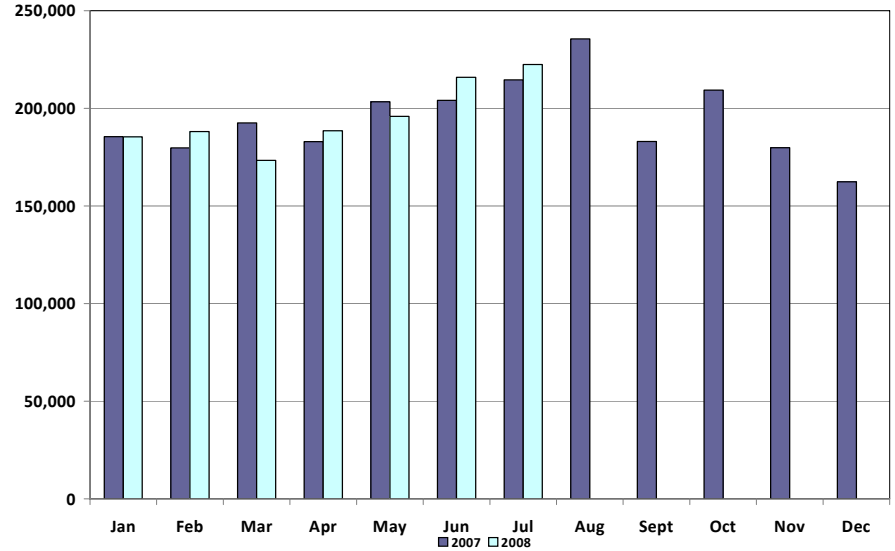
* Reflects only Completed transactions during the period.

Retail Transactions Summary*

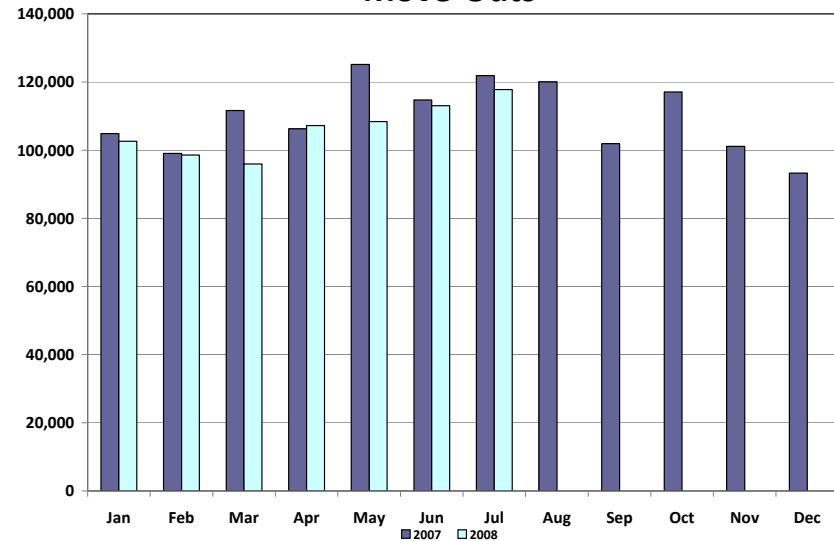
Switches



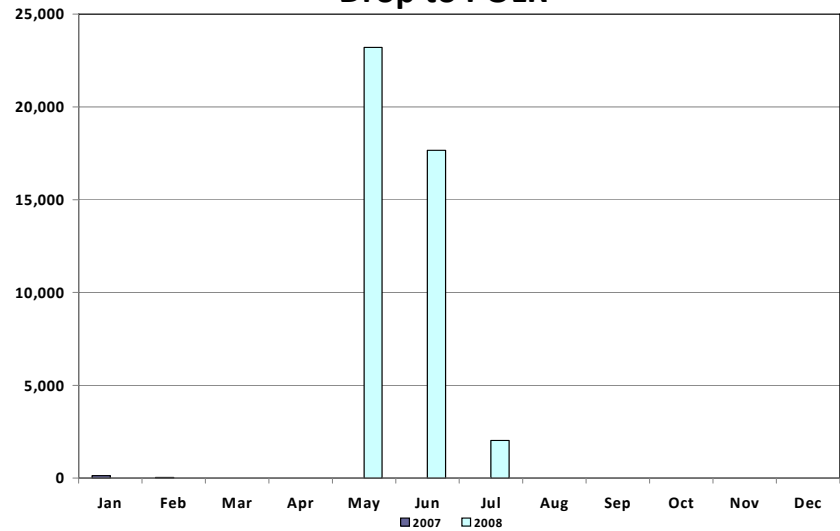
Move-Ins



Move-Outs



Drop to POLR

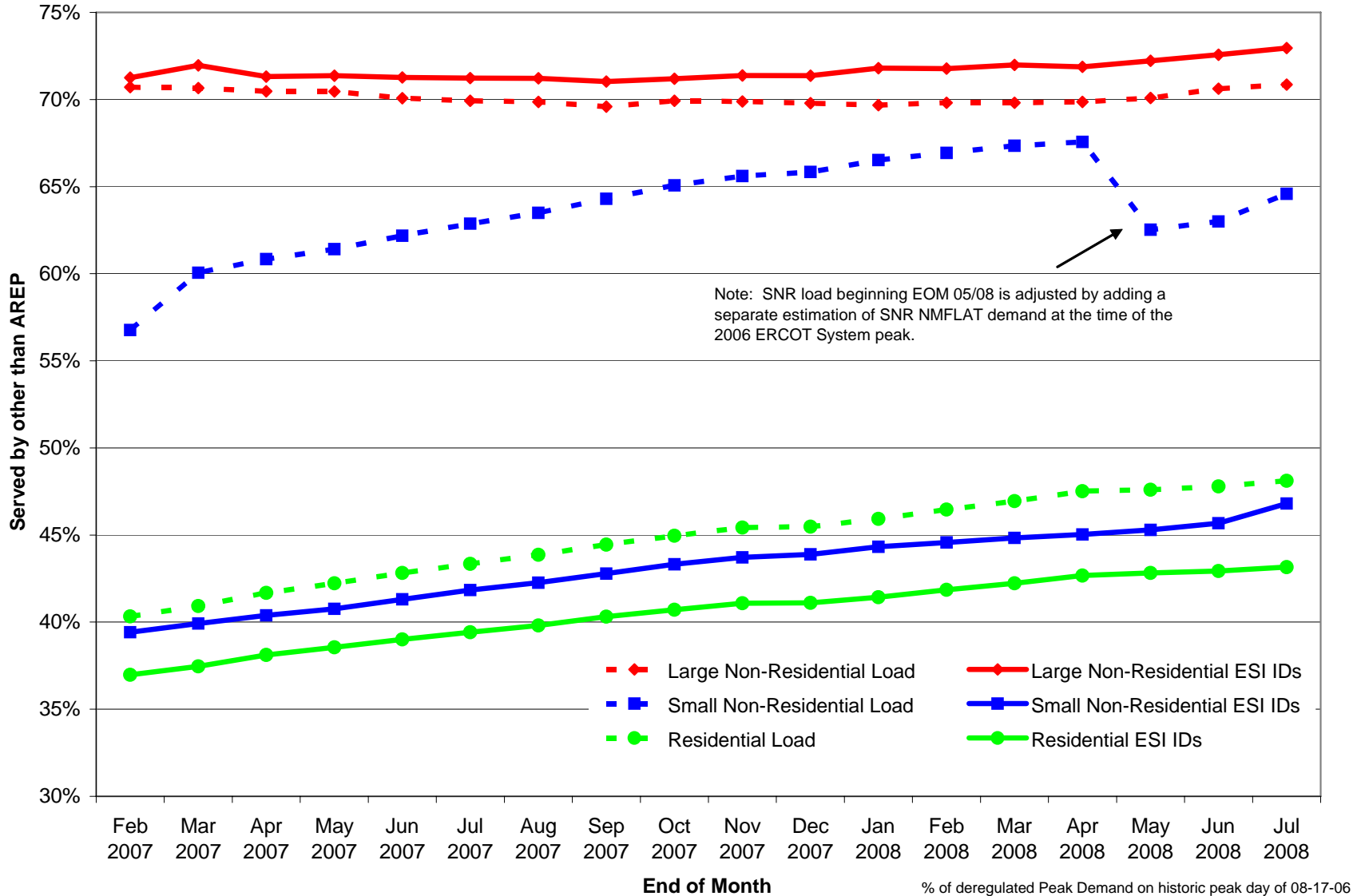


* Includes Scheduled, In Review, and Completed transactions during the period.

	% of Load ¹	% of ESI IDs	
	at <u>07-31-08</u>	at <u>07-31-08</u>	at <u>07-31-07</u>
Residential	48%	43%	39%
Small Non-Residential	65%	47%	34%
Large Non-Residential	71%	73%	71%

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

ESIIDs and Load served by providers other than Affiliate REP



% of deregulated 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>
	103,867	5,217	98,622	101,183	100,248	98,241	74,169
% in Protocol	n/a	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%

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>
	91,576	91,527	121,318	121,233
% in Protocol	99.9%	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>
	245,163	3,896	241,171	239,377	236,906	131,339	129,963
% in Protocol	n/a	98.9%	99.8%	100.0%	100.0%	100.0%	99.5%

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

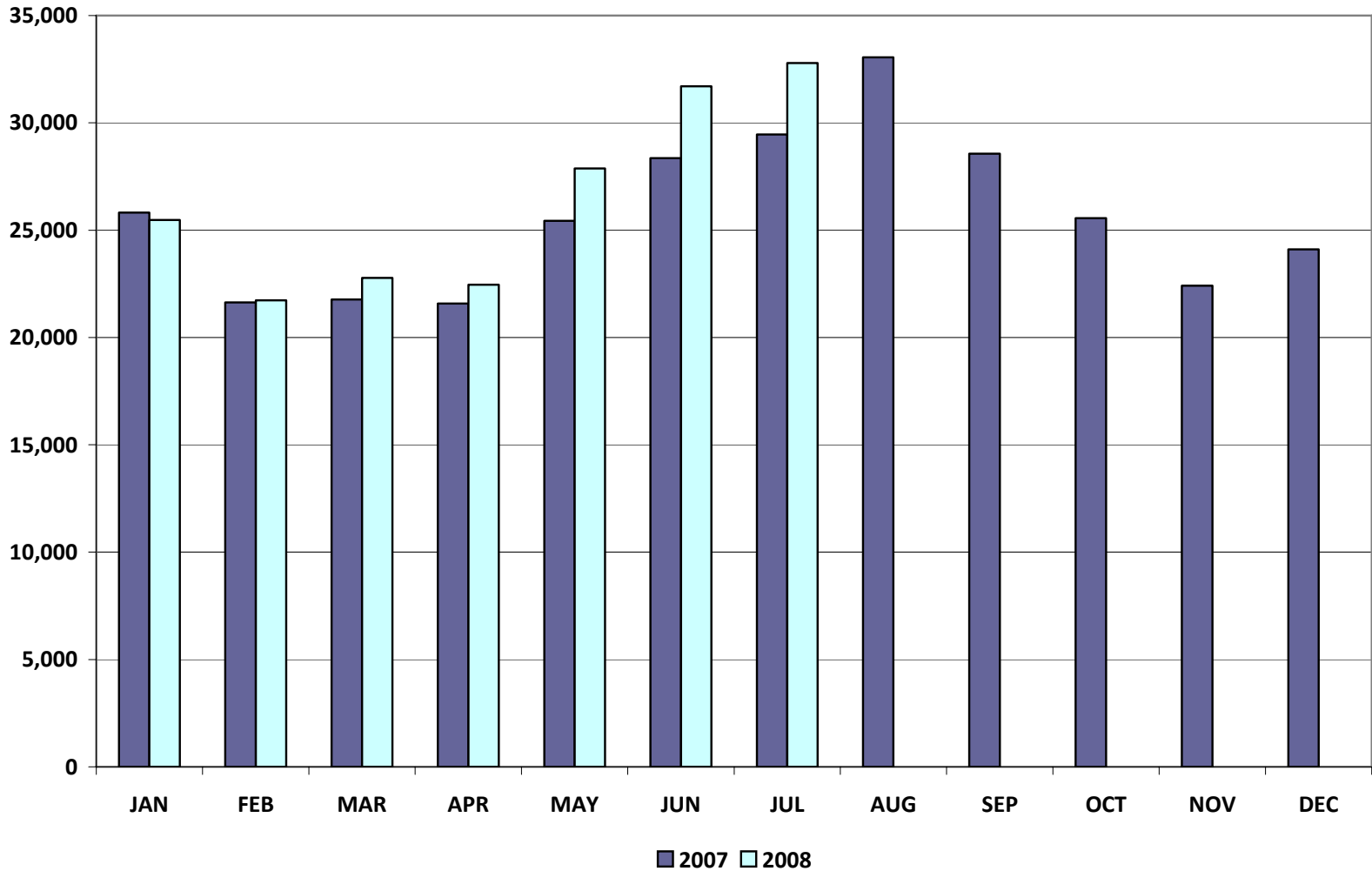
	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	152,751	152,614	218,590	218,453
% in Protocol	99.6%	100.0%	n/a	100.0%

Settlements & Billing Performance Measures – July 2008

	YTD		July	
	<u>07/31/08</u>	<u>07/31/07</u>	<u>2008</u>	<u>2007</u>
Settlement Statements:				
Total	83,827	68,521	12,262	10,577
Late	0	0	0	0
– Less than 24 hours late	754	2	0	0
– Greater than 24 hours late	1	0	0	0
Balance	83,072	68,519	12,262	10,577
% Within Protocol	99.10%	100.00%	100.00%	100.00%
Invoices:				
Total	4,739	3,693	799	519
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	4,739	3,693	799	519
% Within Protocol	100.00%	100.00%	100.00%	100.00%

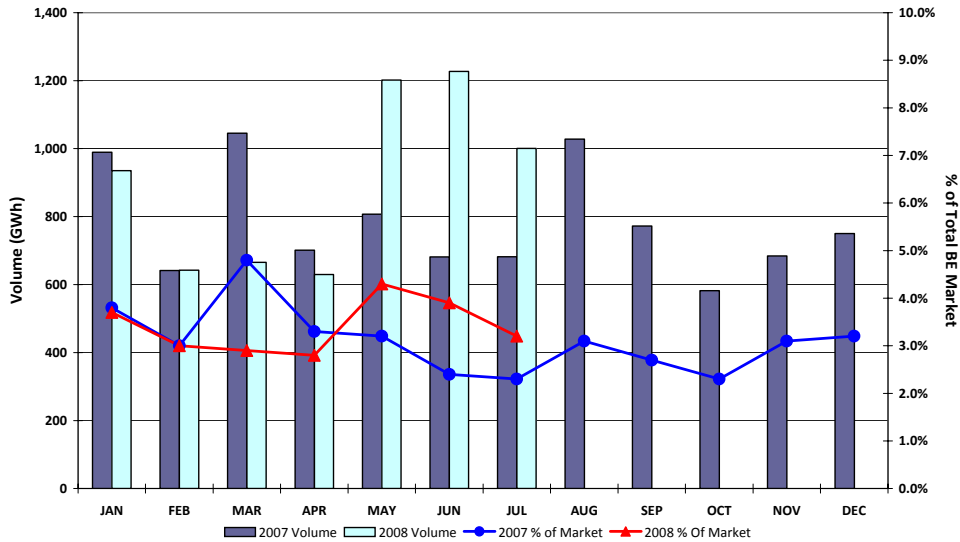
	YTD (\$'s in millions)		July (\$'s in millions)																																															
	<u>07/31/08</u>	<u>07/31/07</u>	<u>2008</u>	<u>2007</u>																																														
<ul style="list-style-type: none"> Market Perspective: <ul style="list-style-type: none"> Approximate Retail Market (at \$.11/kWh) <table border="1"> <tr> <td>\$20,328.9</td> <td>19,145.9</td> <td>3,606.7</td> <td>3,240.5</td> </tr> <tr> <td>Volume (GWh)</td> <td>184,808</td> <td>174,054</td> <td>32,788</td> <td>29,459</td> </tr> <tr> <td>% Increase</td> <td>6.2%</td> <td></td> <td>11.3%</td> <td></td> </tr> <tr> <td>Natural Gas Price Index (\$/MMBTU)</td> <td>10.1</td> <td>6.9</td> <td>11.0</td> <td>5.9</td> </tr> <tr> <td>% Increase</td> <td>46.4%</td> <td></td> <td>86.4%</td> <td></td> </tr> </table> 	\$20,328.9	19,145.9	3,606.7	3,240.5	Volume (GWh)	184,808	174,054	32,788	29,459	% Increase	6.2%		11.3%		Natural Gas Price Index (\$/MMBTU)	10.1	6.9	11.0	5.9	% Increase	46.4%		86.4%																											
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Total Market Volume (GWh)

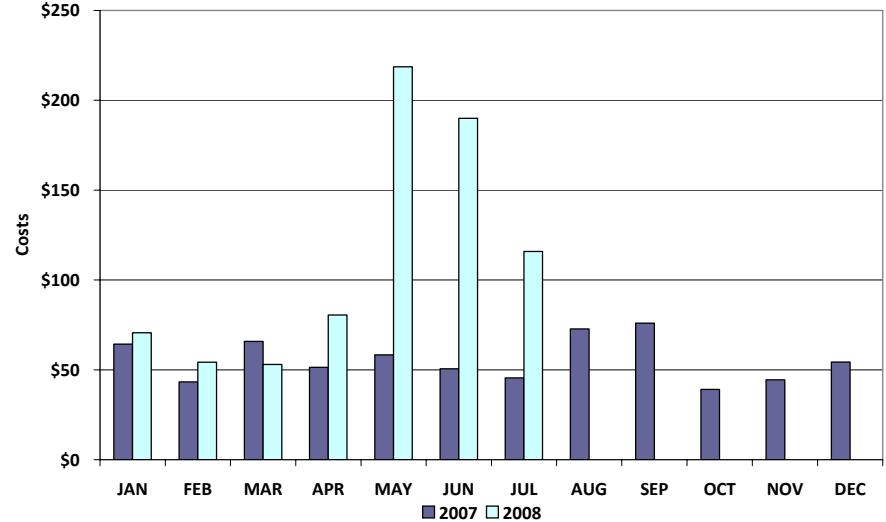


Balancing Energy Services – Volume and Cost

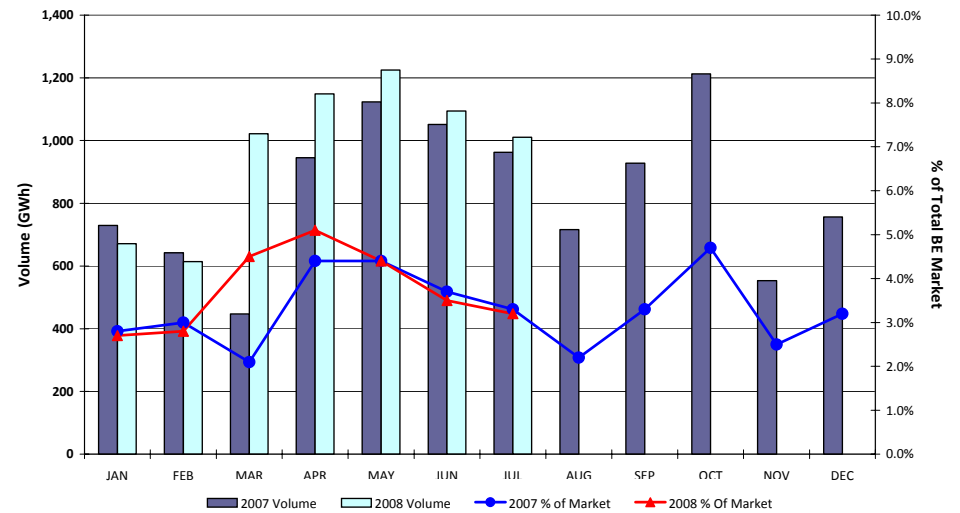
Balancing Energy Up



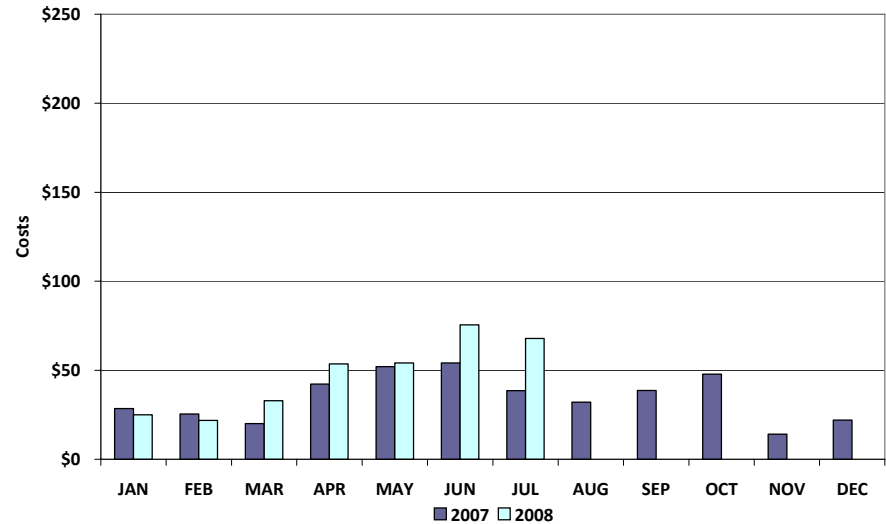
Balancing Energy Up Costs (\$ in millions)



Balancing Energy Down

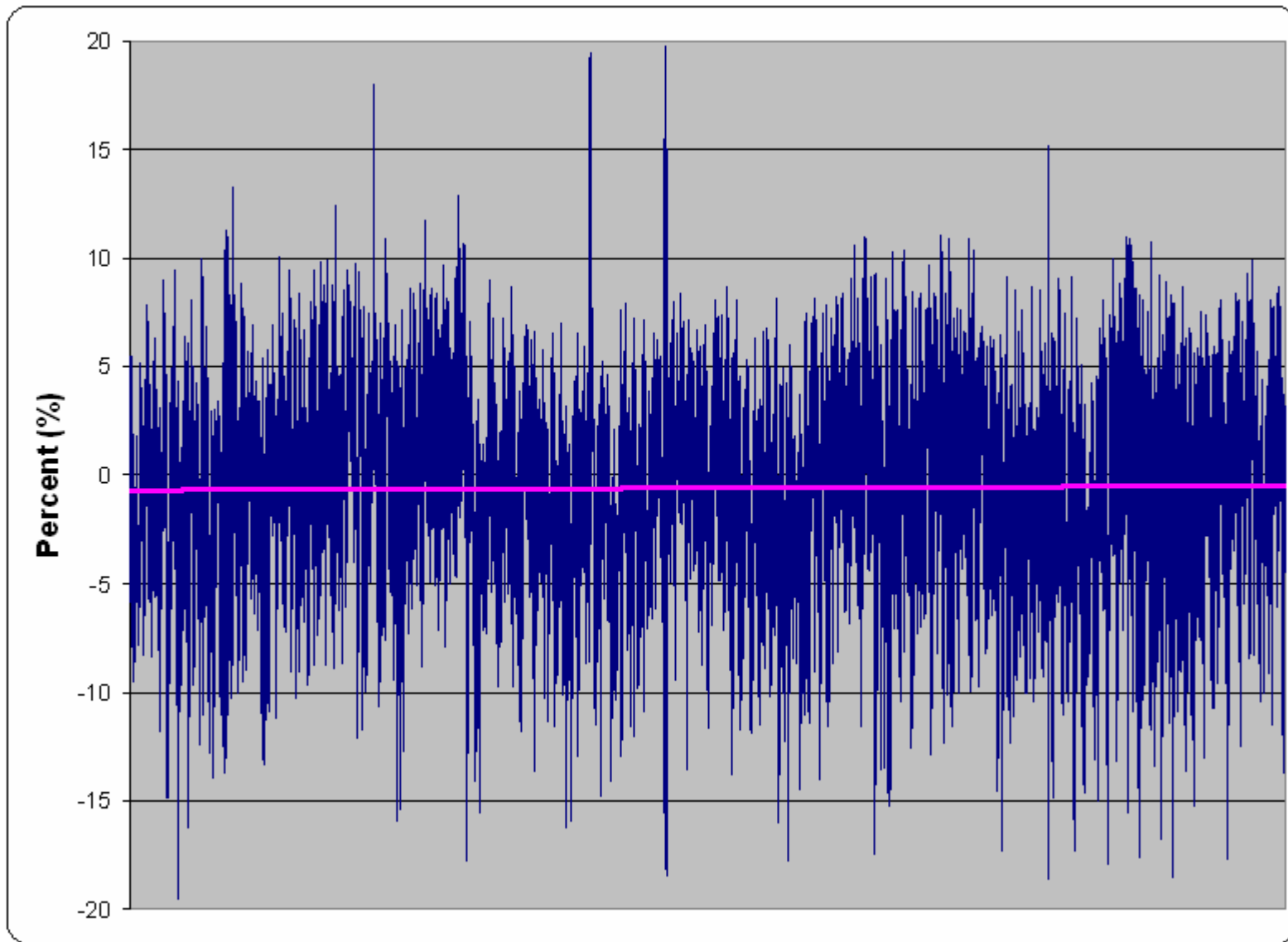


Balancing Energy Down Costs (\$ in millions)



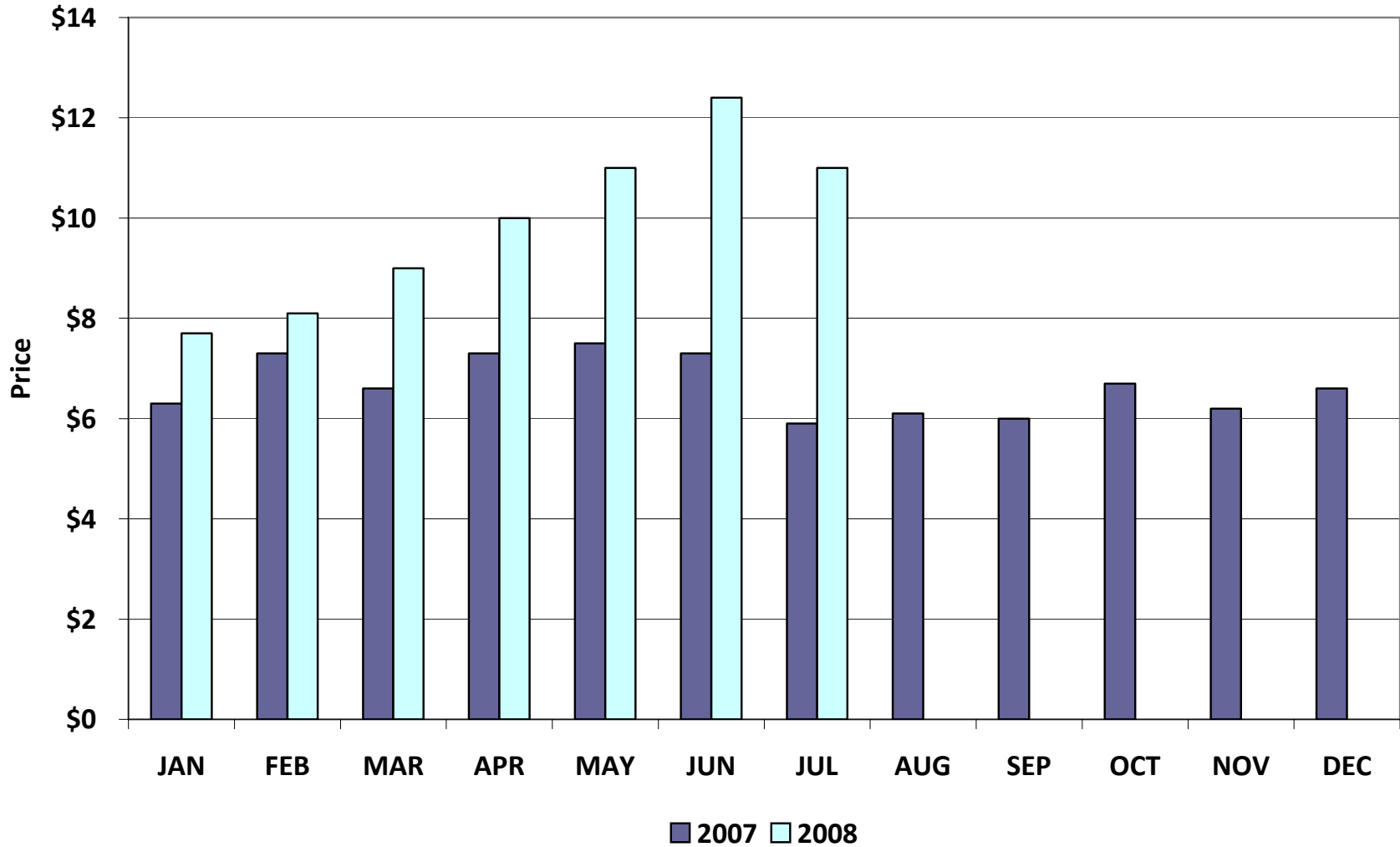
*Please note: August data will be provided at the Board Q&A

(Net BES Deployed Minus Load Forecast Error) as a % of Load Forecast 9/1/06 - 9/1/08



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]

HUB	July 2008	June 2008	May 2008	Apr 2008	Mar 2008	Feb 2008	Jan 2008	Dec 2007	Nov 2007	Oct 2007	Sep 2007	Aug 2007
South	\$136.67	\$129.18	\$130.31	\$75.24	\$57.97	\$64.73	\$58.45	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13
North	\$83.52	\$108.67	\$88.72	\$75.45	\$67.72	\$58.83	\$67.91	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38
Houston	\$115.27	\$137.29	\$156.87	\$100.50	\$66.33	\$64.29	\$57.61	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38
West	\$54.49	\$44.34	\$26.88	\$17.06	(\$11.11)	\$46.21	\$35.64	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86
ERCOT Hub	\$104.93	\$117.19	\$114.83	\$74.82	\$55.79	\$60.94	\$59.39	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60
ERCOT Bus	\$102.94	\$114.24	\$111.72	\$75.36	\$52.57	\$60.51	\$59.80	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69
% Change	-9.9%	2.3%	48.3%	43.3%	-13.1%	1.2%	18.0%	7.1%	-2.2%	-28.3%	11.1%	18.7%
NGPI % Change	-11.3%	12.7%	10.0%	11.1%	11.1%	5.2%	16.7%	6.5%	-7.5%	11.7%	-1.6%	3.4%

HUB	July 2007	June 2007	May 2007	Apr 2007	Mar 2007	Feb 2007	Jan 2007	Dec 2006	Nov 2006	Oct 2006	Sept 2006	Aug 2006
South	\$50.85	\$59.54	\$59.53	\$56.64	\$55.75	\$53.41	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99
North	\$50.57	\$54.70	\$51.68	\$51.63	\$55.53	\$51.48	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01
Houston	\$49.83	\$56.88	\$64.23	\$65.36	\$58.72	\$56.30	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69
West	\$58.44	\$75.18	\$58.92	\$70.75	\$63.86	\$63.95	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06
ERCOT Hub	\$51.33	\$58.99	\$57.21	\$56.78	\$57.39	\$53.65	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51
ERCOT Bus	\$51.14	\$58.70	\$57.12	\$56.84	\$57.41	\$53.57	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16
% Change	-12.9%	2.8%	0.5%	-1.0%	7.2%	-0.9%	-2.8%	22.0%	8.5%	5.9%	-41.8%	
NGPI % Change	-19.2%	-2.7%	2.7%	10.6%	-9.6%	15.9%	-3.1%	-3.0%	24.1%	12.5%	-31.4%	

*Please note: August data will be provided at the Board Q&A

Total Load Weighted Average Price (\$/MWH)

[MCPE weighted by Total Zonal Load]

<u>LOAD ZONE</u>	<u>July 2008</u>	<u>June 2008</u>	<u>May 2008</u>	<u>Apr 2008</u>	<u>Mar 2008</u>	<u>Feb 2008</u>	<u>Jan 2008</u>
South	\$97.86	\$147.24	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$97.08	\$104.37	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$97.30	\$129.48	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$90.98	\$82.22	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

<u>LOAD ZONE</u>	<u>July 2007</u>	<u>June 2007</u>	<u>May 2007</u>	<u>Apr 2007</u>	<u>Mar 2007</u>	<u>Feb 2007</u>	<u>Jan 2007</u>
South	\$50.78	\$58.71	\$57.90	\$59.71	\$56.15	\$54.37	\$53.13
North	\$52.71	\$58.60	\$55.85	\$57.98	\$56.29	\$54.94	\$52.87
Houston	\$51.51	\$59.75	\$60.07	\$61.76	\$56.02	\$53.83	\$52.07
West	\$52.09	\$58.34	\$55.02	\$55.31	\$55.45	\$54.84	\$52.79

- **Added Reps**

- ✓ NRG Texas Retail, LLC
- ✓ Lehman Power Services, LLC

- **Deleted Reps**

- ✓ Sure Electric, LLC d/b/a
Riverway Power Company
- ✓ Hwy 3 MHP, LLC

- **Added QSEs**

- ✓ Louis Dreyfus Energy Services, LP

- **Deleted QSEs**

- ✓ Sure Electric, LLC d/b/a
Riverway Power Company
- ✓ Sure Electric, LLC (Post Petition)
- ✓ Hwy 3 MHP, LLC

Questions ?