



Market Operations Presentation

ERCOT Board of Directors
November 17, 2008

Betty Day

Retail Activity

- **Overall Activity** – Activity in 2008 is comparable to 2007.
- **Migration From Native AREPs** – New method for calculating switched load that utilizes monthly load cuts from Settlement. The Small Non-Residential customer class shows the greatest movement of load to providers other than the Affiliate REP. All customer classes have shown good growth in 2008 in the number of ESIDs that have switched.
- **Transaction Performance Measures** – Continued strong performance.

Wholesale Activity

- **Settlements & Billing Performance Measures** – Perfect performance in September.
- **Energy Services** – Lower volumes in September reflect the impact of Hurricane Ike.
- **Summary Balancing Energy Price Data & Total Load Data** – Price reductions in all zones primarily due to Hurricane Ike.
- **REPs and QSEs Added/Deleted**
 - 1 new REP
 - 0 deleted REPs
 - 6 new QSEs
 - 0 deleted QSEs

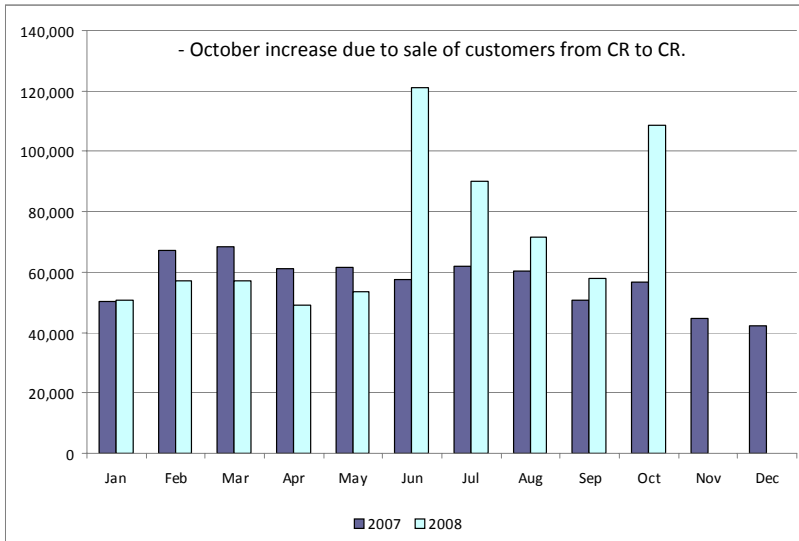
Retail Transactions Summary

Transaction Type	YTD		October	
	<u>10/31/2008</u>	<u>10/31/2007</u>	<u>2008</u>	<u>2007</u>
Switches	646,883	620,332	57,405	58,288
Move - Ins	1,962,296	1,987,820	215,811	210,763
Move Out	1,065,902	1,120,491	120,626	118,319
CSA (Continuous Service Agreement)	286,100	306,029	23,840	24,935
Mass Transition	42,898	851	0	0
Total	4,004,079	4,035,523	417,682	412,305
Since June 1, 2001	30,286,753			

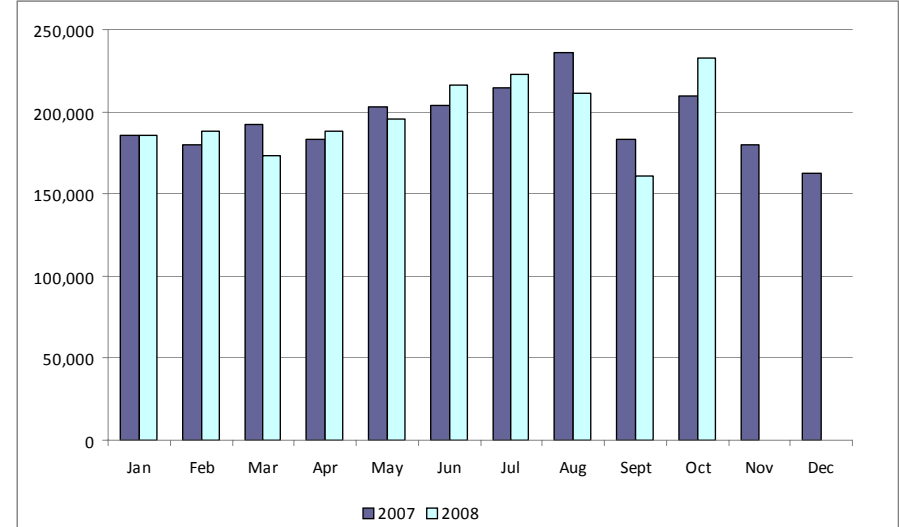
* Reflects only Completed transactions during the period.

Retail Transactions Summary*

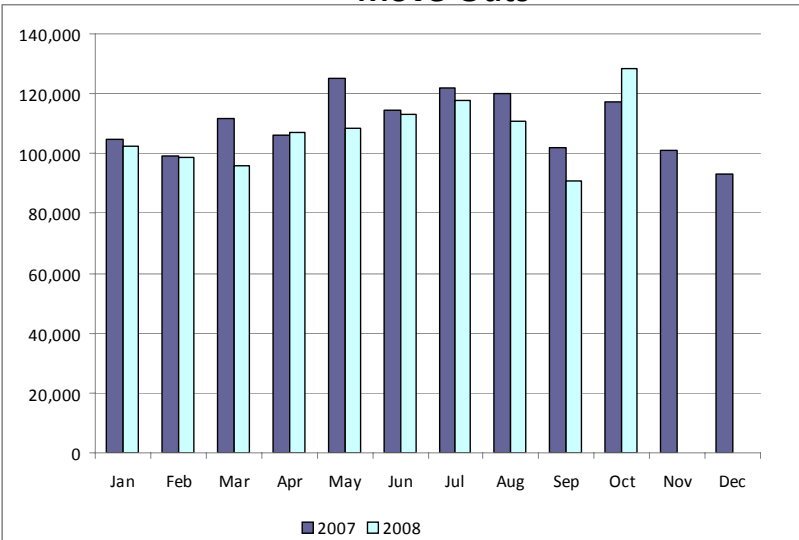
Switches



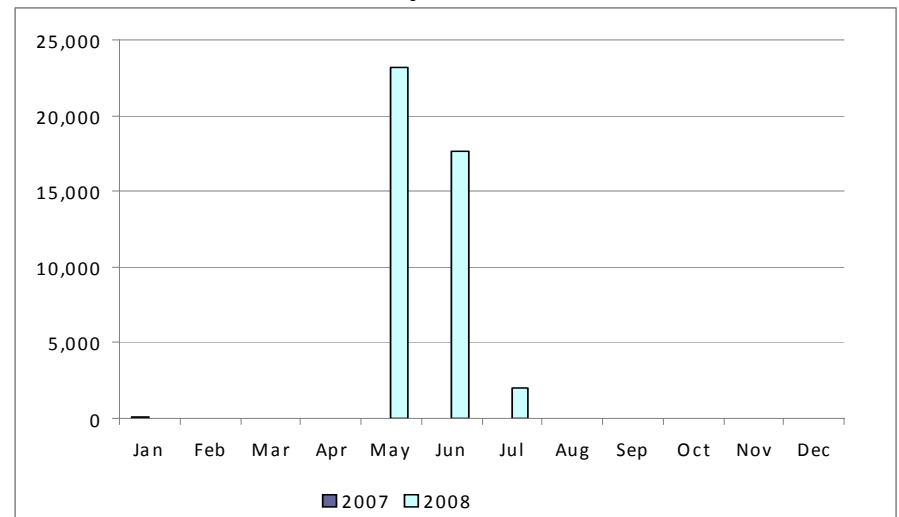
Move-Ins



Move-Outs



Drop to POLR



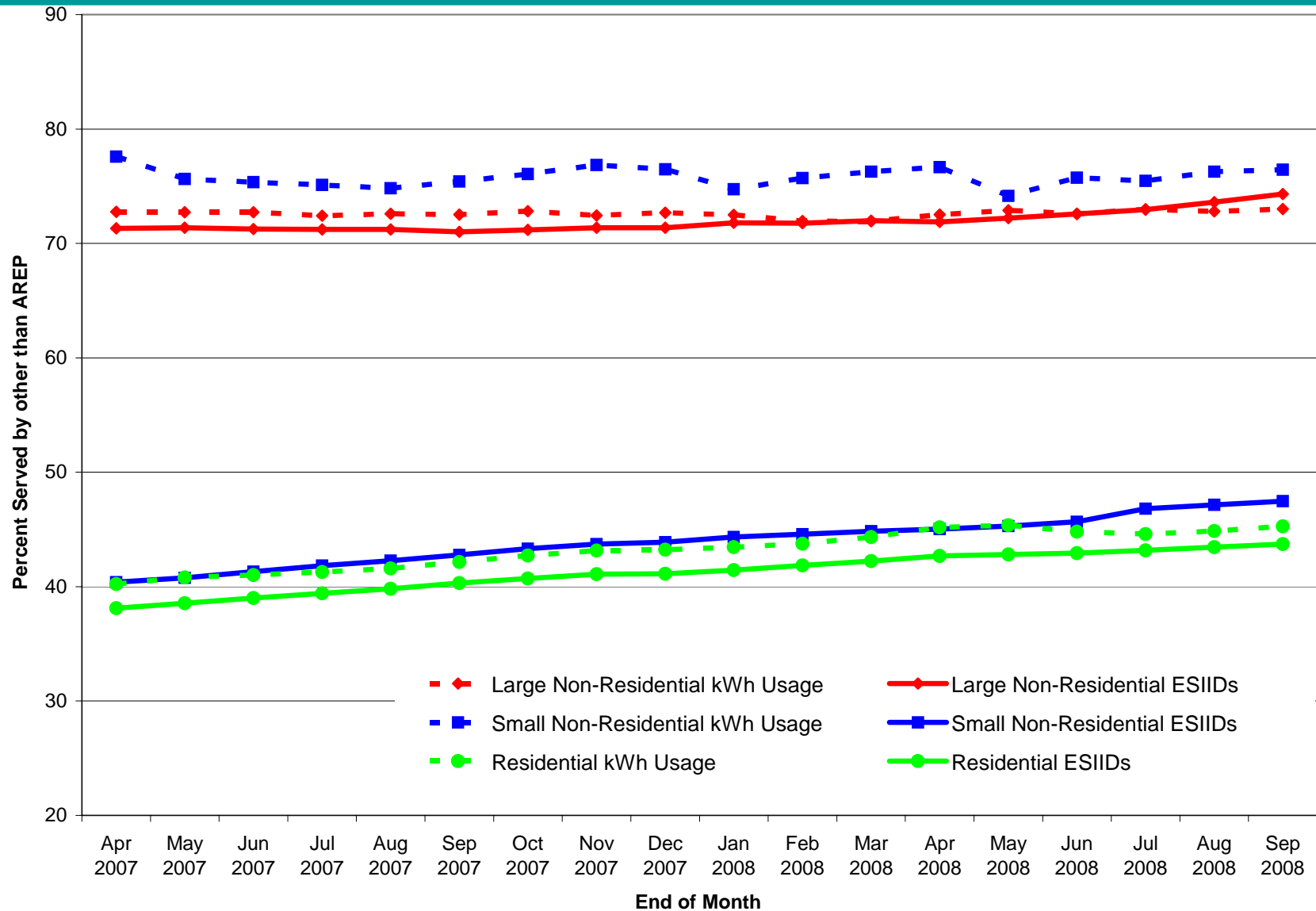
* Includes Scheduled, In Review, and Completed transactions during the period.

Migration from Native Affiliate REP

	% of Load ¹	% of ESI IDs ¹	
	at <u>09-30-08</u>	at <u>09-30-08</u>	at <u>09-30-07</u>
Residential	45%	44%	40%
Small Non-Residential	76%	48%	43%
Large Non-Residential	73%	74%	71%

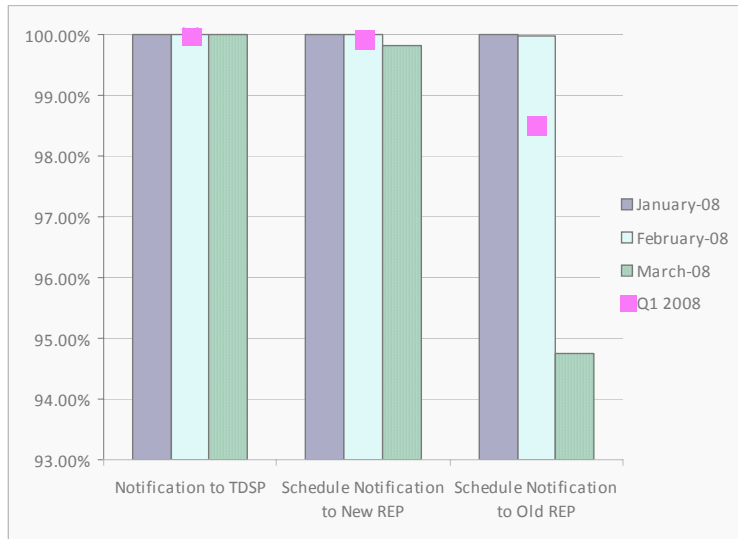
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Migration from Native Affiliate REP

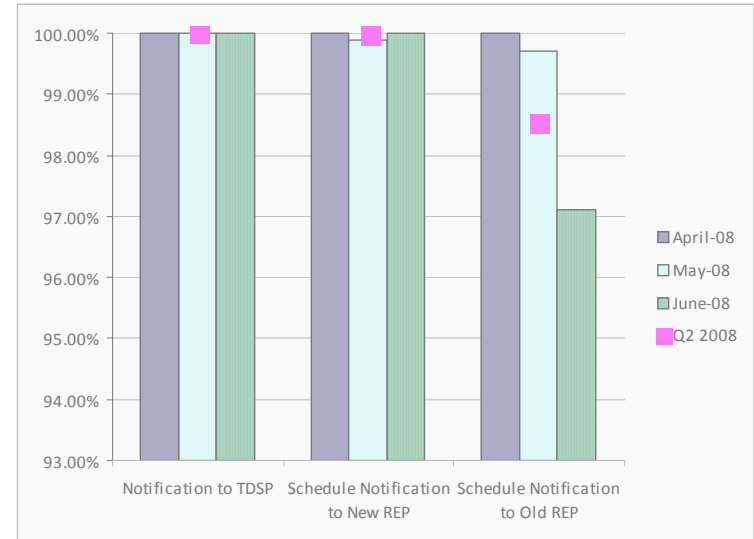


Retail Performance Measures – 2008 Switch

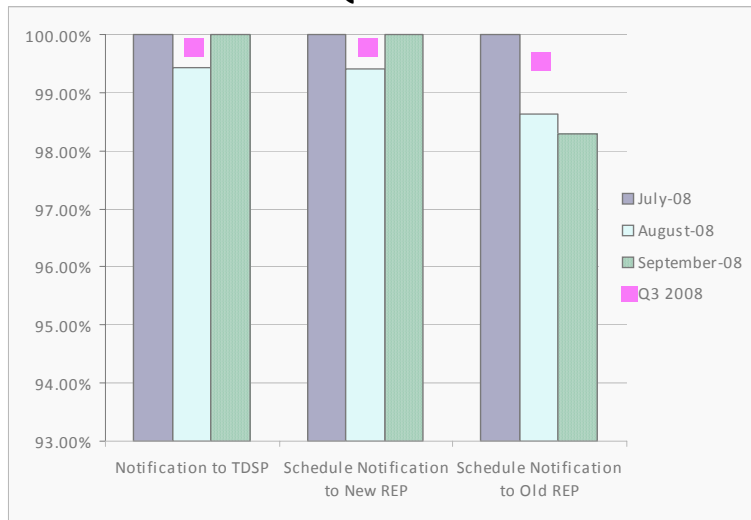
1st Quarter



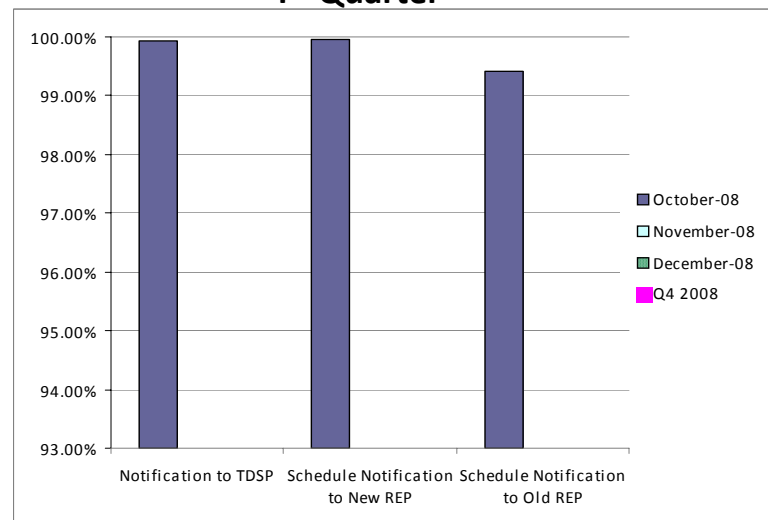
2nd Quarter



3rd Quarter

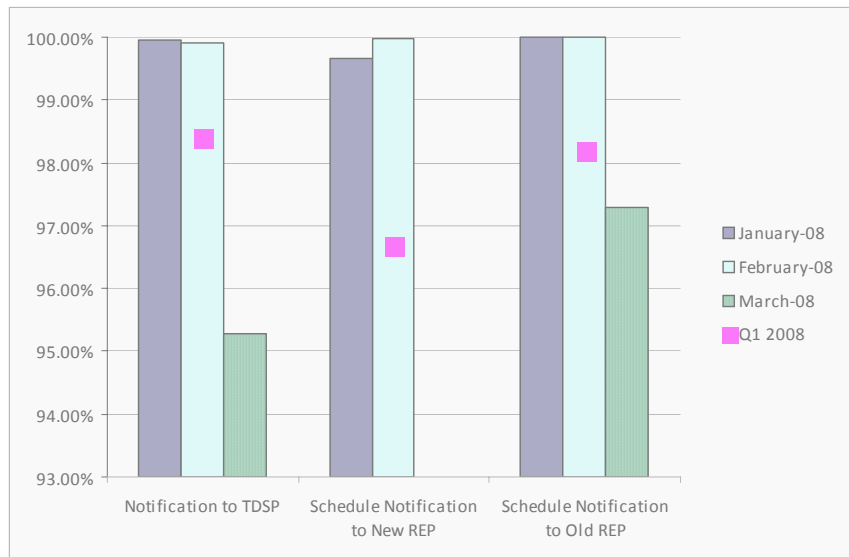


4th Quarter

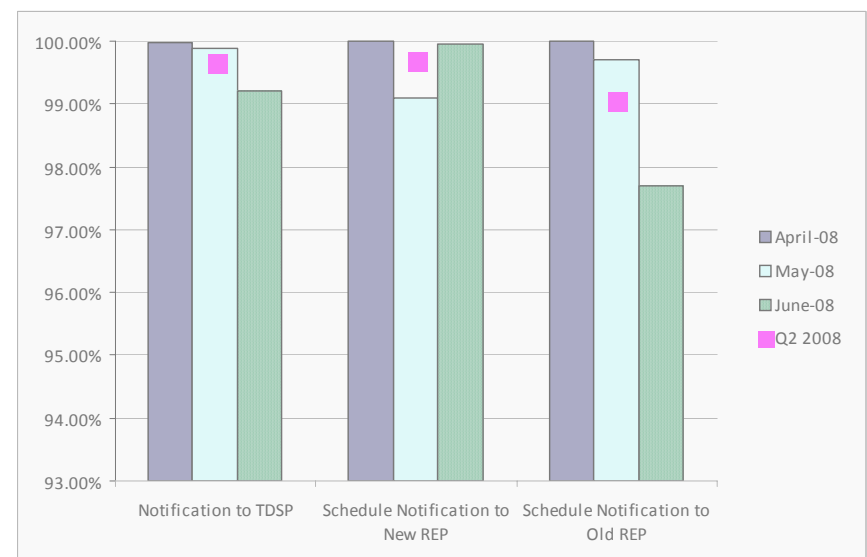


Retail Performance Measures – Q1/Q2 2008 Move-In

1st Quarter



2nd Quarter

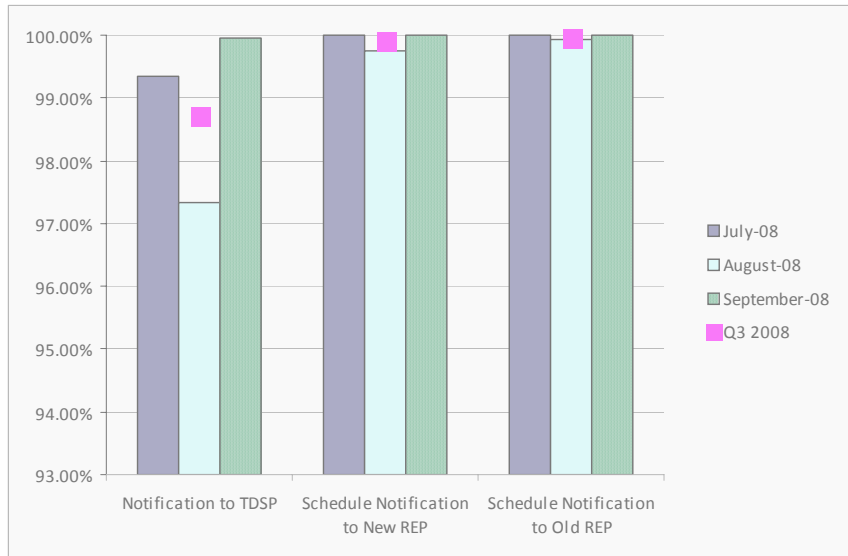


Transaction Performance Measures

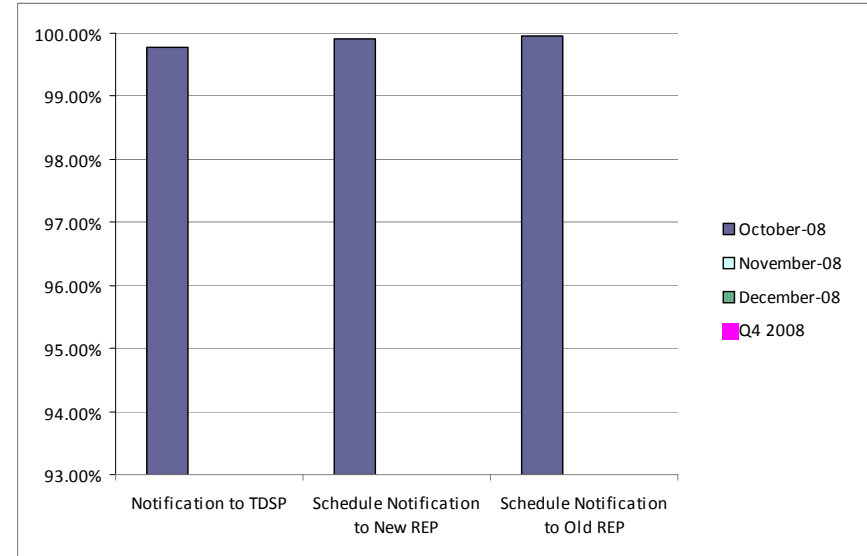
- July started new reporting requirements, split out of Priority and Standard Move-ins
- Q1 and Q2 graphs show all move-ins, no priority category
- Q3 and Q4 will have one set for standard, one set for priority

Retail Performance Measures – Q3/Q4 2008 Move-In / Priority

3rd Quarter



4th Quarter

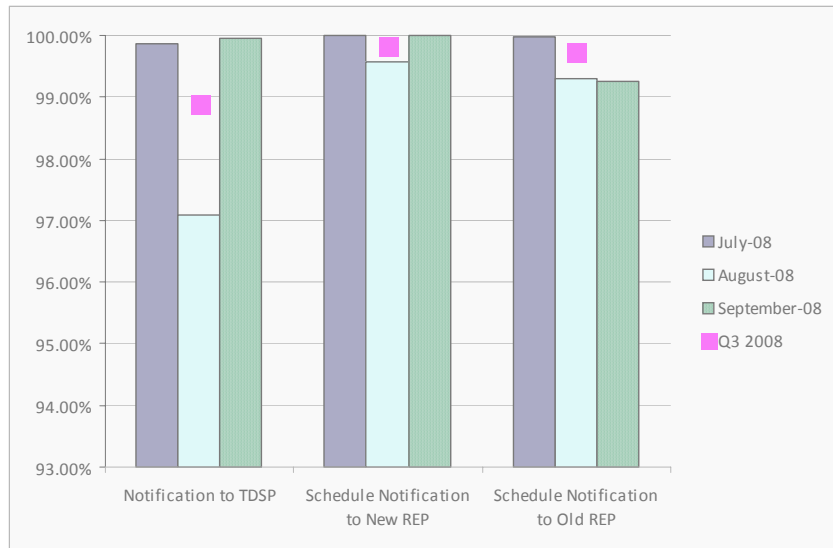


Transaction Performance Measures

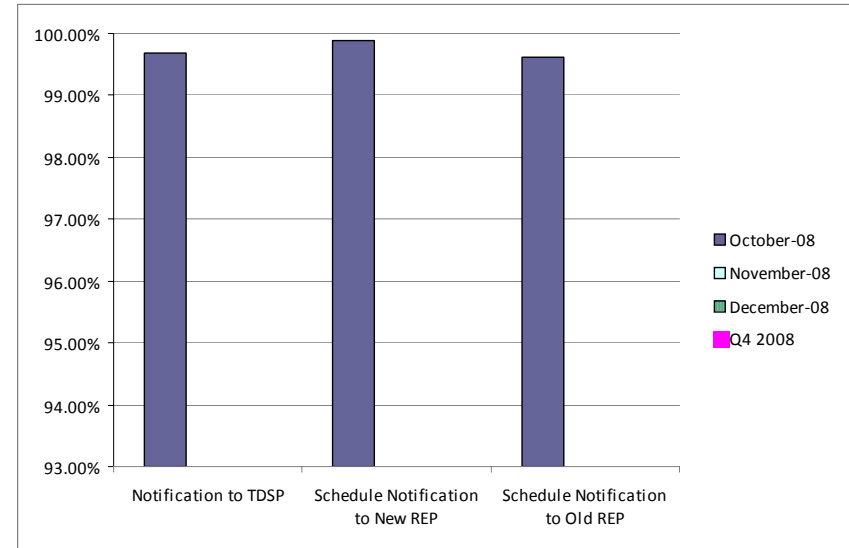
- July started new reporting requirements, split out of Priority and Standard Move-ins
- Priority Move-Ins: 1-hour turnaround
- Standard Move-Ins: 2-hour turnaround

Retail Performance Measures – Q3/Q4 2008 Move-In / Standard

3rd Quarter



4th Quarter



Transaction Performance Measures

- July started new reporting requirements, split out of Priority and Standard Move-ins
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Settlements & Billing Performance Measures – September 2008

	YTD		September	
	<u>09/30/08</u>	<u>09/30/07</u>	<u>2008</u>	<u>2007</u>
Settlement Statements:				
Total	107,654	88,488	12,858	9,540
Late	755	2	0	0
– Less than 24 hours late	754	2	0	0
– Greater than 24 hours late	1	0	0	0
Balance	106,899	88,486	12,858	9,540
% Within Protocol	99.30%	100.00%	100.00%	100.00%
Invoices:				
Total	6,035	4,841	650	505
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	6,035	4,841	650	505
% Within Protocol	100.00%	100.00%	100.00%	100.00%

- **Market Perspective:**

Approximate Retail Market (at \$.11/kWh)

Volume (GWh)

% Increase

Natural Gas Price Index (\$/MMBTU)

% Increase

YTD (\$'s in millions)		September (\$'s in millions)	
<u>09/30/08</u>	<u>09/30/07</u>	<u>2008</u>	<u>2007</u>
\$26,709.2	25,924.7	2,834.5	3,142.2
242,811	235,679	25,768	28,565
3.0%		-9.8%	
9.5	6.6	6.9	6.0
43.9%		15.0%	

- **Balancing Energy:**

Balancing Energy - Up

% Increase

Up (GWh)

% Increase

% of Market

\$955.2	\$527.9	\$40.0	\$75.6
80.9%		-47.1%	
7,880.8	7,402.1	639.8	826.6
6.5%		-22.6%	
3.2%	3.1%	2.5%	2.9%

Balancing Energy - Down

% Increase

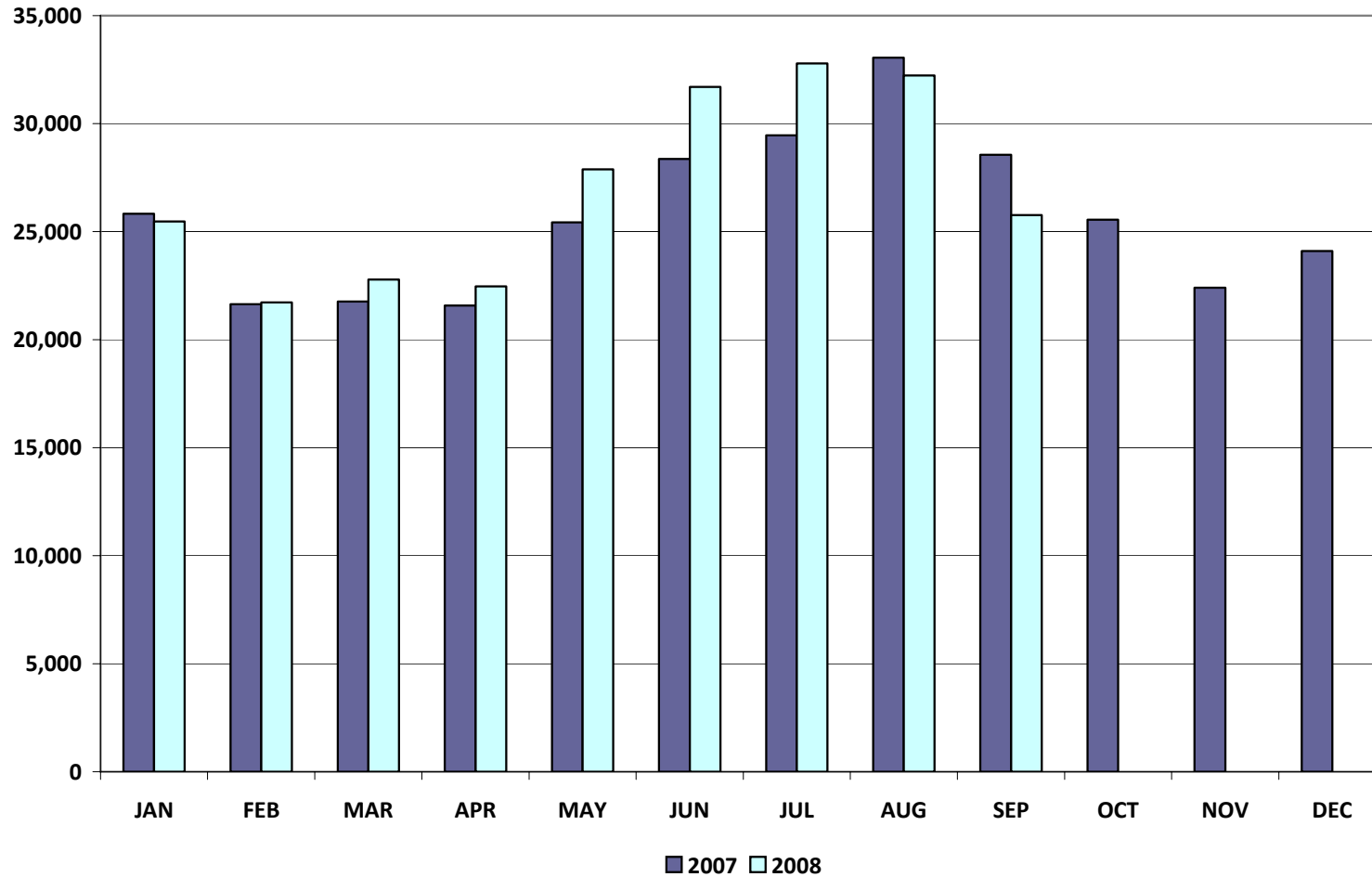
Down (GWh)

% Increase

% of Market

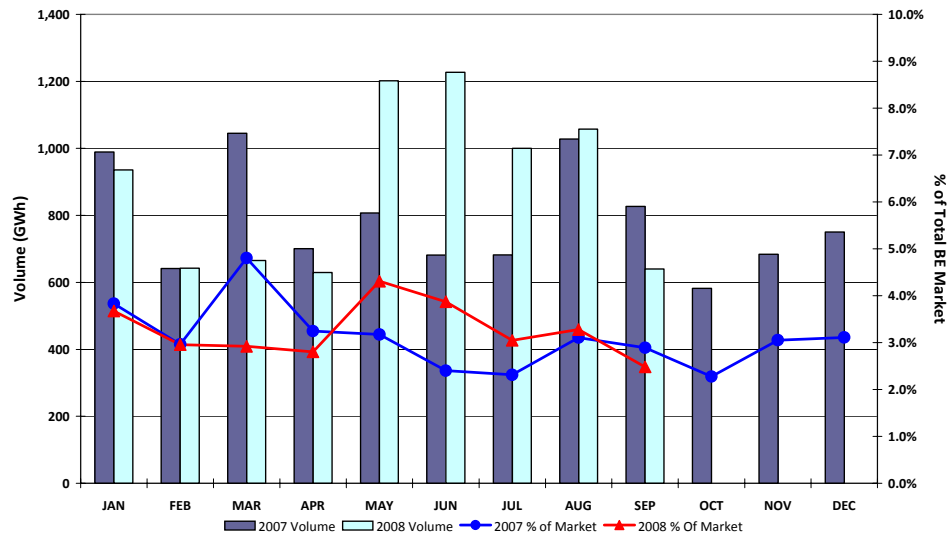
-\$412.0	-\$338.8	-\$37.8	-\$45.8
21.6%		-17.5%	
-8,872.3	-7,603.0	-1,301.0	-985.7
16.7%		32.0%	
3.7%	3.2%	5.0%	3.5%

Total Market Volume (GWh)

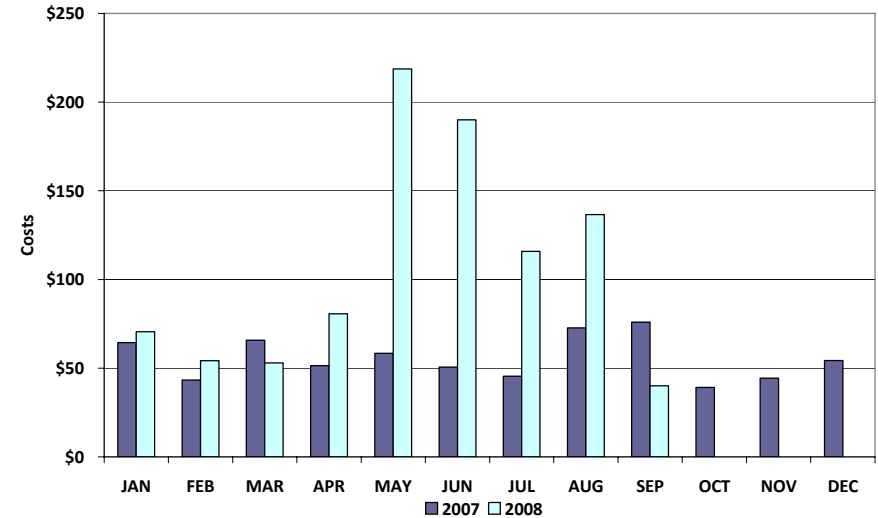


Balancing Energy Services – Volume and Cost

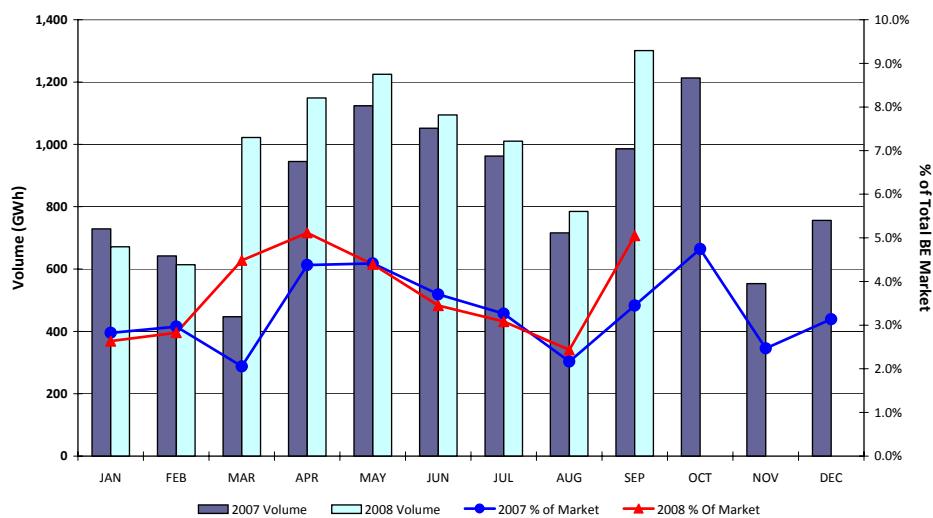
Balancing Energy Up



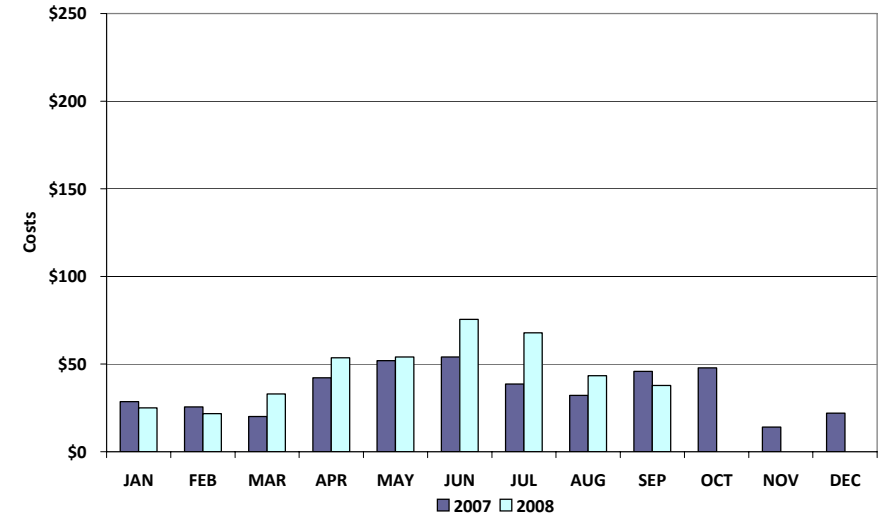
Balancing Energy Up Costs (\$ in millions)



Balancing Energy Down



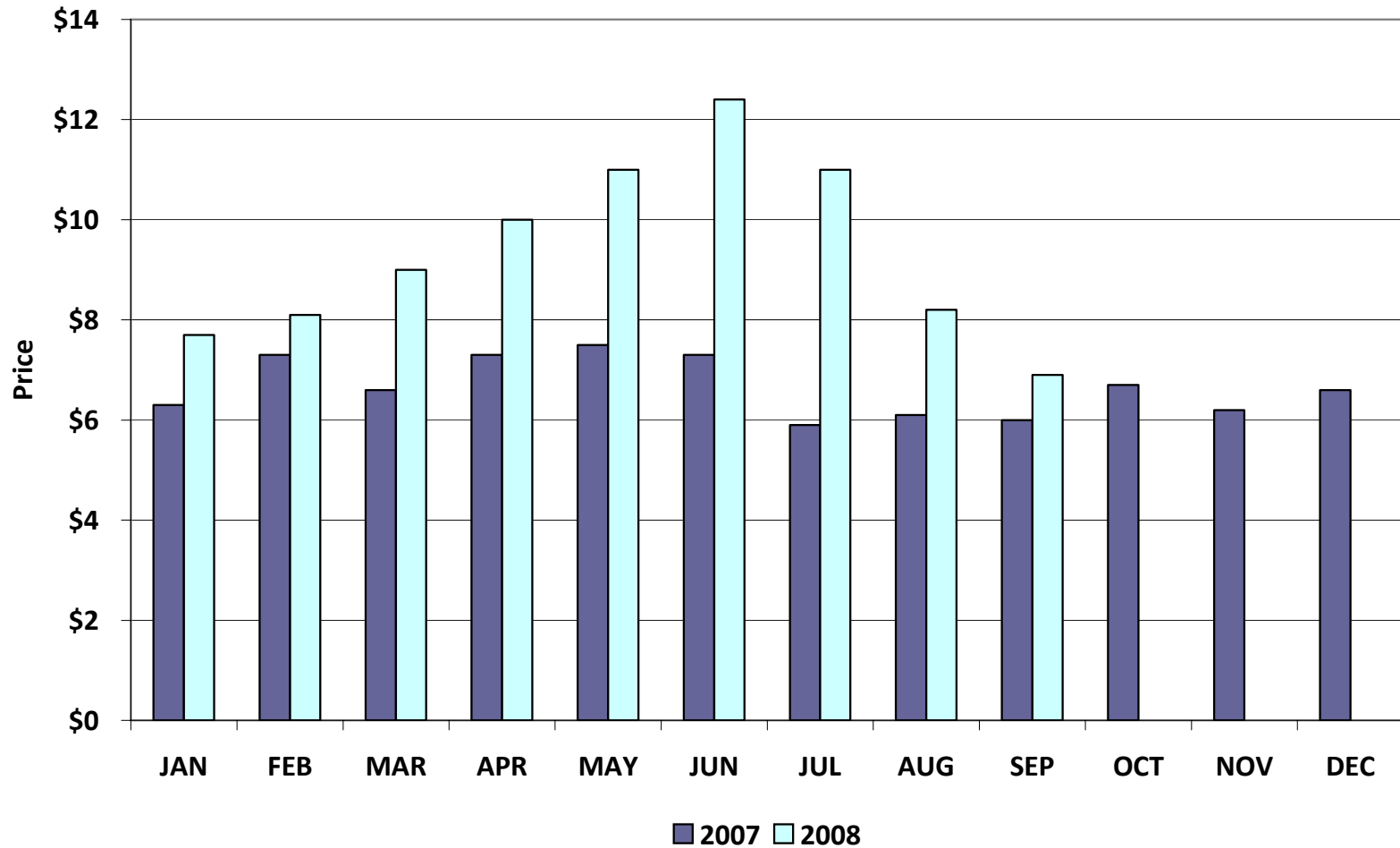
Balancing Energy Down Costs (\$ in millions)



*Please note: October data will be provided at the Board meeting

Natural Gas Price Index

Natural Gas Price Index (\$/MMBTU)



Load Zone Price Data

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

[MCPE weighted by Total Zonal Load]

<u>LOAD ZONE</u>	<u>Sep 2008</u>	<u>Aug 2008</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	\$46.77	\$88.47	\$97.86	\$147.24	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$45.38	\$89.19	\$97.08	\$104.37	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$48.61	\$88.40	\$97.30	\$129.48	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$43.72	\$84.92	\$90.98	\$82.22	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

<u>LOAD ZONE</u>	<u>Sep 2007</u>	<u>Aug 2007</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	\$67.99	\$60.74	\$50.78	\$58.71	\$57.90	\$59.71	\$56.15	\$54.37	\$53.13
North	\$67.91	\$60.35	\$52.71	\$58.60	\$55.85	\$57.98	\$56.29	\$54.94	\$52.87
Houston	\$67.30	\$61.24	\$51.51	\$59.75	\$60.07	\$61.76	\$56.02	\$53.83	\$52.07
West	\$64.86	\$57.90	\$52.09	\$58.34	\$55.02	\$55.31	\$55.45	\$54.84	\$52.79

**Represents the average price for loads within the zone*

Please note: October data will be provided at the Board meeting

- **Added Reps**

- ✓ TexRep2, LLC

- **Deleted Reps**

- ✓ None

- **Added QSEs**

- ✓ NRG Texas Wind (SQ1)
- ✓ Commerce Energy, Inc.
- ✓ Invenergy Turkey Track (SQ5)
- ✓ Bull Creek Wind, LLC
- ✓ Texas Gulf Wind, LLC
- ✓ Citadel Energy Strategies, LLC

- **Deleted QSEs**

- ✓ None

Questions ?