



Market Operations Presentation

ERCOT Board of Directors
January 20, 2009

Betty Day

Retail Activity

- **Overall Activity** – Switching activity higher in 2008 than 2007. Move-In and Move-Out volumes slightly lower in 2008 than 2007.
- **Transaction Performance Measures** – Performance in all Q4 months were above the 98% target for Switches and Move-In/Move-Out (standard and priority).

Wholesale Activity

- **Settlements & Billing Performance Measures** – Continued strong performance for delivery of statements and invoices.
- **Energy Services** – Natural gas prices have returned to levels comparable to 2007 after a summer high of more than \$12/MMBTU. Balancing energy services continue to be greater in 2008 than 2007.
- **Summary Balancing Energy Price Data & Total Load Data** – Prices in November were at the lowest level to date in 2008.
- **REPs and QSEs Added/Deleted**
 - 3 new REPs
 - 0 deleted REPs
 - 7 new QSEs
 - 3 deleted QSEs

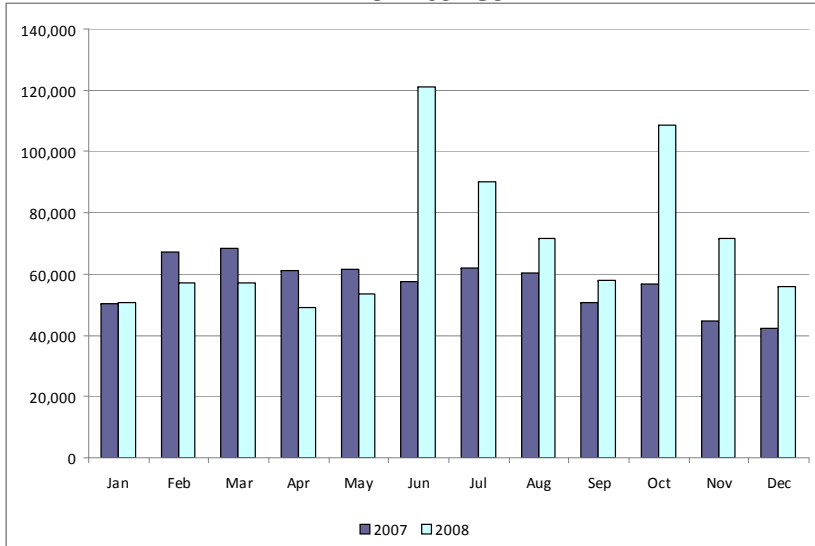
Retail Transactions Summary

Transaction Type	YTD		December	
	<u>12/31/2008</u>	<u>12/31/2007</u>	<u>2008</u>	<u>2007</u>
Switches	822,607	715,239	73,680	45,561
Move - Ins	2,308,091	2,337,905	169,609	167,992
Move Out	1,266,190	1,321,304	100,636	98,451
CSA (Continuous Service Agreement)	316,408	351,386	14,719	25,503
Mass Transition	42,898	853	0	0
Total	4,756,194	4,726,687	358,644	337,507
Since June 1, 2001	31,038,868			

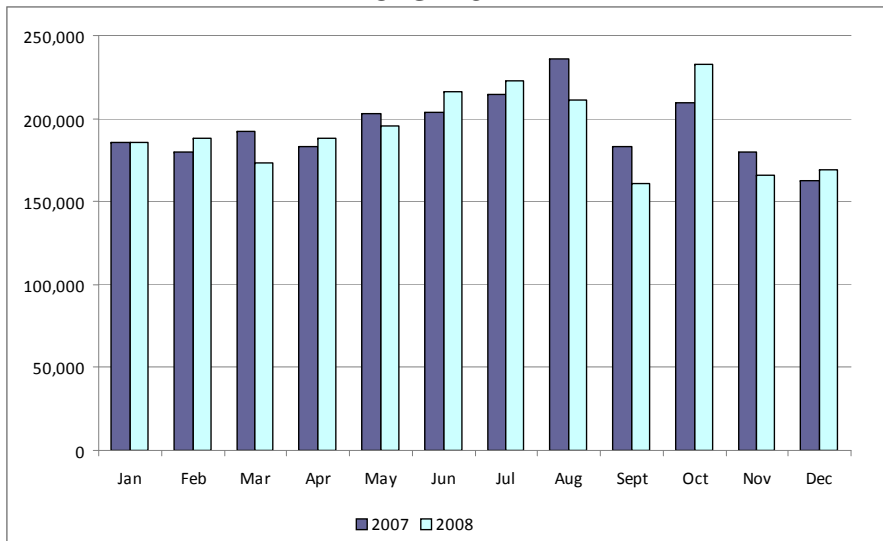
* Reflects only Completed transactions during the period.

Retail Transactions Summary*

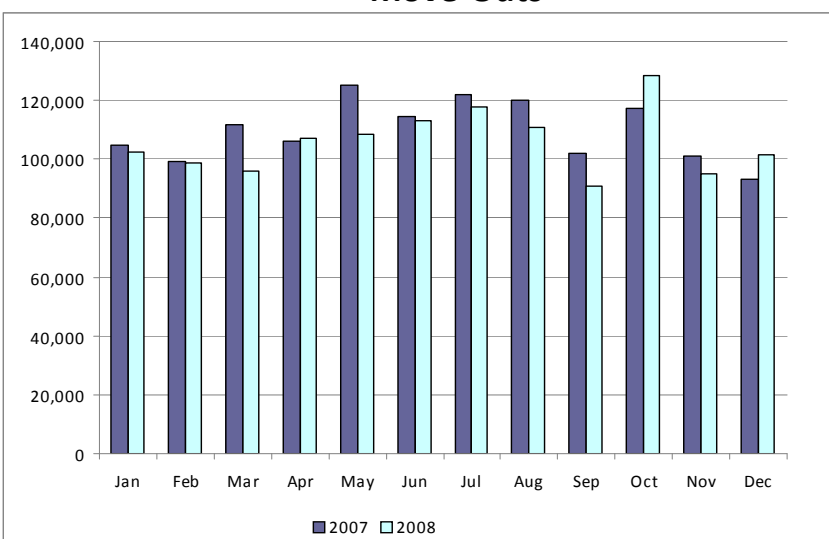
Switches



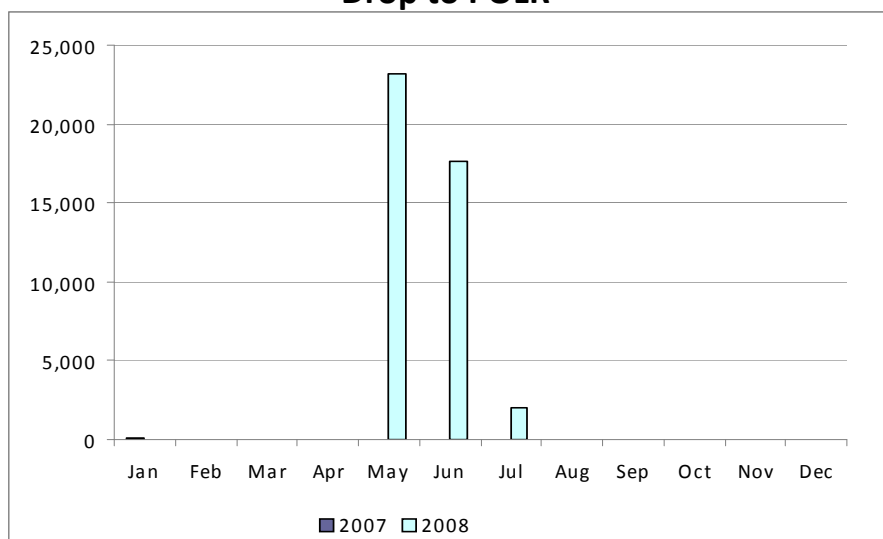
Move-Ins



Move-Outs



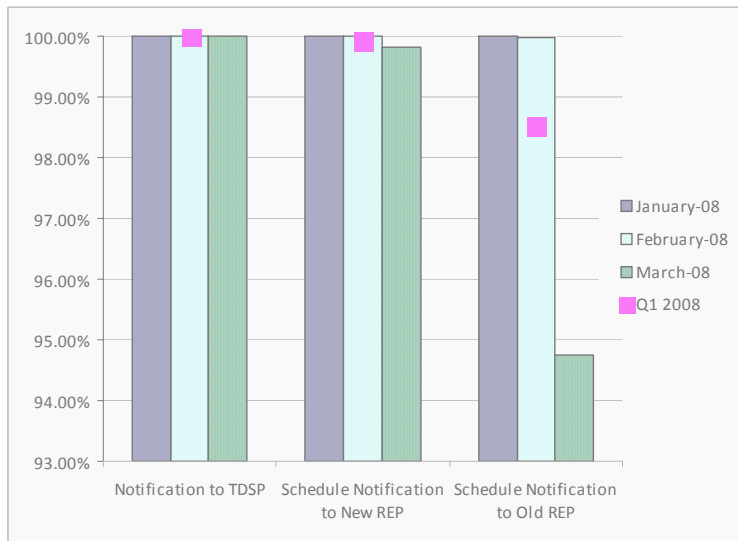
Drop to POLR



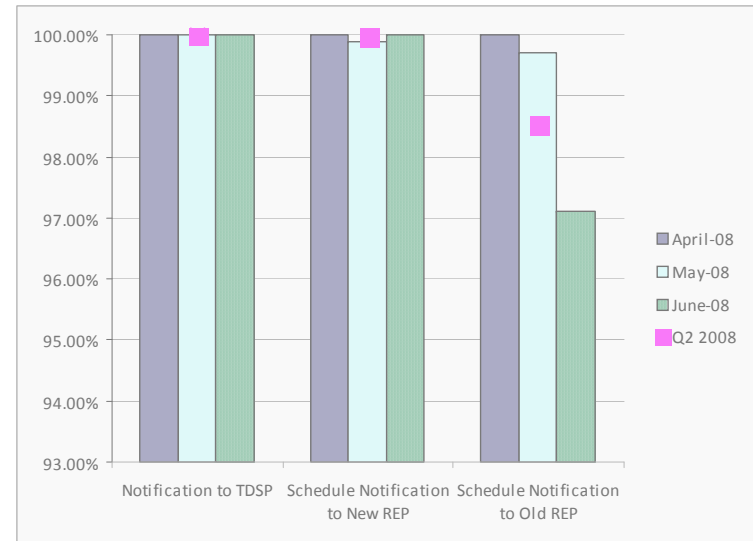
* Includes Scheduled, In Review, and Completed transactions during the period.

Retail Performance Measures – 2008 Switch

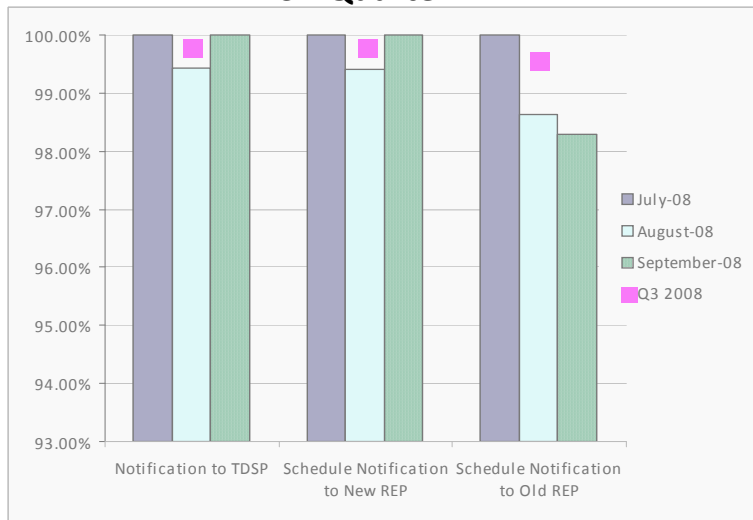
1st Quarter



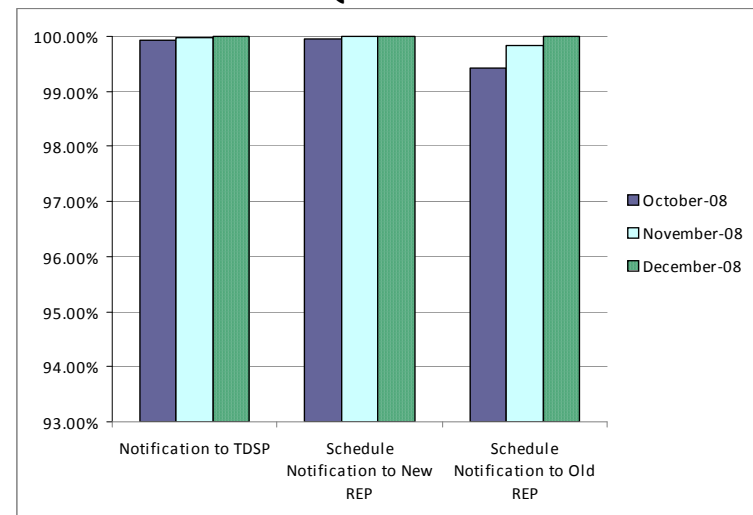
2nd Quarter



3rd Quarter

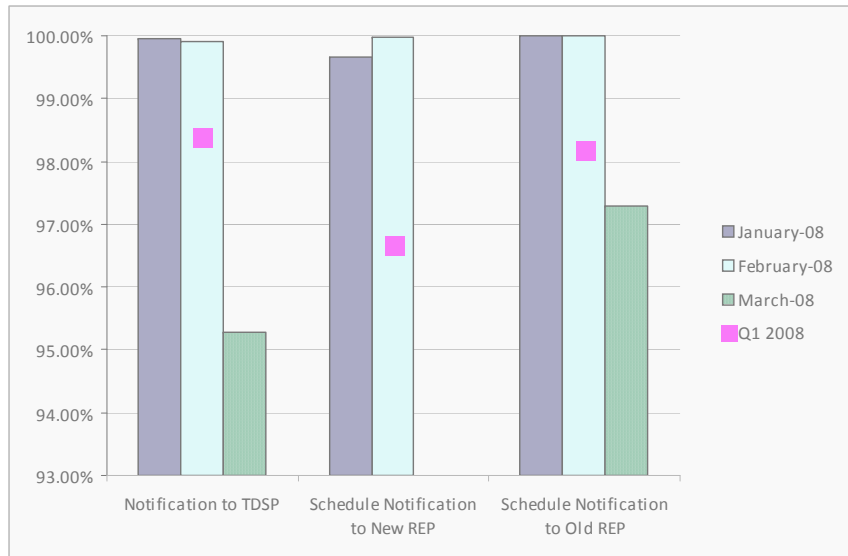


4th Quarter

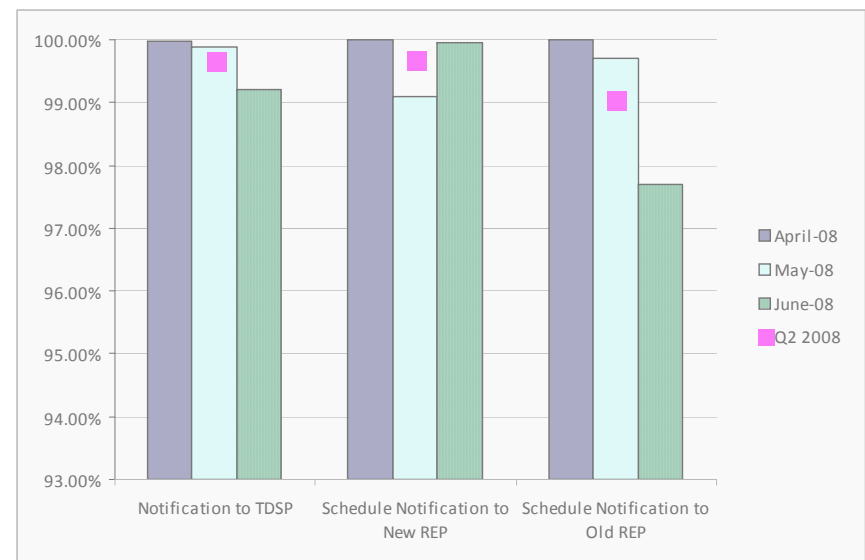


Retail Performance Measures – Q1/Q2 2008 Move-In

1st Quarter



2nd Quarter

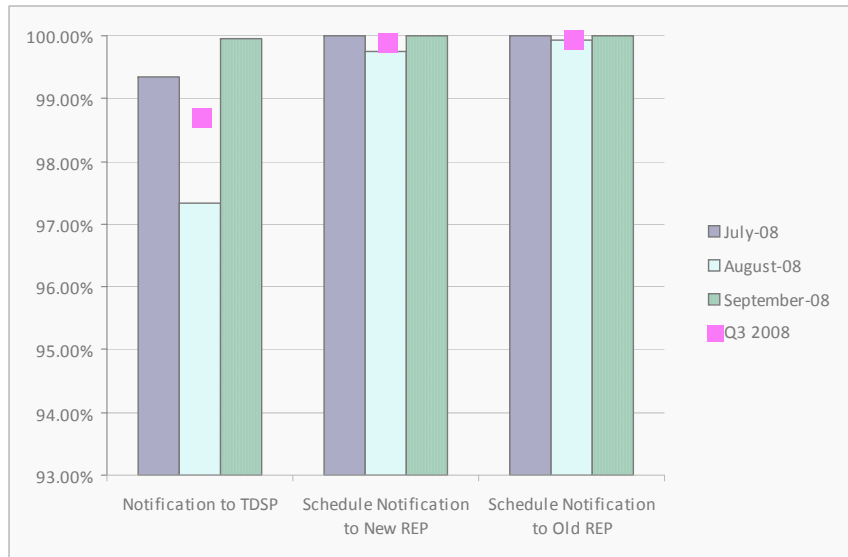


Transaction Performance Measures

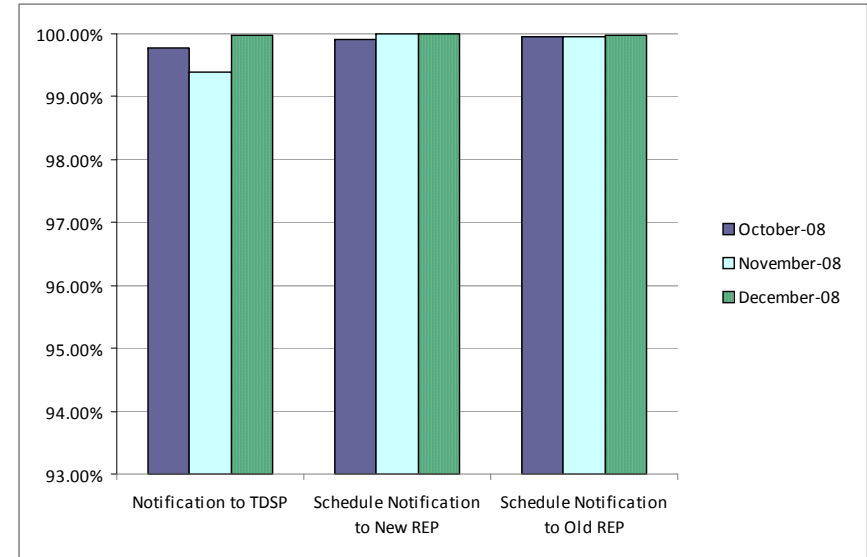
- July started new reporting requirements, split out of Priority and Standard Move-ins
- Q1 and Q2 graphs show all move-ins, no priority category
- Q3 and Q4 will have one set for standard, one set for priority

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

3rd Quarter



4th Quarter

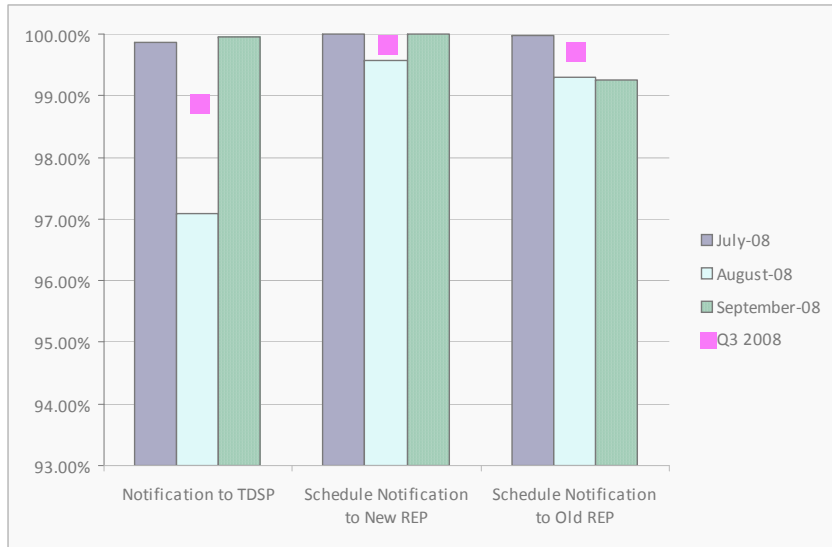


Transaction Performance Measures

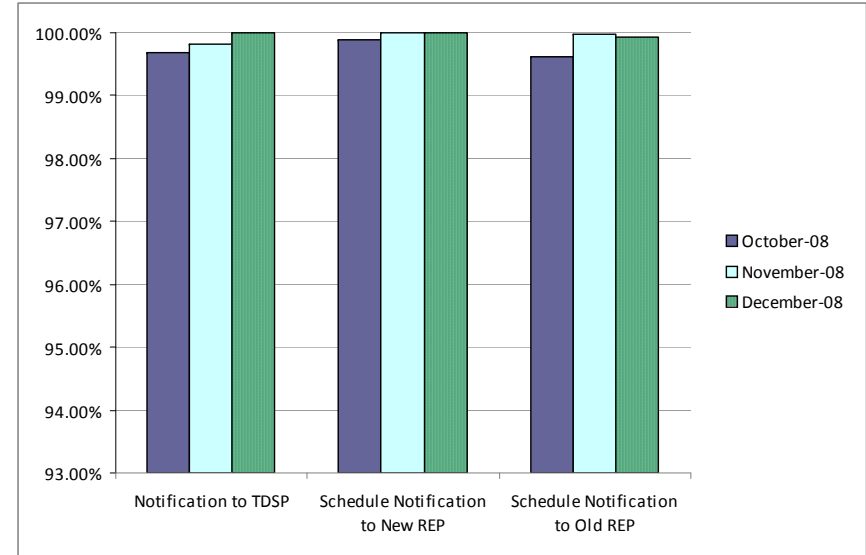
- July started new reporting requirements, split out of Priority and Standard Move-ins
- Priority Move-Ins: 1-hour turnaround
- Standard Move-Ins: 2-hour turnaround

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

3rd Quarter



4th Quarter



Transaction Performance Measures

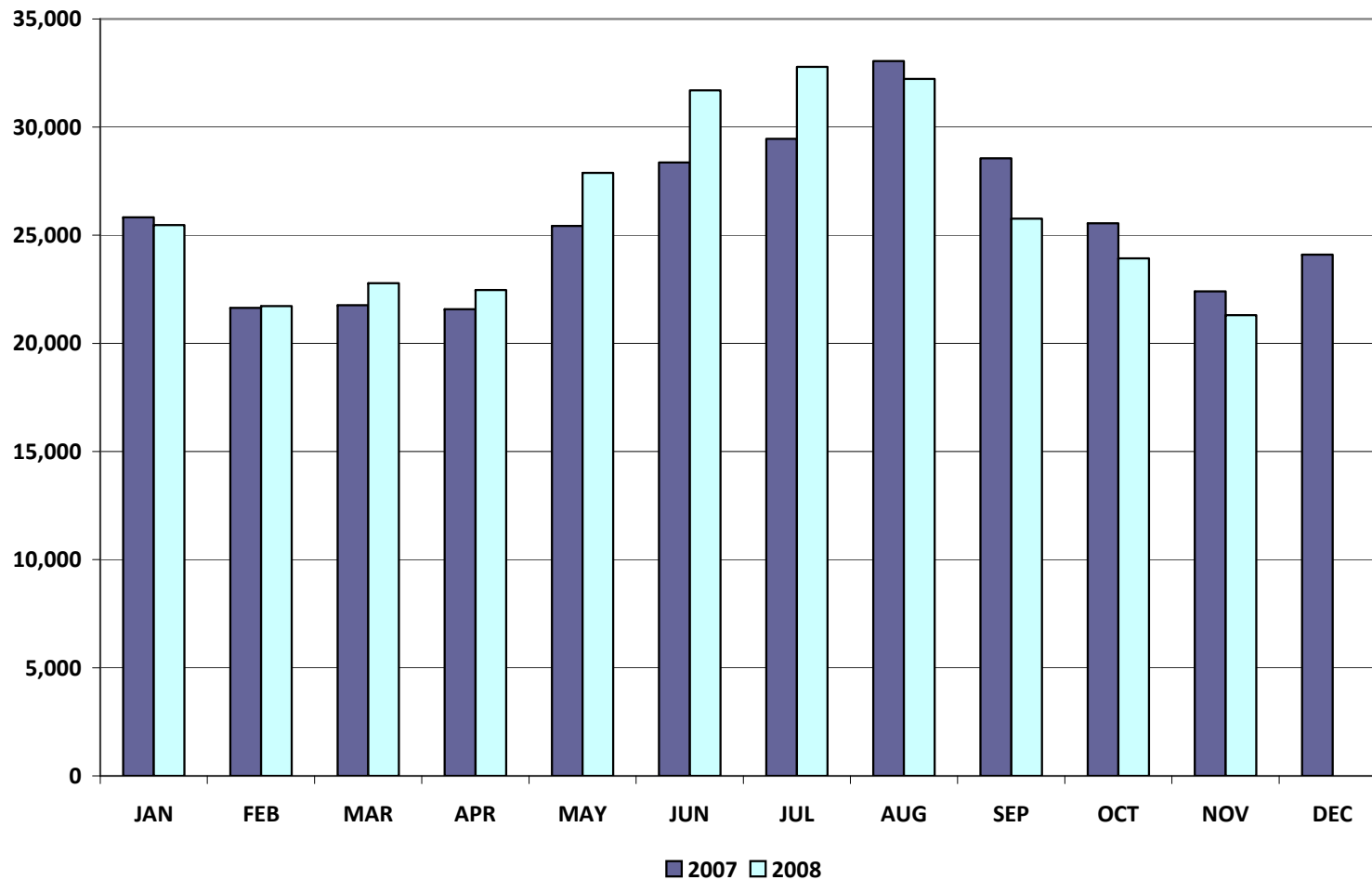
- July started new reporting requirements, split out of Priority and Standard Move-ins
- Priority Move-Ins: 1-hour turnaround
- Standard Move-Ins: 2-hour turnaround

Settlements & Billing Performance Measures – November 2008

	YTD		November	
	<u>11/30/08</u>	<u>11/30/07</u>	<u>2008</u>	<u>2007</u>
Settlement Statements:				
Total	131,270	109,860	10,588	11,245
Late	759	634	0	632
– Less than 24 hours late	754	634	0	632
– Greater than 24 hours late	5	0	0	0
Balance	130,511	109,226	10,588	10,613
% Within Protocol	99.42%	99.42%	100.00%	94.38%
Invoices:				
Total	7,370	6,023	500	669
Late	0	134	0	134
– Less than 24 hours late	0	134	0	134
– Greater than 24 hours late	0	0	0	0
Balance	7,370	5,889	500	535
% Within Protocol	100.00%	97.78%	100.00%	79.97%

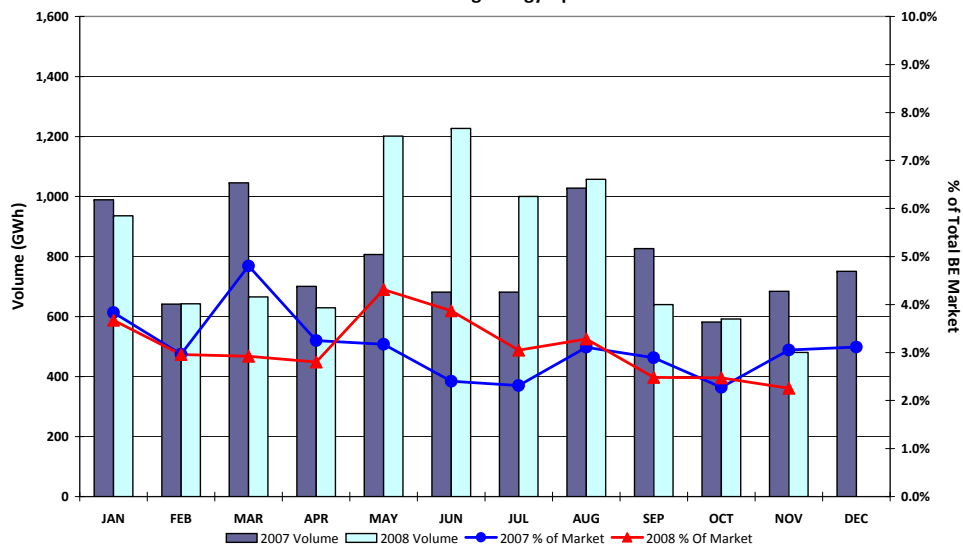
	YTD (\$'s in millions)		November (\$'s in millions)	
	<u>11/30/08</u>	<u>11/30/07</u>	<u>2008</u>	<u>2007</u>
• Market Perspective:				
Approximate Retail Market (at \$.11/kWh)	\$31,684.80	\$31,200.60	\$2,343.90	\$2,464.80
Volume (GWh)	288,044	283,642	21,308	22,407
% Increase	1.6%		-4.9%	
Natural Gas Price Index (\$/MMBTU)	9.0	6.6	6.2	6.2
% Increase	36.4%		0.0%	
• Balancing Energy:				
Balancing Energy - Up	\$1,030.2	\$611.4	\$28.9	\$44.4
% Increase	68.5%		-34.9%	
Up (GWh)	8,953.0	8,668.1	480.3	683.9
% Increase	3.3%		-29.8%	
% of Market	3.1%	3.1%	2.3%	3.1%
Balancing Energy - Down	-\$474.0	-\$400.7	-\$17.8	-\$14.1
% Increase	18.3%		26.2%	
Down (GWh)	-11,408.4	-9,369.0	-1,009.1	-553.3
% Increase	21.8%		82.4%	
% of Market	4.0%	3.3%	4.7%	2.5%

Total Market Volume (GWh)

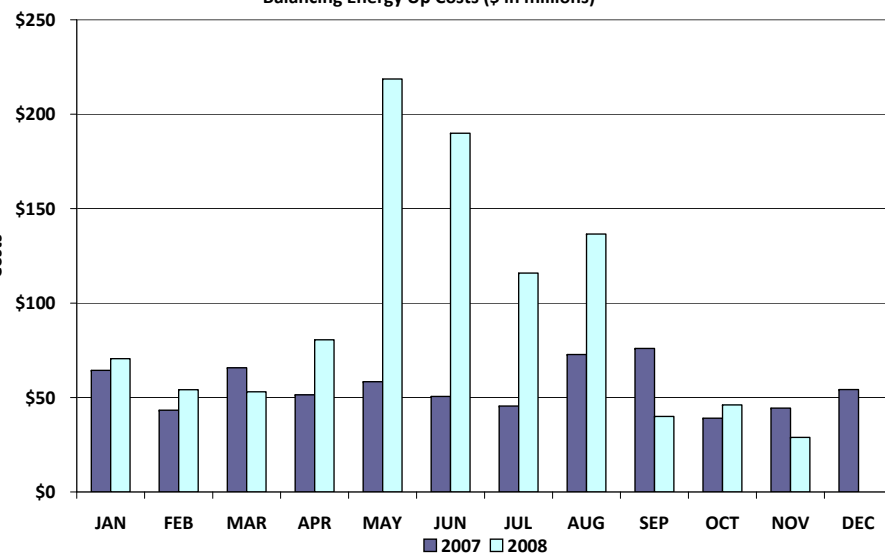


Balancing Energy Services – Volume and Cost

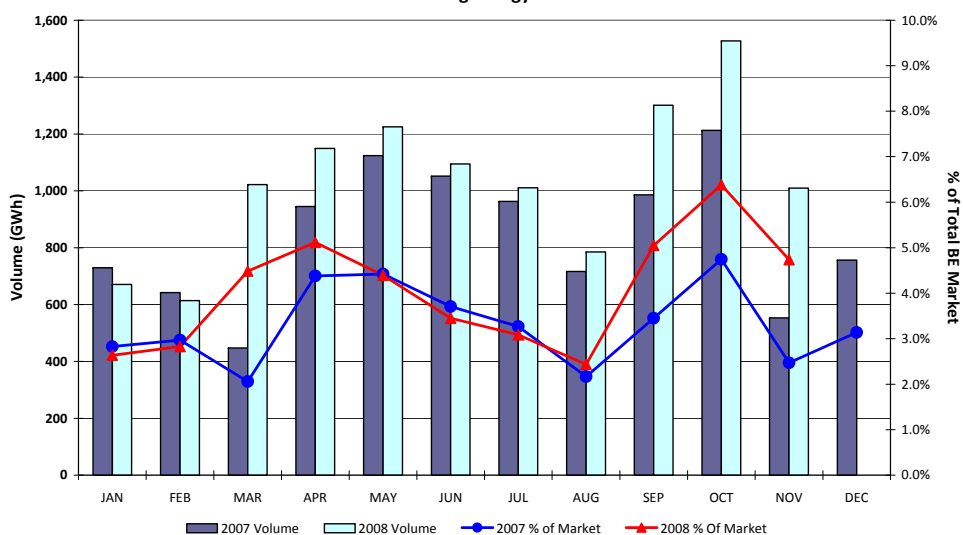
Balancing Energy Up



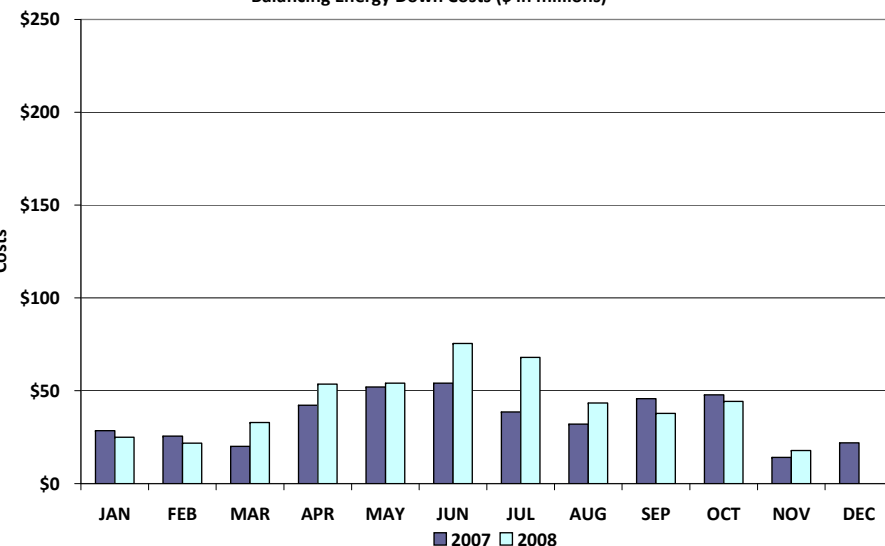
Balancing Energy Up Costs (\$ in millions)



Balancing Energy Down



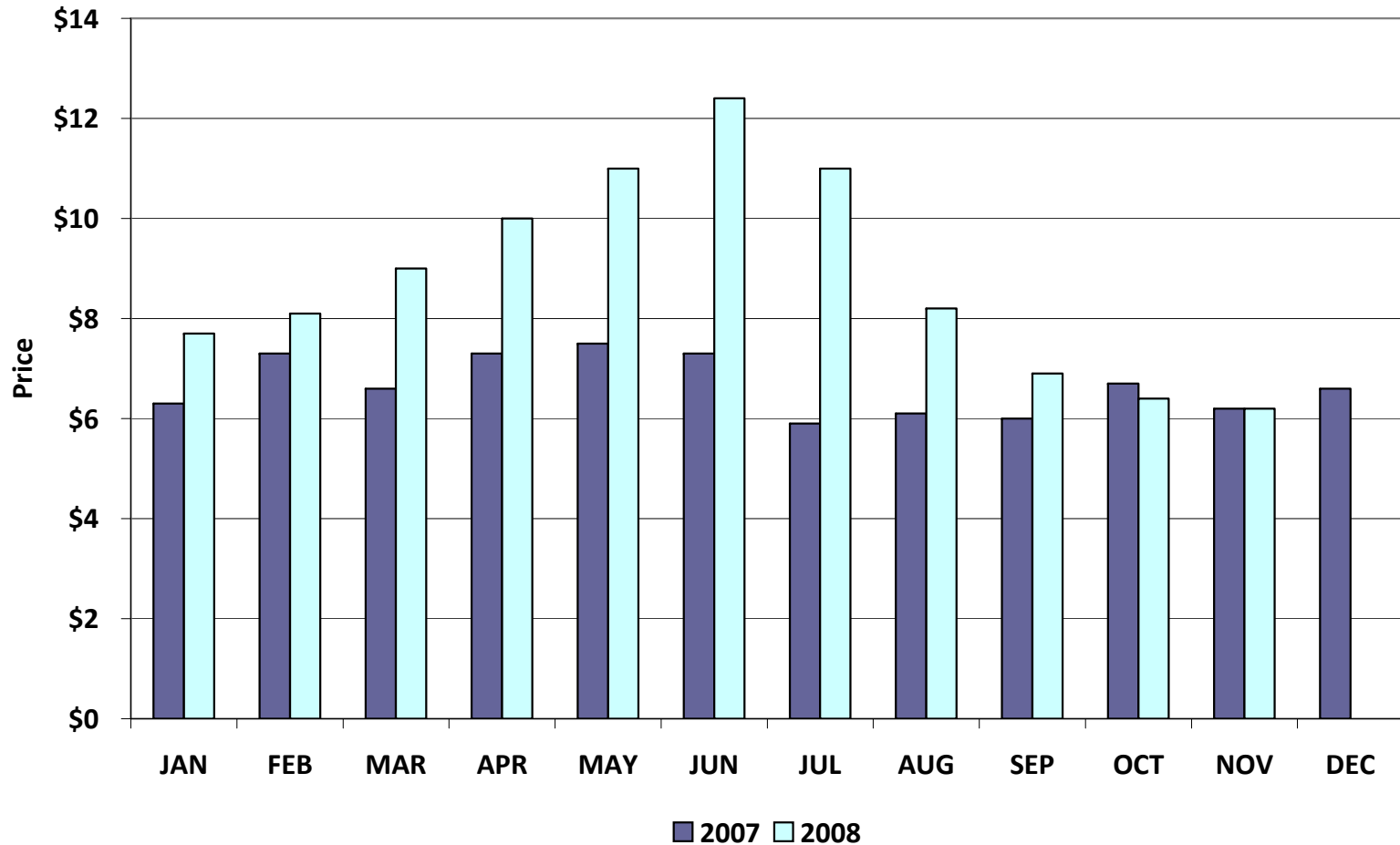
Balancing Energy Down Costs (\$ in millions)



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

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]

LOAD ZONE	Nov 2008	Oct 2008	Sep 2008	Aug 2008	July 2008	June 2008	May 2008	Apr 2008	Mar 2008	Feb 2008	Jan 2008
South	\$41.11	\$55.19	\$46.77	\$88.47	\$97.86	\$147.24	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$40.69	\$48.98	\$45.38	\$89.19	\$97.08	\$104.37	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$40.88	\$56.01	\$48.61	\$88.40	\$97.30	\$129.48	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$34.62	\$41.16	\$43.72	\$84.92	\$90.98	\$82.22	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

LOAD ZONE	Nov 2007	Oct 2007	Sep 2007	Aug 2007	July 2007	June 2007	May 2007	Apr 2007	Mar 2007	Feb 2007	Jan 2007
South	\$50.46	\$49.79	\$67.99	\$60.74	\$50.78	\$58.71	\$57.90	\$59.71	\$56.15	\$54.37	\$53.13
North	\$48.96	\$51.14	\$67.91	\$60.35	\$52.71	\$58.60	\$55.85	\$57.98	\$56.29	\$54.94	\$52.87
Houston	\$52.59	\$54.78	\$67.30	\$61.24	\$51.51	\$59.75	\$60.07	\$61.76	\$56.02	\$53.83	\$52.07
West	\$42.15	\$48.53	\$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: December data will be provided at the Board Q&A**

• Added Reps

- ✓ Reliant Energy Services Texas, LLC
- ✓ Reliant Energy Services Retail, LLC
- ✓ Weir Investments Fund, LLC

• Deleted Reps

- ✓ None

• Added QSEs

- ✓ Altres Energy, LLC
- ✓ EC & R Pyron (SQ3)
- ✓ PSEG Energy Resources & Trade, LLC (Odessa) (SQ2)
- ✓ PSEG Energy Resources & Trade, LLC (Guadalupe) (SQ1)
- ✓ Nooruddin Investments, LLC d/b/a Discount Power
- ✓ Fortis (SQ3)
- ✓ City of Garland (SQ2)

• Deleted QSEs

- ✓ NM Energy of Texas, LLC
- ✓ Lehman Brothers Bilateral (SQ2)
- ✓ Bear Energy, LP

Questions ?