



# Market Operations Presentation

ERCOT Board of Directors  
February 17, 2009

**Betty Day**

## Retail Activity

- **Overall Activity** – Switching activity continues to be healthy.
- **Migration From Native AREPs** – Movement from the Native AREP continues to be strong in the Small Non-Residential customer group.
- **Transaction Performance Measures** – Performance exceeded the 98% target in January 2009 for Switches and Move-Ins (Priority and Standard).

## Wholesale Activity

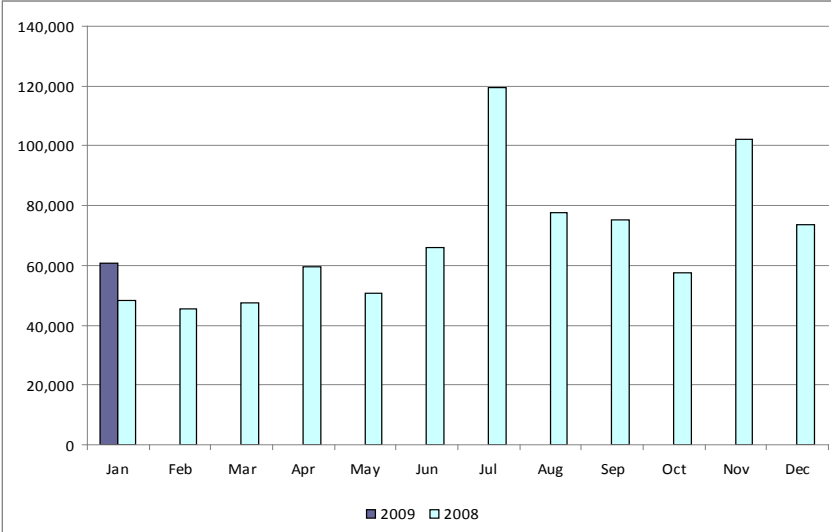
- **Settlements & Billing Performance Measures** – Perfect performance in December 2008 for statements and invoices.
- **Energy Services** – Total market volume increased in December 2008. There was a significant amount of balancing energy down in December. Natural gas prices in December were at the lowest level in more than 2 years.
- **Summary Balancing Energy Price Data & Total Load Data** – December 2008 prices continued to be at lower levels than in prior months of 2008 and in all of 2007.
- **REPs and QSEs Added/Deleted**
  - 2 new REPs
  - 7 new QSEs
  - 0 deleted REPs
  - 1 deleted QSEs

## Retail Transactions Summary

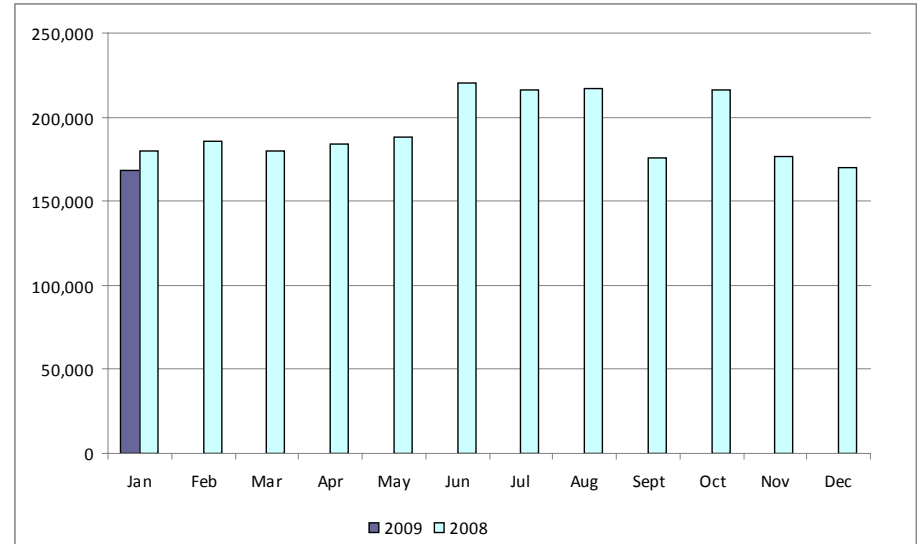
Transaction Type	YTD		January	
	<u>01/31/2009</u>	<u>01/31/2008</u>	<u>2009</u>	<u>2008</u>
Switches	60,812	48,458	60,812	48,458
Move - Ins	168,325	179,672	168,325	179,672
Move Out	97,589	97,709	97,589	97,709
CSA (Continuous Service Agreement)	25,962	25,210	25,962	25,210
Mass Transition	0	0	0	0
<b>Total</b>	<b>352,688</b>	<b>351,049</b>	<b>352,688</b>	<b>351,049</b>
Since June 1, 2001	31,391,556			

# Retail Transactions Summary

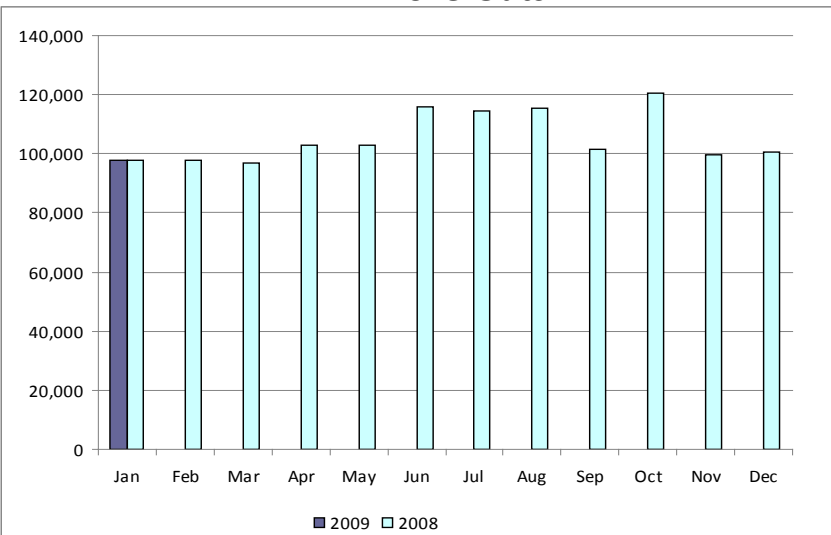
## Switches



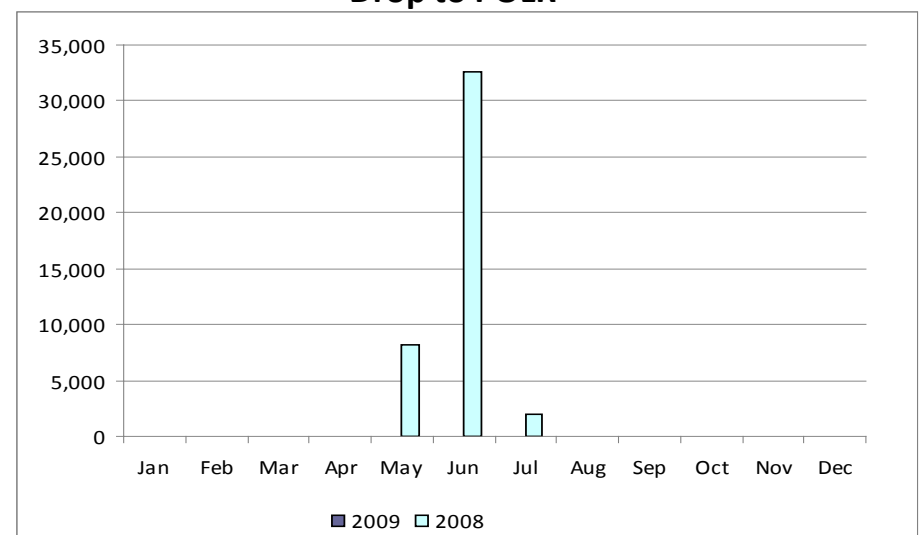
## Move-Ins



## Move-Outs



## Drop to POLR

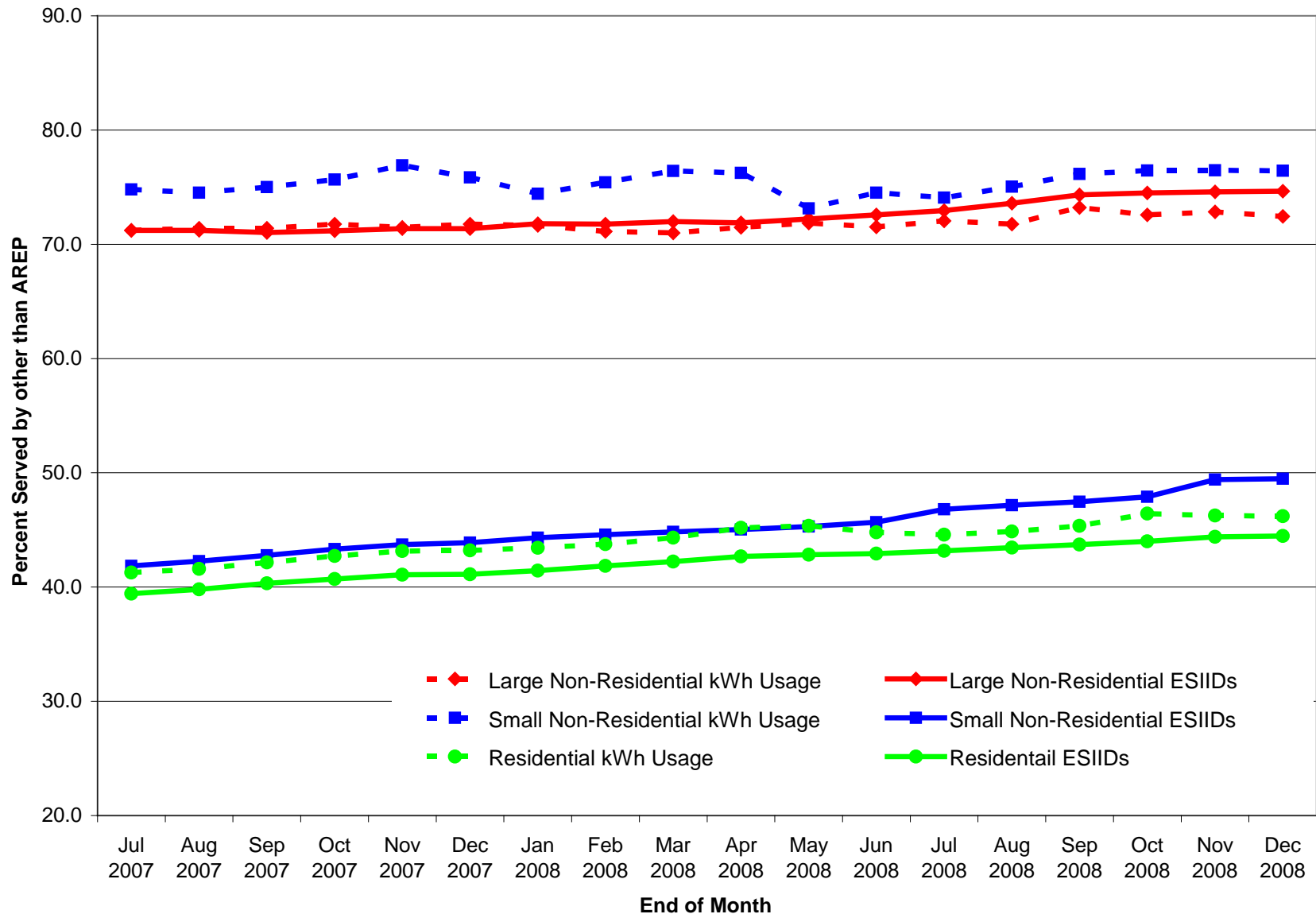


# Migration from Native Affiliate REP

	<b>% of Load <sup>1</sup></b>	<b>% of ESI IDs</b>	
	<b>at <u>12-31-08</u></b>	<b>at <u>12-31-08</u></b>	<b>at <u>12-31-07</u></b>
<b>Residential</b>	46%	45%	41%
<b>Small Non-Residential</b>	76%	50%	44%
<b>Large Non-Residential</b>	72%	75%	71%

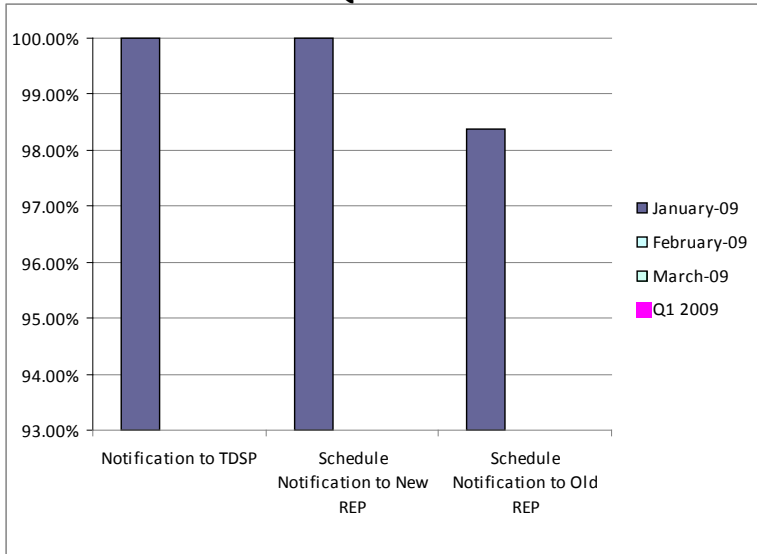
<sup>1</sup> - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

# Migration from Native Affiliate REP



# Retail Performance Measures – 2009 Switch

## 1<sup>st</sup> Quarter



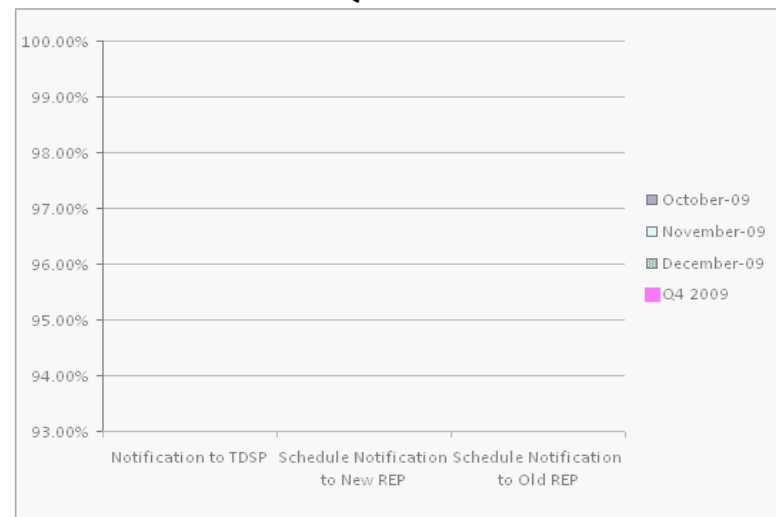
## 2<sup>nd</sup> Quarter



## 3<sup>rd</sup> Quarter

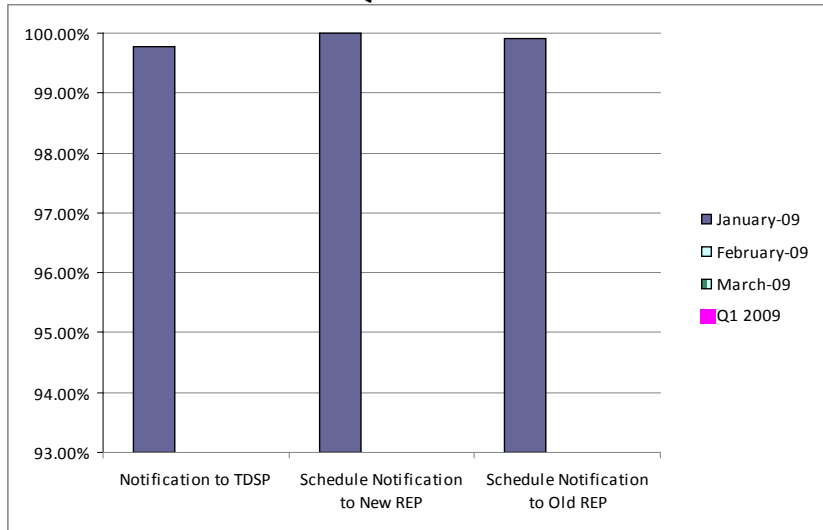


## 4<sup>th</sup> Quarter



# Retail Performance Measures – 2009 Move-In / Priority

## 1<sup>st</sup> Quarter



## 2<sup>nd</sup> Quarter



## 3<sup>rd</sup> Quarter



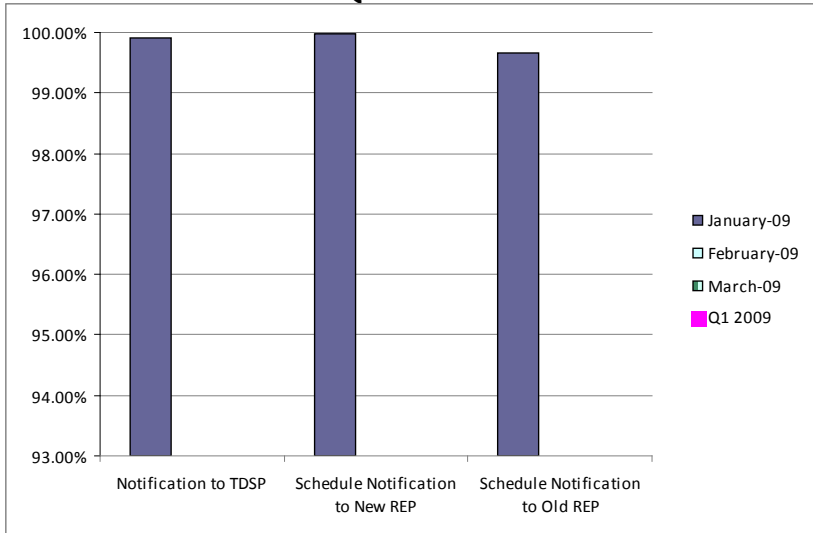
## 4<sup>th</sup> Quarter



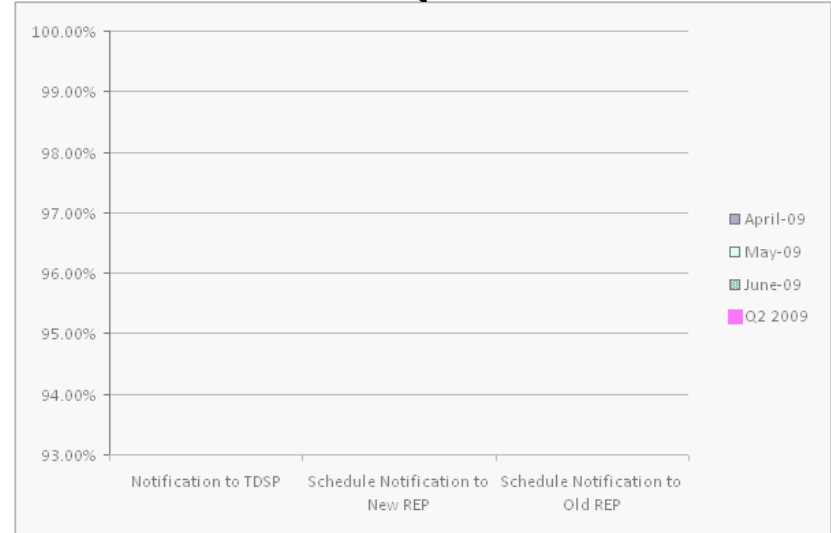


# Retail Performance Measures – 2009 Move-In / Standard

## 1<sup>st</sup> Quarter



## 2<sup>nd</sup> Quarter



## 3<sup>rd</sup> Quarter



## 4<sup>th</sup> Quarter

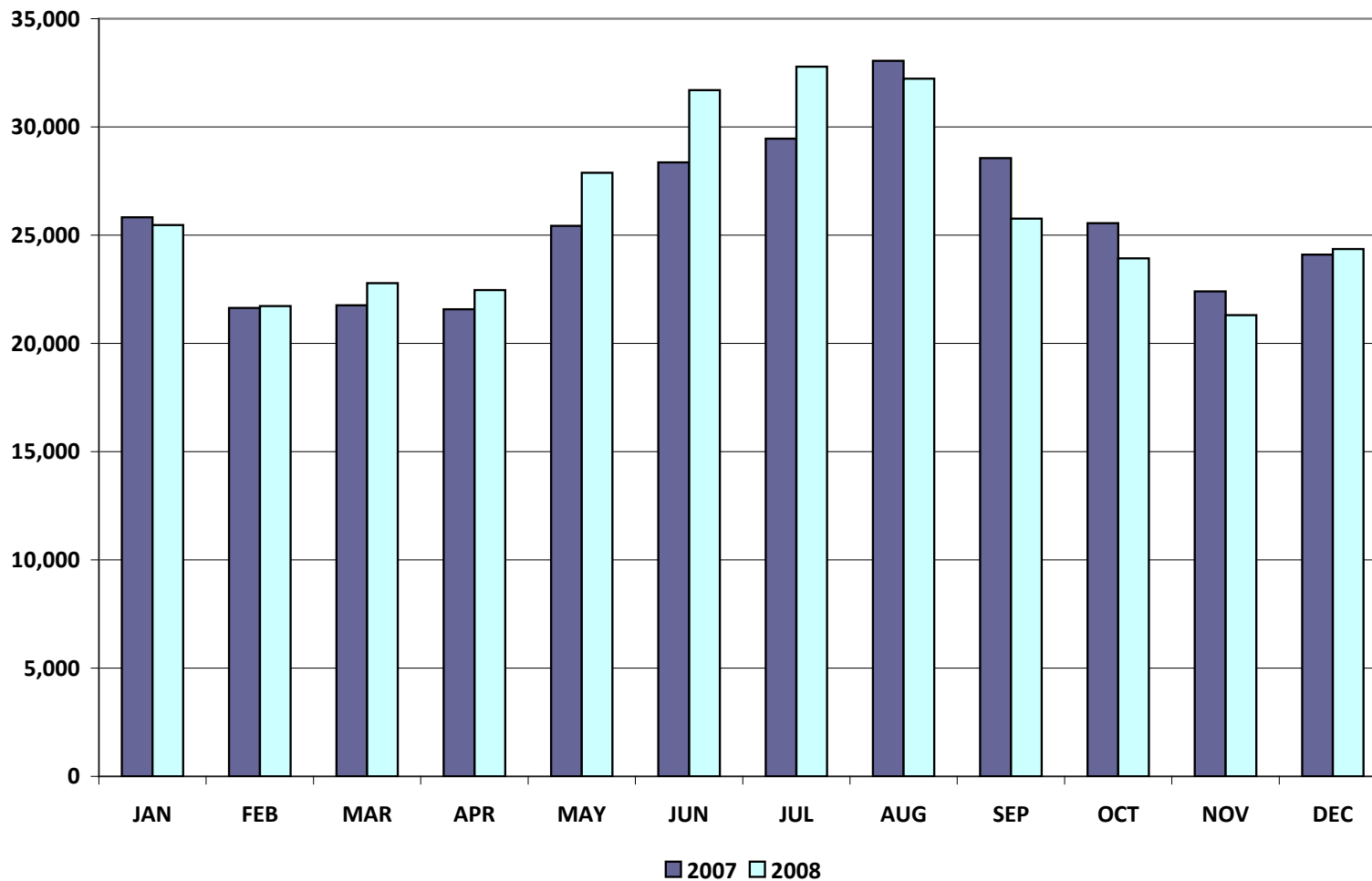


# Settlements & Billing Performance Measures – December 2008

	YTD		December	
	<u>12/31/08</u>	<u>12/31/07</u>	<u>2008</u>	<u>2007</u>
<b>Settlement Statements:</b>				
Total	145,604	120,697	14,334	10,837
Late	759	753	0	119
– Less than 24 hours late	<b>754</b>	<b>753</b>	<b>0</b>	<b>119</b>
– Greater than 24 hours late	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance	144,845	119,944	14,334	10,718
% Within Protocol	<b>99.48%</b>	<b>99.38%</b>	<b>100.00%</b>	<b>98.90%</b>
<b>Invoices:</b>				
Total	8,244	6,568	874	545
Late	0	134	0	0
– Less than 24 hours late	<b>0</b>	<b>134</b>	<b>0</b>	<b>0</b>
– Greater than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance	8,244	6,434	874	545
% Within Protocol	<b>100.00%</b>	<b>97.96%</b>	<b>100.00%</b>	<b>100.00%</b>

	YTD (\$'s in millions)		December (\$'s in millions)	
	<u>12/31/08</u>	<u>12/31/07</u>	<u>2008</u>	<u>2007</u>
• <b>Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.11/kWh)	<b>\$34,364.2</b>	<b>33,852.2</b>	<b>2,679.4</b>	<b>2,651.6</b>
Volume (GWh)	312,402	307,747	24,358	24,105
% Increase	1.5%		1.0%	
Natural Gas Price Index (\$/MMBTU)	8.7	6.6	5.3	6.6
% Increase	31.8%		-19.7%	
• <b>Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$1,068.8</b>	<b>\$665.6</b>	<b>\$38.6</b>	<b>\$54.3</b>
% Increase	60.6%		-28.9%	
Up (GWh)	9,460.5	9,418.5	507.6	750.4
% Increase	0.4%		-32.4%	
% of Market	3.0%	3.1%	2.1%	3.1%
<b>Balancing Energy - Down</b>	<b>-\$503.5</b>	<b>-\$422.8</b>	<b>-\$29.5</b>	<b>-\$22.0</b>
% Increase	19.1%		34.1%	
Down (GWh)	-12,934.5	-10,125.0	-1,526.0	-756.0
% Increase	27.7%		101.9%	
% of Market	4.1%	3.3%	6.3%	3.1%

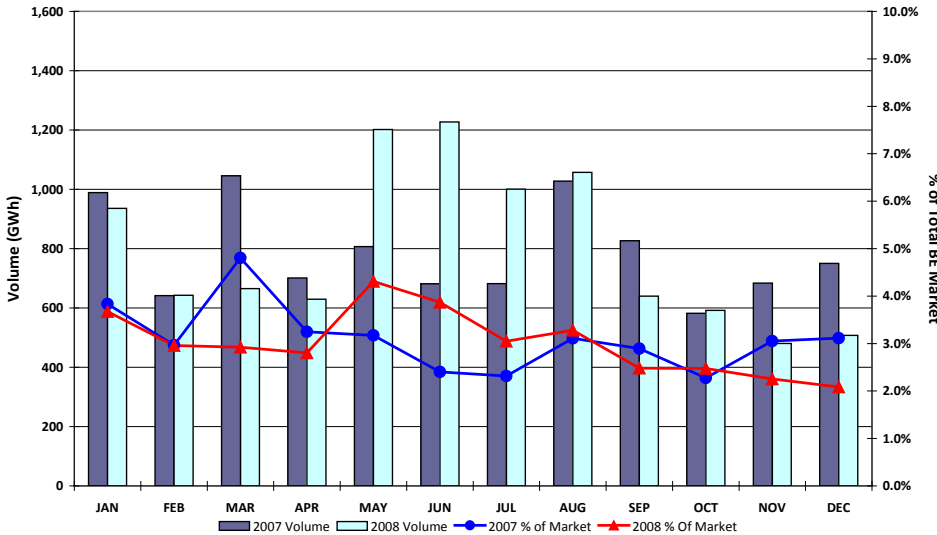
## Total Market Volume (GWh)



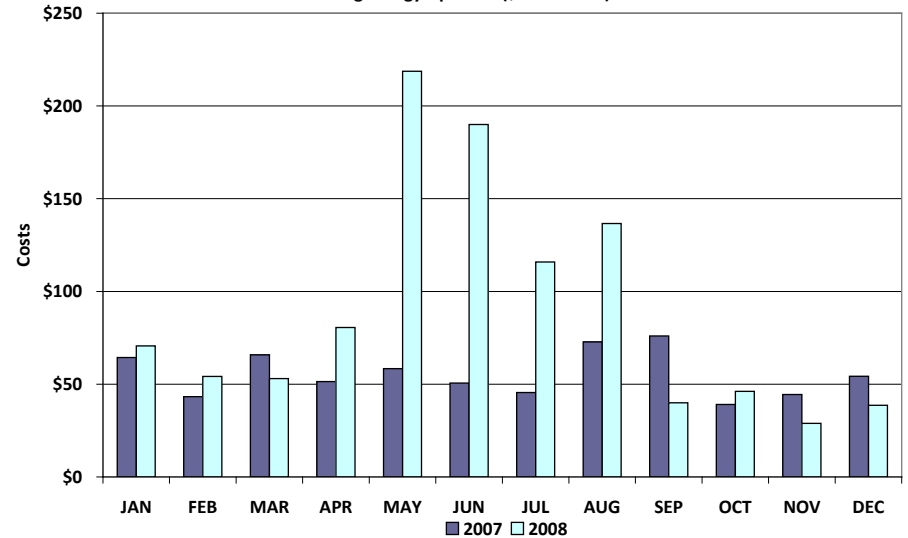
\*Please note: January data will be provided at the Board Q&A

# Balancing Energy Services – Volume and Cost

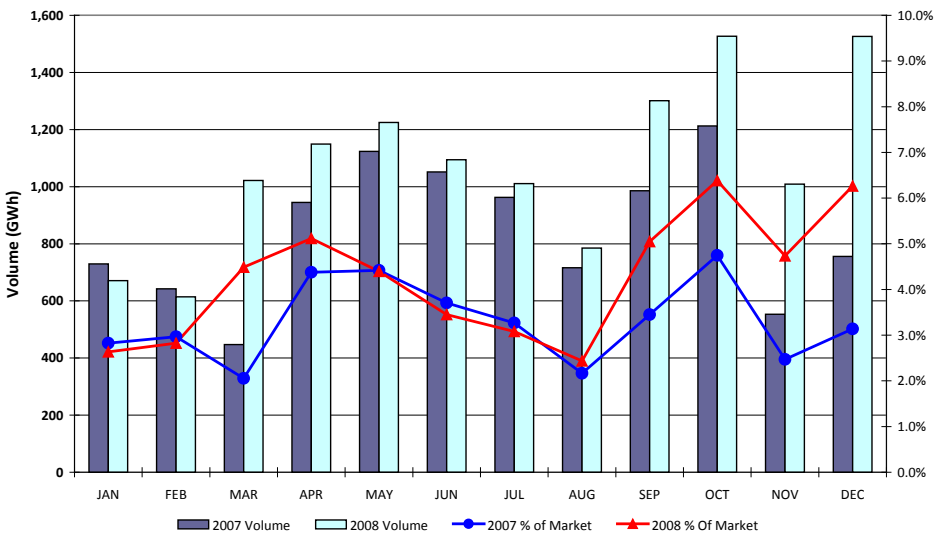
### Balancing Energy Up



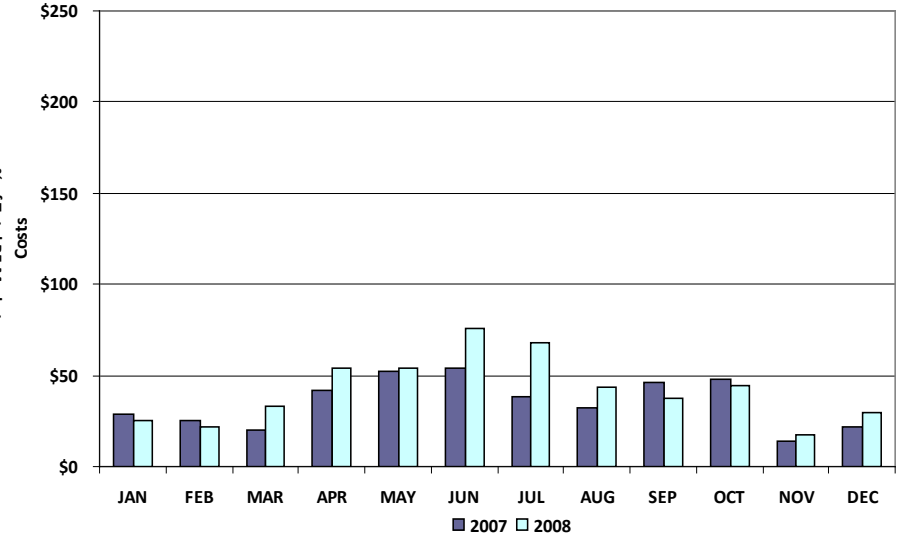
### Balancing Energy Up Costs (\$ in millions)



### Balancing Energy Down



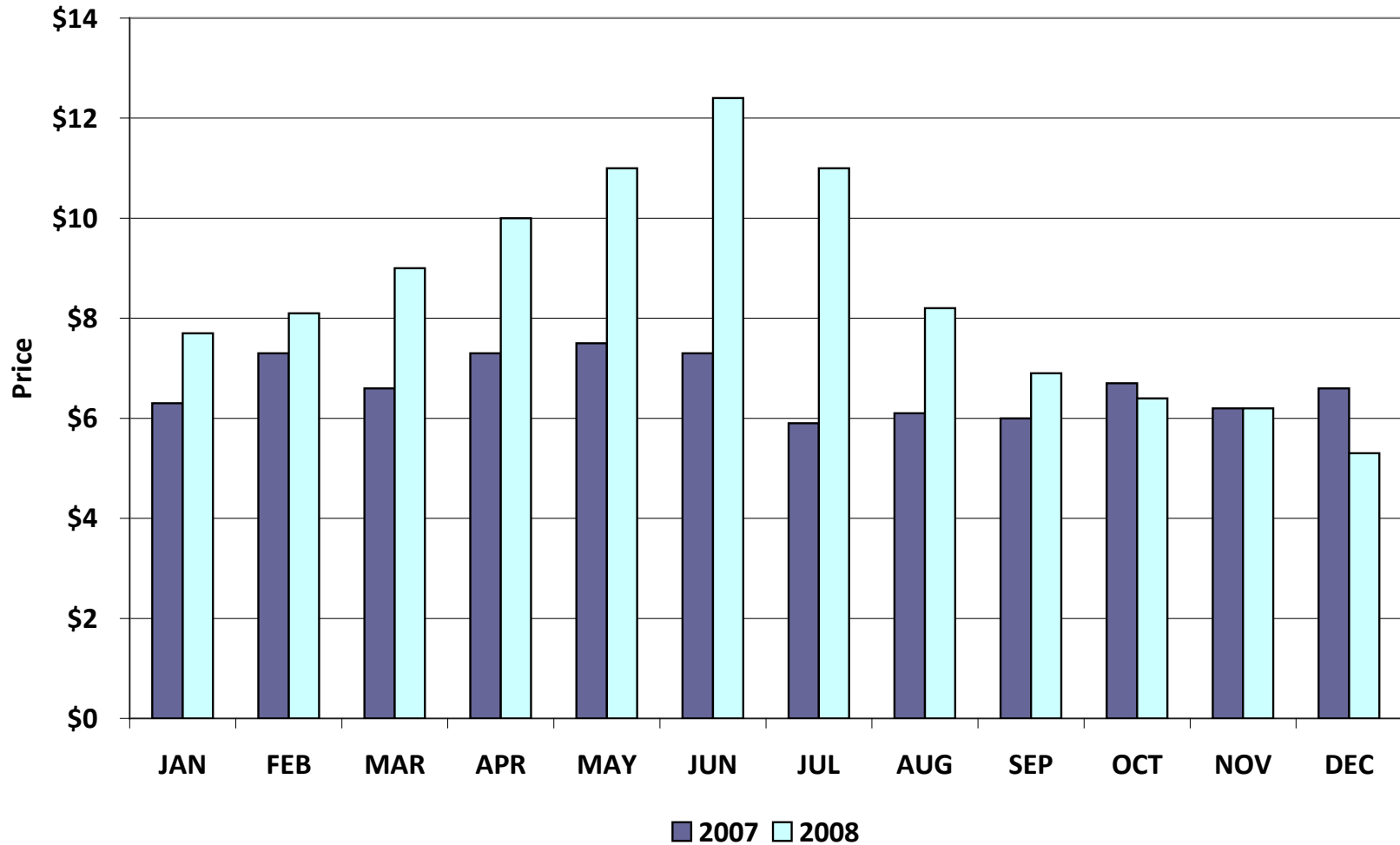
### Balancing Energy Down Costs (\$ in millions)



\*Please note: January 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]

<u>LOAD ZONE</u>	<u>Dec 2008</u>	<u>Nov 2008</u>	<u>Oct 2008</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	\$43.50	\$41.11	\$55.19	\$46.77	\$88.47	\$97.86	\$147.24	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$43.93	\$40.69	\$48.98	\$45.38	\$89.19	\$97.08	\$104.37	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$43.09	\$40.88	\$56.01	\$48.61	\$88.40	\$97.30	\$129.48	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$29.60	\$34.62	\$41.16	\$43.72	\$84.92	\$90.98	\$82.22	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

<u>LOAD ZONE</u>	<u>Dec 2007</u>	<u>Nov 2007</u>	<u>Oct 2007</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	\$51.87	\$50.46	\$49.79	\$67.99	\$60.74	\$50.78	\$58.71	\$57.90	\$59.71	\$56.15	\$54.37	\$53.13
North	\$52.18	\$48.96	\$51.14	\$67.91	\$60.35	\$52.71	\$58.60	\$55.85	\$57.98	\$56.29	\$54.94	\$52.87
Houston	\$51.27	\$52.59	\$54.78	\$67.30	\$61.24	\$51.51	\$59.75	\$60.07	\$61.76	\$56.02	\$53.83	\$52.07
West	\$52.89	\$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: January data will be provided at the Board Q&A

- **Added Reps**

- ✓ Frontier Utilities, Inc.
- ✓ Altres Energy, LLC

- **Added QSEs**

- ✓ Champion Energy Marketing, LLC
- ✓ Champion Energy Marketing Industrial Services (SQ1, SQ2, SQ3, and SQ4)
- ✓ Frontier Utilities, Inc.
- ✓ Invenergy Wind Development, LLC

- **Deleted Reps**

- ✓ None

- **Deleted QSEs**

- ✓ Juice Energy, Inc.



Questions ?