



Market Operations Presentation

ERCOT Board of Directors
March 17, 2009

Betty Day

Retail Activity

- **Overall Activity** – Switching activity continues to be greater in 2009 than 2008.
- **Migration From Native AREPs** – All customer groups show higher migration away from the native AREP in 2009.
- **Transaction Performance Measures** – Transaction performance exceeded the 98% target in February for Switches and Move-Ins (Priority and Standard).

Wholesale Activity

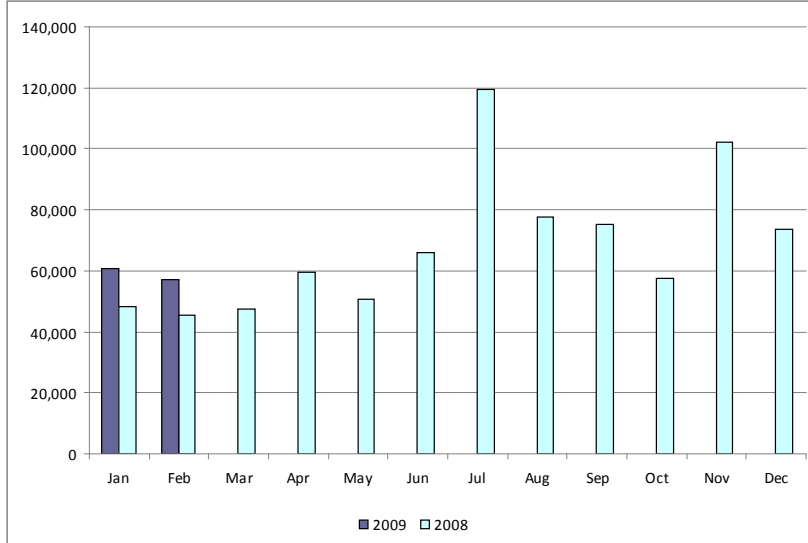
- **Settlements & Billing Performance Measures** – Perfect performance in January. The number of statements and invoices is up compared to last year.
- **Energy Services** – Total market volume is down slightly in January. Natural gas prices are significantly lower than in 2008. Down Balancing continues at higher levels – likely due to wind.
- **Summary Balancing Energy Price Data & Total Load Data** – Market prices are at the lowest levels seen in years – about half of what they were in 2008.
- **REPs and QSEs Added/Deleted**
 - 3 new REPs
 - 0 terminated REPs
 - 1 new QSEs
 - 0 terminated QSEs

Retail Transactions Summary

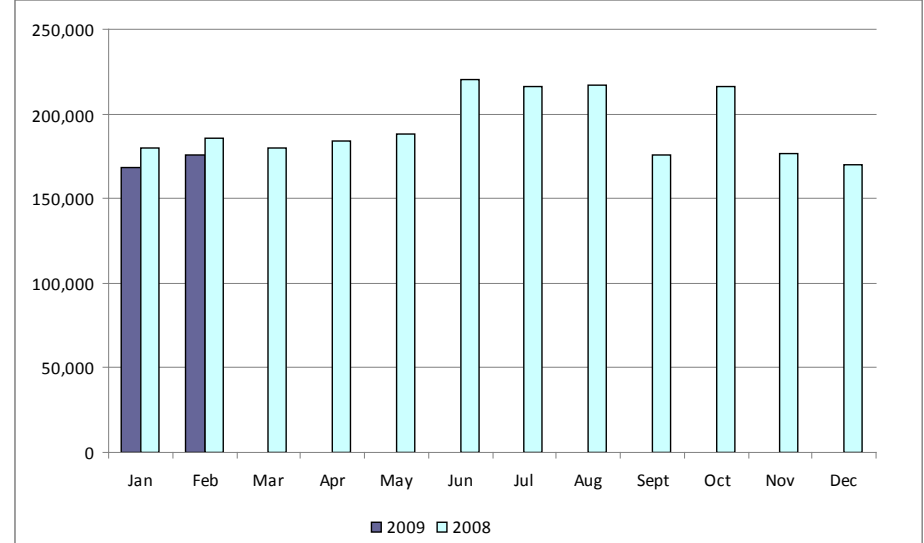
Transaction Type	YTD		February	
	<u>02/28/2009</u>	<u>02/29/2008</u>	<u>2009</u>	<u>2008</u>
Switches	117,839	93,954	57,027	45,496
Move - Ins	343,703	364,992	175,378	185,320
Move Out	191,399	195,441	93,810	97,732
CSA (Continuous Service Agreement)	63,440	58,924	37,478	33,714
Mass Transition	0	0	0	0
Total	716,381	713,311	363,693	362,262
Since June 1, 2001	31,755,249			

Retail Transactions Summary

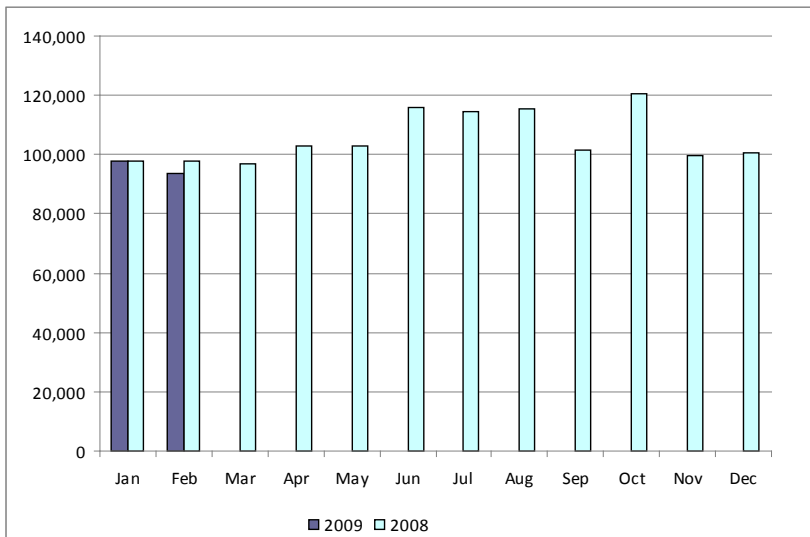
Switches



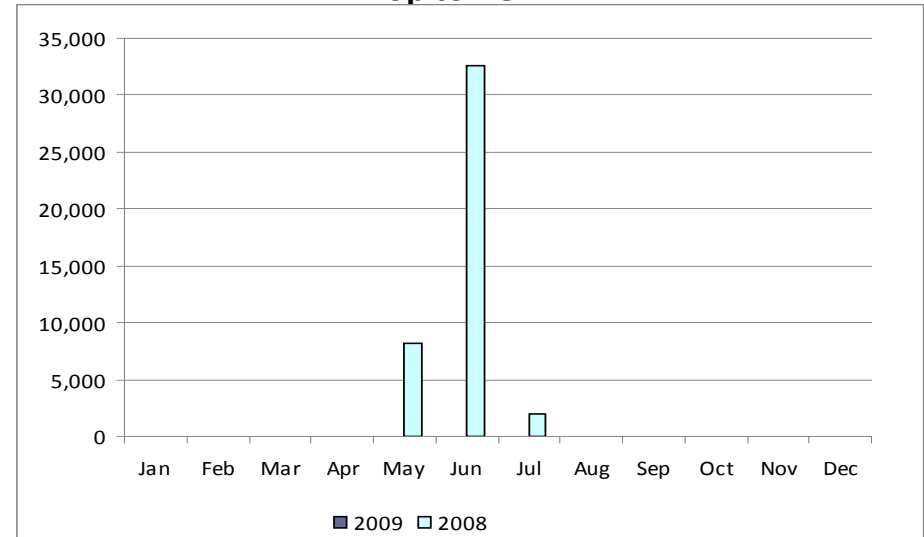
Move-Ins



Move-Outs



Drop to POLR

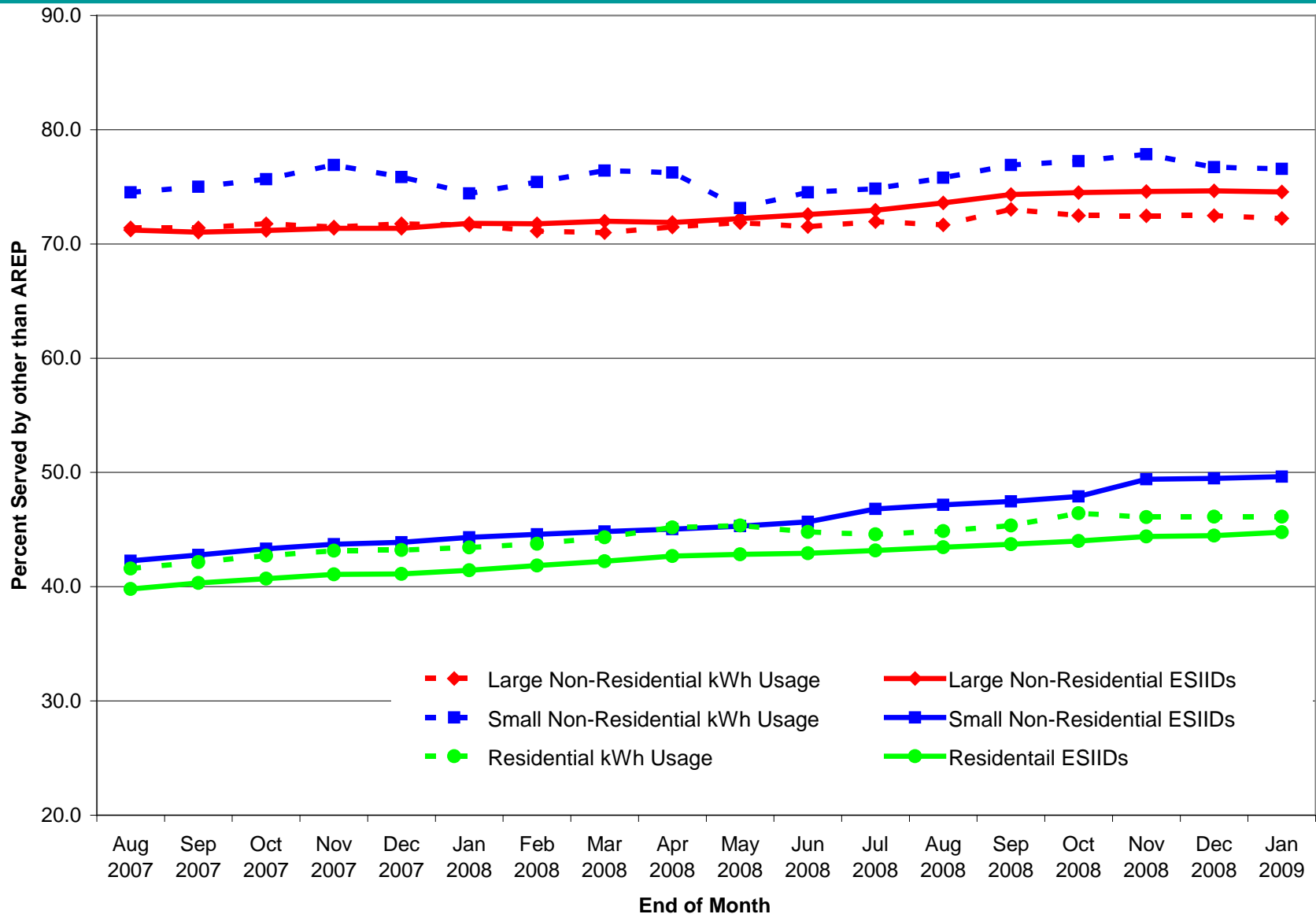


Migration from Native Affiliate REP

	% of Load ¹	% of ESI IDs	
	at <u>01/31/09</u>	at <u>01/31/09</u>	at <u>01/31/08</u>
Residential	46%	45%	41%
Small Non-Residential	77%	50%	44%
Large Non-Residential	72%	75%	72%

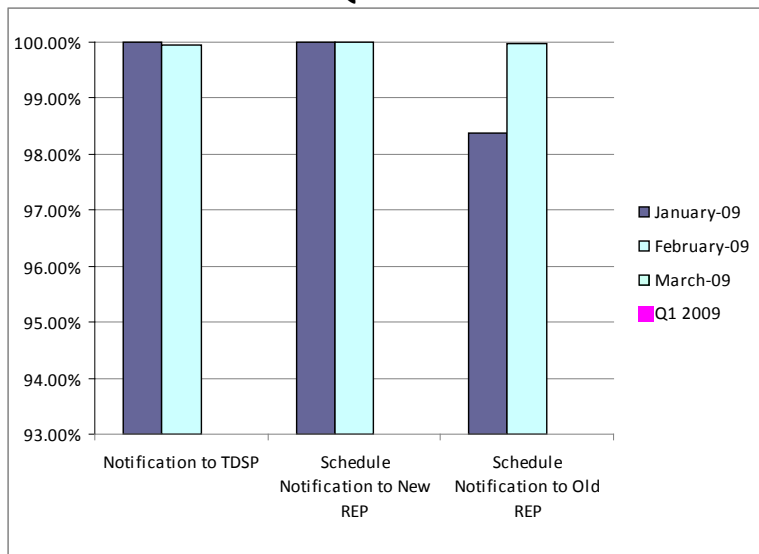
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Migration from Native Affiliate REP



Retail Performance Measures – 2009 Switch

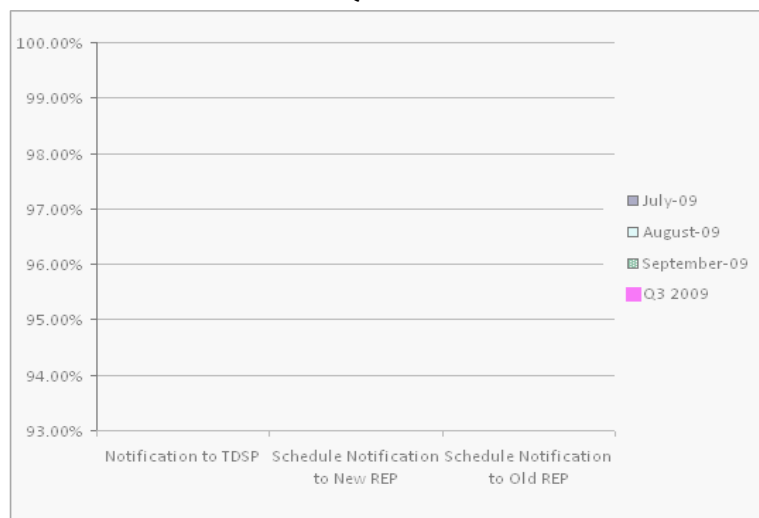
1st Quarter



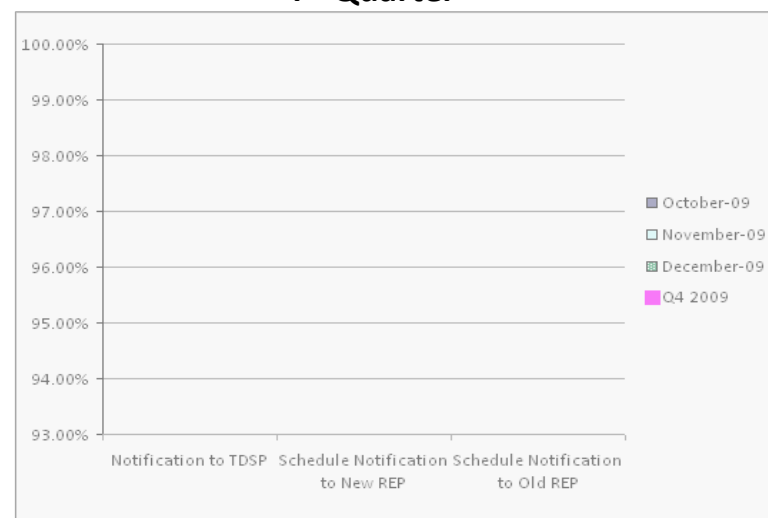
2nd Quarter



3rd Quarter

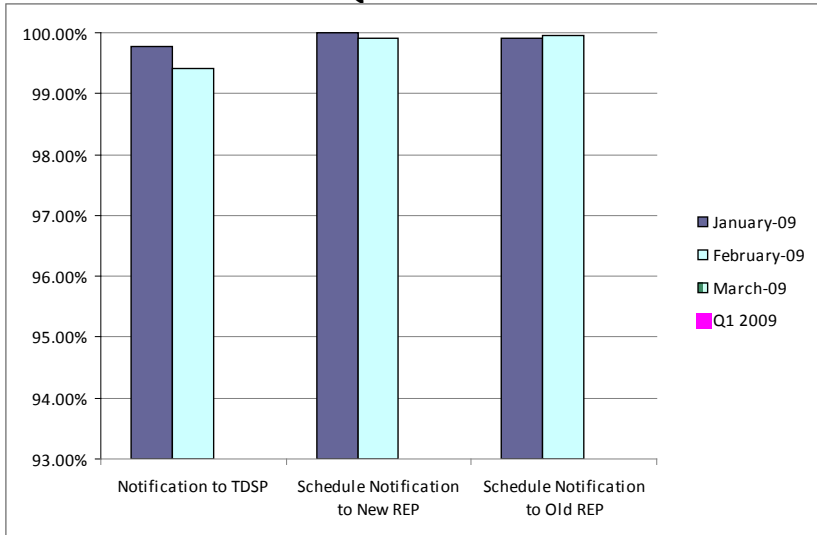


4th Quarter



Retail Performance Measures – 2009 Move-In / Priority

1st Quarter



2nd Quarter



3rd Quarter

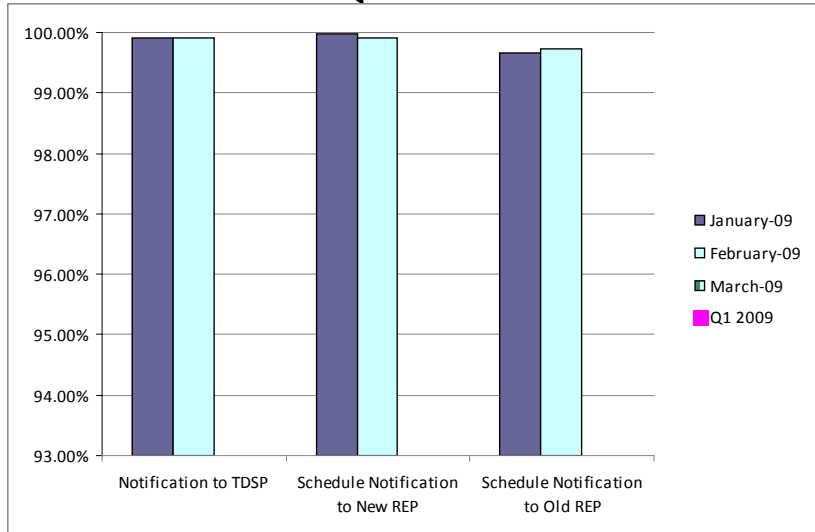


4th Quarter



Retail Performance Measures – 2009 Move-In / Standard

1st Quarter



2nd Quarter



3rd Quarter



4th Quarter



Settlements & Billing Performance Measures – January 2009

	YTD		January	
	<u>01/31/09</u>	<u>01/31/08</u>	<u>2009</u>	<u>2008</u>
Settlement Statements:				
Total	12,568	11,618	12,568	11,618
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	12,568	11,618	12,568	11,618
% Within Protocol	100.00%	100.00%	100.00%	100.00%
Invoices:				
Total	915	716	915	716
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	915	716	915	716
% 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)		January (\$'s in millions)	
<u>01/31/09</u>	<u>01/31/08</u>	<u>2009</u>	<u>2008</u>
\$2,651.0	2,801.9	2,651.0	2,801.9
24,100	25,472	24,100	25,472
-5.4%		-5.4%	
4.5	7.7	4.5	7.7
-41.6%		-41.6%	

- **Balancing Energy:**

- **Balancing Energy - Up**

- % Increase

- Up (GWh)

- % Increase

- % of Market

\$21.9	\$70.6	\$21.9	\$70.6
-69.0%		-69.0%	
448.8	935.6	448.8	935.6
-52.0%		-52.0%	
1.9%	3.7%	1.9%	3.7%

- **Balancing Energy - Down**

- % Increase

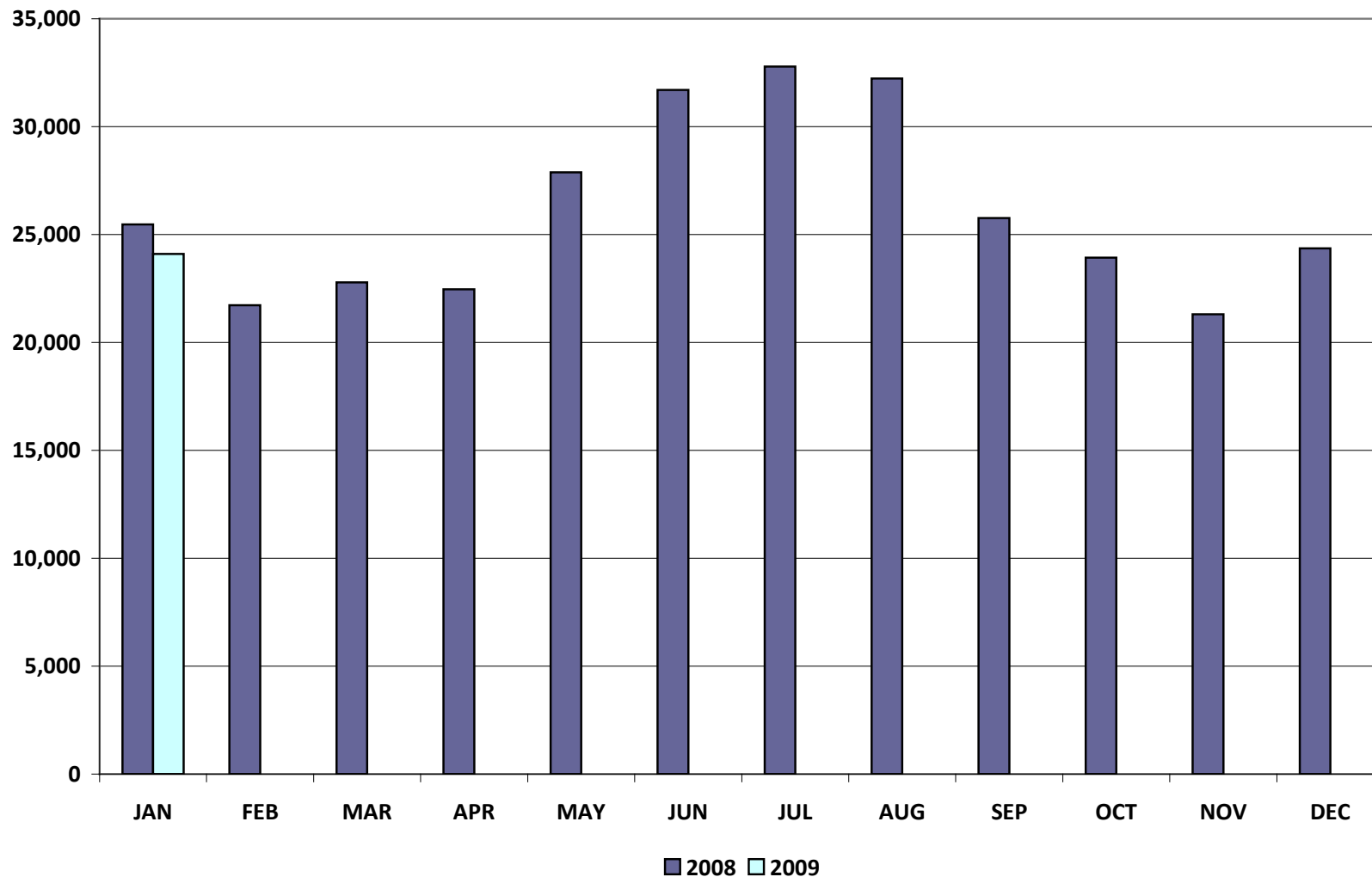
- Down (GWh)

- % Increase

- % of Market

-\$26.6	-\$25.0	-\$26.6	-\$25.0
6.4%		6.4%	
-1,484.0	-671.1	-1,484.0	-671.1
121.1%		121.1%	
6.2%	2.6%	6.2%	2.6%

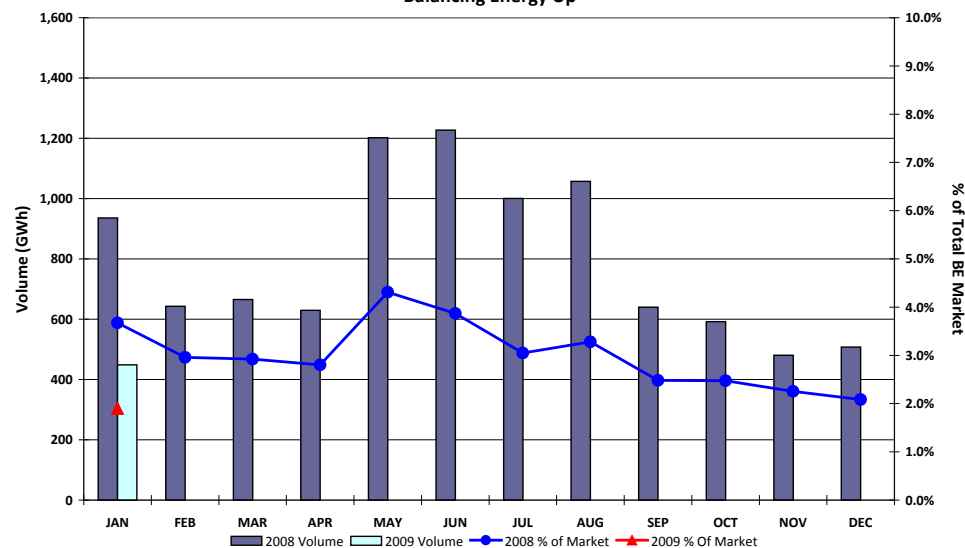
Total Market Volume (GWh)



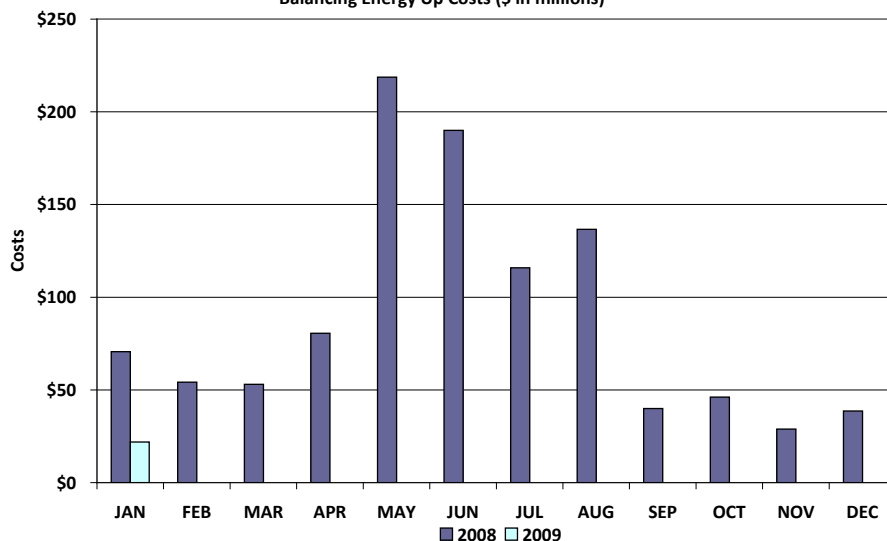
*Please note: February data will be provided at the Board Q&A

Balancing Energy Services – Volume and Cost

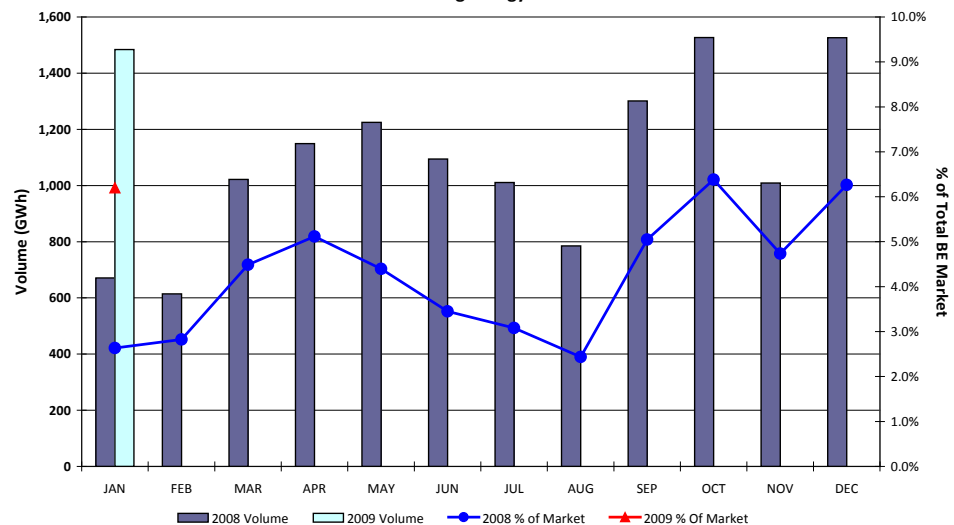
Balancing Energy Up



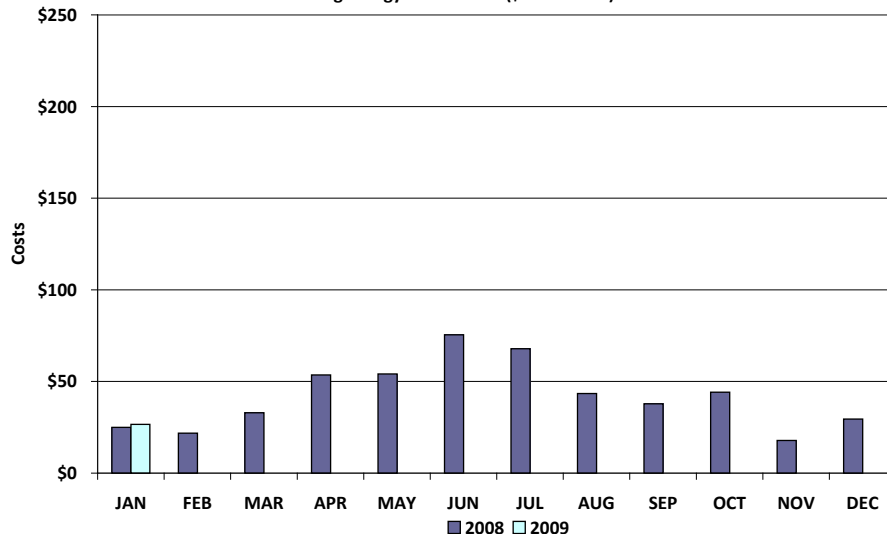
Balancing Energy Up Costs (\$ in millions)



Balancing Energy Down



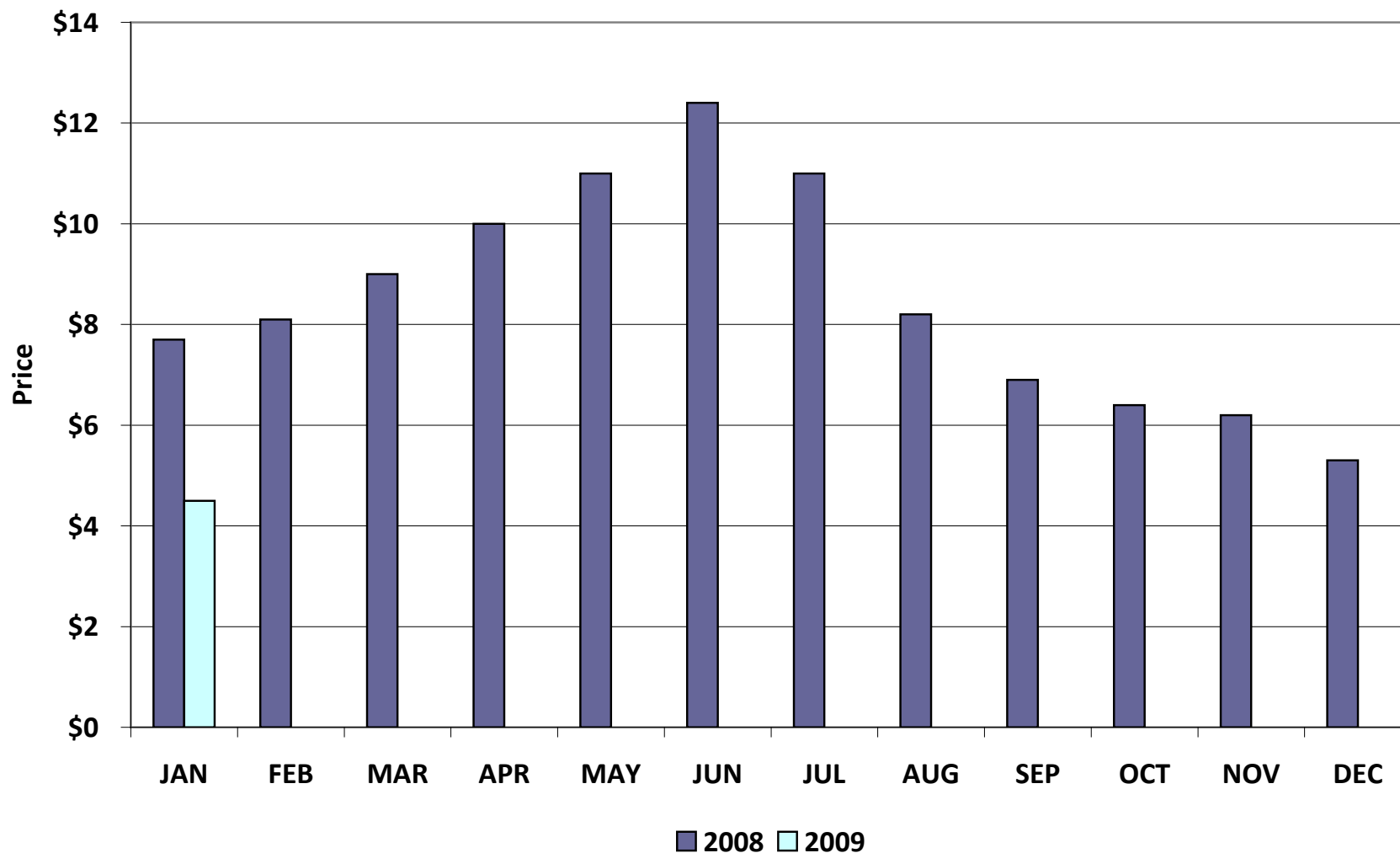
Balancing Energy Down Costs (\$ in millions)



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

Natural Gas Price Index

Natural Gas Price Index (\$/MMBTU)



*Please note: February 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>Jan 2009</u>
South	\$34.69
North	\$32.31
Houston	\$32.78
West	\$24.04

<u>LOAD ZONE</u>	<u>Jan 2008</u>
South	\$60.24
North	\$62.31
Houston	\$60.16
West	\$52.04

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

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

- **Added Reps**

- ✓ Lahey & Partners, LLC
- ✓ GIM Retail Energy, LLC
- ✓ Champion Energy Industrial Services I

- **Added QSEs**

- ✓ Optim Energy Marketing, LLC (SQ1)

- **Terminated Reps**

- ✓ None

- **Terminated QSEs**

- ✓ None

Questions ?