



Market Operations Presentation

ERCOT Board of Directors

May 20, 2009

Betty Day

Summary

Retail Activity

- **Overall Activity** – Switching activity continues to be healthy. Move-ins are slightly lower.
- **Migration From Native AREPs** – All customer groups show higher migration away from the native AREP in 2009.
- **Transaction Performance Measures** – Near perfect transaction performance in April for Switches and Move-Ins (Priority and Standard).

Project Update

- **Advanced Metering** – Project on target for delivery in 4th quarter.

Wholesale Activity

- **Settlements & Billing Performance Measures** – March performance was 100%.
- **Energy Services** – Total market volume continues down in March. Down Balancing continues at much higher levels than 2008 – primarily due to wind. Natural Gas prices continue to be at the lowest levels seen in more than 5 years.
- **Summary Balancing Energy Price Data** – Prices in March were at almost half the level that occurred during the same period last year.
- **REPs and QSEs Added/Terminated**
 - 1 new REPs
 - 0 terminated REPs
 - 2 new QSE
 - 1 terminated QSEs

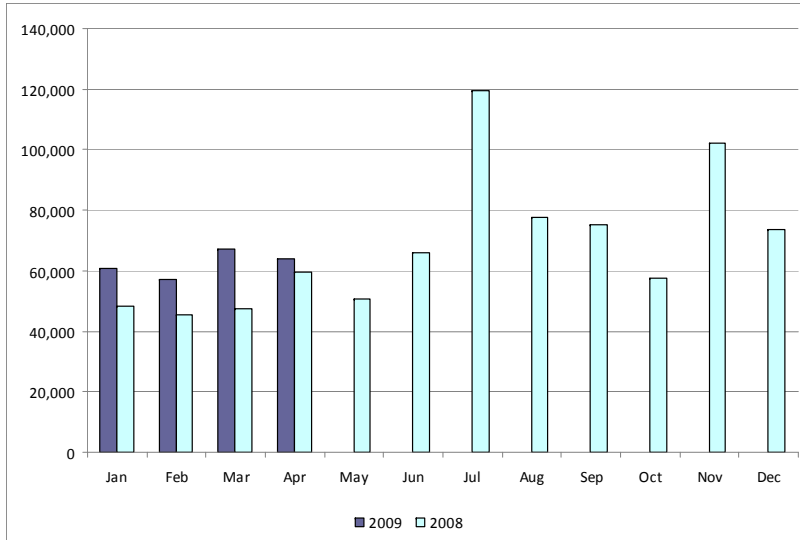
Overall Activity

Retail Transactions Summary

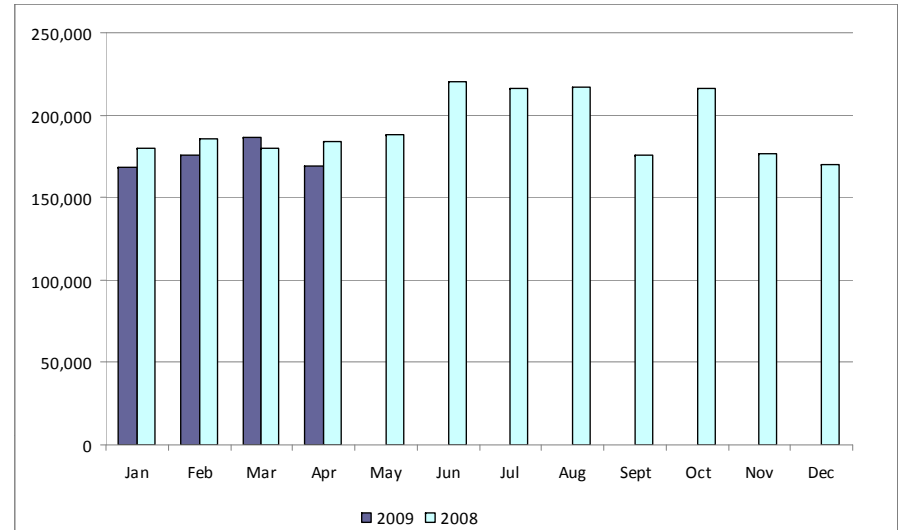
Transaction Type	YTD		April	
	<u>04/30/2009</u>	<u>04/30/2008</u>	<u>2009</u>	<u>2008</u>
Switches	248,907	200,782	63,807	59,453
Move - Ins	698,771	728,573	168,971	183,645
Move Out	391,084	395,316	99,912	102,800
CSA (Continuous Service Agreement)	112,296	123,659	23,204	35,286
Mass Transition	0	0	0	0
Total	1,451,058	1,448,330	355,894	381,184
Since June 1, 2001	32,489,926			

Retail Transactions Summary

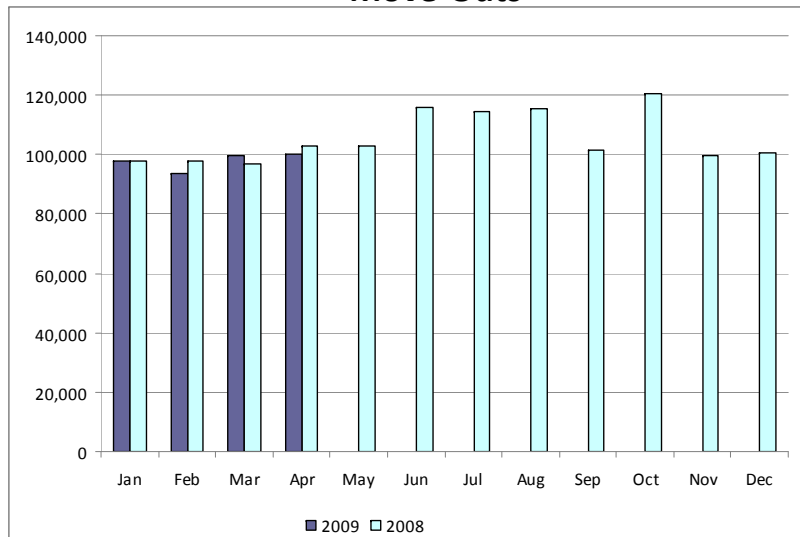
Switches



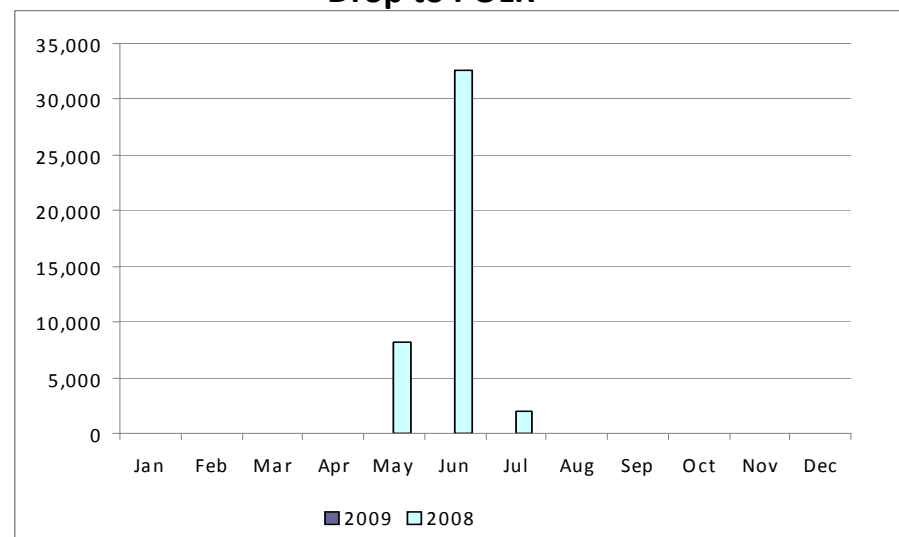
Move-Ins



Move-Outs



Drop to POLR

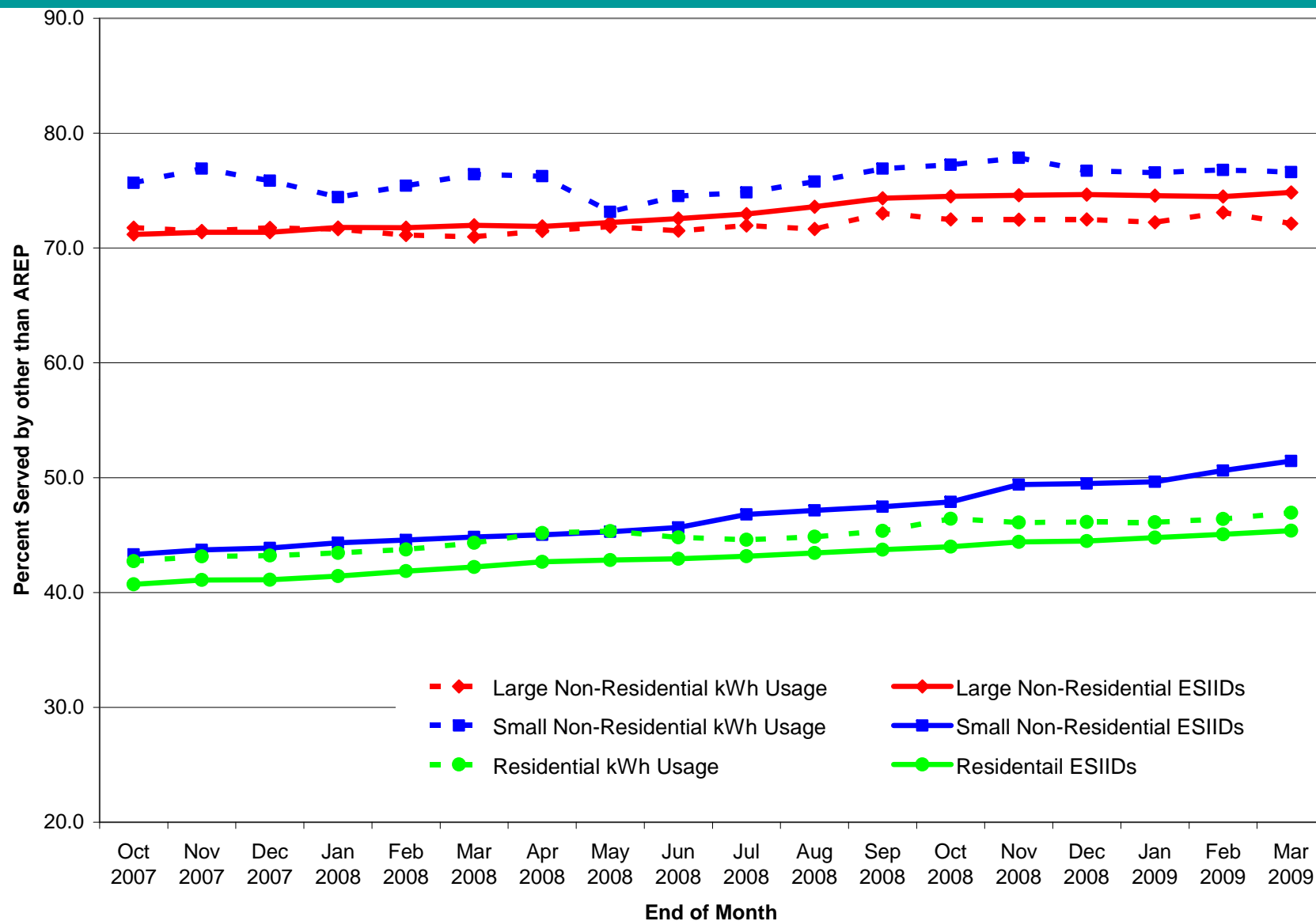


Migration from Native Affiliate REP

	% of Load ¹	% of ESI IDs	
	at <u>03/31/09</u>	at <u>03/31/09</u>	at <u>03/31/08</u>
Residential	47%	45%	42%
Small Non-Residential	77%	51%	45%
Large Non-Residential	72%	75%	72%

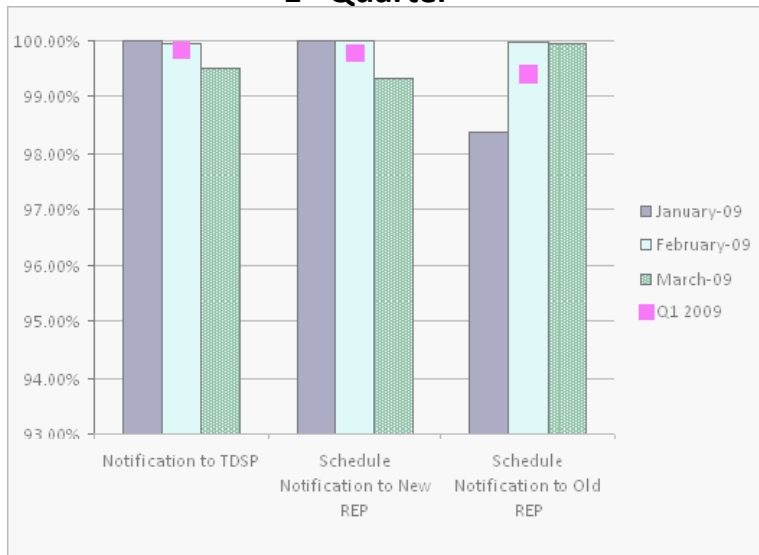
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Migration from Native Affiliate REP

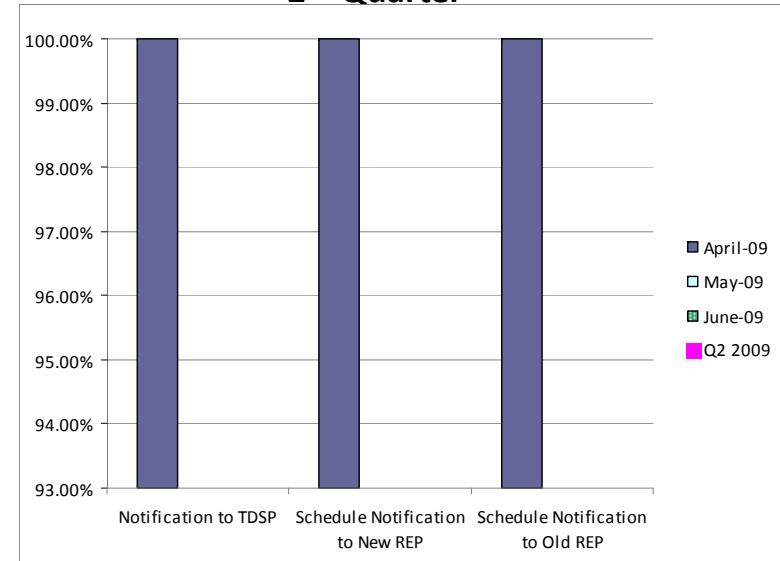


Retail Performance Measures – 2009 Switch

1st Quarter



2nd Quarter



3rd Quarter

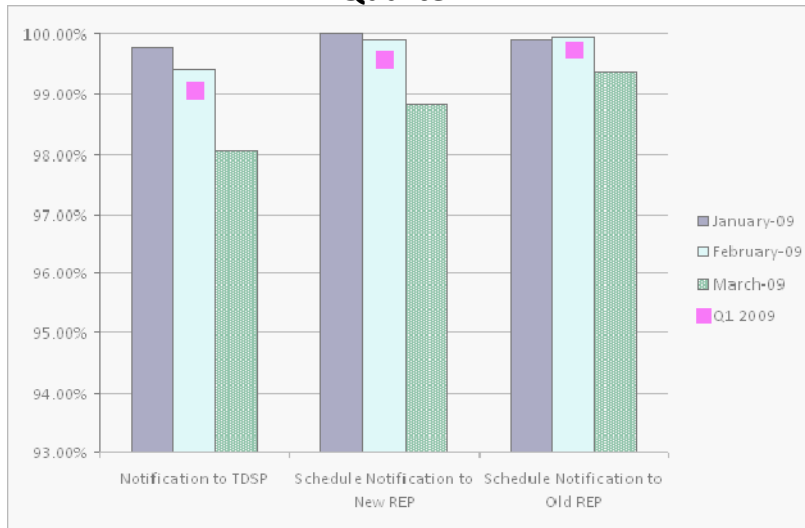


4th Quarter

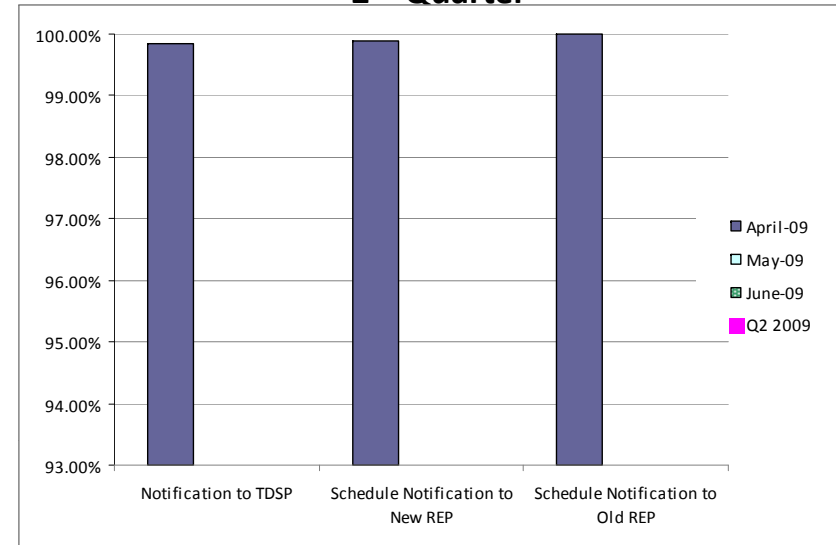


Retail Performance Measures – 2009 Move-In / Priority

1st Quarter



2nd Quarter



3rd Quarter

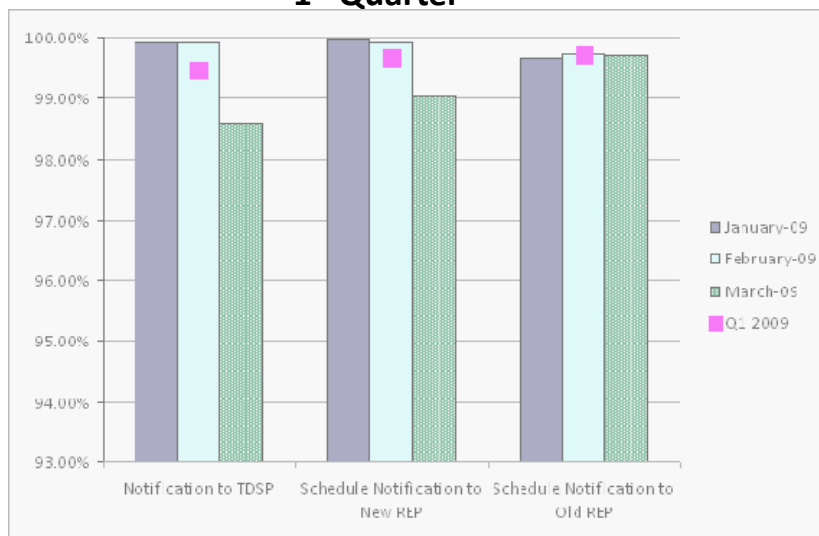


4th Quarter

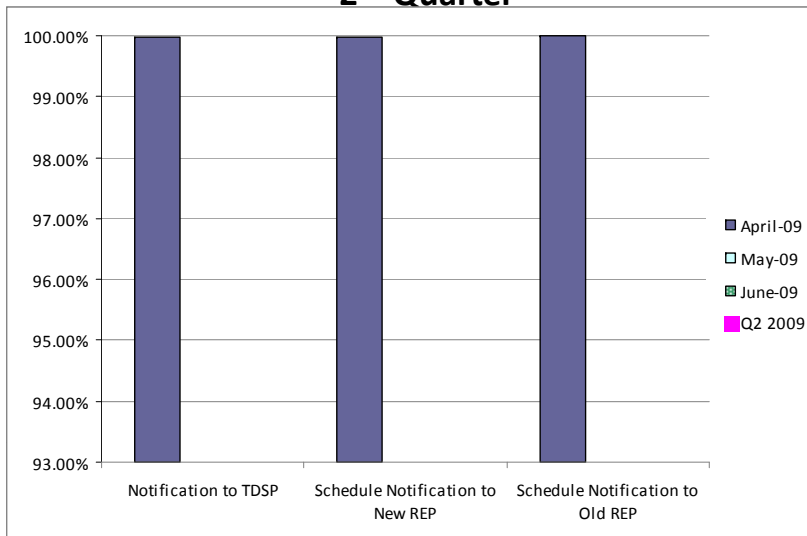


Retail Performance Measures – 2009 Move-In / Standard

1st Quarter



2nd Quarter



3rd Quarter



4th Quarter



PR80027 Advanced Metering Project Update – Execution Schedule

Execution Milestones	Status	Baseline Date	Forecast Date	Actual Date
Technical Architecture Complete	COMPLETED	05/15/2009	05/15/2009	04/27/2009
Detailed Designs Complete	In progress – on schedule.	06/18/2009	06/18/2009	
Development Complete	In progress – on schedule.	07/24/2009	07/24/2009	
Product Testing Complete (Lodestar only)	Not yet started.	08/11/2009	08/11/2009	
Integration Testing Complete	Not yet started	11/04/2009	11/04/2009	
Go Live	-	11/14/2009	11/14/2009	
Execution Complete	-	03/19/2010	03/19/2010	
Project Complete	-	05/21/2010	05/21/2010	

Settlements & Billing Performance Measures – March 2009

	YTD		March	
	<u>03/31/09</u>	<u>03/31/08</u>	<u>2009</u>	<u>2008</u>
Settlement Statements:				
Total	38,080	35,199	13,692	11,935
Late	109	754	0	754
– Less than 24 hours late	109	754	0	754
– Greater than 24 hours late	0	0	0	0
Balance	37,971	34,445	13,692	11,181
% Within Protocol	99.71%	97.86%	100.00%	93.68%
Invoices:				
Total	2,323	1,948	695	616
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	2,323	1,948	695	616
% Within Protocol	100.00%	100.00%	100.00%	100.00%

Energy Services

- Market Perspective:**

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

Volume (GWh)

% Increase

Natural Gas Price Index (\$/MMBTU)

% Increase

YTD
(\$'s in millions)
03/31/09 03/31/08

March
(\$'s in millions)
2009 2008

\$7,275.4	\$7,697.8	\$2,436.6	\$2,505.8
66,140	69,980	22,151	22,780
-5.5%		-2.8%	
4.1	8.3	3.6	9.0
-50.6%		-60.0%	

- Balancing Energy:**

Balancing Energy - Up

% Increase

Up (GWh)

% Increase

% of Market

\$53.2	\$173.5	\$18.4	\$48.6
-69.3%		-62.1%	
1,175.8	2,125.0	414.1	546.9
-44.7%		-24.3%	
1.8%	3.0%	1.9%	2.4%

Balancing Energy - Down

% Increase

Down (GWh)

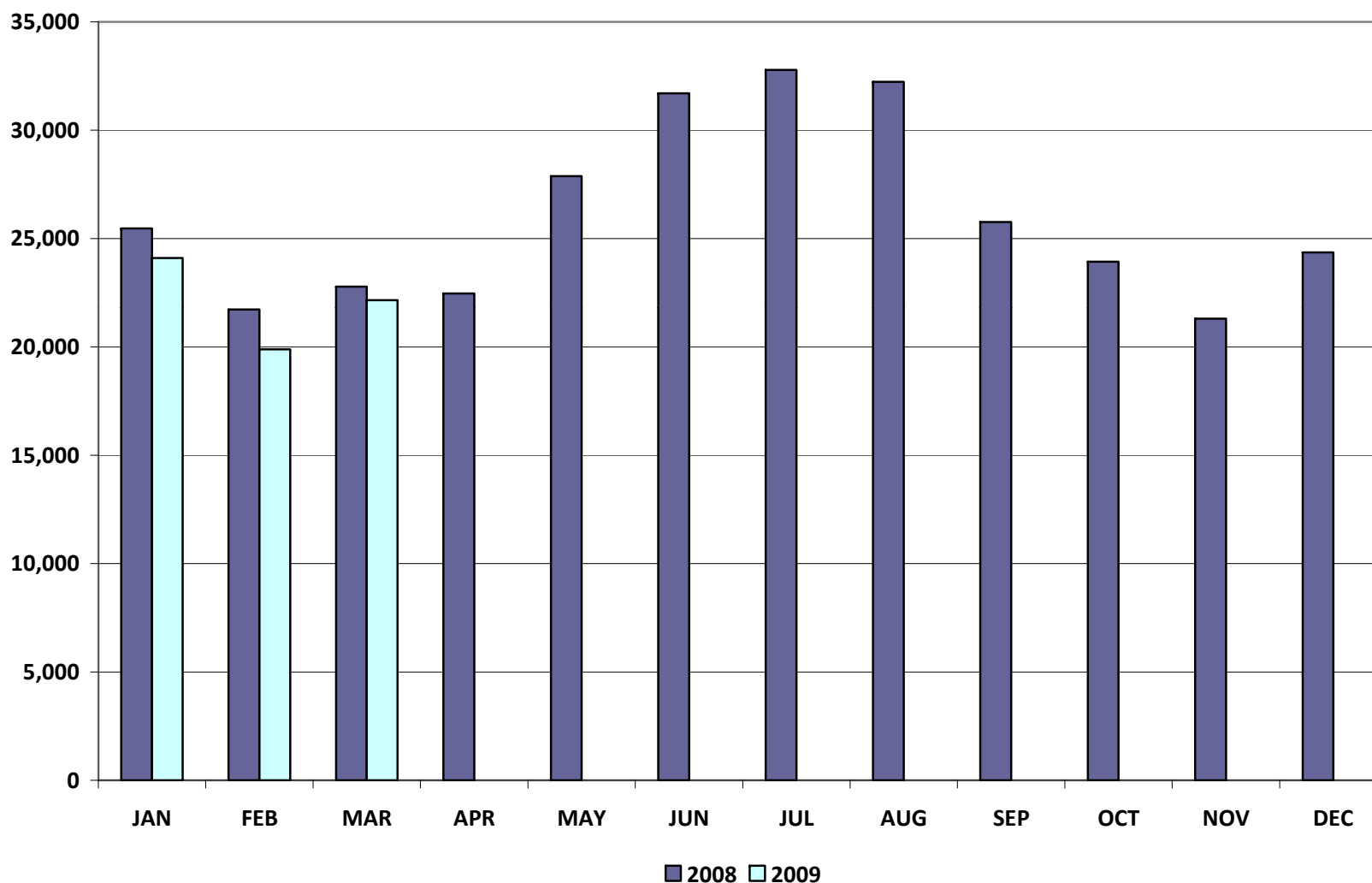
% Increase

% of Market

-\$77.1	-\$79.7	-\$25.7	-\$32.9
-3.3%		-21.9%	
-4,690.8	-2,307.3	-1,726.6	-1,022.0
103.3%		68.9%	
7.1%	3.3%	7.8%	4.5%

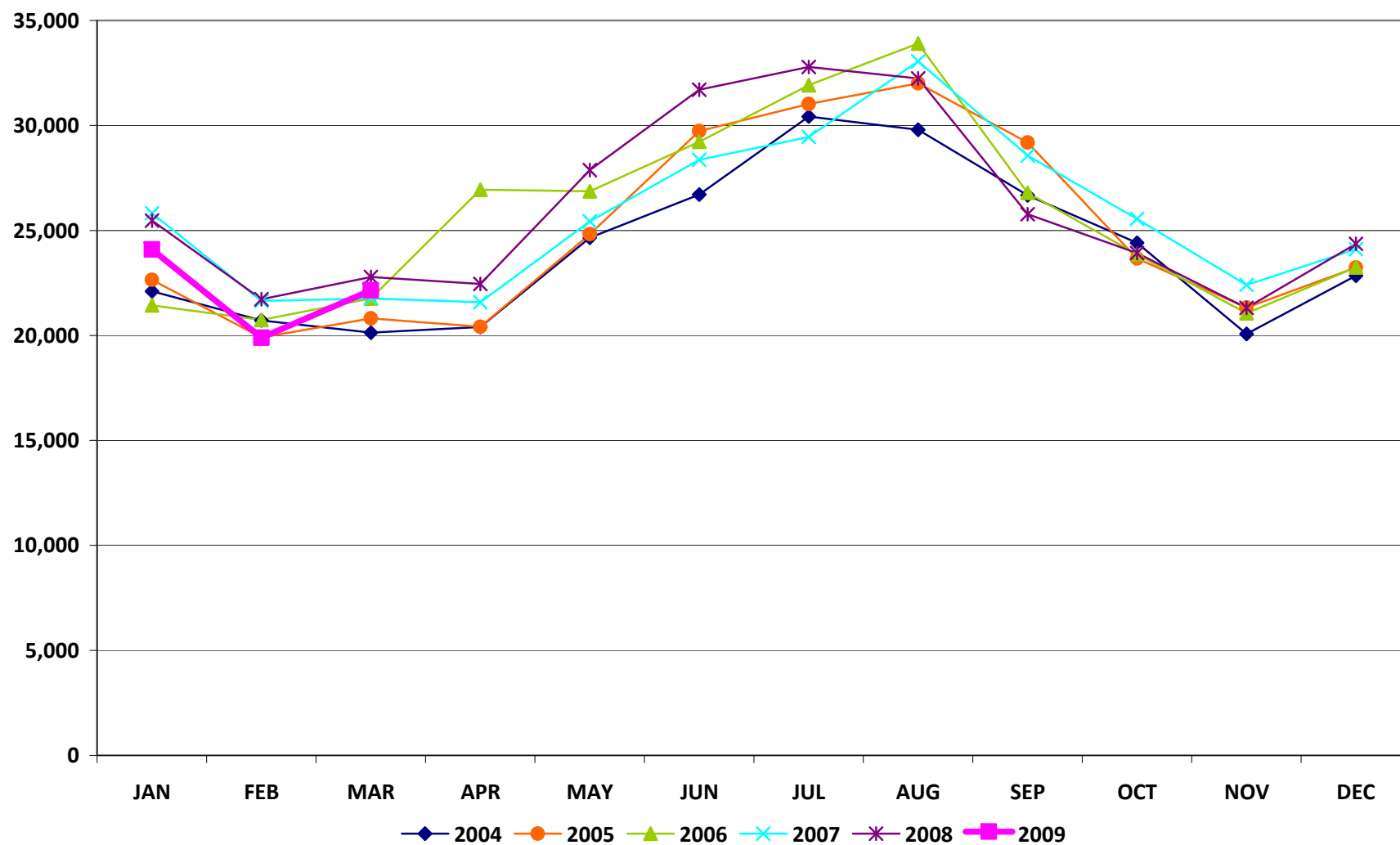
Energy Services

Total Market Volume (GWh)

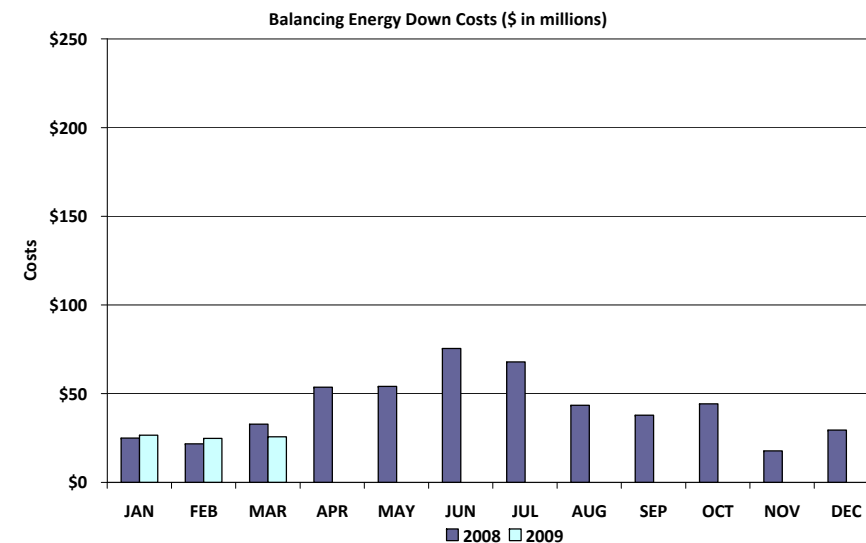
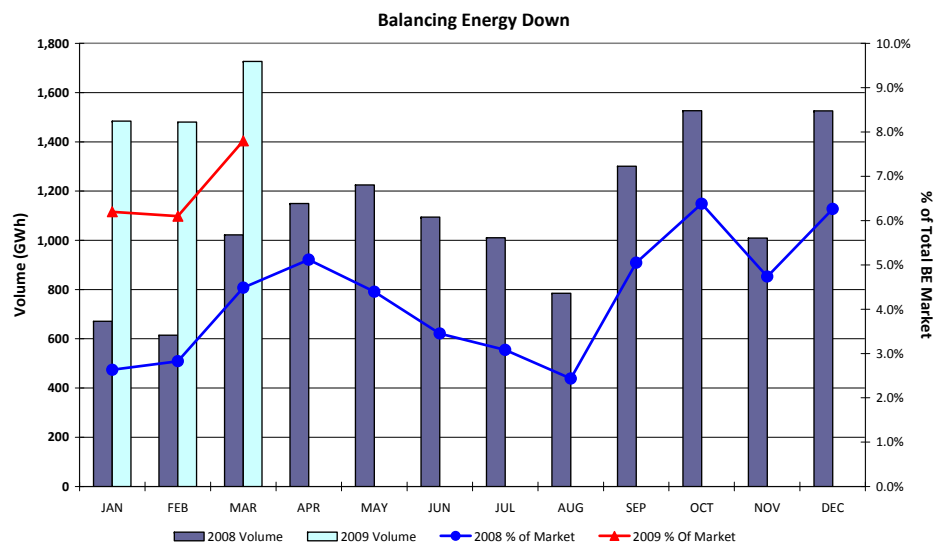
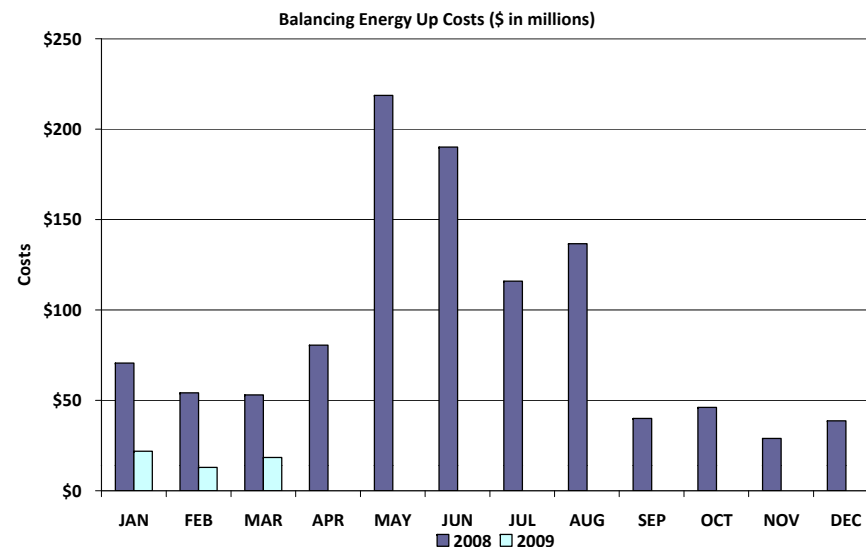
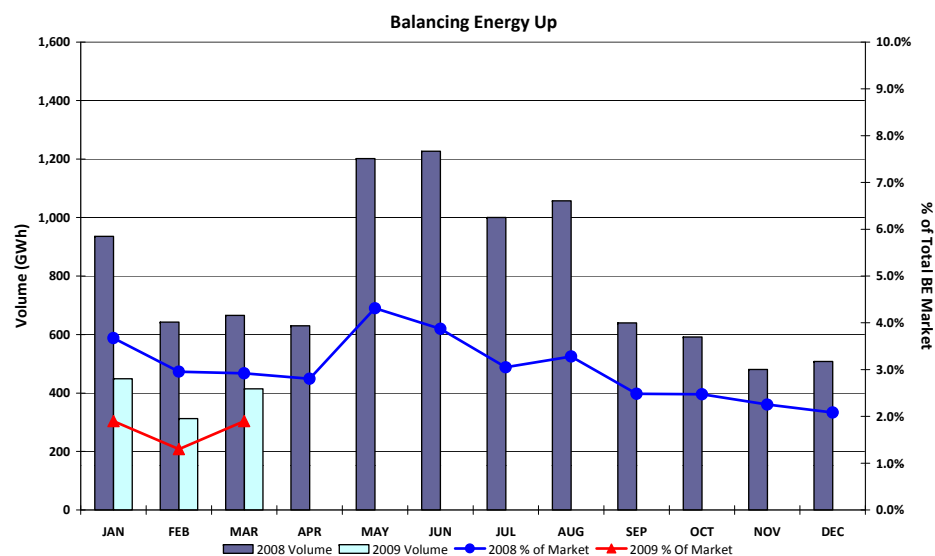


Energy Services

Total Market Volume (GWh)

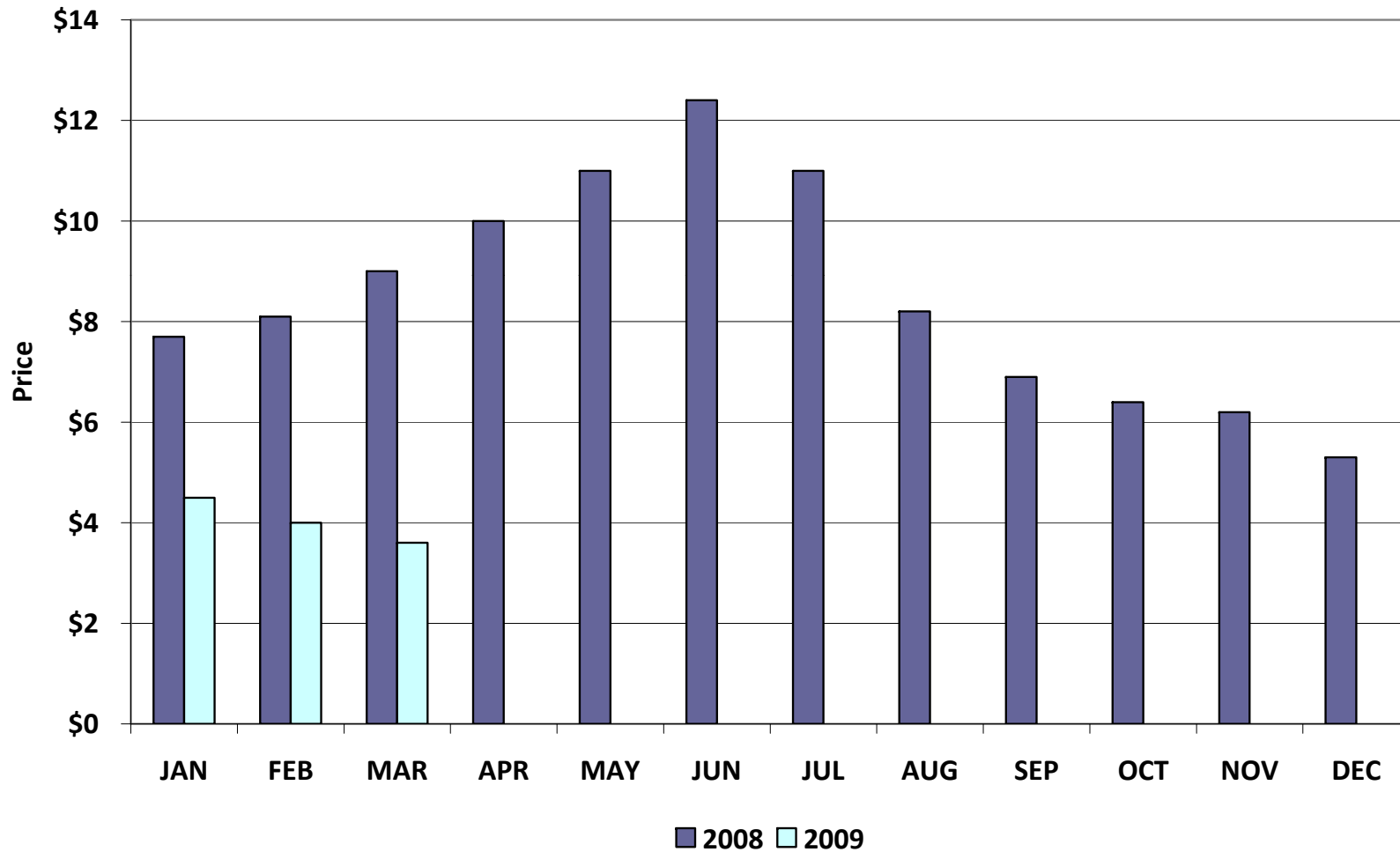


Balancing Energy Services – Volume and Cost



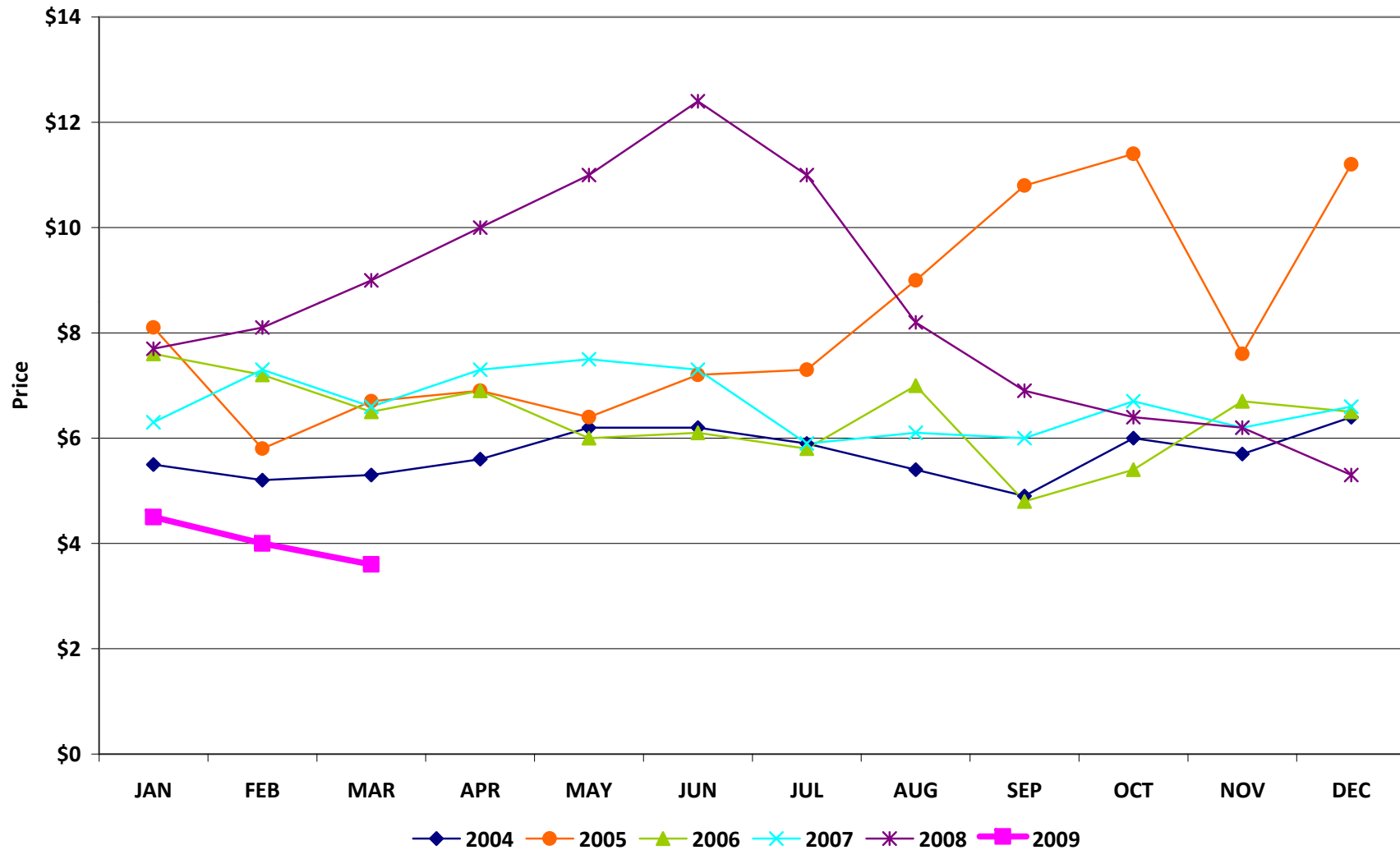
Natural Gas

Natural Gas Price Index (\$/MMBTU)



Natural Gas

Natural Gas Price Index (\$/MMBTU)



Load Zone Price Data

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

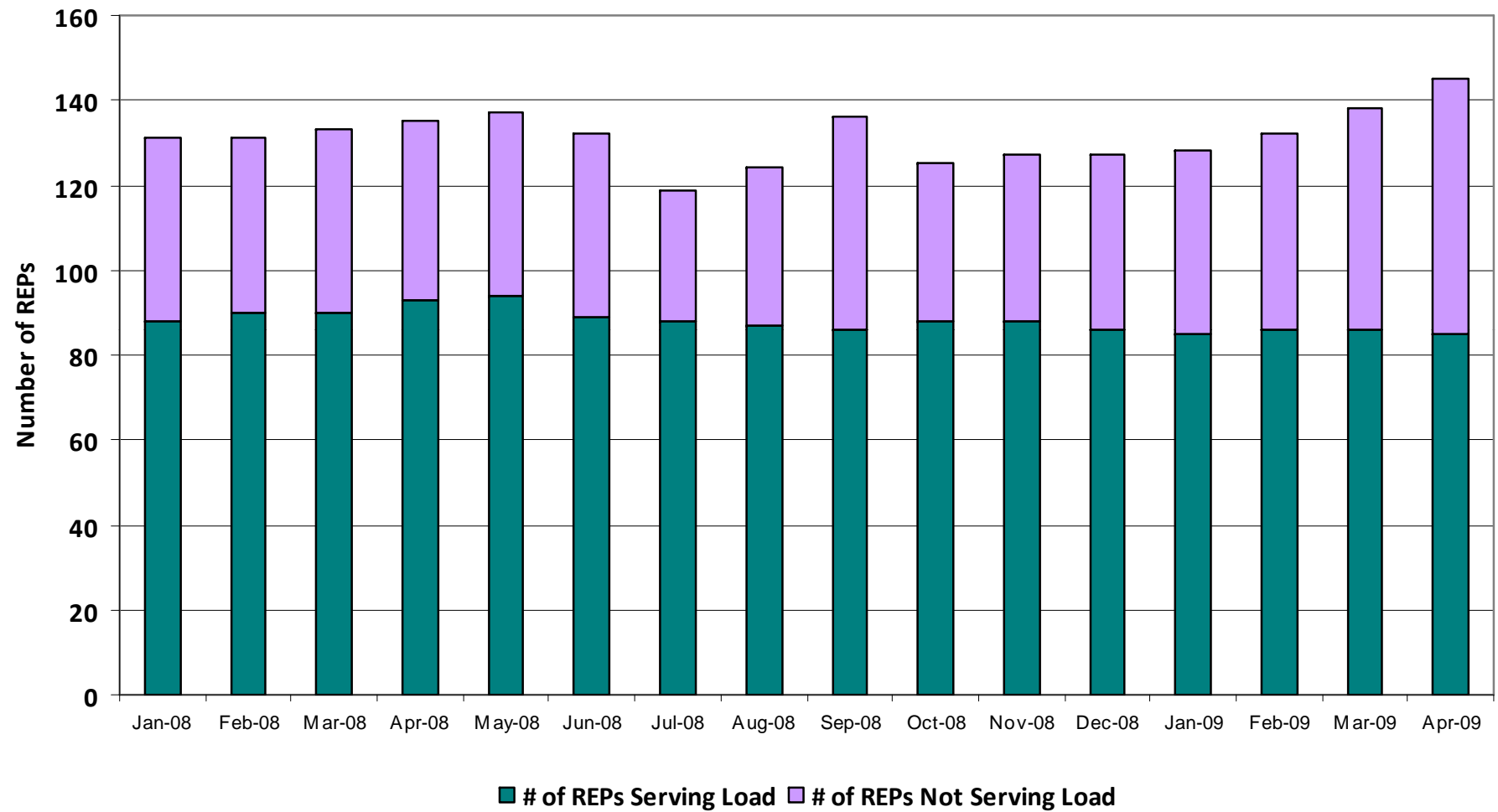
[MCPE weighted by Total Zonal Load]

<u>LOAD ZONE</u>	<u>Mar</u> <u>2009</u>	<u>Feb</u> <u>2009</u>	<u>Jan</u> <u>2009</u>
South	\$26.35	\$27.27	\$34.69
North	\$32.21	\$27.89	\$32.31
Houston	\$29.11	\$27.19	\$32.78
West	\$25.70	\$19.93	\$24.04

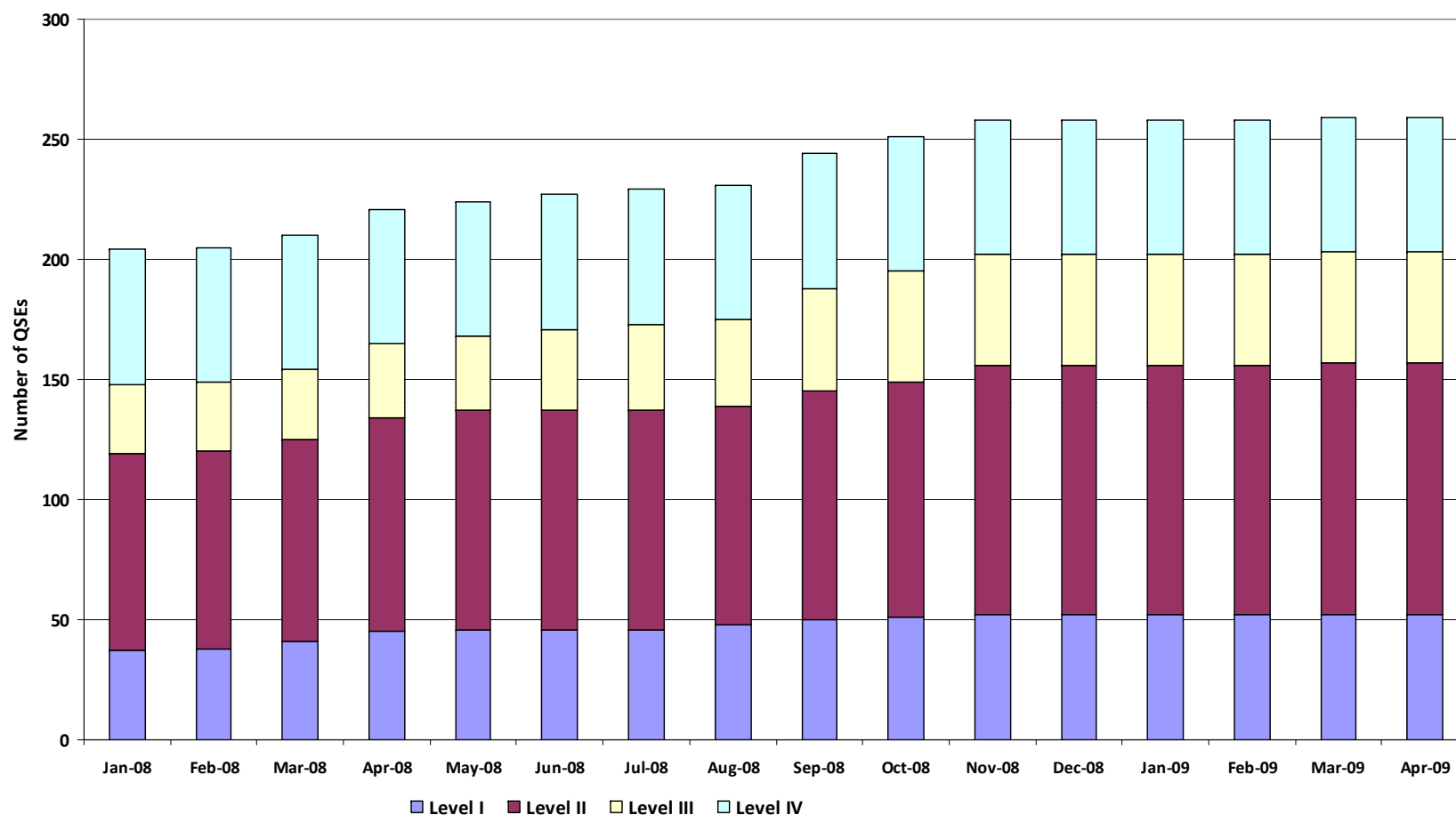
<u>LOAD ZONE</u>	<u>Mar</u> <u>2008</u>	<u>Feb</u> <u>2008</u>	<u>Jan</u> <u>2008</u>
South	\$64.34	\$63.26	\$60.24
North	\$69.64	\$59.05	\$62.31
Houston	\$68.19	\$60.06	\$60.16
West	\$38.52	\$56.84	\$52.04

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

Certified REPs



QSE Registrations



For administrative purposes ERCOT classifies QSEs in four (4) service levels. This is to ensure qualification commensurate with the types of services each QSE expects to perform in the market.

Level I: Qualified to perform Inter-QSE trades only; does not have direct representation of Load Serving Entities or Resource Entities.

Level II: Qualified to represent Load serving Entities; does not have direct representation of Resource Entities; may also perform level 1 activity.

Level III: Qualified to represent Load Serving Entities and/or Resource Entities without providing Ancillary Services; may also perform level 1 and 2 activities.

Level IV: Qualified to represent Load Serving Entities and/or Resource Entities and provide Ancillary Services; may also perform level 1, 2 and 3 activities.

REPs and QSEs Added/Terminated – as of April 30, 2009

- **Added Reps**

- ✓ Hudson Energy JV, LLC

- **Added QSEs**

- ✓ Endure Energy, LLC
- ✓ NRG Texas C and I Supply (SQ2)

- **Terminated Reps**

- ✓ None

- **Terminated QSEs**

- ✓ MPOWER QSE Services, LLC

Questions ?