



Market Operations Presentation

ERCOT Board of Directors
June 16, 2009

Betty Day

Summary

Retail Activity

- **Overall Activity** – YTD Overall activity in 2009 is lower than 2008. However, switching activity is higher YTD in 2009.
- **Migration From Native AREPs** – The strongest activity in the past year has been in the Small Non-Residential Category. However, all categories show strong migration from the native AREP.
- **Transaction Performance Measures** – All measures are above the 98% target.

Project Update

- **Advanced Metering** – Major milestones are on target. Implementation targeted for November 2009.

Wholesale Activity

- **Settlements & Billing Performance Measures** – Perfect performance in April.
- **Energy Services** – Total market volume continues to be lower in 2009 than 2008. Natural gas prices continue at significantly lower levels.
- **Summary Balancing Energy Price Data** – April prices are at the lowest levels seen in 2009.
- **REPs and QSEs Added/Terminated**
 - 3 new REPs
 - 0 terminated REPs
 - 3 new QSE
 - 1 terminated QSEs

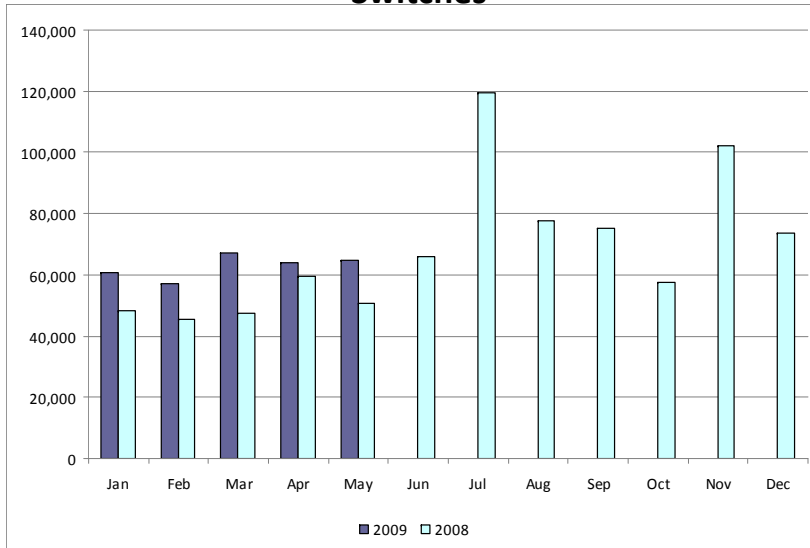
Overall Activity

Retail Transactions Summary

Transaction Type	YTD		May	
	<u>05/31/2009</u>	<u>05/31/2008</u>	<u>2009</u>	<u>2008</u>
Switches	313,521	251,279	64,614	50,497
Move - Ins	866,998	916,975	168,227	188,402
Move Out	489,221	498,133	98,137	102,817
CSA (Continuous Service Agreement)	131,788	152,246	19,492	28,587
Mass Transition	0	8,241	0	8,241
Total	1,801,528	1,826,874	350,470	378,544
Since June 1, 2001	32,840,396			

Retail Transactions Summary

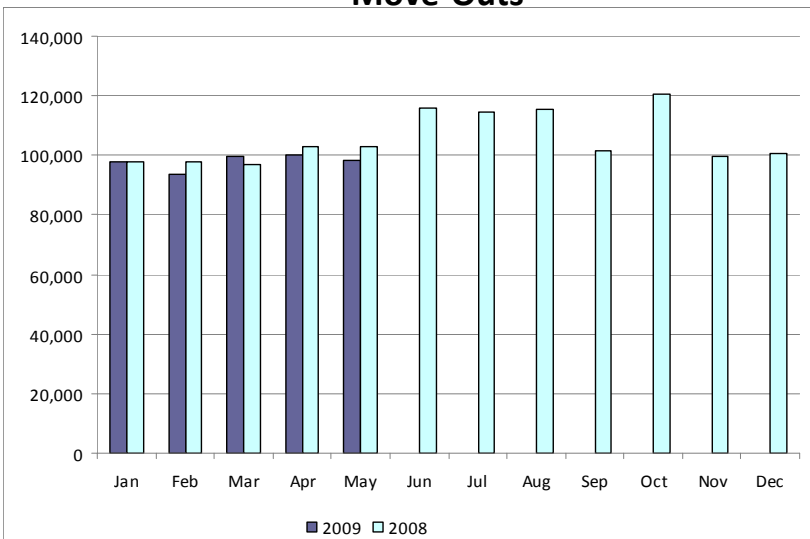
Switches



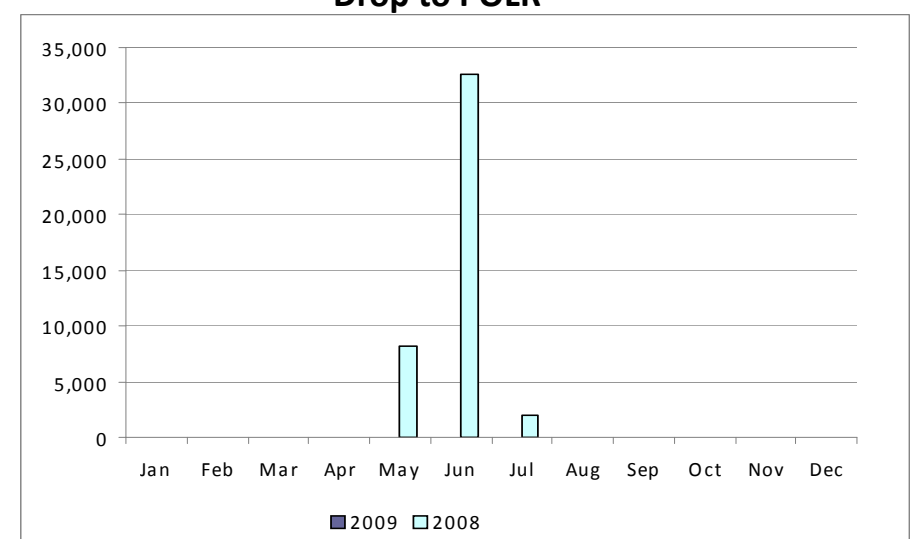
Move-Ins



Move-Outs



Drop to POLR

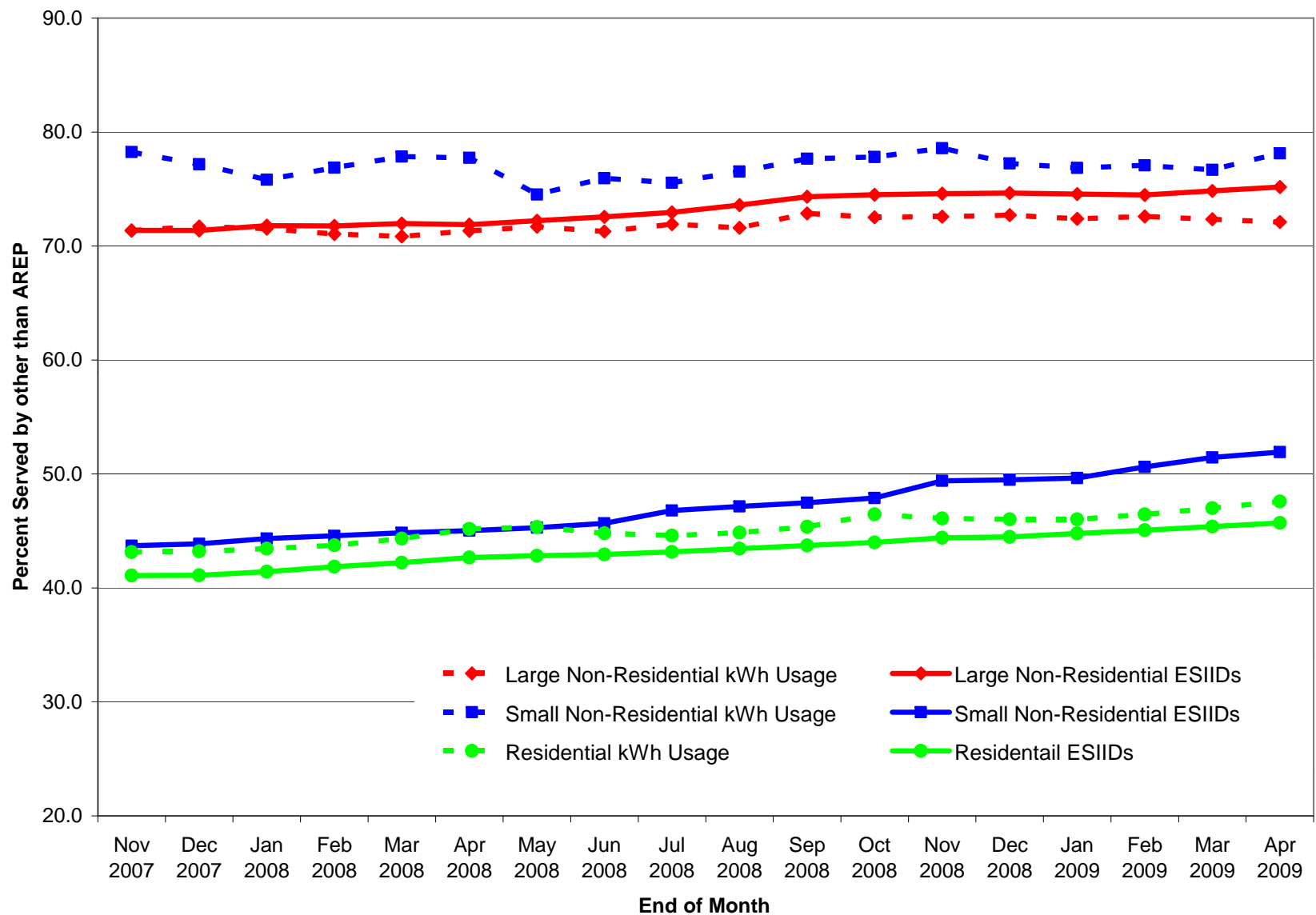


Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>04/30/09</u>	at <u>04/30/09</u>	at <u>04/30/09</u>	at <u>04/30/08</u>
Residential	48%	46%	46%	43%
Small Non-Residential	78%	52%	52%	45%
Large Non-Residential	72%	75%	75%	72%

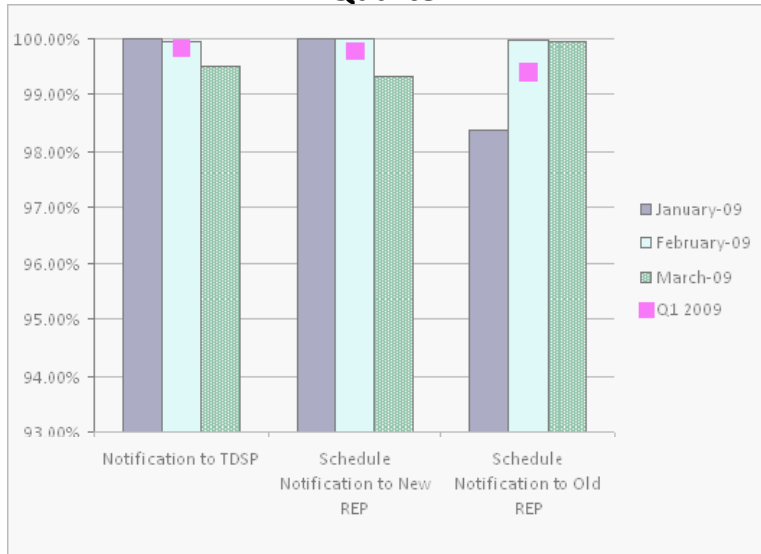
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Migration from Native Affiliate REP

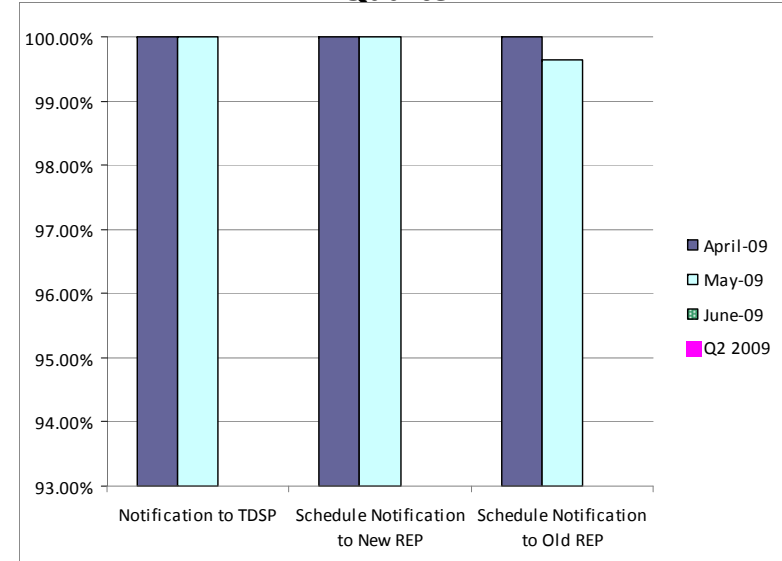


Retail Performance Measures – 2009 Switch

1st Quarter



2nd Quarter



3rd Quarter

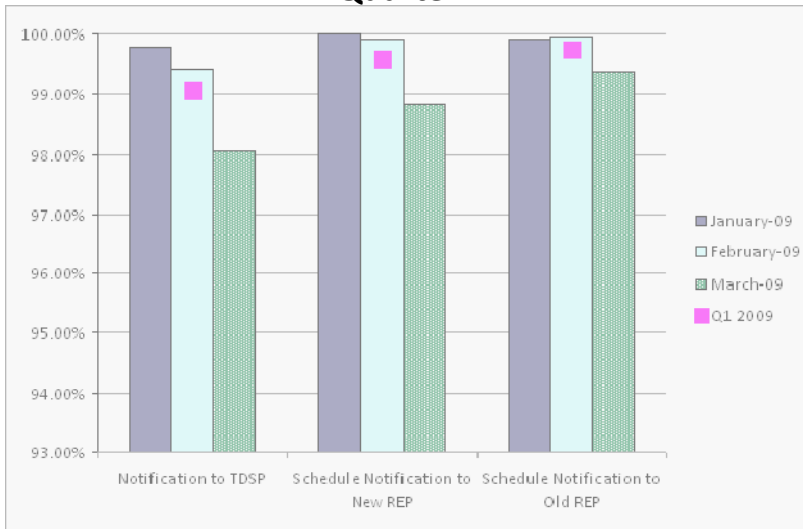


4th Quarter

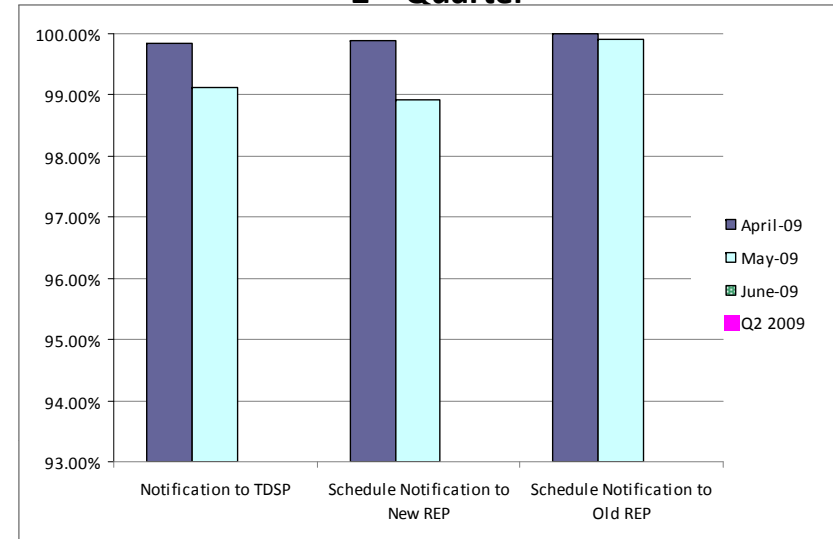


Retail Performance Measures – 2009 Move-In / Priority

1st Quarter



2nd Quarter



3rd Quarter

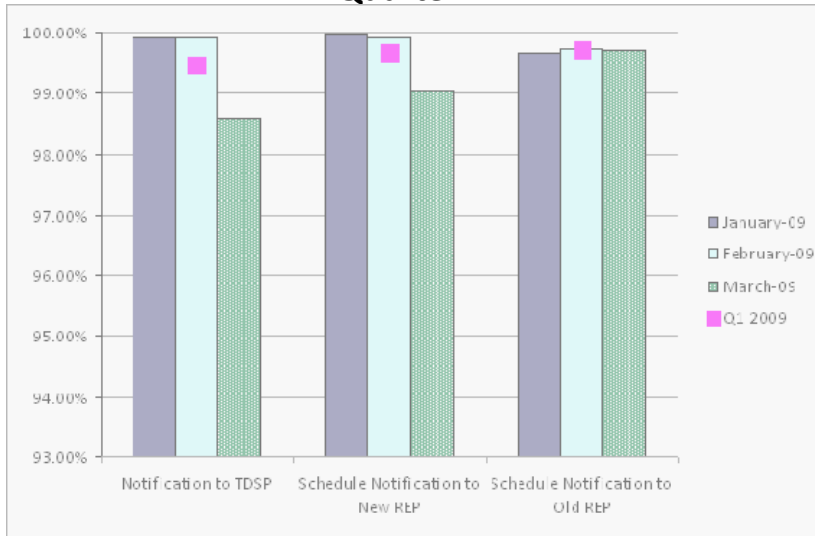


4th Quarter

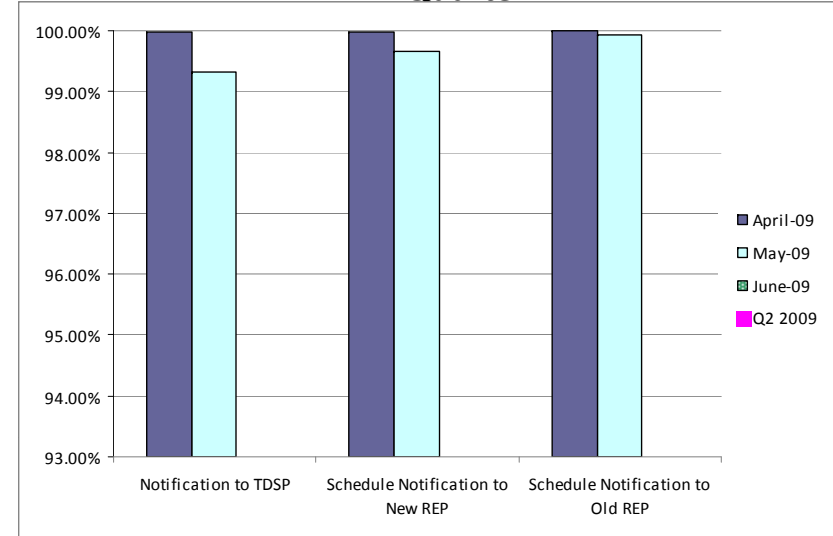


Retail Performance Measures – 2009 Move-In / Standard

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	50% complete	06/18/2009	06/18/2009	
Development Complete	75% complete	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 – April 2009

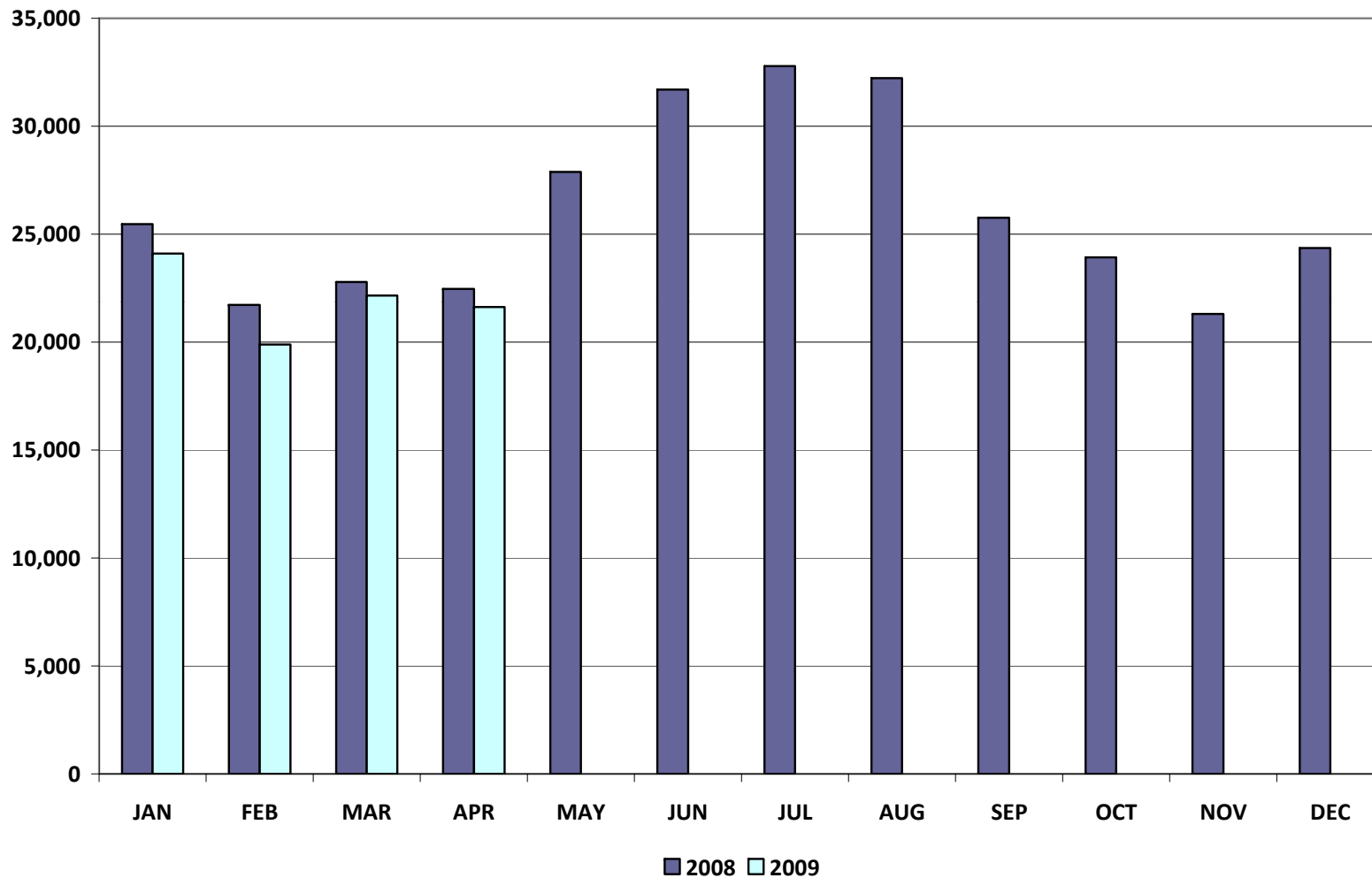
	YTD		April	
	<u>04/30/09</u>	<u>04/30/08</u>	<u>2009</u>	<u>2008</u>
Settlement Statements:				
Total	51,258	46,706	13,178	11,507
Late	109	754	0	0
– Less than 24 hours late	109	754	0	0
– Greater than 24 hours late	0	0	0	0
Balance	51,149	45,952	13,178	11,507
% Within Protocol	99.79%	98.39%	100.00%	100.00%
Invoices:				
Total	3,218	2,560	895	612
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	3,218	2,560	895	612
% Within Protocol	100.00%	100.00%	100.00%	100.00%

Energy Services

	YTD (\$'s in millions)		April (\$'s in millions)	
	<u>04/30/09</u>	<u>04/30/08</u>	<u>2009</u>	<u>2008</u>
<ul style="list-style-type: none"> Market Perspective: <ul style="list-style-type: none"> Approximate Retail Market (at \$.11/kWh) <ul style="list-style-type: none"> Volume (GWh) % Increase Natural Gas Price Index (\$/MMBTU) % Increase 				
	\$9,653.7	\$10,168.1	\$2,378.3	\$2,470.3
	87,761	92,437	21,621	22,457
	-5.1%		-3.7%	
	3.9	8.7	3.3	10.0
	-55.2%		-67.0%	
<ul style="list-style-type: none"> Balancing Energy: <ul style="list-style-type: none"> Balancing Energy - Up <ul style="list-style-type: none"> % Increase Up (GWh) % Increase % of Market Balancing Energy - Down <ul style="list-style-type: none"> % Increase Down (GWh) % Increase % of Market 				
	\$68.9	\$259.4	\$15.7	\$85.9
	-73.4%		-81.7%	
	1,654.8	2,754.6	479.0	629.6
	-39.9%		-23.9%	
	1.9%	3.0%	2.2%	2.8%
	-\$95.1	-\$133.7	-\$18.0	-\$54.0
	-28.9%		-66.7%	
	-6,234.6	-3,456.4	-1,543.8	-1,149.1
	80.4%		34.3%	
	7.1%	3.7%	7.1%	5.1%

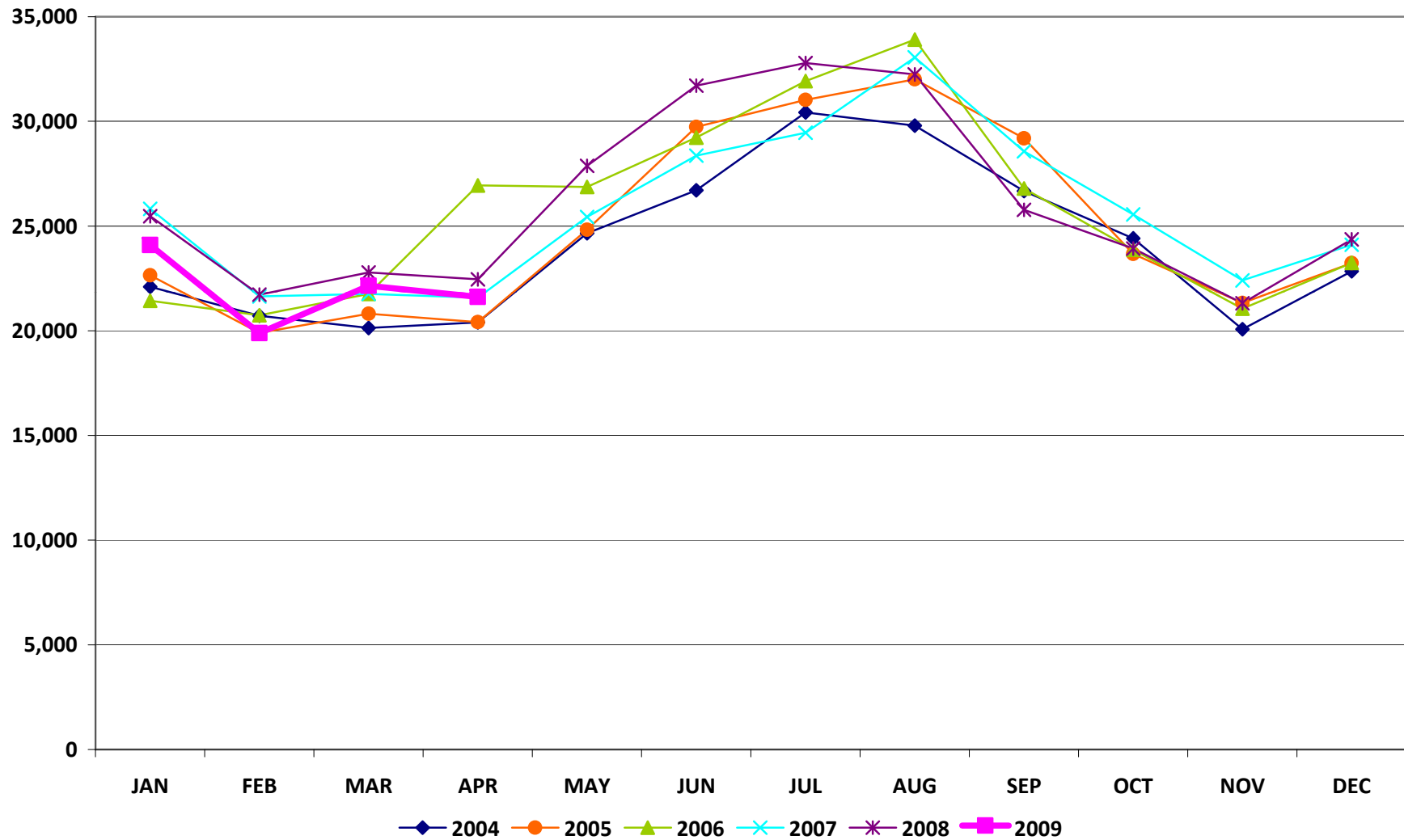
Energy Services

Total Market Volume (GWh)



Energy Services

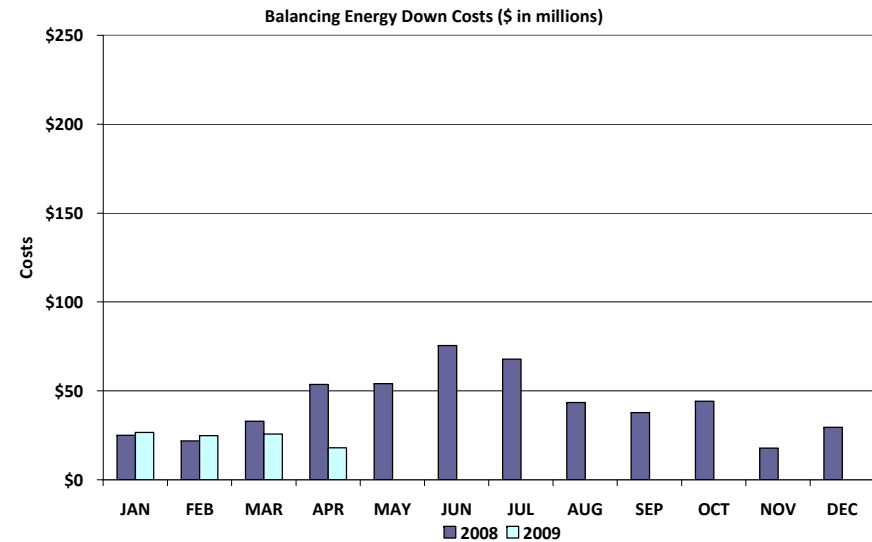
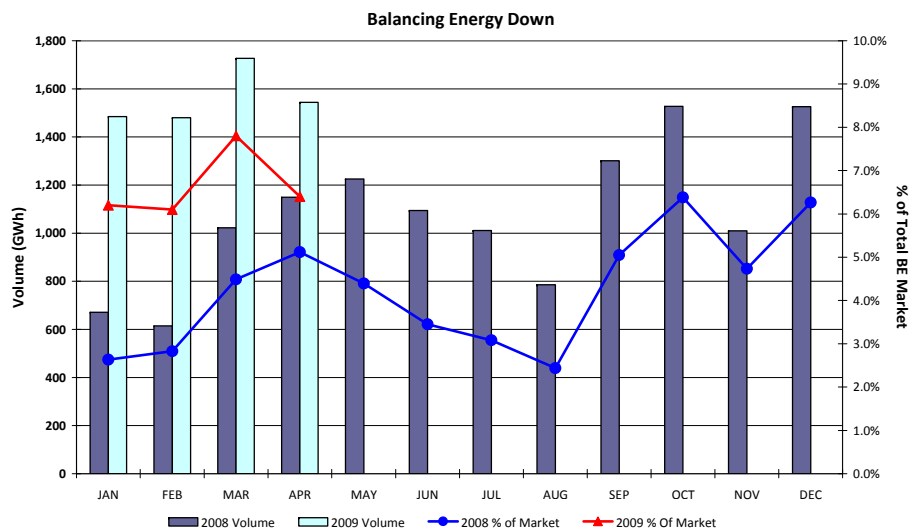
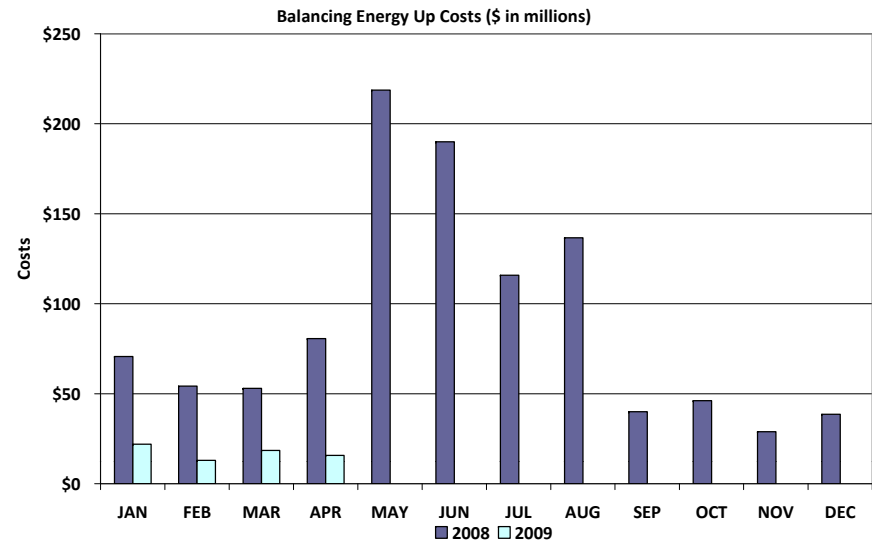
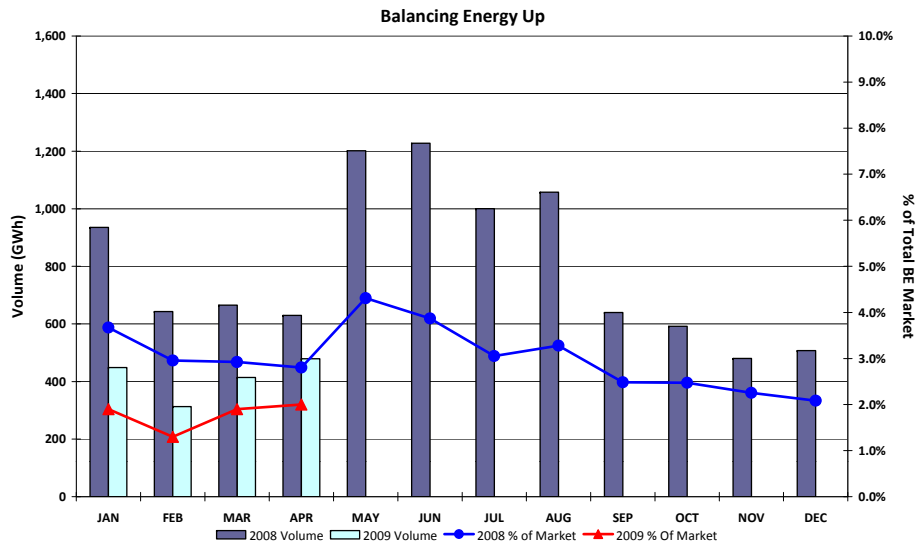
Total Market Volume (GWh)



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

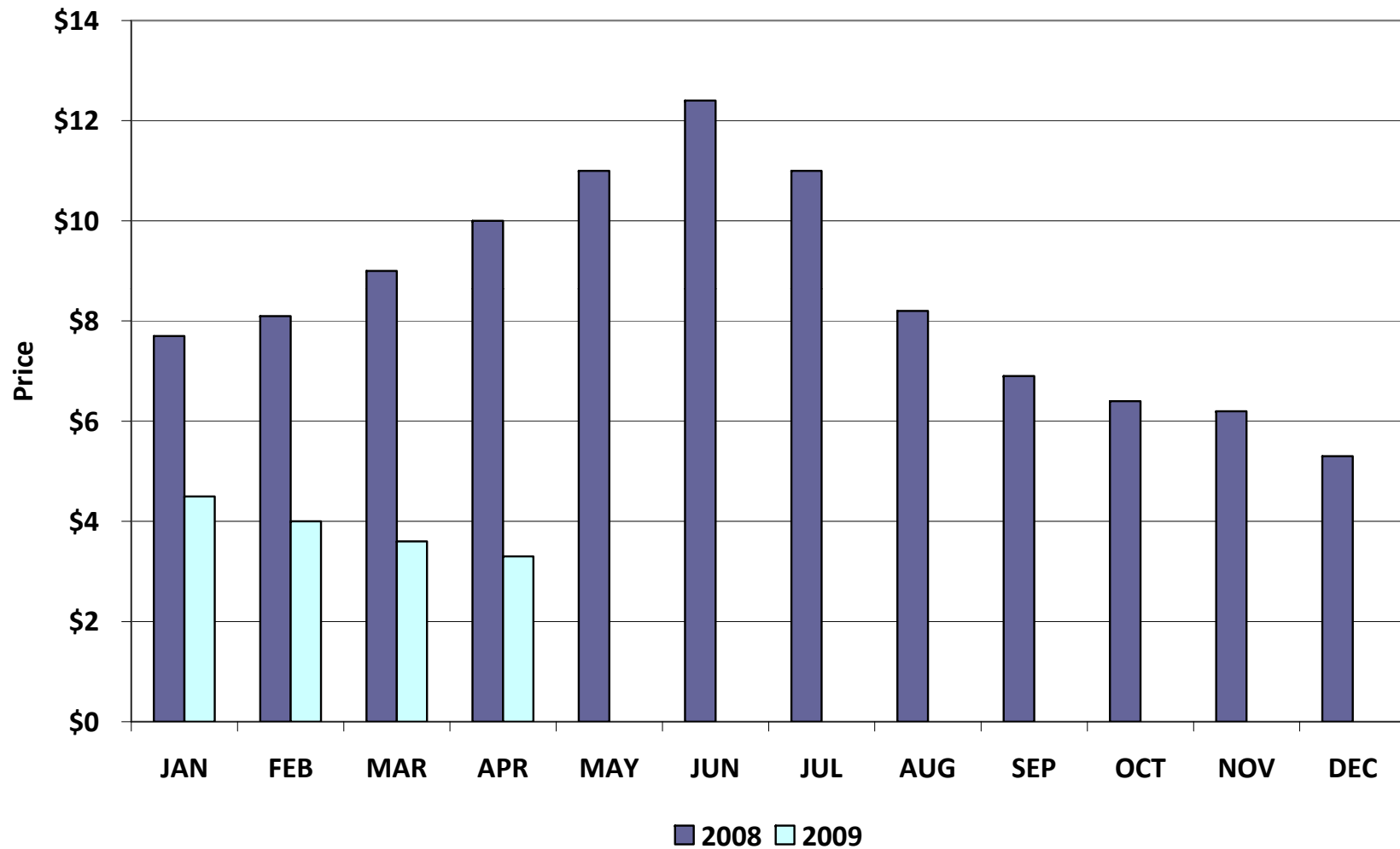


Balancing Energy Services – Volume and Cost



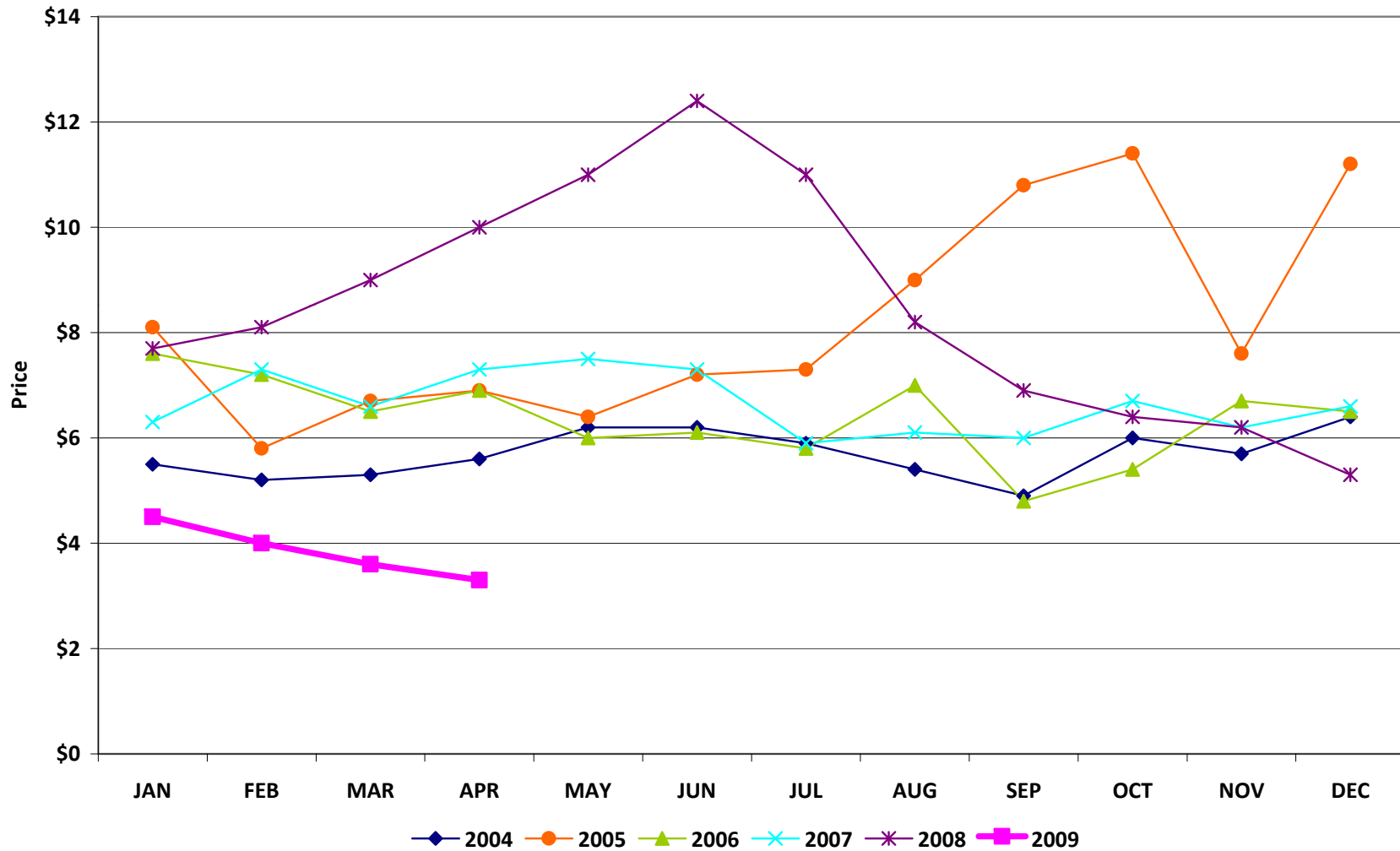
Natural Gas

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]

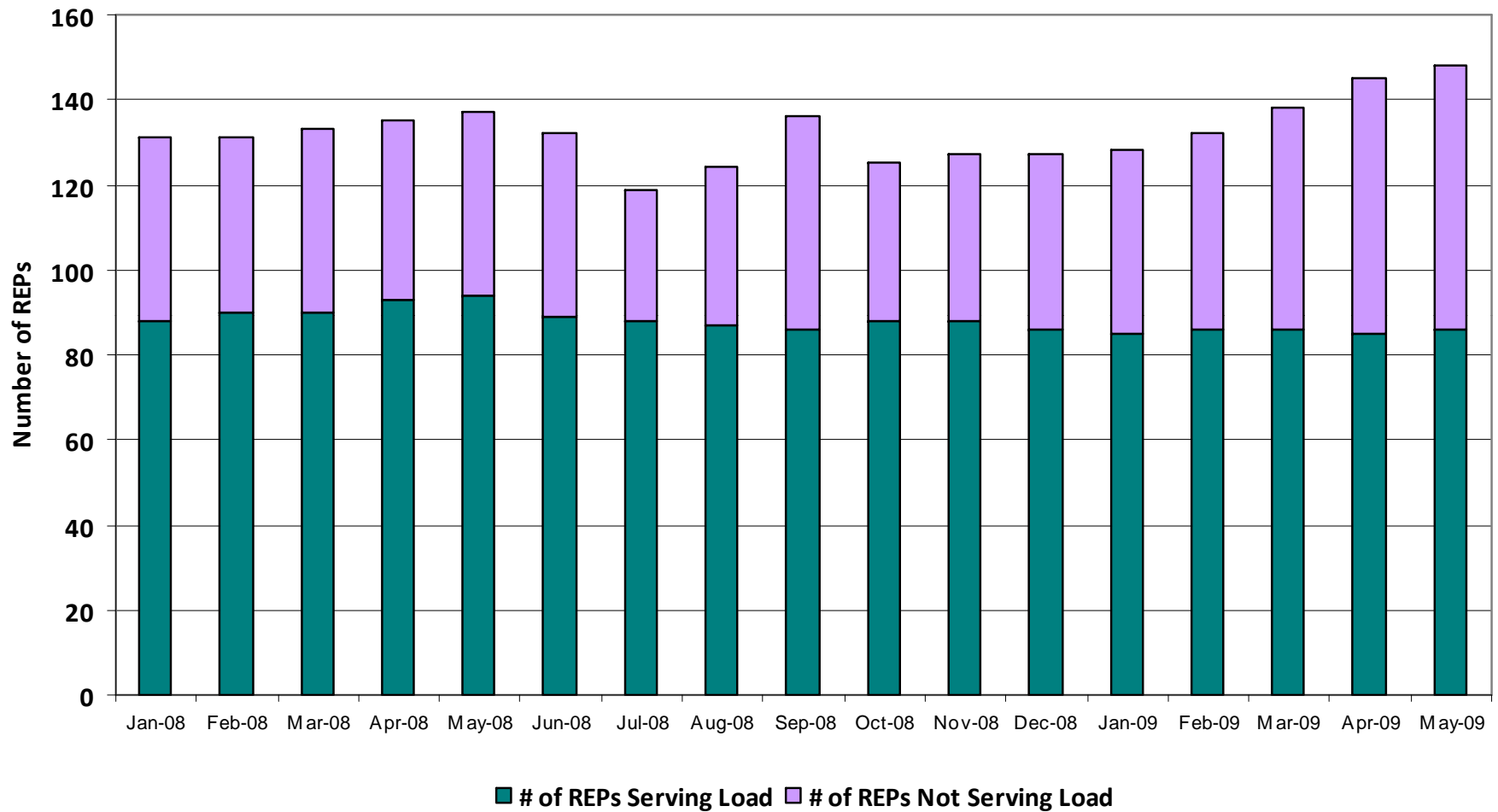
<u>LOAD ZONE</u>	<u>Apr</u> <u>2009</u>	<u>Mar</u> <u>2009</u>	<u>Feb</u> <u>2009</u>	<u>Jan</u> <u>2009</u>
South	\$24.27	\$26.35	\$27.27	\$34.69
North	\$24.82	\$32.21	\$27.89	\$32.31
Houston	\$24.58	\$29.11	\$27.19	\$32.78
West	\$12.93	\$25.70	\$19.93	\$24.04

<u>LOAD ZONE</u>	<u>Apr</u> <u>2008</u>	<u>Mar</u> <u>2008</u>	<u>Feb</u> <u>2008</u>	<u>Jan</u> <u>2008</u>
South	\$83.65	\$64.34	\$63.26	\$60.24
North	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$100.00	\$68.19	\$60.06	\$60.16
West	\$58.59	\$38.52	\$56.84	\$52.04

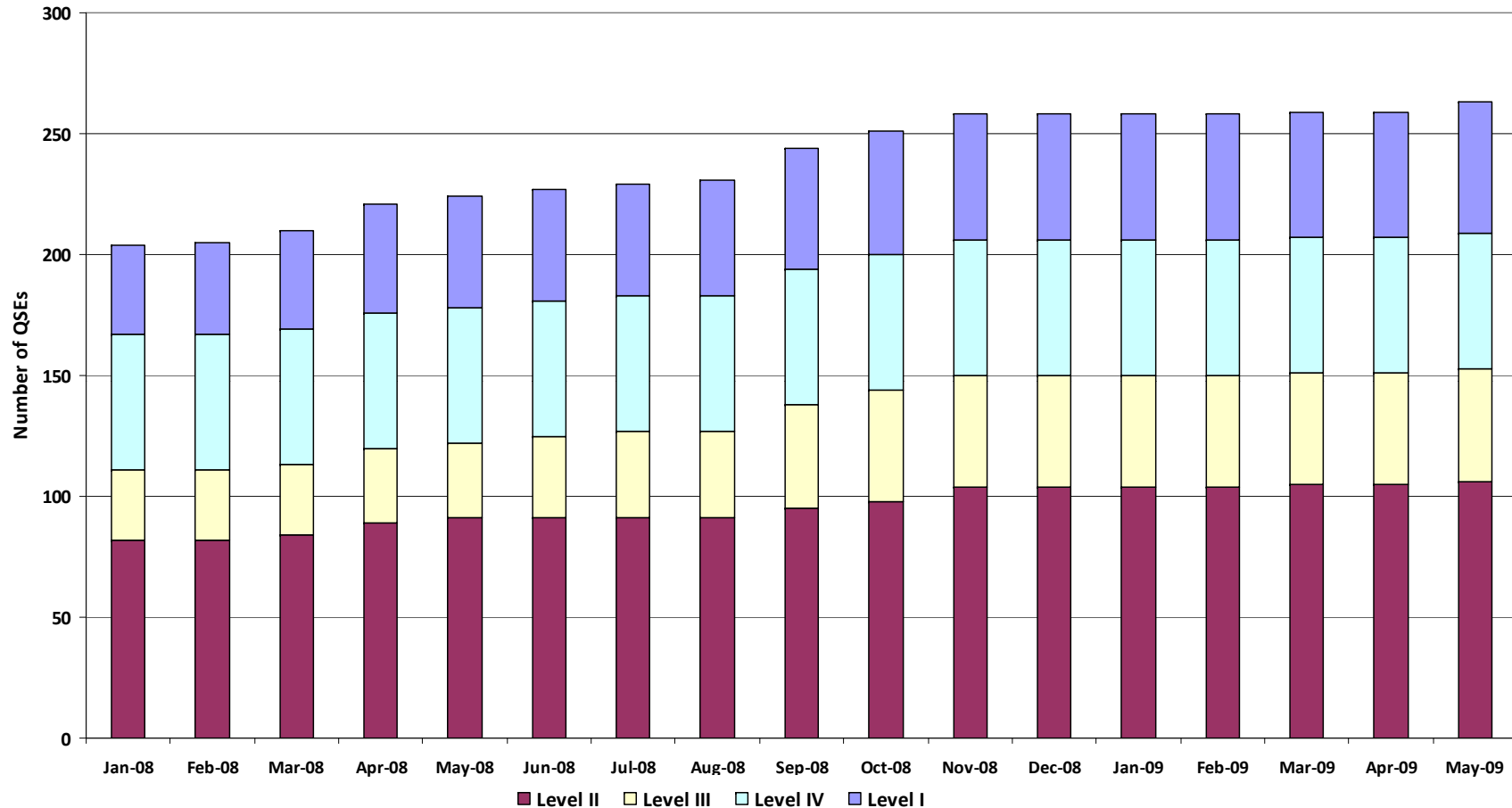
**Represents the average price for loads within the zone*



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 May 31, 2009

- **Added REPs**

- ✓ Illuminar Energy, LLC
- ✓ Pulse Electric, Inc.
- ✓ Texas Power LP d/b/a Pre Pay Power

- **Added QSEs**

- ✓ Texas Power LP (SQ1)
- ✓ Illuminar Energy, LLC
- ✓ Luminant Energy Company, LLC (SQ3)

- **Terminated REPs**

- ✓ None

- **Terminated QSEs**

- ✓ KCP and L Greater Missouri Operations Co.

Questions ?