



Market Operations Presentation

ERCOT Board of Directors
July 21, 2009

Betty Day

Summary

Retail Activity

- **Overall Activity** – Switching activity continues to be very strong in 2009.
- **Migration From Native AREPs** – All customer classes show strong migration activity.
- **Transaction Performance Measures** – Overall June 2009 performance was down slightly due to IT processing issues.

Project Update

- **Advanced Metering** – Completed all “as-built” Detail Design documents except Data Aggregation. Milestone will be complete in early August. Development completion is still on target for 7/24.

Wholesale Activity

- **Settlements & Billing Performance Measures** – Perfect performance in May.
- **Energy Services** – Total energy volumes continue to be lower in 2009 than 2008.
- **Summary Balancing Energy Price Data** – Prices, while up somewhat in May, continue at overall lower levels in 2009 than 2008.
- **REPs and QSEs Added/Terminated**
 - 1 new REP
 - 2 new QSE
 - 0 terminated REPs
 - 1 terminated QSEs

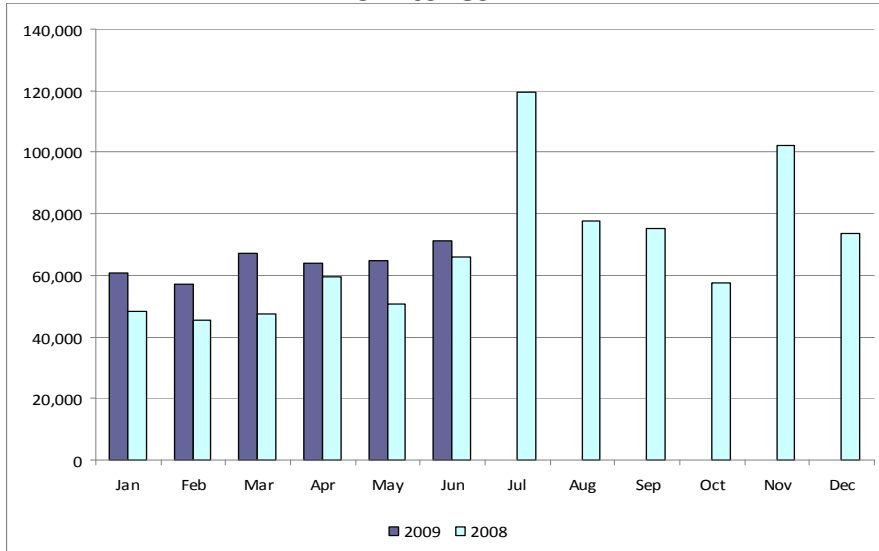
Overall Activity

Retail Transactions Summary

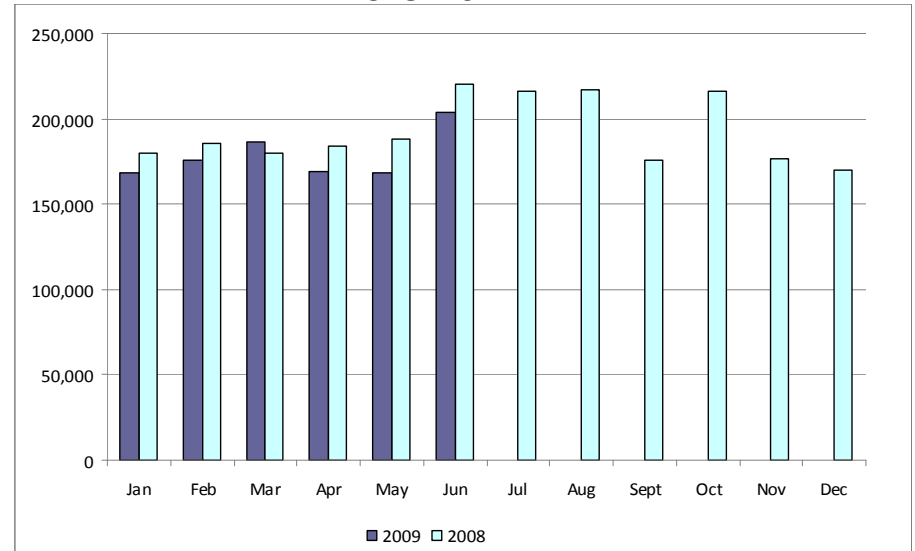
Transaction Type	YTD		June	
	<u>06/30/2009</u>	<u>06/30/2008</u>	<u>2009</u>	<u>2008</u>
Switches	384,904	317,101	71,383	65,822
Move - Ins	1,070,800	1,137,138	203,802	220,163
Move Out	607,111	613,998	117,890	115,865
CSA (Continuous Service Agreement)	170,630	183,942	38,842	31,696
Mass Transition	0	40,869	0	32,628
Total	2,233,445	2,293,048	431,917	466,174
Since June 1, 2001	33,272,313			

Retail Transactions Summary

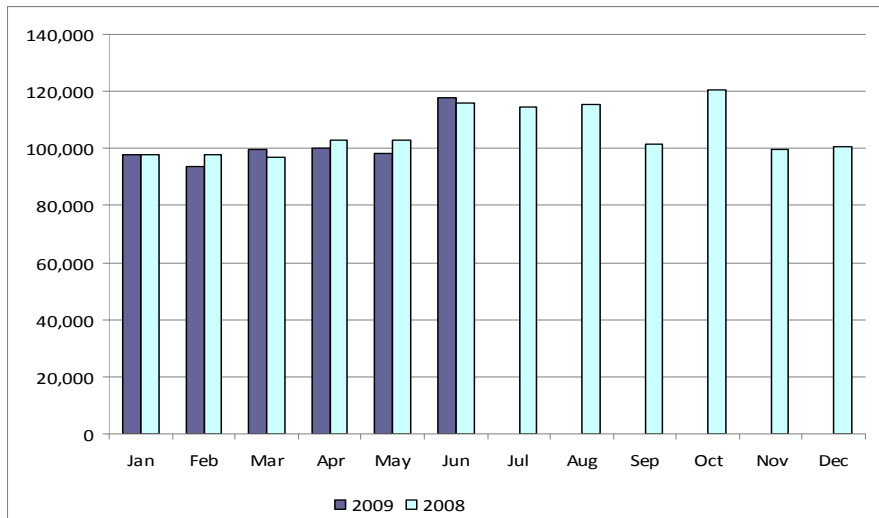
Switches



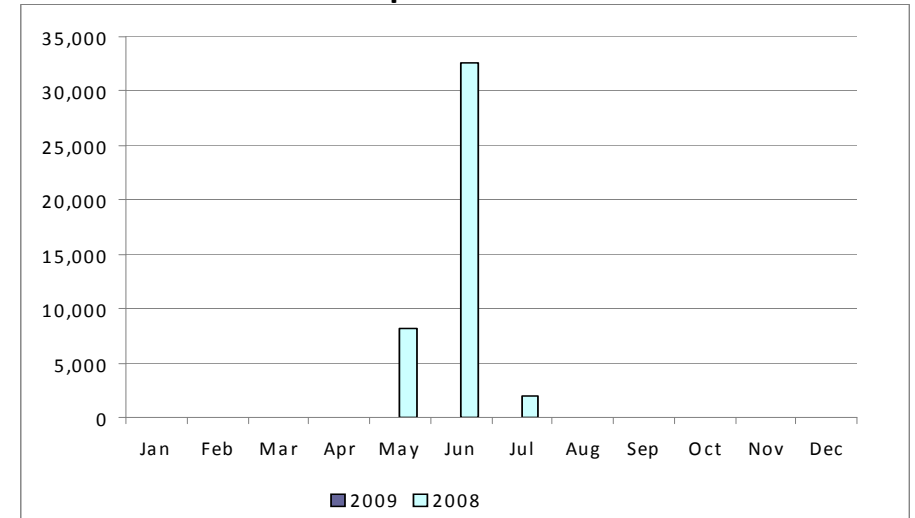
Move-Ins



Move-Outs



Drop to POLR

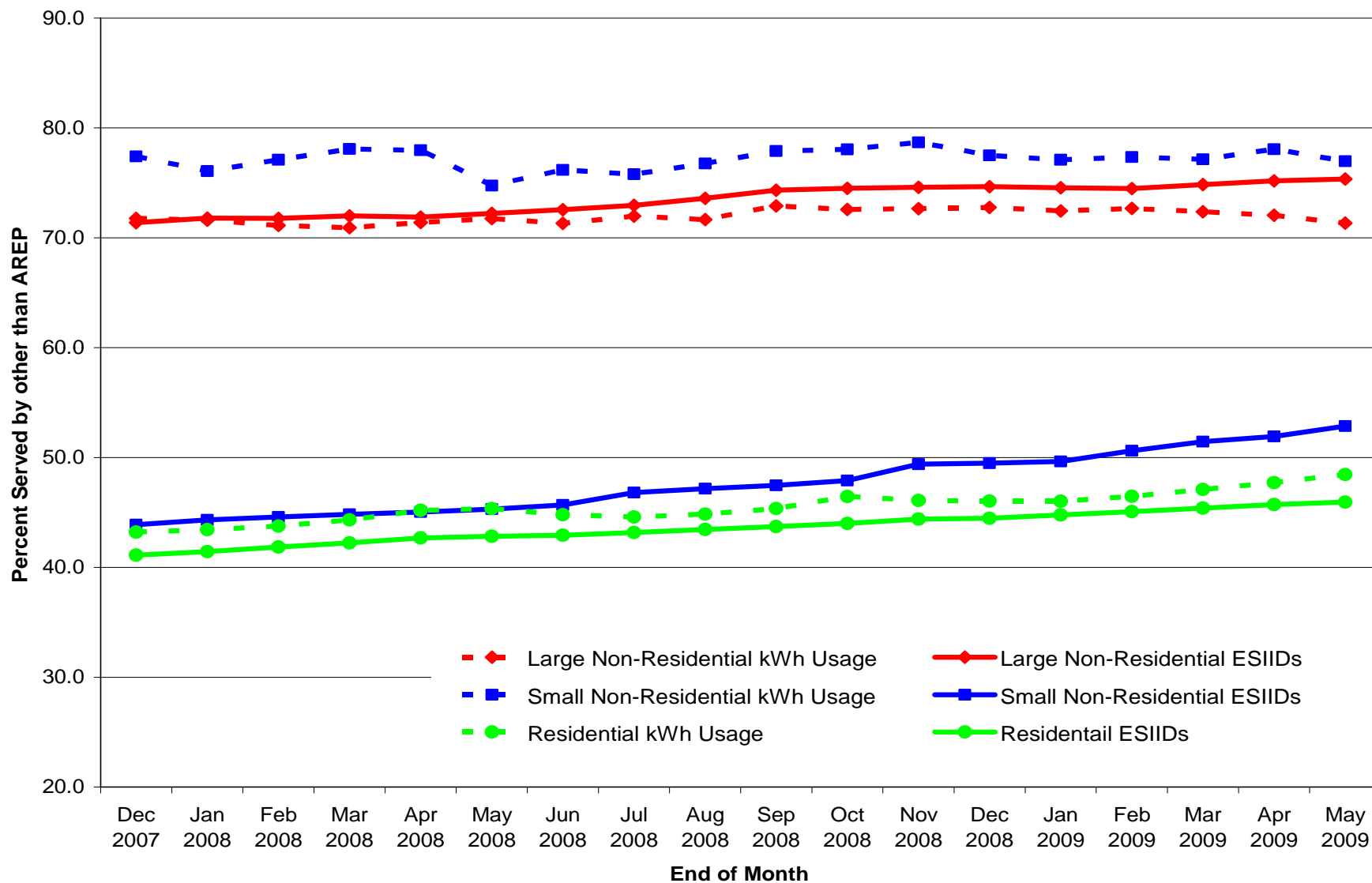


Migration from Native Affiliate REP

	% of Load ¹		% of ESI IDs	
	at <u>05/31/09</u>	at <u>05/31/08</u>	at <u>05/31/09</u>	at <u>05/31/08</u>
Residential	48%	45%	46%	43%
Small Non-Residential	77%	75%	53%	45%
Large Non-Residential	72%	72%	75%	72%

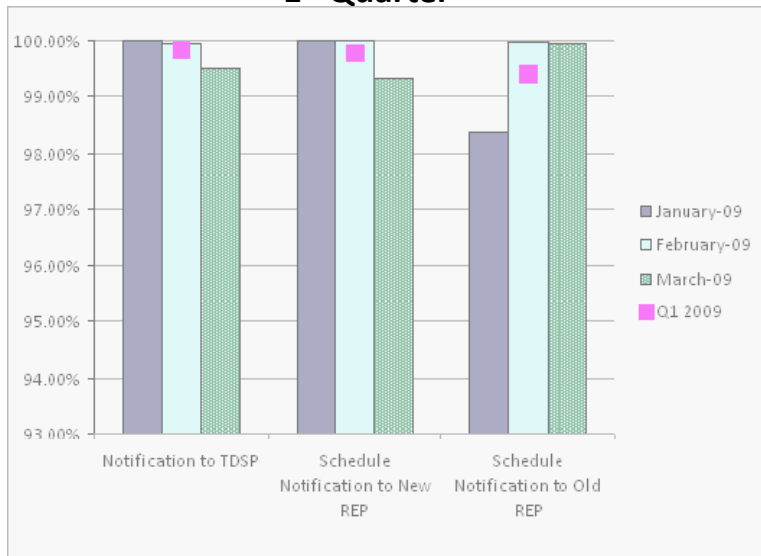
¹ - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

Migration from Native Affiliate REP

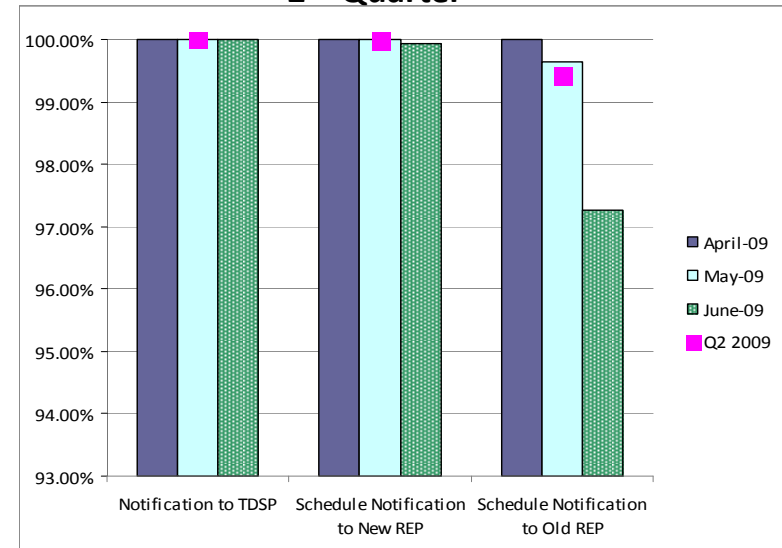


Retail Performance Measures – 2009 Switch

1st Quarter



2nd Quarter



3rd Quarter



4th Quarter

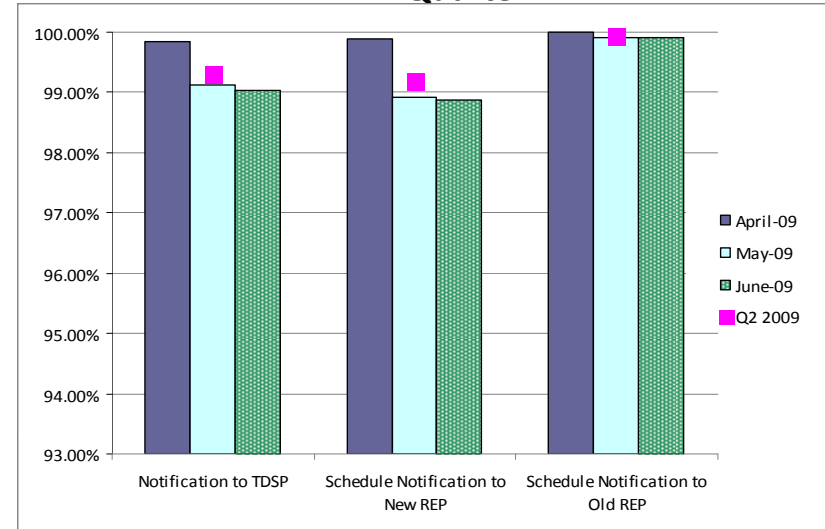


Retail Performance Measures – 2009 Move-In / Priority

1st Quarter



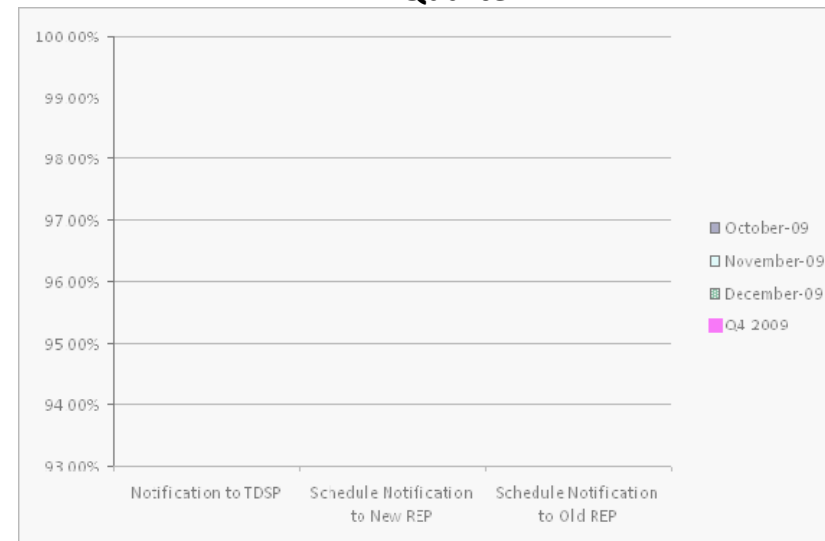
2nd Quarter



3rd Quarter

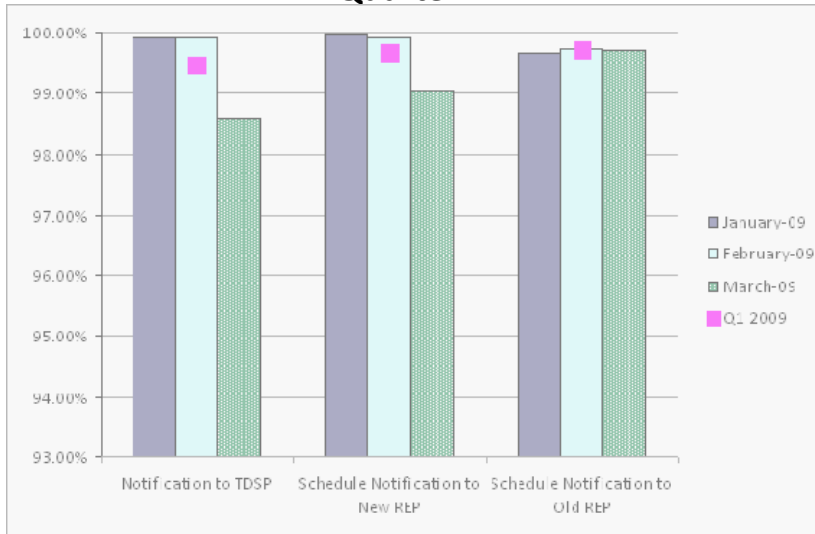


4th Quarter

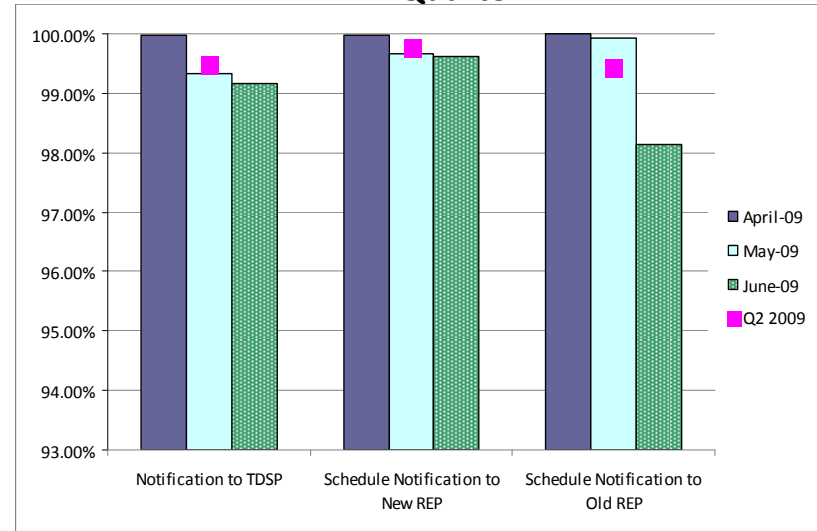


Retail Performance Measures – 2009 Move-In / Standard

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
NAESB Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	06/12/2009
AMR Java Service Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	06/12/2009
AMR Transactional Report Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	06/12/2009
Usage Loading Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	07/01/2009
Replication Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	07/01/2009
Extracts Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	07/01/2009
TIBCO & WADS Detail Design (as built)	COMPLETED	06/18/2009	07/17/2009	07/01/2009
Data Aggregation Detail Design (as built)	50% complete	06/18/2009	08/07/2009	
Development Complete	90% complete	07/24/2009	07/24/2009	
Product Testing Complete (Lodestar only)	25% complete	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 – May 2009

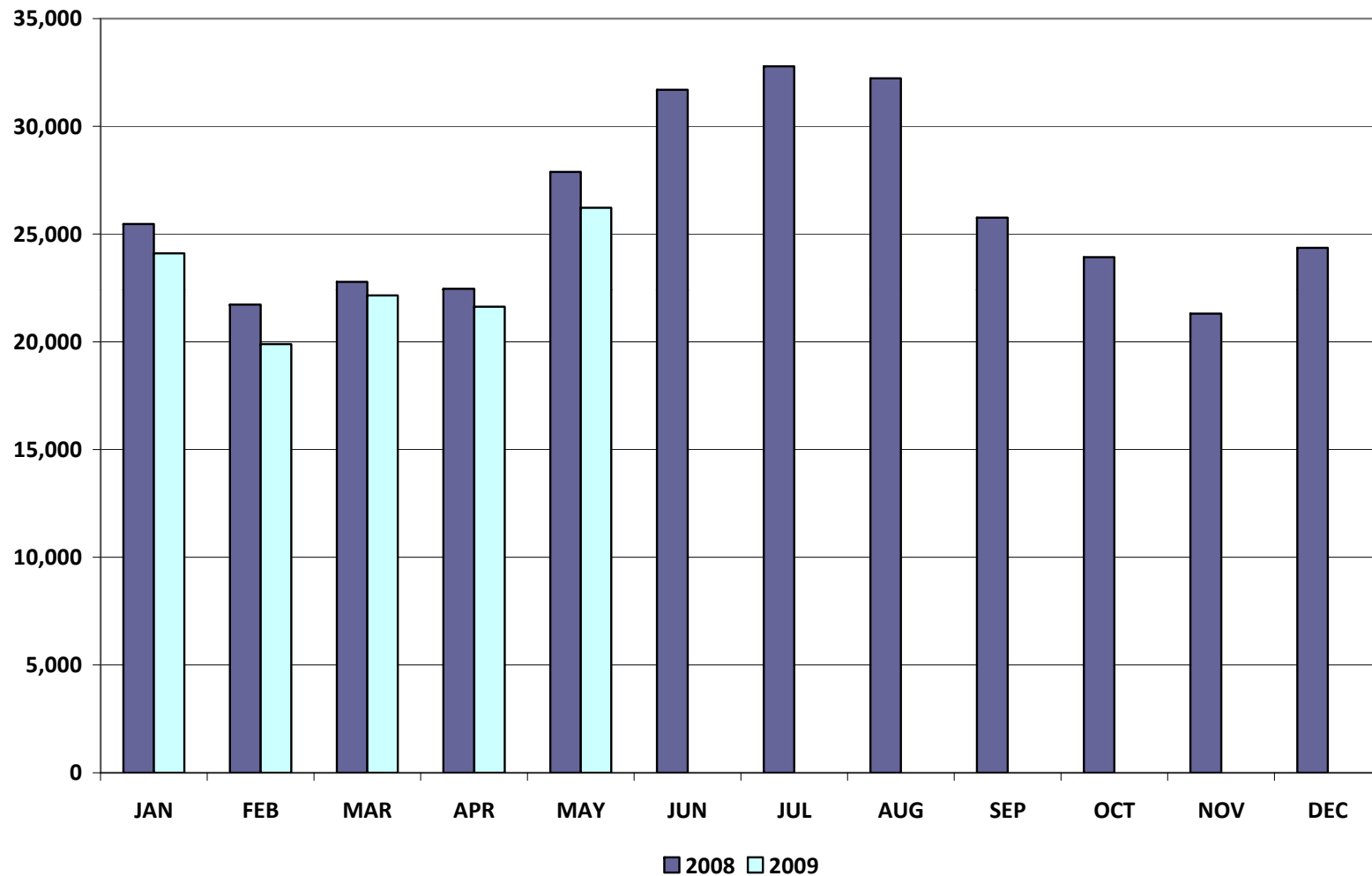
	YTD		May	
	<u>05/31/09</u>	<u>05/31/08</u>	<u>2009</u>	<u>2008</u>
Settlement Statements:				
Total	64,007	58,352	12,749	11,646
Late	109	754	0	0
– Less than 24 hours late	109	754	0	0
– Greater than 24 hours late	0	0	0	0
Balance	63,898	57,598	12,749	11,646
% Within Protocol	99.83%	98.71%	100.00%	100.00%
Invoices:				
Total	3,926	3,316	708	756
Late	0	0	0	0
– Less than 24 hours late	0	0	0	0
– Greater than 24 hours late	0	0	0	0
Balance	3,926	3,316	708	756
% Within Protocol	100.00%	100.00%	100.00%	100.00%

Energy Services

	YTD		May	
	(\$'s in millions)		(\$'s in millions)	
	<u>05/31/09</u>	<u>05/31/08</u>	<u>2009</u>	<u>2008</u>
• Market Perspective:				
Approximate Retail Market (at \$.11/kWh)	\$12,537.7	\$13,234.7	\$2,884.0	\$3,066.6
Volume (GWh)	113,979	120,315	26,218	27,878
% Increase	-5.3%		-6.0%	
Natural Gas Price Index (\$/MMBTU)	3.8	9.2	3.6	11.0
% Increase	-58.7%		-67.3%	
• Balancing Energy:				
Balancing Energy - Up	\$99.8	\$478.1	\$30.9	\$218.7
% Increase	-79.1%		-85.9%	
Up (GWh)	2,266.9	3,956.3	612.1	1,201.7
% Increase	-42.7%		-49.1%	
% of Market	2.0%	3.3%	2.3%	4.3%
Balancing Energy - Down	-\$121.7	-\$187.8	-\$26.6	-\$54.1
% Increase	-35.2%		-50.8%	
Down (GWh)	-7,581.3	-4,681.4	-1,346.7	-1,225.0
% Increase	61.9%		9.9%	
% of Market	6.7%	3.9%	5.1%	4.4%

Energy Services

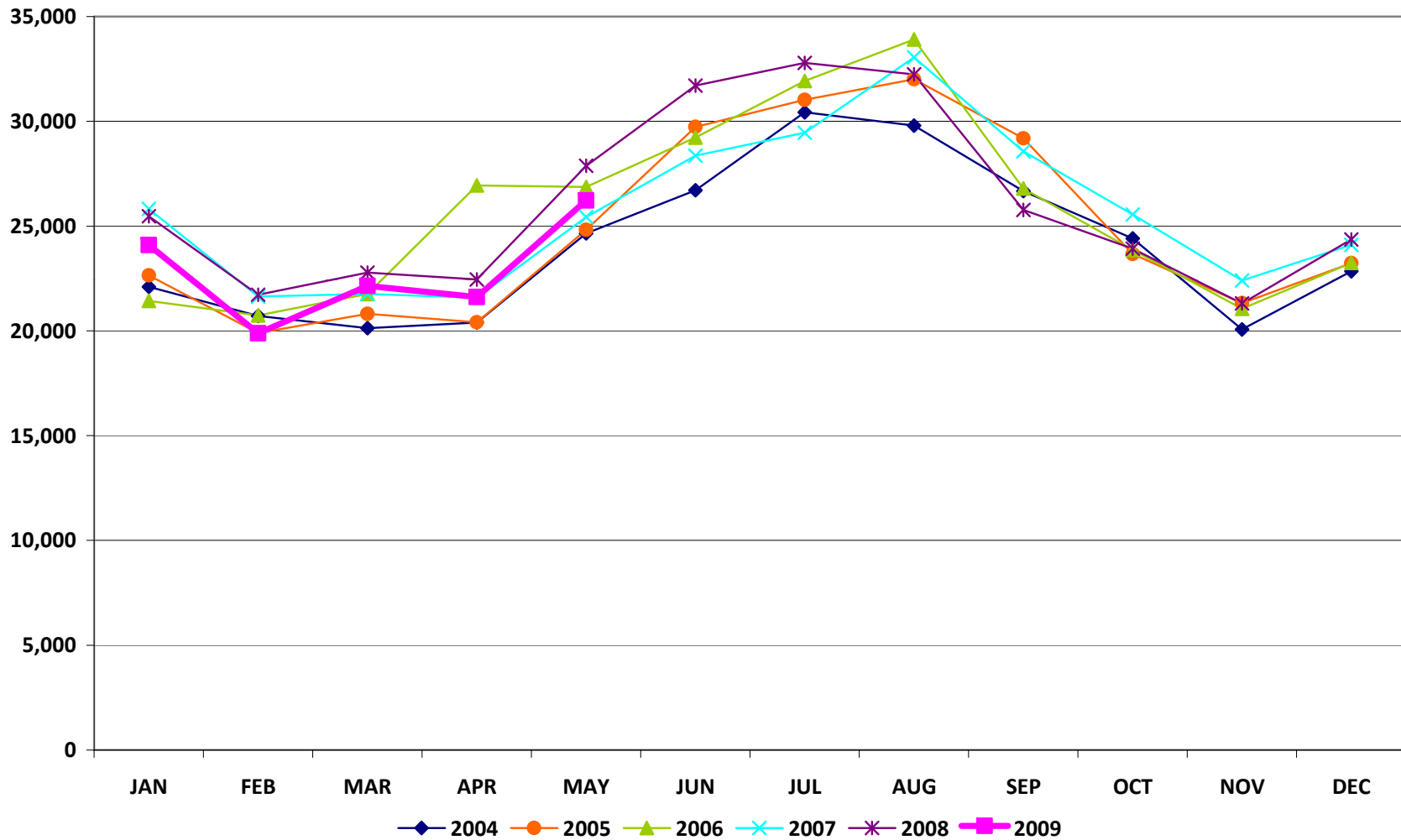
Total Market Volume (GWh)



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

Energy Services

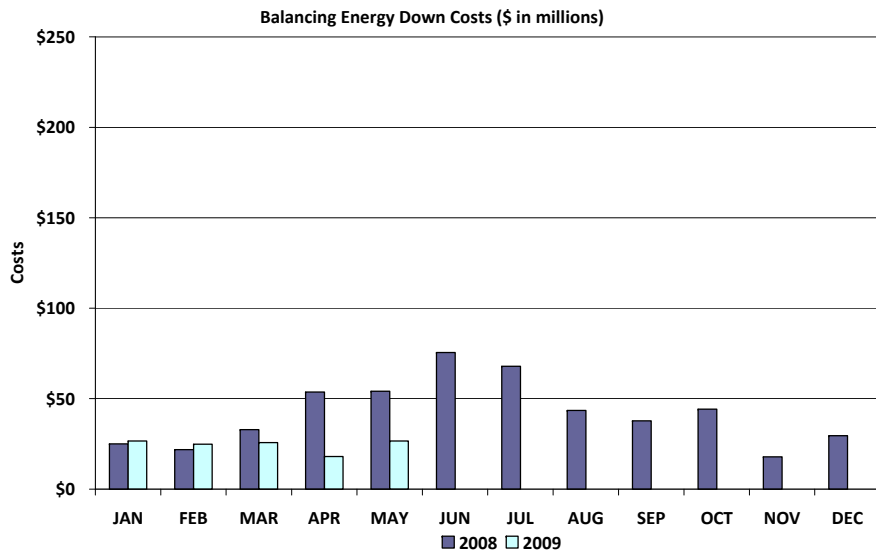
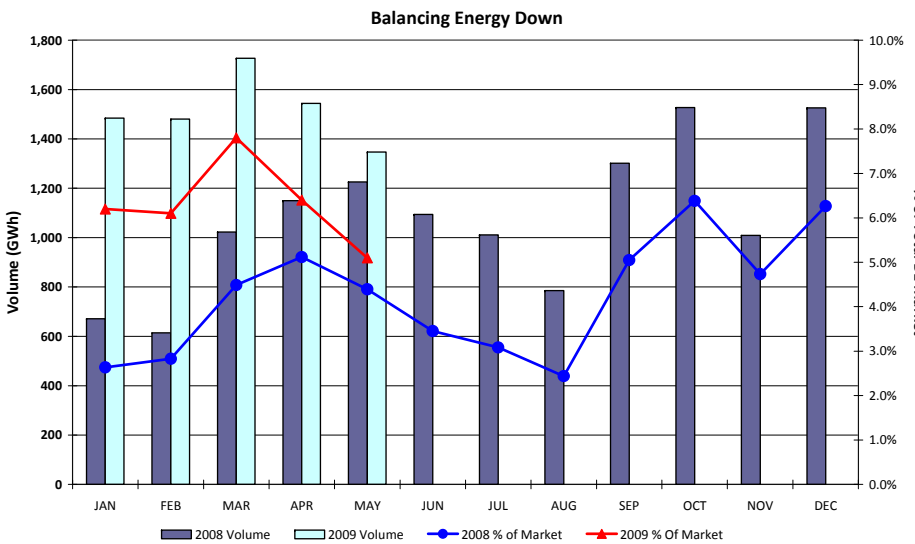
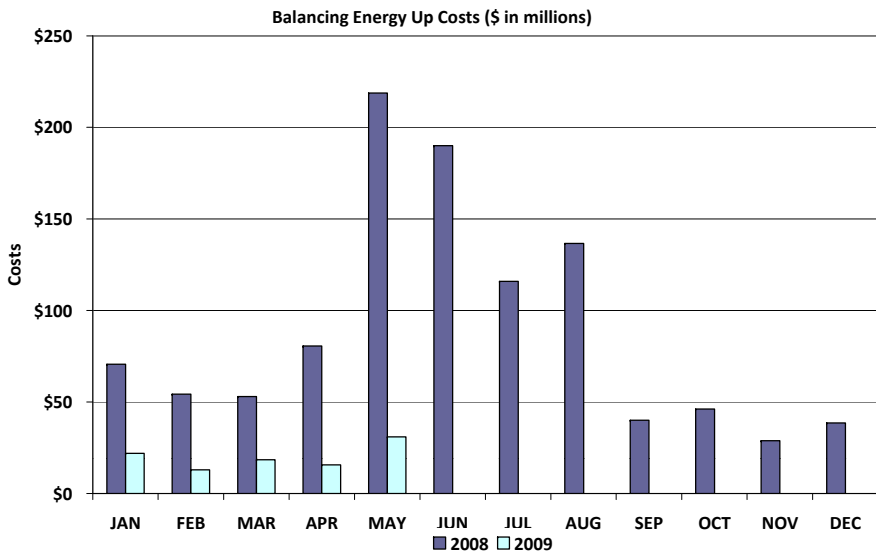
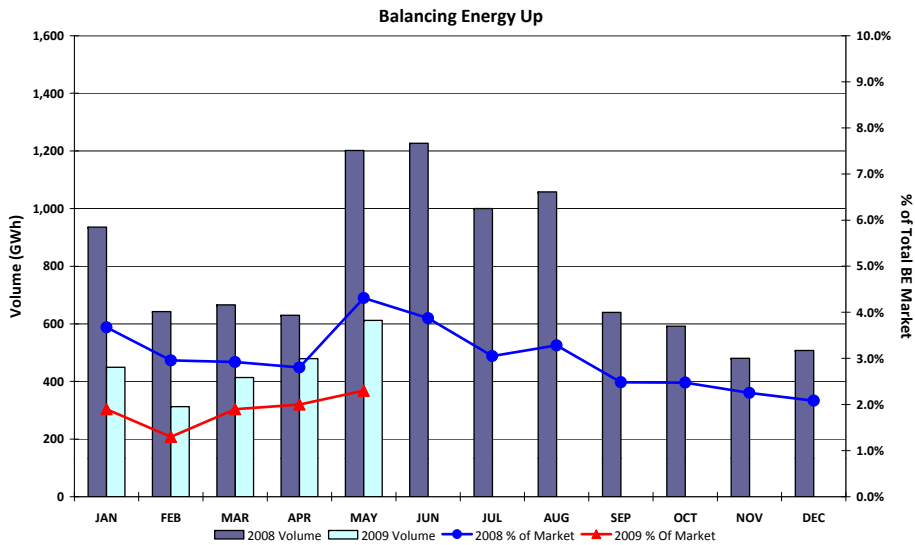
Total Market Volume (GWh)



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



Balancing Energy Services – Volume and Cost

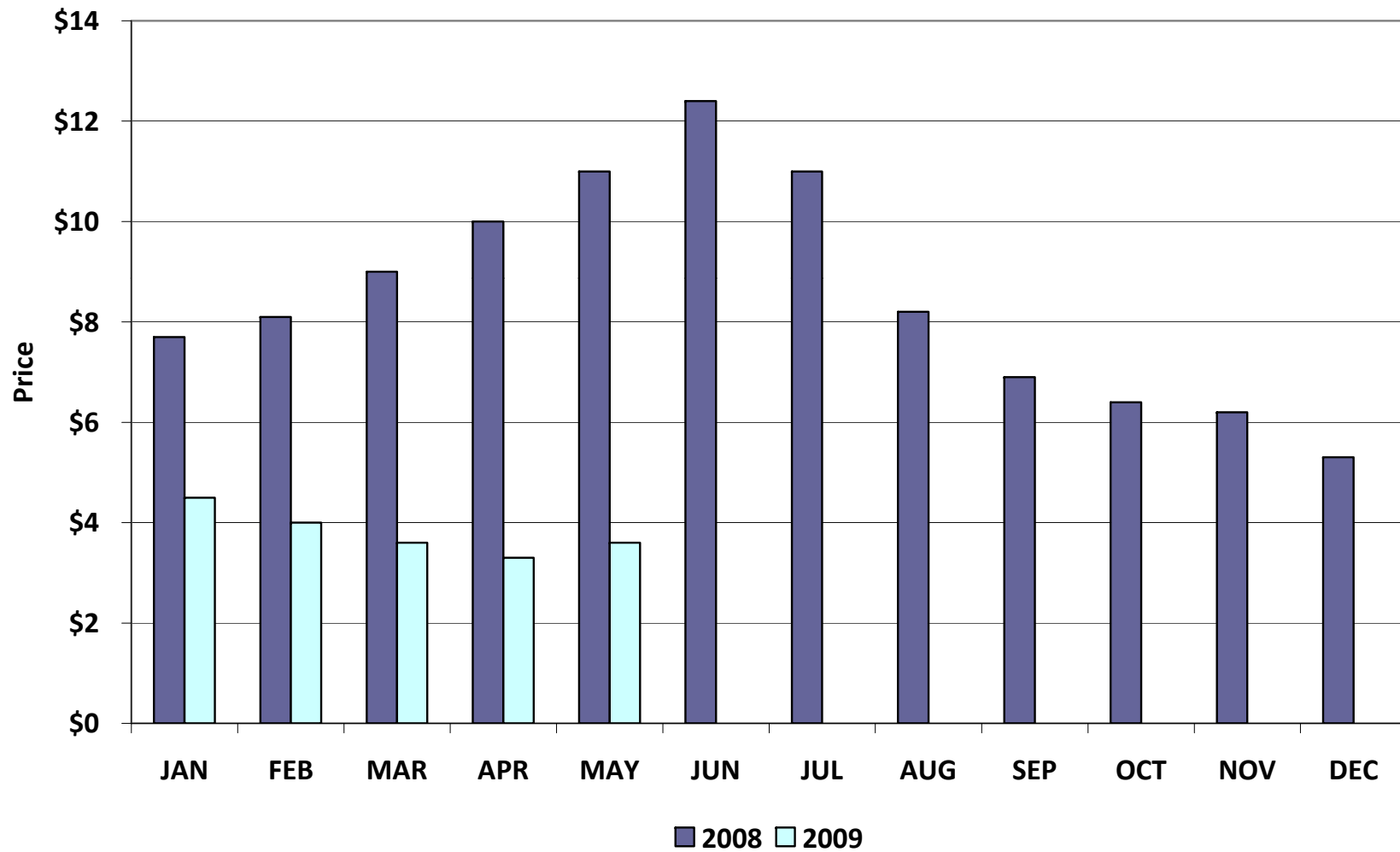


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Natural Gas

Natural Gas Price Index (\$/MMBTU)

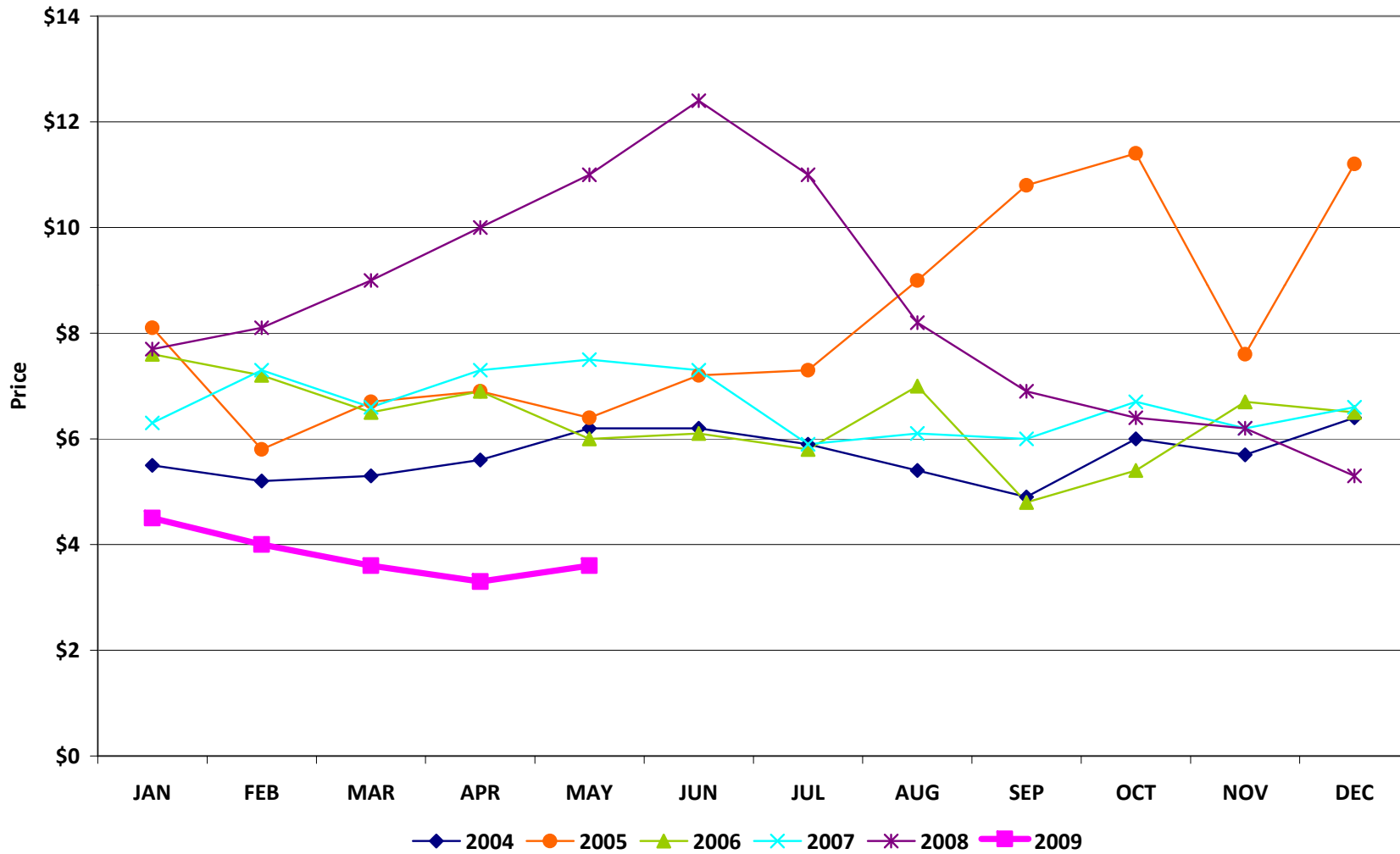


*Please note: June data will be provided at the Board Q&A



Natural Gas

Natural Gas Price Index (\$/MMBTU)



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

Load Zone Price Data

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

[MCPE weighted by Total Zonal Load]

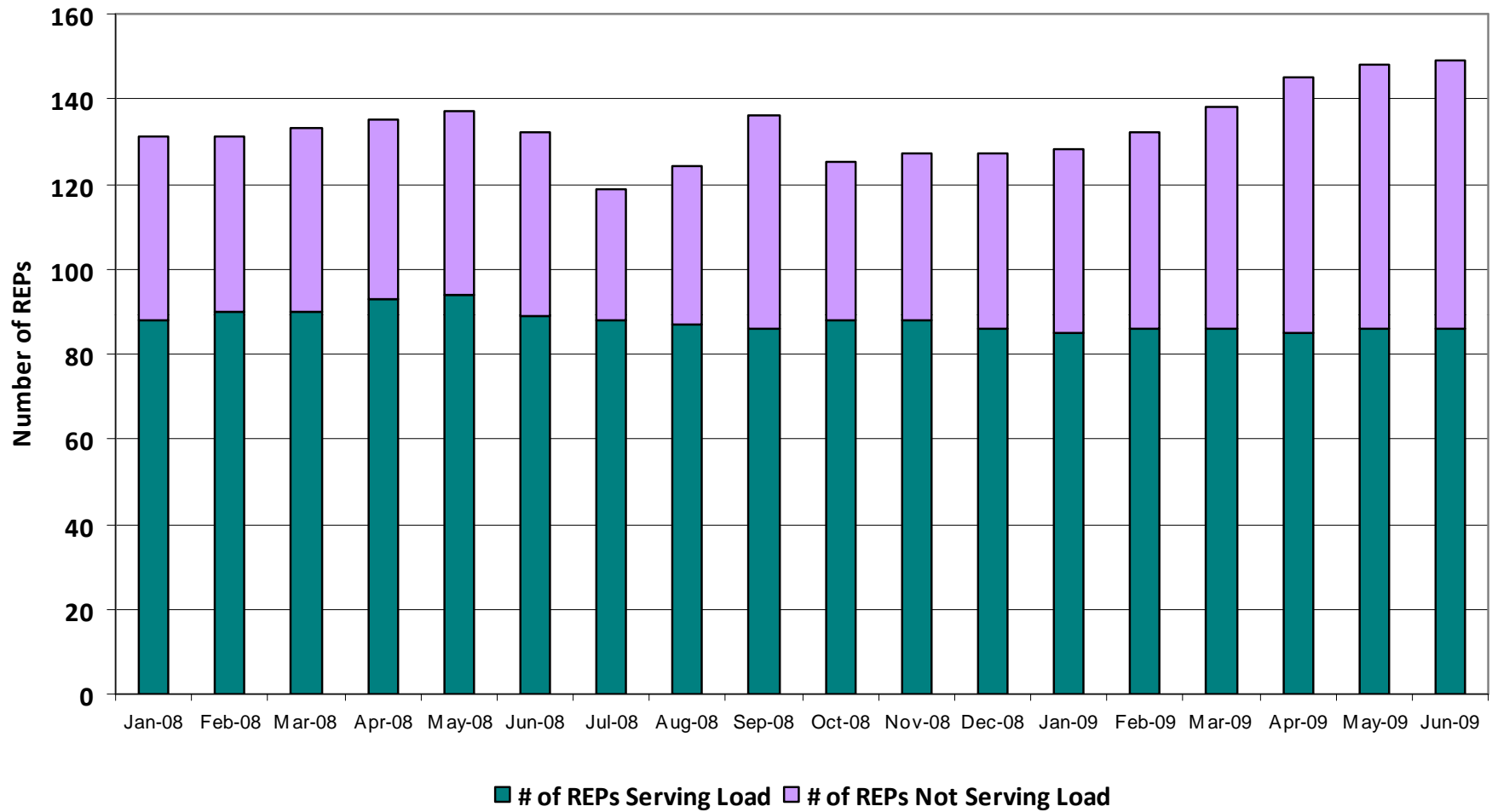
<u>LOAD ZONE</u>	<u>May 2009</u>	<u>Apr 2009</u>	<u>Mar 2009</u>	<u>Feb 2009</u>	<u>Jan 2009</u>
South	\$32.97	\$24.27	\$26.35	\$27.27	\$34.69
North	\$32.99	\$24.82	\$32.21	\$27.89	\$32.31
Houston	\$32.70	\$24.58	\$29.11	\$27.19	\$32.78
West	\$24.57	\$12.93	\$25.70	\$19.93	\$24.04

<u>LOAD ZONE</u>	<u>May 2008</u>	<u>Apr 2008</u>	<u>Mar 2008</u>	<u>Feb 2008</u>	<u>Jan 2008</u>
South	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

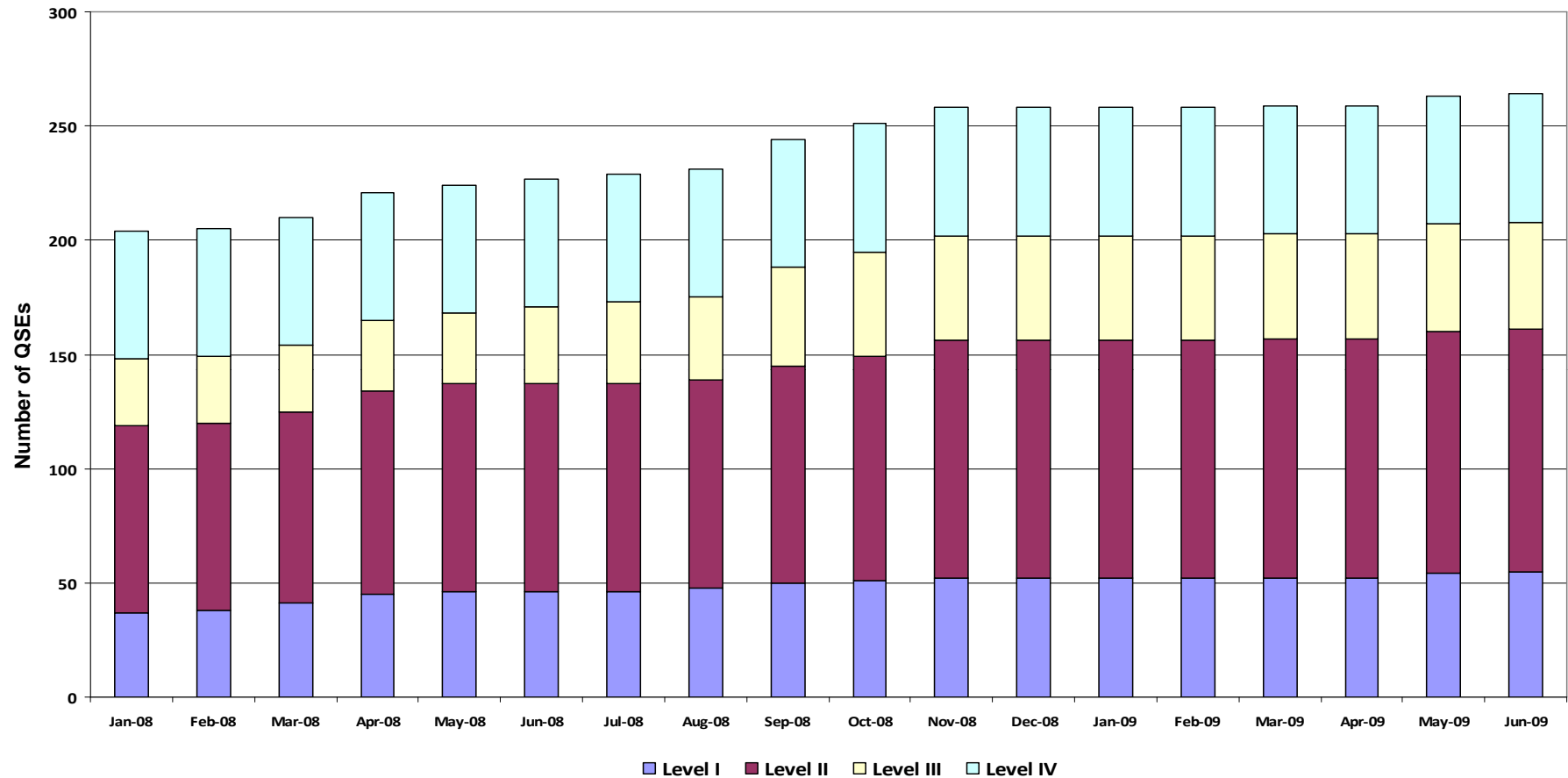
**Represents the average price for loads within the zone*



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 June 30, 2009

- **Added REPs**

- ✓ Our Energy, LLC

- **Added QSEs**

- ✓ Aspire Capital Management, LLC
- ✓ BPTX (SQ5) Hudson

- **Terminated REPs**

- ✓ None

- **Terminated QSEs**

- ✓ Gulf States Wholesale Equity Partners, LP

Questions?