



# Market Operations Presentation

ERCOT Board of Directors  
August 18, 2009

**Betty Day**

# Summary

## Retail Activity

- **Overall Activity** – July switching activity continues the strong trend seen throughout 2009. Comparisons to July 2008 show the high switching numbers that followed the mass transitions last summer.
- **Migration From Native AREPs** – Migration remains healthy in all customer classes – particularly Small Non-Residential.
- **Transaction Performance Measures** – Near perfect performance in July.

## Project Update

- **Advanced Metering** – All Design Documentation and Development completed. Currently in Product Test (PTest) phase - should complete by 8/14.

## Wholesale Activity

- **Settlements & Billing Performance Measures** – All statements and invoices posted on-time.
- **Energy Services** – Total market volume has increased from prior months in 2009 but continues to be lower than 2008. Natural gas prices remain at significantly lower levels than seen in 2008.
- **Summary Balancing Energy Price Data** – June prices showed significant increase from prior months due to congestion in the South and Houston zones.
- **REPs and QSEs Added/Terminated**
  - 0 new REPs
  - 0 terminated REPs
  - 3 new QSEs
  - 3 terminated QSEs

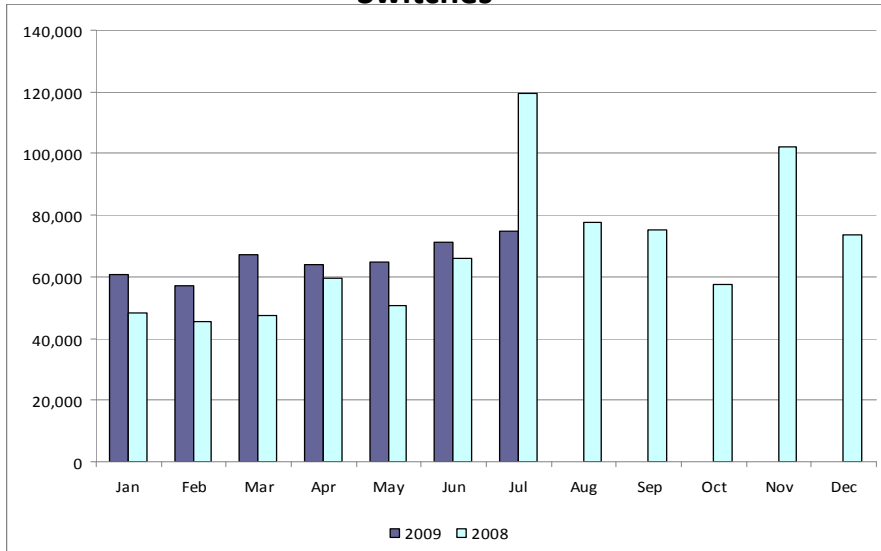
# Overall Activity

## Retail Transactions Summary

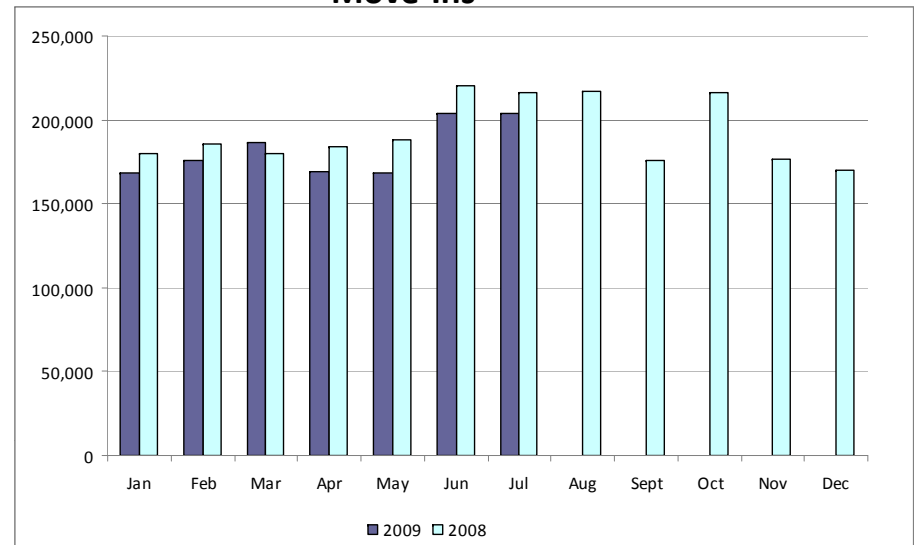
Transaction Type	YTD		July	
	<u>07/31/2009</u>	<u>07/31/2008</u>	<u>2009</u>	<u>2008</u>
Switches	459,932	436,574	75,028	119,473
Move - Ins	1,274,918	1,353,565	204,118	216,427
Move Out	721,901	728,513	114,790	114,515
CSA (Continuous Service Agreement)	194,497	215,056	23,867	31,114
Mass Transition	0	42,899	0	2,030
Total	2,651,248	2,776,607	417,803	483,559
Since June 1, 2001	33,690,116			

# Retail Transactions Summary

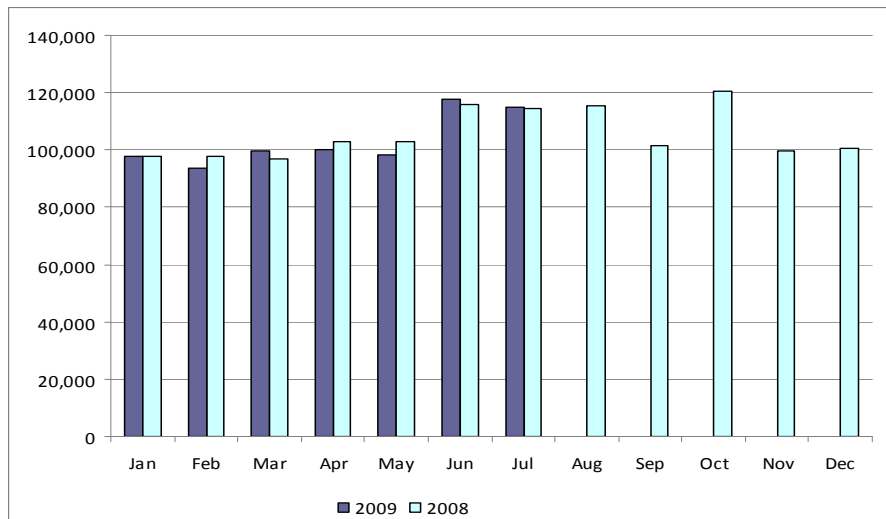
## Switches



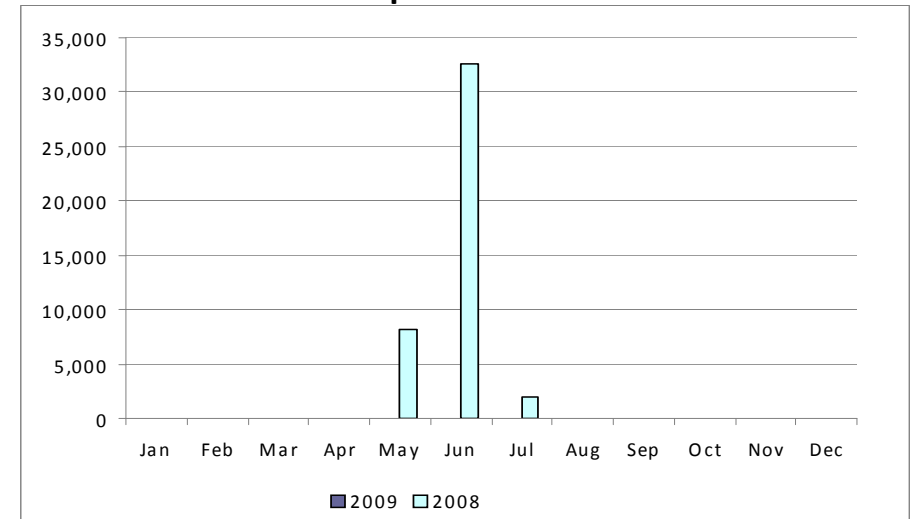
## Move-Ins



## Move-Outs



## Drop to POLR

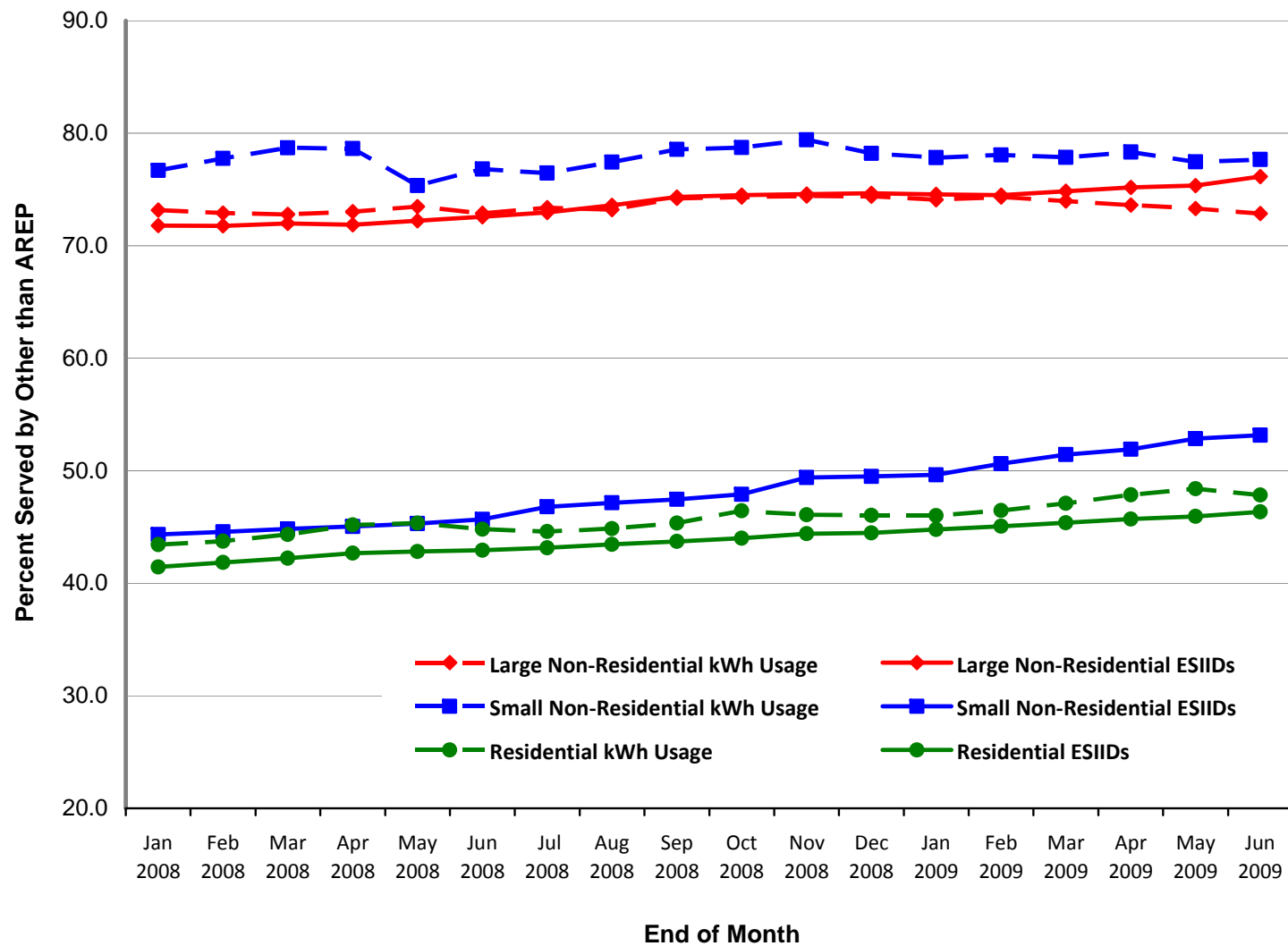


# Migration from Native Affiliate REP

	% of Load <sup>1</sup>		% of ESI IDs	
	at <u>06/30/09</u>	at <u>06/30/08</u>	at <u>06/30/09</u>	at <u>06/30/08</u>
<b>Residential</b>	48%	45%	46%	43%
<b>Small Non-Residential</b>	78%	77%	53%	46%
<b>Large Non-Residential</b>	73%	73%	76%	72%

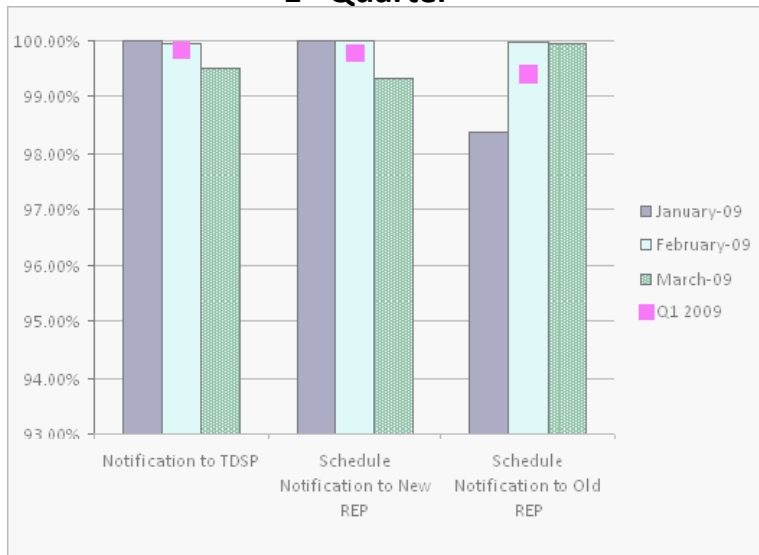
<sup>1</sup> - Percent of Deregulated (Non-NOIE) ESI IDs and Load. Usage based on monthly settlement results.

# Migration from Native Affiliate REP



# Retail Performance Measures – 2009 Switch

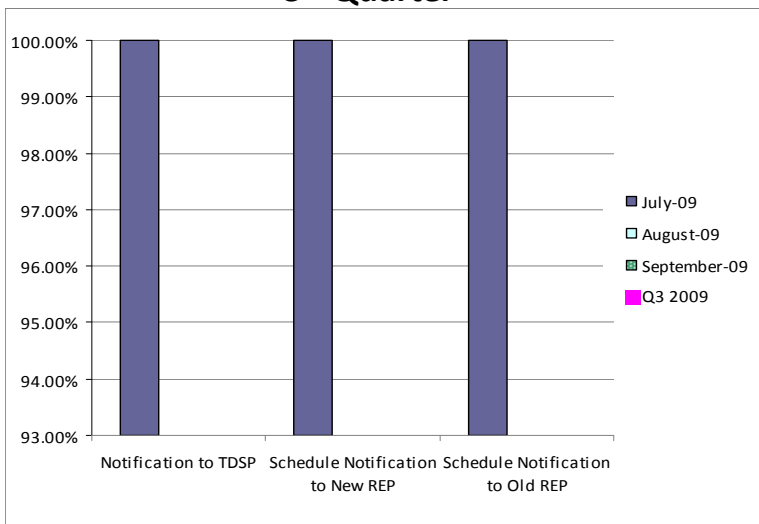
## 1<sup>st</sup> Quarter



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



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

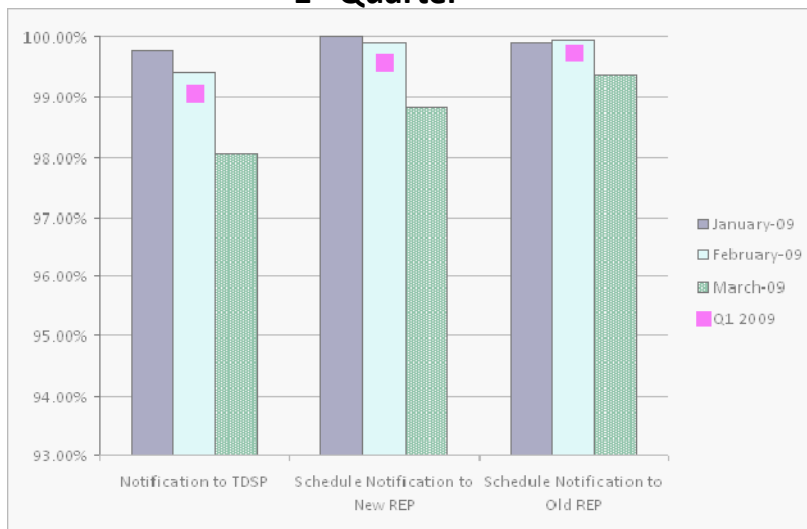


## 4<sup>th</sup> Quarter



# Retail Performance Measures – 2009 Move-In / Priority

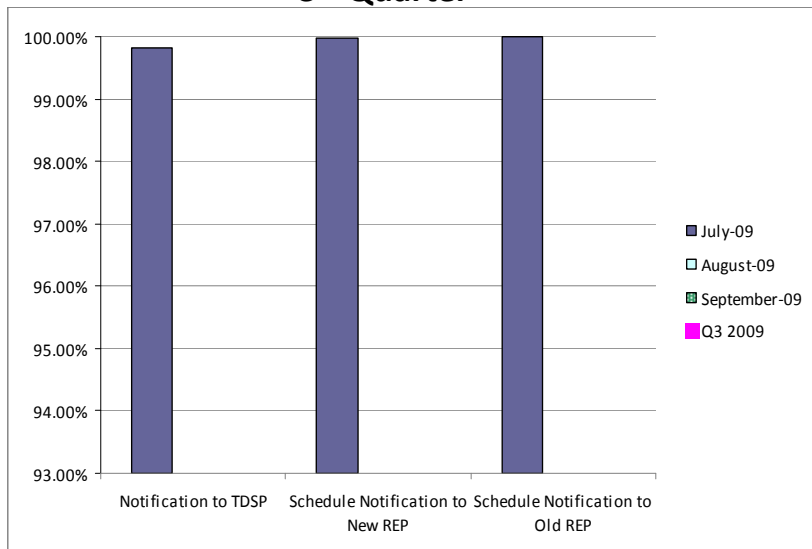
## 1<sup>st</sup> Quarter



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



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



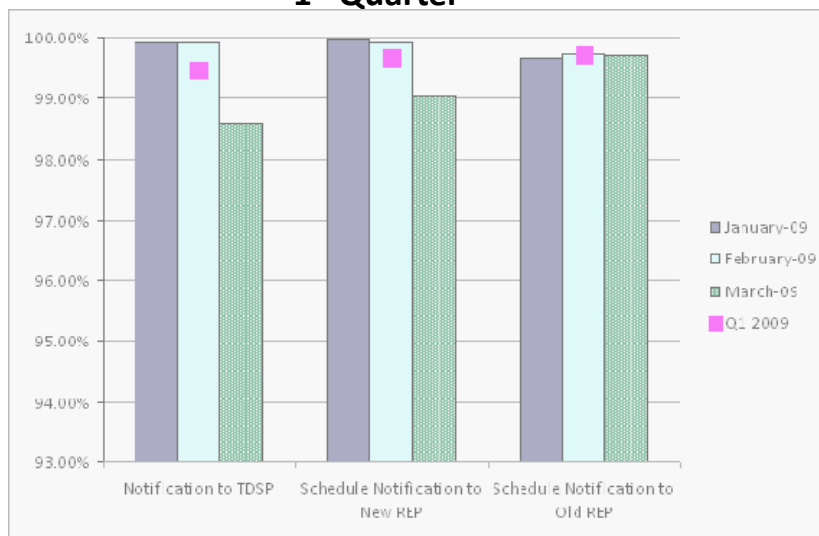
## 4<sup>th</sup> Quarter



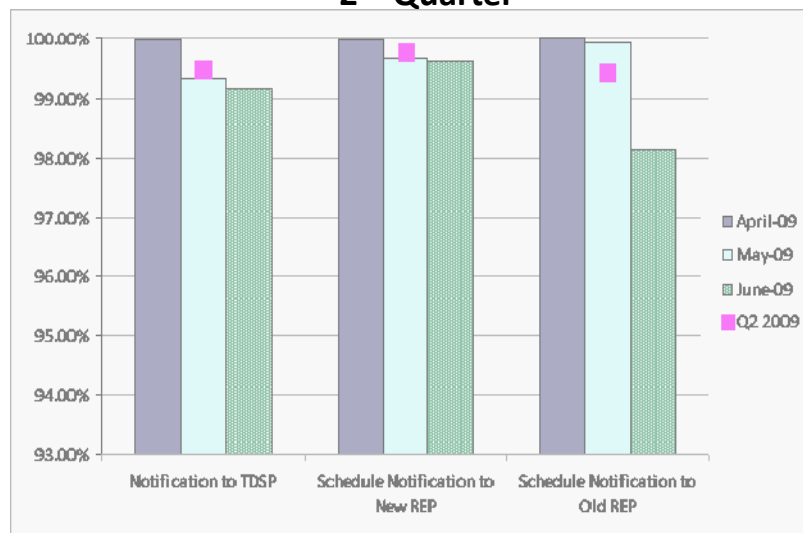


# Retail Performance Measures – 2009 Move-In / Standard

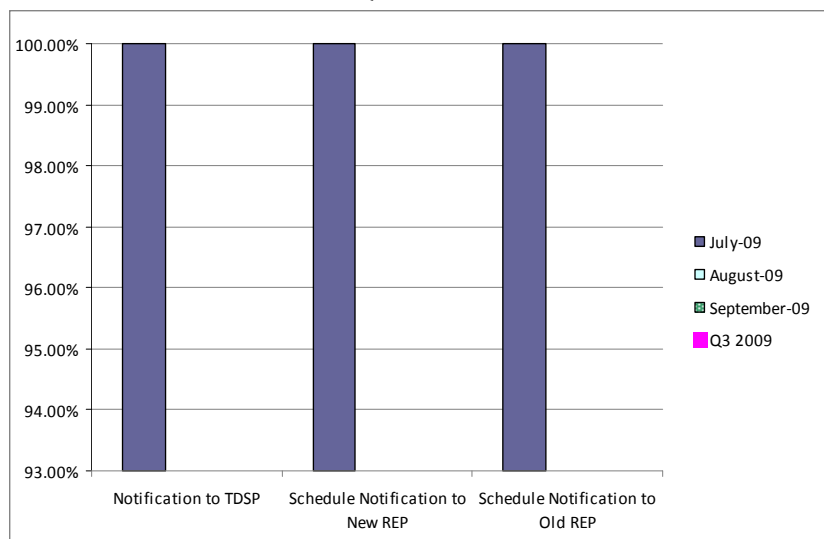
## 1<sup>st</sup> Quarter



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



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



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



## 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)	COMPLETED	06/18/2009	08/07/2009	08/07/2009
Development Complete	COMPLETED	07/24/2009	07/24/2009	07/24/2009
Product Testing Complete (Lodestar only)	75% complete	08/11/2009	08/14/2009	
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 – June 2009

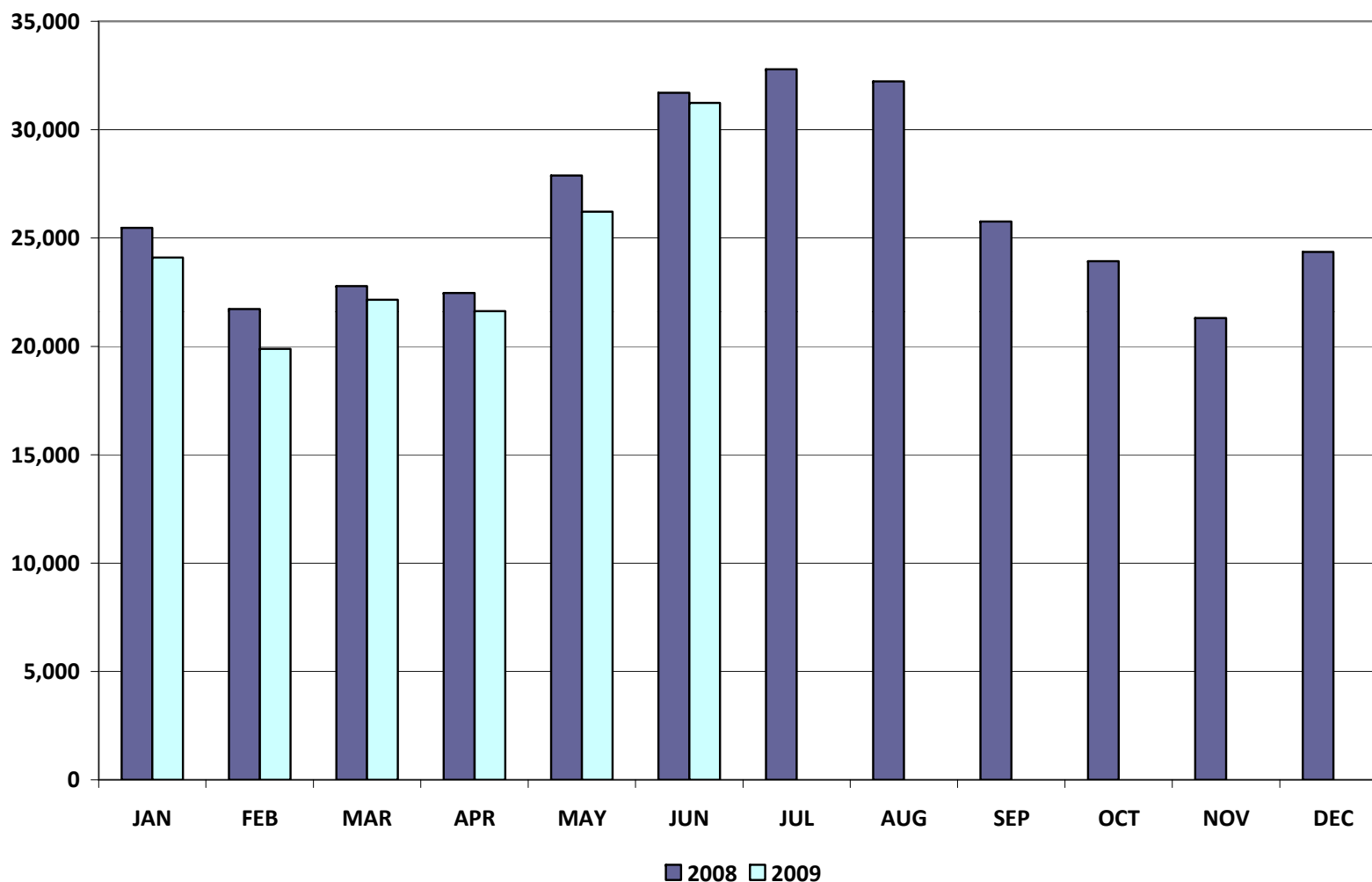
	YTD		June	
	<u>06/30/09</u>	<u>06/30/08</u>	<u>2009</u>	<u>2008</u>
<b>Settlement Statements:</b>				
Total	78,501	70,476	14,494	12,124
Late	109	754	0	0
– Less than 24 hours late	<b>109</b>	<b>754</b>	<b>0</b>	<b>0</b>
– Greater than 24 hours late	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Balance	78,392	69,722	14,494	12,124
% Within Protocol	<b>99.86%</b>	<b>98.93%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Invoices:</b>				
Total	4,655	3,940	729	624
Late	0	0	0	0
– Less than 24 hours late	<b>0</b>	<b>0</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	4,655	3,940	729	624
% Within Protocol	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

# Energy Services

	YTD (\$'s in millions)		June (\$'s in millions)	
	<u>06/30/09</u>	<u>06/30/08</u>	<u>2009</u>	<u>2008</u>
• <b>Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.11/kWh)	<b>\$15,973.1</b>	<b>\$16,722.2</b>	<b>\$3,435.4</b>	<b>\$3,487.6</b>
Volume (GWh)	145,210	152,020	31,231	31,705
% Increase	-4.5%		-1.5%	
Natural Gas Price Index (\$/MMBTU)	3.8	9.9	3.7	12.4
% Increase	-61.6%		-70.2%	
• <b>Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$181.1</b>	<b>\$668.1</b>	<b>\$81.3</b>	<b>\$190.0</b>
% Increase	-72.9%		-57.2%	
Up (GWh)	3,193.8	5,183.4	926.9	1,227.1
% Increase	-38.4%		-24.5%	
% of Market	2.2%	3.4%	3.0%	3.9%
<b>Balancing Energy - Down</b>	<b>-\$165.7</b>	<b>-\$263.2</b>	<b>-\$44.0</b>	<b>-\$75.5</b>
% Increase	-37.0%		-41.7%	
Down (GWh)	-9,404.7	-5,775.6	-1,823.4	-1,094.2
% Increase	62.8%		66.6%	
% of Market	6.5%	3.8%	5.8%	3.5%

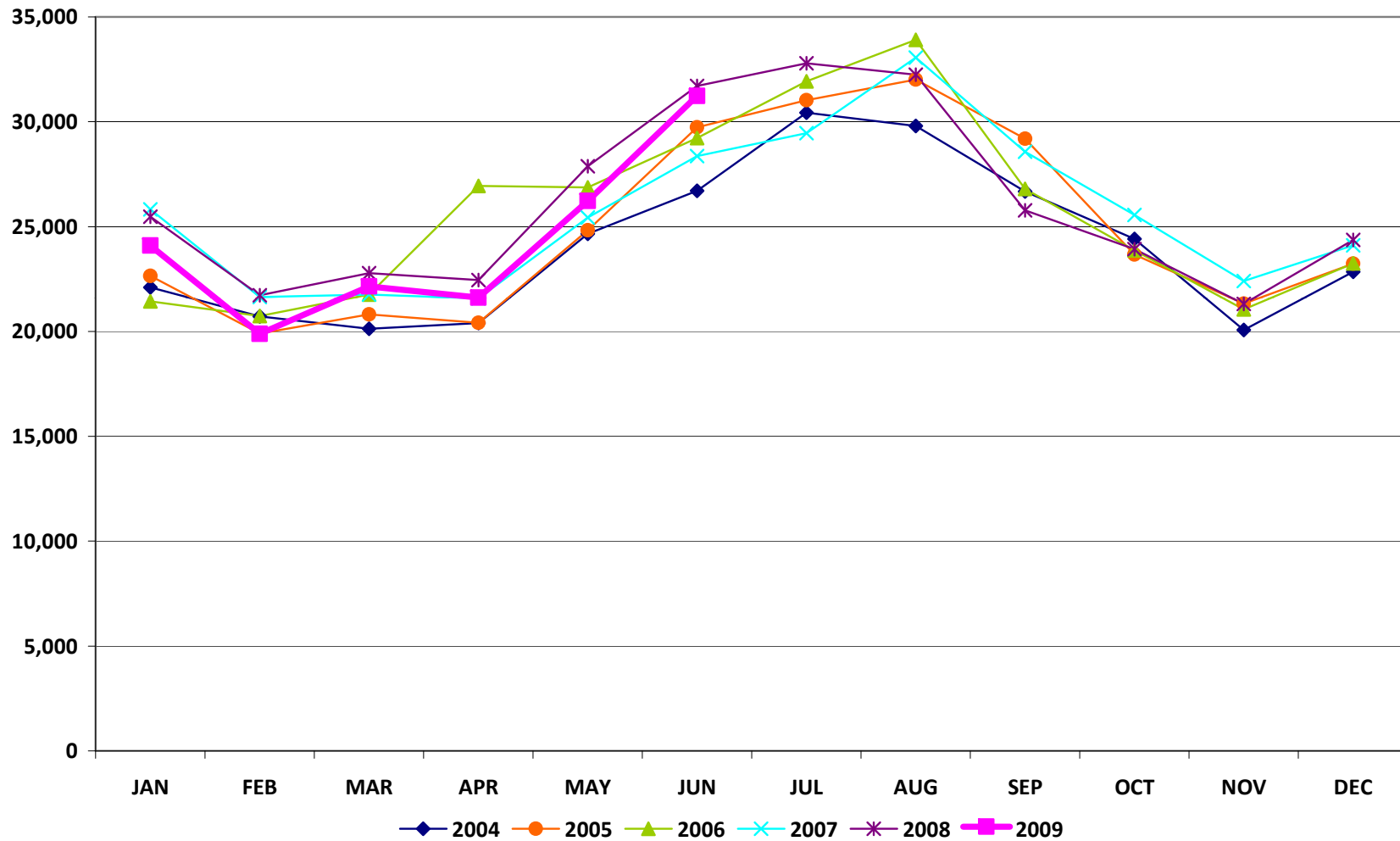
# Energy Services

Total Market Volume (GWh)

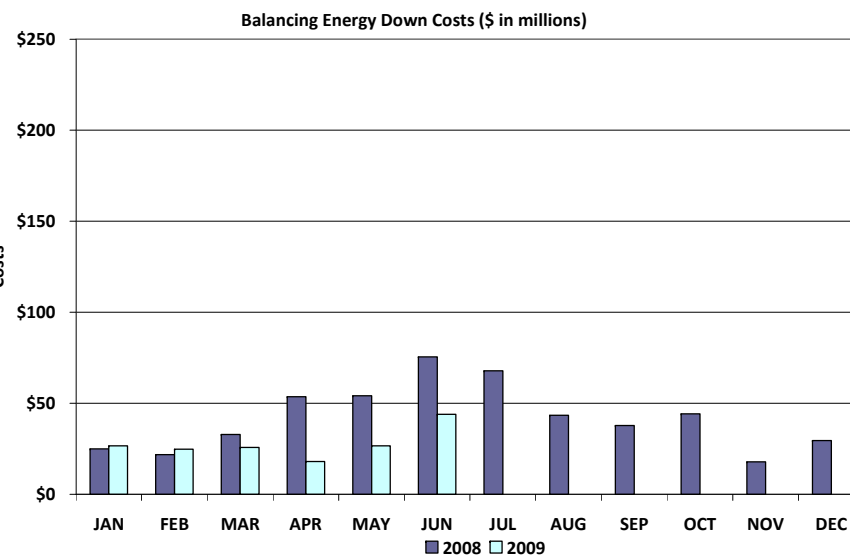
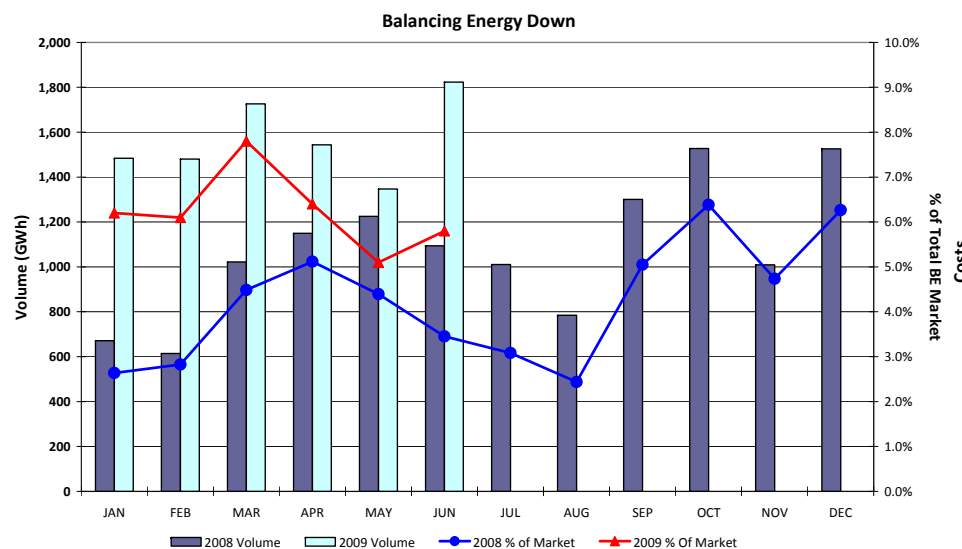
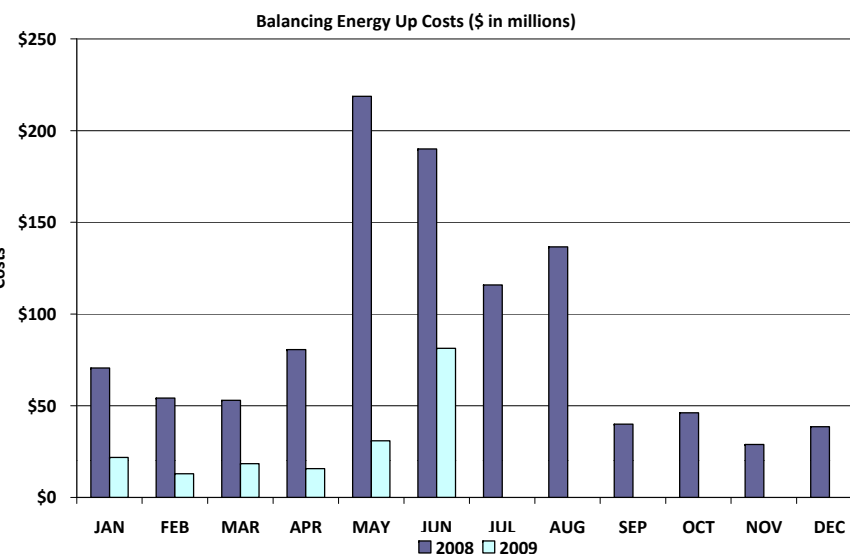
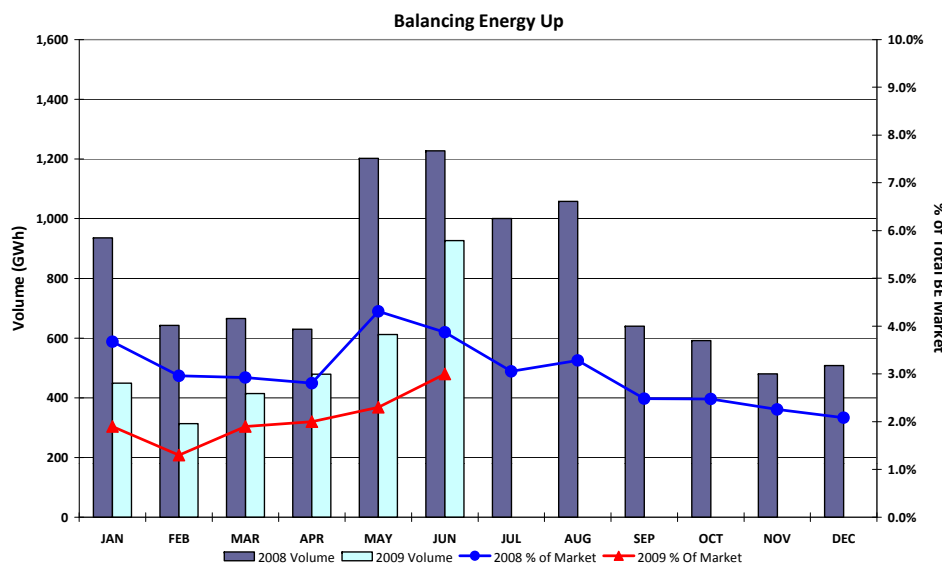


# Energy Services

Total Market Volume (GWh)



# Balancing Energy Services – Volume and Cost

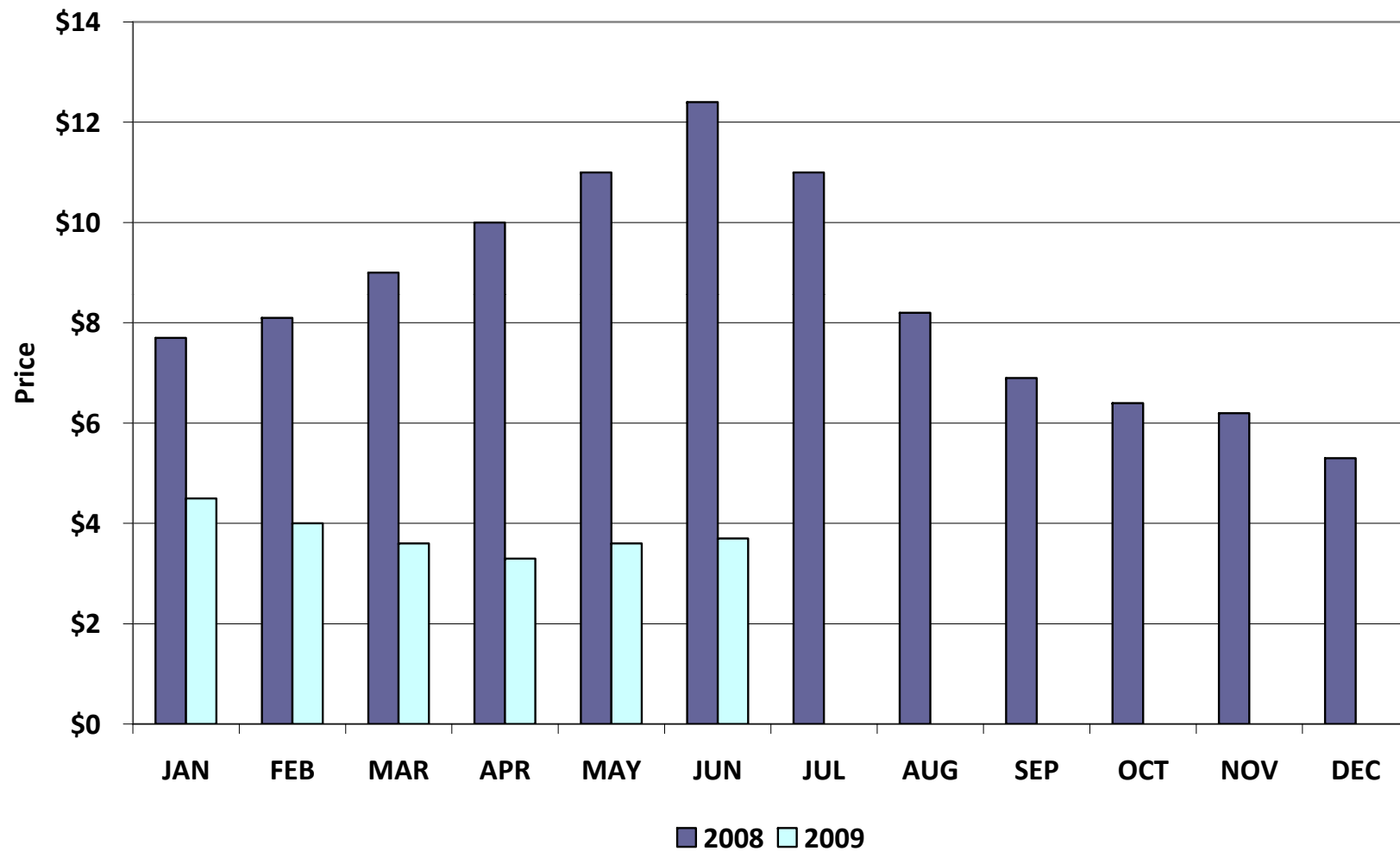


18 August 2009

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

# Natural Gas

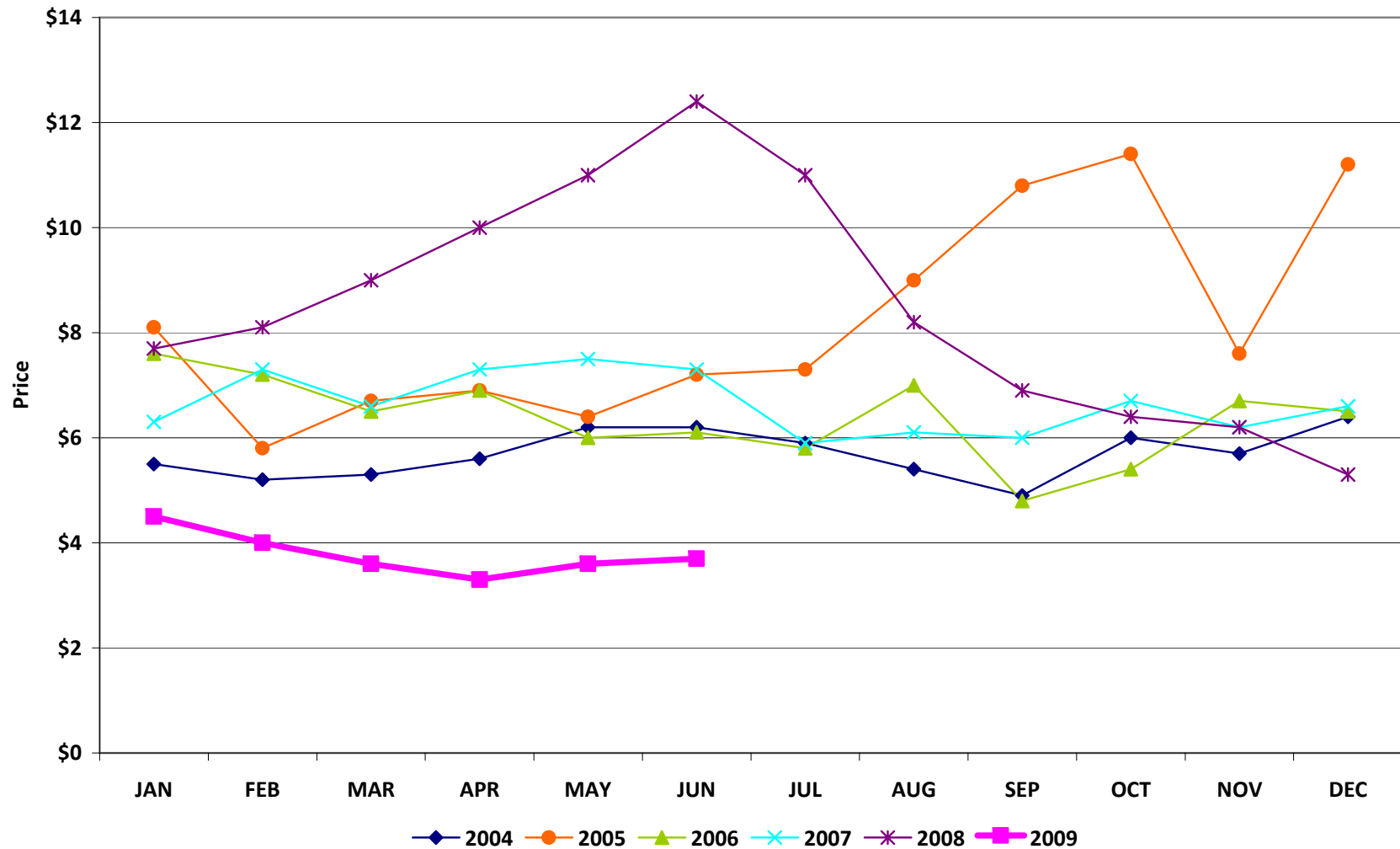
Natural Gas Price Index (\$/MMBTU)





# Natural Gas

Natural Gas Price Index (\$/MMBTU)



# Load Zone Price Data

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

[MCPE weighted by Total Zonal Load]

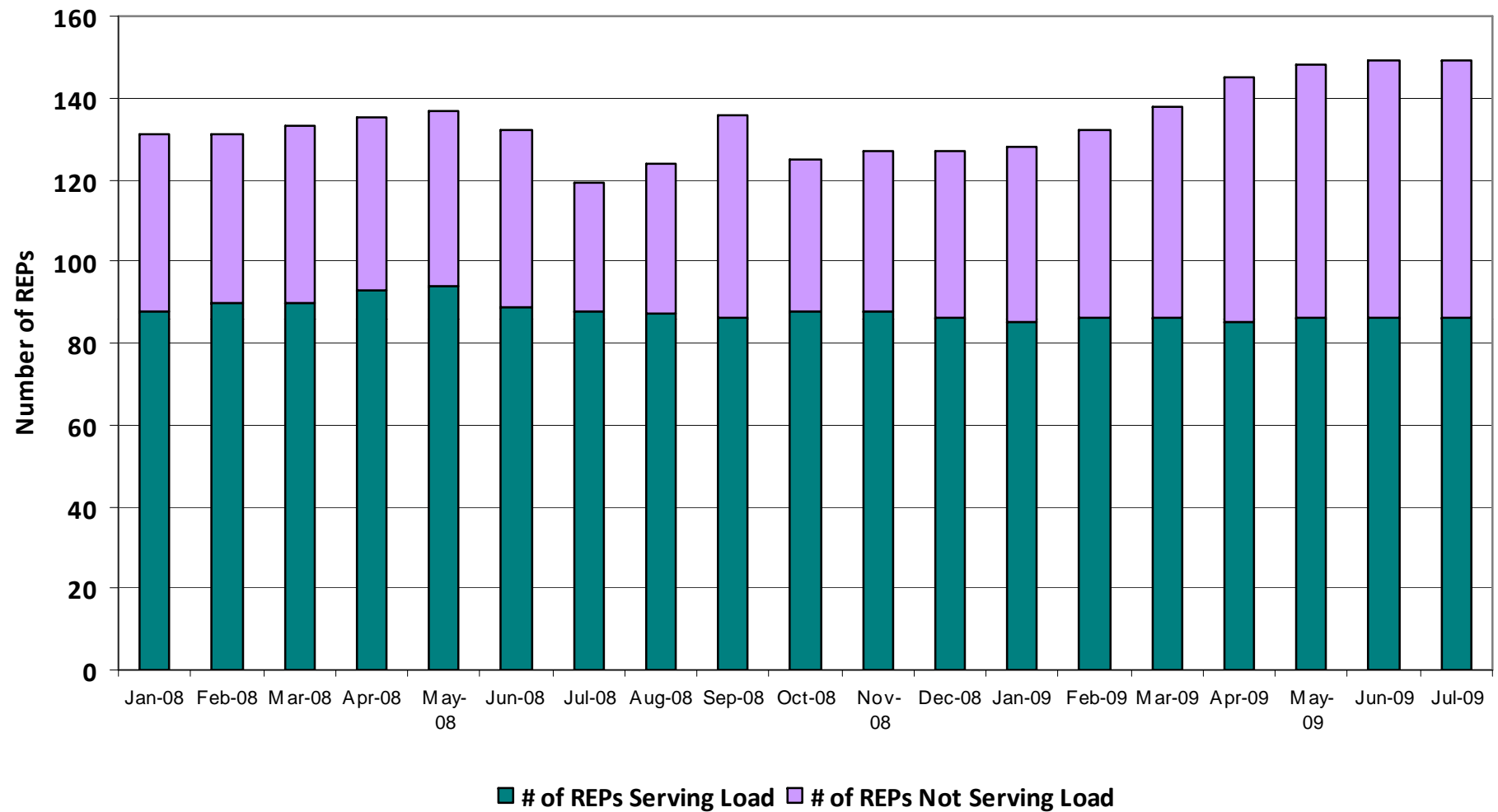
<u>LOAD ZONE</u>	<u>Jun 2009</u>	<u>May 2009</u>	<u>Apr 2009</u>	<u>Mar 2009</u>	<u>Feb 2009</u>	<u>Jan 2009</u>
South	\$82.81	\$32.97	\$24.27	\$26.35	\$27.27	\$34.69
North	\$35.15	\$32.99	\$24.82	\$32.21	\$27.89	\$32.31
Houston	\$61.82	\$32.70	\$24.58	\$29.11	\$27.19	\$32.78
West	\$32.95	\$24.57	\$12.93	\$25.70	\$19.93	\$24.04

<u>LOAD ZONE</u>	<u>Jun 2008</u>	<u>May 2008</u>	<u>Apr 2008</u>	<u>Mar 2008</u>	<u>Feb 2008</u>	<u>Jan 2008</u>
South	\$147.24	\$171.09	\$83.65	\$64.34	\$63.26	\$60.24
North	\$104.37	\$86.41	\$74.92	\$69.64	\$59.05	\$62.31
Houston	\$129.48	\$152.76	\$100.00	\$68.19	\$60.06	\$60.16
West	\$82.22	\$58.01	\$58.59	\$38.52	\$56.84	\$52.04

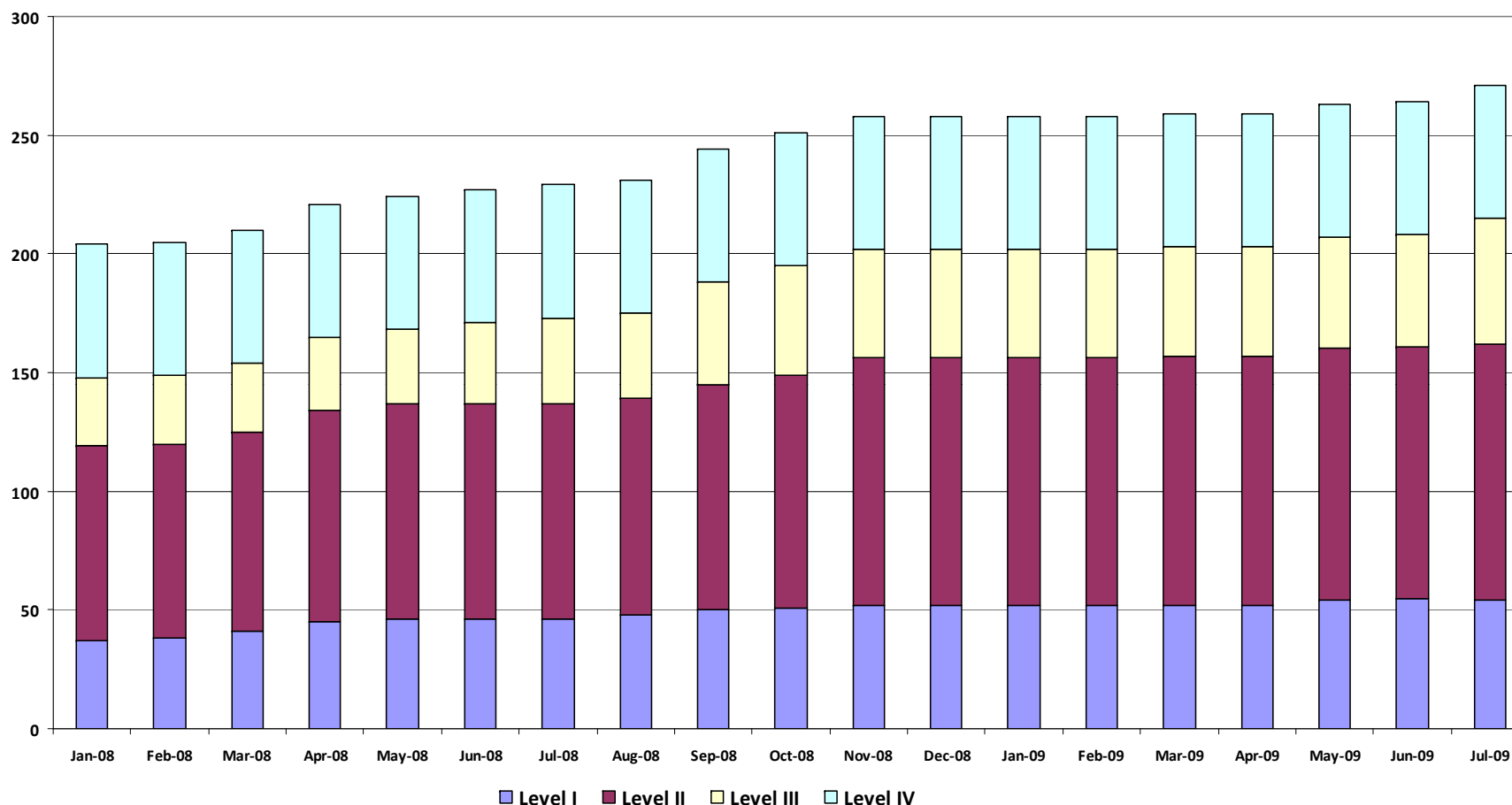
*\*Represents the average price for loads within the zone*



# 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 July 31, 2009

- **Added REPs**

- ✓ None

- **Added QSEs**

- ✓ Eagle Industrial (SQ2)
- ✓ JPMorgan Ventures Energy Corp. (SQ3)
- ✓ QSE Group, LLC

- **Terminated REPs**

- ✓ None

- **Terminated QSEs**

- ✓ Reliant Energy Services, Inc.
- ✓ Reliant Energy Electric Solutions
- ✓ Texas Star Energy (SQ1)

Questions?