



Market Operations Presentation

Board of Director's Meeting

March 18, 2008

Retail Activity

- **Overall Activity** – customer retention continues to be a major REP activity – switch volume continues to be much lower than prior year.
- **Migration From Native AREPs** – competing REPs continue to penetrate traditional Affiliate REP markets.
- **Transaction Performance Measures** – near perfect; per PUCT rule, tighter performance measures will be implemented by July 1, 2008.

Wholesale Activity

- **Settlements & Billing Performance Measures** – Perfect.
- **Energy Services** – activity appears reasonable.
- **Summary Hub Price Data** – volatility in West Hub continues as expected – increased concentration of wind combined with transmission constraints produces expected swings in clearing prices.
- **REPs and QSEs Added/Deleted**
 - 1 new REP
 - 3 new QSEs

Retail Transactions Summary

Transaction Type	YTD		January	
	<u>01/31/2008</u>	<u>01/31/2007</u>	<u>2008</u>	<u>2007</u>
Switches	48,458	83,237	48,458	83,237
Move - Ins	179,672	182,892	179,672	182,892
Move Out	97,709	103,844	97,709	103,844
CSA	25,210	36,649	25,210	36,649
Total	351,049	406,622	351,049	406,622
Since June 1, 2001	26,312,106			

ESI IDs and Load served by providers other than Affiliate REP

	% of Load ¹	% of ESI IDs	
	at <u>01-31-08</u>	at <u>01-31-08</u>	at <u>01-31-07</u>
Residential	46%	41%	37%
Small Non-Residential	67%	44%	39%
Large Non-Residential	70%	72%	72%

¹ - % of Deregulated (Non-NOIE) Peak Demand on historic peak day of 08-17-06

Switches

Enrollment and Meter Read Scheduling

	<u>Request</u>	<u>Reject</u>	<u>to TDSP</u>	<u>Schedule</u>	<u>to New CR</u>	<u>to Old CR</u>	<u>from Old CR</u>
	59,646	2,337	57,295	57,052	56,711	37,189	36,377
% in Protocol	n/a	100.0%	100.0%	100.0%	100.0%	100.0%	99.6%

Historical Usage (H) and Initial (I) Meter Read Deliveries

	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	51,730	51,647	49,584	49,470
% in Protocol	100.0%	100.0%	n/a	99.1%

Move In / Move Out

Enrollment and Meter Read Scheduling

	<u>Request</u>	<u>Reject</u>	<u>to TDSP</u>	<u>Schedule</u>	<u>to New CR</u>	<u>to Old CR</u>	<u>from Old CR</u>
	206,042	2,951	203,019	200,617	199,199	104,242	81,685
% in Protocol	n/a	99.2%	100.0%	99.9%	99.7%	100.0%	98.6%

Historical Usage (H) and Initial (I) Meter Read Deliveries

	<u>H to ERCOT</u>	<u>H to CR</u>	<u>I to ERCOT</u>	<u>I to CR</u>
	120,676	120,353	178,313	177,964
% in Protocol	99.6%	100.0%	n/a	97.8%

Settlements & Billing Performance Measures – January 2008

	YTD		January	
	<u>01/31/08</u>	<u>01/31/07</u>	<u>2008</u>	<u>2007</u>
Settlement Statements:				
Total	11,618	10,565	11,618	10,565
Late	0	0	0	0
– <i>Less than 24 hours late</i>	0	0	0	0
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	11,618	10,565	11,618	10,565
% Within Protocol	100.0%	100.0%	100.0%	100.0%
Invoices:				
Total	716	508	716	508
Late	0	0	0	0
– <i>Less than 24 hours late</i>	0	0	0	0
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	716	508	716	508
% Within Protocol	100.0%	100.0%	100.0%	100.0%
Grand Total:				
Total	12,334	11,073	12,334	11,073
Late	0	0	0	0
– <i>Less than 24 hours late</i>	0	0	0	0
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	12,334	11,073	12,334	11,073
% Within Protocol	100.0%	100.0%	100.0%	100.0%

	YTD (\$'s in millions)		January (\$'s in millions)	
	<u>01/31/08</u>	<u>01/31/07</u>	<u>2008</u>	<u>2007</u>
• Market Perspective:				
Approximate Retail Market (at \$.10/kWh)	\$2,531.7	2,579.7	2,531.7	2,579.7
Volume (GWh)	25,317	25,797	25,317	25,797
% Increase	-1.9%		-1.9%	
Natural Gas Price Index (\$/MMBTU)	7.7	6.3	7.7	6.3
% Increase	22.2%		22.2%	
• Balancing Energy:				
Balancing Energy - Up	\$70.6	\$64.4	\$70.6	\$64.4
% Increase	9.6%		9.6%	
Up (GWh)	935.6	989.3	935.6	989.3
% Increase	-5.4%		-5.4%	
% of Market	3.7%	3.8%	3.7%	3.8%
Balancing Energy - Down	-\$25.0	-\$28.5	-\$25.0	-\$28.5
% Increase	-12.3%		-12.3%	
Down (GWh)	-671.1	-729.4	-671.1	-729.4
% Increase	-8.0%		-8.0%	
% of Market	2.7%	2.8%	2.7%	2.8%

Hub Summary Data

- ERCOT Hubs**

Balancing Energy Weighted Average Price (\$/MWH)

<u>HUB</u>	<u>Jan 2008</u>	<u>Dec 2007</u>	<u>Nov 2007</u>	<u>Oct 2007</u>	<u>Sep 2007</u>	<u>Aug 2007</u>	<u>July 2007</u>	<u>June 2007</u>	<u>May 2007</u>	<u>Apr 2007</u>	<u>Mar 2007</u>	<u>Feb 2007</u>
South	\$58.45	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13	\$50.85	\$59.54	\$59.53	\$56.64	\$55.75	\$53.41
North	\$67.91	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38	\$50.57	\$54.70	\$51.68	\$51.63	\$55.53	\$51.48
Houston	\$57.61	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38	\$49.83	\$56.88	\$64.23	\$65.36	\$58.72	\$56.30
West	\$35.64	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86	\$58.44	\$75.18	\$58.92	\$70.75	\$63.86	\$63.95
ERCOT Hub	\$59.39	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60	\$51.33	\$58.99	\$57.21	\$56.78	\$57.39	\$53.65
ERCOT Bus	\$59.80	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69	\$51.14	\$58.70	\$57.12	\$56.84	\$57.41	\$53.57
% Change	18.0%	7.1%	-2.2%	-28.3%	11.1%	18.7%	-12.9%	2.8%	0.5%	-1.0%	7.2%	-0.9%
NGPI % Change	16.7%	6.5%	-7.5%	11.7%	-1.6%	3.4%	-19.2%	-2.7%	2.7%	10.6%	-9.6%	15.9%

<u>HUB</u>	<u>Jan 2007</u>	<u>Dec 2006</u>	<u>Nov 2006</u>	<u>Oct 2006</u>	<u>Sept 2006</u>	<u>Aug 2006</u>	<u>July 2006</u>	<u>June 2006</u>	<u>May 2006</u>	<u>Apr 2006</u>	<u>Mar 2006</u>	<u>Feb 2006</u>
South	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66	\$58.30	\$63.14	\$57.19	\$55.16
North	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31	\$58.27	\$66.04	\$54.87	\$55.19
Houston	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52	\$60.27	\$68.50	\$54.92	\$51.77
West	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50	\$81.01	\$92.11	\$59.41	\$58.20
ERCOT Hub	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30	\$60.08	\$67.35	\$55.89	\$55.30
ERCOT Bus	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07	\$60.38	\$67.81	\$55.91	\$55.04
% Change	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	-7.1%	-11.0%	21.3%	1.6%	
NGPI % Change	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	1.7%	-13.0%	6.2%	-9.7%	

- **Added Reps**

- ✓ Catalyst Energy USA, Inc.

- **Deleted Reps**

- ✓ None

- **Added QSEs**

- ✓ Keystone Energy Partners, LP
- ✓ En Touch Systems, Inc.
d/b/a En Touch Energy
- ✓ MAMO Enterprises

- **Deleted QSEs**

- ✓ None