



# Market Operations Presentation

ERCOT Board of Directors

May 20, 2008

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## Retail Activity

- **Overall Activity** – switch activity is lower than last year, but still robust.
- **Migration From Native AREPs** – focused activity in Residential and Small Non-Residential.
- **Transaction Performance Measures** – March service degradation, especially noted in MIMO Transactions “to TDSPs” and “to New CRs,” attributable to IT operation problems explained in the April 2008 Board IT Report.

## Wholesale Activity

- **Settlements & Billing Performance Measures** – late settlement statements attributable to IT operation problems explained in the April 2008 Board IT Report.
- **Energy Services** – changes in cost appear to reasonably track changes in volume. Price impact of the increase in natural gas price index offset somewhat by the price impact of West Hub wind on wind competition.
- **Summary Hub Price Data** – wind on wind competition in the West Hub resulting in negative prices caused West Hub prices to plummet.
- **REPs and QSEs Added/Deleted**
  - 3 new REPs
  - No new QSEs

## Retail Transactions Summary

Transaction Type	YTD		March	
	<u>03/31/2008</u>	<u>03/31/2007</u>	<u>2008</u>	<u>2007</u>
Switches	141,329	195,138	47,375	66,320
Move - Ins	544,928	553,517	179,936	192,424
Move Out	292,516	310,825	97,075	109,868
CSA	88,373	91,209	29,449	31,135
<b>Total</b>	<b>1,067,146</b>	<b>1,150,689</b>	<b>353,835</b>	<b>399,747</b>
Since June 1, 2001	27,028,203			

# ESI IDs and Load served by providers other than Affiliate REP

	<b>% of Load <sup>1</sup></b>	<b>% of ESI IDs</b>	
	<b>at <u>03-31-08</u></b>	<b>at <u>03-31-08</u></b>	<b>at <u>03-31-07</u></b>
<b>Residential</b>	47%	42%	38%
<b>Small Non-Residential</b>	67%	45%	40%
<b>Large Non-Residential</b>	70%	72%	72%

<sup>1</sup> - % 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>
	69,408	3,176	65,501	67,492	65,264	29,080	39,029
% in Protocol	n/a	97.5%	100.0%	100.0%	99.8%	94.7%	97.9%

### 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>
	62,260	61,547	48,296	47,637
% in Protocol	99.8%	98.8%	n/a	96.0%

## 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>
	206,162	3,477	198,782	205,241	188,103	86,730	81,058
% in Protocol	n/a	92.0%	95.3%	99.9%	90.1%	97.3%	94.9%

### 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>
	120,411	120,048	181,979	180,638
% in Protocol	99.2%	98.3%	n/a	96.9%

# Settlements & Billing Performance Measures – March 2008

	YTD		March	
	<u>03/31/08</u>	<u>03/30/07</u>	<u>2008</u>	<u>2007</u>
<b>Settlement Statements:</b>				
Total	35,199	28,881	11,935	9,353
Late	754	1	754	1
– <i>Less than 24 hours late</i>	754	1	754	1
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	34,445	28,880	11,181	9,352
% Within Protocol	97.9%	100.0%	93.7%	100.0%
<b>Invoices:</b>				
Total	1,332	1,009	616	501
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	1,332	1,009	616	501
% Within Protocol	100.0%	100.0%	100.0%	100.0%
<b>Grand Total:</b>				
Total	37,147	30,491	12,551	9,954
Late	754	1	754	1
– <i>Less than 24 hours late</i>	754	1	754	1
– <i>Greater than 24 hours late</i>	0	0	0	0
Balance	36,393	30,490	11,797	9,953
% Within Protocol	98.0%	100.0%	94.0%	100.0%

	YTD (\$'s in millions)		March (\$'s in millions)	
	<u>03/31/08</u>	<u>03/31/07</u>	<u>2008</u>	<u>2007</u>
<b>• Market Perspective:</b>				
<b>Approximate Retail Market</b> (at \$.10/kWh)	<b>\$6,975.9</b>	<b>6,920.1</b>	<b>2,271.0</b>	<b>2,179.1</b>
Volume (GWh)	69,759	69,201	22,710	21,791
% Increase	0.8%		4.2%	
Natural Gas Price Index (\$/MMBTU)	8.3	6.7	9.0	6.6
% Increase	23.7%		37.2%	
<b>• Balancing Energy:</b>				
<b>Balancing Energy - Up</b>	<b>\$177.8</b>	<b>\$173.5</b>	<b>\$53.0</b>	<b>\$65.8</b>
% Increase	2.5%		-19.5%	
Up (GWh)	2,243.6	2,676.3	665.5	1,045.4
% Increase	-16.2%		-36.3%	
% of Market	3.2%	3.9%	2.9%	4.8%
<b>Balancing Energy - Down</b>	<b>-\$79.7</b>	<b>-\$74.0</b>	<b>-\$32.9</b>	<b>-\$20.1</b>
% Increase	7.7%		63.7%	
Down (GWh)	-2,307.3	-1,818.9	-1,022.0	-447.3
% Increase	26.9%		128.5%	
% of Market	3.3%	2.6%	4.5%	2.1%

- ERCOT Hubs**

## Balancing Energy Weighted Average Price (\$/MWH)

<b>HUB</b>	<b>Mar 2008</b>	<b>Feb 2008</b>	<b>Jan 2008</b>	<b>Dec 2007</b>	<b>Nov 2007</b>	<b>Oct 2007</b>	<b>Sep 2007</b>	<b>Aug 2007</b>	<b>July 2007</b>	<b>June 2007</b>	<b>May 2007</b>	<b>Apr 2007</b>
South	\$57.97	\$64.73	\$58.45	\$49.29	\$53.03	\$45.36	\$63.41	\$59.13	\$50.85	\$59.54	\$59.53	\$56.64
North	\$67.72	\$58.83	\$67.91	\$48.29	\$40.10	\$48.04	\$68.73	\$60.38	\$50.57	\$54.70	\$51.68	\$51.63
Houston	\$66.33	\$64.29	\$57.61	\$53.05	\$55.99	\$52.94	\$65.73	\$63.38	\$49.83	\$56.88	\$64.23	\$65.36
West	(\$11.11)	\$46.21	\$35.64	\$60.04	\$32.54	\$46.23	\$80.17	\$59.86	\$58.44	\$75.18	\$58.92	\$70.75
ERCOT Hub	\$55.79	\$60.94	\$59.39	\$50.70	\$47.42	\$48.12	\$67.44	\$60.60	\$51.33	\$58.99	\$57.21	\$56.78
ERCOT Bus	\$52.57	\$60.51	\$59.80	\$50.69	\$47.32	\$48.37	\$67.44	\$60.69	\$51.14	\$58.70	\$57.12	\$56.84
% Change	-13.1%	1.2%	18.0%	7.1%	-2.2%	-28.3%	11.1%	18.7%	-12.9%	2.8%	0.5%	-1.0%
NGPI % Change	11.1%	5.2%	16.7%	6.5%	-7.5%	11.7%	-1.6%	3.4%	-19.2%	-2.7%	2.7%	10.6%

<b>HUB</b>	<b>Mar 2007</b>	<b>Feb 2007</b>	<b>Jan 2007</b>	<b>Dec 2006</b>	<b>Nov 2006</b>	<b>Oct 2006</b>	<b>Sept 2006</b>	<b>Aug 2006</b>	<b>July 2006</b>	<b>June 2006</b>	<b>May 2006</b>	<b>Apr 2006</b>
South	\$55.75	\$53.41	\$54.71	\$53.80	\$40.95	\$44.54	\$40.81	\$71.99	\$55.08	\$53.66	\$58.30	\$63.14
North	\$55.53	\$51.48	\$52.59	\$53.86	\$46.29	\$41.08	\$38.09	\$65.01	\$65.89	\$55.31	\$58.27	\$66.04
Houston	\$58.72	\$56.30	\$55.11	\$60.84	\$48.05	\$40.35	\$40.46	\$70.69	\$61.17	\$56.52	\$60.27	\$68.50
West	\$63.86	\$63.95	\$56.86	\$56.91	\$52.06	\$45.04	\$44.57	\$73.06	\$66.29	\$64.50	\$81.01	\$92.11
ERCOT Hub	\$57.39	\$53.65	\$54.33	\$55.55	\$46.06	\$42.23	\$39.72	\$68.51	\$62.41	\$56.30	\$60.08	\$67.35
ERCOT Bus	\$57.41	\$53.57	\$54.06	\$55.63	\$45.60	\$42.03	\$39.68	\$68.16	\$63.02	\$56.07	\$60.38	\$67.81
% Change	7.2%	-0.9%	-2.8%	22.0%	8.5%	5.9%	-41.8%	8.2%	12.4%	-7.1%	-11.0%	
NGPI % Change	-9.6%	15.9%	-3.1%	-3.0%	24.1%	12.5%	-31.4%	20.7%	-4.9%	1.7%	-13.0%	



- **Added Reps**

- ✓ DTE Energy Trading, Inc.
- ✓ Potentia Energy, LLC
- ✓ Prelectric Energy Services, LLC

- **Added QSEs**

- ✓ None

- **Deleted Reps**

- ✓ None

- **Deleted QSEs**

- ✓ None

Questions ?