

# ERCOT Financial Summary

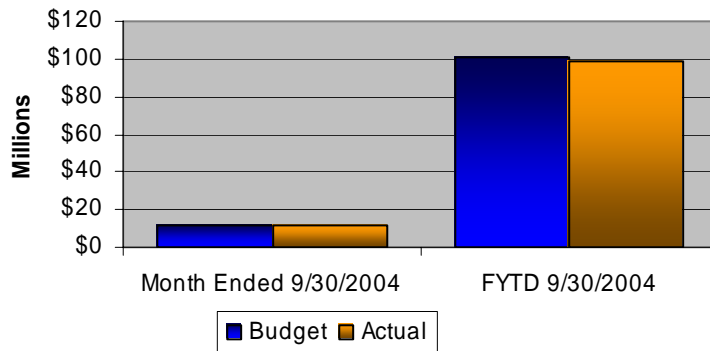
For the Period Ending September 30, 2004

Board of Directors Meeting

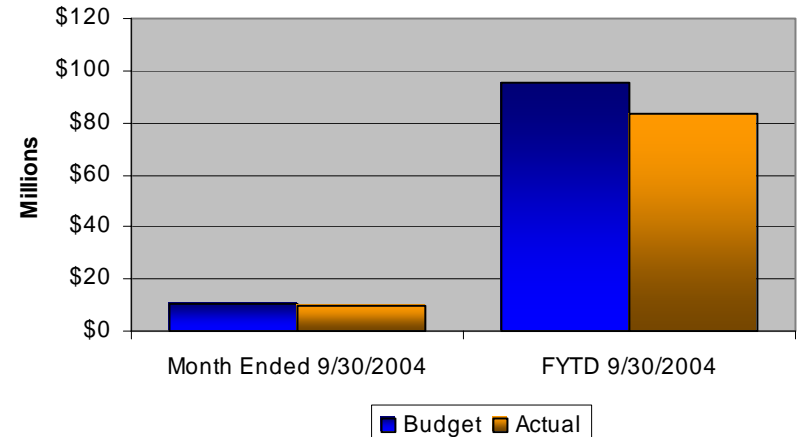
October 19, 2004

# ERCOT Financial Snapshot

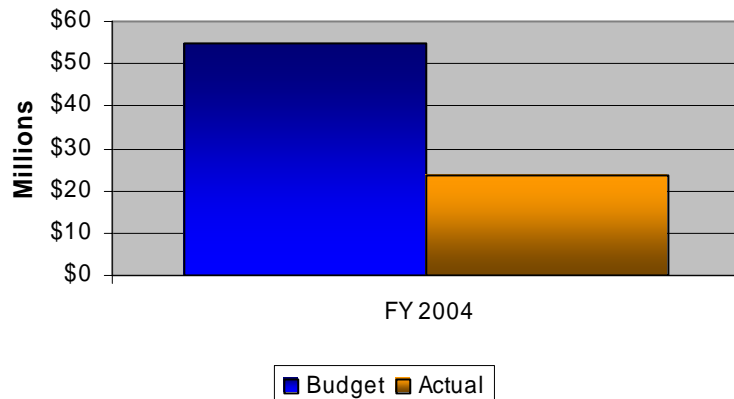
## Revenue



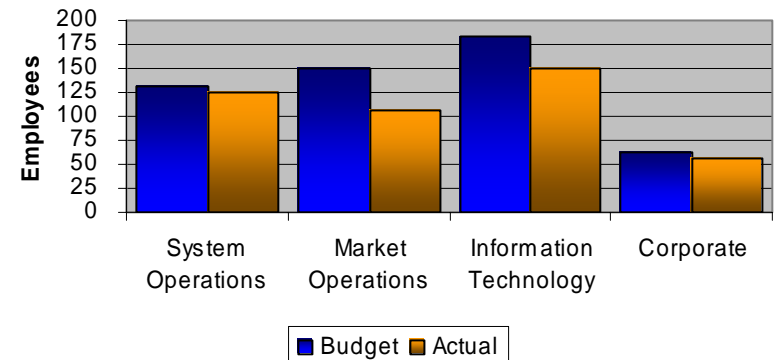
## Operating Expenses



## Capital Expenditures



## Headcount



# Year-to-Date Results of Operations

(\$ Millions)

Revenues	\$ 98.8
Total expenses (w/o depreciation)	\$ 58.6
Excess revenues over expenses	\$ 40.2
Depreciation	\$ (30.7)
Change in unrestricted net assets	\$ 9.5

Notes:

Revenues – include interest income

Total expenses – include interest expense

# Year-to-Date Cash Flow Summary

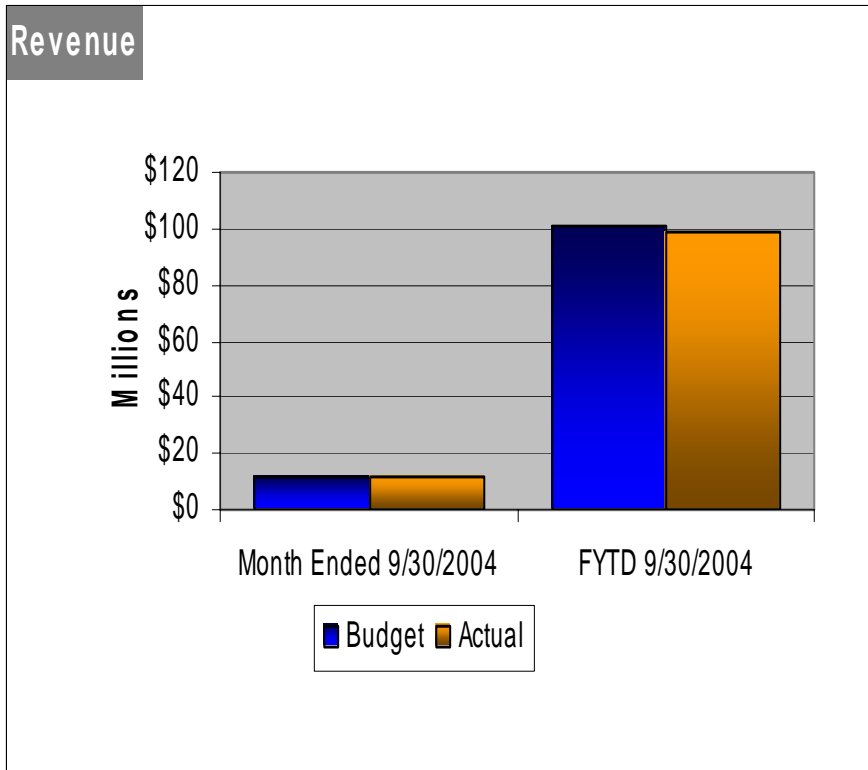
(\$ Millions)

Beginning Cash (January 1, 2004)	\$	28.1
Cash Provided by Operations		16.7
Cash Used in Investing Activities (Projects)		(48.2)
Cash Provided by Financing Activities		21.1
Ending Cash (August 31, 2004)	\$	<u>17.7</u>

Note:

Cash balance includes TCR auction receipts but does not include QSE or TCR security deposits.

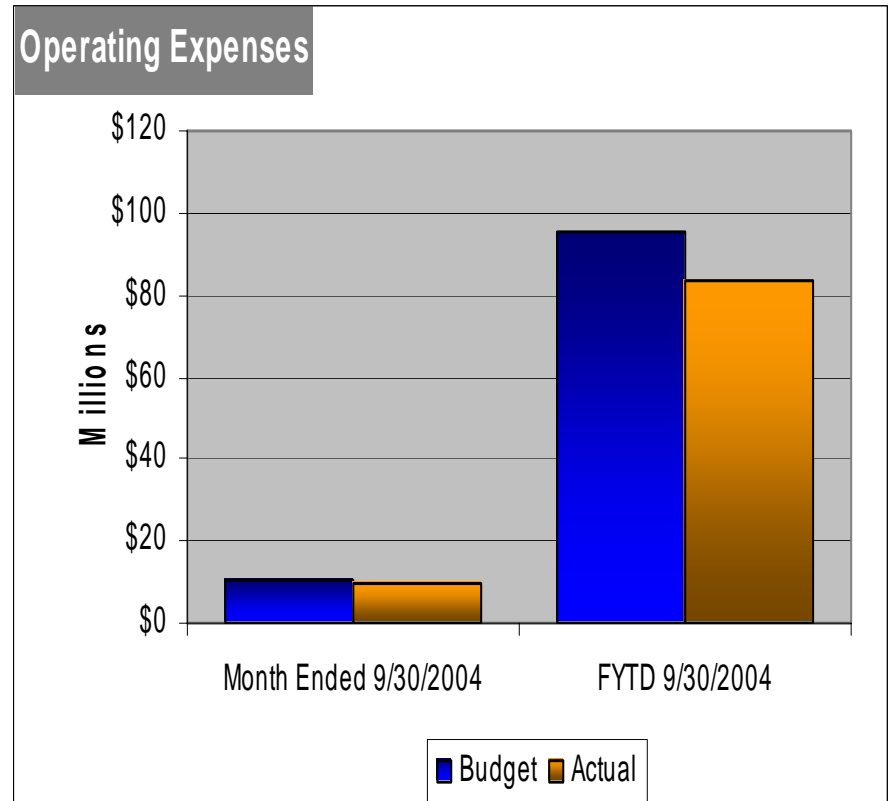
# Revenue



- \$98.6 million year-to-date
  - 98% from System Administrative Fee
    - 70+% from top 5 QSE's
    - 85+% from top 10 QSE's
    - 90+% from top 15 QSE's
- \$2.4 million (2.4%) unfavorable year-to-date
- MWH volume 2.6% below expectation

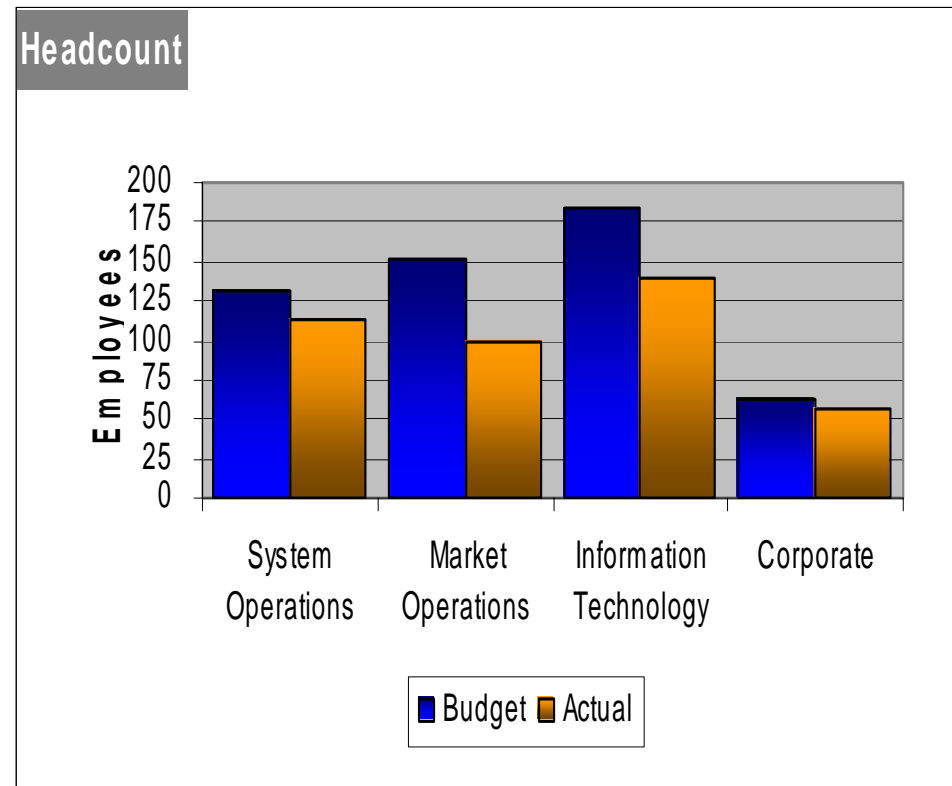
# Operating Expenses

- \$83.1 million year-to-date, including depreciation
- \$52.4 million year-to-date, excluding depreciation
- \$12.5 million (13.6%) favorable over the year
  - Labor (\$4.3 million)
  - Consultants (\$3.1 million)
  - SW/HW license and support (\$1.9 million)
  - Employee expenses and other (\$3.2 million)

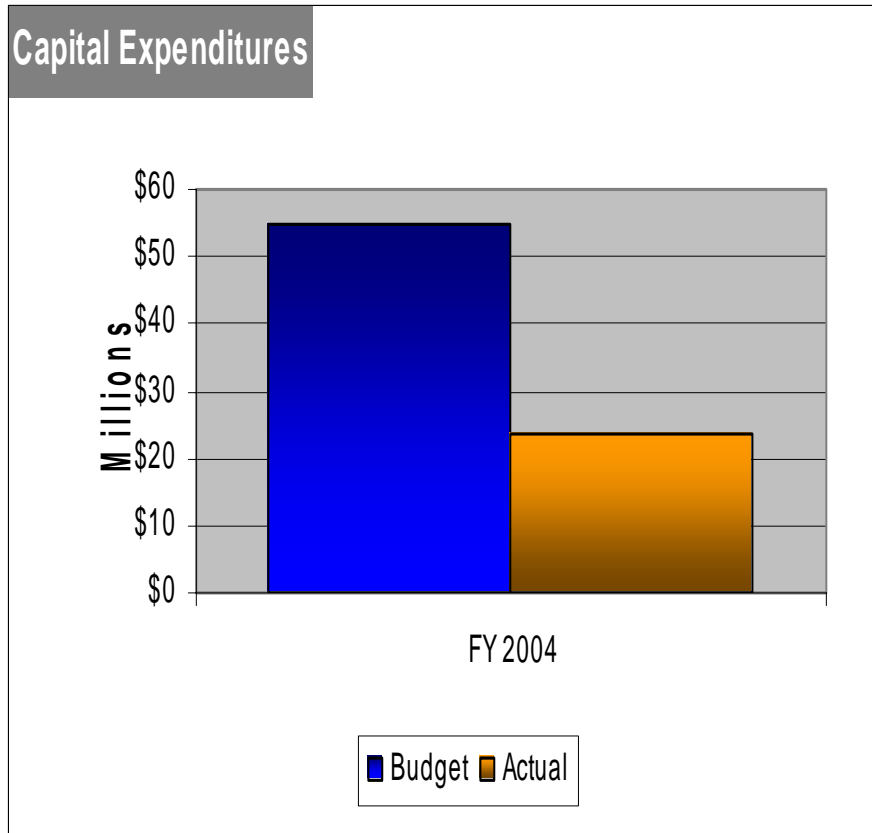


# Headcount

- 439 of 530 on staff
- 59 FTE increase (net) in 2004
  - 92 hires
  - 33 terminations



# Capital Expenditures



- \$26.9 million of \$55 million annual budget spent
- 59 projects (many projects have one or more subprojects) active in year-to-date 2004
- Major projects underway
  - TCC Phase 2 Building
  - EMMS Release 4.0
  - Enterprise Data Warehouse Phase 2



# Supplemental

# ERCOT QSE Short Payments

	Enron	TCE	Mirant	Total
<b>Net amount due at December 31, 2003</b>	<b>455,329</b>	<b>15,854,950</b>	<b>7,322,261</b>	<b>23,632,540</b>
<b>2004 payments to the market (collections)</b>	<b>-</b>	<b>(1,010,640)</b>	<b>(7,322,261)</b>	<b>(8,332,901)</b>
<b>2004 true-up, resettlement, and interest additions</b>	<b>21,096</b>	<b>628,338</b>	<b>-</b>	<b>649,434</b>
<b>Net amount due at August 31, 2004</b>	<b>476,425</b>	<b>15,472,648</b>	<b>-</b>	<b>15,949,073</b>
<b>Expected payment under payment plans or other</b>				<b>(15,472,648)</b>
<b>Amount not currently under a payment plan or signed court order</b>				<b>476,425</b>

# End