

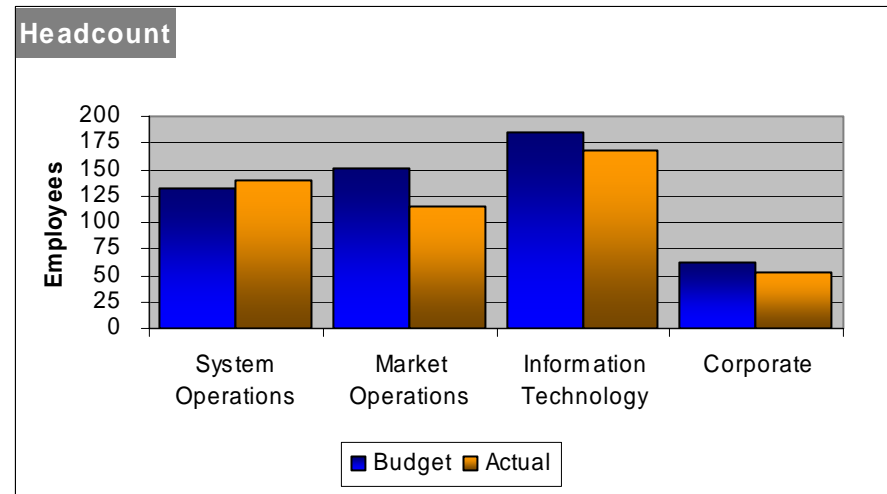
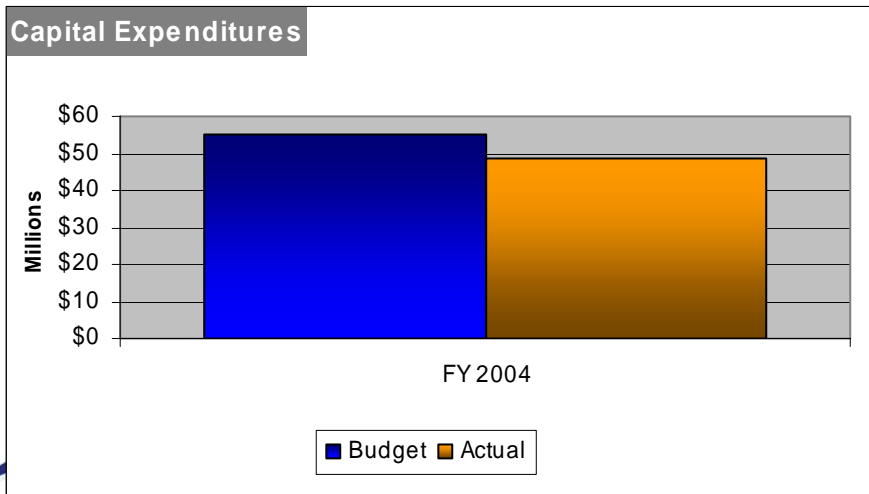
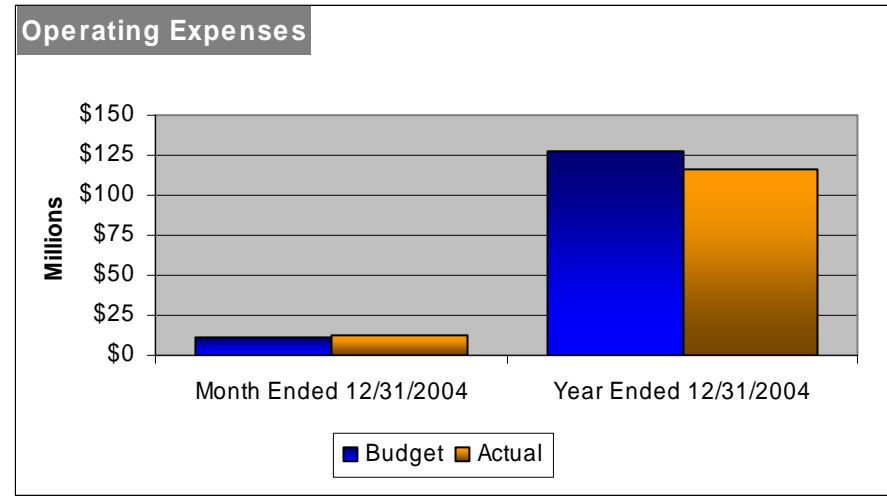
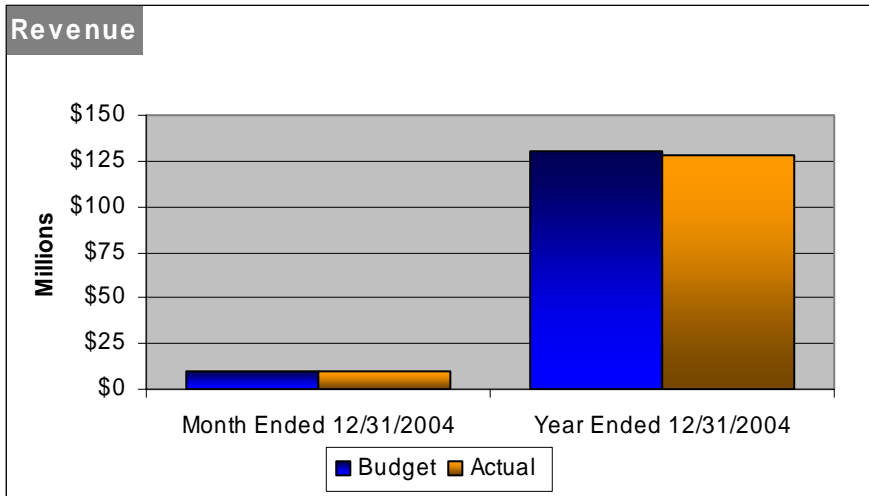
ERCOT Financial Summary

For the Year Ended December 31, 2004

Board of Directors Meeting

January 18, 2005

ERCOT Financial Snapshot



Year-to-Date Results of Operations

(\$ Millions)

Revenues	\$ 128.5
Total expenses (w/o depreciation)	\$ 82.0
Excess revenues over expenses	\$ 46.5
Depreciation	\$ (42.7)
Change in unrestricted net assets	\$ 3.8

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		44.8
Cash Used in Investing Activities (Projects)		(67.7)
Cash Provided by Financing Activities		28.1
Ending Cash (December 31, 2004)	\$	33.3

Note:

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

2004 Budget to Actual

Fiscal Year as of December 31, 2004				
	Budget	Actual	\$ Var	% Var
			Fav / (Unfav)	
Operating Costs				
Labor and labor related costs (a)	64,201	56,179	8,022	12.5%
Non-Labor Operating Costs	21,459	17,521	3,938	18.3%
Depreciation and Amortization	41,907	42,745	(838)	-2.0%
Total Operating Costs	127,567	116,445	11,121	8.7%
Project Expenses	55,000	46,502	8,498	15.5%
Debt Level (b)	194,459	178,363	16,096	8.3%

Notes:

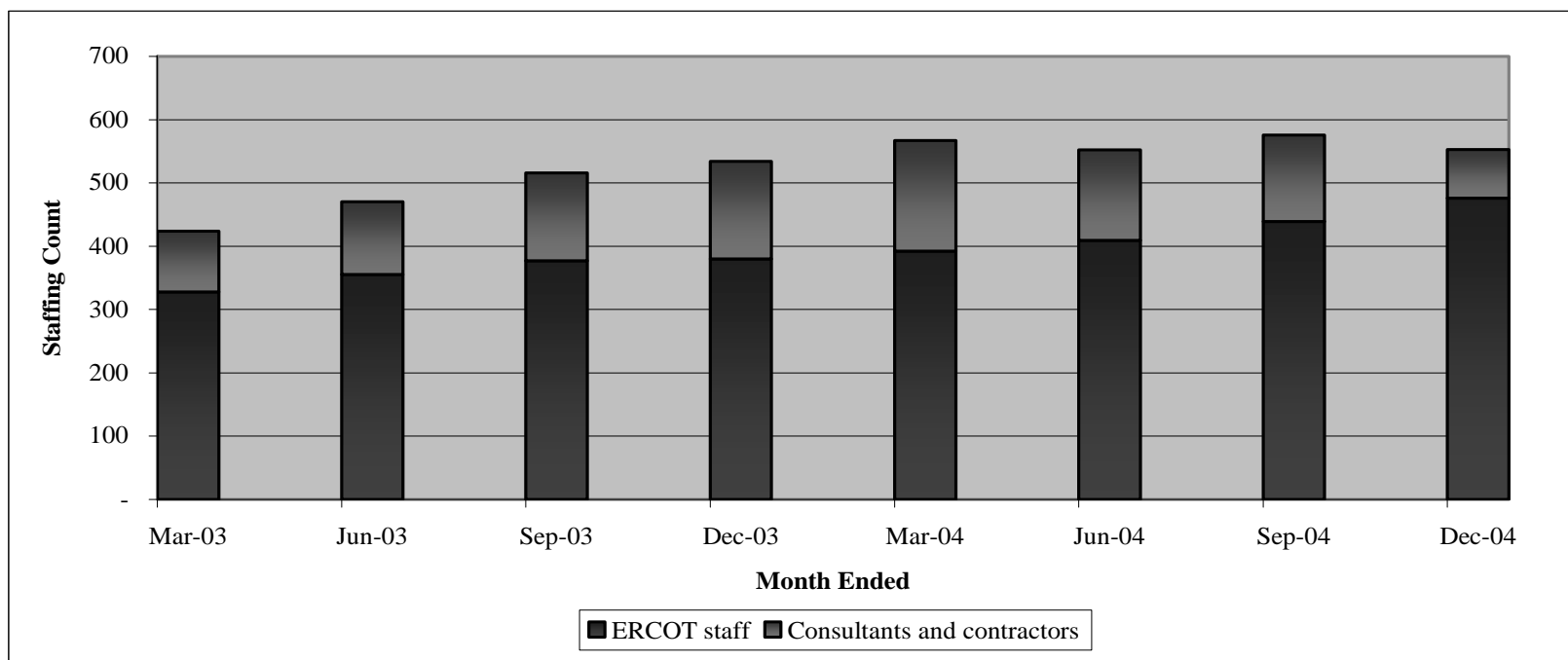
(a) Labor and labor related costs include the following items:

- (1) Salary and benefits for ERCOT employees
- (2) A credit for ERCOT staff time capitalized as part of capital project costs
- (3) Consultant and contractors expenses relating to operational activity
- (4) Employee training, travels and other business expenses

(b) Outstanding debt variance is approximately equal to the following elements:

- (1) Favorable operating expense variance
- (2) Sixty percent of the underspending on capital projects

Staff and Contractor Summary



	Actual							
	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04
ERCOT staff	328	355	377	380	392	409	439	476
Consultants and contractors	96	115	139	154	175	143	137	77