



To: Sam Jones
From: Steve Byone
Date: 02/13/2007
Re: January 2007 - Finance Executive Summary

Financial Statistics – YTD January 2007

- The Financial Summary will be provided as a supplement to the Board packet.

Trends

- N/A

Audits & Controls

- PwC will be conducting the 2006 Financial audit; efforts are underway toward completion in April.
- The 2007 SAS 70 audit period began January 1st.
- ERCOT is engaging Maxwell Locke & Ritter, LLP to conduct an audit of the company's terminated Money Purchase Plan. Due to termination of the plan, we were required to conduct the audit and file Form 5500 within 6 months. This audit is presently delinquent with completion expected in 30 days.

Other

- The updated Nodal surcharge filing was completed ahead of schedule. ERCOT is seeking a surcharge increase to \$0.127 per MWh effective June 1.
- Projected ERCOT spending indicates the need for further increases in liquidity. To maintain compliance with our financial policies, we anticipate adding liquidity by mid year. We are developing liquidity and liability management alternatives for consideration by F&A.