



Financial Summary Report

Steve Byone

Vice President and Chief Financial Officer

Board of Directors Meeting

March 17, 2009

Financial Summary

- ERCOT's unrestricted net asset (equity) balance has returned to positive territory due to two primary factors: (1) the Board's consistent policy commitment to significant revenue funding of project expenditures and matching of debt repayment terms to the average useful life of the assets acquired, constructed, or developed with borrowed money; and (2) receipt of a \$14.4 million refund of Texas sales and use tax payments from the period 2005-2008.
- February financial reports reflect unfavorable results in two key areas: lower-than-budgeted load and lower-than-budgeted utilization of ERCOT staff on Nodal Program tasks; these areas will be closely monitored in coming months.

The Reserve

- In February, ERCOT received an additional \$3.2 million from the Primary Fund, leaving a remaining balance of \$6.8 million. Approximately 96.5% of all funds (\$189 million of \$196 million) held at The Reserve have been recovered as of February 28, 2009.
- Applying accounting principles generally accepted in the United States of America to action taken by The Reserve and other pertinent facts surrounding investments in the Primary Fund, ERCOT has concluded that approximately \$4.0 million of its \$6.8 million remaining investment in the Primary Fund is at risk of loss and the potential loss has been recorded as a non-operating item as of December 31, 2008.