



Preparation for 2011 Budget

ERCOT Board of Directors
June 15, 2010

Mike Petterson
Controller

- **2011 budget preparation process has been initiated**
- **Transition to a nodal market has significant budgetary impact including topics such as the following:**
 - Staffing and organizational assessment
 - Market and technology stabilization
 - Technology support and maintenance
- **Efficiency of service and cost control remain focus areas**
- **Options for maintaining the existing level of fees are being developed and evaluated.**
 - All else equal, maintaining the existing System Administration Fee may require up to a \$55-\$65 million reduction in revenue requirements (costs)
- **Complexity of issues will extend the budget preparation, review, and approval process; however, Board members will be provided regular opportunity to evaluate and contribute to preparation of ERCOT's 2011 budget.**

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Action	New Date	Previous Date
Finance and Audit Committee Meeting Discuss and Review the 2011 Budget/PPL Status and Budget Assumptions	August 17, 2010	June 15, 2010
Board of Directors Meeting Discuss and Review with the Board the 2011 Budget/PPL Status and Budget Assumptions (Briefing and Request for Public Comment)		
Finance and Audit Committee Meeting Prepare and Present the 2011 Preliminary Budget/PPL (Courtesy Copy to all Board Members)	September 21, 2010	July 20, 2010
Finance and Audit Committee Special Meeting and Public Input Meeting Discuss and Review the 2011 Budget and PPL (Courtesy Copy to all Board Members)	October 18, 2010	August 16, 2010
Finance and Audit Committee Meeting Obtain 2011 Budget Recommendation Board of Directors Meeting Seek Board Approval of the 2011 Budget and PPL -Vote	November 16, 2010	September 21, 2010