

## 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

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- Cost consciousness coupled with recent financial performance relating to the Nodal Program enable a scenario where ERCOT would need no change in fees for 2011
- System Administration Fee remains at \$0.4171 per MWh
  - Proposing utilization of excess funds from 2010
  - Board Approved utilization of \$25.2M from the Board Discretionary Fund for charges directly related to Nodal Post Go-Live

# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

Line	(\$ Thousands)	2010 Budget	2010 Forecast	2011 Proposed Budget
1	ERCOT O&M Expense	92,790	85,467	101,252
2	Debt Service - Interest	5,272	2,539	3,515
3	Debt Service - Principal	26,137	26,137	26,200
4	Revenue Funded Projects	18,520	21,637	16,758
5	Subtotal - Revenue Requirement	142,720	135,780	147,725
6	Less: Other Revenue	3,164	3,844	4,006
7	Less: Interest Income	81	5	-
8	Less: Extraordinary Item Revenue	12,760	18,570	5,000
9	2010 Carry Forward	-	(14,420)	14,420
10	Subtotal - Revenue Requirement from Sytem Admin Fee	\$ 126,715	\$ 127,781	\$ 124,299
11	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>
12	NERC Dues	2,462	8,295	11,975
13	NERC Electric Reliability Organization fee	(2,462)	(8,295)	(11,975)
14	Protocol Services	1,500	787	2,466
15	Market Monitoring	2,300	2,417	2,700
16	Subtotal - Mandated Costs	\$ 3,800	\$ 3,204	\$ 5,166
17	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>
18	Total - Revenue Rqmt from System Admin Fee	\$ 130,515	\$ 130,985	\$ 129,465
19	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>
20	GWh	312,922	314,000	310,410
21	% GWh Growth	1.6%	0.3%	-0.8%
22	Debt Funded Projects	27,780	32,455	25,138
23	Total Base Project/Data Center/Facility Capital Spending	46,300	54,092	41,896
24	Total ERCOT Spending Authorization	176,762	179,734	190,003

## 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

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### **Workpapers and Appendices**

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,975	3,524	3,155	2,870	2,666
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	12,000	12,000	14,000	14,000	16,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	153,971	155,118	159,413	161,854	166,441
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 149,453	\$ 151,701	\$ 156,397	\$ 158,789	\$ 163,326
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4671</b>	<b>\$ 0.4595</b>	<b>\$ 0.4638</b>	<b>\$ 0.4632</b>	<b>\$ 0.4696</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0158</b>	<b>\$ 0.0157</b>	<b>\$ 0.0158</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 154,499	\$ 156,895	\$ 161,739	\$ 164,280	\$ 168,967
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4829</b>	<b>\$ 0.4752</b>	<b>\$ 0.4796</b>	<b>\$ 0.4792</b>	<b>\$ 0.4859</b>
28	GWh	308,126	312,922	314,000	310,410	319,926	330,145	337,237	342,793	347,770
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	3.1%	3.2%	2.1%	1.6%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	18,000	18,000	21,000	21,000	24,000
31	Total Base Project/Data Center/Facility Capital	31,523	46,300	54,092	41,896	30,000	30,000	35,000	35,000	40,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	189,244	190,795	198,500	201,358	209,368

Note:

Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements

(in Thousands)

Line	(\$ Thousands)	2010 Budget	2011 Proposed Budget	Variance	Explanations
1	ERCOT O&M Expense				
2	Labor	59,012	69,947	(10,935)	Reallocating staff from Nodal Program to Base Operations resulting in increase of \$6.1M; Credit allocations eliminated \$4.6M; Reward and Recognition program reduced by \$.3M; Interns cost included at \$.2M
3	Equipment & Tools	1,227	881	346	Reduction in costs for office supplies, equipment maintenance, and non-capitalizable hardware indirectly related to reduction in employee and contractor headcount
4	Outside Services	9,751	2,973	6,778	\$3.5M reduction for staff augmentation; \$2.1M eliminated services primarily in System Planning and Financial Services; \$1.1M savings for cost reductions; \$.2M recategorized to Other; \$.1M for Web-based training and courier services new for 2011
5	Utility, Maintenance, & Facilities	8,137	12,599	(4,462)	\$2.8M increase related to addition of Bastrop (BCC) and Taylor (TCC3) facilities; \$1.5M increase resulting from discontinuation of facilities credit allocation from Nodal and Texas RE
6	Hardware & Software License & Maint.	9,101	9,861	(760)	License true-up and inflationary growth
7	Employee Expenses	1,552	1,021	531	Reduction from \$2,100 average for 739 positions to \$1,747 average for 584 positions; lower average based on 2010 spending trend
8	Other Expenses	4,010	3,970	40	
9	Subtotal - O&M Expense	92,790	101,252	(8,461)	
10	Debt Service - Interest	5,272	3,515	1,757	Savings resulting from lower debt balances and lower-than-budgeted interest rates
11	Debt Service - Principal	26,137	26,200	(63)	
12	Revenue Funded Projects	18,520	16,758	1,762	Primarily acceleration of Data Center hardware purchase from 2011 to 2010
13	Subtotal - Revenue Requirement	142,720	147,725	(5,005)	
14	Less: Other Revenue	3,164	4,006	842	Department of Energy grant not included in the 2010 budget and reduction in anticipated generation interconnect studies
15	Less: Interest Income	81	-	(81)	
16	Less: Extraordinary Item Revenue	12,760	5,000	(7,760)	Decreased sales tax refund available for utilization in 2011
17	2010 Carry Forward	-	14,420	14,420	Anticipated favorable 2010 budget-to-actual variance to be utilized in 2011
18	Subtotal - Revenue Requirement from Sytem Admin	\$ 126,715	\$ 124,299	\$ 2,416	
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4049</b>	<b>\$ 0.4004</b>	<b>\$ 0.0045</b>	
20	NERC Dues	2,462	11,975	(9,513)	Increase due to Texas RE budget increase following the divestiture in mid 2010
21	NERC Electric Reliability Organization fee	(2,462)	(11,975)	9,513	
22	Protocol Services	1,500	2,466	(966)	Anticipated increase in cost of protocol services performed by third party vendor and transition costs related to Texas Reliability Entity
23	Market Monitoring	2,300	2,700	(400)	Contractual increase of \$.2M and Nodal program no longer cost sharing \$.2M
24	Subtotal - Mandated Costs	\$ 3,800	\$ 5,166	\$ (1,366)	
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0121</b>	<b>\$ 0.0166</b>	<b>\$ (0.0045)</b>	
26	Total - Revenue Rqmt from System Admin Fee	\$ 130,515	\$ 129,465	\$ 1,050	
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.0000</b>	
28	GWh	312,922	310,410	2,512	
29	% GWh Growth	1.6%	-0.8%	0.8%	
30	Debt Funded Projects	27,780	25,138	2,642	
31	Total Base Project/Data Center/Facility Capital	46,300	41,896	4,404	
32	Total ERCOT Spending Authorization	176,762	190,003	(13,242)	
33	Note:				
34	Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.				

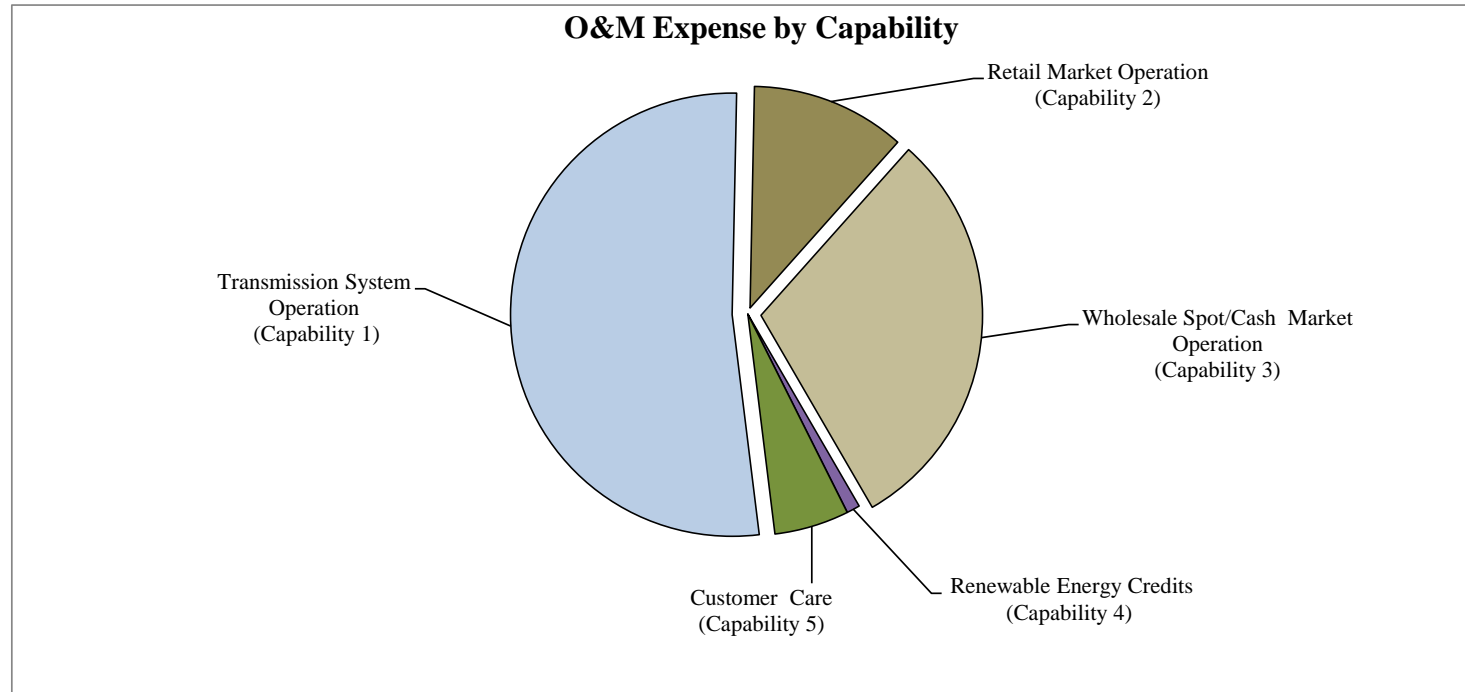
**ERCOT Fiscal Year 2011 Budget**  
**Summary of Estimated Income Sources**

Line	Description	Protocols Reference	Calculation/Rate/Comment	2011 Proposed Budget		2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
				\$	%					
1	ERCOT system administration fee	9.7.1	\$0.4171 per MWh	\$ 129,465,056	89.0%	\$ 154,499,348	\$ 156,895,281	\$ 161,739,438	\$ 164,280,515	\$ 168,967,073
2	NERC Electric Reliability Organization fee	NA	A federally mandated, pass-through charge established to recover an amount approved by FERC for the ERCOT region's share of the annual operating costs of the Electric Reliability Organization.	11,974,880	8.0%	12,226,352	12,483,106	12,745,251	13,012,901	13,286,172
3	Private wide-area network fees	9.7.6	Recovery of a portion of expended costs; actual cost of using third party communications network, initial equipment installation cost not to exceed \$18,000, and monthly network management fee not to exceed \$865	2,208,221	2.0%	2,254,594	2,301,940	2,350,281	2,399,637	2,450,029
4	Grant Funding	NA	Department of Energy	1,165,213	1.0%	1,599,091	450,050	-	-	-
5	Membership dues	NA	\$2,000 for corporate members and \$500 for associate and adjunct members	320,000	0.0%	320,000	320,000	320,000	320,000	320,000
6	Generation interconnection study fees	NA	• Security screening study fee • Modeling fee	263,025	0.0%	263,025	263,025	263,025	263,025	263,025
7	Blackstart Training	NA	Cost Sharing	32,500	0.0%	65,000	65,000	65,000	65,000	65,000
8	Qualified scheduling entity application fee	9.7.5	\$500 per entity	7,500	0.0%	7,500	7,500	7,500	7,500	7,500
9	Competitive retailer application fee	9.7.5	\$500 per entity	7,500	0.0%	7,500	7,500	7,500	7,500	7,500
10	Map sale fees	NA	\$20 - \$40 per map request	1,000	0.0%	1,000	1,000	1,000	1,000	1,000
11	Mismatched schedule processing fee	9.7.4	\$1 per mismatched event	1,000	0.0%	1,000	1,000	1,000	1,000	1,000
12										
13			Total	<u>\$ 145,445,895</u>	100.0%	<u>\$ 171,244,410</u>	<u>\$ 172,795,402</u>	<u>\$ 177,499,994</u>	<u>\$ 180,358,078</u>	<u>\$ 185,368,299</u>
14										
15	Note:									
16	In addition to the items listed above, ERCOT also collects a Nodal market surcharge which is currently \$0.3750 per MWh. The Nodal Surcharge will remain in effect until the costs of implementing the Nodal Program, as approved by the									
17	Public Utility Commission of Texas, are fully recovered.									

## ERCOT Fiscal Year 2011 Budget

### O&M Expense by Capability

(in Thousands)



Line	(\$ Thousands)	Transmission System Operation (Capability 1)	Retail Market Operation (Capability 2)	Wholesale Spot/Cash Market Operation (Capability 3)	Renewable Energy Credits (Capability 4)	Customer Care (Capability 5)	Total
1	ERCOT O&M Expense						
2	Labor for Base Operations	\$ 36,303	\$ 7,319	\$ 21,702	\$ 701	\$ 3,922	\$ 69,947
3	Equipment & Tools	458	101	265	9	48	881
4	Outside Services	1,051	1,041	752	20	110	2,973
5	Utility, Maintenance, & Facilities	6,584	1,420	3,786	122	687	12,599
6	Hardware & Software License & Maint.	5,550	1,034	2,657	86	535	9,861
7	Employee Expenses	591	103	260	19	47	1,021
8	Other Expenses	2,376	386	1,005	27	175	3,970
9	Total - O&M Expense	\$ 52,913	\$ 11,404	\$ 30,427	\$ 983	\$ 5,524	\$ 101,252
10							
11	Percentage of Total	52.3%	11.3%	30.1%	1.0%	5.5%	100.0%



# **ERCOT Fiscal Year 2011 Budget**

## **Labor Workpapers**



**ERCOT Fiscal Year 2011 Budget**  
**Staffing by Capability with Comparison to Study Recommendations**

Line	Capability/Group/Service	Comparison to Study				Comments
		Study	ERCOT Service Total	ERCOT Group Total	Variance by Group	
1	<b>1 TRANSMISSION SYSTEM OPERATION</b>					
2	<b>1.1 System Planning</b>	35.00		34.97	(0.03)	
3	1.1.1 Transmission Adequacy Assessment	-	10.08	-	-	
4	1.1.2 Transmission Planning	-	17.78	-	-	
5	1.1.3 Interconnection Planning	-	0.82	-	-	
6	1.1.4 Generation/Resource Adequacy Assessment	-	3.92	-	-	
7	1.1.5 Generation & Load Planning	-	2.37	-	-	
8	<b>1.2 Transmission Connection Management</b>	8.51		5.15	(3.36)	1 Generation Interconnection policing efforts not an ERCOT function.
9	1.2.1 Connection Analysis/Studies	-	3.05	-	-	
10	1.2.2 Connection Scheduling	-	-	-	-	
11	1.2.3 Connection Oversight & Management	-	2.10	-	-	
12	1.2.4 Connection Commissioning	-	-	-	-	
13	<b>1.3 Grid Security Management</b>	23.00		27.08	4.08	2 Unable to reach study recommendation - Extensive workarounds must be eliminated before staffing efficiencies can be achieved. Efficiencies achievement estimate - 1.1.2012
14	1.3.1 Transmission Reliability Assessment	-	6.91	-	-	
15	1.3.2 Security/Contingency Analysis	-	14.92	-	-	
16	1.3.3 Security Coordination	-	3.01	-	-	
17	1.3.4 System Restoration Planning	-	1.06	-	-	
18	1.3.5 Ancillary Services Requirement Determination	-	1.18	-	-	
19	<b>1.4 Outage Coordination/Planning</b>	10.00		10.08	0.08	
20	1.4.1 0	-	8.14	-	-	
21	1.4.2 Resource Outage Coordination/Planning	-	1.94	-	-	
22	<b>1.5 Real-Time System Control</b>	27.51		27.21	(0.30)	
23	1.5.1 Monitor and Control Transmission Network	-	10.67	-	-	
24	1.5.2 Monitor and Control Interconnectors	-	2.00	-	-	
25	1.5.3 Instruct and Monitor Facilities	-	4.02	-	-	
26	1.5.4 Frequency Control (Facilities Real-Time Control)	-	10.52	-	-	
27	1.5.5 Manage System Restoration	-	-	-	-	
28	<b>1.6 Scheduling &amp; Dispatch</b>	-		-	-	Dispatching a function of real-time control today, but will not be necessary in Nodal market.
29	1.6.1 Facilities Scheduling (inc. Unit Commitment)	-	-	-	-	
30	1.6.2 Facilities Dispatch (Energy & Ancillary Services)	-	-	-	-	
31	1.6.3 Interconnection Scheduling	-	-	-	-	

# ERCOT Fiscal Year 2011 Budget

## Staffing by Capability with Comparison to Study Recommendations

Line	Capability/Group/Service	Comparison to Study				Comments
		Study	ERCOT Service Total	ERCOT Group Total	Variance by Group	
32	<b>1.7 Forecasting</b>	5.00		5.86	0.86	1 Function of greater importance in ERCOT region than other ISOs
33	1.7.1 Load Forecasting	-	5.26	-	-	
34	1.7.2 Wind Forecasting	-	0.60	-	-	
35	<b>1.8 Operational Testing and Performance Management</b>	3.01		5.46	2.45	1 Increased emphasis on testing and performance management offsets
36	1.8.1 Generator Commissioning Testing	-	-	-	-	
37	1.8.2 Generator Operational Testing	-	1.13	-	-	
38	1.8.3 Generator Black Start Testing	-	0.50	-	-	
39	1.8.4 Generator Performance Assessment	-	1.40	-	-	
40	1.8.5 Load-Participation Performance Assessment	-	2.43	-	-	
41	<b>1.9 Commercial Management</b>	1.00		0.60	(0.40)	
42	1.9.1 Manage Interconnection Capacity Rights Reservation	-	0.60	-	-	
43	1.9.2 Manage Interconnection Capacity Rights Trading	-	-	-	-	
44	1.9.3 Ancillary Services Procurement (Non-Market)	-	-	-	-	
45	1.9.4 Transmission Loss (Adjustment) Factor Determination	-	-	-	-	
46	1.9.5 Network Code/Agreement Management	-	-	-	-	
47	1.9.6 Monitor Network Code/Agreement Compliance	-	-	-	-	
48	<b>1.10 Operational Support</b>	11.50		14.73	3.23	1 Ad hoc reporting requirements can not be eliminated. Study assumption will never be realized.
49	1.10.1 Operations Analysis and Reporting	-	5.71	-	-	
50	1.10.2 Operator Training	-	9.02	-	-	
51	<b>1.11 Compliance Monitoring &amp; Reporting</b>	20.51		21.25	0.74	
52	1.11.1 Dispatch Compliance	-	4.50	-	-	
53	1.11.2 Policy & Procedure Compliance	-	16.75	-	-	
54	<b>1.12 Standards Development</b>	-		1.50	1.50	3
55	1.12.1 Standards Development	-	1.50	-	-	
56						
57	<b>Capability 1 Totals</b>	145.04	153.89	153.89	8.85	
58						

# ERCOT Fiscal Year 2011 Budget

## Staffing by Capability with Comparison to Study Recommendations

Line	Capability/Group/Service	Comparison to Study				Comments
		Study	ERCOT Service Total	ERCOT Group Total	Variance by Group	
59	<b>2 RETAIL MARKET OPERATION</b>					
60	<b>2.1 Retailer Registration</b>	3.50		3.41	(0.09)	
61	2.1.1 Retailer Registration & Qualification	-	3.41	-	-	
62	<b>2.2 Customer Switching/Registry</b>	6.52		6.52	-	
63	2.2.1 Customer Choice Information Provision (Awareness Programs)	-	-	-	-	
64	2.2.2 End Customer Registration	-	1.70	-	-	
65	2.2.3 End Customer Transfer	-	4.82	-	-	
66	<b>2.3 Load Profile Determination and Management</b>	3.50		1.20	(2.30)	1 Function primarily captured in Cap. 1.7
67	2.3.1 Load Profile Customer Segment Determination	-	0.50	-	-	
68	2.3.2 Load Profile Management	-	0.20	-	-	
69	2.3.3 Load Profile Parameter Calculation	-	0.50	-	-	
70	<b>2.4 Accumulation Metering, Data Collection and Data Aggregation</b>	1.00		0.83	(0.17)	
71	2.4.1 Meter Installation	-	-	-	-	
72	2.4.2 Meter Maintenance	-	-	-	-	
73	2.4.3 Meter Registration	-	0.36	-	-	
74	2.4.4 Meter Data Collection	-	-	-	-	
75	2.4.5 Meter Data Validation & Substitution	-	0.47	-	-	
76	2.4.6 Profiled Usage Estimation	-	-	-	-	
77	2.4.7 Usage Data Aggregation	-	-	-	-	
78	<b>2.5 Interval/Smart Metering, Data Collection and Data Aggregation</b>	1.00		0.88	(0.12)	
79	2.5.1 Meter Installation	-	-	-	-	
80	2.5.2 Meter Maintenance	-	-	-	-	
81	2.5.3 Meter Registration	-	0.46	-	-	
82	2.5.4 Meter Data Collection	-	-	-	-	
83	2.5.5 Meter Data Validation & Substitution	-	0.42	-	-	
84	2.5.6 Meter Data Aggregation	-	-	-	-	
85	<b>2.6 Bulk Transfer Management</b>	0.49		0.91	0.42	
86	2.6.1 Bulk Transfer Activation	-	0.38	-	-	
87	2.6.2 Bulk Customer Transfer Management	-	0.34	-	-	
88	2.6.3 End Customer Notification	-	0.19	-	-	

# ERCOT Fiscal Year 2011 Budget

## Staffing by Capability with Comparison to Study Recommendations

Line	Capability/Group/Service		Comparison to Study				Comments
			Study	ERCOT	ERCOT Group Total	Variance by Group	
				Service Total			
89	2.7	Market Information	2.50		2.70	0.20	
90	2.7.1	Switching Analysis and Reporting	-	1.66	-	-	
91	2.7.2	Retail Market Notice Publication	-	1.04	-	-	
92	2.8	Retail Market Development	6.99		6.96	(0.03)	
93	2.8.1	Policy Definition	-	0.24	-	-	
94	2.8.2	Market Design Definition	-	0.47	-	-	
95	2.8.3	Rules Definition	-	1.50	-	-	
96	2.8.4	Rules Administration	-	2.44	-	-	
97	2.8.5	Procedure Definition	-	0.97	-	-	
98	2.8.6	Procedure Administration	-	1.33	-	-	
99	2.9	Market Oversight	1.50		2.50	1.00	2 Efficiency realization estimated 7.1.2011
100	2.9.1	Policy/Rules Compliance	-	1.45	-	-	
101	2.9.2	Process/Procedure Compliance	-	1.05	-	-	
102	2.10	Dispute Management	3.01		3.06	0.05	
103	2.10.1	Dispute Management	-	3.06	-	-	
104			-		-	-	
105		Capability 2 Totals	30.01	28.97	28.97	(1.04)	
106							

# ERCOT Fiscal Year 2011 Budget

## Staffing by Capability with Comparison to Study Recommendations

Line	Capability/Group/Service	Study	Comparison to Study			Comments
			ERCOT Service Total	ERCOT Group Total	Variance by Group	
107	<b>3</b>	<b>WHOLESALE SPOT/CASH MARKET OPERATION</b>				
108	<b>3.1</b>	<b>Participant Registration</b>	2.50	6.60	4.10	
109	3.1.1	Participant Registration & Qualification Management	-	-	-	2 Web enabled registration not yet available but on Nodal Parking deck. Efficiency achieved in 1.1.2012. 3 Study did not account for LARs and EIS (technical requirements/site visits)
110	<b>3.2</b>	<b>Bidding, Scheduling and Pricing</b>	15.99	16.69	0.70	
111	3.2.1	Bid/Offer Receipt and Management	-	1.21	-	
112	3.2.2	Real-Time Market Execution (Dispatch and Pricing)	-	5.68	-	
113	3.2.3	Day-Ahead Market Execution (Unit Commitment/Scheduling & Pricing)	-	9.80	-	
114	<b>3.3</b>	<b>Wholesale Metering, Data Collection and Data Aggregation</b>	11.50	14.18	2.68	1 Study assumed meter registration efficiencies around EPS site approvals. Value add to the market related to settlement accuracy. Market rules change would be necessary to realize efficiencies.
115	3.3.1	Meter Installation	-	-	-	
116	3.3.2	Meter Maintenance	-	-	-	
117	3.3.3	Meter Registration	-	6.59	-	
118	3.3.4	Meter Data Collection	-	2.17	-	
119	3.3.5	Meter Data Validation & Substitution	-	2.17	-	
120	3.3.6	Meter Data Aggregation	-	3.25	-	
121	<b>3.4</b>	<b>Billing, Settlement &amp; Credit Management</b>	11.95	15.05	3.10	2 Rule change required relating to verifiable costs. (1 FTE) 1 Shadow Settlement efficiency (2 FTEs) If approved, efficiency achieved 1.1.2012.
122	3.4.1	Market Settlement	-	10.05	-	
123	3.4.2	Billing	-	2.90	-	
124	3.4.3	Payment Management	-	2.10	-	
125	<b>3.5</b>	<b>Credit Management</b>	6.00	6.00	-	
126	3.5.1	Credit Risk Management	-	5.00	-	
127	3.5.2	Treasury (Cash and Collateral) Management	-	1.00	-	
128	3.5.3	Financial Default Process Management	-	-	-	
129	<b>3.6</b>	<b>Market Information</b>	9.99	14.05	4.06	
130	3.6.1	Market Data Publication	-	9.25	-	2 Study recommends limiting ad hoc reporting and non-monitored automated reporting. Estimated efficiency achievement - 7.1.2011
131	3.6.2	Market Analysis	-	3.67	-	
132	3.6.3	Market Notice Publication	-	1.13	-	

# ERCOT Fiscal Year 2011 Budget

## Staffing by Capability with Comparison to Study Recommendations

Line	Capability/Group/Service	Comparison to Study				Comments
		Study	ERCOT Service Total	ERCOT Group Total	Variance by Group	
133	<b>3.7 CRR/FTR Management</b>	6.00		6.30	0.30	
134	3.7.1 Congestion Revenue Rights Allocation	-	3.00	-	-	
135	3.7.2 Congestion Revenue Rights Auction	-	3.05	-	-	
136	3.7.3 Maintain CRR Registry	-	0.25	-	-	
137	3.7.4 Manage Secondary Trading of CRRs	-	-	-	-	
138	<b>3.8 Wholesale Market Development</b>	14.03		12.17	(1.86)	
139	3.8.1 Policy Definition	-	2.23	-	-	
140	3.8.2 Market Design Definition	-	1.70	-	-	
141	3.8.3 Rules Definition	-	1.50	-	-	
142	3.8.4 Rules Administration	-	4.22	-	-	
143	3.8.5 Procedure Definition	-	0.80	-	-	
144	3.8.6 Procedure Administration	-	1.72	-	-	
145	<b>3.9 Market Oversight/Monitoring</b>	1.99		2.36	0.37	
146	3.9.1 Policy/Rules Compliance	-	2.28	-	-	
147	3.9.2 Process/Procedure Compliance	-	0.08	-	-	
148	3.9.3 Market Surveillance	-	-	-	-	
149	3.9.4 Trade Surveillance	-	-	-	-	
150	<b>3.10 Dispute Management</b>	3.99		4.70	0.71	2 Dispute process rule change required for staffing efficiency. Estimated change 1.1.2012
151	3.10.1 Dispute Management	-	4.70	-	-	
152						
153	<b>Capability 3 Totals</b>	<b>83.94</b>	<b>98.09</b>	<b>98.09</b>	<b>14.15</b>	
154						

# ERCOT Fiscal Year 2011 Budget

## Staffing by Capability with Comparison to Study Recommendations

Line	Capability/Group/Service	Comparison to Study				Comments
		Study	ERCOT Service Total	ERCOT Group Total	Variance by Group	
155	<b>4 RENEWABLE ENERGY CREDITS</b>					
156	4.1 REC Definition	0.19	0.19	0.19	-	
157	4.2 Facility Accreditation	0.15	0.15	0.15	-	
158	4.3 Determine REC Obligations and Verify Compliance	0.09	0.09	0.09	-	
159	4.4 Facility Registration	0.19	0.19	0.19	-	
160	4.5 REC Issuance and Retirement	0.37	0.37	0.37	-	
161	4.6 Verify REC Validity	1.47	1.47	1.47	-	
162	4.7 REC Title Tracking	0.22	0.22	0.22	-	
163	4.8 Information Publication	0.28	0.19	0.19	(0.09)	
164						
165	<b>Capability 4 Totals</b>	<b>2.96</b>	<b>2.87</b>	<b>2.87</b>	<b>(0.09)</b>	
166						
167	<b>5 CUSTOMER CARE</b>					
168	5.1 Training & Education Delivery	3.50	2.80	2.80	(0.71)	
169	5.2 Helpdesk Management	3.00	0.55	0.55	(2.45)	
170	5.3 Account Management	8.00	12.55	12.55	4.55	
171						
172	<b>Capability 5 Totals</b>	<b>14.50</b>	<b>15.89</b>	<b>15.89</b>	<b>1.39</b>	4 Increased support work for Level 1 & 2 QSEs and CRR account holders
173						

**ERCOT Fiscal Year 2011 Budget**  
**Staffing by Capability with Comparison to Study Recommendations**

Line	Capability/Group/Service	Comparison to Study				Comments
		Study	ERCOT Service Total	ERCOT Group Total	Variance by Group	
174	<b>6 INFORMATION TECHNOLOGY</b>					
175	<b>6.1 IT Application Services</b>	93.00		100.76	7.76	
176	6.1.1 Database Administration	-	11.28	-	-	1 Down 3.42 FTEs from Study - necessary for base support with minor betterments - changes to databases will be captured as projects
177	6.1.2 Corporate Applications	-	7.48	-	-	1 Down 2.53 FTEs from Study- classification adjustment
178	6.1.3 Systems Operations Applications	-	23.44	-	-	1 Up 4.69 FTEs from Study
179	6.1.4 Wholesale Market Operations Applications	-	20.17	-	-	4 Up 1 FTEs from Study because of CMM self support. Disagree with support level of wholesale transaction processing
180	6.1.5 Retail Market Operations Applications	-	17.45	-	-	2 Up 7.45 FTEs from Study- potential staffing efficiency possible 1.1.2012 by consolidating tasks and training. Testing is not included as recommended by Study
181	6.1.6 Enterprise Integration	-	7.35	-	-	Down .08 FTE from Study
182	6.1.7 Vendor Management	-	3.00	-	-	
183	6.1.8 Release Management	-	6.14	-	-	
184	6.1.9 Other Application Services	-	4.45	-	-	3 Up .45 FTEs from Study - fewer resources for Openview; however, missed capability in data extracts and reporting.
185	<b>6.2 IT Infrastructure Services</b>	46.50		53.24	6.74	
186	6.2.1 Network and Telecom Services	-	10.71	-	-	Down 1.29 FTEs from Study - combined field services, deskside support, deskside imaging, and asset management
187	6.2.2 Server Support	-	15.78	-	-	Down .15 FTE from Study
188	6.2.3 Enterprise Architecture	-	2.50	-	-	Down .74 FTE from Study
189	6.2.4 Enterprise Storage	-	10.55	-	-	1 Up 2.21 FTEs from Study
190	6.2.5 IT Security	-	11.70	-	-	3 Up 4.7 FTEs from Study - Transferred access management effort from IT.
191	6.2.6 Other IT Infrastructure Services	-	2.00	-	-	3 Capacity performance (short term); performance tuning
192	<b>6.3 IT Support</b>	15.00		14.77	(0.23)	
193	6.3.1 Help Desk	-	8.27	-	-	
194	6.3.2 Field Services	-	6.50	-	-	
195	6.3.3 Other IT Support Services	-	-	-	-	
196	<b>6.4 IT Strategy &amp; Planning</b>	6.00		6.96	0.96	
197	6.4.1 IT Strategic Planning, Budgeting	-	2.25	-	-	3 Increased for software compliance management
198	6.4.2 IT Standards	-	1.39	-	-	
199	6.4.3 Other IT Strategy & Planning	-	3.32	-	-	
200						
201	<b>Capability 6 Totals</b>	<b>160.50</b>	<b>175.73</b>	<b>175.73</b>	<b>15.23</b>	
202						



**ERCOT Fiscal Year 2011 Budget**  
**Staffing by Capability with Comparison to Study Recommendations**

Line	Capability/Group/Service	Study	Comparison to Study			Comments
			ERCOT Service Total	ERCOT Group Total	Variance by Group	
203	<b>7 OTHER SUPPORT &amp; MANAGEMENT FUNCTIONS</b>					
204	<b>7.1 Executive Support</b>	4.50		4.75	0.25	
205	7.1.1 Office of the CEO	-	3.00	-	-	
206	7.1.3 Board Support	-	1.75	-	-	
207	<b>7.2 Administrative Support</b>	17.51		14.90	(2.61)	
208	7.2.1 Administrative Support	-	14.90	-	-	
209	<b>7.3 Strategy &amp; Business Planning</b>	2.00		2.00	-	
210	7.3.1 Strategy & Business Planning	-	2.00	-	-	
211	<b>7.4 Internal Audit</b>	6.00		5.75	(0.25)	
212	7.4.1 Internal Audit	-	5.75	-	-	
213	<b>7.5 Legal</b>	10.00		15.00	5.00	
214	7.5.1 Regulatory	-	7.50	-	-	
215	7.5.2 Corporate	-	7.50	-	-	2/3 Contract efficiency not realized until 1.1.2012
216	<b>7.6 Finance</b>	18.50		18.50	-	
217	7.6.1 General Accounting & Finance	-	11.50	-	-	
218	7.6.2 Purchasing & Contract Administration	-	6.00	-	-	
219	7.6.3 Payroll	-	1.00	-	-	
220	<b>7.7 Human Resources</b>	8.00		8.00	-	
221	7.7.1 Human Resources	-	8.00	-	-	1 Increase for Compensation & Benefits effort 2 Outsourcing payroll & benefits function - efficiency to be achieved by 7.1.2011.
222	<b>7.8 Facilities/Security</b>	20.00		21.30	1.30	
223	7.8.1 Facilities Management	-	16.00	-	-	3 Increased for Health & Safety Coordination
224	7.8.2 Physical Security	-	5.30	-	-	
225	<b>7.9 Stakeholder Relations</b>	6.00		5.15	(0.85)	
226	7.9.1 Government and Regulatory Relations	-	3.15	-	-	
227	7.9.2 Communications	-	2.00	-	-	
228	<b>7.10 Project / Program Management</b>	5.00		8.34	3.34	1 Required staff for continuity
229	7.10.1 Project and Program Management	-	8.34	-	-	
230	<b>7.11 Internal Controls &amp; Risk Management</b>	-		5.00	5.00	
231	7.11.1 Internal Controls & Risk Management	-	5.00	-	-	1 2 Staffing Efficiency anticipated 7.1.2011 4 Risk capability not included in Study
232						
233	<b>Capability 7 Totals</b>	<b>97.51</b>	<b>108.69</b>	<b>108.69</b>	<b>11.18</b>	
234						
235						
236	<b>Totals</b>	<b>534.46</b>	<b>584.13</b>	<b>584.13</b>	<b>49.67</b>	

Note:

Variance explanations provided based on the following four categories:

1. Disagree with Study assumption(s)	8
2. Study assumption(s) not implemented/realized	28
3. Study missed Capability	11
4. Increased scope of work since Study performed	3
Total	50



## **ERCOT Fiscal Year 2011 Budget**

### **Outside Services Workpapers**

**ERCOT Fiscal Year 2011 Budget**  
**Outside Service Detail - Mandated**

Line	Department	2011 Proposed Budget		Description of Service(s)
1	Retail Client Services & Analysis	\$	814,560	PUCT mandated End User Switch and Provider Of Last Resort (POLR) notifications.
2	General Counsel		600,000	Outside Legal Counsel: Outside Legal Services regarding litigation or areas requiring specialized legal knowledge and skills not possessed by in-house legal staff. Expert witness fees, court reporter fees, employment/employee benefits, information technology, intellectual property, security/compliance, tax/financing, governance, insurance/risk management, records management, and related items. The services are necessary to obtain expert advice on all legal issues confronting the company (e.g. Employee Retirement Income Security Act (ERISA), bankruptcy, antitrust, litigation, etc.).
3	Board of Directors		554,000	Expenses associated with the ongoing support and administration of the Board of Directors <ul style="list-style-type: none"> <li>• Independent member compensation</li> <li>• Member replacement</li> <li>• Business expense reimbursement</li> <li>• Special meetings and retreats as necessary</li> </ul>
4	Accounting & Financial Reporting		125,000	Annual financial statement audit: Mandatory to be compliant with Public Utility Commission of Texas (PUCT) rules. Must be performed by external auditing firm.
5	Internal Control Management Program		86,100	SAS 70 Audit is required to be performed by an external independent certified public accounting firm.
6	Settlements & Billing Operations		31,992	Necessary to satisfy protocol requirement for audit of Reliability Must Run (RMR) - Zonal Protocols Section 22, Attachment F, Section 13; Nodal Protocols Section 22, Attachment B, Section 13.
7	Accounting & Financial Reporting		20,000	Annual IRS form 990 review and filing: This is a required statutory audit that must be performed externally.
8	Human Resources		15,000	Support for determining the Financial Accounting Standards Board (FASB) 106 Liability for post retiree medical benefits for ERCOT.
9	Human Resources		15,000	401k Audit: Federal law requires that ERCOT include audited benefit plan financial statements with its annual Internal Revenue Service (IRS) Form 5500 filing. The benefit plan audits must be performed by an independent audit firm. Loss of the qualified tax status of the benefit plans resulting in significant liability to the company and possible ERCOT employees.
10	<b>Subtotal - Mandated Outside Services</b>	<b>\$</b>	<b>2,261,652</b>	

**ERCOT Fiscal Year 2011 Budget**  
**Outside Service Detail - Discretionary**

Line	Department	2011		Description of Service(s)
			Proposed Budget	
1	Technology Services Administration	\$	321,360	Lawson Hosting - Lower cost to host externally, would require hardware and 3 support specialists to host internally.
2	Human Resources		190,000	Immigration Assistance: These fees cover the specialized legal expertise in the immigration area as well as the filing fees associated with the hiring of non-US citizens. These fees are required to recruit for power engineers and certain Information Technology functions. The legal expertise in immigration is a very specialized area and ERCOT does not require a full-time position. Approximately half of the expense in this area is for legal services and the rest covers the actual fees.
2	Human Resources		60,000	Web Based e-Learning Program: Enables business organizations to maximize business performance through a combination of comprehensive e-learning content, online information resources, flexible learning technologies and support services. It is a 24x7 program with a course library of over 4,000 courses related to Business Development and IT. Program will be used to enhance competencies for job skills and reduce travel costs.
3	Human Resources		60,000	External data and compensation reviews/comparisons, as requested, for specific positions.
4	Facilities Management		50,000	Courier Services required for mail collection, routing and distribution in lieu of FTE.
5	Credit Administration		30,000	Ratings service and data feed to ERCOT's new credit program for Nodal. The use of these services is contingent on the Board of Directors approving creditworthiness standards that include ratings.
6	<b>Subtotal - Discretionary Outside Services</b>	<b>\$</b>	<b>711,360</b>	
7				
8	<b>Total - Base Operations Outside Services</b>	<b>\$</b>	<b>2,973,012</b>	

**ERCOT Fiscal Year 2011 Budget**  
**Requested Outside Services Not Funded**

Line	Department	2011 Proposed Budget	Description of Service(s)
1			
2	Critical Infrastructure Security	\$ 300,000	Energy Management and Market Systems (EMMS) security assessment.
3	Long Term Planning & Policy	200,000	Development of three-phase (PSCad or similar) models of west Texas ERCOT system to allow evaluation of sub-cycle system dynamics. Potential issues include sub synchronous interaction, sub-synchronous resonance, optimization of shunt reactive devices to support wind generation.
4	Mid Term Planning	175,000	Recent dynamic studies have indicated that the load models used for these studies is highly important in determining the results of those studies. Since these studies are increasingly resulting in real costs to the system (congestion, dynamic reactive devices, etc.) in the order of \$100Ms, it is important to validate the appropriateness of these models against real world response.
5	Internal Audit	195,000	Contract labor staff augmentation
6	Long Term Planning & Policy	150,000	Procurement of wind generation patterns, based on actual location of wind farms in ERCOT and actual historical weather data and assuming actual wind turbine technologies installed, for use in planning models to better understand diversity of wind patterns and likely system congestion.
7	Critical Infrastructure Security	150,000	Security penetration assessment of the network perimeter, email and remote access.
8	Retail Client Services & Analysis	130,000	Prepare, distribute, and collect results of market participant survey. Perception surveys are conducted on various services offered to the market such as meeting management, website revisions, etc.
9	Human Resources	125,000	University Co-Op program and curriculum development: Services required to develop university curriculum, provide studies and internship programs. This service would be performed along with ERCOT staff.
10	Long Term Planning & Policy	100,000	Procurement of new model for analysis of expected Loss-Of-Load Events (LOLE), assessment of target reserve margin, and expected load carrying capability of variable generation. New model would allow evaluation of the impact of transmission congestion on deliverability of generation reserves.
11	Physical Security	88,000	A 3-year Remote Managed Services Contract with the access control system vendor to provide patching, software upgrades, software updates, corrective procedures and planning, hardware and software specifications and procurement instructions, system network environment schematics and requirement instructions, database system layout, forms and credentials design, access level and alarm configuration. This contract would prevent system down time and possible loss of control of access to critical cyber asset areas. Currently support is being provided by a security analyst in the Critical Infrastructure Security department on an as available basis.
12	Human Resources	60,000	Benefits Audit(s)/Survey(s): Third party administrator to audit claims paid by benefit providers (medical, dental, vision, etc.) to make sure claims are not being overpaid, as well as, benefit surveys to ensure ERCOT is in line with the market. The audits/surveys do not have to be performed annually, so the estimated cost is based on a couple per year that would be rotated.
13	Mid Term Planning	50,000	Dynamic studies are increasingly being used to determine system limits and determine system equipment needs. The costs of these limits and equipment is in the order of \$100Ms. It is therefore increasingly important to validate that these models accurately reflect the actual performance of units on the system.
14	Physical Security	50,000	External cyber vulnerability assessment of the Physical Access Control System.
15	<b>Total Requested Outside Services Not Funded</b>	<b>\$ 1,773,000</b>	

**ERCOT Fiscal Year 2011 Budget**  
**Outside Service Detail - Mandated**

Line	Department	Description of Service(s)	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	EMMS Development	Resources required for defect fixes, performance issues, security patch management, etc. on proprietary and custom software critical to the Market.	\$ 4,165,680	\$ 4,253,159	\$ 4,342,476	\$ 4,433,668	\$ 4,526,775
2	Retail Client Services & Analysis	PUCT mandated End User Switch and Provider Of Last Resort (POLR) notifications.	831,666	849,131	866,962	885,169	903,757
3	General Counsel	Outside Legal Counsel: Outside Legal Services regarding litigation or areas requiring specialized legal knowledge and skills not possessed by in-house legal staff. Expert witness fees, court reporter fees, employment/employee benefits, information technology, intellectual property, security/compliance, tax/financing, governance, insurance/risk management, records management, and related items. The services are necessary to obtain expert advice on all legal issues confronting the company (e.g. Employee Retirement Income Security Act (ERISA), bankruptcy, antitrust, litigation, etc.).	612,600	625,465	638,599	652,010	665,702
4	Board of Directors	Expenses associated with the ongoing support and administration of the Board of Directors <ul style="list-style-type: none"> <li>• Independent member compensation</li> <li>• Member replacement</li> <li>• Business expense reimbursement</li> <li>• Special meetings and retreats as necessary</li> </ul>	565,634	577,512	589,640	602,023	614,665
5	Accounting & Financial Reporting	Annual financial statement audit: Mandatory to be compliant with Public Utility Commission of Texas (PUCT) rules. Must be performed by external auditing firm.	127,625	130,305	133,042	135,835	138,688
6	Internal Control Management Program	SAS 70 Audit is required to be performed by an external independent certified public accounting firm.	87,908	89,754	91,639	93,563	95,528
7	Settlements & Billing Operations	RMR Contractor to satisfy protocol requirement for audit of RMR (Zonal Protocols Section 22, Attachment F, Section 13; Nodal Protocols Section 22, Attachment B, Section 13). Cost based on historical billing.	32,664	33,350	34,050	34,765	35,495
8	Accounting & Financial Reporting	Annual IRS form 990 review and filing: This is a required statutory audit, that has to be performed externally.	20,420	20,849	21,287	21,734	22,190
9	Human Resources	Support for determining the Financial Accounting Standards Board (FASB) 106 Liability for post retiree medical benefits for ERCOT.	15,315	15,637	15,965	16,300	16,643
10	Human Resources	401k Audit: Federal law requires that ERCOT include audited benefit plan financial statements with its annual Internal Revenue Service (IRS) Form 5500 filing. The benefit plan audits must be performed by an independent audit firm. Loss of the qualified tax status of the benefit plans resulting in significant liability to the company and possible ERCOT employees.	15,315	15,637	15,965	16,300	16,643
11	<b>Subtotal - Mandated Outside Services</b>		<b>\$ 6,474,827</b>	<b>\$ 6,610,798</b>	<b>\$ 6,749,625</b>	<b>\$ 6,891,367</b>	<b>\$ 7,036,086</b>

# ERCOT Fiscal Year 2011 Budget

## Outside Service Detail - Discretionary

Line	Department	Description of Service(s)	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	Technology Services Administration	Lawson Hosting - Lower cost to host externally, would require hardware and 3 support specialists to host internally	328,109	334,999	342,034	349,217	356,550
2	Human Resources	Immigration Assistance: These fees cover the specialized legal expertise in the immigration area as well as the filing fees associated with the hiring of non-US citizens. These fees are required to recruit for power engineers and certain Information Technology functions. The legal expertise in immigration is a very specialized area and ERCOT does not require a full-time position. Approximate 1/2 of the expense in this area is for legal services and the rest covers the actual fees.	193,990	198,064	202,223	206,470	210,806
3	Human Resources	Web Based e-Learning Program: Enables business organizations to maximize business performance through a combination of comprehensive e-learning content, online information resources, flexible learning technologies and support services. It is a 24x7 program with a course library of over 4,000 courses related to Business Development and IT. Program will be used to enhance competencies for job skills and reduce travel costs.	61,260	62,546	63,860	65,201	66,570
4	Human Resources	External data and compensation reviews/comparisons, as requested, for specific positions.	61,260	62,546	63,860	65,201	66,570
5	Facilities Management	Courier Services required for mail collection, routing and distribution in lieu of FTE.	51,050	52,122	53,217	54,334	55,475
6	Credit Administration	Ratings service and data feed to ERCOT's new credit program for Nodal. The use of these services is contingent on the Board of Directors approving creditworthiness standards that include ratings.	30,630	31,273	31,930	32,600	33,285
7		<b>Subtotal - Discretionary Outside Services</b>	<b>\$ 726,299</b>	<b>\$ 741,551</b>	<b>\$ 757,123</b>	<b>\$ 773,023</b>	<b>\$ 789,256</b>
8		<b>Total - Base Operations Outside Services</b>	<b>\$ 7,201,125</b>	<b>\$ 7,352,349</b>	<b>\$ 7,506,748</b>	<b>\$ 7,664,390</b>	<b>\$ 7,825,342</b>
9							



## **ERCOT Fiscal Year 2011 Budget**

### **Facilities & Equipment Workpapers**



## ERCOT Fiscal Year 2011 Budget Facilities Summary

Line	Building	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	Number of Locations	2	2	2	3	3	2	2	2	2
2	Number of Buildings	4	4	4	6	6	5	5	5	5
3	Total Square Footage	215,400	215,400	215,400	275,700	275,700	230,700	230,700	230,700	230,700
4	Total Facilities Costs	\$ 9,146,984	\$ 9,603,536	\$ 9,644,545	\$ 12,599,245	\$ 12,302,673	\$ 11,539,936	\$ 11,782,274	\$ 12,029,702	\$ 12,282,326
5										
6	Cost per Square Foot	<b>\$ 42.47</b>	<b>\$ 44.58</b>	<b>\$ 44.78</b>	<b>\$ 45.70</b>	<b>\$ 44.62</b>	<b>\$ 50.02</b>	<b>\$ 51.07</b>	<b>\$ 52.14</b>	<b>\$ 53.24</b>
7										
8										
9	Notes: 1. Facilities costs exclude allocation credits from Nodal and Texas RE in 2009 and 2010. 2. 2012 includes rent for the Met Center location through June 2012, as well as, the contract termination fee of \$243K payable in July 2012.									
10										
11										

**ERCOT Fiscal Year 2011 Budget**  
**Facilities & Equipment Summary by Account**

Line	Description	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	<b><u>Building Maintenance</u></b>									
2	Bldg. Security Services	\$ 896,643	\$ 955,000	\$ 905,231	\$ 1,385,000	\$ 1,370,300	\$ 1,355,173	\$ 1,383,632	\$ 1,412,688	\$ 1,442,355
3	Building Maintenance	599,598	238,000	613,462	1,193,777	1,145,388	1,097,464	1,120,510	1,144,041	1,168,066
4	Miscellaneous Facilities Services	133,925	173,050	139,998	179,638	175,908	172,250	175,868	179,561	183,332
5	Custodial Service	242,582	273,000	226,717	270,378	244,813	218,055	222,635	227,310	232,083
6	Grounds Maintenance	49,300	45,000	46,529	96,995	99,032	101,112	103,235	105,403	107,616
7	Subtotal - Building Maintenance	1,922,048	1,684,050	1,931,937	3,125,787	3,035,441	2,944,055	3,005,880	3,069,003	3,133,452
8										
9	<b><u>WAN</u></b>	2,940,547	3,130,000	2,826,673	3,095,676	3,160,685	3,227,060	3,294,828	3,364,019	3,434,664
10										
11	<b><u>Property Tax</u></b>	912,515	1,325,706	1,381,572	2,443,048	2,494,352	2,546,733	2,600,215	2,654,819	2,710,571
12										
13	<b><u>Utilities</u></b>									
14	Electricity	1,632,750	1,670,000	1,590,307	2,042,000	1,917,429	1,786,871	1,824,395	1,862,708	1,901,824
15	Water/Gas/Sewer/Trash	97,242	75,000	76,473	112,894	107,080	100,972	103,092	105,257	107,467
16	Fuel Oil	14,099	12,000	12,959	25,421	25,955	26,500	27,056	27,625	28,205
17	Water Service	-	-	-	-	-	-	-	-	-
18	Subtotal - Utilities	1,744,091	1,757,000	1,679,739	2,180,315	2,050,463	1,914,342	1,954,544	1,995,589	2,037,496
19										
20	<b><u>Rent</u></b>									
21	Office Rental	936,336	864,000	1,046,897	882,144	671,914	-	-	-	-
22	Storage Rental	91,898	55,200	73,132	81,460	83,171	84,917	86,700	88,521	90,380
23	Miscellaneous Rental	24,750	-	24,751	25,270	25,801	26,342	26,896	27,460	28,037
24	Subtotal - Rent	1,052,985	919,200	1,144,780	988,874	780,885	111,260	113,596	115,981	118,417
25										
26	<b><u>Telecom</u></b>									
27	Web Conferencing	198,303	365,000	329,208	368,960	376,708	384,619	392,696	400,943	409,363
28	Telephone - Long Distance	126,426	122,930	126,060	153,060	156,274	159,556	162,907	166,328	169,821
29	Internet Service	161,559	171,600	144,935	150,517	152,904	155,356	158,619	161,950	165,351
30	Telephone - Local	63,187	68,600	72,549	78,797	80,452	82,141	83,866	85,628	87,426
31	Data/Voice Circuits	21,671	21,600	4,994	11,063	11,296	11,533	11,775	12,022	12,275
32	PBX Lease for ISO	-	-	-	-	-	-	-	-	-
33	Telephone - Conf. Calls	3,651	37,850	2,097	3,147	3,213	3,280	3,349	3,419	3,491
34	Subtotal - Telecom	574,798	787,580	679,844	765,545	780,847	796,486	813,212	830,290	847,726
35										
36	<b><u>Nodal &amp; Texas RE Allocations</u></b>	(1,207,930)	(1,466,092)	(1,047,264)	-	-	-	-	-	-
37										
38	<b>Total - Facilities</b>	\$ 7,939,054	\$ 8,137,444	\$ 8,597,280	\$ 12,599,245	\$ 12,302,673	\$ 11,539,936	\$ 11,782,274	\$ 12,029,702	\$ 12,282,326
39										
40	<b><u>Materials, Supplies, &amp; Equipment</u></b>									
41	Equipment & Tools < \$1,000	\$ 240,949	\$ 200,000	\$ 207,878	\$ 200,000	\$ 204,200	\$ 208,488	\$ 212,866	\$ 217,336	\$ 221,900
42	Hardware < \$1,000	81,388	237,200	150,236	148,723	151,846	155,035	158,290	161,614	165,008
43	Software < \$1,000	88,436	153,100	127,894	143,704	146,722	149,803	152,949	156,161	159,440
44	Equipment Maintenance	116,629	235,000	112,741	122,571	125,145	127,773	130,456	133,196	135,993
45	Office Supplies	113,988	292,716	108,925	117,553	120,022	122,542	125,116	127,743	130,426
46	Equipment Rental	88,012	68,000	61,720	84,580	86,356	88,170	90,021	91,912	93,842
47	Chemical Supplies	55,999	30,000	44,486	50,405	47,712	45,038	45,984	46,950	47,936
48	Vehicle Maintenance	12,887	9,000	10,573	12,624	12,889	13,160	13,436	13,719	14,007
49	Misc Equip Repairs	796	2,000	536	406	415	423	432	441	451
50	<b>Total - Equipment</b>	\$ 799,084	\$ 1,227,016	\$ 824,990	\$ 880,566	\$ 895,306	\$ 910,432	\$ 929,551	\$ 949,072	\$ 969,002
51										
52	<b>Total - Facilities &amp; Equipment</b>	\$ 8,738,138	\$ 9,364,460	\$ 9,422,270	\$ 13,479,810	\$ 13,197,980	\$ 12,450,368	\$ 12,711,826	\$ 12,978,774	\$ 13,251,328
53										

Notes:

1. Nodal & Texas RE Allocation includes recovery for facility and information technology utilization.
2. Office rent includes rent for the Met Center location through June 2012 as well as the contract termination fee of \$243K payable in July 2012.

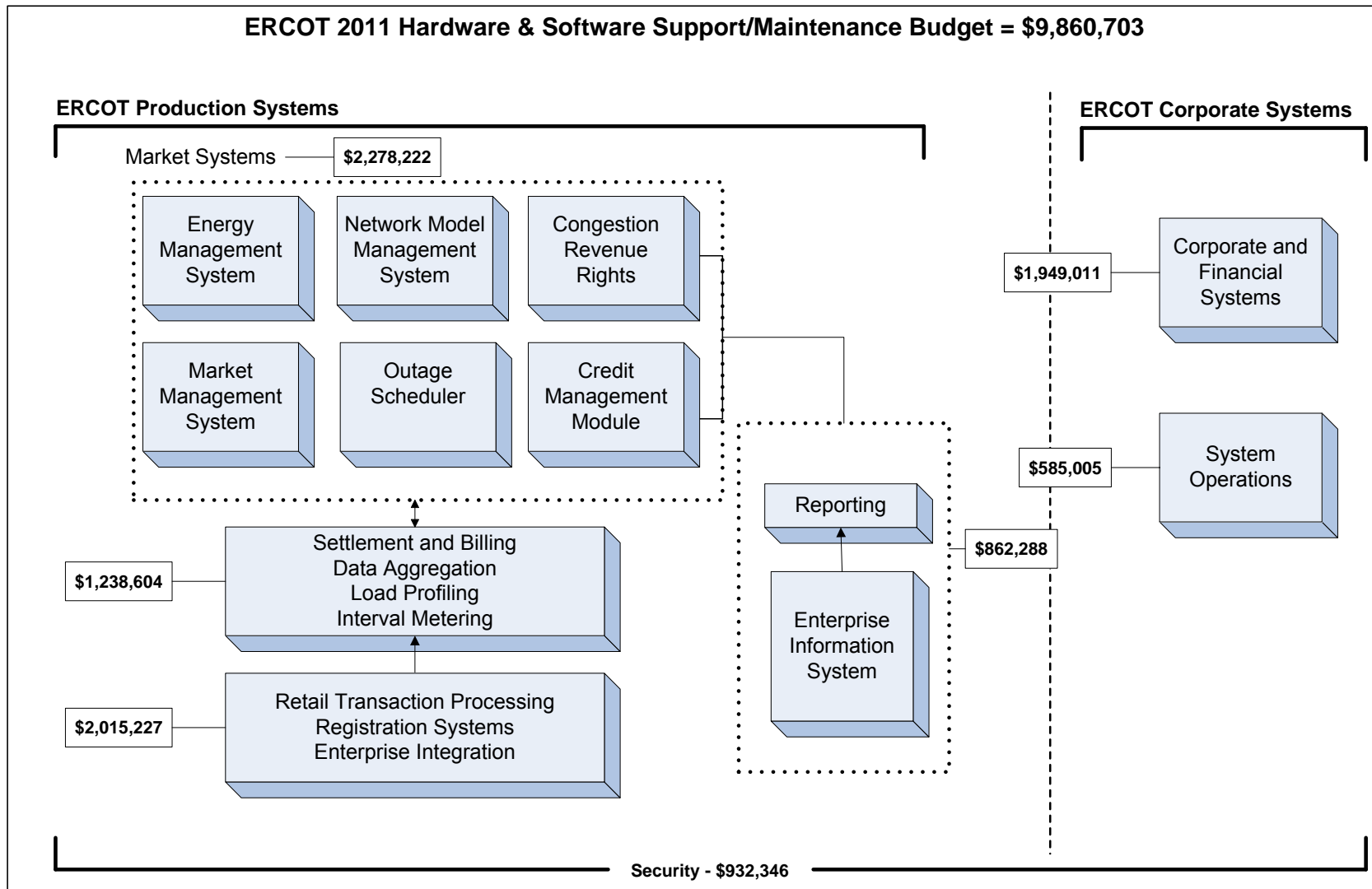


## **ERCOT Fiscal Year 2011 Budget**

### **Hardware/Software Maintenance & License** **Workpapers**

**ERCOT Fiscal Year 2011 Budget**  
**Hardware & Software Support/Maintenance**

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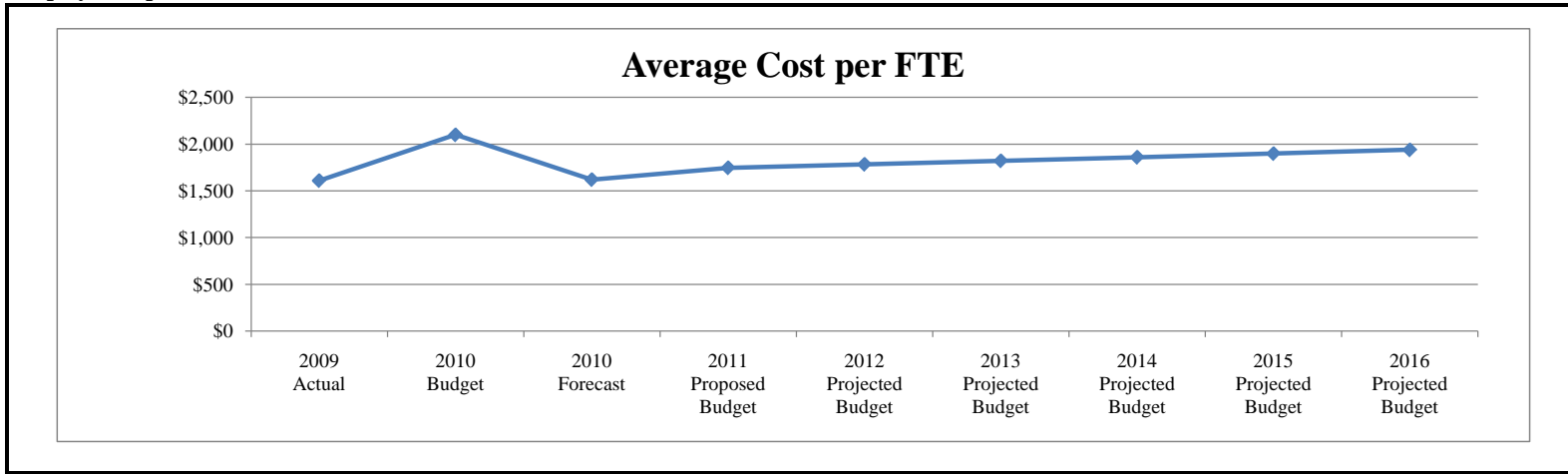


## **ERCOT Fiscal Year 2011 Budget**

### **Employee Expenses Workpapers**

# ERCOT Fiscal Year 2011 Budget

## Employee Expenses



Line		2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	<b>ERCOT</b>									
2	Training - Registration Fees	\$ 287,074	\$ 522,485	\$ 229,560	\$ 246,619	\$ 239,728	\$ 244,762	\$ 249,902	\$ 255,150	\$ 260,508
3	Training - Travel -Lodging	63,764	150,465	79,606	61,307	59,594	60,846	62,124	63,428	64,760
4	College Education Reimbursement	54,251	35,867	46,848	57,649	56,038	57,215	58,416	59,643	60,895
5	Training - Travel -Other	13,436	23,020	8,843	26,942	26,189	26,739	27,301	27,874	28,460
6	Training - Travel -Airfare	22,767	76,475	28,162	22,684	22,050	22,513	22,986	23,468	23,961
7	Training - Mileage Reimbursement	24,464	66,813	20,469	22,612	21,980	22,441	22,913	23,394	23,885
8	Training - Meals	20,066	39,271	21,812	17,084	16,607	16,956	17,312	17,675	18,047
9	Subtotal - Training	\$ 485,822	\$ 914,396	\$ 435,300	\$ 454,897	\$ 442,186	\$ 451,472	\$ 460,953	\$ 470,633	\$ 480,516
10										
11	Cellular Phone	210,885	163,807	212,450	205,988	200,233	204,438	208,731	213,114	217,590
12	Business - Mileage Reimbursement	98,747	74,329	83,472	81,881	79,593	81,265	82,971	84,714	86,493
13	Business - Travel - Lodging	62,299	102,558	65,223	54,259	52,743	53,850	54,981	56,136	57,314
14	Business- Travel - Airfare	33,466	67,828	77,261	53,072	51,589	52,672	53,778	54,908	56,061
15	Remote System Access	49,922	47,902	43,976	42,998	41,797	42,675	43,571	44,486	45,420
16	Professional Dues	35,297	33,049	32,970	35,709	34,711	35,440	36,184	36,944	37,720
17	Wireless PC Card	39,063	37,091	28,661	33,308	32,377	33,057	33,752	34,460	35,184
18	Business - Meals	30,444	31,948	24,774	23,214	22,565	23,039	23,523	24,017	24,521
19	Business - Travel - Other	27,328	21,235	20,972	20,061	19,500	19,910	20,328	20,755	21,190
20	Business - Registration Fees	45,860	57,758	12,146	15,269	14,842	15,154	15,472	15,797	16,129
21	Subtotal - Business	\$ 633,310	\$ 637,504	\$ 601,905	\$ 565,758	\$ 549,950	\$ 561,499	\$ 573,291	\$ 585,330	\$ 597,622
22										
23	Total - Employee Expenses	\$ 1,119,132	\$ 1,551,900	\$ 1,037,205	\$ 1,020,655	\$ 992,136	\$ 1,012,971	\$ 1,034,244	\$ 1,055,963	\$ 1,078,138
24										
25	FTEs	695	739	640	584	556	556	556	556	556
26										
27	Average Cost per FTE	\$ 1,610	\$ 2,100	\$ 1,621	\$ 1,747	\$ 1,784	\$ 1,822	\$ 1,860	\$ 1,899	\$ 1,939
28										
29	% Training Cost of Base Salaries	0.78%	1.36%	0.70%	0.87%	0.82%	0.82%	0.82%	0.81%	0.81%



## **ERCOT Fiscal Year 2011 Budget**

### **Other Expenses Workpapers**

## ERCOT Fiscal Year 2011 Budget

### Other Expenses

Line	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	<b>ERCOT</b>								
2	Insurance Premiums	1,742,811	1,876,837	1,832,555	1,832,639	1,871,124	1,910,418	1,950,537	2,033,319
3	Subscriptions - Data Services	1,221,452	1,278,184	1,310,433	1,341,573	1,369,747	1,398,511	1,427,880	1,488,481
4	Relocation Benefit	304,946	360,000	360,000	367,560	375,279	383,160	391,206	407,809
5	Dues	66,401	89,250	89,536	123,093	125,678	128,317	131,012	136,572
6	Recruiting Expense	67,800	106,000	70,635	114,900	117,313	119,776	122,292	127,482
7	Job Posting Advertising	62,912	40,000	55,708	51,050	52,122	53,217	54,334	56,640
8	Report Printing	28,805	63,700	7,607	38,027	38,826	39,641	40,474	42,191
9	Reward & Recognition	3,752	65,000	22,674	25,525	26,061	26,608	27,167	28,320
10	Sponsored Meetings	25,730	35,500	29,163	24,303	24,814	25,335	25,867	26,964
11	Express Shipping	23,005	42,300	17,236	20,761	21,197	21,642	22,096	23,034
12	Publications - Media	9,143	9,387	9,634	10,296	10,512	10,732	10,958	11,423
13	Postage & Delivery	9,803	18,150	7,650	7,375	7,530	7,688	7,849	8,182
14	Corporate Events	12,721	11,750	8,550	7,147	7,297	7,450	7,607	7,930
15	Miscellaneous	19,069	14,250	1,458	5,840	5,963	6,088	6,216	6,480
16	Tax - Sales, Excise & Use	69,627	-	41,614	-	-	-	-	-
17	Total - Other Expenses	\$ 3,667,976	\$ 4,010,308	\$ 3,864,453	\$ 3,970,089	\$ 4,053,461	\$ 4,138,583	\$ 4,225,494	\$ 4,314,229
18									
19									
20	Note:								
21	Subscriptions - Data Services account primarily includes weather and wind related forecasting and modeling services.								
22									
23									





# **ERCOT Fiscal Year 2011 Budget**

## **Project Workpapers**

**ERCOT Fiscal Year 2011 Budget**  
**Project Priority List (PPL) - Funded**

Line	2011 Priority	2011 Rank	Program Area	Source	Project Number	Capital Projects	2011 Budget Range	Cumulative Budget Range	Current Status	Description
1	1- Critical	1	DC	ERCOT	Various	Data Center Buildout	\$30M-\$40M	\$30M-\$35M	Planning / Execution	Data Center Buildout Project - 8 subprojects addressing storage, servers, tape backup, telecommunication, and network gear
2	1- Critical	2	CO	ERCOT	99911	Minor Cap - Critical	\$500k-\$1M	\$30M-\$35M	Not Started	Critical priority Minor Cap purchases
3	1- Critical	3	RO	Market	11002_01	Texas SET 4.0	\$1M-\$2M	\$35M-\$40M	Not Started	TX SET project to include reconnect / disconnect, AMS, Acquisitions, Meter Tampering
4	1- Critical	4	MO	ERCOT	90006_02	Information Lifecycle Mgmt – Mkt Systems, Archive, Reporting	\$1M-\$2M	\$35M-\$40M	Planning	Subproject of 90006_01 - optimizing data storage requirements for our commercial systems
5	1- Critical	5	IO	ERCOT	11003_01	Cyber Security Project #1	\$500k-\$1M	\$35M-\$40M	Not Started	Enhance a specific area of ERCOT's cyber security capability
6	1- Critical	6	MO	ERCOT	10052_01	Settlement System Upgrade	\$1M-\$2M	\$35M-\$40M	Planning	Replace the current application code with an optimized, self-supported solution. Includes only the conversion of code -- no enhancements.
7	1- Critical	7	CO	ERCOT	11004_01	Cyber Security Project #2	\$250k-\$500k	\$35M-\$40M	Not Started	Enhance a specific area of ERCOT's cyber security capability
8	1- Critical	8	IO	ERCOT	11005_01	IT Security Infrastructure Upgrade	\$100k-\$250k	\$35M-\$40M	Not Started	Upgrade a specific component of the IT security infrastructure
9	1- Critical	9	RO	PUCT / Market	11006_01	MarkeTrak Upgrade and Enhancements (PLANNING)	\$100k-\$250k	\$40M-\$45M	Not Started	Enhance MarkeTrak application for new PUCT requirements and other enhancements requested by market participants. Examples: new subtypes for Expedited Switch Rescission and Meter Tampering, improved data validation, and AMS usage parameters
10	2-High	10	RO	ERCOT	50088_01	Data Research and Reporting	\$1M-\$2M	\$40M-\$45M	Execution	Transition of ETS reporting from Data Archive to Enterprise Data Warehouse - Final stage of project
11	2-High	11	MO	ERCOT	10055_01	Data Agg Performance Improvements	\$250k-\$500k	\$40M-\$45M	Initiation	New project to address data aggregation processing performance risk Expected to start in 2010 and conclude in 2011
12	2-High	12	CO	ERCOT	10031_01	Enterprise Records Management Automation (ERMA)	<\$50k	\$40M-\$45M	Execution	Provide a centralized record management repository for ERCOT with email integration.

**Cutline**

**ERCOT Fiscal Year 2011 Budget**  
**Project Priority List (PPL) - Not Funded**

Line	2011 Priority	2011 Rank	Program Area	Source	Project Number	Capital Projects	2011 Budget Range	Cumulative Budget Range	Current Status	Description
1	2-High	13	IO	ERCOT	New	IDM (databases only)	\$500k-\$1M	\$40M-\$45M	Not Started	Eliminate maintenance of two systems to control access to ERCOT systems.
2	2-High	14	MC	ERCOT	New	Minor Cap - High	\$250k-\$500k	\$40M-\$45M	Not Started	High priority Minor Cap purchases
3	2-High	15	CO	ERCOT	New	Cyber Security Project #3	\$250k-\$500k	\$40M-\$45M	Not Started	Enhance a specific area of ERCOT's cyber security capability
4	2-High	16	IO	ERCOT	New	Oracle Access Management	\$250k-\$500k	\$40M-\$45M	Not Started	Replace a manual effort carried out by the DBA's.
5	2-High	17	IO	ERCOT	New	Cyber Security Project #4	\$100k-\$250k	\$40M-\$45M	Not Started	Enhance a specific area of ERCOT's cyber security capability
6	2-High	18	MO	Market/ ERCOT	90015_01	Web-enabled Registration	\$100k-\$250k	\$40M-\$45M	Not Started	Create an interface that MPs (and potential MPs) can use to electronically submit and update registration data post nodal go-live.
7	2-High	19	IO	ERCOT	New	Tripwire	\$100k-\$250k	\$40M-\$45M	Not Started	Tripwire has been deployed for approximately 3 years. To garner further benefit to our investment we would like to deploy a new utility Tripwire has available called Log Center.
8	2-High	20	IO	ERCOT	New	Storage Replication Strategies	\$50k-\$100k	\$40M-\$45M	Not Started	Resize Ptest and Itest environments
9	2-High	21	MO	ERCOT	90017_01	ERCOT.com CMS Replacement	\$250k-\$500k	\$45M-\$50M	Not Started	Replace the Serena Collage application and Market Information Repository (MIR)
10	2-High	22	MO	ERCOT	10006_01	EPS Meter DB Redesign	\$500k-\$1M	\$45M-\$50M	Not Started	Move departmental EPS Meter database and web views due to unsupported compatibility.
11	2-High	23	IO	ERCOT	New	Secure Storage Bldg	\$250k-\$500k	\$45M-\$50M	Not Started	Facilities secured storage and shop
12	2-High	24	IO	ERCOT	New	Blue Bldg Reconfig	\$100k-\$250k	\$45M-\$50M	Not Started	Blue Building reconfiguration
13	2-High	25	CO	ERCOT	10039_01	Physical Security Project #1	\$250k-\$500k	\$45M-\$50M	Not Started	Enhance a specific area of ERCOT's physical security

**ERCOT Fiscal Year 2011 Budget  
Project Priority List (PPL) - Not Funded**

Line	2011 Priority	2011 Rank	Program Area	Source	Project Number	Capital Projects	2011 Budget Range	Cumulative Budget Range	Current Status	Description
1	3-High/Med	26	MC	ERCOT	New	Minor Cap - Other	\$250k-\$500k	\$45M-\$50M	Not Started	Lower priority Minor Cap items
2	3-High/Med	27	IO	ERCOT	New	OS Upgrades	\$250k-\$500k	\$45M-\$50M	Not Started	Upgrade Windows, Linux, AIX and other supporting applications to the latest versions.
3	3-High/Med	28	MO	ERCOT	New	AppWorx Upgrade	TBD	\$45M-\$50M	Not Started	Upgrade to newer version.
4	3-High/Med	29	RO	ERCOT	New	Rearchitecture of Zonal TIBCO Framework (to be consistent with Nodal)	TBD	\$45M-\$50M	Not Started	Upgrade to Zonal TIBCO to be consistent with Nodal TIBCO
5	3-High/Med	30	RO	ERCOT	10004_01	Retail Testing Website Enhancement	\$250k-\$500k	\$45M-\$50M	Not Started	ERCOT upgrade to transition to Enterprise Architecure approved infrastructure. No functional changes planned.
6	3-High/Med	31	RO	ERCOT	New	Siebel Table Split	TBD	\$45M-\$50M	Not Started	The objective of this project is to make modifications to the Siebel data model to gain performance efficiencies and comply with Siebel technical data architecture guidelines.
7	3-High/Med	32	RO	ERCOT	New	Siebel Upgrade	TBD	\$45M-\$50M	Not Started	The objective of this project is to upgrade Siebel to the latest Siebel release.
8	3-High/Med	33	RO	ERCOT	10050_01	TIBCO Upgrade	\$100k-\$250k	\$45M-\$50M	Not Started	This project will upgrade ERCOT's TIBCO infrastructure and underlying Linux Operating System (Zonal only).
9	3-High/Med	34	IO	ERCOT	New	TCC2 Delivery Room Reconfig	\$250k-\$500k	\$45M-\$50M	Not Started	TCC2 Delivery Room reconfiguration
10	3-High/Med	35	IO	ERCOT	New	TCC2 Cube Reconfig	\$500k-\$1M	\$50M-\$55M	Not Started	TCC2 Cube reconfiguration
11	3-High/Med	36	IO	ERCOT	New	TCC2 Hope Room Reconfig	\$250k-\$500k	\$50M-\$55M	Not Started	TCC2 Hope Room reconfiguration
12	3-High/Med	37	IO	ERCOT	New	TCC1 Cube Reconfig	\$500k-\$1M	\$50M-\$55M	Not Started	TCC1 1st floor cubicle reconfiguration
13	3-High/Med	38	IO	ERCOT	New	Windows 7	\$100k-\$250k	\$50M-\$55M	Not Started	Windows 7 upgrade
14	4-Medium	39	MO	Market	New	Default Uplift Process	TBD	\$50M-\$55M	Not Started	Modify the existing Lodestar uplift functionality to support uplift of defaults on DAM Invoices and RTM Invoices through a Default Uplift Invoice, in an automated fashion.
15	4-Medium	40	MO	Market	10008_01	Enhancements to API for Disputes	TBD	\$50M-\$55M	Not Started	Enhance the API Disputes functionality for updates, search and other functions post nodal go-live.
16	4-Medium	41	MO	ERCOT	90006_03	System Right-Sizing for ILM	TBD	\$50M-\$55M	Not Started	All systems coming online with Nodal - need to establish ongoing maintenance activities. Replication from Nodal systems. CRR, CMM sources only.

**ERCOT Fiscal Year 2011 Budget  
Project Priority List (PPL) - Not Funded**

Line	2011 Priority	2011 Rank	Program Area	Source	Project Number	Capital Projects	2011 Budget Range	Cumulative Budget Range	Current Status	Description
1	4-Medium	42	CO	ERCOT	70015_01	Cyber Security Project #5	\$100k-\$250k	\$50M-\$55M	Not Started	Enhance a specific area of ERCOT's cyber security capability
2	4-Medium	43	RO	ERCOT	New	Test Automation Tool Upgrade	TBD	\$50M-\$55M	Not Started	Affects anything using WinRunner today
3	4-Medium	44	CO	ERCOT	10030_01	Vendor Contract Information Database Review	<\$50k	\$50M-\$55M	Not Started	Move the management of vendors and vendor contracts from the current, in-house developed application to a best-practice model
4	4-Medium	45	CO	ERCOT	New	Cyber Security Project #6	TBD	\$50M-\$55M	Not Started	Enhance a specific area of ERCOT's cyber security capability
5	4-Medium	46	CO	ERCOT	New	Cyber Security Project #7	TBD	\$50M-\$55M	Not Started	Enhance a specific area of ERCOT's cyber security capability
6	4-Medium	47	CO	ERCOT	10049_01	Collateral Calculation Enhancement	\$100k-\$250k	\$50M-\$55M	Not Started	
7	9-Parking Lot		RO	PUCT	90007_01	Advanced Metering – Long-Term Settlement Solution	TBD	TBD	Not Started	
8	9-Parking Lot		MO	Market	10007_01	Verifiable Cost Management System (VCMS)	TBD	TBD	Not Started	
9	9-Parking Lot		CO	ERCOT	10029_01	Governance, Risk & Compliance (GRC)	TBD	TBD	Not Started	
10	9-Parking Lot		CO	ERCOT	10032_01	App Log Centralization	TBD	TBD	Not Started	
11	9-Parking Lot		CO	ERCOT	10043_01	BOD Material Preparation & BOD Resolution Tracking	TBD	TBD	Not Started	
12	9-Parking Lot		CO	ERCOT	10045_01	Document Preparation Software - Legal	TBD	TBD	Not Started	
13	9-Parking Lot		CO	ERCOT	10046_01	Lawson Pcard Module	TBD	TBD	Not Started	
14	9-Parking Lot		CO	ERCOT	New	Open Enrollment	TBD	TBD	Not Started	
15	9-Parking Lot		IO	ERCOT	New	Oracle Upgrade	TBD	TBD	Not Started	
16	9-Parking Lot		MO	ERCOT	New	Rewrite REC Program	TBD	TBD	Not Started	

**ERCOT Fiscal Year 2011 Budget**  
**Proposed Nodal Post Go-Live Charges**

Line	Task	2011 Budget Estimate	HW/SW	Vendor	FTE	Staff Augmentation	Notes
1	Nodal Stabilization - Operational Response, Production Issues and Stability	\$ 11,263,817	\$ -	\$ 6,817,500	\$ 2,783,284	\$ 1,663,033	
2	Daylight Savings Time & Planning Model Functionality	41,276	-	-	41,276	-	
3	Zonal Decommissioning Efforts	307,008	-	-	307,008	-	
4	Deferred Defects & Workarounds	2,509,110	-	1,044,147	1,220,396	244,567	50% defects delivered in 2011
5	Parking Deck - Initial Release Impact Analysis/Requirements/Design	3,250,000	-	650,000	1,300,000	1,300,000	Planning/Design activities in 2011
6	Hardware & Software Maintenance	7,820,047	7,820,047	-	-	-	
7	<b>Post Go-Live Support Total</b>	<b>\$ 25,191,258</b>	<b>\$ 7,820,047</b>	<b>\$ 8,511,647</b>	<b>\$ 5,651,964</b>	<b>\$ 3,207,600</b>	

# Nodal Post Go-Live Support

## 1. Nodal Stabilization Project

### 1.1. Objectives

- Provide support for increased volume of questions and disputes
- Ensure quick analysis for Nodal issues
- Deliver system functionality based on priority and urgency
- Ensure adequate resources to quickly address system performance and stability issues

### 1.2. Scope Definition

#### 1.2.1. In Scope

Scope Item	Description	Notes/Assumptions
Operational Response, Production Issues and Stability	<p>Includes ERCOT Business and IT labor to address spikes in day-to-day operations to support volume of work above normal expectations:</p> <ul style="list-style-type: none"><li>• Response to stakeholder questions / external communications</li><li>• Issue analysis to address impacts across grid, markets, services, finance, reporting and legal functions</li><li>• Expected higher volume of settlement disputes due to market start-up and complexity</li><li>• Anticipated additional training and workshops to respond to stakeholder needs</li><li>• Remediation of production issues</li></ul>	<ul style="list-style-type: none"><li>• Stabilization is defined as 7-month period Dec 2010 – Jun 2011</li><li>• IT vendor costs are for period Dec 2010 – Dec 2011</li></ul>

#### 1.2.2. Out of Scope

- Any base operations activities supporting normal day-to-day operations
- Other components of the Nodal Post Go-Live Support effort
  - Delivery of Daylight Savings Time and Planning Model functionality
  - Decommission of zonal wholesale systems
  - Nodal deferred defects
  - Nodal Parking Deck items
  - HW & SW operations maintenance for Nodal systems
- Other capital projects on the 2011 PPL

## 2. Other Nodal Post-Go Live Support Components

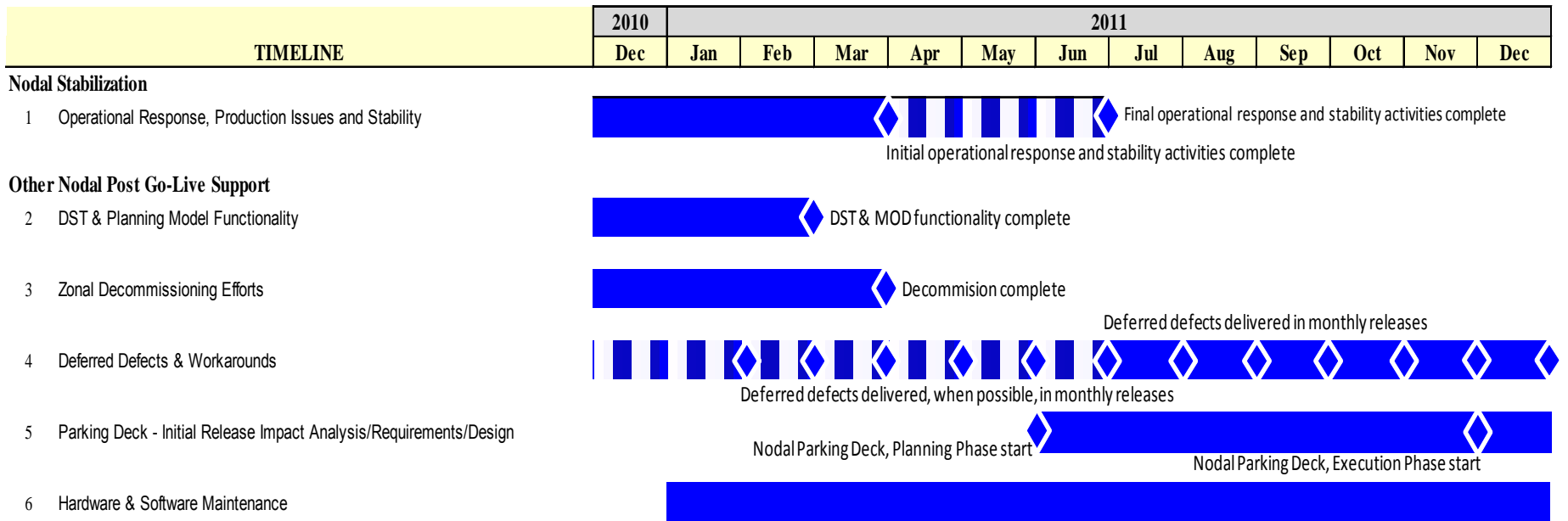
Scope Item	Description	Notes/Assumptions
Delivery of Daylight Savings Time and Planning Model functionality	Includes development, testing and implementation to address Daylight Savings Time (DST) and Planning Model (MOD) functionality required by Q1 2011	<ul style="list-style-type: none"> <li>Targeting a 2-3 month effort to begin in Dec 2010 and deliver by Mar 2011</li> </ul>
Decommission of zonal wholesale systems and components	<p>Includes the complete decommission (code, data, instances) of the following zonal wholesale systems that will no longer be used post nodal go-live:</p> <ul style="list-style-type: none"> <li>TCR (TCR auction Solver (LINDO), TCR GUI, Database)</li> <li>OS</li> <li>MPIM Zonal Code</li> <li>EMMS (EMS &amp; MMS)</li> <li>ICCP</li> <li>SMP (SCADA Management Platform)</li> <li>Zonal OTS</li> <li>Zonal BTS</li> <li>MOS – Sender &amp; Listener</li> <li>Zonal Weather/Load Forecast</li> <li>Zonal DC Tie</li> <li>ERCOTPROD domain (required by sender) equivalent in other environments (itest/dev)</li> <li>MOSPublic</li> <li>MOS TML (ERCOT PUC &amp; ERCOT PRP)</li> <li>Zonal Dynamic Ratings</li> <li>Report Runner</li> <li>Removal of NON_Retail TML links</li> <li>Retail Lite Environment</li> <li>EIS Collateral Calc (FINANCE Schema in ISM)</li> <li>ISM replication components (code components only, no data destruction)</li> <li>Lodestar Appworx zonal jobs</li> <li>Lodestar ITOxNDL itest databases</li> <li>Nodal iTest MIR instance</li> <li>PI code</li> <li>Zonal Siebel Code</li> </ul>	<ul style="list-style-type: none"> <li>Planning to start in Dec 2010</li> <li>Decommission beginning Jan 2011 (2-3 month duration over maintenance release windows)</li> </ul>



Scope Item	Description	Notes/Assumptions
	<ul style="list-style-type: none"> <li>All EMIL Products (extracts, reports, web services, etc.) identified as “Zonal - will retire” including historical files in MIR, except those under RRS legal retention requirements.</li> <li>NDC (Schema in ISM, consists of views pointing to ERCOT schema in ISM)</li> <li>EIS ETL</li> <li>EIP/Retail Tibco code responsible for wholesale/EMS/data extract.</li> <li>Applicable Appworx jobs for listed components, products &amp; jobs</li> <li>Wholesale FTP job on intranet server</li> <li>Migrate CERT servers to MOTE/SOTE VLAN; combine services; decommission redundant servers/services.</li> <li>Removal of legacy pre-go live data from NPROD</li> <li>Any other “only-zonal” component, product, system, data, database, etc, that is deemed disposable after nodal go-live</li> </ul>	
Delivery of Nodal Deferred Defects & Workarounds	<p>Includes development, testing and implementation to remediate 50% of Nodal deferred defects, based on priority, for the following systems:</p> <ul style="list-style-type: none"> <li>EMS – estimated 10 month effort</li> <li>CMM – estimated 3 month effort</li> <li>EIP – estimated 4 month effort</li> <li>DAM – estimated 1 month effort</li> <li>MOD – estimated 1 month effort</li> <li>NMMS – estimated 2 month effort</li> <li>MMS – estimated 3 month effort</li> <li>REG – estimated 1 month effort</li> <li>S&amp;B – estimated 3 month effort</li> <li>CSI – estimated 1 month effort</li> </ul>	<ul style="list-style-type: none"> <li>Assumes 50% of deferred defects will be remediated in 2011, with majority of concentration between Jun-Dec 2011</li> <li>Where possible, defect will be addressed sooner, to coincide with Stabilization releases</li> <li>All systems except for EMS are targeting a 3-6 month effort</li> <li>EMS will have target 5 releases and require a 10-month effort</li> </ul>
Nodal Parking Deck – Initial Release Planning/Design	<p>Impact analysis, requirements, and design activities to address Parking Deck items as part of the initial release (note: this list is not inclusive of all Parking Deck items; the items listed below are proposed due to shared functionality/applications base, as well as some high priority stand-alone items)</p> <ul style="list-style-type: none"> <li>NPRR208 – Registration and Settlement of Distributed Generation (DG) Less Than 1 MW</li> <li>NPRR258 – Sync with PRR824 and PRR833 and Additional Clarifications</li> </ul>	<ul style="list-style-type: none"> <li>Final list of items will require Market confirmation</li> <li>Execution and delivery will be funded under future year PPL</li> <li>Other parking deck items not included in this effort, will also be delivered as part of future year PPL</li> <li>Cost estimate assumes mid-range estimate of cost</li> </ul>

Scope Item	Description	Notes/Assumptions
	<ul style="list-style-type: none"> <li>• NPPR131 – Ancillary Service Trades with ERCOT</li> <li>• NPPR207 – Unit Deselection</li> <li>• NPPR146 – ICCP Telemetry Information Submittals</li> <li>• NPPR210 – Wind Forecasting Change to P50, Sync with PRR841</li> <li>• NPPR222 – Half-Hour Start Unit RUC Clawback</li> <li>• NPPR251 – Sync of PRR845, Definition for IDR Meters and Optional Removal of IDR Meters at a Premise Where an Advanced Meter Can be Provisioned</li> <li>• NPPR181 – FIP Definition Revision</li> <li>• SCR759 – acLineSegment Name Length Increase in Information Model Manager (IMM)</li> <li>• NPPR240 – Proxy Energy Offer Curve</li> <li>• SCR755 – ERCOT.com Website Enhancements</li> <li>• NMMS API</li> <li>• CRR API</li> <li>• MMS Multiple Network Models</li> <li>• Large Wind Power Production Ramp Forecasting Phase 2</li> <li>• TML Transition to MIS</li> <li>• Update Credit PFE (Potential Future Exposure) Model</li> </ul>	
HW & SW Maintenance	Year 1 of hardware and software maintenance associated with Nodal systems	<ul style="list-style-type: none"> <li>• From 2011 IT budget submission</li> </ul>

### 3. Post Go-Live Support – High-level Timeline/Milestones



## ERCOT Fiscal Year 2011 Budget

### Nodal Post Go-Live Support - Daylight Saving Time & Planning Model Defects

Line	Time and Cost Estimate - Project Information and Summary			
1	PART A Project Information			
2	Project Number:	TBD		
3	Project Title:	Nodal Deferred Defects	Sponsor's Name:	Cleary
4	Estimator's Name:	Martinez/Lowe	Estimate Date:	8/30/2010
5	Department:	Nodal PMO - Integration and Systems		
6	What are We Doing: DST and MOD (Planning Model) defects before Q111 end. This document provides a bottom up estimate of the effort it requires to resolve these before Mar 2011.			
7	Why are We Doing This: These are required to be resolved before DST (short day) and 2011 Planning Model Go-Live.			
8	Why Now: These were originally deferred to 2011 since they were not needed on Operating Day 1 - 12/01/2010, but will be needed before DST happens in Mar 2011.			
9				
10	Estimated Cost		Estimated Effort (Hrs)	
11	Internal Labor	\$38,720	Internal	352.0
12	External Labor	-	External	-
13	Hardware	-		
14	Licenses	-	Estimated Project Duration	
15	Maintenance	-	Weeks	12.0
16	Other	-		
17	Sub-Total	\$38,720	Labor Rates	
18	Est. Finance Charges	2,556	Internal	100.0
19	TOTAL	\$41,276	External	
20				
21	Key Risks			
22	1.) Nodal go-live emergencies may consume business and development resources which will delay and incur			
23	2.) Nodal Operations and Dispute volumes require more external resources than estimated for test planning			
24	3.) Environment availability and coordination with other mandated or business required efforts could cause			
25	4.) Infrastructure projects need careful coordination with code releases			
26				
27	Key Assumptions			
28	1.) Based on \$100 blended rate to account for incremental staff aug. as needed			
29	2.) Assumes 10% Contingency for bug iterations			

**ERCOT Fiscal Year 2011 Budget**  
**Nodal Post Go-Live Support - Zonal Decommission**

Line	Time and Cost Estimate - Project Information and Summary			
1	PART A Project Information			
2	Project Number:	TBD		
3	Project Title:	Decommission of Zonal Wholesale Systems	Sponsor's Name:	
4	Estimator's Name:	Martinez/Lowe	Estimate Date:	9/7/2010
5	Department:	TBD		
6	What are We Doing: The objective is to eliminate zonal wholesales systems and components that will no longer be used post nodal go-live.			
7	Why are We Doing This: Decommissioning of the zonal systems will be necessary in order to eliminate the cost overhead of support, maintenance and storage required to continue to service these systems that are no longer used. Leaving these systems active too long may risk interference with daily operations and eat into support resources better used for nodal operations or other projects.			
8	Why Now: After go-live of the redesigned ERCOT wholesale market (Nodal), certain ERCOT systems and components that were only applicable to zonal wholesale operations will become disposable and need to be decommissioned.			
9				
10	Estimated Cost		Estimated Effort (Hrs)	
11	Internal Labor	\$288,000	Internal	2,880.0
12	External Labor	-	External	-
13	Hardware	-	Estimated Project Duration	
14	Licenses	-		
15	Maintenance	-		
16	Other	-		
17	Sub-Total	\$288,000	Labor Rates	
18	Est. Finance Charges	19,008	Internal	100.0
19	TOTAL	\$307,008	External	150.0
20				
21	Key Risks			
22	1.) Clean up of some extracts, reports, files, etc, may be constrained by the need to retain records (as defined			
23				
24	Key Assumptions			
25	1.) Assumes 3.5 month effort			
26	2.) Assumes systems on scope tab			

# ERCOT Fiscal Year 2011 Budget

## Nodal Post Go-Live Support - Deferred Defects

Line	System	Defects to be Resolved by Go-Live	Deferred Defects	Comments
1	<b>MMS</b>	Total : 2	Total: 88	<i><b>Delivery Schedule</b></i>
2				•1 Defect to be resolved by 11/05
3				•1 Defect to be resolved by 11/12
4				<i><b>Deferred Defects</b></i>
5				•59 Deferred defects require a workaround, all 59 workarounds in place and exercised
6	<b>EMS</b>	Total: 4	Total: 360	<i><b>Delivery Schedule</b></i>
7				•2 Defects to be resolved by 11/10
8				•2 Defects to be resolved by 11/12
9				<i><b>Deferred Defects</b></i>
10				•126 Deferred defects require a workaround, all 126 workarounds in place and exercised.
11	<b>COMS</b>	Total: 0	Total: 73	<i><b>Delivery Schedule</b></i>
12				•NA
13				<i><b>Deferred Defects</b></i>
14				•38 Deferred defects require a workaround, all 38 workarounds in place and exercised.
15	<b>CMM</b>	Total: 0	Total: 54	<i><b>Delivery Schedule</b></i>
16				•NA
17				<i><b>Deferred Defects</b></i>
18				•12 Deferred defects require a workaround, all 12 workarounds in place and exercised
19	<b>MIS</b>	Total: 7	Total: 12	<i><b>Delivery Schedule</b></i>
20				•1 Defect to be resolved by 11/11
21				•4 Defects to be resolved by 11/12
22				•2 Defects to be resolved by 11/19
23				<i><b>Deferred Defects</b></i>
24				•4 Deferred defects require a workaround, 3 workarounds in place and exercised, 1 workaround to be completed

# ERCOT Fiscal Year 2011 Budget

## Nodal Post Go-Live Support - Deferred Defects

Line	System	Defects to be Resolved by Go-Live	Deferred Defects	Comments
25	NMMS	Total: 0	Deferred: 10	<i>Delivery Schedule</i>
26				•NA
27				<i>Deferred Defects</i>
28				•9 Deferred defects require a workaround, all 9 workarounds in place and exercised
29	OS	Total: 0	Total: 128	<i>Delivery Schedule</i>
30				•NA
31				<i>Deferred Defects</i>
32				•40 Deferred defects require a workaround, all 40 workarounds in place and exercised
33	CRR	Total: 0	Total: 7	<i>Delivery Schedule</i>
34				•NA
35				<i>Deferred Defects</i>
36				•4 Deferred defects require a workaround, all 4 workarounds in place and exercised
37	EIP	Total: 2	Total: 66	<i>Delivery Schedule</i>
38				•1 Defect to be resolved by 11/05
39				•1 Defect to be resolved by 11/12
40				<i>Deferred Defects</i>
41				•10 Deferred defects require a workaround, all 10 workarounds in place and exercised
42	CDR	Total: 10	Total: 6	<i>Delivery Schedule</i>
43				•10 Defects to be resolved by 11/12
44				<i>Deferred Defects</i>
45				•3 Deferred defects require a workaround, all 3 workarounds in place and exercised
46	EIS (EDW)	Total: 2	Total: 13	<i>Delivery Schedule</i>
47				•2 Defects to be resolved by 11/12
48				<i>Deferred Defects</i>
49				•2 Deferred defects require a workaround, all 2 workarounds in place and exercised

**ERCOT Fiscal Year 2011 Budget**  
**Nodal Post Go-Live Support - Parking Deck**

	Line	Item	Desc	Status	Priority	Impacted Systems	Details
Board Approved Items	1	NPRR208	Registration and Settlement of Distributed Generation (DG) Less Than 1 MW	Board approved 7/20/10	Critical	COMS	Revises the formula for Settlement of electricity consumption and out-flow by Customers with renewable Distributed Generation (DG). The revised formula fulfills the provisions of PUC Rule 25.213 that requires ERCOT to develop DG Settlement processes that “reflect the time of generation.” In order to fully synchronize the Protocols with the intent of the Rule as soon as practicable, ERCOT supports implementation of the grey-boxed language in NPRR208 as a “Critical” priority.
	2	NPRR131	Ancillary Service Trades with ERCOT	Board approved 1/19/10	High	MMS, CMM, COMS, EIP, EDW, CDR	Allows QSEs representing resources to procure A/S in the DAM
	3	NPRR146	ICCP Telemetry Information Submittals	Board approved 6/15/10	High	NMMS	Allows NOMCRs that modify only ICCP data object names to be submitted within 15 days of the network model load date Possible resolution with business process changes
	4	NPRR181	FIP Definition Revision	Board approved 1/19/10	High	MMS, COMS, EIP	Revises the definition of Fuel Index Price (FIP) to correctly account for the timing difference between ERCOT’s application of FIP in its systems (midnight to midnight) and the timing of natural gas prices reflected by the index (i.e., hour ending 1000 to 0900).
	5	NPRR207	Unit Deselection	Board approved 7/20/10	High	MMS	Defers two changes: 1 – hourly RUC notification of recommended but deselected resources in RUC 2 – prevent QSEs from increasing Energy Offer Curves after a RUC Notification
	6	NPRR210	Wind Forecasting Change to P50, Sync with PRR841	Board approved 6/15/10	High	COMS	This NPRR changes the wind forecast from the 80% probability to 50%. This change is also effective in determining if a QSE is capacity short. The boxed language changes the capacity short calculation back to the 80% forecast.
	7	NPRR222	Half-Hour Start Unit RUC Clawback	Board approved 7/20/10	High	MMS, COMS	Removed from original NPRR207 language. Removes RUC clawback on Half-Hour Start Units in certain circumstances. Also changes the RUC Clawback on Half-Hour Start Units that did not participate in the DAM to 50%.
	8	NPRR153	Generation Resource Fixed Quantity Block Offer	Board approved 1/19/10	Medium	MMS, EIP, EDW, CDR	Allows a fixed quantity and time block bid for Offline Non-Spin with the contingency that all hours be purchased in the block
	9	NPRR164	Resubmitting Ancillary Service offers in SASM	Board approved 1/19/10	Medium	MMS, EIP, EDW, CDR	Allows QSEs to take full advantage of A/S and energy co-optimization in the DAM and participate in the Supplemental Ancillary Service Market (SASM) by being able to resubmit A/S Offers at the higher of DAM MCPC or its offer price in the DAM.
	10	SCR755	ERCOT.com Website Enhancements	Board approved 2/16/10	Medium	ERCOT.com, Web Services, Collage	Implementation of 10 improvements to ERCOT.com received in the 2008 Market Participant Survey. Includes document archiving, search improvements, training, meeting calendar enhancements, and RSS feeds.



**ERCOT Fiscal Year 2011 Budget**  
**Nodal Post Go-Live Support - Parking Deck**

	Line	Item	Desc	Status	Priority	Impacted	Details
						Systems	
In-flight Items	1	NPRR240	Proxy Energy Offer Curve	Pending at Board	High / Medium	MMS, CDR (possibly others)	One grey-box section: "Energy Offer Curves that were constructed in whole or in part with proxy Energy Offer Curves shall be so marked in all ERCOT postings or references to the energy offer."
	2	NPRR241	Aggregate Incremental Liability (AIL) Calculation and Credit Reports Publish Corrections	Pending at Board	Medium	TBD	One grey-box section: Changes the alternate posting format for 3 reports from XLS to XML (in addition to PDF).
	3	NPRR251	Sync of PRR845, Definition for IDR Meters and Optional Removal of IDR Meters at a Premise Where an Advanced Meter Can be Provisioned	Pending at Board	High	TBD	Grey-boxes language requiring IDR meters if usage warrants. Current language exempts situations where Advanced Meters have been installed. Also gray-boxes related reporting requirements for ERCOT.
	4	NPRR256	Synchronize Nodal Protocols with PRR787, Add Non-Compliance Language to QSE Performance Standards	Pending at NATF	TBD	EMS, EDW	Seeks to exempt generation resources from GREDP calculation during testing and qualification periods. Not really a sync because additional exemptions to GREDP (Generation Resource Energy Deployment Performance) calculation are included
	5	NPR257	Synchronization with Nodal Operating Guide Section 9, Monitoring Programs	Pending at PRS	TBD	CDR, EDW (possibly others)	Grey-boxes multiple sections of the Nodal Protocols to align with Nodal Operating Guide Section 9, Monitoring Programs. Through NOGRR025, ERCOT agreed to provide certain reports either during market trials, on a limited basis for specific intervals as requested by the PUCT, TRE and the IMM, or after TNMID.
	6	NPRR258	Sync with PRR824 and PRR833 and Additional Clarifications	Pending at PRS	Critical	TBD	Grey-boxes language to change the calculation of GREDP PDCWG suggests priority of "critical"
	7	NPRR260	Providing Access to MIS Secure Area to MIS Registered Users	Tabled at PRS	TBD	Siebel, MPIM	Makes it possible for consultants, power marketers, aggregators, consumers and universities to get access to the MIS Secure area (without doing so by getting a digital certificate through a registered Market Participant)
	8	NOGRR034	Rescind Telemetry Performance Calculation Exclusions	Pending at Board	Medium	TBD	Grey-boxes language that allows QSE and TSPs to request removal of telemetry from Telemetry Standard performance metrics when certain situations exist.
	9	NOGRR050	Resolution of Reporting Issues Related to NPRR219	Pending at PRS	TBD	TBD	Grey-boxes several transmission Outage scheduling data elements from ERCOT reports until such time ERCOT systems can be modified to include only Transmission Service Provider's (TSP's) Outages in the reports
	10	SCR759	acLine Segment Name Length Increase in Information Model Manager (IMM)	Pending at TAC	High	IMM, CRR, MMS (possibly others)	Increases the character size of the acLine Segment type under the Line Equipment Container from 2 to 14 in the IMM. Allows modeling of multi-section line segments. Not a major impact to IMM but cascading impacts to CRR and MMS Desire expressed at ROS to have this implemented for Planning Go-Live (~March 2011) Primarily requested by Centerpoint.

**ERCOT Fiscal Year 2011 Budget**  
**Nodal Post Go-Live Support - Parking Deck**

	Line	Item	Desc	Status	Priority	Impacted Systems	Details
Additional Items for Consideration	1		Wind Cost Allocation			TBD	Multiple discussions at TAC / Board from 1/20/2009 to 3/16/2010 WMS endorsed "Wind Plus Load Ratio Share" proposal (wind generators receive a hedgeable A/S obligation for responsive reserves, non-spinning reserves, regulation up and regulation down.)
	2		Deferred NOGRR025 Reports			Various	Completion of NOGRR025 reports targeted for post-go-live development – synchronization effort underway to grey-box deferred reports in Nodal Operating Guide
	3		NMMS API			NMMS	System to system interactions for the uploading and possible future downloading of data between ERCOT and Market Participants with minimal manual intervention. NOMCR submittals (upload) including data submittals, one-line submittals and CIM XML submittal. Various other submittals such as Rating Methodologies, SPS documents, etc.
	4		CRR API			CRR	System to system interactions for the uploading and downloading of data between ERCOT and Market Participants without manual intervention. Nomination submittals (upload), Auction bid/offer submittals (upload), CRR Network Model files (download), CRR ownership records (download), CRR Auction results (download).
	5		MMS Multiple Network Models			MMS	MMS does not currently have the capability to concurrently support separate network models for Operating Day and Day-Ahead MMS processes (DAM & RUC)
	6		Add PSS Status to RARF			TBD	Automation of manual reporting process created by NPRR156. Current process involves the posting of a spreadsheet on PSS status when operators are notified of a change in PSS status.
	7		Automated Default Uplift Invoice			COMS	Automation of uplift invoice in the event of a market participant default. Current approach is manual.
	8		EILS Enhancements			TBD	Automate the ERCOT Energy Interruptible Load Service reporting process in expectation of higher volumes with AML.
	9		Load Participation -SCED			TBD	Functionality to be considered for post-go-live development
	10		EMS Upgrade			EMS	Upgrade EMS from v2.3 to v2.5/v2.6 - Change operating system from Windows to Linux AREVA ceases support of v2.3 in June 2011 (extended support can be negotiated) NERC CIP-007-1 R3 requires that ERCOT assess all security patches within 30 days of a patch release for all critical cyber assets, including EMS servers. ERCOT has taken the stance that to meet this requirement it must set a goal of deploying all patches within 30 days. The current number of Windows servers within the CCA perimeter makes this unmanageable due to the number of patches issued for Windows and its peripheral applications, and the relative severity of security breaches with Windows. The current zonal EMS system in production has received Technical Feasibility Exception (TFE) from NERC based on our commitment to Nodal migration. However, since the Nodal EMS system may become unsupported, we need to reapply for a TFE for which we may need to demonstrate that an upgrade project is underway.
	11		Deferred Defects			Various	Defects not addressed during Nodal stabilization period (Approx. 770 deferred defects as of Aug) Review underway to confirm issues and confirm acceptable workarounds

**ERCOT Fiscal Year 2011 Budget**  
**Nodal Post Go-Live Support - Parking Deck**

	Line	Item	Desc	Status	Priority	Impacted Systems	Details
Additional Items for Consideration	12		Lg. Wind Power Prod - Ramp Forecasting Ph 2			TBD	Phase 2 of the project that built a display for ERCOT operators to indicate periods of time within the next 6 hours during which there is a high risk for a large wind power production ramp to occur
	13		TML Transition to MIS			MIS	Upon go live, most applications that are currently available through TML will migrate to MIS and will only be accessible to MPs through the MIS portal. RMS has requested that Zonal Reports, Find ESI ID, Find Transactions, and Transaction submission be accessed through TML until MIS has had sufficient time to stabilize.
	14		Move Price Validation Tool (PVT) to Svr App			TBD	Functionality to be considered for post-go-live development
	15		PVT Enhancements			TBD	Enhancements needed based on results of market testing and Nodal implementation: reporting, user interface changes, etc.
	16		PVT Reporting Tools			TBD	Functionality to be considered for post-go-live development
	17		Update Credit PFE (Potential Future Exposure) Model			TBD	With the implementation of Nodal, ERCOT's portfolio credit risk analysis for the Nodal market will include the following risk factors: (1) Price volatility analysis for the Day Ahead Market, (2) Bid and offer volume analysis in the Day Ahead Market, and (3) Value of Congestion Revenue Rights



# **ERCOT Fiscal Year 2011 Budget**

## **Fee Scenarios**

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - Future Year Fee Scenarios**

Line		2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget	Avg.	Comments
1								
2	Proposed Budget	\$ 0.4829	\$ 0.4752	\$ 0.4796	\$ 0.4792	\$ 0.4859	\$ 0.4806	
3								
4	MWh Growth 0%	\$ 0.4977	\$ 0.5054	\$ 0.5210	\$ 0.5292	\$ 0.5443	\$ 0.5196	All other factors constant
5	MWh Growth .5%	\$ 0.4952	\$ 0.5004	\$ 0.5133	\$ 0.5188	\$ 0.5309	\$ 0.5117	All other factors constant
6	MWh Growth 1%	\$ 0.4928	\$ 0.4955	\$ 0.5057	\$ 0.5086	\$ 0.5179	\$ 0.5041	All other factors constant
7	MWh Growth 1.5%	\$ 0.4904	\$ 0.4906	\$ 0.4983	\$ 0.4986	\$ 0.5053	\$ 0.4966	All other factors constant
8	MWh Growth 2%	\$ 0.4880	\$ 0.4858	\$ 0.4910	\$ 0.4889	\$ 0.4930	\$ 0.4893	All other factors constant
9								
10	Project Funding -10M	\$ 0.4699	\$ 0.4616	\$ 0.4653	\$ 0.4642	\$ 0.4701	\$ 0.4662	All other factors constant except interest adjusted for decreased debt spend
11	Project Funding -5M	\$ 0.4764	\$ 0.4684	\$ 0.4724	\$ 0.4717	\$ 0.4780	\$ 0.4734	All other factors constant except interest adjusted for decreased debt spend
12	Project Funding +5M	\$ 0.4894	\$ 0.4820	\$ 0.4868	\$ 0.4868	\$ 0.4937	\$ 0.4877	All other factors constant except interest adjusted for increased debt spend
13	Project Funding +10M	\$ 0.4959	\$ 0.4888	\$ 0.4939	\$ 0.4943	\$ 0.5016	\$ 0.4949	All other factors constant except interest adjusted for increased debt spend
14	Project Funding +15M	\$ 0.5024	\$ 0.4957	\$ 0.5011	\$ 0.5018	\$ 0.5095	\$ 0.5021	All other factors constant except interest adjusted for increased debt spend
15								
16	Notes:							
17	1. MWh growth calculations utilized 310,400 GWh from the 2011 Proposed budget as the basis.							
18	2. Project calculations utilized the annual project budgets submitted as part of the 2011 Proposed budget as the basis.							

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - Fee Scenarios**

Line		Fee Scenarios					
1		2012 Projected Budget					
2		Project Funding -10M	Project Funding -5M	Project Funding +5M	Project Funding +10M	Project Funding +15M	
3							
4	MWh growth 0%	\$ 0.4843	\$ 0.4910	\$ 0.5044	\$ 0.5111	\$ 0.5179	
5	MWh growth .5%	\$ 0.4819	\$ 0.4886	\$ 0.5019	\$ 0.5086	\$ 0.5153	
6	MWh growth 1%	\$ 0.4795	\$ 0.4862	\$ 0.4994	\$ 0.5061	\$ 0.5127	
7	MWh growth 1.5%	\$ 0.4772	\$ 0.4838	\$ 0.4970	\$ 0.5036	\$ 0.5102	
8	MWh growth 2%	\$ 0.4748	\$ 0.4814	\$ 0.4945	\$ 0.5011	\$ 0.5077	
9							
10		2013 Projected Budget					
11		Project Funding -10M	Project Funding -5M	Project Funding +5M	Project Funding +10M	Project Funding +15M	
12							
13	MWh growth 0%	\$ 0.4910	\$ 0.4982	\$ 0.5127	\$ 0.5199	\$ 0.5272	
14	MWh growth .5%	\$ 0.4861	\$ 0.4933	\$ 0.5076	\$ 0.5148	\$ 0.5219	
15	MWh growth 1%	\$ 0.4813	\$ 0.4884	\$ 0.5026	\$ 0.5097	\$ 0.5168	
16	MWh growth 1.5%	\$ 0.4766	\$ 0.4836	\$ 0.4976	\$ 0.5047	\$ 0.5117	
17	MWh growth 2%	\$ 0.4719	\$ 0.4789	\$ 0.4928	\$ 0.4997	\$ 0.5067	
18							
19		2014 Projected Budget					
20		Project Funding -10M	Project Funding -5M	Project Funding +5M	Project Funding +10M	Project Funding +15M	
21							
22	MWh growth 0%	\$ 0.5055	\$ 0.5133	\$ 0.5288	\$ 0.5366	\$ 0.5444	
23	MWh growth .5%	\$ 0.4980	\$ 0.5057	\$ 0.5210	\$ 0.5286	\$ 0.5363	
24	MWh growth 1%	\$ 0.4906	\$ 0.4982	\$ 0.5133	\$ 0.5208	\$ 0.5284	
25	MWh growth 1.5%	\$ 0.4834	\$ 0.4909	\$ 0.5057	\$ 0.5132	\$ 0.5206	
26	MWh growth 2%	\$ 0.4764	\$ 0.4837	\$ 0.4983	\$ 0.5056	\$ 0.5130	
27							

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - Fee Scenarios**

28	2015 Projected Budget										
29		Project Funding -10M	Project Funding -5M	Project Funding +5M	Project Funding +10M	Project Funding +15M					
30											
31	MWh growth 0%	\$	0.5126	\$	0.5209	\$	0.5375	\$	0.5458	\$	0.5541
32	MWh growth .5%	\$	0.5025	\$	0.5106	\$	0.5269	\$	0.5351	\$	0.5432
33	MWh growth 1%	\$	0.4926	\$	0.5006	\$	0.5166	\$	0.5245	\$	0.5325
34	MWh growth 1.5%	\$	0.4830	\$	0.4908	\$	0.5065	\$	0.5143	\$	0.5221
35	MWh growth 2%	\$	0.4736	\$	0.4813	\$	0.4966	\$	0.5043	\$	0.5119
36											
37	2016 Projected Budget										
38		Project Funding -10M	Project Funding -5M	Project Funding +5M	Project Funding +10M	Project Funding +15M					
39											
40	MWh growth 0%	\$	0.5267	\$	0.5355	\$	0.5532	\$	0.5620	\$	0.5708
41	MWh growth .5%	\$	0.5137	\$	0.5223	\$	0.5395	\$	0.5482	\$	0.5568
42	MWh growth 1%	\$	0.5011	\$	0.5095	\$	0.5263	\$	0.5347	\$	0.5431
43	MWh growth 1.5%	\$	0.4889	\$	0.4971	\$	0.5135	\$	0.5217	\$	0.5299
44	MWh growth 2%	\$	0.4770	\$	0.4850	\$	0.5010	\$	0.5090	\$	0.5170

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - 0% MWh Growth**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,975	3,524	3,155	2,870	2,666
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	12,000	12,000	14,000	14,000	16,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	153,971	155,118	159,413	161,854	166,441
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 149,453	\$ 151,701	\$ 156,397	\$ 158,789	\$ 163,326
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4815</b>	<b>\$ 0.4887</b>	<b>\$ 0.5038</b>	<b>\$ 0.5115</b>	<b>\$ 0.5262</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0163</b>	<b>\$ 0.0167</b>	<b>\$ 0.0172</b>	<b>\$ 0.0177</b>	<b>\$ 0.0182</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 154,499	\$ 156,895	\$ 161,739	\$ 164,280	\$ 168,967
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4977</b>	<b>\$ 0.5054</b>	<b>\$ 0.5210</b>	<b>\$ 0.5292</b>	<b>\$ 0.5443</b>
28	GWh	308,126	312,922	314,000	310,410	310,410	310,410	310,410	310,410	310,410
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	18,000	18,000	21,000	21,000	24,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	30,000	30,000	35,000	35,000	40,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	189,244	190,795	198,500	201,358	209,368

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.



**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - 0.5% MWh Growth**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,975	3,524	3,155	2,870	2,666
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	12,000	12,000	14,000	14,000	16,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	153,971	155,118	159,413	161,854	166,441
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 149,453	\$ 151,701	\$ 156,397	\$ 158,789	\$ 163,326
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4791</b>	<b>\$ 0.4839</b>	<b>\$ 0.4964</b>	<b>\$ 0.5014</b>	<b>\$ 0.5132</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0162</b>	<b>\$ 0.0166</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>	<b>\$ 0.0177</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 154,499	\$ 156,895	\$ 161,739	\$ 164,280	\$ 168,967
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4952</b>	<b>\$ 0.5004</b>	<b>\$ 0.5133</b>	<b>\$ 0.5188</b>	<b>\$ 0.5309</b>
28	GWh	308,126	312,922	314,000	310,410	311,962	313,522	315,089	316,665	318,248
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	18,000	18,000	21,000	21,000	24,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	30,000	30,000	35,000	35,000	40,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	189,244	190,795	198,500	201,358	209,368

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - 1% MWh Growth**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,975	3,524	3,155	2,870	2,666
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	12,000	12,000	14,000	14,000	16,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	153,971	155,118	159,413	161,854	166,441
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 149,453	\$ 151,701	\$ 156,397	\$ 158,789	\$ 163,326
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4767</b>	<b>\$ 0.4791</b>	<b>\$ 0.4890</b>	<b>\$ 0.4916</b>	<b>\$ 0.5006</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0161</b>	<b>\$ 0.0164</b>	<b>\$ 0.0167</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 154,499	\$ 156,895	\$ 161,739	\$ 164,280	\$ 168,967
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4928</b>	<b>\$ 0.4955</b>	<b>\$ 0.5057</b>	<b>\$ 0.5086</b>	<b>\$ 0.5179</b>
28	GWh	308,126	312,922	314,000	310,410	313,514	316,649	319,816	323,014	326,244
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.0%	1.0%	1.0%	1.0%	1.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	18,000	18,000	21,000	21,000	24,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	30,000	30,000	35,000	35,000	40,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	189,244	190,795	198,500	201,358	209,368

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - 1.5% MWh Growth**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,975	3,524	3,155	2,870	2,666
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	12,000	12,000	14,000	14,000	16,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	153,971	155,118	159,413	161,854	166,441
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 149,453	\$ 151,701	\$ 156,397	\$ 158,789	\$ 163,326
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4744</b>	<b>\$ 0.4744</b>	<b>\$ 0.4818</b>	<b>\$ 0.4820</b>	<b>\$ 0.4884</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>	<b>\$ 0.0165</b>	<b>\$ 0.0167</b>	<b>\$ 0.0169</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 154,499	\$ 156,895	\$ 161,739	\$ 164,280	\$ 168,967
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4904</b>	<b>\$ 0.4906</b>	<b>\$ 0.4983</b>	<b>\$ 0.4986</b>	<b>\$ 0.5053</b>
28	GWh	308,126	312,922	314,000	310,410	315,066	319,792	324,589	329,458	334,400
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	18,000	18,000	21,000	21,000	24,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	30,000	30,000	35,000	35,000	40,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	189,244	190,795	198,500	201,358	209,368

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - 2% MWh Growth**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,975	3,524	3,155	2,870	2,666
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	12,000	12,000	14,000	14,000	16,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	153,971	155,118	159,413	161,854	166,441
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 149,453	\$ 151,701	\$ 156,397	\$ 158,789	\$ 163,326
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4720</b>	<b>\$ 0.4697</b>	<b>\$ 0.4748</b>	<b>\$ 0.4726</b>	<b>\$ 0.4766</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0159</b>	<b>\$ 0.0161</b>	<b>\$ 0.0162</b>	<b>\$ 0.0163</b>	<b>\$ 0.0165</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 154,499	\$ 156,895	\$ 161,739	\$ 164,280	\$ 168,967
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4880</b>	<b>\$ 0.4858</b>	<b>\$ 0.4910</b>	<b>\$ 0.4889</b>	<b>\$ 0.4930</b>
28	GWh	308,126	312,922	314,000	310,410	316,618	322,951	329,410	335,998	342,718
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	18,000	18,000	21,000	21,000	24,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	30,000	30,000	35,000	35,000	40,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	189,244	190,795	198,500	201,358	209,368

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - -10M Project Funding**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,810	3,029	2,331	1,715	1,181
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	8,000	8,000	10,000	10,000	12,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	149,806	150,623	154,588	156,698	160,956
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 145,288	\$ 147,206	\$ 151,573	\$ 153,634	\$ 157,841
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4541</b>	<b>\$ 0.4459</b>	<b>\$ 0.4495</b>	<b>\$ 0.4482</b>	<b>\$ 0.4539</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0158</b>	<b>\$ 0.0157</b>	<b>\$ 0.0158</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 150,334	\$ 152,400	\$ 156,914	\$ 159,125	\$ 163,482
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4699</b>	<b>\$ 0.4616</b>	<b>\$ 0.4653</b>	<b>\$ 0.4642</b>	<b>\$ 0.4701</b>
28	GWh	308,126	312,922	314,000	310,410	319,926	330,145	337,237	342,793	347,770
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	3.1%	3.2%	2.1%	1.6%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	12,000	12,000	15,000	15,000	18,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	20,000	20,000	25,000	25,000	30,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	179,079	180,300	187,675	190,202	197,883

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - -5M Project Funding**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,893	3,277	2,743	2,292	1,924
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	10,000	10,000	12,000	12,000	14,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	151,889	152,871	157,001	159,276	163,698
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 147,370	\$ 149,454	\$ 153,985	\$ 156,211	\$ 160,583
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4606</b>	<b>\$ 0.4527</b>	<b>\$ 0.4566</b>	<b>\$ 0.4557</b>	<b>\$ 0.4618</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0158</b>	<b>\$ 0.0157</b>	<b>\$ 0.0158</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 152,416	\$ 154,647	\$ 159,327	\$ 161,702	\$ 166,224
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4764</b>	<b>\$ 0.4684</b>	<b>\$ 0.4724</b>	<b>\$ 0.4717</b>	<b>\$ 0.4780</b>
28	GWh	308,126	312,922	314,000	310,410	319,926	330,145	337,237	342,793	347,770
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	3.1%	3.2%	2.1%	1.6%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	15,000	15,000	18,000	18,000	21,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	25,000	25,000	30,000	30,000	35,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	184,161	185,547	193,088	195,780	203,625

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - +5M Project Funding**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,058	3,772	3,568	3,447	3,409
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	14,000	14,000	16,000	16,000	18,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	156,054	157,366	161,826	164,431	169,183
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 151,535	\$ 153,949	\$ 158,810	\$ 161,366	\$ 166,068
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4737</b>	<b>\$ 0.4663</b>	<b>\$ 0.4709</b>	<b>\$ 0.4707</b>	<b>\$ 0.4775</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0158</b>	<b>\$ 0.0157</b>	<b>\$ 0.0158</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 156,581	\$ 159,142	\$ 164,152	\$ 166,857	\$ 171,709
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4894</b>	<b>\$ 0.4820</b>	<b>\$ 0.4868</b>	<b>\$ 0.4868</b>	<b>\$ 0.4937</b>
28	GWh	308,126	312,922	314,000	310,410	319,926	330,145	337,237	342,793	347,770
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	3.1%	3.2%	2.1%	1.6%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	21,000	21,000	24,000	24,000	27,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	35,000	35,000	40,000	40,000	45,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	194,326	196,042	203,913	206,935	215,110

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - +10M Project Funding**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,140	4,019	3,981	4,025	4,151
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	16,000	16,000	18,000	18,000	20,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	158,136	159,613	164,238	167,008	171,926
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 153,618	\$ 156,196	\$ 161,223	\$ 163,944	\$ 168,811
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4802</b>	<b>\$ 0.4731</b>	<b>\$ 0.4781</b>	<b>\$ 0.4783</b>	<b>\$ 0.4854</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0158</b>	<b>\$ 0.0157</b>	<b>\$ 0.0158</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 158,664	\$ 161,390	\$ 166,564	\$ 169,435	\$ 174,452
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4959</b>	<b>\$ 0.4888</b>	<b>\$ 0.4939</b>	<b>\$ 0.4943</b>	<b>\$ 0.5016</b>
28	GWh	308,126	312,922	314,000	310,410	319,926	330,145	337,237	342,793	347,770
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	3.1%	3.2%	2.1%	1.6%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	24,000	24,000	27,000	27,000	30,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	40,000	40,000	45,000	45,000	50,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	199,409	201,290	209,325	212,512	220,853

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.



**ERCOT Fiscal Year 2011 Budget**  
**Revenue Requirements - +15M Project Funding**  
(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,223	4,267	4,393	4,602	4,894
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	18,000	18,000	20,000	20,000	22,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	160,219	161,861	166,651	169,586	174,668
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 155,700	\$ 158,444	\$ 163,635	\$ 166,521	\$ 171,553
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4867</b>	<b>\$ 0.4799</b>	<b>\$ 0.4852</b>	<b>\$ 0.4858</b>	<b>\$ 0.4933</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0158</b>	<b>\$ 0.0157</b>	<b>\$ 0.0158</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 160,746	\$ 163,637	\$ 168,977	\$ 172,012	\$ 177,194
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5024</b>	<b>\$ 0.4957</b>	<b>\$ 0.5011</b>	<b>\$ 0.5018</b>	<b>\$ 0.5095</b>
28	GWh	308,126	312,922	314,000	310,410	319,926	330,145	337,237	342,793	347,770
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	3.1%	3.2%	2.1%	1.6%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	27,000	27,000	30,000	30,000	33,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	45,000	45,000	50,000	50,000	55,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	204,491	206,537	214,738	218,090	226,595

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 0% MWh Growth & -10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,810	3,029	2,331	1,715	1,181
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	8,000	8,000	10,000	10,000	12,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	149,806	150,623	154,588	156,698	160,956
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 145,288	\$ 147,206	\$ 151,573	\$ 153,634	\$ 157,841
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4681</b>	<b>\$ 0.4742</b>	<b>\$ 0.4883</b>	<b>\$ 0.4949</b>	<b>\$ 0.5085</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0163</b>	<b>\$ 0.0167</b>	<b>\$ 0.0172</b>	<b>\$ 0.0177</b>	<b>\$ 0.0182</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 150,334	\$ 152,400	\$ 156,914	\$ 159,125	\$ 163,482
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4843</b>	<b>\$ 0.4910</b>	<b>\$ 0.5055</b>	<b>\$ 0.5126</b>	<b>\$ 0.5267</b>
28	GWh	308,126	312,922	314,000	310,410	310,410	310,410	310,410	310,410	310,410
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	12,000	12,000	15,000	15,000	18,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	20,000	20,000	25,000	25,000	30,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	179,079	180,300	187,675	190,202	197,883

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 0% MWh Growth & -5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,893	3,277	2,743	2,292	1,924
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	10,000	10,000	12,000	12,000	14,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	151,889	152,871	157,001	159,276	163,698
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 147,370	\$ 149,454	\$ 153,985	\$ 156,211	\$ 160,583
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4748</b>	<b>\$ 0.4815</b>	<b>\$ 0.4961</b>	<b>\$ 0.5032</b>	<b>\$ 0.5173</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0163</b>	<b>\$ 0.0167</b>	<b>\$ 0.0172</b>	<b>\$ 0.0177</b>	<b>\$ 0.0182</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 152,416	\$ 154,647	\$ 159,327	\$ 161,702	\$ 166,224
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4910</b>	<b>\$ 0.4982</b>	<b>\$ 0.5133</b>	<b>\$ 0.5209</b>	<b>\$ 0.5355</b>
28	GWh	308,126	312,922	314,000	310,410	310,410	310,410	310,410	310,410	310,410
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	15,000	15,000	18,000	18,000	21,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	25,000	25,000	30,000	30,000	35,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	184,161	185,547	193,088	195,780	203,625

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 0% MWh Growth & +5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,058	3,772	3,568	3,447	3,409
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	14,000	14,000	16,000	16,000	18,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	156,054	157,366	161,826	164,431	169,183
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 151,535	\$ 153,949	\$ 158,810	\$ 161,366	\$ 166,068
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4882</b>	<b>\$ 0.4960</b>	<b>\$ 0.5116</b>	<b>\$ 0.5198</b>	<b>\$ 0.5350</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0163</b>	<b>\$ 0.0167</b>	<b>\$ 0.0172</b>	<b>\$ 0.0177</b>	<b>\$ 0.0182</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 156,581	\$ 159,142	\$ 164,152	\$ 166,857	\$ 171,709
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5044</b>	<b>\$ 0.5127</b>	<b>\$ 0.5288</b>	<b>\$ 0.5375</b>	<b>\$ 0.5532</b>
28	GWh	308,126	312,922	314,000	310,410	310,410	310,410	310,410	310,410	310,410
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	21,000	21,000	24,000	24,000	27,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	35,000	35,000	40,000	40,000	45,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	194,326	196,042	203,913	206,935	215,110

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 0% MWh Growth & +10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,140	4,019	3,981	4,025	4,151
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	16,000	16,000	18,000	18,000	20,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	158,136	159,613	164,238	167,008	171,926
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 153,618	\$ 156,196	\$ 161,223	\$ 163,944	\$ 168,811
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4949</b>	<b>\$ 0.5032</b>	<b>\$ 0.5194</b>	<b>\$ 0.5282</b>	<b>\$ 0.5438</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0163</b>	<b>\$ 0.0167</b>	<b>\$ 0.0172</b>	<b>\$ 0.0177</b>	<b>\$ 0.0182</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 158,664	\$ 161,390	\$ 166,564	\$ 169,435	\$ 174,452
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5111</b>	<b>\$ 0.5199</b>	<b>\$ 0.5366</b>	<b>\$ 0.5458</b>	<b>\$ 0.5620</b>
28	GWh	308,126	312,922	314,000	310,410	310,410	310,410	310,410	310,410	310,410
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	24,000	24,000	27,000	27,000	30,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	40,000	40,000	45,000	45,000	50,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	199,409	201,290	209,325	212,512	220,853

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 0% MWh Growth & +15M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,223	4,267	4,393	4,602	4,894
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	18,000	18,000	20,000	20,000	22,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	160,219	161,861	166,651	169,586	174,668
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 155,700	\$ 158,444	\$ 163,635	\$ 166,521	\$ 171,553
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.5016</b>	<b>\$ 0.5104</b>	<b>\$ 0.5272</b>	<b>\$ 0.5365</b>	<b>\$ 0.5527</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0163</b>	<b>\$ 0.0167</b>	<b>\$ 0.0172</b>	<b>\$ 0.0177</b>	<b>\$ 0.0182</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 160,746	\$ 163,637	\$ 168,977	\$ 172,012	\$ 177,194
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5179</b>	<b>\$ 0.5272</b>	<b>\$ 0.5444</b>	<b>\$ 0.5541</b>	<b>\$ 0.5708</b>
28	GWh	308,126	312,922	314,000	310,410	310,410	310,410	310,410	310,410	310,410
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	27,000	27,000	30,000	30,000	33,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	45,000	45,000	50,000	50,000	55,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	204,491	206,537	214,738	218,090	226,595

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - .5% MWh Growth & -10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,810	3,029	2,331	1,715	1,181
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	8,000	8,000	10,000	10,000	12,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	149,806	150,623	154,588	156,698	160,956
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 145,288	\$ 147,206	\$ 151,573	\$ 153,634	\$ 157,841
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4657</b>	<b>\$ 0.4695</b>	<b>\$ 0.4810</b>	<b>\$ 0.4852</b>	<b>\$ 0.4960</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0162</b>	<b>\$ 0.0166</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>	<b>\$ 0.0177</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 150,334	\$ 152,400	\$ 156,914	\$ 159,125	\$ 163,482
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4819</b>	<b>\$ 0.4861</b>	<b>\$ 0.4980</b>	<b>\$ 0.5025</b>	<b>\$ 0.5137</b>
28	GWh	308,126	312,922	314,000	310,410	311,962	313,522	315,089	316,665	318,248
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	12,000	12,000	15,000	15,000	18,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	20,000	20,000	25,000	25,000	30,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	179,079	180,300	187,675	190,202	197,883

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - .5% MWh Growth & -5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,893	3,277	2,743	2,292	1,924
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	10,000	10,000	12,000	12,000	14,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	151,889	152,871	157,001	159,276	163,698
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 147,370	\$ 149,454	\$ 153,985	\$ 156,211	\$ 160,583
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4724</b>	<b>\$ 0.4767</b>	<b>\$ 0.4887</b>	<b>\$ 0.4933</b>	<b>\$ 0.5046</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0162</b>	<b>\$ 0.0166</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>	<b>\$ 0.0177</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 152,416	\$ 154,647	\$ 159,327	\$ 161,702	\$ 166,224
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4886</b>	<b>\$ 0.4933</b>	<b>\$ 0.5057</b>	<b>\$ 0.5106</b>	<b>\$ 0.5223</b>
28	GWh	308,126	312,922	314,000	310,410	311,962	313,522	315,089	316,665	318,248
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	15,000	15,000	18,000	18,000	21,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	25,000	25,000	30,000	30,000	35,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	184,161	185,547	193,088	195,780	203,625

Note:

Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.



## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - .5% MWh Growth & +5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,058	3,772	3,568	3,447	3,409
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	14,000	14,000	16,000	16,000	18,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	156,054	157,366	161,826	164,431	169,183
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 151,535	\$ 153,949	\$ 158,810	\$ 161,366	\$ 166,068
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4857</b>	<b>\$ 0.4910</b>	<b>\$ 0.5040</b>	<b>\$ 0.5096</b>	<b>\$ 0.5218</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0162</b>	<b>\$ 0.0166</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>	<b>\$ 0.0177</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 156,581	\$ 159,142	\$ 164,152	\$ 166,857	\$ 171,709
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5019</b>	<b>\$ 0.5076</b>	<b>\$ 0.5210</b>	<b>\$ 0.5269</b>	<b>\$ 0.5395</b>
28	GWh	308,126	312,922	314,000	310,410	311,962	313,522	315,089	316,665	318,248
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	21,000	21,000	24,000	24,000	27,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	35,000	35,000	40,000	40,000	45,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	194,326	196,042	203,913	206,935	215,110

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - .5% MWh Growth & +10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,140	4,019	3,981	4,025	4,151
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	16,000	16,000	18,000	18,000	20,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	158,136	159,613	164,238	167,008	171,926
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 153,618	\$ 156,196	\$ 161,223	\$ 163,944	\$ 168,811
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4924</b>	<b>\$ 0.4982</b>	<b>\$ 0.5117</b>	<b>\$ 0.5177</b>	<b>\$ 0.5304</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0162</b>	<b>\$ 0.0166</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>	<b>\$ 0.0177</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 158,664	\$ 161,390	\$ 166,564	\$ 169,435	\$ 174,452
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5086</b>	<b>\$ 0.5148</b>	<b>\$ 0.5286</b>	<b>\$ 0.5351</b>	<b>\$ 0.5482</b>
28	GWh	308,126	312,922	314,000	310,410	311,962	313,522	315,089	316,665	318,248
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	24,000	24,000	27,000	27,000	30,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	40,000	40,000	45,000	45,000	50,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	199,409	201,290	209,325	212,512	220,853

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - .5% MWh Growth & +15M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,223	4,267	4,393	4,602	4,894
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	18,000	18,000	20,000	20,000	22,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	160,219	161,861	166,651	169,586	174,668
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 155,700	\$ 158,444	\$ 163,635	\$ 166,521	\$ 171,553
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4991</b>	<b>\$ 0.5054</b>	<b>\$ 0.5193</b>	<b>\$ 0.5259</b>	<b>\$ 0.5391</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0162</b>	<b>\$ 0.0166</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>	<b>\$ 0.0177</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 160,746	\$ 163,637	\$ 168,977	\$ 172,012	\$ 177,194
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5153</b>	<b>\$ 0.5219</b>	<b>\$ 0.5363</b>	<b>\$ 0.5432</b>	<b>\$ 0.5568</b>
28	GWh	308,126	312,922	314,000	310,410	311,962	313,522	315,089	316,665	318,248
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	27,000	27,000	30,000	30,000	33,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	45,000	45,000	50,000	50,000	55,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	204,491	206,537	214,738	218,090	226,595

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 1% MWh Growth & -10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,810	3,029	2,331	1,715	1,181
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	8,000	8,000	10,000	10,000	12,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	149,806	150,623	154,588	156,698	160,956
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 145,288	\$ 147,206	\$ 151,573	\$ 153,634	\$ 157,841
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4634</b>	<b>\$ 0.4649</b>	<b>\$ 0.4739</b>	<b>\$ 0.4756</b>	<b>\$ 0.4838</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0161</b>	<b>\$ 0.0164</b>	<b>\$ 0.0167</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 150,334	\$ 152,400	\$ 156,914	\$ 159,125	\$ 163,482
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4795</b>	<b>\$ 0.4813</b>	<b>\$ 0.4906</b>	<b>\$ 0.4926</b>	<b>\$ 0.5011</b>
28	GWh	308,126	312,922	314,000	310,410	313,514	316,649	319,816	323,014	326,244
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.0%	1.0%	1.0%	1.0%	1.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	12,000	12,000	15,000	15,000	18,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	20,000	20,000	25,000	25,000	30,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	179,079	180,300	187,675	190,202	197,883

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 1% MWh Growth & -5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,893	3,277	2,743	2,292	1,924
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	10,000	10,000	12,000	12,000	14,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	151,889	152,871	157,001	159,276	163,698
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 147,370	\$ 149,454	\$ 153,985	\$ 156,211	\$ 160,583
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4701</b>	<b>\$ 0.4720</b>	<b>\$ 0.4815</b>	<b>\$ 0.4836</b>	<b>\$ 0.4922</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0161</b>	<b>\$ 0.0164</b>	<b>\$ 0.0167</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 152,416	\$ 154,647	\$ 159,327	\$ 161,702	\$ 166,224
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4862</b>	<b>\$ 0.4884</b>	<b>\$ 0.4982</b>	<b>\$ 0.5006</b>	<b>\$ 0.5095</b>
28	GWh	308,126	312,922	314,000	310,410	313,514	316,649	319,816	323,014	326,244
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.0%	1.0%	1.0%	1.0%	1.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	15,000	15,000	18,000	18,000	21,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	25,000	25,000	30,000	30,000	35,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	184,161	185,547	193,088	195,780	203,625

Note:

Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 1% MWh Growth & +5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,058	3,772	3,568	3,447	3,409
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	14,000	14,000	16,000	16,000	18,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	156,054	157,366	161,826	164,431	169,183
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 151,535	\$ 153,949	\$ 158,810	\$ 161,366	\$ 166,068
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4833</b>	<b>\$ 0.4862</b>	<b>\$ 0.4966</b>	<b>\$ 0.4996</b>	<b>\$ 0.5090</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0161</b>	<b>\$ 0.0164</b>	<b>\$ 0.0167</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 156,581	\$ 159,142	\$ 164,152	\$ 166,857	\$ 171,709
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4994</b>	<b>\$ 0.5026</b>	<b>\$ 0.5133</b>	<b>\$ 0.5166</b>	<b>\$ 0.5263</b>
28	GWh	308,126	312,922	314,000	310,410	313,514	316,649	319,816	323,014	326,244
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.0%	1.0%	1.0%	1.0%	1.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	21,000	21,000	24,000	24,000	27,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	35,000	35,000	40,000	40,000	45,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	194,326	196,042	203,913	206,935	215,110

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 1% MWh Growth & +10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,140	4,019	3,981	4,025	4,151
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	16,000	16,000	18,000	18,000	20,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	158,136	159,613	164,238	167,008	171,926
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 153,618	\$ 156,196	\$ 161,223	\$ 163,944	\$ 168,811
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4900</b>	<b>\$ 0.4933</b>	<b>\$ 0.5041</b>	<b>\$ 0.5075</b>	<b>\$ 0.5174</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0161</b>	<b>\$ 0.0164</b>	<b>\$ 0.0167</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 158,664	\$ 161,390	\$ 166,564	\$ 169,435	\$ 174,452
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5061</b>	<b>\$ 0.5097</b>	<b>\$ 0.5208</b>	<b>\$ 0.5245</b>	<b>\$ 0.5347</b>
28	GWh	308,126	312,922	314,000	310,410	313,514	316,649	319,816	323,014	326,244
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.0%	1.0%	1.0%	1.0%	1.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	24,000	24,000	27,000	27,000	30,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	40,000	40,000	45,000	45,000	50,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	199,409	201,290	209,325	212,512	220,853

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 1% MWh Growth & +15M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,223	4,267	4,393	4,602	4,894
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	18,000	18,000	20,000	20,000	22,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	160,219	161,861	166,651	169,586	174,668
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 155,700	\$ 158,444	\$ 163,635	\$ 166,521	\$ 171,553
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4966</b>	<b>\$ 0.5004</b>	<b>\$ 0.5117</b>	<b>\$ 0.5155</b>	<b>\$ 0.5258</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0161</b>	<b>\$ 0.0164</b>	<b>\$ 0.0167</b>	<b>\$ 0.0170</b>	<b>\$ 0.0173</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 160,746	\$ 163,637	\$ 168,977	\$ 172,012	\$ 177,194
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5127</b>	<b>\$ 0.5168</b>	<b>\$ 0.5284</b>	<b>\$ 0.5325</b>	<b>\$ 0.5431</b>
28	GWh	308,126	312,922	314,000	310,410	313,514	316,649	319,816	323,014	326,244
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.0%	1.0%	1.0%	1.0%	1.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	27,000	27,000	30,000	30,000	33,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	45,000	45,000	50,000	50,000	55,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	204,491	206,537	214,738	218,090	226,595

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.



## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 1.5% MWh Growth & -10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,810	3,029	2,331	1,715	1,181
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	8,000	8,000	10,000	10,000	12,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	149,806	150,623	154,588	156,698	160,956
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 145,288	\$ 147,206	\$ 151,573	\$ 153,634	\$ 157,841
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4611</b>	<b>\$ 0.4603</b>	<b>\$ 0.4670</b>	<b>\$ 0.4663</b>	<b>\$ 0.4720</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>	<b>\$ 0.0165</b>	<b>\$ 0.0167</b>	<b>\$ 0.0169</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 150,334	\$ 152,400	\$ 156,914	\$ 159,125	\$ 163,482
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4772</b>	<b>\$ 0.4766</b>	<b>\$ 0.4834</b>	<b>\$ 0.4830</b>	<b>\$ 0.4889</b>
28	GWh	308,126	312,922	314,000	310,410	315,066	319,792	324,589	329,458	334,400
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	12,000	12,000	15,000	15,000	18,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	20,000	20,000	25,000	25,000	30,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	179,079	180,300	187,675	190,202	197,883

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 1.5% MWh Growth & -5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,893	3,277	2,743	2,292	1,924
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	10,000	10,000	12,000	12,000	14,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	151,889	152,871	157,001	159,276	163,698
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 147,370	\$ 149,454	\$ 153,985	\$ 156,211	\$ 160,583
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4677</b>	<b>\$ 0.4673</b>	<b>\$ 0.4744</b>	<b>\$ 0.4741</b>	<b>\$ 0.4802</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>	<b>\$ 0.0165</b>	<b>\$ 0.0167</b>	<b>\$ 0.0169</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 152,416	\$ 154,647	\$ 159,327	\$ 161,702	\$ 166,224
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4838</b>	<b>\$ 0.4836</b>	<b>\$ 0.4909</b>	<b>\$ 0.4908</b>	<b>\$ 0.4971</b>
28	GWh	308,126	312,922	314,000	310,410	315,066	319,792	324,589	329,458	334,400
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	15,000	15,000	18,000	18,000	21,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	25,000	25,000	30,000	30,000	35,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	184,161	185,547	193,088	195,780	203,625

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 1.5% MWh Growth & +5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,058	3,772	3,568	3,447	3,409
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	14,000	14,000	16,000	16,000	18,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	156,054	157,366	161,826	164,431	169,183
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 151,535	\$ 153,949	\$ 158,810	\$ 161,366	\$ 166,068
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4810</b>	<b>\$ 0.4814</b>	<b>\$ 0.4893</b>	<b>\$ 0.4898</b>	<b>\$ 0.4966</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>	<b>\$ 0.0165</b>	<b>\$ 0.0167</b>	<b>\$ 0.0169</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 156,581	\$ 159,142	\$ 164,152	\$ 166,857	\$ 171,709
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4970</b>	<b>\$ 0.4976</b>	<b>\$ 0.5057</b>	<b>\$ 0.5065</b>	<b>\$ 0.5135</b>
28	GWh	308,126	312,922	314,000	310,410	315,066	319,792	324,589	329,458	334,400
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	21,000	21,000	24,000	24,000	27,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	35,000	35,000	40,000	40,000	45,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	194,326	196,042	203,913	206,935	215,110

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 1.5% MWh Growth & +10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,140	4,019	3,981	4,025	4,151
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	16,000	16,000	18,000	18,000	20,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	158,136	159,613	164,238	167,008	171,926
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 153,618	\$ 156,196	\$ 161,223	\$ 163,944	\$ 168,811
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4876</b>	<b>\$ 0.4884</b>	<b>\$ 0.4967</b>	<b>\$ 0.4976</b>	<b>\$ 0.5048</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>	<b>\$ 0.0165</b>	<b>\$ 0.0167</b>	<b>\$ 0.0169</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 158,664	\$ 161,390	\$ 166,564	\$ 169,435	\$ 174,452
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5036</b>	<b>\$ 0.5047</b>	<b>\$ 0.5132</b>	<b>\$ 0.5143</b>	<b>\$ 0.5217</b>
28	GWh	308,126	312,922	314,000	310,410	315,066	319,792	324,589	329,458	334,400
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	24,000	24,000	27,000	27,000	30,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	40,000	40,000	45,000	45,000	50,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	199,409	201,290	209,325	212,512	220,853

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 1.5% MWh Growth & +15M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,223	4,267	4,393	4,602	4,894
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	18,000	18,000	20,000	20,000	22,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	160,219	161,861	166,651	169,586	174,668
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 155,700	\$ 158,444	\$ 163,635	\$ 166,521	\$ 171,553
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4942</b>	<b>\$ 0.4955</b>	<b>\$ 0.5041</b>	<b>\$ 0.5054</b>	<b>\$ 0.5130</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0160</b>	<b>\$ 0.0162</b>	<b>\$ 0.0165</b>	<b>\$ 0.0167</b>	<b>\$ 0.0169</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 160,746	\$ 163,637	\$ 168,977	\$ 172,012	\$ 177,194
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5102</b>	<b>\$ 0.5117</b>	<b>\$ 0.5206</b>	<b>\$ 0.5221</b>	<b>\$ 0.5299</b>
28	GWh	308,126	312,922	314,000	310,410	315,066	319,792	324,589	329,458	334,400
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	1.5%	1.5%	1.5%	1.5%	1.5%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	27,000	27,000	30,000	30,000	33,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	45,000	45,000	50,000	50,000	55,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	204,491	206,537	214,738	218,090	226,595

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 2% MWh Growth & -10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,810	3,029	2,331	1,715	1,181
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	8,000	8,000	10,000	10,000	12,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	149,806	150,623	154,588	156,698	160,956
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 145,288	\$ 147,206	\$ 151,573	\$ 153,634	\$ 157,841
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4589</b>	<b>\$ 0.4558</b>	<b>\$ 0.4601</b>	<b>\$ 0.4572</b>	<b>\$ 0.4606</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0159</b>	<b>\$ 0.0161</b>	<b>\$ 0.0162</b>	<b>\$ 0.0163</b>	<b>\$ 0.0165</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 150,334	\$ 152,400	\$ 156,914	\$ 159,125	\$ 163,482
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4748</b>	<b>\$ 0.4719</b>	<b>\$ 0.4764</b>	<b>\$ 0.4736</b>	<b>\$ 0.4770</b>
28	GWh	308,126	312,922	314,000	310,410	316,618	322,951	329,410	335,998	342,718
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	12,000	12,000	15,000	15,000	18,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	20,000	20,000	25,000	25,000	30,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	179,079	180,300	187,675	190,202	197,883

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 2% MWh Growth & -5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	3,893	3,277	2,743	2,292	1,924
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	10,000	10,000	12,000	12,000	14,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	151,889	152,871	157,001	159,276	163,698
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 147,370	\$ 149,454	\$ 153,985	\$ 156,211	\$ 160,583
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4655</b>	<b>\$ 0.4628</b>	<b>\$ 0.4675</b>	<b>\$ 0.4649</b>	<b>\$ 0.4686</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0159</b>	<b>\$ 0.0161</b>	<b>\$ 0.0162</b>	<b>\$ 0.0163</b>	<b>\$ 0.0165</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 152,416	\$ 154,647	\$ 159,327	\$ 161,702	\$ 166,224
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4814</b>	<b>\$ 0.4789</b>	<b>\$ 0.4837</b>	<b>\$ 0.4813</b>	<b>\$ 0.4850</b>
28	GWh	308,126	312,922	314,000	310,410	316,618	322,951	329,410	335,998	342,718
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	15,000	15,000	18,000	18,000	21,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	25,000	25,000	30,000	30,000	35,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	184,161	185,547	193,088	195,780	203,625

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 2% MWh Growth & +5M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,058	3,772	3,568	3,447	3,409
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	14,000	14,000	16,000	16,000	18,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	156,054	157,366	161,826	164,431	169,183
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 151,535	\$ 153,949	\$ 158,810	\$ 161,366	\$ 166,068
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4786</b>	<b>\$ 0.4767</b>	<b>\$ 0.4821</b>	<b>\$ 0.4803</b>	<b>\$ 0.4846</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0159</b>	<b>\$ 0.0161</b>	<b>\$ 0.0162</b>	<b>\$ 0.0163</b>	<b>\$ 0.0165</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 156,581	\$ 159,142	\$ 164,152	\$ 166,857	\$ 171,709
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4945</b>	<b>\$ 0.4928</b>	<b>\$ 0.4983</b>	<b>\$ 0.4966</b>	<b>\$ 0.5010</b>
28	GWh	308,126	312,922	314,000	310,410	316,618	322,951	329,410	335,998	342,718
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	21,000	21,000	24,000	24,000	27,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	35,000	35,000	40,000	40,000	45,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	194,326	196,042	203,913	206,935	215,110

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.



# ERCOT Fiscal Year 2011 Budget

## Revenue Requirements - 2% MWh Growth & +10M Project Funding

(in Thousands)

Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,140	4,019	3,981	4,025	4,151
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	16,000	16,000	18,000	18,000	20,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	158,136	159,613	164,238	167,008	171,926
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 153,618	\$ 156,196	\$ 161,223	\$ 163,944	\$ 168,811
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4852</b>	<b>\$ 0.4837</b>	<b>\$ 0.4894</b>	<b>\$ 0.4879</b>	<b>\$ 0.4926</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0159</b>	<b>\$ 0.0161</b>	<b>\$ 0.0162</b>	<b>\$ 0.0163</b>	<b>\$ 0.0165</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 158,664	\$ 161,390	\$ 166,564	\$ 169,435	\$ 174,452
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5011</b>	<b>\$ 0.4997</b>	<b>\$ 0.5056</b>	<b>\$ 0.5043</b>	<b>\$ 0.5090</b>
28	GWh	308,126	312,922	314,000	310,410	316,618	322,951	329,410	335,998	342,718
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	24,000	24,000	27,000	27,000	30,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	40,000	40,000	45,000	45,000	50,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	199,409	201,290	209,325	212,512	220,853

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

## ERCOT Fiscal Year 2011 Budget

### Revenue Requirements - 2% MWh Growth & +15M Project Funding

(in Thousands)

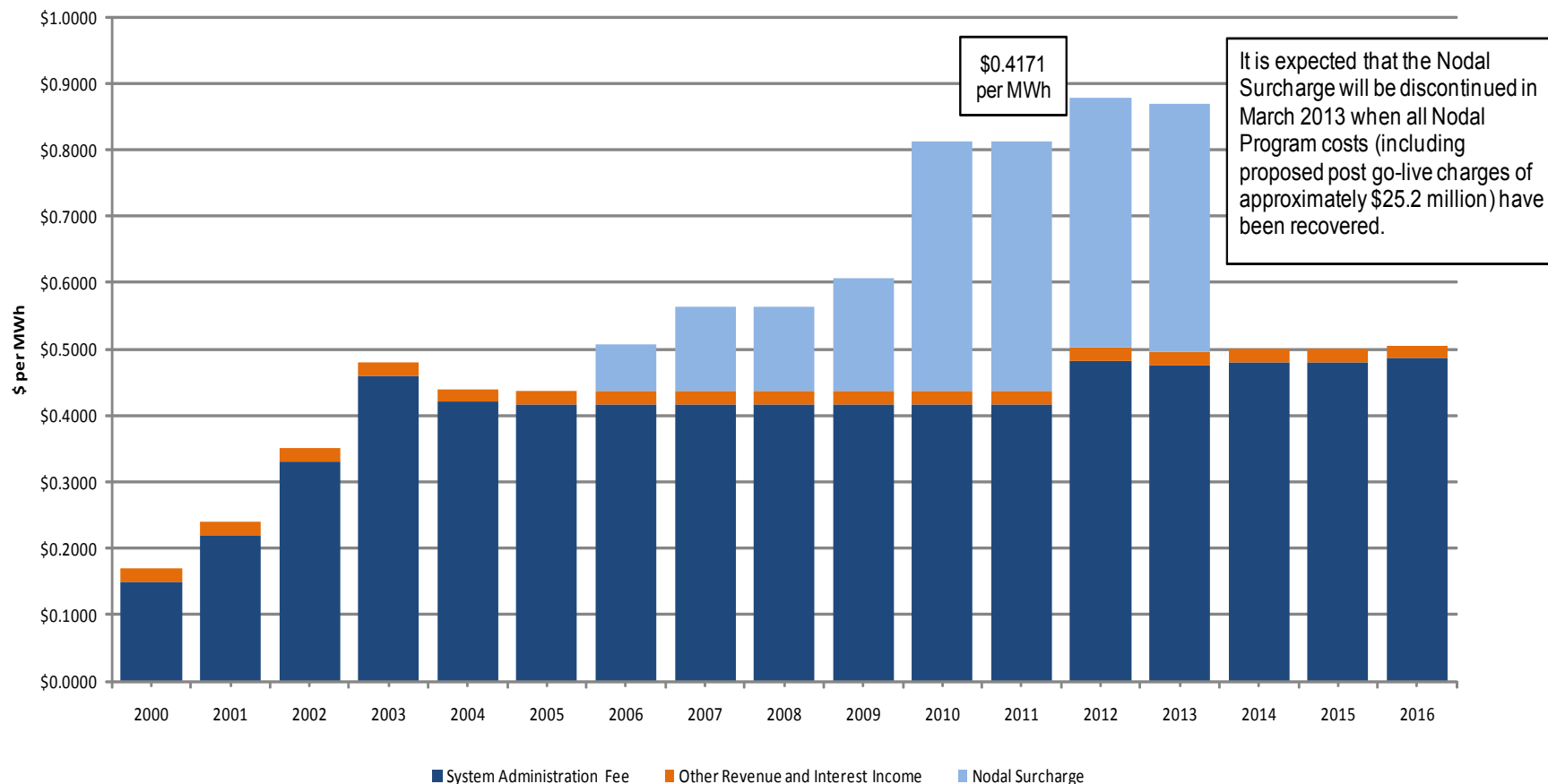
Line	(\$ Thousands)	2009 Actual	2010 Budget	2010 Forecast	2011 Proposed Budget	2012 Projected Budget	2013 Projected Budget	2014 Projected Budget	2015 Projected Budget	2016 Projected Budget
1	ERCOT O&M Expense									
2	Labor	51,508	59,012	52,332	69,947	68,780	70,500	72,262	74,069	75,921
3	Equipment & Tools	799	1,227	825	881	895	910	930	949	969
4	Outside Services	9,287	9,751	9,811	2,973	7,201	7,352	7,507	7,664	7,825
5	Utility, Maintenance, & Facilities	7,939	8,137	8,597	12,599	12,303	11,540	11,782	12,030	12,282
6	Hardware & Software License & Maint.	9,337	9,101	9,000	9,861	17,521	17,889	18,265	18,649	19,040
7	Employee Expenses	1,031	1,552	1,037	1,021	1,042	1,064	1,086	1,109	1,132
8	Other Expenses	3,668	4,010	3,864	3,970	4,053	4,139	4,225	4,314	4,405
9	Subtotal - O&M Expense	83,570	92,790	85,467	101,252	111,796	113,394	116,058	118,784	121,575
10	Debt Service - Interest	2,718	5,272	2,539	3,515	4,223	4,267	4,393	4,602	4,894
11	Debt Service - Principal	26,137	26,137	26,137	26,200	26,200	26,200	26,200	26,200	26,200
12	Revenue Funded Projects	17,464	18,520	21,637	16,758	18,000	18,000	20,000	20,000	22,000
13	Subtotal - Revenue Requirement	129,889	142,720	135,780	147,725	160,219	161,861	166,651	169,586	174,668
14	Less: Other Revenue	3,553	3,164	3,844	4,006	4,519	3,417	3,015	3,065	3,115
15	Less: Interest Income	51	81	5	-	-	-	-	-	-
16	Less: Extraordinary Item Revenue	705	12,760	18,570	5,000	-	-	-	-	-
17	2010 Carry Forward	-	-	(14,420)	14,420	-	-	-	-	-
18	Subtotal - Revenue Requirement from System Admin Fee	\$ 125,580	\$ 126,715	\$ 127,781	\$ 124,299	\$ 155,700	\$ 158,444	\$ 163,635	\$ 166,521	\$ 171,553
19	<b>Subtotal - System Administration Fee</b>	<b>\$ 0.4076</b>	<b>\$ 0.4049</b>	<b>\$ 0.4069</b>	<b>\$ 0.4004</b>	<b>\$ 0.4918</b>	<b>\$ 0.4906</b>	<b>\$ 0.4968</b>	<b>\$ 0.4956</b>	<b>\$ 0.5006</b>
20	NERC Dues	2,141	2,462	8,295	11,975	12,226	12,483	12,745	13,013	13,286
21	NERC Electric Reliability Organization fee	(2,141)	(2,462)	(8,295)	(11,975)	(12,226)	(12,483)	(12,745)	(13,013)	(13,286)
22	Protocol Services	639	1,500	787	2,466	2,246	2,293	2,342	2,391	2,441
23	Market Monitoring	2,300	2,300	2,417	2,700	2,800	2,900	3,000	3,100	3,200
24	Subtotal - Mandated Costs	\$ 2,939	\$ 3,800	\$ 3,204	\$ 5,166	\$ 5,046	\$ 5,193	\$ 5,342	\$ 5,491	\$ 5,641
25	<b>Subtotal - System Administration Fee - Mandated</b>	<b>\$ 0.0095</b>	<b>\$ 0.0121</b>	<b>\$ 0.0102</b>	<b>\$ 0.0166</b>	<b>\$ 0.0159</b>	<b>\$ 0.0161</b>	<b>\$ 0.0162</b>	<b>\$ 0.0163</b>	<b>\$ 0.0165</b>
26	Total - Revenue Rqmt from System Admin Fee	\$ 128,520	\$ 130,515	\$ 130,985	\$ 129,465	\$ 160,746	\$ 163,637	\$ 168,977	\$ 172,012	\$ 177,194
27	<b>ERCOT System Administration Fee</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.4171</b>	<b>\$ 0.5077</b>	<b>\$ 0.5067</b>	<b>\$ 0.5130</b>	<b>\$ 0.5119</b>	<b>\$ 0.5170</b>
28	GWh	308,126	312,922	314,000	310,410	316,618	322,951	329,410	335,998	342,718
29	% GWh Growth	2.2%	1.6%	0.3%	-0.8%	2.0%	2.0%	2.0%	2.0%	2.0%
30	Debt Funded Projects	14,059	27,780	32,455	25,138	27,000	27,000	30,000	30,000	33,000
31	Total Base Project/Data Center/Facility Capital Spending	31,523	46,300	54,092	41,896	45,000	45,000	50,000	50,000	55,000
32	Total ERCOT Spending Authorization	149,028	176,762	179,734	190,003	204,491	206,537	214,738	218,090	226,595

Note:  
Schedule reflects utilization of Board Discretionary funds to cover costs associated with Nodal Post Go-Live activities in 2011.

# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT  
2011 Preliminary Budget  
Fee Profile Summary (2000-2016)

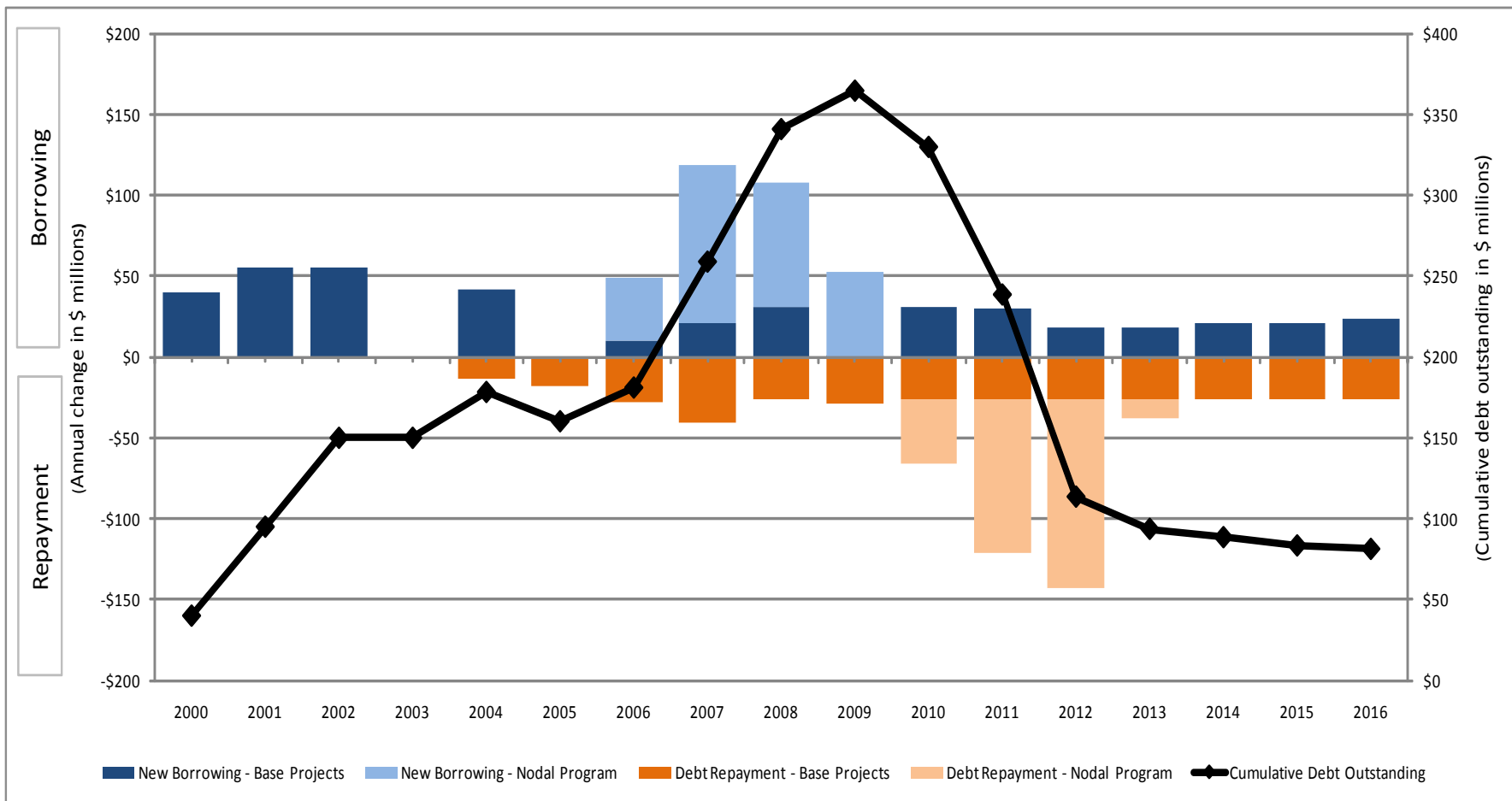
## Scenario 1. With Use of Board Discretionary Funds - page A



# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT  
2011 Preliminary Budget  
Debt Profile Summary (2000-2016)

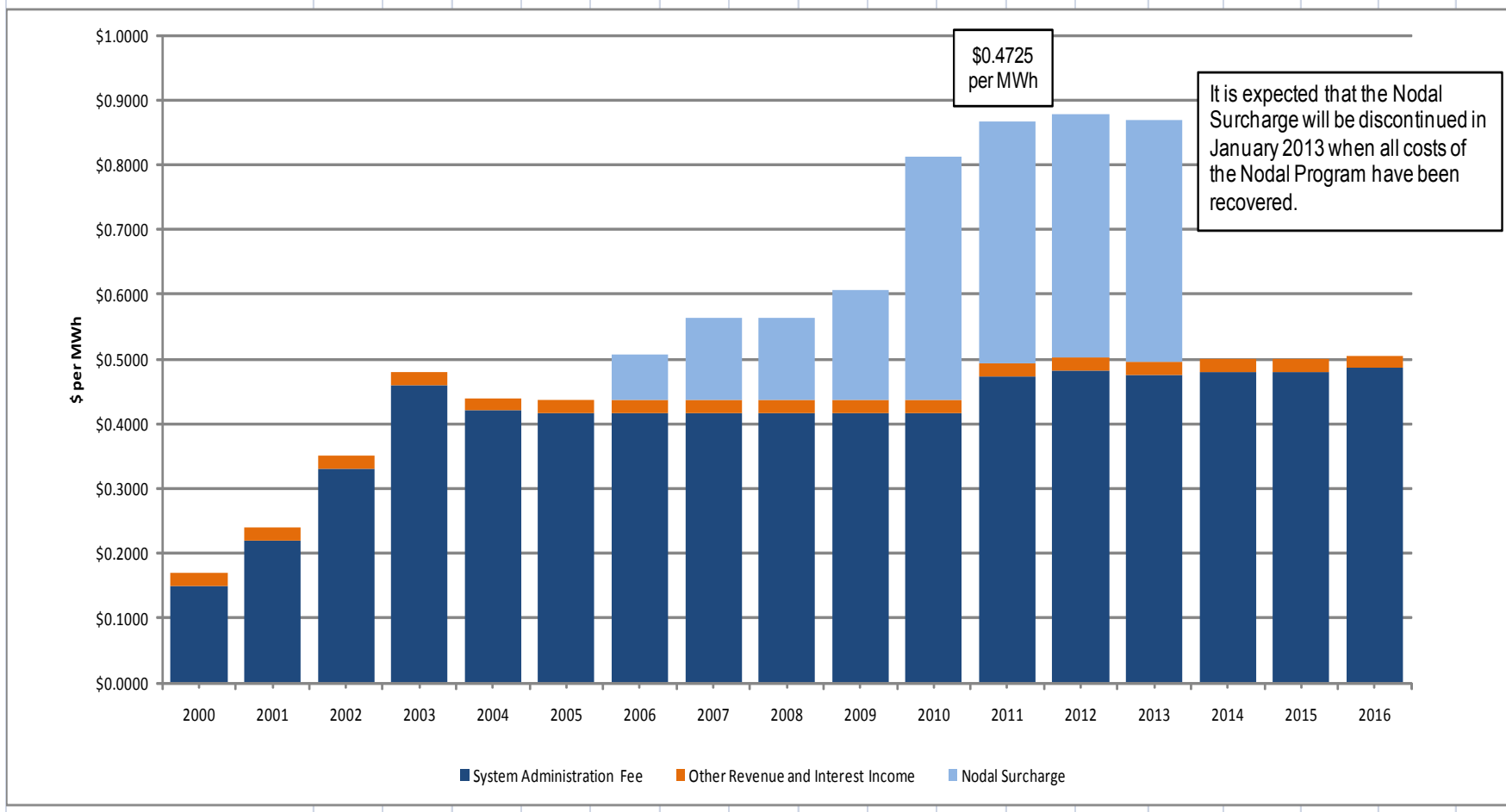
Scenario1. With Use of Board Discretionary Funds - page B



# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT  
2011 Preliminary Budget  
Fee Profile Summary (2000-2016)

## Scenario 2. Without Use of Board Discretionary Funds - page A



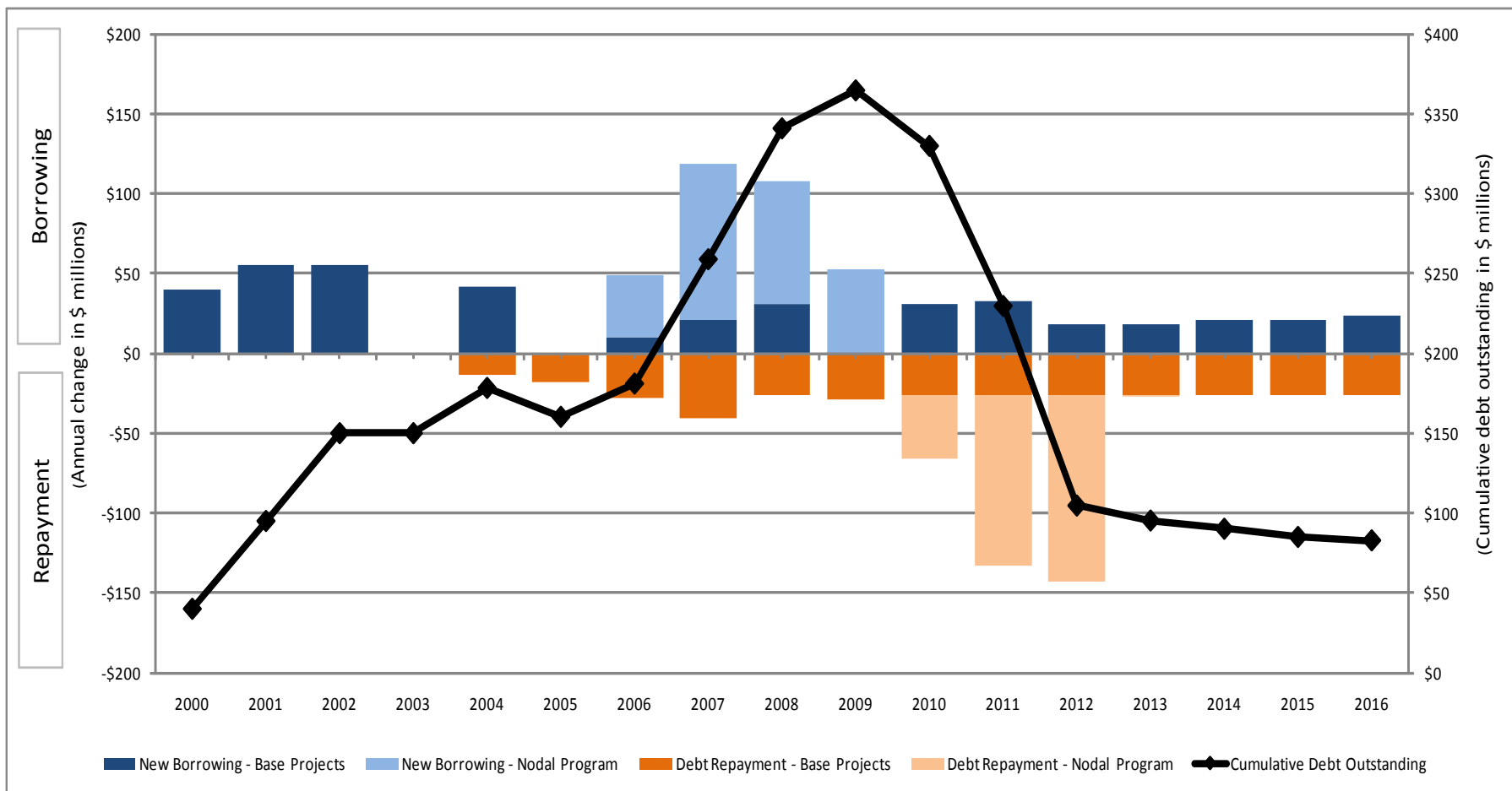
# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT

2011 Preliminary Budget

Debt Profile Summary (2000-2016)

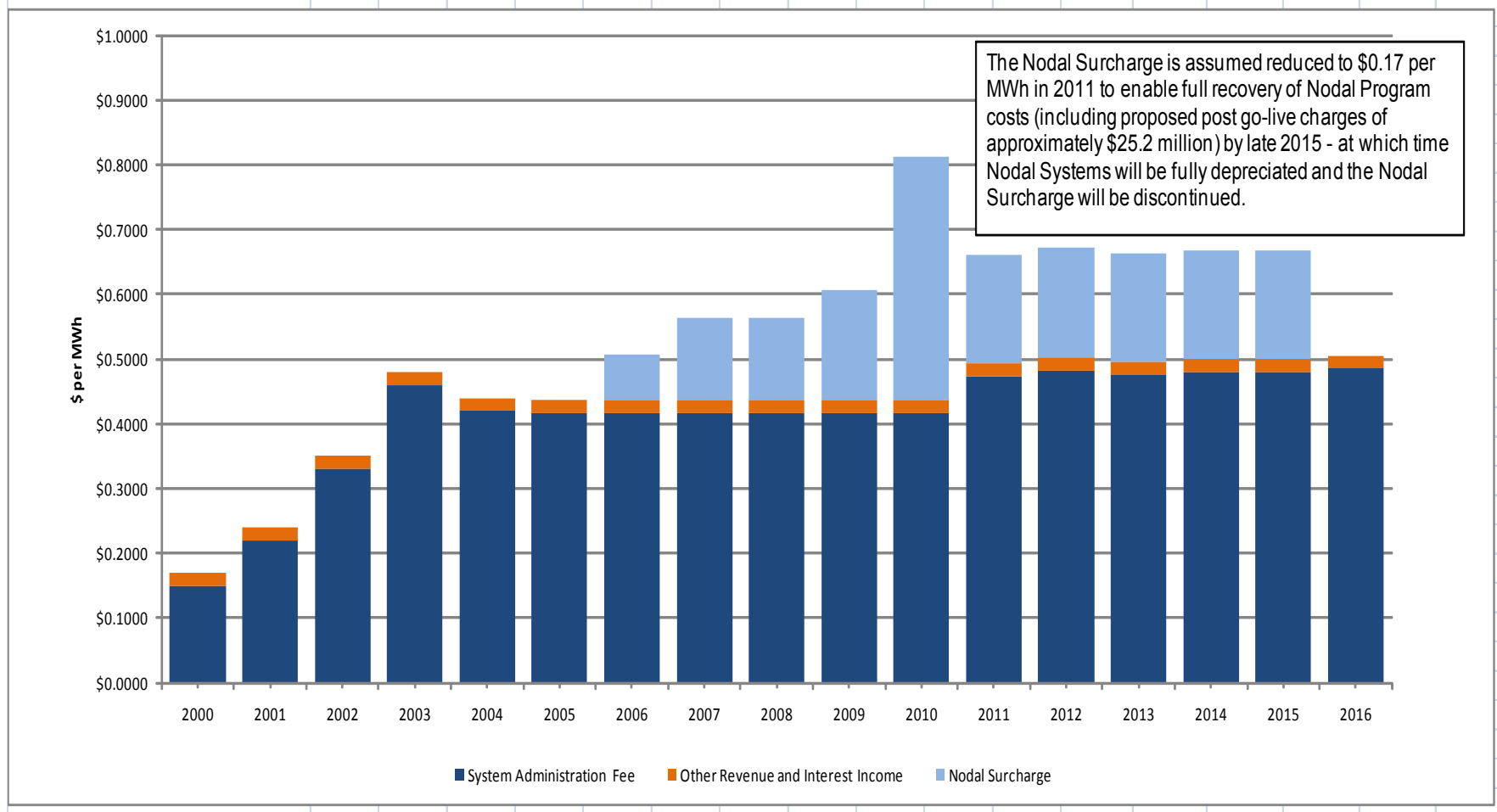
Scenario 2. Without Use of Board Discretionary Funds - page B



# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT  
2011 Preliminary Budget  
Fee Profile Summary (2000-2016)

## Scenario 3. Reduce and Extend Nodal Surcharge - page A

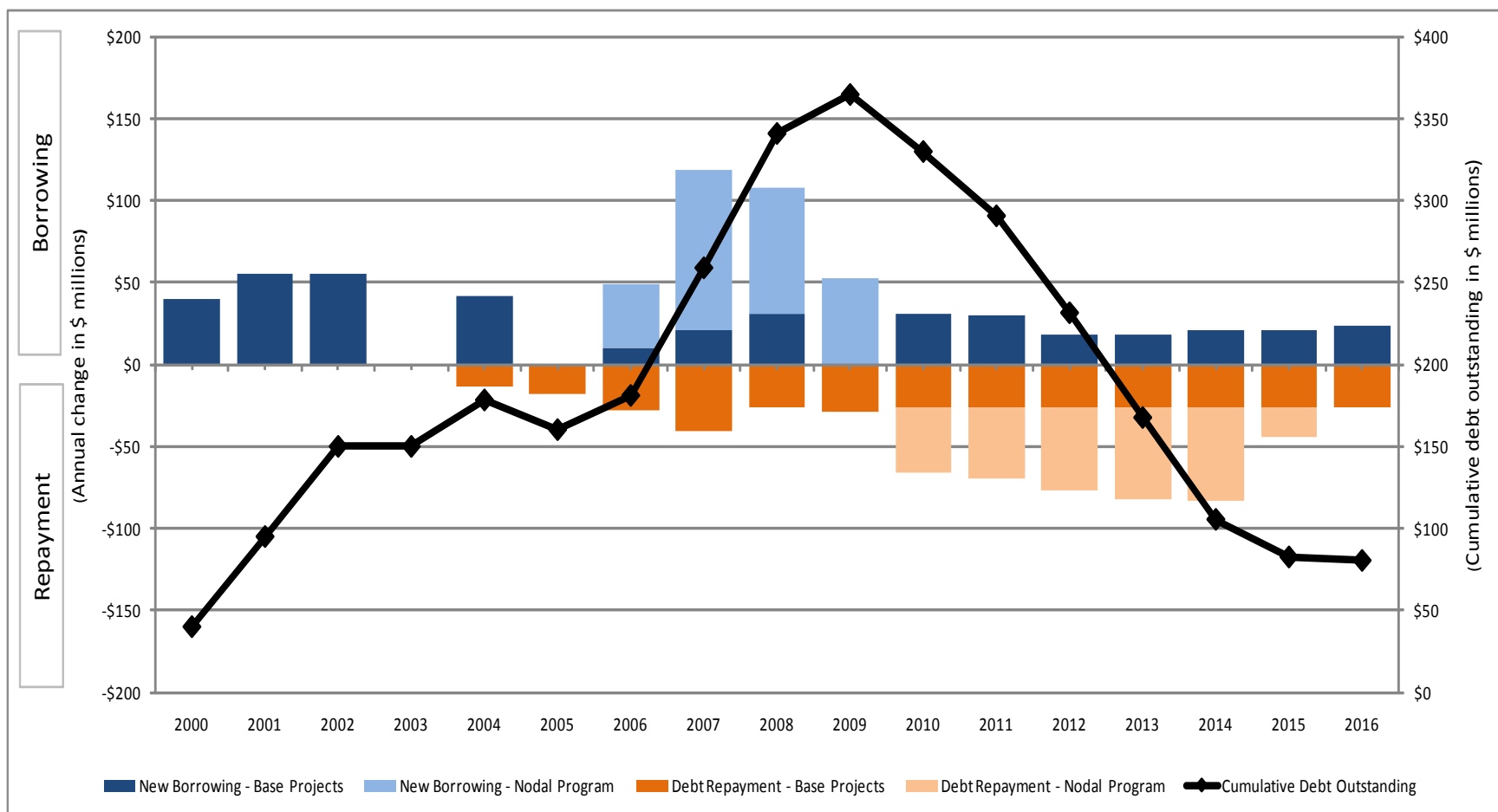


# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT

2011 Preliminary Budget  
Debt Profile Summary (2000-2016)

Scenario 3. Reduce and Extend Nodal Surcharge - page B





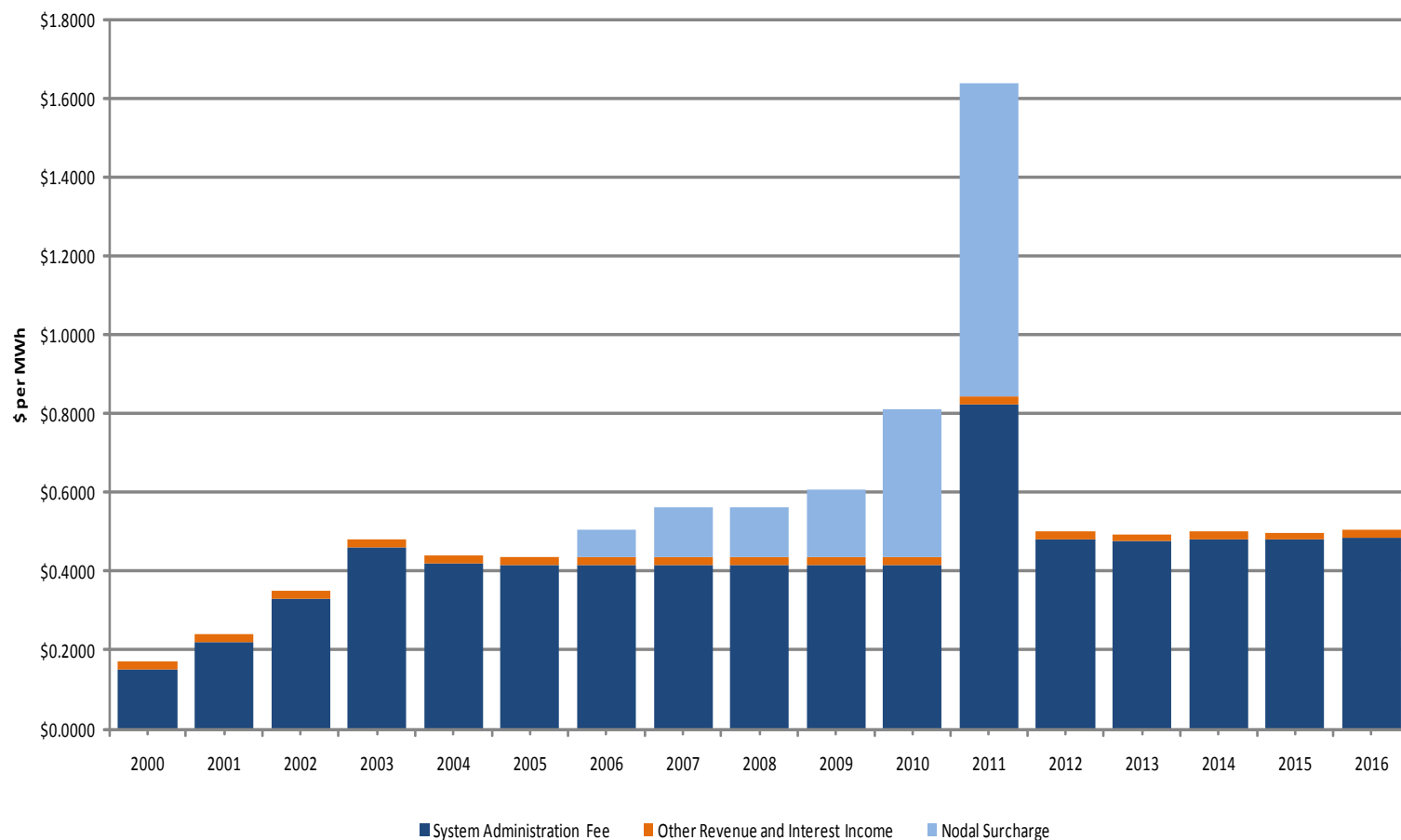
# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT

2011 Preliminary Budget

Fee Profile Summary (2000-2016)

Scenario 4. Eliminate debt in 2011 - page A



# 10. Recommend 2011 Base Operating Budget and Project Priority List (PPL)

ERCOT  
2011 Preliminary Budget  
Debt Profile Summary (2000-2016)

Scenario 4. Eliminate debt in 2011 - page B

