



Financial Summary

Trip Doggett

President and CEO

Board of Directors Meeting

June 19, 2012

ERCOT Public

Financial Performance - As of May 31, 2012

(\$ in Millions)

YTD BUDGET VS. ACTUAL PERFORMANCE: \$4.0 MILLION FAVORABLE

REVENUES

\$5.1 Million favorable 2011 carry forward
\$0.5 Million unfavorable system administration fees
\$0.4 Million favorable other revenues

EXPENSES

\$2.4 Million unfavorable outside services
\$0.8 Million favorable salary & related benefits
\$0.4 Million favorable revenue-funded project expenditures

YEAR-END PERFORMANCE FORECAST: \$3.7 MILLION FAVORABLE

REVENUES

\$5.1 Million favorable 2011 carry forward

EXPENSES

\$4.7 Million unfavorable outside services
\$2.8 Million favorable salaries & related benefits
\$1.0 Million favorable facility & equipment costs

Financial Summary - As of May 31, 2012

(\$ in Millions)

	Year to Date				End of Year			
	Budget	Actual	Variance		Budget	Forecast	Variance	
			\$	%			\$	%
Operating revenues								
System administration fees	\$ 51.8	\$ 51.3	\$ (0.5)	(1.0)	\$ 137.7	\$ 137.8	\$ 0.1	0.1
Reliability organization pass-through	5.4	5.4	-	-	13.1	13.1	-	-
Membership fees and other	1.5	1.9	0.4	26.7	3.6	3.6	-	-
2011 carry forward	13.7	18.8	5.1	37.2	13.7	18.8	5.1	37.2
Total - Operating revenues	72.4	77.4	5.0	6.9	168.1	173.3	5.2	3.1
Operating expenses (excluding depreciation)								
Salaries and related benefits	30.7	29.9	0.8	2.6	74.4	71.6	2.8	3.8
Facility and equipment costs	5.6	5.3	0.3	5.4	13.3	12.3	1.0	7.5
Hardware and software maintenance and licensing	8.4	8.1	0.3	3.6	20.1	19.9	0.2	1.0
Outside services	2.8	5.2	(2.4)	(85.7)	7.0	11.7	(4.7)	(67.1)
Reliability organization assessment	5.4	5.4	-	-	13.1	13.1	-	-
Other	2.1	2.2	(0.1)	(4.8)	5.0	5.2	(0.2)	(4.0)
Subtotal - Operating expenses	55.0	56.1	(1.1)	(2.0)	132.9	133.8	(0.9)	(0.7)
Revenue-funded project expenditures (40%)	2.9	2.5	0.4	13.8	6.0	6.0	-	-
Principal repayment	10.9	10.9	-	-	26.2	26.2	-	-
Interest expense	1.2	1.5	(0.3)	(25.0)	3.0	3.6	(0.6)	(20.0)
Total - Expenses	70.0	71.0	(1.0)	(1.4)	168.1	169.6	(1.5)	(0.9)
Excess/(Deficit) of revenues over expenses	\$ 2.4	\$ 6.4	\$ 4.0	166.7	\$ -	\$ 3.7	\$ 3.7	n/a

Project Expenditures - As of May 31, 2012

(\$ in Millions)

Cost Summary	Life to Date					Estimate at Completion				
	Budget	Actual	Variance			Budget	Forecast	Variance		
			\$	%				\$	%	
Data Center	\$ 44.7	\$ 43.9	\$ 0.8	1.8		\$ 44.7	\$ 43.9	\$ 0.8	1.8	
Settlement System Upgrade	1.9	1.6	0.3	15.8		6.8	6.8	-	-	
Information Lifecycle Management	1.1	1.0	0.1	9.1		2.0	2.0	-	-	
Texas Standard Electronic Transaction (SET) 4.0	1.6	1.6	-	-		1.8	1.7	0.1	5.6	
Oracle 11G Upgrade	0.5	0.2	0.3	60.0		1.4	1.4	-	-	
SCR760 Info Model Manager & Topology Processor	0.6	0.5	0.1	16.7		1.1	1.0	0.1	9.1	
Content Management System (CMS) and Market Information Repository (MIR) Replacement	-	-	-	n/a		1.0	1.0	-	-	
Security Admin Gateway Environment (SAGE)	0.2	0.2	-	-		0.9	0.9	-	-	
Congestion Revenue Rights (CRR) Upgrade	-	-	-	n/a		0.8	0.8	-	-	
NPRR351-Security Constrained Economic Dispatch (SCED) Look Ahead Step 1: Indicative Pricing	0.5	0.3	0.2	40.0		0.7	0.5	0.2	28.6	
NPRR347/NPRR400 Implementation	0.3	0.3	-	-		0.7	0.7	-	-	
Taylor Facilities Upgrade	0.7	0.6	0.1	14.3		0.6	0.6	-	-	
Security and Reliability Compliance Software	0.4	0.4	-	-		0.5	0.5	-	-	
Minor Capital	0.2	0.2	-	-		0.5	0.5	-	-	
Capital Efficiencies & Enhancements	0.4	0.4	-	-		0.5	0.5	-	-	
Other Portfolio Projects	3.6	3.3	0.3	8.3		6.4	6.0	0.4	6.3	
Total - Project Expenditures	\$ 56.7	\$ 54.5	\$ 2.2	3.9		\$ 70.4	\$ 68.8	\$ 1.6	2.3	