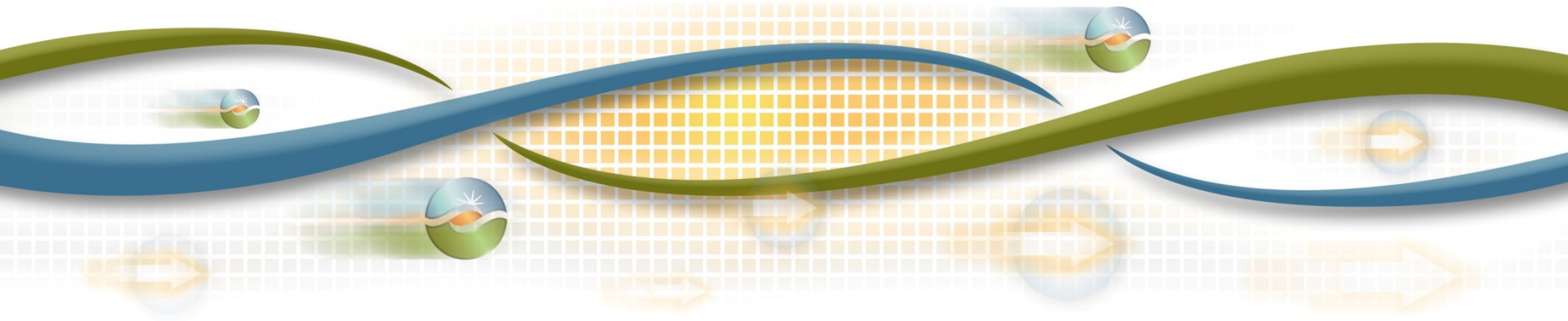




# Acceptance of Audit of 2011 Financial Statements and FERC Form 1

Ryan Seghesio  
Chief Financial Officer & Treasurer

Board of Governors Meeting  
General Session  
May 16-17, 2012



# Management has completed the annual financial statement process.

- Annual financial statements
- Annual FERC Form 1

# Highlights of the 2011 Financial Statements

## Key components of the balance sheet:

- Total assets = \$891 million
  - Cash and investments ~ 63%
  - Fixed assets ~ 34%
  - Accounts Receivable and Other Assets ~ 3%
- Total liabilities = \$699 million
  - Due to market participants ~ 50%
  - Outstanding debt ~ 41%
  - Payables ~ 9%

# Highlights of the 2011 Financial Statements

## Key components of the income statement:

- Operating revenues = \$195 million
  - Grid management charge revenues
- Operating expenses = \$231 million
  - Operating and maintenance expenses
  - Building and equipment depreciation

Accounting loss driven by first year of new building depreciation, termination of old building leases, and amortization of fixed assets.