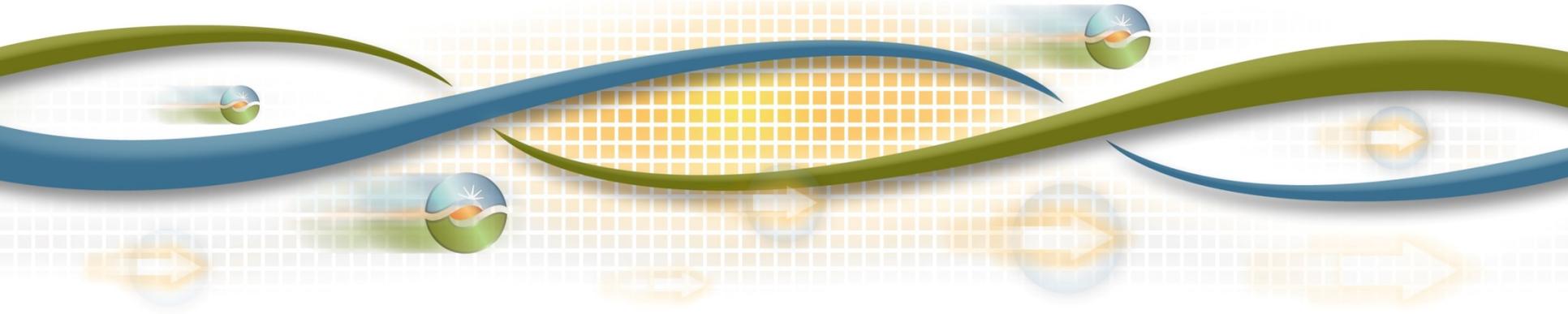




Acceptance of Audit of 2011 Financial Statements and FERC Form 1

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.