

# Segment EBIT Analysis

(\$ in millions)	<u>1Q04 Actual</u>	<u>2Q04 Actual</u>	<u>3Q04 Actual</u>	<u>YTD Actual</u>
Total Gross Margin from Accrual Portfolio	\$ 47	\$ 103	\$ 83	\$ 233
Expenses:				
O&M	(74)	(77)	(61)	(212)
Depreciation	(46)	(39)	(39)	(124)
General and administrative	(45)	(44)	(35)	(124)
Minority interest benefit (expense)	10	1	(6)	5
Other income (expense)	(3)	1	7	5
Total Expenses	<u>(158)</u>	<u>(158)</u>	<u>(134)</u>	<u>(450)</u>
Segment EBIT before special items and MTM change	\$ (111)	\$ (55)	\$ (51)	\$ (217)
Loss on sale of SE generation assets/other	(361)	---	(6)	(367)
Enron settlement	---	108 (c)	---	108
Western energy market settlement	---	(105)	---	(105)
Gain (loss) on asset sales at DETM	2 (a)	(10) (d)	---	(8)
Changes in MTM portfolio	(87) (b)	24 (e)	40 (f)	(23)
Reported Segment EBIT	<u>\$ (557)</u>	<u>\$ (38)</u>	<u>\$ (17)</u>	<u>\$ (612)</u>

- (a) \$3 million, before minority interest  
(b) \$93 million loss, before minority interest  
(c) \$113 million, before minority interest  
(d) \$16 million loss, before minority interest  
(e) \$22 million, before minority interest  
(f) \$47 million, before minority interest

Note: First and second quarter amounts have been restated due to the reclassification of Bayside to Discontinued Operations in the third quarter.