



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity

May & Year-to-Date May Financial Overview
June 17, 2008

2009 Texas RE Budget Development Schedule

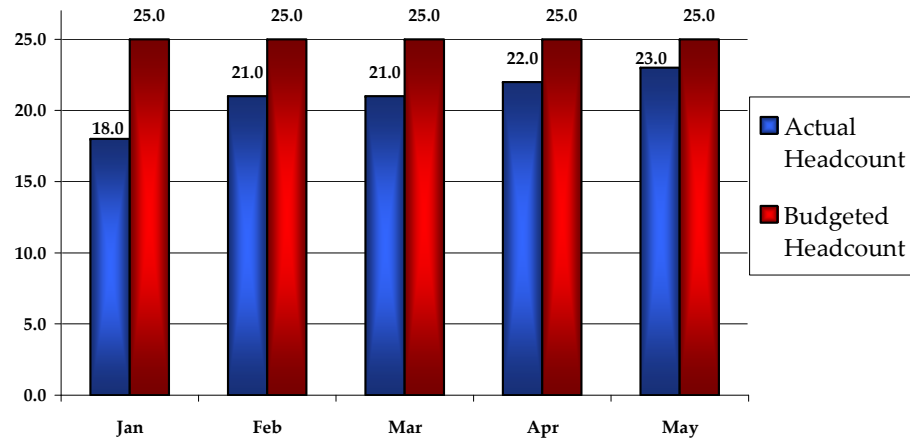
- ✓ April 15 – Review Preliminary Draft of 2009 Budget at F&A Committee
- ✓ May 1 – F&A Committee Special Meeting (if necessary)
- ✓ May 9 – Draft #1 of Business Plan & Budget (BP&B) submitted to NERC
- ✓ May 19 – Special F&A Committee Meeting
- ✓ May 20 – F&A Committee & Board Discussion of Draft #1 of BP&B
- ✓ May 30 – Draft #2 of BP&B due to NERC on time
- ✓ June 9 – Draft #2.1 of BP&B sent to NERC
- June 17 – Texas RE Board Approval of Texas RE BP&B
- July 9 – Final Texas RE Board-Approved BP&B due to NERC

May & YTD May Actual Workforce

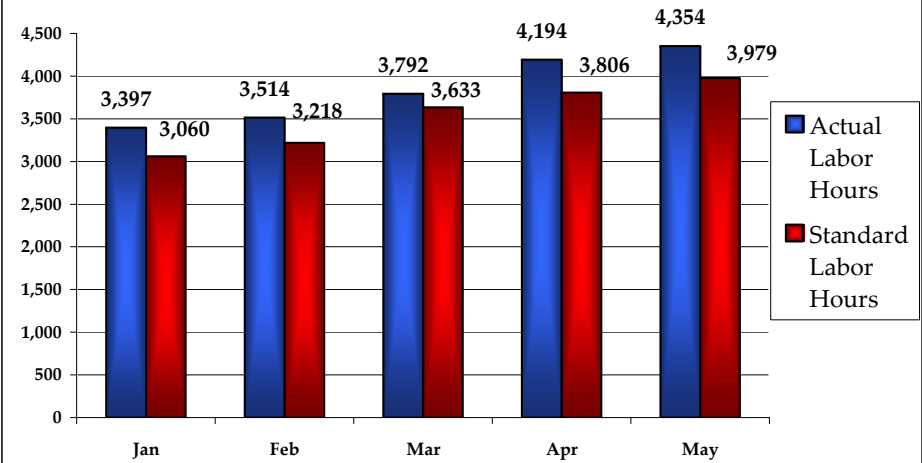
Texas Regional Entity Headcount Statutory & Non-Statutory Combined For The Month Ended May 31, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual Headcount	18.0	21.0	21.0	22.0	23.0							
Budgeted Headcount	25.0	25.0	25.0	25.0	25.0							
Variance Under/(Over)	7.0	4.0	4.0	3.0	2.0							
Actual Labor Hours	3,397	3,514	3,792	4,194	4,354							
Standard Labor Hours	3,060	3,218	3,633	3,806	3,979							
Variance Under/(Over)	(337)	(296)	(159)	(388)	(375)							

Texas Regional Entity - Workforce Exhibit

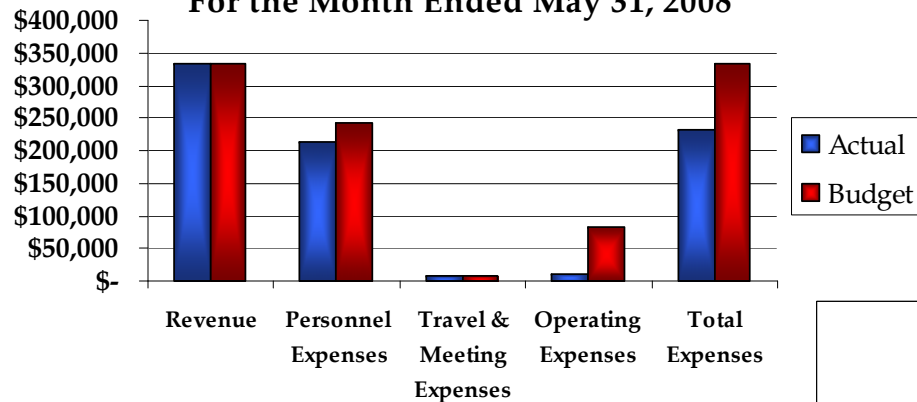


Texas Regional Entity - Labor Hours



May & YTD May Operating Expenses

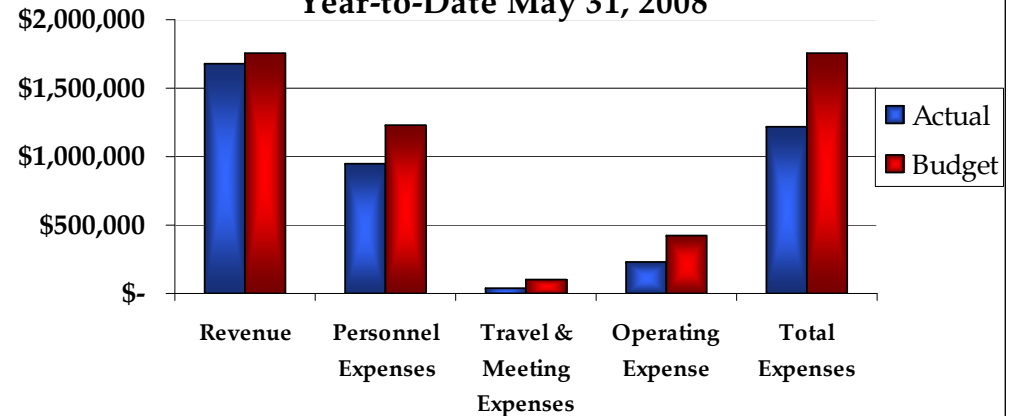
**Texas RE - Income Statement by Segment
Consolidated Statutory & Non-Statutory
For the Month Ended May 31, 2008**



May & YTD May Comments

- ➔ **Revenue** - Revenue is on target for the month, but YTD is slightly less than plan due to Operator Training Seminar.
- ➔ **Personnel Expenses** - Lower due to personnel vacancies.
- ➔ **Travel & Meetings Expenses** - Lower due to personnel vacancies and because Texas RE did not pay for Operator Training Seminar.
- ➔ **Operating Expenses** - Lower primarily related to not using the contingency reserve and personnel vacancies.

**Texas RE - Income Statement by Segment
Consolidated Statutory & Non-Statutory
Year-to-Date May 31, 2008**



May & YTD May Operating Expenses

**Texas Regional Entity
Consolidated Income Statement
Statutory & Non-Statutory Combined
For The Month Ended May 31, 2008
(Unaudited)**

		Period to Date			Year to Date			Annual
		Actual	Budget	Difference	Actual	Budget	Difference	Budget
Revenue	1-Assessments	333,446	333,446	-	1,685,603	1,685,603	-	4,074,849
	2-Workshops	-	-	-	-	67,026	(67,026)	70,000
Total Revenue		333,446	333,446	-	1,685,603	1,752,629	(67,026)	4,144,849
Personnel Expenses	1-Salaries	166,358	183,719	17,361	722,148	933,857	211,709	2,242,782
	2-Payroll Taxes	12,169	15,249	3,080	59,192	77,510	18,319	186,151
	3-Employee Benefits	13,905	22,371	8,466	73,261	113,688	40,427	273,034
	4-Saving and Retirement	21,879	21,495	(384)	93,325	109,261	15,937	262,406
Subtotal Personnel Expenses		214,311	242,834	28,523	947,926	1,234,317	286,391	2,964,373
Travel & Meetings	1-Meetings	27	353	326	1,629	57,767	56,138	74,240
	2-Travel	6,990	7,250	260	32,912	40,304	7,392	97,135
Subtotal Travel & Meetings		7,017	7,603	586	34,541	98,071	63,530	171,375
Operating Expenses	1-Rent & Improvements	8,094	22,583	14,489	40,470	112,917	72,447	271,000
	2-Consultant	(25,000)		25,000	(11,304)		11,304	-
	3-Office Costs	2,931	30,633	27,702	7,614	158,367	150,752	380,600
	4-Professional Services	12,303	22,333	10,031	130,566	111,667	(18,899)	268,000
	5-Computer Purchase & Main	13,445	7,417	(6,028)	68,348	37,083	(31,265)	89,000
	6-Other	49	42	(8)	569	208	(361)	500
Subtotal Operating Expenses		11,822	83,008	71,186	236,264	420,242	183,978	1,009,100
Total Expenses		233,151	333,446	100,295	1,218,730	1,752,629	533,899	4,144,849
GAIN or (LOSS)		100,295	0	100,295	466,873	0	466,873	0