TEXAS REGIONAL ENTITY™

An Independent Division of ERCOT

Texas Regional Entity Financial Report

August 2008 & Year-to-Date

Financial Overview

September 15, 2008

Texas RE Financial Accomplishments

- ✓ All Regional Entity Budgets and the NERC Budget approved by the NERC BOT on July 30, 2008 were submitted to FERC on August 22, 2008.
  - ✓ There was a subsequent filing correcting NERC's summary of information presented in the August 22nd filing.
  - ✓ The comment period for the Business Plans & Budgets will be open until September 11, 2008.
  - ✓ NERC requested that FERC approve and comment on the Business Plans & Budgets before November 2, 2008.
- ✓ Recorded unbudgeted interest income of $9K for the month.

August 2008 & YTD Actual Workforce

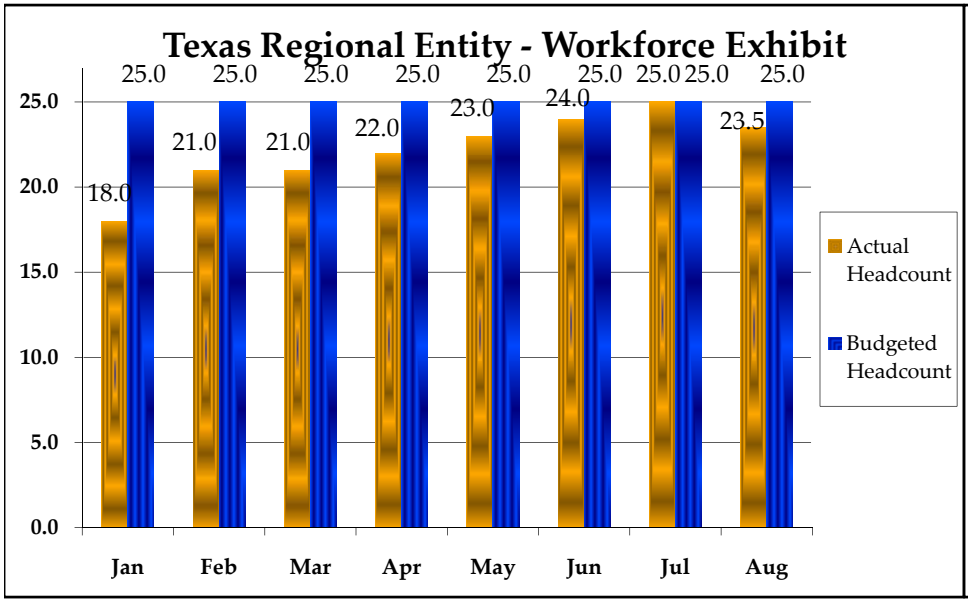
Texas Regional Entity

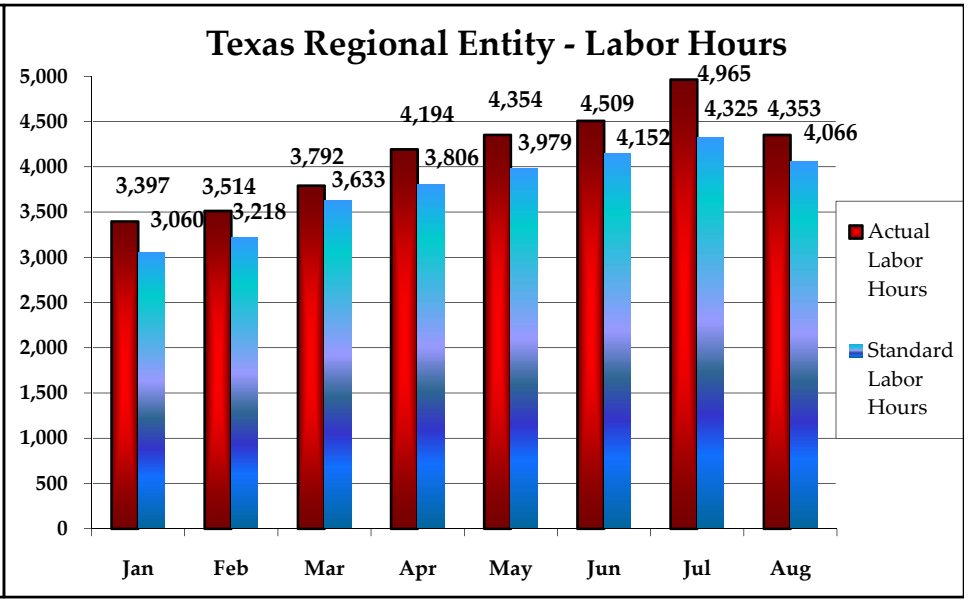
Headcount

Statutory & Non-Statutory Combined

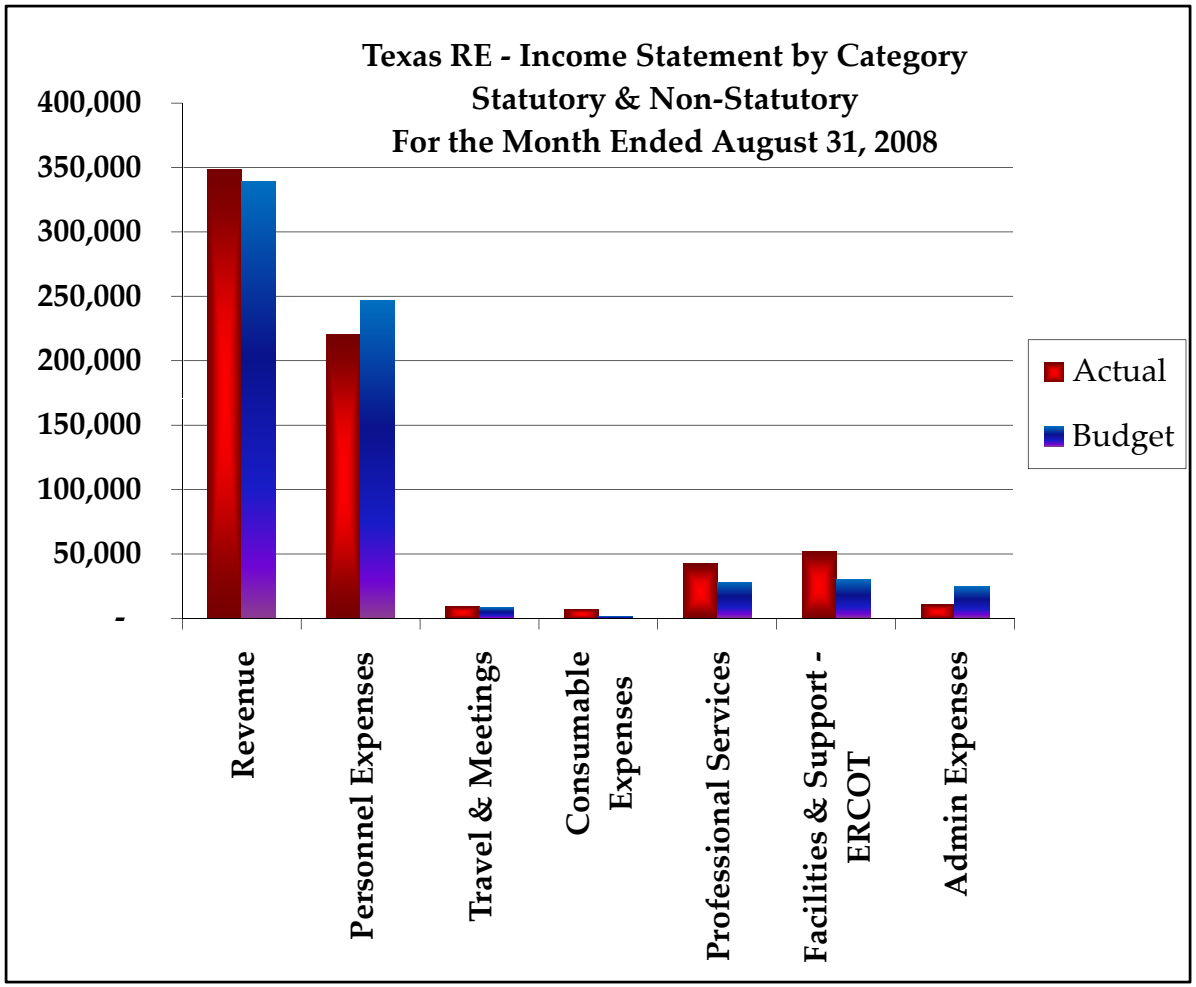
For the Period Ended August 31, 2008

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual Headcount	18.0	21.0	21.0	22.0	23.0	24.0	25.0	23.5				
Budgeted Headcount	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0				
Variance Under/(Over)	7.0	4.0	4.0	3.0	2.0	1.0	-	1.5				
Actual Labor Hours	3,397	3,514	3,792	4,194	4,354	4,509	4,965	4,353				
Standard Labor Hours	3,060	3,218	3,633	3,806	3,979	4,152	4,325	4,066				
Variance Under/(Over)	(337)	(296)	(159)	(388)	(375)	(357)	(640)	(288)				





August 2008 Operating Expenses



August Comments

Revenue - Revenue for August is higher than plan, due to interest income earnings on excess cash.

Personnel Expenses - Lower in August due to personnel vacancies.

Travel & Meetings Expenses - Slightly higher in August due to higher number of employees traveling offsite.

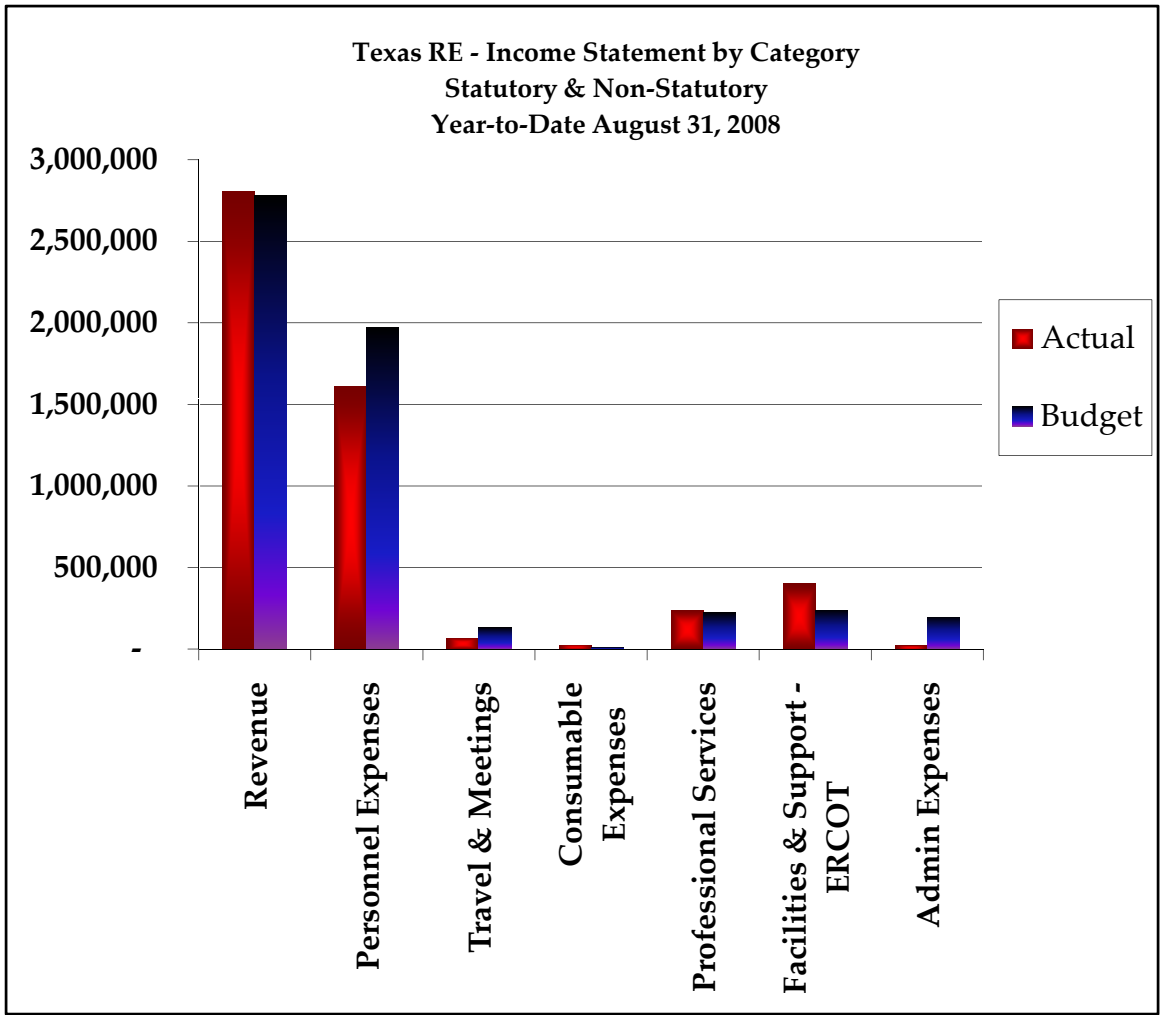
Consumable Expenses - For the month is trending higher due to increased demand for printing, resulting from requests for information.

Professional Services - Expenses for August are higher due to significant outside counsel expenses related to a registration appeal.

Facilities & Support - ERCOT - Expenses are higher for August due to the higher than planned expenses for HR, Treasury, Risk Management, Finance & BOD fees.

Administrative Expenses - The contingency reserve was budgeted in this category.

YTD August Operating Expenses



YTD August Comments

Revenue - Revenue year-to-date is higher than plan, due to interest income earnings on excess cash.

Personnel Expenses - Lower YTD due to personnel vacancies.

Travel & Meetings Expenses - Lower due to vacancies.

Consumable Expenses - YTD, is trending higher due to the increased demand for office supplies and printing. The increase is a result of reporting activities, printing, and requests for information.

Professional Services - Expenses YTD are slightly higher due to the Audit from 2007 impacting 2008 and outside review of Texas RE procedures.

Facilities & Support - ERCOT - Expenses are trending higher YTD due to the higher than planned expenses for HR, Treasury, Risk Management, Finance & BOD fees.

Administrative Expenses - The contingency reserve was budgeted in this category.

August 2008 & YTD Operating Expenses

Texas Regional Entity
Income Statement
Statutory & Non-Statutory Consolidated
For the Period Ended August 31, 2008
Unaudited

Group Rollup	Group Rollup Name	Period to Date Actual	Period to Date Budget	Period to Date Difference	Year to Date Actual	Year to Date Budget	Year to Date Difference	Annual Budget
Revenue	1-Assessments	339,571	339,571	-	2,716,566	2,716,566	-	4,074,848
	2-Workshops		-	-		63,000	(63,000)	70,000
	3-Interest Income	8,973		8,973	86,539		86,539	
Total Revenue		**348,544**	**339,571**	**8,973**	**2,803,105**	**2,779,566**	**23,539**	**4,144,848**
				-				
Personnel Expenses	10-Salaries	177,186	186,899	9,713	1,248,164	1,495,189	247,024	2,242,782
	11-Payroll Taxes	11,996	15,513	3,517	97,859	124,101	26,242	186,151
	12-Employee Benefits	7,203	22,428	15,225	106,108	179,423	73,315	269,134
	13-Saving and Retirement	23,656	21,867	(1,789)	160,111	174,937	14,826	262,406
Total Personnel Expenses		**220,041**	**246,706**	**26,666**	**1,612,243**	**1,973,649**	**361,407**	**2,960,473**
Travel & Meetings	20-Meetings & Training	1,795	353	(1,442)	11,560	65,827	54,267	74,240
	30-Travel	7,570	8,095	525	56,833	64,757	7,924	97,135
Total Travel & Meetings		**9,365**	**8,448**	**(917)**	**68,393**	**130,583**	**62,190**	**171,375**
Consumable Expenses	40-Office Supplies		550	550	9,217	4,400	(4,817)	6,600
	41-Postage & Shipping	591	300	(291)	2,899	2,400	(499)	3,600
	42-Telecommunications	440	325	(115)	3,087	2,600	(487)	3,900
	43-Printing & Copying	5,598	100	(5,498)	9,464	800	(8,664)	1,200
Total Consumable Expenses		**6,628**	**1,275**	**(5,353)**	**24,667**	**10,200**	**(14,467)**	**15,300**
Equipment & Maintenance	**50-Equipment Maintenance**	**-**	**350**	**350**		**2,800**	**2,800**	**4,200**
Professional Services & Consulting Expenses	60-Professional Services-Legal	38,600	23,167	(15,433)	132,487	185,333	52,847	278,000
	61-Professional Services-Accounting/Auditing	3,363	3,000	(363)	52,469	24,000	(28,469)	36,000
	62-Professional Services-Other	250	2,000	1,750	54,550	16,000	(38,550)	24,000
Total Professional Services & Consulting Expenses		**42,213**	**28,167**	**(14,046)**	**239,506**	**225,333**	**(14,173)**	**338,000**
Facilities & Support - ERCOT	70-Rent & Improvements	9,835	9,333	(502)	78,680	74,667	(4,013)	112,000
	71-Support (HR, Treas, Finance, BOD, etc.)	26,302	8,417	(17,885)	203,276	67,333	(135,943)	101,000
	72-IT/MIS Support & Services	16,029	12,250	(3,779)	121,068	98,000	(23,068)	147,000
Total Facilities & Support - ERCOT Total		**52,165**	**30,000**	**(22,165)**	**403,023**	**240,000**	**(163,023)**	**360,000**
Administrative Expenses	73-IT/MIS Projects, Purchases & Maintenance	10,000		(10,000)	15,309		(15,309)	
	80-Depreciation Expense	-	-	-	2,455			
	81-Interest Expense	-	-	-	395			
	90-Miscellaneous Other	377	24,625	24,248	2,094	197,000	194,906	295,500
Total Administrative Expenses		**10,377**	**24,625**	**14,248**	**20,252**	**197,000**	**176,748**	**295,500**
Total Expenses		**340,789**	**339,571**	**(1,218)**	**2,368,085**	**2,779,566**	**411,481**	**4,144,848**
GAIN / (LOSS)		**7,755**	**0**	**7,755**	**435,020**	**0**	**435,020**	**0**

ERCOT Support Costs – Texas RE Paid

Texas Regional Entity
MOU/SLA Allocations

Headcount	18	21	21	22	23	24	25	23.5	
Allocation Entry	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**July**	**August**	**Total**
Treasury and Credit Services Cost Allocation									
Insurance	5,251	5,251	5,251	5,251	5,251	5,251	5,251	5,251	**42,012**
Enterprise Risk Management	310	310	310	310	310	310	310	310	**2,484**
Treasury and Cash Management	426	342	431	476	396	396	1,088	1,045	**4,601**
Human Resource Services Cost Allocation	2,043	2,383	2,383	2,497	2,610	2,724	2,837	2,667	**20,143**
Texas RE Board of Directors	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	**100,000**
Procurement, Contract Administration and Strategic Sourcing Services Cost Allocation									
Number of POs	-	79	159	159	258	298	338	397	**1,688**
Number of Contracts/RFPs	-	-	-	-	44	87	87	131	**348**
Accounting, Budget, and Payroll Services Cost Allocation									
Accounting, budget, and financial analysis	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	**16,000**
Payroll	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	**16,000**
Facilities Services Cost Allocation	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	**78,680**
Information Technology Services Cost Allocation	12,277	14,323	14,323	15,006	15,688	16,370	17,052	16,029	**121,068**
Actual Expenses Paid to Date	**46,643**	**49,025**	**49,194**	**50,034**	**50,893**	**51,771**	**53,299**	**52,165**	**403,023**
Budget for ERCOT Support	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	240,000
Difference: Over Budget	**16,643**	**19,025**	**19,194**	**20,034**	**20,893**	**21,771**	**23,299**	**22,165**	**163,023**