



# Texas Regional Entity Financial Report

September 2008 & Year-to-Date  
Financial Overview  
October 20, 2008

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# Texas RE Financial Accomplishments

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- **FERC expected to rule on NERC & Regional Entity 2009 Business Plans & Budgets (BP&Bs) on October 16<sup>th</sup>**
  - NERC requested FERC comment by November 2, 2008
  - Scheduled for FERC's October 16, 2008 Open Meeting
- **Regional Entity Budget Group meets on October 29<sup>th</sup> to discuss:**
  - Modification of financial and operational metrics reviewed by Regional Entities, NERC, and FERC
  - Increased uniformity in budget process across regions
- **Texas RE proceeding with procuring alternate office space, in accordance with Texas RE BP&B**
- **3rd Quarter Financial Reporting Package due to NERC by October 20<sup>th</sup>**

# September 2008 & YTD Actual Workforce

## Headcount

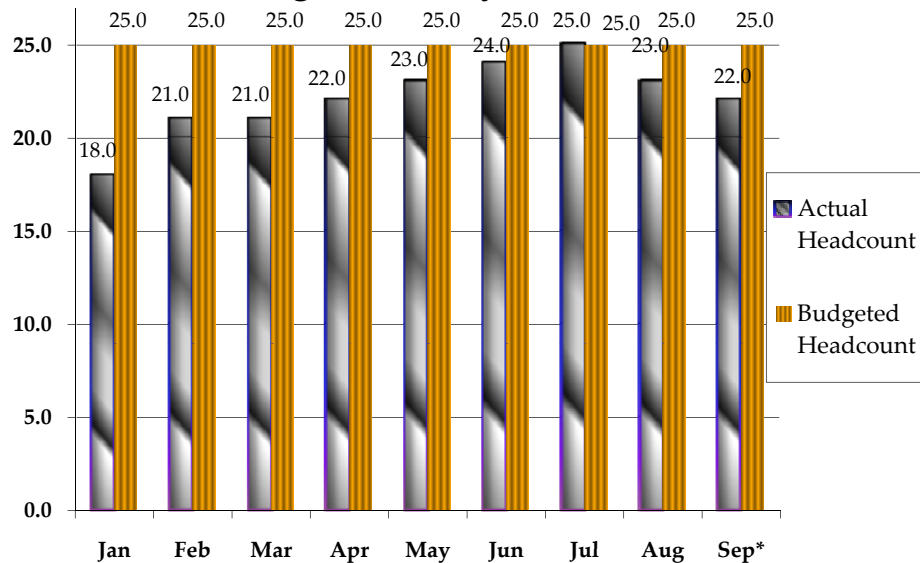
### Statutory & Non-Statutory Combined

For the Month Ended September 30, 2008

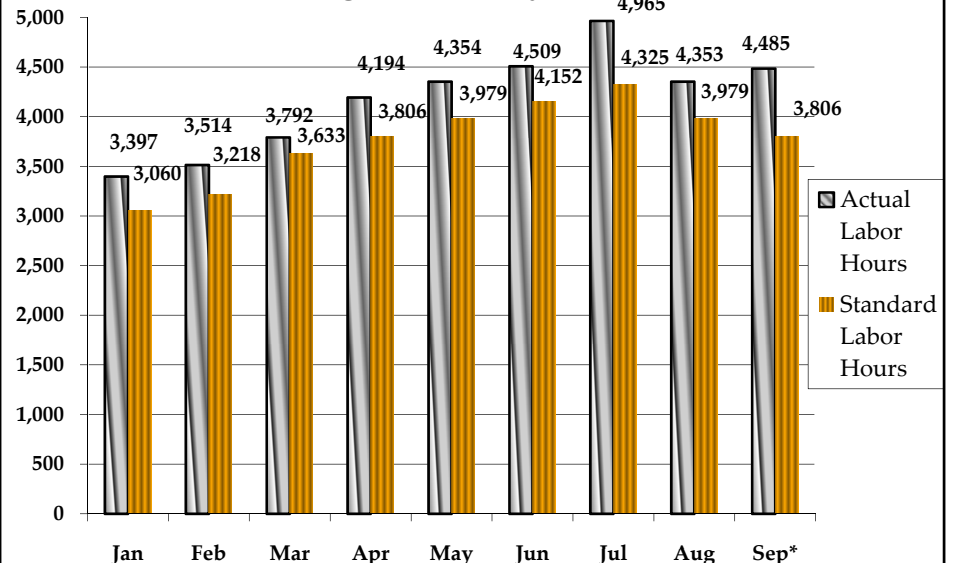
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep*	Oct	Nov	Dec
Actual Headcount	18.0	21.0	21.0	22.0	23.0	24.0	25.0	23.0	22.0			
Budgeted Headcount	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0			
Variance Under/(Over)	7.0	4.0	4.0	3.0	2.0	1.0	-	2.0	3.0			
Actual Labor Hours	3,397	3,514	3,792	4,194	4,354	4,509	4,965	4,353	4,485			
Standard Labor Hours	3,060	3,218	3,633	3,806	3,979	4,152	4,325	3,979	3,806			
Variance Under/(Over)	(337)	(296)	(159)	(388)	(375)	(357)	(640)	(374)	(679)			

\* Does not include interns and/or consultants.

## Texas Regional Entity - Workforce Exhibit

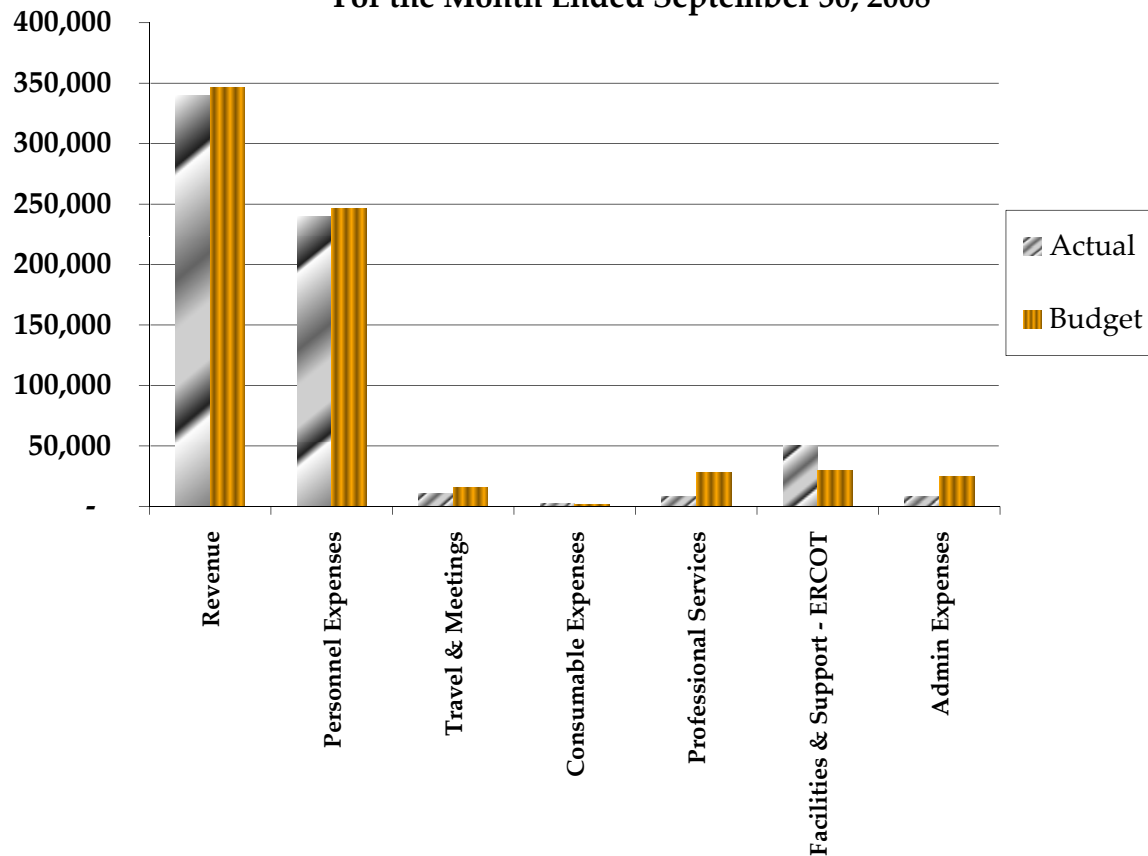


## Texas Regional Entity - Labor Hours



# September 2008 Operating Expenses

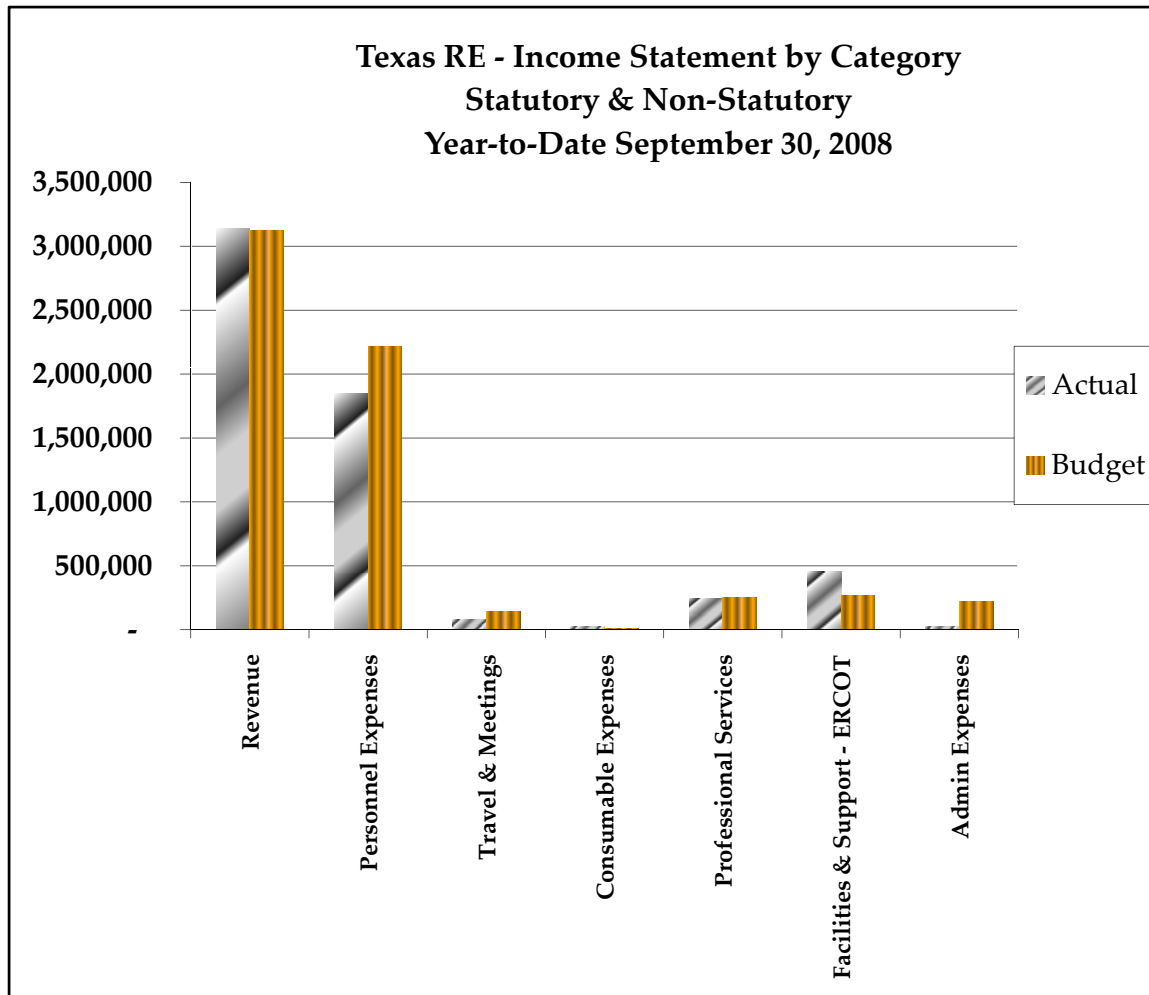
**Texas RE - Income Statement by Category  
Statutory & Non-Statutory  
For the Month Ended September 30, 2008**



## September Comments

- ➡ **Revenue** - Revenue for August is less than plan, due to operator training revenue.
- ➡ **Personnel Expenses** - Lower in September due to personnel vacancies.
- ➡ **Travel & Meetings Expenses** - Slightly less in September due to a fewer 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 September are less than plan primarily due to underspending in legal.
- ➡ **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 September Operating Expenses



## YTD September 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.

# September 2008 & YTD Operating Expenses

Texas Regional Entity  
Income Statement  
Statutory & Non-Statutory Consolidated  
For the Period Ended September 30, 2008  
Unaudited

Group Rollup	Group Rollup Name	Period to Date			Year to Date			Annual Budget
		Actual	Budget	Difference	Actual	Budget	Difference	
<b>Revenue</b>	1-Assessments	339,571	339,571	-	3,056,136	3,056,136	-	4,074,848
	2-Workshops	-	7,000	(7,000)	-	70,000	(70,000)	70,000
	3-Interest Income	3,757	-	3,757	90,296	-	90,296	-
<b>Total Revenue</b>		<b>343,328</b>	<b>346,571</b>	<b>(3,243)</b>	<b>3,146,433</b>	<b>3,126,136</b>	<b>20,296</b>	<b>4,144,848</b>
<b>Personnel Expenses</b>	10-Salaries	174,114	186,899	12,785	1,422,278	1,682,087	259,809	2,242,782
	11-Payroll Taxes	10,785	15,513	4,728	108,643	139,614	30,970	186,151
	12-Employee Benefits	32,539	22,428	(10,111)	138,647	201,851	63,204	269,134
	13-Saving and Retirement	22,090	21,867	(223)	182,201	196,804	14,603	262,406
<b>Total Personnel Expenses</b>		<b>239,527</b>	<b>246,706</b>	<b>7,179</b>	<b>1,851,770</b>	<b>2,220,356</b>	<b>368,586</b>	<b>2,960,473</b>
<b>Travel &amp; Meetings</b>	20-Meetings & Training	1,859	7,353	5,494	13,419	73,178	59,759	74,240
	30-Travel	9,110	8,095	(1,015)	65,943	72,851	6,909	97,135
<b>Total Travel &amp; Meetings</b>		<b>10,969</b>	<b>15,448</b>	<b>4,479</b>	<b>79,362</b>	<b>146,030</b>	<b>66,668</b>	<b>171,375</b>
<b>Consumable Expenses</b>	40-Office Supplies	523	550	27	9,740	4,950	(4,790)	6,600
	41-Postage & Shipping	444	300	(144)	3,343	2,700	(643)	3,600
	42-Telecommunications	508	325	(183)	3,595	2,925	(670)	3,900
	43-Printing & Copying	1,140	100	(1,040)	10,605	900	(9,705)	1,200
<b>Total Consumable Expenses</b>		<b>2,615</b>	<b>1,275</b>	<b>(1,340)</b>	<b>27,283</b>	<b>11,475</b>	<b>(15,808)</b>	<b>15,300</b>
<b>Equipment &amp; Maintenance</b>	50-Equipment Maintenance	-	350	350	-	3,150	3,150	4,200
<b>Professional Services &amp; Consulting Expenses</b>	60-Professional Services-Legal	5,332	23,167	17,835	137,819	208,500	70,682	278,000
	61-Professional Services-Accounting/Auditing	3,333	3,000	(333)	55,802	27,000	(28,802)	36,000
	62-Professional Services-Other	-	2,000	2,000	54,550	18,000	(36,550)	24,000
<b>Total Professional Services &amp; Consulting Expenses</b>		<b>8,665</b>	<b>28,167</b>	<b>19,502</b>	<b>248,171</b>	<b>253,500</b>	<b>5,330</b>	<b>338,000</b>
<b>Facilities &amp; Support - ERCOT</b>	70-Rent & Improvements	9,835	9,333	(502)	88,515	84,000	(4,515)	112,000
	71-Support (HR, Treas, Finance, BOD, etc.)	25,167	8,417	(16,750)	228,443	75,750	(152,693)	101,000
	72-IT/MIS Support & Services	15,006	12,250	(2,756)	136,073	110,250	(25,823)	147,000
<b>Total Facilities &amp; Support - ERCOT Total</b>		<b>50,008</b>	<b>30,000</b>	<b>(20,008)</b>	<b>453,031</b>	<b>270,000</b>	<b>(183,031)</b>	<b>360,000</b>
<b>Administrative Expenses</b>	73-IT/MIS Projects, Purchases & Maintenance	-	-	-	15,309	-	(15,309)	-
	80-Depreciation Expense	7,909	-	(7,909)	10,364	-	(10,364)	-
	81-Interest Expense	-	-	-	395	-	(395)	-
	90-Miscellaneous Other	202	24,625	24,423	2,296	221,625	219,329	295,500
<b>Total Administrative Expenses</b>		<b>8,111</b>	<b>24,625</b>	<b>16,514</b>	<b>28,364</b>	<b>221,625</b>	<b>193,262</b>	<b>295,500</b>
<b>Total Expenses</b>		<b>319,896</b>	<b>346,571</b>	<b>26,675</b>	<b>2,687,980</b>	<b>3,126,136</b>	<b>438,156</b>	<b>4,144,848</b>
<b>GAIN / (LOSS)</b>		<b>23,432</b>	<b>0</b>	<b>23,433</b>	<b>458,452</b>	<b>0</b>	<b>458,453</b>	<b>0</b>