

- 2009 base operating budget approved by the Board in May 2008 assuming completion of the Nodal Program by December 2008
- Implementation of the nodal market will not be completed as assumed in the approved 2009 base operating budget
- Management will seek revised budgetary spending authority for 2009 as a result of the delay in implementation of the Nodal Program

- The schedule is very tight.
- There is no room for slippage of upstream activity.
- If all tasks are completed on time, the F&A and Board will be asked to approve a summary budget in December 2008 with more detailed, supporting budget documents to be provided in January 2009.
- If tasks are delayed, the F&A and Board may be asked to approve a one month budget in December 2008 (for activity in January 2009) and then approve the full, revised 2009 budget in January 2009.

12. Budget Planning – Updated 2009 Base Operating Budget

Mike Petterson

Date	2009 Revised Budget Preparation, Review and Approval Task
Friday, Oct. 10	Receive preliminary, revised 2009 Project Priority List (PPL) for base operations
Friday, Oct. 17	Receive preliminary, revised Nodal Program schedule, resource requirement plan, and budget
Monday, Oct. 20 - Wednesday, Oct. 22	Prepare consolidated resource requirement templates for all ERCOT departments
Thursday, Oct. 23 - Friday, Nov. 7	Calculate and compile categorical departmental budgets Conduct budget review meetings with departmental managers, directors, and officers
Monday, Nov. 10	Prepare and present to the executive team the preliminary, revised consolidated 2009 base operating budget and PPL
Tuesday, Nov. 11 - Friday, Nov. 14	Discuss with departmental managers and directors budget modifications, questions, and issues identified by the executive team
Wednesday, Nov. 19 - Friday, Nov. 21	Receive and verify revised resources requirement plans for the Nodal Program and PPL in 2009 Adjust, as necessary, the preliminary, revised 2009 base operating budget and PPL
Monday, Nov. 24	Prepare and present to the executive team the preliminary, revised and consolidated 2009 base operating budget and PPL
Monday, Oct. 20 - Friday, Nov. 28	<u>Special Nodal Program Committee</u> At times to be established by the members of the Special Nodal Program Committee, review and approve the management recommended, revised Nodal Program schedule, resource requirement plan, and budget
Friday, Nov. 28	Receive final Nodal Program schedule, resource requirement plans and budget as approved by the Special Nodal Program Committee of the ERCOT Board of Directors Adjust, as necessary, the preliminary, revised 2009 base operating budget and PPL
Monday, Dec. 1	Prepare and present to the executive team the final, revised 2009 base operating budget and PPL
Tuesday, Dec. 2	Distribute the management recommended, revised 2009 base operating budget and PPL to the members of the ERCOT Board of Directors
Tuesday, Dec. 9	<u>Finance & Audit Committee and Public Input Meeting</u> Discuss, review, and obtain from the Finance & Audit Committee a recommendation for approval by the ERCOT Board of the revised 2009 base operating budget and PPL (Vote) <u>Board of Directors Meeting</u> Discuss and review the revised 2009 base operating budget and PPL recommended by the Finance & Audit Committee Obtain approval from the ERCOT Board for the revised 2009 base operating budget and PPL (Vote)

12. Budget Planning – 2010 Base Operating Budget

Mike Petterson

Date	2010 Budget Preparation, Review and Approval Task
Monday, Apr. 13	Discuss with Executive Team the 2010 Strategic Plan & Budget
Monday, May 4	Prepare and present to the Executive Team the 2010 strategic planning & budgeting assumptions
Tuesday, May 19	<p><u>Finance & Audit Committee Meeting</u> Discuss and review the 2010 Budget/PPL Status Update</p> <p><u>Board of Directors Meeting</u> Discuss and review with the Board the strategic planning & budgeting assumptions (briefing & request for public comment)</p>
Thursday, Jun. 4	Prepare and present to Management the 2010 budget schedule and assumptions
Friday, Jun. 5 - Friday, Jun. 19	Managers prepare departmental budget requests and review with respective Director/VP
Tuesday, Jun. 9	Present and discuss with PUCT Staff the 2010 budget assumptions & timeline
Friday, Jun. 19	Managers submit departmental budget requests to Budget team
Monday, Jun. 22 - Friday, Jun. 26	Calculate & compile DRAFT Categorical Budget (Budget team)
Monday, Jun. 29 - Friday, Jul. 3	Review preliminary budget by Office with VP/Director/Manager and revise budgets (as necessary)
Monday, Jul. 6	Prepare and present consolidated schedules to the Executive Team for review
Monday, Jul. 6	Begin testimony preparation
Tuesday, Jul. 7 - Friday, Jul. 10	Work with Management Team to incorporate final adjustments
Monday, Jul. 13	Prepare and present consolidated schedules to the Executive Team for review
Tuesday, Jul. 21	<p><u>Finance & Audit Committee and Public Input Meeting</u> Prepare and present to the Finance & Audit Committee the Preliminary Budget/PPL (<i>Courtesy copy to all Board members</i>)</p>
Wednesday, Jul. 22 - Friday, Aug. 7	Distribute the consolidated schedules to PUCT Staff for review
Monday, Aug. 3	Prepare and present consolidated schedules to the Executive Team for review
Tuesday, Aug. 4	<p><u>Finance & Audit Committee Special Meeting</u> Discuss and review the 2010 Budget with the Finance & Audit Committee</p>
Friday, Aug. 7	Submit first draft of testimony
Monday, Aug. 10	Prepare and present consolidated schedules to the Executive Team for FINAL review
Tuesday, Aug. 18	<p><u>Board of Directors Meeting</u> Obtain Finance & Audit Committee recommendation for approval by the ERCOT Board of the 2010 Budget and discuss and review with the ERCOT Board the 2010 base operating budget</p>
Friday, Sept. 11	Finalize testimony
Tuesday, Sept. 15	<p><u>Board of Directors Meeting</u> Obtain approval from the ERCOT Board for the 2010 base operating budget and PPL/Vote</p>
Monday, Sept. 14 - Wednesday, Sept. 23	Review and finalize PUCT Fee Filing
Wednesday, Sept. 30	File fee case with PUCT