



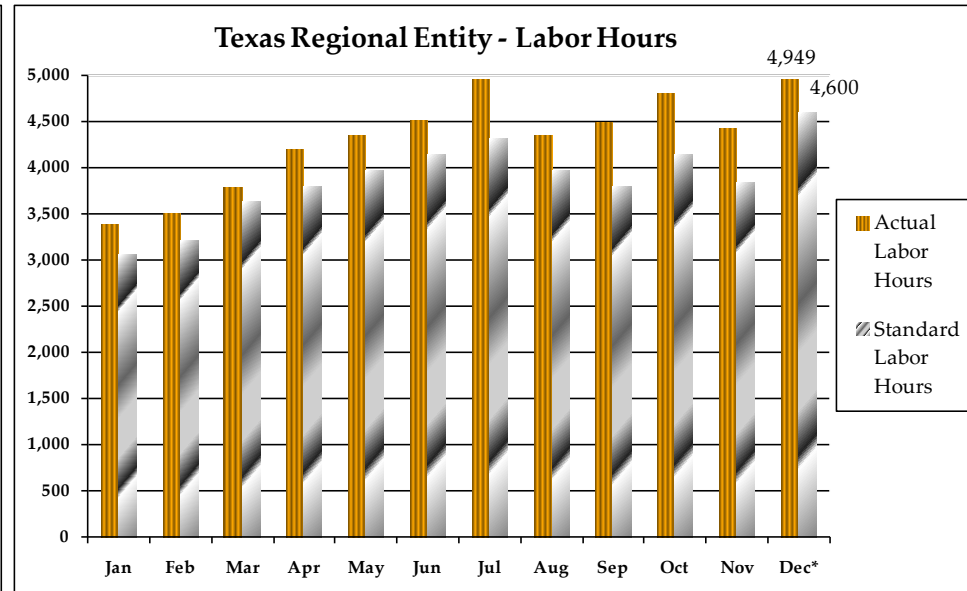
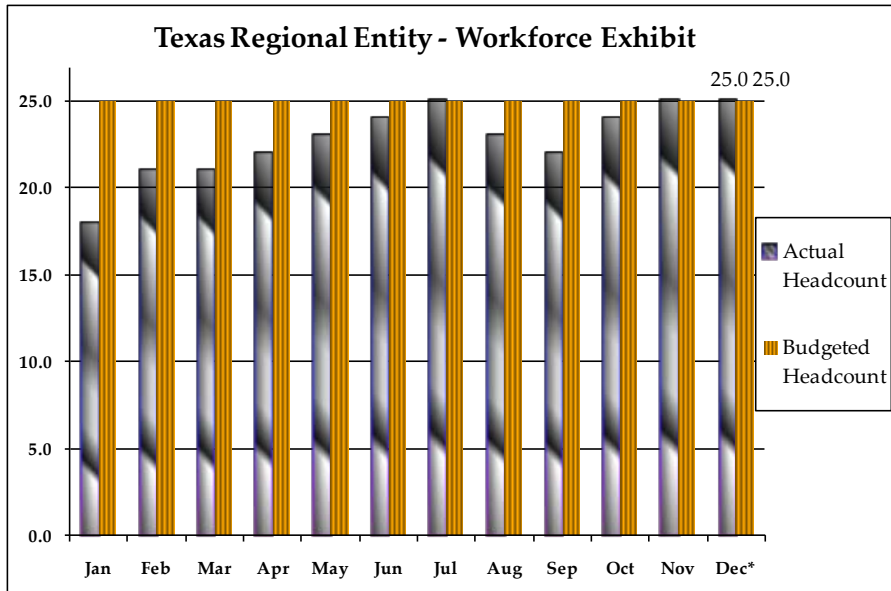
**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Financial Report

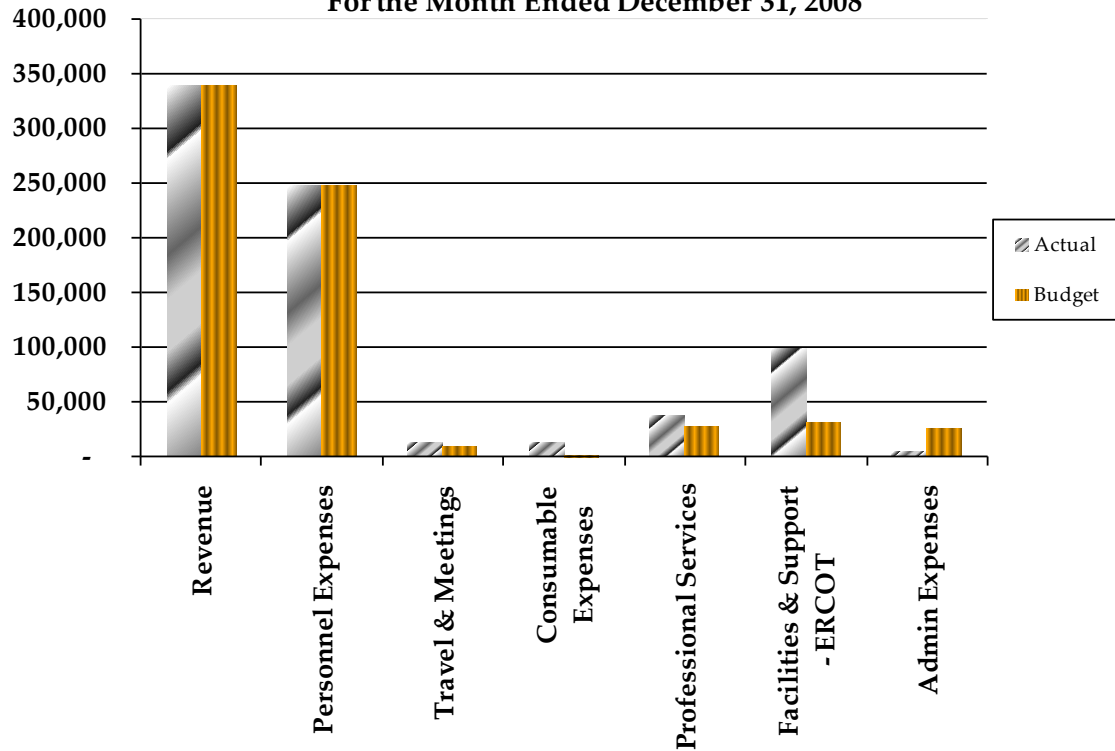
December 2008 & Year-to-Date
Financial Overview
January 19, 2009

December 2008 & YTD Actual Workforce



December Operating Expenses

Texas RE - Income Statement by Category
For the Month Ended December 31, 2008

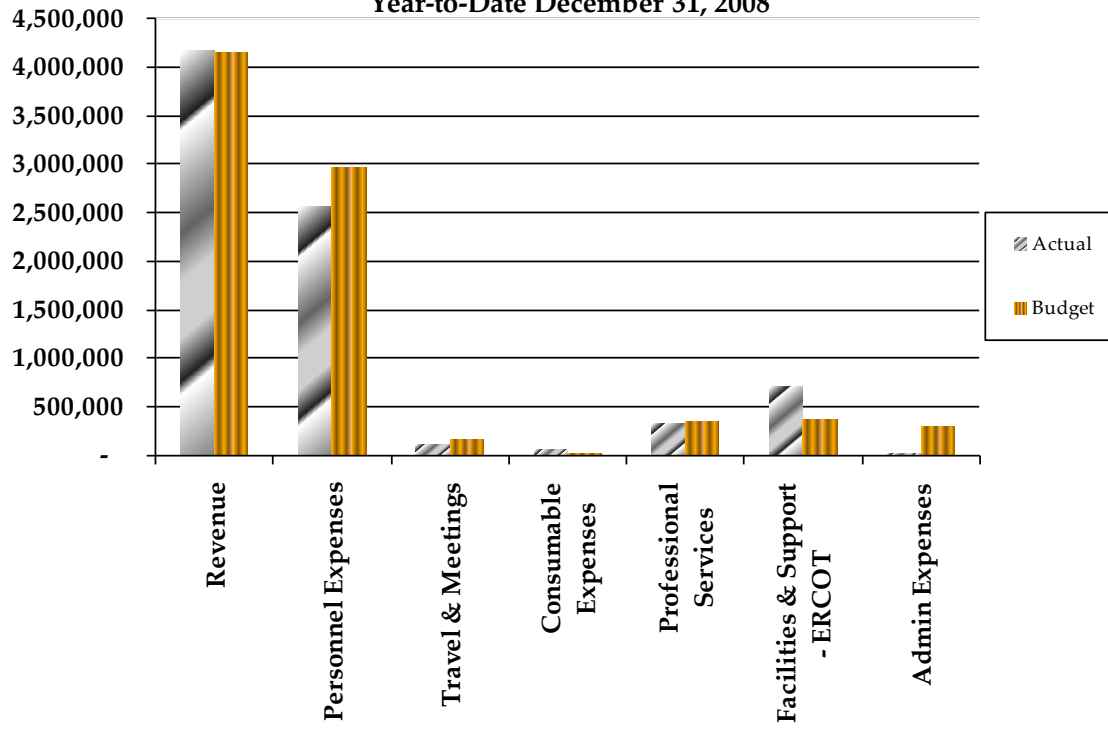


December Comments

- 
Revenue - Revenue for December is on target compared to plan.
- 
Personnel Expenses - On Target in December due to full staff for the entire month.
- 
Travel & Meetings Expenses - Slightly higher in December due to a higher number of expense reports submitted.
- 
Consumable Expenses - For the month is trending higher due to website/portal hosting fee.
- 
Professional Services - Expenses for December are higher than plan primarily due to final determination of financial audit expense and FERC audit preparation.
- 
Facilities & Support - Higher in December due to the higher than planned expenses paid to ERCOT for Administrative services (MOU executed in July, 2008).
- 
Administrative Expenses - The contingency reserve was budgeted in this category.

YTD December 2008 Operating Expenses

Texas RE - Income Statement by Category
Year-to-Date December 31, 2008



YTD December 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 on target despite the financial audit expenses from 2007 impacting 2008 and outside review of Texas RE procedures.



Facilities & Support - Higher YTD due to the higher than planned expenses paid to ERCOT for Administrative services (MOU executed in July, 2008).



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

December 2008 & YTD Operating Expenses

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

Group Rollup	Group Rollup Name	Period to Date			Year to Date			Annual Budget
		Actual	Budget	Difference	Actual	Budget	Difference	
Revenue	1-Assessments	339,571	339,571	(0)	4,074,848	4,074,848	-	4,074,848
	2-Workshops	-	-	-	-	70,000	(70,000)	70,000
	3-Interest Income	-	-	-	90,041	-	90,041	-
Total Revenue		339,571	339,571	0	4,164,889	4,144,848	20,041	4,144,848
Personnel Expenses	10-Salaries	193,159	186,897	(6,262)	1,973,974	2,242,782	268,807	2,242,782
	11-Payroll Taxes	11,766	15,512	3,746	143,083	186,151	43,068	186,151
	12-Employee Benefits	18,158	22,428	4,270	207,407	269,134	61,727	269,134
	13-Saving and Retirement	23,482	21,867	(1,615)	246,481	262,406	15,925	262,406
Total Personnel Expenses		246,566	246,704	138	2,570,945	2,960,473	389,528	2,960,473
Travel & Meetings	20-Meetings & Training	175	353	179	23,374	74,239	50,865	74,240
	30-Travel	12,528	8,095	(4,433)	90,241	97,135	6,894	97,135
Total Travel & Meetings		12,703	8,448	(4,255)	113,616	171,375	57,759	171,375
Consumable Expenses	40-Office Supplies	1,020	550	(470)	11,987	6,600	(5,387)	6,600
	41-Postage & Shipping	198	300	102	4,306	3,600	(706)	3,600
	42-Telecommunications	10,025	325	(9,700)	24,076	3,900	(20,176)	3,900
	43-Printing & Copying	1,656	100	(1,556)	14,298	1,200	(13,098)	1,200
Total Consumable Expenses		12,899	1,275	(11,624)	54,667	15,300	(39,367)	15,300
Equipment & Maintenance	50-Equipment Maintenance	-	350	350	-	4,200	4,200	4,200
Professional Services & Consulting Expenses	60-Professional Services-Legal	12,428	23,167	10,739	157,714	278,000	120,286	278,000
	61-Professional Services-Accounting/Auditing	10,011	3,000	(7,011)	77,502	36,000	(41,502)	36,000
	62-Professional Services-Other	14,718	2,000	(12,718)	87,764	24,000	(63,764)	24,000
Total Professional Services & Consulting Expenses		37,157	28,167	(8,990)	322,980	338,000	15,021	338,000
Facilities & Support - ERCOT	70-Rent & Improvements	9,835	9,335	(500)	118,020	112,000	(6,020)	112,000
	71-Support (HR, Treas, Finance, BOD, etc.)	70,867	8,417	(62,450)	404,507	101,000	(303,507)	101,000
	72-IT/MIS Support & Services	17,734	12,250	(5,484)	187,910	147,000	(40,910)	147,000
Total Facilities & Support - ERCOT Total		98,436	30,002	(68,434)	710,437	360,000	(350,437)	360,000
Administrative Expenses	73-IT/MIS Projects, Purchases & Maintenance	59	-	(59)	2,046	-	(2,046)	-
	80-Depreciation Expense	2,455	-	(2,455)	19,496	-	(19,496)	-
	81-Interest Expense	1,555	24,625	23,070	395	-	(395)	-
	90-Miscellaneous Other	-	-	-	4,264	295,500	291,236	295,500
Total Administrative Expenses		4,069	24,625	20,556	26,202	295,500	269,298	295,500
Total Expenses		411,830	339,571	(72,259)	3,798,847	4,144,847	346,000	4,144,848
GAIN / (LOSS)		(72,259)	(0)	(72,259)	366,041	0	366,041	0