



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Financial Report

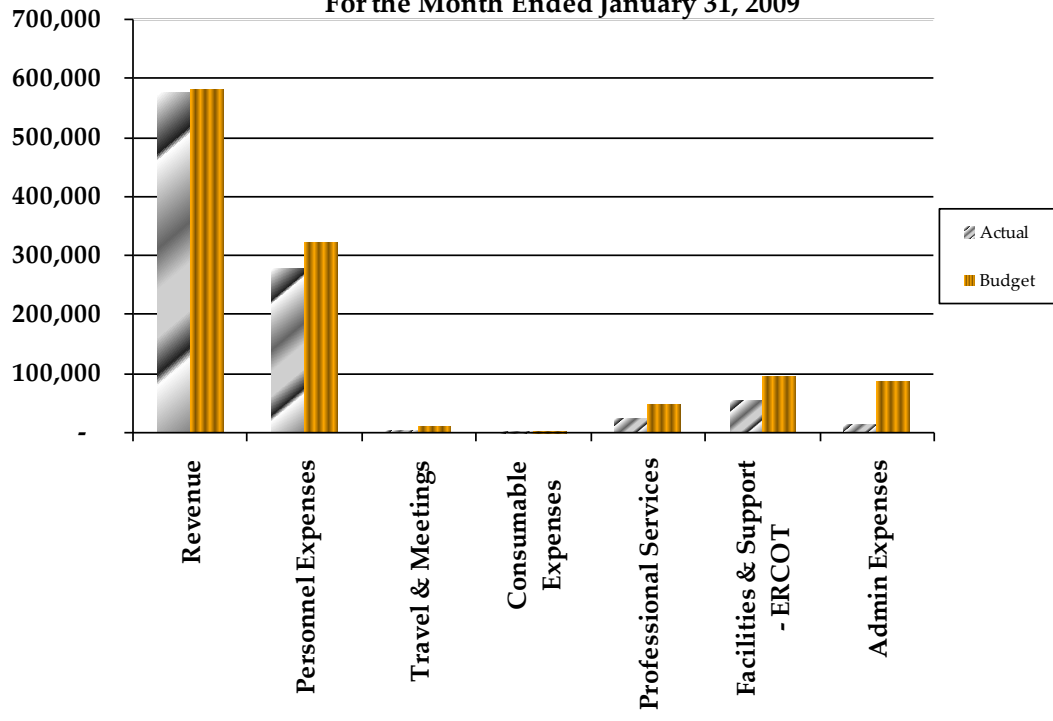
January 2009 Financial Overview

Board of Directors
February 16, 2009

January 2009 Actual Workforce

January 2009 Operating Expenses

Texas RE - Income Statement by Category
For the Month Ended January 31, 2009



January Comments

- ➔ **Revenue** - Revenue is slightly Less than budget for January primarily due to underspending on Non-Statutory Expenses.
- ➔ **Personnel Expenses** - Lower in January due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 26 FTEs.
- ➔ **Travel & Meetings Expenses** - Underspending due to fewer employees traveling offsite (timing variance).
- ➔ **Consumable Expenses** - Supplies and printing were less budget in January due less demand for printing, and a carryover balance of office supplies from 2008.
- ➔ **Professional Services** - Expenses for January are less than plan primarily due to underspending in legal.
- ➔ **Facilities & Support** - The budget assumed that the office relocation would occur in January.
- ➔ **Administrative Expenses** - Variance is primarily driven by the budgeted cash/operating reserve. This variance will be used to fund Texas RE's approved cash reserve of \$855K.

January 2009 Operating Expenses

Texas Regional Entity
Income Statement
Statutory & Non-Statutory Consolidated
For the Period Ended January 31, 2009
Unaudited

Group Rollup	Group Rollup Name	Actual	Period to Date Budget	Difference	Annual Budget
Revenue	1-Assessments	556,324	582,323	25,999	6,969,021
	2-Workshops	-	-	-	70,000
	3-Interest Income	-	-	-	
Total Revenue		556,324	582,323	(25,999)	7,039,021
Personnel Expenses	10-Salaries	189,944	244,072	54,128	2,960,004
	11-Payroll Taxes	19,774		(19,774)	
	12-Employee Benefits	16,161	77,149	60,987	936,105
	13-Saving and Retirement	27,118		(27,118)	
Total Personnel Expenses		252,997	321,220	68,224	3,896,109
Travel & Meetings	20-Meetings & Training	556		(556)	105,000
	30-Travel	4,633	8,479	3,846	112,685
Total Travel & Meetings		5,189	8,479	3,290	217,685
Consumable Expenses	40-Office Supplies		860	860	10,200
	41-Postage & Shipping	323	200	(123)	2,400
	42-Telecommunications	400	967	567	11,600
	43-Printing & Copying	-	100	100	1,200
Total Consumable Expenses		723	2,127	1,403	25,400
Equipment & Maintenance	50-Equipment Maintenance	-	-	-	-
Professional Services & Consulting Expenses	60-Professional Services-Legal	1,656	29,167	27,511	350,000
	61-Professional Services-Accounting/Auditing	4,167	3,750	(417)	45,000
	62-Professional Services-Other	26,704	14,325	(12,379)	75,650
Total Professional Services & Consulting Expenses		32,526	47,242	14,716	470,650
Facilities & Support - ERCOT	70-Rent & Improvements	9,835	49,979	40,144	599,748
	71-Support (HR, Treas, Finance, BOD, etc.)	25,790	26,388	598	316,654
	72-IT/MIS Support & Services	17,734	19,000	1,266	228,000
Total Facilities & Support - ERCOT Total		53,359	95,367	42,008	1,144,402
Administrative Expenses	73-IT/MIS Projects, Purchases & Maintenance	11,191	6,212	(4,979)	63,993
	74-Employee Training	1,662	550	(1,112)	7,440
	80-Depreciation Expense	2,476	6,378	3,903	76,540
	82-Bank Fees	23		(23)	
	90-Miscellaneous Other	175	74,235	74,060	890,640
Total Administrative Expenses		15,527	87,376	71,849	1,038,613
Total Expenses		360,322	561,810	201,488	6,792,859
GAIN / (LOSS)		196,003	20,514	175,489	246,162

2010 Budget Calendar

Texas Regional Entity 2010 Business Plan & Budget Preparation Calendar

DRAFT

Date	Activity
February 16 - April 3, 2009	Texas RE Business Plan & Budget (BP & B) Preparation by Texas RE Departments
April 6 - April 10, 2009	Prepare Draft #1 of BP & B for Texas RE Advisory Committee Review
April 13, 2009	Draft #1 of BP & B to Texas RE Advisory Committee
April 20, 2009	Texas RE Advisory Committee Discussion of and Comments on Draft #1 of BP & B
May 8, 2009	Draft #1 of BP & B Due to NERC
May 11, 2009	Draft #2 of BP & B to Texas RE Advisory Committee and Texas RE Board of Directors
May 18, 2008 (Propose 1 pm Start Time)	Texas RE Advisory Committee Detailed Review & Discussion of Draft #2 of BP & B
May 29, 2009	Draft #2 of BP & B Due to NERC
May - June 2009	NERC Staff to Review and Comment on RE BPs & Bs
June 8, 2009	Final Proposed BP & B to Texas RE Advisory Committee and Board
June 15, 2009	Final Proposed BP & B presented to Texas RE Advisory Committee and Board for Approval
July 8, 2009	Texas RE Board Approved BP & B Due to NERC
August 5, 2009	NERC Board of Trustees Meeting for Approval of NERC BP & B and RE Budgets
August 24, 2009	NERC Submits BPs & Bs to FERC