



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Financial Report

Texas RE Advisory Committee
March 16, 2009

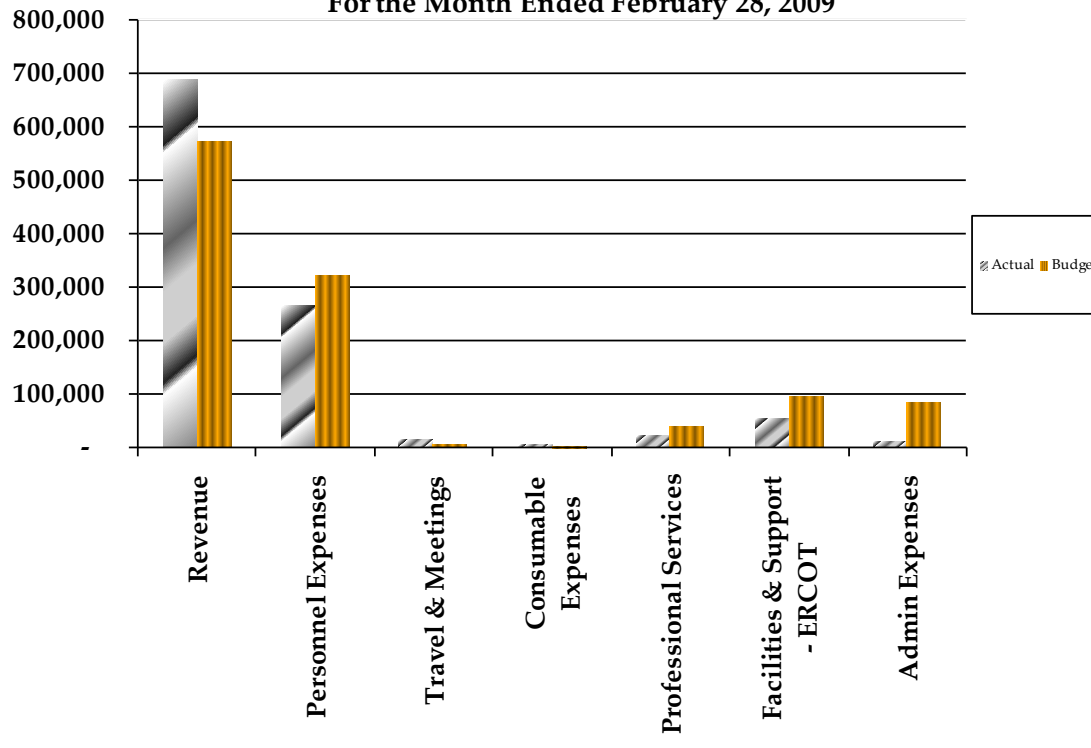
February 2009 Financial Accomplishments

- **Began 2010 Budget Planning – templates distributed to managers:**
 - Staff Planning
 - Salary Planning
 - Operating Expense Planning
 - Capital Budget Requests
- **2008 True-up of Texas RE Financial Results completed**

February 2009 Actual Workforce

February 2009 Operating Expenses

**Texas RE - Income Statement by Category
For the Month Ended February 28, 2009**

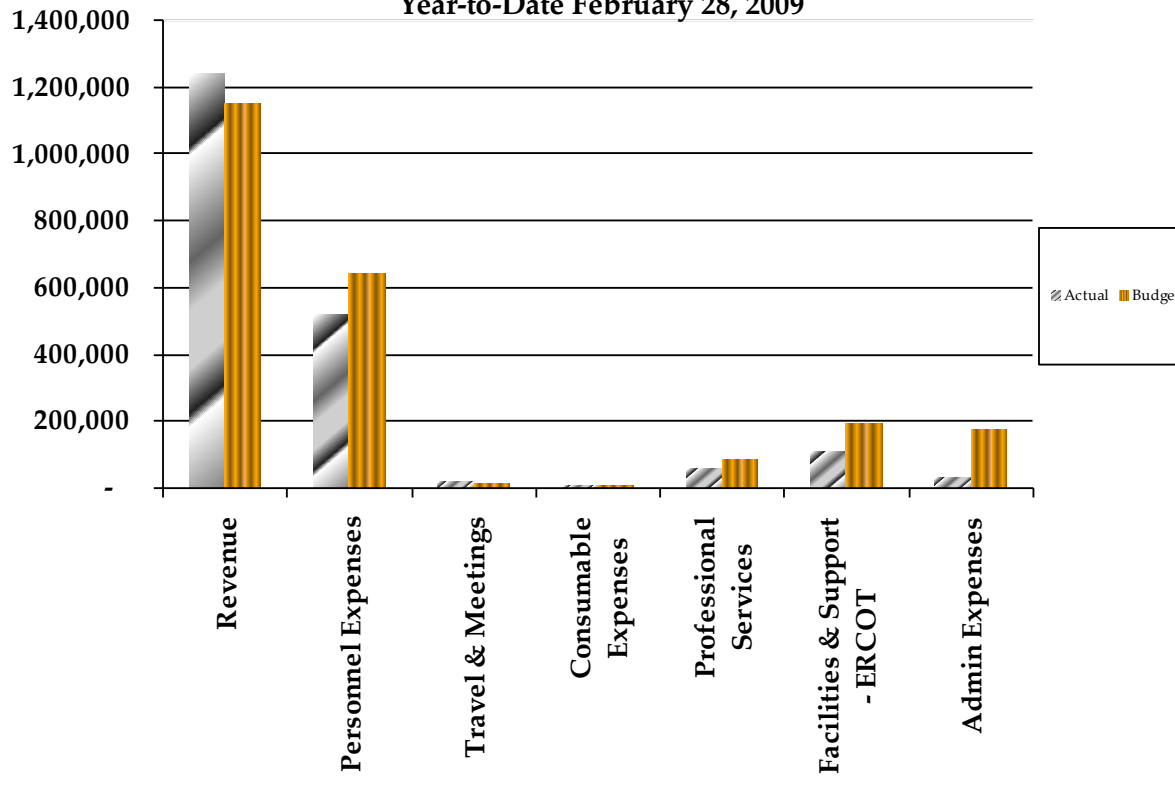


February Comments

- ➔ **Revenue** - Revenue is higher than budget due to the Operations Training Seminar.
- ➔ **Personnel Expenses** - Lower due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 26 FTEs.
- ➔ **Travel & Meetings Expenses** - Slight Overspending due to Operations Training Seminar costs, timing variance.
- ➔ **Consumable Expenses** - On target for plan.
- ➔ **Professional Services** - Expenses for February 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.

YTD February 2009 Operating Expenses

Texas RE - Income Statement by Category
Year-to-Date February 28, 2009



YTD February Comments

- ➔ **Revenue** - Revenue is higher than budget due to the Operations Training Seminar.
- ➔ **Personnel Expenses** - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 26 FTEs.
- ➔ **Travel & Meetings Expenses** - Slight Overspending due to Operations Training Seminar costs, timing variance.
- ➔ **Consumable Expenses** - Currently spending less than plan.
- ➔ **Professional Services** - Expenses YTD February 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.

February 2009 Operating Expenses

Texas Regional Entity
Income Statement
Statutory & Non-Statutory Consolidated
For the Period Ended February 28, 2009
Unaudited Management Report

Group Rollup	Group Rollup Name	Period to Date			Year to Date			Annual Budget
		Actual	Budget	Difference	Actual	Budget	Difference	
Revenue	1-Assessments	550,782	570,301	19,519	1,107,106	1,152,624	45,518	6,969,021
	2-Workshops	134,855	-	134,855	134,855	-	134,855	70,000
	3-Interest Income	504		504	1,124		1,124	
Total Revenue		686,140	570,301	115,840	1,243,085	1,152,624	181,497	7,039,021
Personnel Expenses	10-Salaries	204,110	244,189	40,078	394,054	488,260	94,206	2,960,004
	11-Payroll Taxes	15,753		(15,753)	35,575		(35,575)	
	12-Employee Benefits	16,222	77,224	61,003	32,383	154,373	121,990	936,105
	13-Saving and Retirement	27,044		(27,044)	54,162		(54,162)	
Total Personnel Expenses		263,129	321,413	58,284	516,174	642,634	126,460	3,896,109
Travel & Meetings	20-Meetings & Training	4,313		(4,313)	4,869		(4,869)	105,000
	30-Travel	8,915	6,281	(2,634)	13,548	14,759	1,211	112,685
Total Travel & Meetings		13,227	6,281	(6,947)	18,417	14,759	(3,657)	217,685
Consumable Expenses	40-Office Supplies	1,325	840	(485)	1,325	1,700	375	10,200
	41-Postage & Shipping	1,574	200	(1,374)	1,897	400	(1,497)	2,400
	42-Telecommunications	744	967	223	1,144	1,933	789	11,600
	43-Printing & Copying		100	100	-	200	200	1,200
Total Consumable Expenses		3,643	2,107	(1,536)	4,366	4,233	(133)	25,400
Equipment & Maintenance	50-Equipment Maintenance	-	-	-	-	3,600	3,600	-
Professional Services & Consulting Expenses	60-Professional Services-Legal	520	29,167	28,646	3,832	58,333	54,502	350,000
	61-Professional Services-Accounting/Auditing	5,143	3,750	(1,393)	9,309	7,500	(1,809)	45,000
	62-Professional Services-Other	16,282	5,575	(10,707)	42,986	19,900	(23,086)	75,650
Total Professional Services & Consulting Expenses		21,945	38,492	16,547	56,127	85,733	29,607	470,650
Facilities & Support – ERCOT	70-Rent & Improvements	9,835	49,979	40,144	19,670	99,958	80,288	599,748
	71-Support (HR, Treas, Finance, BOD, etc.)	25,825	26,388	563	51,615	52,776	1,161	316,654
	72-IT/MIS Support & Services	17,734	19,000	1,266	35,468	38,000	2,532	228,000
Total Facilities & Support – ERCOT Total		53,394	95,367	41,973	106,753	190,734	83,981	1,144,402
Administrative Expenses	73-IT/MIS Projects, Purchases & Maintenance	9,240	5,250	(3,990)	20,431	11,462	(8,969)	63,993
	74-Employee Training		550	550	1,662	1,100	(562)	7,440
	80-Depreciation Expense	2,476	6,378	3,903	4,951	12,757	7,806	76,540
	82-Bank Fees	233		(233)	256		(256)	
	90-Miscellaneous Other	531	73,950	73,419	706	148,185	147,479	890,640
Total Administrative Expenses		12,480	86,128	73,648	28,007	173,504	145,497	1,038,613
Total Expenses		367,818	549,787	181,969	729,843	1,115,197	385,354	6,792,859
GAIN / (LOSS)		318,323	20,514	297,809	513,242	37,427	566,852	246,162

2010 Budget Calendar

Texas Regional Entity 2010 Business Plan & Budget Preparation Calendar

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