



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Financial Report

April 2009

Financial Overview

May 19, 2009

April 2009 Financial Accomplishments

- **Draft 1 of Texas RE's Business Plan & Budget has been submitted to NERC for review:**
 - Texas RE Board approval needed June 15, 2009
 - Final Board approved Business Plan & Budget submitted to NERC before July 8, 2009
 - Draft budget submitted to NERC assumed continued arrangement of functional separation from ERCOT ISO.
- **Texas RE has concluded its major work on the 2008 Financial Statement Audit by PwC.**
 - Texas RE Board approval needed May 19, 2009

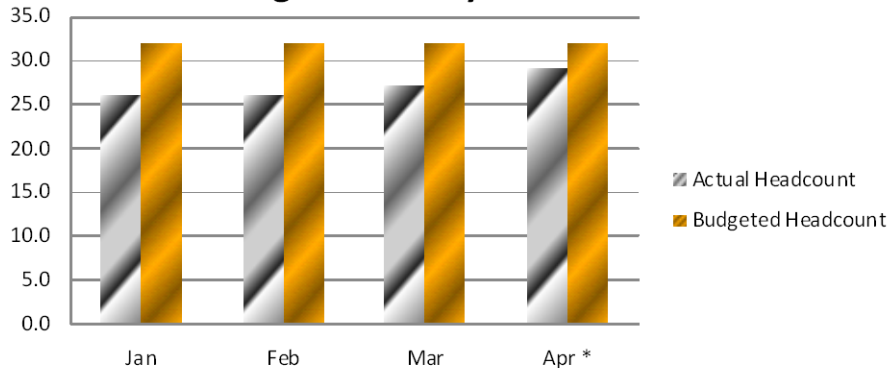
April 2009 Actual Workforce

Texas Regional Entity Headcount Statutory & Non-Statutory Combined For The Month Ended April 30, 2009

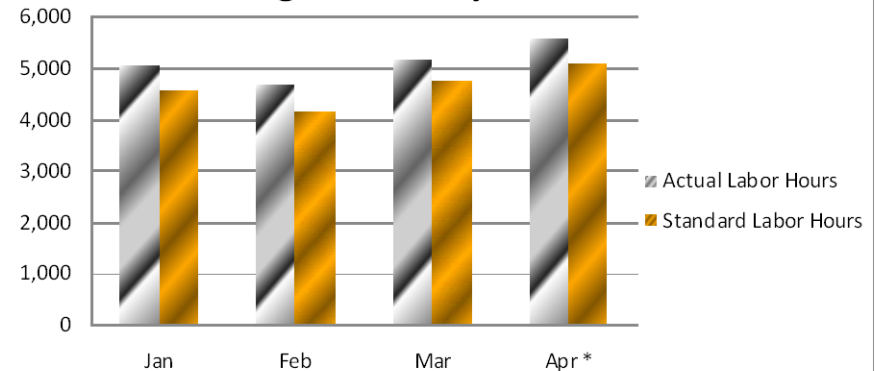
	Jan	Feb	Mar	Apr *	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual Headcount	26.0	26.0	27.0	29.0								
Budgeted Headcount	32.0	32.0	32.0	32.0								
Variance Under/(Over)	6.0	6.0	5.0	3.0								
Actual Labor Hours	5,050	4,688	5,154	5,584								
Standard Labor Hours	4,576	4,160	4,752	5,104								
Variance Under/(Over)	(474)	(528)	(402)	(480)								
Overtime Percentage	10.4%	12.7%	8.5%	9.4%								
FTE's Calc'd from Labor	28.7	29.3	29.3	31.7								

* Does not include interns and consultants

Texas Regional Entity - Headcount

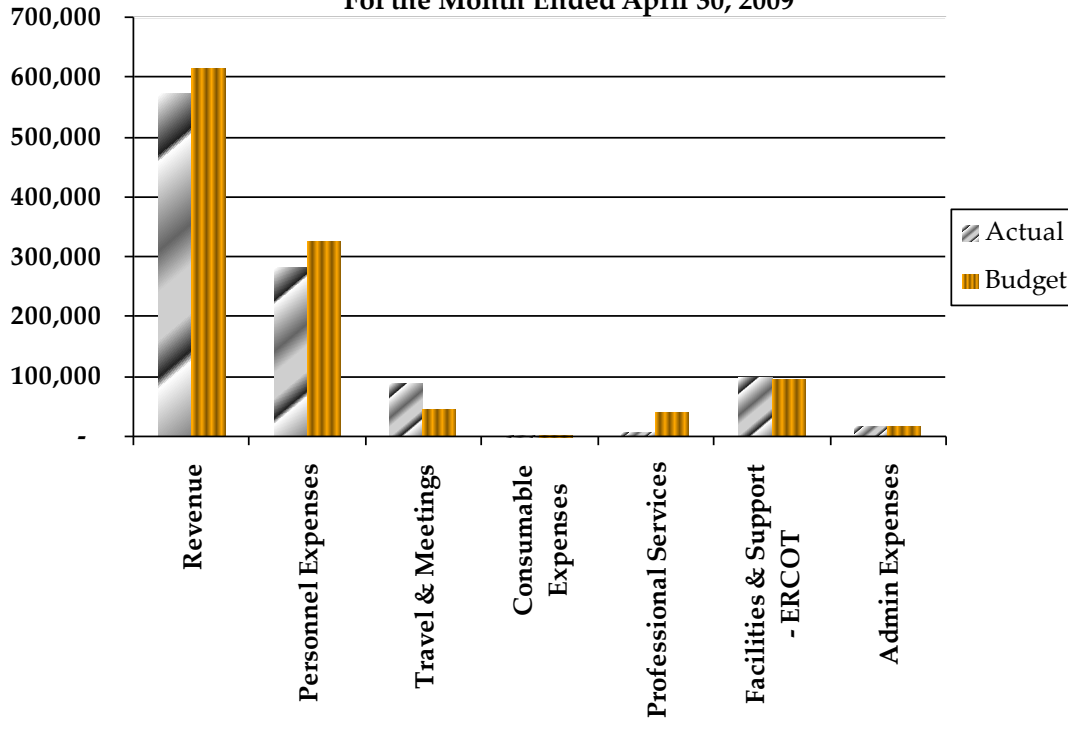


Texas Regional Entity - Labor Hours



April 2009 Operating Expenses

Texas RE - Income Statement by Category
For the Month Ended April 30, 2009

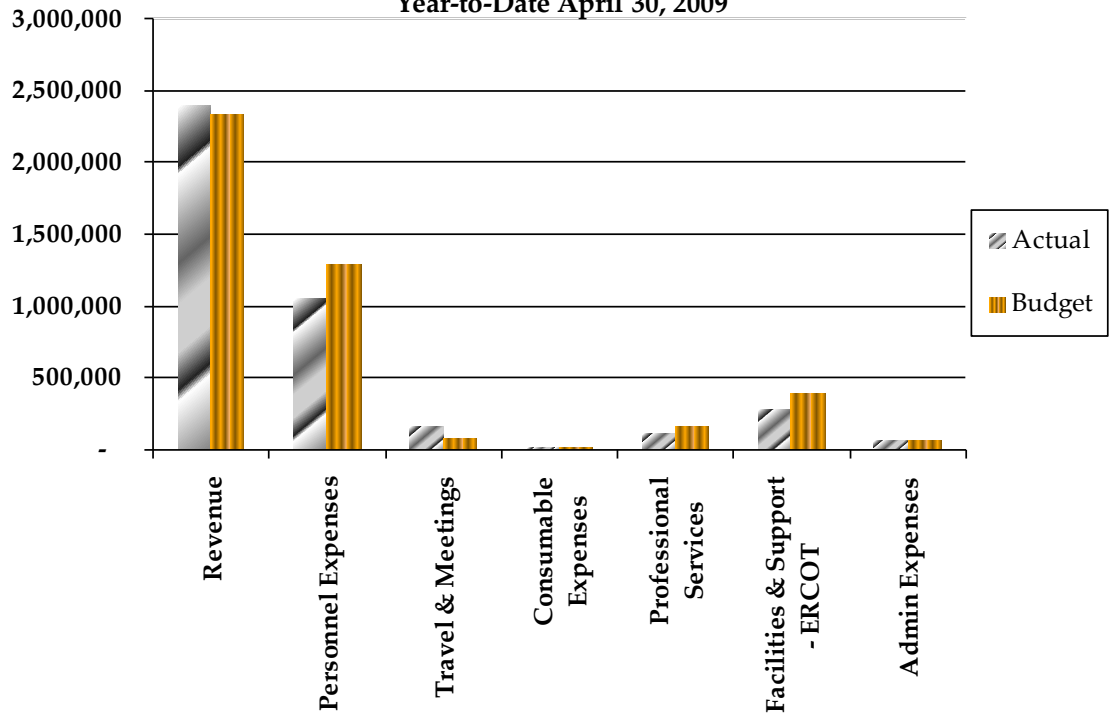


April Comments

- ➔
Revenue - Revenue is lower than budget due to the Operations Training Seminar revenue collected in February and March, as well as Non-Stat revenue lower.
- ➔
Personnel Expenses - Lower due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 29 FTEs.
- ➔
Travel & Meetings Expenses - Overspending due to final recognition of Operations Training Seminar costs; and higher than planned travel in April.
- ➔
Consumable Expenses - On target for the month.
- ➔
Professional Services - Less than plan for the month primarily due to underspending on legal expenses.
- ➔
Facilities & Support - Accruing the expenses associated with Texas RE's move and rent. In April reflected recruiting for 2 FTEs.
- ➔
Administrative Expenses - On target with plan.

YTD April 2009 Operating Expenses

Texas RE - Income Statement by Category
Year-to-Date April 30, 2009

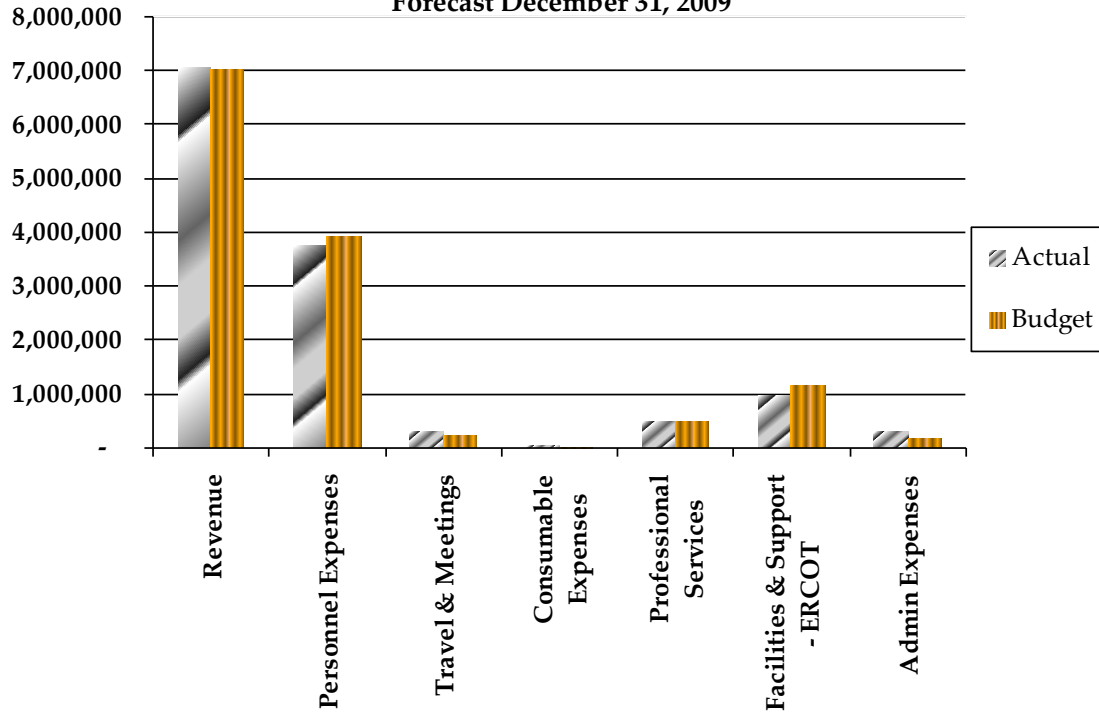


YTD April Comments

- ➡ **Revenue** - Higher than budget due to the Operations Training Seminar revenue collected in February and March. The increased revenue will cover the higher costs under Travel & Meetings expense.
- ➡ **Personnel Expenses** - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 29 FTEs.
- ➡ **Travel & Meetings Expenses** - Overspending due to Operations Training Seminar costs, expenses are covered by revenue collected in February & March.
- ➡ **Consumable Expenses** - Currently spending at plan.
- ➡ **Professional Services** - Less than plan primarily due to underspending in legal.
- ➡ **Facilities & Support** - Accruing the expenses associated with Texas RE's move and rent. There will be a permanent variance due to the timing of Texas RE's move and the budget, as well as the expected rent and actual rent.
- ➡ **Administrative Expenses** - Currently on target for plan.

2009 Forecast for Annual Operating Expenses

Texas RE - Income Statement by Category
Forecast December 31, 2009



2009 Forecast Comments

- ➡ **Revenue** - Higher than budget due to the Operations Training Seminar. Non-statutory revenue will be approximately \$81K less than plan due to lower expenses.
- ➡ **Personnel Expenses** - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 29 FTEs. Expect to be fully staffed before the end of June.
- ➡ **Travel & Meetings Expenses** - Overspending due to Operations Training Seminar costs, however revenue exceeded cost for a net gain. Additionally, more NERC and Audit related travel.
- ➡ **Consumable Expenses** - Expect to exceed plan primarily due to the FERC audit, as well as increases in wireless cards.
- ➡ **Professional Services** - Expect to be higher than plan due to unbudgeted direct Board expenses.
- ➡ **Facilities & Support** - Expect to be below budget on rent.
- ➡ **Administrative Expenses** - Variance is primarily driven by hosting expenses for Texas RE's portal and website, as well as additional expenses for portal maintenance and bank fees.

April 2009 Operating Expenses

Texas Regional Entity
Income Statement
Statutory & Non-Statutory Consolidated
For the Period Ended April 30, 2009
Unaudited Management Report

Group Rollup	Group Rollup Name	Period to Date			Year to Date			Forecast	Annual	
		Actual	Budget	Difference	Actual	Budget	Difference	Actual	Budget	Difference
Revenue	1-Assessments and Revenue	566,403	577,817	(11,414)	2,217,365	2,303,967	(86,602)	6,888,014	6,969,023	(81,009)
	2-Workshops	4,487	35,000	(30,513)	174,029	35,000	139,029	174,029	70,000	104,029
	3-Interest Income	291	-	291	1,794	-	1,794	4,125	-	4,125
Total Revenue		571,181	612,817	(41,635)	2,393,188	2,338,967	54,221	7,066,168	7,039,023	27,145
Personnel	10-Salaries	220,687	247,063	26,376	809,404	979,512	170,108	2,913,236	2,945,048	31,812
	11-Payroll Taxes	15,719	20,172	4,453	65,830	84,776	18,946	225,184	235,604	10,420
	12-Employee Benefits	16,161	20,740	4,578	64,713	83,338	18,625	231,502	305,571	74,069
	13-Saving and Retirement	29,035	37,260	8,225	109,998	141,656	31,658	388,861	421,495	32,634
Total Personnel		281,602	325,234	43,632	1,049,945	1,289,283	239,338	3,758,783	3,907,718	148,935
Travel & Meetings	20-Meetings & Training	74,479	35,000	(39,479)	119,161	35,000	(84,161)	157,394	105,000	(52,394)
	30-Travel	14,702	9,876	(4,827)	38,585	33,900	(4,685)	122,027	109,651	(12,376)
Total Travel & Meetings		89,182	44,876	(44,306)	157,746	68,900	(88,846)	279,421	214,651	(64,770)
Consumables	40-Office Supplies	920	840	(80)	3,640	3,400	(240)	13,333	10,200	(3,133)
	41-Postage & Shipping	622	200	(422)	2,079	800	(1,279)	6,311	2,400	(3,911)
	42-Telecommunications	400	967	567	2,467	3,867	1,400	6,867	4,960	(1,907)
	43-Printing & Copying	-	100	100	-	400	400	800	1,200	400
Total Consumables		1,942	2,107	164	8,186	8,467	280	27,311	18,760	(8,551)
Professional Services & Consulting	60-Professional Services-Legal	3,446	29,167	25,721	52,516	116,667	64,151	350,000	350,000	-
	61-Professional Services-Auditing	4,167	3,750	(417)	17,643	15,000	(2,643)	50,976	45,000	(5,976)
	62-Professional Services-Other	-	5,575	5,575	44,936	31,050	(13,886)	91,485	75,650	(15,835)
Total Professional Services & Consulting		7,613	38,492	30,880	115,094	162,717	47,623	492,461	470,650	(21,810)
Facilities & Support - ERCOT	70-Rent & Improvements*	35,718	49,979	14,261	88,223	199,916	111,693	340,364	599,748	259,384
	71-Support (HR, Treas, Finance, BOD)	41,380	26,388	(14,992)	119,074	105,551	(13,523)	368,303	316,654	(51,649)
	72-IT/MIS Support & Services	19,780	19,000	(780)	73,664	76,000	2,336	247,592	228,000	(19,592)
Total Facilities & Support - ERCOT		96,878	95,367	(1,511)	280,961	381,467	100,507	956,258	1,144,402	188,144
Administrative	73-IT/MIS Projects, Purchases & Maint.	11,740	5,250	(6,490)	41,755	21,962	(19,793)	163,385	63,988	(99,397)
	74-Employee Training	2,584	550	(2,034)	4,246	2,420	(1,826)	9,266	7,440	(1,826)
	80-Depreciation Expense	2,476	6,378	3,903	9,902	25,513	15,611	106,246	76,540	(29,706)
	82-Bank Fees	58	-	(58)	566	-	(566)	1,766	-	(1,766)
	90-Miscellaneous Other	-	2,639	2,639	706	10,542	9,836	2,691	33,712	31,021
Total Administrative Expenses		16,858	14,818	(2,040)	57,176	60,438	3,262	283,354	181,680	(101,674)
Total Expenses		494,075	520,893	26,818	1,669,108	1,971,272	302,163	5,797,588	5,937,861	140,273
GAIN / (LOSS) on Operating Expenses		77,107	91,924	(14,817)	724,080	367,696	356,384	1,268,580	1,101,162	167,418
Non-Operating Expenses	91-Cash / Contingency Reserve	-	71,250	71,250	-	285,000	285,000	-	855,000	855,000
Grand Total of Expenses (Operating & Non-Operating)		494,075	592,143	98,068	1,669,108	2,256,272	587,163	5,797,588	6,792,861	995,273
TOTAL GAIN / (LOSS)		77,107	20,674	(139,703)	724,080	82,696	641,384	1,268,580	246,162	1,022,418

* NOTE: Accruing the rent expense in this report.