



Review 2010 Strategic Planning and Budget Assumptions

Mike Petterson
Controller

Board of Directors Meeting
June 16, 2009

Review 2010 Strategic Planning and Budget Assumptions: Budget Development Schedule

Date	2010 Budget Preparation, Review and Approval Task
Monday, Apr. 13	Discuss with Executive Team the 2010 Strategic Plan and Budget
Monday, May 4	Discuss with the Executive Team the 2010 strategic plan, budget schedule and budget assumptions
Tuesday, May 19	Finance and Audit Committee Meeting Discuss and review the 2010 Budget/PPL Status Update
Tuesday, Jun 16	Finance and Audit Committee Meeting Discuss and review the 2010 Budget/PPL Status Update Board of Directors Meeting Discuss and review with the Board the strategic planning and budget assumptions (briefing and request for public comment)
Thursday, Jun. 18	Present and discuss with PUCT Staff the 2010 budget schedule and assumptions
Monday, Jun. 22	Prepare and present to Management the 2010 budget schedule and assumptions
Tuesday, Jun. 23 - Tuesday, Jun. 30	Managers prepare departmental budget requests and review with respective Director/VP
Wednesday, Jul. 1	Managers submit departmental budget requests
Thursday, Jul. 2 - Friday, Jul. 3	Calculate and compile DRAFT Categorical Budget (Budget team)
Monday, Jul. 6	Begin testimony preparation
Monday, Jul. 6 - Tuesday, Jul. 7	Review preliminary budget by Office with VP/Director/Manager and revise budgets (as necessary)
Wednesday, Jul. 8	Prepare and present consolidated schedules to the Executive Team for review
Thursday, Jul. 9 - Friday, Jul. 10	Work with Management Team to incorporate adjustments
Monday, Jul. 13	Prepare and present consolidated schedules to the Executive Team for review
Tuesday, Jul. 14	Mail out for Finance and Audit Committee and Board Meeting
Tuesday, Jul. 21	Finance and Audit Committee Prepare and present to the Finance and Audit Committee the Preliminary Budget/PPL (Courtesy copy to all Board members)
Monday, Jul. 22 - Friday, Jul. 31	Work with Management Team to incorporate adjustments
Monday, Aug. 3	Prepare and present consolidated schedules to the Executive Team for review
Friday, Aug. 7	Submit first draft of testimony
Monday, Aug. 10	Mail out for Special Finance and Audit Meeting
Monday, Aug. 17	Finance and Audit Committee Special Meeting and Public Input Meeting Discuss and review the 2010 Budget with the Finance and Audit Committee (Courtesy copy to all Board members)
Tuesday, Aug. 18 - Friday Aug. 28	Incorporate Finance and Audit Committee feedback and make final adjustments Distribute consolidated schedules to PUCT Staff for review
Monday, Sept. 1	Prepare and present consolidated schedules to the Executive Team for FINAL review
Tuesday, Sept. 8	Mail out for Board Meeting
Friday, Sept. 11	Finalize testimony
Tuesday, Sept. 15	Board of Directors Meeting Obtain Finance and Audit Committee recommendation and obtain approval from the ERCOT Board for the 2010 base operating budget and PPL/Vote
Monday, Sept. 14 - Wednesday, Sept. 23	Review and finalize PUCT Fee Filing
Wednesday, Sept. 30	File fee case with PUCT

Requirements

- Provide sufficient staff for base operations and ERCOT Enhanced Reliability and Markets (EERM) (formerly Nodal Program) Program Implementation
- Provide essential facilities including the Met Center Replacement
- Accommodate software upgrades and hardware refreshes necessitated by delay in the EERM Program including expansion of the data center
- Accommodate principal and interest payments on the Senior Note and Term Loan

Major Assumptions

- EERM remains on schedule and budget
- Texas RE becomes a separate legal entity
- Protocol compliance verification is paid for by ERCOT via System Administration Fee

System Admin. Fee Billing Determinant Change

- Based on historical load (similar to ERO pass-through fee)

Staffing

- Headcount growth
 - tbd
 - Confirm with EERM program reforecast
- Staff compensation market based

Contra Labor for EERM and Base Projects

- Reconcile internal resource utilization to approved project plans

Capital Spending

- In accordance with standard PPL approval processes