



**TEXAS
REGIONAL
ENTITY™**

An Independent Division of ERCOT

Texas Regional Entity Financial Report

Advisory Committee
October 19, 2009

September 2009 Financial Accomplishments

- **Will submit Texas RE's 3rd quarter financial report to NERC (10/18/09) on schedule.**
- **Texas RE has made a slight adjustment to its forecast for the year.**
 - The forecast of expenses does not yet include any NERC staff expenses related to the audit of ERCOT ISO.
- **The resulting forecast was based upon August actuals and estimated expenses for September through December, 2009.**

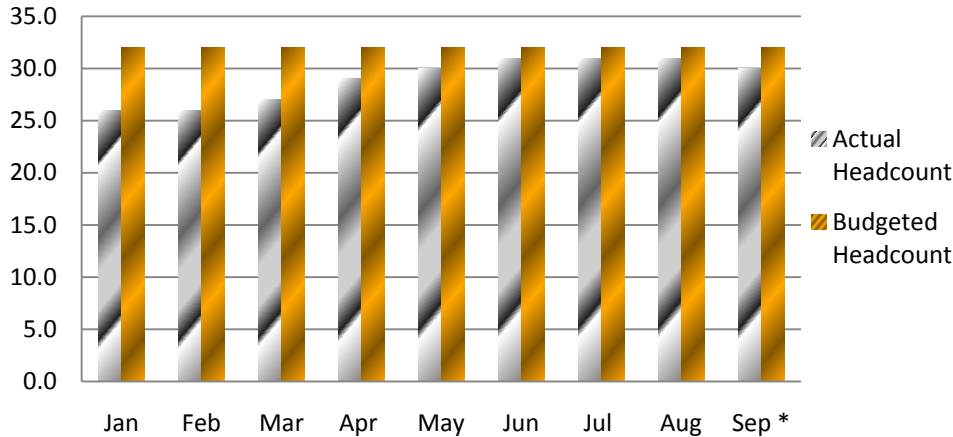
September 2009 Actual Workforce

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

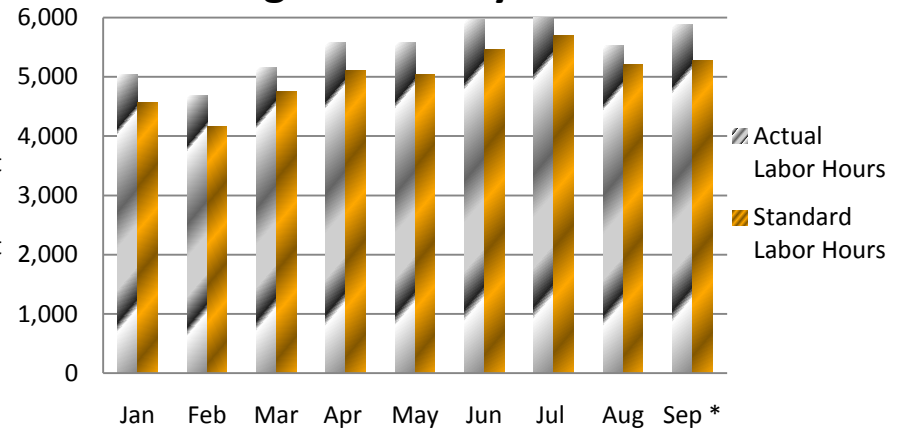
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep *	Oct	Nov	Dec
Actual Headcount	26.0	26.0	27.0	29.0	30.0	31.0	31.0	31.0	30.0			
Budgeted Headcount	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0			
Variance Under/(Over)	6.0	6.0	5.0	3.0	2.0	1.0	1.0	1.0	2.0			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep *	Oct	Nov	Dec
Actual Labor Hours	5,050	4,688	5,154	5,584	5,577	5,963	6,155	5,533	5,889			
Standard Labor Hours	4,576	4,160	4,752	5,104	5,040	5,456	5,704	5,208	5,280			
Variance Under/(Over)	(474)	(528)	(402)	(480)	(537)	(507)	(451)	(325)	(609)			
	10.4%	12.7%	8.5%	9.4%	10.7%	9.3%	7.9%	6.2%	11.5%			
FTE's Calc'd from Labor	28.7	29.3	29.3	31.7	33.2	33.9	33.5	32.9	33.5			

* Does not include interns and consultants

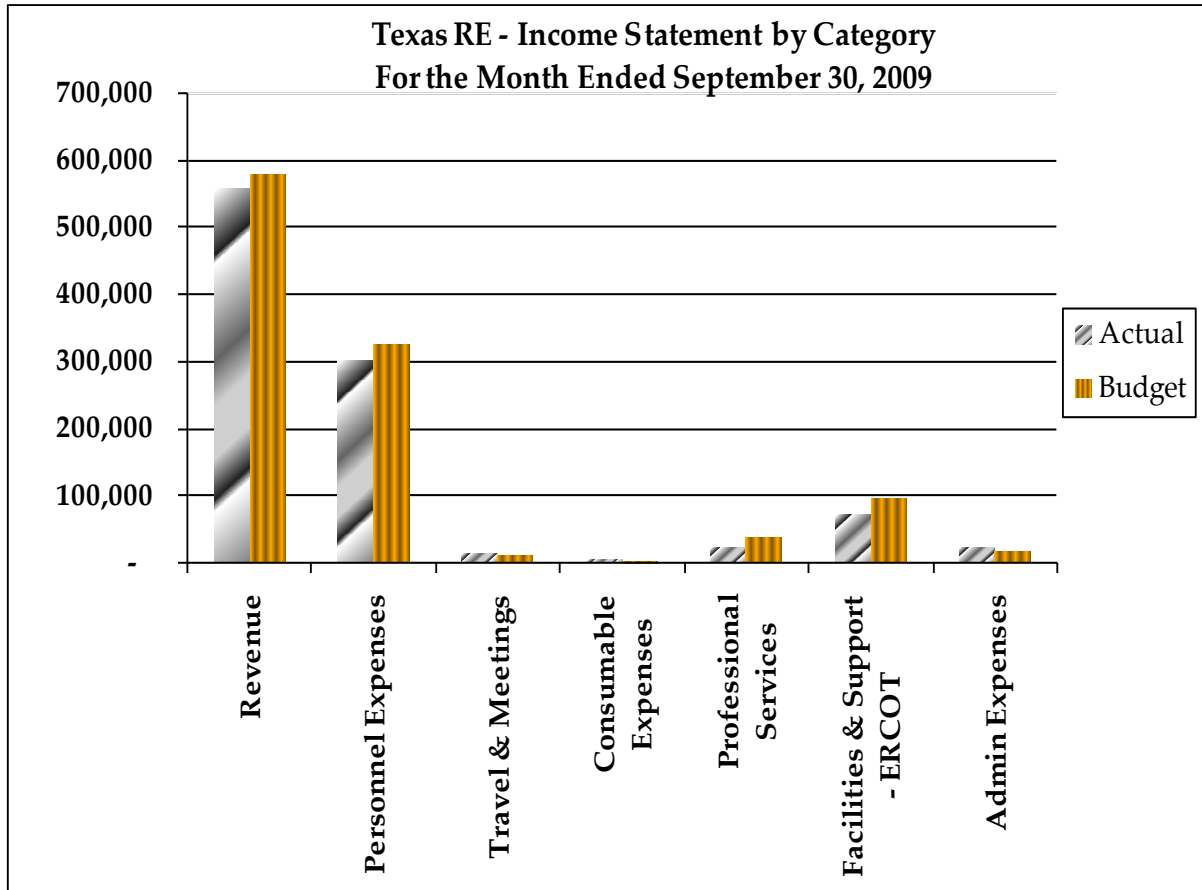
Texas Regional Entity - Headcount



Texas Regional Entity - Labor Hours



September 2009 Operating Summary

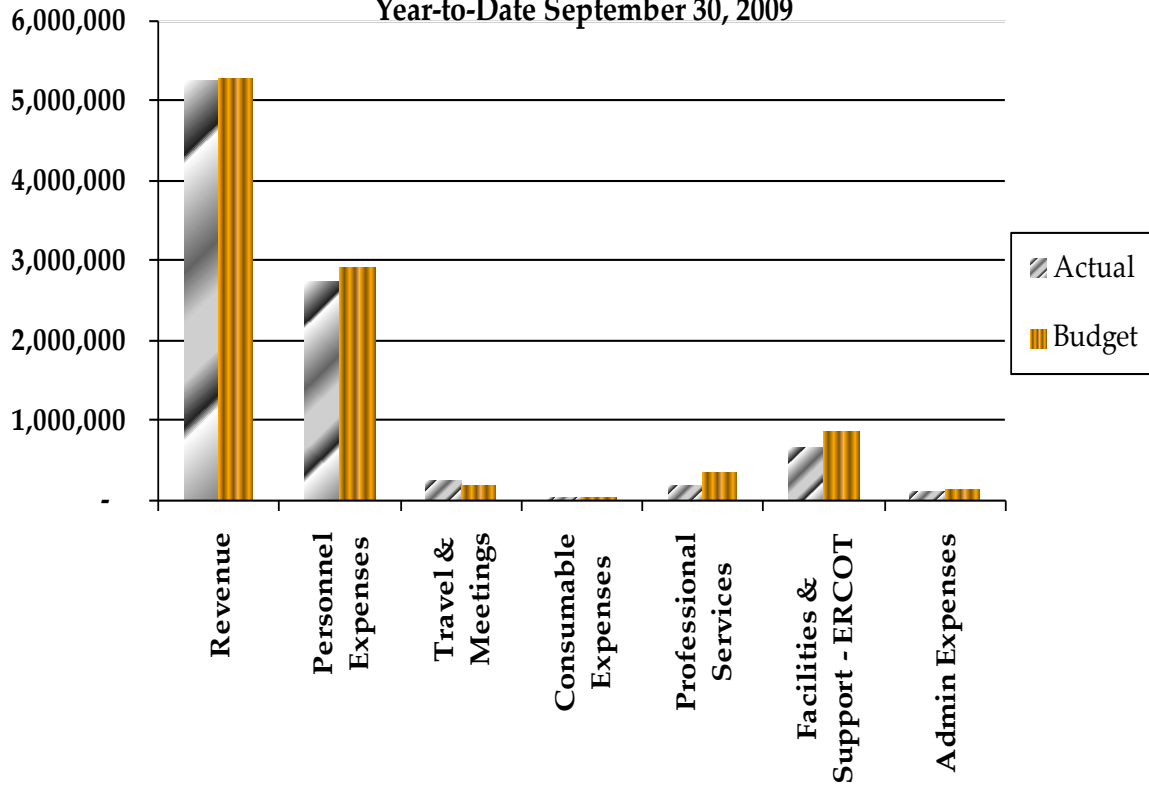


September Comments






- ➔ **Revenue** - Revenue is less than budget due to less than planned non-statutory expenses.
- ➔ **Personnel Expenses** - Slightly less than plan due to personnel vacancies.
- ➔ **Travel & Meetings Expenses** - Slightly higher due to more meeting related travel in September.
- ➔ **Consumable Expenses** - Slightly higher for the month due to increased office supply orders in September for the compliance/CIP workshops.
- ➔ **Professional Services** - Less than plan for the month primarily due to underspending on legal expenses.
- ➔ **Facilities & Support** - MOU signed in June 2009. Facilities related expenses will be less than budget for the year.
- ➔ **Administrative Expenses** - Variance is primarily driven by spending related to IT projects and hosting.

YTD September 2009 Operating Summary

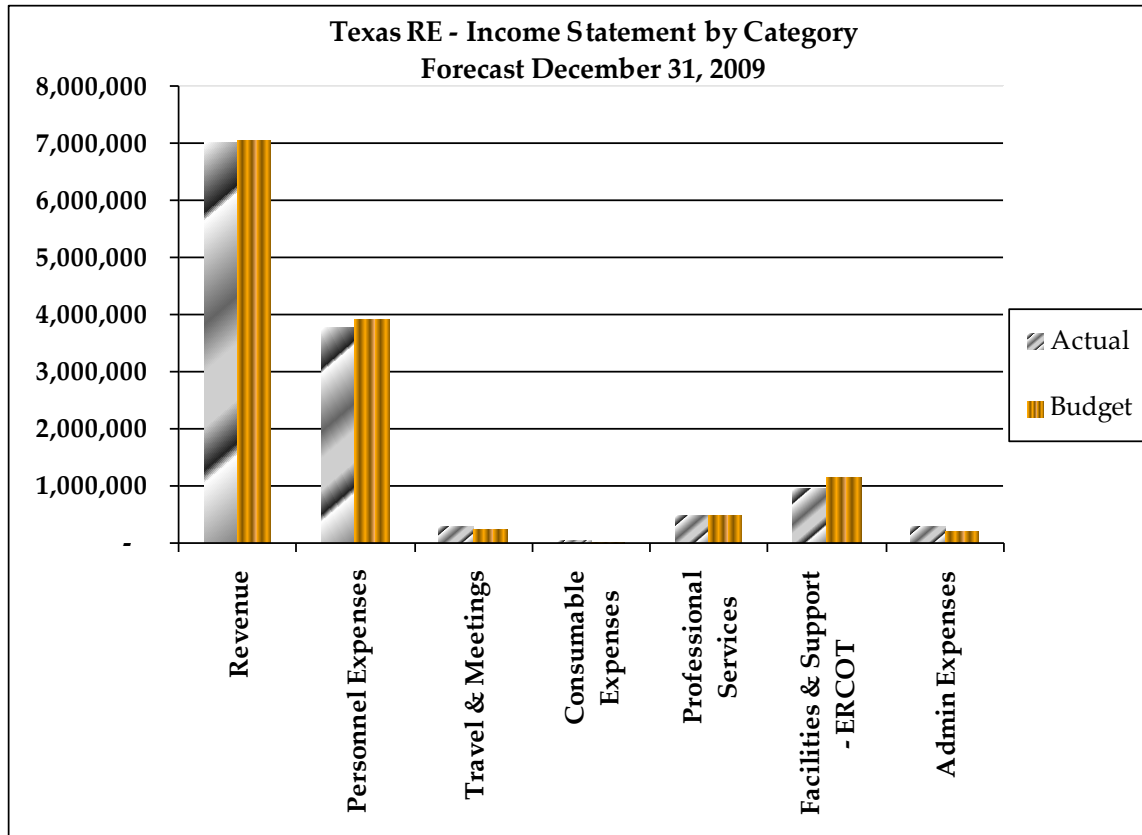
Texas RE - Income Statement by Category
Year-to-Date September 30, 2009



YTD September Comments

-  **Revenue** - Lower than budget due to non-statutory expense reimbursement running less than budget.
-  **Personnel Expenses** - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 30 FTEs.
-  **Travel & Meetings Expenses** - Overspending due to Operations Training Seminar (OTS). The OTS overages were offset by additional fees charged to attendees.
-  **Consumable Expenses** - Spending is higher than plan due to expenses incurred for the OTS. This additional spending was offset by additional fees charged to attendees.
-  **Professional Services** - Less than plan primarily due to underspending in legal.
-  **Facilities & Support** - There will be a permanent variance due to the timing of Texas RE's move and the budget, as well as the budgeted rent vs. actual rent.
-  **Administrative Expenses** - Variance is primarily driven by less than expected depreciation expense. This should increase over the coming months.

2009 Forecast for Annual Operating Summary



2009 Forecast Comments

- ➔
Revenue - Is forecast higher than budget due to the OTS. Non-statutory revenue forecast to be approximately \$97K less than plan due to lower expenses.

- ➔
Personnel Expenses - Lower YTD due to employee vacancies. Budget is 32 FTEs, we currently are staffed at 30 FTEs.

- ➔
Travel & Meetings Expenses - Overspending due to OTS costs, however spending has been offset by additional fees charged to the OTS attendees. Additionally, more NERC and Audit related travel.

- ➔
Consumable Expenses - Expect to exceed plan primarily due to the FERC audit.

- ➔
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.

Operating Summary Statement

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

Group Rollup	Group Rollup Name	Period to Date			Year to Date			Forecast Actual	Annual Budget	Difference
		Actual	Budget	Difference	Actual	Budget	Difference			
Revenue	1-Assessments	556,186	577,504	(21,318)	5,072,742	5,220,787	(148,045)	6,871,978	6,969,023	(97,045)
	2-Workshops	-	-	-	180,607	70,000	110,607	180,607	70,000	110,607
	3-Interest Income	96	-	96	2,863	-	2,863	2,863	-	2,863
Total Revenue		556,282	577,504	(21,222)	5,256,213	5,290,787	(34,574)	7,055,449	7,039,023	16,426
Personnel	10-Salaries	240,969	247,571	6,601	2,135,007	2,217,285	82,278	2,934,300	2,945,048	10,748
	11-Payroll Taxes	15,408	20,506	5,098	158,341	186,665	28,323	220,520	235,604	15,084
	12-Employee Benefits	13,736	18,280	4,544	151,519	178,622	27,103	217,609	305,571	87,962
	13-Saving and Retirement	29,690	39,512	9,822	284,949	335,920	50,971	395,869	421,495	25,626
Total Personnel		299,803	325,868	26,066	2,729,816	2,918,491	188,675	3,768,299	3,907,718	139,419
Travel & Meetings	20-Meetings & Training	2,160	-	(2,160)	138,115	87,500	(50,615)	169,105	105,000	(64,105)
	30-Travel	10,782	8,789	(1,993)	94,088	90,297	(3,791)	117,524	109,651	(7,873)
Total Travel & Meetings		12,942	8,789	(4,153)	232,204	177,797	(54,407)	286,629	214,651	(71,978)
Consumables	40-Office Supplies	1,369	860	(509)	8,238	7,660	(578)	10,369	10,200	(169)
	41-Postage & Shipping	374	200	(174)	4,052	1,800	(2,252)	6,563	2,400	(4,163)
	42-Telecommunications	1,107	967	(140)	6,682	8,700	2,018	7,970	4,960	(3,010)
	43-Printing & Copying	-	100	100	8,279	900	(7,379)	9,929	1,200	(8,729)
Total Consumables		2,849	2,127	(723)	27,251	19,060	(8,191)	34,831	18,760	(16,071)
Equipment & Maintenance	50-Equipment Maintenance	-	-	-	1,750	-	(1,750)	1,750	-	(1,750)
Professional Services & Consulting	60-Professional Services-Legal	18,000	29,167	11,167	90,493	262,500	172,007	303,493	350,000	46,507
	61-Professional Services-Auditing	4,189	3,750	(439)	36,416	33,750	(2,666)	48,895	45,000	(3,895)
	62-Professional Services-Other	-	5,575	5,575	51,431	58,925	7,494	51,431	75,650	24,219
Total Professional Services & Consulting		22,189	38,492	16,303	178,340	355,175	176,835	403,820	470,650	66,831
Facilities & Support - ERCOT	70-Rent & Improvements	32,500	49,979	17,479	258,503	449,811	191,309	357,603	599,748	242,146
	71-Support (HR, Treas, Finance, BOD)	18,692	26,388	7,696	218,437	237,491	19,053	290,346	316,654	26,308
	72-IT/MIS Support & Services	20,514	19,000	(1,514)	178,132	171,000	(7,132)	242,418	228,000	(14,418)
Total Facilities & Support - ERCOT		71,706	95,367	23,661	655,072	858,302	203,230	890,366	1,144,402	254,036
Administrative	73-IT/MIS Projects, Purchases & Maint	18,480	5,250	(13,230)	88,037	48,212	(39,824)	155,496	63,988	(91,507)
	74-Employee Training	537	770	233	6,475	5,590	(885)	7,614	7,440	(174)
	80-Depreciation Expense	2,476	6,378	3,903	22,280	57,405	35,125	59,708	76,540	16,832
	82-Bank Fees	128	-	(128)	1,225	-	(1,225)	23	-	(23)
	90-Miscellaneous Other	18	2,700	2,682	2,957	24,885	21,928	4,119	33,712	29,593
Total Administrative Expenses		21,639	15,098	(6,541)	120,973	136,092	15,119	226,960	181,680	(45,279)
Total Expenses		431,128	485,741	54,613	3,945,407	4,464,917	519,510	5,612,653	5,937,861	325,208
GAIN / (LOSS)		125,153	91,764	33,390	1,310,806	825,870	484,936	1,442,795	1,101,162	341,633
Non-Operating Expenses	91-Cash / Contingency Reserve	-	71,250	71,250	-	641,250	641,250	-	855,000	855,000
Grand Total of Expenses (Operating & Non-Operating)		431,128	556,991	125,863	3,945,407	5,106,167	1,160,760	5,612,653	6,792,861	1,180,208
TOTAL GAIN / (LOSS)		125,153	20,513	104,640	1,310,806	184,620	1,126,186	1,442,795	246,162	1,196,633