



**TEXAS  
REGIONAL  
ENTITY™**

*An Independent Division of ERCOT*

# Texas Regional Entity Financial Report

Board of Directors  
October 19, 2009

# September 2009 Financial Accomplishments

- **Will submit Texas RE's 3<sup>rd</sup> 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.**

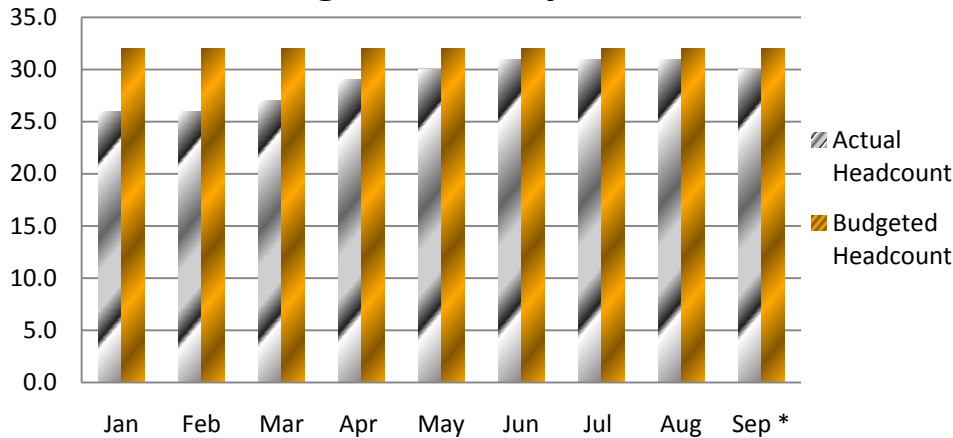
# September 2009 Actual Workforce

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

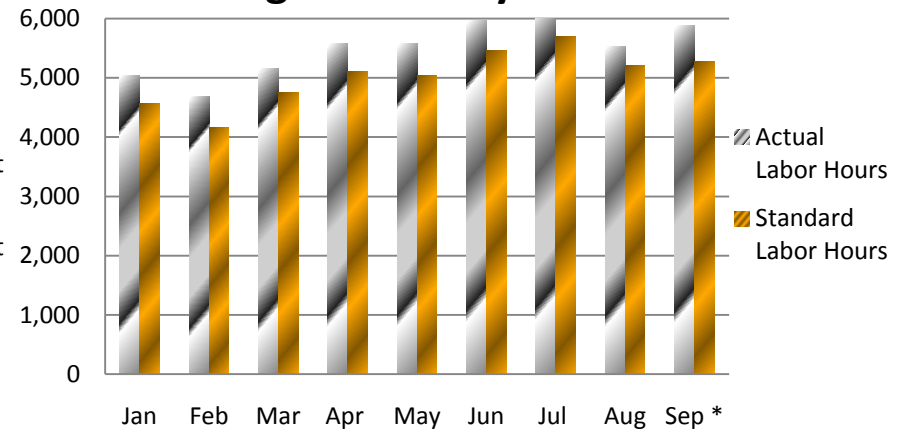
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep *	Oct	Nov	Dec
Actual Headcount	26.0	26.0	27.0	29.0	30.0	31.0	31.0	31.0	30.0			
Budgeted Headcount	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0			
<b>Variance Under/(Over)</b>	6.0	6.0	5.0	3.0	2.0	1.0	1.0	1.0	2.0			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep *	Oct	Nov	Dec
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			
<b>Variance Under/(Over)</b>	(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%			
<b>FTE's Calc'd from Labor</b>	28.7	29.3	29.3	31.7	33.2	33.9	33.5	32.9	33.5			

\* Does not include interns and consultants

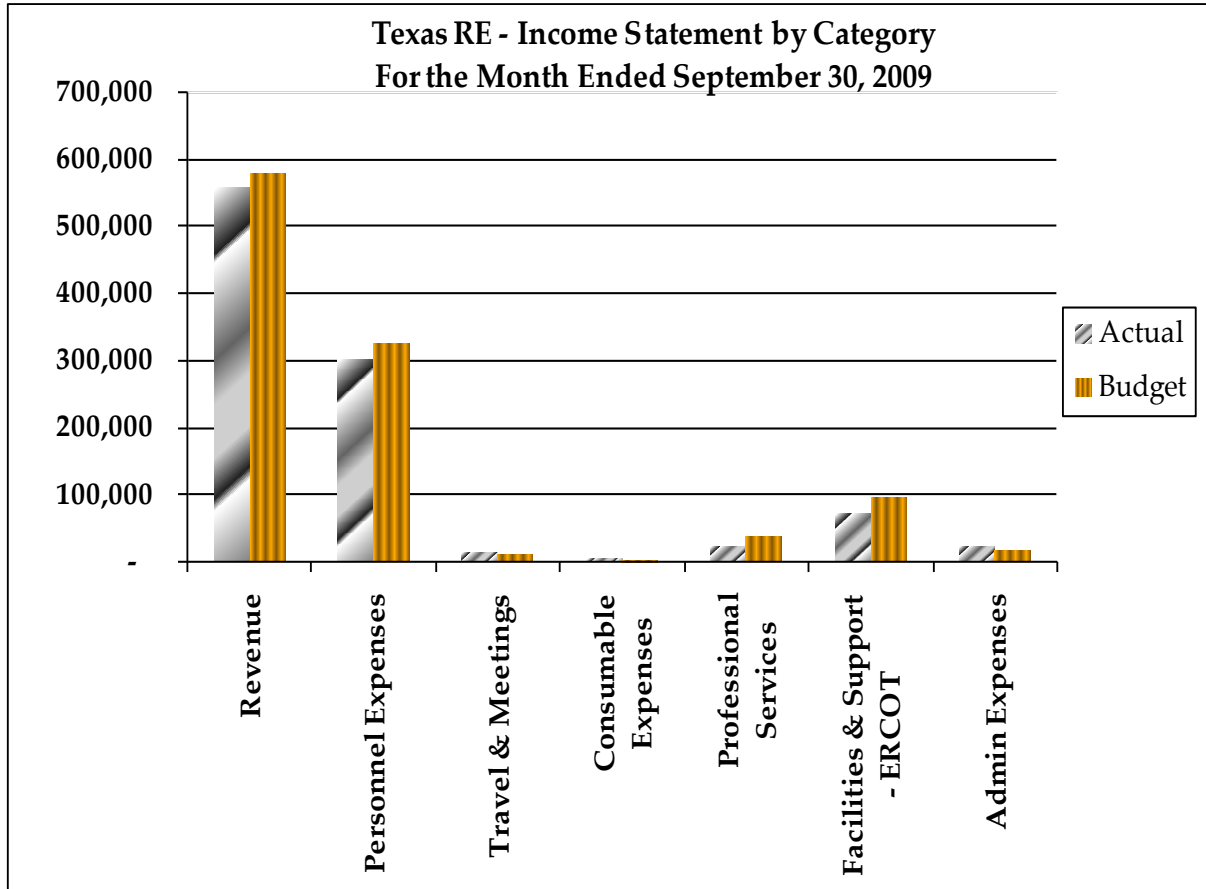
### Texas Regional Entity - Headcount



### Texas Regional Entity - Labor Hours



# September 2009 Operating Summary

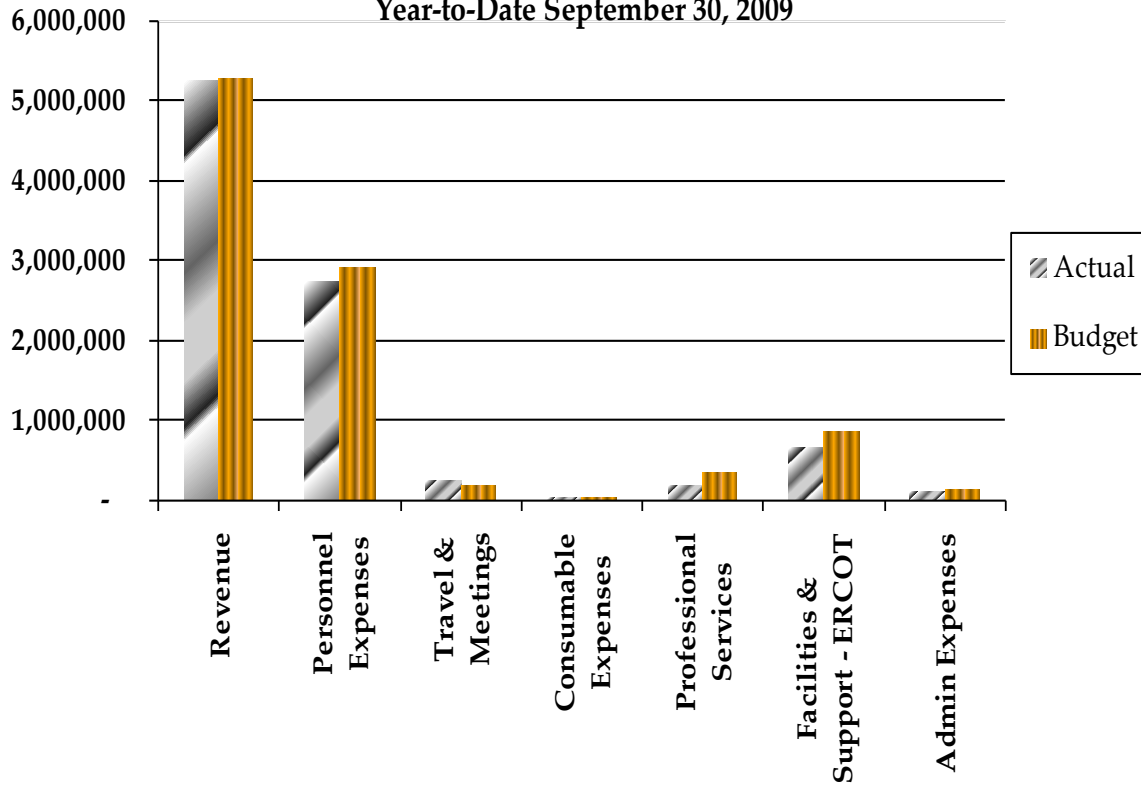


## September Comments








- ➔ **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

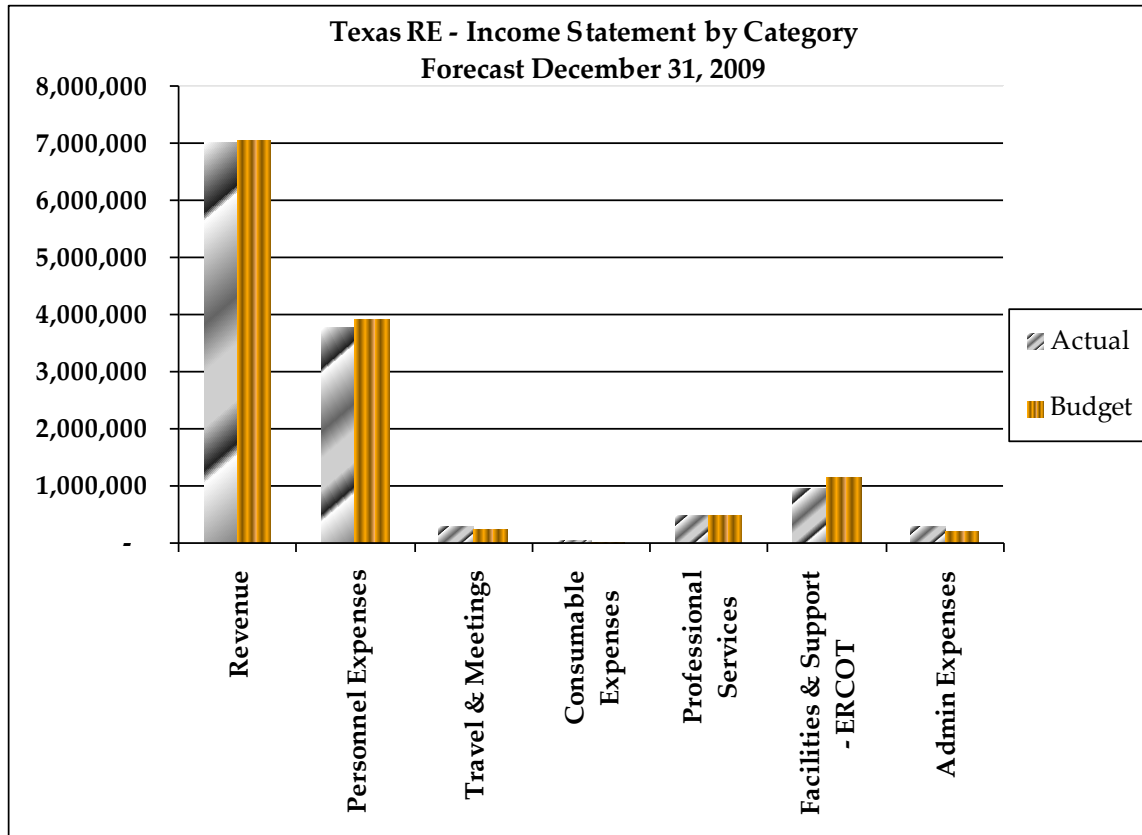
**Texas RE - Income Statement by Category**  
Year-to-Date September 30, 2009



## 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			
<b>Revenue</b>	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
<b>Total Revenue</b>		<b>556,282</b>	<b>577,504</b>	<b>(21,222)</b>	<b>5,256,213</b>	<b>5,290,787</b>	<b>(34,574)</b>	<b>7,055,449</b>	<b>7,039,023</b>	<b>16,426</b>
<b>Personnel</b>	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
<b>Total Personnel</b>		<b>299,803</b>	<b>325,868</b>	<b>26,066</b>	<b>2,729,816</b>	<b>2,918,491</b>	<b>188,675</b>	<b>3,768,299</b>	<b>3,907,718</b>	<b>139,419</b>
<b>Travel &amp; Meetings</b>	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)
<b>Total Travel &amp; Meetings</b>		<b>12,942</b>	<b>8,789</b>	<b>(4,153)</b>	<b>232,204</b>	<b>177,797</b>	<b>(54,407)</b>	<b>286,629</b>	<b>214,651</b>	<b>(71,978)</b>
<b>Consumables</b>	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)
<b>Total Consumables</b>		<b>2,849</b>	<b>2,127</b>	<b>(723)</b>	<b>27,251</b>	<b>19,060</b>	<b>(8,191)</b>	<b>34,831</b>	<b>18,760</b>	<b>(16,071)</b>
<b>Equipment &amp; Maintenance</b>	50-Equipment Maintenance	-	-	-	1,750	-	(1,750)	1,750	-	(1,750)
<b>Professional Services &amp; Consulting</b>	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
<b>Total Professional Services &amp; Consulting</b>		<b>22,189</b>	<b>38,492</b>	<b>16,303</b>	<b>178,340</b>	<b>355,175</b>	<b>176,835</b>	<b>403,820</b>	<b>470,650</b>	<b>66,831</b>
<b>Facilities &amp; Support - ERCOT</b>	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)
<b>Total Facilities &amp; Support - ERCOT</b>		<b>71,706</b>	<b>95,367</b>	<b>23,661</b>	<b>655,072</b>	<b>858,302</b>	<b>203,230</b>	<b>890,366</b>	<b>1,144,402</b>	<b>254,036</b>
<b>Administrative</b>	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
<b>Total Administrative Expenses</b>		<b>21,639</b>	<b>15,098</b>	<b>(6,541)</b>	<b>120,973</b>	<b>136,092</b>	<b>15,119</b>	<b>226,960</b>	<b>181,680</b>	<b>(45,279)</b>
<b>Total Expenses</b>		<b>431,128</b>	<b>485,741</b>	<b>54,613</b>	<b>3,945,407</b>	<b>4,464,917</b>	<b>519,510</b>	<b>5,612,653</b>	<b>5,937,861</b>	<b>325,208</b>
<b>GAIN / (LOSS)</b>		<b>125,153</b>	<b>91,764</b>	<b>33,390</b>	<b>1,310,806</b>	<b>825,870</b>	<b>484,936</b>	<b>1,442,795</b>	<b>1,101,162</b>	<b>341,633</b>
<b>Non-Operating Expenses</b>	91-Cash / Contingency Reserve	-	71,250	71,250	-	641,250	641,250	-	855,000	855,000
<b>Grand Total of Expenses (Operating &amp; Non-Operating)</b>		<b>431,128</b>	<b>556,991</b>	<b>125,863</b>	<b>3,945,407</b>	<b>5,106,167</b>	<b>1,160,760</b>	<b>5,612,653</b>	<b>6,792,861</b>	<b>1,180,208</b>
<b>TOTAL GAIN / (LOSS)</b>		<b>125,153</b>	<b>20,513</b>	<b>104,640</b>	<b>1,310,806</b>	<b>184,620</b>	<b>1,126,186</b>	<b>1,442,795</b>	<b>246,162</b>	<b>1,196,633</b>