

Information Technology Report

To: Sam Jones, Chief Executive Officer
ERCOT Board of Directors

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Items requiring Board Action:

Three funding authorizations will be brought to the meeting seeking Board approval:

- Lawson hosting services
- Integration software for the Nodal market systems
- Areva phase two implementation

Highlights:

- A market workshop will occur on February 27th covering retail transaction processing and communications procedures for retail outages. The outcome will be a new service level agreement framework for the IT group.
- There were 17 production releases implemented to all systems in January.
- Daylight Savings Time patches for applications have been tested and will be released into the production environment on February 10th. This project is necessary due to the new daylight savings time start as dictated by the Energy Policy Act of 2005.
- Five Market Participants have successfully established connectivity to the Nodal Sandbox Environment. The sandbox is the first production infrastructure for nodal and required to test security certification and connectivity.

Issues:

Multiple retail transaction processing issues were encountered in January, resulting in a monthly service availability performance of 96.70%, our lowest in a year. The cause of the largest of these service interruptions has been attributed to human error resulting from database administration issues; however several of the other interruptions were caused by a continuing issue within the architecture of the retail systems.

Root cause analysis of these problems points to a communication protocol issue that may be remedied by an architecture change within the retail systems. Measured steps have been taken in January to implement these architectural changes and improvements to date have been achieved

as anticipated. The final steps in these architectural changes will take place during the next month.

In addition, we will be issuing a Request for Proposal (RFP) shortly for an analysis of the retail switching. This RFP will involve an analysis of the infrastructure, architecture and applications and will include recommendations on improving system stability and consistently delivering service levels desired by the market. We anticipate the analysis to take up to two months and updates will be provided as activity progresses.

The Energy Management and Market Systems (EMMS – Grid Operations and Market Systems) have not experienced any issues.