

**Texas Regional Entity
Key Performance Indicators and 2007/2008 Goals**

YTD: August 31, 2007

	Key Performance Indicator	Pct.	Current Quarter Performance	Prior Quarter Performance	Status
1	Comply With All Orders of the Texas RE Board.	25%	In Progress	In Progress	
2	Hire and Retain the Staff Necessary to Meet the Texas RE Responsibilities.	10%	In Progress	In Progress	
3	Prepare Texas RE Budget and Conduct Base Operations Within Approved Budget.	10%	In Progress	In Progress	
4	Effectively Manage the NERC Compliance Monitoring and Enforcement Program.	25%	In Progress	In Progress	
5	Monitor and Investigate Non-Compliance With ERCOT Protocols and Operating Guides.	10%	In Progress	In Progress	
6	Manage the Texas RE Standards Development Process.	10%	In Progress	In Progress	
7	Effectively Communicate With the Industry, Regulators, and Other Stakeholders.	10%	In Progress	In Progress	
		100%			

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KPI 1: Comply With All Orders of the Texas RE Board.

Goal	Pct of KPI	Measurement	Status	Performance
Complete revisions to the Texas RE Delegation Agreement.	40%	Revised Delegation Agreement submitted to the Texas RE Board for approval at September 2007 meeting and submitted to NERC by 10/1/07 for approval and filing at FERC.	In Progress	In Progress
Provide an annual report and periodic reports to the Texas RE Board concerning the activities and expenditures of the Texas RE.	30%	All reports provided as directed by the Texas RE Board.	In Progress	In Progress
Identify and develop policies, processes, standards, and procedures to implement the Delegated Authority and ERCOT Compliance activities as needed.	30%	Policies, processes, standards, and procedures developed and progress reported to the Texas RE Board.	In Progress	In Progress
	100%			

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KPI 2: Hire and Retain the Staff Necessary to Meet the Texas RE Responsibilities.

Goal	Pct of KPI	Measurement	Status	Performance
For 2007, staff to budgeted level.	25%	90% of approved positions filled as of 12/31/07.	In Progress	In Progress
Complete NERC auditor training.	25%	All current Texas RE Staff that will participate on NERC Compliance Audits to complete training by 12/31/07.	In Progress	In Progress
For 2008, staff to budgeted level.	25%	Fill three new budgeted positions by 5/1/08.	Not Started	Not Started
Establish and communicate performance expectations and reward mechanisms; provide regular feedback regarding performance.	25%	Performance reviews and feedback completed by due dates.	In Progress	In Progress
	100%			

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KPI 3: Prepare Texas RE Budget and Conduct Base Operations Within Approved Budget.

Goal	Pct of KPI	Measurement	Status	Performance
Develop achievable Texas RE Budget and Business Plan.	30%	Submit Texas RE Budget and Business Plan on time.	2007 – Complete 2008 – Not Started	Goal Achieved Not Started
Receive a favorable Financial Audit.	30%	Obtain unqualified (“clean”) audit opinions and submit to NERC by 150 days after the end of the fiscal year.	Not Started	Not Started
Maintain effective Texas RE fiscal controls.	20%	Submit to NERC un-audited quarterly interim financial statements by the 20 th day after the end of the fiscal quarter.	In Progress	In Progress
File all required reports with NERC.	20%	95% of reports submitted to NERC on time.	In Progress	In Progress
	100%			

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KPI 4: Effectively Manage the NERC Compliance Monitoring and Enforcement Program.

Goal	Pct of KPI	Measurement	Status	Performance
Receive a Favorable Audit of the Texas RE Compliance Monitoring and Enforcement Program.	25%	Obtain unqualified (“clean”) audit opinions from NERC.	Not Started	Not Started
Develop Texas RE Compliance Program Implementation Plan annually and submit to NERC.	15%	Submit annual plan to NERC by November 1 st for the following calendar year.	In Progress	In Progress
For 2007, complete all off-site audits.	10%	All 14 scheduled audits completed and final reports issued by 12/31/07.	In Progress	In Progress
For 2008, complete all audits scheduled in the Texas RE Compliance Program Implementation Plan.	10%	All audits in implementation plan completed and 90% of final reports issued by 12/31/08.	Not Started	Not Started
Conduct investigations of significant events and take applicable enforcement actions in accordance with the NERC Compliance Monitoring and Enforcement Program (CMEP).	10%	90% of investigations conducted on time and appropriate enforcement actions taken.	In Progress	In Progress
Prepare and submit to NERC all required reports.	10%	90% of reports submitted to NERC on time.	In Progress	In Progress
Maintain up-to-date NERC Regional Compliance Registry and provide updates to NERC.	10%	Keep registry up-to-date/provide updates to NERC within 5-days of being received from Registered Entity or as requested by NERC.	In Progress	In Progress
Comply with all NERC CMEP timelines.	10%	Meet timelines 90% of time.	In Progress	In Progress
	100%			

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KPI 5: Monitor and Investigate Non-Compliance With ERCOT Protocols and Operating Guides.

Goal	Pct of KPI	Measurement	Status	Performance
Prepare and submit to the PUCT all required/requested reports.	50%	Reports provided to the PUCT on agreed to schedule.	In Progress	In Progress
Comply with all ERCOT Compliance Process timelines.	50%	Meet timelines 90% of time.	In Progress	In Progress
	100%			

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KPI 6: Manage the Texas RE Standards Development Process.

Goal	Pct of KPI	Measurement	Status	Performance
Prepare FERC-directed variance to NERC BAL-001-0 (CPS2).	30%	Begin work by 12/31/07.	Not Started	Not Started
Comply with all Texas RE Standards Development Process timelines.	30%	Meet timelines 90% of time.	In Progress	In Progress
Form a Reliability Standards Committee (RSC).	20%	RSC formed by 12/15/07.	In Progress	In Progress
Form a Registered Ballot Body (RBB).	20%	RBB formed by 12/15/07.	In Progress	In Progress
	100%			

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KPI 7: Effectively Communicate With the Industry, Regulators, and Other Stakeholders.

Goal	Pct of KPI	Measurement	Status	Performance
Create and maintain separate Texas RE Website.	20%	Website deployed by 12/31/07 and content kept up-to-date.	In Progress	In Progress
Communicate activities related to the Compliance and Standards Development Programs.	20%	Texas RE Staff to attend stakeholder meetings as needed/requested.	In Progress	In Progress
Coordinate communication activities related to the NERC/Texas RE Programs.	20%	Communications provided and coordinated as directed by NERC.	In Progress	In Progress
Conduct Compliance Program Informational Session(s).	20%	1 st session conducted by 12/31/07. 2 nd session conducted by 12/31/08, if needed.	In Progress Not Started	In Progress Not Started
Facilitate and administer the Annual ERCOT Operations Training Seminar.	20%	Seminar completed by 6/1/08.	In Progress	In Progress
	100%			