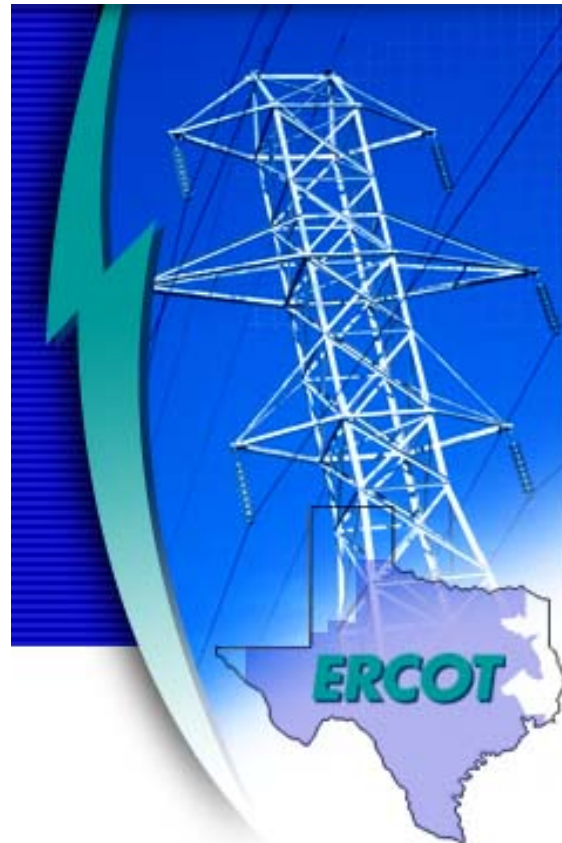




2008 Market Participant Survey



Prepared by

Opinion Dynamics Corporation

June 2008



Introduction

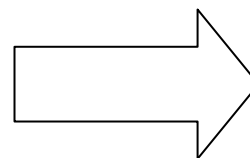
- Opinion Dynamics was contracted to conduct a primary research effort to measure Market Participant perceptions of ERCOT's performance with respect to meeting its responsibilities.
- Follow up and expansion of the 2006 Market Participant Survey.
- Results allow for comparisons between market perceptions and operational realities and trending of performance over time.



Methodology

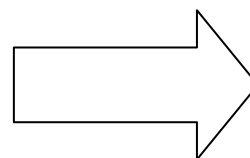
Three Phases:

Phase 1: Review 2006
Market Participant Survey
Instrument



Phase 3:
Survey of
ERCOT's
Market
Participants

Phase 2: In-depth
interviews with key
ERCOT staff members





Survey Sample

ODC developed a sample of 940 unique Market Participants using the following lists provided by ERCOT staff:

- Appropriate points of contact at market participant firms provided by Account Managers
- Current ERCOT Board members
- Current Committee members
- MP company lists from the website



Response Rate

270 completed surveys from a sample of 940 Market Participants (29%)

ERCOT Board Members

n=9

Committee Members

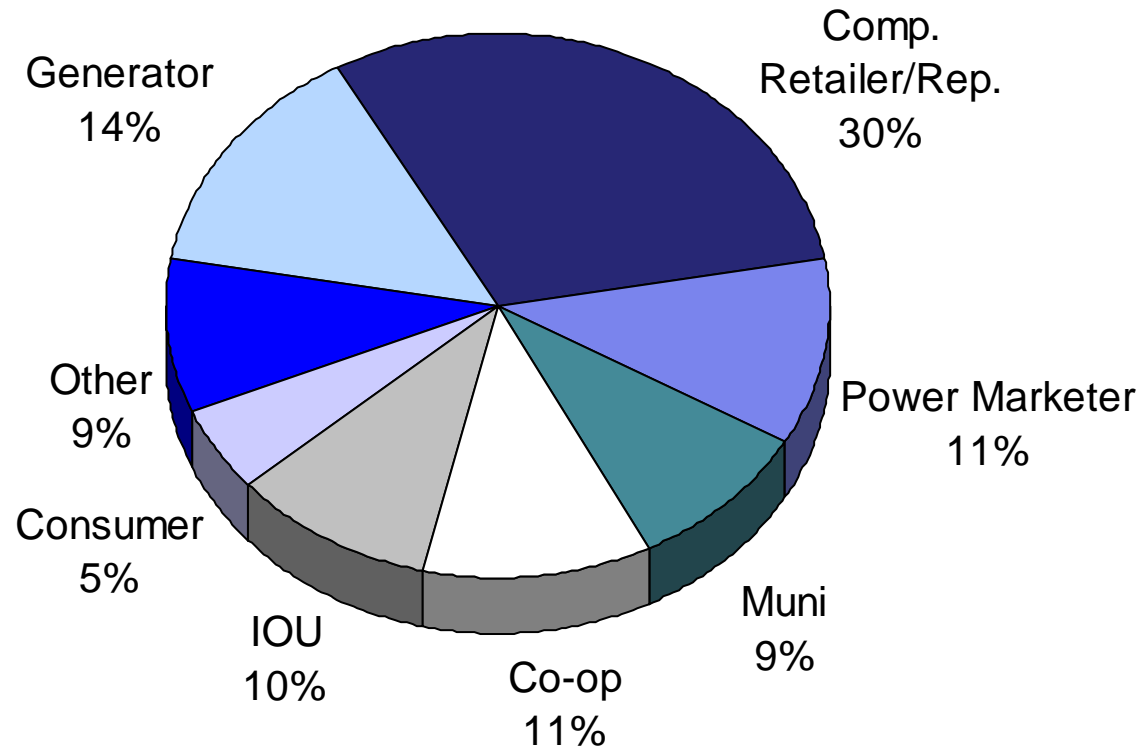
n=79

Market Participant Staff

n=182

Classification of respondent based on self-selected descriptions – QA1

By Market Participant Firm Type





Background and Context

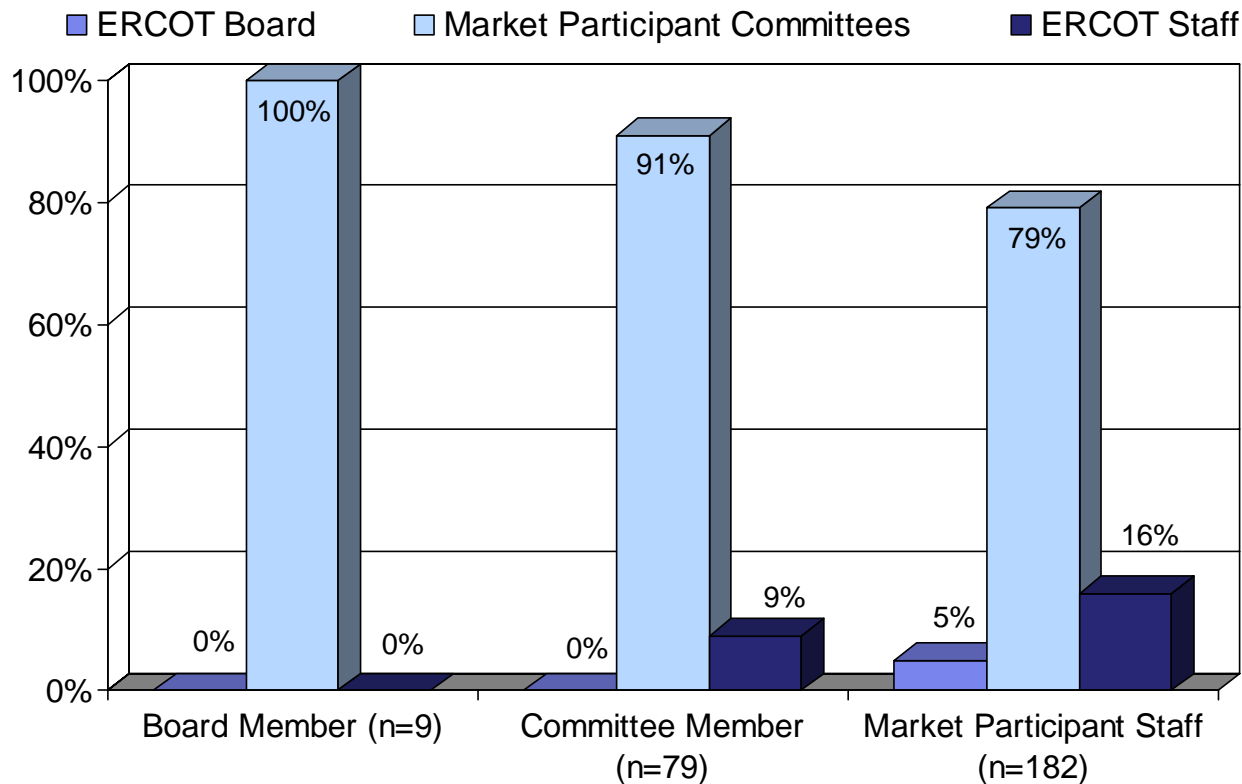
Market Participant Opinions Regarding ERCOT Staff's Role In Developing Market Rules

	Board Member (n=9)	Committee Member (n=79)	Market Participant Staff (n=182)
ERCOT staff should <u>take a position</u> in the development of market rules	44%	24%	18%
ERCOT staff should <u>provide individual professional opinion</u>	11%	27%	19%
ERCOT staff should support the development of market rules by <u>providing data and analysis only</u>	33%	39%	34%
ERCOT staff should <u>only administer</u> the market rules	-	5%	6%
Undecided	11%	5%	23%

Background and Context

Market Participants' Understanding of ERCOT's Committee Structure

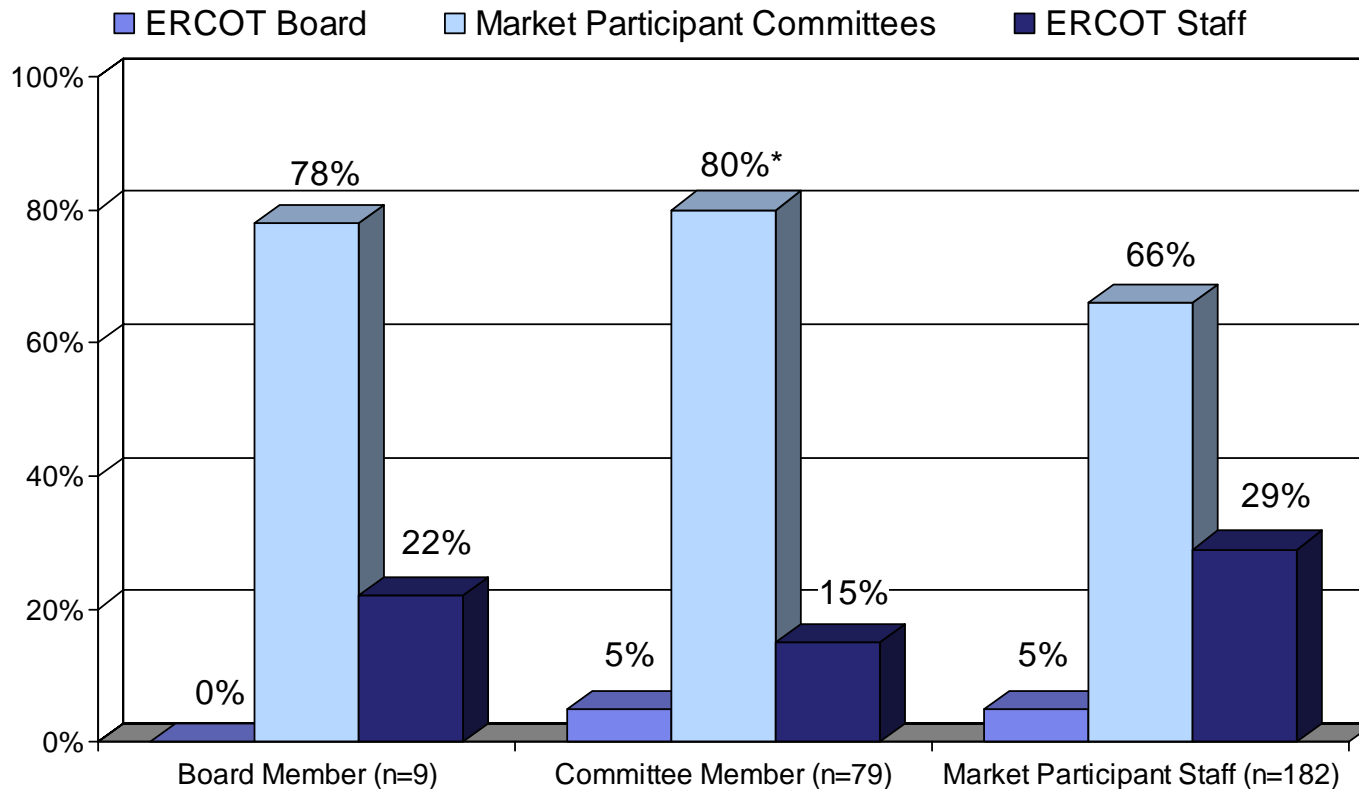
Group Respondent Feels is Most Responsible for Initiating Protocol and Guide Changes



Background and Context

Market Participants' Understanding of ERCOT's Committee Structure

Group Respondent Feels is Most Responsible for Recommending Market Changes for Final Approval

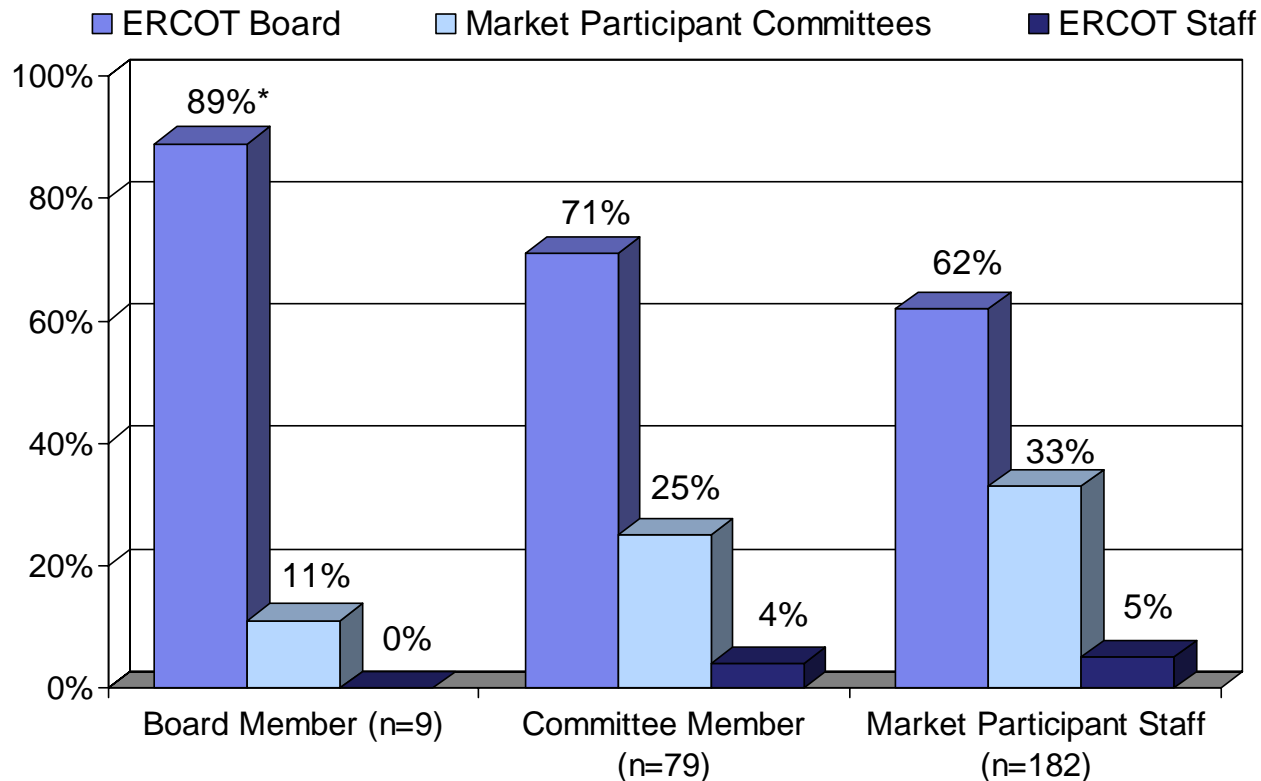


* Significantly different from Market Participant Staff at 95% confidence level.

Background and Context

Market Participants' Understanding of ERCOT's Committee Structure (cont.)

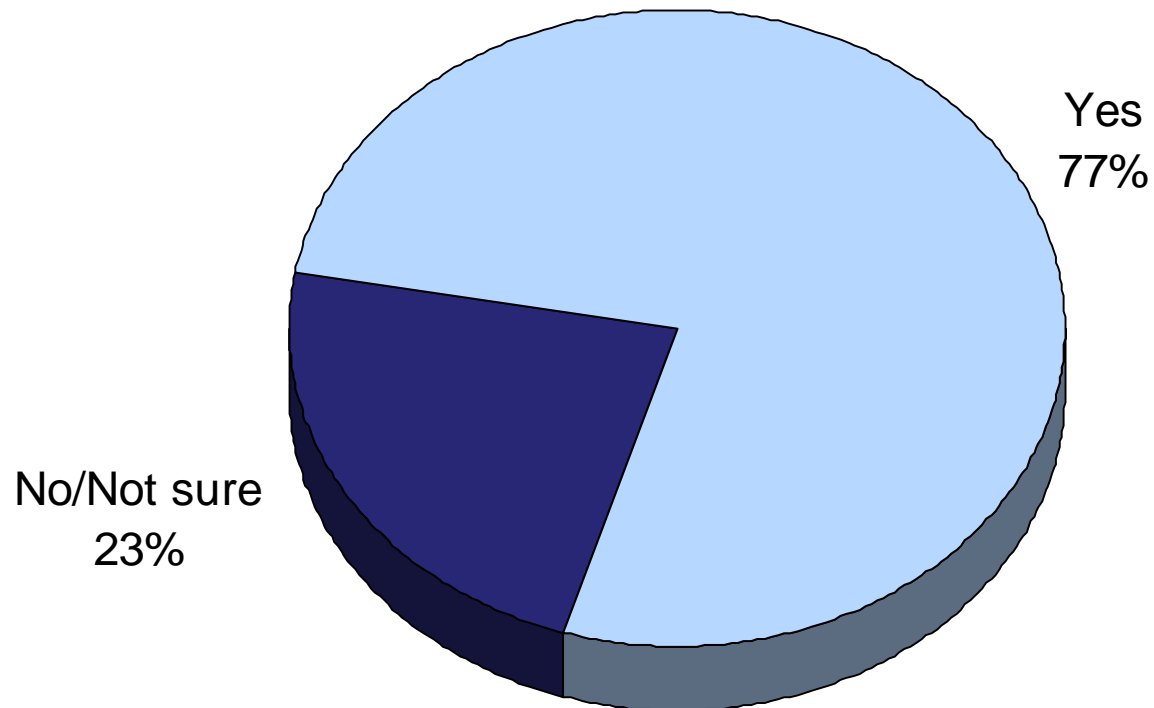
Group Respondent Feels is Most Responsible for Final Approval of Market Changes



* Significantly different from Market Participant Staff at 95% confidence level.

Background and Context

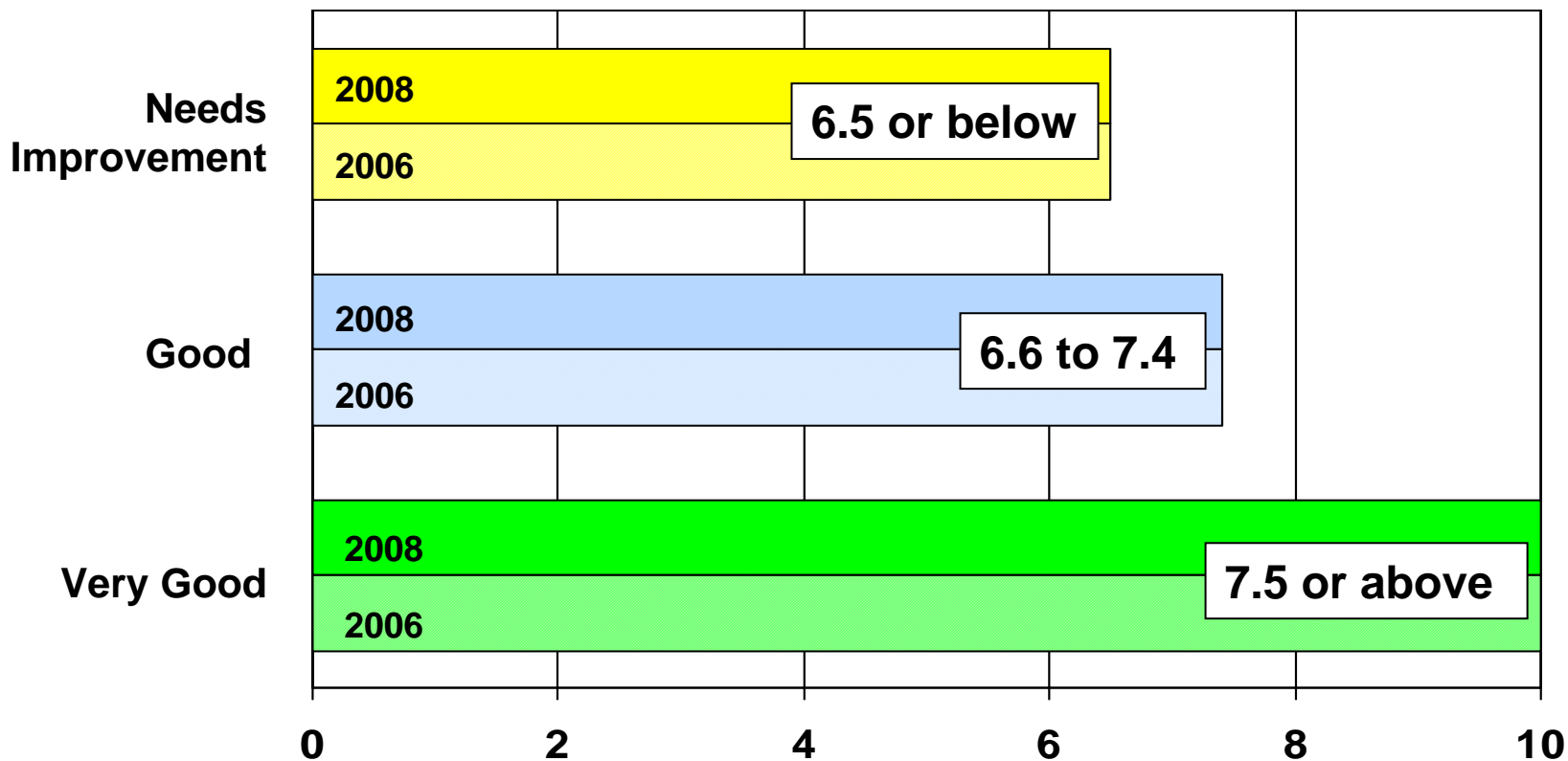
Interest in Future Training



Survey Approach: 10 point scale

- Many questions based on a 10 point scale: 1-3 = negative response, 8-10 = positive response.
- Mean responses will trend toward the middle of a 10 point scale – only those with passionate opinion are likely to provide a rating in top or bottom 3.
- In general, mean responses of 6.6 or above are favorable ratings, 7.5 and above are extremely positive responses.

Color Key





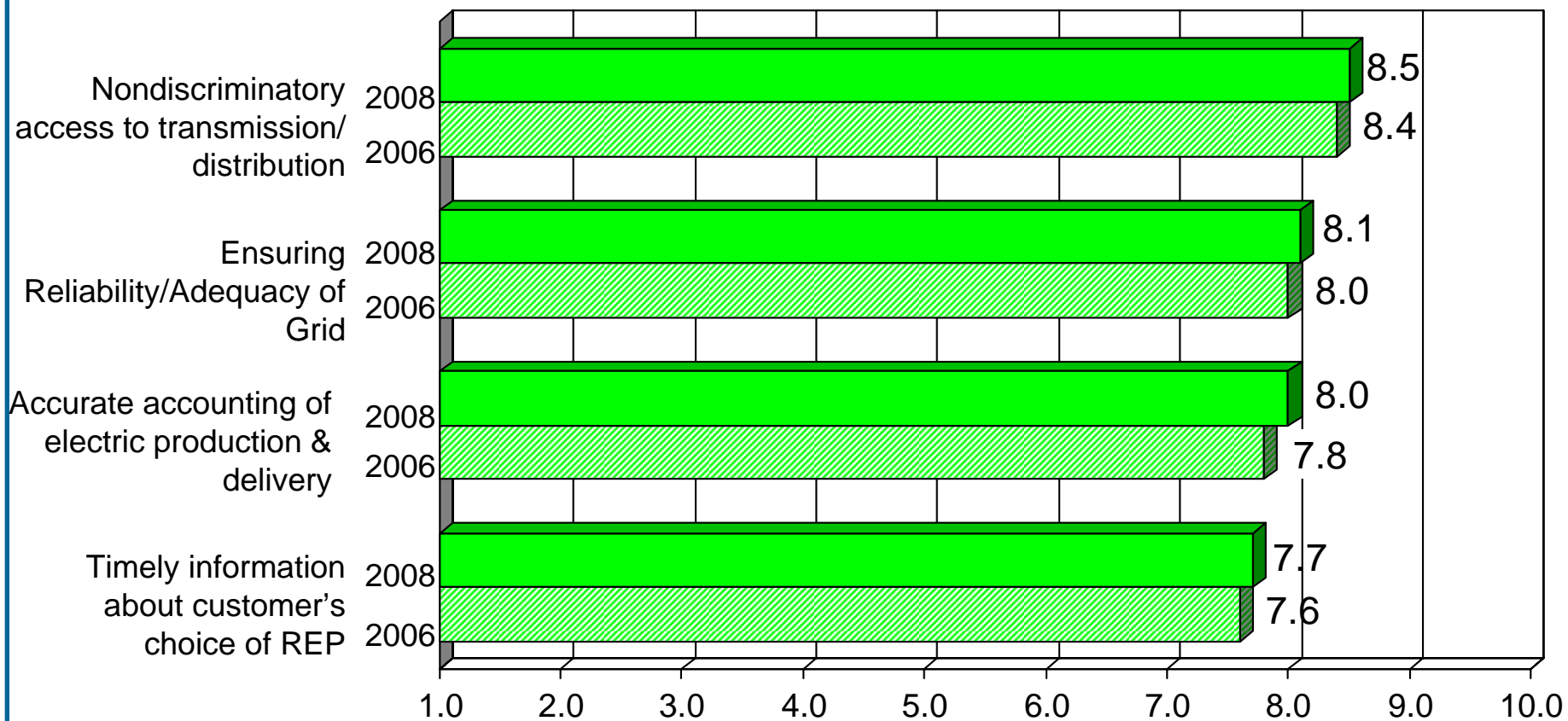
Overview of Perceived Strengths

- Performance of ERCOT staff
- Communications
- Timeliness, accuracy and format of data provided
- Providing effective training



ERCOT Staff Performance: Corporate Objectives

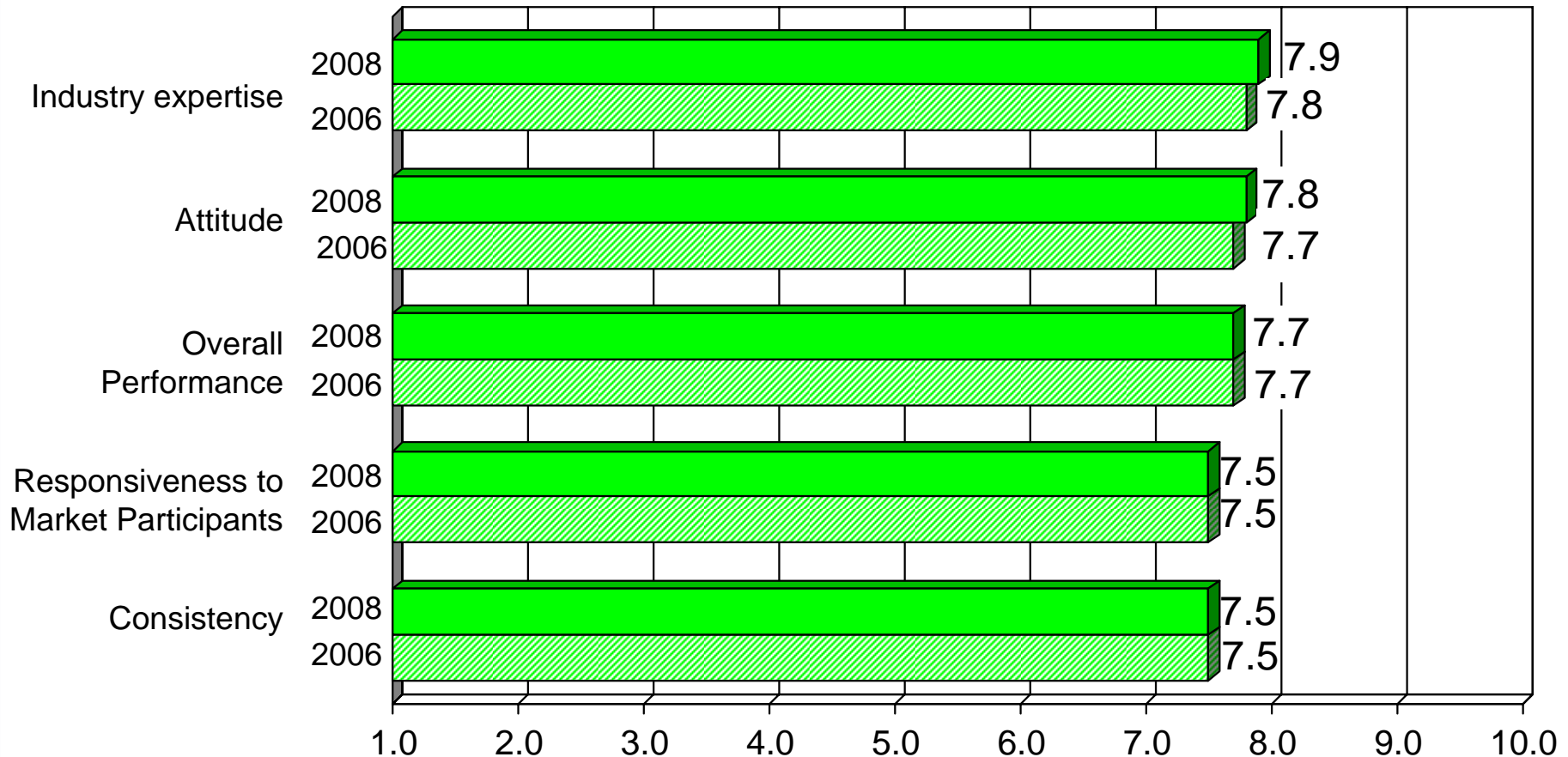
(10 point scale, means shown)





ERCOT Staff Performance: Staff

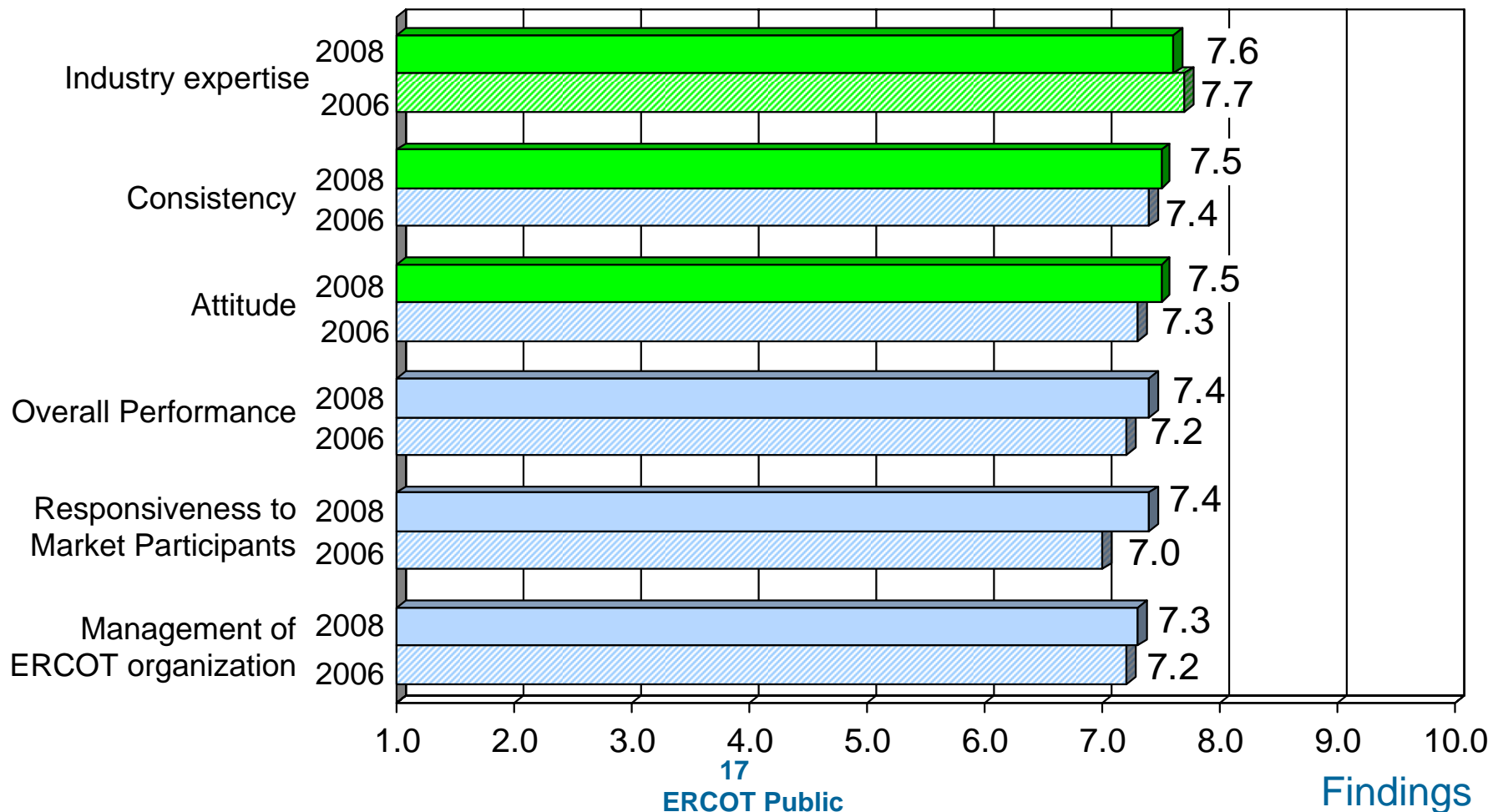
(10 point scale, means shown)





ERCOT Staff Performance: Officers & Directors

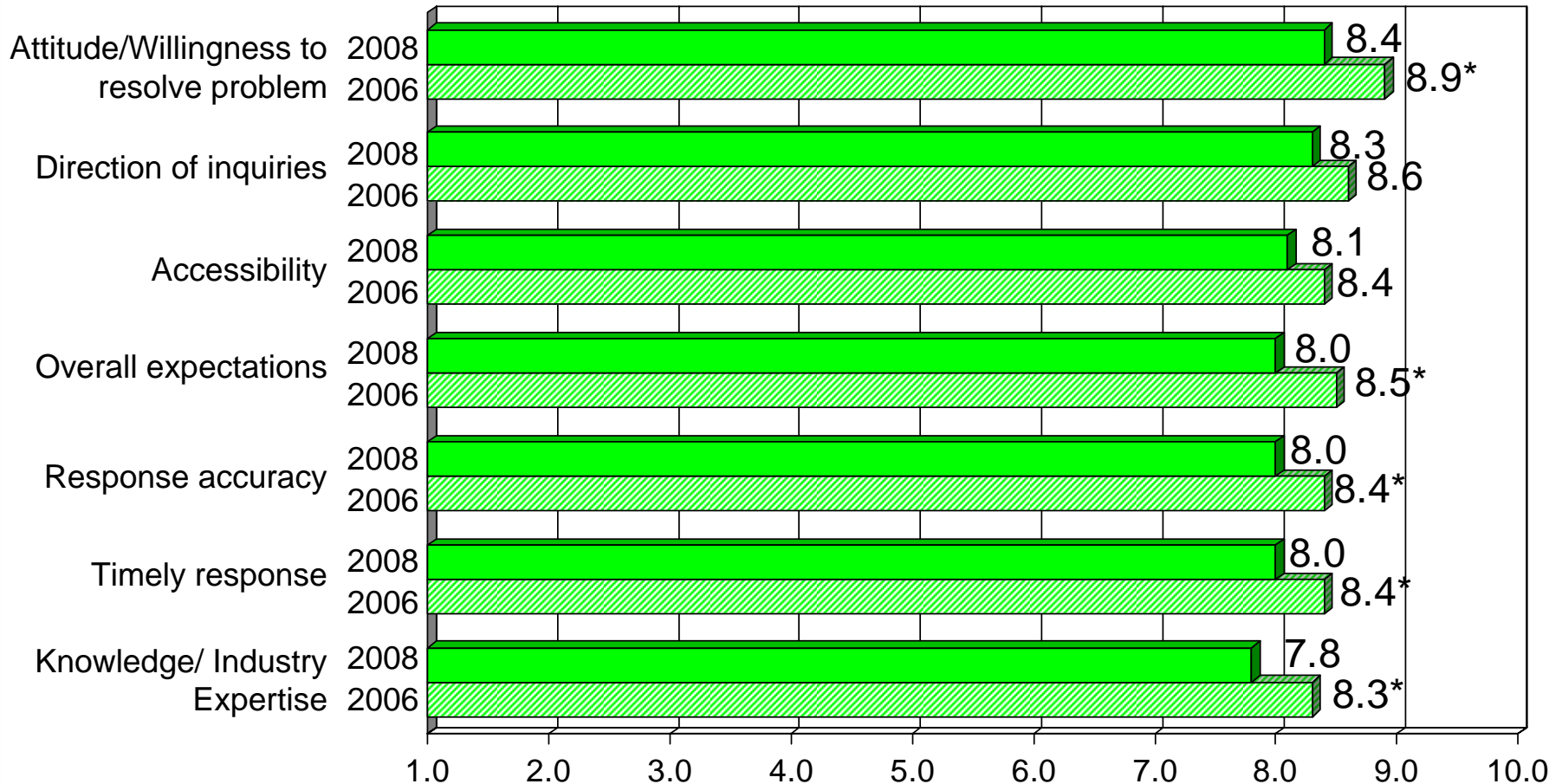
(10 point scale, means shown)





ERCOT Staff Performance: Account Managers

(10 point scale, means shown)

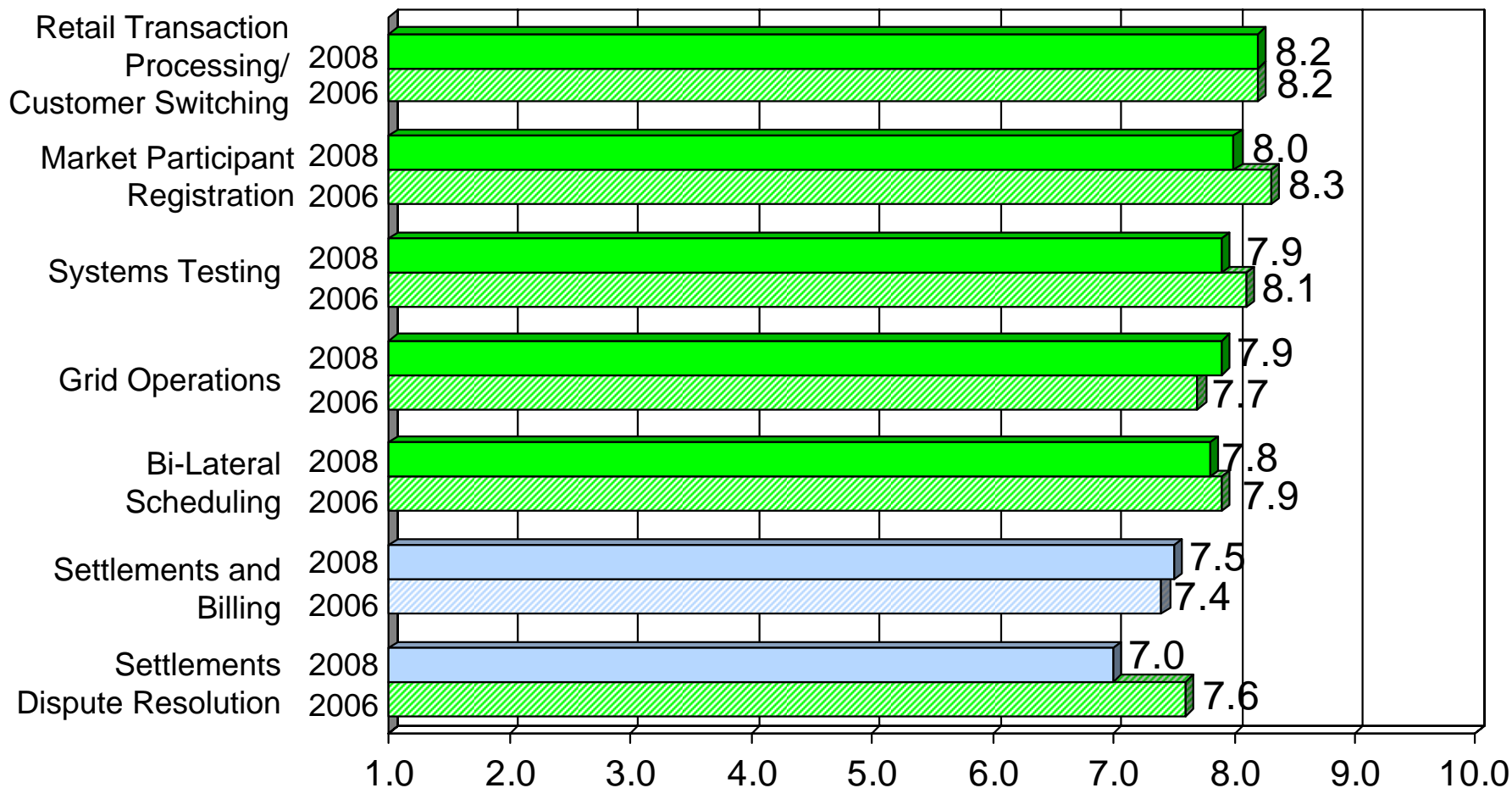


* Significantly different from 2008 at 95% confidence level.



ERCOT Staff Performance: Functional Areas

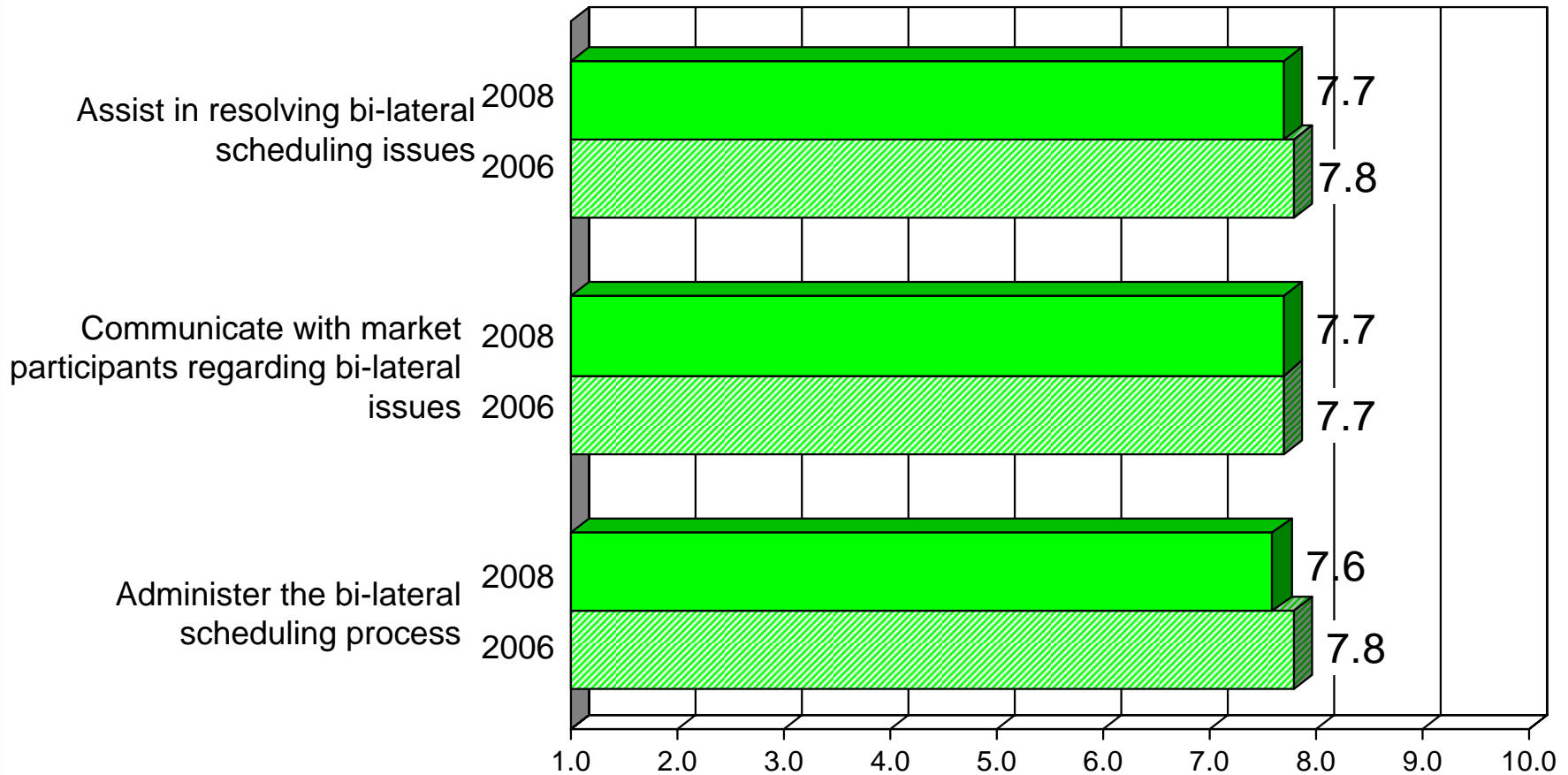
(10 point scale, means shown)





Staff Performance: Bi-Lateral Scheduling

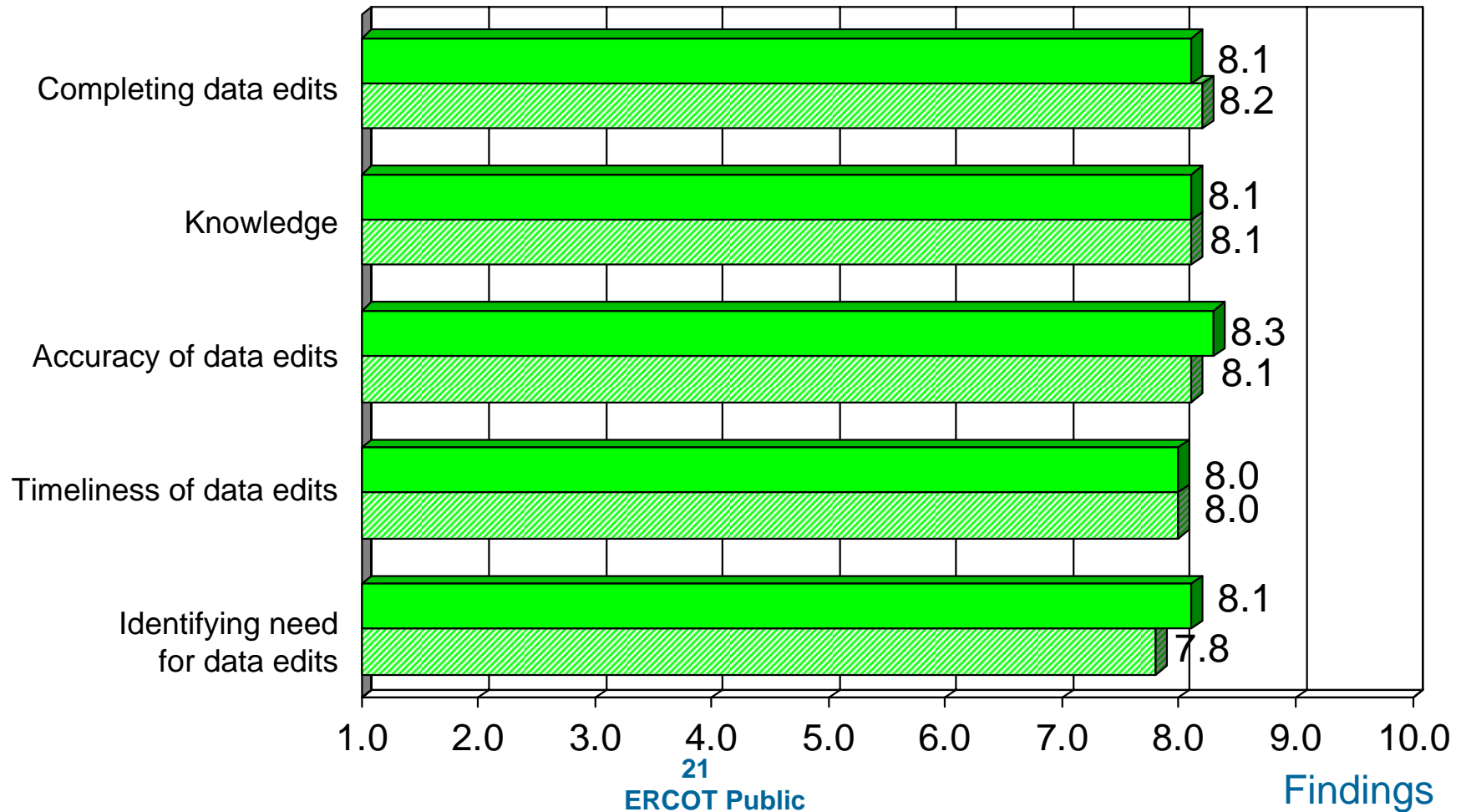
(10 point scale, means shown)





ERCOT Staff Performance: Metering

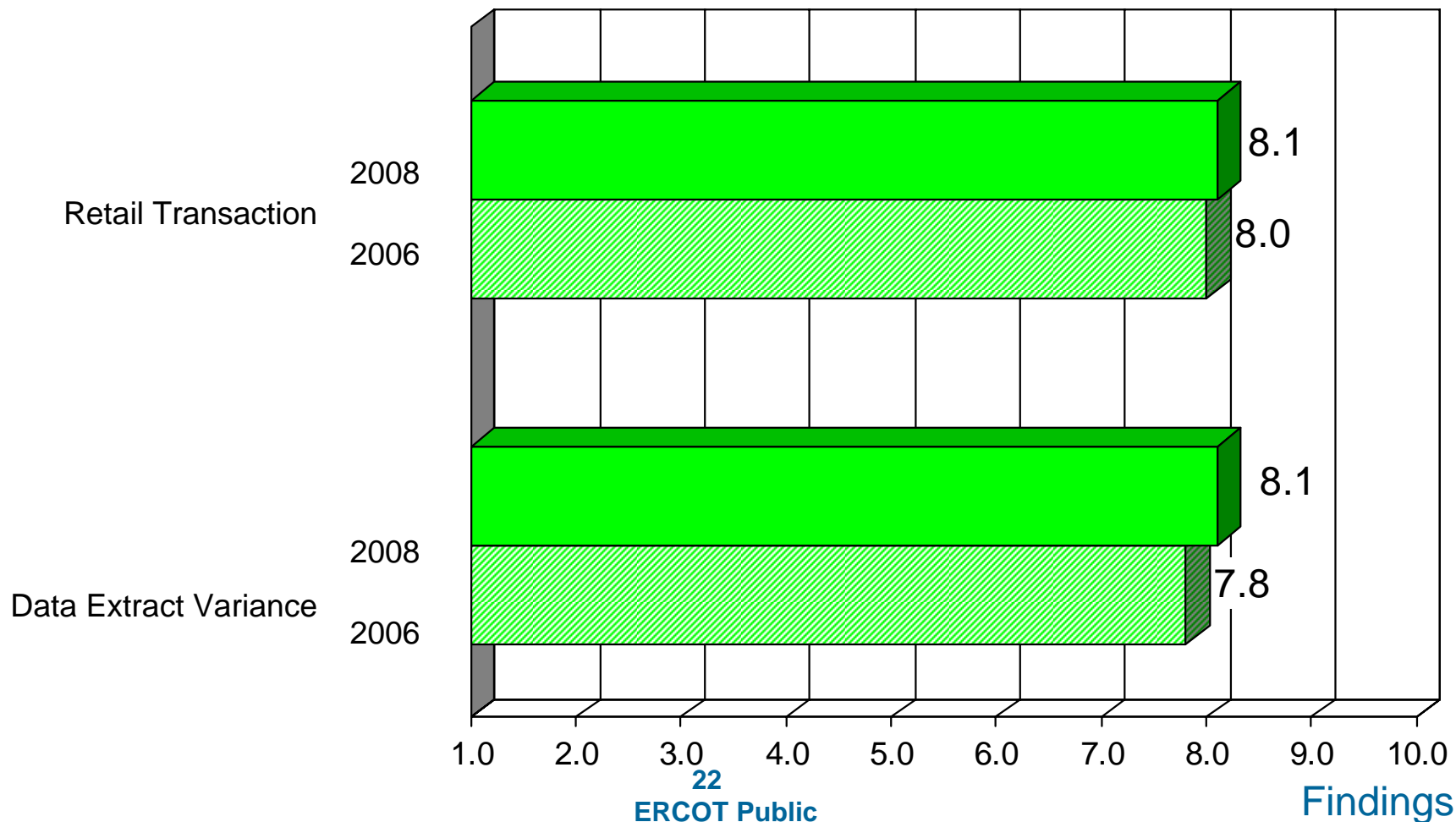
(10 point scale, means shown)





ERCOT Staff Performance: Variance Disputes

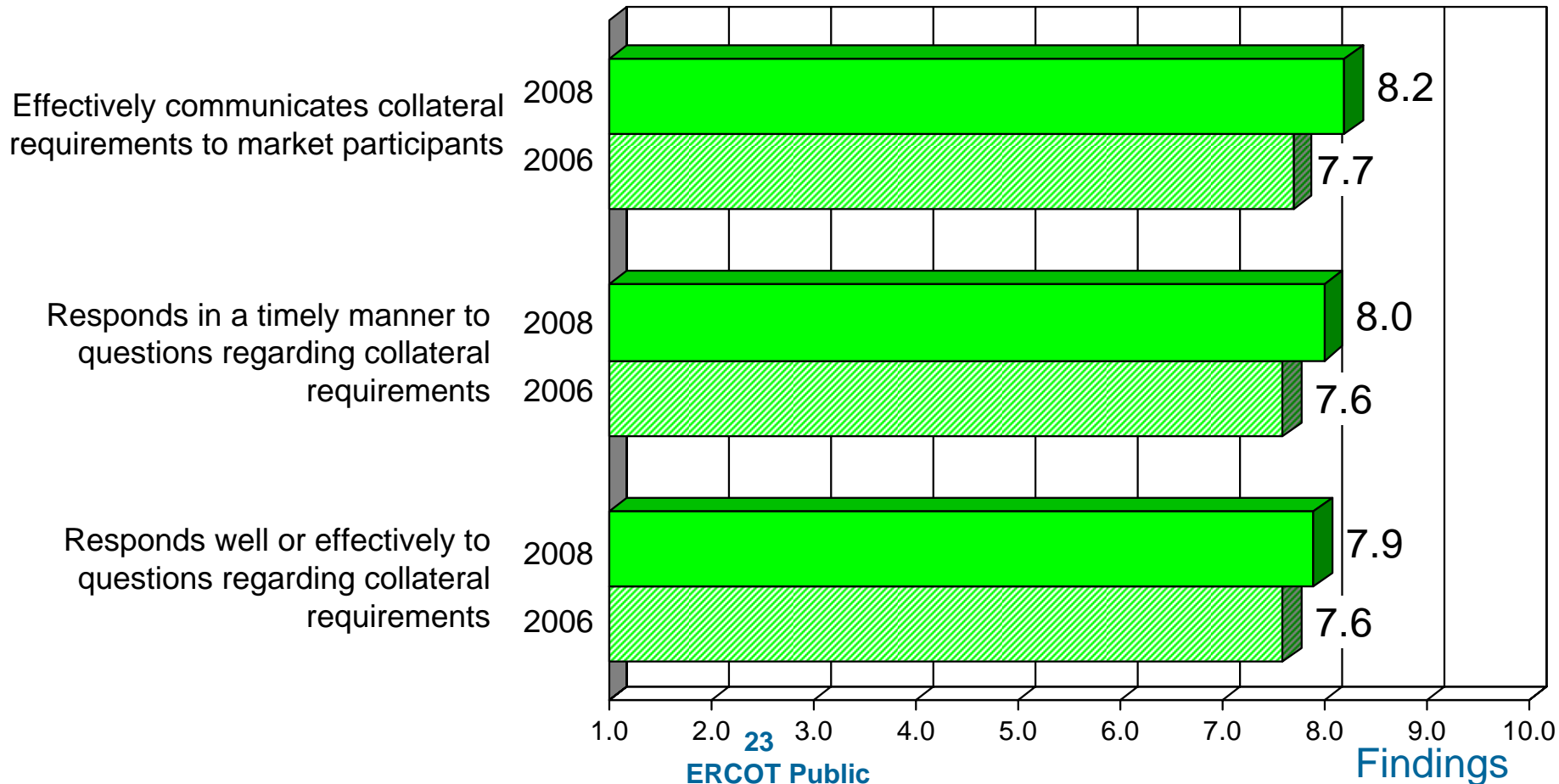
(10 point scale, means shown)





Staff Performance: Finance and Accounting Credit Standards

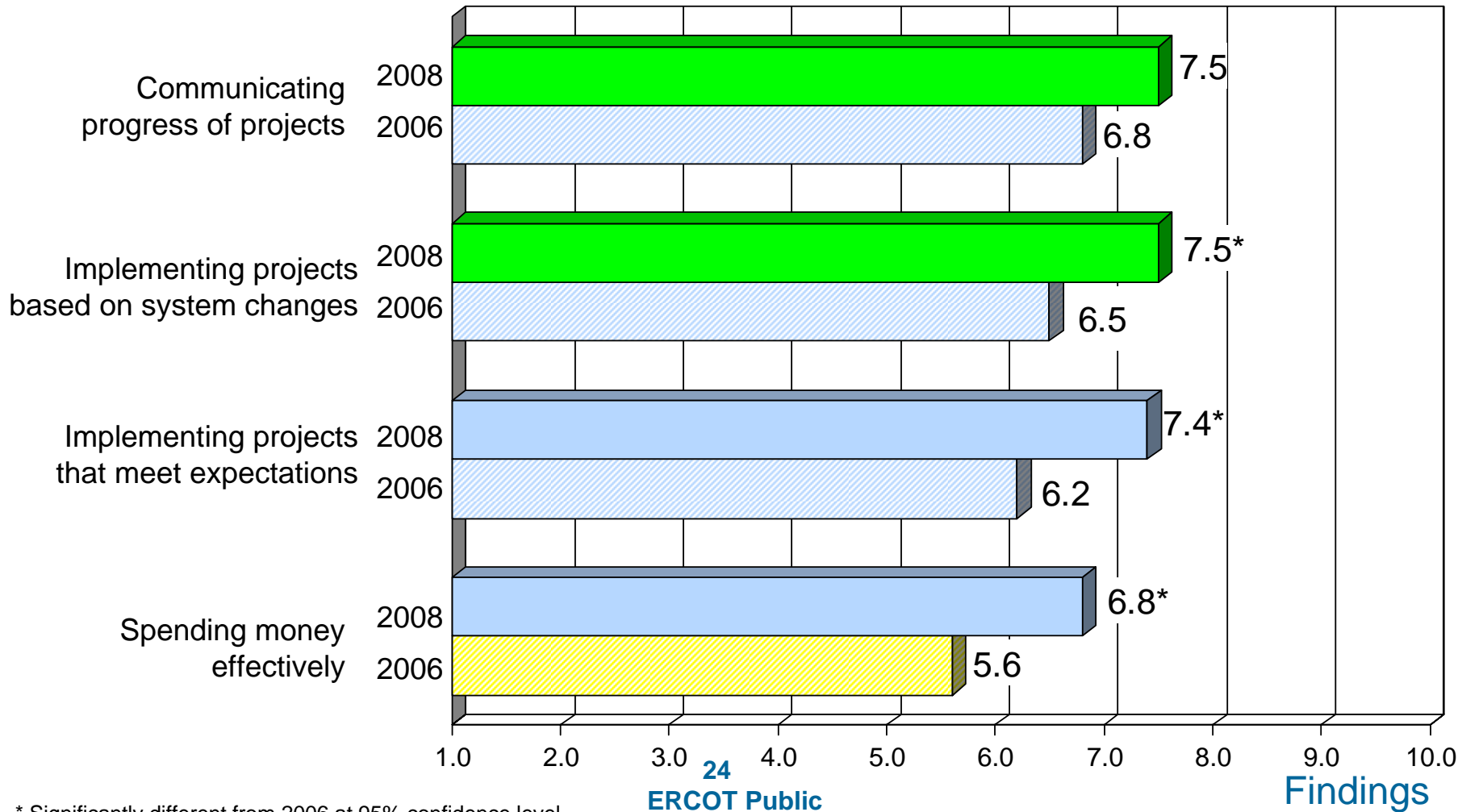
(10 point scale, means shown)





ERCOT Project Management Office

(10 point scale, means shown)

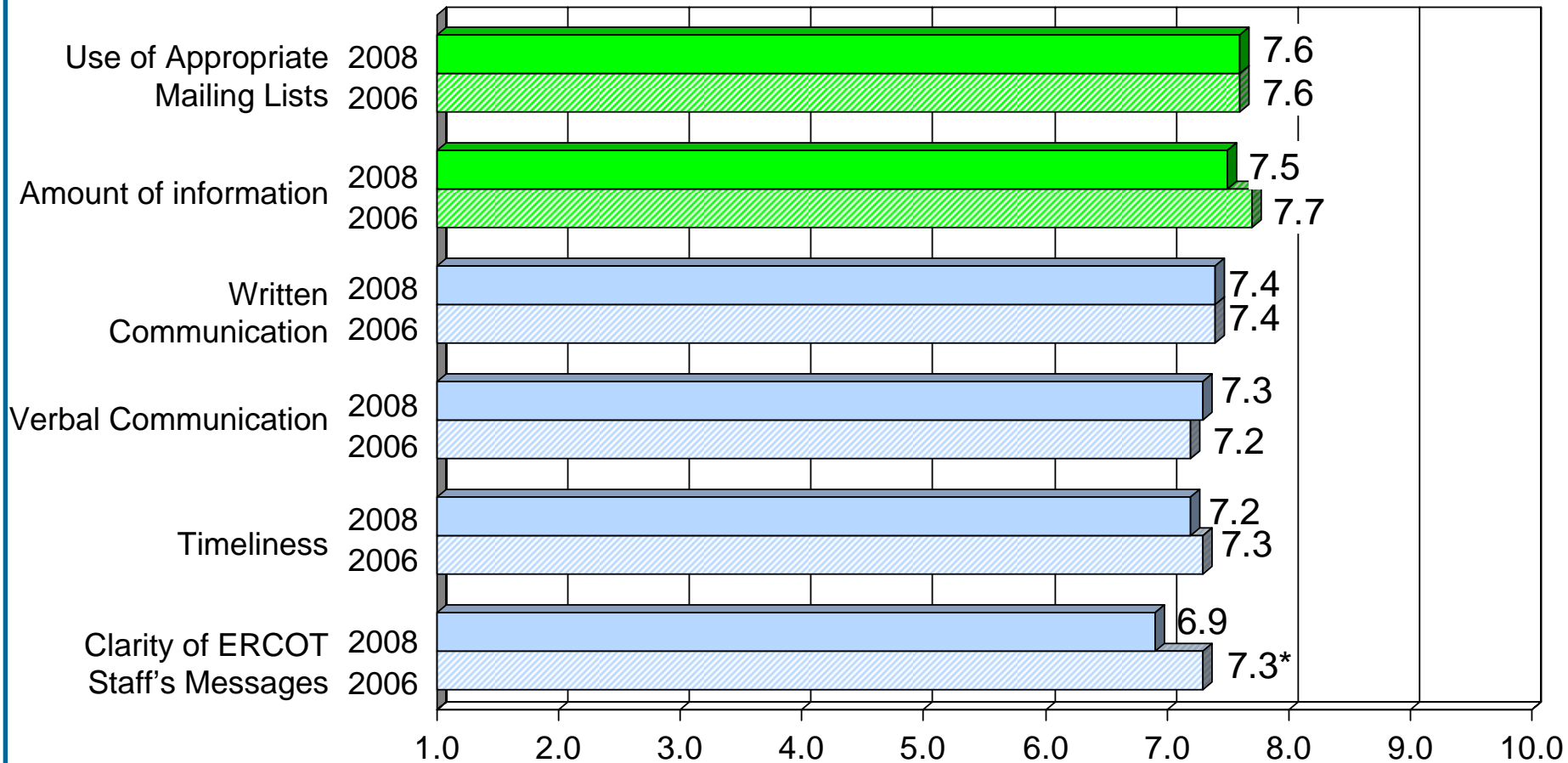


* Significantly different from 2006 at 95% confidence level.



Communications

(10 point scale, means shown)



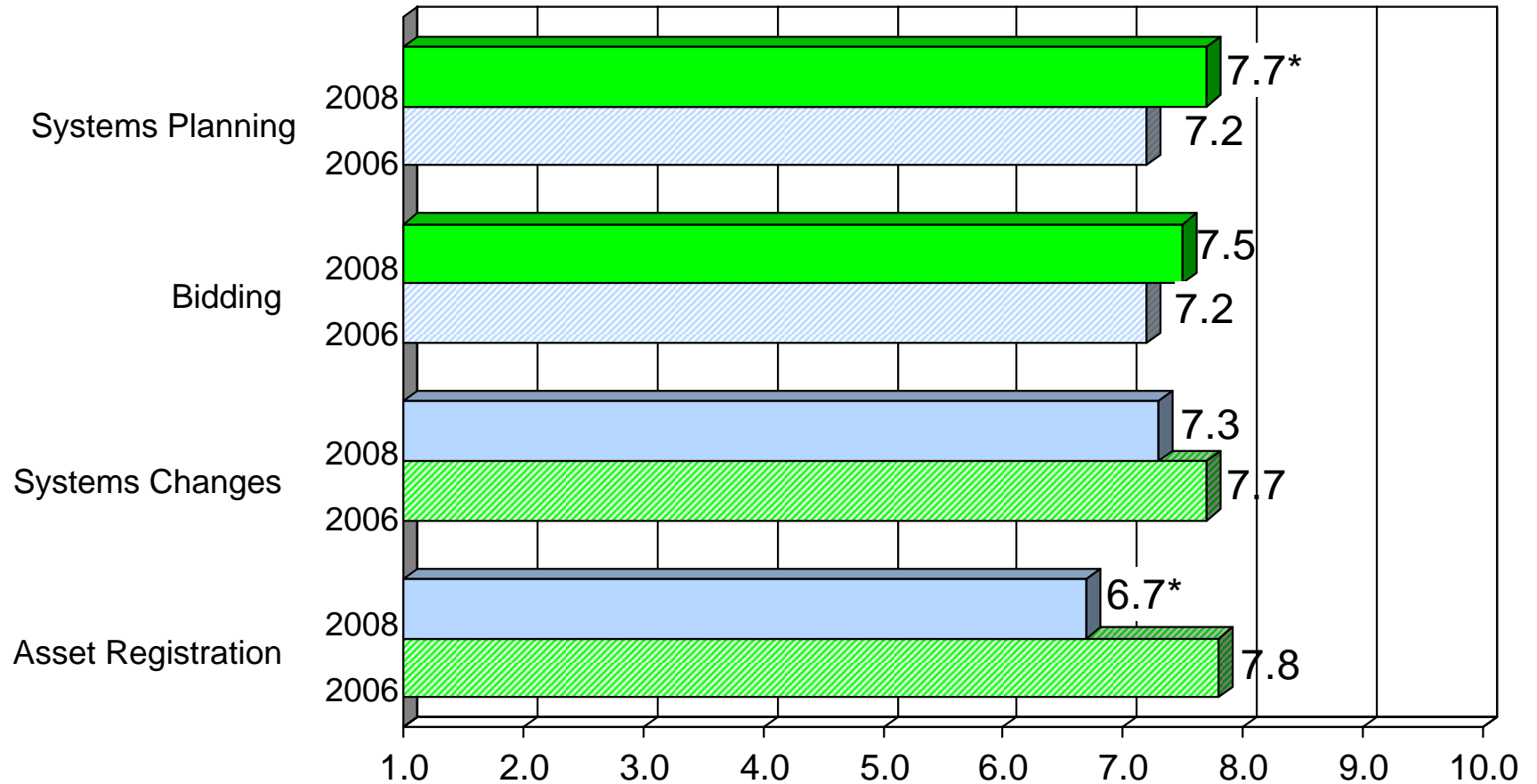
25
ERCOT Public

Findings

* Significantly different from 2008 at 95% confidence level.

Communications: Functional Areas

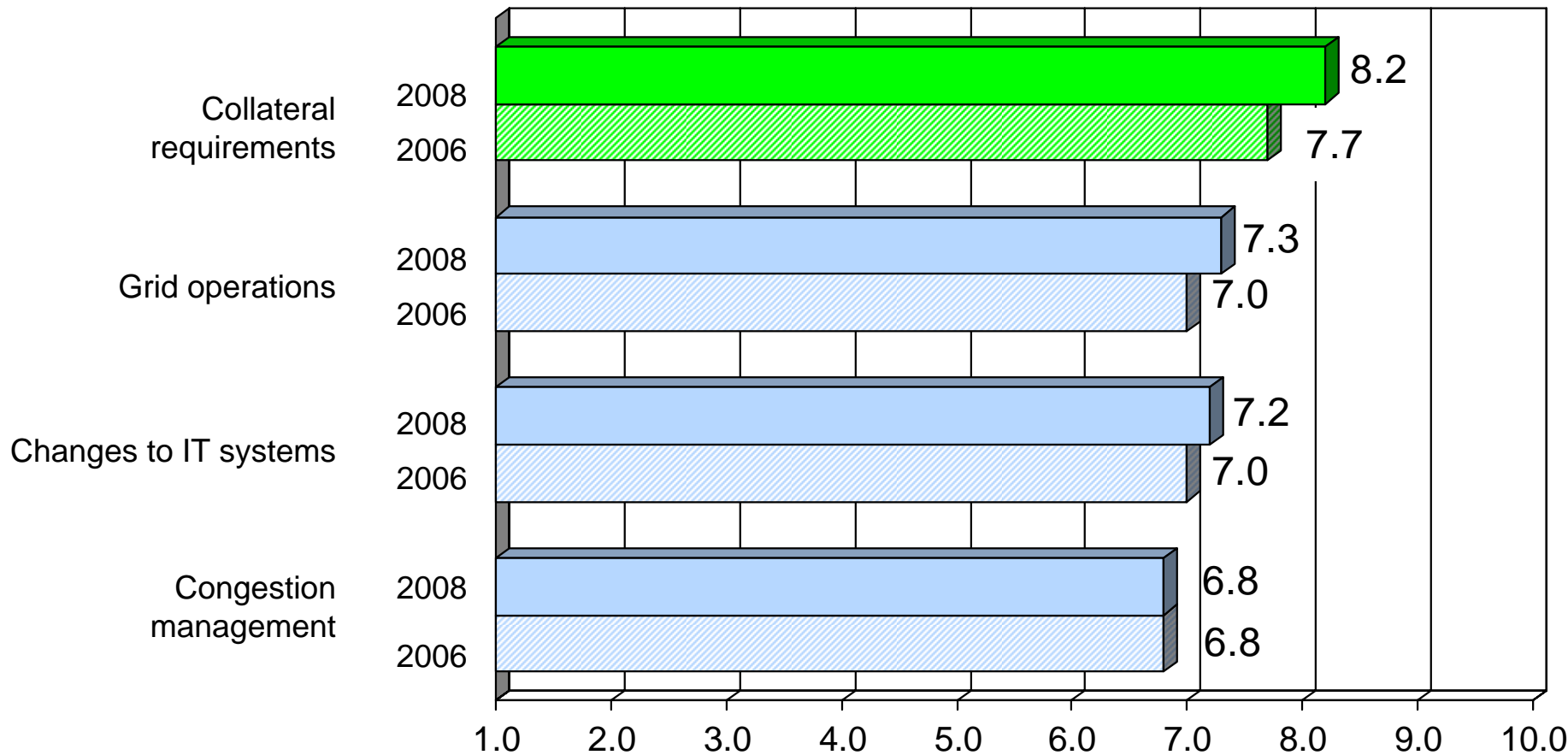
(10 point scale, means shown)



* Significantly different from 2006 at 95% confidence level.

Communications: Functional Areas (cont.)

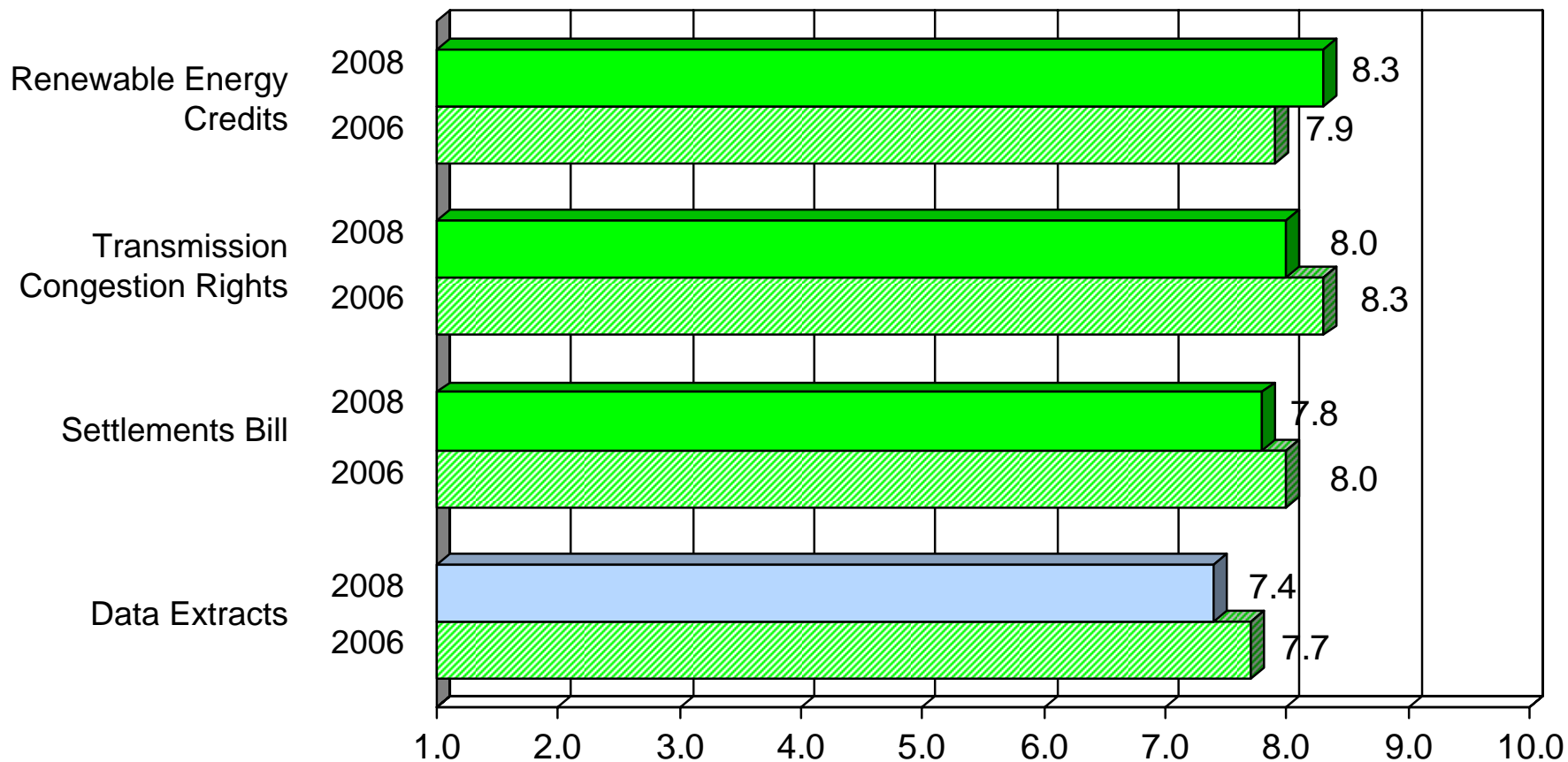
(10 point scale, means shown)





Timeliness of Data

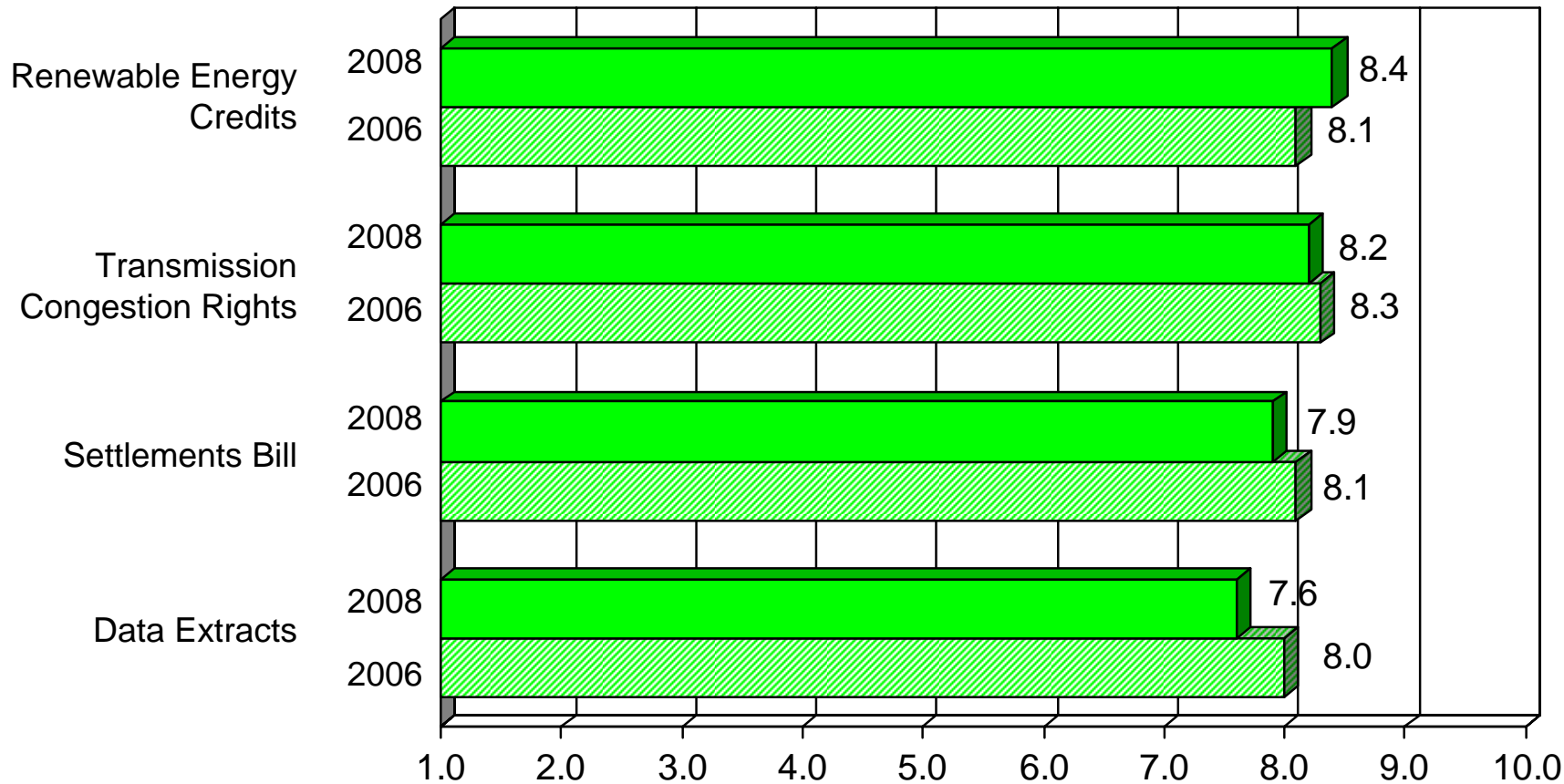
(10 point scale, means shown)





Accuracy of Data

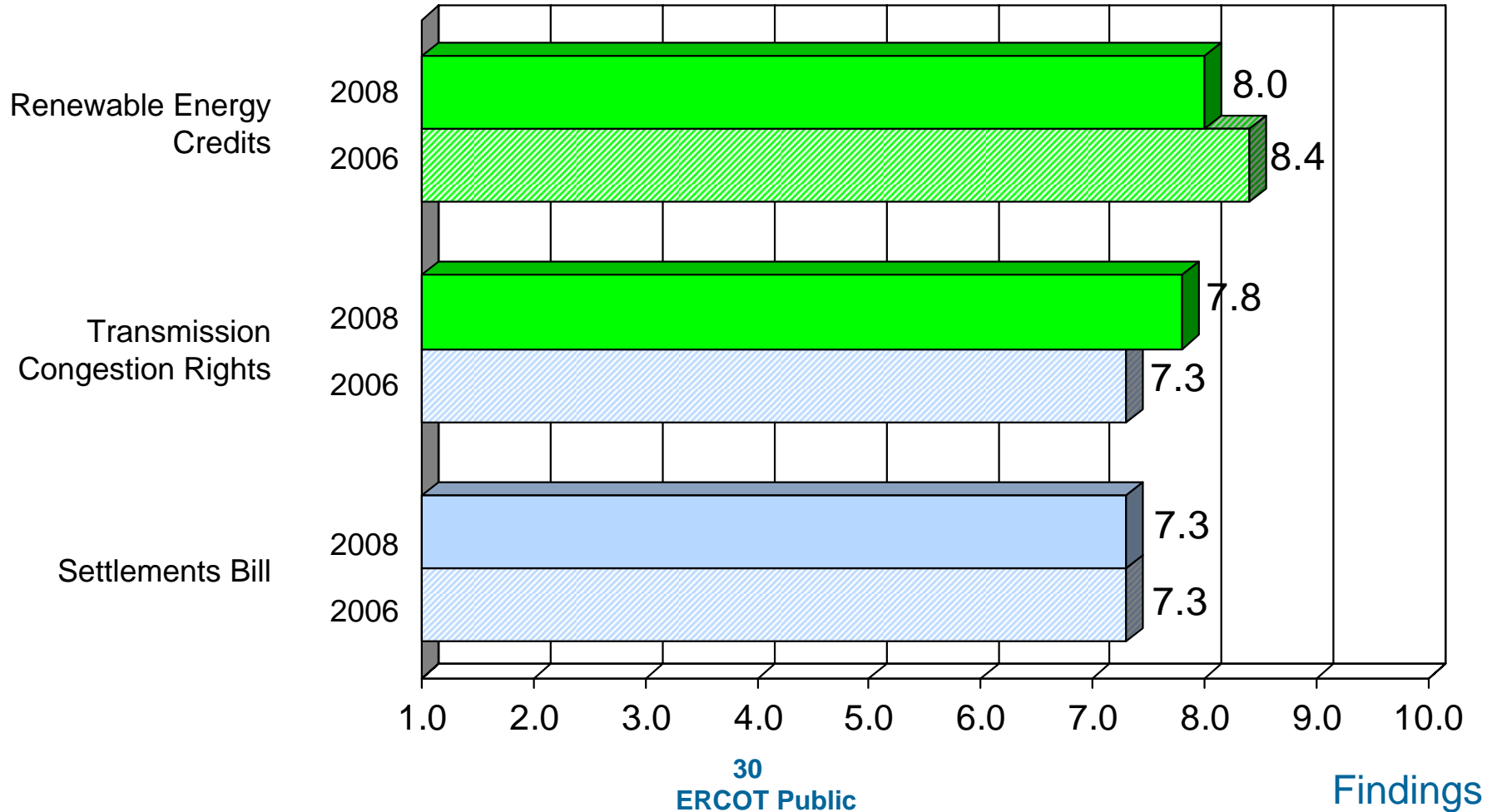
(10 point scale, means shown)





Format of Data

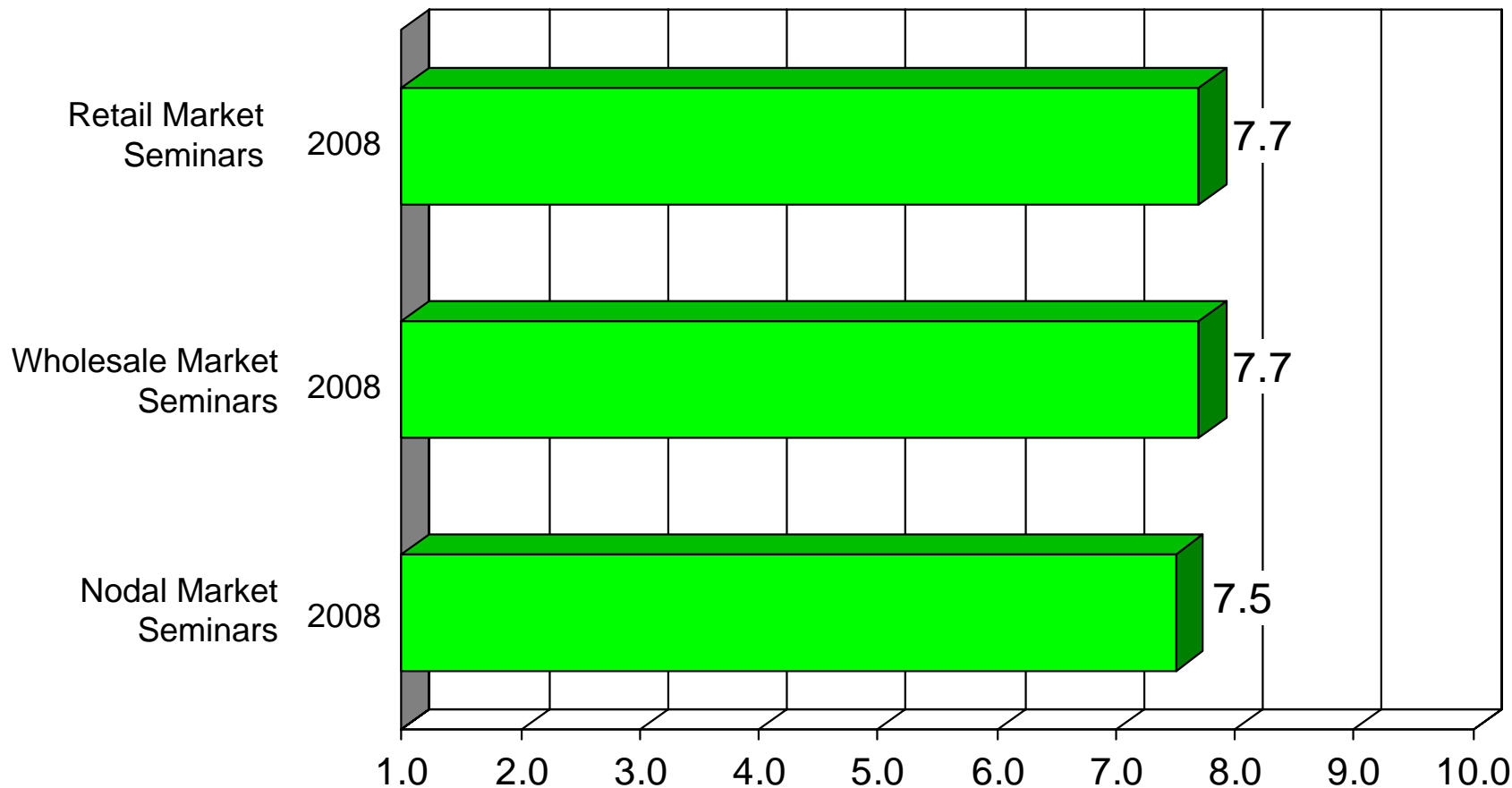
(10 point scale, means shown)





Effectiveness of Training

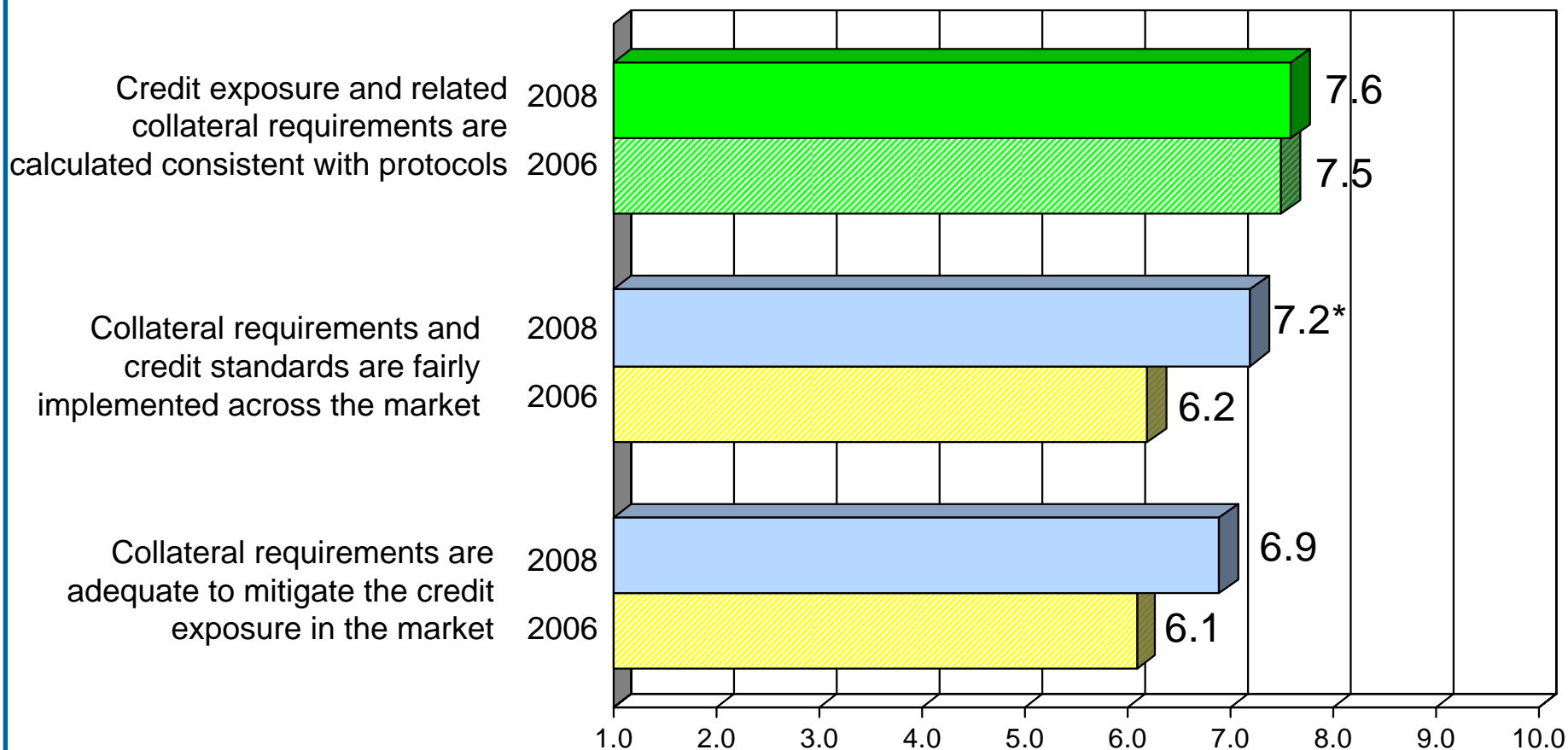
(10 point scale, means shown)



* Significantly different from 2004 at 95% confidence level.

Finance and Accounting Credit Standards

(10 point scale, means shown)

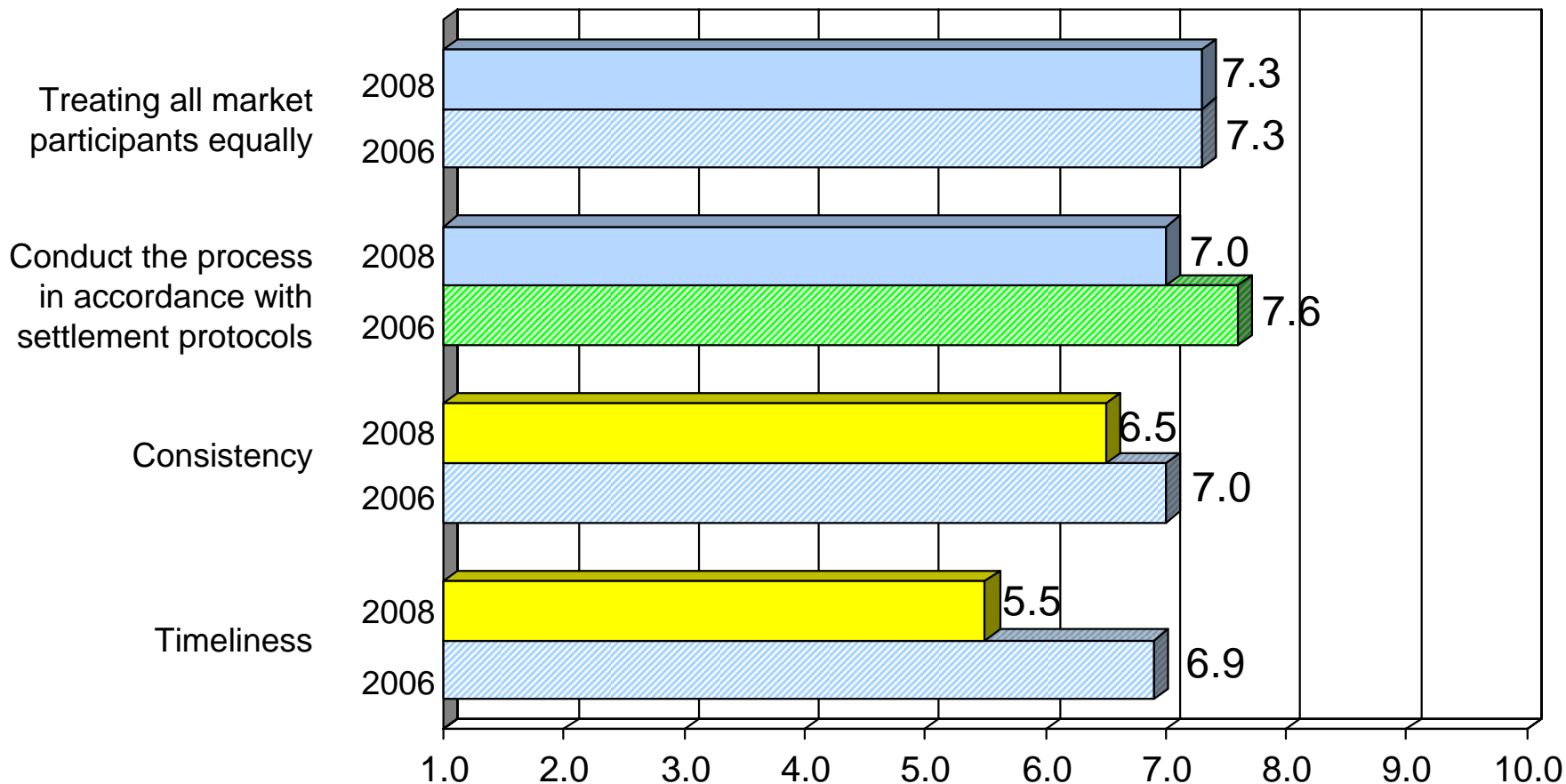


*Significantly different from 2006 at 95% confidence level.



Dispute Resolution

(10 point scale, means shown)





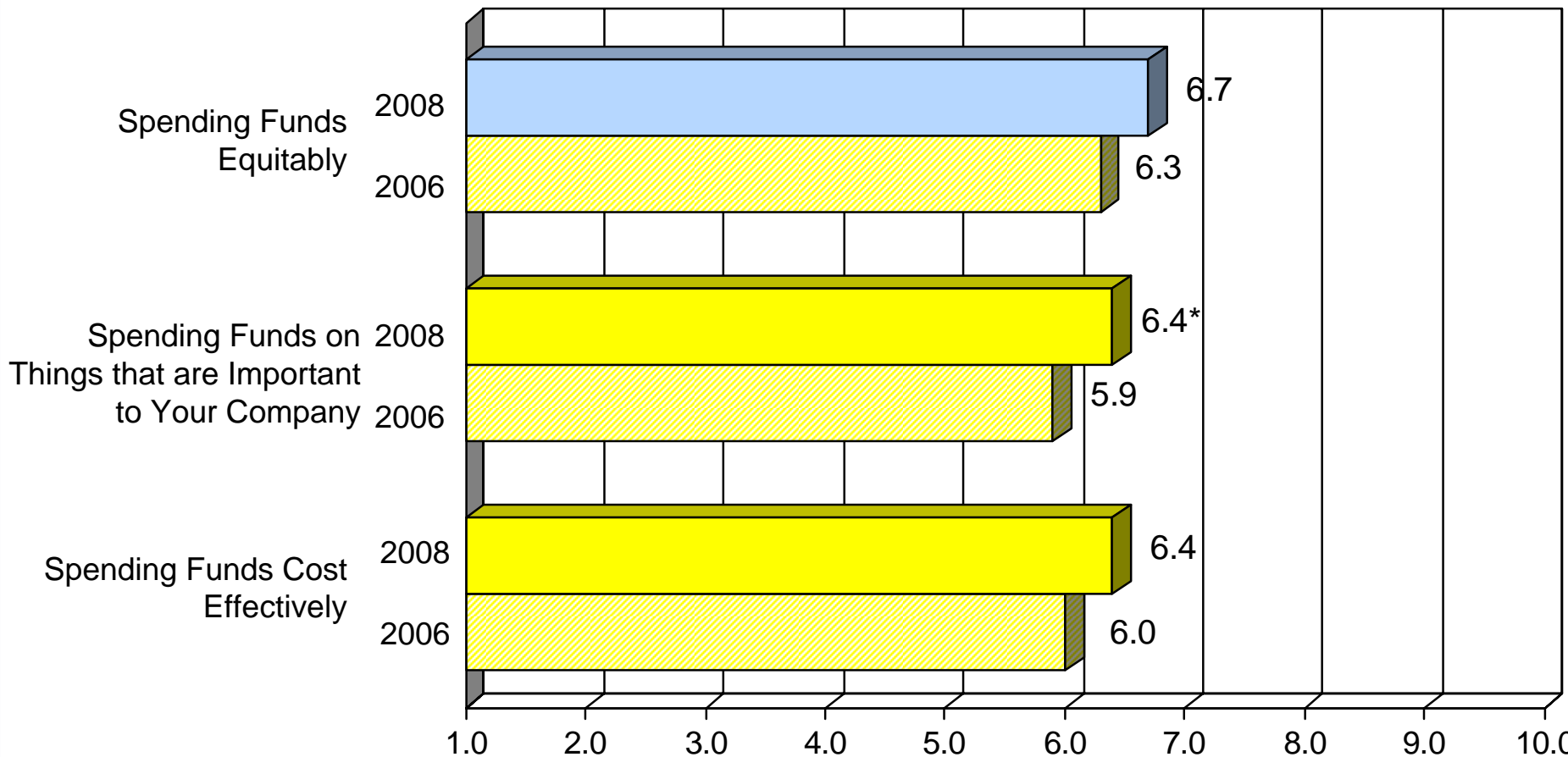
Overview of Areas for Improvement

- Spending priorities
- Satisfaction with the website
- IT Technical Helpdesk
- Dispute Resolution



ERCOT Spending Practices

(10 point scale, means shown)

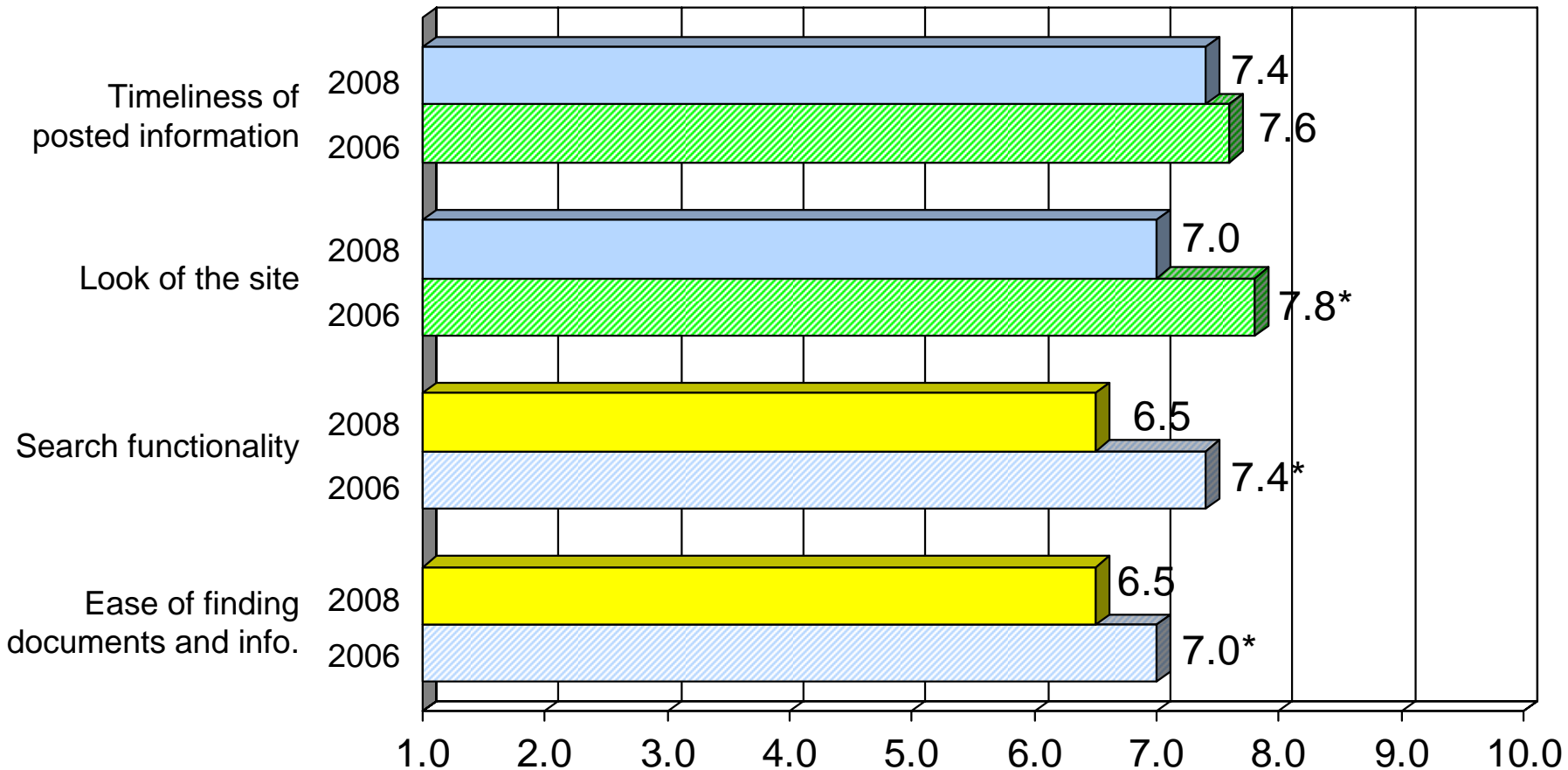


* Significantly different from 2006 at 95% confidence level.



Satisfaction with the Website

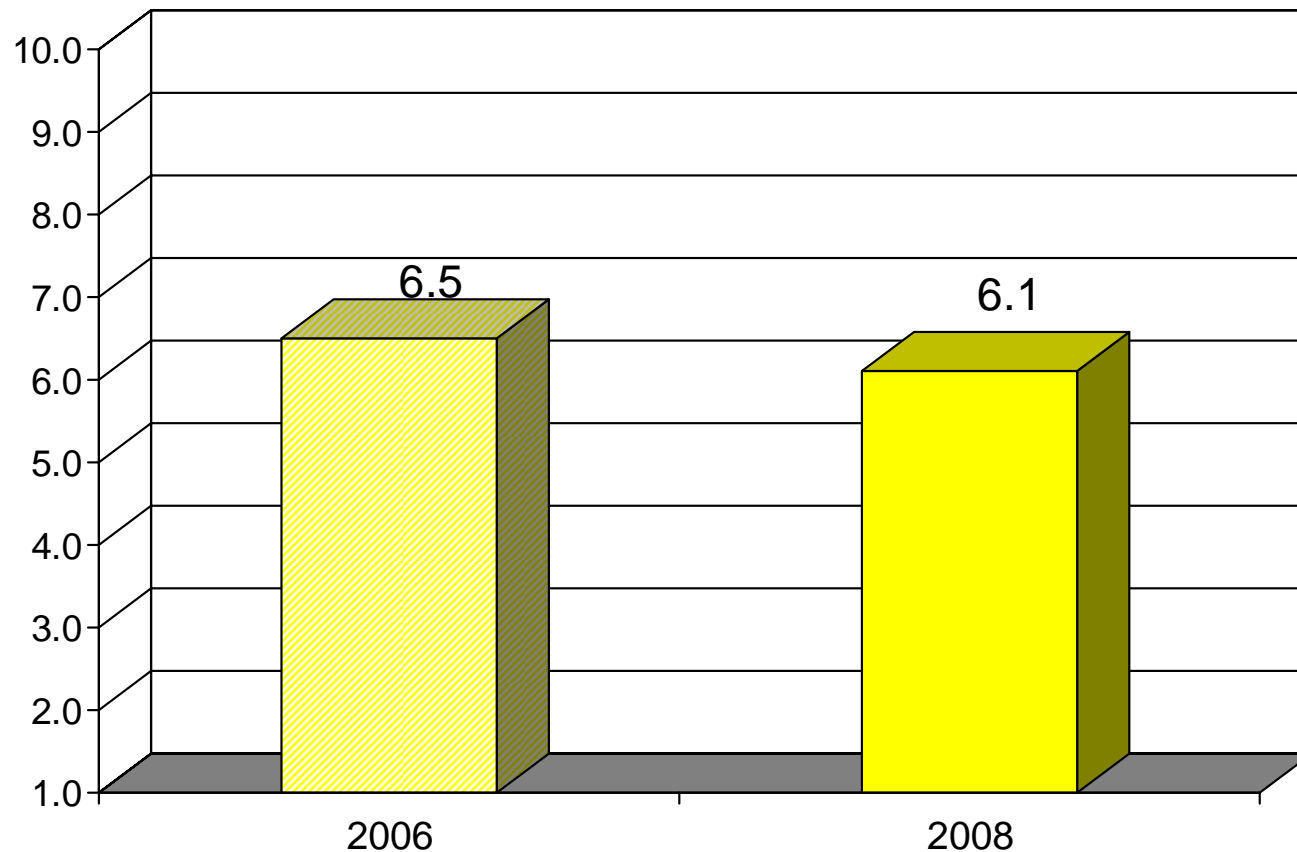
(10 point scale, means shown)



* Significantly different from 2008 at 95% confidence level.

Usefulness of Technical Helpdesk

(10 point scale, means shown)





Conclusions

Market perceived areas of strength:

- Performance with respect to corporate objectives
- Systems are providing timely and accurate data
- Virtually every aspect of ERCOT staff performance across virtually all functional areas



Conclusions (cont.)

Specific areas for strategic consideration:

- While the Market's understanding of the role of committees / governance in setting spending priorities is still an area for improvement each survey has seen an improvement in this area
- Website improvements
- Increase help desk training