

**2009 ERCOT KEY PERFORMANCE INDICATOR MATRIX**  
2009 Year End Report

%	TAB #	Percentage	KPIs	2009 YEAR END PERFORMANCE	OVERALL 2009 STATUS
25%	1	80%	Maintain reliability and compliance with ERCOT Protocols and NERC Standards and Requirements	Achieved goal of maintaining reliability and compliance; planning activities were not achieved to target.	System reliability and compliance maintained. Lagging on Regional Planning Group studies.
15%	2	90%	Retail and Wholesale Transaction Processing in Accordance with Protocols	Achieved all goals except the Retail Segment SLA.	99.71% availability, slightly below target related to Retail Segment SLA.
5%	3	100%	Execute the requirements, as defined by the PUCT, for Advanced Metering	Achieved	Interim solution completed.
25%	4	100%	Completion of Nodal Milestones in Accordance with Schedule and Budget	Achieved	Overall project remains on-time and on-budget for December, 2010 deployment.
7.50%	5	95%	Conduct Base Operations Within Approved Budget	Achieved management of overall budget however one area exceeded 105% of allocation.	Outside counsel on significant, unanticipated regulatory litigation items.
7.50%	6	80%	Provide the workforce, facilities and project management resources to support the operations of ERCOT	Achieved all goals except the provision of Management Training due to budget constraints.	Facilities/data centers on schedule and project management exceeded goal of 25 project delivered. Training delayed due to budget constraints
5%	7	100%	Receipt of Favorable Financial and SAS 70 Audits	Achieved	Received an unqualified financial audit.
10%	8	100%	Manage Legal, Legislative, Regulatory and Market Participant relationships to meet the expectations of the Board; Continue to implement actions from the 2008 market survey	Achieved	All regulatory matters controlled.
100%		92%			

**ERCOT**  
**KEY PERFORMANCE INDICATORS AND 2009 GOALS**  
KPI 1. Maintain Reliability and Compliance with ERCOT Protocols, and NERC Standards and Requirements  
**Effective 12/31/09**

KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Maintain reliability and compliance with ERCOT Protocols and NERC Standards and Requirements.	1.1	Complete the reviews of all projects submitted for regional planning along with the ERCOT 5-Year Transmission Plan.	20.00%	0.00%	Kent Saathoff	Complete the 5-year plan and 90% of regional planning project review on time	Not Achieved	5 year plan completed. Only 80% regional planning project reviews completed.
	1.2	Complete all generation interconnection and reliability must run studies in accordance with PUCT rules and ERCOT protocols.	10.00%	10.00%	Kent Saathoff	95% of generation interconnections and reliability must run studies completed on time.	Achieved	96% of generation interconnection studies done on time and 100% of RMR studies.
	1.3	Achieve full compliance with NERC/ERO planning and operating standards, and PUCT rules requirements.	30.00%	30.00%	Kent Saathoff	No emergency conditions or loss of firm load attributable wholly or in part to violation of standards and requirements and no more than 5 exceptions from NERC Standards as found in a NERC Compliance Audit.	Achieved	No emergency conditions or loss of load through fourth quarter. NERC Compliance Audit in October 2009 had favorable results.
	1.4	Comply with all Operating Procedures	20.00%	20.00%	Kent Saathoff	At least 99% compliance as found in the annual internal Operations Audit	Achieved	Operations Audit conducted in April. Achieved 99.75% compliance with Procedures. The only exceptions pertained to documentation requirements with no reliability impact.
	1.5	Comply with all ERCOT Protocols and Operating Guides	20.00%	20.00%	Kent Saathoff	No more than 3 operating related exceptions from ERCOT Protocols and Operating Guides	Achieved	No known Protocol violations.
			100.00%	80.00%				

<b>ERCOT</b> <b>KEY PERFORMANCE INDICATORS AND 2009 GOALS</b> KPI 2. Retail and Wholesale Transaction Processing in Accordance with Protocols <b>Effective 12/31/09</b>								
KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Retail Transaction Processing in Accordance with Protocols	2.1	ERCOT Initiated 814 Switch Transactions – Enrollment and Meter Read Scheduling	10.00%	10.00%	Trip Doggett	99.00%	Achieved	99.94%
	2.2	ERCOT Initiated Switch 867 Transactions – Historical and Initial Meter Read Deliveries	10.00%	10.00%	Trip Doggett	99.00%	Achieved	99.99%
	2.3	ERCOT Initiated MIMO 814 Transactions – Enrollment and Meter Read Scheduling	10.00%	10.00%	Trip Doggett	95.00%	Achieved	99.45%
	2.4	ERCOT Initiated MIMO 867 Transactions – Historical and Initial Meter Read Deliveries	10.00%	10.00%	Trip Doggett	99.00%	Achieved	99.99%
	2.5	Provide overall reliability of 99.9%, with reliability defined in retail segment service expectation agreement	10.00%	0.00%	Richard Morgan	99.90%	Not Achieved	99.71% availability, slightly below target
Wholesale Transaction Processing in Accordance with Protocols	2.6	Percent of transactions processed within the settlement calendar which followed the calendar.	12.50%	12.50%	Trip Doggett	99.00%	Achieved	99.94%
	2.7	Completed and accurate EPS meter data for settlement runs	12.50%	12.50%	Trip Doggett	99.00%	Achieved	99.97%
	2.8	Percent of IDR data captured by true-up as requested from MRE.	12.50%	12.50%	Trip Doggett	99.20%	Achieved	99.94%
	2.9	Percent of Completed dispute filings in accordance to Protocol – Annual	12.50%	12.50%	Trip Doggett	95.00%	Achieved	98.53%
			100.00%	90.00%				

**ERCOT**  
**KEY PERFORMANCE INDICATORS AND 2009 GOALS**  
KPI 3. Execute the requirements, as defined by the PUCT, for Advanced Metering.  
**Effective 12/31/09**

KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Execute the requirements, as defined by the PUCT, for Advanced Metering	3.1	Completion of project milestones within approved timeline and budget	33.34%	33.34%	Trip Doggett	Project milestones are met on time and delivered to the specifications as determined by the project team.	Achieved	Completed
	3.2	Participation in the PUCT AMIT projects applicable to ERCOT	33.33%	33.33%	Trip Doggett	Participation in AMIT meetings and responses filed to PUCT on related dockets.	Achieved	no meetings scheduled
	3.3	Complete development of revised business processes/procedures related to the Interim Solution	33.33%	33.33%	Trip Doggett	Revised business processes/procedures related to the Interim Solution delivered on time.	Achieved	Completed
			100.00%	100.00%				

<p style="text-align: center;"><b>ERCOT</b>  <b>KEY PERFORMANCE INDICATORS AND 2009 GOALS</b>  KPI 4. Completion of Nodal Milestones in Accordance with Schedule and Budget  <b>Effective 12/31/09</b></p>								
KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Completion of Nodal Milestones in Accordance with Schedule and Budget	4.1	Monitor and execute Nodal program to meet critical milestone dates and meet approved budget levels.	10.00%	10.00%	Mike Cleary	10% completion of milestones within 60 days of plan. 90% completion of milestones per plan.	Achieved	Milestones reported monthly at board meeting.
	4.2	The completion of all business processes and procedures.	10.00%	10.00%	Trip Doggett & Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Procedure development underway. On target to deliver all relevant level 5 process and procedures to support end to end testing.
	4.3	Support successful completion of Texas Nodal Implementation in Credit Monitoring	10.00%	10.00%	Roy Bowman & Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Milestones reported monthly at board meeting.
	4.4	Support successful completion of Texas Nodal Implementation in Program Controls, Infrastructure, Enterprise Integration Program & Testing, Enterprise Data Warehouse (tool), and Market Engagement Readiness	15.00%	15.00%	Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Milestones reported monthly at board meeting.
	4.5	Provide IT Infrastructure, Applications, and Operations Services required to implement Nodal deliverables in alignment with Nodal Schedule	15.00%	15.00%	Richard Morgan & Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Milestones reported monthly at board meeting.
	4.6	Support successful completion of Texas Nodal Implementation for ERCOT Readiness Transition	10.00%	10.00%	Nancy Capezzuti & Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Milestones reported monthly at board meeting.
	4.7	Support successful completion of Texas Nodal Implementation in Market Training, Management Info System, and Commercial	15.00%	15.00%	Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Milestones reported monthly at board meeting.
	4.8	Support successful completion of Texas Nodal Implementation in Energy Management, Market Management, and Network Model	15.00%	15.00%	Kent Saathoff & Mike Cleary	Project milestones are met on time and delivered to the specifications as determined by the Nodal project team.	Achieved	Milestones reported monthly at board meeting.
			100.00%	100.00%				

**ERCOT**  
**KEY PERFORMANCE INDICATORS AND 2009 GOALS**

KPI 5. Conduct Base Operations Within Approved Budget

**Effective 12/31/09**

KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Conduct Base Operations Within Approved Budget	5.1	Facilitate quarterly performance reviews with executive officers.	15.00%	15.00%	Roy Bowman	Quarterly review held with documentation & discussion regarding action items	Achieved	QBR meetings conducted as required.
	5.2	Coordinate development of required fee filings (s) consistent with budgets; ensure synchronization across ERCOT base, Nodal and TRE budgets as warranted.	25.00%	25.00%	Roy Bowman	Accomplish in accordance with business planning	Achieved	Required filings have been accomplished according to schedule.
	5.3	Manage total spending for ERCOT within approved 2009 authorized budget and ensure the Board and Commission receive timely projections of actual performance.	30.00%	30.00%	Roy Bowman	Authorized annual 2009 budget as approved by the Board	Achieved	\$2.1 Million Operating Surplus
	5.4	Manage ERCOT total spending within 2009 authorized budget and within 105% of the authorized budget for your specific reporting areas	10.00%	10.00%	Trip Doggett, Chuck Manning & Kent Saathoff	Authorized annual 2009 budget as approved by the Board	Achieved	within 3% *Actual: 36,076,449 *Budget: 35,062,351
	5.5	Manage ERCOT total spending within 2009 authorized budget and within 105% of the authorized budget for your specific reporting areas	5.00%	5.00%	Richard Morgan	Authorized annual 2009 budget as approved by the Board	Achieved	within 2% *Actual: 31,306,863 *Budget: 31,891,616
	5.6	Manage ERCOT total spending within 2009 authorized budget and within 105% of the authorized budget for your specific reporting areas	5.00%	5.00%	Nancy Capezzuti	Authorized annual 2009 budget as approved by the Board	Achieved	within 1.5% *Actual: 8,402,620 *Budget: 8,519,030
	5.7	Manage ERCOT total spending within 2009 authorized budget and within 105% of the authorized budget for your specific reporting areas	5.00%	0.00%	Grable, Mike	Authorized annual 2009 budget as approved by the Board	Not Achieved	greater than 10% *Actual: 2,641,524 *Budget: 2,391,366 Over budget due to one item: Outside services, primarily outside counsel on significant, unanticipated regulatory litigation items.
	5.8	Manage ERCOT total spending within 2009 authorized budget and within 105% of the authorized budget for your specific reporting areas	5.00%	5.00%	Roy Bowman	Authorized annual 2009 budget as approved by the Board	Achieved	less than 10% *Actual: 39,170,749 *Budget: 43,893,789
			100.00%	95.00%				

**ERCOT**  
**KEY PERFORMANCE INDICATORS AND 2009 GOALS**

KPI 6. Provide the workforce, facilities and project management resources to support the operations of ERCOT.

**Effective 12/31/09**

KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Provide the workforce, facilities and project management resources to support the operations of ERCOT.	6.1	Oversee PMO activities and obtain TAC and Board approval of projects.	20.00%	20.00%	Nancy Capezzuti	Complete projects as outlined in the 2009 plan	Achieved	Delivered 30 projects (25 planned)
	6.2	Ensure the development of technical tracks for engineers and certain IT staff to reduce turnover and improve employee retention.	10.00%	10.00%	Nancy Capezzuti	Project plan must be established by July 1, 2009 and roll-out with the management team before the end of 2009.	Achieved	Rolled out technical track to employees in October.
	6.3	Deliver the expanded facilities on schedule and on budget	20.00%	20.00%	Nancy Capezzuti	In accordance with the approved project plan	Achieved	TCC1 expansion of the data center is complete and TCC3 and Bastrop facilities are on track.
	6.4	Expand management training for all management personnel. Ensure that the total management program covers core values for ERCOT.	20.00%	0.00%	Nancy Capezzuti	Provide at least four new courses for managers during 2009.	Not Achieved	Two classes have been delivered to all managers. The other two classes were canceled due to budget constraints.
	6.5	Conduct annual performance evaluations on all applicable staff by April and provide regular feedback regarding performance. Properly determine the staffing needed to meet the workload requirements for each area of responsibility.	5.00%	5.00%	Roy Bowman	Use of the SuccessFactor tool for performance management and goal alignment and merit considerations for 2009.	Achieved	Evaluations and merit increases done on schedule and staffing reviewed.
			5.00%	5.00%	Kent Saathoff		Achieved	Evaluations and merit increases done on schedule and staffing reviewed.
			5.00%	5.00%	Trip Doggett		Achieved	Evaluations and merit increases done on schedule and staffing reviewed.
			5.00%	5.00%	Richard Morgan		Achieved	Evaluations and merit increases done on schedule and staffing reviewed.
			5.00%	5.00%	Mike Grable		Achieved	Evaluations and merit increases done on schedule and staffing reviewed.
			5.00%	5.00%	Nancy Capezzuti		Achieved	Evaluations and merit increases done on schedule and staffing reviewed.
			100.00%	80.00%				

**ERCOT**  
**KEY PERFORMANCE INDICATORS AND 2009 GOALS**

KPI 7. Receipt of Favorable Financial and SAS 70 Audits

**Effective 12/31/09**

KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Receipt of favorable Financial and SAS 70 Audits	7.1	Obtain unqualified ("clean") financial audit opinions	50.00%	50.00%	Roy Bowman	Unqualified Financial Audit	Achieved	Unqualified opinion received
	7.2	SAS 70 Audit - Performance	50.00%	50.00%	Trip Doggett	Unqualified opinion for each SAS 70 control objective	Achieved	Non-qualified opinion received
			100.00%	100.00%				



**ERCOT**

**KEY PERFORMANCE INDICATORS AND 2009 GOALS**

KPI 8. Manage Legal, Legislative, Regulatory and Market participant relationships to meet the expectations of the Board. Continue to implement actions from the 2008 market survey..

**Effective 12/31/09**

KPI	Tab Item #	Goal	%	Achieved	Officer	Measurement	Status	2009 Year End Performance
Manage Legal, Legislative, Regulatory and Market Participant relationships to meet the expectations of the Board. Continue to implement actions from the 2008 market survey.	8.1	Sustain and strive to improve market participant satisfaction within legislative, regulatory and corporate governance (i.e. By-Laws, Protocols, Operating Guides, etc.) parameters.	20.00%	20.00%	Trip Doggett	Implement actions outlined in the 2008 market survey.	Achieved	All Action Items not affected by Nodal constraints have been implemented.
	8.2	Proactively build relationships and establish clear and open communications with all of needed external constituencies: the PUC, key legislators, market participants, consumer representative groups and the ERCOT Board Members.	40.00%	40.00%	Trip Doggett	Target-audience satisfaction with quality and timeliness of communication.	Achieved	Provided open communication to the PUC and key legislators on ERCOT issues.
	8.3	Guide ERCOT through regulatory matters such as System Administration Fee cases and Nodal filings.	40.00%	40.00%	Mike Grable	Whether pleadings and communications are timely and effective.	Achieved	Nodal Surcharge increase obtained; other regulatory matters controlled.
			100.00%	100.00%				