



Nodal Program Update

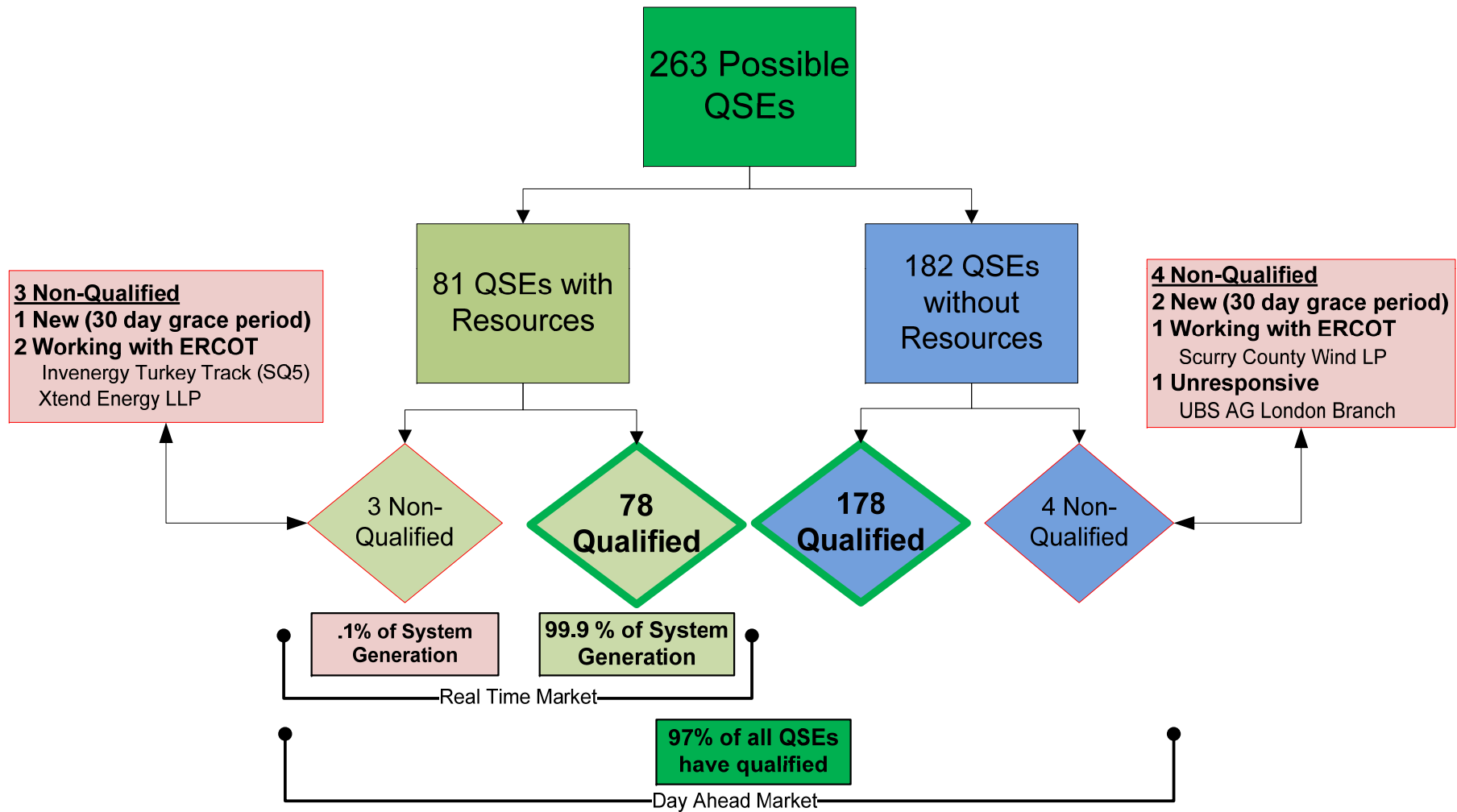
Special Nodal Program Committee
17 May 2010

Today's Agenda

- **Program Status**
- **Market Readiness**
- **Financials**
- **Appendix**

197 Days to Go-Live

Market Trials has been running for 14 weeks
0 Items Impacting Go-Live Date



197 Days to Go-Live

Market Trials has been running for 14 weeks Market Quality Testing and Operational Readiness

Achievements within Market Trials:

- CRR
 - Four monthly CRR auctions and one Balance of the Year auction have been run and invoiced
- Real Time Markets
 - SCED
 - Real Time settlements
- DAM / RUC
 - Twelve DAM runs have been completed
 - Running twice a week, expected to start three times per week this week: T,W,TH
 - DRUC has been running in conjunction with DAM for 3 weeks
 - DAM Settlements
 - Settlement and extraction data has been available since Mid-May
 - Continual strong participation from the Market Participants (Averaged 176 QSEs / DAM run)
- Ancillary Services
 - SASM
 - Running in conjunction with DAM for past three weeks
 - Will run as needed with Ancillary Services
- Credit
 - Credit Module went in to effect on May 14th

197 Days to Go-Live

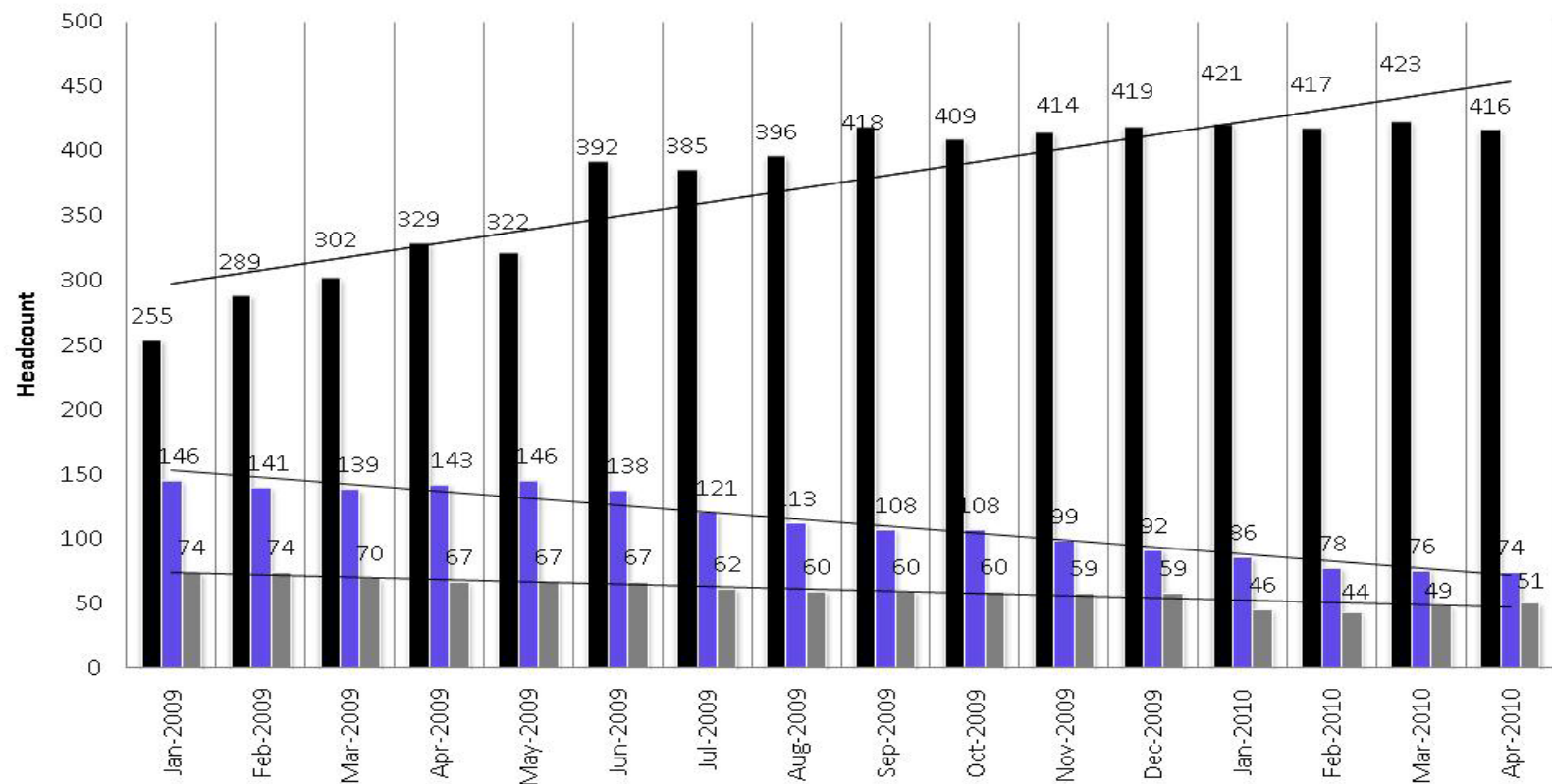
Market Trials has been running for 14 weeks Market Quality Testing and Operational Readiness

Upcoming Milestones for Market Trials:

- DAM / RUC 3 times per wk
 - Tues, Wed, Thurs this week
- Closed Loop LFC
 - 2 hour test this month
 - 8 hour will occur in June
- Reporting support for DAM/RUC/SASM
- CMM Module for NPRR 209
- DAM / RUC 5 times per wk
 - Starts the week of May 24th
- 168 HR Test
- System Cut-Over
- Go-Live

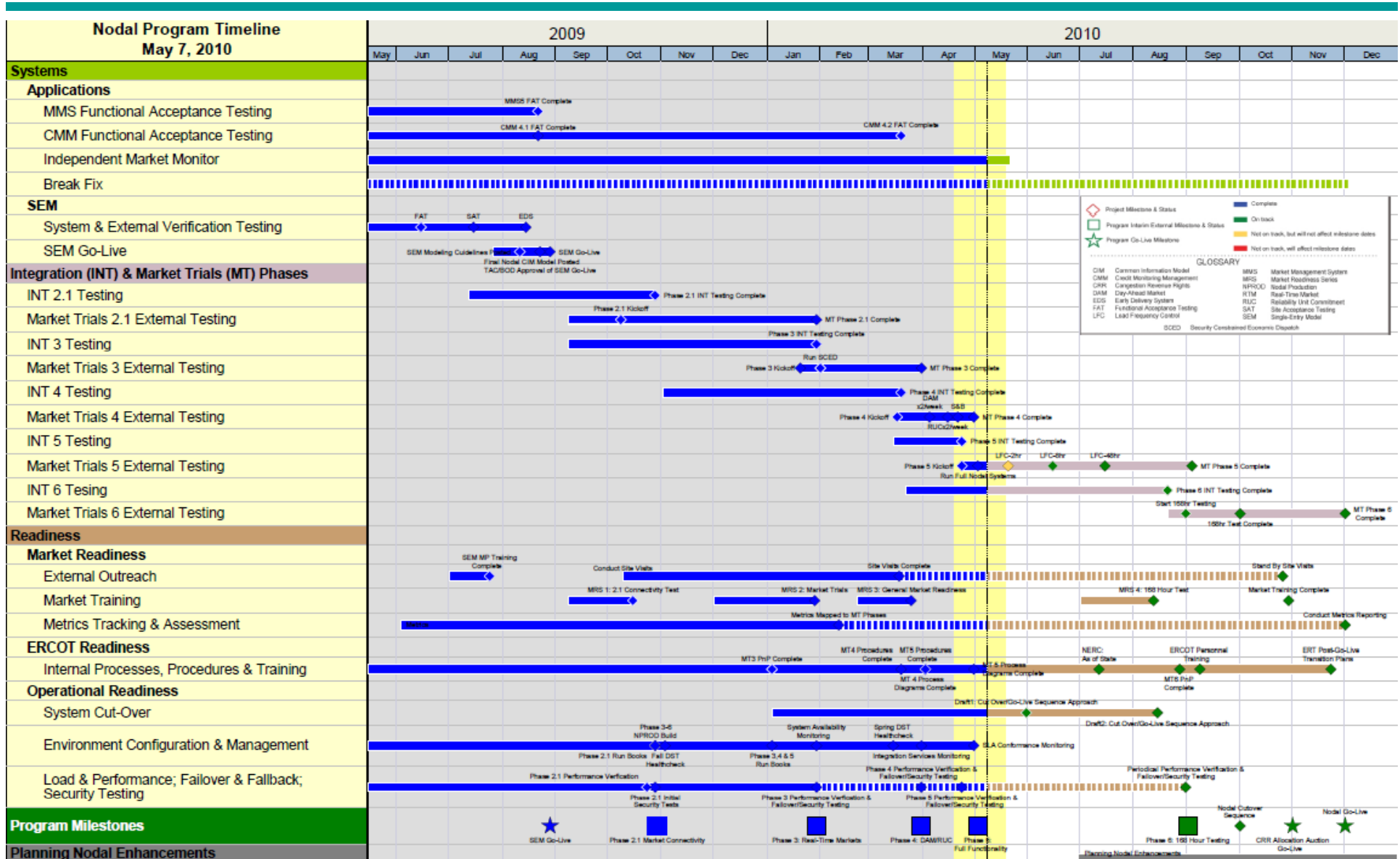
Nodal Internal/External and Vendor Headcount 2010

**Nodal Internal/External and Vendor Headcount
for 2010**



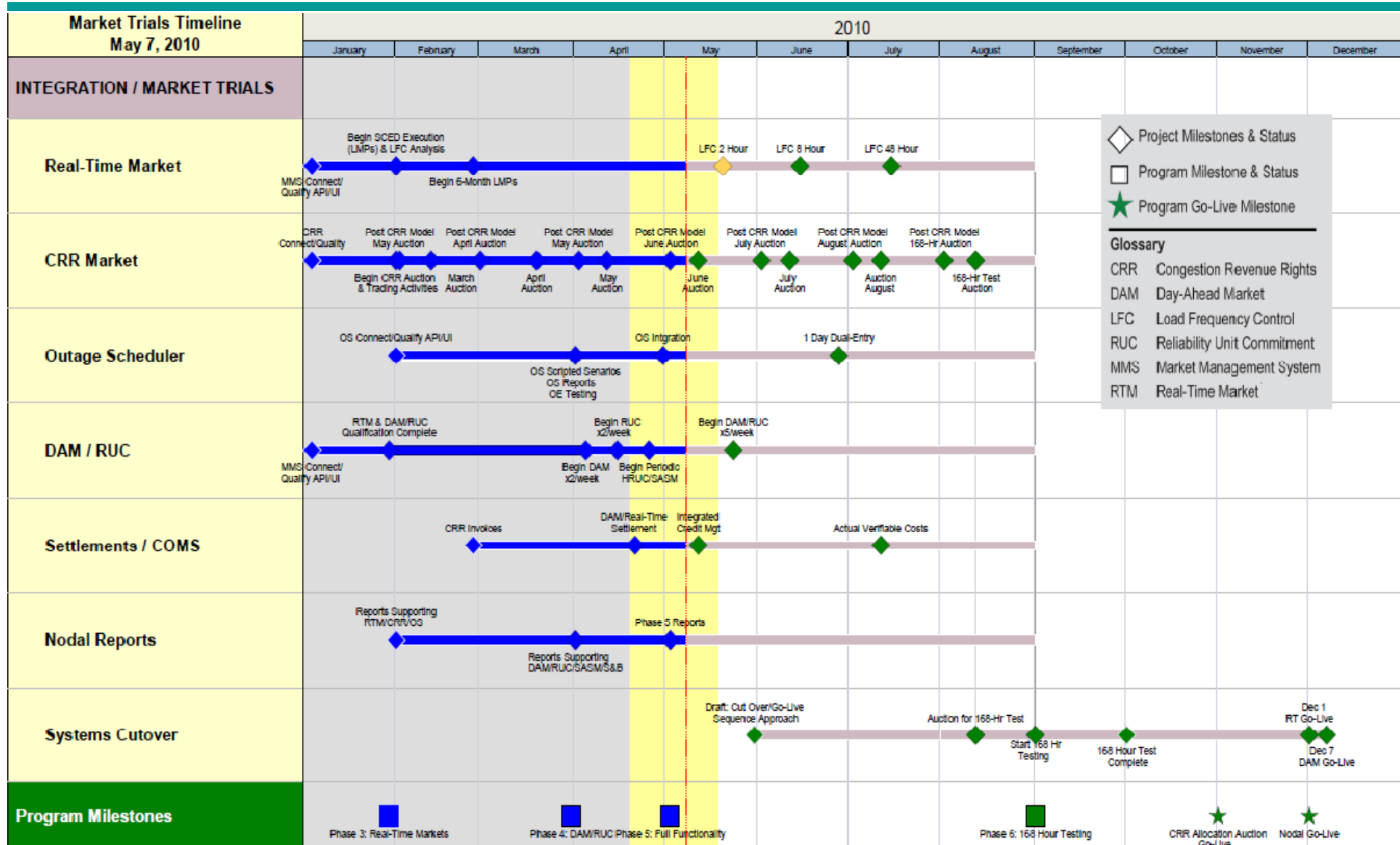
	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10
■ ERCOT Employees	255	289	302	329	322	392	385	396	418	409	414	419	421	417	423	416
■ Contingent Labor	146	141	139	143	146	138	121	113	108	108	99	92	86	78	76	74
■ Vendor Labor	74	74	70	67	67	67	62	60	60	60	59	59	46	44	49	51

Integrated Nodal Timeline – Go-Live December 1st, 2010



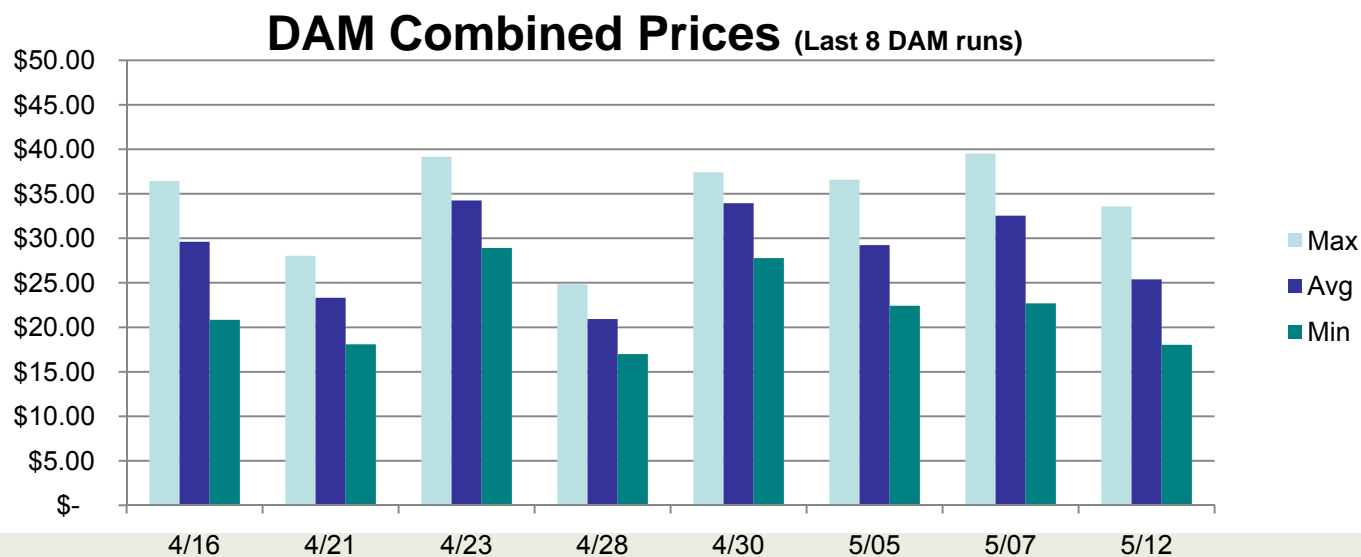
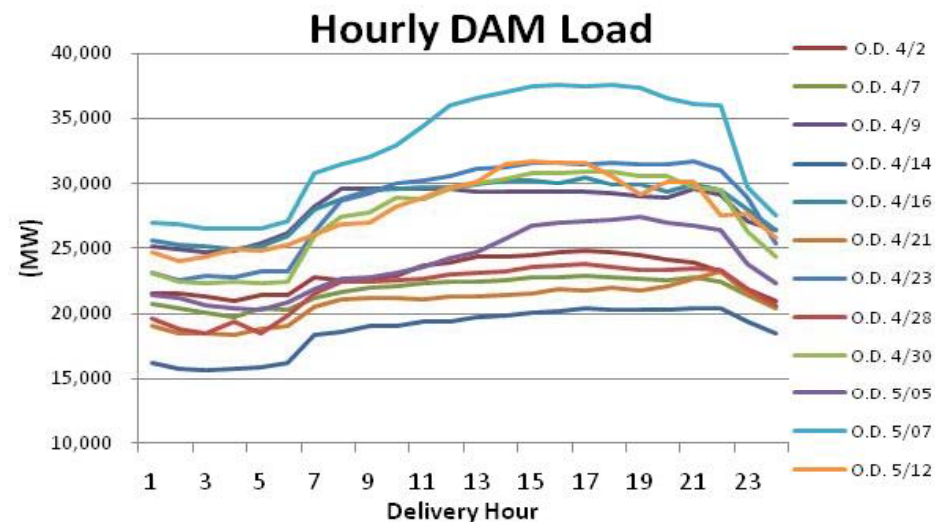
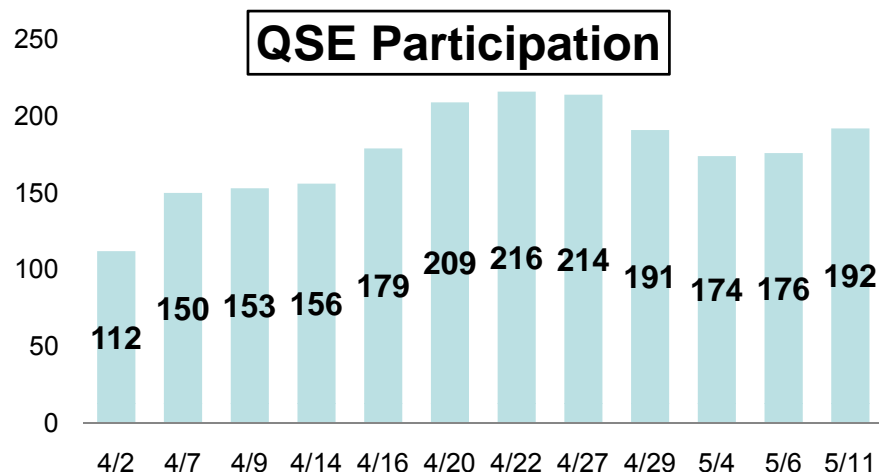
17 May 2010

2010 Market Trials Timeline – Go-Live December 1st, 2010



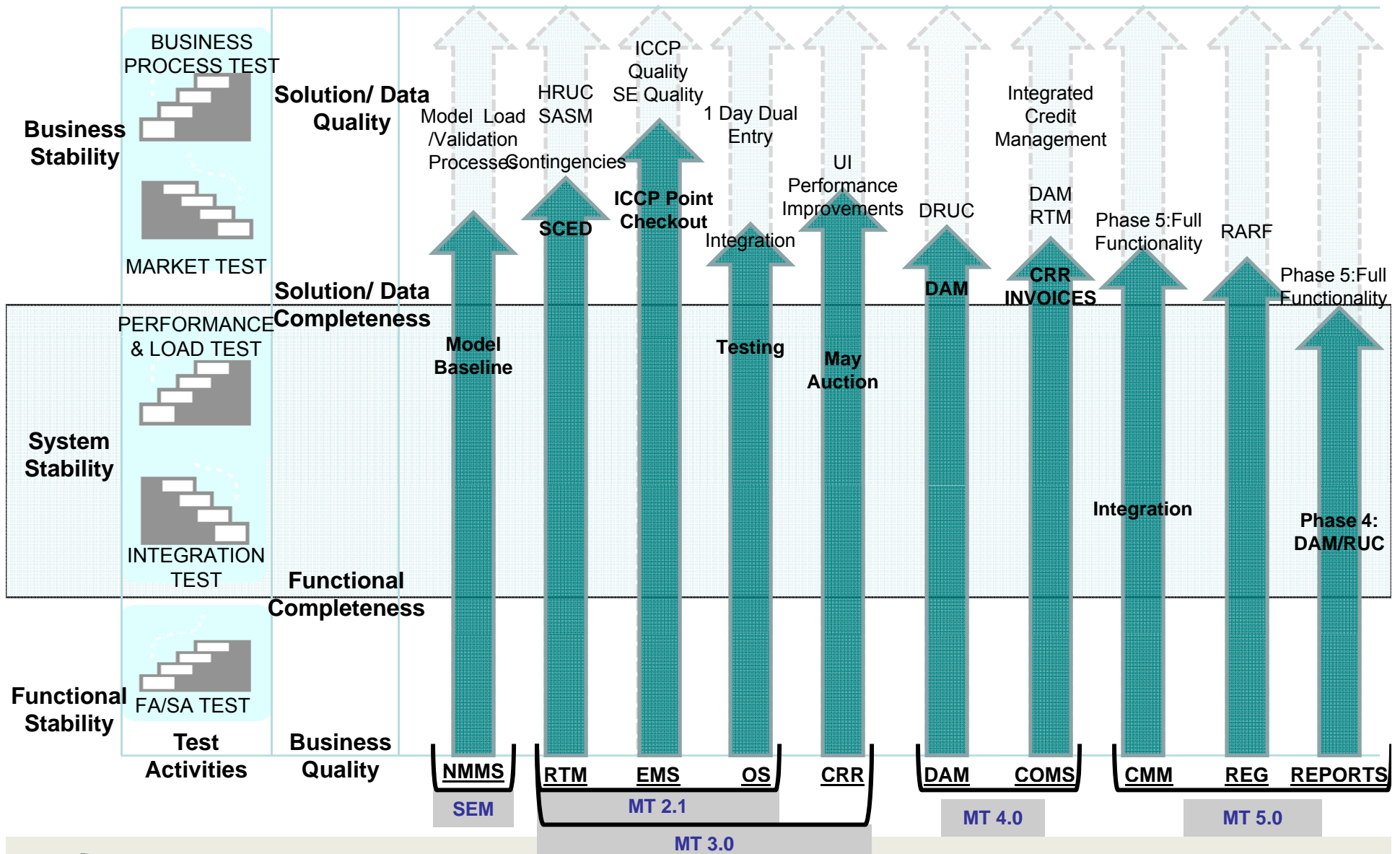
197 Days to Go-Live

DAM Summary



17 May 2010

Go-Live

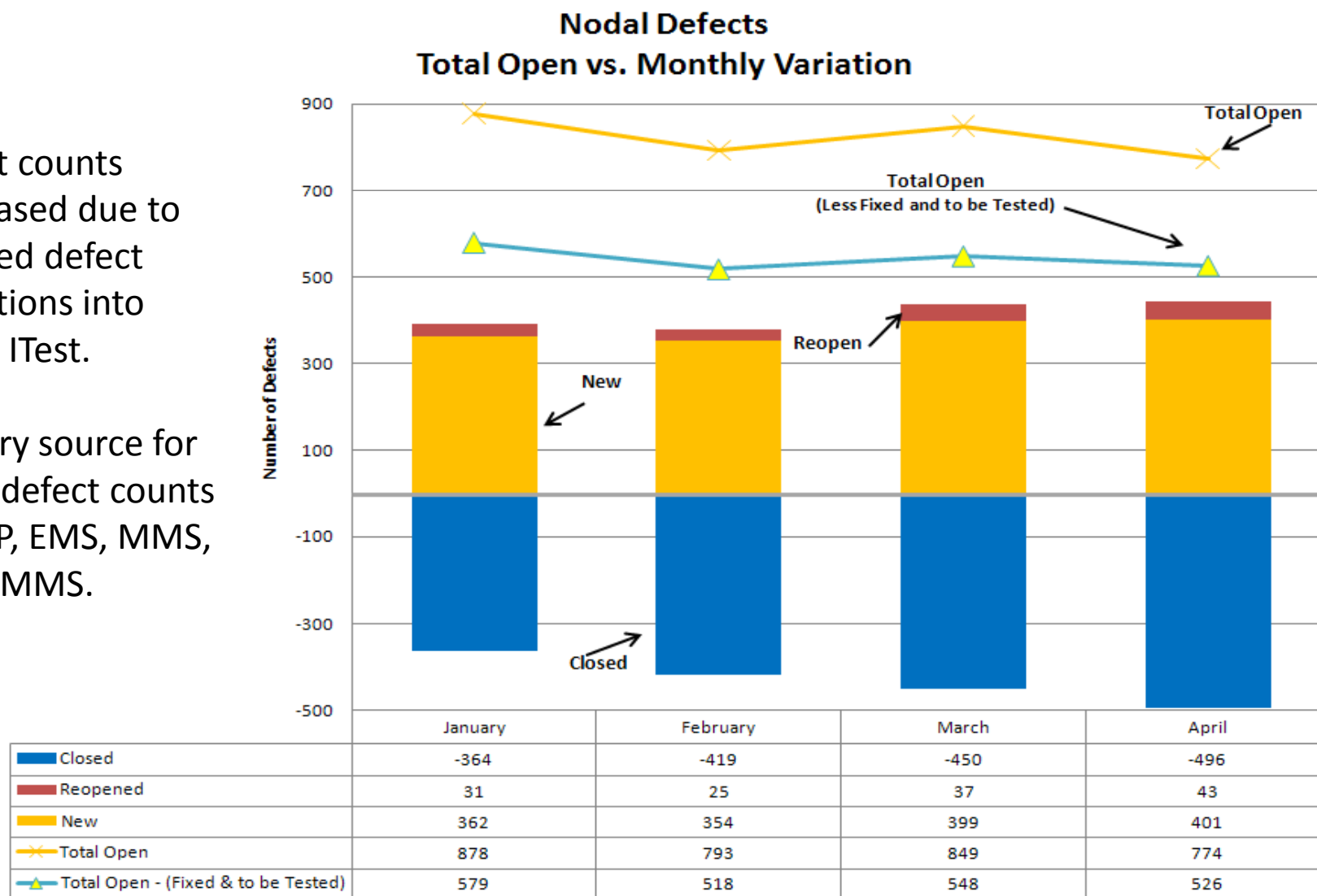


Nodal Program Risks & Issues

Risk/Issue	Impacted Milestone	Target	Category	Probability	Severity	Status
Market Interaction Operating Level Agreements (OLAs) <i>Need to determine operating level agreements associated with market interactions to assist ERCOT in establishing operational thresholds:</i> <i>-Network Model Management</i> <i>-CRR sizing</i> <i>-Reporting</i>	Program	April/ May 2010	Scope / Budget	High	Low	<ul style="list-style-type: none"> • Phase 4 OLA definitions complete • Phase 5 OLA definitions drafted, pending approval • Regular updates to NATF and NDSWG • 200,000 submissions total; TAC Remanded to 5/19 WMS meeting • Reports continue to become available as Market Trials activities ramp-up. Performance monitoring continues
Market Design Assessment <i>Risk around the protocol traceability project and the market results as each phase of market trials becomes active.</i>	Program	August 2010	Scope / Budget	Low	High	<ul style="list-style-type: none"> • Building experienced market design team to review and assess design and protocol alignment with market trials results
Operational Readiness <i>Operational readiness of the Nodal systems and business processes are an increasing risk at this point in the program</i>	Program	September 2010	Scope / Schedule/ Budget	Med	High	<ul style="list-style-type: none"> • Organizational capability assessments and improvement recommendations under review by executive management • The PMO has and will continue to identify critical deficiencies and implement mitigation strategies to ensure delivery

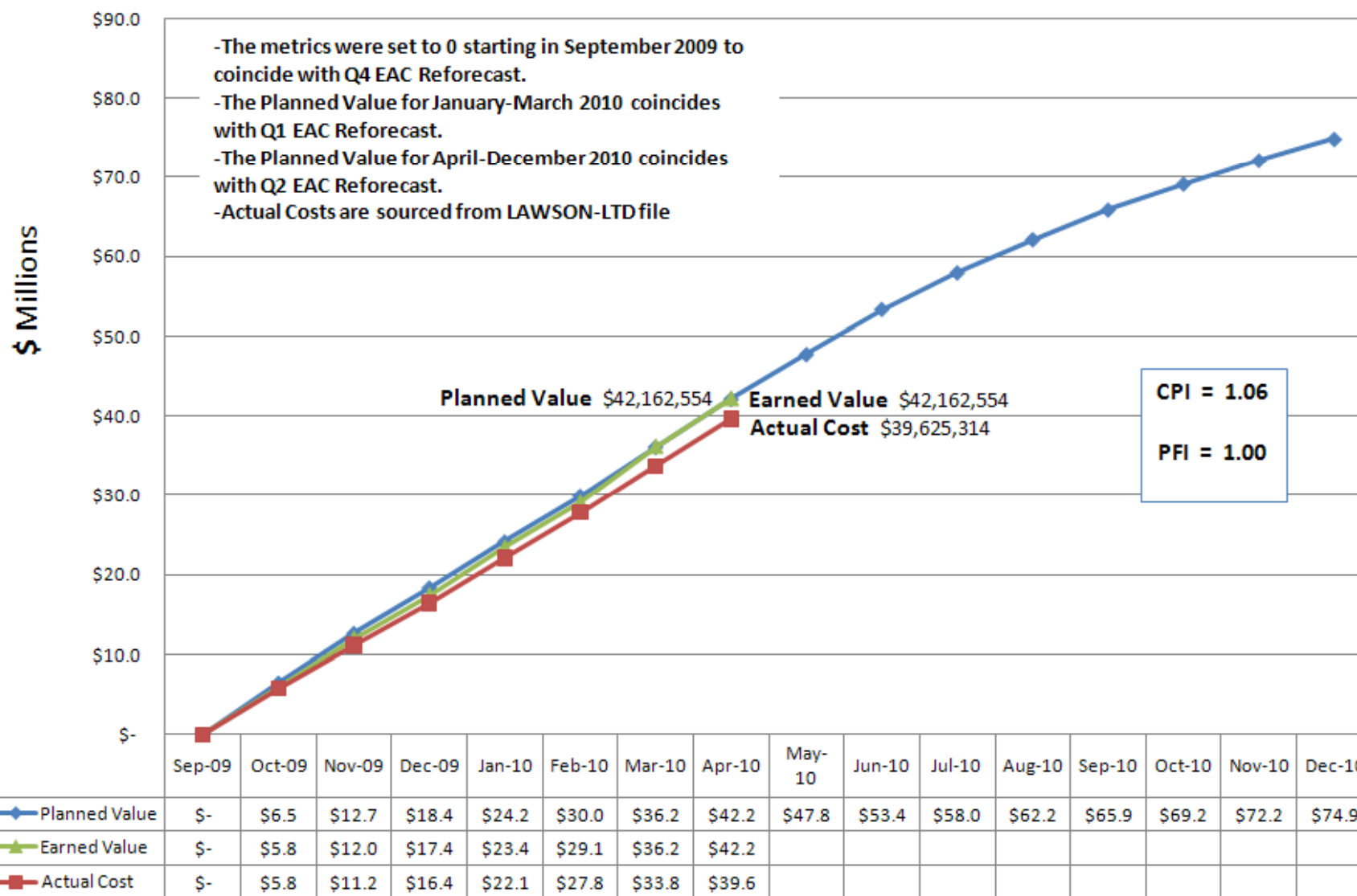
Nodal Defects Trends - High Priority (Must Fix Before Go-Live)

- Defect counts decreased due to planned defect migrations into Nodal ITest.
- Primary source for Open defect counts are EIP, EMS, MMS, and NMMS.



Earned Value for the Nodal Program

Chart only uses values associated with Internal Labor Costs, External Resource Costs, Administrative & Employee Expenses, Vendor & Backfill



Nodal Parking Deck - Approved and Pending

Source Document	Title	Priority	Current Status
NPRR131	Ancillary Service Trades with ERCOT	High	BoD Approved 1/19/2010
NPRR181	FIP Definition Revision	High	BoD Approved 1/19/2010
NPRR153	Generation Resource Fixed Quantity Block Offer	Medium	BoD Approved 1/19/2010
NPRR164	Resubmitting Ancillary Service offers in SASM	Medium	BoD Approved 1/19/2010
SCR755	ERCOT.com Website Enhancements	Medium	BoD Approved 2/16/2010
NPRR146	ICCP Telemetry Information Submittals	TBD	Tabled at TAC PRS approved 2/19/2009
NPRR207	Hour Start Unit Deselection and Half Hour Start Unit RUC Clawback	High	Tabled at TAC PRS approved 2/19/2009
NPRR222	Half-Hour Start Unit RUC Clawback (companion to NPRR207)	TBD	Pending PRS Review
SCR756	Enhancements to the MarkeTrack Application	TBD	Tabled at RMS
NPRR146	ICCP Telemetry Information Submittals	TBD	Tabled at TAC PRS approved 2/19/2009

The following items were removed from the Parking Deck in the past month:

NPRR156 – Language revisions and other clarifications eliminated system changes

NPRR169 – Recent developments in system design allowed for an acceptable delivery approach

NPRR211 – Language revisions and other clarifications eliminated system changes



Nodal Parking Deck – Possible Additions

Title	Current Status
Wind Cost Allocation	High level impact assessment of two options is near completion
Deferred NOGRR025 Reports	Draft NPRR in progress to gray-box reports planned for delivery after Nodal go-live
NMMS API	Currently below the cutline on the System Operations (SO) PPL
CRR API	Currently below the cutline on the Market Operations (MO) PPL
MMS Multiple Network Models	Currently below the cutline on the Market Operations (MO) PPL
Add PSS Status to RARF	Currently below the cutline on the Market Operations (MO) PPL



Market Readiness

Vikki Gates
Readiness & Transformation

Special Nodal Program Committee

17 May 2010

Participant Readiness Touch Points

2010				
	May	June	July	August
Meetings	<ul style="list-style-type: none"> • NATF 5/4 	<ul style="list-style-type: none"> • NATF 6/1 and 6/29 	<ul style="list-style-type: none"> • TBD 	<ul style="list-style-type: none"> • NATF 8/3 and 8/31
Training	<ul style="list-style-type: none"> • Nodal 101 • Transmission 101 • Generation 101, 201 • CRR – instructor-led • NMMS • Economics of LMP • NOIE QSE Operations 	<ul style="list-style-type: none"> • Nodal 101 • LSE 201 • Generation 101, 201 • Economics of LMP • CC Workshop • VC Workshop • AS Workshop • Retail Workshop 	<ul style="list-style-type: none"> • Nodal 101 • Transmission 101 • Generation 101, 201 • Basic Training Program • NOIE QSE Operations • Settlements 301 	<ul style="list-style-type: none"> • Nodal 101 • Transmission 101 • Generation 101, 201 • Basic Training Program • NOIE QSE Operations • Settlements 301
Outreach	<ul style="list-style-type: none"> • Standby site visits • Metrics monitoring • Bi-weekly TSP calls • MRS #4 Cutover 	<ul style="list-style-type: none"> • TSP Outage Scheduler Road Show begins • Phase 5 Metrics launch 	<ul style="list-style-type: none"> • Qualification assessment (MP17) • Standby site visits 	<ul style="list-style-type: none"> • Standby site visits
Market Trials	<ul style="list-style-type: none"> • Weekly Trials calls • 2 hr system-wide LFC test • Phase 5 Market Trials initiates 	<ul style="list-style-type: none"> • Weekly Trials calls • 8 hr system-wide LFC test • Full market trials functionality continues 	<ul style="list-style-type: none"> • Weekly Trials calls • 48 hr system-wide LFC test • Verifiable costs in execution • NPRR206 in execution 	<ul style="list-style-type: none"> • Weekly Trials calls • Prepare for 168 hr test

Next 60-days of Workshops

Course	Start Date	Location
Transmission 101	May 18	CPS Energy (San Antonio)
Network Model Management	May 20	CPS Energy (San Antonio)
Basic Training Program	May 24	Energy Plaza (Dallas)
NOIE QSE Operations	May 24	Austin Energy Town Lake Center (Austin)
MRS #4 Cutover	May 25	Hilton – Austin Airport (Austin)
Generation 201	May 26	TXU (Dallas)
Transmission 101	June 1	ERCOT Met Center (Austin)
Combined Cycle Workshop	June 2	Suez Energy (Houston)

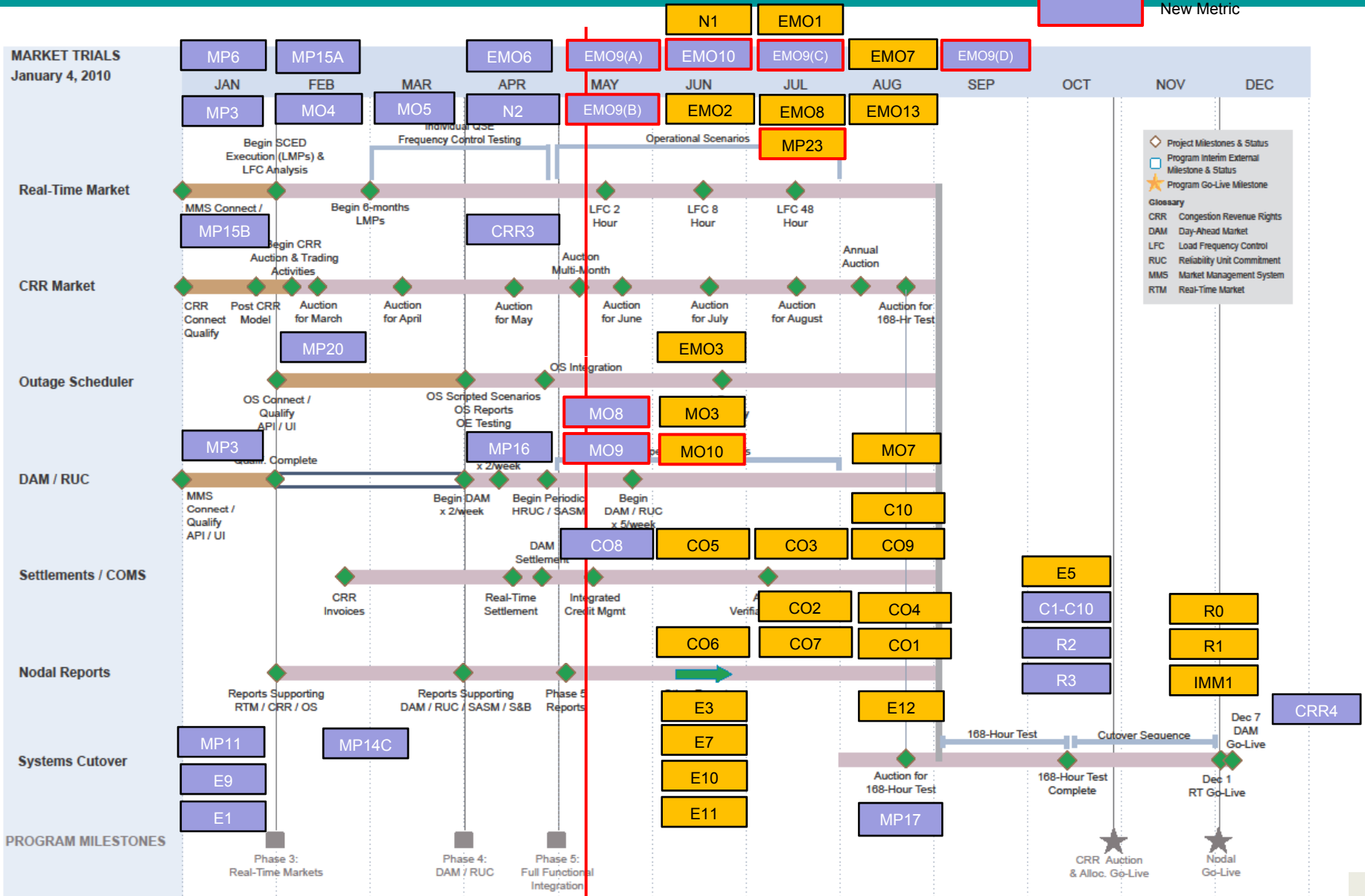
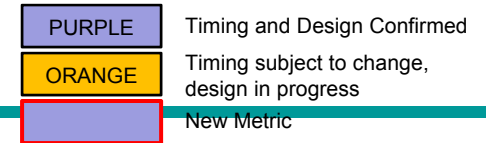
Enrollment at: <http://nodal.ercot.com/training/courses/index.html>

Next 60-days of Workshops (continued)

Course	Start Date	Location
Verifiable Cost Workshop	June 3	Suez Energy (Houston)
Generation 101	June 8	LCRA (Austin)
Market Settlements 301	June 9	Suez Energy (Houston)
Generation 201	June 17	LCRA (Austin)
Basic Training Program	June 21	ERCOT Met Center (Austin)
Load Serving Entity 201	June 23	Austin Energy Town Lake Center (Austin)
ERCOT 101 for Wind Generation	June 28	ERCOT Met Center (Austin)
Transmission 101	June 29	Energy Plaza (Dallas)
Transmission 101	July 13	CenterPoint Energy (Houston)

Enrollment at: <http://nodal.ercot.com/training/courses/index.html>

Metrics Roadmap



CRR Metrics

Metric Name	Current Score	Applies to	Weight	Green %	Yellow %	Red %	Not Scored %	Primary Criteria	Notes
Market Participant Metrics									
MP15(B) CRR Connectivity Qualification	Green	CRRAHs	Even weighting	Active Phase 3 Metric			4.3%	Successful submission CRR transactions	64/70 CRRAHs qualified.
CRR3 Operation of CRR Auctions and Allocations	Green	CRRAHs	Even weighting	93.8%	0%	0%	6.2%	Participation in at least one of the last two auctions or allocations.	60/64 CRRAHs with adequate participation in May or Balance of Year auction or allocation
ERCOT Metrics									
CRR3 Operation of CRR Auctions and Allocations	Amber	ERCOT	N/A	N/A	N/A	N/A	N/A	Auction results distributed to participants per schedule in CRR Handbook	5/2 "2010 Balance of year auction results" moved to 5/5 due to Nexant resources onsite.
	Green	ERCOT	N/A	100%	0%	0%	0%	Allocated Revenue Rights in statistical sample = 100% accurate	Results of Source/Sink prices / CRR Clearing prices report (avail 5/6)
CO8 Verify CRR Auction Invoices	Green	ERCOT	N/A	N/A	N/A	N/A	N/A	CRR Auction Result for MP(n) – CRR Auction Invoices for MP(n) = 0\$	S&B validated that auction invoices reflected awards per CRRAH for March, April, and May auctions, .
	Green	ERCOT	N/A	100%	0%	0%	0%	System Generated CRR Auction Invoices not posted = 0	March 2010 Monthly = 40 of 40 April 2010 Monthly = 38 of 38 May 2010 Monthly = 48 of 48

Notes:

1. Added CRR3 participation threshold (market segment) - >= 80% participation (GREEN), >= 50% and < 80% (AMBER), < 50% (RED)

Real-Time Metrics

Metric Name	Current Score	Applies to	Weight	Green %	Yellow %	Red %	Not Scored %	Primary Criteria	Notes
Market Participant Metrics									
MP3 Market Submissions Connectivity Qualification	Green	QSERS	Generation Ratio Share	99.0%	1.0%	0.0%	0.0%	Successful submission of RT and DAM transactions	81/84 QSERS Qualified (includes QSEs with Load Resources).
	Green	QSEs	Even weighting	97.0%	3.0%	0.0%	2.2%		176/182 QSEs qualified. Below 95% threshold for overall GREEN.
MP15-A Real-time Market Participation	Green	QSERS	Generation Ratio Share	99.0%	1.0%	0.0%	0.0%	Weekly average of daily SCED submissions	77/79 QSERS above 95% weekly average for SCED submissions.
EMO6 Individual LFC Testing	Green	QSERS	Generation Ratio Share	91%	0%	0%	9%	80% of system-wide generation has completed individual QSE tests for LFC	56/76 QSERS completed their individual LFC test
ERCOT Metrics									
MO4 Verify SCED Execution Quality	Green	ERCOT	N/A	100%	0%	0%	0%	All successful SCED executions passed the post-execution price validations.	4/6-4/19 period - 4,030 Price Validation runs with no rule violations
MO5 Generate 6 Months of LMPs	Green	ERCOT	N/A	98.1%	0%	1.9%	0%	95% of SCED executions completed with LMPs posted on MIS.	4/6-4/19 period, 3,985 out of 4,063 SCED runs with LMPs posted.

Notes:

1. ERCOT Criteria added to MP3 and MP15(B) – “ERCOT scores in connectivity will mirror the MP scores.”

Day-Ahead Market Metrics

Metric Name	Current Score	Applies to	Weight	Green %	Yellow %	Red %	Not Scored %	Primary Criteria	Notes
Market Participant Metrics									
MP16 DAM Participation	Green	QSERS	Generation Ratio Share	99.0%	0.0%	1.0%	0%	Participation in 50% of the Day-Ahead Market runs	77/81 QSEs with Resources
	Amber	QSEs	Even Weighting	73.1%	7.7%	16.5%	2.7%		133/182 QSEs w/o Resources
ERCOT Metrics									
MO8 Verify DAM Execution Quality	5/19/2010	ERCOT	N/A	N/A	N/A	N/A		DAM executions pass the post-execution price validations	Report in progress
MO9 Generate DAM LMPs	5/19/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	95 percent Day-Ahead Market execution as evidenced by Day-Ahead LMP postings	Report in progress

Notes:

1. MP16 – Metric is based on a 2 week rolling average (5/11, 5/6, 5/4, 4/29).
2. MP16 – 96.4% Load participating.

Network Modeling Metrics

Metric Name	Current Score	Applies to	Weight	Green %	Yellow %	Red %	Not Scored %	Primary Criteria	Notes
Market Participant Metrics									
MP14-C TSP Model Validation	Green	TSPs	Ownership Ratio Share	Active 4 Metric 99.9% 0.1% 0.0%			0.0%	Network Model data validated by TSP	24/28 TSPs have submitted model validation e-mail to ERCOT
MP6 Telemetry Compliance with Nodal Protocols 3.10.7.5	Green	QSERS	Generation Ratio Share	100%	0.0%	0.0%	0.0%	Expected State Estimator telemetry submitted.	78/78 complete. 3502 total SE points provided
	Green	QSERS	Generation Ratio Share	100%	0.0%	0.0%	0.0%	Expected SCED telemetry submitted.	78/78 complete. 7629 SCED points provided
	Green	TSPs	Ownership Ratio Share	99.3%	0.0%	0.0%	.7%	Expected TSP telemetry per ICCP Handbook submitted	14/17 TSPs above 98% threshold for GREEN. 143 points outstanding
N2 Telemetry ICCP System Failover	Green/White only	QSERS	Generation Ratio Share	11.8%	0%	0%	88.2%	ICCP Failover test completed successfully prior to the 8-hour LFC test.	18/78 QSERS completed ICCP telemetry failover test
MP18 Mapping of Resources and Loads in Private Use Networks	6/2/2010	QSERS	Generation Ratio Share	N/A	N/A	N/A	N/A	# of QSE(n) PUN Points Provided / # of QSE(n) PUN Points Expected	306 points across 7 QSEs with Resources. 15 points still assigned to TSP.
MP23 Telemetry Quality (MP to ICCP server)	7/14/2010	TSPs	Ownership Ratio Share	N/A	N/A	N/A	N/A	# of TSP(n) Suspect/Bad points provided / # of TSP(n) points total	1356 Suspect/Bad points (97.9% good quality).
	7/14/2010	QSERS	Generation Ratio Share	N/A	N/A	N/A	N/A	# of QSER(n) Suspect/Bad points provides / # of QSER(n) points total	871 Suspect/Bad points (94.9% good quality)

Notes:

1. MP6 does not include 405 QSE CB and DSC points from TSP outreach. ERCOT is determining whether these rollback into the QSER MP6 measurement



Network Model Metrics

Metric Name0	Current Score	Applies to	Weight	Green %	Yellow %	Red %	Not Scored %	Primary Criteria	Notes
ERCOT Metrics									
EMO9(A) State Estimator Standards Performance	5/19/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	State Estimator converges 97% during monthly test period	March 91.4% convergence
EMO9(B) RTCA Modeling Differences	5/19/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	95% of values matched between Zonal and Nodal Network Models - Impedances - Dynamically and Non-dynamically Rated Lines - Load Tap Settings	Measurement excludes pseudo switches and multi-section lines
EMO9(C) RTCA CSC Comparison	6/2/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	The % of Anomalous and Auto-Disabled Measurements is less than 2% of Total Measurements	April Nodal 2.58% March Nodal 3.17% Zonal hovers ~ 1.7%
EMO9(D) Validate Zonal and Nodal Security Analysis Results	7/14/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	CSC Pre-contingency SE Flows within 5% (Hourly snapshot)	Measurement establishes baseline flows on Commercial lines to indicate the significance of Psuedo modeling and multi-section lines on the SE flows.
EMO10 Anomalous / Auto-Disabled Telemetered Points	9/8/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	90% of active constraints in Zonal RTCA are also detected in Nodal RTCA	To be determined

Notes:

1. SE performance requirements in EMO12 moved to EMO9(A)



Other Readiness Metrics

Metric Name	Current Score	Applies to	Weight	Green %	Yellow %	Red %	Not Scored %	Primary Criteria	Notes
Market Participant Metrics									
MP20 Outage Scheduler Connectivity Qualification	Green	QSERS	Generation Ratio Share	98.9%	0.0%	0.0%	1.1%	Successful submission of OS transactions	75/81 QSERS qualified.
	Green	TSPs	Ownership Ratio Share	99.8%	0%	0%	.02%		23/25 TSPs qualified.
MP11 Resource Registration	Green	REs	Registered MW Capacity Ratio Share	99.6%	0.0%	.4%	0.0%	Decision Making Authority form submitted, and GENMAP validated	154/157 Resources completed.
ERCOT Metrics									
E1 ERCOT Staff Completes Training	Green	ERCOT	N/A	100%	N/A	N/A	N/A	Training plans must be adhered to for highly impacted departments	15 out of 15 highly impacted departments are up to date with their training plans.
E9 Develop Nodal Procedures	Green	ERCOT	N/A	100%	N/A	N/A	N/A	Procedures developed 1 month prior an exercised in the appropriate Market Trials Phase	All MT4 and MT5 are developed and the MT4 procedures exercised as scheduled in MT4.
EMO3 Verify Outage Evaluation System Functionality	6/2/2010	ERCOT	N/A	N/A	N/A	N/A	N/A	A test of the Outage Management Process is completed	Will be reviewed at 6/1 NATF



Monthly Financial Review

Don Jefferis

Interim Director – Nodal Financial Management Office

Special Nodal Program Committee

17 May 2010

Schedule

- 3 month transition began March 2010
- Targeted transition completion date - June 16, 2010

Status of Responsibilities

- Substantially all FMO day-to-day responsibilities transferred to ERCOT Budget & Financial Analysis team
- Misti Hancock, Mgr. Budget & Financial Analysis, has assumed day-to-day managerial responsibility for all Nodal Finance activities through end of project
- Full internal ERCOT resources post-June Board meeting

Financial Review – April 2010 Performance Forecast vs. Actual

Line	Cost Summary	Variance			
		Forecast	Actual	Fav./(Unfav.)	
1	Internal Labor Costs	\$ 2.7	\$ 2.6	\$ 0.1	
2	Backfill Labor Costs	0.1	0.2	(0.1)	
3	External Resource Costs	3.2	3.1	0.1	
4	Software & Software Maintenance	0.2	0.2	-	
5	Hardware & Hardware Maintenance	0.5	0.4	0.1	
6	Other	-	-	-	
7	Sub-total Direct Project Costs	\$ 6.7	\$ 6.5	\$ 0.2	
8	Allocations	0.3	0.3	-	
9	Finance Charges	1.1	1.1	-	
10	Sub-total Indirect Project Costs	\$ 1.4	\$ 1.4	\$ -	
11	Total	\$ 8.1	\$ 7.9	\$ 0.2	

Amounts in Millions



Financial Review – LTD Performance through April 2010

Forecast vs. Actual

Line	Cost Summary	Forecast ¹	Actual	Variance Fav./((Unfav.)	Estimate to Complete ²
1	Internal Labor Costs	\$ 66.5	\$ 66.4	\$ 0.1	\$ 17.7
2	Backfill Labor Costs	5.7	5.8	(0.1)	0.6
3	External Resource Costs	265.7	265.6	0.1	14.7
4	Software & Software Maintenance	27.1	27.1	-	1.8
5	Hardware & Hardware Maintenance	48.1	48.0	0.1	1.8
6	Other	2.1	2.1	-	0.2
7	Sub-total Direct Project Costs	\$ 415.2	\$ 415.0	\$ 0.2	\$ 36.8
8	Allocations	21.2	21.2	-	1.8
9	Finance Charges	30.1	30.1	-	21.0
10	Sub-total Indirect Project Costs	\$ 51.3	\$ 51.3	\$ -	\$ 22.8
11	CTO Contingency Fund Unutilized	-	-	-	4.9
12	Board Discretionary Fund	-	-	-	112.8
13	Total	\$ 466.5	\$ 466.3	\$ 0.2	\$ 177.3

Amounts in Millions

Note 1: Forecast consists of re-forecast from April 30, 2010 plus Q2 NCRs

Note 2: Estimate to Complete (ETC) consists of re-forecast from April 30, 2010 plus Q2 NCRs



Financial Review – CTO Contingency Fund

Q2 Risk Items Update

Line	Major Activities/Adjustments	Likely to Spend ¹	Risk	Approved NCRs	Unutilized Risk Funds
1.	•Credit Management	H	\$ 1.2	\$0.2	\$1.0
2.	•Infrastructure hardware & application upgrades	L	1.0	-	1.0
3.	•Expected Nodal Change Request Anticipated	H	1.0	0.2	0.8
4.	•Market Analysis	H	0.8	-	0.8
5.	•Business Process Monitoring & Cutover Coordination	H	0.7	-	0.7
6.	• Current Open Change Requests	H	0.3	-	0.3
7.	•Network Model Management	H	0.2	-	0.2
8.	•Independent Market Monitor	L	0.1	-	0.1
	Total		<u>\$ 5.3</u>	<u>\$0.4</u>	<u>\$ 4.9</u>

Amounts in Millions

Note 1: H – high probability risk will materialize, L – low probability risk will materialize

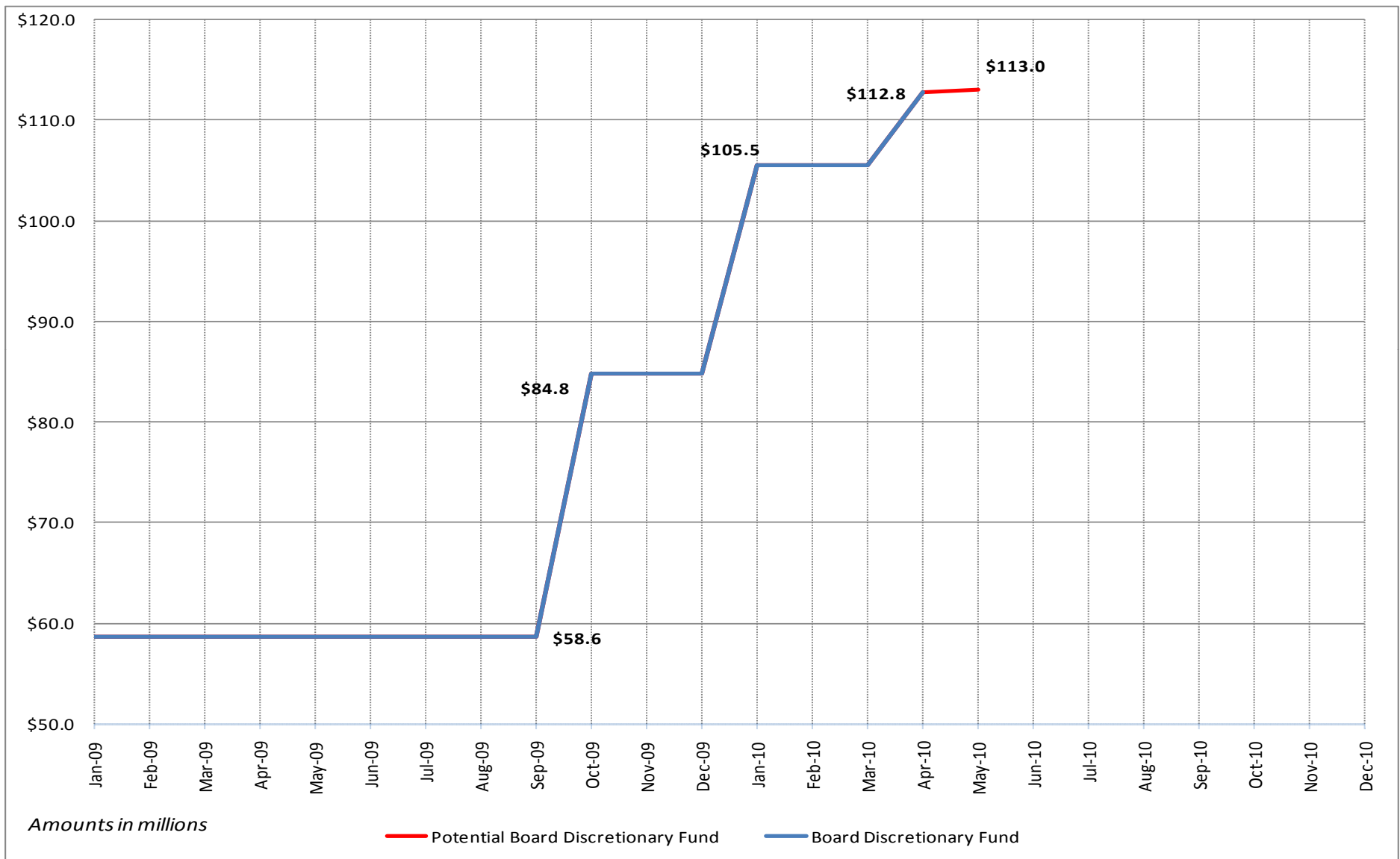


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Special Nodal Program
Committee

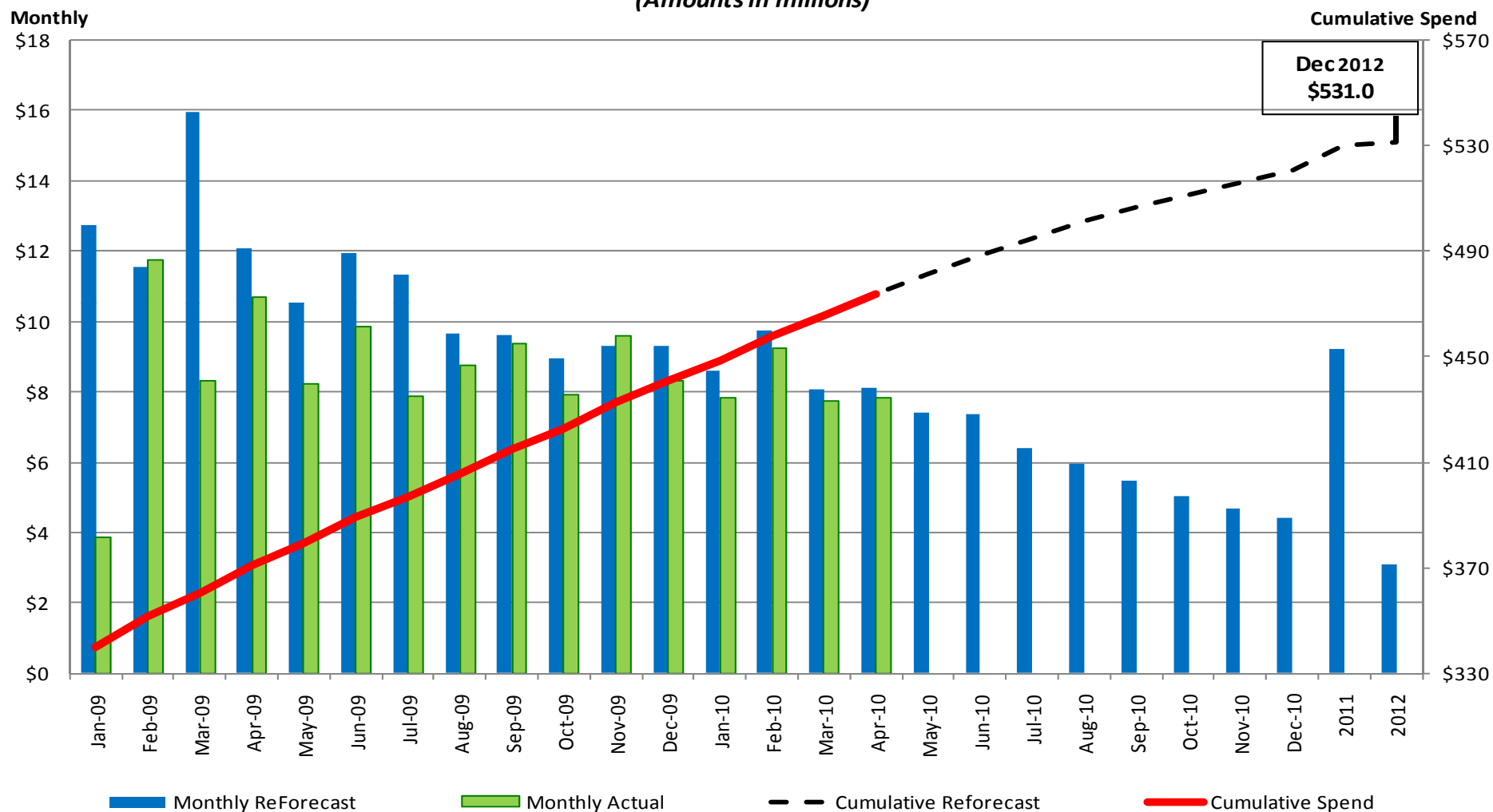
Financial Review – Board Discretionary Fund



Financial Review – Program Cost Management 2009 and 2010 Forecast

Monthly Budget, Forecast and Actual Analysis

(Amounts in millions)



Note: Years 2011 and 2012 are finance charges



17 May 2010

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Special Nodal Program
Committee

Monthly Financial Review

Financials to be provided before SNPC meeting.

Questions ?

Appendix

Nodal Program Risks & Issues: Definitions

Definitions for Category, Probability and Severity of Risks & Issues:

- **Category**

- Scope: Will require a scope change
- Schedule: Will require a schedule change
- Budget: Will require a budget change

- **Probability**

- High: Probability to occur is $\geq 90\%$; perceived impact would require a Change Request over the next 1-3 months
- Medium: Probability to occur is between 31 – 89%; perceived impact would require a Change Request over the next 4 -10 months
- Low: Probability to occur is $\leq 30\%$; not expected to require a Change Request

- **Severity**

- High: Milestone impact, or budget impact $> \$250,000$
- Medium: Milestone impact - but expected to be mitigated, or budget impact between \$0 - \$250,000
- Low: No milestone impact, or no budget impact

Defect Definitions

Severity	Definition
Severity 1: Data loss/critical error	Defects that render unavailable the critical functions of the system under test. These include errors such as system errors, application failures, loss of data, incorrect calculations, inability to transfer data, failure to access database, and inability to display information to the user.
Severity 2: Loss of functionality w/o workaround	Defects that render unavailable partial functionality of the system under test with no workaround available. These include errors such as incorrect information displayed to the user, information not updating correctly, extracts failing, and missing export files.
Severity 3: Loss of functionality with workaround	Defects that render unavailable partial functionality of the system under test with a workaround available. These include errors such as incorrect message displayed, optional information missing or not displayed correctly, not receiving e-mail notifications, and incorrect defaults.
Severity 4: Partial loss of a feature set	Defects that affect a feature that is not executed on a frequent basis and there is not a significant impact on the system. These include errors such as help information, filtering, and consistent naming.
Severity 5: Cosmetic/documentation error	Defects that are cosmetic and need to be resolved, but are not a factor in the functionality or stability of the system. These include errors such as field alignment, report formatting, drop down list order, fonts, column order and documentation that is inconsistent with the system(s) as tested.

	Prescription in Quality Center
Priority 1	Must fix ASAP
Priority 2	Must fix prior to Go-Live
Priority 3	Not critical to fix before Go-Live
Priority 4	Minor system/user impact
Priority 5	No system/user impact

Critical Defect Definitions

- **Critical defects are required to be fixed before go-live**
- **Critical defects are identified as:**
 - Severity 1
 - Severity 2
 - Severity 3 priority 1 & priority 2
 - Severity 4 priority 1 & priority 2
 - Severity 5 priority 1 & priority 2
- **A continual defect review process will ensure that, after review and approval by the business, non-critical defects are deferred in Quality Center with adequate documentation (e.g., test script results, impacted functions, recreation steps, workarounds)**

NOTE: All documented workarounds for deferred defects will be provided to the ERCOT readiness team for review and inclusion in desk procedures, when applicable

External Audit Status Summary

Audit	Audit Points Identified	Audit Points in Execution	Date to Complete Last Point
Utilicast Report 8	6	6 complete	2011*
Utilicast Report 10 (Cleary)	17	1 in progress; 16 complete	6/1/10**

* Audit point required for go-live complete with the construction of the TCC1 expansion in Taylor.

** Updated end date to reflect date to complete remaining audit points

Audit Points to Address from Utilicast Report 8

ID	Description	Action Plan	Responsible Director	Responsible Manager	Target Date
UTI08-05	There should be immediate investment in new data center capacity to allow for expansion of IT infrastructure to support the Nodal Program.	Additional data center space planned as part of the Met Center disposition project (PR-80001). Those data centers should be online in mid-2011. Plans are under development to provide capacity prior to those new data centers becoming available. Nodal Go-Live has sufficient space with the expansion of TCC1.	R. Morgan	David Forfia	COMPLETE - TCC1 expansion ensured sufficient space for Go-Live.

Audit Points to Address from Utilicast Report 10-1

ID	Short Description	Recommendation	Action Plan Status	Resp. Dir.	Resp. Mgr.	Target Date
UTI-10 – 06C	End-to-End Business Readiness Activities	Ensure Nodal processes and procedures are completed so they can be exercised during End-to-End testing.	<p>Planning is complete for ensuring that all nodal processes and procedures that will need to be exercised during end-to-end testing are scheduled for completion prior to the execution of those processes and procedures per the end-to-end schedule.</p> <p>The schedule below reflects the Nodal test schedule for 4 audit points:</p> <ol style="list-style-type: none"> MT Phase 3 – SCED, OS Submissions, CRR Auctions due 12/15/09 COMPLETE <ul style="list-style-type: none"> 29 procedures (written) 18 processes (written) MT Phase 4 & 4.1 - DAM, RUC, OS, CRR Invoices, Settlements and Billing COMPLETE <ul style="list-style-type: none"> New end date 3/31/10 153 procedures (written); 5 outstanding 30 processes (written); 9 outstanding MT Phase 5 & 6 – Remaining production procedures due 5/1/10 COMPLETE Phase 6 – Integrated final code due 6/1/10 	V. Gates	J. Adams	06/01/10