



CEO UPDATE

MARCH 22, 2011

Trip Doggett
President & CEO

FINANCIAL PERFORMANCE (UPDATED THROUGH FEBRUARY)

YTD BUDGET VS. ACTUAL PERFORMANCE: \$1.2 MILLION FAVORABLE

REVENUE \$0.9 Million favorable System Administration Fee

EXPENSES \$0.4 Million favorable in Facilities & Equipment Cost

FINANCIAL PERFORMANCE (UPDATED THROUGH FEBRUARY)

YEAR-END PERFORMANCE FORECAST : \$7.5 MILLION FAVORABLE

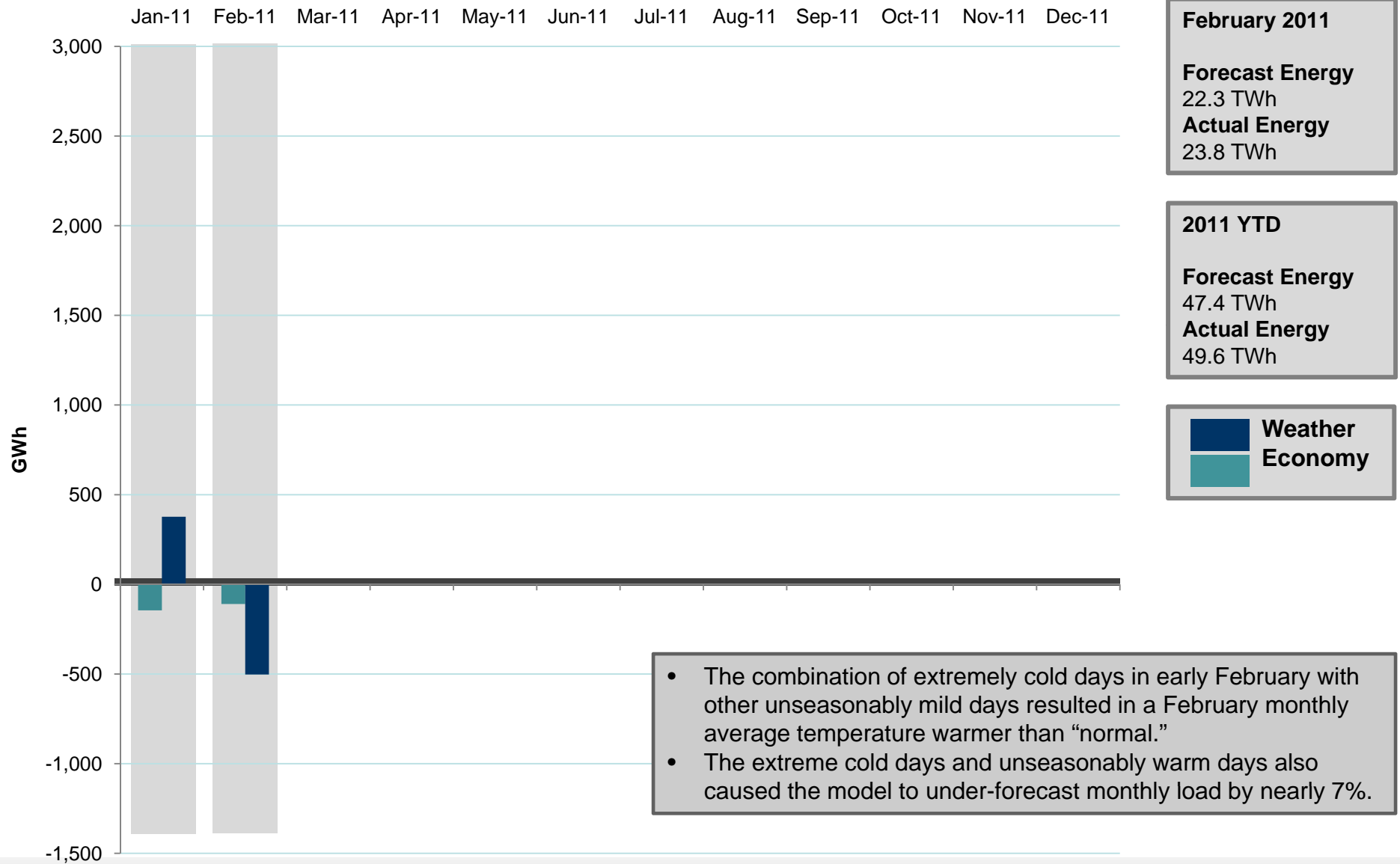
REVENUE

\$3.0 Million favorable 2010 Carry Forward
(Excess Revenue over Expenses)

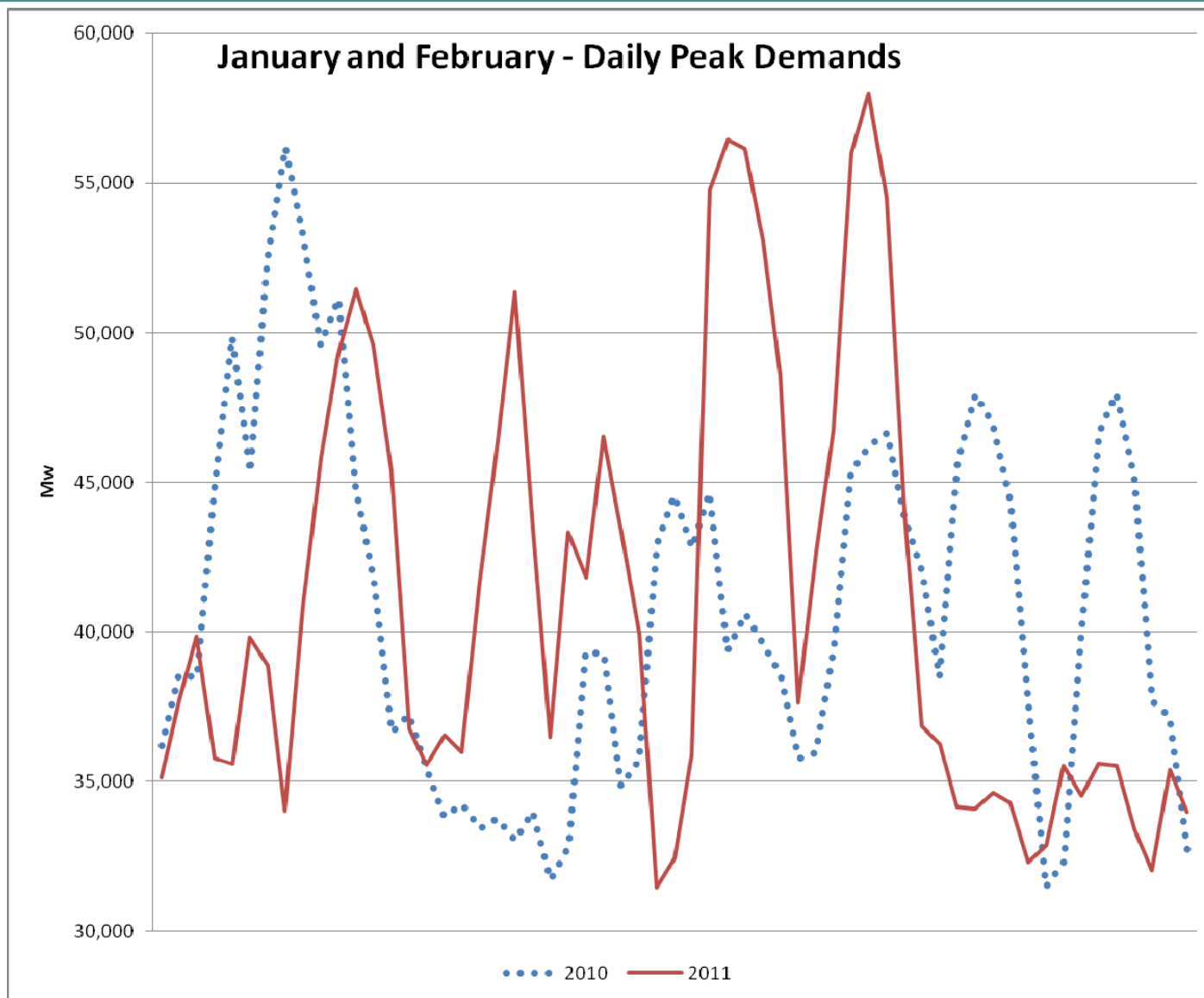
EXPENSES

\$1.1 Million favorable Protocol Services
\$3.7 Million favorable Revenue Funded Projects

IMPACTS OF ECONOMY & WEATHER – 2011



GRID OPERATIONS



DEPARTMENTAL UPDATES

OPERATIONS

- The NERC Operating Committee unanimously passed a resolution commending ERCOT operators for their decisive action in shedding load to maintain system security on February 2nd.

COMPLIANCE

- FERC visiting ERCOT ISO on 3/14/11 to get an overview of the significant weather event in February. They will also be visiting with other entities throughout the state.

COMMERCIAL OPERATIONS

- Started posting Nodal Real-Time Market Final Settlements
- Volume of disputes since nodal go-live has continued to be below expectations (total since go-live ~200)

BUSINESS INTEGRATION

- Work continues on stabilization and deferred defects with releases in February – both internal and market facing – with no major issues
- On track for a defect release in late March, per schedule

HR & ACCOUNTING

- Completed full conversion from Lawson to ADP for HR & Payroll
- Processed first payroll in ADP with deposit date of February 15, 2011

DEPARTMENTAL UPDATES

Data Center Migration

- Project continues on schedule and under budget
- Equipment configuration and Wave 1 of 5 application migrations in progress



82ND LEGISLATIVE SESSION

SUNSET LEGISLATION:

- PUC/OPC/ERCOT Sunset bills are filed in the Senate and House
 - SB 661 by Nichols
 - HB 2134 by Solomons – House State Affairs Committee held a hearing on March 14, 2011

OTHER ITEMS:

- Continue to reach out to the legislature regarding the February 2nd event