



Human Resources (HR) Operations Report

Chuck Manning

Vice President of Human Resources and
Chief Compliance Officer

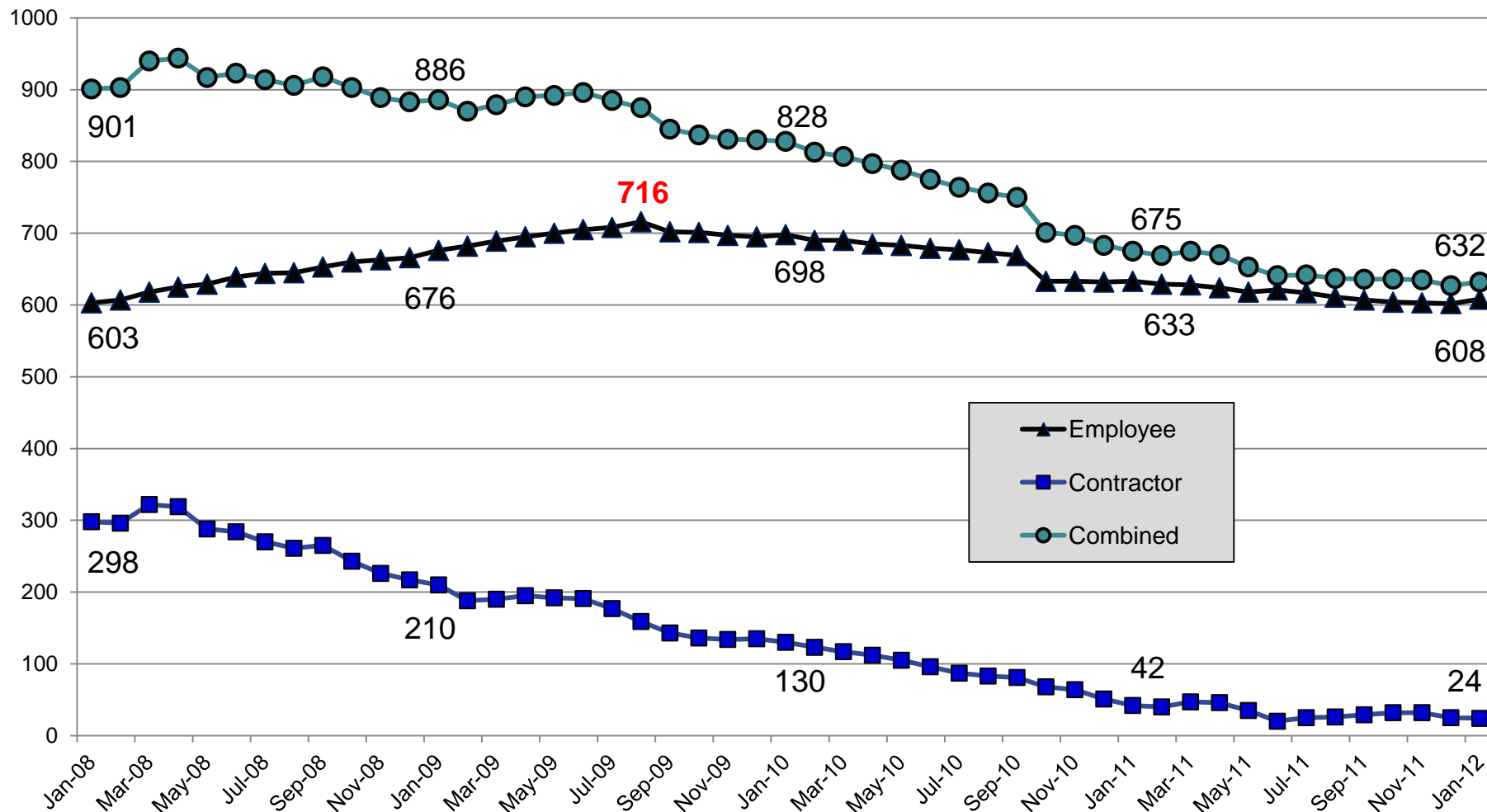
ERCOT Public

February 20, 2012

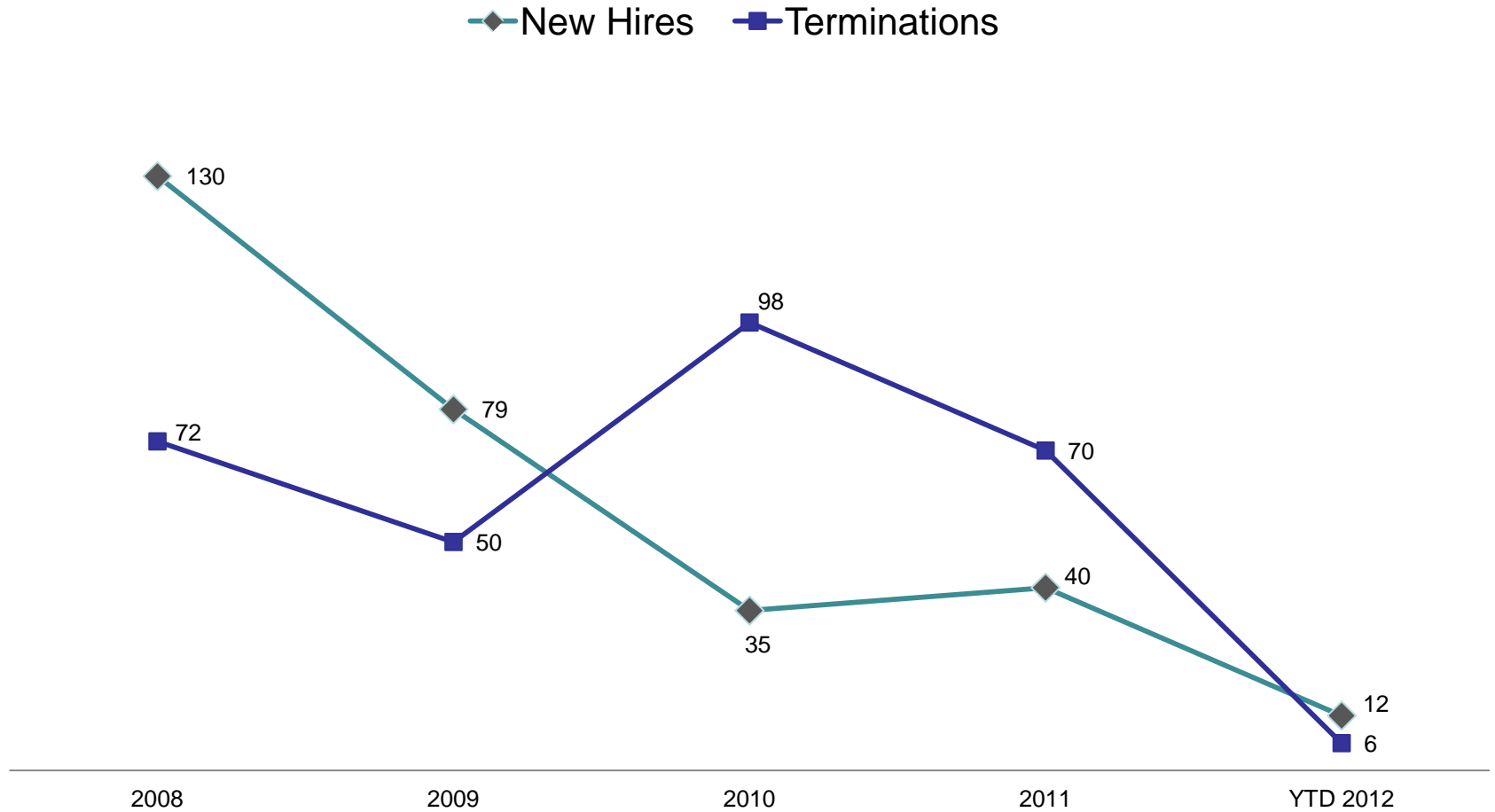
Agenda

- Staffing
- Board Action Items
- Benefits Schedule
- Organizational Development

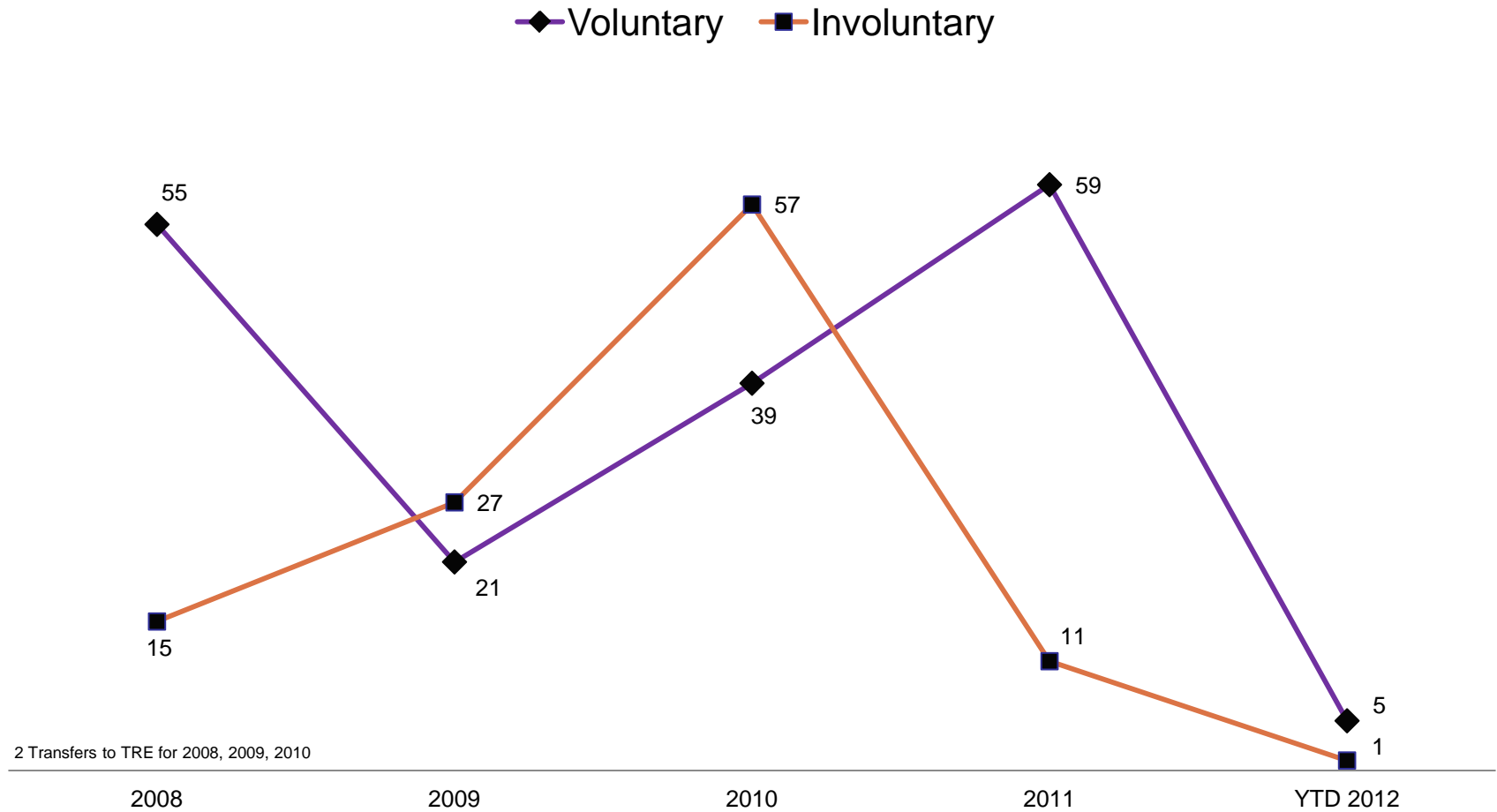
ERCOT Headcount, January 2008 – January 2012



ERCOT Employment Trend Analysis, Jan 2008 – Jan 2012



ERCOT Employee Terminations, Jan 2008 – Jan 2012



ERCOT Year-End 2011 Attrition

- Total Attrition Rate: 11.3%
- Voluntary Attrition Rate: 9.5%
- Top Talent Attrition Rate: 0.16%

- 2011 Terminations – 70 Employees
 - 59 Voluntary
 - 11 Involuntary

- Voluntary Reasons:
 - 38 Promotional Opportunity
 - 12 Family
 - 07 Personal
 - 02 Retirement

2011 Year-End Key Talent Attrition: 19 Employees (32%)

- Top Talent: 1 Employee
 - 1 – Promotional Opportunity

- Core Talent: 13 Employees
 - 10 – Promotional Opportunity
 - 02 – Family
 - 01 – Personal

- Bench Strength: 5 Employees
 - 4 – Promotional Opportunity
 - 2 – Family

(2 Re-Hires)

ERCOT 2011 Talent Attrition by Department

– Top Talent: 1 Employee

- Compliance – Standards & Protocol Compliance (Re-Hire)
- IT – EMMS Production Support

– Core Talent: 13 Employees

- Commercial Market – Data Integrity
- System Planning – Long Term Planning
- Risk Management – Internal Control Mgmt Program
- IT – Enterprise Integration
- IT – Integration Support Services
- IT – EMMS Production Support
- IT – EMMS Development
- IT – Business & Customer Services
- IT – Enterprise Information Services
- IT – Commercial Services
- IT – Manager IT Support Services
- IT – Manager Sys Engineer & Admin
- Congestion & Revenue Rights – Manager

ERCOT 2011 Talent Attrition by Department (cont'd)

- **Bench Strength: 5 Employees**
 - IT – EMMS Development
 - IT – Corporate Applications
 - **IT – Prod Sup Analyst 3 (Re-Hire)**
 - IT – Spvr Windows Administration
 - Wholesale Client Services – Analyst Sr
 - Human Resources – Manager HRIS

ERCOT YTD January 2012 Attrition

- Total Attrition Rate: 1.0%
- Voluntary Attrition Rate: 0.8%
- Top Talent Attrition Rate: 0.0%
 - No Top Talent terminations in January

- YTD 2012 Terminations – 6 Employees
 - 05 Voluntary
 - 01 Involuntary

- Voluntary Reasons:
 - 03 Promotional Opportunity
 - 02 Personal

ERCOT – 2012 Attrition by Department

January: 6 Employees

- Bus Integration – Project Mgr Sr
- HR – Director of HR
- IT – Applications Dev Sr
- IT – Unix Administrator
- IT – Unix Administrator Sr
- Risk Mgt – Project Support Asst.

Benefits: Schedule for 2012-2013 Benefits Development

- Met with CIGNA representatives to: review plan utilization and costs; review existing plan structure and vendors, determine which services to add, eliminate, and/or re-bid.
- February 17, 2012 Benefits Committee to review and update ERCOT 3 year Benefit Strategy.
- March 13, 2012, present recommendations for changes to benefits plans, including medical deductibles and co-payments, to Benefits Committee. Benefits Committee to vote on March 13 or March 21. Will present early Q2 to HR&G.
- Goal: Have 2012-2013 Benefit program defined, approved and ready for open enrollment meetings May-June 2012. Roll out new benefits program July 1, 2012.

Organizational Development

- Hosted information sessions for UT Austin Engineering Master Degree Programs for the Center for Lifelong Engineering Education (CLEE).
- ERCOT Toastmasters Club held an Open House for new members to develop Communication, Leadership, and Confidence.
- Created new Training and Professional Development team reporting to Chuck Manning. The team includes:
 - Dale Goodman, Director of Training and Professional Development
 - Bill Kettlewell, Manager of Training, Education and Program Development
 - Kim Parish, Training Administrator
- The team will focus on employee professional development, cross training, mentoring, market education and training and other approaches to develop the skills and talents of the ERCOT workforce.

Organizational Development (cont'd)

- The team will manage the Market Participant training program.
- In addition, they will facilitate the development and implementation of a formal “Engineer-in-Training” program for entry-level engineers. This program will “home grow” talent to create and promote internal expertise and resources for our power market functions within ERCOT.
- **Mandy Bauld** has been promoted to **Director, Commercial Market Operations** replacing the vacancy left by Betty Day’s promotion.
- **Ted Hailu** has been promoted to **Director, Client Services** filling the position vacated by Dale Goodman.
- **Paula Feuerbacher** and **Karen Farley** have accepted assignments in the Business Integration division reporting to Betty Day. Paula will focus on strategic planning and other key initiatives. Karen will focus on Advanced Metering and other key initiatives as well.

Organizational Update

The Executive Team has been focused on Succession Planning and Organizational Design for several weeks. Two of the key cornerstones in our efforts are Development of Employees and Excellence in Customer Service.

To facilitate the development of employees, I am pleased to announce a new team has been formed reporting to Chuck Manning, VP Human Resources and CCO. This team will focus on employee professional development, cross training, mentoring, education and training (both internal and market participants) and other layered approaches to develop the skills and talents of the ERCOT workforce. In addition, they will facilitate the development and implementation of a formal “Engineer-in-Training” program for entry-level engineers.

The New Team Members are:

- Dale Goodman, Director of Training and Professional Development
 - Bill Kettlewell, Manager of Training, Education and Program Development
 - Kim Parish, Training Administrator
 - Vacant, Training Specialist

I am also pleased to announce the promotions of Ted Hailu to Director, Client Services, and Mandy Bauld to Director, Commercial Market Operations. They will be instrumental in helping ERCOT maintain Excellence in Customer Service. Ted and Mandy will report to me until the COO position is filled.

Finally, Paula Feuerbacher is being promoted to Strategic Projects, Senior Advisor and joins Karen Farley (Strategic Projects, Senior Advisor) in Business Integration. They will focus on Strategic Planning, Advanced Metering and other key initiatives in helping Business Integration achieve its mission. Both will be direct reports to Betty Day.