



**2012**  
**ERCOT KEY PERFORMANCE INDICATOR MATRIX**  
**3rd Quarter Reporting Period**

	YTD		4th Quarter Performance		3rd Quarter Performance		2nd Quarter Performance		1st Quarter Performance	
	G	R	Green	Red	Green	Red	Green	Red	Green	Red
<b>TRANSMISSION SYSTEM OPERATION</b>										
SYSTEM PLANNING										
TRANSMISSION CONNECTION MANAGEMENT										
GRID SECURITY MANAGEMENT / REAL-TIME SYSTEM CONTROL / SCHEDULING & DISPATCH										
OUTAGE COORDINATION/PLANNING										
FORECASTING										
COMPLIANCE MONITORING & REPORTING										
<b>RETAIL OPERATION</b>										
CUSTOMER SWITCHING/REGISTRY										
MARKET INFORMATION										
DISPUTE MANAGEMENT										
<b>WHOLESALE SPOT/CASH MARKET OPERATION</b>										
BIDDING, SCHEDULING AND PRICING										
WHOLESALE METERING, DATA COLLECTION AND DATA AGGREGATION										
SETTLEMENT & BILLING										
MARKET INFORMATION										
CRR/FTR MANAGEMENT										
DISPUTE MANAGEMENT										
<b>RENEWABLE ENERGY CREDITS</b>										
DETERMINE REC OBLIGATIONS AND VERIFY COMPLIANCE										
<b>CUSTOMER CARE</b>										
ACCOUNT MANAGEMENT										R&CC 2
<b>INFORMATION TECHNOLOGY</b>										
IT APPLICATION SERVICES		IT 10								IT 10
<b>OTHER SUPPORT &amp; MANAGEMENT FUNCTIONS</b>										
STRATEGY & BUSINESS PLANNING										
INTERNAL AUDIT										
FINANCE								OSM 4		
HUMAN RESOURCES										
FACILITIES/SECURITY										
EXTERNAL AFFAIRS										
PROJECT/PROGRAM MANAGEMENT										

# Transmission System Operation

KPI	Executive	Capability	KPI Description	Target	Stretch	YTD	Q3 Current Year (2012)	Q3 Prior Year (2011)
TSO 1	Saathoff, Kent	System Planning	Regional Planning project Review Studies completed on time without substantive errors. Generation Interconnection Request (GIR) screening studies completed on time without errors.	90%	95%	100%	100% with 12 of 12 completed on time	100%
TSO 2	Saathoff, Kent	Transmission Connection Management	Grid Security Management / Real-Time System Control / Schedule & Dispatch	90%	95%	100%	100	86%
TSO 3	Saathoff, Kent	Grid Security Management / Real-Time System Control / Schedule & Dispatch	Control Performance Standard 1 (CPS1) frequency control performance (rolling 12 month CPS1 score).	> 135	> 150	159.03	The rolling 12 month CPS1 score at the end of the quarter was 159.03%	146.88
TSO 4	Saathoff, Kent	Grid Security Management / Real-Time System Control / Schedule & Dispatch	Interconnection Reliability Operating Limit (IROL) exceedance limitations. Outage Coordination performance: requests approved or denied within timeline and with mitigation plans developed if required.	None longer than 30 minutes	None longer than 15 minutes	No IROL exceedances longer than 15 minutes for the year.	No IROL Exceedances longer than 15 minutes	No IROL Exceedances longer than 15 minutes.
TSO 5	Saathoff, Kent	Outage Coordination / Planning		95%	97%	Above 99%	99.44	Above 97%
TSO 6	Saathoff, Kent	Outage Coordination / Planning	Network model update frequency	No more than two instances of models not being provided for scheduled and supplemental database loads and no more than 4 emergency database loads due to staff error	All models provided for scheduled and supplemental data base loads and no more than 2 emergency database loads due to staff error	All models provided, and no emergency database loads due to staff error	All models provided, and no emergency database loads due to staff error	One emergency database load due to staff error in first quarter. None in second or third quarter. No instances of models not being provided on time.
TSO 7	Saathoff, Kent	Forecasting	Operations Load Forecast performance - Mean Average Percent Error (MAPE): monthly average day ahead load forecasts used for DRUC MAPE:	All less than 4.0%	All less than 3.5%	All less than 3.5%	Highest average day ahead MAPE for quarter was September at 3.43%.	Highest average day ahead MAPE YTD was April at 3.55%.
TSO 8	Saathoff, Kent	Forecasting	Wind forecast performance - MAPE based on installed wind capacity: monthly average day ahead wind forecasts used for DRUC MAPE:	All less than 20%	All less than 15%	All less than 15%	Monthly average day ahead MAPE ranged from 6.5% to 7.8% during Q3	Monthly average day ahead MAPE ranged from 5.4% to 7.1% in 3rd quarter.
TSO 9	Saathoff, Kent	Compliance Monitoring & Reporting	Required Planning Report performance	No more than two reports required by PUCT Rule, DOE project, NERC or State law filed late or with error	100% of reports required by PUCT Rule, DOE project, NERC or State law completed on time without errors.	100%	100%	100%
TSO 10	Manning, Chuck	Compliance Monitoring & Reporting	Achieve full compliance with NERC/FERC planning and operating standards, OPS, Protocols.	No more than 1 high severity and no more than 3 total exceptions from NERC Standards as found in a NERC Compliance Audit excluding current registration mitigation plan regarding TOP	No exceptions from NERC Standards as found in a NERC Compliance Audit.	No exceptions reported to date.	No exceptions reported to date.	No exceptions reported to date.
TSO 11	Manning, Chuck	Compliance Monitoring & Reporting	Assure property, personnel, and cyber assets are protected (cyber and physical) in accordance with NERC CIP Standards and SSAE16 Controls. Achieve compliance with ERCOT Protocols and Operating Guides by achieving acceptable operating related exceptions from ERCOT Protocols and Operating Guides as found in Protocol Compliance Audit.	No more than 1 high severity and no more than 3 total alleged violations from NERC Standards as found in a NERC or TRE initiated CIP CMPEP in 2012. SSAE16 - No more than 1 exception in logical or physical security controls and an unqualified opinion in logical or physical security controls.	No alleged violations from NERC Standards as found in a NERC or TRE initiated CIP CMPEP in 2012. SSAE16 - Unqualified opinion and no noted exceptions.	No exceptions reported to date.	No exceptions reported to date.	No alleged violations reported to date. Still waiting for the CIP Final Audit Report for 2011.
TSO 12	Manning, Chuck	Compliance Monitoring & Reporting	Ensure ERCOT ISO compliance with protocol Section 8 and operating guide Section 9 requirements (include in aggregate above); excluding Self Reports.	No more than 3	Zero	No exceptions reported to date.	No exceptions reported to date.	No exceptions reported to date.
TSO 13	Manning, Chuck	Compliance Monitoring & Reporting		95%	100%	No exceptions reported to date.	No exceptions reported to date.	No audits or exceptions reported.

# Retail Operation

KPI	Executive	Capability	KPI Description	Target	Stretch	YTD	Q3 Current Year (2012)	Q3 Prior Year (2011)
RO 1	Doggett, Trip	Customer Switching / Registry	Conduct retail transaction processing per Protocol timelines	98%	99%	99.90	99.99%	99.96%
RO 2	Doggett, Trip	Customer Switching / Registry	End use customer switch notifications processed per PUCT rules	99%	99.9%	100%	100%	100%
RO 3	Day, Betty	Market Information	Retail extracts available per Protocol timelines	90%	95%	99.58%	98.96%	100%
RO 4	Doggett, Trip	Dispute Management	Manage retail transaction issues and disputes within defined timelines	96%	98%	99%	98.4%	99.83%

# Wholesale Spot / Cash Market Operation

KPI	Executive	Capability	KPI Description	Target	Stretch	YTD	Q3 Current Year (2012)	Q3 Prior Year (2011)
WO 1	Doggett, Trip	Bidding, Scheduling and Pricing	Percent of days with successful DAM execution solution completed and posted successfully.	97-99 % of time	> 99 % of time	100%	100%	100%
WO 2	Doggett, Trip	Bidding, Scheduling and Pricing	DAM executions completed in acceptable timeframe: percent of days with posting solution before 1600.	97-99 % of time	> 99 % of time	99.27%	100%	100%
WO 3	Doggett, Trip	Bidding, Scheduling and Pricing	DAM quality of solution as measured with price corrections: percent of hourly prices requiring DAM price correction.	1-3 % of time	< 1 % of time	0.0025%	0.0068%	0.002%
WO 4	Doggett, Trip	Bidding, Scheduling and Pricing	Number of solved DRUC results posted after 18:00 per month.	between 2 to 5	< 2	0	0	0
WO 5	Doggett, Trip	Bidding, Scheduling and Pricing	DRUC solution is solved and posted: percent of hours forecasted demand and ancillary service requirements are satisfied.	97 - 99 %	> 99 %	100%	100%	97.69%
WO 6	Doggett, Trip	Bidding, Scheduling and Pricing	HRUC executed every hour(5.5.3): percent of completed HRUCs per month, including ones missed due to database loads and site failover.	95 - 97 %	> 97 %	100%	100%	99.82%
WO 7	Doggett, Trip	Bidding, Scheduling and Pricing	HRUC solution is solved and posted: percent of hours the forecasted demand and ancillary services requirements are satisfied.	97 - 99 %	> 99 %	99.973%	99.988%	97.14%
WO 8	Doggett, Trip	Bidding, Scheduling and Pricing	SCED solution is solved and posted: percent of 15-minute Settlement Interval prices where price corrections are performed.	1 - 3 %	< 1 %	0.1228%	0%	0.056%
WO 9	Doggett, Trip	Wholesale Metering, Data Collection and Data Aggregation	AMS interval data is loaded into ERCOT systems by final settlement from the MRE in accordance with Protocols for data loading.	99%	99.75%	99.96%	99.96%	99.95%
WO 10	Doggett, Trip	Wholesale Metering, Data Collection and Data Aggregation	IDR meter data is loaded into ERCOT systems by true-up settlement from the MRE in accordance with Protocols for settlement.	99%	99.75%	99.92%	99.93%	99.90%
WO 11	Doggett, Trip	Wholesale Metering, Data Collection and Data Aggregation	EPS meter data is accurate and complete as measured by the percent of data that doesn't change after an initial settlement	99%	99.9%	99.87%	99.96%	99.99%
WO 12	Doggett, Trip	Settlement and Billing	Timely settlements per Protocol timelines.	99%	99.90%	99.81%	99.43	99.98%
WO 13	Doggett, Trip	Settlement and Billing	Accurate settlements as measured by number of resettlements due to manual data errors	2%	1%	.0012%	0.007%	0.0%
WO 14	Day, Betty	Market Information	Wholesale extracts available per Protocol timelines	90%	95%	99.877%	99.91%	97.69%
WO 15	Doggett, Trip	CRR / FTR Management	CRR auctions are performed according to Nodal Protocols Requirements (7.5.1)	By end of month	Auction takes less than 5 days to complete and post	YTD- All monthly auctions completed in less than 5 days and published on time.	3Q- All monthly auctions completed in less than 5 days and published on time.	All 3 auctions posted within 5 days
WO 16	Doggett, Trip	CRR / FTR Management	Monthly de-ratings of CRRs are within acceptable tolerances	80%	95%	95.60%	97.70%	100%
WO 17	Doggett, Trip	Dispute Management	Process disputes within protocol timelines	95%	98%	100%	100%	97%

# Renewable Energy Credits and Customer Care

KPI	Executive	Capability	KPI Description	Target	Stretch	YTD	Q3 Current Year (2012)	Q3 Prior Year (2011)
R&CC 1	Doggett, Trip	Determine REC Obligations and Verify Compliance	Fulfill the protocol obligations for RPS mandate calculations and reporting on time and accurately	99%	99.9%	100%	100%	100%
R&CC 2	Doggett, Trip	Account Management	Establish and Maintain Targeted Account Plans and execute per guidelines and schedule.	90%	95%	95.7%	100%	98.50%
R&CC 3	Doggett, Trip	Account Management	Create, distribute and post Market Notices per the COPs Communication Guide, Section 5, Appendix A.	95%	98%	99.3%	98%	100%
R&CC 4	Doggett, Trip	Account Management	Retail and Wholesale Client Service Staff respond/acknowledge MP account management inquiries no later than COB the next Business Day of receipt for those inquiries not involving disputes.	95%	100%	99.9%	99.8%	99.50%

# Information Technology

KPI	Executive	Capability	KPI Description	Target	Stretch	YTD	Q3 Current Year (2012)	Q3 Prior Year (2011)
IT 1	Dreyer, Jerry	IT Application Services	Retail Processing Availability - Bus. Hours	99.5%	99.7%	99.92%	100%	99.87%
IT 2	Dreyer, Jerry	IT Application Services	Retail Processing Availability - Non bus. Hours	99%	99.5%	99.77%	99.76%	99.97%
IT 3	Dreyer, Jerry	IT Application Services	Retail API Availability	99%	99.5%	100%	100%	100.00%
IT 4	Dreyer, Jerry	IT Application Services	MarkeTrak Availability	98%	99.5%	99.95%	99.84%	100.00%
IT 5	Dreyer, Jerry	IT Application Services	Congestion Revenue Rights (CRR) Availability	98%	99%	100%	100%	100.00%
IT 6	Dreyer, Jerry	IT Application Services	Market Information System (MIS) Availability	99%	99.5%	99.86%	99.94%	99.92%
IT 7	Dreyer, Jerry	IT Application Services	Market Management System Aggregate Availability	99%	99.5%	99.97%	100%	99.9%
IT 8	Dreyer, Jerry	IT Application Services	Energy Management System Aggregate Availability	99%	99.5%	99.99%	100%	99.99%
IT 9	Dreyer, Jerry	IT Application Services	Security Constrained Economic Dispatch (SCED) Availability	99.90%	99.95%	99.97%	100%	99.903%
IT 10	Dreyer, Jerry	IT Application Services	Security Constrained Economic Dispatch (SCED): no outages greater than 30 consecutive minutes	zero outages	n/a	1	0	1
IT 11	Dreyer, Jerry	IT Application Services	Load Frequency Control (LFC) Availability	99.90%	99.95%	99.99%	100%	99.991%
IT 12	Dreyer, Jerry	IT Application Services	Load Frequency Control (LFC): no outages greater than 30 consecutive minutes	zero outages	n/a	0	0	0
IT 13	Dreyer, Jerry	IT Application Services	Outage Scheduler Availability	99%	99.5%	100%	100%	100%
IT 14	Dreyer, Jerry	IT Application Services	Network Model Management System (NMMS) Availability.	97%	99%	99.98%	99.96%	99.998%

# Other Support and Management Functions

KPI	Executive	Capability	KPI Description	Target	Stretch	YTD	Q3 Current Year (2012)	Q3 Prior Year (2011)
OSM 1	Ruane, Mark	Strategy and Business Planning	Enterprise risk assessment updated quarterly. Credit reports are correct and posted in a timely manner.	Quarterly update completed	n/a	Completed	Completed	n/a
OSM 2	Ruane, Mark	Strategy and Business Planning		97%	100%	99.929%	99.897%	n/a
OSM 3	Wullenjohn, Bill	Internal Audit	Execute the 2012 Internal Audit Plan as approved by the Finance and Audit Committee, and complete the plan by December 31, 2012.	100% by year end	106% by year end	85.7% completed (18 out of 21) through 3rd Qtr.	85.7% completed (18 out of 21) through 3rd Qtr.	81.8% completed (27 out of 33) through 3rd Qtr.
OSM 4	Petterson, Michael	Finance	Manage spending to be equal to or less than the board-approved expenditure budget for 2012. Retain top talent (Lose no more than 3% of top talent population annually).	Between 0 - 5% favorable variance	> 5% favorable variance	Year-to-Date expenditures (including portfolio projects) are favorable \$0.7 M or 0.5% through the third quarter. (see footnote next page)	Q3 expenditures (including portfolio projects) were favorable \$1.0M or 2.2%. (see footnote next page)	Year-to-Date expenditures (including portfolio projects) are favorable \$9.3M or 6.5% through the third quarter.
OSM 5	Manning, Chuck	Human Resources	Percent of targeted managers to complete management certificate program annually.	3%	0%	0.48%	0.32%	0.32%
OSM 6	Manning, Chuck	Human Resources		90%	100%	95.3%	92.7% to complete certification	On target year-to-date.
OSM 7	Manning, Chuck	Human Resources	Number of E-learning courses utilized (assuming average staff level of 600)	1200	1800	2953 Users/2550 applications accessed/2275 completed courses/4179 Training hours logged	1792 Users/1927 applications accessed/1829 completed courses/2008 Training hours logged	YTD = 1,325 e-learning courses completed.
OSM 8	Manning, Chuck	Human Resources	Percent of critical positions with named successors.	90%	100%	On Target	On Target	90%
OSM 9	Manning, Chuck	Human Resources	Manage training program to enhance career development and skill improvement through the development of Individual Development Plans (IDPs) for the population.	90%	95%	On Target.	On Target	On target year-to-date.
OSM 10	Manning, Chuck	Facilities / Security	Operate data centers providing availability consistent with data center designed objectives.	99.98%	100%	100%	100%	100%
OSM 11	Manning, Chuck	Facilities / Security	Maintain ERCOT ISO's security posture against cyber and physical security threats as defined in the Incident Security Response Plan.	No more than one Stage 2 or Stage 3 cyber or physical security Incident.	Zero cyber or physical security Incidents.	On Target.	On Target	On target year-to-date.
OSM 12	Gage, Theresa	External Affairs	Annually, provide timely, thorough and accurate news releases on all ERCOT Board meetings, major reports and filings, board and officer changes, and other newsworthy events.	95%	100%	98.33%	100%	95%
OSM 13	Gage, Theresa	External Affairs	Annually, ensure postings of current information, reports and presentations on the ERCOT website and maintain accurate information about ERCOT organization.	n/a 95%	100%	98.33%	95%	100%
OSM 14	Gage, Theresa	External Affairs	Develop and maintain a comprehensive repository of informational and educational resource documents related to ERCOT Inc. and the ERCOT Market.	95%	100%	96.67%	95%	n/a
OSM 15	Gage, Theresa	External Affairs	Ensure information of interest to officials and stakeholders is available through social media outlets on a timely basis.	95%	100%	100%	100%	n/a
OSM 16	Day, Betty	Project / Program Management	Project Portfolio managed within approved Execution schedule.	10%	5%	6%	6%	100% on schedule
OSM 17	Day, Betty	Project / Program Management	Project Portfolio managed within approved Execution budget.	10%	5%	7%	7%	0% budget variance
OSM 18	Day, Betty	Project / Program Management	Project scope, requirements and objectives are delivered as defined (subject to change control).	n/a	100%	100% within scope	100% within scope	100% within scope

# Other Support and Management Functions

## OSM 4 -- 3rd Quarter Summary:

- Salaries and related benefits - Savings driven by employing an average of 25 fewer employees than budgeted; savings is offset by average of 8 fewer full-time equivalents charging to projects.
- Facility and equipment costs - Under-spend primarily for property tax being lower than expected due to winning appeal in 2011, obtaining reduction in office rental cost due to amended Met Center lease, and a lack of purchasing non-capitalizable equipment, software, and hardware.
- Hardware and software maintenance and licensing - Utilized significantly fewer vendor support service hours than anticipated; also, two material refunds have been realized for maintenance and licensing agreements in addition to negotiating lower renewal costs.
- Outside services - Unfavorable spending necessary for staff augmentation of vacant permanent positions, as well as, extension of unbudgeted resource adequacy workshops with PUCT.
- Other - Increased cost for external recruiting services for staff-level and Chief of Staff position; also, unbudgeted public service announcements.
- Portfolio Expenditures - Favorable variances in the following two projects:
  - Settlement System Upgrade: hardware purchases delayed pending final needs assessment; internal and external labor efforts reduced in favor of higher priority NPRR work,
  - Secure Remote Access Management (SRAM): purchases originally planned to be made in 2012 were purchased prior to end of 2011.
- Interest expense - Lower interest rates negotiated via debt restructuring efforts.

## OSM 4 -- YTD Summary:

- Salaries and related benefits - Savings driven by employing an average of 25 fewer employees than budgeted; savings is offset by average of 8 fewer full-time equivalents charging to projects.
- Facility and equipment costs - Under-spend primarily for property tax being lower than expected due to winning appeal in 2011, obtaining reduction in office rental cost due to amended Met Center lease, and a lack of purchasing non-capitalizable equipment, software, and hardware.
- Hardware and software maintenance and licensing - Utilized significantly fewer vendor support service hours than anticipated; agreement renewal negotiations and modifications have allowed lower costs.
- Outside services - Unfavorable spending for contracted staff augmentation for vacant permanent positions, as well as, non-staff augmentation services/studies (ex, post-Nodal audit, resource adequacy study, central counterparty compliance assessment, and gas curtailment study).
- Other - Increased cost for external recruiting services and unbudgeted public service announcements; additionally, incurred higher-than-budgeted Operations Training Seminar and Blackstart expenses (costs are offset by registration fee revenue).
- Portfolio Expenditures - Favorable variances in the following two projects:
  - Settlement System Upgrade
  - Secure Remote Access Management (SRAM)
- Interest expense - During first half of the year, a lower amount of financing cost was being allocated to capital projects, therefore, causing base operations to incur higher costs; however, debt restructuring efforts mid-year began resulting in lower costs due to lower interest rates.