



Item 8: Human Resources (HR) Operations Report

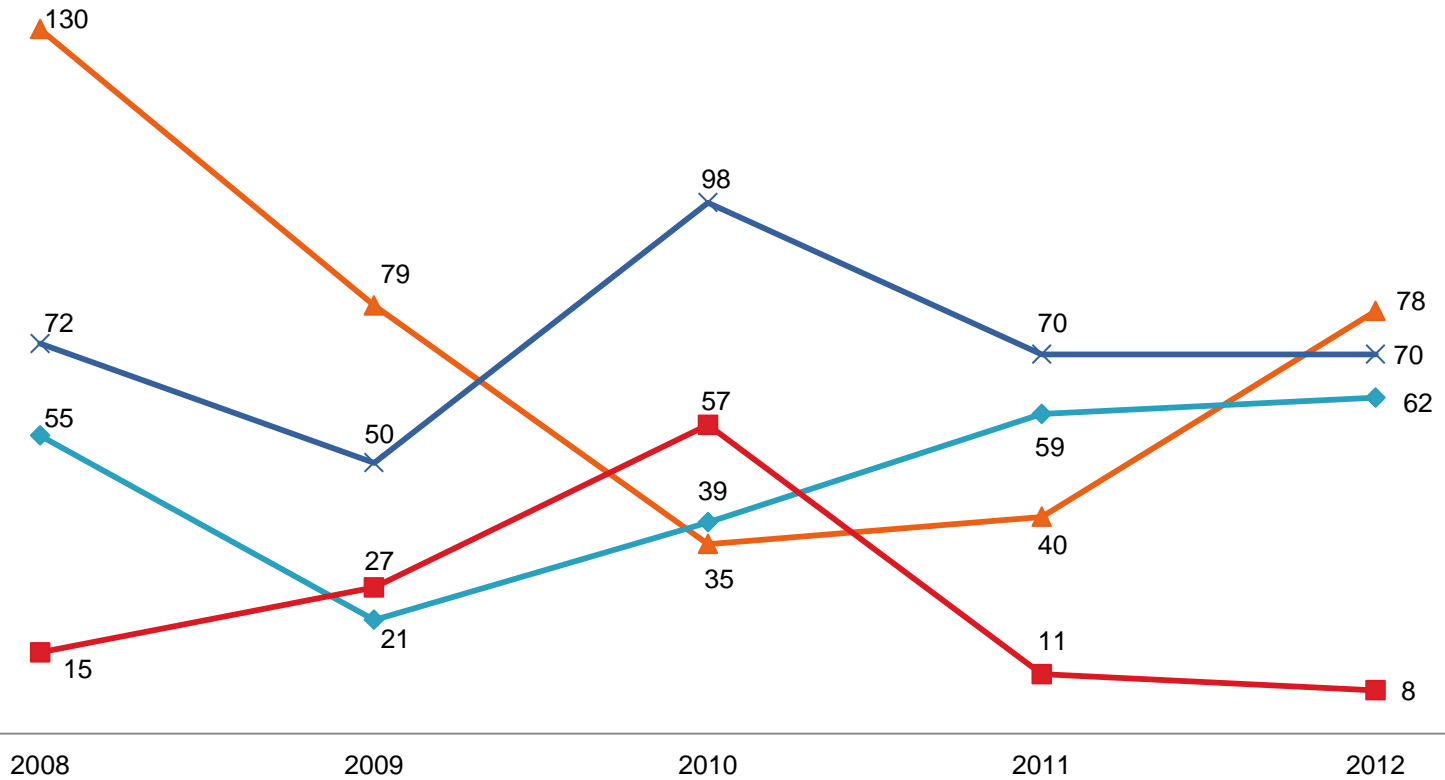
Chuck Manning

Vice President of Human Resources and
Chief Compliance Officer

Human Resources and Governance Committee Meeting
ERCOT Public
January 14, 2013

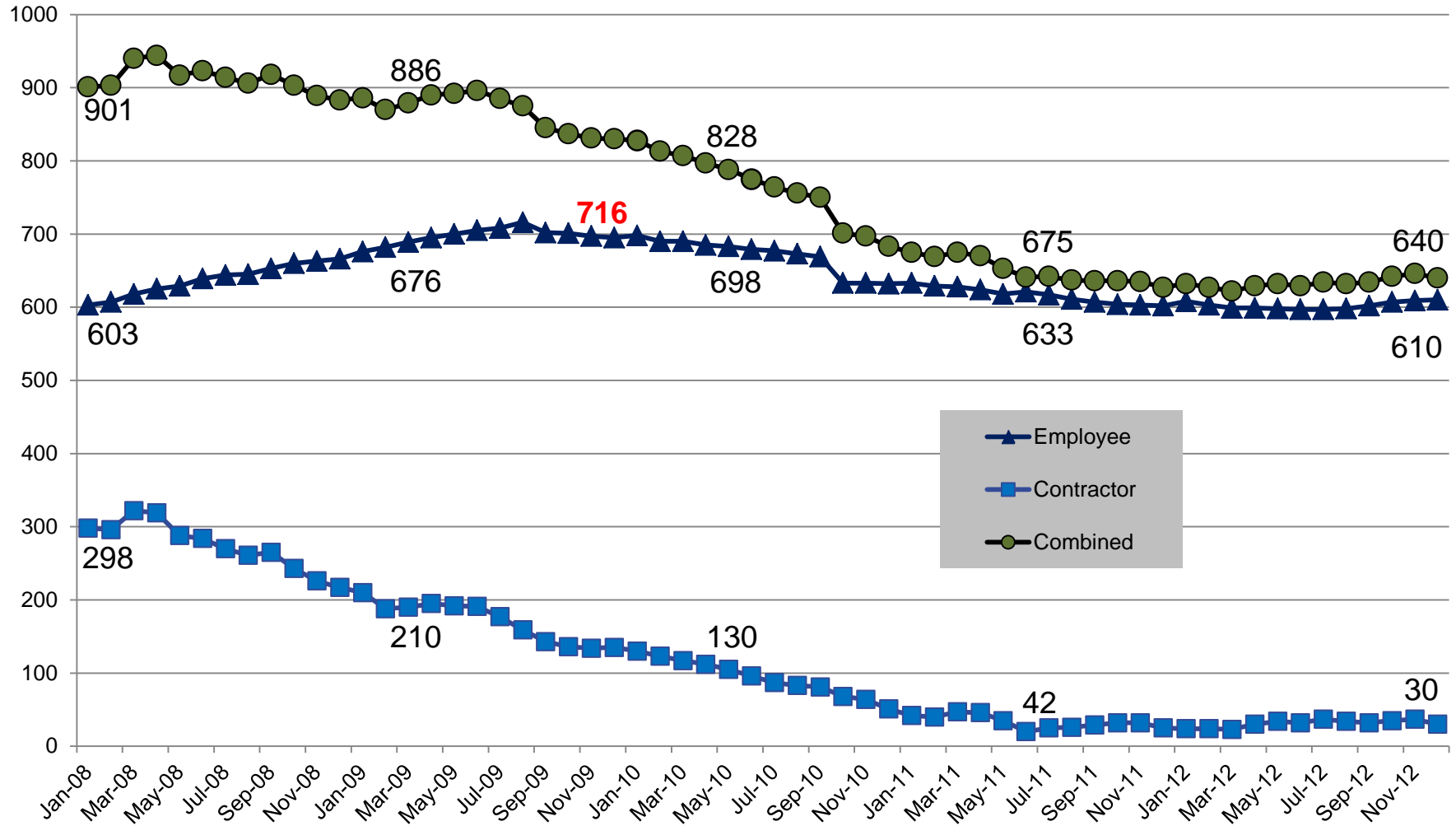
ERCOT - Employee New Hires/Terminations

—▲— New Hires —×— Terminations —◆— Voluntary —■— Involuntary



HR OPERATIONS REPORT

ERCOT Employee Headcount



HR OPERATIONS REPORT

ERCOT Hiring and Attrition per Business Area

	Year-End 2011		Year-End 2012		Current
Business Area	Attrition	Hired	Attrition	Hired	Recruiting
Business Integration	3	1	2	3	2
Client Services	1		4	2	3
Comm Mkt Ops	6	2	3	5	
Compliance	1	2	1		1
Executive			1	1	
External Affairs			1	2	1
Facilities	1	1			
Finance	2	4	7	1	3
Grid Ops & Sys Plan	12	9	13	19	14
HR	1		2	2	1
IT	31	14	24	27	13
Legal	2	1		3	2
Operations	1	1			1
Risk Mgt	3	3	3	1	1
Security	2	1	5	4	
Whls Mkt Ops	3	1	4	7	2
Training & Development	1			1	1
	70	40	70	78	45

ERCOT Contractors

	12/31/12
Capital Projects	14
Staff Augmentation	13.5
DoE Grant	2.5
	30

ERCOT Year-End 2012 Attrition

- Total Attrition Rate: 11.6%
- Voluntary Attrition Rate: 10.3%
- Top Talent Attrition Rate: 0.64%
 - No Top Talent terminations in December

- 2012 Terminations – 70 Employees
 - 62 Voluntary
 - 08 Involuntary

- Voluntary Reasons:
 - 36 Promotional Opportunity
 - 11 Personal
 - 08 Retirement
 - 05 Family
 - 01 Death
 - 01 Location of Facility

ERCOT Attrition December 2012

- 5 Employees:
 - Business Integration – Market Rules Analyst Sr.
 - Finance – Accountant
 - IT – Daltemase Administrator 2
 - IT – Linux Administrator 2
 - Security – Security Analyst 3

Cadillac Health Care Plans Projected Excise Tax Cost

- Beginning in 2018, employers will pay an annual **non-deductible excise tax of 40%** of the excess value of an employer-sponsored medical plan.
- Plan value includes employer and employee contributions to:
 - Premiums
 - Flexible spending health accounts
 - Health reimbursement accounts
 - Health savings accounts
- Excess value = total value in excess of:
 - \$10,200 for individual coverage
 - \$27,500 for family coverage

Current premium levels would not trigger taxes:

Plan	Coverage	Premium	Excess Value
Base	Employee Only	\$6,001	0
Base	Employee+	\$17,351	0
Buy-up	Employee Only	\$7,124	0
Buy-up	Employee+	\$20,597	0

Premium increases could result in significant cost.

		Cadillac Tax Projection		
Inflation Assumption	Plan Type	Excise Tax 2018	Excise Tax 2019	Excise Tax 2020
8% in 2013, 5% annually thereafter	Base Plan	\$ 3,897	\$ 258,286	\$ 568,690
	Buy-up Plan	\$ 54,617	\$ 142,988	\$ 287,345
	Annual Cost	\$ 58,514	\$ 401,274	\$ 856,035
8% annually	Base Plan	\$ 3,897	\$ 258,286	\$ 568,690
	Buy-up Plan	\$ 333,243	\$ 506,292	\$ 803,167
	Annual Cost	\$ 337,140	\$ 764,578	\$ 1,371,857

Factors affecting actual tax liability:

- Medical care cost increases
- Actual claims experience (drives increases in cost of stop-loss coverage and premiums)
- Number of employees participating in ERCOT plan (employee migration to other risk pools drives increases in premiums)

Cost Mitigation Options:

- Increased employee contributions
- Elimination of buy-up plan
- Reductions in scope of coverage
- Wellness incentive programs