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MIDWEST RELIABILITY ORGANIZATION

DRAFT

MRO ANNUAL SURVEY Summary Results

November 15, 2011

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Executive Summary

Annually, MRO asks its registered entities to provide feedback on the organization's performance; the quality of service, communication, leadership, training and education, and MRO's overall effectiveness as a Regional Entity.

The results of this survey are used primarily to benchmark MRO's year over year performance related to stakeholder satisfaction, as well as to identify areas for improvement and training and education opportunities.

Respondents were asked to rate MRO on a 5 point scale of "Excellent, Good, Average, Poor and Not Applicable," and to provide qualitative comments. The survey was conducted anonymously so participants could be open and honest in their responses, thus deriving measurable and actionable results.

Survey Purpose

The primary purpose of the annual survey is to provide a basis for performance improvements using candid feedback from stakeholders, as well as to provide future performance metrics. No changes were made to the 2011 survey questions to ensure consistency. Staff endeavored to keep the survey brief for ease of completion, while still making it as meaningful as possible.

Survey Results

A summary of the survey will be shared at MRO's Annual Member and Board meeting, but specific survey details will be considered confidential and will not be shared beyond the board and staff.

Performance Measurements

MRO first performed the Annual Satisfaction Survey in 2010, providing a benchmark for the 2011 survey.

As in 2010, the 2011 Performance Survey was issued in October to all 125 Registered Entities in the MRO Region. The 2011 survey had a 50% response rate, up from 36% in 2010. The role of each respondent within his/her respective organization varied only slightly from 2010 to 2011, with the greatest increase seen in responses from engineering staff.

Overall, the 2011 survey results show an improvement over 2010 in all areas measured. On a scale of 1 to 5, MRO maintains a rating of 4 out of 5. The most notable improvement in 2011 was the drop in "Poor" ratings; Zero in 2011 compared to 11 in 2010.

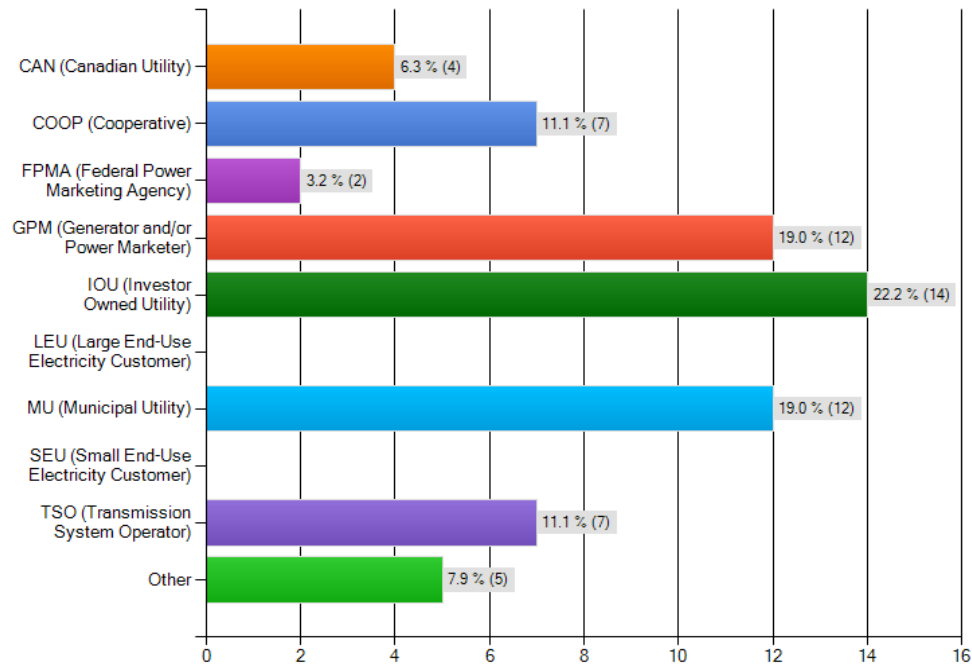


2011 Survey Results

Question 1 – Sector

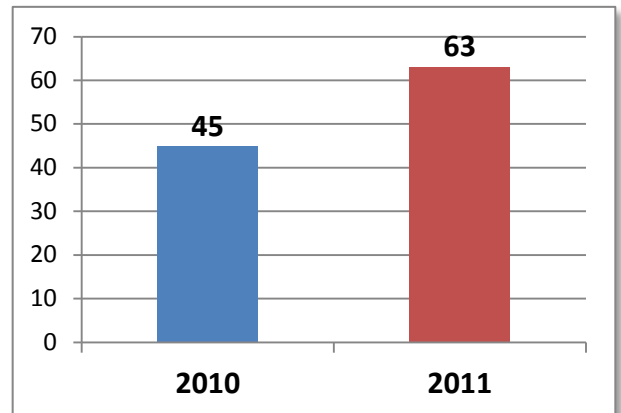
NOTE: Of the 125 entities who received the survey, 63 responded.

My organization belongs to the following sector:



Year over Year Performance Measures

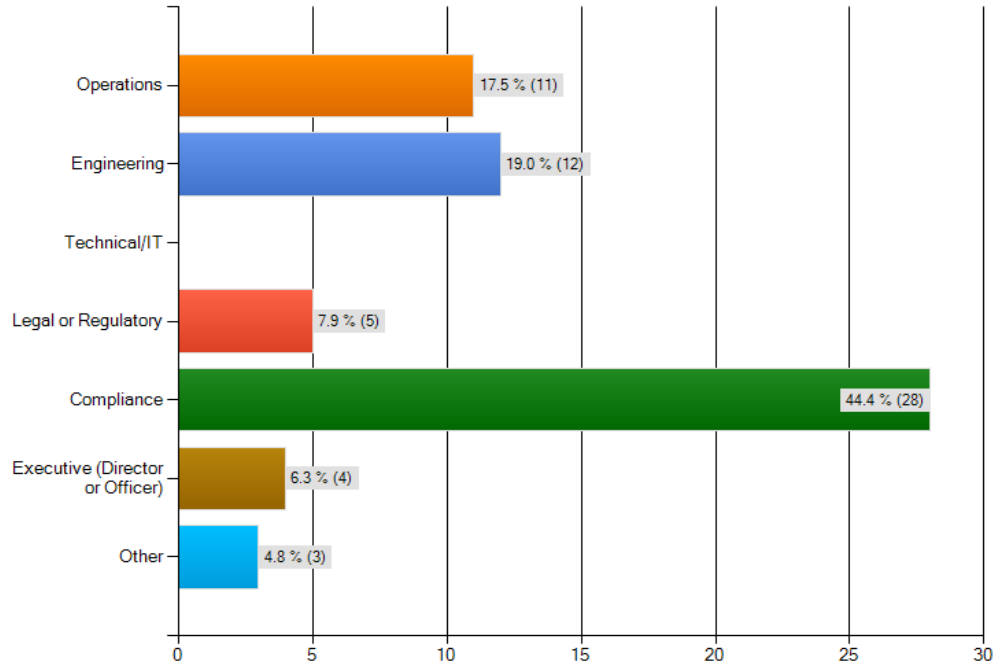
	2010	2011
Respondents	45	63
Canadian	0	4
Coop	7	7
Federal	2	2
Generator/PM	7	12
Investor Owned	8	14
Large End-Use	0	0
Municipal	16	12
Small End-Use	0	0
Transmission System Operator	3	7
Other	2	5





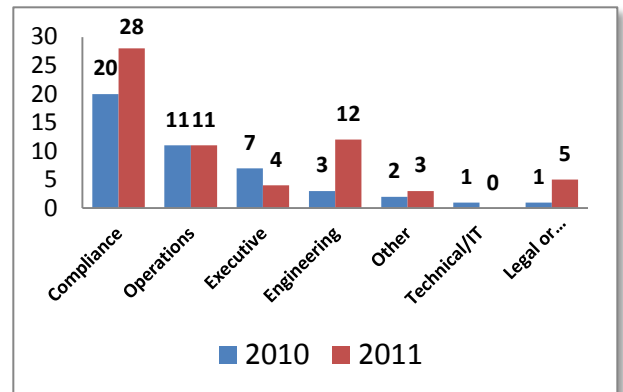
Question 2 – Role

My role within the organization is:



Year over Year Performance Measures

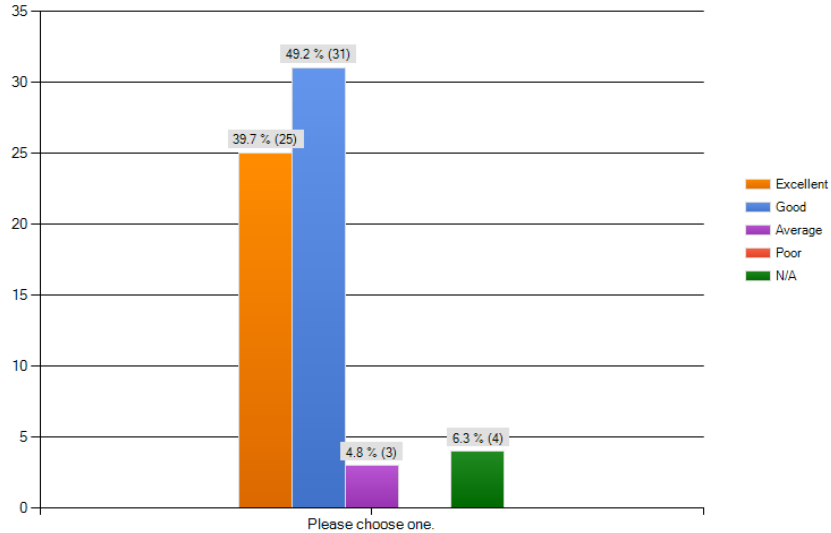
	2010	2011
Compliance	20	28
Operations	11	11
Executive (Director or Officer)	7	4
Engineering	3	12
Other	2	3
Technical/IT	1	0
Legal or Regulatory	1	5





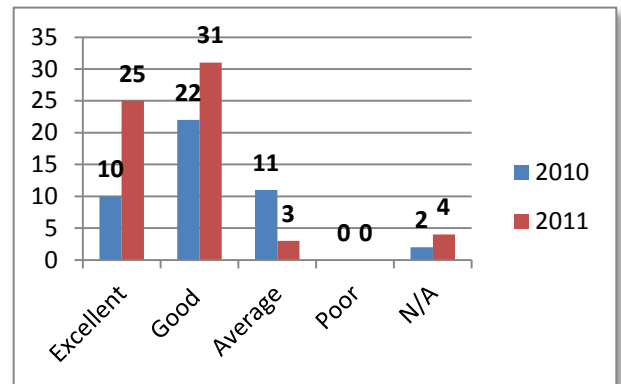
Question 3 – Service

SERVICE: When my company asks a question regarding reliability matters, including compliance with standards in the MRO region, how well does MRO staff address these questions and concerns in a timely, responsive manner?



Year over Year Performance Measures

	2010	%	2011	%
Excellent	10	22.2	25	39.7
Good	22	48.9	31	49.2
Average	11	24.4	3	4.8
Poor	0	0	0	0
N/A	2	4.4	4	6.3



Feedback and Suggestions

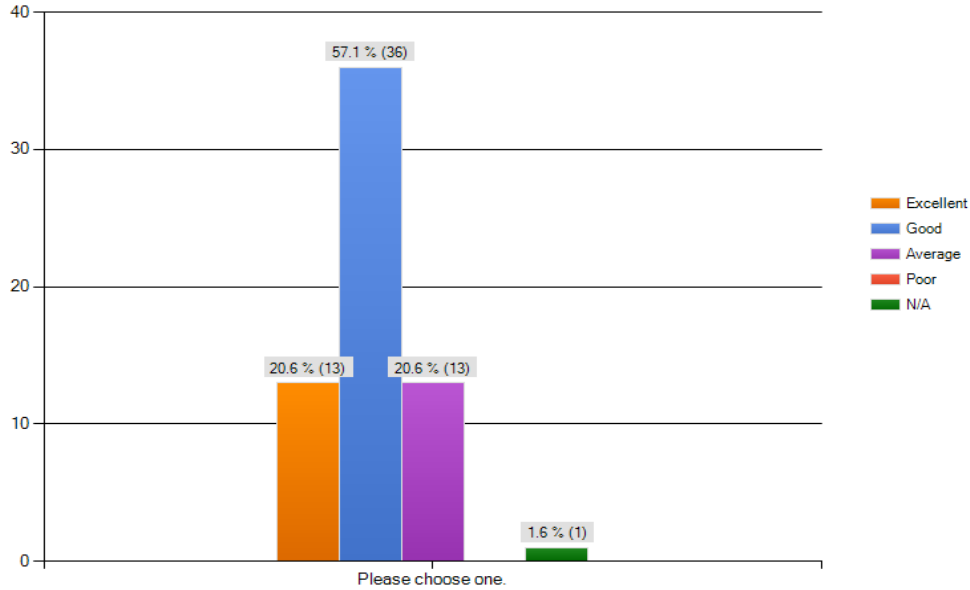
MRO received very positive ratings in this area, with the highest “Excellent” rating (39.7 percent) of all areas surveyed. Respondents expressed that MRO staff is responsive, professional, and focused on problem resolution. Compared to 2010, the 2011 “Excellent” and “Good” ratings increased 17.8 percent, while the “Average” and “Poor” ratings decreased 19.6 percent.

Suggestions for improvement were that in some cases MRO could increase the timeliness of responses to Registered Entity questions, and MRO could do more to provide additional training to CIP audit staff on communication with Registered Entities.



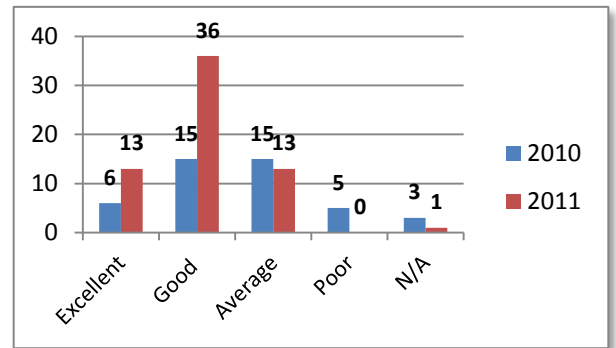
Question 4 - Communication

COMMUNICATION: How well does MRO share lessons learned and recommendations from compliance audits, disturbance events, and enforcement proceedings to help you improve compliance and address reliability matters?



Year over Year Performance Measures

	2010	%	2011	%
Excellent	6	13.6	13	20.6
Good	15	34.1	36	57.1
Average	15	34.1	13	20.6
Poor	5	11.4	0	0
N/A	3	6.8	1	1.6



Feedback and Suggestions

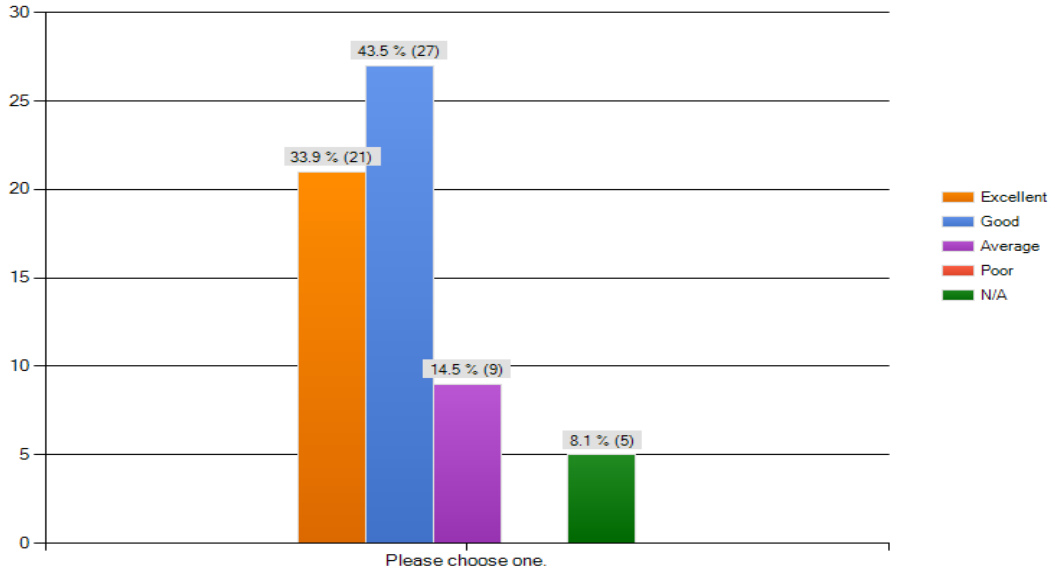
Similar to 2010, this area continues to show the greatest need for improvement with the highest “Average” rating (20.6 percent) of all areas surveyed. However, the average rating has improved from 2010 (34.1 percent). Overall, the 2011 “Excellent” and “Good” ratings in this area increased 30 percent while the “Average” and “Poor” ratings decreased 24.9 percent from 2010.

Although survey participants expressed dissatisfaction with MRO’s website and a desire for more information sharing and public lessons learned, they shared appreciation for MRO’s new Compliance Application Guides, revamped newsletter, and compliance workshops. One of MRO’s 2012 strategic initiatives is to provide more clarity to Registered Entities on expectations of compliance.



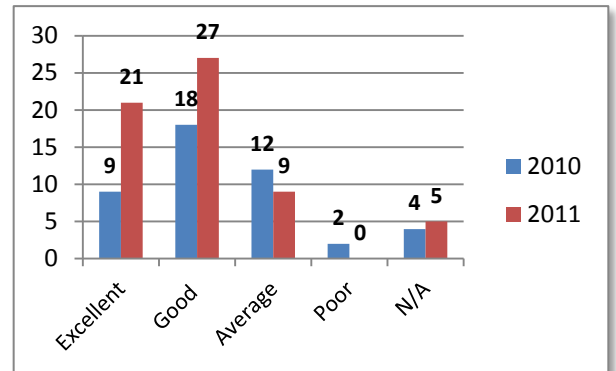
Question 5 – Training and Education

TRAINING AND EDUCATION: Has MRO effectively created opportunities for you and your staff to participate in the organization through committees, workshops and other areas?



Year over Year Performance Measures

	2010	%	2011	%
Excellent	9	20.0	21	33.9
Good	18	40.0	27	43.5
Average	12	26.7	9	14.5
Poor	2	4.4	0	0
N/A	4	8.9	5	8.1



Feedback and Suggestions

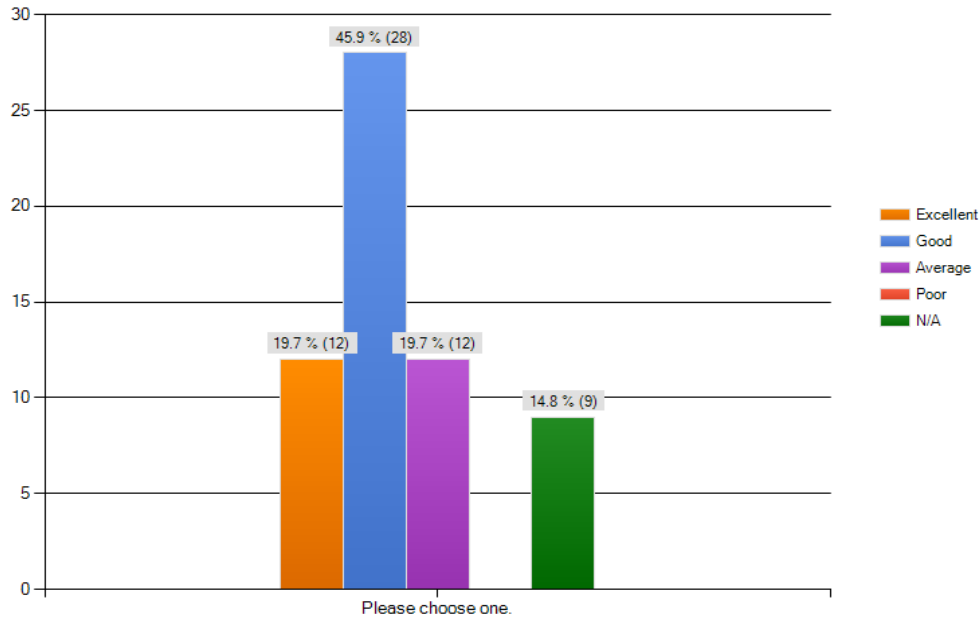
The overall responses in this category were very positive. Compared to 2010, the 2011 “Excellent” and “Good” ratings increased 17.4 percent, while the “Average” and “Poor” ratings decreased 16.6 percent. Respondents who had participated in MRO workshops, committee meetings and other training opportunities thought very positively of the content and information provided. Survey participants emphasized, however, that MRO could provide more training opportunities via the web to minimize travel expenses incurred by Registered Entities.

Training and education will continue to be a main focus for MRO in 2012, and staff will endeavor to find alternate methods (in addition to the face-to-face workshops) of providing this information to Registered Entities, especially those with limited resources.



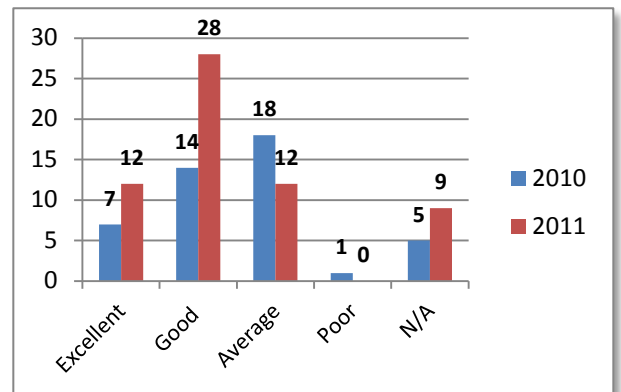
question 6 – Reliability Improvement

RELIABILITY IMPROVEMENT: How well has MRO assisted your company in improving compliance with Reliability Standards and addressing matters related to reliability?



Year over Year Performance Measures

	2010	%	2011	%
Excellent	7	15.6	12	19.7
Good	14	31.1	28	45.9
Average	18	40.0	12	19.7
Poor	1	2.2	0	0
N/A	5	11.1	9	14.8



Feedback and Suggestions

Again, responses in this section reiterated that MRO staff is very responsive and helpful regarding compliance, enforcement and mitigation-related matters and continue to provide excellent support in this area. Compared to 2010, the 2011 “Excellent” and “Good” ratings increased 18.9 percent, while the “Average” and “Poor” ratings decreased 22.5 percent.

Entities also commented that there is too much focus currently on compliance and not enough focus on reliability. MRO shares this concern and is working with the ERO to improve in this area.



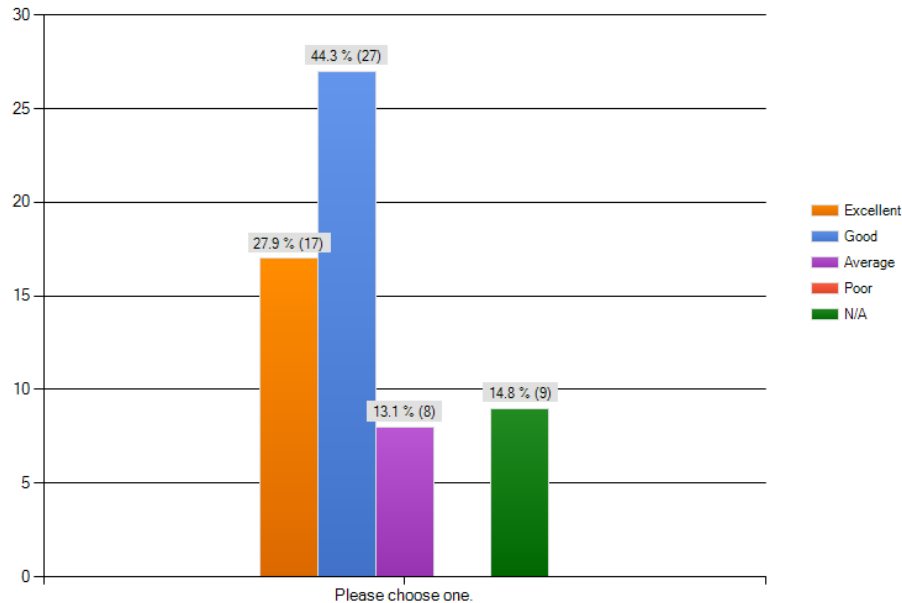
In 2011, MRO led efforts to streamline the enforcement process to appropriately focus on material violations that pose the most risk to the Bulk Electric System (BES). NERC's new Find, Fix, Track and Report (FFT) process is a direct result of these efforts.

Working with NERC and the Regional Entities to improve the reliability standards and standards setting process is also a strategic initiative for MRO in 2012. In 2011, MRO worked closely with stakeholders to develop standards application guides for industry, and in 2012, MRO will work closely with stakeholders to produce a framework for internal compliance controls and procedures. The goal of these initiatives is to provide clarity and industry best practices to Registered Entities in the MRO Region – improving the reliability and security of the BES.



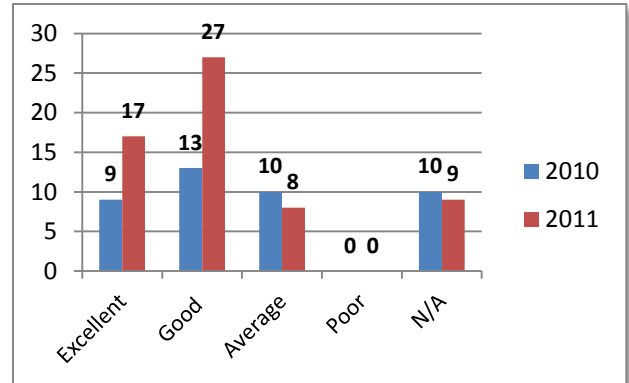
Question 7 – Leadership

LEADERSHIP: Overall, how would you rate MRO's leadership as a Cross Border Regional Entity helping to improve reliability and addressing risks to the Bulk Power System?



Year over Year Performance Measures

	2010	%	2011	%
Excellent	9	21.4	17	27.9
Good	13	31.0	27	44.3
Average	10	23.8	8	13.1
Poor	0	0	0	0
N/A	10	23.8	9	14.8



Feedback and Suggestions

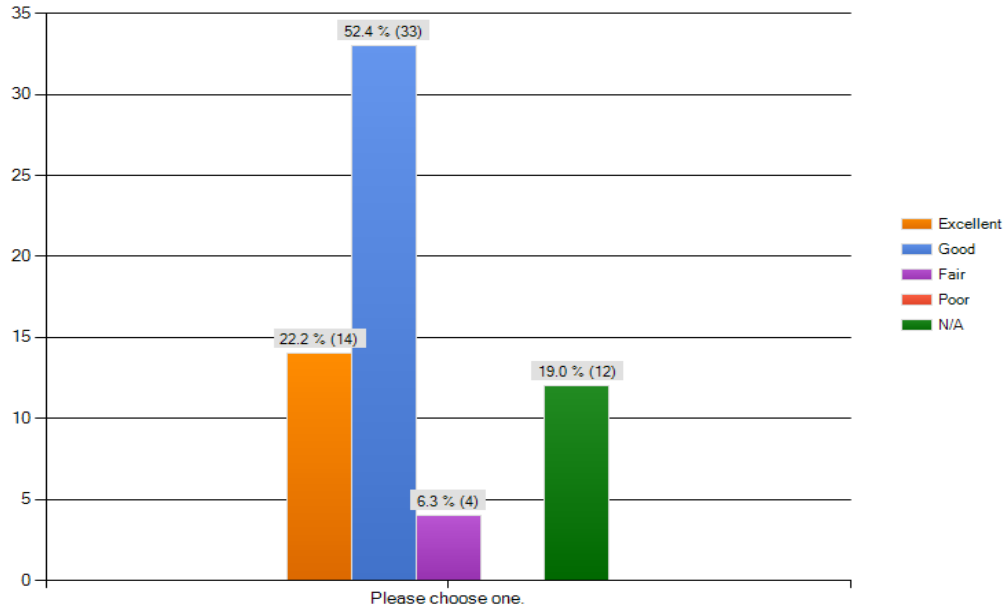
Overall, participants seem very satisfied with MRO leadership and expressed appreciation for MRO's focus on reliability matters in both the US and Canada. Compared to 2010, the 2011 "Excellent" and "Good" ratings increased 19.8 percent, while the "Average" and "Poor" ratings decreased 10.7 percent.

Participants continue to express dissatisfaction with the heavy administrative burden on Registered Entities to demonstrate compliance and believe this reduces focus on reliability. One participant requested that MRO (or NERC) track NERC and FERC approvals and effective dates and provide a single document to minimize an entity having to visit multiple sites for this information.



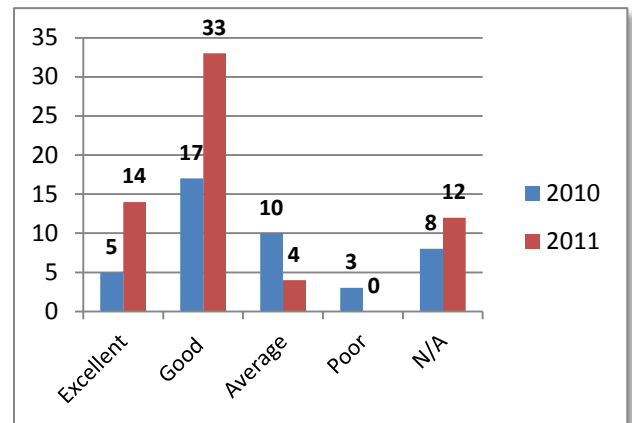
Question 8 – Board of Directors

The MRO has a stakeholder Board of Directors. Do you feel that the Board provides adequate strategic guidance and review to the activities of MRO?



Year over Year Performance Measures

	2010	%	2011	%
Excellent	5	11.6	14	22.2
Good	17	39.5	33	52.4
Average	10	23.3	4	6.3
Poor	3	7.0	0	0
N/A	8	18.6	12	19.0



Feedback and Suggestions

Ratings in this area were improved from 2010, with “Excellent” and “Good” ratings increasing 23.5 percent and “Average” and “Poor” ratings decreasing 24.0 percent. Respondents seemed generally satisfied with the direction and effectiveness of the MRO Board; however, many respondents were unable to comment due to lack of knowledge or experience related to the board.

This signifies that more communication to MRO stakeholders is necessary related to the board’s role, responsibilities, and current activities. The MRO Board is very engaged in the organization, takes a direct role in leading change, and is a strong voice on reliability matters on an international level.



Question 9 – Satisfaction

Respondents commended staff on their knowledge, responsiveness, accessibility, professionalism, and excellent customer service. Appreciation was also expressed for the level of staff engagement and collaboration with stakeholders, as well as MRO's vision and leadership in moving away from strict compliance and focusing more on reliability.

An improvement in communication was also noted, especially related to the workshops and the newsletter.

Question 10 – Dissatisfaction

In 2011, much of the stakeholder dissatisfaction was related to the Critical Infrastructure Protection (CIP) Standards. MRO is working with its stakeholder subject matter experts to provide clarity on the CIP Standards through standard application guides, and is working on addressing other aspects of the CIP area.

Other areas of dissatisfaction were regional consistency, especially pertaining to data collection, and MRO's website. MRO will continue to work closely with NERC and the Regions on consistency, and plans to completely revamp its website in 2012.

Question 9 – Remaining Thoughts

Generally, respondents seem very satisfied with MRO's performance and leadership as a Regional Entity. Evident from the thoughts expressed, is the continuing need for more and better information and the sharing of lessons learned and best practices.

MRO's 2012 initiatives revolve around the concept of *Clarity, Assurance and Results*. We feel it is our responsibility as a regulator to provide clarity to industry on compliance requirements. In doing so, our stakeholders can provide assurance that they are meeting these requirements and reliability will be improved as a result. MRO is committed to building Highly Effective Reliability Organizations (HEROs), who are focused on the security and reliability of the Bulk Electric System. MRO is, and will remain committed to these results.