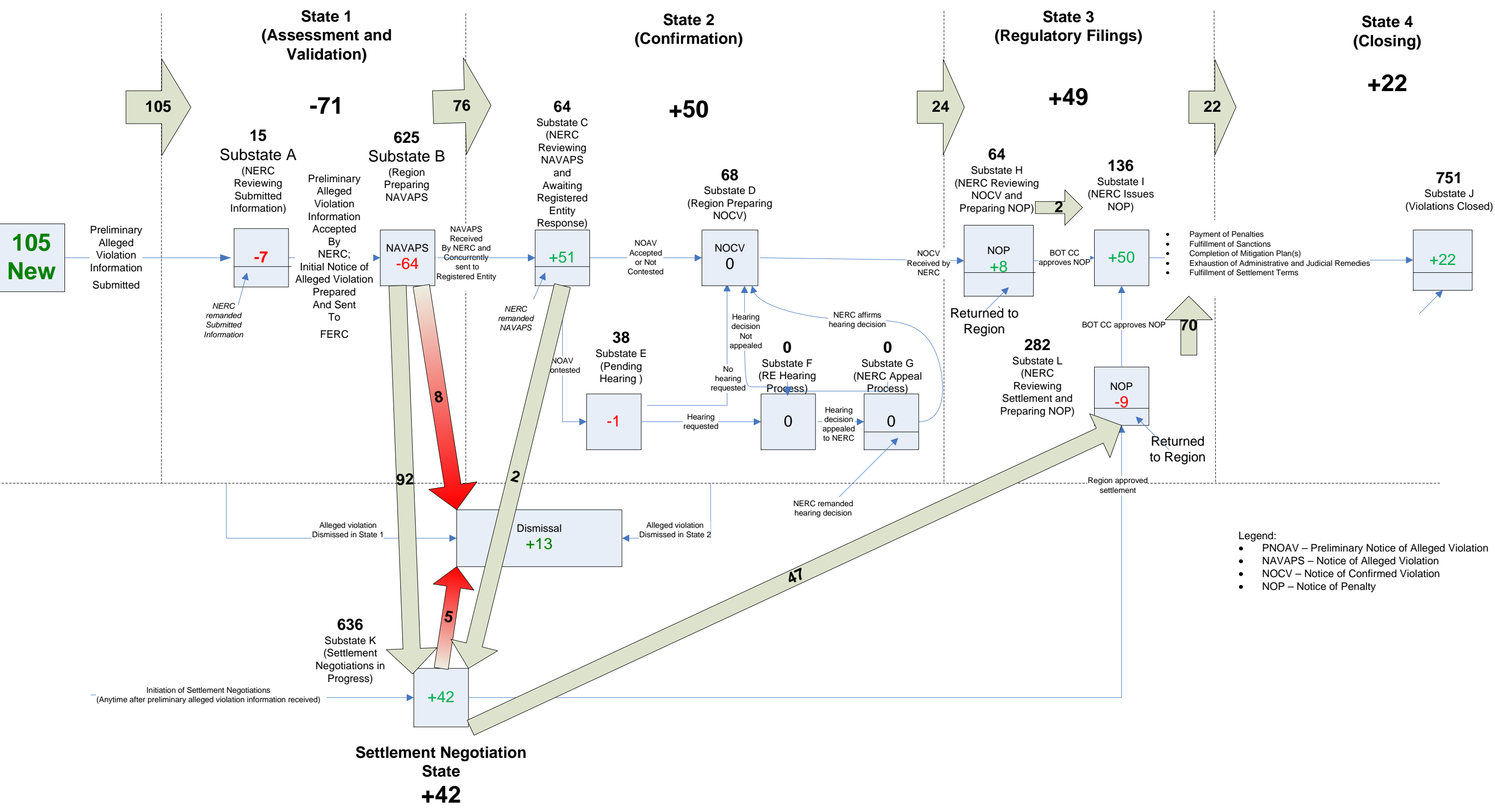


Violation Process States and Underlying Process Sub states

Snapshot comparison between December 1, 2009 and December 31, 2009



Violation Process State Summary Table — Active FERC Enforceable Alleged Violations

Below is a breakdown, as of December 31, 2009, of the Compliance Monitoring and Enforcement Program (CMEP) Violation “state” summary for the 1950 active violations.

| Region | (New) | State 1 (Assessment and Validation) | | State 2 (Confirmation) | | | | Settlement | State 3 (Regulatory Filings) | | | State 4 (Closing) | Total |
|----------------------------|--------------|--|--|---|---------------------------------------|---------------------------------|------------------------------------|-------------------------------------|---|-------------------------------------|---|---------------------------------|--------------|
| | | Substate A (NERC Reviewing) | Substate B (Region Preparing NAVAP) | Substate C (NERC Reviewing NAVAP and awaiting RE Response) | Substate D (Region Preparing NOCV) | Substate E (Pending Hearing) | Substate F (RE Hearing Process) | Substate G (NERC Appeal Process) | Substate K (Settlement Negotiations) | Substate H (NERC Reviewing NOCV) | Substate L (NERC Reviewing Settlement Agreement) | Substate I (NERC Issues NOP) | |
| FRCC | (19) | 0 | 47 | 0 | 0 | 0 | 0 | 153 | 0 | 1 | 9 | 1 | 211 |
| MRO | (3) | 0 | 32 | 0 | 1 | 1 | 0 | 18 | 2 | 3 | 1 | 0 | 58 |
| NPCC | (0) | 0 | 20 | 0 | 2 | 0 | 0 | 33 | 0 | 8 | 12 | 0 | 75 |
| RFC | (9) | 0 | 78 | 0 | 0 | 0 | 0 | 20 | 0 | 35 | 45 | 15 | 193 |
| SERC | (23) | 5 | 147 | 0 | 0 | 0 | 0 | 40 | 0 | 61 | 30 | 2 | 285 |
| SPP | (11) | 0 | 84 | 2 | 5 | 0 | 0 | 51 | 26 | 2 | 0 | 0 | 170 |
| TRE | (1) | 0 | 12 | 0 | 9 | 0 | 0 | 10 | 5 | 1 | 2 | 2 | 41 |
| WECC | (39) | 10 | 178 | 62 | 51 | 37 | 0 | 311 | 31 | 171 | 37 | 2 | 890 |
| NERC | | 0 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27 |
| TOTAL | (105) | 15 | 625 | 64 | 68 | 38 | 0 | 636 | 64 | 282 | 136 | 22 | 1950 |
| Percentage of Total | | 0.77% | 32.05% | 3.28% | 3.49% | 1.95% | 0.00% | 0.00% | 32.62% | 3.28% | 14.46% | 6.97% | 1.13% |
| State Totals | | 640 | | 170 | | | | 636 | 482 | | | 22 | |

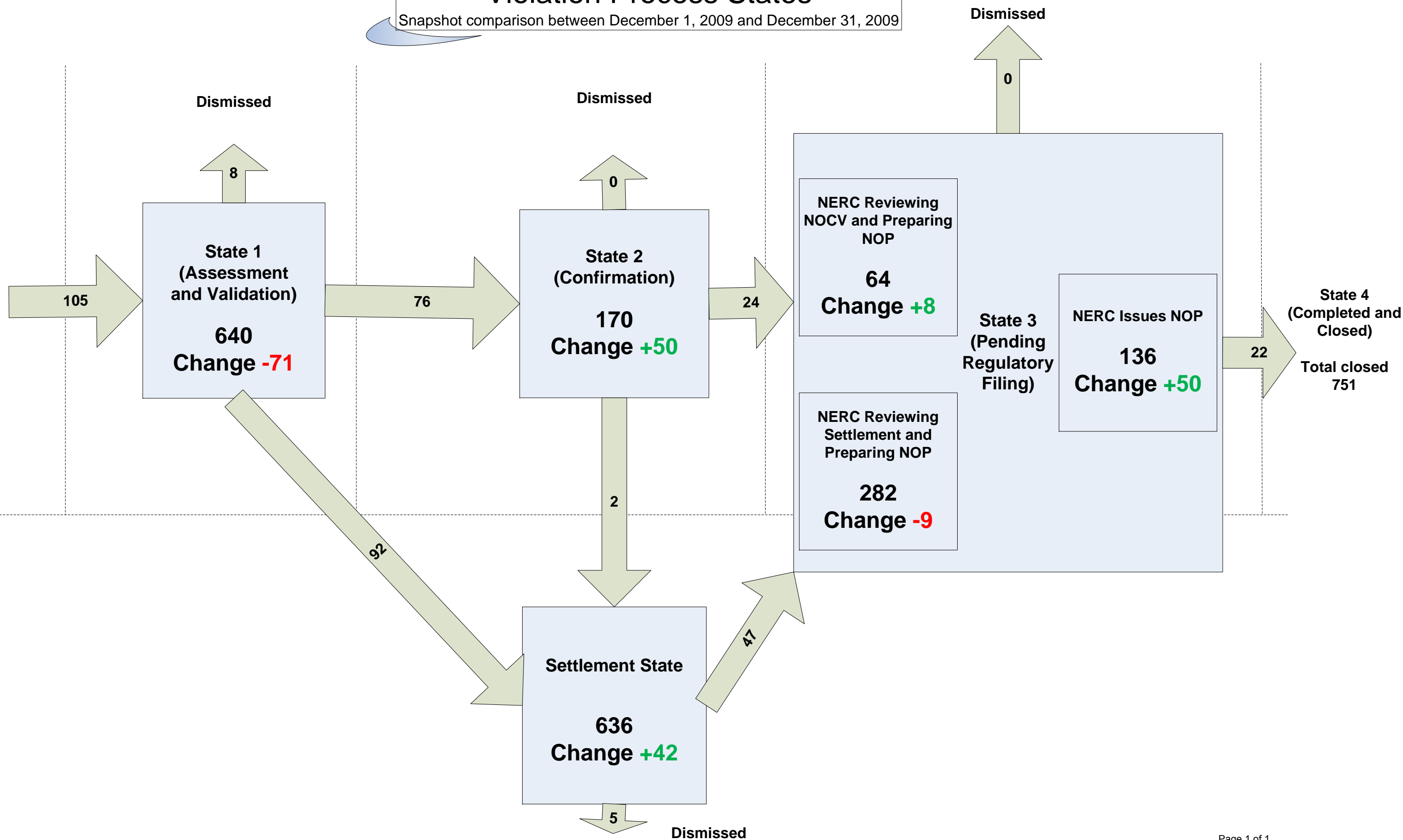
Definitions

- Substate A = Preliminary Notice of Alleged violation information has been received from the Region but no Initial Notice has been issued to FERC.
- Substate B = NERC is awaiting receipt of Notice of Alleged Violation Proposed Penalty or Sanction from the Region.
- Substate C = NERC has received Notice of Alleged Violation Proposed Penalty or Sanction and is awaiting acceptance, auto acceptance or contest.
- Substate D = Region received acceptance letter from Registered Entity, or 30 day clock expired and violation is Auto Accepted and is now Confirmed.
- Substate E = Region has received letter contesting violation from Registered Entity.
- Substate F = Region has received request for Hearing from Registered Entity.
- Substate G = NERC has received request for Appeal from Registered Entity.
- Substate H = NERC has received a Notice of Confirmed Violation from the Region.
- Substate I = Violation is Confirmed/Settled and a Notice of Penalty has been issued by NERC to Registered Entity and submitted to FERC.
- Substate J = Payment of Penalties, Fulfillment of Sanctions, Completion of Mitigation Plan, Exhaustion of Administrative and Judicial Remedies, and Fulfillment of Settlement terms have all been met and violation is closed.
- Substate K = Settlement negotiations are in progress.
- Substate L = NERC has received a Settlement Agreement from the Region.

* Includes new violations received through 12/31/2009.

Violation Process States

Snapshot comparison between December 1, 2009 and December 31, 2009



Pending Violations Summary by Process Steps FERC Enforceable Alleged Violations Summarized by State

Below is a breakdown, as of December 31, 2009, of the Compliance Monitoring and Enforcement Program (CMEP) Violation Process Steps summarized by State for the 2679 FERC enforceable violations.

| | Assessment and Validation | Confirmation | Settlement | Pending Regulatory Filing | Completed and Closed | |
|--------------|------------------------------|--------------|------------|---------------------------------|----------------------------|-------------|
| Region | | | | | | Total |
| FRCC | 47 | 0 | 153 | 10 | 57 | 267 |
| MRO | 32 | 2 | 18 | 6 | 43 | 101 |
| NPCC | 20 | 2 | 33 | 20 | 17 | 92 |
| RFC | 78 | 0 | 20 | 80 | 30 | 208 |
| SERC | 152 | 0 | 40 | 91 | 101 | 384 |
| SPP | 84 | 7 | 51 | 28 | 18 | 188 |
| TRE | 12 | 9 | 10 | 8 | 25 | 64 |
| WECC | 188 | 150 | 311 | 239 | 460 | 1348 |
| NERC | 27 | 0 | 0 | 0 | 0 | 27 |
| TOTAL | 640 | 170 | 636 | 482 | 751 | 2679 |

* Includes new violations received through 12/31/2009.

Report Date: 1/6/2010

Summary of all Post June 18, 2007 Alleged Violations by Region

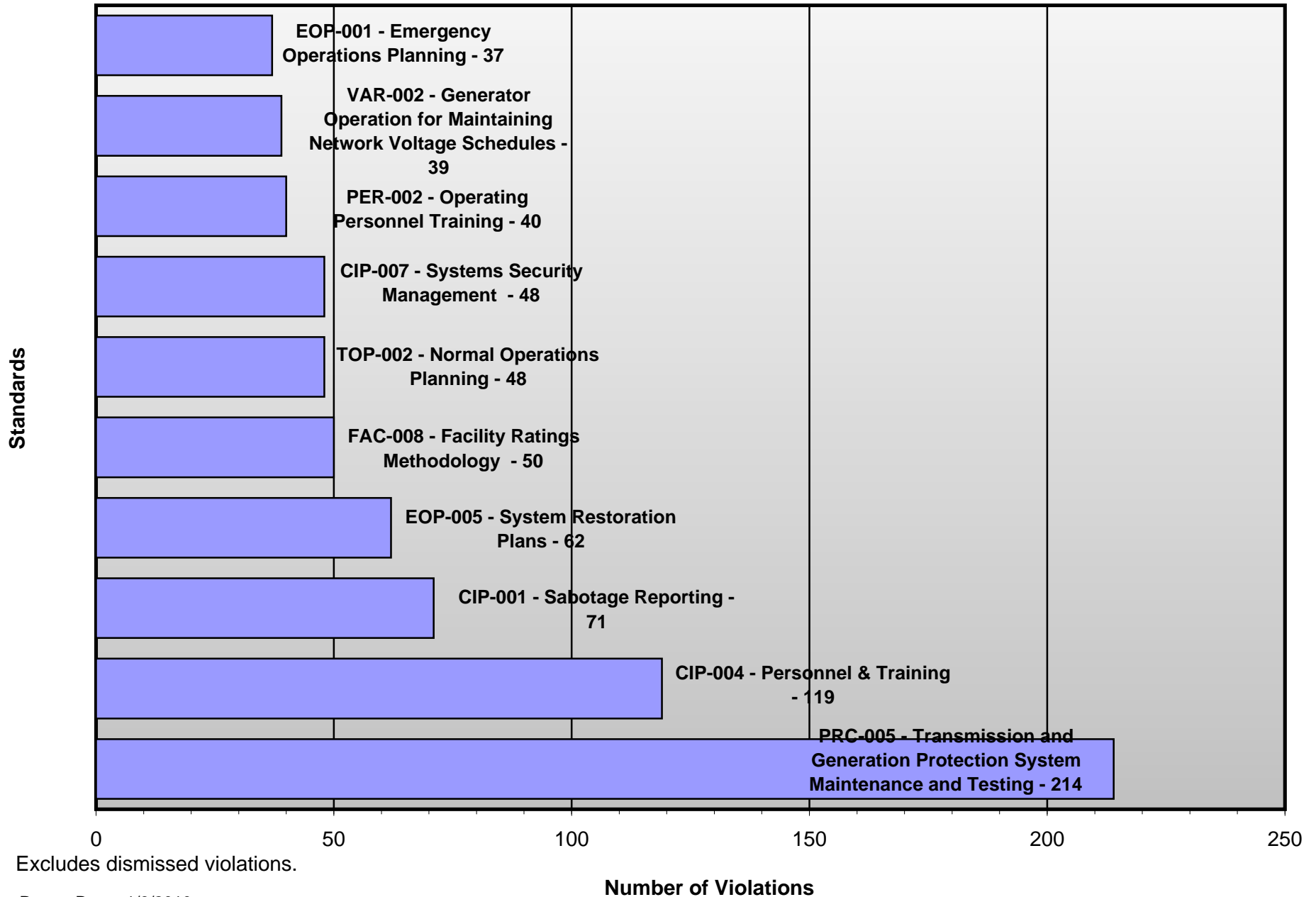
Below is a breakdown, as of December 31, 2009 of the Compliance Monitoring and Enforcement (CMEP) alleged violation summary for all 3742 violations.

| | Dismissed | Previously Closed | Newly Closed | FERC Enforceable | | | Total Canadian Violations | Total |
|--------------|-------------|-------------------|--------------|------------------|---------------------------------|------------------------|---------------------------|-------------|
| | | | | Total | Normalized by Registered Entity | % Non-Document Related | | |
| FRCC | 42 | 56 | 1 | 210 | 2.92 | 63% | 0 | 309 |
| MRO | 30 | 43 | 0 | 58 | 0.48 | 57% | 7 | 138 |
| NPCC | 9 | 17 | 0 | 75 | 0.26 | 40% | 5 | 106 |
| RFC | 25 | 15 | 15 | 178 | 0.49 | 69% | 0 | 233 |
| SERC | 55 | 99 | 2 | 283 | 1.22 | 51% | 0 | 439 |
| SPP | 6 | 18 | 0 | 170 | 1.40 | 64% | 0 | 194 |
| TRE | 18 | 23 | 2 | 39 | 0.18 | 69% | 0 | 82 |
| WECC | 856 | 458 | 2 | 888 | 1.90 | 57% | 2 | 2206 |
| NERC | 8 | 0 | 0 | 27 | 9.00 | 96% | 0 | 35 |
| TOTAL | 1049 | 729 | 22 | 1928 | 1.02 | 59% | 14 | 3742 |

Includes new violations received through 12/31/2009.

Report Date: 1/6/2010

Top 10 FERC Enforceable Standards (Submit Dates: 1/1/2009 thru 12/31/2009)

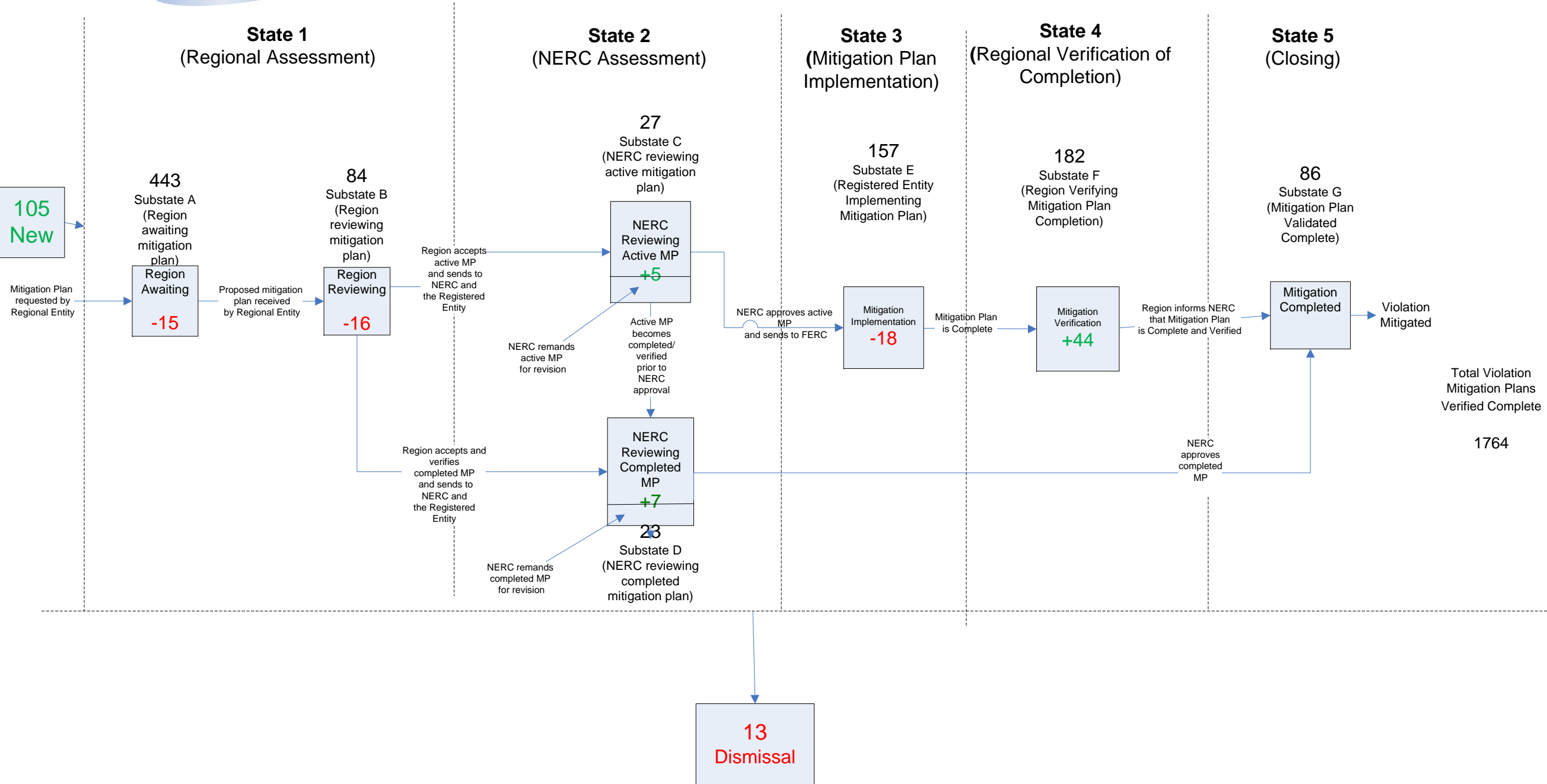


Excludes dismissed violations.

Report Date: 1/6/2010

Mitigation Process States and Underlying Process Substates

Snapshot comparison between December 1, 2009 and December 31, 2009



Mitigation Plans Process State Table — Active FERC Enforceable Alleged Violations

Below is a breakdown, as of December 31, 2009, of the Compliance Monitoring and Enforcement Program (CMEP) Mitigation Plan “state” summary for the 1001 active violations.

| Region | State 1 (Regional Assessment) | | State 2 (NERC Assessment) | | | State 3 (Mitigation Plan Implementation) | State 4 (Regional Verification of Completion) | State 5 (Closing) | Total |
|---------------------|----------------------------------|------------------|--------------------------------------|--------------------------|-----------------------------|---|--|------------------------------------|-------------|
| | Substate A | Substate B | Substate C | | Substate D | Substate E | Substate F | Substate G | |
| | Region Awaiting | Region Reviewing | Accepted MP Not Received from Region | NERC Reviewing Active MP | NERC Reviewing Completed MP | Registered Entity Implementation | Regional Verification of MP Completion | Mitigation Plan Validated Complete | |
| FRCC | 64 | 15 | 0 | 1 | 4 | 14 | 35 | 10 | 143 |
| MRO | 30 | 0 | 0 | 2 | 3 | 2 | 2 | 4 | 43 |
| NPCC | 19 | 0 | 0 | 0 | 0 | 6 | 4 | 0 | 29 |
| RFC | 55 | 0 | 0 | 3 | 0 | 8 | 43 | 4 | 113 |
| SERC | 100 | 40 | 0 | 6 | 2 | 7 | 30 | 0 | 185 |
| SPP | 93 | 0 | 0 | 4 | 0 | 20 | 25 | 10 | 152 |
| TRE | 9 | 1 | 0 | 0 | 1 | 5 | 4 | 0 | 20 |
| WECC | 53 | 24 | 0 | 11 | 13 | 95 | 39 | 58 | 293 |
| NERC | 20 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 24 |
| TOTAL | 443 | 84 | 0 | 27 | 23 | 157 | 182 | 86 | 1002 |
| State Totals | 527 | | 50 | | | 157 | 182 | 86 | |

Definitions

Substate A = Region is still awaiting receipt of mitigation plan from Registered Entity.

Substate B = Region has received mitigation plan and is reviewing.

Substate C = NERC has received mitigation plan and is reviewing. Also includes any mitigation plans not yet received by NERC.

Substate D = Mitigation plan has been verified completed by the Region but is still awaiting approval by NERC.

Substate E = Mitigation plan has been approved by NERC, and sent to FERC, but has not been completed.

Substate F = Mitigation Plan has been completed per Registered Entity but is being verified by the Region.

Substate G = Mitigation plan has been verified completed by Region, has been approved by NERC, and sent to FERC.

- Includes Mitigation Plans received through 12/31/2009.
- Mitigation information reported at the violation level.