



ERCOT - MONTHLY EXECUTIVE DASHBOARD REPORT

Summary of Corporate Goals

For YTD August 31, 2005

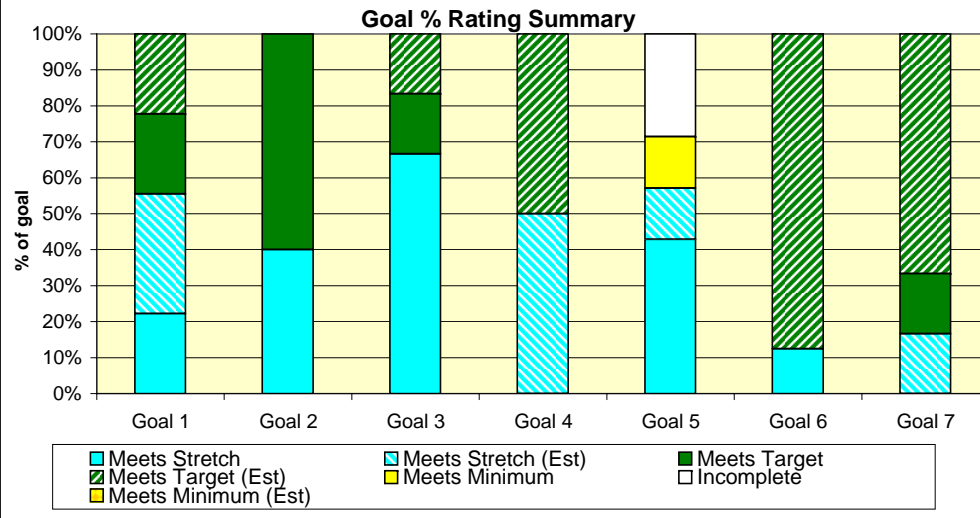
Corporate Goal Descriptions

- Goal 1 :** Reliability and Congestion Management
- Goal 2 :** Retail Transaction Processing
- Goal 3 :** Wholesale Access, Settlement & Billing
- Goal 4 :** Management Systems and Business Practices
- Goal 5 :** Financial Management and Cost Effectiveness
- Goal 6 :** External and Stakeholder Affairs
- Goal 7 :** Organizational Readiness

Executive Summary

- **Goal 5 - WHITE rating** - % of projects completed within timeframe and budget (2 metrics)
Final results not available for these two metrics at this time. Currently researching project data to obtain results.
- **Goal 5 - YELLOW rating** - Bi-weekly time card reporting delivered on time.
June time card reporting below target to 84% for July. Notices will be send out to remind employees to turn in timecards on time.

Performance Level % by Goal *



* Striped Colors Represent ESTIMATED Year End Measurement Levels

Corporate Performance Summary by Goal

Corporate Goal	Weighting %	Actual Goal Score	Weighted Score
Reliability and Congestion Management	20.0%	2.6	0.5
Retail Transaction Processing	17.5%	2.4	0.4
Wholesale Access, Settlement & Billing	17.5%	2.7	0.5
Management Systems and Business Practices	15.0%	2.5	0.4
Financial Management and Cost Effectiveness	10.0%	2.6	0.3
External and Stakeholder Affairs	10.0%	2.1	0.2
Organizational Readiness	10.0%	2.2	0.2
Average Goal Score	100.0%		2.5

Goal Performance Level Descriptions and Dashboard Ratings

- Score 3** **BLUE - Performance Meets Stretch.** The critical path milestones for a goal element exceeds expectations and are on track to meet or exceed the stretch goal.
- Score 2** **GREEN - Performance Meets Target.** All critical path milestones for a goal element are on track, on schedule, or within budget. Any Risks or problems have been mitigated or are in the process of being mitigated.

- Score 1** **YELLOW - Performance Meets Minimum.** One or more critical path milestones in a goal element are behind schedule and may have a negative impact. Risks and problems have been identified, but not yet mitigated.
- Score 0** **RED - Performance is Unsatisfactory.** The Goal element is delayed and at risk of not meeting schedule or budget. A goal element does not get out of RED status until all problems and risks are resolved by the manager to restore the element to a satisfactory status.



ERCOT - MONTHLY EXECUTIVE DASHBOARD REPORT

Reliability and Congestion Management Goal (1)

For YTD August 31, 2005

Corporate Goal Information

Goal Description: Reliability and Congestion Management

Goal Definition: Evaluation of how well ERCOT manages the performance of the electric grid in terms of loss of service, complying with Standards, Protocols, and other key objectives.

Measurements: # Exceptions, % of reports completed, Lost intervals and minutes, and recommendations not completed

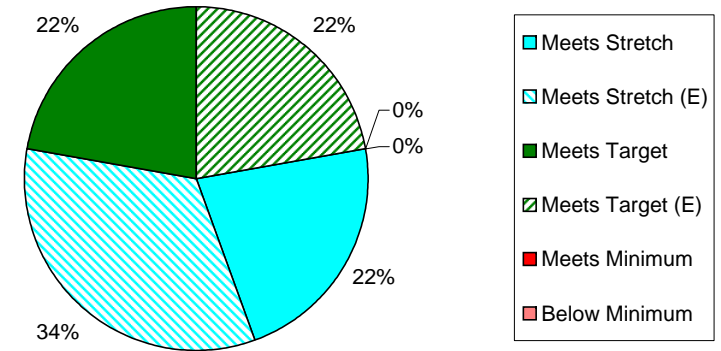
Accountability: Jones

Performance Indicator Levels:

- Performance Meets Stretch
- Performance Meets Target
- Performance Meets Minimum
- Performance is Unsatisfactory

Goal Performance Analysis *

Summary % of Performance Achievement Levels



* Striped Colors Represent Estimated Year End Measurement Levels

Compliance Objectives and Performance Levels

Objective Description - # Exceptions:

Compliance with NERC Reliability Stds & ERCOT Protocols -Annual basis

Compliance with ERCOT protocols for Congestion Management -Annual Basis

No interruption of electric svc to customers due to operator error - Annual Basis

Compliance Monitoring:

% of Reports provided on time

Completed Audits - Market Participant (QSE & TO)

Delivery Date for Draft Report on ERCOT Operations Compliance Review

Lost RTB Intervals for EMMS Performance Levels - YTD Basis

Lost Minutes of FC for EMMS Performance Levels - YTD Basis

Recommendations Not Completed on economic projects to alleviate local and

* Striped Color regional transmission congestion in each regional planning area

Goal Score (average)

	Measurement Levels			Actual / Estimate	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
	Minimum	Target	Stretch						
	3	1-2	0	0	1	●	3		
	3	1-2	0	0	1	●	3		
	1	0	--	0	-	●	2		
	90%	95%	100%	95%	0%	●	2		
	12	14	16	14 E	-	●	2		
	9/9/05	9/1/05	8/26/05	8/26/05	On Time	●	3	↑	Completed metric- See Note 1
	30	24	12	14	10	●	2		0 RTB Intervals Lost in August
	150	120	60	40	80	●	3		4 FC minutes Lost in August
	3	1	0	0	1	●	3		
							<u>2.6</u>		

Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)

Note 1: Draft Report on ERCOT Operations Compliance Review was delivered on 8/26/05 which achieved "Stretch" Measurement Level



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Retail Transaction Processing Success (2)

For YTD August 31, 2005

Corporate Goal Information

Goal Description: Retail Transaction Processing

Goal Definition: Evaluation of the Retail Systems Performance levels, ERCOT initiated Switch Transactions, and ERCOT initiated MIMO Transactions

Measurements: Weighted Average % within Protocol and % of available Market Processing Services

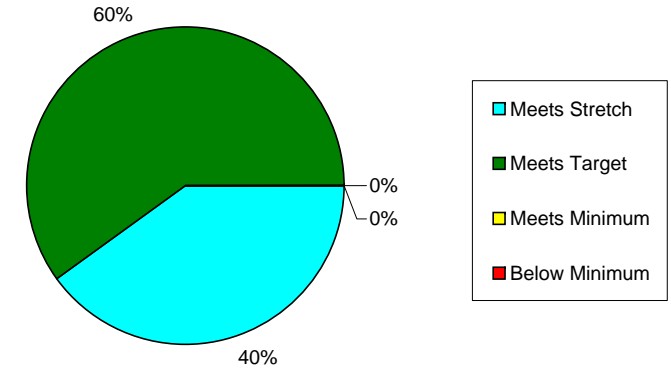
Accountability: Giuliani

Performance Indicator Levels:

- Performance Meets Stretch
- Performance Meets Target
- Performance Meets Minimum
- Performance is Unsatisfactory

Goal Performance Analysis *

Summary % of Performance Achievement Levels



* Striped Colors Represent Estimated Year End Measurement Levels

Compliance Objectives and Performance Levels

ERCOT Initiated Switch Transactions

	Minimum	Target	Stretch	Actual / Estimate	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
814 Transactions - Enrollment and Meter Reading Scheduling	95.0%	98.0%	99.5%	99.6%	1.6%	●	3		2nd Q 2005 data -See Note 1 below
867 Transactions - Historical and Initial Meter Read Deliveries	90.0%	95.0%	100.0%	98.0%	3.0%	●	2		2nd Q 2005 data- See Note 1 below

ERCOT Initiated MIMO Transactions

814 Transactions - Enrollment and Meter Reading Scheduling	90.0%	95.0%	98.5%	95.9%	0.9%	●	2		2nd Q 2005 data-See Note 2 below
867 Transactions - Historical and Initial Meter Read Deliveries	90.0%	95.0%	100.0%	98.2%	3.2%	●	2		2nd Q 2005 data-See Note 2 below

Retail Systems Performance

% of time available for Market Processing Services - Retail * (excluding schedules outages)	96.0%	97.0%	98.0%	99.72%	2.7%	●	3		
Goal Score (average)							<u><u>2.4</u></u>		

* Striped Colors Represent ESTIMATED Year End Measurement Levels

Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)

- **NOTE 1** - Next update will be in November 2005.
- **NOTE 2** - Next update will be in November 2005.

* See attached chart on page 5 for component of Retail Market Processing Service Transaction percentages.



ERCOT - MONTHLY EXECUTIVE DASHBOARD REPORT

Wholesale Access, Settlement & Billing (3)

For YTD August 31, 2005

Corporate Goal Information

Goal Description: Wholesale Access, Settlement & Billing

Goal Definition: Evaluation of the Wholesale transactions processed in accordance to Protocols

Measurements: Weighted Average % within Protocol, % of available market processing services, and SAS 70 Audit Results

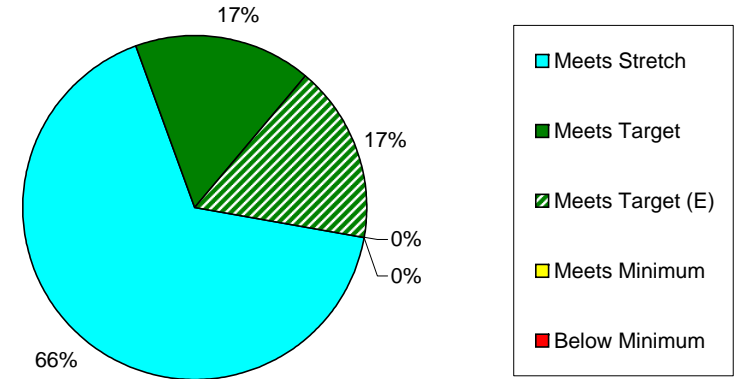
Accountability: Giuliani

Performance Achievement Levels:

- Performance Meets Stretch
- Performance Meets Target
- Performance Meets Minimum
- Performance is Unsatisfactory

Goal Performance Analysis *

Summary % of Performance Achievement Levels



* Striped Colors Represent Estimated Year End Measurement Levels

Compliance Objectives and Performance Levels

	Measurement Levels			Actual / Estimate (E)	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
	Minimum	Target	Stretch						
% of Transactions processed within the Settlement Calendar which followed the calendar	95.0%	98.0%	99.5%	100.0%	2.0%	●	3		
% of Transactions processed in accordance with Protocols	95.0%	98.0%	100.0%	100.0%	2.0%	●	3		
% IDR data captured by true-up as requested from MRE	90.0%	95.0%	99.5%	99.9%	4.9%	●	3		
% of completed dispute filings in accordance to protocol - Annual	90.0%	95.0%	99.0%	96.0%	1.0%	●	2		YTD Basis
Wholesale Systems Performance									
% of time available for Market Processing Services - Wholesale * (excluding schedules outages)	96.0%	97.0%	98.0%	100.00%	3.0%	●	3		
SAS 70 Audit Report type with schedule and budget considerations	Unqualified - Over budget OR Behind Schedule	Unqualified- On budget and On Schedule	Unqualified- Under budget OR Ahead of Schedule	Unqualified- On budget and On Schedule	E On Target	●	2		
* Striped Colors Represent ESTIMATED Year End Measurement Levels:							<u><u>2.7</u></u>		

Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)

* See attached chart on page 5 for component of Wholesale Market Processing Service Transaction percentages.

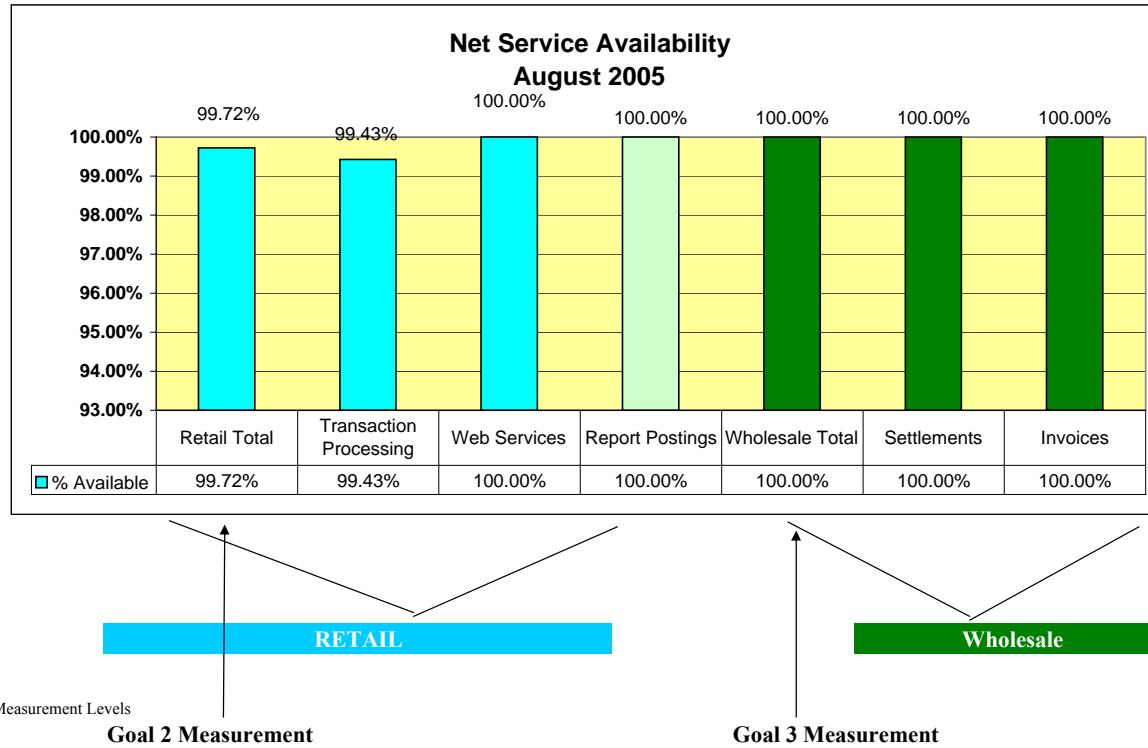


ERCOT - MONTHLY EXECUTIVE DASHBOARD REPORT

GOALS 2 & 3 SUPPLEMENT

For YTD August 31, 2005

Percentage of Net Service Availability for Retail and Wholesale Market Processing Services



* Striped Colors Represent ESTIMATED Year End Measurement Levels



ERCOT - MONTHLY EXECUTIVE DASHBOARD REPORT

Management Systems and Business Practices (4)

For YTD August 31, 2005

Corporate Goal Information		Goal Performance Analysis *	
Goal Description:	Management Systems and Business Practices	<div> Summary % of Performance Achievement Levels </div>	
Goal Definition:	Develop and Implement: Security Plan, Risk Mitigation Plan, Audit Response Plan, and Business Process development, communication enforcement and Action plan for violations.		
Measurements:	% of completion and issues addressed by year end		
Accountability:	Jones / Giuliani / Bowman / Schrader		
Performance Indicator Levels:	<div> ■ Performance Meets Stretch ■ Performance Meets Target ■ Performance Meets Minimum ■ Performance is Unsatisfactory </div>		
		Striped Colors Represent Estimated Year End Measurement Levels *	

Compliance Objectives and Performance Levels									
	Measurement Levels			Actual / Estimate (E)	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
	Minimum	Target	Stretch						
% of completed Security Plan anticipated by year end	90.0%	95.0%	100.0%	95.0% E	0.0%		2		
% of Risk Mitigation Plans anticipated by year end	90.0%	95.0%	100.0%	100.0% E	5.0%		3		See Note 1 Below.
% of Audit Plan issued, addressed by year end	90.0%	95.0%	98.0%	95.0% E	0.0%		2		
% of completed plans for Business Process Development, Communication, Enforcement, and Action plan for violations	90.0%	95.0%	100.0%	100.0% E	5.0%		3		
Goal Score (average)							<u>2.5</u>		

* Striped Colors Represent ESTIMATED Year End Measurement Levels

Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)	
<p>Note 1 - The ERM Scoping Team completed its Phase 1 report on time on 5/31/05. The Executive team has agreed to proceed with phase 2 efforts including the completion of ERCOT risk inventory, initial organization preparedness, and Board briefings. It is anticipated that this should result in the risk mitigation plans being completed by year end. Phase 2 has started under the lead of Steve Byone.</p>	



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Financial Management and Cost Effectiveness (5) **

For YTD August 31, 2005

Corporate Goal Information

Goal Description: Financial Management and Cost Effectiveness

Goal Definition: Identify permanent cost savings, develop time tracking system, implement Portfolio Management tracking system

Measurements: Identify actual savings, implementation dates, and % of projects completed within budget and on time

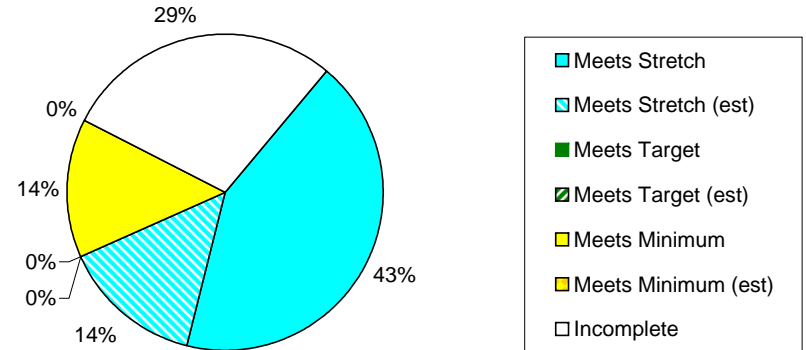
Accountability: Bowman

Performance Indicator Levels:

- Performance Meets Stretch
- Performance Meets Target
- Performance Meets Minimum
- Performance is Unsatisfactory

Goal Performance Analysis *

Summary % of Performance Achievement Levels



* Striped Colors Represent Estimated Year End Measurement Levels

Compliance Objectives and Performance Levels

	Measurement Levels			Actual / Estimate (E)	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
	Minimum	Target	Stretch						
Operational Cost Savings compared to 2005 Budget									
Permanent Cost Savings - Annual Estimate	\$ 500,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	E \$ 1,000,000		3	↑	\$1,834K savings already identified See Note 1 Below
Tracking System									
Fully developed and implemented time tracking system	4/30/05	3/30/05	2/15/05	2/15/05	43 Days		3		Goal Objective Completed
Bi-weekly time card reporting delivered on time	83.0%	92.0%	100.0%	84.0%	-8.0%		1		See Note 2 below
Executive Dashboard anticipated delivery date	5/30/05	4/30/05	3/31/05	3/31/05	30 Days		3		Goal Objective Completed
Portfolio Management									
Fully developed and implemented Portfolio Management Reporting	4/30/05	3/30/05	2/15/05	1/31/05	58 Days		3		Goal Objective Completed
Project Management									
* % of projects projected complete by year end within budget	75.0%	80.0%	90.0%	0.0%	-80.0%		0		Incomplete - See Note 3 below
% of projects projected complete by year end within timeframe	75.0%	80.0%	90.0%	0.0%	-80.0%		0		Incomplete - See Note 4 below
Goal Score (average)							<u><u>2.6</u></u>		

Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)

- **NOTE 1:** Improved measurement primarily due to Meeting Management Savings involving reduced use of outside meeting facilities and elimination of catered sponsored meetings.
- **NOTE 2:** This is for July reporting. Notices will go out to remind employees to turn in their timecards on time.
- **NOTE 3:** Currently researching project data for this metric.
- **NOTE 4:** Currently researching project data for this metric.

The timeframe is low because last 6 of 18 EMMS Release 4 projects are delayed.

** Please see page 8 for Financial Metrics related to Goal 5.

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Financial Metrics Goal Supplement (5)

For YTD August 31, 2005

\$ in millions

Year-to-Date Operating Expenses					
Expense category	Budget	Actual	Var - #	Var - %	
Labor and benefits	33.45	32.34	1.11	3%	
Contractors	6.49	5.69	0.79	12%	
Hardware and software support	4.33	4.58	-0.25	-6%	
Depreciation & Amortization	33.90	31.76	2.14	6%	
Other expenses	10.82	9.20	1.62	15%	
Total	88.99	83.57	5.42	6%	
Expense category	Budget	Actual	Var - #	Var - %	
Market Operations	9.17	8.76	0.41	4%	
System Operations	10.35	10.68	-0.33	-3%	
IT Operations	19.29	18.24	1.05	5%	
Corporate Operations	50.18	45.89	4.29	9%	
Total	88.99	83.57	5.42	6%	
Year-to-Date Capital Expenditures					
Project Expenditures	Budget	Actual	Var - \$	Var - %	
Market Operations	1.87	0.91	0.96	51%	
System Operations	4.93	3.18	1.75	35%	
Retail Operations	3.48	1.82	1.66	48%	
IT Operations	4.25	1.22	3.03	71%	
Corporate Operations	2.41	0.97	1.44	60%	
Total	16.94	8.10	8.84	52%	
	Total	Initiation	Planning	In-progress	Complete
YTD Number of projects by status	115	15	35	39	26
Year-to-Date Revenue & Billing Determinants					
	Budget	Actual	Var -\$/ #	Var - %	
System Administration Fee	84.77	84.13	-0.64	-1%	
Other Revenue	1.36	1.45	0.09	6%	
Total	86.13	85.58	-0.55	-1%	
MWH volume (millions)	201.82	200.31	-1.51	-0.75%	
Debt					
Debt Type	Current Month		Prior Month		
	Balance	Rate	Balance	Rate	
Senior Notes	122.73	6.17%	122.73	6.17%	
Term Notes *	50.00	3.90%	50.00	3.90%	
Revolver - Borrowed	0.00	0.00%	0.00	0.00%	
Total / Average	172.73	5.51%	172.73	5.51%	
TCR Borrowing	0.00		4.00		
Term Notes - Unused Capacity	0.00		0.00		
Revolver - Unused Capacity	50.00		50.00		
* Term Note % reset on 7/29					

Human Resources							
Employee Count		Position Budget	Actual	Var - #			
Market Operations		135	120	15			
System Operations		155	149	6			
IT Operations		171	160	11			
Corporate Operations		100	80	20			
Total		561	509	52			
Total Actual Resource		Employee	Contractor	Total			
Market Operations		120	3	123			
System Operations		149	0	149			
IT Operations		160	14	174			
Corporate Operations		80	23	103			
Total		509	40	549			
	Bowman	Giuliani	Jones	Shellman	McIntire	Hinsley	Schrader
Contractors	18	3	0	2	2	14	1
Time Tracking - Hours Allocated to Seven Corporate Goals							
Goal	Goal Description		Hours	Percent			
1	Reliability and congestion management		195,522	39%			
2	Retail transaction processing success		63,567	13%			
3	Wholesale access, settlement and billing		97,766	20%			
4	Management systems & business practices		38,610	8%			
5	Financial mgmnt & cost effectiveness		52,074	10%			
6	External and stakeholder affairs		32,107	6%			
7	Organizational readiness		20,373	4%			
Time Tracking through August 15, 2005. ERCOT employees track and record time expended on approximately 200 operational activities. The activities were mapped to seven corporate goals established by the ERCOT management team.							
Market Settlement and Credit							
			Current Mo.	Prior Mo.	% Change		
QSE and TCR security deposits			46.08	42.42	9%		
QSE advance receipts and due to generators			17.25	34.37	-50%		
TCR auction receipts			14.96	18.19	-18%		
Total market settlement liability			78.29	94.98	-18%		
Settlement short pmts balance after uplifts (est)			0.23	0.22	7%		
Year-to-Date Cash Flow Summary							
			Amount				
Beginning Cash (January 1, 2005)			\$	33.49			
Cash Provided / (Used) by Operations				25.33			
Cash Used in Investing Activities (Projects)				(16.80)			
Cash Provided / (Used) by Financing Activities				(5.66)			
Ending Cash (August 31, 2005)			\$	36.36			



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External and Stakeholder Affairs (6)

For YTD August 31, 2005

Corporate Goal Information					Goal Performance Analysis *				
Goal Description:	External and Stakeholder Affairs				<div>Summary % of Performance Achievement Levels</div> <div><div><div>Meets Stretch</div><div>Meets Target</div><div>Meets Target (Est)</div><div>Meets Minimum</div><div>Below Minimum</div></div></div> <div>* Striped Colors Represent Estimated Year End Measurement Levels</div>				
Goal Definition:	Identify accurate approval ratings from Press, Legislators, Staff, PUC, Executive Director, Senior Staff, and Market Participants								
Measurements:	Approval ratings on a 10 point scale and overall % ratings								
Accountability:	Walker / Giuliani / Jones								
Performance Indicator Levels:	<div><div>Performance Meets Stretch</div><div>Performance Meets Target</div><div>Performance Meets Minimum</div><div>Performance is Unsatisfactory</div></div>								
Compliance Objectives and Performance Levels									
Approval Ratings from Governing & Reporting entities * Anticipated Survey of Press Contacts Approval Rating Anticipated Survey of relevant Legislators and Staff Approval Rating Anticipated Survey of PUC commissioners, Executive Director, and Senior Staff Approval Ratings Approval Ratings from Market Participant Surveys * (Overall score on a 10 point scale) Anticipated Survey of Nondiscriminatory access to transmission/distribution Anticipated Survey of Ensure reliability/adequacy of grid Anticipated Survey of Accurate accounting of electric production & delivery Anticipated Survey of Timely information about customer's choice of REP * Striped Colors Represent ESTIMATED Year End Measurement Levels 2005 ERCOT Operations Training Seminar Approval Rating Goal Score (average)	Measurement Levels			Actual / Estimate (E)	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
	Minimum	Target	Stretch						
	70%	85%	95%	85% E	0%		2		See Note 1 Below.
	70%	85%	95%	85% E	0%		2		See Note 1 Below.
	70%	85%	95%	85% E	0%		2		See Note 1 Below.
	8.0	8.4	8.8	8.4 E	-		2		See Note 2 Below.
	7.9	8.3	8.7	8.3 E	-		2		See Note 2 Below.
	6.9	7.4	7.9	7.4 E	-		2		See Note 2 Below.
	6.8	7.3	7.8	7.3 E	-		2		See Note 2 Below.
	85%	90%	95%	97%	7%		3		2005 Seminar was complete in June.
						2.1			
Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)									
<div><div>NOTE 1:</div>Approval Ratings from Governing & Reporting entity surveys are estimated to be on Target. Current year's actual results will be reported in Q3.</div> <div><div>NOTE 2:</div>Approval Ratings for Market Participant surveys are now estimated to be on Target by Director. Current year's actual results will be reported in Q3.</div>									



ERCOT - MONTHLY EXECUTIVE DASHBOARD REPORT

Organizational Readiness (7)

For YTD August 31, 2005

Corporate Goal Information		Goal Performance Analysis *	
Goal Description:	Organizational Readiness	<div> Summary % of Performance Achievement Levels </div>	
Goal Definition:	Key employee retention, management training, succession planning, performance based compensation plan tied to goals		
Measurements:	Evaluation of employee attrition, % completing training programs, completion of process improvements, succession and performance planning goals		
Accountability:	McIntire		
Performance Indicator Levels:	<div> ■ Performance Meets Stretch ■ Performance Meets Target ■ Performance Meets Minimum ■ Performance is Unsatisfactory </div>	<div> ■ Meets Stretch (est) ■ Meets Target ▨ Meets Target (Est) ■ Meets Minimum ■ Below Minimum </div>	
		* Striped Colors Represent Estimated Year End Measurement Levels	

Compliance Objectives and Performance Levels									
Readiness Objective Descriptions	Measurement Levels			Actual / Estimate (E)	Fav/(Unfav) to Target	Dashboard Indicator	Goal Score	Trend Indicator	Comments
	Minimum	Target	Stretch						
% retention of key employees - Annual Estimate	85%	90%	95%	91% E	1%		2		See Note 1 below.
% of managers completing training - Annual Estimate	75%	90%	100%	90% E	0%		2		
% of completion for business process review and improvement anticipated by year end	70%	85%	100%	100% E	15%		3		
Succession Planning by Level of organization anticipated completed by year end	Officers	Officers / Directors	Officers/ Directors/ Managers	Officers / E Directors	On Target		2		
Revised Performance Planning Process by level of organization tied to goals	Officers / Directors	Officers / Directors / Managers	All Employees	Officers / Directors / E Managers	On Target		2		
Development of Performance Based Compensation Plan for Board Approval	Not Board Approved	Board Approved	Approved and Implemented	Board E Approved	On Target		2		Board Approved Plan - Implementation pending final Mercer results
Goal Score (average)							<u><u>2.2</u></u>		

Executive Summary - Highlights (Blue ratings) and Next Steps (Red and Yellow ratings)									
<p>• NOTE 1 - August YTD annualized attrition rate (voluntary termination) was 6.0% with a 94.0% retention rate.</p>									