



CEO Report Thomas F. Schrader

ERCOT Board of Directors
March 21, 2006

Topics

- Fee Case Status
- Retreat Follow-up
- Issues
 - Nodal
 - ERO
 - Capital Projects

Fee Case

- Open Meeting on March 8
 - Reduce expenses and fee by \$858,000.
 - Fund additional projects with dollars collected above base fee rather than reduce debt or holding for IMM.
 - Open a PUC project on rationale for compensation design.
- Draft order before PUC on March 30

Retreat Follow-up

- Meeting notes in board book (Tab 3)
- Incorporated in Future Agenda Items (board book Tab 12)
- Planning
 - Long-term plan -- April and May
 - Budget/Operating plan review in June

Retreat Follow-up Cont'd.

- TAC is following-up
- Board Meeting Agenda and Structure
 - Consent agenda
 - Reduce staff reporting
 - Schedule planning and issue discussions

Issues

- Nodal
 - Work Plan development
 - Cost recovery filing
- ERO/RE
 - Organization Structure
 - Next Steps
 - ERCOT Staff
 - Market Participants

Issues Cont'd.

- Capital Project Management
 - Concern about FasTrak (PR 50007)
 - Understanding of current project cost estimate/budget process
 - Introducing new management structure and processes
 - Ownership/accountability
 - Transparency of status
 - Gating as move from concept to planning, to execution
 - Portfolio management