

Compliance Update

October 2006



Control Performance Highlights

NERC CPS1 Performance

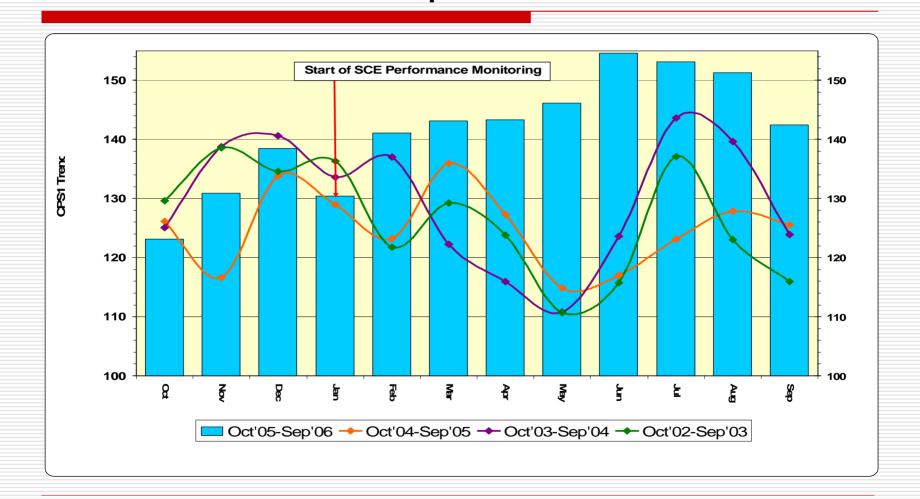
- September performance indicated a third straight month of declining scores since scores peaked in June
 - □ June 154.6
 - □ July 153.1
 - August 151.3
 - \Box September 142.5
- September's score lowest since February (141.06)

□ PRR 525 Performance

- Scores for September indicate 32 QSEs passed / 1 non-wind-only QSE failed the measure
- Scores posted on the ERCOT Compliance Website

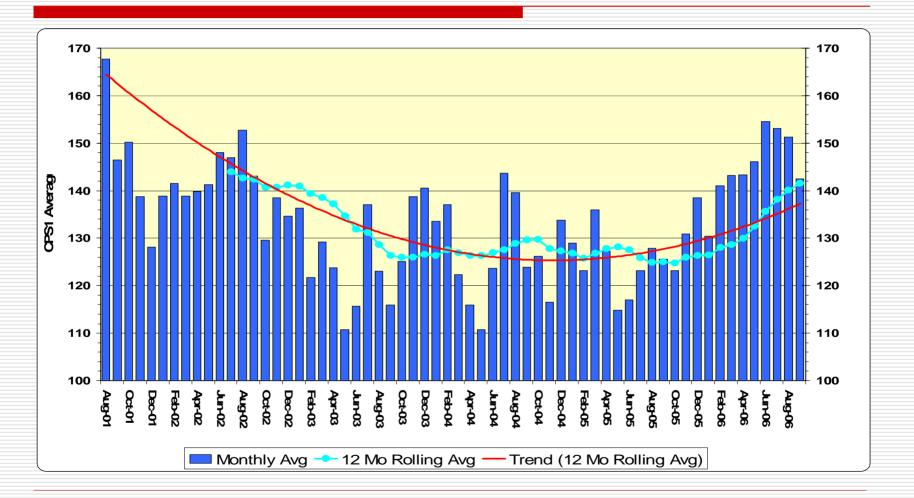


ERCOT CPS1 Performance Comparison



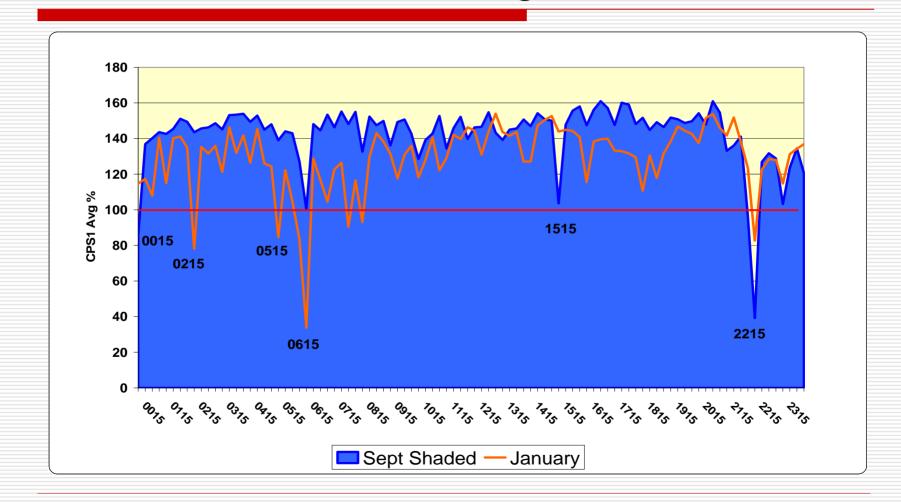


ERCOT's CPS1 Monthly Trend



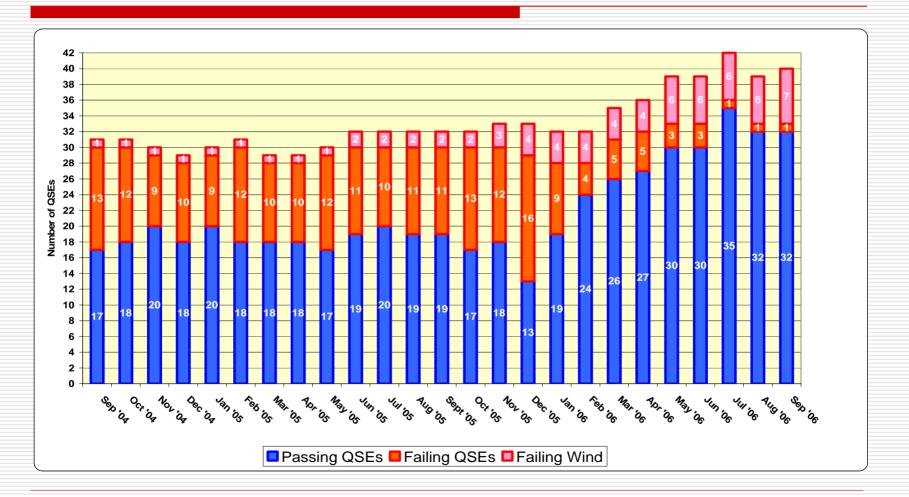


ERCOT CPS1 by Interval





QSE PRR525 10-Minute Interval Scoring



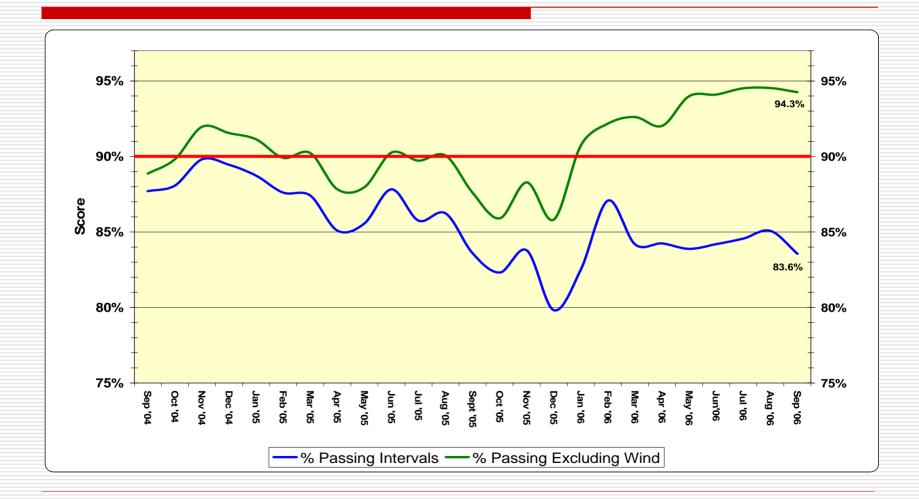


SCE Performance Monitoring

- SCE Performance Monitoring scores for all QSEs are published on the Compliance Website
 - SCE Performance Scores



525 Passing 10-Min Interval Percentage Trends





NERC ERO Developments

- On July 20th, FERC approved NERC's application to become the Electric Reliability Organization (ERO).
- Draft Texas Regional Entity budget submitted to NERC in June.
- Proposed Regional Entity Work Plan submitted to NERC in July.
- Draft Delegation Agreement between NERC and ERCOT filed August 4th.
- Draft ERCOT Standards Development Process has been posted on the NERC Website for comment (<u>Regional Reliability Standards</u>).



Other Compliance Activities

- ERCOT Compliance submitted, to NERC on September 8th, contact information from ERCOT Entities responsible for NERC Reliability Standards.
- ERCOT Compliance Staff participating with NERC on two ERCOT Local Control Center Reliability Readiness Audits – CenterPoint (October) & TXU Electric Delivery (December).
- Events under investigation
 - April 17th EECP Event continued review with PUCT
 - September 28th SPS mis-operation/DCS Event
 - October 3rd Load Shedding Event (possible DCS Event)