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DOCKET NO. 33123

PETITION OF THE ELECTRIC  
RELIABILITY COUNCIL OF TEXAS  
(ERCOT) FOR APPROVAL OF  
UNAFFILIATED DIRECTOR

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PUBLIC UTILITY COMMISSION  
OF TEXAS

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**PETITION OF THE ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**FOR APPROVAL OF UNAFFILIATED DIRECTOR**

COMES NOW the Electric Reliability Council of Texas, Inc. (ERCOT), the Independent Organization of the ERCOT Region, and respectfully requests Commission approval of Jan L. Newton, as an Unaffiliated Director of the ERCOT Board. Pursuant to the ERCOT Bylaws, ERCOT's Corporate Members have approved the selection of this Unaffiliated Director. Ms. Newton will be seated at the September 19, 2006 Board meeting and will serve pending this Commission's decision on approval.

**I. Statement of Jurisdiction and Authority**

The Commission has jurisdiction over this matter pursuant to Section 39.151 of the Public Utility Regulatory Act (PURA)<sup>1</sup>.

**II. Identification of Applicant**

The name and address of the Applicant is the Electric Reliability Council of Texas, 7620 Metro Center Drive, Austin, Texas 78744.

The name, address, telephone and facsimile numbers of Applicant's authorized representative is as follows:

Shari Heino  
Corporate Counsel  
Electric Reliability Council of Texas, Inc.  
7620 Metro Center Drive  
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(512) 225-7073 (telephone)  
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<sup>1</sup> Tex. Util. Code Ann. §39.151.

### **III. Background**

Pursuant to ERCOT's Amended and Restated Bylaws, the ERCOT Board established a Nominating Committee made up of Board members with representation from all Member Segments. At the direction of the Nominating Committee, ERCOT began its search for an Unaffiliated Director in the fall of 2005. ERCOT retained SpencerStuart, a nationally recognized executive search firm to assist in the search for a qualified candidate. As further detailed in the ERCOT Bylaws, Unaffiliated Directors must have significant professional credentials and independence from any Market Participant to prevent potential conflicts of interest.

SpencerStuart, a nationally recognized executive search firm that was selected through a competitive process, embarked upon the candidate identification and screening process and reviewed candidates based on direct knowledge and third-party references for the candidate, evaluating experience and functional expertise. SpencerStuart's recommendations were prepared and presented to the Nominating Committee. After determining that the candidate selected met ERCOT's requirements and needs, the Nominating Committee unanimously recommended selection of Jan L. Newton as an Unaffiliated Director of the ERCOT Board. As reflected in Ms. Newton's professional credentials (Attachment A), she meets the qualification requirements to be seated as an Unaffiliated Director of the ERCOT Board. ERCOT's Corporate Members subsequently elected Jan L. Newton to an Unaffiliated Director's seat on the Board in accordance with the Segment voting process.

Corporate Membership voting for the Unaffiliated Director was conducted pursuant to Bylaws procedures requiring approval by a majority of Member Segments.

In order to promote compliance with requirements in the ERCOT Bylaws for Unaffiliated Directors, ERCOT will require that Ms. Newton sign an ERCOT Unaffiliated Director Ethics Agreement.

**IV. Prayer**

ERCOT respectfully requests that the Commission issue an order approving Jan L. Newton as an Unaffiliated Director for the ERCOT Board.

Respectfully submitted,



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ATTORNEY FOR THE ELECTRIC  
RELIABILITY COUNCIL OF TEXAS

**CERTIFICATE OF SERVICE**

I, Shari Heino, attorney for ERCOT, certify that a copy of this document was served on all parties of record in this proceeding on September 11, 2006 in the following manner: by facsimile or first class U.S. mail.



SpencerStuart

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**CANDIDATE PRESENTATION**

JAN L. NEWTON

**ELECTRIC RELIABILITY COUNCIL OF TEXAS**

**BOARD MEMBER-UNAFFILIATED**

Prepared by: Mary D. Bass  
Peter K. Boerner

Assignment: 14327-005

Date: August 2006

- Amsterdam
- Atlanta
- Barcelona
- Beijing
- Bogota
- Boston
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- Budapest
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- Chicago
- Dallas
- Frankfurt
- Geneva
- Hong Kong
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- Johannesburg
- Leeds
- London
- Los Angeles
- Madrid
- Manchester
- Melbourne
- Mexico City
- Miami
- Milan
- Minneapolis/St. Paul
- Montreal
- Mumbai
- Munich
- New York
- Orange County
- Paris
- Philadelphia
- Prague
- Rome
- San Francisco
- San Mateo
- Santiago
- Sao Paulo
- Scottsdale
- Shanghai
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## **BACKGROUND INFORMATION**

### **Education**

Texas Technological University, Lubbock, TX  
Bachelors, Business Administration, 1975 (subject to verification)

### **Corporate Boards**

None (SBC/AT&T did not encourage outside boards)

### **Former Corporate Boards**

None (SBC/AT&T did not encourage outside boards)

### **Nonprofit Boards**

Boy Scouts  
Girl Scouts  
Junior Achievement  
Texas Women's Museum  
The Variety Club  
United Way

### **Other**

Texas Tax Reform Commission (appointed by Governor Perry)

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## SUMMARY OF EXPERIENCE

1976-2006	<b>SBC COMMUNICATIONS, INC.</b> Austin, TX
2002-2006	President, SBC Texas Austin, TX
1998-2002	President, SBC, Missouri St. Louis, MO
1997-1998	Executive Director, Office of the Chairman and Chief Executive Officer, SBC San Antonio, TX
1995-1997	Executive Director, Wholesale Marketing and Resale Policies, SBC Dallas, TX
1976-1995	Various Positions Southwestern Bell Telephone Company

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## DETAIL OF EXPERIENCE

1976-2006            **SBC COMMUNICATIONS, INC.**  
Austin, TX

2002-2006        President, SBC Texas  
Austin, TX

1998-2002        President, SBC, Missouri  
St. Louis, MO

As President, Jan was responsible for the company's regulatory, legislative, governmental, external affairs, and community and industry relations throughout the state.

1997-1998        Executive Director, Office of the Chairman and  
Chief Executive Officer, SBC  
San Antonio, TX

Prior to being appointed in June 1998, as Missouri president, Jan served as executive director in the office of SBC Communications chairman and chief executive officer, Edward E. Whitacre, Jr.

1995-1997        Executive Director, Wholesale Marketing and Resale Policies, SBC  
Dallas, TX

Jan was responsible for all wholesale policies across all of SBC's service territory immediately following the passage of the Federal Telecommunication's Act, which opened the telecom markets to competition.

1976-1995        Various Positions  
Southwestern Bell Telephone Company

Jan joined Southwestern Bell in 1976, when she accepted a temporary clerical position in the accounting department. She subsequently held positions in finance, sales, marketing, and regulatory affairs, including executive director of wholesale policy and resale marketing, small and medium business sales, large business sales support, systems support and competitive analysis for the St. Louis market, and forecasting. She also provided company support on technical issues before the Federal Communications Commission, and, as Director of Regulatory Affairs for Southwestern Bell, Missouri, she managed the company's regulatory activities and developed cases and handled hearing activities before the Missouri Public Service Commission.



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## BACKGROUND

Jan Newton was born and raised in Brownfield, Texas, and attended Texas Tech University from which she graduated with a Bachelors in Business Administration, in 1975.

Jan recently retired after a successful 29-year career with AT&T/SBC beginning in 1976 when she joined the company in Lubbock as a temporary accounting clerk. At her retirement, Jan was President, SBC Texas. Jan's first line management position was in the finance department of the company, in 1980, in San Antonio. She moved from there to "corporate" in St Louis, where for the next 16 years, she worked her way up to assume responsibility for all business sales for the state of Missouri. In 1995, after the passing of the Telecommunications Act, which opened up the market to competition, Jan was tasked with a newly created position, Executive Director of Wholesale Marketing and Resale and moved to Dallas. Jan and her team's performance in this position, in her words, enabled Jan to "hit the radar screen" at SBC. These were uncharted waters. SBC had to comply with the new guidelines and also determine what policies were in place for the company to go forward. Jan was given a task and a budget. It took two-and-one-half years during which time Jan's team (which grew to 450) transformed everything the corporation did: the culture, the operating systems, the integration of PacBell, and employee morale.

Coming off this success, in 1997, Jan was chosen to become Executive Director, Office of the Chairman and CEO, and moved to San Antonio to work with CEO/Chairman Ed Whitacre. Jan's next challenge was that of President, SBC, Missouri (1998 to 2000) and finally, President, SBC, Texas, in 2002. A key success for Jan during her tenure as President, SBC, Texas, was the successful passage of a piece of legislation "leveling the playing field for all technology providers in communications in Texas." This hotly debated legislation, which Jan considers "leading edge," allows all telecommunications players easier market entry, removing regulatory restrictions. Jan is particularly proud that this legislation is currently being reviewed as a model for a federal telecom program in Washington, DC.

Jan is married to Frank Newton, a recent retiree from the distribution business. Jan has one child, a grown daughter. Jan and Frank live in Austin.

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## RELEVANT COMPANY INFORMATION

### AT&T/SBC Communications

AT&T Inc. (formerly SBC Communications) was formed in 2005 when former Baby Bell SBC bought AT&T Corp. for \$16 billion, creating the largest telecom outfit in the US. After the merger, SBC adopted the globally familiar AT&T moniker. Now, AT&T has agreed to acquire southern Baby Bell BellSouth in a deal valued at \$67 billion. The new AT&T now has more than 49 million access lines in service. Cingular Wireless, the company's wireless joint venture with BellSouth, is the leading US wireless carrier with more than 54 million subscribers.

Once the smallest of the Baby Bells, Ma Bell's offspring from the Lone Star State, SBC, became King of the Hill with the purchase of its former parent. The cash and stock deal adds valuable enterprise customers to the company's strong repertoire of consumer offerings. The former AT&T's industry-leading voice, IP-voice, video, and data communications network spans the globe reaching every country and metro area that matters. Its customers include all of the *FORTUNE* 1000, a client list that SBC had trouble making inroads into with its little-known brand (outside its local operating areas).

Former SBC chairman and CEO Ed Whitacre reigns over AT&T; former AT&T chairman and CEO David Dorman briefly served as the combined company's president before walking off into the sunset with a severance package worth nearly \$20 million.

With the BellSouth deal, AT&T would serve an additional 14 million consumer lines and 6 million business lines. AT&T currently has 27 million consumer lines and 17 million business lines as well as 5 million wholesale lines.

In addition to its major markets (California, Illinois, and Texas account for 60% of its lines), AT&T's realm of well-known regional affiliates includes the former Nevada Bell (now AT&T Nevada) and Southern New England Telecommunications (AT&T East).

The company is further expanding its realm with a \$4.4 billion initiative, dubbed Project Lightspeed, to deploy fiber-to-the-home (FTTH), also known as fiber-to-the-premises, or FTTP). The project plans to reach 18 million households in 13 states by the end of 2008 and will enable the company to offer IP-based video (called U-Verse TV), expanded broadband, and VoIP services.

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In the court of wireless carriers, AT&T holds a 60% stake in Cingular Wireless, which has acquired AT&T Wireless in a cash deal valued at \$41 billion. The deal has created the leading US wireless operator, toppling former market leader Verizon Wireless, with 46 million customers in 49 states. SBC previously abandoned plans to sell as many as 650,000 telephone lines in rural Michigan and Texas to help fund Cingular's purchase of AT&T Wireless because it would not have received the price it expected. The company was hoping to raise as much \$1.5 billion from the sale.

AT&T also has stakes in telecom operations outside the US. However, the company sees its biggest growth opportunity in data communications. The company's consumer and small-business Internet access operations, once folded into the former Prodigy Communications unit, has been pushed out: AT&T has an agreement with Yahoo! to provide co-branded DSL (digital subscriber line) Internet access in its markets and dial-up access nationwide (agreeing to buy a 3% stake in the Web firm).

The company also has teamed up with Wi-Fi (802.11b) wireless Internet access provider Wayport to expand its offerings. Through an agreement with Wayport, customers of AT&T's FreedomLink Wi-Fi service will have access to the wireless network in some 6,000 McDonald's restaurants.

It has announced a test of a new fiber-optic network, too, that the company hopes will enable it to offer digital TV service and boost its appeal against major cable TV operators. It said the initiative could lead to as much as \$6 billion in investment for the new network, which would allow subscribers to receive high-definition TV, as well as high-speed Internet access and VoIP phone services. The company has reached a 10-year, \$400 million agreement with Microsoft for the development of next-generation TV services using the software giant's Internet Protocol Television (IPTV) Edition software platform. It also has teamed up with start-up content provider Akimbo Systems for on-demand TV programs and movies.

After pulling out of an attempt to purchase Hughes Electronics and its DIRECTV unit in 2003, SBC reached an agreement with DIRECTV rival EchoStar Communications to market satellite TV as part of its services bundle. The company also has a joint venture with 2Wire to develop home entertainment services for its satellite TV and DSL customers, and it has acquired California-based network consulting company Callisma.

Revenues in 2005 were \$43 billion; net income was \$4.7 billion.