



MEMO

Date: October 10, 2006
To: ERCOT Board of Directors
From: James Thorne, VP & General Counsel
Subject: ERCOT Board of Directors' Ethics Agreement

Issue for the ERCOT Board of Directors

ERCOT Board of Director Meeting Date: October 17, 2006

Agenda Item No.: 10 (d)

Issue:

ERCOT Board approval of Board of Directors' Ethics Agreement

Background/History:

The H.R. & Governance Committee revised a draft Directors' Ethics Agreement in order to include specific responsibilities for Board members that are stated in ERCOT's Bylaws.

Key Factors Influencing Issue:

Whether or not to include specific Bylaws language in the Directors' Ethics Agreement.

Alternatives:

Approve a more general Ethics Agreement that does not include the specific responsibilities stated in ERCOT's Bylaws.

Conclusion/Recommendation:

ERCOT Staff recommends that the Board approve the Directors' Ethics Agreement approved by the H.R. & Governance Committee.