



NORTH AMERICAN ELECTRIC
RELIABILITY CORPORATION

Report to Member Representatives Committee from Board of Trustees Nominating Committee

December 22, 2009

The Nominating Committee of the Board of Trustees for the North American Electric Reliability Corporation ("NERC") recommends the following four nominees for election to the NERC Board of Trustees at the Annual Meeting of the Member Representatives Committee on February 15, 2010:

Class of 2013 (three-year terms):

**John Q. Anderson
Vicky Bailey
Thomas W. Berry
David Goulding**

This report includes a brief biography of each nominee.

Members of Nominating Committee

The Nominating Committee includes independent trustees Kenneth Peterson (Chair), Paul Barber, Janice Case, Jim Goodrich, Fred Gorbet, Bruce Scherr, and Jan Schori; as well as Member Representative Committee members Steve Naumann (Exelon and MRC Chairman), Ed Tymofichuk (Manitoba Hydro and MRC Vice Chairman), John A. Anderson (ELCON), Bill Gallagher (TAPS), and Jim Keller (Wisconsin Electric Power Co.).

Background

Article III of NERC's Bylaws establishes the qualifications and sets the nomination and election procedures for members of NERC's Board of Trustees. NERC's independent trustees serve staggered three-year terms, and an election of trustees occurs at the Annual Meeting of the Member Representatives Committee each year. All independent trustees shall be elected from nominees proposed by the Nominating Committee. A nominee shall be elected an independent trustee if such person receives the affirmative vote of two-thirds of the members of the Member Representatives Committee. Each nominee receiving the necessary two-thirds vote of the Member Representatives Committee shall take office immediately upon election.

At their respective August 4–5, 2009 meetings, the NERC Member Representatives Committee and the NERC Board of Trustees approved an amendment to NERC's bylaws that would give the Board of Trustees the authority to increase the number of independent trustees on the board from 10 to 11. The Federal Energy Regulatory Commission approved that amendment and made

it effective on October 14, 2009. On November 5, 2009, the NERC Board of Trustees adopted a resolution exercising the Board's authority under the amended bylaws and increased the number of independent trustees on the board from 10 to 11.

Committee Process

The Nominating Committee needed to present four nominees for election at the February 2010 MRC meeting — three for the positions whose terms expire at the 2010 meeting and one for the newly created position. The independent trustees whose terms expire at the 2010 annual meeting are John Q. Anderson, Thomas Berry, and Sharon Nelson. Ms. Nelson informed the committee that she does not wish to stand for re-election. The committee determined that Messrs. Anderson and Berry were willing and interested to serve an additional term. The committee made a preliminary determination to re-nominate Messrs. Anderson and Berry and retained the services of Spencer Stuart to assist in the search and evaluation of candidates to fill the remaining two positions.

As directed by the Bylaws, on August 27, 2009, the Nominating Committee provided an opportunity for stakeholders to suggest candidates for the board. The committee received many excellent suggestions and was pleased to have an excellent list of candidates to choose from. With the assistance of Spencer Stuart, the Nominating Committee reviewed the background of each candidate, screened the candidates for possible conflicts of interest, and interviewed a list of finalists.

The Nominating Committee unanimously recommends the four nominees submitted in this report for election to the NERC Board of Trustees for three-year terms ending at the February 2013 annual meeting of the Member Representatives Committee.

Trustee Succession

The Board of Trustees has adopted a policy statement on trustee succession, and the Nominating Committee has followed that policy in making the nominations. The policy statement directs the Nominating Committee to observe the following guidelines in proposing nominees to serve as independent trustees:

- Each year the Nominating Committee should include in its report to the Member Representatives Committee a calculation of the average tenure of the independent trustees. The Nominating Committee should endeavor to keep the average tenure of independent trustees below six years.¹
- To the extent feasible, the Nominating Committee should determine prior to soliciting suggestions for candidates whether the committee expects that one or more incumbent trustees will not be re-nominated.
- No independent trustee may be re-nominated or reappointed after he or she has served on the board for twelve consecutive years, unless at least one year has elapsed between the end of service on the board and the subsequent re-nomination or reappointment.

¹ The calculations also include service on the board of the North American Electric Reliability Council.

As of February 2010, Messrs. Anderson and Berry will each have 11 years of service on the NERC board. Vicky Bailey and David Goulding are new to the NERC board. As of February 2010, with the addition of Ms. Bailey and Mr. Goulding as new trustees, the average tenure of all independent trustees will be 5.18 years.

Biographies of the Nominees

John Q. Anderson

John Q. Anderson is the current Chairman of the NERC Board of Trustees and Managing Director of Fenway Partners Resources, Inc., a private equity firm investing in transportation and logistics companies. Previously, he was a senior executive with CSX in Jacksonville and BNSF in Ft. Worth. In both companies he was senior executive in charge of the coal business and ran the overall sales and marketing effort. Prior to that, he was a partner with McKinsey & Company, where he worked for 13 years after receiving his undergraduate engineering degree from Stanford and his MBA from Harvard University. Mr. Anderson was first elected to the NERC Board of Trustees in 1999.

Vicky Bailey

Vicky Bailey is president of her own consultancy, Anderson Stratton Enterprises, LLC, and a principal of BHMM Energy Services, LLC, an energy facilities management group. In 2001, Ms. Bailey was appointed by President George W. Bush as Assistant Secretary for Policy and International Affairs, U.S. Department of Energy and in 1993, she was appointed by President Bill Clinton as Commissioner on the Federal Energy Regulatory Commission. Ms. Bailey also served multiple terms as a Commissioner on the Indiana Utility Regulatory Commission following successive appointments by Governors Bob Orr and Evan Bayh. Ms. Bailey currently is a corporate director of EQT and Cheniere Energy. Also, she is a member of the boards of Battelle Memorial Institute, Resources for the Future, and secretary of the United States Energy Association. Ms. Bailey is a Distinguished Alumni of the Krannert School of Management, Purdue University. This will be Ms. Bailey's first term on the NERC Board of Trustees.

Thomas W. Berry

Thomas W. Berry joined Goldman, Sachs & Co. in 1972 and became a general partner in 1986, where he had senior responsibilities for utilities and telecommunications companies. He became a limited partner in 1993 and a retired partner in 1998 when Goldman Sachs became a publicly traded company. Among various board positions, he was a founding director of the Red Oak Bank in New Jersey (which has been sold to another bank this year), a director of Provident Financial Services, Inc., a director of the Hyde and Watson Foundation, and a trustee of the Community Foundation of New Jersey. He is former Chairman of the Board of Kessler Rehabilitation Corporation and is a current trustee of Brown University, where he received his undergraduate degree. He received his MBA from Harvard University Graduate School of Business. Mr. Berry was first elected to the NERC Board of Trustees in 1999.

David Goulding

David Goulding is the current Chairman of the Northeast Power Coordinating Council and a regional representative on the NERC Member Representatives Committee.² A graduate of the University of Bradford U.K., his early years in the industry included progressive positions in transmission and generation construction, operations, and maintenance with the Central Electricity Generating Board. During this time he also worked on shift in a power system grid control center and was section head for computer support and operations planning. After joining Ontario Hydro in 1977, he held several senior positions including Director, Grid System Management; General Manager Electricity Exchange; Vice President, Central Market Operations; and Senior Vice President, Central Market Operations. Duties included directing the operation of generation and transmission facilities, fuel requirements and utilization, transactions with other utilities, and regulation of 313 municipal electric utilities. As Senior Vice President he was responsible for preparations for a competitive wholesale electricity market, compliance with market rules and the establishment of what is now the Ontario Independent Electricity System Operator (IESO). Mr. Goulding was appointed President and CEO of the IESO in early 1999, a position he held until retiring in late 2006. A past member of the NERC (Council) Stakeholder Board and NERC Stakeholder Committee, he was also the Canadian member on the CIGRE Study Committee on Electricity Markets and Regulation and a member of the Ministers' Electricity Conservation and Supply Task Force. He has post graduate qualifications in Advanced Power System Protection and attended the Banff School of Advanced Management. This will be Mr. Goulding's first term on the NERC Board.

² Mr. Goulding will resign his position with NPCC upon his election to the NERC Board of Trustees.