



MEMORANDUM

To: Human Resources & Governance (HR&G) Committee
From: Bill Magness, Vice President, General Counsel and Corporate Secretary
Date: April 18, 2011
Re: Periodicity of Meetings

As discussed at the March 21, 2011 HR&G Committee meeting, ERCOT is required to recommend annually to the Public Utility Commission of Texas (Commission) the periodicity of ERCOT Board of Directors (Board) meetings pursuant to the currently effective amendment to the Commission's Substantive Rule Section 25.362 [Meeting Periodicity Report – P.U.C. SUBST. R. § 25.362(i)(5)]. Such recommendation must be based on the examination of the meeting frequency of similar organizations and must provide a cost estimate for meeting more frequently than once per quarter.

As part of ERCOT's review for purposes of this Substantive Rule and in response to Laura Doll's request for review of the periodicity of Board meetings, for the Committee's consideration and input, attached are the following:

- A list of Board agenda items in a calendar format (similar to those of the Finance & Audit and Human Resources & Governance Committees) developed from a review of the Bylaws, Board Policies and Procedures, Commission Rules, Committee Charters, Board Resolutions, the Protocols and other procedures; and
- A rough draft estimate of costs (exclusive of ERCOT staff costs) associated with periodicity of Board and Committee meetings based largely on 2010 data and other related assumptions, which are subject to several variables (including, without limitation, total number of standing Committees, meeting frequency, meeting location, vendor selection, total number of Unaffiliated Directors, and duration of meetings).

A survey regarding the frequency of governing body meetings of other Independent System Operator (ISO)/Regional Transmission Organization (RTO) organizations is underway. The results are expected to be available for discussion at the April 18, 2011 Committee meeting.

We look forward to HR&G Committee's feedback on this topic.