Date: January 10, 2012
To: ERCOT Board of Directors and Segment Alternates
From: Bill Magness, Vice President, General Counsel and Corporate Secretary
Subject: Ethics Agreement for Directors and Segment Alternates

Attached for your review and signature is the ERCOT Ethics Agreement for Directors and Segment Alternates (Ethics Agreement). We would appreciate your assistance in reviewing and signing the Ethics Agreement and returning the signed original to me during or before the Board meeting on February 21, 2012.

For those of you who served on the Board of Directors during 2011, you will notice that the substance of this Ethics Agreement is identical to the 2011 version. Nevertheless, we request that you review the entirety of the Ethics Agreement as a reminder of the ethical obligations inherent in service on the ERCOT Board of Directors.

If you have any questions about the Ethics Agreement or about ERCOT's ethics standards generally, do not hesitate to contact me or Vickie Leady, ERCOT Assistant General Counsel and Assistant Corporate Secretary.

Thank you for your attention to this matter.