



MEMORANDUM

Date: June 3, 2014
To: Board of Directors (Board)
From: Bill Magness, Vice President, General Counsel and Corporate Secretary
Subject: Item 14 – Update on Special Meeting of Corporate Members

At its April 8, 2014 meeting, the Board approved the calling of a Special Meeting of ERCOT Corporate Members (Special Meeting) for re-election of three Unaffiliated Directors for their second terms (that is, Craven Crowell, Karl Pfirrmann and Judy Walsh) and approval of a Bylaws amendment regarding Board member eligibility requirements.

On April 18, 2014, ERCOT issued notice for the Special Meeting to be held on May 20, 2014. We are pleased to report that the Special Meeting was cancelled since ERCOT timely received sufficient ballots in favor of the re-election of the three Unaffiliated Directors and the approval of the Bylaws amendment.

ERCOT has filed petitions with the Public Utility Commission of Texas (PUCT) for approval of each of the Unaffiliated Directors re-election and the Bylaws amendment. The Unaffiliated Directors cannot be seated for their second term nor can the Bylaws amendment become effective without formal PUCT approval. We expect that the PUCT will consider the Unaffiliated Director approvals well in advance of the expiration of the Unaffiliated Directors' first term in December 2014 and the Bylaws amendment approval prior to the 2015 Board elections in November 2014.

I look forward to answering any questions on this matter at the June 10, 2014 meeting.