

Date: May 19, 2016

RE: First draft of the 2017 Business Plans and Budgets for NERC and each Regional Entity
Posted for Stakeholder Review and Comment

The first draft of NERC's 2017 Business Plan and Budget is now available on [NERC's website](#), in a consolidated posting with the 2017 draft business plans and budgets of each Regional Entity. Comments are requested by June 30, 2016.

A conference call and webinar meeting is scheduled for Thursday, May 26, 2016, from 11 a.m. to 1 p.m. (ET). During the meeting, NERC and Regional Entity representatives will provide an overview of their respective draft 2017 business plans and budgets. NERC will also provide an overview of the draft consolidated 2017 budgets and assessments. PowerPoint presentations providing a summary of the consolidated posting, budgets and assessments, and an overview of each Regional Entity's business plan and budget have also been posted and will be reviewed during the May 26th meeting. The meeting will assist stakeholders in their review and understanding of each business plan and budget, as well as the consolidated regional assessment projections. While feedback during the webinar is welcomed, no specific feedback regarding the posted materials is being requested during the webinar.

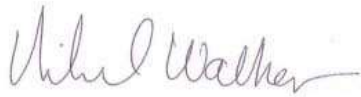
The ERO Enterprise has an ongoing commitment to provide stakeholders with both the necessary information and opportunity to provide feedback on these business plans and budgets. These postings and meeting materials are in keeping with that commitment and to provide stakeholders with a view of the combined ERO Enterprise (NERC and Regional Entities) business plans, budgets, and preliminary assessments. This process offers ongoing feedback opportunities well in advance of the review and final approval by the NERC Board of Trustees and FERC.

The NERC presentation materials also outline the remaining schedule leading up to the NERC Board of Trustees final approval and associated regulatory and governmental filings in August 2016. This schedule is also available on [NERC's website](#). Please keep in mind that each Regional Entity has their own parallel process to review and obtain stakeholder input on their business plans and budgets leading to the final approval by their governing body. The dates for each Regional Entity's governing body approval of their final 2017 business plan and budget are also included on this schedule. We encourage interested stakeholders to participate in any relevant Regional Entity reviews and approvals.

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We look forward to your feedback during this important step in the development of the ERO Enterprise's 2017 business plans and budgets. Written comments on the first draft are requested by June 30, 2016, and should be directed to the attention of Anya Josephson at anya.josephson@nerc.net.

Sincerely

A handwritten signature in black ink that reads "Mike Walker". The signature is written in a cursive style with a large initial "M".

Mike Walker
Senior Vice President
Chief Financial and Administrative Officer