

Date: February 12, 2008
To: Texas Regional Entity Board of Directors
From: Larry Grimm, Chief Compliance Officer
Subject: Appointment of Corporate Secretary

Issue for the Texas Regional Entity Board of Directors

Texas Regional Entity Board of Directors Meeting Date: February 19, 2007

Agenda Item No.: 3

Issue: Appointment of Corporate Secretary for Texas Regional Entity (Texas RE).

Background/History: Texas RE needs to appoint a Corporate Secretary. Section 8.1 of the ERCOT Bylaws requires that ERCOT have a Secretary as one of its officers, and Section 4.6(f) of the Bylaws requires that the Secretary keep minutes of each meeting of the Board of Directors (Board). Because Texas Regional Entity is independent and functionally separate from ERCOT ISO, Texas RE needs to have a separate Corporate Secretary to keep minutes of the Texas RE Board meetings and to perform any required corporate compliance certifications for Texas RE. Texas RE has hired Susan Vincent as Director of Legal Services, and requests that Susan Vincent be appointed to serve as the Corporate Secretary of Texas RE. The Board appointed David Brown, an attorney with Hughes and Luce, LLP and outside counsel for Texas RE, to serve as Assistant Secretary for Texas RE in September 2007, and Texas RE requests that David Brown remain as Assistant Corporate Secretary of Texas RE, in case an alternate is required.

Key Factors Influencing Issue: The requirement that Texas RE Board minutes be maintained and verified by a Secretary and the potential need to have corporate compliance certifications signed by a Texas RE Secretary.

Alternatives:

1. Wait to appoint a Corporate Secretary for Texas RE.
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Conclusion/Recommendation: We request that the Board appoint Susan Vincent to serve as Corporate Secretary of Texas RE.

TEXAS REGIONAL ENTITY
BOARD OF DIRECTORS RESOLUTION

WHEREAS, the Board of Directors (Board) of Texas Regional Entity, a division of Electric Reliability Council of Texas, Inc. (Texas RE) does not currently have a Corporate Secretary and deems it desirable and in the best interest of Texas RE to appoint Susan Vincent to serve as Corporate Secretary;

THEREFORE be it RESOLVED, that the Board hereby appoints Susan Vincent, Director of Legal Affairs, to serve as Corporate Secretary for Texas RE, with authorization to take, verify and maintain minutes of the Board and to verify corporate compliance certifications.

CORPORATE SECRETARY'S CERTIFICATE

I, _____, Corporate Secretary of Texas Regional Entity, do hereby certify that, at the _____, 200__ Texas RE Board Meeting, the Board of Directors approved the above referenced Resolution. The Motion passed by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of February, 2008.

Corporate Secretary