



# MEMO

**Date:** June 13, 2006  
**To:** ERCOT Board of Directors  
**From:** Pam Fisher, Acting VP HR and Organization Development  
**Subject:** 401K Savings Plan Signatory Modifications

## **Issue for the ERCOT Board of Directors**

**ERCOT Board of Director Meeting Date:** June 20, 2006

**Agenda Item No.:** 12a

### **Issue:**

Approval of the removal of Thomas F. Schrader and addition of Nancy M. Capezzuti as signatories on the ERCOT 401K Savings Plan ("Plan").

### **Background/History:**

Thomas F. Schrader ceased being an employee at ERCOT on May 16, 2006. Nancy M. Capezzuti will become a new employee and Vice President Human Resources and Organizational Development for ERCOT on June 15, 2006. Currently, Thomas F. Schrader, Sammy Jones, COO and Interim CEO, and Steve Byone, CFO, are authorized signatories on the Plan.

### **Key Factors Influencing Issue:**

Mr. Schrader needs to be removed as an authorized signatory on the Plan, and Ms. Capezzuti, as the new VP HR and Organizational Development should be an authorized signatory on the Plan.

### **Alternatives:**

Not add Ms. Capezzuti as an authorized signatory on the Plan.

### **Conclusion/Recommendation:**

Remove Thomas F. Schrader as an authorized signatory on the Plan and add Nancy M. Capezzuti as an additional authorized signatory on the Plan.



## **RESOLUTION OF THE ERCOT BOARD OF DIRECTORS**

**WHEREAS**, the Electric Reliability Council of Texas, Inc. (“ERCOT”) maintains the Electric Reliability Council of Texas, Inc. 401(k) Savings Plan (the “Plan”); and

**WHEREAS**, ERCOT’s Board of Directors deems it desirable and in the best interests of ERCOT to amend the Plan to remove Thomas F. Schrader, former Chief Executive Officer, as authorized signatory to the Plan; and

**WHEREAS**, ERCOT’s Board of Directors deems it desirable and in the best interests of ERCOT to amend the Plan to add Nancy M. Capezzuti, Vice President Human Resources and Organizational Development as an authorized signatory to the Plan to direct the trustee and to pay to the trustee of said Plan from time to time such amounts as may be determined appropriate to effectuate the purposes of the Plan.

After full discussion and due consideration thereof, it was duly

**RESOLVED**, that these amendments of the Plan as described above to be and hereby are, in all respects, authorized, approved, ratified and confirmed; and

**RESOLVED**, that authorized signatories of the Corporation are hereby authorized and directed to take such actions as may be necessary or desirable to effectuate the foregoing resolutions and to obtain a favorable determination letter from the Internal Revenue Service stating that such Plan satisfies the applicable requirement of the Code for qualified plans; and

**FURTHER RESOLVED**, that the actions of the officers of ERCOT in executing such documents as may be required or desirable and in taking such other actions as may be necessary or desirable to effectuate the foregoing resolution, to render said amendments fully effective, and otherwise to maintain for the Plan compliance with the requirements of the Code and any other applicable legal requirements be and hereby are, in all respects, authorized, approved, ratified and confirmed.