

Texas Regional Entity

An Independent Division of ERCOT

Date: September 11, 2007
To: Board of Directors of Texas Regional Entity ("Texas RE"), a division of Electric Reliability Council of Texas, Inc.
From: Larry Grimm, Acting Chief Compliance Officer
Subject: Texas RE Corporate Secretary

Issue for the Texas Regional Entity Board of Directors

Texas Regional Entity Board of Director Meeting Date: September 18, 2007

Agenda Item No.: 5

Issue:

Appointment of a Corporate Secretary for the Texas RE.

Background/History:

The Texas RE has not yet hired an attorney, Corporate Secretary, or Director of Legal Affairs, but requires a person to act as Corporate Secretary until such position is filled. Texas RE requests that Larry Grimm, Acting Chief Compliance Officer, also be appointed Corporate Secretary, and that David Brown, an attorney with Hughes and Luce, LLP and outside counsel for Texas RE, be appointed to act as Assistant Corporate Secretary with limited authority as spelled out in the Resolution until further action of the Board.

Key Factors Influencing Issue:

Texas RE requires that the Corporate Secretary function be available for the certification of all corporate resolutions and minutes from Board of Directors and Committee meetings.

Alternatives:

- 1) Wait to appoint a Corporate Secretary or Assistant Corporate Secretary.
- 2) Appoint a Board of Directors member or employee of Texas RE to act as Assistant Corporate Secretary.

Conclusion/Recommendation:

Texas RE requests that the Board appoint Larry Grimm to act as Texas RE Corporate Secretary and David Brown to act as Texas RE Assistant Corporate Secretary with limited authority.

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BOARD OF DIRECTORS RESOLUTION **TEXAS REGIONAL ENTITY**

WHEREAS, the board of directors (the "Board") of Texas Regional Entity ("Texas RE"), a division of Electric Reliability Council of Texas, Inc., a Texas non-profit corporation ("ERCOT") deems it desirable to appoint Larry Grimm as Corporate Secretary for Texas RE and David Brown, of Hughes & Luce, as Assistant Secretary with limited authority as set forth in the resolutions below;

NOW, THEREFORE, BE IT RESOLVED, that Larry Grimm is hereby appointed as Corporate Secretary for Texas RE;

FURTHER RESOLVED, that David Brown, attorney with Hughes & Luce, LLP, is hereby appointed as Assistant Secretary with authority to take and verify minutes of the Board and to certify minutes and resolutions, as well as to sign officers certificates, as necessary for transactions and communications with third parties;

FURTHER RESOLVED, that the foregoing officers shall serve until their successors are duly appointed, or until their earlier resignation or removal.