

Proposed Separation Plan [September 4, 2009]

Topic	Issue	Details	Tentative	Complete
<b>Initial Governance Decisions</b>				
	Legal separation from ERCOT	Texas RE Board decision	6/15/09	
	Board Composition	<ul style="list-style-type: none"> <li>• 4 independent directors &amp; Texas RE CEO</li> <li>• PUCT Chair and OPUC Public Counsel (ex officio non-voting)</li> <li>• 2 Affiliated (MRC chair &amp; vice chair)</li> </ul>	8/17/09	
	Membership Sectors	<ul style="list-style-type: none"> <li>• Transmission</li> <li>• Generation</li> <li>• System Coordination</li> <li>• LSE/PSE</li> <li>• Municipal Utility</li> <li>• Cooperative Utility</li> </ul>	8/17/09	
	Corporate name & Non-profit status	Texas Regional Entity 501(c)(3)	11/1/2009	
<b>Prepare for governance and legal changes</b>				
	Bylaws	Draft and obtain comments on 1st draft	7/20/09 to 8/17/09	
		Review comments on revised 2nd draft	8/20/09 to 9/14/09	
		Board Vote on bylaws draft (for submission to FERC as pre-filing)	9/14/2009	
		Confirm membership acceptance	November 2009	
	Delegation Agreement	Prepare delegation agreement modifications, per new bylaws – send out for comments	9/24/09	
	Obtain input from regulators	<ul style="list-style-type: none"> <li>• PUCT (Executive Director, Chairman, Legal counsel)</li> </ul>	On-going	
		<ul style="list-style-type: none"> <li>• NERC (CEO, General Counsel)</li> </ul>	On-going	
		<ul style="list-style-type: none"> <li>• FERC (OER, OE, GC, and Chairman)</li> </ul>	6/10/2009	October Pre-filing
	Find Directors	<ul style="list-style-type: none"> <li>• Retain search firm</li> </ul>	November 2009	
<b>Prepare for Separate Operations</b>				
	Texas RE policies and procedures	Develop and adopt any needed additions	On-going	
	Protocol Compliance	Transition Protocol compliance files and activities with PUCT	November	
	ERCOT equipment and administrative services	Transition <ul style="list-style-type: none"> <li>• Human Resources and Benefits</li> <li>• Membership services</li> <li>• Finance (accounting, treasury, etc.)</li> <li>• Information Technology</li> </ul>	Planning on-going	
	Transition contracts and other services	Transition contracts, equipment, software, etc.	December 2009	