

Proposed Separation Plan [September 4, 2009]

Topic	Issue	Details	Tentative	Complete
Initial Governance Decisions				
	Legal separation from ERCOT	Texas RE Board decision	6/15/09	
	Board Composition	<ul style="list-style-type: none"> • 4 independent directors & Texas RE CEO • PUCT Chair and OPUC Public Counsel (ex officio non-voting) • 2 Affiliated (MRC chair & vice chair) 	8/17/09	
	Membership Sectors	<ul style="list-style-type: none"> • Transmission • Generation • System Coordination • LSE/PSE • Municipal Utility • Cooperative Utility 	8/17/09	
	Corporate name & Non-profit status	Texas Regional Entity 501(c)(3)	11/1/2009	
Prepare for governance and legal changes				
	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"> • PUCT (Executive Director, Chairman, Legal counsel) 	On-going	
		<ul style="list-style-type: none"> • NERC (CEO, General Counsel) 	On-going	
		<ul style="list-style-type: none"> • FERC (OER, OE, GC, and Chairman) 	6/10/2009	October Pre-filing
	Find Directors	<ul style="list-style-type: none"> • Retain search firm 	November 2009	
Prepare for Separate Operations				
	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"> • Human Resources and Benefits • Membership services • Finance (accounting, treasury, etc.) • Information Technology 	Planning on-going	
	Transition contracts and other services	Transition contracts, equipment, software, etc.	December 2009	