

**THIRD AMENDMENT
TO THE
ERCOT DEPENDENT CARE ACCOUNT PLAN**

Pursuant to Section 8.01 of the ERCOT Dependent Care Account Plan (the “Plan”), the Electric Reliability Council of Texas, Inc. (the “Employer”) may amend the Plan by a written instrument executed by an officer of the Employer and authorized or ratified by the Board or may amend the Plan with respect to administrative particulars without Board authorization or ratification if the rights of Participants are not decreased by more than a de minimus degree. Therefore, the Employer hereby amends the Plan in the following particulars to be effective as specified herein:

1.

Effective January 1, 2010, change the term “Plan Year” to the term “calendar year” each place that it appears in Section 2.06 of the Plan.

2.

Effective for Plan Years beginning on and after January 1, 2009, delete Section 2.14 of the Plan and substitute the following therefor:

2.14 Period of Coverage means, with respect to an Election that is effective during a Plan Year, the period of time beginning on the effective date of the Election and ending on the date that such Election terminates as provided in Section 4.04 of the Flexible Benefits Plan; provided, however, that, if the Election terminates pursuant to Section 4.04(b) or (c) of the Flexible Benefits Plan, the Period of Coverage shall end instead on the last day of the month in which the Election terminates.

3.

Effective January 1, 2010, delete Section 2.17 of the Plan and substitute the following therefor:

2.17 Plan Year means: (a) a calendar year prior to January 1, 2010, (b) the six (6) consecutive month period beginning on January 1, 2010, and ending on June 30, 2010, or (c) a twelve (12) consecutive month period beginning on July 1, 2010, or any subsequent anniversary thereof.

4.

Effective January 1, 2010, change the term “Plan Year” to the term “calendar year” each place that it appears in Section 2.19 of the Plan.

5.

Effective July 1, 2009, delete Section 2.20 of the Plan and substitute the following therefor:

2.20 Spouse means, with respect to an Employee or Participant, the opposite-sex individual (if any) to whom the Employee or Participant is legally married (under statutory or common law).

6.

Effective for Plan Years beginning on and after January 1, 2009, delete Subsections (c) and (d) of Section 3.03 of the Plan and substitute the following therefor:

(c) The last day of the month in which the Participant’s outstanding Election terminates if it terminates pursuant to Section 4.04(c) of the Flexible Benefits Plan.

(d) The last day of the month in which occurs the last day of the period for which the Participant made the contributions required pursuant to an outstanding Election.

7.

Effective July 1, 2004, in Section 3.04 of the Plan, change the phrase “Section 3.04 of the Flexible Benefits Plan” to “Section 4.05 of the Flexible Benefits Plan.”

8.

Effective January 1, 2010, delete Subsection (a) of Section 4.01 of the Plan and substitute the following therefor:

(a) If no prior Election was in effect for the Participant during the Plan Year, the Maximum Election Amount; provided, however, that the amount determined pursuant to this Subsection shall be limited so that, for any calendar year, the aggregate Pre-tax Contributions made pursuant to the Election will not exceed the least of:

- (i) The Employee's Earned Income for the calendar year;
- (ii) If the Employee has a Spouse at the end of the calendar year, the Spouse's Earned Income for the calendar year;
- (iii) \$5,000 except that, if the Employee has a Spouse who is also a Participant and they will file a joint federal income tax return for the calendar year, one \$5,000 limit shall apply to both Participants with respect to the calendar year; or
- (iv) Notwithstanding Paragraph (iii) above, \$2,500 if the Employee has a Spouse and does not certify to the Plan Administrator's satisfaction that either (A) the Employee and his or her Spouse will file a joint federal income tax return for the calendar year or (B) the Employee will not be considered married for the calendar year, as determined in accordance with Code Section 21(e)(3)-(4).

For purposes of this Subsection, the term "Maximum Election Amount" means, with respect to a Plan Year, \$2,500 for the Plan Year beginning January 1, 2010, and \$5,000 for any other Plan Year.

9.

Effective for Plan Years beginning on and after January 1, 2009, (a) at the beginning of Section 5.05(b) of the Plan, delete the clause "Except as provided in Section 5.07,"; (b) delete Section 5.07 of the Plan; and (c) renumber Sections 5.08 and 5.09 of the Plan as Sections 5.07 and 5.08, respectively.

10.

Effective January 1, 2010, delete Section 5.07 of the Plan (as renumbered by paragraph 9 above) and substitute the following therefor:

5.07 Reports to Participants. At such time or times as the Plan Administrator may determine, the Third-party Administrator shall furnish or make available to each Participant (and former Participant) such information, including information regarding contributions made and/or benefits paid, as the Plan Administrator may determine from time to time.

11.

All other parts of the Plan not inconsistent herewith are hereby ratified and confirmed.

IN WITNESS WHEREOF, the Employer has executed this Third Amendment to the ERCOT
Dependent Care Account Plan on this the _____ day of November, 2009.

EMPLOYER:

Electric Reliability Council of Texas, Inc.

By: _____

Name: _____

Title: _____