



**Date:** April 5, 2010  
**To:** Board of Directors  
**From:** H.B. “Trip” Doggett, Interim President and Chief Executive Officer (CEO)  
**Subject:** Ratification of Interim Vice President, General Counsel and Corporate Secretary

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date:** April 12, 2010

**Agenda Item No.:** 2

**Issue:**

Ratification of the Interim Vice President, General Counsel and Corporate Secretary of the Electric Reliability Council of Texas, Inc. (ERCOT).

**Background/History:**

ERCOT Bylaws

Section 8.2 (Tenure) of the ERCOT Bylaws (Bylaws) requires that the Board of Directors (Board) elect the CEO of ERCOT and ratify the remaining ERCOT Officers for terms not to exceed one year. Officers may be re-elected or re-ratified for consecutive terms without limitation.

Annual Ratification of Officers in January 2010

ERCOT’s Interim President and CEO was elected and ERCOT’s remaining Officers, including Michael G. Grable as the Vice President, General Counsel and Corporate Secretary, were ratified by the Board on January 19, 2010, in satisfaction of the Board’s annual obligations pursuant to the Bylaws.

Interim Vice President, General Counsel and Corporate Secretary

Mr. Grable has resigned from ERCOT, effective April 12, 2010. By the Special Board Meeting scheduled for April 12, 2010, ERCOT is expected to contract with the law firm of Casey, Gentz & Magness for the services of Bill Magness, who has represented ERCOT as outside counsel in numerous cases before the Public Utility Commission of Texas, to serve temporarily as ERCOT’s Interim Vice President, General Counsel and Corporate Secretary pursuant to the terms of the expected contract with ERCOT until the earlier of the filling of this Officer position or the termination of the independent contractor engagement with Casey, Gentz & Magness, either for a term not to exceed one year.

**Key Factors Influencing Issue:**

- The Bylaws specifically contemplate and mandate the ratification of Officers (other than the CEO) at least annually.
- ERCOT must have officers, including its Vice President, General Counsel and Corporate Secretary, to perform its statutory and other functions.



- ERCOT will be performing a search for a Vice President, General Counsel and Corporate Secretary and the ratification of an Interim Vice President, General Counsel and Corporate Secretary to fill this officer position temporarily (that is, until the earlier of the filling of this Officer position or the termination of the independent contractor engagement with Casey, Gentz & Magness, either for a term not to exceed one year) is desirable to avoid any disruption in the operations of ERCOT until this Officer position is filled.

**Alternatives:**

- Approve the proposed resolution as presented, that is, ratify the Interim Vice President, General Counsel and Corporate Secretary with all of the powers, duties and responsibilities as ERCOT's Vice President, General Counsel and Corporate Secretary pursuant to the terms of the expected contract with ERCOT until the earlier of the employment of this Officer position by ERCOT or the termination of the independent contractor engagement with the Casey, Gentz & Magness, either for a term not to exceed one year;
- Postpone the decision on the ratification; or
- Take other action (that is, deny officer status) with regard to this Officer position as the Board believes to be appropriate and provide instruction to ERCOT's staff as needed (including, presenting a different candidate for this Officer position).

**Conclusion/Recommendation:**

Ratification of Bill Magness of Casey, Gentz & Magness as Interim Vice President, General Counsel and Corporate Secretary with all of the powers, duties and responsibilities as ERCOT's Vice President, General Counsel and Corporate Secretary pursuant to the terms of the expected contract with ERCOT until the earlier of the filling of this Officer position by ERCOT or the termination of the independent contractor engagement with Casey, Gentz & Magness, either for a term not to exceed one year.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, pursuant to Section 8.2 (Tenure) of the Bylaws (Bylaws) of Electric Reliability Council of Texas, Inc. (ERCOT), the ERCOT Board of Directors (Board) shall ratify ERCOT Officers (other than the Chief Executive Officer) for terms not to exceed one year;

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to ratify Bill Magness of Casey, Gentz & Magness as the Interim Vice President, General Counsel and Corporate Secretary immediately with all of the powers, duties and responsibilities as ERCOT's Vice President, General Counsel and Corporate Secretary pursuant to the contract with ERCOT to avoid any disruption in the operations of ERCOT until the earlier of the filling of this Officer position by ERCOT or the termination of the independent contractor engagement with Casey, Gentz & Magness, either for a term not to exceed one year; or

THEREFORE, BE IT RESOLVED, the Board hereby ratifies Bill Magness as Interim Vice President, General Counsel and Corporate Secretary with all of the powers, duties and responsibilities as ERCOT's Vice President, General Counsel and Corporate Secretary until the earlier of the filling of this Officer position by ERCOT or the termination of the independent contractor engagement with Casey, Gentz & Magness, either for a term not to exceed one year.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Bill Magness, Interim Corporate Secretary of ERCOT, do hereby certify that, at its April 12, 2010 meeting, the ERCOT Board of Directors passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of April, 2010.

\_\_\_\_\_  
Bill Magness  
Interim Corporate Secretary