



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

WHEREAS, on March 17, 2009, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) approved the establishment of a discretionary fund under the exclusive control of the Board to allow for sufficient funds to address potential Nodal Program risks (Board Discretionary Fund);

WHEREAS, ERCOT management anticipates launching the Nodal market systems on the Go-Live date of December 1, 2010; and immediately after such launch, ERCOT expects to incur post Go-Live expenses related to the stabilization of the Nodal market (including primarily hardware, software and staffing), planning and design activities for the release of the Nodal Parking Deck items, and the improvement of system solutions and workaround processes as more specifically detailed in ERCOT's proposed 2011 Budget materials presented to the Board (collectively, the Proposed Post Go-Live Charges);

WHEREAS, as of October 19, 2010, ERCOT staff estimates that the cost to complete the work necessary for Nodal Go-Live on December 1, 2010, including expected future interest cost associated with Nodal Program debt financing, will be approximately \$526.1 million; and as of October 1, 2010, the Board Discretionary Fund related to the Nodal Program totaled approximately \$117.7 million;

WHEREAS, as of October 19, 2010, ERCOT staff expects that there would not be a need to pursue a fee case at the Commission for an increase in the Nodal Surcharge and the System Administration Fee could remain flat during 2011 if the Board approved ERCOT's use of \$13.3 million from the Board Discretionary Fund for one-time, non-recurring project charges that will be incurred only in 2011 and that are included in the total of \$25.2 million in the Proposed Post Go-Live Charges; and

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to approve ERCOT's use of \$13.3 million from the Board Discretionary Fund toward the total of \$25.2 million in Proposed Post Go-Live Charges; and


THEREFORE, BE IT RESOLVED, that ERCOT is hereby authorized and approved to use \$13.3 million from the Board Discretionary Fund for a portion of the total of \$25.2 million in Proposed Post Go-Live Charges.



CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its October 19, 2010 meeting, the ERCOT Board passed a motion approving the above Resolution by unanimous voice vote.

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2010.



Bill Magness
Corporate Secretary



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

WHEREAS, on March 17, 2009, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) approved the establishment of a discretionary fund under the exclusive control of the Board to allow for sufficient funds to address potential Nodal Program risks (Board Discretionary Fund);

WHEREAS, ERCOT management anticipates launching the Nodal market systems on the Go-Live date of December 1, 2010; and immediately after such launch, ERCOT expects to incur post Go-Live expenses related to the stabilization of the Nodal market (including primarily hardware, software and staffing), planning and design activities for the release of the Nodal Parking Deck items, and the improvement of system solutions and workaround processes as more specifically detailed in ERCOT's proposed 2011 Budget materials presented to the Board (collectively, the Proposed Post Go-Live Charges);

WHEREAS, as of October 19, 2010, ERCOT staff estimates that the cost to complete the work necessary for Nodal Go-Live on December 1, 2010, including expected future interest cost associated with Nodal Program debt financing, will be approximately \$526.1 million; and as of October 1, 2010, the Board Discretionary Fund related to the Nodal Program totaled approximately \$117.7 million;

WHEREAS, as of October 19, 2010, ERCOT staff expects that there would not be a need to pursue a fee case at the Commission for an increase in the Nodal Surcharge and the System Administration Fee could remain flat during 2011 if the Board approved ERCOT's use of \$11.9 million from the Board Discretionary Fund for recurring annual charges that will be incurred as an ERCOT base operating cost beginning in 2012 and that are included in the total of \$25.2 million in Proposed Post Go-Live Charges; and

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to approve ERCOT's use of \$11.9 million from the Board Discretionary Fund toward the total of \$25.2 million in Proposed Post Go-Live Charges; and

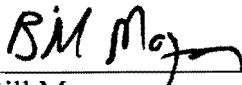
THEREFORE, BE IT RESOLVED, that ERCOT is hereby authorized and approved to use \$11.9 million from the Board Discretionary Fund for a portion of the total of \$25.2 million in Proposed Post Go-Live Charges.



CORPORATE SECRETARY'S CERTIFICATE

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its October 19, 2010 meeting, the ERCOT Board passed a motion approving the above Resolution by voice vote with one opposed (Mr. Fehrenbach).

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of October, 2010.



Bill Magness
Corporate Secretary