

**COPY**

**AMENDED AND RESTATED ARTICLES OF INCORPORATION**

**OF**

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

**(A Non-Profit Corporation)**

**FILED**  
**In the Office of the**  
**Secretary of State of Texas**

**JAN 04 2001**

**Corporations Section**

Electric Reliability Council of Texas, Inc., (sometimes also referred to as "ERCOT" or "ERCOT ISO") a Texas non-profit corporation, pursuant to the provisions of Article 1396-4.06 of the Texas Non-Profit Corporation Act, hereby adopts the following Amended and Restated Articles of Incorporation, which accurately copy the Articles of Incorporation as amended by all amendments thereto that are in effect to date and further amendments including revisions to Articles Four through Eleven and the addition of an Articles Twelve and Thirteen by these Amended and Restated Articles of Incorporation. Such Amended and Restated Articles of Incorporation contain no other change in any provision thereof. Amendments through these Amended and Restated Articles of Incorporation were approved by at least a two-thirds vote at a meeting of a quorum of ERCOT Members held on August 16, 2000.

*The effective date of these Amended and Restated Articles of Incorporation is December 19, 2000.*

**ARTICLE ONE**  
**NAME**

The name of the corporation is "Electric Reliability Council of Texas, Inc."

**ARTICLE TWO**  
**NON-PROFIT CORPORATION**

The corporation is a non-profit corporation.

**ARTICLE THREE**  
**DURATION**

The period of its duration is perpetual.

## **ARTICLE FOUR PURPOSE**

The corporation is formed for the limited purpose of:

Promoting the reliable and efficient operations of electric power systems, ensuring open access for all users of the ERCOT transmission and distribution systems on a non-discriminatory basis, coordinating activities within the region of the Electric Reliability Council of Texas and as liaison to the North American Electric Reliability Council, and performing the functions of an Independent Organization.

## **ARTICLE FIVE REGISTERED OFFICE AND AGENT**

The street address of the corporation's registered office is 7200 N. MoPac Expressway, Suite 250, Austin, Texas 78731, and the name of the corporation's registered agent at such address is Thomas E. Noel.

## **ARTICLE SIX CURRENT BOARD MEMBERS**

Joseph J. Beal, PE  
Lower Colorado River Authority  
P.O. Box 220  
Austin, TX 78767-

Mike Greene  
TXU Electric & Gas  
1601 Bryan Street, 42<sup>nd</sup> Floor  
Dallas, TX 75201-3411

David L. Grubbs  
South Texas Electric Cooperative  
P.O. Box 119  
Nursery, TX 77976-0119

Jill Hall  
2900 Stratford Drive  
Austin, TX 78746-4629

Jim Harder  
Garland Power & Light  
504 W. State Street  
Garland, TX 75040

Trudy Harper  
Tenaska Energy, Inc.  
2000 E. Lamar Blvd, Suite 450  
Arlington, TX 76006

Jack Hawks  
PG&E Generating Company  
7500 Old Georgetown Rd, 13<sup>th</sup> Floor  
Bethesda, MD 20814-6161

David Itz  
Calpine  
700 Louisiana, Suite 2700  
Houston, TX 77002

Clifton B. Karnei  
Brazos Electric Power Coop, Inc.  
P.O. Box 2585  
Waco, TX 76702-2585

Robin Kittel  
Enron Energy Services, Inc.  
701 Brazos, Suite 310  
Austin, TX 78701

Ron Lanclos  
Oxy Permian LTD  
P.O. Box 4294  
Houston, TX 77079

Milton B. Lee  
City Public Service  
P.O. Box 1771  
San Antonio, TX 78296-1771

Bob Manning  
HEB Grocery Company  
P.O. Box 839999  
San Antonio, TX 78283

Chuck B. Manning  
Austin Energy  
721 Barton Springs Rd  
Austin, TX 78704-1194

David M. McClanahan  
Reliant Energy  
1111 Louisiana  
Houston, TX 77002

Suzi McClellan  
Office of Public Utility Counsel  
P.O. Box 12397  
Austin, TX 78711-2397

Robert Merrett  
Magic Valley Electric Cooperative  
P.O. Box 267  
Mercedes, TX 78570

Thomas E. Noel  
ERCOT  
7200 N. Mopac, Suite 250  
Austin, TX 78731

John Stauffacher  
Dynergy, Inc.  
1000 Louisiana, Suite 5800  
Houston, TX 77001

Brian Tierney  
American Electric Power Service Corporation  
1 Riverside Plaza, 14<sup>th</sup> Floor  
Columbus, OH 43215-2372

Chairman Pat Wood, III  
Public Utility Commission  
P.O. Box 13326  
Austin, TX 78711-3326

## **ARTICLE SEVEN POWERS**

Except as these Articles otherwise provide, the corporation has all the powers provided by the Texas Non-Profit Corporation Act. Moreover, the corporation has all the implied powers necessary and proper to carry out its express powers.

## **ARTICLE EIGHT RESTRICTIONS AND REQUIREMENTS**

The corporation shall have no capital stock, and no Member shall be obligated or entitled to subscribe to or hold capital stock or other evidence of ownership in order to exercise its rights to participate in the corporation.

The corporation may not pay dividends or other corporate income to its Members, directors, or officers, or otherwise accrue distributable profits, or permit realization of private gain. The Corporation may not take any act prohibited by the Texas Non-Profit Corporation Act.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to the Members participating in the corporation or to trustees, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article Four hereof. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under applicable provisions of the Internal Revenue Code, as in effect from time to time. Upon dissolution of the corporation, the Board of Directors, after paying or making provision for the payment of all of the liabilities of the corporation, shall dispose of all of the assets of the corporation in accordance with applicable law in such manner or to such organization or organizations as the Board of Directors may determine, provided that such organizations are organized and operated exclusively as organizations exempt from federal income tax under applicable provisions of the Internal Revenue Code.

## **ARTICLE NINE MEMBERS**

The corporation may have Members as provided in the Bylaws. The Bylaws may be altered, amended or repealed or new Bylaws adopted, by Members of ERCOT, if allowed, through a procedure set forth in the Bylaws or any other manner set forth in the Bylaws.

## **ARTICLE TEN MANAGING BODY**

The management of the corporation is vested in Board of Directors and such committees of the Board that the Board may, from time to time, establish. The Bylaws provide the qualifications, manner of selection, duties, terms, and other matters relating to the Board of Directors. The number of voting directors of the corporation shall be fixed in the Bylaws, but shall not be less than six (6).

## **ARTICLE ELEVEN ACTION WITHOUT A MEETING**

Unless otherwise provided by law, any action required or permitted to be taken at any meeting of the Members, Board of Directors or of any committee thereof may be taken without a meeting, if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members, directors or committee members as would be necessary to take that action at a meeting at which all of the Members, directors or members of the committee were present and voted.

## **ARTICLE TWELVE LIMITATION OF LIABILITY OF DIRECTORS**

*A director shall not be liable to the corporation or its Members for monetary damages for any act or omission in the director's capacity as a director, except that this provision does not eliminate or limit the liability of a director for:*

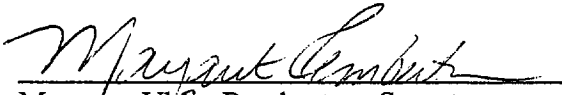
- A. a breach of a director's duty of loyalty to the corporation or its Members;*
- B. an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;*
- C. a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or*
- D. an act or omission for which the liability of a director is expressly provided by statute.*

*If the Texas Miscellaneous Corporation Laws Act or the Texas Non-Profit Corporation Act is amended to authorize action further eliminating or limiting the personal liability of directors, then, after approval by the members of the corporation, the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by such statutes, as so amended. Any repeal or modification of the foregoing paragraph shall not adversely affect any right of protection of a director of the corporation existing at the time of such repeal or modification.*

## **ARTICLE THIRTEEN CONSTRUCTION**

All references in the Articles to statutes, regulations, or other sources of legal authority refer to the authorities cited, or their successors, as they may be amended from time to time.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 3rd day of January, 2001.

  
Margaret Uhlig Pemberton, Secretary  
Electric Reliability Council of Texas, Inc.