

SERC Articles of Incorporation

Supplement to the Delegation Agreement Between NERC and SERC



This Instrument Prepared by:
Randall D. McClanahan
Johnston Barton Proctor & Powell LLP
2900 AmSouth/Harbert Plaza
1901 Sixth Avenue North
Birmingham, AL 35203-2618

ARTICLES OF INCORPORATION

OF

2 0 0 5 0 6 / 6 0 2 0

SOUTHEASTERN ELECTRIC RELIABILITY COUNCIL, INC.

An Alabama Nonprofit Corporation

TO THE JUDGE OF PROBATE OF JEFFERSON COUNTY, ALABAMA:

The undersigned, for the purpose of forming a nonprofit corporation under Title 10, Chapter 3A of the Code of Alabama (1975) pursuant to the provisions of the Alabama Nonprofit Corporation Act, hereby adopts the following Articles of Incorporation.

ARTICLE I

NAME OF CORPORATION

The name of the corporation shall be "Southeastern Electric Reliability Council, Inc."

ARTICLE II

PERIOD OF DURATION

The period for the duration of the corporation shall be unlimited and perpetual.

ARTICLE III

PURPOSE OF CORPORATION

The objects and purposes of this corporation and the powers which it may exercise are as follows:

- A. The corporation is organized for the purpose of promoting common business interests, improving business conditions in one or more lines of business, and other such purposes which an organization may engage as an organization qualifying as an organization exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code of 1986 and the regulations promulgated thereunder, as said Code and regulations now exist or as they may hereafter be amended (or the corresponding provision of any subsequent federal tax law, said Code, regulations and subsequent federal tax law laws, if any, being hereinafter referred to together as the "Code"). The corporation shall promote and advance such purposes by any activity in which a corporation organized under the Alabama Nonprofit Corporation Act may exclusively engage. The corporation's specific purposes shall include, but not be limited to, the following:
- (i) Augment the reliability and adequacy of bulk power supply in the region represented by its members, which is a thirteen state area in the southeastern United States (the "Region").
 - (ii) Promote the development of reliability and adequacy arrangements among the members of the corporation;
 - (iii) Participate in the establishment of reliability policies, standards, principles, and guides;
 - (iv) Participate in the measurement of performance relative to these policies, standards, principles, and guides;
 - (v) Promote conformance to and compliance with these policies, standards, principles, and guides;
 - (vi) Develop and exchange information with respect to planning and operating matters relating to the reliability and adequacy of bulk power supplies;
 - (vii) Review as necessary member activities for reliability and adequacy in order to meet reliability standards;
 - (viii) Provide a mechanism to resolve disputes on reliability issues in a manner that meets the needs of the parties and the Region; and
 - (ix) Provide information with respect to matters considered by the corporation, where appropriate, to the Federal Energy Regulatory Commission and to other federal and state agencies concerned with reliability and adequacy.

- B. The corporation shall receive and maintain a fund or funds of real or personal property, or both, and to administer and apply the income and principal thereof, within the United States of America, for such purposes.
- C. Without in any way limiting the foregoing purposes, the corporation may make contributions to organizations which are exempt from federal income taxation under Section 501(c)(3) of the Code and to national, state or local governments or any political subsidiaries of any thereof.
- D. The corporation shall possess and exercise all the powers and privileges granted by the Alabama Nonprofit Corporation Act or by any other law of the State of Alabama together with all powers necessary or convenient to the conduct, promotion or attainment of the activities or purposes of the corporation (limited only by the restrictions set forth in these Articles of Incorporation).
- E. Anything herein contained to the contrary notwithstanding, the corporation shall not be operated for private profit and no part of the assets or the net earnings of the corporation shall at any time inure to the benefit of any member, director, officer or other private person, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered, to reimburse expenditures incurred in the performance of their duties by members, directors and officers and to make payments and distributions in furtherance of the objects and purposes set forth in this Article III.
- F. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.
- G. The foregoing clauses of this Article III shall be construed equally as objects, purposes and powers and the foregoing enumeration of specific objects, purposes or powers shall not be construed or held to limit or restrict in any manner the powers of the corporation expressly conferred by law, except as expressly stated.
- H. The foregoing powers of the corporation shall be exercised subject to and consistently with the following affirmative duties:
 - (i) The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code;

- (ii) The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code;
 - (iii) The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Code;
 - (iv) The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code; and
 - (v) The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Code.
- I. Notwithstanding any other provisions of these Articles of Incorporation, this corporation will not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(6) of the Code.

ARTICLE IV

MEMBERS

The corporation shall be organized as a membership corporation.

ARTICLE V

REGISTERED OFFICE AND REGISTERED AGENT

The location and mailing address of the initial registered office of the corporation in the State of Alabama shall be 600 North 18th Street 12N-8250, Birmingham, Alabama 35291, and the corporation's initial registered agent at such address shall be William F. Reinke.

ARTICLE VI

DIRECTORS

The affairs of the corporation shall be managed by a Board of Directors consisting of no fewer than (3) and no more than sixty (60) members, the exact number of Directors to be specified in the Bylaws of the corporation. The number of directors constituting the initial board of directors of the corporation shall be thirty-two (32). The names and addresses of the persons who are to serve initially until their successors are elected and have qualified, or until their death, resignation or removal, are as follows:

	NAME	ADDRESS
(1)	Ken Skroback	P.O. Box 550 2027 East Three Notch St. Andalusia, AL 36420-0550
(2)	Robert Claussen	P.O. Box 5220 Montgomery, AL 36103
(3)	Robin Hurst	600 North 18th Street P.O. Box 2641 Birmingham, AL 35291-0700
(4)	Walter Brockway	300 North Hall Rd. Alcoa, TN 37701
(5)	James Jura	P.O. Box 754 Springfield, MO 65801-0754
(6)	J. Jolly Hayden	Calpine Center 717 Texas Avenue Suite 1000 Houston, TX 77002
(7)	Walt Yeager	139 East Fourth Street EF 401 P.O. Box 960 Cincinnati, OH 45201
(8)	Tom Bonner	9405 Arrowpoint Blvd. Charlotte, NC 28273
(9)	Bill Thompson	5000 Dominion Blvd. Innsbruck Technical Center 2N Glen Allen, VA 23060
(10)	Jim Thompson	5400 Westheimer Court Houston, TX 77056-5310

- (11) Alan Pooser
526 South Church Street
Charlotte, NC 28202
- (12) John Zemanek
L-MOB-19C
1250 Poydras Street
New Orleans, LA 70113
- (13) Walter V. Truitt
955 Old Wilmington Rd.
P.O. Box 1089
Fayetteville, NC 28302-1089
- (14) Marty Mennes
9250 W. Flagler St.
Room 3400
Miami, FL 33174
- (15) Leslie Sibert
241 Ralph McGill Blvd, N.E.
Bin 10240
Atlanta, GA 30308-3374
- (16) Russ Schussler
2100 East Exchange Place
Tucker, GA 30084
- (17) Alan D. Williams
112 Telly Street
New Roads, LA 70760
- (18) Gary Schaeff
1470 Riveredge Pkwy, N.W.
Atlanta, GA 30328-4640
- (19) David Beam
3400 Sumner Boulevard
P.O. Box 27306
Raleigh, NC 27611-7306
- (20) Kenneth Raber
1427 Meadowwood Blvd.
Raleigh, NC 27604
- (21) Clay Norris
1427 Meadowwood Blvd.
Raleigh, NC 27604
- (22) Jerry J. Saacks
2100 East Exchange Place
P.O. Box 2087
Tucker, GA 30085-2087
- (23) Ken Alexander
4201 Dominion Blvd.
Glen Allen, VA 23060

- (24) Erik Hansen
411 Fayetteville Street Mall
P.O. Box 1551
Raleigh, NC 27602
- (25) Tom Harris
P.O. Box 968
Savannah, GA 31402
- (26) Charles A. White
MC 032
1426 Main Street
Columbia, SC 29218
- (27) Terry L. Blackwell
One Riverwood Drive
P.O. Box 2946101
Moncks Corner, SC
29461-6101
- (28) Nathan Brown
P.O. Box 15849
Hattiesburg, MS 39404-5849
- (29) Charles Borchardt
1166 Athens Tech Road
Elberton, GA 30635
- (30) William Ball
600 North 18th Street
13N-8200
P.O. Box 2641
Birmingham, AL 35291
- (31) Terry Boston
1101 Market Street
Chattanooga, TN
37402-2801
- (32) Douglas W. Johnson
P.O. Box 112
Lenoir, NC 28645

ARTICLE VII

INCORPORATOR

The name and address of the incorporator are as follows:

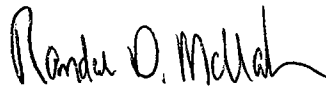
Randall D. McClanahan
Johnston Barton Proctor & Powell LLP
2900 Amsouth/Harbert Plaza
1901 Sixth Avenue North
Birmingham, Alabama 35203

ARTICLE VIII

DISSOLUTION

In the event of dissolution, the residual assets of the corporation, after payment of all just obligations, shall be distributed exclusively for the common business interest of its Members or to organizations which are exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation on this 29th day of April, 2005.



Randall D. McClanahan, Incorporator

State of Alabama - Jefferson County
I certify this instrument filed on:

2005 APR 29 03:38:44:45PM

Recorded and \$

Mtg. Tax

and \$

Deed Tax and Fee Amt.

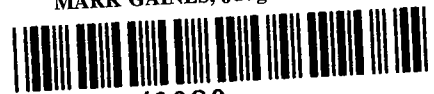
\$

26.00

Total \$

26.00

MARK GAINES, Judge of Probate



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Bk: LR200608 Pg: 17853
05/17/2006 03:09:35 PM NPAMEND
Jefferson Co Judge of Probate, AL
eFiled/Certified - Judge Mark Gain

This document prepared by:
Lance J. Wilkerson, Esq.
Johnston Barton Proctor & Powell LLP
2900 AmSouth/Harbert Plaza
1901 Sixth Avenue North
Birmingham, Alabama 35203

**FIRST AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
SOUTHEASTERN ELECTRIC RELIABILITY COUNCIL, INC.**

An Alabama Nonprofit Corporation

**TO: THE HONORABLE JUDGE OF PROBATE OF JEFFERSON COUNTY,
ALABAMA**

SOUTHEASTERN ELECTRIC RELIABILITY COUNCIL, INC., an Alabama nonprofit corporation (the "Company"), submits the following information required by Ala. Code § 10-3A-82:

1. The name of the Corporation is **Southeastern Electric Reliability Council, Inc.**
2. The Articles of Incorporation of the Company are hereby amended by deleting Article I in its entirety and substituting the following in lieu thereof:

"ARTICLE I

NAME OF CORPORATION

The name of the corporation shall be: **SERC Reliability Corporation"**

3. The effective date of the amendment of the Articles of Incorporation of the Company shall be the date this First Amendment is filed.

4. The amendment was subject to the approval of the Board of Directors as opposed to the members of the Company. The amendment was duly adopted by at least

two-thirds of the votes entitled to be cast by directors of the Company on April 26, 2006, at which time a quorum was present.

IN WITNESS WHEREOF, the undersigned Company has caused these Articles of Amendment to be executed in its name and on its behalf by its President and Secretary, duly authorized, as of this 9 day of May, 2006.

SOUTHEASTERN ELECTRIC RELIABILITY COUNCIL, INC.
An Alabama Nonprofit Corporation

By: William F. Reinke
William F. Reinke
Its: President

By: Terry L. Blackwell
Terry Blackwell
Its: Secretary

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Fee - \$11.00
Total of Fees and Taxes-\$11.00
LASHUNTA

STATE OF North Carolina
COUNTY OF Lincoln)

VERIFICATION

Before me the undersigned Notary Public personally appeared William F. Reinke, who first being duly sworn deposes and says that he is the President of Southeastern Electric Reliability Council, Inc., and that he executed the above and foregoing Amendment to the Articles of Incorporation of the Southeastern Electric Reliability Council, Inc. in such capacity, being duly authorized with respect thereto, and that the matters and things set out therein are true.

William F. Reinke
William F. Reinke

SWORN to and subscribed
before me this 9th day of May, 2006.

Jo Lynn Hamlin
Notary Public

My commission expires: My Commission Expires 11/01/08