



# MEMO

**Date:** December 6, 2005  
**To:** ERCOT Board of Directors  
**From:** Clifton Karnei; Chair, Finance & Audit Committee  
**Subject:** Accept SAS 70 Audit

## Issue for the ERCOT Board of Directors

**ERCOT Board of Director Meeting Date:** December 13, 2005

**Agenda Item No.:** 13a

**Issue:**

ERCOT obtained the services of PricewaterhouseCoopers (“PwC”) to perform a SAS 70 Type II Audit for the period of April 1, 2005 through September 30, 2005.

**Background/History:**

PwC was engaged by ERCOT, subsequent to Board approval, to perform a SAS 70 Type II Audit. Prior to the December 13, 2005 Board meeting, PwC will make a formal presentation to the Finance & Audit Committee (“F&A Committee”) to discuss the final report. It is contemplated that the F&A Committee will review and accept the SAS 70 report as presented by PwC.

**Conclusion/Recommendation:**

The F&A Committee of the Board of Directors is expected to recommend approval and acceptance of the SAS 70 Type II Audit as of September 30, 2005, as presented by PwC.