



**Date:** October 13, 2009  
**To:** Board of Directors  
**From:** Clifton Karnei, Finance and Audit (F&A) Committee Chair  
**Subject:** F&A Committee Charter Update

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Director Meeting Date:** October 20, 2009

**Agenda Item No.:** 13a

**Issue:**

Whether to recommend that the Board adopt any or all of the Staff-proposed F&A Committee Charter revisions, and whether to recommend any other changes to the Board.

**Background/History:**

The F&A Committee Charter is reviewed annually and updated as needed. ERCOT Staff have reviewed the document and respectfully propose several minor changes and clarifications.

The F&A Committee will review these proposed changes at their meeting on October 20, 2009 and is expected to recommend that the Board of Directors adopt, reject, or amend the revisions. Staff-proposed revisions are noted in Attachment A.

**Key Factors Influencing Issue:**

The F&A Committee Charter identifies the functions that the F&A is to perform and is reviewed annually to ensure that the F&A Committee continues to address relevant issues and to assist the Board in providing necessary oversight consistent with fiduciary duties.

**Alternatives:**

1. Approve the proposed F&A Committee Charter amendments as recommended by F&A;
2. Leave the F&A Committee Charter in its current form; or
3. Remand the F&A Committee Charter to the F&A Committee with instructions.

**Conclusion/Recommendation:**

The F&A Committee will review these proposed changes at their meeting on October 20, 2009 and is expected to recommend to the Board of Directors whether any Charter revisions should be made.



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

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to revise the Charter of the Finance and Audit (F&A) Committee of the Board; and

WHEREAS, the F&A Committee has recommended Charter revisions consistent with the document appended to this resolution and incorporated as Attachment A hereto;

THEREFORE, BE IT RESOLVED, that the F&A Committee Charter is revised consistent with Attachment A.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Michael G. Grable, Corporate Secretary of ERCOT, do hereby certify that, at its October 20, 2009 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 \_\_\_\_\_, 2009.

\_\_\_\_\_  
Michael G. Grable  
Corporate Secretary