



Date: November 10, 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: November 17, 2009

Agenda Item No.: 13a

Issue:

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

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 reviewed proposed changes to the Charter at their meeting on October 20, 2009 and considered additional changes. The F&A Committee is expected to recommend that the Board of Directors adopt, reject, or amend the revisions to the Charter at its November 17, 2009 meeting. Staff-proposed revisions along with the additional changes proposed at the October 20, 2009 meeting are noted in Attachment A.

Key Factors Influencing Issue:

The F&A Committee Charter identifies the functions that the F&A Committee 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 applicable fiduciary duties.

Alternatives:

1. Approve the proposed F&A Committee Charter amendments as recommended by the F&A Committee;
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 November 17, 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 November 17, 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