



ERCOT Finance & Audit Committee Meeting
7620 Metro Center Drive, Austin, Texas
Met Center, Conference Room 206
January 19, 2010; 8:00am – 10:00am*

Item #	Agenda Item Type	Description/Purpose/Action Required	Presenter	Time
1.		Call to order General Session	C. Karnei	8:00am
2.	Decision required	Elect Chairman and Vice Chairman (Vote)	R. Bowman / E. Doolin	8:00am
3.	For discussion	Confirm financial qualifications and committee membership	Chairman	8:05am
4.		Recess General Session	Chairman	8:15am
5.		Call to order Executive Session	Chairman	8:20am
6.		6a. Announcement of proxies	Chairman	8:20am
	Decision required	6b. Approval of executive session minutes (Vote) (12/15/09)	Chairman	8:21am
	For discussion	6c. Internal Audit status report	B. Wullenjohn	8:22am
	Informative	6d. EthicsPoint update	B. Wullenjohn	8:25am
	For discussion	6e. Quarterly Private Discussion with Chief Audit Executive	B. Wullenjohn	8:35am
7.	Informative	Financing update	C. Yager	8:45am
8.	Informative	Contracts, personnel, litigation and security	Various	8:55am
		Recess Executive Session	Chairman	9:25am
		Convene General Session	Chairman	
9.	Decision required	Approval of general session minutes (Vote) (12/15/09)	Chairman	9:30am
10.	Informative	Quarterly investment update	C. Yager	9:31am
11.	Informative	Credit briefing – Potential Future Risk	R. Baker	9:45am
12.	Informative	Committee Briefs (Q&A only)	All	9:50am
13.	Informative	Future agenda items	R. Bowman	9:55am
		Adjourn ISO meeting	Chairman	10:00am

** Background material is enclosed or will be distributed prior to meeting. All times shown in the agenda are approximate. The next Finance & Audit Committee Meeting will be held Tuesday, February 16, 2010, at ERCOT, 7620 Metro Center Drive, Austin, Texas 78744, in Room 206.*

Decision required
For discussion

2. Election of Committee Chair and Vice-Chair Roy Bowman / Estrellita Doolin

<Vote>

3. Confirm Financial Qualifications and Committee Membership Chairman

For discussion

4. Recess General Session Chairman

9. Approval of General Session Minutes Chairman

Approval of General Session Minutes

- Vote 12/15/09

DRAFT ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
MINUTES OF THE FINANCE & AUDIT COMMITTEE – GENERAL SESSION

7620 Metro Center Drive (Room 206) – Austin, Texas 78744
 December 15, 2009

Pursuant to notice duly given, the Finance & Audit Committee (“Committee”) of Electric Reliability Council of Texas, Inc. (“ERCOT”) convened on the above-referenced date. Clifton Karnei confirmed that a quorum was present and called the meeting to order at approximately **8:04 a.m.** The Committee met in Executive Session from **8:04 a.m. to 8:46 a.m.**, at which time it recessed to General Session.

General Session Attendance

Committee members:

Ballard, Don	Office of Public Utility Counsel	Residential Consumer	Not Present
Cox, Brad	Tenaska Power Services	Independent Power Marketer	Not Present
Espinosa, Miguel (Vice Chair)	Unaffiliated Board Member	Unaffiliated Board Member	Present
Gent, Michehl	Unaffiliated Board Member	Unaffiliated Board Member	Present
Jenkins, Charles	Oncor Electric Delivery Company	Investor Owned Utility	Not Present
Karnei, Clifton (Chair)	Brazos Electric Power Cooperative	Cooperative	Present
Thomas, Robert	Green Mountain Energy Company	Independent Retail Electric Provider	Present
Wilkerson, Dan	Bryan Texas Utilities	Municipal	Present

Other Board Members and Segment Alternates:

Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility	Present
Smitherman, Barry	Public Utility Commission of Texas	PUC Chairman	Present
Walker, Mark	NRG Texas	Independent Generator	Present

ERCOT Staff and Guests:

Bowman, Roy	ERCOT – Interim VP and Chief Financial Officer
DiPastena, Phil	ERCOT – Enterprise Risk Manager
Doolin, Estrellita	ERCOT – Assistant General Counsel
Doggett, Trip	ERCOT – Interim President and Chief Executive Officer
Dreyfus, Mark	Austin Energy
Gillmore, Gina	ERCOT – Senior Financial Analyst
Gunn, Phil	Ernst & Young
Headrick, Bridget	Public Utility Commission of Texas
Kennedy, Aloma	Kennedy Court Reporting Service
Kolodzies, Eddie	Customized Energy Solutions
Ledy, Vickie	ERCOT – Corporate Counsel
Manning, Chuck	ERCOT – Chief Compliance Officer
Morehead, Juliana	ERCOT – Associate Corporate Counsel
Morgan, Richard	ERCOT – Chief Information Officer
Petterson, Mike	ERCOT – Controller

Sisson, Taylor	Ernst & Young
Stephenson, Randa	Luminant
Torrent, Garry	Office of Public Utility Counsel
Wullenjohn, Bill	ERCOT – Director of Internal Audit
Yager, Cheryl	ERCOT – Treasurer

Approval of Prior Meeting General Session Minutes

Michehl Gent moved to approve the minutes for the General Session of the Committee meeting held on November 17, 2009. Dan Wilkerson seconded the motion. The motion passed by voice vote with one abstention (Calvin Crowder).

Vote on Items from Executive Session

Chairman Karnei announced that there were two voting items from Executive Session.

Approval of the 2010 Internal Audit Plan

Calvin Crowder moved to approve the Internal Audit Department Proposed Audit Plan for 2010 as presented in materials distributed prior to the meeting; Michehl Gent seconded the motion. The motion passed by voice vote.

Approval of Financing Matter

Dan Wilkerson moved to recommend that the Board authorize and approve ERCOT staff to take the actions related to the revolving credit financing proposal as presented in materials distributed prior to the meeting (including any minor changes to language meant to clarify “debt reduction” and “debt avoidance” concepts); Calvin Crowder seconded the motion. The motion passed by voice vote.

Dealings with any Financial Institutions That Are Also Market Participants

Cheryl Yager explained that every six months and as contracts are negotiated, staff discloses to the Committee financial institutions that provide (or might provide in the case of a contract being negotiated) services to ERCOT that are also Market Participants. Ms. Yager informed the Committee that both JPMorgan Chase and Bank of America continue to provide services to ERCOT and operate in the ERCOT market (either directly or indirectly).

Update of 2009 Financial Forecast

Mike Petterson informed the Committee that staff projected a favorable variance between budget and actual of approximately \$100,000 at year-end. He mentioned several variables attributing to the favorable variance and responded to questions.

Review Scope of Annual Financial Audit

Mr. Petterson outlined Committee responsibilities under the Finance & Audit Committee Charter related to independent audits including naming an independent audit firm each year, obtaining a report from the firm on their audit practices and certifying their independence.

Review External Auditor Quality Control Procedures and Independence

Representatives from Ernst & Young (Philip Gunn, Account Partner and Taylor Sisson, Senior Manager) presented information to the Committee in an effort to provide comfort with the firm’s processes for ensuring independence and an understanding of the firms planned approach for the 2009 Financial Statement Audit.

Review of Finance and Audit Committee Self-Assessment

Mr. Karnei directed the Committee to the materials provided prior to the meeting that set out the questions, scoring and comments for the Finance & Audit Committee annual self-assessment. He then held a discussion with Committee members on several topics addressed in the assessment findings. After discussion, the Committee agreed that a revision of the assessment questions was in order. Mr. Espinosa then asked about the possibility of getting Ernst & Young to provide best practice suggestions for Finance

& Audit Committees. Mr. Gunn agreed to review the self-assessment and governance documents and offer input in connection with the Financial Statement audit work conducted before April 30, 2010.

Committee Briefs

Materials distributed prior to the Committee meeting focused on the following areas:

1. Market Credit
2. Internal Control Management Program (“ICMP”)
3. Enterprise Risk Management (“ERM”)
4. Project Management Organization (“PMO”)
5. Investment Update

Mr. Karnei asked about the reduced number of QSEs listed in the Market Credit Status report. Ms. Yager responded that the reduction was due to administrative/non-substantive market exits.

Future Agenda Items

The following items were identified as future agenda items:

1. Standing Internal Audit agenda items
2. Review of the updated year-end forecast
3. Credit Briefing on potential future risk
4. Elect Officers and confirm financial qualifications
5. Review of ERM Standard
6. Committee briefs
7. Future agenda items

Adjournment

Clifton Karnei adjourned the meeting at approximately 9:46 a.m.

Estrellita Doolin
Assistant General Counsel

10. Quarterly Investment Update

Cheryl Yager

Electric Reliability Council of Texas, Inc.
Summary of Investment Results
Fourth Quarter 2009
(in 000's)

Investment Funds	Balance at December 31	Average Bal for Qtr	Interest 4th Qtr	Yield 4th Qtr Avg	Yield End of 4th Qtr	% of portfolio at December 31
BlackRock Institutional T-Fund (60) MMF (Note 1)	47,011	14,239	1	0.03%	0.03%	21.7%
Evergreen Fund 497 Institutional Treasury MMF (Note 1)	43,016	38,844	1	0.01%	0.01%	19.9%
Federated Fund 068 Treasury Obligations Fund (Note 1)	40,488	26,023	1	0.01%	0.01%	18.7%
Federated Fund 0125 US Treasury Cash Reserves Fund (Note 1)	12,015	25,332	1	0.01%	0.00%	5.6%
Invesco Institutional Treasury Portfolio (Note 1)	47,020	44,380	5	0.04%	0.02%	21.7%
JP Morgan Chase US Treasury Plus MM Fund (Note 1)	26,763	64,232	0	0.00%	0.00%	12.4%
Sub-Total	216,314	213,049	9			100%
Other cash net of outstanding checks (Note 2)	(5,167)					
Total cash and cash equivalents (est)	211,146	213,049	9			100%
The Reserve Primary Fund (Note 3)	-	-	-			0.0%
Sub-Total Other Current Assets (est)	-	-	-			0.0%

Benchmark data (Note 4)

Four Week T-Bill:	0.04%
Other open relevant Treasury MMFs:	0.02% (Range: 0.00% - 0.3%)

Notes

- Note 1: In January 2009, the BOD adopted changes to the Investment Corporate Standard that limit investments to securities of or guaranteed by the U.S. government, which has resulted in ERCOT investing in money market funds that invest solely in Treasury or Treasury-backed securities.
- Note 2: All other cash, net of outstanding checks, held by ERCOT in bank accounts as of December 31, 2009. The balance is negative due to outstanding checks that have not yet been funded.
- Note 3: Investments in The Reserve Primary Fund have been reclassified from Cash and Cash Equivalents to Other Current Assets as of December 31, 2008. The Reserve is liquidating this fund. The outstanding investment balance as of the end of December 2009 of approximately \$4.0 million remains fully written off based on information provided by The Reserve in 4th quarter of 2008. ERCOT anticipates recovery of some of the estimated loss in 2010 per press releases from The Reserve. In 4th Quarter 2009, however, the amount of any recovery is not yet known.
- Note 4: Benchmark data obtained as of December 31, 2009 for T-Bills and for comparable funds for which quotes are periodically obtained. Funds not currently open for investment are not included in range. Note that due diligence has not been performed on funds these in benchmark and included funds may not meet ERCOT investment standards
- Note 5: No individual securities held as of December 31, 2009.

Statement of Compliance

Upon a review of the investment activity for the 3 month period ended December 31, 2009, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Standard. However, investments in The Reserve Primary fund do not comply with the objectives in the ERCOT Investment Standard for the period from September 16, 2008 to December 31, 2009. ERCOT has issued valid redemption requests for all investments held in these funds but has not yet received the full proceeds. This out of compliance condition is expected to continue until final distributions are received from the The Reserve Primary Fund.

Signature on File
Cheryl Yager, Treasurer

Signature on File
Roy Bowman, Interim Chief Financial Officer



January 19, 2010

Finance & Audit Committee Meeting

10. Quarterly Investment Update

Cheryl Yager

Electric Reliability Council of Texas, Inc.
Summary of Investment Results
Balance as of December 31, 2009
(in 000's)

	<u>Operating</u>		<u>Market</u>		<u>Total</u>	<u>Comments</u>
	<u>ISO</u>	<u>TRE</u>	<u>TCR Revenue/ Prepaid Settlements</u>	<u>Collateral/ Restricted Cash</u>		
BlackRock Institutional T-Fund (60) MMF			5	47,006	47,011	For detail of fund holdings as of December 31, 2009, please see "Attachment A"
Evergreen Fund 497 Institutional Treasury MMF			37,015	6,001	43,016	For detail of fund holdings as of December 31, 2009, please see "Attachment B"
Federated Fund 068 Treasury Obligations Fund	5	1,267	23,215	16,001	40,488	For detail of fund holdings as of December 31, 2009, please see "Attachment C"
Federated Fund 0125 US Treasury Cash Reserves Fund			15	12,000	12,015	For detail of fund holdings as of December 31, 2009, please see "Attachment D"
Invesco Institutional Treasury Portfolio			15	47,005	47,020	For detail of fund holdings as of December 31, 2009, please see "Attachment E"
JP Morgan Chase US Treasury Plus MM Fund	5,060	1,263	15,829	4,611	26,763	For detail of fund holdings as of December 31, 2009, please see "Attachment F"
Sub-Total Investments	5,065	2,530	76,095	132,624	216,314	
Other cash net of outstanding checks					(5,167)	
Total Cash and Cash Equivalents (est)	5,065	2,530	76,095	132,624	211,146	
The Reserve Primary Fund	-	-	-	-	-	For detail of fund holdings as of December 31, 2009, please see "Attachment G"
Sub-Total Other Current Assets (est)	-	-	-	-	-	



Attachments to be provided at meeting

BLACKROCK LIQUIDITY FUNDS

Attachment A
Page 1

SUMMARY OF FUND POSITION T-FUND

DECEMBER 31, 2009

PORTFOLIO STRUCTURE

U.S. Treasury Obligations	32.4%
Repurchase Agreements	67.6
Total Portfolio	<u>100.0%</u>

T-FUND INSTITUTIONAL SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

T-FUND CASH MANAGEMENT SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

T-FUND SELECT SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

T-FUND PREMIER SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

T-FUND DOLLAR SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

T-FUND ADMINISTRATION SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

T-FUND PRIVATE CLIENT SHARES YIELD INFORMATION (ANNUALIZED)

7 Day 0.03%

MATURITY INFORMATION

MATURITY SCHEDULE	PAR AMOUNT	PERCENTAGE OF PORTFOLIO	(CUM)
1- 7 days	\$3,945,361,000	41.5%	41.5%
8- 14 days	908,000,000	9.6	51.1
15- 30 days	2,179,515,000	23.0	74.1
31- 60 days	328,750,000	3.5	77.6
61- 90 days	75,245,000	0.8	78.4
91-120 days	819,631,000	8.6	87.0
121-150 days	75,000,000	0.8	87.8
Over 150 days	1,163,390,000	12.2	100.0%
	<u>\$9,494,892,000</u>	<u>100.0%</u>	

Average Weighted Maturity — 47 days

T-Fund invests solely in a portfolio consisting of U.S. Treasury bills; notes and other direct obligations of the U.S. Treasury which are backed by the full faith and credit of the U.S. Government, and in repurchase agreements relating to direct Treasury obligations. Securities held by T-Fund have remaining maturities of 13 months or less. T-Fund is designed for Institutional Investors seeking current income with liquidity and security of principal from direct Treasury obligations. Although Government obligations may be guaranteed, investments in money market funds are neither insured nor guaranteed by the U.S. Government.

The maximum permitted expenses for T-Fund Institutional/T-Fund Dollar/T-Fund Cash Management/T-Fund Administration/T-Fund Select/T-Fund Private Client/T-Fund Premie shares have been capped at .20%, .45%, .70%, .30%, 1.00%, .68%, and .68%, respectively. During the month the Fund waived a portion of its fee. Without the waiver the 7-day yield for the Institutional/Dollar/Cash Management/Administration/Select/PrivateClient/Premier shares would have been (0.03)%, (0.28)%, (0.53)%, (0.13)%, (0.83)%, (0.51)% and (0.51)%, respectively.

BLACKROCK LIQUIDITY FUNDS

SCHEDULE OF INVESTMENTS T-FUND PORTFOLIO

Attachment A
Page 2

DECEMBER 31, 2009

	MATURITY	PAR (000)	VALUE
U.S. TREASURY OBLIGATIONS — 32.4%			
U.S. Treasury Bills — 31.0% (a)			
0.27%	01/07/10	\$ 50,000	\$ 49,997,792
0.29%	01/07/10	250,000	249,988,125
0.29%	01/21/10	124,515	124,495,285
0.28%	01/28/10	70,000	69,985,562
0.28%	02/04/10	98,750	98,724,352
0.26%	02/18/10	125,000	124,956,333
0.27%	02/18/10	70,000	69,974,800
0.26%	02/25/10	35,000	34,986,365
0.24%	03/04/10	59,000	58,975,867
0.23%	03/11/10	495	494,787
0.21%	03/18/10	15,750	15,743,034
0.09%	04/01/10	124,411	124,383,814
0.10%	04/01/10	155,000	154,961,250
0.11%	04/01/10	155,000	154,958,538
0.21%	04/01/10	100,000	99,948,750
0.47%	04/01/10	50,000	49,941,875
0.50%	04/01/10	75,000	74,906,250
0.15%	04/08/10	110,220	110,175,453
0.15%	04/15/10	50,000	49,978,333
0.17%	05/13/10	75,000	74,954,625
0.15%	06/03/10	75,000	74,952,188
0.45%	06/03/10	80,100	79,948,511
0.54%	06/10/10	43,575	43,470,420
0.45%	06/17/10	75,000	74,845,177
0.17%	06/24/10	80,993	80,926,451
0.53%	07/01/10	71,000	70,812,590
0.39%	07/15/10	130,000	129,728,896
0.50%	07/29/10	60,000	59,825,833
0.25%	08/26/10	155,000	154,705,810
0.32%	08/26/10	68,000	67,858,985
0.27%	08/26/10	25,000	24,996,376
0.41%	09/23/10	25,000	24,925,469
0.38%	10/21/10	74,722	74,493,942
0.32%	11/18/10	80,000	79,775,300
0.41%	12/16/10	120,000	119,523,033

U.S. Treasury Inflation Protected Notes — 1.4%
TOTAL U.S. TREASURY OBLIGATIONS
 (Cost \$3,082,001,446) 3,082,001,446

	MATURITY	PAR (000)	VALUE
REPURCHASE AGREEMENTS — 67.6%			
Banc of America Securities LLC			
0.01%	01/04/10	260,055	260,055,000
Barclays Capital, Inc.			
0.00%	01/04/10	430,000	430,000,000
0.12%	01/11/10	310,000	310,000,000
0.07%	01/14/10	200,000	200,000,000
0.09%	01/14/10	160,000	160,000,000
0.11%	01/19/10	250,000	250,000,000
Credit Suisse Securities (USA) LLC			
0.02%	01/07/10	600,000	600,000,000
Deutsche Bank Securities Inc.			
0.00%	01/04/10	714,007	714,007,000
0.12%	01/07/10	275,000	275,000,000
0.09%	01/20/10	200,000	200,000,000
0.08%	01/21/10	150,000	150,000,000
HSBC Securities (USA) Inc.			
0.00%	01/04/10	525,000	525,000,000
JPMorgan Securities Inc.			
0.00%	01/04/10	61,299	61,299,000
Morgan Stanley & Co.			
0.00%	01/04/10	360,000	360,000,000
0.04%	01/11/10	238,000	238,000,000

	MATURITY	PAR (000)	VALUE
REPURCHASE AGREEMENTS (Continued)			
RBS Securities Inc.			
0.00%	01/04/10	\$ 200,000	\$ 200,000,000
0.11%	01/19/10	400,000	400,000,000
0.08%	01/21/10	235,000	235,000,000
UBS Securities LLC			
0.00%	01/04/10	20,000	20,000,000
0.12%	01/07/10	200,000	200,000,000
0.06%	01/19/10	500,000	500,000,000
0.11%	01/25/10	150,000	150,000,000
TOTAL REPURCHASE AGREEMENTS (Cost \$6,438,361,000)			<u>6,438,361,000</u>
TOTAL INVESTMENTS IN SECURITIES — 100.0% (Cost \$9,520,362,446)			<u>\$ 9,520,362,446</u>

(a) Rate shown reflects the discount rate at time of purchase.

This information is authorized for distribution only when it is accompanied or preceded by a current prospectus for the BlackRock Liquidity Funds or the BlackRock Funds, which contains more complete information, including fees and expenses. Please read the prospectus carefully prior to investing or sending money. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. Statements and other information herein are as dated and subject to change. Portfolio holdings should not be deemed as a recommendation to purchase any of the securities listed above.

Prepared by BlackRock Investments, Inc.

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The holdings listed should not be considered recommendations to purchase or sell a particular security. Current and future portfolio holdings are subject to risk.

Evergreen Investments Fund Holdings (Unaudited)

December 28, 2009	Principal Amount (\$) / Shares	Value
U.S. TREASURY OBLIGATIONS		
Cash Management Bill, 0.44%, 06/17/2010	105,000,000	104,781,834
U.S. Treasury Bills, 0.47%, 04/01/2010	200,000,000	199,758,071
U.S. Treasury Notes, 2.00%, 02/28/2010	25,000,000	25,070,580
U.S. Treasury Notes, 3.25%, 12/31/2009	125,000,000	125,017,594
U.S. Treasury Notes, 3.50%, 02/15/2010	25,000,000	25,103,619
Total for U.S. Treasury Obligations		479,731,698
REPURCHASE AGREEMENTS		
Bank of America Corp., 0.05%, 12/29/2009	100,000,000	100,000,000
Bank of America Corp., 0.06%, 01/04/2010	100,000,000	100,000,000
Barclays Capital, Inc., 0.06%, 12/29/2009	1,125,000,000	1,125,000,000
Credit Suisse First Boston Corp., 0.06%, 01/04/2010	100,000,000	100,000,000
Deutsche Bank AG, 0.05%, 12/29/2009	825,000,000	825,000,000
Deutsche Bank AG, 0.05%, 01/04/2010	350,000,000	350,000,000
Deutsche Bank AG, 0.06%, 01/04/2010	450,000,000	450,000,000
Morgan Stanley, 0.05%, 01/04/2010	225,000,000	225,000,000
RBC Daln Rauscher Corp., 0.04%, 12/29/2009	375,000,000	375,000,000
RBC Daln Rauscher Corp., 0.04%, 01/04/2010	200,000,000	200,000,000
Societe Generale, 0.06%, 12/29/2009	825,000,000	825,000,000
State Street Corp., 0.02%, 12/29/2009	74,324,180	74,324,180
UBS AG, 0.06%, 12/29/2009	100,000,000	100,000,000
UBS AG, 0.08%, 12/29/2009	200,000,000	200,000,000
Total for Repurchase Agreements		5,049,324,180
Total Market Value		5,529,055,878

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An investor should consider a fund's investment objectives, risks, charges and expenses carefully before investing. This and other important information can be found in the fund's prospectus. Obtain a prospectus online and read carefully before investing.

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Attachment B

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Effective 1/4/2010, Evergreen mutual funds are distributed by Wells Fargo Funds Distributor, LLC, Member FINRA/SIPC, an affiliate of Wells Fargo & Company.

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Evergreen Investments, 200 Berkeley Street, Boston, MA 02116

TREASURY OBLIGATIONS FUND

Federated

WORLD-CLASS INVESTMENT MANAGER[®]

**PORTFOLIO AS OF DECEMBER 31, 2009
CURRENT NET ASSETS – \$ 20,622,975,139**

Principal Amount or Shares		Value
REPURCHASE AGREEMENTS - 75.1%		
\$818,000,000	(1)Banc of America Securities LLC, 0.100%, dated 10/7/2009, due 1/5/2010	\$818,000,000
791,000,000	Barclays Capital, Inc., 0.000%, dated 12/31/2009, due 1/4/2010	791,000,000
910,000,000	(1)Barclays Capital, Inc., 0.070%, dated 12/16/2009, due 1/14/2010	910,000,000
250,000,000	(1)Barclays Capital, Inc., 0.080%, dated 11/18/2009, due 1/15/2010	250,000,000
250,000,000	(1)Barclays Capital, Inc., 0.080%, dated 11/24/2009, due 1/7/2010	250,000,000
4,844,290,000	BNP Paribas Securities Corp., 0.000%, dated 12/31/2009, due 1/4/2010	4,844,290,000
1,791,000,000	Calyon Securities (USA), Inc., 0.010%, dated 12/31/2009, due 1/4/2010	1,791,000,000
100,000,000	CIBC World Markets Corp., 0.000%, dated 12/31/2009, due 1/4/2010	100,000,000
600,000,000	Credit Suisse First Boston LLC, 0.000%, dated 12/31/2009, due 1/4/2010	600,000,000
100,000,000	Deutsche Bank Securities, Inc., 0.000%, dated 12/31/2009, due 1/4/2010	100,000,000
1,358,000,000	(1)Deutsche Bank Securities, Inc., 0.090%, dated 11/17/2009, due 1/15/2010	1,358,000,000
491,000,000	Greenwich Capital Markets, Inc., 0.000%, dated 12/31/2009, due 1/4/2010	491,000,000
1,406,330,000	J.P. Morgan Securities, Inc., 0.000%, dated 12/31/2009, due 1/4/2010	1,406,330,000
150,000,000	Morgan Stanley & Co., Inc., 0.010%, dated 12/31/2009, due 1/4/2010	150,000,000
1,291,000,000	Morgan Stanley & Co., Inc., 0.000%, dated 12/31/2009, due 1/4/2010	1,291,000,000
250,000,000	TD Securities (USA) LLC, 0.010%, dated 12/31/2009, due 1/4/2010	250,000,000
96,000,000	UBS Securities LLC, 0.000%, dated 12/31/2009, due 1/4/2010	96,000,000
	TOTAL REPURCHASE AGREEMENTS	15,496,620,000
U.S. TREASURY - 24.7%		
613,000,000	(2)United States Treasury Bills, 0.155% - 0.545%, 7/1/2010	611,989,240
212,500,000	(2)United States Treasury Bills, 0.285%, 8/26/2010	212,101,297
409,000,000	(2)United States Treasury Bills, 0.440% - 0.453%, 4/1/2010	408,543,709
306,500,000	United States Treasury Notes, 1.750%, 3/31/2010	307,679,495
1,205,500,000	United States Treasury Notes, 2.000%, 2/28/2010	1,208,713,987
84,000,000	United States Treasury Notes, 2.000%, 9/30/2010	85,029,886
844,425,000	United States Treasury Notes, 2.125%, 1/31/2010	845,498,900
274,500,000	United States Treasury Notes, 2.625%, 5/31/2010	277,129,604
755,000,000	United States Treasury Notes, 3.500% - 6.500%, 2/15/2010	759,443,881
123,750,000	United States Treasury Notes, 3.625%, 1/15/2010	123,903,836
50,000,000	United States Treasury Notes, 4.000%, 4/15/2010	50,487,105
192,500,000	United States Treasury Notes, 4.375%, 12/15/2010	199,638,082
	TOTAL U.S. TREASURY	5,090,159,022
	TOTAL INVESTMENTS	\$20,586,779,022

- (1) Although the repurchase date is more than seven days after the date of purchase, the Fund has the right to terminate the repurchase agreement at any time with seven-days' notice.
- (2) Discount rate at time of purchase.

The following acronym is used throughout this portfolio:

LLC --Limited Liability Corporation

Note: The categories of investments are shown as a percentage of net assets (\$20,622,975,139) at the close of business on December 31, 2009, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Note: An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Portfolio holdings are shown as of the date indicated and are unaudited. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

For more complete information on the fund, visit www.FederatedInvestors.com for a prospectus. You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus, which you should read carefully before investing.

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Federated Securities Corp., Distributor
(32248) 12/31/2009

US Treasury Cash Reserves

Federated

WORLD-CLASS INVESTMENT MANAGER
®

PORTFOLIO AS OF DECEMBER 31, 2009
CURRENT NET ASSETS — \$21,920,921,530

Principal Amount or Shares		Value
U.S. TREASURY — 99.7%		
\$ 375,000,000	(1) United States Treasury Bill, 0.070%, 2/25/2010	\$ 374,959,896
1,145,000,000	(1) United States Treasury Bills, 0.000% - 0.080%, 1/21/2010	1,144,981,750
2,085,000,000	(1) United States Treasury Bills, 0.000% - 0.275%, 1/14/2010	2,084,965,857
5,676,525,000	(1) United States Treasury Bills, 0.000% - 0.285%, 1/7/2010	5,676,490,745
14,000,000	(1) United States Treasury Bills, 0.010%, 4/8/2010	13,999,623
628,000,000	(1) United States Treasury Bills, 0.030% - 0.095%, 2/4/2010	627,970,713
1,042,000,000	(1) United States Treasury Bills, 0.045% - 0.083%, 2/18/2010	1,041,918,305
600,000,000	(1) United States Treasury Bills, 0.050% - 0.070%, 1/28/2010	599,972,250
30,170,000	(1) United States Treasury Bills, 0.050%, 3/4/2010	30,167,402
860,000,000	(1) United States Treasury Bills, 0.055% - 0.090%, 2/11/2010	859,940,151
910,000,000	(1) United States Treasury Bills, 0.068% - 0.110%, 4/1/2010	909,794,000
1,573,200,000	(1) United States Treasury Bills, 0.140% - 0.170%, 6/10/2010	1,572,129,653
301,925,000	(1) United States Treasury Bills, 0.160% - 0.165%, 6/17/2010	301,696,266
500,000,000	(1) United States Treasury Bill, 0.160%, 7/1/2010	499,597,778
260,650,000	(1) United States Treasury Bill, 0.170%, 6/24/2010	260,435,833
250,000,000	(1) United States Treasury Bill, 0.180%, 6/3/2010	249,808,750
725,000,000	United States Treasury Note, 2.000%, 2/28/2010	727,167,599
2,012,000,000	United States Treasury Note, 2.125%, 1/31/2010	2,015,206,262
250,000,000	United States Treasury Note, 2.625%, 5/31/2010	252,394,903
200,000,000	United States Treasury Note, 3.625%, 1/15/2010	200,271,434
50,000,000	United States Treasury Note, 1.750%, 3/31/2010	50,203,291
2,220,000,000	United States Treasury Notes, 3.500% - 6.500%, 2/15/2010	2,233,746,635
70,000,000	United States Treasury Note, 3.625%, 6/15/2010	71,104,316
50,000,000	United States Treasury Note, 4.000%, 3/15/2010	50,394,512

TOTAL U.S. TREASURY	21,849,317,924
TOTAL INVESTMENTS	\$ 21,849,317,924

(1) Discount rate at the time of purchase.

Note: The categories of investments are shown as a percentage of net assets (\$21,920,921,530) at the close of business on December 31, 2009, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

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Portfolio holdings are shown as of the date indicated and are unaudited. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell or hold any of the securities listed.

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Federated Securities Corp., Distributor
32255 12/09

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Treasury Portfolio

Short-Term Investments Trust

Portfolio Holdings
Data as of December 31, 2009

Quantity (Par)	Security Description	Maturity Date	Associated Issuer	Short-Term Ratings ¹			% of Portfolio
				S&P	Moody's	Fitch	
REPURCHASE AGREEMENT							
161,668,961	BANC OF AMERICA SECURITIES LLC REPO	01/04/2010	US TREASURY	A-1	P-1	F-1+	0.90
700,000,000	BNP PARIBAS SECURITIES CORP REPO	01/04/2010	US TREASURY	A-1+ (Int)	P-1 (Int)	NR	3.92
100,000,000	CIBC WORLD MARKETS CORP. REPO	01/04/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	0.56
250,000,000	CREDIT SUISSE SECURITIES (USA) LLC REPO	01/04/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	1.40
500,000,000	DEUTSCHE BANK SECURITIES INC. REPO	01/04/2010	US TREASURY	A-1 (Int)	P-1	F-1+	2.80
1,300,000,000	GOLDMAN SACHS & CO. REPO	01/04/2010	US TREASURY	A-1	P-1	NR	7.27
750,000,000	HSBC SECURITIES (USA) INC. REPO	01/04/2010	US TREASURY	A-1+ (Int)	P-1 (Int)	NR	4.20
1,000,000,000	JP MORGAN SECURITIES INC. REPO	01/04/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	5.60
1,000,000,000	JP MORGAN SECURITIES INC. REPO	01/04/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	5.60
750,000,000	MORGAN STANLEY REPO	01/04/2010	US TREASURY	A-1	P-1	F-1	4.20
600,000,000	RBS SECURITIES INC. REPO	01/04/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	3.36
250,000,000	WACHOVIA BANK, N.A. REPO	01/04/2010	US TREASURY	A-1+	P-1	F-1+	1.40
7,361,668,961	Repurchase Agreement Total						41.19
REPURCHASE AGREEMENT - TERM							
250,000,000	BARCLAYS CAPITAL INC. REPO	01/07/2010	US TREASURY	A-1+ (Int)	P-1 (Int)	NR	1.40
500,000,000	BARCLAYS CAPITAL INC. REPO	01/19/2010	US TREASURY	A-1+ (Int)	P-1 (Int)	NR	2.80
455,000,000	BARCLAYS CAPITAL INC. REPO	01/20/2010	US TREASURY	A-1+ (Int)	P-1 (Int)	NR	2.55
450,000,000	BNP PARIBAS SECURITIES CORP REPO	01/22/2010	US TREASURY	A-1+ (Int)	P-1 (Int)	NR	2.52
500,000,000	CREDIT SUISSE SECURITIES (USA) LLC REPO	01/14/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	2.80
250,000,000	CREDIT SUISSE SECURITIES (USA) LLC REPO	01/19/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	1.40
500,000,000	CREDIT SUISSE SECURITIES (USA) LLC REPO	01/29/2010	US TREASURY	A-1 (Int)	P-1 (Int)	NR	2.80
450,000,000	DEUTSCHE BANK SECURITIES INC. REPO	01/08/2010	US TREASURY	A-1 (Int)	P-1	F-1+	2.52
3,355,000,000	Repurchase Agreement - Term Total						18.77

Continued...

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Treasury Portfolio

Short-Term Investments Trust

Portfolio Holdings

Data as of December 31, 2009

Quantity (Par)	Security Description	Maturity Date	Associated Issuer	Short-Term Ratings ¹			% of Portfolio
				S&P	Moody's	Fitch	
U.S. TREASURY BILL							
250,000,000	US TREASURY BILL	01/14/2010	US TREASURY	A-1+ (Int)	NR	NR	1.40
500,000,000	US TREASURY BILL	01/21/2010	US TREASURY	A-1+ (Int)	NR	NR	2.80
250,000,000	US TREASURY BILL	01/28/2010	US TREASURY	A-1+ (Int)	NR	NR	1.40
400,000,000	US TREASURY BILL	02/04/2010	US TREASURY	A-1+ (Int)	NR	NR	2.24
250,000,000	US TREASURY BILL	02/11/2010	US TREASURY	A-1+ (Int)	NR	NR	1.40
150,000,000	US TREASURY BILL	02/18/2010	US TREASURY	A-1+ (Int)	NR	NR	0.84
250,000,000	US TREASURY BILL	02/25/2010	US TREASURY	A-1+ (Int)	NR	NR	1.40
315,000,000	US TREASURY BILL	03/04/2010	US TREASURY	A-1+ (Int)	NR	NR	1.76
425,000,000	US TREASURY BILL	03/11/2010	US TREASURY	A-1+ (Int)	NR	NR	2.38
200,000,000	US TREASURY BILL	03/18/2010	US TREASURY	A-1+ (Int)	NR	NR	1.12
615,000,000	US TREASURY BILL	04/01/2010	US TREASURY	A-1+ (Int)	NR	NR	3.44
200,000,000	US TREASURY BILL	04/08/2010	US TREASURY	A-1+ (Int)	NR	NR	1.12
250,000,000	US TREASURY BILL	04/22/2010	US TREASURY	A-1+ (Int)	NR	NR	1.40
500,000,000	US TREASURY BILL	05/06/2010	US TREASURY	A-1+ (Int)	NR	NR	2.80
500,000,000	US TREASURY BILL	05/13/2010	US TREASURY	A-1+ (Int)	NR	NR	2.80
300,000,000	US TREASURY BILL	05/20/2010	US TREASURY	A-1+ (Int)	NR	NR	1.68
300,000,000	US TREASURY BILL	06/03/2010	US TREASURY	A-1+ (Int)	NR	NR	1.68
350,000,000	US TREASURY BILL	06/10/2010	US TREASURY	A-1+ (Int)	NR	NR	1.96
150,000,000	US TREASURY BILL	06/17/2010	US TREASURY	A-1+ (Int)	NR	NR	0.84
200,000,000	US TREASURY BILL	07/01/2010	US TREASURY	A-1+ (Int)	NR	NR	1.12
100,000,000	US TREASURY BILL	07/15/2010	US TREASURY	A-1+ (Int)	NR	NR	0.56
100,000,000	US TREASURY BILL	08/26/2010	US TREASURY	A-1+ (Int)	NR	NR	0.56
300,000,000	US TREASURY BILL	11/18/2010	US TREASURY	A-1+ (Int)	NR	NR	1.68
300,000,000	US TREASURY BILL	12/16/2010	US TREASURY	A-1+ (Int)	NR	NR	1.68
7,155,000,000	U.S. Treasury Bill Total						40.04
17,871,668,961	GRAND TOTAL						100.00

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

For more information about the Treasury Portfolio, please contact our Cash Management Sales Desk at (800) 659-1005, Option 2 or visit invescoaim.com.

All data provided by Invesco Aim unless otherwise noted.

* Multi Credit Enhancement Providers (CEP) - 100% CEP rated minimum A-1/P-1/F-1 or comparable long term rating.

¹ Credit ratings are used by the marketplace as indications of the likelihood of getting their money back in accordance with the terms on which they invested. The ratings provided within this report represent the current ratings for the underlying securities within the portfolio and do not represent the ratings assigned to the overall portfolio. Ratings are subject to change without notice and are based on many factors, including the likelihood of timely re-payment of interest and principal, industry positioning, competitive outlook, quality of management, etc. Standard & Poor's short-term credit ratings are issued based on varying degrees. Short-term ratings range from A-1; representing the highest rating assigned indicating that the degree of safety regarding timely payment is strong to SP-3, denoting speculative capacity to pay principal and interest. Securities that possess extremely strong safety characteristics are denoted with a plus sign (+) designation. Moody's short-term prime ratings are opinions of the ability of issuers to honor senior financial obligations and contracts. Such obligations generally have an original maturity not exceeding one year, unless explicitly noted. Moody's short-term prime ratings range from P-1, issuers or supporting institutions rated Prime-1 have a superior ability to repay short-term debt obligations to Not Prime (NP), issuers/supporting institutions rated Not Prime do not fall within any of the Prime rating categories. Moody's short-term MIG ratings are considered investment grade, and are referred to as Municipal Investment Grade (MIG), ranging from MIG 1, denotes superior credit quality to Speculative Grade (SG), and denotes speculative-grade credit quality; which may lack sufficient margins of protection. Fitch Ratings provide an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, re-payment of principal, insurance claims or counterparty obligations. Short-term ratings has time horizon of less than 12 months for most obligations, or up to three years for US public finance securities, and thus places greater emphasis on the liquidity necessary to meet financial commitments in a timely manner. Short-term ratings range from F1+, denoting exceptionally strong credit quality to D, default. Plus (+) and minus (-) signs are used with a rating symbol to indicate the relative position of a credit within the rating category.

Portfolio composition is subject to change. The list of portfolio holdings is as of the date shown and may not represent current or future portfolio composition. This portfolio data has not been audited or adjusted for certain financial statement reclassifications. An audit could potentially result in adjustments to this data. For month-end portfolio data that coincides with your fund's quarterly, semi-annual, or annual reports, you should refer to those reports for the most accurate listing of portfolio holdings. The following attributes, if applicable, are available upon request: Security description, associated issuer, quantity, short-term ratings for Standard & Poor's (S&P), Moody's, Fitch Ratings and the Dominion Bond Rating Service (DBRS®), long-term ratings for S&P, Moody's and Fitch Ratings, maturity date, weighted average life, coupon, industry, percent of Portfolio (by sector), security reset date and exposure to underlying asset class.

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Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about the Fund(s), please obtain a prospectus by contacting Invesco Aim Cash Management at (800) 659-1005 or your financial advisor. Please read the prospectus carefully before investing.

JPM USD Treasury Plus Money Market 148020

Security ID	Instrument Name	Coupon	Effective Maturity Date	Moody's Quality	S&P Quality	Instrument Type	Par	Currency	% of fund
31-Dec-2009	US DOLLAR								
08A011Z7	BANK OF AMERICA REPO	0.0100	2010-01-04	P-1	A-1	Cash	-477,638,591.05	USD	-1.9
08A111AP	BARCLAYS CAPITAL REPO	0.0000	2010-01-04	P-1	A-1+	Repo	1,000,000,000.00	USD	4.1
0CTG04LK	CITIGROUP INC. REPO	0.0000	2010-01-04	P-1	A-1	Repo	720,000,000.00	USD	2.9
0CSF09J1	CREDIT SUISSE F. REPO	0.0000	2010-01-04	P-1	A-1	Repo	1,250,000,000.00	USD	5.1
0DBS12C9	DEUTSCHE BANK S REPO	0.0000	2009-12-31	P-1	A-1+	Repo	500,000,000.00	USD	2.0
0DBS12CE	DEUTSCHE BANK S REPO	0.0000	2010-01-04	P-1	A-1+	Repo	477,839,000.00	USD	1.9
0DBS12CF	DEUTSCHE BANK S REPO	0.0000	2010-01-04	P-1	A-1+	Repo	313,809,000.00	USD	1.3
0MST09ML	MORGAN STANLEY REPO	0.0000	2010-01-04	P-1	A-1	Repo	14,299,000.00	USD	0.1
0PSJ01QD	RBS SECURITIES, REPO	0.0000	2010-01-04	P-1	A-1	Repo	1,250,000,000.00	USD	5.1
US912795R789	TREASURY BILL	0.00	2010-01-07	P-1	A-1	Repo	2,241,372,000.00	USD	8.1
US912795R862	TREASURY BILL	0.00	2010-01-14	P-1	A-1+	Treasury Bills	3,832,000,000.00	USD	15.5
US912795R946	TREASURY BILL	0.00	2010-01-21	P-1	A-1+	Treasury Bills	4,350,000,000.00	USD	17.6
US912795S779	TREASURY BILL	0.00	2010-01-28	P-1	A-1+	Treasury Bills	629,600,000.00	USD	2.6
US912795S952	TREASURY BILL	0.00	2010-02-04	P-1	A-1+	Treasury Bills	750,000,000.00	USD	3.0
US912795T272	TREASURY BILL	0.00	2010-02-11	P-1	A-1+	Treasury Bills	250,000,000.00	USD	1.0
US912795T355	TREASURY BILL	0.00	2010-02-18	P-1	A-1+	Treasury Bills	430,000,000.00	USD	1.7
US912795T439	TREASURY BILL	0.00	2010-02-25	P-1	A-1+	Treasury Bills	1,000,000,000.00	USD	4.1
US912795U130	TREASURY BILL	0.00	2010-04-01	P-1	A-1+	Treasury Bills	500,000,000.00	USD	2.0
US912795U195	TREASURY BILL	0.00	2010-04-22	P-1	A-1+	Treasury Bills	1,325,000,000.00	USD	5.4
US912795U441	TREASURY BILL	0.00	2010-04-29	P-1	A-1+	Treasury Bills	550,000,000.00	USD	2.2
US912795U411	TREASURY BILL	0.00	2010-05-06	P-1	A-1+	Treasury Bills	300,000,000.00	USD	1.2
US912795U585	TREASURY BILL	0.00	2010-06-03	P-1	A-1+	Treasury Bills	302,100,000.00	USD	1.2
US912795U785	TREASURY BILL	0.00	2010-06-10	P-1	A-1+	Treasury Bills	150,000,000.00	USD	0.6
US912795U742	TREASURY BILL	0.00	2010-07-29	P-1	A-1+	Treasury Bills	500,000,000.00	USD	2.0
US912795U825	TREASURY BILL	0.00	2010-08-26	P-1	A-1+	Treasury Bills	350,000,000.00	USD	1.4
US912795U908	TREASURY BILL	0.00	2010-09-23	P-1	A-1+	Treasury Bills	100,000,000.00	USD	0.4
US912795UH28	TREASURY BILL	0.00	2010-10-21	P-1	A-1+	Treasury Bills	300,000,000.00	USD	1.2
US912795T688	TREASURY SEC.	0.00	2010-03-31	P-1	A-1+	Treasury Bills	50,000,000.00	USD	0.2
US912828HU78	US TREASURY N/B	1.75	2010-03-31	P-1	A-1+	Treasury Notes	250,000,000.00	USD	1.0
US912828DR85	US TREASURY N/B	4.00	2010-04-15		AAA	Treasury Notes	160,000,000.00	USD	0.7
US912828IC52	US TREASURY N/B	2.88	2010-06-30		AAA	Treasury Notes	50,000,000.00	USD	0.2
US912828LJ06	US TREASURY N/B	2.38	2010-08-31		AAA	Treasury Notes	825,000,000.00	USD	2.6
US912828LJ51	US TREASURY N/B	2.00	2010-09-30		AAA	Treasury Notes	350,000,000.00	USD	1.4
US912828JP65	US TREASURY N/B	1.50	2010-10-31		AAA	Treasury Notes	125,000,000.00	USD	0.5
							<u>24,666,180,408.95</u>		<u>70.5</u>

This unofficial report of the above fund is based on information available as at the date indicated in the report. We make no representations as to the accuracy of any of the information contained in this unofficial report. Therefore, the information in this unofficial report should not be relied upon for investment decisions, or used to evaluate the fund's performance in lieu of information provided in your official fund statements or other reports on the fund. JP Morgan Asset Management (Europe) S.a.r.l. nor any of its affiliates accept any liability for any losses, costs, liabilities or expenses (including, without limitation, loss of profits) which may arise from any inaccuracies in this unofficial report. Any discrepancies in this information provided in this unofficial report should be discussed with your relationship manager prior to any actions regarding your fund shares. Please note that fund investments are subject to change at any time.

We are providing this unofficial list of the fund investments as a service to the fund shareholders for your information only. We, therefore, request that you do not share this unofficial report with anyone else.



Schedule of Investments (December 30, 2009 Unaudited) **Fund Name: PRIMARY**

<u>DESCRIPTION</u>	<u>MATURITY DATE*</u>	<u>COUPON RATE (%)</u>	<u>UNITS (US\$)</u>	<u>PCT OF PORTFOLIO</u>
Fannie Mae				
FEDERAL NATL MTG ASSN DISC NTS	12/31/2009	0.0010	145,231,000	3.34%
Total Fannie Mae			145,231,000	3.34%
Federal Home Loan Bank				
FEDERAL HOME LN BK CONS DSC NT	12/31/2009	0.0010	364,971,000	8.39%
Total Federal Home Loan Bank			364,971,000	8.39%
Floating Rate Note				
LEHMAN BROS HLDGS INC	03/20/2009	3.1100	250,000,000	5.75%
LEHMAN BRTHRS HLDG INC	10/29/2008	3.7100	185,000,000	4.25%
LEHMAN BRTHRS HLDG INC	10/27/2008	3.2900	200,000,000	4.60%
LEHMAN BRTHRS HLDG INC	10/10/2008	3.0000	150,000,000	3.45%
Total Floating Rate Note			785,000,000	18.04%
Time Deposit				
ABN AMRO	12/31/2009	0.1000	365,000,000	8.39%
CALYON	12/31/2009	0.1000	365,000,000	8.39%
DEUTSCHE BANK	12/31/2009	0.0700	630,498,000	14.49%
KBC BANK	12/31/2009	0.0900	365,000,000	8.39%
NORDEA BK FINLAND PLC HELSINKI	12/31/2009	0.1000	365,000,000	8.39%
UBS AG	12/31/2009	0.0900	365,000,000	8.39%
Total Time Deposit			2,455,498,000	56.44%
U.S. Treasury Bills				
UNITED STATES TREAS BILLS	12/31/2009	0.0200	600,000,000	13.79%
Total U.S. Treasury Bills			600,000,000	13.79%
Investment Total			4,350,700,000	100.00%
Cash Held at Custodian Bank*			101,478	0.00%
Portfolio Total			4,350,801,478	100.00%
Average Weighted Maturity				1 Days

*To determine the cash that is available for eventual distribution, add time deposits and securities maturing in one day to cash held at custodian bank. A negative cash number represents an overdrawn balance.

Cash does not include receivables for securities sold until the trade settles.

*The maturities of the securities shown are the earliest date that the Fund would be able to realize the value of the investment, which could be the instrument's stated maturity, the date on which the Fund has the right to put the securities to the issuer, the date which the issue has been called or the date on which the security is scheduled to be pre-refunded.

Portfolio composition is subject to change at any time. If securities are sold with a delayed settlement date, the



above portfolio listing will not reflect those securities. However, the securities are still assets of the fund and will continue to earn interest until the trade settles.

On September 16, 2008, the Lehman Brothers securities in the fund were valued at zero, where they remain. These securities are included in the line item "Portfolio Total" at their face value.

This data is unaudited and provided for informational purposes only and is not intended for trading purposes.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. You should carefully consider the investment objectives, risks and charges and expenses of the Fund before investing. The Fund's Prospectus contains this and other information about the Fund. The Fund's Prospectus may be obtained by writing to The Reserve, 1250 Broadway, New York, New York 10001-3701 or by calling 1-800-637-1700 and pressing "0." You should read the Prospectus carefully before you invest.

This information is for the use of U.S. residents only. The investment products and services referred to should not be considered a solicitation to buy products or an offering of any investment products to investors residing outside the United States or to any person in any jurisdiction in which such offers, solicitations, purchases or sales would be unlawful under the securities or other applicable laws of such jurisdiction.

Resrv Partners, Inc., Distributor. Member FINRA. 12/09

11. Credit Briefing – Potential Future Exposure: Overview

Randy Baker

- **Summary Results**
- **Background**
- **Base Case & Current Case**
- **Summary of Most Common Outcomes – Base Case**
- **Comparisons – Base Case**
- **What Has Changed – Q3 2009**
- **Extreme Events – Base Case**
- **Current Case Simulations**
- **Comparison of Results Over Multiple Periods**
- **Stress Case**

While the impact of various model factors changed...

Base case residual credit risk remains comparable to the previous level reported for Q2-2009

- Changes in market factors and QSE factors have decreased risk
- Effect – risk has decreased slightly up to 99% level and increased slightly for tail events

Current case residual credit risk also remains comparable to the previous level reported for Q2-2009

- Changes in market factors and QSE PDs have decreased risk
- However, a decrease in excess collateral levels since Q2-2009 has increased risk
- Net effect – overall risk has increased slightly

11. Credit Briefing – Potential Future Exposure: Background

Randy Baker

- **The Board of Directors approved the Market Credit Risk Standard in May 2009, requiring ERCOT to report on credit risk in the market.**
 - This presentation is a summary of the results of the Potential Credit Risk Model based on the financial statement information provided by QSEs as of September 30, 2009.
 - Information is compared to the results of the Potential Credit Risk Model based on the financial statement information provided by QSEs as of June 30, 2009.
- **The Potential Credit Risk Model uses Monte Carlo simulation to simulate potential credit losses across all ERCOT QSEs, while taking into account key risk factors such as:**
 - Default probabilities of QSEs (which reflect credit quality)
 - Exposure parameters (such as outstanding liability & potential for volume escalation upon default)
 - Market prices and price volatility
 - Collateral (as required by ERCOT Protocols)
 - Relationships between these factors

11. Credit Briefing – Potential Future Exposure: Background

Randy Baker

- **The model is not a predictor of the future as it does not represent what will happen, but provides insight into what may happen along with the probability of various outcomes.**
- **The model incorporates a number of key risk factors, however it isn't capable of encompassing every factor and scenario.**

11. Credit Briefing – Potential Future Exposure: Base Case & Current Case

- **Two cases are represented –**

Base Case

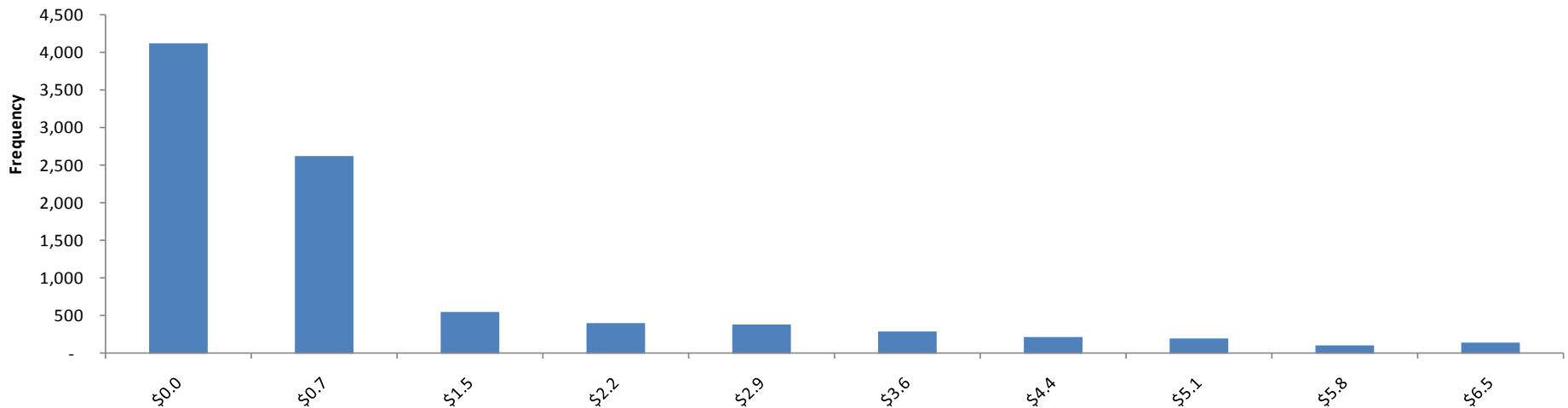
- Does not include current collateral held by ERCOT
- Fundamental assumption for this case deems collateral balances to be at least consistent with current protocols until a default occurs
- Unless otherwise indicated, this case is represented in all slides since it represents what ERCOT can enforce per existing Protocols

Current Case

- Uses current levels and forms of collateral for each QSE held by ERCOT at Time₀ at a minimum (Beginning of simulated period)
- Assumes some degree of overcollateralization will be maintained until a default occurs, i.e. the resulting loss distribution is lower

11. Credit Briefing – Potential Future Exposure: Summary of Most Common Outcomes – Base Case

Histogram of losses - Base Case showing 9,000 of 10,000 simulations

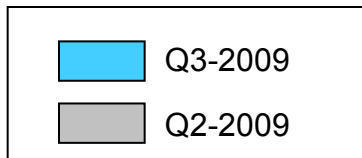
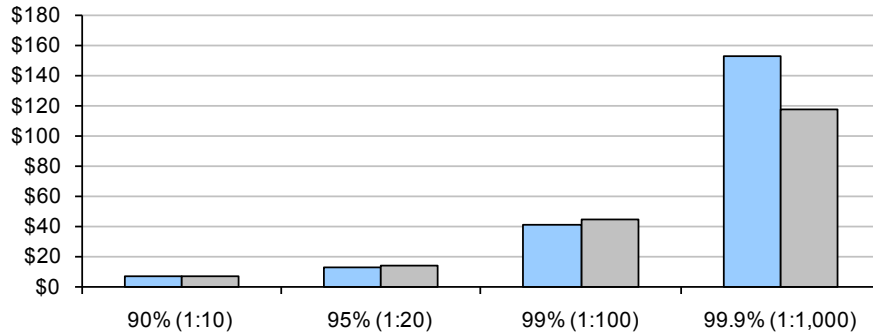


- Histogram above shows the number of simulations with credit losses less than or equal to **\$6.5** million dollars
- Losses of **\$0** are the most common results
 - Over 41% (4,124) of simulations had no losses, either from no defaults or defaults with adequate collateral
 - Over 72% of simulations resulted in losses of less than or equal to approximately **\$1.5** million
 - Results assume that market conditions and QSE credit ratings in place at the time of the simulation continue to be relatively unchanged over the next twelve months
- The Expected Loss across all simulations is approximately **\$2.8** million (down from \$3.1 million for Q2-2009)
 - The Expected Loss does not represent “the most common outcome”, but the long-run average across all outcomes
- Typical characteristic of this simulation - **heavily skewed to the right, showing extreme losses to be very rare**
- Recent results are slightly improved as compared to Q2-2009 results

11. Credit Briefing – Potential Future Exposure: Comparisons – Base Case

Simulations using Q3-2009 and Q2-2009 Financials

Potential Credit Loss - Base Case (\$Millions)



Horizon (in days)
Simulations

Total defaults
Simulations with defaults
Simulations without defaults
Default simulations with zero loss
Total simulations with zero loss

(\$Millions)

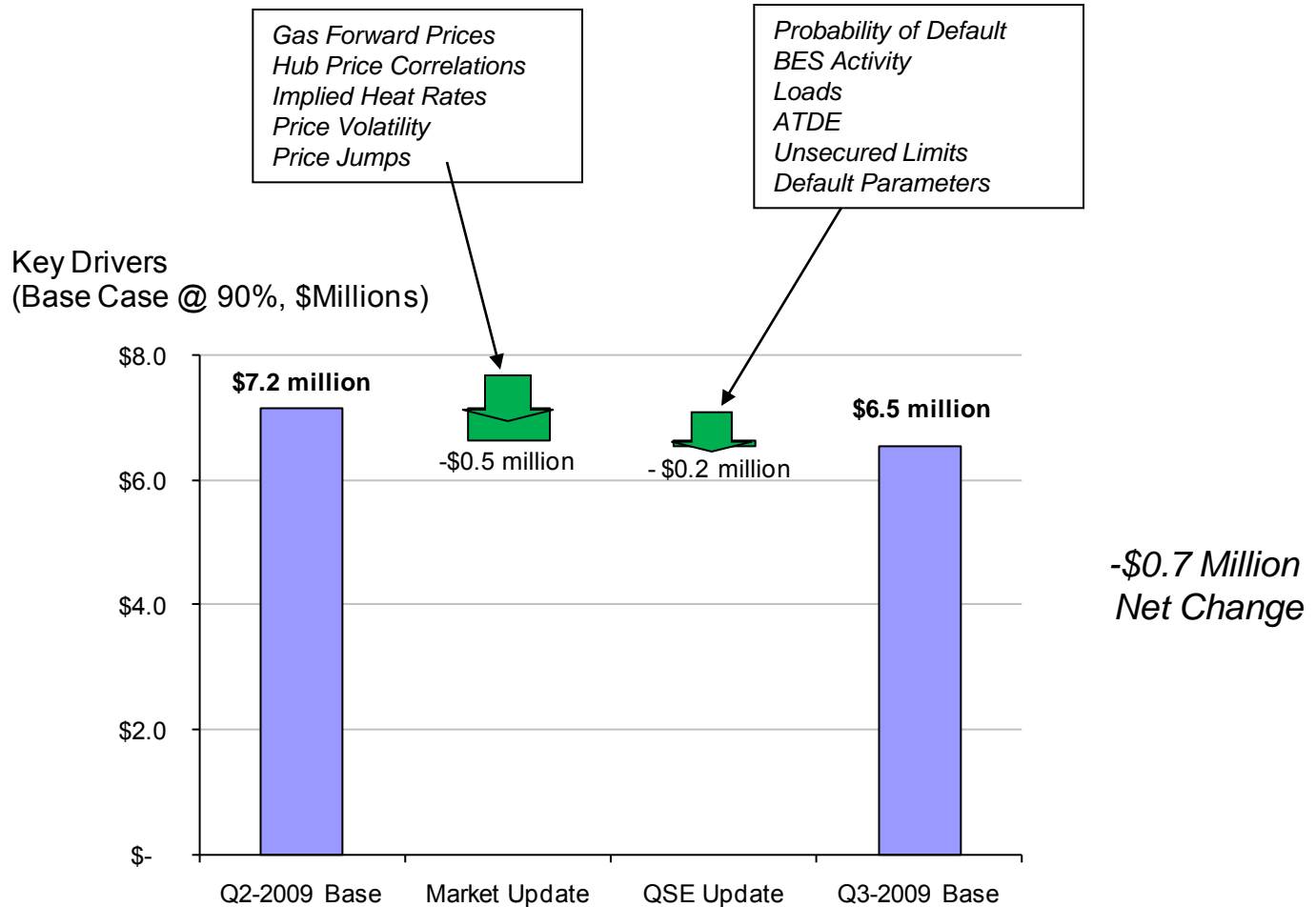
Expected Loss
Median (1:2)

90% (1:10)
95% (1:20)
99% (1:100)
99.9% (1:1,000)
Max (1:10,000)

	Q3-2009	Q2-2009
Base Case	365	365
Simulations	10,000	10,000
Total defaults	44,782	41,485
Simulations with defaults	9,546	9,487
Simulations without defaults	454	513
Default simulations with zero loss	3,670	3,382
Total simulations with zero loss	4,124	3,895
Expected Loss	\$2.8	\$3.1
Median (1:2)	\$0.0	\$0.2
90% (1:10)	\$6.5	\$7.2
95% (1:20)	\$12.9	\$14.1
99% (1:100)	\$40.8	\$44.9
99.9% (1:1,000)	\$152.8	\$118.0
Max (1:10,000)	\$304.0	\$308.9

11. Credit Briefing – Potential Future Exposure: What Has Changed – Q3 2009

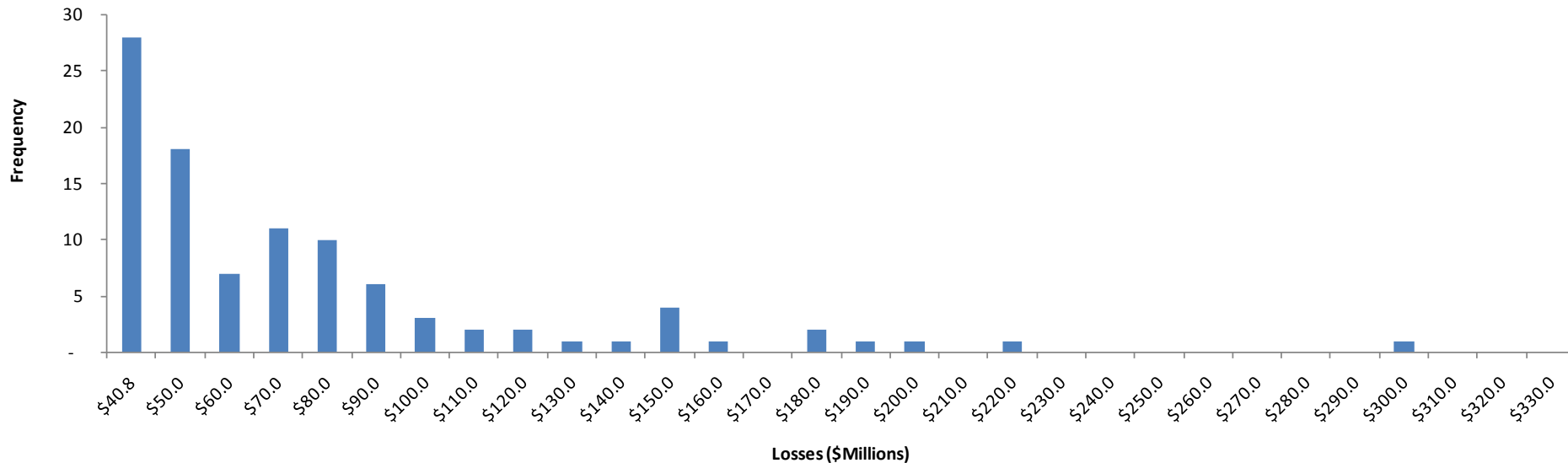
(US\$ Millions, 90% confidence)



11. Credit Briefing – Potential Future Exposure: Extreme Events – Base Case

Base Case – Highest Loss Simulations

Highest Loss Simulations (Tail)



- Histogram above shows the largest 100 loss simulations.
- This graph represents Tail Risk, a.k.a. “Extreme Events”.
- These 100 simulations resulted in losses equal to or in excess of \$40.8 million.

- At 99% confidence, losses are **\$40.8 million**; lower than Q2-2009 results of **\$44.9 million**.
- At 99.9% confidence, losses are **\$152.8 million**; higher than Q2-2009 results of **\$118.0 million**.

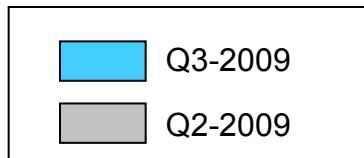
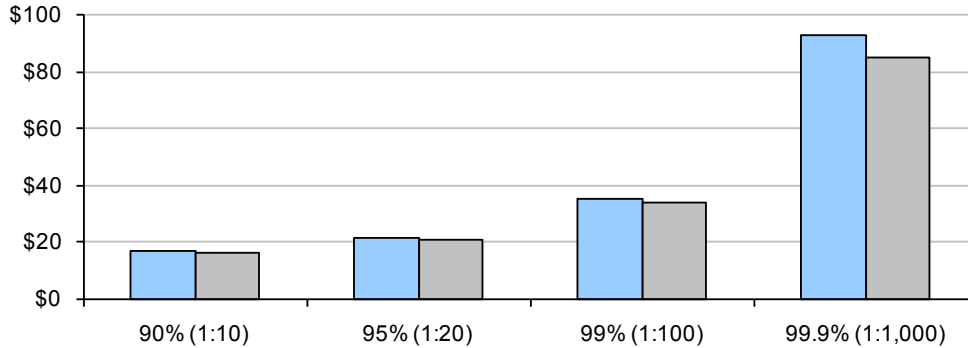
11. Credit Briefing – Potential Future Exposure: Current Case Simulations

- **Uses current levels and forms of collateral by QSE, at a minimum, held by ERCOT at Time₀**
- **ERCOT uses Group Logic to determine QSE Probability of Default (“PD”)**
 - This approach applies a combination of the QSE’s PD and the Parent’s PD, resulting in a PD between the QSE’s and Parent’s PD based on the strength of the relationship between the QSE and the Parent
 - Implies some level of support from a parent regardless of whether a guarantee is in place or not
 - This approach assumes that a QSE default occurs separately from a parent default, and that a guarantee has value as collateral
- **Credit Working Group (CWG) requested to see a different approach applied to the Current Case (Guarantor PD approach)**
 - Recognize the acceptance of a guarantee as granting unsecured credit rather than as collateral
 - Set QSE’s PD equal to the Parent’s PD when a parent guarantee is in place for a strategic subsidiary (and use Group Logic when no guarantee is in place or when guarantee is for a nonstrategic subsidiary)
 - This approach assumes that a QSE will only default when the guarantor defaults

11. Credit Briefing – Potential Future Exposure: Current Case Simulations - Comparison

Simulations using Q3-2009 and Q2-2009 Financials

Potential Credit Loss - Current Case
(\$Millions)



Horizon (in days)
Simulations

Total defaults
Simulations with defaults
Simulations without defaults
Default simulations with zero loss
Total simulations with zero loss

(\$Millions)
Expected Loss
Median (1:2)

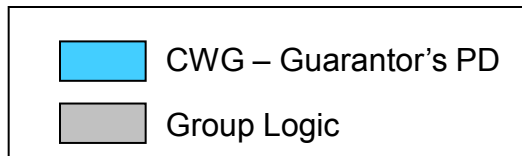
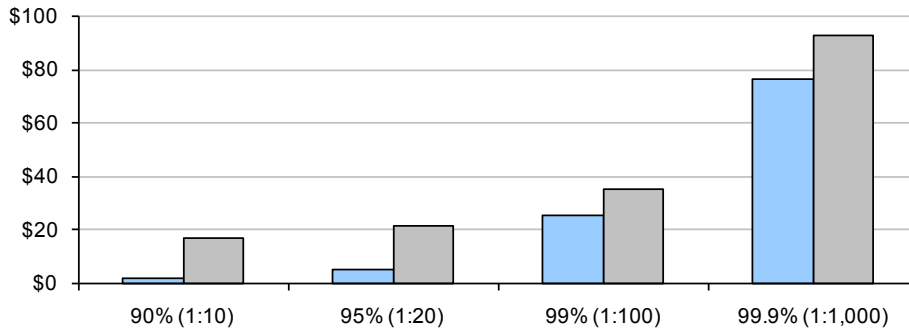
90% (1:10)
95% (1:20)
99% (1:100)
99.9% (1:1,000)
Max (1:10,000)

	Q3-2009	Q2-2009
Current Case	365	365
Simulations	10,000	10,000
Total defaults	44,014	42,055
Simulations with defaults	9,539	9,456
Simulations without defaults	461	544
Default simulations with zero loss	3,195	3,208
Total simulations with zero loss	3,656	3,752
Expected Loss	\$5.1	\$4.9
Median (1:2)	\$0.2	\$0.3
90% (1:10)	\$17.3	\$16.7
95% (1:20)	\$21.3	\$20.8
99% (1:100)	\$35.6	\$34.1
99.9% (1:1,000)	\$92.6	\$85.1
Max (1:10,000)	\$204.4	\$148.4

11. Credit Briefing – Potential Future Exposure: Current Case Simulations – Comparison to CWG

Simulations using Q3-2009 and Q2-2009 Financials

Potential Credit Loss - Current Case
(\$Millions)



Horizon (in days)
Simulations

Total defaults
Simulations with defaults
Simulations without defaults
Default simulations with zero loss
Total simulations with zero loss

(\$Millions)
Expected Loss
Median (1:2)

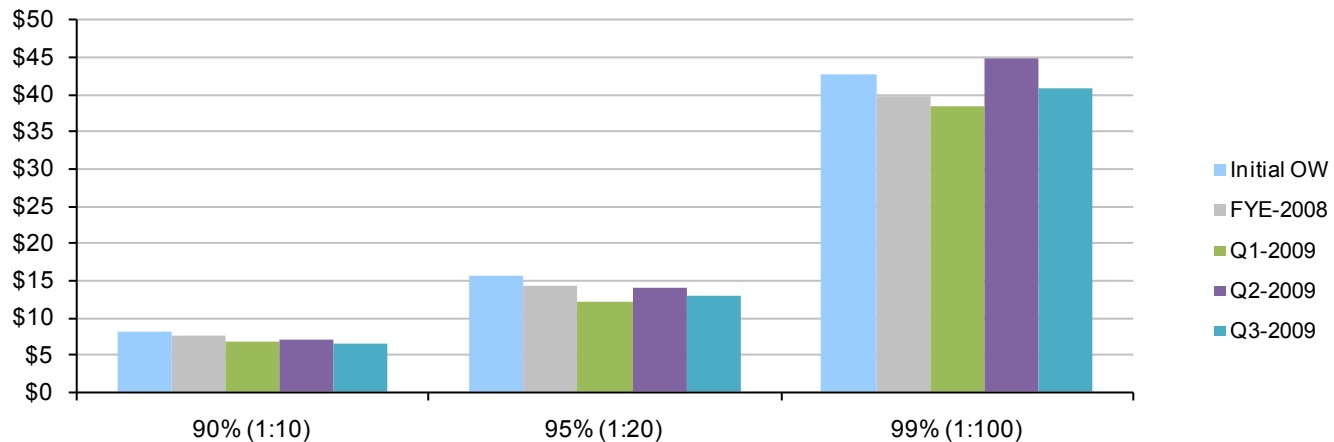
90% (1:10)
95% (1:20)
99% (1:100)
99.9% (1:1,000)
Max (1:10,000)

	Guarantor's PD	Group Logic
Current Case	365	365
Simulations	10,000	10,000
Total defaults	25,595	44,014
Simulations with defaults	8,568	9,539
Simulations without defaults	1,432	461
Default simulations with zero loss	4,373	3,195
Total simulations with zero loss	5,805	3,656
Expected Loss	\$1.1	\$5.1
Median (1:2)	\$0.0	\$0.2
90% (1:10)	\$1.9	\$17.3
95% (1:20)	\$5.1	\$21.3
99% (1:100)	\$25.3	\$35.6
99.9% (1:1,000)	\$76.4	\$92.6
Max (1:10,000)	\$189.8	\$204.4

11. Credit Briefing – Potential Future Exposure: Comparison of Results Over Multiple Periods

- **The Potential Credit Risk Model demonstrates consistent levels of risk over multiple periods**
- **Results impacted by offsetting influences**
 - For example, between the initial OW results and the FYE-2008 results, market prices decreased while market participant risk increased

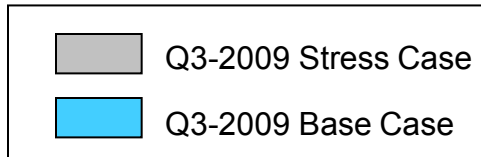
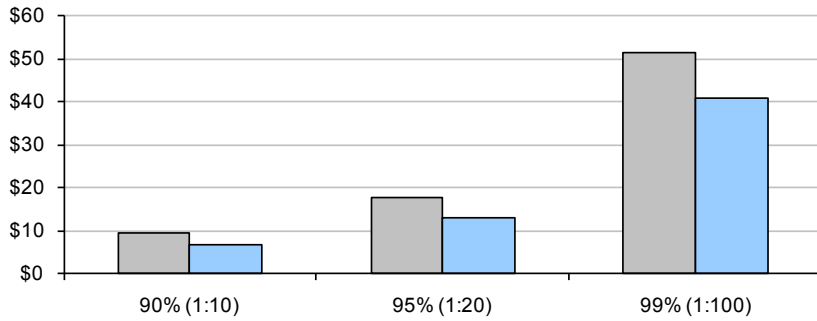
Potential Credit Loss - Base Case
(\$Millions)



11. Credit Briefing – Potential Future Exposure: Stress Case – 50% Escalation in Natural Gas Prices

Simulations using Q3-2009 and Q2-2009 Financials

Potential Credit Loss - Base Case
(\$Millions)



	Q3-2009 Stress Case	Q3-2009 Base Case
Horizon (in days)	365	365
Simulations	10,000	10,000
Total defaults	44,307	44,782
Simulations with defaults	9,529	9,546
Simulations without defaults	471	454
Default simulations with zero loss	3,754	3,670
Total simulations with zero loss	4,225	4,124

(\$Millions)

Expected Loss	\$3.7	\$2.8
Median (1:2)	\$11.4	\$0.0
90% (1:10)	\$9.3	\$6.5
95% (1:20)	\$17.7	\$12.9
99% (1:100)	\$51.3	\$40.8

11. Credit Briefing – Potential Future Exposure: Plan for 2010

Randy Baker

- **2010 Runs of PFE Model –**
 - Less than one-year time horizon due to Nodal Market
 - FYE-2009 - June 2010
 - Q1-2010 - July 2010
- **Issues to be addressed**
 - Model enhancements for Nodal Market
 - Q2-2010 & Q3-2010 Model Runs

Questions

Q&A only

ERCOT Market Credit Stats

as of 11/30/2009					as of 12/31/2009					
	# of QSEs*	Estimated Aggregate Liability (\$)	% of EAL	Total Unsec Credit Limit / Security Posted		# of QSEs*	Estimated Aggregate Liability (\$)	% of EAL	Total Unsec Credit Limit / Security Posted	
Exposure in the ERCOT Market (owed to ERCOT)										
<u><i>QSEs that meet ERCOT Creditworthiness Standards</i></u>										
Ratings over BBB-	9	21,003,765	8%	138,161,174	U	10	23,383,899	8%	171,336,431	U
<u><i>QSEs that do not meet ERCOT Creditworthiness Standards</i></u>										
Ratings below BBB- or not rated										
Cash & Letters of Credit	50	139,316,445	53%	288,959,130	S	55	183,257,798	59%	266,546,619	S
Guarantee Agreements	16	100,777,434	39%	370,412,171	S	17	102,726,268	33%	380,549,571	S
Total Exposure	75	261,097,644	100%			82	309,367,965	100%		
Other QSEs in the ERCOT Market (ERCOT owes)										
<u><i>QSEs that meet ERCOT Creditworthiness Standards</i></u>										
Ratings over BBB-	7	(2,956,555)	-8%	76,347,047	U	6	(1,191,380)	-2%	43,171,790	U
<u><i>QSEs that do not meet ERCOT Creditworthiness Standards</i></u>										
Ratings below BBB- or not rated										
Cash & Letters of Credit	67	(23,993,325)	-60%	81,273,580	S	64	(53,164,644)	-70%	70,507,307	S
Guarantee Agreements	11	(13,017,368)	-33%	149,511,700	S	12	(21,044,403)	-28%	162,411,700	S
Total	85	(39,967,248)	-100%			82	(75,400,427)	-100%		
Total	160					164				

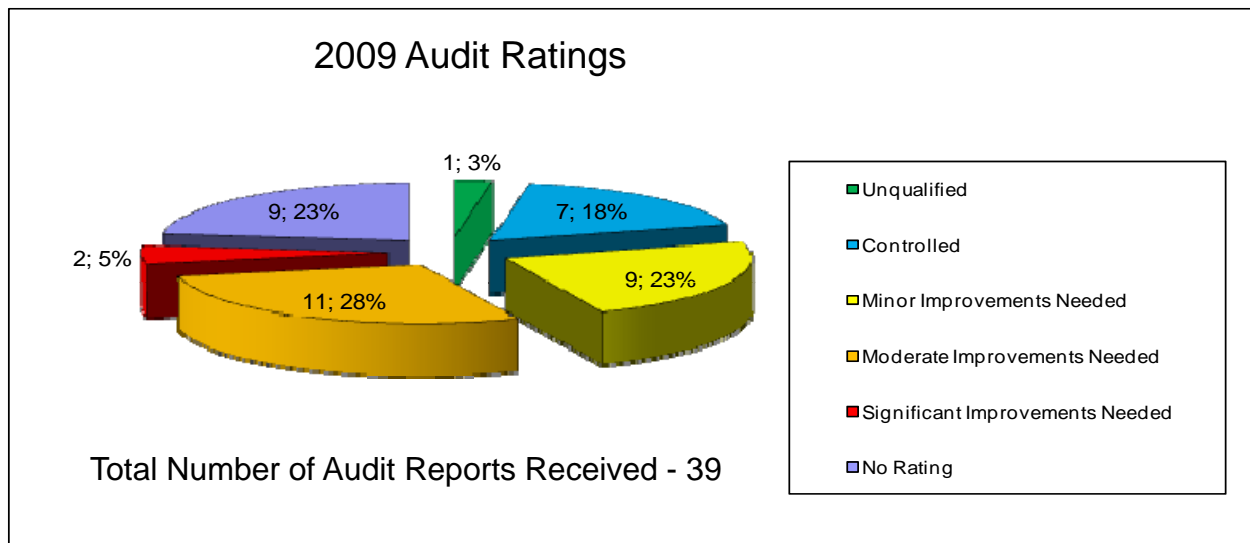
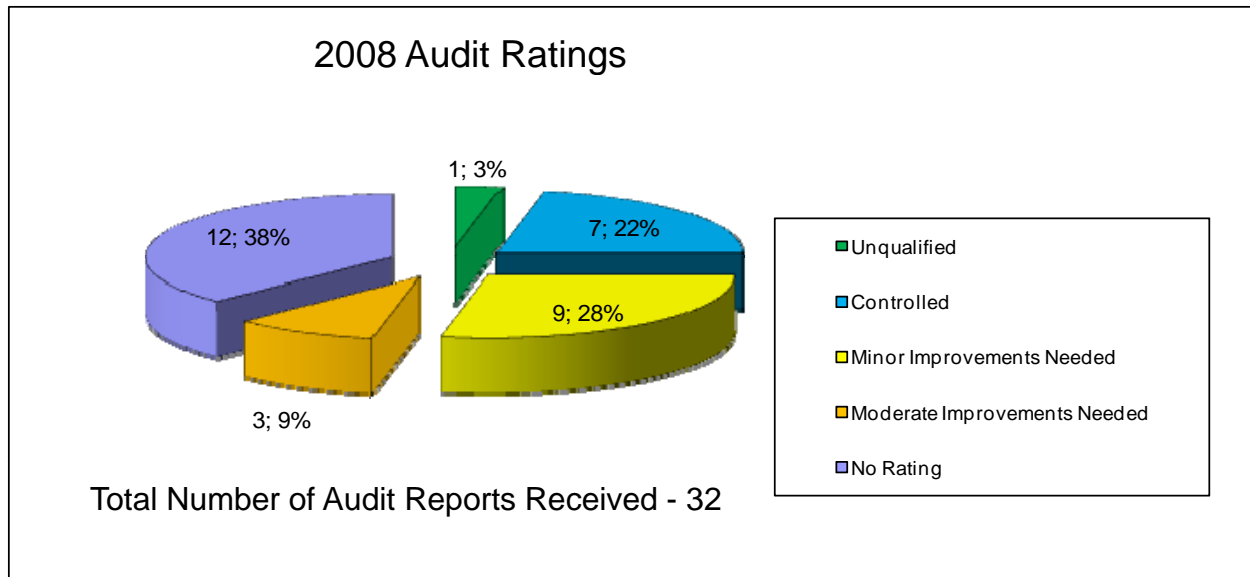
U: For QSEs that meet ERCOT's Creditworthiness Standards, amount of unsecured credit granted.

S: For QSEs that do not meet ERCOT's Creditworthiness Standards, amount of Security posted.

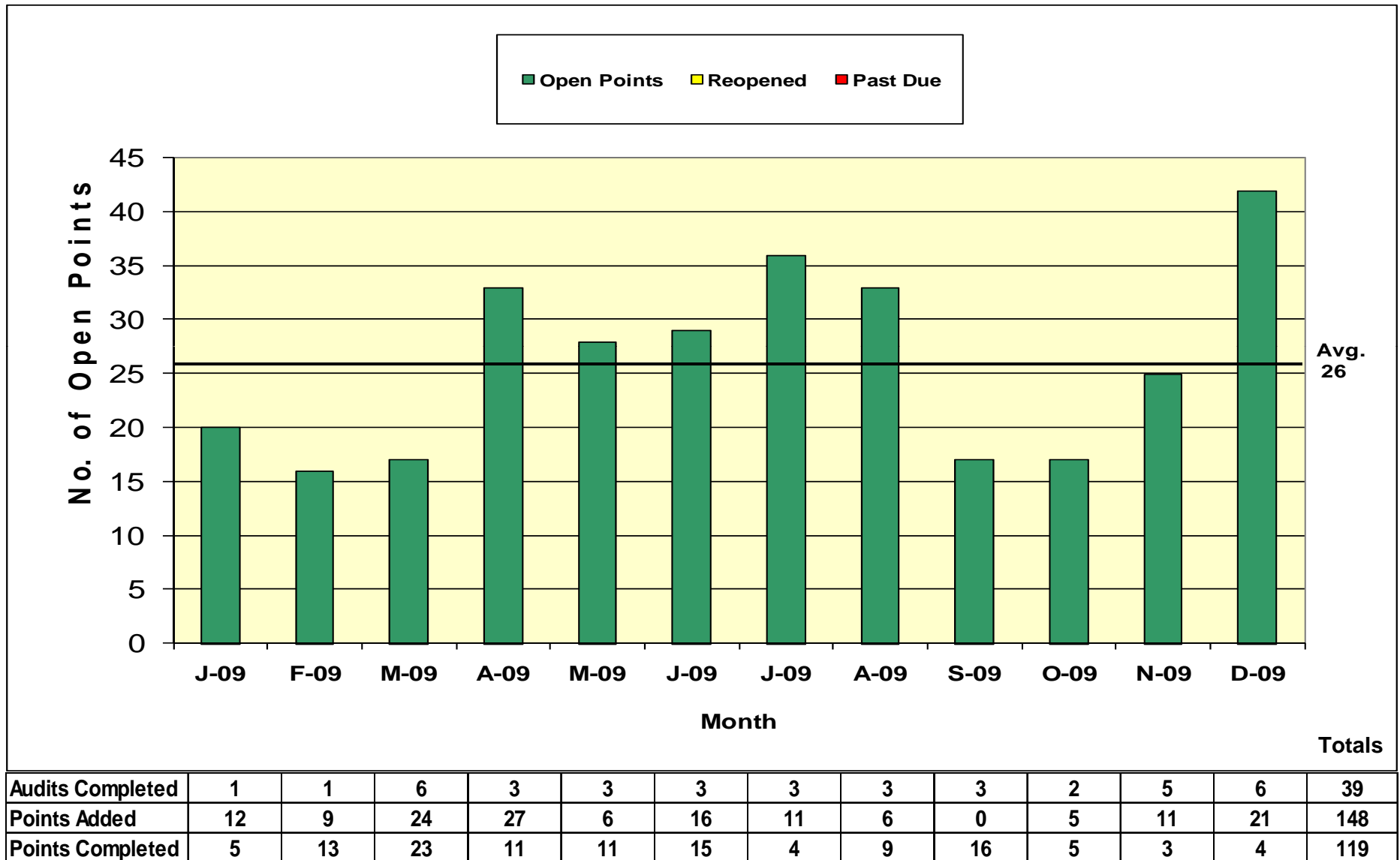
Note 1: Guarantee Agreements provided to meet a QSE's collateral requirements by entities that meet ERCOT's Creditworthiness Standards.

Guarantee Agreements provided to meet financial statement requirements by entities that do not meet ERCOT's Creditworthiness Standards are not included on this schedule.

12. Committee Brief: ICMP - Summary of Audit Ratings Cheryl Moseley



12. Committee Brief: ICMP – Status of Open Audit Points Cheryl Moseley



12. Committee Brief: ICMP - Audits Cheryl Moseley

Audits Completed

(last 3 months)

Internal Audits

- PDA & Cell Phone Reimb. (Special Request)
- Human Resource Metrics
- Internal Control Testing
- Q3 2009 Fraud Auditing
- Protocol 1.4 Required Audit – Ethics Compliance
- Employee Ethics Compliance
- IT Disaster Recovery (Special Request)
- Nodal Contract Management (Special Request)
- Incident/Problem Management REMEDY System
- Nodal Budget-to-Actual Mgmt. (Special Request – Follow-up)

External Audits

- 2009 SAS70 Audit (Pricewaterhouse Coopers)
- Nodal Program Billings – ABB (Opportune LLP; Targeted Review)

Open Audits

Internal Audits

- Taylor Data Center Expansion (Special Request)
- New Data Center & Control Center (Special Request)
- Pre-Assessment Review of 28 NERC CIP Requirements (Special Request)
- FY2009 Fraud Auditing Program

External Audits

- 2009 Financial Audit (Ernst & Young, LLP)

Planned Audits

(next 3 months)

Internal Audits

- Nodal Program Spending
- System Operators' Compliance with Operating Procedures (Limited Scope)
- Analysis of Nodal Program Reporting
- Oracle Software License Compliance (Special Request)

External Audits

- 2010 SAS70 Audit (SAS70 Solutions, Inc.)



12. Committee Brief: ICMP - Security Assessments Cheryl Moseley

Consultation/Analysis Reports Completed

(last 3 months)

External Assessments

- Assessment of Nodal NMMS

Open Consultation/ Analysis Reviews

External Assessments

- Assessment of Nodal Systems

Planned Consultation/ Analysis Reviews

(next 3 months)

External Assessments

- 1 Security Assessment planned

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
RISK MANAGEMENT EVENT PROFILE MATRIX (as of January 1, 2010)**

Strategic	Operational Excellence	Market Facilitation	Grid Reliability	Reporting	Legal and Regulatory Compliance
Strategy Development <i>Corporate objective setting adequately incorporates informed stakeholder input, market realities and management expertise.</i>	Performance Monitoring <i>Clearly defined and actively monitored performance metrics linked to mission and goals- Performance status communicated and corrective action taken.</i>	Customer Choice <i>Market design promotes efficient choice by customers of energy providers with effective mechanisms to change incumbent market participants as desired.</i>	Grid Operations <i>Information required to operate the grid is efficiently gathered. Appropriate tools are prudently configured to efficiently operate the system.</i>	Review Practices <i>Prudent measures are taken to insure that company disclosures are properly vetted and not misleading.</i>	Legal & Legislative <i>Operations are conducted in compliance with all laws and regulations. Impacts of current and proposed legislation are understood and communicated.</i>
Mission and Goals <i>Corporate objectives and performance standards are understood and followed.</i>	Business Practices <i>Business planning, processes and management standards are effective and efficient.</i>	Nodal Implementation Project <i>Nodal Implementation on budget on schedule, and within defined scope.</i>	Planning <i>Long-range planning methods enable efficient responses to system changes that are necessary to maintain reliability standards.</i>	Disclosure <i>Reporting and other disclosures to intended parties is timely, accurate and effective.</i>	Internal Control Compliance <i>Internal Control Compliance, processes and management standards are effective and efficient.</i>
<p>To help ERCOT evaluate its needs post-Nodal go-live, an RFP to perform an organizational assessment was released in late November. ERCOT is currently reviewing responses and expects to select a vendor by mid-January, with the work on the study to begin by February 1.</p>		<p>The two week slippage of the integration testing schedule for Phase 4 has been mitigated. We continue to leverage overtime, prioritize testing and perform issue analysis testing in a parallel environment to reverse the 2 week slippage to the Phase 5 testing schedule.</p>	<p>Demand for planning studies exceeds ERCOT's ability to perform them. A list of studies desired by ERCOT and Stakeholders has been prepared and reviewed and a plan is in place to conduct these studies. ERCOT has received two awards totaling \$3.5 million to produce long term resource and transmission planning studies in 2011, with updated documents in 2013.</p>		<p>ERCOT is developing processes to institutionalize the ongoing training on current policies and procedures for all ERCOT staff and contract workers.</p>
Reputation <i>Positive perceptions by stakeholders lead to less cost and greater flexibility resulting in enhanced enterprise value.</i>	Workforce <i>Organization design, managerial and technical skills, bench strength and reward systems aligned with corporate goals.</i>	Counterparty Credit <i>Maintain credit risk exposure for overall market within acceptable limits.</i>	Bulk System Resources <i>Market Participants construct and make available adequate bulk electric grid resources.</i>	Communication <i>Internal & external communications are timely and effective.</i>	Industry Standards <i>Business practices provide stakeholders with required assurances of quality.</i>
<p>ERCOT is addressing reputation issues by 1) refocusing communication efforts (e.g. expanding the CEO Report to the BOD to include more details on ERCOT successes and disappointments), 2) continuing to complete Nodal on time and on budget, 3) preparing a well thought out budget for 2011, and 4) increasing accountability.</p>	<p>The rolling 12-month voluntary turnover was essentially unchanged from last month at 3% through end of December. ERCOT readiness continues to make progress on the skills and training required for Nodal success. Strong demand for subject matter experts and technical positions continues. As of the end of December ERCOT was seeking to fill 14 positions, down from 21 in November.</p>	<p>Results of the potential credit exposure model for YE 2008 and 1st and 2nd quarters 2009 have been reported to the F&A committee. Updates for the 3rd quarter will be reported in January 2010. The model will need to be modified to reflect the impact to credit risk from the DAM and CRRs with the move to the Nodal market.</p>	<p>December Update of the Capacity, Demand and Reserve report forecasts reserve margins in the "out years" (2014 and 2015) to fall below the 12.5% target.</p>		<p>ERCOT has received a confidential draft and returned comments on the 1st part of the 2009 NERC reliability audit. ▼ ERCOT expects to receive confidential draft results of the 2nd part of the audit in January.</p> <p>ERCOT received notice of TRE Protocol / Operating Guide audit in late December covering Jun-07 through Feb-10 time period. ▲</p>
Fiscal Management <i>ISO design requires competent, prudent and cost effective provision of services.</i>	Technology Infrastructure <i>Information systems, supporting facilities and data are effectively managed and are reliable.</i>	Administration, Settlement & Billing <i>Market rules fairly applied to all participants. Accounting is timely and accurately reflects electricity production and delivery.</i>	Operational Responsibility <i>Market participant conduct their operations in a manner which facilitates consistent grid reliability.</i>	Adequacy and Integrity <i>Robust processes exist to support management assertions embodied within financial reports.</i>	Regulatory Filings <i>Evidence, testimony and other supporting materials are compelling and successful.</i>
<p>2009 revenues will come in at or below budgeted levels. Lower costs of Zonal projects, along with cost containment measures have offset revenue shortfall.</p>	<p>Systems remain stable in all areas. Sufficient computer room capacity for Nodal go-live and for the start of advanced metering are available with the completion of the TCC1 expansion. Austin data center capacity near maximum and may not be able to accommodate additional unforeseen expansion prior to switchover to Bastrop. Capacity requirements are being closely monitored. Bastrop and TCC 3 data centers are under construction with expected building availability by end of 3rd quarter 2010, and occupancy and equipment relocations in mid 2011.</p>		<p>There is still a lack of consensus over application of low voltage ride-through, reactive power and frequency response requirements to existing wind generation resources.</p>		

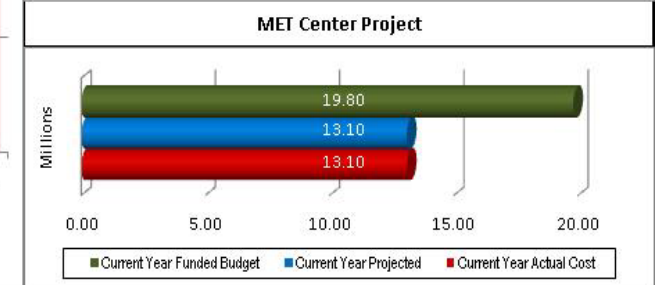
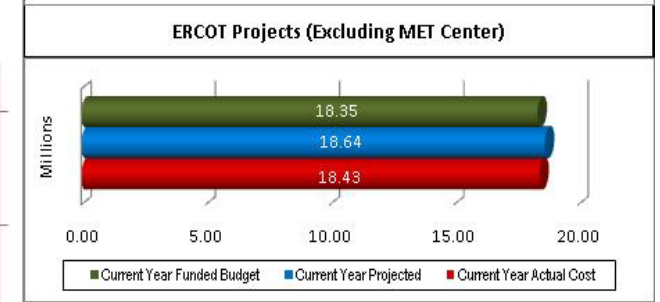
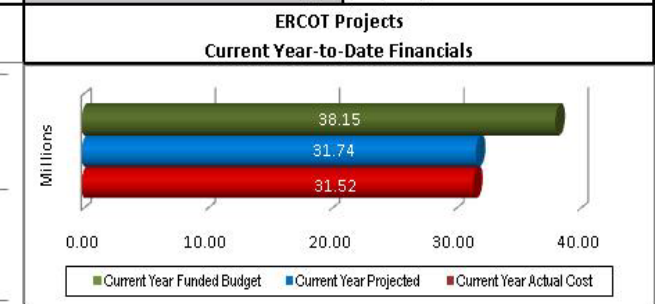
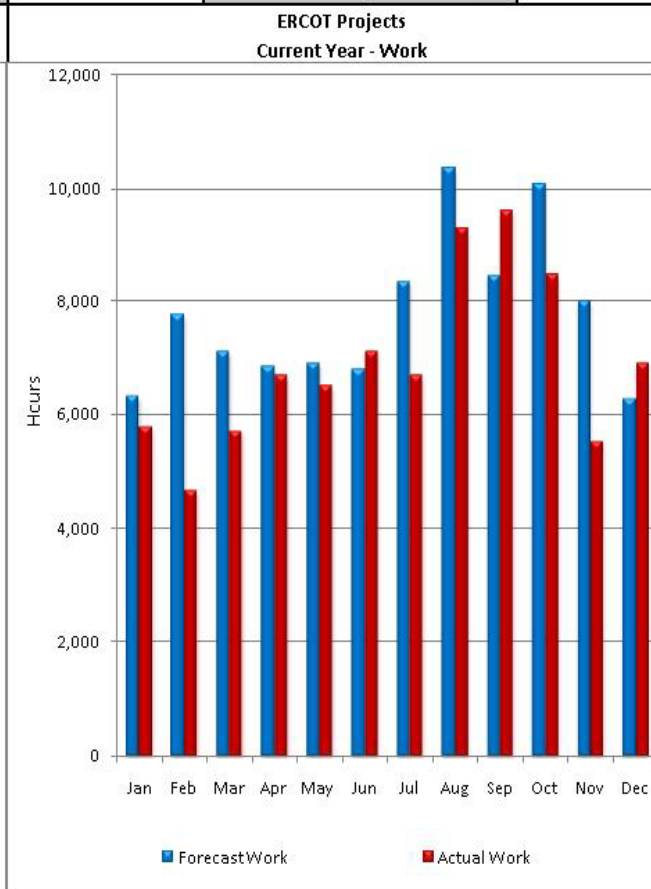
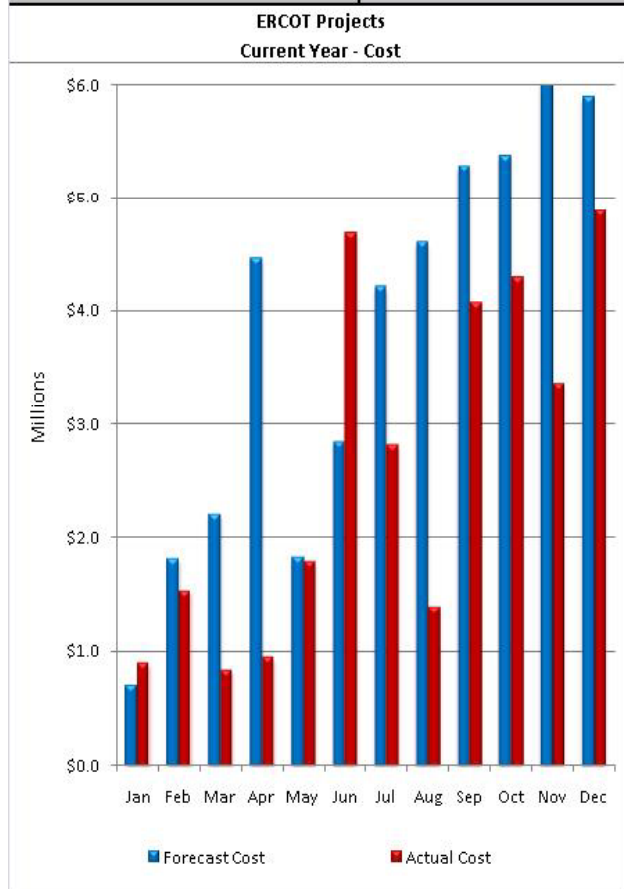
Legend: Elevated Risk Level Reduced Risk Level

(New Risk Categories / Descriptions Indicated in Green)

12. Committee Brief: PMO David Troxtell

ERCOT Enterprise Projects Summary Report

ERCOT		Overall Projects Report					Reporting Period: 12/31/2009	
Projects in Ercot's Portfolio							Portfolio Performance	
Deferred	Concept	On Hold	Initiation	Planning	Execution	Closing	Schedule	Budget
3	0	2	5	3	16	0	Green	Green
Closed			29	Total Active		24		
Cancelled			4	Projects Not Started		1		
							**Current Year Funded Budget: \$38,150,000	



January 19, 2010

Finance & Audit Committee Meeting

12. Committee Briefs: Investment Balances: December 31, 2009

Cheryl Yager

ERCOT
Summary of Investments
12/31/2009

<u>Investment Account:</u>	<u>Chase</u>	<u>Federated 068*</u>	<u>Federated 0125</u>	<u>Evergreen 497*</u>	<u>Invesco*</u>	<u>BlackRock*</u>	<u>Subtotal</u>
<i>(Data in thousands)</i>	<i>Treasury and Repo</i>	<i>Treasury and Repo</i>	<i>Treasury only</i>	<i>Treasury and Repo</i>	<i>Treasury and Repo</i>	<i>Treasury and Repo</i>	
Operating	\$ 5,060	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ 5,065
TRE	1,263	1,267	-	-	-	-	\$ 2,530
Market	15,829	23,215	15	37,015	15	5	\$ 76,095
Deposit/Restricted	4,611	16,001	12,000	6,001	47,005	47,006	\$ 132,624
Total	<u>\$ 26,763</u>	<u>\$ 40,488</u>	<u>\$ 12,015</u>	<u>\$ 43,016</u>	<u>\$ 47,020</u>	<u>\$ 47,011</u>	<u>\$ 216,314</u>
% Investments:	12%	19%	6%	20%	22%	22%	100%

Future Agenda Items – February 2010

- **Standing Internal Audit agenda items**
- **Review ERM standard**
- **Vote on CWG Chair/Vice Chair**
- **Committee briefs**
- **Future agenda items**

13. Future Agenda Items: F&A 2010 Yearly Schedule

Roy Bowman

Quarter 1

- Elect officers and confirm financial qualifications
- Vote on CWG Chair/Vice Chair

Quarter 2

- Report results of annual independent audit to the Board
- Review the procedures for handling Reporting violations
- Review results of annual audit, together with significant accounting policies (including required communications)
- Review ERCOT Annual Report
- Review operating plan and budget assumptions
- Review and approve Internal Audit Department Charter
- Conduct annual review of insurance coverage(s)
- Review the Company's dealings with any financial institutions that are also market participants

Quarter 3

- Appoint the independent auditors for upcoming year
- Approval of independent auditor fees for upcoming year
- Review of committee charter
- Approve the Guidelines for Engagements of External auditors for Other Services (pre-approval policy)
- Assessment of compliance, the internal control environment and systems of internal controls
- Review and approval of annual operating budget
- Report by CWG Chair on ERCOT credit policy
- Review updated year-end forecast

Quarter 4

- Approve audit committee meeting planner for the upcoming year, confirm mutual expectations with management and the auditors
- Review and approval of Financial & Investment policies
- Approve scope of internal auditing plan for upcoming year
- Assessment of the adequacy and effectiveness of the Internal Audit staff
- Perform Finance & Audit committee Self Assessment
- Review requirements for membership in CWG
- Review and approve CWG charter
- Review updated year-end forecast
- Review the Company's dealings with any financial institutions that are also market participants
- Review scope of annual financial audit
- Review of external auditor quality control procedures and independence

Recurring Items

- Review minutes of previous meeting
- Report monthly matters to the Board (chair)
- Review EthicsPoint activity
- Review significant audit findings and status relative to annual audit plan
- Review investment results quarterly