



ERCOT Finance & Audit Committee Meeting
7620 Metro Center Drive, Austin, Texas
Met Center, Conference Room 206
February 14, 2011; 3:15pm – 4:15pm*

Item #	Agenda Item Type	Description/Purpose/Action Required	Presenter	Time
1.		1a. Call to order Executive Session	C. Karnei	3:15pm
		1b. Announce proxies	C. Karnei	
	Vote	1c. Approve executive session minutes (1/17/11)	C. Karnei	
2.	Discussion	2a. Internal Audit status report	B. Wullenjohn	
	Discussion	2b. Update on Internal Audit goals for 2010	B. Wullenjohn	
	Discussion	2c. Discussion of Internal Audit goals for 2011	B. Wullenjohn	
	Discussion	2d. Quality assessment of the Internal Audit Department	B. Wullenjohn	
	Discussion	2e. EthicsPoint update	B. Wullenjohn	
3.	Discussion	Security, Compliance and Risk Management Matters	C. Karnei	
		Recess Executive Session		
		Convene General Session		
4.	Vote	Approve general session minutes (1/17/11)	C. Karnei	
5.	Vote	Review and recommend Board approval of the Finance and Audit Committee Charter	C. Karnei	
6.	Vote	Confirm Credit Work Group Chair and Vice-Chair	T. Nikazm	
7.	Vote	Review and recommend Board approval of (a) Investment Corporate Standard (b) Financial Corporate Standard	C. Yager	
8.	Discussion	Review quarterly investment report	L. Swanson	
9.	Discussion	Review Committee briefs	M. Petterson	
10.	Discussion	Future agenda items	M. Petterson	
11.		Other business	M. Petterson	
		Adjourn meeting	C. Karnei	4:15pm

** 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 Monday, March 21, 2011, at ERCOT, 7620 Metro Center Drive, Austin, Texas 78744, in Room 206.*

4. Approval of General Session Minutes Clifton Karnei

Approval of General Session Minutes

- Vote 1/17/11



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

7620 Metro Center Drive (Room 206) – Austin, Texas 78744
January 17, 2011

Pursuant to notice duly given and after determination by the Committee Chairman that a quorum was present, the meeting of the Finance and Audit Committee (Committee) of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

General Session Attendance

Committee Members:

Bermudez, Jorge	Unaffiliated Board Member	Unaffiliated Board Member
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel (Vice Chair)	Unaffiliated Board Member	Unaffiliated Board Member
Fehrenbach, Nick	City of Dallas	Commercial Consumers
Karnei, Clifton (Chair)	Brazos Electric Power Cooperative	Cooperative
Zlotnik, Marcie	StarTex Power	Independent REP

Other Board Members and Segment Alternates:

Doggett, Trip	ERCOT	Chief Executive Officer
Doll, Laura	Unaffiliated Board Member	Unaffiliated Board Member (beginning with Agenda Item 7)
Gent, Michehl	Unaffiliated Board Member	Unaffiliated Board Member, Acting Board Chairman
Givens, Sheri	Office of Public Utility Counsel	Consumer/Residential
Helton, Bob	International Power America Services	Independent Generator

ERCOT Staff and Guests:

Cobos, Lori	ERCOT Associate Corporate Counsel
Cleary, Mike	ERCOT Vice President and Chief Operations Officer



Greshem, Kevin	E.ON Climate and Renewables NA (Segment Alternate for Bob Helton, Independent Generator Segment)
Hendrick, Eric	Stream Energy (Segment Alternate for Marcie Zlotnick, Independent Retail Electric Provider)
Leady, Vickie	ERCOT Senior Corporate Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President and Chief Compliance Officer
Morgan, Richard	ERCOT Vice President and Chief Information Officer
Nikazm, Tamila	Austin Energy – Credit Work Group
Ogelman, Kenan	CPS Energy (Technical Advisory Committee (TAC) Vice Chair)
Petterson, Mike	ERCOT Controller
Prochazka, Scott	CenterPoint Houston Electric (Segment Alternate for Calvin Crowder, Investor Owned Utility)
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Wullenjohn, Bill	ERCOT Director of Internal Audit
Yager, Cheryl	ERCOT Treasurer

Call to Order General Session (1a)

Chairman Karnei convened the General Session of the F&A Committee meeting at approximately 2:06 p.m. and addressed the following Agenda Items in the order below.

Elect Chairman and Vice Chairman (Agenda Item 1b)

Calvin Crowder made a motion to re-elect Clifton Karnei as the Committee Chair for 2011 and elect Jorge Bermudez as the Committee Vice Chair for 2011. Marcie Zlotnik seconded the motion. The motion passed by unanimous voice vote.

Laura Doll and Mr. Crowder commended Mr. Karnei and Mr. Espinosa for their diligent work as Committee Chair and Vice Chair in 2010 and thanked Mr. Karnei for his willingness to serve as the Committee Chair for another year.

Confirm Financial Qualifications and Committee Membership (Agenda Item 2)

Chairman Karnei noted that he met the financial qualifications in prior years to serve as the Committee's financial expert and the Committee met the membership requirement of having at least five Board members, three Market Segment representatives, and two Unaffiliated Directors on the Committee. Mike Petterson confirmed that Mr. Karnei met the financial qualification requirements to serve as the Committee's financial expert and the Committee met the membership requirements in the Committee Charter.

Approval of General Session Minutes – December 13, 2010 (Agenda Item 6)



Mr. Karnei entertained a motion to approve the December 13, 2010 General Session F&A Committee meeting minutes (Minutes).

Calvin Crowder made a motion to approve the Minutes. Jorge Bermudez seconded the motion. The motion passed unanimously by voice vote.

Review and Assess Adequacy of Committee Charter (Agenda Item 7)

Mr. Petterson informed the Committee that the Review and Assessment of the Adequacy of the Committee Charter (Charter) was an annual requirement. Mr. Petterson noted that the suggested changes to the Charter were comprised of edits and reorganization to improve the clarity of the Charter and make the Charter more consistent with the Human Resources and Governance (HR&G) Committee Charter and other ERCOT governance documents. Mr. Petterson noted that some proposed revisions related to the Committee's authority to make decisions at the Committee level versus making recommendations to the ERCOT Board for approval. Mr. Petterson further noted that other proposed revisions discretely identified the Committee's audit responsibilities, particularly relating to ERCOT's Financial Statements Audit, SAS70 Audit (which will be called the SSAE16 Audit going forward), and 401(k) Plan Audit. Mr. Petterson received feedback from the Committee members on the proposed revisions to the Charter and committed to bring back a redlined Charter, including the Committee members' suggested changes, to the February Committee Meeting for approval.

Bill Magness noted that a proposed revision was made to the quorum requirement in both the F&A Committee and HR&G Committee Charters to make both Charters consistent and clarify that a quorum will exist when a majority of a Committee is duly constituted to conduct business.

Review F&A 2011 Yearly Schedule (Agenda Item 8)

Mr. Petterson provided a proposed 2011 Yearly Schedule for informal approval by the Committee. After Committee member discussion, Chairman Karnei confirmed that Committee members preferred to continue holding twelve meetings per year, reviewing all EthicsPoint violations and reports, reviewing the 401(k) Audit, and meeting with the 401(k) auditor.

Miguel Espinosa made a motion to approve the 2011 Yearly Schedule without the proposed changes. Jorge Bermudez seconded the motion. No Committee members voiced concerns.

Credit Update (Agenda Item 9)

Credit Work Group Status Update

Tamila Nikazm provided the Committee with an overview of the Credit Work Group (CWG) and Market Credit Working Group's (MCWG) proposed 2011 projects and timelines that were developed due to concerns raised at last month's Committee meeting related to Nodal credit calculations, Congestion Revenue Rights (CRR) auction credit validation, core calculations in Credit Monitoring and Management (CMM), netting neutrality of first priority interests,



unsecured credit, and review of ERCOT's investment practices. Ms. Nikazm noted that CWG and MCWG would be holding a joint meeting to develop subgroups and a plan to move forward with the proposed projects, and CWG would provide updates on the project implementation progress to the Committee throughout 2011.

ERCOT Status Update

Cheryl Yager informed the Committee members that credit exposure remained relatively flat compared to the Zonal market during the first month of the Nodal market, with credit exposure at approximately \$400 million at the end of October and \$331 million at the end of December. Ms. Yager noted that there was a slight increase in collateral from the prior month. Ms. Yager noted that she would be providing the Committee with a new standing Benchmark Report in the ERCOT Credit Update to provide context around how much potential forward risk is covered by ERCOT's collateral calculation. Ms. Yager discussed the Benchmark Report included in the Committee materials.

Results of F&A Committee Self Assessment (Agenda Item 10)

Mr. Karnei discussed the results of the Committee's self assessment, including comments made by Committee members. Mr. Gent requested a focus on increased training in 2011.

Committee Briefs (Agenda Item 11)

None.

Future Agenda Items (Agenda Item 12)

The following items were identified as Future Agenda Items:

1. Review and Assess Adequacy of Committee Charter
2. Review and Recommend Investment Standard
3. Review and Recommend Financial Standard
4. Handling Complaints Regarding Financial Matters
5. Hiring Former Employees of the Independent Auditor
6. Appointment of CWG Chair and Vice Chair
7. Periodic Meeting with Senior Management
8. Periodic Investment and Liquidity Reports
9. Periodic Potential Future Exposure Report
10. Standing Internal Audit Agenda Items
11. Standing ERCOT Credit Status Report
12. Standing CWG Status Report
13. Standing EthicsPoint update
14. Standing Contracts, Personnel, Litigation, and Security
15. Standing Committee Briefs
16. Standing Future Agenda Items



Other Business (Agenda Item 13)

None.

Adjournment

Mr. Karnei adjourned the meeting at approximately **2:59 p.m.**

Committee materials and presentations from the meeting are available on ERCOT's website at:
http://www.ercot.com/committees/board/finance_audit/

Lori Cobos
Associate Corporate Counsel

DRAFT

5. Review and Recommend Board Approval of the Finance and Audit Committee Charter – Clifton Karnei

Charter is attached as a separate document

THE ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
FINANCE & AUDIT COMMITTEE CHARTER

Purpose

The Finance and Audit Committee (the “Committee”) of the Board of Directors (“Board”) of Electric Reliability Council of Texas, Inc. (“ERCOT” or ~~the “Company”~~) shall:

1. Oversee the development of and adherence to a Company budget;
2. Provide recommendations to the Board ~~of Directors~~ for financing Company needs, including both debt and revenue financing;
3. Review and make recommendations to the Board ~~of Directors~~ regarding investment and financial guidelines for the Company;
4. Review and make recommendations to the Board ~~of Directors~~ regarding credit standards, procedures, governance, ERCOT Protocols and other market rules which impact credit risk;
5. Ensure that the Company’s financial statements are timely audited by qualified accountants who are independent;
6. Assist the Board ~~of Directors~~ in fulfilling its oversight responsibility with respect to the Company’s maintenance of an effective internal audit function;
7. Establish and maintain procedures for the receipt (including anonymous submission), retention and treatment of complaints regarding accounting, internal controls, and auditing;
8. Perform such other duties and responsibilities enumerated in and consistent with this Charter.

The Committee’s function is one of oversight, recognizing that the Company’s management is responsible for preparing the Company’s financial statements, and the independent auditor is responsible for auditing those statements. In adopting this Charter, the Board ~~of Directors~~ acknowledges that the Committee members (“Committee Members”) are not employees of the Company (with the exception of ERCOT’s Chief Executive Officer) and are not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the external auditor’s work or auditing standards. Each ~~member of the~~ Committee Member shall be entitled to rely on the integrity of staff and external auditors to provide accurate, complete financial and other information to the Committee, absent actual knowledge to the contrary, and shall also exercise their fiduciary duties as Directors, including their duties of care, loyalty, and obedience.

While the Committee has the responsibilities, duties and powers set forth in this Charter, it shall be the responsibility and duty of the Company’s management and independent auditor, and not the responsibility or duty of the Committee, to plan or conduct audits, to make any determination that the Company’s financial statements are complete, accurate and in accordance with generally accepted accounting principles, and to assure compliance with laws, regulations and the Company’s ethics policies. It is the responsibility of the Committee to conduct investigations and resolve disagreements regarding financial reporting, if any, between management and the independent auditor.

The Committee shall provide assistance to the Board in fulfilling its oversight responsibility relating to the Company’s financial statements and the financial reporting process, the systems of

internal accounting and financial controls, the annual independent audit of the Company's financial statements and the legal compliance and ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee and the Company's independent auditors, internal accounting personnel and management.

Membership and Qualifications

Committee Composition; Committee Member Qualifications; and Term

~~The Board members shall decide from among themselves who shall participate in the Committee.~~ The Committee shall be comprised of at least five Board members, at least three of which are from Market Segments and two or more of which must be Independent Unaffiliated Board members ~~of the Company~~. Each Committee Member must be able to read and understand fundamental financial statements, including the balance sheet, income statement and cash flow statement. Each Committee Member shall also meet any experience requirements as may be established from time to time by the Board. The term of the Committee and its Committee Members shall be for not more than one year.

Comment [v11]: Moved this sentence up within the section.

Comment [v12]: Moved this sentence from former "Qualifications" section.

Comment [v13]: Moved this sentence up with the section. Modified to note that neither the Committee or its members' terms should exceed one year.

Designation and Qualifications of Committee Financial Expert

At least one Committee Member shall be designated a "financial expert" as such term may be defined from time to time by the Board ~~of Directors~~ consistent with definitions generally accepted by the accounting industry or other regulatory authorities (the "Financial Expert"). At a minimum, the Financial Expert must have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which ensures the individual's financial sophistication, including a past or current position as a Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") or other senior officer with financial oversight responsibilities. The Board shall endeavor to appoint at least one Board member to the Committee as the Financial Expert.

Comment [v14]: Moved from former "Qualifications" section.

~~The Board members shall decide from among themselves who shall participate in the Committee. The term shall be for not more than one year.~~

Election of Committee Chair; and Chair Qualifications

The Chair of the Committee shall be selected through a majority vote of the Committee ~~m~~Members. The Committee Chair shall not be the CEO of the Company and shall have accounting or related financial management expertise.

~~Any member of the public may attend and participate in the open session of Committee meetings. For the executive session of Committee meetings, the Committee shall close the Committee meeting to the public to address sensitive matters such as confidential personnel information, contracts, lawsuits, competitively sensitive information, or other information related to the security of the regional electrical network. For such executive sessions of Committee meetings, the Committee may request that any officers or employees of the Company, or any other person, whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. In addition, for such executive sessions of the Committee meetings, the Committee may exclude any persons~~

~~who are not Directors, the Directors' Segment Alternates or the Directors' Designated Representatives.~~

~~Board members (other than Committee members) including Board member alternates may attend and participate in all Committee meetings but may not participate in Committee voting.~~

Comment [v15]: Moved to "Meetings" section below.

Qualifications

~~Each member of the Committee shall also meet any experience requirements as may be established from time to time by the Board of Directors. The Board of Directors shall endeavor to appoint at least one member to the Committee as the Financial Expert.~~

Comment [v16]: These sentences have been integrated into section above.

Authority

Power to Investigate

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel or other experts for this purpose. All employees are directed to cooperate as requested by the Committee or any of its Committee Members for Committee purposes. The Committee may request any officer or employee of the Company, the Company's outside counsel or the Company's independent auditor to attend a meeting of the Committee or to meet with any Committee Member or any consultants to the Committee.

~~The Committee may appoint workgroups or task forces to investigate issues defined by the Committee. Members of such workgroups or task forces need not be Directors. Such workgroups or task forces shall have no authority to bind the Committee or the Company.~~

Comment [v17]: Moved these sentences up within the section.

Reporting Relationship and Role of Company's Chief Audit Executive

The Director of Internal Audit is the Chief Audit Executive at the Company. The Company's Chief Audit Executive shall report directly to the Committee. For administrative purposes, the Chief Audit Executive shall report to the CEO. The Committee shall approve an Annual Internal Audit Plan prepared by the Chief Audit Executive. The Chief Audit Executive shall (1) manage the execution of the Annual Internal Audit Plan, (2) conduct investigations at the direction of the Chair and the Committee, and (3) make periodic reports to the Committee at regularly scheduled Committee meetings and as otherwise directed by the Chair and the Committee.

~~The Committee may appoint workgroups or task forces to investigate issues defined by the Committee. Members of such workgroups or task forces need not be Directors. Such workgroups or task forces shall have no authority to bind the Committee or the Company.~~

Comment [v18]: Moved these sentences up within the section.

Quorum and Action by Committee MembersStructure

The presence of at least half of the ~~members of the Committee~~Committee Members who are duly assembled to conduct authorized business of the Committee shall constitute a quorum. At any meeting at which a quorum exists, the act of a majority of the ~~Committee~~Members present at a meeting shall be the act of the Committee. For the purposes of voting, ~~Committee M~~members who recuse themselves from voting on an issue shall not be counted as present for that vote.

~~The Chair, in consultation with the Vice President of Finance and Treasury CFO, shall develop the agenda, the frequency, and length of meetings and shall have unlimited access to management and information for purposes of carrying out functions of the Committee. The Chair shall establish such other rules, as may from time to time be necessary and proper for the conduct of the Committee.~~

Comment [v19]: Moved these sentences to the "Meetings" section below.

Duties and Responsibilities

The following shall be the prominent recurring duties and responsibilities of the Committee in carrying out its oversight functions. The duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law, and by the Company's Articles of Incorporation and Bylaws:

With respect to budget oversight and financing:

1. Annually, ~~on a schedule to be established by the Board of Directors,~~ the Committee shall review staff's proposed budget for the following year, ~~including proposed staffing levels, proposed capital expenditures, and other proposed expenditures.~~
2. The Committee shall review the staff's recommendation of the amount and type of financing needed, both revenue and debt financing, to support the proposed budget and meet the Company's liquidity needs,~~including the staff's proposed financial performance measures (e.g. ratios).~~
3. Following the Committee's review of the above items, the Committee shall recommend to the Board ~~of Directors a staffing level,~~ a proposed budget and associated financing plan,~~proposed fees, and proposed financial performance measures~~ for the following year.
4. As needed throughout the year, the Committee shall review staff's recommendations ~~regarding specific among~~ debt financing transactions and alternatives and make recommendations to the Board ~~of Directors a debt structure or facility for approval that meets the Company's liquidity needs.~~

With respect to maintaining investment and financial guidelines for the Company, the Committee shall:

1. Establish standards by which the Company will invest funds and maintain its financial health/strength and review these standards at least annually, recommending updates to the Board of Directors as needed.

With respect to the Company's credit policies and standards:

1. Establish a standard by which the Board will seek to maintain the long-term financial integrity of the ERCOT market and review this standard at least annually, recommending updates to the Board of Directors as needed.
2. The Committee shall review the Company's credit policies to consider:
 - a. Appropriateness of credit practices and creditworthiness standards established for market participants;
 - b. Compliance with existing creditworthiness standards by market participants;
 - c. Compliance with credit-related Protocols and market rules; and
 - d. Development of appropriate methods to evaluate and mitigate credit risk;

3. In establishing or reviewing the standard under Item 1 above and in conducting the review under Item 2 above the Committee shall consider the recommendations of staff and the Credit Work Group and the decisions and recommendations of the appropriate stakeholder groups, including the Technical Advisory Committee and the Market Credit Work Group.
4. Following each such review, the Committee may, in its discretion, recommend to the Board ~~of Directors~~ any proposed changes to the previously approved standard or credit policies.

With respect to the independent auditors engaged to audit ERCOT financial statements:

1. Annually, the Committee shall recommend to the Board ~~of Directors~~ the selection and engagement of ~~the Company's independent auditor~~ a qualified independent public accounting firm to audit the financial statements of ERCOT. The Committee shall fulfill the oversight responsibility of the Board ~~of Directors~~ with respect to the independent auditors' audit of the books and accounts of the Company and for the fiscal year for which it is appointed.
2. The Committee shall approve the provision of all auditing and non-audit services (in excess of \$5,000) by the independent auditor to the Company in advance of the provision of those services and shall also approve the fees for all non-audit services provided by the independent auditor.
3. Provision of non-audit services of less than or equal to \$5,000 by the independent auditor to the Company do not require pre-approval from the Committee, but shall be communicated in writing to the ~~members of the~~ Committee Members at the first meeting following the engagement for the non-audit services at issue.
4. In connection with the Committee's approval of non-audit services, the Committee shall consider whether the independent auditor's performance of any non-audit services is compatible with the external auditor's independence.
5. At least annually, the Committee shall obtain and review a report by the independent auditor describing:
 - a. ~~T~~he independent auditor's internal quality control procedures; and
 - b. ~~A~~ll relationships between the independent auditor and the Company, in order to assess the auditor's independence.
6. The Committee shall also review any report by the independent auditor describing:
 - a. ~~s~~ignificant accounting policies and practices used by the Company;
 - b. ~~A~~lternative treatments of financial information as required to be discussed by the independent auditors with the Committee; and
 - c. ~~A~~ny other material written communication between the independent auditors firm and the Company's management.
7. Establish the Company's hiring policies for employees who are former employees of the Company's independent auditors.

Comment [MWP10]: Proposed edit is intended to clarify the requirement and make it consistent with the wording in section 4.10 of the ERCOT bylaws.

With respect to the Company's financial statements:

1. The Committee shall discuss the annual audited financial statements with management and the independent auditor, including the Company's disclosures.
2. The Committee shall review disclosures made to the Committee by the Company's CEO and Vice President of Finance and Treasury ~~CEO~~ about any significant deficiencies in the design or operation of the internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

3. In connection with its review of the Company's financial statements, the Committee shall review and discuss with the independent auditor the matters relating to the conduct of the audit as they may be modified or supplemented, including, but not limited to, significant judgments, significant estimates, critical accounting policies, and unadjusted differences.
4. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
5. Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
6. Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
7. Review any and all press stories that relate to the Company's accounting and disclosure, require that management or the auditor explain any negative comments and determine whether these comments necessitate a change in the accounting structure of the Company.
8. Based on its review and discussions with management, the Chief Audit Executive and the independent auditor, the Committee shall provide a recommendation to the Board of Directors whether the Company's financial statements audit report should be accepted.

With respect to the independent auditors engaged to perform ERCOT's annual Statement on Standards for Attestation Engagements (SSAE) 16 audit:

1. Periodically select and authorize engagement of an independent audit firm to perform annual SSAE 16 audit of ERCOT's controls related to settlement operations.
2. As necessary, before and during SSAE 16 audit fieldwork, the Committee shall discuss with management and the independent auditor the planning and execution of the audit.
3. Based on its review and discussions with management and the independent auditor, the Committee shall provide a recommendation to the Board whether the Company's SSAE 16 audit report should be accepted.

With respect to the independent auditors engaged to perform ERCOT's annual 401(k) Savings Plan audit:

1. Periodically select and authorize engagement of an independent audit firm to perform annual audit of ERCOT's 401(k) Savings Plan.
2. As necessary, before and during 401(k) Savings Plan audit fieldwork, the Committee shall discuss with management and the independent auditor the planning and execution of the audit.
3. Based on its review and discussions with management and the independent auditor, the Committee shall provide a recommendation to the Board whether the Company's 401(k) Savings Plan audit report should be accepted.

With respect to periodic reviews and reports:

1. Periodically, the committee shall meet separately with senior management, the Chief Audit Executive and the independent auditors.
2. The Committee shall review with the independent auditor any audit problems or difficulties and management's response to them.

3. The Committee shall review the Company's policies with respect to risk assessment and risk management.
4. The Committee shall inquire of management and the independent auditors about significant risks or exposures to the Company and the Company's market and assess the steps management has taken to minimize such risks.
5. The Committee shall establish procedures for:
 - a. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - b. The confidential, anonymous submission by the Company's employees of concerns regarding accounting or auditing matters.
6. The Committee shall review a summary of the Company's dealings with any financial institutions that are also market participants.
7. The Committee shall communicate to the Board ~~of Directors~~ the matters discussed at each meeting of the Committee, including any issues with respect to the quality or integrity of the Company's financial statements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.
8. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board ~~of Directors~~.

With respect to Internal Audit:

1. The Committee shall review with management and the Chief Audit Executive the charter, activities, staffing, and organizational structure of the internal audit function.
2. The Committee shall have final authority to review and approve the Annual Internal Audit Plan and all major changes to the Plan.
3. The Committee shall review, considering the recommendations of the independent auditors and the ~~CFO~~ CEO, the scope of the Internal Audit Plan and the plan of work to be done by the Company's Internal Audit Department, and the results of such work.
4. The Committee shall review the ~~significant~~ reports to management prepared by the Internal Audit Department and management's responses.
5. The Committee shall ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Chief Audit Executive.
6. The Committee shall, at least once per year, review the performance of the Chief Audit Executive and concur with the annual compensation and salary adjustment.
7. The Committee shall review the adequacy and effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.
8. The Committee shall, on a regular basis, meet separately with the Chief Audit Executive in executive session of a Committee meeting to discuss any matters that the committee or Internal Audit believes should be discussed privately.

Meetings

Frequency of Meetings

The Committee shall meet at least once during each fiscal quarter, and as many additional times as the Committee shall deem necessary or appropriate. The Chair, in consultation with the Vice President of Finance and Treasury, shall develop the agenda, the frequency, and length of

meetings and shall have unlimited access to management and information for purposes of carrying out functions of the Committee. The Chair shall establish such other rules, as may from time to time be necessary and proper for the conduct of the Committee.

Comment [v111]: These sentences have been moved from the former "Structure" section above.

Attendance at Open Session and Executive Session of Committee Meetings

Any member of the public may attend and participate in the open session of Committee meetings. For the executive session of Committee meetings, the Committee shall close the Committee meeting to the public to address sensitive matters such as confidential personnel information, contracts, lawsuits, competitively sensitive information, or other information related to the security of the regional electrical network. For such executive sessions of Committee meetings, the Committee may request that any officers or employees of the Company, or any other person, whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. In addition, for such executive sessions of the Committee meetings, the Committee may exclude any persons who are not Directors, the Directors' Segment Alternates or the Directors' Alternate Representatives.

Participation and Voting During Committee Meetings

Board members who are not Committee Members (including Segment Alternates and Alternate Representatives) may attend and participate in all Committee meetings, but may not participate in Committee voting.

Comment [v112]: These sentences have been moved from the "Membership" section above.

Minutes

The Committee shall designate a secretary, who may be a Committee Member or employee of ERCOT, who shall prepare or cause to be prepared the minutes of each meeting and file such minutes with the corporate records of the Company. The secretary shall send, or cause to be sent, copies of ~~such~~ minutes to each of the Committee Members.

Evaluation

The Committee shall undertake an annual evaluation assessing its performance and, in light of this, consider changes in its membership, ~~e~~Charter or procedures. The Committee shall report to the Board the results of its evaluation, including recommended ~~C~~harter, membership and other changes, if any.

6. Confirm Credit Work Group Chair and Vice Chair <Vote> Tamila Nikazm

- **The Credit Work Group Charter requires that** “The Chair and Vice-Chair of the CWG shall be elected annually by the CWG membership and confirmed by vote of the F&A Committee”
 - By e-mail vote prior to its January 26, 2011 meeting, the CWG re-elected the following as its Chair and Vice-Chair for 2011.
(brief bios are provided on the following slide)
 - Chairman - Arlene Spangler
 - Vice Chair - Tamila Nikazm

6. Confirm Credit Work Group Chair and Vice Chair <Vote> Tamila Nikazm

Chair: Arleen Spangler, NRG Energy, Inc.

- Over 20 years of energy credit experience
- Currently is Director, Credit Risk at NRG Energy, Inc. where she manages the enterprise-wide credit function, including wholesale hedging/trading activity, structured credit, development projects and retail operations.
- Formerly a member of Morgan Stanley's Credit Advisory Group; prior to this, a Team Leader and Director at Standard & Poor's Utility and Infrastructure practice, with an analytic role on merchant generators and complex project finance transactions.
- Undergraduate degree in economics from Randolph-Macon Woman's College and an MBA in finance from New York University.

Vice Chair: Tamila Nikazm, Austin Energy

- Manager of risk control section of energy management operations including ERCOT Settlements and Credit.
- Has been working with the City of Austin/ Austin Energy in the field of accounting and finance over past 18 years.
- Tamila is also a CPA and an MBA

7. Review and Recommend Board Approval of Investment and Financial Corporate Standards (Vote) – Cheryl Yager

Standards attached as separate documents.

<Vote>

ERCOT CORPORATE STANDARD

Document Name:	Investment Corporate Standard
Document ID:	CS3.2
Effective Date:	Upon Approval by the Board of Directors
Owner:	ERCOT Board of Directors and Finance & Audit Committee
Governs:	ERCOT Personnel
Approved:	ERCOT Board of Directors

1. PURPOSE

The purpose of the ERCOT Investment Corporate Standard is to document the guidelines and related activities approved by the ERCOT Board of Directors for the investment and management of funds held by ERCOT, whether those funds arise from ERCOT operations or are held by ERCOT on behalf of the ERCOT market. All references to “ERCOT” in this Investment Corporate Standard shall be to Electric Reliability Council of Texas, Inc., unless ERCOT is used in conjunction with “market”, in which case the reference shall be to the market which ERCOT manages.

It is ERCOT’s policy to invest its funds in a manner that provides adequate security; meets daily cash flow demands; conforms to applicable laws, bylaws, board resolutions and debt covenants; and affords reasonable investment returns.

The corporate standard applies to activity involving ERCOT funds, except for the Electric Reliability Council of Texas, Inc. 401(k) Savings Plan, which is managed separately.

ERCOT funds specifically include proceeds held by ERCOT from:

- 1) ERCOT from the ERCOT System Administration Fee and Nodal Surcharge, North American Electric Reliability Corporation (NERC) funding under a Delegation Agreement, and other fees collected from time to time,
- 2) ERCOT from debt issues and other miscellaneous cash received,
- 3) the ERCOT market for ~~transmission congestion rights (TCR) auctions or~~ congestion revenue rights (CRR) auctions,
- 4) the ERCOT market for market settlement operations,
- 5) the ERCOT market for security deposits, and
- 6) other miscellaneous cash received from the ERCOT market.

2. STANDARDS

Standard of Care. ERCOT investments will be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence would

exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of principal as well as the probable income to be derived.

The standard of prudence to be used by the Designated Investment Officers (defined below) shall be the “prudent person” and/or “prudent investor” standard and shall be applied in the context of managing an overall portfolio. The Designated Investment Officers of ERCOT, acting in accordance with this standard and any other written procedures pertaining to the administration and management of ERCOT’s portfolio and who exercise the proper due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes.

Investment Objectives. The primary objectives, in priority order, of ERCOT’s investment activities shall be:

- 1) Safety – Safety of principal is the foremost objective of the investment program. Investment of ERCOT funds will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, ERCOT will diversify its investments by investing funds among a variety of securities offering independent returns and a variety of independent financial institutions.
- 2) Liquidity – ERCOT’s investment portfolio will remain sufficiently liquid to enable ERCOT to meet all operating requirements which might be reasonably anticipated.
- 3) Return on investment – ERCOT’s investment portfolio will be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, in line with ERCOT’s investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority. Responsibility for the investment program is hereby delegated to the Designated Investment Officers. The Chief Executive Officer, [Vice President of Finance and Treasury](#)~~Chief Financial Officer~~ (or the Controller, in the absence of a [Vice President of Finance and Treasury](#)~~Chief Financial Officer~~), and the Treasurer of ERCOT are the Designated Investment Officers of ERCOT and are authorized to enter into and are responsible for all investment transactions undertaken. They will establish a system of controls over the investment program.

The Designated Investment Officers will establish written investment procedures for the operation of the investment program consistent with this corporate standard. No person may engage in an investment transaction except as provided under the terms of this corporate standard and the procedures established by the Designated Investment Officers.

Any two of the following individuals, with at least one being a Designated Investment Officer shall have authority to open and close investment and / or depository accounts with Qualified Institutions (as defined below): Chief Executive Officer, Chief Operating Officer, [Vice President of Finance and Treasury](#)~~Chief Financial Officer~~, General Counsel, Controller and Treasurer.

Qualified Institutions or Money Market Funds. A Designated Investment Officer will select banks and other financial institutions that are approved for investment and / or depository purposes (“Qualified Institutions”). Only firms meeting the requirements of the attached Appendix A will be eligible to serve as Qualified Institutions or Money Market Funds.

If an ERCOT Board member or member of his or her immediate family is an officer or director, is employed by, or owns or has a beneficial interest in more than 10 percent of the stock in a bank or other financial institution that would otherwise be a Qualified Institution, such Board member shall provide full disclosure of such stock holdings or relationship to the ERCOT General Counsel in documented form to be filed with corporate records of ERCOT. Any institutions so disclosed will be excluded from consideration as a Qualified Institution without 1) full disclosure to the Board of Directors of the relationship and 2) approval of the Board to establish the relationship.

Authorized Instruments. ERCOT shall invest only in those types of instruments authorized under this corporate standard and listed in Appendix C and subject to restrictions included in Appendix C.

Safekeeping of Investments. Security transactions, including collateral for repurchase agreements, will be conducted on a “delivery-versus-payment” (DVP) basis. Securities, other than shares in money market mutual funds, will be held for safekeeping, in the name of ERCOT, by a custodian (an independent state or federally-chartered bank) designated by a Designated Investment Officer and evidenced by safekeeping receipts. Institutions that offer money market mutual funds are responsible for safeguarding their underlying securities.

Internal Reviews. ~~Credit~~ To manage credit risk arising from investments, at least monthly ERCOT will review underlying securities held as investments, including investments held through money market funds. Any credit related concerns not satisfactorily resolved with fund managers will result in movement of the investment to an alternative fund. ERCOT staff will not duplicate credit analysis performed by fund managers and are not expected to provide assurance that all holdings are creditworthy.

Internal Control. The Designated Investment Officers shall ensure that the internal controls over investments are reviewed 1) periodically by ERCOT’s internal auditor, and 2) annually in conjunction with the fiscal audit by the external auditor. This review will test compliance with ERCOT’s policies and procedures.

Reporting. A Designated Investment Officer will provide quarterly investment reports to ERCOT’s Board of Directors and Finance and Audit Committee which provide a clear picture of the status of the current investment portfolio.

Schedules in the quarterly report will, at a minimum, include the following:

- ~~1) A listing of individual securities held at the end of the reporting period by authorized investment category. If the investment category is money market, a list of securities held within each money market fund will be provided;~~
- 2) _____ Average life and final maturity of all investments listed;
- 3) _____ Coupon, discount or earnings rate;

- 4)3) _____ Par value, amortized book value and market value;
- 5)4) _____ Percentage of the portfolio represented by each investment category;
- 6)5) _____ For money market mutual funds, a concentration risk report of underlying investments in the funds; and
- 7)6) _____ Statement of compliance with the Investment Corporate Standard.

Investment Losses. Investment losses incurred on funds held by ERCOT on behalf of Market Participants for collateral are attributable to Market Participants and are not borne by ERCOT.

ERCOT shall not have any fiduciary relationship with Market Participants and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Corporate Standard. Investment losses attributable to Market Participants shall be addressed in the ERCOT Protocols or by direction from ERCOT Board of Directors.

Investment Corporate Standard Adoption. ERCOT's Investment Corporate Standard will be adopted by resolution of ERCOT's Board of Directors. The Corporate Standard will be reviewed annually by the Finance & Audit Committee and any modifications made thereto must be approved by the Board of Directors.

APPENDIX A

Requirements of Qualified Institutions or Money Market Funds

Only entities meeting the following requirements will be eligible to serve as Qualified Institutions:

General Requirements

- 1) The entity has a senior debt rating which is at least the equivalent of A- by Standard & Poor's or A3 by Moody's Investor Service,
- 2) Has provided a current audited financial statement which is on file at ERCOT,
- 3) Has capital of not less than \$100 million, and
- 4) Has assets of not less than \$1 billion.

Additional Requirements for Depositories

- 1) The entity is a federal- or state-chartered bank, and
- 2) Deposits up to \$250,000 are insured by federal agencies.

Additional Requirements for Security Dealers

- 1) The entity is a "primary" or regional dealer that qualifies under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule),
- 2) Is registered as a dealer under the Securities Exchange Act of 1934,
- 3) Is a member in good standing of the National Association of Securities Dealers (NASD),
- 4) The entity has been in business for at least five (5) years,
- 5) A representative of the entity has returned a signed certification (substantially in the form attached as Appendix B) that he/she has read and is familiar with ERCOT's Investment Corporate Standard, and
- 6) The entity has provided such other information as ERCOT requires from time to time.

Only entities meeting the following requirements will be eligible to serve as Qualified Money Market Funds:

- 1) The fund is a money market fund under SEC Rule 2a-7;
- 2) Has provided and commits to provide at least monthly a list of holdings in the fund; and
- 3) Has assets under management in the fund of at least \$1 billion.

APPENDIX B

**Investment Corporate Standard for
Electric Reliability Council of Texas, Inc.**

Qualified Institution Certification for Security Dealers

Dealer / Investment Firm: _____

I hereby certify that I have received and thoroughly reviewed the ERCOT Investment Corporate Standard, and the firm I represent

- 1) meets all of ERCOT's Requirements for Qualified Institutions; and
- 2) has implemented reasonable procedures and controls in an effort to preclude investment transactions between this firm and ERCOT that are not authorized by the ERCOT Investment Corporate Standard, except to the extent that this authorization is dependent on an analysis of the makeup of ERCOT's entire portfolio or requires an interpretation of subjective investment standards.

Qualified Representative

Name

Title

Date

APPENDIX C

Authorized Instruments

<u>Description</u>	<u>Quality Limitation</u>	<u>Maturity Limitation</u> (Note 1)	<u>Limitation per issuer</u>	<u>Category limitation</u>
1. Obligations of or guaranteed by the US government	n/a	5 yrs or less	none	none
2. Repurchase agreements in which the collateral is obligations of or guaranteed by the US government. (Note 3)	Note 2	7 days or less	\$5,000,000	33% of total
3. Money market mutual funds (MMMF) invested only in obligations of or guaranteed by the US government or repurchase agreements in which the collateral is obligations of or guaranteed by the US government	Note 4	Note 4	Note 4	Note 5

Note 1: To the extent possible, ERCOT will attempt to match its investments with anticipated cash flow requirements. Some level of cash may remain uninvested to meet the liquidity needs of ERCOT and the ERCOT market or to address unusual situations as they arise.

Note 2: Investments may be made with financial institutions with a corporate or senior debt credit rating of at least A- with S&P or A3 with Moody's. Investments in repurchase agreements must be subject to a Master Repurchase Agreement signed with the bank or dealer (e.g. a PSA Master Repurchase Agreement or equivalent).

Note 3: Collateral is required for all repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 102% of market value and accrued interest. Collateral may consist only of other instruments approved above. Collateral will always be held by an independent third party with whom ERCOT has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to and retained by ERCOT. The right of collateral substitution is granted.

Note 4: There is no credit rating required given 1) the MMMFs stated objective to preserve capital, 2) the credit quality restrictions placed on MMMFs by the SEC (may hold no more than 5% of middle-rated securities – A2/P2 or equivalent), 3) the SEC restriction that no more

than 5% of assets in a MMMF may be invested in any one security (requires diversification) and 4) the restriction that MMMFs can only invest in instruments with maturities of less than 13 months and that the average maturity of all holdings in a MMF cannot extend beyond 90 days. There is no maturity limitation or limitation per issuer for the reasons mentioned above.

Note 5: There is no limit on how much money may be placed with MMMFs in this category because of the requirements on those funds outlined in Note 4 and given the secure investments held by the funds. However, ERCOT must diversify investments held in money market accounts across at least four different fund families to safeguard liquidity. Based on availability of funds meeting the above investment criteria, ERCOT will seek to ensure that no more than 30% of investable funds and ~~no more than \$100 million is maintained in any one fund through May 31, 2011, and~~ no more than \$50 million is maintained in any one fund thereafter.

ERCOT CORPORATE STANDARD

Document Name:	Financial Corporate Standard
Document ID:	CS3.1
Effective Date:	Upon Approval by Board of Directors
Owner:	Board of Directors, Finance & Audit Committee
Approved:	Board of Directors, Finance & Audit Committee

1.0 PURPOSE

This financial corporate standard is a framework from which ERCOT's financial integrity will be maintained while serving the long-term interests of the company and the ERCOT market. ERCOT recognizes that maintaining financial integrity is critical to accomplishing its corporate goals and discharging ERCOT's primary responsibilities.

2.0 DEFINITIONS

TERM	DEFINITION
Budget	The Budget consists of Project Budgets and an Operating and Maintenance Budget.
Project Budgets	Project Budgets consist of proposed expenditures to be made to develop capital assets during ERCOT's Fiscal Year. Any significant projects not included in the approved project budgets will be presented to ERCOT's Board of Directors for approval as they arise.
Cash Operating and Maintenance Expenses	Cash Operating and Maintenance Expenses consist of all reasonable and necessary costs (excluding non-cash items such as depreciation and amortization) incurred in the operation and maintenance of ERCOT's facilities, equipment and systems.
Fiscal Year	ERCOT's fiscal year is January 1 st through December 31 st .
NERC	North American Electric Reliability Corporation, the entity currently certified as the Electric Reliability Organization by the Federal Energy Regulatory Commission ("FERC").
Operating and Maintenance Budget	The Operating and Maintenance Budget consists of all reasonable and necessary costs expected to be incurred during ERCOT's Fiscal Year.
Scheduled Debt Service	Scheduled Debt Service is all interest and mandatory principal payments due on ERCOT's outstanding indebtedness (both long-term and short-term) for a stated period.

TERM	DEFINITION
Strategic Financial Plan	The Strategic Financial Plan will provide current financial information and a five-year projection, which addresses all sources of revenues, including any proposed fee adjustments. It will include projections of operating and maintenance expenses, project expenditures, the funding sources of project expenditures, and debt service requirements as well as the resulting capital structure.
TCR	Transmission Congestion Rights
CRR	Congestion Revenue Rights

3.0 FINANCIAL OBJECTIVES

In seeking to fulfill its corporate objectives, ERCOT will maintain a high level of financial stability and will not compromise long-term financial integrity to achieve short-term benefits.

Strategic Financial Plan and Budget. Prior to or in conjunction with the submission of the annual Budget, the ~~Vice President of Finance and Treasury or Controller~~ ~~Chief Financial Officer or Controller~~ will submit an update to the Strategic Financial Plan.

The Budget will be substantially consistent with the Strategic Financial Plan and will be submitted to the Board with sufficient time for the review and approval of the Board prior to the beginning of the Fiscal Year.

In developing the Strategic Financial Plan and Budget, ERCOT staff will work to ensure that financial ratios required for compliance with debt instruments are maintained.

ERCOT will pursue financial objectives that will allow it to maintain an investment grade debt rating with Standard & Poor's, Moody's or Fitch. If a rating below investment grade is received or expected to be received, staff will promptly recommend a plan for Board consideration to recover or maintain the targeted rating within 18 months.

Overall, the Strategic Financial Plan and the related Budget will seek to assure ERCOT's financial stability. They will be approved by the Board and will guide ERCOT's financial planning process.

Fees and Charges. ERCOT will assess fees consistent with the ERCOT Protocols and Public Utility Commission of Texas rulings. ERCOT will also collect fees on behalf of the Electric Reliability Organization as approved by FERC. Fees, funding, and charges will be requested to recover the Board-approved Operating and Maintenance Budget (excluding depreciation and amortization), Scheduled Debt Service (less any principal payments reasonably expected to be refinanced), and the portions of Project Budgets that are to be financed with revenue. Fee adjustments, if necessary, will generally be developed and proposed in connection with ERCOT's annual Budget.

ERCOT will use all reasonable means to operate within the approved Budget for the current year. When unforeseen events occur (*e.g.*, MWh's are significantly over or under projected levels, functionality is added or removed, etc.) and as a result, ERCOT experiences or expects to

experience in the next 12-month period any overspending of the Budget or under collection of revenue, or more than a 5 percent under spending of the Budget or over collection of revenue, staff will promptly recommend a plan for Board consideration, which may include cost reductions or additions, fee increases or decreases, or other means to ensure that approved functions can be maintained, capital expended and expenses paid in the normal course of business.

Sources of Financing. ERCOT may use a combination of equity (revenue funding) and debt to finance current year Project Budgets. In determining the combination of equity and debt to be used, ERCOT will consider the impact of the current year decision on future years, but in no event will ERCOT propose to revenue fund less than 40% of Project Budgets during the project development phase.

Generally, ERCOT will structure debt issues such that the average maturity of the debt does not exceed the average life of the assets financed; however, debt issues may be structured with a longer or shorter average maturity if economically justified.

ERCOT may use variable-rate debt to provide flexibility in its overall financing program and to manage its overall interest rate exposure. However, in no event will ERCOT allow unhedged, variable rate debt to be more than 40 percent of total debt outstanding.

ERCOT will periodically evaluate the interest rate environment and review ways to manage interest rate exposure within that environment.

As appropriate, ERCOT will periodically evaluate mechanisms to restructure or refinance debt. ERCOT will regularly evaluate alternatives to conventional financing to obtain the lowest overall cost of borrowing while still meeting the objectives of this financial corporate standard.

Liquidity. ERCOT will seek to maintain adequate liquidity to meet its business needs. Liquidity is the combination of available 1) operating cash on hand, 2) operating cash equivalents / short term investments and 3) undrawn borrowing capacity under credit facilities.

ERCOT's targeted minimum level of liquidity will factor in one year of: 1) ~~six months of~~ forecasted Scheduled Debt Service, other than principal payments reasonably expected to be refinanced, 2) ~~two months of average expected~~ Cash Operating and Maintenance Expenses, net of projected ~~administrative fee~~ receipts from the System Administrative Fee, Nodal Surcharge or other sources, and 3) ~~two months of~~ budgeted project expenditures, ~~and 4) to the extent TCR or CRR auction revenues have been utilized to fund ERCOT working capital and project expenditure needs, two months of estimated TCR or CRR repayment obligations expected to be paid, net of projected TCR or CRR auction receipts during the same period.~~

If at any time ERCOT's liquidity is less than or is expected to be less than the targeted minimum level set forth in this corporate standard, staff will promptly recommend a plan for Board consideration to achieve the liquidity target within six months.

Funds received in conjunction with ~~TCR or~~ CRR auctions may be utilized to fund ERCOT working capital and project expenditure needs so long as liquidity is at or above the target levels

and ERCOT's issuer rating remains investment grade. These funds may be utilized in place of borrowing under short term credit facilities to meet liquidity needs.

4.0 RESPONSIBILITIES

It is the responsibility of the Chief Executive Officer and [Vice President of Finance and Treasury](#)~~Chief Financial Officer~~ to ensure that this Corporate Standard is implemented appropriately and to recommend changes in the Corporate Standard as needed.

5.0 FINANCIAL STANDARD ADOPTION

ERCOT's Financial Corporate Standard was adopted by resolution of the Board of Directors. The Corporate Standard will be reviewed annually by the Finance and Audit Committee and any modifications made thereto must be approved by the Board of Directors.

8. Review Quarterly Investment Report

Leslie Swanson

Summary of results follows

Electric Reliability Council of Texas, Inc.
Summary of Investment Results
Fourth Quarter 2010
(in 000's)

Investment Funds (Note 1)	Balance at Dec 31	Average Bal for Qtr	Interest 4th Qtr	Yield 4th Qtr Avg	Yield End of 4th Qtr	% of portfolio at Dec 31	Detailed Fund Holdings
Bank of America Treasury Reserves MMF	15,510	14,933	-	0.00%		5%	Attachment A
BlackRock Institutional T-Fund (60) MMF	20,028	15,225	1	0.03%		6%	Attachment B
BlackRock Institutional Treasury Trust Fund MMF	49,502	32,100	1	0.01%		15%	Attachment C
Federated Fund 068 Treasury Obligations Fund	20,677	17,107	1	0.02%		6%	Attachment D
Federated Fund 0125 US Treasury Cash Reserves Fund	45,341	33,593	1	0.01%		14%	Attachment E
Fidelity 695 Institutional MMF: Treasury Portfolio	6,000	12,303	1	0.03%		2%	Attachment F
Fidelity 680 Institutional MMF: Treasury Only Portfolio	49,751	27,645	1	0.01%		15%	Attachment G
Invesco Institutional Treasury Portfolio	25,440	15,146	2	0.05%		8%	Attachment H
JP Morgan Chase US Treasury Plus MM Fund	28,146	25,729	1	0.02%		9%	Attachment I
Wells Fargo Institutional Treasury Plus MMF	17,744	16,238	1	0.02%		5%	Attachment J
Wells Fargo 100% Treasury MMF	49,082	31,257	2	0.03%		15%	Attachment K
Sub-Total	327,221	241,276	12			100%	
Other cash net of outstanding checks (Note 2)	(2,067)						
Total cash and cash equivalents (est)	325,154						
Benchmark data (Note 3)							
			Four Week T-Bill:	0.06%			
			Other open relevant Treasury MMFs:	0.01%	(Range: 0.00% - 0.02%)		

Notes

Note 1: In compliance with the Investment Corporate Standard, these funds 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, 2010. The balance is negative due to outstanding checks that have not yet been funded.

Note 3: Benchmark data obtained as of December 31, 2010 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 included in the benchmark and included funds may not meet ERCOT investment standards.

Note 4: No individual securities held as of December 31, 2010.

Statement of Compliance

Upon a review of the investment activity for the 3 month period ended December 31, 2010, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Corporate Standard.

Signature on File

Cheryl Yager, Treasurer

Electric Reliability Council of Texas, Inc.
Summary of Investment Funds - Concentration Report
as of December 31, 2010
in 000's

	Bank of America	BlackRock 60	BlackRock 62	Federated 068	Federated 125	Fidelity 695	Fidelity 680	Invesco	JPMorgan	Wells Fargo 793	Wells Fargo 3722	Total Portfolio \$	Total Portfolio %	Total Ercot \$	Total Ercot %
Repo 1-7 days or the right to terminate within 7 days	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio	\$ portfolio				
Bank of America Sec LLC Repo												-	0.00%	-	0.00%
Bank of Montreal Repo				430,000								430,000	0.34%	465	0.14%
Barclays Capital Inc Repo	57,788	750,000		2,183,000		172,586		125,688	1,975,000	1,505,000		6,769,062	5.38%	11,090	3.39%
BMO Capital Markets Corp Repo								625,931				625,931	0.50%	1,366	0.42%
BNP Paribas Secs Corp Repo	1,176,000			2,100,871		1,049,397		440,000		1,750,000		6,516,268	5.18%	8,518	2.60%
CIBC World Markets Corp Repo				76,000				100,000				176,000	0.14%	301	0.09%
Citibank				490,000								490,000	0.39%	530	0.16%
Citigroup Global Markets Inc		777,000		490,000								1,267,000	1.01%	2,322	0.71%
Credit Agricole Securities Inc				2,890,000		1,682,873						4,572,873	3.63%	3,775	1.15%
Credit Suisse Secs USA Repo	250,000	255,500		990,000					1,000,000	1,765,000		4,260,500	3.38%	7,117	2.18%
Deutsche Bank Securities Repo	175,000	930,170		1,795,500		791,000			1,401,562	150,000		5,243,232	4.16%	7,736	2.36%
Dresdner Kleinwort Securities						420,718						420,718	0.33%	163	0.05%
Fixed Income Clearing Corp	1,400,000											1,400,000	1.11%	2,197	0.67%
Goldman Sachs + Co Repo	207,000	370,000		896,000						100,000		1,573,000	1.25%	2,320	0.71%
HSBC USA Inc Repo	500,000	251,738				2,373,757						3,125,495	2.48%	2,285	0.70%
JP Morgan Securities Repo	350,000			248,862		1,682,873				300,000		2,823,961	2.24%	2,550	0.78%
Merrill Lynch		300,000		604,000		78,198			79,327	125,000		1,186,525	0.94%	1,753	0.54%
Mizuho Repo	155,000											155,000	0.12%	243	0.07%
Morgan Stanley + Co Repo	457,000	165,000				791,000				250,000		1,663,000	1.32%	1,838	0.56%
RBC Capital Markets Corp Repo	1,500,000											1,500,000	1.19%	2,354	0.72%
RBS Securities Inc Repo	512,000	947,000		1,326,000		1,262,155		500,000	1,200,000	1,322,600		7,069,755	5.62%	10,700	3.27%
Salomon Smith Barney Citigroup	368,000											368,000	0.29%	578	0.18%
Societe Generale Repo	275,000							225,000		390,000		890,000	0.71%	1,599	0.49%
State Street Bank + Tr Repo												-	0.00%	-	0.00%
TD Securities				900,000								900,000	0.71%	973	0.30%
UBS Securities LLC Repo	436,940	339,000				420,718			1,250,000	1,300,000		3,746,658	2.98%	6,394	1.95%
Wells Fargo Secs Repo								250,000				250,000	0.20%	544	0.17%
SubTotal	7,819,728	5,327,634	-	15,420,233	-	10,725,275	-	2,266,619	6,905,889	8,957,600	-	57,422,978	45.61%	79,713	24.36%
Term Repo 8-30 days															
Barclays Capital Inc Repo								500,000				500,000	0.40%	1,091	0.33%
BNP Paribas Secs Corp Repo								500,000				500,000	0.40%	1,091	0.33%
Credit Suisse Securities LLC Repo								500,000				500,000	0.40%	1,091	0.33%
Deutsche Bank Securities Inc Repo								500,000				500,000	0.40%	1,091	0.33%
JP Morgan Secs Inc Repo												-	0.00%	-	0.00%
RBC Capital Markets Repo								500,000				500,000	0.40%	1,091	0.33%
RBS Securities Inc Repo												-	0.00%	-	0.00%
SubTotal	-	-	-	-	-	-	-	2,500,000	-	-	-	2,500,000	1.99%	5,457	1.67%
Cash						3,984	12,050					16,034	0.01%	79	0.02%
SubTotal	-	-	-	-	-	3,984	12,050	-	-	-	-	16,034	0.01%	79	0.02%
US Treasury Bill	1,376,354	2,933,461	4,206,544		9,013,755	2,476,446	6,394,867	6,450,000	7,135,324	900,000	9,247,065	50,133,816	39.82%	205,680	62.86%
US Treasury Note	685,969	419,000		3,711,543	6,582,040	2,280,000	1,339,788	445,000		370,000		15,833,340	12.58%	36,292	11.09%
SubTotal	2,062,323	3,352,461	4,206,544	3,711,543	15,595,795	4,756,446	7,734,655	6,895,000	7,135,324	1,270,000	9,247,065	65,967,156	52.39%	241,972	73.95%
Grand Total	9,882,051	8,680,095	4,206,544	19,131,776	15,595,795	15,485,705	7,746,705	11,661,619	14,041,213	10,227,600	9,247,065	125,906,168	100.00%	327,221	100.00%
Balance held by ERCOT as of 12/31/10	15,510	20,028	49,502	20,677	45,341	6,000	49,751	25,440	28,146	17,744	49,082	327,221		0	

Fund Name: BofA Treasury Reserves
Date: December 31, 2010

Cusip	Par	Coupon Rate	Maturity Date	Security Description	Market Value	Security Type	Industry Major	State	% of Portfolio
912795VD0	15,000,000	0.130	04/07/11	U.S. Treasury Bill	14,994,800	Government & Agency Obligations	U.S. Government Obligations		0.15%
9127952D2	105,000,000	0.170	03/03/11	U.S. Treasury Bill	104,969,754	Government & Agency Obligations	U.S. Government Obligations		1.06%
9127952S9	104,000,000	0.190	05/26/11	U.S. Treasury Bill	103,920,411	Government & Agency Obligations	U.S. Government Obligations		1.05%
912795X63_0.1	136,000,000	0.200	07/28/11	U.S. Treasury Bill	135,842,844	Government & Agency Obligations	U.S. Government Obligations		1.37%
912795X63_0.1	95,000,000	0.205	07/28/11	U.S. Treasury Bill	94,887,478	Government & Agency Obligations	U.S. Government Obligations		0.96%
912795X63_0.1	95,000,000	0.210	07/28/11	U.S. Treasury Bill	94,884,733	Government & Agency Obligations	U.S. Government Obligations		0.96%
912828JY7	15,000,000	0.875	01/31/11	U.S. Treasury Bill	15,008,416	Government & Agency Obligations	U.S. Government Obligations		0.15%
912828LG3	142,000,000	1.000	07/31/11	U.S. Treasury Bill	142,651,695	Government & Agency Obligations	U.S. Government Obligations		1.44%
912828LW8	71,000,000	1.000	09/30/11	U.S. Treasury Bill	71,386,677	Government & Agency Obligations	U.S. Government Obligations		0.72%
912828JU5	116,500,000	1.750	11/15/11	U.S. Treasury Bill	117,998,271	Government & Agency Obligations	U.S. Government Obligations		1.19%
912828FN5	169,000,000	4.875	07/31/11	U.S. Treasury Bill	173,532,924	Government & Agency Obligations	U.S. Government Obligations		1.76%
912828FK1	299,000,000	5.125	06/30/11	U.S. Treasury Bill	306,276,293	Government & Agency Obligations	U.S. Government Obligations		3.10%
					1,376,354,296	U.S. Treasury Bills Total			13.93%
912828KU3	142,000,000	0.875	05/31/11	U.S. Treasury Note	142,402,378	Government & Agency Obligations	U.S. Government Obligations		13.93%
912828GA2	80,000,000	4.500	11/30/11	U.S. Treasury Note	83,032,933	Government & Agency Obligations	U.S. Government Obligations		1.44%
912828FW5	97,250,000	4.625	10/31/11	U.S. Treasury Note	100,743,860	Government & Agency Obligations	U.S. Government Obligations		0.84%
912828FH8	353,000,000	4.875	05/31/11	U.S. Treasury Note	359,789,823	Government & Agency Obligations	U.S. Government Obligations		1.02%
					685,968,994	U.S. Treasury Notes Total			6.94%
068992007	57,788,000	0.200	01/03/11	Repurchase agreement with Barclays Capital, dated 12/31/10, due 01/03/11 at 0.200%,	57,788,000	Repurchase Agreements	Repurchase Agreements		3.64%
05699N005_0.1	600,000,000	0.150	01/03/11	Repurchase agreement with BNP Paribas, dated 12/31/10, due 01/03/11 at 0.150%,	600,000,000	Repurchase Agreements	Repurchase Agreements		6.07%
05699N005_0.1	352,000,000	0.180	01/03/11	Repurchase agreement with BNP Paribas, dated 12/31/10, due 01/03/11 at 0.180%,	352,000,000	Repurchase Agreements	Repurchase Agreements		0.58%
05699N005_0.1	112,000,000	0.200	01/24/11	Repurchase agreement with BNP Paribas, dated 12/31/10, due 01/24/11 at 0.200%,	112,000,000	Repurchase Agreements	Repurchase Agreements		6.07%
65999G001	155,000,000	0.200	01/03/11	Repurchase agreement with Mizuho, dated 12/31/10, due 01/03/11 at 0.200%,	155,000,000	Repurchase Agreements	Repurchase Agreements		1.57%
05699N005_0.1	112,000,000	0.200	02/24/11	Repurchase agreement with BNP Paribas, dated 12/31/10, due 02/24/11 at 0.200%,	112,000,000	Repurchase Agreements	Repurchase Agreements		3.56%
12699M003	250,000,000	0.150	01/03/11	Repurchase agreement with Credit Suisse First Boston, dated 12/31/10, due 01/03/11 at 0.150%,	250,000,000	Repurchase Agreements	Repurchase Agreements		1.13%
215990003	175,000,000	0.180	01/03/11	Repurchase agreement with Deutsche Bank Securities, dated 12/31/10, due 01/03/11 at 0.180%,	175,000,000	Repurchase Agreements	Repurchase Agreements		1.13%
85748R009	1,400,000,000	0.150	01/03/11	Repurchase agreement with Fixed Income Clearing Corp., dated 12/31/10, due 01/03/11 at 0.150%,	1,400,000,000	Repurchase Agreements	Repurchase Agreements		2.53%
322999004	207,000,000	0.170	01/03/11	Repurchase agreement with Goldman Sachs & Co., dated 12/31/10, due 01/03/11 at 0.170%,	207,000,000	Repurchase Agreements	Repurchase Agreements		1.77%
643997000	500,000,000	0.200	01/03/11	Repurchase agreement with HSBC Bank USA, dated 12/31/10, due 01/03/11 at 0.200%,	500,000,000	Repurchase Agreements	Repurchase Agreements		14.17%
616994000	350,000,000	0.200	01/03/11	Repurchase agreement with JPMorgan Chase Bank, dated 12/31/10, due 01/03/11 at 0.200%,	350,000,000	Repurchase Agreements	Repurchase Agreements		2.09%
617989009_0.1	200,000,000	0.080	01/03/11	Repurchase agreement with Morgan Stanley, Inc., dated 12/31/10, due 01/03/11 at 0.080%,	200,000,000	Repurchase Agreements	Repurchase Agreements		5.06%
617989009_0.1	257,000,000	0.150	01/03/11	Repurchase agreement with Morgan Stanley, Inc., dated 12/31/10, due 01/03/11 at 0.150%,	257,000,000	Repurchase Agreements	Repurchase Agreements		3.54%
78199Q000	1,500,000,000	0.150	01/03/11	Repurchase agreement with Royal Bank of Canada, dated 12/31/10, due 01/03/11 at 0.150%,	1,500,000,000	Repurchase Agreements	Repurchase Agreements		2.02%
959YTXI6_0.1	112,000,000	0.190	01/03/11	Repurchase agreement with Royal Bank of Scotland, dated 12/31/10, due 01/03/11 at 0.190%,	112,000,000	Repurchase Agreements	Repurchase Agreements		2.60%
959YTXI6_0.2	400,000,000	0.200	01/03/11	Repurchase agreement with Royal Bank of Scotland, dated 12/31/10, due 01/03/11 at 0.200%,	400,000,000	Repurchase Agreements	Repurchase Agreements		15.18%
795993005	368,000,000	0.250	01/03/11	Repurchase agreement with Salomon Smith Barney Citigroup, dated 12/31/10, due 01/03/11 at 0.250%,	368,000,000	Repurchase Agreements	Repurchase Agreements		1.13%
372892000	275,000,000	0.210	01/03/11	Repurchase agreement with Societe Generale, dated 12/31/10, due 01/03/11 at 0.210%,	275,000,000	Repurchase Agreements	Repurchase Agreements		4.05%
936991009_0.1	229,940,000	0.220	01/03/11	Repurchase agreement with UBS Securities, Inc., dated 12/31/10, due 01/03/11 at 0.220%,	229,940,000	Repurchase Agreements	Repurchase Agreements		3.72%
936991009_0.2	207,000,000	0.270	01/03/11	Repurchase agreement with UBS, dated 12/31/10, due 01/03/11 at 0.270%,	207,000,000	Repurchase Agreements	Repurchase Agreements		2.78%
					7,819,728,000	Repurchase Agreements Total			79.13%
					9,882,051,290	Grand Total			100.00%
					9,882,051,290				

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Portfolio holdings are subject to change periodically and may not be representative of current holdings. Current and future holdings are subject to risk, including, but not limited to, market and credit risk.

Please read and consider the investment objectives, risks, charges and expenses for any fund carefully before investing. For a prospectus, which contains this and other important information about the fund, contact your BofA Global Capital Management representative or financial advisor or go to www.bofacapital.com.

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NOT FDIC INSURED	May Lose Value
NOT BANK ISSUED	No Bank Guarantee

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UNAUDITED Schedule of Investments T-Fund

31-Dec-10

<u>Position Description</u>	<u>CUSIP</u>	<u>Par</u>	<u>% Par</u>	<u>Maturity or Reset</u>	<u>Final Maturity</u>	<u>Yield or Coupon</u>	<u>Amortized Cost</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
WAM 44 Days / WAL 44 Days									
Treasury Debt		3,352,461,000	38.62%				3,351,139,085		
TREASURY BILL	912795X71	59,200,000	0.68%	6-Jan-11	6-Jan-11	0.21%	59,198,989	Govt	Govt
TREASURY BILL	912795X71	40,800,000	0.47%	6-Jan-11	6-Jan-11	0.21%	40,799,286	Govt	Govt
TREASURY BILL	912795UX7	100,000,000	1.15%	13-Jan-11	13-Jan-11	0.20%	99,994,444	Govt	Govt
TREASURY BILL	912795X89	150,000,000	1.73%	20-Jan-11	20-Jan-11	0.20%	149,986,187	Govt	Govt
TREASURY BILL	912795X97	18,419,000	0.21%	27-Jan-11	27-Jan-11	0.03%	18,418,632	Govt	Govt
TREASURY BILL	912795X97	100,042,000	1.15%	27-Jan-11	27-Jan-11	0.20%	100,028,661	Govt	Govt
TREASURY BILL	912795X97	59,000,000	0.68%	27-Jan-11	27-Jan-11	0.20%	58,992,133	Govt	Govt
TREASURY BILL	912795Y21	111,000,000	1.28%	3-Feb-11	3-Feb-11	0.19%	110,982,317	Govt	Govt
TREASURY BILL	912795Y21	150,000,000	1.73%	3-Feb-11	3-Feb-11	0.20%	149,974,812	Govt	Govt
TREASURY BILL	9127952B6	58,800,000	0.68%	17-Feb-11	17-Feb-11	0.19%	58,786,402	Govt	Govt
TREASURY BILL	9127952B6	61,200,000	0.71%	17-Feb-11	17-Feb-11	0.19%	61,185,465	Govt	Govt
TREASURY BILL	9127952C4	100,000,000	1.15%	24-Feb-11	24-Feb-11	0.12%	99,983,389	Govt	Govt
TREASURY BILL	9127952C4	55,000,000	0.63%	24-Feb-11	24-Feb-11	0.19%	54,985,303	Govt	Govt
TREASURY BILL	9127952D2	100,000,000	1.15%	3-Mar-11	3-Mar-11	0.19%	99,968,533	Govt	Govt
TREASURY BILL	9127952G5	100,000,000	1.15%	17-Mar-11	17-Mar-11	0.19%	99,961,472	Govt	Govt
TREASURY BILL	9127952H3	53,167,500	0.61%	24-Mar-11	24-Mar-11	0.20%	53,144,461	Govt	Govt
TREASURY BILL	9127952H3	46,832,500	0.54%	24-Mar-11	24-Mar-11	0.20%	46,812,206	Govt	Govt
TREASURY BILL	9127952J9	100,000,000	1.15%	31-Mar-11	31-Mar-11	0.19%	99,954,083	Govt	Govt
TREASURY BILL	912795VDO	114,000,000	1.31%	7-Apr-11	7-Apr-11	0.49%	113,855,632	Govt	Govt
TREASURY BILL	9127952M2	75,000,000	0.86%	21-Apr-11	21-Apr-11	0.18%	74,960,625	Govt	Govt
TREASURY BILL	9127952N0	45,000,000	0.52%	28-Apr-11	28-Apr-11	0.18%	44,974,844	Govt	Govt
TREASURY BILL	912795VE8	100,000,000	1.15%	5-May-11	5-May-11	0.17%	99,944,083	Govt	Govt
TREASURY BILL	912795VE8	82,000,000	0.94%	5-May-11	5-May-11	0.17%	81,954,148	Govt	Govt
TREASURY BILL	912795VE8	50,000,000	0.58%	5-May-11	5-May-11	0.18%	49,970,347	Govt	Govt
TREASURY BILL	9127952Q3	50,000,000	0.58%	12-May-11	12-May-11	0.16%	49,971,154	Govt	Govt
TREASURY BILL	9127952S9	75,000,000	0.86%	26-May-11	26-May-11	0.20%	74,941,906	Govt	Govt
TREASURY BILL	912795W64	100,000,000	1.15%	2-Jun-11	2-Jun-11	0.20%	99,916,667	Govt	Govt
TREASURY BILL	912795W64	82,413,600	0.95%	2-Jun-11	2-Jun-11	0.21%	82,341,488	Govt	Govt
TREASURY BILL	912795W64	17,586,400	0.20%	2-Jun-11	2-Jun-11	0.21%	17,571,012	Govt	Govt
TREASURY BILL	9127952U4	100,000,000	1.15%	9-Jun-11	9-Jun-11	0.19%	99,919,319	Govt	Govt
TREASURY BILL	9127952V2	60,000,000	0.69%	16-Jun-11	16-Jun-11	0.19%	59,948,067	Govt	Govt
TREASURY BILL	912795X22	207,000,000	2.38%	30-Jun-11	30-Jun-11	0.23%	206,769,712	Govt	Govt
TREASURY BILL	9127952F7	70,000,000	0.81%	22-Sep-11	22-Sep-11	0.27%	69,864,997	Govt	Govt
TREASURY BILL	9127952K6	70,000,000	0.81%	20-Oct-11	20-Oct-11	0.23%	69,870,306	Govt	Govt
TREASURY BILL	9127952P5	62,000,000	0.71%	17-Nov-11	17-Nov-11	0.25%	61,863,357	Govt	Govt
TREASURY BILL	9127952P5	50,000,000	0.58%	17-Nov-11	17-Nov-11	0.28%	49,876,333	Govt	Govt
TREASURY BILL	9127952T7	34,672,200	0.40%	15-Dec-11	15-Dec-11	0.30%	34,573,895	Govt	Govt
TREASURY BILL	9127952T7	25,327,800	0.29%	15-Dec-11	15-Dec-11	0.30%	25,255,989	Govt	Govt
TREASURY NOTE	912828JY7	80,000,000	0.92%	31-Jan-11	31-Jan-11	0.18%	80,042,361	Govt	Govt
TREASURY NOTE	912828KE9	100,000,000	1.15%	28-Feb-11	28-Feb-11	0.22%	100,101,828	Govt	Govt
TREASURY NOTE	912828KE9	75,000,000	0.86%	28-Feb-11	28-Feb-11	0.22%	75,075,754	Govt	Govt
TREASURY NOTE	912828KE9	50,000,000	0.58%	28-Feb-11	28-Feb-11	0.22%	50,050,503	Govt	Govt
TREASURY NOTE	912828KE9	44,000,000	0.51%	28-Feb-11	28-Feb-11	0.22%	44,044,443	Govt	Govt
TREASURY NOTE	912828LV0	50,000,000	0.58%	31-Aug-11	31-Aug-11	0.30%	50,231,099	Govt	Govt
TREASURY NOTE	912828LV0	20,000,000	0.23%	31-Aug-11	31-Aug-11	0.30%	20,092,439	Govt	Govt
Treasury Repurchase Agreement		5,327,634,000	61.38%				5,327,634,000		
TRI-PARTY BARCLAYS CAPITAL INC.	BRSBAPAB4	100,000,000	1.15%	3-Jan-11	3-Jan-11	0.15%	100,000,000	NR	NR
TRI-PARTY BARCLAYS CAPITAL INC.	BRSBAEPR8	250,000,000	2.88%	7-Jan-11	7-Jan-11 P	0.10%	250,000,000	NR	NR
TRI-PARTY BARCLAYS CAPITAL INC.	BRSB9G795	400,000,000	4.61%	7-Jan-11	7-Jan-11 P	0.16%	400,000,000	NR	NR
TRI-PARTY CITIGROUP GLOBAL MARKETS	BRSBAPAY4	777,000,000	8.95%	3-Jan-11	3-Jan-11	0.23%	777,000,000	P-1	A-1
TRI-PARTY CREDIT SUISSE SECURITIES	BRSBAPB15	255,500,000	2.94%	3-Jan-11	3-Jan-11	0.15%	255,500,000	NR	NR
TRI-PARTY DEUTSCHE BANK SECURITIES	BRSBAPAU2	475,170,000	5.47%	3-Jan-11	3-Jan-11	0.18%	475,170,000	P-1	NR
TRI-PARTY DEUTSCHE BANK SECURITIES	BRSARTJ70	455,000,000	5.24%	7-Jan-11	6-Jan-11 P	0.22%	455,000,000	P-1	NR
TRI-PARTY GOLDMAN SACHS & CO.	BRSBAEPB3	370,000,000	4.26%	6-Jan-11	6-Jan-11	0.08%	370,000,000	P-1	A-1
TRI-PARTY HSBC SECURITIES (USA) IN	BRSBAPBN7	251,738,000	2.90%	3-Jan-11	3-Jan-11	0.20%	251,738,000	NR	NR
TRI-PARTY J.P. MORGAN SECURITIES L	BRSBAPA40	242,226,000	2.79%	3-Jan-11	3-Jan-11	0.18%	242,226,000	NR	NR
TRI-PARTY MERRILL LYNCH, PIERCE, F	BRSBAP9B6	300,000,000	3.46%	3-Jan-11	3-Jan-11	0.10%	300,000,000	NR	NR

UNAUDITED Schedule of Investments T-Fund

31-Dec-10

<u>Position Description</u>	<u>CUSIP</u>	<u>Par</u>	<u>% Par</u>	<u>Maturity or Reset</u>	<u>Final Maturity</u>	<u>Yield or Coupon</u>	<u>Amortized Cost</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
TRI-PARTY MORGAN STANLEY & CO INC	BRSBAP9F7	75,000,000	0.86%	3-Jan-11	3-Jan-11	0.15%	75,000,000	NR	NR
TRI-PARTY MORGAN STANLEY & CO INC	BRSVAFRR2	90,000,000	1.04%	7-Jan-11	7-Jan-11 P	0.20%	90,000,000	NR	NR
TRI-PARTY RBS SECURITIES INC.	BRSBAPAW8	212,000,000	2.44%	3-Jan-11	3-Jan-11	0.18%	212,000,000	NR	NR
TRI-PARTY RBS SECURITIES INC.	BRSB5R6W5	300,000,000	3.46%	7-Jan-11	7-Jan-11 P	0.18%	300,000,000	NR	NR
TRI-PARTY RBS SECURITIES INC.	BRSAYSEX2	435,000,000	5.01%	7-Jan-11	7-Jan-11 P	0.19%	435,000,000	NR	NR
TRI-PARTY UBS SECURITIES LLC	BRSBAPCZ9	275,000,000	3.17%	3-Jan-11	3-Jan-11	0.20%	275,000,000	NR	A-1
TRI-PARTY UBS SECURITIES LLC	BRSBAP9W0	64,000,000	0.74%	3-Jan-11	3-Jan-11	0.25%	64,000,000	NR	A-1
TOTAL		8,680,095,000	100%				8,678,773,085		

P = Put

The Fund's current prospectus contains more complete information about the Fund, including its fees and expenses.

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. Ratings and portfolio credit quality may change over time. Unrated securities do not necessarily indicate low quality.

WAM (Weighted Average Maturity) of a Fund is the average amount of time until the organizations that issued the debt securities in the Fund's portfolio must pay off the principal amount of the debt. "Weighted" means the larger the dollar value of a debt security in a Fund, the more weight it gets in calculating this average. To calculate the WAM, the Fund may treat a variable or floating rate security as having a maturity equal to the time remaining to the security's next interest rate reset date rather than the security's actual maturity. WAL (Weighted Average Life) is the WAM of a Fund's portfolio calculated without reference to the exceptions used for variable or floating rate securities regarding the use of the date of interest rate resets in lieu of the security's actual maturity date.

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UNAUDITED Schedule of Investments Treasury Trust Fund

31-Dec-10

<u>Position Description</u>	<u>CUSIP</u>	<u>Par</u>	<u>% Par</u>	<u>Maturity or Reset</u>	<u>Final Maturity</u>	<u>Yield or Coupon</u>	<u>Amortized Cost</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
WAM 42 Days / WAL 42 Days									
Treasury Debt		4,206,544,000	100%				4,205,857,696		
TREASURY BILL	912795X71	5,844,000	0.14%	6-Jan-11	6-Jan-11	0.04%	5,843,981	Govt	Govt
TREASURY BILL	912795X71	69,447,000	1.65%	6-Jan-11	6-Jan-11	0.08%	69,446,534	Govt	Govt
TREASURY BILL	912795X71	47,961,000	1.14%	6-Jan-11	6-Jan-11	0.10%	47,960,620	Govt	Govt
TREASURY BILL	912795X71	79,400,000	1.89%	6-Jan-11	6-Jan-11	0.10%	79,399,365	Govt	Govt
TREASURY BILL	912795X71	70,000,000	1.66%	6-Jan-11	6-Jan-11	0.10%	69,999,440	Govt	Govt
TREASURY BILL	912795X71	48,695,000	1.16%	6-Jan-11	6-Jan-11	0.11%	48,694,576	Govt	Govt
TREASURY BILL	912795X71	4,942,000	0.12%	6-Jan-11	6-Jan-11	0.13%	4,941,947	Govt	Govt
TREASURY BILL	912795X71	25,085,000	0.60%	6-Jan-11	6-Jan-11	0.13%	25,084,729	Govt	Govt
TREASURY BILL	912795X71	60,000,000	1.43%	6-Jan-11	6-Jan-11	0.14%	59,999,302	Govt	Govt
TREASURY BILL	912795X71	29,600,000	0.70%	6-Jan-11	6-Jan-11	0.21%	29,599,494	Govt	Govt
TREASURY BILL	912795X71	20,400,000	0.48%	6-Jan-11	6-Jan-11	0.21%	20,399,643	Govt	Govt
TREASURY BILL	912795UX7	136,906,000	3.25%	13-Jan-11	13-Jan-11	0.01%	136,905,620	Govt	Govt
TREASURY BILL	912795UX7	256,000	0.01%	13-Jan-11	13-Jan-11	0.01%	255,999	Govt	Govt
TREASURY BILL	912795UX7	13,631,000	0.32%	13-Jan-11	13-Jan-11	0.10%	13,630,621	Govt	Govt
TREASURY BILL	912795UX7	190,250,000	4.52%	13-Jan-11	13-Jan-11	0.12%	190,243,658	Govt	Govt
TREASURY BILL	912795UX7	84,750,000	2.01%	13-Jan-11	13-Jan-11	0.12%	84,747,175	Govt	Govt
TREASURY BILL	912795UX7	33,944,000	0.81%	13-Jan-11	13-Jan-11	0.12%	33,942,850	Govt	Govt
TREASURY BILL	912795UX7	100,000,000	2.38%	13-Jan-11	13-Jan-11	0.13%	99,996,389	Govt	Govt
TREASURY BILL	912795UX7	11,212,000	0.27%	13-Jan-11	13-Jan-11	0.14%	11,211,581	Govt	Govt
TREASURY BILL	912795UX7	34,515,000	0.82%	13-Jan-11	13-Jan-11	0.14%	34,513,706	Govt	Govt
TREASURY BILL	912795UX7	578,000	0.01%	13-Jan-11	13-Jan-11	0.20%	577,968	Govt	Govt
TREASURY BILL	912795X89	86,620,000	2.06%	20-Jan-11	20-Jan-11	0.05%	86,617,955	Govt	Govt
TREASURY BILL	912795X89	335,093,000	7.97%	20-Jan-11	20-Jan-11	0.16%	335,067,682	Govt	Govt
TREASURY BILL	912795X89	60,000,000	1.43%	20-Jan-11	20-Jan-11	0.20%	59,994,475	Govt	Govt
TREASURY BILL	912795X97	54,270,000	1.29%	27-Jan-11	27-Jan-11	0.13%	54,265,297	Govt	Govt
TREASURY BILL	912795X97	23,910,000	0.57%	27-Jan-11	27-Jan-11	0.13%	23,907,928	Govt	Govt
TREASURY BILL	912795X97	71,700,000	1.70%	27-Jan-11	27-Jan-11	0.14%	71,693,547	Govt	Govt
TREASURY BILL	912795X97	375,000,000	8.91%	27-Jan-11	27-Jan-11	0.16%	374,961,250	Govt	Govt
TREASURY BILL	912795Y21	140,800,000	3.35%	3-Feb-11	3-Feb-11	0.11%	140,786,602	Govt	Govt
TREASURY BILL	912795Y21	110,000,000	2.61%	3-Feb-11	3-Feb-11	0.11%	109,989,533	Govt	Govt
TREASURY BILL	912795Y21	188,000,000	4.47%	3-Feb-11	3-Feb-11	0.13%	187,979,764	Govt	Govt
TREASURY BILL	912795Y21	114,900,000	2.73%	3-Feb-11	3-Feb-11	0.13%	114,887,138	Govt	Govt
TREASURY BILL	912795Y21	10,100,000	0.24%	3-Feb-11	3-Feb-11	0.13%	10,098,869	Govt	Govt
TREASURY BILL	912795Y21	32,730,000	0.78%	3-Feb-11	3-Feb-11	0.20%	32,724,504	Govt	Govt
TREASURY BILL	912795V40	28,253,000	0.67%	10-Feb-11	10-Feb-11	0.12%	28,249,421	Govt	Govt
TREASURY BILL	912795V40	125,000,000	2.97%	10-Feb-11	10-Feb-11	0.13%	124,979,746	Govt	Govt
TREASURY BILL	912795V40	125,000,000	2.97%	10-Feb-11	10-Feb-11	0.13%	124,979,746	Govt	Govt
TREASURY BILL	912795V40	50,000,000	1.19%	10-Feb-11	10-Feb-11	0.13%	49,993,403	Govt	Govt
TREASURY BILL	912795V40	65,000,000	1.55%	10-Feb-11	10-Feb-11	0.19%	64,986,964	Govt	Govt
TREASURY BILL	9127952B6	7,771,000	0.18%	17-Feb-11	17-Feb-11	0.12%	7,769,839	Govt	Govt
TREASURY BILL	9127952B6	145,000,000	3.45%	17-Feb-11	17-Feb-11	0.13%	144,976,438	Govt	Govt
TREASURY BILL	9127952C4	11,011,000	0.26%	24-Feb-11	24-Feb-11	0.10%	11,009,417	Govt	Govt
TREASURY BILL	9127952C4	120,000,000	2.85%	24-Feb-11	24-Feb-11	0.10%	119,982,493	Govt	Govt
TREASURY BILL	9127952C4	6,000,000	0.14%	24-Feb-11	24-Feb-11	0.14%	5,998,787	Govt	Govt
TREASURY BILL	9127952D2	25,000,000	0.59%	3-Mar-11	3-Mar-11	0.17%	24,993,240	Govt	Govt
TREASURY BILL	912795V99	18,091,000	0.43%	10-Mar-11	10-Mar-11	0.13%	18,086,605	Govt	Govt
TREASURY BILL	9127952G5	50,000,000	1.19%	17-Mar-11	17-Mar-11	0.14%	49,985,806	Govt	Govt
TREASURY BILL	9127952G5	50,000,000	1.19%	17-Mar-11	17-Mar-11	0.19%	49,980,736	Govt	Govt
TREASURY BILL	9127952H3	50,000,000	1.19%	24-Mar-11	24-Mar-11	0.13%	49,986,111	Govt	Govt
TREASURY BILL	9127952H3	22,000,000	0.52%	24-Mar-11	24-Mar-11	0.20%	21,990,467	Govt	Govt
TREASURY BILL	912795VD0	75,000,000	1.78%	7-Apr-11	7-Apr-11	0.19%	74,963,771	Govt	Govt
TREASURY BILL	912795VD0	16,000,000	0.38%	7-Apr-11	7-Apr-11	0.49%	15,979,738	Govt	Govt
TREASURY BILL	9127952L4	50,000,000	1.19%	14-Apr-11	14-Apr-11	0.17%	49,976,854	Govt	Govt
TREASURY BILL	9127952M2	21,042,000	0.50%	21-Apr-11	21-Apr-11	0.17%	21,031,142	Govt	Govt
TREASURY BILL	9127952M2	24,837,000	0.59%	21-Apr-11	21-Apr-11	0.18%	24,823,998	Govt	Govt
TREASURY BILL	9127952M2	33,000,000	0.78%	21-Apr-11	21-Apr-11	0.18%	32,982,675	Govt	Govt
TREASURY BILL	9127952N0	50,000,000	1.19%	28-Apr-11	28-Apr-11	0.18%	49,972,049	Govt	Govt
TREASURY BILL	912795VE8	50,000,000	1.19%	5-May-11	5-May-11	0.17%	49,972,042	Govt	Govt

UNAUDITED Schedule of Investments Treasury Trust Fund

31-Dec-10

<u>Position Description</u>	<u>CUSIP</u>	<u>Par</u>	<u>% Par</u>	<u>Maturity or Reset</u>	<u>Final Maturity</u>	<u>Yield or Coupon</u>	<u>Amortized Cost</u>	<u>Moody's Rating</u>	<u>S&P Rating</u>
TREASURY BILL	9127952Q3	50,000,000	1.19%	12-May-11	12-May-11	0.16%	49,971,154	Govt	Govt
TREASURY BILL	9127952R1	30,000,000	0.71%	19-May-11	19-May-11	0.18%	29,979,600	Govt	Govt
TREASURY BILL	912795W64	35,000,000	0.83%	2-Jun-11	2-Jun-11	0.21%	34,969,375	Govt	Govt
TREASURY BILL	9127952U4	38,000,000	0.90%	9-Jun-11	9-Jun-11	0.19%	37,969,341	Govt	Govt
TREASURY BILL	9127952V2	30,000,000	0.71%	16-Jun-11	16-Jun-11	0.19%	29,974,033	Govt	Govt
TREASURY BILL	912795X22	60,000,000	1.43%	30-Jun-11	30-Jun-11	0.23%	59,933,250	Govt	Govt
TREASURY NOTE	912828JY7	75,000,000	1.78%	31-Jan-11	31-Jan-11	0.18%	75,039,714	Govt	Govt
TOTAL		4,206,544,000	100%				4,205,857,696		

The Fund's current prospectus contains more complete information about the Fund, including its fees and expenses.

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. Ratings and portfolio credit quality may change over time. Unrated securities do not necessarily indicate low quality.

WAM (Weighted Average Maturity) of a Fund is the average amount of time until the organizations that issued the debt securities in the Fund's portfolio must pay off the principal amount of the debt. "Weighted" means the larger the dollar value of a debt security in a Fund, the more weight it gets in calculating this average. To calculate the WAM, the Fund may treat a variable or floating rate security as having a maturity equal to the time remaining to the security's next interest rate reset date rather than the security's actual maturity. WAL (Weighted Average Life) is the WAM of a Fund's portfolio calculated without reference to the exceptions used for variable or floating rate securities regarding the use of the date of interest rate resets in lieu of the security's actual maturity date.

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FEDERATED TREASURY OBLIGATIONS FUND

Portfolio as of December 31, 2010

Current Net Assets -- \$ 19,155,763,275

Weighted Average Maturity: 39 Days

Weighted Average Life: 39 Days

Credit Rating:

AAAm STANDARD & POOR'S

Aaa MOODY'S

FederatedWORLD-CLASS INVESTMENT MANAGER[®]

Principal Amount	(1) Security Description	CUSIP	Amortized Cost Value	(2) Effective Maturity	(3) Final Maturity	Rule 2a-7 Category of Investment
REPURCHASE AGREEMENTS - 80.5%						
\$ 2,100,871,000	BNP Paribas Securities Corp., 0.190% dated 12/31/2010	69999A006	\$ 2,100,871,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 430,000,000	Bank of Montreal, 0.220% dated 12/31/2010	06399G001	\$ 430,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 1,683,000,000 (6)	Barclays Capital, Inc., 0.140% dated 12/28/2010	068992007	\$ 1,683,000,000	1/20/2011	1/20/2011	Treasury Repurchase Agreement
\$ 500,000,000	Barclays Capital, Inc., 0.230% dated 12/31/2010	068992007	\$ 500,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 76,000,000	CIBC World Markets Corp., 0.200% dated 12/31/2010	126997006	\$ 76,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 490,000,000	Citibank NA, New York, 0.240% dated 12/31/2010	989LHR002	\$ 490,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 490,000,000	Citigroup Global Markets, Inc., 0.240% dated 12/31/2010	99CBF2906	\$ 490,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 2,890,000,000	Credit Agricole Securities (USA), Inc., 0.200% dated 12/31/2010	959KQW11	\$ 2,890,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 990,000,000	Credit Suisse First Boston LLC, 0.150% dated 12/31/2010	319981007	\$ 990,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 96,000,000	Deutsche Bank Securities, Inc., 0.100% dated 12/31/2010	25199K004	\$ 96,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 802,000,000 (6)	Deutsche Bank Securities, Inc., 0.200% dated 10/27/2010	25199K004	\$ 802,000,000	1/25/2011	1/25/2011	Treasury Repurchase Agreement
\$ 897,500,000 (6)	Deutsche Bank Securities, Inc., 0.210% dated 10/19/2010	25199K004	\$ 897,500,000	1/18/2011	1/18/2011	Treasury Repurchase Agreement
\$ 896,000,000 (6)	Goldman Sachs & Co., 0.150% dated 12/28/2010	381905009	\$ 896,000,000	1/4/2011	1/4/2011	Treasury Repurchase Agreement
\$ 248,862,000	J.P. Morgan Securities, Inc., 0.200% dated 12/31/2010	616994000	\$ 248,862,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 300,000,000	Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.040% dated 12/31/2010	590993002	\$ 300,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 304,000,000 (6)	Merrill Lynch, Pierce, Fenner & Smith, Inc., 0.160% dated 11/9/2010	590993002	\$ 304,000,000	2/7/2011	2/7/2011	Treasury Repurchase Agreement
\$ 1,326,000,000	RBS Securities, Inc., 0.200% dated 12/31/2010	75099K9L5	\$ 1,326,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
\$ 900,000,000	TD Securities (USA) LLC, 0.240% dated 12/31/2010	891960007	\$ 900,000,000	1/3/2011	1/3/2011	Treasury Repurchase Agreement
TOTAL REPURCHASE AGREEMENTS			\$ 15,420,233,000			
U.S. TREASURY - 19.4%						
\$ 236,000,000	United States Treasury Notes, 0.750%	912828MM9	\$ 236,979,283	11/30/2011	11/30/2011	Treasury Debt
\$ 387,000,000	United States Treasury Notes, 0.875%	912828KE9	\$ 387,371,550	2/28/2011	2/28/2011	Treasury Debt
\$ 404,000,000	United States Treasury Notes, 0.875%	912828KH2	\$ 404,603,533	3/31/2011	3/31/2011	Treasury Debt
\$ 670,000,000	United States Treasury Notes, 0.875%	912828KL3	\$ 671,388,237	4/30/2011	4/30/2011	Treasury Debt
\$ 100,000,000	United States Treasury Notes, 1.000%	912828LW8	\$ 100,536,922	9/30/2011	9/30/2011	Treasury Debt
\$ 127,000,000	United States Treasury Notes, 1.750%	912828JU5	\$ 128,633,308	11/15/2011	11/15/2011	Treasury Debt
\$ 136,000,000	United States Treasury Notes, 4.500%	912828GA2	\$ 141,168,008	11/30/2011	11/30/2011	Treasury Debt
\$ 691,000,000	United States Treasury Notes, 4.625%	912828FS4	\$ 710,940,237	8/31/2011	8/31/2011	Treasury Debt
\$ 70,000,000	United States Treasury Notes, 4.750%	912828FA3	\$ 70,739,119	3/31/2011	3/31/2011	Treasury Debt
\$ 508,000,000	United States Treasury Notes, 4.875%	912828FD7	\$ 515,832,733	4/30/2011	4/30/2011	Treasury Debt

Principal Amount	⁽¹⁾ Security Description	CUSIP	Amortized Cost Value	⁽²⁾ Effective Maturity	⁽³⁾ Final Maturity	Rule 2a-7 Category of Investment
\$ 164,000,000	United States Treasury Notes, 4.875%	912828FN5	\$ 168,403,005	7/31/2011	7/31/2011	Treasury Debt
\$ 171,000,000	United States Treasury Notes, 5.125%	912828FK1	\$ 174,946,987	6/30/2011	6/30/2011	Treasury Debt
	TOTAL U.S. TREASURY		\$ 3,711,542,921			
	TOTAL INVESTMENTS		\$ 19,131,775,921			

- (1) Includes the name of issuer and coupon or yield of the security.
- (2) Maturity date as determined under Rule 2a-7(d) for purposes of calculating the portfolio's Weighted Average Maturity
- (3) The date on which the fund has an unconditional right to payment of the full principal amount of and any remaining interest on the security.
- (4) Discount rate at time of purchase.
- (5) Floating rate notes with current rate shown.
- (6) 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.

The categories of investments are shown as a percentage of net assets (\$19,155,763,275) at the close of business on December 31, 2010, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Where appropriate, the following acronyms may be used throughout this portfolio:

FDIC --Federal Deposit Insurance Corporation

GTD --Guaranteed

LIQ --Liquidity Agreement

LLC --Limited Liability Corporation

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 FederatedInvestors.com for a prospectus or a summary prospectus, if available. 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 or summary prospectus, which you should read carefully before investing.

Principal Amount	⁽¹⁾ Security Description	CUSIP	Amortized Cost Value	⁽²⁾ Effective Maturity	⁽³⁾ Final Maturity	Rule 2a-7 Category of Investment
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A money market fund rated AAAm by Standard & Poor's is granted after evaluating a number of factors, including credit quality, market price exposure, and management. Money market funds rated Aaa by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. Fitch's money market fund ratings are an assessment of the safety of invested principal and the ability to maintain a stable market value of the fund's shares. Ratings are subject to change and do not remove market risk.

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Federated Securities Corp., Distributor
 (32248) 12/31/2010

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FEDERATED U.S. TREASURY CASH RESERVES

Portfolio as of December 31, 2010

Current Net Assets -- \$ 15,815,963,841

Weighted Average Maturity: 47 Days

Weighted Average Life: 47 Days

Credit Rating:

AAAm STANDARD & POOR'S

Aaa MOODY'S



WORLD-CLASS INVESTMENT MANAGER

Principal Amount	(1) Security Description	CUSIP	Amortized Cost Value	(2) Effective Maturity	(3) Final Maturity	Rule 2a-7 Category of Investment
	U.S. TREASURY - 98.6%					
\$ 188,427,000	U.S. Treasury Inflation Protected Notes, 3.500%	9128276R8	\$ 188,796,849	1/15/2011	1/15/2011	Treasury Debt
\$ 65,000,000 (4)	United States Treasury Bills, 0.055%	912795X97	\$ 64,997,418	1/27/2011	1/27/2011	Treasury Debt
\$ 25,000,000 (4)	United States Treasury Bills, 0.070%	912795V40	\$ 24,998,056	2/10/2011	2/10/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.100%	912795X71	\$ 249,996,528	1/6/2011	1/6/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.110%	9127952C4	\$ 249,956,500	2/24/2011	2/24/2011	Treasury Debt
\$ 800,000,000 (4)	United States Treasury Bills, 0.120%	9127952C4	\$ 799,858,248	2/24/2011	2/24/2011	Treasury Debt
\$ 500,000,000 (4)	United States Treasury Bills, 0.120%	912795UX7	\$ 499,979,917	1/13/2011	1/13/2011	Treasury Debt
\$ 500,000,000 (4)	United States Treasury Bills, 0.120%	912795Y21	\$ 499,945,000	2/3/2011	2/3/2011	Treasury Debt
\$ 850,000,000 (4)	United States Treasury Bills, 0.125%	912795UX7	\$ 849,964,667	1/13/2011	1/13/2011	Treasury Debt
\$ 300,000,000 (4)	United States Treasury Bills, 0.125%	912795V40	\$ 299,958,333	2/10/2011	2/10/2011	Treasury Debt
\$ 100,000,000 (4)	United States Treasury Bills, 0.125%	912795Y21	\$ 99,988,542	2/3/2011	2/3/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.130%	912795UX7	\$ 249,989,167	1/13/2011	1/13/2011	Treasury Debt
\$ 550,000,000 (4)	United States Treasury Bills, 0.135%	912795UX7	\$ 549,975,250	1/13/2011	1/13/2011	Treasury Debt
\$ 700,000,000 (4)	United States Treasury Bills, 0.135%	912795X89	\$ 699,950,125	1/20/2011	1/20/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.140%	9127952B6	\$ 249,954,306	2/17/2011	2/17/2011	Treasury Debt
\$ 300,000,000 (4)	United States Treasury Bills, 0.140%	912795X71	\$ 299,994,167	1/6/2011	1/6/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.140%	912795X89	\$ 249,981,528	1/20/2011	1/20/2011	Treasury Debt
\$ 750,000,000 (4)	United States Treasury Bills, 0.150%	912795V99	\$ 749,787,500	3/10/2011	3/10/2011	Treasury Debt
\$ 750,000,000 (4)	United States Treasury Bills, 0.150%	912795X89	\$ 749,940,625	1/20/2011	1/20/2011	Treasury Debt
\$ 500,000,000 (4)	United States Treasury Bills, 0.160%	9127952J9	\$ 499,802,222	3/31/2011	3/31/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.165%	912795V99	\$ 249,922,083	3/10/2011	3/10/2011	Treasury Debt
\$ 100,000,000 (4)	United States Treasury Bills, 0.170%	9127952J9	\$ 99,957,972	3/31/2011	3/31/2011	Treasury Debt
\$ 85,000,000 (4)	United States Treasury Bills, 0.175%	9127952J9	\$ 84,963,226	3/31/2011	3/31/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.180%	9127952B6	\$ 249,941,250	2/17/2011	2/17/2011	Treasury Debt
\$ 50,000,000 (4)	United States Treasury Bills, 0.195%	912795W64	\$ 49,958,833	6/2/2011	6/2/2011	Treasury Debt
\$ 90,250,000 (4)	United States Treasury Bills, 0.200%	912795UX7	\$ 90,243,983	1/13/2011	1/13/2011	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.200%	912795X22	\$ 249,750,000	6/30/2011	6/30/2011	Treasury Debt
\$ 1,821,000,000	United States Treasury Notes, 0.875%	912828JY7	\$ 1,822,023,282	1/31/2011	1/31/2011	Treasury Debt
\$ 1,864,000,000	United States Treasury Notes, 0.875%	912828KE9	\$ 1,865,997,627	2/28/2011	2/28/2011	Treasury Debt

Principal Amount	⁽¹⁾ Security Description	CUSIP	Amortized Cost Value	⁽²⁾ Effective Maturity	⁽³⁾ Final Maturity	Rule 2a-7 Category of Investment
\$ 500,000,000	United States Treasury Notes, 0.875%	912828KH2	\$ 500,849,343	3/31/2011	3/31/2011	Treasury Debt
\$ 709,185,000	United States Treasury Notes, 4.250%	912828ES5	\$ 710,282,278	1/15/2011	1/15/2011	Treasury Debt
\$ 605,000,000	United States Treasury Notes, 4.500%	912828EX4	\$ 609,197,359	2/28/2011	2/28/2011	Treasury Debt
\$ 350,000,000	United States Treasury Notes, 4.875%	912828FD7	\$ 355,400,100	4/30/2011	4/30/2011	Treasury Debt
\$ 250,000,000	United States Treasury Notes, 4.875%	912828FN5	\$ 256,717,201	7/31/2011	7/31/2011	Treasury Debt
\$ 150,000,000	United States Treasury Notes, 5.000%	9128276T4	\$ 150,885,539	2/15/2011	2/15/2011	Treasury Debt
\$ 119,000,000	United States Treasury Notes, 5.125%	912828FK1	\$ 121,889,741	6/30/2011	6/30/2011	Treasury Debt
TOTAL U.S. TREASURY			\$ 15,595,794,763			
TOTAL INVESTMENTS			\$ 15,595,794,763			

- (1) Includes the name of issuer and coupon or yield of the security.
- (2) Maturity date as determined under Rule 2a-7(d) for purposes of calculating the portfolio's Weighted Average Maturity
- (3) The date on which the fund has an unconditional right to payment of the full principal amount of and any remaining interest on the security.
- (4) Discount rate at time of purchase.
- (5) Floating rate notes with current rate shown.

The categories of investments are shown as a percentage of net assets (\$15,815,963,841) at the close of business on December 31,2010, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Where appropriate, the following acronyms may be used throughout this portfolio:

- FDIC --Federal Deposit Insurance Corporation
- GTD --Guaranteed
- LIQ --Liquidity Agreement
- LLC --Limited Liability Corporation

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.

Principal Amount	⁽¹⁾ Security Description	CUSIP	Amortized Cost Value	⁽²⁾ Effective Maturity	⁽³⁾ Final Maturity	Rule 2a-7 Category of Investment
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For more complete information on the fund, visit FederatedInvestors.com for a prospectus or a summary prospectus, if available. 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 or summary prospectus, which you should read carefully before investing.

A money market fund rated AAAM by Standard & Poor's is granted after evaluating a number of factors, including credit quality, market price exposure, and management. Money market funds rated Aaa by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. Fitch's money market fund ratings are an assessment of the safety of invested principal and the ability to maintain a stable market value of the fund's shares. Ratings are subject to change and do not remove market risk.

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Federated Securities Corp., Distributor
 (32255) 12/31/2010

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Fidelity® Institutional Money Market Funds: Treasury Portfolio

Monthly Holdings for December 31, 2010

Weighted Average Life: 51 Days

Weighted Average Portfolio Maturity: 51 Days

Description	CUSIP	Coupon/Yield (a)	Final Maturity Date	Effective Maturity Date	Footnotes	Principal Amount (\$)	Amortized Cost (\$)	% of Net Assets
Treasury Debt								
U.S. Treasury Obligations								
U.S. Treasury Bills	9127952C4	0.19%	02/24/2011	02/24/2011		660,000,000	659,814,765	
U.S. Treasury Bills	9127952D2	0.19%	03/03/2011	03/03/2011		143,000,000	142,955,173	
U.S. Treasury Bills	912795X97	0.20%	01/27/2011	01/27/2011		274,000,000	273,960,422	
U.S. Treasury Bills	9127952H3	0.20%	03/24/2011	03/24/2011		375,000,000	374,833,438	
U.S. Treasury Bills	9127952S9	0.20%	05/26/2011	05/26/2011		175,000,000	174,862,552	
U.S. Treasury Bills	912795W64	0.21% to 0.22%	06/02/2011	06/02/2011		315,000,000	314,720,088	
U.S. Treasury Bills	912795X22	0.23%	06/30/2011	06/30/2011		300,000,000	299,662,500	
U.S. Treasury Bills	9127952K6	0.23%	10/20/2011	10/20/2011		100,000,000	99,814,276	
U.S. Treasury Bills	9127952P5	0.28%	11/17/2011	11/17/2011		51,000,000	50,873,067	
U.S. Treasury Bills	9127952T7	0.30%	12/15/2011	12/15/2011		75,000,000	74,782,500	
U.S. Treasury Notes	912828KH2	0.21% to 0.36%	03/31/2011	03/31/2011		415,000,000	415,613,380	
U.S. Treasury Notes	912828LT5	0.24%	10/31/2011	10/31/2011		158,000,000	158,989,459	
U.S. Treasury Notes	912828JU5	0.25%	11/15/2011	11/15/2011		130,000,000	131,691,945	
U.S. Treasury Notes	912828KL3	0.26%	04/30/2011	04/30/2011		195,000,000	195,387,022	
U.S. Treasury Notes	912828LG3	0.27% to 0.28%	07/31/2011	07/31/2011		408,000,000	409,699,086	
U.S. Treasury Notes	912828MM9	0.29% to 0.32%	11/30/2011	11/30/2011		255,000,000	255,991,645	
U.S. Treasury Notes	912828LV0	0.30%	08/31/2011	08/31/2011		135,000,000	135,622,853	
U.S. Treasury Notes	912828FW5	0.30%	10/31/2011	10/31/2011		39,000,000	40,394,747	
U.S. Treasury Notes	912828LW8	0.31% to 0.32%	09/30/2011	09/30/2011		260,000,000	261,303,549	
U.S. Treasury Notes	912828LF5	0.43%	06/30/2011	06/30/2011		125,000,000	125,422,152	
U.S. Treasury Notes	912828JY7	0.47% to 0.48%	01/31/2011	01/31/2011		160,000,000	160,051,344	
Total Treasury Debt							4,756,445,963	30.7%
Treasury Repurchase Agreements								
Deutsche Bank Securities, Inc.	NA	0.21%	01/07/2011	01/07/2011		791,000,000	791,000,000	
In a joint trading account at 0.19%, dated 12/31/10 due 1/3/11 #	NA	0.19%	01/03/2011	01/03/2011		458,745,000	458,745,000	
In a joint trading account at 0.21%, dated 12/31/10 due 1/3/11 #	NA	0.21%	01/03/2011	01/03/2011		8,684,530,000	8,684,530,000	
Morgan Stanley & Co., Inc.	NA	0.21%	01/07/2011	01/07/2011		791,000,000	791,000,000	
Total Treasury Repurchase Agreements							10,725,275,000	69.3%
Total Investment Portfolio							15,481,720,963	100.0%
Net Other Assets							3,983,754	–%
Total Net Assets							15,485,704,717	100.0%

Fidelity® Institutional Money Market Funds: Treasury Portfolio

Monthly Holdings for December 31, 2010

Footnotes

a Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating rate securities, the rate at period end.

Additional information on each counterparty to the repurchase agreement is as follows:

Repurchase Agreement/Counterparty

\$8,684,530,000 due 1/3/11 at 0.21%		Value
BNP Paribas Securities Corp.	\$	841,436,412
Credit Agricole Securities (USA), Inc.		1,682,872,825
Dresdner Kleinwort Securities LLC		420,718,206
HSBC Securities (USA), Inc.		2,373,756,909
J.P. Morgan Securities, Inc.		1,682,872,824
RBS Securities, Inc.		1,262,154,618
UBS Securities LLC		420,718,206
	\$	<u>8,684,530,000</u>

\$458,745,000 due 1/3/11 at 0.19%		Value
Barclays Capital, Inc.	\$	172,586,168
BNP Paribas Securities Corp.		207,960,730
Merrill Lynch, Pierce, Fenner & Smith, Inc.		78,198,102
	\$	<u>458,745,000</u>

Net Other Assets may include cash and receivables and payables related to open security or capital stock trades.

Weighted Average Life (WAL):

For money market funds, this is the weighted average of the life of the securities held in a fund or portfolio and can be used as a measure of sensitivity to changes in liquidity and/or credit risk. Generally, the higher the value, the greater the sensitivity. WAL is based on the dollar-weighted average length of time until principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets. For money market funds, the difference between WAM and WAL is that WAM takes into account interest rate resets and WAL does not. WAL for money market funds is not the same as WAL of a mortgage- or asset-backed security.

Weighted Average Maturity (WAM):

This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

The fund's holdings report has not been audited. For more information regarding the fund, please see the fund's most recent prospectus and semi-annual or annual report.

Third party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or an affiliate.

The following link can be used to obtain the most recent 12 months of publicly available information filed by the fund:

<http://sec.gov/cgi-bin/browse-edgar?action=getcompany&filenum=811-03320&owner=exclude&count=40>

Fidelity® Institutional Money Market Funds: Treasury Only Portfolio

Monthly Holdings for December 31, 2010

Weighted Average Life: 51 Days

Weighted Average Portfolio Maturity: 51 Days

Description	CUSIP	Coupon/Yield (a)	Final Maturity Date	Effective Maturity Date	Footnotes	Principal Amount (\$)	Amortized Cost (\$)	% of Net Assets
Treasury Debt								
U.S. Treasury Obligations								
U.S. Treasury Bills	912795UX7	0.10% to 0.13%	01/13/2011	01/13/2011		561,097,000	561,076,347	
U.S. Treasury Bills	912795Y21	0.13%	02/03/2011	02/03/2011		1,000,000,000	999,883,409	
U.S. Treasury Bills	912795V40	0.13%	02/10/2011	02/10/2011		846,538,000	846,416,117	
U.S. Treasury Bills	912795X89	0.14%	01/20/2011	01/20/2011		500,000,000	499,963,056	
U.S. Treasury Bills	912795X97	0.14% to 0.20%	01/27/2011	01/27/2011		1,235,000,000	1,234,866,227	
U.S. Treasury Bills	9127952B6	0.14%	02/17/2011	02/17/2011		500,000,000	499,909,427	
U.S. Treasury Bills	9127952D2	0.17%	03/03/2011	03/03/2011		550,000,000	549,841,570	
U.S. Treasury Bills	912795V99	0.18%	03/10/2011	03/10/2011		250,000,000	249,915,000	
U.S. Treasury Bills	912795VD0	0.19%	04/07/2011	04/07/2011		350,000,000	349,826,693	
U.S. Treasury Bills	9127952H3	0.20%	03/24/2011	03/24/2011		225,000,000	224,900,063	
U.S. Treasury Bills	9127952J9	0.20%	03/31/2011	03/31/2011		80,000,000	79,961,433	
U.S. Treasury Bills	912795X22	0.23%	06/30/2011	06/30/2011		160,000,000	159,820,000	
U.S. Treasury Notes	912828JY7	0.15% to 0.48%	01/31/2011	01/31/2011		475,000,000	475,253,798	
U.S. Treasury Notes	912828LG3	0.27%	07/31/2011	07/31/2011		85,000,000	85,355,925	
U.S. Treasury Notes	912828MM9	0.32%	11/30/2011	11/30/2011		75,000,000	75,287,271	
U.S. Treasury Notes	912828LW8	0.33%	09/30/2011	09/30/2011		84,788,000	85,208,880	
U.S. Treasury Notes	912828LF5	0.43%	06/30/2011	06/30/2011		90,000,000	90,303,949	
							7,067,789,165	91.2%
U.S. Treasury Inflation Protected Obligations								
U.S. Treasury Notes	9128276R8	0.17% to 0.20%	01/15/2011	01/15/2011		530,000,000	666,866,171	8.6%
Total Treasury Debt							7,734,655,336	99.8%
					Total Investment Portfolio		7,734,655,336	99.8%
					Net Other Assets		12,050,245	0.1%
					Total Net Assets		7,746,705,581	100.0%

Footnotes

a Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating rate securities, the rate at period end.

Fidelity® Institutional Money Market Funds: Treasury Only Portfolio Monthly Holdings for December 31, 2010

Net Other Assets may include cash and receivables and payables related to open security or capital stock trades.

Weighted Average Life (WAL):

For money market funds, this is the weighted average of the life of the securities held in a fund or portfolio and can be used as a measure of sensitivity to changes in liquidity and/or credit risk. Generally, the higher the value, the greater the sensitivity. WAL is based on the dollar-weighted average length of time until principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets. For money market funds, the difference between WAM and WAL is that WAM takes into account interest rate resets and WAL does not. WAL for money market funds is not the same as WAL of a mortgage- or asset-backed security.

Weighted Average Maturity (WAM):

This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

The fund's holdings report has not been audited. For more information regarding the fund, please see the fund's most recent prospectus and semi-annual or annual report.

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The following link can be used to obtain the most recent 12 months of publicly available information filed by the fund:

<http://sec.gov/cgi-bin/browse-edgar?action=getcompany&filenum=811-03320&owner=exclude&count=40>



Treasury Portfolio

Short-Term Investments Trust

Portfolio Holdings
Data as of December 31, 2010

Quantity (Par)	Amortized Cost ¹	Security Description	CUSIP ²	Security Yield ³	Maturity/ Reset	Maturity Date ⁴	Associated Issuer	% of Portfolio
Treasury Debt								
U.S. TREASURY BILL								
250,000,000	249,880,191	U.S. Treasury Bills	9127952L4	0.17	04/14/2011	04/14/2011	US TREASURY	2.14
200,000,000	199,893,056	U.S. Treasury Bills	9127952M2	0.18	04/21/2011	04/21/2011	US TREASURY	1.72
270,000,000	269,838,490	U.S. Treasury Bills	912795VE8	0.18	05/05/2011	05/05/2011	US TREASURY	2.32
525,000,000	524,678,140	U.S. Treasury Bills	9127952Q3	0.17	05/12/2011	05/12/2011	US TREASURY	4.50
300,000,000	299,782,650	U.S. Treasury Bills	9127952R1	0.19	05/19/2011	05/19/2011	US TREASURY	2.57
200,000,000	199,860,639	U.S. Treasury Bills	9127952S9	0.18	05/26/2011	05/26/2011	US TREASURY	1.72
6,450,000,000	6,448,068,020	U.S. Treasury Bill						55.31
U.S. TREASURY NOTE/BOND								
390,000,000	390,221,892	U.S. Treasury Notes	912828JY7	0.18	01/31/2011	01/31/2011	US TREASURY	3.34
55,000,000	55,039,854	U.S. Treasury Notes	912828KE9	0.43	02/28/2011	02/28/2011	US TREASURY	0.47
445,000,000	445,261,746	U.S. Treasury Note/Bond						3.82
6,895,000,000	6,893,329,766	Treasury Debt Total						59.13
11,661,618,657	11,659,948,423	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 invesco.com/us.

All data provided by Invesco unless otherwise noted.

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

[#] Open security with one-day demand.

¹ Amortized Cost method of valuation means the method of calculating an investment company's net asset value where portfolio securities are valued at the fund's acquisition cost as adjusted for amortization of premium or accretion of discount rather than their value based on current market factors.

² CUSIPs may include other unique identifiers, such as the central index key (CIK).

³ Past performance is no guarantee to future results. The security yield is not an indication of fund performance.

⁴ Securities may include features including but not limited to a prerefunding, demand feature or put option.

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. The following attributes, if applicable, are available upon request: Associated issuer, short-term ratings for S&P, Moody's, Fitch Ratings and the Dominion Bond Rating Service (DBRS®), long-term ratings for S&P, Moody's and Fitch Ratings, industry and exposure to underlying asset class.

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An investor should consider the investment objectives, risks, fees and expenses carefully before investing. Please read the prospectus or other offering documents carefully before investing. For this and more complete information, contact your financial advisor or visit invesco.com/fundprospectus.



Treasury Portfolio

Short-Term Investments Trust

Portfolio Holdings
Data as of December 31, 2010

Weighted Average Maturity - 37.76 days
Weighted Average Life - 37.76 days

Quantity (Par)	Amortized Cost	¹ Security Description	² CUSIP	³ Security Yield	³ Maturity/ Reset	⁴ Maturity Date	Associated Issuer	% of Portfolio
Other Repurchase Agreement								
REPURCHASE AGREEMENT								
125,688,022	125,688,022	Barclays Capital Inc.	N/A	0.25	01/03/2011	01/03/2011	US TREASURY COLLATERAL	1.08
625,930,635	625,930,635	BMO Capital Markets Corp.	N/A	0.23	01/03/2011	01/03/2011	US TREASURY COLLATERAL	5.37
440,000,000	440,000,000	BNP Paribas Securities Corp.	N/A	0.15	01/03/2011	01/03/2011	US TREASURY COLLATERAL	3.77
100,000,000	100,000,000	CIBC World Markets Corp.	N/A	0.20	01/03/2011	01/03/2011	US TREASURY COLLATERAL	0.86
500,000,000	500,000,000	RBS Securities Inc.	N/A	0.20	01/03/2011	01/03/2011	US TREASURY COLLATERAL	4.29
225,000,000	225,000,000	Societe Generale	N/A	0.21	01/03/2011	01/03/2011	US TREASURY COLLATERAL	1.93
250,000,000	250,000,000	Wells Fargo Securities, LLC	N/A	0.20	01/03/2011	01/03/2011	US TREASURY COLLATERAL	2.14
2,266,618,657	2,266,618,657	Repurchase Agreement						19.44
REPURCHASE AGREEMENT - TERM								
500,000,000	500,000,000	Barclays Capital Inc.	10010411D	0.16	01/03/2011	01/03/2011	US TREASURY COLLATERAL	4.29
500,000,000	500,000,000	BNP Paribas Securities Corp.	11011311D	0.20	01/03/2011	01/03/2011	US TREASURY COLLATERAL	4.29
500,000,000	500,000,000	Credit Suisse Securities (USA) LLC	14011811D	0.20	01/18/2011	01/18/2011	US TREASURY COLLATERAL	4.29
500,000,000	500,000,000	Deutsche Bank Securities Inc.	24011011D	0.21	01/03/2011	01/03/2011	US TREASURY COLLATERAL	4.29
500,000,000	500,000,000	RBC Capital Markets Corp.	77011011D	0.19	01/03/2011	01/03/2011	US TREASURY COLLATERAL	4.29
2,500,000,000	2,500,000,000	Repurchase Agreement - Term						21.44
4,766,618,657	4,766,618,657	Other Repurchase Agreement Total						40.87
Treasury Debt								
U.S. TREASURY BILL								
800,000,000	799,984,215	U.S. Treasury Bills	912795X71	0.14	01/06/2011	01/06/2011	US TREASURY	6.86
350,000,000	349,973,208	U.S. Treasury Bills	912795UX7	0.23	01/13/2011	01/13/2011	US TREASURY	3.00
200,000,000	199,980,472	U.S. Treasury Bills	912795X89	0.19	01/20/2011	01/20/2011	US TREASURY	1.72
500,000,000	499,941,428	U.S. Treasury Bills	912795X97	0.16	01/27/2011	01/27/2011	US TREASURY	4.29
215,000,000	214,962,256	U.S. Treasury Bills	912795Y21	0.19	02/03/2011	02/03/2011	US TREASURY	1.84
570,000,000	569,852,128	U.S. Treasury Bills	912795V40	0.24	02/10/2011	02/10/2011	US TREASURY	4.89
885,000,000	884,821,367	U.S. Treasury Bills	9127952B6	0.16	02/17/2011	02/17/2011	US TREASURY	7.59
500,000,000	499,913,562	U.S. Treasury Bills	9127952C4	0.12	02/24/2011	02/24/2011	US TREASURY	4.29
250,000,000	249,923,750	U.S. Treasury Bills	9127952D2	0.18	03/03/2011	03/03/2011	US TREASURY	2.14
435,000,000	434,782,467	U.S. Treasury Bills	912795VD0	0.19	04/07/2011	04/07/2011	US TREASURY	3.73

Continued...

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Global Liquidity

J.P.Morgan
Asset Management

UNAUDITED

JPM US TREASURY PLUS MONEY MARKET FUND

As of Date: 12/31/2010

Category of Investment	Name	Coupon Rate	Effective	Final	CUSIP / Security ID	Principal Amount	Value	% of		
			Maturity Date	Maturity Date				Total Value	Moody's Rating	S&P Rating
Treasury Debt	US TREASURY	0.19%	02/24/11	02/24/11	9127952C4	350,000,000.00	349,901,825.00	2.49	P-1	A-1+
Treasury Debt	US TREASURY	0.19%	03/17/11	03/17/11	9127952G5	150,000,000.00	149,940,312.50	1.07	P-1	A-1+
Treasury Debt	US TREASURY	0.20%	03/24/11	03/24/11	9127952H3	150,000,000.00	149,931,666.67	1.07	P-1	A-1+
Treasury Debt	US TREASURY	0.20%	03/31/11	03/31/11	9127952J9	200,000,000.00	199,901,111.11	1.42	P-1	A-1+
Treasury Debt	US TREASURY	0.19%	05/19/11	05/19/11	9127952R1	66,500,000.00	66,452,585.51	0.47	P-1	A-1+
Treasury Debt	US TREASURY	0.13%	01/13/11	01/13/11	912795UX7	1,750,000,000.00	1,749,922,641.66	12.46	P-1	A-1+
Treasury Debt	US TREASURY	0.19%	02/10/11	02/10/11	912795V40	378,421,000.00	378,341,510.24	2.69	P-1	A-1+
Treasury Debt	US TREASURY	0.20%	01/20/11	01/20/11	912795X89	600,000,000.00	599,938,118.05	4.27	P-1	A-1+
Treasury Debt	US TREASURY	0.20%	01/27/11	01/27/11	912795X97	600,000,000.00	599,913,965.28	4.27	P-1	A-1+
Treasury Debt	US TREASURY	0.20%	02/03/11	02/03/11	912795Y21	350,000,000.00	349,935,833.33	2.49	P-1	A-1+
Treasury Debt	US TREASURY	4.88%	05/31/11	05/31/11	912828FH8	350,000,000.00	356,707,980.67	2.54	P-1	A-1+
Treasury Debt	US TREASURY	5.13%	06/30/11	06/30/11	912828FK1	399,000,000.00	408,645,609.52	2.91	P-1	A-1+
Treasury Debt	US TREASURY	4.50%	09/30/11	09/30/11	912828FU9	80,000,000.00	82,519,682.06	0.59	P-1	A-1+
Treasury Debt	US TREASURY	0.88%	01/31/11	01/31/11	912828JY7	195,000,000.00	195,097,014.04	1.39	P-1	A-1+
Treasury Debt	US TREASURY	1.13%	12/15/11	12/15/11	912828KA7	75,000,000.00	75,585,559.59	0.54	P-1	A-1+
Treasury Debt	US TREASURY	0.88%	03/31/11	03/31/11	912828KH2	350,000,000.00	350,575,611.53	2.50	P-1	A-1+
Treasury Debt	US TREASURY	1.13%	06/30/11	06/30/11	912828LF5	200,000,000.00	200,896,899.61	1.43	P-1	A-1+
Treasury Debt	US TREASURY	1.00%	10/31/11	10/31/11	912828LT5	300,000,000.00	301,816,647.83	2.15	P-1	A-1+
Treasury Debt	US TREASURY	1.00%	08/31/11	08/31/11	912828LV0	170,000,000.00	170,843,350.23	1.22	P-1	A-1+
Treasury Debt	US TREASURY	1.00%	09/30/11	09/30/11	912828LW8	200,000,000.00	201,077,900.92	1.43	P-1	A-1+
Treasury Debt	US TREASURY	0.75%	11/30/11	11/30/11	912828MM9	196,500,000.00	197,378,411.95	1.41	P-1	A-1+
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.15%	01/06/11	01/06/11	0BAR12IN2	750,000,000.00	750,000,000.00	5.34	P-1	A-1+
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.15%	01/07/11	01/07/11	0BAR12IO0	500,000,000.00	500,000,000.00	3.56	P-1	A-1+
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.22%	01/03/11	01/03/11	0BAR12IQ5	725,000,000.00	725,000,000.00	5.16	P-1	A-1+
Treasury Repo Agreement	CREDIT SUISSE FIRST BOSTON CORP. (REPO)	0.20%	01/03/11	01/03/11	0CSF10LU1	1,000,000,000.00	1,000,000,000.00	7.12	P-1	A-1
Treasury Repo Agreement	DEUTSCHE BANK SECURITIES (REPO)	0.13%	01/04/11	01/04/11	0DBS13QW4	1,000,000,000.00	1,000,000,000.00	7.12	P-1	A-1+
Treasury Repo Agreement	DEUTSCHE BANK SECURITIES (REPO)	0.18%	01/03/11	01/03/11	0DBS13RB9	401,562,000.00	401,562,000.00	2.86	P-1	A-1+
Treasury Repo Agreement	MERRILL LYNCH PFS INC. (REPO)	0.15%	01/03/11	01/03/11	0MRL01CZ5	79,327,000.00	79,327,000.00	0.57	P-1	A-1
Treasury Repo Agreement	RBS SECURITIES INC. (REPO)	0.17%	01/05/11	01/05/11	0RSIO2OS1	1,000,000,000.00	1,000,000,000.00	7.12	P-1	A-1
Treasury Repo Agreement	RBS SECURITIES INC. (REPO)	0.20%	01/03/11	01/03/11	0RSI02P19	200,000,000.00	200,000,000.00	1.42	P-1	A-1
Treasury Repo Agreement	UBS WARBURG LLC REPO	0.15%	01/06/11	01/06/11	0UBS15R67	1,000,000,000.00	1,000,000,000.00	7.12	P-1	A-1
Treasury Repo Agreement	UBS WARBURG LLC REPO	0.26%	01/03/11	01/03/11	0UBS15R75	250,000,000.00	250,000,000.00	1.78	P-1	A-1
Grand Total							14,041,213,237.30	100.00		

Weighted Average Maturity 49
Weighted Average Life 49

Must be preceded or accompanied by a prospectus.

The "UNAUDITED UNCERTIFIED MUTUAL FUND HOLDINGS" LIST ("the list") IS TO BE USED FOR REPORTING PURPOSES ONLY.

The list is submitted for the general information of the Fund. The list has been created from the books and records of the Fund without examination by independent auditors.



UNAUDITED **JPM US TREASURY PLUS MONEY MARKET FUND** **As of Date: 12/31/2010**

Category of Investment	Name	Coupon Rate	Effective	Final	CUSIP / Security ID	Principal Amount	Value	% of		
			Maturity Date	Maturity Date				Total Value	Moody's Rating	S&P Rating

The uncertified holdings list is available on a one business day lag. The figures shown in the "Value" column, represent the values of the Fund's investments using the amortized cost method of valuation pursuant to Rule 2a-7 of the Investment Company Act of 1940. The list is subject to change without notice. The Value represents the Gross Assets of the Fund and may include forward settling trades. This list is for informational purposes only and not intended as an offer or solicitation with respect to the purchase or sale of any security.

Each business day, each Fund will make available upon request an uncertified complete schedule of its portfolio holdings as of the prior business day. Shareholders may request portfolio holdings schedules for a particular day or on an ongoing basis at no charge by calling 1-800-480-4111.

Unless otherwise noted, the dollar-weighted average maturity and the dollar-weighted average life listed for the Fund is the same for each of the Fund's share classes.

Dollar-weighted average maturity: The average maturity of the Fund is the average amount of time until the organizations that issued the debt securities in the Fund's portfolio must pay off the principal amount of the debt. "Dollar-weighted" means the larger the dollar value of debt security in the Fund, the more weight it gets in calculating this average. To calculate the dollar-weighted average maturity, the Fund may treat a variable or floating rate security as having a maturity equal to the time remaining to the security's next interest rate reset date rather than the security's actual maturity date.

Dollar-weighted average life: The dollar weighted average portfolio maturity without reference to the exceptions used for variable or floating rate securities regarding the use of the date of interest rate resets in lieu of the security's actual maturity date.

Final Legal Maturity Date: The final legal maturity date is the date on which the organization that issued the debt security must pay off the principal amount of the debt.

J. P. Morgan Asset Management is the marketing name for the asset management business of JPMorganChase & Co.

J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorganChase & Co. Affiliates of JPMorganChase & Co. receive fees for providing various services to the funds.

JPMorganChase & Co. 2011.

Total Holdings – Money Market Funds

Select a money market fund below to view holdings for month-end, delivered on a 7-day or more delayed basis. To see a Fund's complete schedule of holdings as of the end of the previous business day, [click here](#).

This information should not be construed as a recommendation, offer or solicitation for the purchase or sale of any security or financial instrument.

Select a Fund

Wells Fargo Advantage Treasury Plus Money Market Fund

Holdings as of 12/31/2010

Portfolio holdings are subject to change and may have changed since the date specified.

Security	CUSIP	Amount				
CREDIT SUISSE SECS USA REPO UST CSFBCO 2	959JEJ004	Treasury Repurchase Agreement	0.15	01- 03- 2011	01- 03- 2011	1,765,000,000 1,765,000,000
BNP PARIBAS SECS CORP REPO UST PARSEC 12	981QVJ001	Treasury Repurchase Agreement	0.15	01- 03- 2011	01- 03- 2011	1,750,000,000 1,750,000,000
Rbs Securities Incorporated Repo Ust Rbssec 22	981RRU009	Treasury Repurchase Agreement	0.20	01- 03- 2011	01- 03- 2011	1,322,600,000 1,322,600,000
Barclays Capital Incorporated Repo Ust Brccap 4	959JCC001	Treasury Repurchase Agreement	0.25	01- 03- 2011	01- 03- 2011	1,105,000,000 1,105,000,000
JP MORGAN SECURITIES REPO UST JPMSEC 3	959JJB006	Treasury Repurchase Agreement	0.20	01- 03- 2011	01- 03- 2011	1,000,000,000 1,000,000,000
UBS SECURITIES LLC REPO UST UBLLC 3	959JKB004	Treasury Repurchase Agreement	0.12	01- 06- 2011	01- 06- 2011	600,000,000 600,000,000
BARCLAYS CAPITAL INC REPO UST BRCCAP 6	959JCE007	Treasury Repurchase Agreement	0.00	01- 03- 2011	01- 03- 2011	400,000,000 400,000,000
UBS SECURITIES LLC REPO UST UBLLC 5	959JKD000	Treasury Repurchase Agreement	0.20	01- 03- 2011	01- 03- 2011	400,000,000 400,000,000
UBS SECURITIES LLC REPO UST UBLLC	959JKC002	Treasury Repurchase Agreement	0.22	01- 03- 2011	01- 03- 2011	300,000,000 300,000,000

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U.S. Treasury Note	912828KE9	Treasury Debt	0.87	02-28-2011	02-28-2011	250,000,000	250,258,701
SOCIETE GENERALE NY REPO UST SOGNNY 19	982EGW005	Treasury Repurchase Agreement	0.18	01-06-2011	01-06-2011	250,000,000	250,000,000
JP MORGAN SECURITIES REPO UST JPMSEC 13	981QQZ001	Treasury Repurchase Agreement	0.10	01-03-2011	01-03-2011	200,000,000	200,000,000
UNITED STATES TREAS BILLS 01/11 ZCP	912795X89	Treasury Debt	0.14	01-20-2011	01-20-2011	200,000,000	199,986,778
UNITED STATES TREAS BILLS 04/11 ZCP	9127952L4	Treasury Debt	0.17	04-14-2011	04-14-2011	200,000,000	199,904,611
TREASURY BILL 05/11 ZCP	9127952R1	Treasury Debt	0.18	05-19-2011	05-19-2011	200,000,000	199,864,000
UNITED STATES TREAS BILLS 05/11 ZCP	9127952S9	Treasury Debt	0.19	05-26-2011	05-26-2011	200,000,000	199,847,069
Deutsche Bank Securities Repo Ust Db 20	981RBC006	Treasury Repurchase Agreement	0.18	01-03-2011	01-03-2011	150,000,000	150,000,000
MORGAN STANLEY AND CO REPO UST MORGCO 12	981RGV009	Treasury Repurchase Agreement	0.08	01-03-2011	01-03-2011	150,000,000	150,000,000
SOCIETE GENERALE NY REPO UST SOGNNY 20	982EGX003	Treasury Repurchase Agreement	0.21	01-03-2011	01-03-2011	140,000,000	140,000,000
MERRILL PIERCE FENNER SM 11/10 VAR	983BAPII3	Treasury Repurchase Agreement	0.10	01-03-2011	01-03-2011	125,000,000	125,000,000
U.S. Treasury Note	912828KH2	Treasury Debt	0.87	03-31-2011	03-31-2011	100,000,000	100,166,756
Morgan Stanley + CO Repo Ust Morgco 7	959JLF004	Treasury Repurchase Agreement	0.10	01-04-2011	01-04-2011	100,000,000	100,000,000
GOLDMAN SACHS + CO REPO UST GOLDMN 10	981QHL002	Treasury Repurchase Agreement	0.07	01-03-2011	01-03-2011	100,000,000	100,000,000

UNITED STATES TREAS BILLS 06/11 ZCP	912795W64	Treasury Debt	0.21	06-02-2011	06-02-2011	100,000,000	99,910,417
U.S. Treasury Note	912828LF5	Treasury Debt	1.12	06-30-2011	06-30-2011	20,000,000	20,086,498

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This Web site is accompanied by [current prospectuses for Wells Fargo Advantage Funds®](#), an [EdVestSM program description \(PDF\)](#), and a [tomorrow's scholar® program description \(PDF\)](#).

For 529 plans, an investor's or a designated beneficiary's home state may offer state tax or other benefits that are only available for investments in that state's qualified tuition program. Please consider this before investing.

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Wells Fargo Advantage Funds 1-800-359-3379

Total Holdings – Money Market Funds

Select a money market fund below to view holdings for month-end, delivered on a 7-day or more delayed basis. To see a Fund's complete schedule of holdings as of the end of the previous business day, [click here](#).

This information should not be construed as a recommendation, offer or solicitation for the purchase or sale of any security or financial instrument.

Select a Fund

Wells Fargo Advantage 100% Treasury Money Market Fund

Holdings as of 12/31/2010

Portfolio holdings are subject to change and may have changed since the date specified.

Security	CUSIP	Amount				
UNITED STATES TREAS BILLS 03/11 ZCP	9127952J9	Treasury Debt	0.18	03- 31- 2011	03- 31- 2011	580,000,000 579,747,700
UNITED STATES TREAS BILLS 03/11 ZCP	9127952D2	Treasury Debt	0.17	03- 03- 2011	03- 03- 2011	570,000,000 569,841,192
United States Treas Bills Zcp	912795X71	Treasury Debt	0.14	01- 06- 2011	01- 06- 2011	500,000,000 499,994,167
WI TREASURY SEC 03/11 ZCP	912795V99	Treasury Debt	0.14	03- 10- 2011	03- 10- 2011	450,000,000 449,880,375
TREASURY BILL 03/11 ZCP	9127952G5	Treasury Debt	0.14	03- 17- 2011	03- 17- 2011	450,000,000 449,872,250
WI TREASURY SEC 03/11 ZCP	9127952H3	Treasury Debt	0.13	03- 24- 2011	03- 24- 2011	445,000,000 444,871,444
UNITED STATES TREAS BILLS 01/11 ZCP	912795X89	Treasury Debt	0.14	01- 20- 2011	01- 20- 2011	378,375,000 378,349,985
WI Treasury Sec Zcp	912795X97	Treasury Debt	0.13	01- 27- 2011	01- 27- 2011	370,725,000 370,691,635
United States Treas Bills Zcp	912795UX7	Treasury Debt	0.13	01- 13- 2011	01- 13- 2011	358,890,000 358,877,040
U.S. Treasury Bill	912795Y21	Treasury Debt	0.13	02- 03- 2011	02- 03- 2011	357,715,000 357,674,956
WI Treasury Bill Zcp	9127952C4	Treasury Debt	0.14	02- 24- 2011	02- 24- 2011	342,960,000 342,890,646
U.S. Treasury Bill	9127952B6	Treasury Debt	0.13	02- 17- 2011	02- 17- 2011	263,660,000 263,614,683
UNITED STATES TREAS BILLS 04/11 ZCP	9127952L4	Treasury Debt	0.17	04- 14- 2011	04- 14- 2011	175,000,000 174,916,535

U.S. Treasury Bill	912795V40	Treasury Debt	0.13	02-10-2011	02-10-2011	150,000,000	149,978,150
WI Treasury Sec Zcp	912795X97	Treasury Debt	0.07	01-27-2011	01-27-2011	130,000,000	129,993,500
WI Treasury Sec Zcp	912795X97	Treasury Debt	0.13	01-27-2011	01-27-2011	130,000,000	129,988,517
UNITED STATES TREAS BILLS 06/11 ZCP	912795X22	Treasury Debt	0.23	06-30-2011	06-30-2011	130,000,000	129,852,161
United States Treas Bills Zcp	912795UX7	Treasury Debt	0.00	01-13-2011	01-13-2011	125,000,000	124,999,948
U.S. Treasury Bill	912795Y21	Treasury Debt	0.12	02-03-2011	02-03-2011	120,000,000	119,987,600
U.S. Treasury Bill	912795V40	Treasury Debt	0.13	02-10-2011	02-10-2011	120,000,000	119,983,533
WI Treasury Bill Zcp	9127952C4	Treasury Debt	0.12	02-24-2011	02-24-2011	120,000,000	119,979,200
U.S. Treasury Bill	9127952B6	Treasury Debt	0.13	02-17-2011	02-17-2011	110,000,000	109,981,094
WI Treasury Bill Zcp	9127952C4	Treasury Debt	0.10	02-24-2011	02-24-2011	105,215,000	105,199,650
U.S. Treasury Bill	912795V40	Treasury Debt	0.13	02-10-2011	02-10-2011	103,135,000	103,120,848
U.S. Treasury Bill	912795Y21	Treasury Debt	0.08	02-03-2011	02-03-2011	102,710,000	102,702,748
U.S. Treasury Note	912828KH2	Treasury Debt	0.87	03-31-2011	03-31-2011	100,000,000	100,173,940
U.S. Treasury Note	912828KE9	Treasury Debt	0.87	02-28-2011	02-28-2011	100,000,000	100,104,120
United States Treas Bills Zcp	912795X71	Treasury Debt	0.11	01-06-2011	01-06-2011	100,000,000	99,999,083
United States Treas Bills Zcp	912795UX7	Treasury Debt	0.11	01-13-2011	01-13-2011	100,000,000	99,996,778
U.S. Treasury Bill	912795V40	Treasury Debt	0.12	02-10-2011	02-10-2011	100,000,000	99,986,806
U.S. Treasury Bill	9127952B6	Treasury Debt	0.12	02-17-2011	02-17-2011	100,000,000	99,984,375
UNITED STATES TREAS BILLS	912795X89	Treasury Debt	0.12	01-20-	01-20-	90,000,000	89,994,645

01/11 ZCP			2011	2011		
UNITED STATES TREAS BILLS 01/11 ZCP	912795X89	Treasury Debt	0.15	01- 20- 2011	01- 20- 2011	90,000,000 89,993,412
UNITED STATES TREAS BILLS 04/11 ZCP	912795VD0	Treasury Debt	0.18	04- 07- 2011	04- 07- 2011	90,000,000 89,956,525
TREASURY BILL 6/11 ZCP	9127952U4	Treasury Debt	0.19	06- 09- 2011	06- 09- 2011	90,000,000 89,925,425
UNITED STATES TREAS BILLS 06/11 ZCP	912795W64	Treasury Debt	0.21	06- 02- 2011	06- 02- 2011	90,000,000 89,919,375
United States Treas Bills Zcp	912795X71	Treasury Debt	0.21	01- 06- 2011	01- 06- 2011	80,000,000 79,998,600
UNITED STATES TREAS BILLS 04/11 ZCP	9127952M2	Treasury Debt	0.17	04- 21- 2011	04- 21- 2011	80,000,000 79,958,000
TREASURY BILL 05/11 ZCP	9127952R1	Treasury Debt	0.18	05- 19- 2011	05- 19- 2011	80,000,000 79,945,600
UNITED STATES TREAS BILLS 05/11 ZCP	9127952S9	Treasury Debt	0.19	05- 26- 2011	05- 26- 2011	80,000,000 79,938,828
WI TREASURY BILL SEC 06/11 ZCP	9127952W0	Treasury Debt	0.18	06- 23- 2011	06- 23- 2011	80,000,000 79,929,700
WI Treasury Sec Zcp	912795X97	Treasury Debt	0.13	01- 27- 2011	01- 27- 2011	79,275,000 79,267,865
U.S. Treasury Bill	9127952B6	Treasury Debt	0.12	02- 17- 2011	02- 17- 2011	76,340,000 76,328,549
United States Treas Bills Zcp	912795UX7	Treasury Debt	0.13	01- 13- 2011	01- 13- 2011	73,670,000 73,667,340
United States Treas Bills Zcp	912795UX7	Treasury Debt	0.10	01- 13- 2011	01- 13- 2011	70,000,000 69,997,958
UNITED STATES TREAS BILLS 06/11 ZCP	9127952V2	Treasury Debt	0.19	06- 16- 2011	06- 16- 2011	70,000,000 69,939,411
U.S. Treasury Bill	912795V40	Treasury Debt	0.13	02- 10- 2011	02- 10- 2011	66,865,000 66,855,825
United States Treas Bills Zcp	912795UX7	Treasury Debt	0.11	01- 13- 2011	01- 13- 2011	60,000,000 59,998,167
UNITED STATES TREAS BILLS 01/11 ZCP	912795X89	Treasury Debt	0.14	01- 20- 2011	01- 20- 2011	60,000,000 59,995,892
WI Treasury Sec Zcp	912795X97	Treasury Debt	0.13	01- 27- 2011	01- 27- 2011	50,000,000 49,995,467

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U.S. Treasury Bill	912795Y21	Treasury Debt	0.12	03-2011	03-2011	50,000,000	49,994,833
WI Treasury Bill Zcp	9127952C4	Treasury Debt	0.15	02-24-2011	02-24-2011	50,000,000	49,989,167
TREASURY BILL 03/11 ZCP	9127952G5	Treasury Debt	0.14	03-17-2011	03-17-2011	50,000,000	49,985,806
United States Treas Bills Zcp	912795X71	Treasury Debt	0.00	01-06-2011	01-06-2011	40,000,000	39,999,983
United States Treas Bills Zcp	912795X71	Treasury Debt	0.01	01-06-2011	01-06-2011	40,000,000	39,999,967
WI Treasury Sec Zcp	912795X97	Treasury Debt	0.03	01-27-2011	01-27-2011	40,000,000	39,999,067
UNITED STATES TREAS BILLS 01/11 ZCP	912795X89	Treasury Debt	0.10	01-20-2011	01-20-2011	38,080,000	38,078,184
WI Treasury Bill Zcp	9127952C4	Treasury Debt	0.12	02-24-2011	02-24-2011	37,040,000	37,033,526
U.S. Treasury Bill	912795Y21	Treasury Debt	0.13	02-03-2011	02-03-2011	31,645,000	31,641,294
United States Treas Bills Zcp	912795X71	Treasury Debt	0.12	01-06-2011	01-06-2011	30,000,000	29,999,700
UNITED STATES TREAS BILLS 05/11 ZCP	912795VE8	Treasury Debt	0.16	05-05-2011	05-05-2011	30,000,000	29,983,225
U.S. Treasury Bill	912795V40	Treasury Debt	0.10	02-10-2011	02-10-2011	25,000,000	24,997,335
U.S. Treasury Bill	912795V40	Treasury Debt	0.11	02-10-2011	02-10-2011	23,365,000	23,362,139
United States Treas Bills Zcp	912795X71	Treasury Debt	0.21	01-06-2011	01-06-2011	10,000,000	9,999,825
UNITED STATES TREAS BILLS 05/11 ZCP	9127952Q3	Treasury Debt	0.16	05-12-2011	05-12-2011	7,400,000	7,395,757

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Wells Fargo Advantage Funds 1-800-359-3379

9. Committee Briefs

Q&A only

ERCOT Market Credit Status

as of 12/31/2010

as of 1/31/2011

Exposure in the ERCOT Market (owed to ERCOT)

QSEs that meet ERCOT Creditworthiness Standards

Ratings over BBB-

	# of QSEs*	Estimated Aggregate Liability (\$)	% of EAL	Total Unsec Credit Limit / Security Posted		# of CPs*	Total Potential Exposure (\$)	% of TPE	Total Unsec Credit Limit / Security Posted	
Exposure in the ERCOT Market (owed to ERCOT)										
<u>QSEs that meet ERCOT Creditworthiness Standards</u>										
Ratings over BBB-	14	33,407,516	10%	441,817,381	U	12	46,093,332	15%	491,917,949	U
<u>QSEs that do not meet ERCOT Creditworthiness Standards</u>										
Ratings below BBB- or not rated										
Cash & Letters of Credit	69	159,077,995	48%	974,860,138	S	69	174,087,168	55%	1,234,150,097	S
Guarantee Agreements	23	141,317,203	42%	753,420,514	S	25	93,625,570	30%	698,094,854	S
Total Exposure	106	333,802,714	100%			106	313,806,069	100%		
Other QSEs in the ERCOT Market (ERCOT owes)										
<u>QSEs that meet ERCOT Creditworthiness Standards</u>										
Ratings over BBB-	12	(1,625,120)	-69%	384,244,816	U	14	(1,130,536)	-72%	362,350,846	U
<u>QSEs that do not meet ERCOT Creditworthiness Standards</u>										
Ratings below BBB- or not rated										
Cash & Letters of Credit	70	(743,674)	-31%	77,566,325	S	72	(440,230)	-28%	37,630,488	S
Guarantee Agreements	9	-	0%	12,752,000	S	8	-	0%	58,752,000	S
Total	91	(2,368,794)	-100%			94	(1,570,766)	-100%		

Total

197

200

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.

Summary Benchmark Report as of January 31, 2011

	# of CPs	Ave Gen Vol (in MWh)	Ave Load Vol (in MWh)	% CPs	% Gen Vol	% Load Vol	CP TPE (in 000's)	Low Benchmark (in 000's)	High Benchmark (in 000's)
Between High and Low									
w/ No Load and No Generation	81	-	-				3,838	844	7,301
w/ Load and/or Generation	62	570,950	688,196				205,184	112,473	526,408
Total	143	570,950	688,196	72%	69%	83%	209,022	113,317	533,709
Above High									
w/ No Load and/or Generation	21	-	-				\$ 18,506	\$ 708	\$ 1,087
w/ Load and/or Generation	22	159,323	35,655				73,663	20,708	42,195
Total	43	159,323	35,655	22%	19%	4%	92,169	21,416	43,282
Below Low									
w/ No Load and No Generation	3	-	-				(334)	107	219
w/ Load and/or Generation	11	96,847	109,701				11,378	15,727	154,057
Total	14	96,847	109,701	7%	12%	13%	11,045	15,833	154,276
Total	200	827,120	833,553	100%	100%	100%	\$ 312,235	\$ 150,566	\$ 731,266

Benchmark Assumptions

		Forward Risk Estimate				
		Volume Component			Price Component	
Historical Risk		Basis	# of days	Factor	Basis	Price volatility factor
Low Benchmark						
Counter-Parties - Load only	Outstanding receivable/payable - invoiced and estimated	30-day average total load volume	2	1.0	Avg real time price - floor - \$25, cap - \$100	1.0
Counter-Parties - Generation only	Outstanding receivable/payable - invoiced and estimated	30-day average total generation volume	2	0.2	Avg real time price - floor - \$25, cap - \$100	1.0
Counter-Parties - neither Load or Generation	Outstanding receivable/payable - invoiced and estimated	30-day average imbalance volume (real time activity)	2	1.0	Avg real time price - floor - \$25, cap - \$100	1.0
High Benchmark						
Counter-Parties - Load only	Outstanding receivable/payable - invoiced and estimated	Highest total load volume over past 30-days	9	1.0	Same	1.5
Counter-Parties - Generation only	Outstanding receivable/payable - invoiced and estimated	Highest total generation volume over past 30-days	9	0.2	Same	1.5
Counter-Parties - neither Load or Generation	Outstanding receivable/payable - invoiced and estimated	Highest imbalance volume over past 30-days (real time activity) + Highest DAM sales volume over past 30-days	6 (for RTM imbalance) + 2 (for DAM sales)	1.0	Same	1.5

Note 1: If an entity has both load and generation volume, the greater of the two estimates is used in the Benchmark

ERCOT
Summary of Investments
January 31, 2011

(\$ in mils)

Investment Account	Investment Type	Operating	Market	Deposit/ Restricted	Total	%
						Investments
Bank of America	<i>Treasury and Repo</i>	\$ -	\$ 2.5	\$ 10.2	\$ 12.7	5%
BlackRock 60	<i>Treasury and Repo</i>	-	2.1	\$ 5.5	\$ 7.6	6%
BlackRock 62	<i>Treasury only</i>	-	-	\$ 34.5	\$ 34.5	15%
Federated 068	<i>Treasury and Repo</i>	3.9	1.6	\$ 9.4	\$ 14.9	6%
Federated 0125	<i>Treasury only</i>	-	0.8	\$ 28.5	\$ 29.3	14%
Fidelity 695	<i>Treasury and Repo</i>	-	-	\$ 9.4	\$ 9.4	2%
Fidelity 680	<i>Treasury Only</i>	-	-	\$ 38.7	\$ 38.7	15%
Invesco	<i>Treasury and Repo</i>	-	2.0	\$ 9.4	\$ 11.4	8%
JPMorgan	<i>Treasury and Repo</i>	3.9	20.1	\$ 12.4	\$ 36.4	9%
Wells Fargo	<i>Treasury and Repo</i>	-	2.0	\$ 4.7	\$ 6.7	5%
Wells Fargo	<i>Treasury only</i>	-	-	\$ 38.1	\$ 38.1	15%
		<u>\$ 7.9</u>	<u>\$ 31.1</u>	<u>\$ 200.8</u>	<u>\$ 239.8</u>	<u>100%</u>

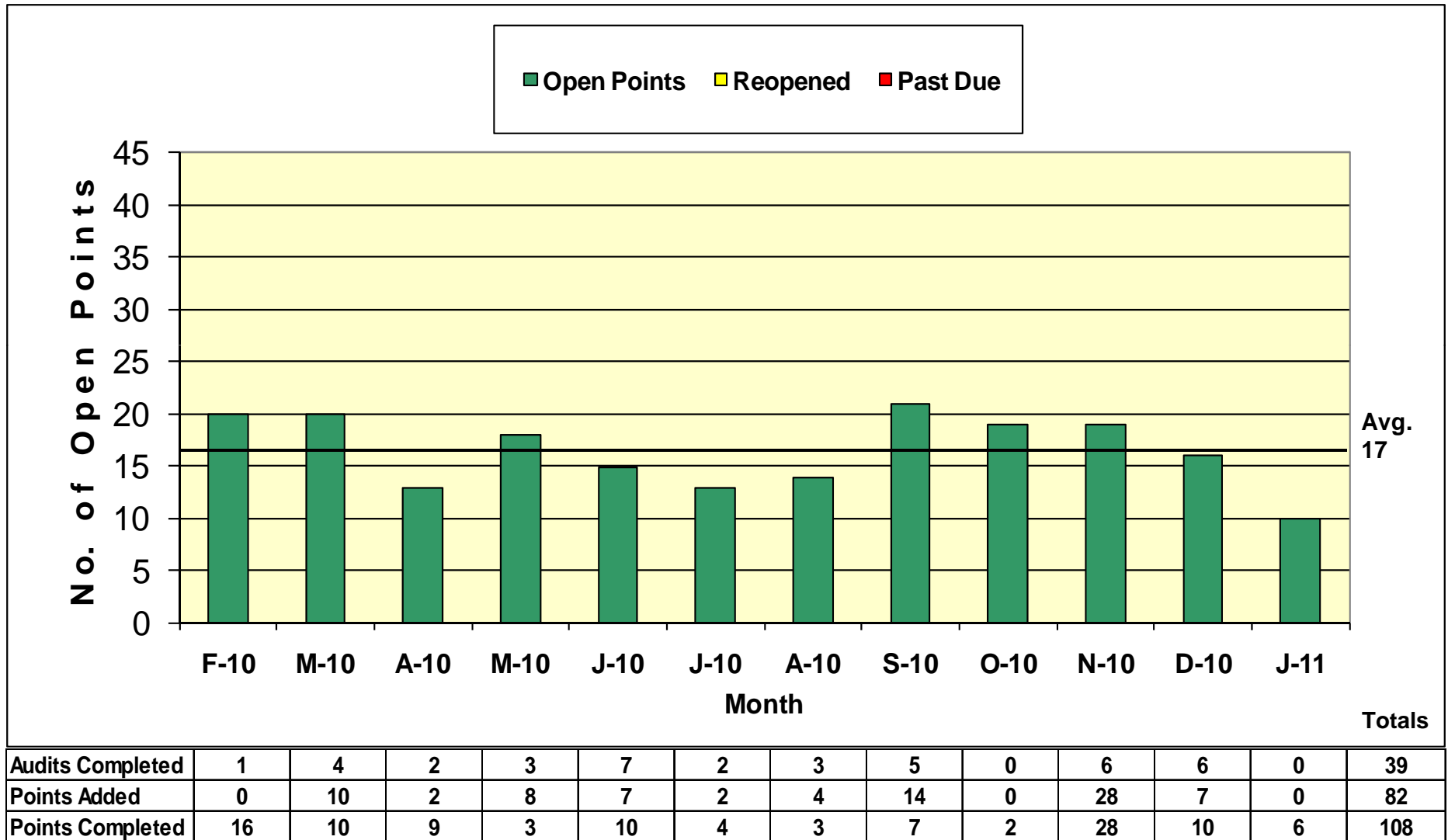
Other cash net of outstanding checks

N/A

Total cash and cash equivalents

\$ 239.8

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



All audit points expected to be complete by 7/31/11.

9. Committee Brief: ICMP – Audits Cheryl Moseley

Audits Completed

(last 3 months)

Internal Audits

- Protocol 1.4 required Audit – Ethics Compliance
- ERCOT-Wide Ethics Compliance
- Nodal Program Reporting (Special Request)
- Nodal Program Spending (Part 2 of 3)
- Outage Coordination
- Software License Mgmt. Process (Special Request)
- Nodal Program Spending (Part 3 of 3)
- FY2010 Fraud Auditing

External Audits

- 2010 Zonal SAS70 Audit (SAS70 Solutions, Inc.)

Audits in Progress

Internal Audits

- Nodal Fixed Assets
- Governmental Grants and Contract Compliance
- Nodal Protocol 3.10(5) Required Audit – Consistent Information in Operations Models
- Nodal Protocol 17.3 Required Audit – ERCOT Market Monitoring Data Handling
- Protocol 1.4 Required Audit – Confidentiality Compliance
- Vendor Software Development & Performance Management
- ERCOT Software/System Development Lifecycle
- Protocol 1.4 Required Audit – Independence Verification

External Audits

- 2010 Financial Audit (Ernst & Young, LLP)
- 2011 Type 1 SAS70 Audit (SAS70 Solutions, Inc. (now BrightLine CPAs & Associates, Inc.))

Planned Audits

(next 3 months)

Internal Audits

- Standard for Black Start & EILS Agreements
- Employee Compensation and Benefit Plan practices – HR
- ADP (Payroll & Benefits)
- Allegis Resource Management
- Assessment of Completed Projects
- Evaluation of Criteria for Nodal Success

External Audits

- 2011 Type 2 SSAE 16 (SAS 70) Audit (BrightLine CPAs & Associates, Inc.)



9. Committee Brief: ICMP – Security Assessments Cheryl Moseley

Consultation/Analysis Reports Completed

(last 3 months)

Assessments

- None

Open Consultation/ Analysis Reviews

(in progress)

Assessments

- None































Planned Consultation/ Analysis Reviews


(next 3 months)

Assessments

- 1 Assessment planned

ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.
RISK MANAGEMENT EVENT PROFILE MATRIX (as of February 1, 2011)

 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, efficient, and provide stakeholders with required assurances of quality.</i>
<p>Nodal stabilization on target. Organization changes finalized for Finance & Treasury and Credit Risk Management. Re-organization of IT completed. First draft of the 2011 KPI's and Goals completed and are ready to be reviewed by the Board.</p>			<p>Demand for planning studies continues to grow. ERCOT has received two awards totaling \$3.5 million to produce long-term resource and transmission planning studies in 2011. Hiring is completed. In the scoping phase of the studies. Project completion 2013.</p>		<p>Efforts underway to streamline and increase the effectiveness of ERCOT's internal controls program and integrate it with the company's Enterprise Risk Management program.</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 and operational activities in compliance with all applicable regulatory, financial & accounting requirements, standards, & directives.</i>
<p>ERCOT addressing reputation issues by 1) refocusing communication efforts, 2) the successful launch of Nodal on Dec 1 as planned, 3) Board approval of the 2011 budget, and 4) increasing accountability.</p>	<p>Performance Management & Talent Management calibrations completed and ready for executive review. Succession plans are ready for executive review with HR&G. New training initiatives are being identified. Skillssoft training presentations rolled out to the business areas. Working with UT "Center for Lifelong Engineering Education" to roll out Leadership program.</p>	<p>Color remains yellow pending the review of risk factors in the Nodal market requested by F&A. CMM successfully launched.</p>	<p>The December Update of the Capacity, Demand and Reserve report forecasts reserve margins during two years in the study period (2013 and 2016) falling below the 13.75% target reserve margin adopted by the Board in November.</p>		<p>Still waiting for the final 2009 NERC audit report for the Critical Infrastructure Protection (CIP) portion. For 2010 NERC Audit, ERCOT was found to be fully compliant on the 693 (O/P) standards. CIP status is not determined at this point</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>There are still uncertainties involved regarding operational impacts of existing and continually increasing amount of intermittent renewable generation on the system. ERCOT is creating a Resource Integration department devoted to analyzing and proposing solutions to any issues defined.</p>		

Legend:  Elevated Risk Level

 Reduced Risk Level

(New Risk Categories / Descriptions Indicated in **Green**)

9. Committee Briefs: Handling of Complaints Regarding Financial Matters – Mike Petterson

- The Committee shall establish procedures for –
 - The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - The confidential, anonymous submission by the Company’s employees of concerns regarding accounting or auditing matters
- Complaints regarding financial matters may be received through a variety of sources – direct, indirect, and anonymous alternatives are available
 - Employees receive training to ensure they are aware of these options
- Complaints are investigated as appropriate and reported to the Finance and Audit Committee or Board of Directors until resolved
- Evidence of complaints is retained in meeting minutes, investigative work papers, and systematically (e.g. the Ethics Point system) when possible

9. Committee Briefs: Hiring Former Employees of the Independent Auditor – Mike Petterson

- With respect to the independent auditors:
 - The Committee shall establish the Company’s hiring policies for employees who are former employees of the Company’s independent auditors.
- ERCOT will obtain Finance and Audit Committee approval before hiring a former employee of the Company’s independent auditor if -
 - The candidate was employed by the independent auditor for some time over the last twelve months, and
 - The former employee of the independent auditor was assigned to the ERCOT audit engagement for more than one month over the last twelve months, or
 - The former employee of the independent auditor will have responsibility for the work performed by the independent auditor after joining ERCOT

ERCOT
 Finance and Audit Committee
 Annual Meeting Planner and Future Agenda Items

Task Description	Charter Page #	J F M A M J J A S O N D											
		J	F	M	A	M	J	J	A	S	O	N	D
1 Elect Committee officers and designate a secretary	2 & 7	A											
2 Review and assess adequacy of Committee charter	6	A	A										
3 Review and recommend investment standard	3		A										
4 Review and recommend financial standard	3		A										
5 Handling of complaints regarding financial matters	5		A										
6 Hiring former employees of the independent auditor	4		A										
7 Review and recommend credit standard	3												
8 Receive periodic report on Credit Work Group activity	na												
9 Approve Credit Work Group Charter	na												
10 Appoint Credit Work Group Chair and Vice Chair	na		A										
11 Review risk policies and risk management practices	6												
12 Undertake annual self-evaluation	8	A											
13 Periodic meeting with senior management	6												
14 Approve internal audit charter	6												
15 Periodic meeting with Chief Audit Executive	6 & 7	A	A										
16 Review internal audit reports	6	A	A										
17 Review Ethics Point issues	na	A	A										
18 Review effectiveness of internal audit functions	6												
19 Review and approve annual internal audit plan	6												
20 Review performance of the Chief Audit Executive	7												
21 Recommend selection of independent auditor	4												
22 Receive independence report from independent auditor	4												
23 Periodic meeting with independent auditor	5												
24 Discuss audited financial statements	5												
25 Review and accept financial statement audit	5												
26 Review and recommend proposed budget	3												
27 Review and recommend debt structure	3												
28 Review insurance coverage	na												
29 Review IRS Form 990	na												
30 Review and accept 401(k) audit report	6												
31 Review and accept SSAE 16 audit report	5												
32 Review Committee briefs	na	A	A										
33 Receive periodic investment report	na		A										
34 Receive periodic liquidity report	na												
35 Review major changes to accounting principles	5												
36 Review financial institutions - market participants	6												
37 Receive periodic Potential Future Exposure report	na												
38 Preapprove non-audit services	4	Performed on as-needed basis											
39 Review any report by independent auditor	4	Performed on as-needed basis											
40 Review effect of regulatory accounting initiatives	5	Performed on as-needed basis											
41 Review complaints regarding financial statements	5	Performed on as-needed basis											
42 Review press stories regarding financial statements	5	Performed on as-needed basis											
43 Periodic meeting with 401(k) auditor	na	Performed on as-needed basis											
44 Periodic meeting with SSAE 16 auditor	na	Performed on as-needed basis											

11. Other Business

Mike Petterson
