



**MEETING MINUTES OF THE
FINANCE & AUDIT COMMITTEE
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

Electric Reliability Council of Texas Inc.
7620 Metro Center Drive (Room 206) - Austin, Texas 78744
February 14, 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. After meeting earlier in Executive Session, the Committee then met in General Session.

General Session Attendance

Committee Members:

Bermudez, Jorge (Vice Chair)	Unaffiliated Director	Unaffiliated Director
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility
Dreyfus, Mark	Austin Energy	Municipal
Espinosa, Miguel	Unaffiliated Director	Unaffiliated Director
Karnei, Clifton (Chair)	Brazos Electric Power Cooperative	Cooperative
Zlotnik, Marcie	StarTex Power	Independent Retail Electric Provider

Other Board Members and Segment Alternates:

Brown, Jeff	Shell Energy North America	Segment Alternate - Independent Power Marketer
Dalton, Andrew	Valero Services Inc.	Consumer/Industrial
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Doll, Laura	Unaffiliated Director	Unaffiliated Director, Board Chairman
Gent, Michehl	Unaffiliated Director	Unaffiliated Director, Board Vice Chairman
Givens, Sheri	Office of Public Utility Counsel (OPUC)	Consumer/Residential
Hendrick, Eric	Stream Energy	Segment Alternate - Independent Retail Electric Provider
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Commissioner (Alternate Representative for Barry T.



		Smitherman, Chairman)
Patton, A.D.	Unaffiliated Director	Unaffiliated Director
Prochazka, Scott	CenterPoint Houston Electric	Segment Alternate - Investor Owned Utility
Ryall, Jean	Constellation Energy	Independent Power Marketer

ERCOT Staff and Guests:

Cobos, Lori	ERCOT Associate Corporate Counsel
Cleary, Mike	ERCOT Senior Vice President and Chief Operations Officer
Leady, Vickie	ERCOT Assistant General 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 Vice Chair
Petterson, Mike	ERCOT Vice President of Finance and Treasury
Saathoff, Kent	ERCOT Vice President of Grid Operations and System Planning
Wullenjohn, Bill	ERCOT Director of Internal Audit
Yager, Cheryl	ERCOT Treasurer

Chairman Karnei convened the General Session of the Committee meeting at approximately 4:27 p.m. and addressed the following Agenda Items in the order below.

Approval of General Session Minutes – January 17, 2011 (Agenda Item 4)

Chairman Karnei entertained a motion to approve the January 17, 2011 Finance and Audit (F&A) Committee General Session Meeting Minutes (Minutes). Miguel Espinosa requested the following revisions to the Minutes:

- Agenda Item 7 (Review and Assess Adequacy of Committee Charter) – add to the end of the last sentence “in accordance with the Committee Charter”.
- Agenda Item 10 (Results of F&A Committee Self Assessment) – strike last sentence – “Mr. Gent requested a focus on increased training in 2011.”

Miguel Espinosa moved to approve the Minutes with his requested revisions. Marcie Zlotnik seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review and Recommend Board Approval of the F&A Committee Charter (Agenda Item 5)

Chairman Karnei deferred the consideration of the F&A Committee Charter to the March 2011 Committee meeting.



Review and Recommend Board Approval of Investment and Financial Corporate Standards (Agenda Items 7a and 7b)

Chairman Karnei deferred the consideration of the Investment and Financial Corporate Standards to the March 2011 Committee meeting.

Confirm Credit Work Group (CWG) Chair and Vice-Chair (Agenda Item 6)

Chairman Karnei entertained a motion to confirm Arleen Spangler, with NRG Energy, Inc., as the 2011 CWG Chair and Tamila Nikazm, with Austin Energy, as 2011 CWG Vice-Chair.

Calvin Crowder moved to approve Ms. Spangler as CWG Chair and Ms. Nikazm as CWG Vice-Chair. Miguel Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review Quarterly Investment Report (Agenda Item 8)

Chairman Karnei solicited questions on the Quarterly Investment Report from the Committee members, but there were none.

Review Committee Briefs (Agenda Item 9)

Chairman Karnei solicited questions on the Committee Briefs from the Committee members, but there were none.

Future Agenda Items (Agenda Item 10)

In response to Chairman Karnei's inquiry, Mike Petterson, ERCOT Vice President of Finance and Treasury, noted that the items deferred from this Committee meeting would be added to the March 2011 Committee meeting agenda.

Other Business (Agenda Item 11)

There was no other business considered at this time.

Adjournment

Chairman Karnei adjourned the meeting at approximately 4:39 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