



**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
June 20, 2011 at 12:00 p.m.

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Finance and Audit (F&A) 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:

Director	Affiliation	Segment
Bermudez, Jorge (Vice Chairman)	Unaffiliated	Unaffiliated Director
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility (Proxy for Mark Dreyfus)
Espinosa, Miguel	Unaffiliated	Unaffiliated Director
Fehrenbach, Nick	City of Dallas	Commercial Consumer
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider Segment Alternate
Packard, Mike	South Texas Electric Cooperative, Inc.	Cooperative Segment Alternate for Committee Chairman Clifton Karnei

Guest Board Members and Segment Alternates:

Director	Affiliation	Segment
Bivens, Danny	Office of Public Utility Council	Alternate Representative for Sheri Givens – Residential Consumer
Brown, Jeff	Shell Energy North America (US) LP	Independent Power Marketer Segment Alternate
Dalton, Andrew	Valero Services, Inc.	Industrial Consumer
Doggett, Trip	ERCOT	President and Chief Executive Officer (CEO)
Doll, Laura	Unaffiliated	Unaffiliated Director
Gent, Michehl	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.ON Climate & Renewables NA LLC	Independent Generator Segment Alternate
Helton, Bob	International Power America Services, Inc.	Independent Generator
Prochazka, Scott	CenterPoint Houston Electric	Investor Owned Utility Segment



		Alternate
Ryall, Jean	Constellation Energy Commodities Group	Independent Power Marketer
Schwertner, Ray	Garland Power & Light	Municipally Owned Utilities Segment Alternate
Smitherman, Barry T.	Public Utility Commission of Texas (PUCT)	Chairman (Beginning with Agenda Item 2)

Other Guests:

Anderson, Ken	Public Utility Commission of Texas – Commissioner
Cleary, Mike	ERCOT Senior Vice President and Chief Operating Officer
Cobos, Lori	ERCOT Associate Corporate Counsel
Hancock, Misti	ERCOT Director of Finance
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 of Human Resources and Chief Compliance Officer
Morgan, Richard	ERCOT Vice President and Chief Information Officer
Pettersen, Mike	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Seely, Chad	ERCOT Assistant General Counsel
Wolff, Freddy	ERCOT Manager of Accounting
Woodfin, Dan	ERCOT Director of System Planning
Wullenjohn, Bill	ERCOT Director of Internal Audit

Jorge Bermudez, Vice Chairman of the F&A Committee, acting as Committee Chairman in Clifton Karnei's absence, determined that a quorum was present and called the F&A Committee meeting to order at approximately 12:02 p.m. Acting Chairman Bermudez announced that Calvin Crowder held the proxy for Mark Dreyfus and addressed the following Agenda Items in the order below.

Approval of May 16, 2011 General Session Minutes (Agenda Item 1)

Acting Chairman Bermudez entertained a motion to approve the May 16, 2011 F&A Committee General Session Meeting Minutes (Minutes).

Miguel Espinosa moved to approve the Minutes as presented. Calvin Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review Preliminary 2012-2017 Budget Highlights (Agenda Item 2)

Misti Hancock provided preliminary 2012-2017 budget highlights to the Committee members and responded to comments and questions from the Committee members.

Barry T. Smitherman, Chairman of the Public Utility Commission of Texas (PUCT, Commission), called an Open Meeting of the Commission to order to consider matters which had been duly posted with the Texas Secretary of State for June 20, 2011.



Recommend Revision of ERCOT Security Screening Study Fee (Agenda Item 3)

Dan Woodfin provided a recommendation to revise the ERCOT Security Screening Study Fee to the Committee members and responded to comments and questions from the Committee members.

Mr. Crowder moved to recommend Board approval of the revision to the ERCOT Security Screening Study Fee as presented. Mr. Espinosa seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Commodities Exchange Act Exemption (Agenda Item 4)

Mark Ruane provided a status update on exemption issues relating to the Commodity Futures Trading Commission's (CFTC) Commodities Exchange Act (CEA) to the Committee members and responded to comments and questions from the Committee members.

Recommend Changes to Standard Forms of Letter of Credit and Market Participant Guarantee Agreements (Agenda Item 5)

The F&A Committee deferred this agenda item to the July 2011 F&A Committee Meeting.

Recommend Corrected Effective Date for Revised Investment Corporate Standard - Approved May 2011 (Agenda Item 6)

Mike Petterson provided a recommendation to correct the effective date of the recently approved, revised Investment Corporate Standard from May 17, 2011 to July 18, 2011 to the Committee members and responded to comments and questions from the Committee members.

Mr. Crowder moved to recommend Board approval of the corrected effective date for the Investment Corporate Standard as presented. Jorge Bermudez seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Quarterly Committee Education on Accounting Developments (Agenda Item 7)

Freddy Wolff provided a quarterly update on accounting developments to the Committee members. No comments or questions were voiced by the Committee members.

Review Committee Briefs (Agenda Item 8)

Mr. Petterson noted that ERCOT was not in compliance with the Investment Corporate Standard, including reasons for the non-compliance and steps being taken to comply with the Investment Corporate Standard, to the Committee members and responded to comments and questions from the Committee members.

Future Agenda Items (Agenda Item 9)

Mr. Petterson noted that the following items would be presented for consideration at next month's F&A Committee meeting:

- 2012 Budget Update;
- CEA Exemption Status Update;
- Standard Form Letter of Credit and Market Participant Guarantee Agreement; and
- Elimination of the November F&A Committee meeting.



Other Business (Agenda Item 10)

There was no other business considered at this time.

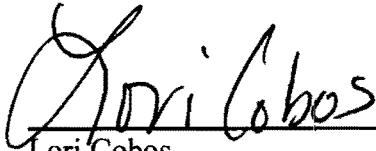
Convene to Executive Session (Agenda Items 11 through 13)

Acting Chairman Bermudez adjourned the F&A Committee meeting into Executive Session at approximately 1:42 p.m.

Reconvene to Open Session

Acting Chairman Bermudez reconvened the General Session of the F&A Committee meeting at approximately 2:13 p.m. There were no voting items from Executive Session. Acting Chairman Bermudez adjourned the F&A Committee meeting at approximately 2:14 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
Committee Secretary