



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

7620 Metro Center Drive, Room 206

Austin, Texas 78744

September 19, 2011 at 10:00 a.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.

**Meeting Attendance:**

**Committee Members:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge (Vice Chairman)	Unaffiliated	Unaffiliated Director; Proxy for Calvin Crowder during Agenda Items 1-3
Crowder, Calvin	AEP Service Corp.	Investor Owned Utility (except for Call to Order, Agenda Items 1-3)
Dreyfus, Mark	Austin Energy	Municipal; Proxy for Clifton Karnei
Espinosa, Miguel	Unaffiliated	Unaffiliated Director
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider (REP)

**Guest Board Members and Segment Alternates:**

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bowling, Shannon	Cirro Energy	Independent REP Segment Alternate
Doll, Laura	Unaffiliated	Unaffiliated Director
Gent, Michehl	Unaffiliated	Unaffiliated Director

**Other Guests:**

Anderson, Kenneth	Commissioner, Public Utility Commission of Texas (except for Call to Order and Agenda Item 1)
Beckham, Rebecca	ERCOT Manager of Financial Reporting
Cleary, Mike	ERCOT Senior Vice President and Chief Operating Officer
Day, Betty	ERCOT Vice President of Business Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information 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 of Human Resources and Chief Compliance



	Officer
Nikazm, Tamila	Austin Energy – Vice Chair of Credit Work Group
Petterson, Mike	ERCOT Vice President and Chief Financial Officer
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Wullenjohn, Bill	ERCOT Director of Internal Audit
Yager, Cheryl	ERCOT Director of Credit

#### **Call Open Session to Order and Announce Proxies**

Jorge Bermudez, Committee Vice Chairman, acted as Chairman for this Committee meeting in Committee Chairman Clifton Karnei's absence. Chairman Bermudez determined that a quorum was present and called the Committee meeting to order at approximately 10:09 a.m. Chairman Bermudez announced that he was holding a proxy for Calvin Crowder and that Mark Dreyfus was holding a proxy for Mr. Karnei.

#### **Approval of August 15, 2011 Meeting Minutes (Agenda Item 1)**

Chairman Bermudez entertained a motion to approve the August 15, 2011 Committee General Session Meeting Minutes (Minutes).

**Mr. Dreyfus moved to approve the Minutes as presented. Eric Hendrick seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### **Periodic Credit Work Group (CWG) Report (Agenda Item 2)**

Tamila Nikazm provided a report from the CWG regarding an update on 2012 goals to the Committee members and responded to comments and questions from the Committee members.

#### **ERCOT Credit Update (including discussion of ERCOT Recommendations regarding Point-to-Point (PTP) Obligations in the Upcoming Annual Congestion Revenue Rights (CRR) Auctions) (Agenda Item 3)**

Cheryl Yager provided an update on ERCOT Credit to the Committee members and responded to comments and questions from the Committee members.

#### **Update on Commodities Exchange Act Exemption (Agenda Item 4)**

Mark Ruane provided an update on the Commodities Exchange Act Exemption to the Committee members. Mr. Ruane and Bill Magness responded to comments and questions from the Committee members.

#### **Quarterly Committee Education on Accounting Developments (Agenda Item 5)**

Rebecca Beckham provided a quarterly update on current accounting developments to the Committee members. Ms. Beckham and Bill Wullenjohn responded to comments and questions from the Committee members.

#### **Review Committee Briefs (Agenda Item 6)**

Mike Petterson reviewed the Committee briefs for the Committee members. No comments or questions were voiced by the Committee members.



**Future Agenda Items (Agenda Item 7)**

Mike Petterson reviewed the future agenda items for the Committee members. No comments or questions were voiced by the Committee members.

**Other Business (Agenda Item 8)**

No other business was discussed at this time.

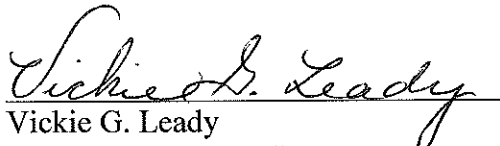
**Executive Session (Agenda Items 9 - 11)**

Chairman Bermudez adjourned the meeting into Executive Session at approximately 11:30 a.m. and reconvened the Open Session at approximately 12:05 p.m.

**Adjourn**

Chairman Bermudez announced that the Committee had no other business to consider and adjourned the Committee meeting at approximately 12:07 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/).

  
Vickie G. Leady  
Assistant Corporate Secretary