



**Date:** April 9, 2012  
**To:** Board of Directors  
**From:** Clifton Karnei, Finance and Audit (F&A) Committee Chair  
**Subject:** Approval of F&A Committee Charter

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date:** April 16-17, 2012

**Agenda Item No.:** 14b

**Issue:**

Whether to approve the ERCOT staff-proposed F&A Committee Charter, and whether to recommend and approve any changes to the Charter.

**Background/History:**

The F&A Committee Charter is reviewed annually and updated as needed. ERCOT staff has reviewed the document and respectfully propose no change to the F&A Committee Charter. The F&A Committee Charter reflecting occurrence of the required annual review is incorporated in *Attachment A*.

The F&A Committee reviewed the F&A Committee Charter at its meeting on February 20, 2012 and is expected to review the F&A Committee Charter again at its meeting on April 16, 2012, and the F&A Committee is expected to recommend that the Board of Directors (Board) adopt, reject, or amend the F&A Committee Charter at the April 16-17, 2012 Board meeting.

**Key Factors Influencing Issue:**

The F&A Committee Charter identifies the functions that the F&A Committee is to perform and is reviewed annually to ensure that the F&A Committee continues to address relevant issues and to assist the Board in providing necessary oversight consistent with fiduciary duties.

**Conclusion/Recommendation:**

The F&A Committee is expected to review the F&A Committee Charter at its meeting on April 16, 2012, and is expected to recommend to the Board of Directors whether any F&A Committee Charter revisions should be made. If the F&A Committee recommends revisions to the F&A Committee Charter, then it is expected that the F&A Committee will recommend that the revisions become effective upon approval by the Board.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, after its meeting on April 16, 2012, the Finance and Audit (F&A) Committee of the Board of Directors of Electric Reliability Council of Texas, Inc. (ERCOT) has recommended no revision to the F&A Committee Charter consistent with the document appended to this resolution and incorporated as *Attachment A* hereto;

WHEREAS, after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to approve the F&A Committee Charter as recommended by the F&A Committee; and

THEREFORE, BE IT RESOLVED, that the F&A Committee Charter is approved consistent with *Attachment A*, to be effective immediately.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Vickie G. Leady, Assistant Corporate Secretary of ERCOT, do hereby certify that, at its April 16-17, 2012 meeting, the ERCOT Board passed a motion approving the above Resolution by \_\_\_\_  
\_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of April, 2012.

\_\_\_\_\_  
Vickie G. Leady  
Assistant Corporate Secretary