



**GENERAL SESSION 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 18, 2012; 1:00 p.m. – 3:14 p.m.

Pursuant to notice duly given, 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.

Committee Members:

Director	Affiliation	Segment
Bermudez, Jorge (Vice-Chairman)	Unaffiliated	Unaffiliated Director
Carpenter, Mark	Oncor Electric Delivery Company	Investor Owned Utility
Fehrenbach, Nick	City of Dallas	Commercial Consumer
Gent, Michehl	Unaffiliated	Unaffiliated Director
Gresham, Kevin	E.On Climate & Renewables NA LLC	Independent Generator <i>(Except for Agenda Item 5)</i>
Hendrick, Eric	Stream Energy	Independent REP
Packard, Mike	South Texas Electric Cooperative Inc.	Cooperative
Walsh, Judy	Unaffiliated	Unaffiliated Director <i>(Except for Agenda Items 1 – 5)</i>

Guest Board Members and Segment Alternates:

Director	Affiliation	Segment
H.B. "Trip" Doggett	ERCOT	President and Chief Executive Officer (CEO)
Clemenhausen, Barbara	Topaz Power Holdings LLC	Independent Generator Segment Alternate
Nelson, Donna	Public Utility Commission of Texas (PUCT)	Chairman



Other Guests:

Beckham, Rebecca	ERCOT Manager of Accounting
Gunn, Philip	Ernst & Young, LLP Partner
Macakiage, Oscar	ERCOT Business Process, Risk & Controls Analyst
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Roberts, Grady	ERCOT Director of Finance
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Wiley, Leslie	ERCOT Manager of Treasury
Wolff, Freddy	ERCOT Manager of Budget & Financial Analysis
Wullenjohn, Bill	ERCOT Director of Internal Audit

Call General Session to Order and Announce Proxies (Agenda Item 1)

Jorge Bermudez, Vice-Chairman determined that a quorum was present and called the meeting to order at approximately 1:05 p.m. Vice-Chairman Bermudez acted as Chairman in the absence of Clifton Karnei. He announced that Mike Packard was attending as the Segment Alternate for the Cooperative Segment in Mr. Karnei's absence and Mark Carpenter was attending as the Segment Alternate for the Investor Owned Utility Segment in Scott Prochazka's absence. Vice-Chairman Bermudez addressed the following Agenda Items in the order below.

Approval of April 16, 2012 General Session Minutes (Agenda Item 2)

Vice-Chairman Bermudez entertained a motion to approve the April 16, 2012 F&A Committee General Session Meeting Minutes (Minutes).

Eric Hendrick moved to approve the Minutes as presented. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with one abstention (Kevin Gresham).

Review and Recommend Board Approval of Management's Recommended 2013 Budget (Agenda Item 3)

Freddy Wolff, ERCOT Manager of Budget & Financial Analysis, presented the 2013 budget and he and Trip Doggett, ERCOT President and CEO, answered questions and comments from Board members.

Mr. Hendrick moved to recommend the 2013 budget as presented to the Board for approval. Michehl Gent seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Review and Accept ERCOT's 2011 A-133 Department of Energy Grant Audit Report (Agenda Item 4)

Rebecca Beckham, ERCOT Manager of Accounting, introduced Philip Gunn and Lisa Garner of Ernst & Young, LLP. Mr. Gunn and Ms. Garner presented ERCOT's 2011 A-133 Department of Energy Grant Audit Report and indicated findings were listed as unqualified (clean) with no exceptions being reported.

Mr. Gent moved to accept ERCOT's 2011 A-133 Department of Energy Grant Audit Report as presented to the Board for approval. Mr. Hendrick seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Review and confirm appointment of the Vice Chair of the Credit Work Group (Agenda Item 5)

Vice-Chairman Bermudez entertained a motion to confirm the Credit Work Group Vice-Chair.

Mr. Hendrick moved to confirm Trish Egan, of Luminant, as Credit Work Group Vice-Chair. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Briefs (Agenda Item 6)

Ms. Beckham, Grady Roberts, ERCOT Director of Finance, Leslie Wiley, ERCOT Manager of Treasury, and Oscar Macakiage, Business Process, Risk & Controls Analyst presented the Committee Briefs and responded to questions and comments from Committee members.

Future Agenda Items (Agenda Item 7)

Vice-Chairman Bermudez announced the next Finance and Audit Committee meeting will be held July 16, 2012.

Mr. Roberts stated the 2011 Audit Report of ERCOT's 401(k) Savings Plan would be placed on July's agenda for review and recommendation of Board acceptance.

Other Business (Agenda Item 8)

No other business was considered at this time.

Executive Session (Agenda Items 9-12)

Vice-Chairman Bermudez adjourned the meeting into Executive Session at approximately 2:00 p.m. and reconvened Open Session at approximately 3:12 p.m.

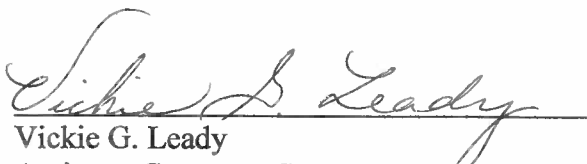
Vote on Matters from Executive Session (Agenda Item 12)

There were no agenda items for vote in Open Session.

Adjournment

Vice-Chairman Bermudez adjourned the meeting at approximately 3:14 p.m.

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


Vickie G. Leady
Assistant Corporate Secretary