



**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

July 16, 2012, 1:00 p.m.

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

Director	Affiliation	Segment
Bermudez, Jorge (Vice Chairman)	Unaffiliated	Unaffiliated Director <i>(Except for Agenda Tabs 1 – 6.1)</i>
Fehrenbach, Nick	City of Dallas	Consumer / Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director <i>(Except for Agenda Tabs 1 – 6.1)</i>
Hendrick, Eric	Stream Energy	Independent Retail Electric Provider
Karnei, Clifton (Chairman)	Brazos Electric Power Cooperative Inc.	Cooperative
Prochazka, Scott	CenterPoint Energy Houston Electric LLC	Investor Owned Utility
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

Director/ Segment Alternate	Affiliation	Segment
Bivens, Danny	Office of Public Utility Counsel	Consumer / Residential <i>(Alternate Representative for Public Counsel Sheri Givens)</i>
Brown, Jeff	Shell Energy North America (US)	Independent Power Marketer Segment Alternate
Crowell, Craven	Unaffiliated	Unaffiliated Director
Doggett, H.B. "Trip"	ERCOT	President and Chief Executive Officer (CEO)
Dreyfus, Mark	Austin Energy	Municipal
Pfirrmann, Karl	Unaffiliated	Unaffiliated Director



Other Guests:

Anderson, Ken	Commissioner, Public Utility Commission of Texas
Beckham, Rebecca	ERCOT Manager of Accounting
Day, Betty	ERCOT Vice President of Business Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Garcia, Diana	Senior Manager, Maxwell, Locke & Ritter
Landry, Brianna	Audit Associate, Maxwell, Locke & Ritter
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
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Westbrook, Susan	ERCOT Director of Human Resources
Wiley, Leslie	ERCOT Manager of Treasury
Wullenjohn, Bill	ERCOT Director of Internal Audit
Zimmerhanzel, A.J.	Engagement Partner, Maxwell, Locke & Ritter

Call General Session to Order, Announce Proxies and Segment Alternates (Tab 1)

Clifton Karnei, F&A Committee Chairman, determined that a quorum was present and called the F&A Committee meeting to order at approximately 1:04 p.m. Chairman Karnei announced that Danny Bivens was attending as the Alternate Representative for the Public Counsel in Sheri Givens' absence.

Chairman Karnei addressed the following Agenda Items in the order below.

June 18, 2012 General Session Meeting Minutes (Tab 2)

Chairman Karnei entertained a motion to approve the June 18, 2012 General Session Meeting Minutes (Minutes). He requested that the Minutes reflect Mike Packard's attendance as a Segment Alternate.

Nick Fehrenbach moved to approve the Minutes with Chairman Karnei's requested revision. Eric Hendrick seconded the motion. The motion passed by unanimous voice vote with one abstention (Scott Prochazka).

Recommendation Regarding Board Acceptance of the 2011 Audit Report of ERCOT 401(k) Savings Plan (Tab 3)

Susan Westbrook, ERCOT Director of Human Resources, introduced Diana Garcia with Maxwell, Locke & Ritter. Ms. Garcia presented the 2011 Audit Report of ERCOT 401(k) Savings Plan and responded to questions and comments from Committee members.

Mr. Fehrenbach moved to recommend Board acceptance of the 2011 Audit Report of ERCOT 401(k) Savings Plan as presented. Mr. Hendrick seconded the motion. The motion passed by unanimous voice vote with no abstentions.



Day-Ahead Market Collateral Parameters Process (Tab 4)

Mark Ruane, ERCOT Vice President of Credit and Enterprise Risk Management, presented the Day-Ahead Market Collateral Parameters Process. There were no questions or comments from Committee members.

Recommendation Regarding Board Approval of User Fees - Congestion Revenue Right Account Holder and Independent Market Information System Registered Entity Application Fees (Tab 5)

Chad Seely, ERCOT Assistant General Counsel, presented the User Fees – Congestion Revenue Right Account Holder and Independent Market Information System Registered Entity Application Fees. There were no questions or comments from Committee members.

Mr. Hendrick moved to recommend Board approval of User Fees – Congestion Revenue Right Account Holder and Independent Market Information System Registered Entity Application Fees as presented. Mr. Prochazka seconded the motion. The motion passed by unanimous voice vote with no abstentions.

Committee Briefs (Tab 6)

Rebecca Beckham, ERCOT Manager of Accounting, presented the Committee Briefs and responded to questions and comments from Committee members.

Committee Member Training (Tab 6.1)

Ms. Beckham presented an update on Committee member training and provided website links which offer training opportunities at no cost. She responded to questions and comments from Committee members.

Periodic Report on Investments (Tab 6.2)

Michael Petterson, Vice President of Finance and Treasury, presented the Periodic Report on Investments. Mr. Petterson and Leslie Wiley, Manager of Treasury, responded to questions and comments from Committee members.

Open Audit Points (Tab 6.3)

Mr. Petterson presented the Open Audit Points. Mr. Petterson, Trip Doggett, ERCOT President and CEO, and Bill Wullenjohn, ERCOT Director of Internal Audit, responded to questions and comments from Committee members.

Future Agenda Items (Tab 7)

Chairman Karnei announced the next F&A Committee meeting will be held in November 2012. Mr. Petterson addressed the key elements of the F&A Committee meeting matrix and responded to questions and comments from Committee members.

Other Business (Tab 8)

Mr. Petterson noted a discrepancy in ERCOT Reconciliation of CEO Update and Financial Summary report and indicated the CEO Update, which was provided to Committee members, contained the correct and most accurate data.



Executive Session

Chairman Karnei adjourned the meeting into Executive Session at approximately 1:58 p.m. and reconvened General Session at approximately 3:18 p.m.

Vote on Matters from Executive Session (Tab 9)

Chairman Karnei reported that there were no voting items from Executive Session.

Adjournment (Tab 10)

Chairman Karnei adjourned the meeting at approximately 3:19 p.m.

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

A handwritten signature in blue ink that reads "Vickie G. Leady".

Vickie G. Leady
Assistant Corporate Secretary