



Date: January 8, 2013
To: Board of Directors
From: Finance and Audit (F&A) Committee Chair
Subject: F&A Committee Charter

Issue for the ERCOT Board of Directors

ERCOT Board of Directors Meeting Date: January 15, 2013

Item No.: 13.1

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 several changes to the F&A Committee Charter. The F&A Charter reflecting occurrence of the required annual review is incorporated in *Attachment A*.

The F&A Committee is expected to review the F&A Committee Charter at its meeting on January 14, 2013, 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 January 15, 2013 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 their meeting on January 14, 2013, 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 due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to make several revisions to the F&A Committee Charter consistent with the document appended to this resolution and incorporated as *Attachment A* hereto; and

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;

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 January 15, 2013 meeting, the ERCOT Board passed a motion approving the above Resolution by _____.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of January, 2013.

Vickie G. Leady
Assistant Corporate Secretary