



Item 10: Preapproval of Non-Audit Services

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Vice President of Finance and Treasury

Finance and Audit Committee Meeting

ERCOT Public

March 18, 2013

Preapproval of Non-Audit Services

- Per the Finance and Audit Committee Charter, “the Committee shall approve the provision of all auditing and non-audit services (in excess of \$5,000) by the independent auditor to the Company in advance of the provision of those services and shall also approve the fees for all non-audit services provided by the independent auditor.”
- Additionally, “the Committee shall consider whether the independent auditor’s performance of any non-audit services is compatible with the external auditor’s independence.”
- Ernst & Young’s (E&Y) review of ERCOT’s 2012 IRS Form 990 is specifically limited to the review of the tax forms prepared by ERCOT staff and does not accommodate tax advisory services.
- Based on the complexity of the IRS Form 990, ERCOT seeks preapproval to engage E&Y to provide up to \$10,000 of advisory services where necessary in connection with 2012 IRS Form 990.
- In 2011 and 2010, no advisory fees were incurred, but ERCOT incurred \$8,200 in 2009 and \$20,000 in 2008.