



**GENERAL SESSION MINUTES OF THE FINANCE & AUDIT COMMITTEE  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
September 16, 2013

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:

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bermudez, Jorge (Chairman)	Unaffiliated	Unaffiliated Director
Bowling, Shannon	Cirro Group	Independent Retail Electric Provider (IREP) <i>(Not present for Agenda Items 10 and 11)</i>
Fehrenbach, Nick	City of Dallas	Consumer – Commercial
Gent, Michehl	Unaffiliated	Unaffiliated Director
Karnei, Clifton (Vice Chairman)	Brazos Electric Power Cooperative Inc.	Cooperative <i>(Proxy for Kevin Gresham)</i>
Prochazka, Scott	CenterPoint Energy Houston Electric LLC	Investor Owned Utility
Walsh, Judy	Unaffiliated	Unaffiliated Director

Guest Board Members and Segment Alternates:

<b>Director/ Segment Alternate</b>	<b>Affiliation</b>	<b>Segment</b>
Carpenter, Mark	Oncor Electric Delivery Company	Investor Owned Utility Segment Alternate
Doggett, H.B. "Trip"	ERCOT	President and Chief Executive Officer (CEO)
Nelson, Donna	Commissioner	Public Utility Commission of Texas (PUCT) <i>(Not present for Agenda Items 1, 2, and 4-11)</i>

Other Guests:

Atherton, Allison	ERCOT Business Process Controls and Risk Manager
Bauld, Mandy	ERCOT Director Settlements and Retail Operations
Bivens, Carrie	ERCOT Manager Day Ahead Market



Day, Betty	ERCOT Vice President of Business Integration <i>(Not present for Agenda Items 4-11)</i>
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer <i>(Not present for Agenda Items 1 and 2)</i>
Edmonds, Lauren	BrightLine CPAs and Associates, Inc. Manager
Jones, Brad	ERCOT Vice President Commercial Operations <i>(Not present for Agenda Items 4-11)</i>
Landry, Brianna	Maxwell Locke & Ritter, LLP
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary <i>(Not present for Agenda Items 1 and 2)</i>
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Markham, Lori	ERCOT Corporate Governance Specialist
McIntyre, Ken	ERCOT Vice President Grid Planning and Operations
Petterson, Michael	ERCOT Vice President of Finance and Treasury
Rhoades, Jason	BrightLine, CPAs and Associates, Inc. Principal
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management
Schue, Jamie	ERCOT Associate Corporate Counsel
Smallwood, Aaron	ERCOT Director IT Operations
Taylor, Sean	ERCOT Controller
Westbrook, Susan	ERCOT Director Human Resources
Wiley, Leslie	ERCOT Manager of Treasury
Wullenjohn, Bill	ERCOT Director Internal Audit
Zimmerhanel, A.J.	Maxwell Locke & Ritter, LLP

**Call General Session to Order, Announce Proxies and Segment Alternates (Agenda Item 1)**

Jorge Bermudez, F&A Committee Chairman, determined that a quorum was present and called the F&A Committee meeting to order at approximately 1:05 p.m. Chairman Bermudez noted the Antitrust and Security Admonitions. Chairman Bermudez announced that Clifton Karnei held the proxy for Kevin Gresham. He addressed the following Agenda Items in the order below. Chairman Bermudez provided an opening statement.

**July 15, 2013 General Session Meeting Minutes (Agenda Item 2)**

Chairman Bermudez entertained a motion to approve the July 15, 2013 General Session Meeting Minutes (Minutes).

**Michehl Gent moved to approve the Minutes as presented. Vice Chairman Karnei seconded the motion. The motion passed by unanimous voice vote with one abstention (Scott Prochazka).**



**Committee Education on Control Objectives and Activities Subject to ERCOT's Service Organization Control (SSAE 16) Audit (Agenda Item 3)**

Allison Atherton led a presentation on control objectives and activities subject to the SSAE 16 Audit. Mandy Bauld, Carrie Bivens, and Aaron Smallwood presented information on their respective areas subject to audit. These presenters and Lauren Edmonds responded to questions from the Committee.

**Recommendation regarding Acceptance of ERCOT's 401(k) Savings Plan Audit Report (Agenda Item 4)**

Susan Westbrook presented the recommendation regarding ERCOT's 401(k) Savings Plan Audit Report. A.J. Zimmerhanel and Ms. Westbrook responded to questions from the Committee.

**Mr. Gent moved to recommend that the Board accept the 401(k) Savings Plan Audit Report as presented. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Periodic Report on Credit Work Group (CWG) Activity (Agenda Item 5)**

Chairman Bermudez noted that Simon Castillo was unable to attend the meeting. Mark Ruane presented the Periodic Report on CWG Activity and responded to questions from the Committee.

**Annual Committee Self Evaluation (Agenda Item 6)**

Chairman Bermudez led a discussion of the Annual Committee Self Evaluation. Michael Petterson responded to questions from the Committee, including a request from Judy Walsh to review the survey annually.

**Committee Briefs – Review 2013 Financial Summary and Periodic Report on Investments (Agenda Items 7, 7.1, and 7.2)**

Mr. Petterson presented the Committee Briefs, including the Review of 2013 Financial Summary and Periodic Report on Investments, and responded to questions and comments from Committee members.

**Future Agenda Items (Agenda Item 8)**

Mr. Petterson reviewed the Committee meeting planner and reported that the next meeting is scheduled for November 18, 2013 at which time the Annual Committee Self-Evaluation results, the annual Internal Audit Plan, the SSAE 16 Audit Report, education on hot topics for finance and audit committees with EY staff, and ERCOT's revolving line of credit will be discussed.

**Other Business (Agenda Item 9)**

Mr. Petterson made the Committee aware that on August 29, 2013 Moody's refreshed ERCOT's credit opinion of Aa3, and responded to questions and comments from Committee members.

**Executive Session**

Chairman Bermudez convened Executive Session at approximately 2:55 p.m. and reconvened General Session at approximately 4:26 p.m.



**Vote on Matters from Executive Session (Agenda Item 10)**

There were no voting items to be considered from Executive Session.

**Adjournment (Agenda Item 11)**

Chairman Bermudez adjourned the meeting at approximately 4:26 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at <http://ercot.com/calendar/2013/09/20130916-FA>.

A handwritten signature in blue ink, appearing to read "Jamie Schue", written over a horizontal line.

Jamie Schue

Associate Corporate Counsel