



Item 7: Preapproval of Non-Audit Services

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Controller

Finance & Audit Committee Meeting
ERCOT Public
February 9, 2015

Preapproval of Non-Audit Services

Finance & Audit Committee Charter Requirement

- 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.
- In connection with the Committee's approval of non-audit services, the Committee shall consider whether the independent auditor's performance of any non-audit services is compatible with the external auditor's independence.

Preapproval Request for IRS Form 990 Advisory Services

- EY's review of ERCOT's 2014 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 EY to provide up to \$10,000 of advisory services in connection with the 2014 IRS Form 990, if necessary.
- ERCOT last incurred advisory fees related to the IRS Form 990 in the amount of \$8,200 for the 2009 filing.

Request for Finance & Audit Committee Vote

ERCOT staff requests that the Finance & Audit Committee preapprove ERCOT to engage EY to provide up to \$10,000 of advisory services related to the 2014 IRS Form 990.

<VOTE>