

In Reply Refer To:
OED-DRA
Docket No. FA03-19-

000

August 14, 2003

New York Independent Systems Operator
Attention: Ms. Mary K. McGarvey
Controller & Assistant Treasurer
290 Washington Avenue Extension
Albany, NY 12203

The Office of the Executive Director, Division of Regulatory Audits has completed the audit of annual charges at New York Independent Systems Operator. The scope of the audit was limited to examining New York Independent Systems Operator's books and records relating to annual charges for January 1, 2001, through December 31, 2001.

The overall audit objective was to determine New York Independent Systems Operator's compliance with the Commission's accounting requirements and regulations as related to the calculation and assessment of annual charges under 18 CFR Part 382. Specifically, the audit verified the accuracy of the data reported in the Form 1 through selective testing of invoices supporting account balances for Account 447 (Sales for Resale), Account 456 (Other Electric Revenues), and Account 555 (Purchased Power). In addition, we examined policies and procedures related to the preparation of Form 1 and Form 582. We conducted the audit in accordance with generally accepted government auditing standards as implemented by the Chief Accountant.

The audit did not identify any instances of non-compliance requiring New York Independent Systems Operator to take corrective actions.

The Commission delegated the authority to act in this matter to the Chief Accountant under 18 CFR _ 375.312. This letter order constitutes final agency action. Your company may file a request for rehearing with the Commission within 30 days of the date of this order under 18 CFR _ 385.713.

New York Independent
Systems Operator

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This letter order is without prejudice to the Commission's right to require hereafter any adjustments it may consider proper from additional information that may come to its attention.

I appreciate the courtesies extended to the auditors. If you have any questions, please contact Mr. Dwight Siddell, Projects Manager, at (202) 502-8977.

Sincerely,

John M. Delaware
Deputy Executive Director
and Chief Accountant
Office of the Executive Director