

NYISO Market Participants Audit Advisory Sub-Committee (MPAAS)

January 16, 2001

The NYISO
3890 Carman Road
Schenectady, NY 12303

MINUTES OF THE MEETING

I. Welcome & Introduction

The second session of the MPAAS began at 1:15 pm with six of the seven MPAAS members in attendance: Curt Ashman, Acting Chairperson (from NYSEG), Art Brennan (from NYPA), Kevin Feeney (from Niagara Mohawk), Kathy Logan (from Orion Power), Mike Milligan (from KeySpan, representing LIPA), and Joe Kelley (from KeySpan). Greg Jamele (from RGS Energy Group) was absent.

In addition, the NYISO General Auditor, Marc Rubin was also at the meeting.

II. Review of Minutes

The minutes from the previous meeting (of December 13, 2000) were reviewed and approved unanimously by the MPAAS.

III. Review of Revised MPAAS By-Laws

At the first MPAAS meeting, the group had developed a preliminary set of MPAAS By-Laws, which were later developed and structured by counsel from Hunton & Williams. During the 1/16/2001 meeting, the MPAAS reviewed those By-Laws and made several recommendations for modifications. The MPAAS requested that Mr. Rubin have those changes reviewed by counsel subsequent to the meeting.

IV Discussion of NYISO-Completed Audit Projects

At the request of the MPAAS, Mr. Rubin reviewed the listing of NYISO internal audits that had been previously distributed. Strengths and weaknesses of the processes audited were reviewed.

V. Discussion of PJM, CA, and NE ISO Audit Activities/Approaches

Mr. Ashman noted that he had found audit materials for the other ISOs from their websites, and suggested that other could find similarly useful materials as well.

VI. SAS 70 at NYISO

Mr. Rubin noted that there had been a significant operation in progress to prepare for a Type 1 SAS 70 review at the NYISO. The operation is structurally reviewing all of the business control and general control elements, to ensure that the processes are well defined, well documented, and implemented appropriately. Certain of the elements were taking somewhat longer than expected to be completed. Mr. Rubin stated that he would like the MPAAS's input into the potential scope of such a review, and the MPAAS agreed that at the next meeting, SAS 70 scope information would be added to the agenda.

VII. Coordination/Understanding of Other Committees or Working Groups

Mr. Ashman suggested that the MPAAS members maintain an awareness of other NYISO committees and working groups, and report back information to the MPAAS members as available. Ms. Logan noted that she had been working with the Billing and Accounting Working Group (BAWG) and mentioned that the BAWG had made good progress of late.

VIII. Review of NYISO "Open Items" Posted on NYISO Website

Mr. Ashman noted that the NYISO's website had valuable information for the MPAAS. He said that the listing of open projects could be found on the website, and said he would forward the location of that site to the MPAAS members.

IX. Development of Items/Issues for NYISO Risk Assessment Meeting

The MPAAS members reviewed initial thoughts for the following day's Risk Assessment meeting, to be utilized in developing the NYISO Internal Audit Plan. They discussed their common understanding, as well as priorities that the individually thought should be discussed.

XI Next Meeting

The attendees agreed that the next meeting would be held during either the week of March 5th or March 12th, 2001. The MPAAS members agreed to advise Mr. Ashman of their potential conflicts.

XII Adjournment

The meeting was adjourned at approximately 4:15 pm.

Respectfully submitted,
Marc A. Rubin

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Secretary, MPAAS