

**NEW YORK INDEPENDENT SYSTEM OPERATOR
MARKET PARTICIPANT AUDIT ADVISORY SUBCOMMITTEE MEETING**

**November 4, 2010
9:00 AM to 2PM**

**Location: KCC Conference Center, 1D
10 Krey Blvd, Rensselaer, NY 12144**

FINAL Minutes

Member/Attendance List

Name	Company Representing	Sector	Voting Member	Non-Voting Member
<i>Attending Members</i>				
Rich DeJong (<i>Chair</i>)	Iberdrola, USA	Transmission Owners	X	
Kenneth Taylor (<i>Vice Chair</i>)	National Grid	Transmission Owners	X	
William Conner	Con Edison	Transmission Owners	X	
Bob Farrell	US Power Gen	Other Suppliers	X	
Ed Ortlieb	Central Hudson	Transmission Owners	X	
Les Pardo	NYPA	Public Power	X	
Brian Robinson (phone)	LIPA	Public Power	X	
Zia Ahmed	NYISO	n/a		X
<i>Absent Members</i>				
Jesse Samburg	MTA	End Use Consumer	X	
<i>Visitors</i>				
Lisa Chandler	NYISO	n/a		
Jodi Crozzoli	NYISO	n/a		
Andrea Howe	NYISO	n/a		
Greg Marcincuk	NYISO	n/a		
Jim Romano	NYISO	n/a		
Anthony Tropiano	NYISO	n/a		
John Heaphy	Con Edison	Transmission Owners		
Mary O'Neil	National Grid	Transmission Owners		

Meeting convened at 9:00 AM

1. Approval of Minutes from the June 24, 2010 Meeting

The Minutes were approved as presented at the November 4, 2010 MPAAS meeting.

2. Open Items

Update on status of Mr. Samberg and MTA's membership in MPAAS Committee

No progress. Mr. DeJong proposed to remove Mr. Samberg from membership.

Motion: Motion to remove Mr. Samberg from MPAAS membership

Vote: Membership voted in favor of the motion; No opposition.

Update on MC Membership appeal

Mr. DeJong attended the July 21, 2010 Management Committee via teleconference to request additional participation in MPAAS. Mr. DeJong discussed the importance of MPAAS, requested additional participation, and provided his contact information. Mr. DeJong has not received any responses indicating interest.

Other open items

All action items from previous meeting were addressed.

3. General Business

Internal Audit Status Update

No changes within the Internal Audit Department. Progressing with Annual Audit Plan.

Senior Management Staffing Changes

Two staffing changes since prior MPAAS meeting -

- Elaine Robinson, Director of Regulatory Affairs, retired as of October 31, 2010. Ray Stalter was hired to replace Ms. Robinson
- A new position was created - Consumer Interest Liaison. That position was filled with Echo Cartwright, former NYISO Senior Manager of Inter-Governmental Affairs

Billing Issues

Mr. Marcincuk explained the Billing and Accounting Working Group (BAWG) purpose/process and provided the current "Pending Business Rule Design Changes, Data Corrections, and Final Bill Challenges" document. Mr. Farrell thanked NYISO Audit for evidence of BAWG tracking.

MPAAS Charter and By-Laws Update

The MPAAS Charter and By-Laws were updated by Mr. Marcincuk -

- MPAAS By-Laws
 - Last approved by MC on June 6, 2001

- Increase in membership from two to four representatives from each NYISO Sector Group was approved by the Management Committee on April 30, 2007
 - Change was not incorporated into By-Laws at that time
 - Change was incorporated into MPAAS Charter
- Summary of changes
 - §2.01 - Incorporate increase in number of sector representatives (described above)
 - §2.03 - Change General Auditor to Chief Audit Executive (CAE)
 - §5.03 – Clarify language regarding posting of Agenda to NYISO website
 - Various Sections - Consolidate language (e.g., “MPAA Subcommittee” to “MPAAS”)
- MPAAS Charter
 - Last approved by MC on April 30, 2007
 - Included increase in membership from two to four representatives from each NYISO Sector Group
 - Summary of changes for MC vote and approval
 - Modified language related to increase in sector membership to be consistent with By-Laws
 - Change General Auditor to Chief Audit Executive (CAE)
 - Replace one reference to MPAAC with MPAAS

Motion: Motion to provide the MPAAS Charter and By-Laws to the MC for approval

Vote: Membership vote in favor of the motion; No opposition.

Mr. DeJong will attend an upcoming MC meeting and present the revised MPAAS Charter and By-Laws for approval.

Action Item: Mr. Marcincuk to provide to Mr. DeJong the process for submission of By-Laws and Charter to MC for approval.

Action Item: Mr. Marcincuk to provide to Mr. DeJong the MC and BAWG contacts.

4. SAS 70 Discussions

Status of Audit

KPMG is currently performing its third site visit of the year. One potential exception related to design of a Rate Schedule 1 control. This design issue is expected to be an exception and not a report qualification. The issue was discovered by NYISO's Finance Department, reported to Internal Audit who shared it with KPMG. The SAS 70 report is expected to be issued in mid-January 2011.

Action Item: Mr. Marcincuk will provide to MPAAS members with contact information to request a copy of the SAS 70.

Transition from SAS 70 to SSAE 16

Mr. Ahmed discussed the transition from SAS 70 to SSAE 16.

5. DoE Funding Update

Mr. Marcincuk discussed DoE funding, reimbursement, and budget.

Mr. Marcincuk discussed co-sourcing with UHY to perform grant auditing.

Action Item: Mr. Marcincuk will provide Mr. DeJong the status of the Crowe Horwath desk/site audit

Action Item: Mr. Marcincuk will provide Mr. Taylor the name of the National Grid individual who was the primary contact for Crowe's SGIG Desk Audit

6. Audit Briefings for Other Completed Audits

Audit Briefings

- Reliability Management
- Storm Contingencies
- Oracle Database
- Load Forecasting
- CRP Project Tracking
- Procurement
- DRIS Continuous Assessment

Other Activities

- Discussed Data Center Construction Audit - Internal Audit co-sourced CCC (Commercial Cost Control) to perform construction auditing

Action Item: Mr. Marcincuk to provide to Mr. Conner and Mr. Ortlieb the contact information for CCC.

7. Selection of new Chair and Vice-Chair

Mr. Taylor, representing National Grid, was selected the new Chair

Mr. Heaphy, representing Consolidated Edison, was nominated by Mr. Farrell for Vice-Chair. Mr. DeJong seconded.

Motion: Motion for Mr. Taylor be made Chair and Mr. Heaphy to be Vice-Chair

Vote: Membership vote in favor of the motion, no opposition.

Action Item: Mr. Conner or Mr. Heaphy to provide Mr. Heaphy's contact information to Mr. Marcincuk.

8. Next Meeting

The next meeting is scheduled for Thursday, March 31, 2011 at 9AM.

9. Adjourn

The meeting was adjourned at 11:20 AM

Minutes submitted by: Andrea Howe, NYISO Internal Audit