

Final

**Market Participant Audit Advisory Subcommittee (MPAAS)
Meeting Minutes
December 3, 2002
NYISO, Washington Avenue Extension, WD**

Attendees

Name	Representing
Curt Ashman	NYSEG
Arthur Brennan, Chair	NYPA
John Ventura, Vice Chair	Con Ed
Daniel Zeppetello	Niagara Mohawk/National Grid
Kristen Kranz	NYISO
Marc Rubin	NYISO

Marc Rubin called the meeting to order at 10:15 A.M. Mr. Rubin introduced the participants and the companies that they represent.

I. Minutes

The subcommittee approved the October 3, 2003 MPAAS Meeting Minutes and agreed to post them to the NYISO Website here:

http://www.nyiso.com/services/documents/groups/mc_mp_audit_advisory_comm/meeting_materials.html.

II. MPAAS Proposal Status – Review of Audit Reports

Mr. Rubin provided a status report on the NYISO Board Audit & Compliance Committee's (A&C) comments on the Audit Reports. Mr. Rubin explained that the A&C is fine with the MPAAS's involvement in the audit planning process. The Board is interested in the MPAAS's specific or general suggestions for the plan.

The A&C is still considering the other part of the MPAAS request, to suggest specific audits and receive the audit reports from those audits.

Mr. Rubin explained that the A&C is expected to review the subject at either its January or February 2003 meetings.

III. Enron Billing Issues Audit Status – Report Distribution, Impact on MPs

Mr. Rubin reported on the Enron Audit Status noting that the audit report has been issued by KPMG and the NYISO Board had approved the release of it to the Market Participants. In accordance with KPMG's contract requirements, the release is contingent upon Market Participant signature of a confidentiality agreement.

Mr. Ashman and other MPAAS members raised the issue of whether conversations about the report could be held in the presence of persons who hadn't signed the agreement, such as other MPAAS members, and how they would know who had or had not signed the agreement.

Mr. Rubin advised that he would be working with the NYISO General Counsel, to further review the letter, and would also report back to the MPAAS on any potential changes to the letter.

IV. 2002 Internal Audit Plan – Status and Audit Results

Mr. Rubin presented the status of the 2002 Internal Audit Plan and Results, reviewing which audits have been completed, which are in progress, and which have been rescheduled.

Mr. Rubin noted that the only report issued since the last meeting was the Customer Settlements review – Deficiency of Billing Audits. Mr. Brennan questioned whether IA deals with how customer inquiries are managed. Mr. Rubin will report back with an answer.

V. Implementation of Recommendations

Mr. Rubin distributed IA 2002 Audit Plan Update and showed a chart of Commitment Implementations from October 1, 2000 to October 1, 2002. He noted that 91.1% all commitments due to have been implemented during the two years have been implemented; 97% of “A” priority commitments that were due have been implemented.

VI. 2003 Internal Audit Plan

Mr. Rubin reviewed the preliminary projected listing of 2003 Internal Audit (IA) reviews with the MPAAS. He discussed the risk assessment that had been performed and how the preliminary Plan was developed.

The MPAAS provided suggestions to include more intensive reviews of Billing items in the 2003 IA Plan.

VII. Other Business

There wasn't any other business.

VIII. Next Meeting

A date for the next MPAAS meeting was not selected.

IX. Adjourn

Action Items	
Item	Assigned To:
Mr. Brennan questioned whether IA deals with how customer inquiries are managed.	Mr. Rubin

Submitted by –

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