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## **NYISO Bid-to-Bill Controls Receive Positive Audit Report From Leading Accounting Firm**

(Guilderland, NY) - The New York Independent System Operator (NYISO), the organization responsible for New York State's bulk power system, passed its first SAS 70 Type 2 audit—the first ISO to win an unqualified opinion on its first attempt. The audit evaluated the NYISO's controls in accordance with the standards established by the authoritative American Institute of Certified Public Accountants.

In a report issued September 15<sup>th</sup>, KPMG Inc., one of the "Big Four" auditing firms, said it reviewed NYISO activities from November 15, 2002 to May 14, 2003 and found controls over the entire "bid-to-bill" process were accurate and complete. The "bid-to-bill" process covers the period from a market participant's submission of a bid or offer to the NYISO's issuance of an invoice for the transaction.

The NYISO voluntarily underwent the audit, in which KPMG scrutinized every aspect of the NYISO bid-to-bill process, as well as facilities security, and information technology practices and security -- all crucial to the management of daily energy transactions. Going forward, this favorable audit will be extremely useful to Market Participants in evaluating their risk levels when engaging in transactions through the NYISO. Over a six-month period, KPMG auditors interviewed a broad range of employees, scrutinized all NYISO activities, and carefully studied its policies and procedures to confirm the adequacy of NYISO controls.

"We are gratified by KPMG's findings and proud of all NYISO employees for their efforts during the audit. Everyone at the NYISO contributed to achieving the unqualified result, which underscores our commitment to running an efficient and reliable energy marketplace. The report demonstrates to Market Participants that we are operating a well-controlled, highly efficient system," said William J. Museler, NYISO President and CEO.

A second audit covering the period from July 1, 2003 to December 31, 2003 is currently in progress. The NYISO is in a continuing SAS 70 audit process to provide Market Participants with assurance of the completeness and accuracy of NYISO market controls.

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*The New York Independent System Operator ("NYISO")—www.nyiso.com—is a not-for-profit corporation established in 1999 to facilitate the restructuring of New York State's electric industry. Based in New York's Capital Region, in addition to administering the State's wholesale energy markets, the NYISO operates the State's high voltage electric transmission system. Since 1999, the NYISO's market volume exceeded \$16.2 billion, more than all of the other Northeast markets combined.*