

For Immediate Release:

February 19, 2004

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NYISO Bid-to-Bill Controls Receive Second Straight Positive Audit

KPMG certifies the NYISO's adherence to auditing standards.

Guilderland, NY – The New York Independent System Operator (NYISO), the organization responsible for New York State's bulk power system, passed its second straight SAS 70 Type 2 audit, which confirmed that controls used in the Bid-to-Bill process are in accordance with the standards established by the American Institute of Certified Public Accountants.

In a recently issued report, KPMG, one of the "Big Four" auditing firms, said it reviewed NYISO activities from July 1 to December 31, 2003, and found controls over the entire Bid-to-Bill process were accurate and complete. Bid-to-Bill is a process that encompasses all activities in the marketplace, including Market Participant registration and billing, posting of marketplace results, the issuance of invoices, and collections. The NYISO passed its first SAS 70 Type 2 audit last summer, becoming the first ISO to pass such an audit on its first try.

"The NYISO is now two-for-two on Type 2 audits," said William J. Museler, President and CEO. "I am proud of our employees for their efforts during the audit and throughout the year. Their work assures our Market Participants that we have an unwavering commitment to excellence."

SAS 70 Type 2 audits are performed on the NYISO by KPMG year-round. The NYISO voluntarily undergoes this stringent audit to give Market Participants, and their financial auditors, confidence that New York's energy markets are being operated accurately and in accordance with accepted auditing principles. Type 2 audits, as opposed to Type 1 audits, are more rigorous and require the NYISO to maintain Bid-to-Bill controls over a period of time. Type 1 audits show that the Bid-to-Bill controls, if in place, would be effective at a specific point in time.

Over a six-month period, KPMG interviewed a broad range of employees, examined NYISO activities, and carefully tested its policies and procedures to confirm the NYISO controls were effective.

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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. The NYISO's market volume was nearly \$7 billion in 2003.