

Briefing on Scope of 2009 SAS 70 and SAS 70 Type 1 for MRTU



Audit Committee Meeting

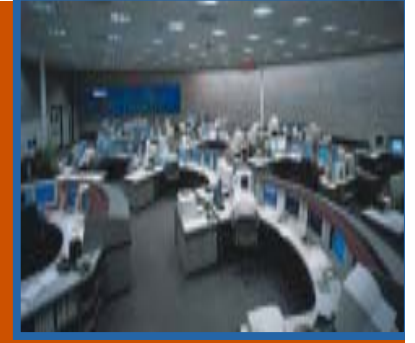
General Session

February 10-11, 2009

PRICEWATERHOUSECOOPERS 



SAS 70 Type 1



- When MRTU goes live
 - It will have a significant impact on the ISO's business processes
 - It will result in significant restructuring of the ISO's key internal controls related to market activities
 - Immediate risk of error is very high; ISO is developing post processes to address this risk; PwC views these processes as being critical to successful implementation

SAS 70 Type 1



- PwC will perform a Type I SAS 70 to be completed as MRTU, and related settlements are implemented
 - Active PwC involvement with ISO's controls assessment related to the new environment; significant undertaking
 - Interactive assessments of adequacy of design of controls throughout the development process; process began in early 2008
 - Limited audit test plan prior to go live date
 - Report to be issued concurrent with initial settlement activities; however assessment of market processes will be completed prior to go-live date
 - SAS 70 Type I is a point in time audit

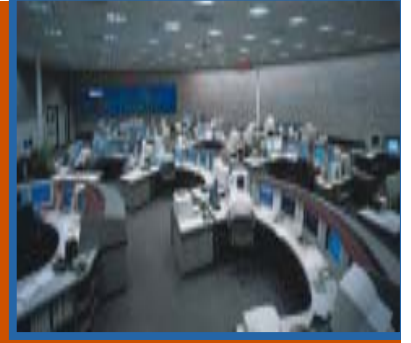
2009 SAS 70



- SAS 70 Type II Audit (continuous audit) planned to resume after Type I audit date
 - Period covered – full year or partial year is still being assessed
 - Report to be issued in December (as usual)
 - Scope of controls/ report for SAS 70 Type II will be similar to SAS 70 Type I issued earlier in year reflecting the new MRTU environment

- SaMC
 - Discussed in prior Audit Committee Meeting
 - Required by tariff
 - Covers calculations within SaMC for compliance with Tariff

Closing



➤ Questions