

**GENERAL SESSION MINUTES
ADR/AUDIT COMMITTEE MEETING
March 26, 2010
ISO Headquarters
Folsom, California**

March 26, 2010

Kristine Hafner, Chair of the ADR/Audit Committee of the ISO Board of Governors, called the general session meeting to order at approximately 9:35 a.m. Roll call was taken and the presence of a quorum was established.

ATTENDANCE

The following members of the ADR/Audit Committee were in attendance:

Kristine Hafner, Chair
Tom Habashi

The following Board members were in attendance: Mason Willrich, Laura Doll and Bob Foster.

The following members of the officer team were present: Yakout Mansour, Steve Berberich, Jim Detmers, Karen Edson, Keith Casey, Brenda Thomas and Nancy Saracino.

GENERAL SESSION

The following agenda items were discussed in general session:

PUBLIC COMMENT

No public comment was offered at this time.

DECISION ON MINUTES

Nancy Saracino, Vice President, General Counsel and Corporate Secretary, advised the Committee to direct the Corporate Secretary to lodge the minutes as Governor Hafner and Governor Habashi were not Committee members at the February 10, 2010 ADR/Audit Committee meeting. Brief discussion followed and Governor Foster requested that the Committee vote to lodge the minutes. Governor Habashi moved to lodge the ADR/Audit Committee general session minutes for February 10, 2010. The motion was seconded by Governor Hafner, and approved 2-0-0.

ACCEPTANCE OF 2009 OPERATIONS REVIEW

Tim Cherry, with PricewaterhouseCoopers, provided the Committee with a background overview of the 2009 Operational Compliance Assessment and informed the Committee that the PwC report was issued on February 17, 2010. Mr. Cherry provided an overview of the scope of the assessment and reviewed the findings of the report. Mr. Cherry stated that exceptions were noted with the exceptional

dispatch tool and that those exceptions had been corrected by the ISO during the testing period. Mr. Cherry stated that a re-test revealed no exceptions. Mr. Cherry provided the Committee with an overview of PwC's observations and recommendations with regards to the findings in the report.

Glen Perez, Manager – Operations Process and Performance, provided a brief background overview of the operations review. Mr. Perez informed the Committee that the results of the review demonstrated the ISO's compliance with procedures. Mr. Perez noted that the one exception that had been identified was quickly resolved by the ISO. Mr. Perez stated that Management accepted the February 17, 2010 report and findings. Mr. Perez concluded his presentation by providing an overview of potential scope areas for the 2010 operations review and stated that the recommendations would be provided to the Committee at the next scheduled meeting. Discussion ensued regarding the audit process.

MOTION

Governor Habashi:

Moved, that the ADR/Audit Committee accepts the report issued on February 17, 2010 by PricewaterhouseCoopers, LLC for the testing of the 2009 Operations Review, as detailed in the memorandum dated March 17, 2010.

The motion was seconded by Governor Hafner, and approved 2-0-0.

ADJOURNED

There being no additional general session items to discuss, the general session of the ADR/Audit Committee meeting was adjourned at approximately 9:50 a.m.