

**GENERAL SESSION MINUTES
AUDIT COMMITTEE MEETING
September 9, 2010
ISO Headquarters
Folsom, California**

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Kristine Hafner, Chair of the Audit Committee of the ISO Board of Governors, called the general session meeting to order at approximately 1:45 p.m. Roll call was taken and the presence of a quorum was established.

ATTENDANCE

The following members of the 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, Karen Edson, Keith Casey, Brenda Thomas and Nancy Saracino.

GENERAL SESSION

The following agenda items were discussed in general session:

DECISION ON MINUTES

Governor Habashi moved for the approval of Audit Committee general session minutes for July 26, 2010. The motion was seconded by Governor Hafner, and approved 2-0-0.

**ACCEPTANCE OF AUDIT OF THE CALIFORNIA ISO RETIREMENT SAVINGS
BENEFITS PLAN**

Denise Walsh, Controller, provided the Committee with a background of the retirement savings benefits plan audit and noted that the U.S. Department of Labor requires employee benefit plans to file audited financial statements. Ms. Walsh stated that the financial statements were prepared in accordance with GASB pension reporting standards. Ms. Walsh provided the Committee with a summary of the 2009 retirement plan activity.

Sean Barry, with PricewaterhouseCoopers, provided the Committee with an overview of the required auditor communications as part of the rules of professional responsibility. Mr. Barry noted the audit was performed and completed on time and that the financial statements were in compliance with the

Department of Labor's Rules and Regulations for Reporting and Disclosure. Mr. Barry noted that audit process improvements were planned for the 2010 audit.

Motion

Governor Habashi:

MOVED, that the Audit Committee of the ISO Board of Governors accepts the audited financial statements of the California ISO Retirement Savings Benefits Plan for the years ended December 31, 2009 and 2008, as audited by PricewaterhouseCoopers LLP, and as attached to the memorandum dated September 1, 2010.

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

INFORMATIONAL REPORTS

There were no questions on the FERC Form 3Q informational report.

ADJOURNED

There being no additional general session items to discuss, the general session of the Audit Committee meeting was adjourned at approximately 2:00 p.m.