

Memorandum

To: ADR/Audit Committee of the ISO Board of Governors

From: Steven Berberich, Vice president Corporate Services and Interim Chief Financial Officer and Treasurer

Date: July 10, 2009

Re: **Acceptance of Audit of the California ISO Retirement Savings Benefits Plan for 2008 and 2007**

This memorandum requires Committee action.

Management has prepared the financial statements for the *California ISO Retirement Savings Benefits Plan* for the years ended December 31, 2008 and 2007, in accordance with applicable reporting standards. The audit, by PricewaterhouseCoopers LLP, was completed on July 7, 2009. The audited financial statements are attached for Committee review. Management recommends the following motion:

MOVED, that the ADR/Audit Committee accepts the audited financial statements of the California ISO Retirement Savings Benefits Plan for the years ended December 31, 2008 and 2007, as audited by PricewaterhouseCoopers LLP and as attached to the memorandum dated July 10, 2009.