

California Independent System Operator Corporation

Memorandum

To: Board of Governors

From: Mike Epstein, Controller and

Brenda Thomas, Director Human Resources

- Cc: ISO Officers
- Date: January 18, 2007

Re: Acceptance of Review of Code of Conduct Audit Procedures

PricewaterhouseCoopers completed their tests of the CAISO 2006 Code of Conduct certification process and issued their report on January 15, 2007. No exceptions were noted in their testing. Management requests that the Board accept the report as submitted and proposes the following motion:

MOVED, that the ISO Board of Governors accept the report on the testing of the CAISO 2006 Code of Conduct Certification Process issued by PricewaterhouseCoopers on January 15, 2007.

Created by: DYE/Acctg.

CAISO 151 Blue Ravine Road Folsom, California 95630 (916) 351-4400 Page 1 LST UPDT:01/xx/07