

**GENERAL SESSION MINUTES
AUDIT COMMITTEE MEETING
February 5, 2015
ISO Headquarters
Folsom, California**

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The Audit Committee of the ISO Board of Governors convened the general session meeting at approximately 1:00 p.m. and the presence of a quorum was established.

ATTENDANCE

The following members of the Audit Committee were in attendance:

Ash Bhagwat, Chair
Dave Olsen

The following members of the executive team were present at times throughout the meeting: Steve Berberich, Keith Casey, Karen Edson, Eric Schmitt, Roger Collanton, Ryan Seghesio, and Becky Regan

GENERAL SESSION

The following agenda items were discussed in general session:

DECISION ON GENERAL SESSION MINUTES

Governor Bhagwat moved for approval of the Audit Committee's general session minutes for the December 17-18, 2014 meeting. The motion was seconded by Governor Olsen and approved 2-0-0.

PUBLIC COMMENT

There was no public comment offered at this time.

ACCEPTANCE OF SETTLEMENTS SYSTEM AUDIT REPORT

Mark Niehaus, with PricewaterhouseCoopers, provided the Audit Committee with a background overview and noted the audit was requested by ISO Management in order to gain independent assurance associated with the following two significant market changes: FERC Order 764 and expansion of the energy imbalance market.

Mr. Niehaus next discussed the audit approach and scope and noted it included 203 charge codes and pre-calculations. He next discussed various key audit factors, including what was included in the tariff assessment procedures. He noted that there was extensive coordination with the ISO legal team as well as the subject matter experts in settlements, and noted his appreciation to the team. He stated that PwC identified no deviations in the audit, and that an unqualified opinion was issued on January 9, 2015. Brief discussion followed.

Motion

Governor Olsen:

Moved, that the Audit Committee of the ISO Board of Governors accepts the settlements system audit report issued on January 9, 2015 by PricewaterhouseCoopers LLP for the testing of specified charge code calculations implemented in 2014, as attached to the memorandum dated January 29, 2015.

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

ADJOURNED

There being no additional general session matters to discuss, the general session was adjourned at approximately 1:15 p.m.