



Report of Independent Auditors and  
Financial Statements with  
Required Supplementary Information  
and Additional Information

**California ISO  
Retirees Medical Plan**

December 31, 2012, 2011, and 2010

**MOSS ADAMS** LLP

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*

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## REPORT OF INDEPENDENT AUDITORS

To the Participants and Plan Administrator of the  
California ISO Retirees Medical Plan

### **Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of the California ISO Retirees Medical Plan (the Plan), which comprise the statements of net position available for benefits as of December 31, 2012, 2011, and 2010, and the related statements of changes in net position available for benefits for the years ended December 31, 2012, 2011 and 2010, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the trustee as of and for the years ended December 31, 2012, 2011, and 2010, that the information provided to the plan administrator by the trustee is complete and accurate.

***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

***Other Matter – Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the accompanying management discussion and analysis, schedule of funding progress, and schedule of employer contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Matter – Additional Information***

The Form 5500 – SF, line 7(c) – Schedule of assets (held at December 31, 2012, 2011, and 2010) and Form 5500 – SF – Schedule of reportable transactions for the years ended December 31, 2012, 2011, and 2010, are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on this additional information.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the financial statements and additional information, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL’s Rules and Regulations for Reporting and Disclosure under ERISA.

*Moss Adams LLP*

Campbell, California  
December 10, 2013

## **CALIFORNIA ISO RETIREES MEDICAL PLAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The following discussion and analysis of the California ISO Retirees Medical Plan (the Plan) provides an overview of the Plan's financial position for the years ended December 31, 2012, 2011, 2010, and 2009, and for the financial activities for the years ended December 31, 2012, 2011, 2010, and 2009. This discussion and analysis should be read in conjunction with the Plan's financial statements and accompanying notes, which follow this section.

### **Background**

The California Independent System Operator Corporation (the Company) established the Plan, a single employer defined benefit plan, to provide post-employment health care benefits to all employees who retire from the Company on or after attaining age 60 with at least five years of service and to their spouses, domestic partners, and eligible dependents. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In December 2008, the Welfare Benefit Trust (the Trust) was created by the Company to partially fund the liabilities of the Plan and was established as a tax-exempt voluntary employees' beneficiary association under Internal Revenue Code 501(c)(9). The Company's current funding policy is to annually contribute an amount such that the total amount in the Trust approximates the actuarially determined liability attributable to retirees and their spouses and to active participants who are fully eligible to retire. However, in the event that the amounts in the Trust exceed the actuarially determined liability, the excess funds may be used to fund liabilities of other welfare benefit plans sponsored by the Company.

The Company is the Plan's named fiduciary and plan administrator and has designated the Employee Pension Benefits Committee (the Committee) to manage the operation and administration of the Plan. The committee has the responsibility of making discretionary determinations under the Plan and providing distribution directions to the trustee. The Company has appointed Wells Fargo Bank, N.A. (Wells Fargo or Trustee) as the Plan's Trustee.

### **Financial Highlights**

#### **Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Plan's financial statements, which are comprised of the following:

- Statements of Net Position Available for Benefits
- Statements of Changes in Net Position Available for Benefits
- Notes to Financial Statements

The Statements of Net Position Available for Benefits present information on the Plan's assets and liabilities and the resulting net position as of December 31, 2012, 2011, and 2010. These statements reflect the Plan's investments at fair value, receivables, and liabilities.

The Statements of Changes in Net Position Available for Benefits present information showing how the Plan's net position held in trust for benefits changed during the years ended December 31, 2012, 2011, and 2010. These statements reflect contributions by participants and the Company along with investment income during the period from investing activities. Deductions for premiums paid for participants and administrative expenses are also presented.

**CALIFORNIA ISO RETIREES MEDICAL PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The Notes to Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The required supplementary information on pages 17 and 18 details the Schedule of Funding Progress and Schedule of Employer Contributions. The additional information on pages 19 - 21 details the Schedule of Assets Held at December 31, 2012, 2011, and 2010, respectively. The schedules support the amounts that are reported with the Plan's Internal Revenue Service (IRS)/U.S. Department of Labor Form 5500 - SF Part III. The supplementary information beginning on page 22 details the Schedule of Reportable Transactions for the years ended December 31, 2012, 2011, and 2010. This information is presented for the purposes of additional analysis and is not a required part of the financial statements.

**Financial Analysis**

The Plan's net position as of December 31, 2012 amounted to \$6.5 million, compared to \$5.3 million at December 31, 2011, \$4.6 million at December 31, 2010, and \$4.2 million at December 31, 2009.

Additions to the Plan's net position available for postretirement healthcare benefits (OPEB) include contributions and net appreciation in fair value and any investment income. Company contributions in 2012 amounted to \$1.3 million, compared to \$670 thousand, \$416 thousand and \$2.0 million in 2011, 2010, and 2009, respectively. The increase year over year in the Company contributions was primarily attributable to an increase in the Company's OPEB liability. The decrease from 2009 to 2010 was due to the initial funding of the Trust in 2009. Retiree contributions in 2012 amounted to \$150 thousand, compared to \$108 thousand, \$57 thousand, and \$42 thousand in 2011, 2010, and 2009, respectively. The increase in retiree contributions is primarily due to the increase in the number of retirees year over year and to the annual increases in health insurance premium costs.

The Plan recognized net investment income of \$133 thousand in 2012, compared to net investment income of \$248 thousand, \$132 thousand, and \$468 thousand in 2011, 2010, and 2009 respectively. The decrease in investment income in 2012 was primarily due to lower unrealized gains. The increase in investment income in 2011 was due to improving economic conditions during the year and unrealized gains. The decrease in investment income in 2010 was due to the decline in the economy during the period.

Deductions from the Plan's net assets include premium payments for participants and administrative expenses.

**Condensed Statements of Net Position Available for Benefits (in thousands):**

	December 31,			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assets:				
Investments	\$ 6,532.7	\$ 5,317.4	\$ 4,605.1	\$ 4,137.0
Accrued income	<u>31.4</u>	<u>26.2</u>	<u>21.0</u>	<u>41.4</u>
Net position held in trust for benefits	<u>\$ 6,564.1</u>	<u>\$ 5,343.6</u>	<u>\$ 4,626.1</u>	<u>\$ 4,178.4</u>

**CALIFORNIA ISO RETIREES MEDICAL PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**Condensed Statements of Changes in Net Position Available for Benefits (in thousands):**

	<b>December 31,</b>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Additions:				
Investment income	\$ 133.4	\$ 247.6	\$ 132.0	\$ 468.1
Contributions	<u>1,482.3</u>	<u>777.6</u>	<u>472.5</u>	<u>2,008.7</u>
Total additions	1,615.7	1,025.2	604.5	2,476.8
Deductions:				
Premiums paid for participants and administrative expenses	<u>395.2</u>	<u>307.7</u>	<u>156.8</u>	<u>115.5</u>
Net increase in net position held in trust for benefits	1,220.5	717.5	447.7	2,361.3
Net position held in trust for benefits:				
Beginning of year	<u>5,343.6</u>	<u>4,626.1</u>	<u>4,178.4</u>	<u>1,817.1</u>
End of year	<u><u>\$ 6,564.1</u></u>	<u><u>\$ 5,343.6</u></u>	<u><u>\$ 4,626.1</u></u>	<u><u>\$ 4,178.4</u></u>

## **FINANCIAL STATEMENTS**

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**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**STATEMENTS OF NET POSITION AVAILABLE FOR BENEFITS**  
**December 31, 2012, 2011, and 2010**

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	<u>2012</u>	<u>December 31, 2011</u>	<u>2010</u>
Assets			
Investments, at fair value:			
Corporate bonds	\$ 1,846,449	\$ 1,577,919	\$ 1,295,941
U.S. government securities	2,958,341	3,353,760	984,805
Municipal bonds	512,988	-	-
Money market funds	<u>1,214,914</u>	<u>385,722</u>	<u>2,324,374</u>
Total investments	6,532,692	5,317,401	4,605,120
Receivables:			
Accrued income	<u>31,426</u>	<u>26,235</u>	<u>21,037</u>
Net position held in trust for benefits	<u>\$ 6,564,118</u>	<u>\$ 5,343,636</u>	<u>\$ 4,626,157</u>

*See accompanying notes.*

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**STATEMENTS OF CHANGES IN NET POSITION AVAILABLE FOR BENEFITS**  
**Years Ended December 31, 2012, 2011, and 2010**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Additions to net position attributed to:			
Investment and other income:			
Net appreciation (depreciation) in fair value of investments	\$ (12,545)	\$ 144,510	\$ 17,746
Dividends and interest	145,897	103,111	114,292
	<u>133,352</u>	<u>247,621</u>	<u>132,038</u>
Contributions:			
Retiree's	149,989	107,684	57,003
Employer's	1,332,342	669,943	415,558
	<u>1,482,331</u>	<u>777,627</u>	<u>472,561</u>
Total additions	<u>1,615,683</u>	<u>1,025,248</u>	<u>604,599</u>
Deductions from net position attributed to:			
Premiums paid for participants	387,794	261,212	156,788
Administrative expenses	7,407	46,557	10
Total deductions	<u>395,201</u>	<u>307,769</u>	<u>156,798</u>
Net increase in net position held in trust for benefits	1,220,482	717,479	447,801
Net position held in trust for benefits			
Beginning of year	<u>5,343,636</u>	<u>4,626,157</u>	<u>4,178,356</u>
End of year	<u>\$ 6,564,118</u>	<u>\$ 5,343,636</u>	<u>\$ 4,626,157</u>

*See accompanying notes.*

**CALIFORNIA ISO RETIREES MEDICAL PLAN  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 – DESCRIPTION OF THE PLAN**

The following description of the California ISO Retirees Medical Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan's provisions.

**General** – The California Independent System Operator (the Company) established the Plan, a single employer defined benefit plan, to provide post-employment health care benefits to all employees who retire from the Company on or after attaining age 60 with at least five years of service and to their spouses, domestic partners, and eligible dependents. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In December 2008, the Welfare Benefit Trust (the Trust) was created by the Company to partially fund the liabilities of the Plan and was established as a tax-exempt voluntary employees' beneficiary association under Internal Revenue Code 501(c)(9). In the event that the amounts in the Trust exceed the actuarially determined liability, the excess funds may be used to fund liabilities of other welfare benefit plans sponsored by the Company.

Substantially all employees of the Company are eligible to participate in the Plan when they retire. Retirees are eligible to participate in the Plan on the first day of the month coinciding with or following date of retirement.

The Company is the Plan's named fiduciary and plan administrator and has designated the Employee Pension Benefits Committee (the Committee) to manage the operation and administration of the Plan. The committee has the responsibility of making discretionary determinations under the Plan and providing distribution directions to the trustee. The Company has appointed Wells Fargo Bank, N.A. (Wells Fargo or Trustee) as the Plan's Trustee.

**Contributions** – The Company's current funding policy is to contribute annually an amount such that the total amount in the Trust approximates the actuarially determined liability attributable to retirees and their spouses and to active participants who are fully eligible to retire. In addition, the Company also pays the Company's portion of the insurance premiums on behalf of the retirees directly from its own funds. Retirees are billed their portion of the medical premiums paid on their behalf by the Company on a monthly basis.

**CALIFORNIA ISO RETIREES MEDICAL PLAN  
NOTES TO FINANCIAL STATEMENTS**

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The amount that the retirees are responsible for depends on the medical plan and the number of dependents claimed. The retiree contribution schedules are as follows:

For the year ended December 31, 2012:

	<u>Cost Sharing of Medical Premium</u>	
	<u>Retiree</u>	<u>Dependent</u>
<b><u>Ages 60 - 64</u></b>		
Blue Shield HMO	40%	40%
Blue Shield PPO	40%	40%
Blue Shield HDHP	30%	30%
Kaiser HMO	40%	40%
<b><u>Ages 65+</u></b>		
Blue Shield HMO	40%	40%
Blue Shield PPO	40%	40%
Kaiser HMO	40%	40%

For the year ended December 31, 2011:

	<u>Cost Sharing of Medical Premium</u>	
	<u>Retiree</u>	<u>Dependent</u>
<b><u>Ages 60 - 64</u></b>		
Blue Shield HMO	40%	40%
Blue Shield PPO	40%	40%
Kaiser HMO	40%	40%
<b><u>Ages 65+</u></b>		
Blue Shield HMO	40%	40%
Blue Shield PPO	40%	40%
Kaiser HMO	40%	40%

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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For the year ended December 31, 2010:

	<u>Cost Sharing of Medical Premium</u>	
	<u>Retiree</u>	<u>Dependent</u>
<b><u>Ages 60 - 64</u></b>		
Blue Shield HMO	30%	30%
Blue Shield PPO	40%	40%
Kaiser HMO	30%	30%
<b><u>Ages 65+</u></b>		
Blue Shield HMO *	32%	38%
Blue Shield PPO	40%	40%
Kaiser HMO	0%	30%

\* Since no 65+ retirees were enrolled in this plan, this is an actuarial calculation of the average cost sharing percentage paid by participants after transitioning from this plan to one of the other plans

The medical plans that the retirees are enrolled in are fully insured.

**Entitlement to retiree benefits** – Retirees are entitled to participate in the Plan upon retirement from the Company on or after attaining age 60 with at least five years of service.

**Payment of benefits** – The Company pays the Company’s portion of the monthly insurance premiums for the Plan coverage chosen by the participants. The Company collects from retirees their portion of the medical premiums and pays the medical insurance premiums in total.

**Administrative expenses** – Administrative expenses of the Plan are paid by the Company. Investment transactions charges from the trustee are paid by the Plan.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial reporting entity and basis of accounting** – The Plan is governed by the same board as the Company except to the extent delegated to various committees or the officers of the Company. The Company’s five-member board is currently appointed by the California governor and approved by the California State senate. The Plan uses the economic resources measurement focus and the accrual basis of accounting in accordance with standards of the Governmental Accounting Standards Board (GASB).

**Use of estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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**Investment valuation and income recognition** – The Plan’s investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan’s gains and losses on investments bought or sold as well as held during the year.

**Risks and uncertainties** – The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

**Contributions** – Contributions are recognized as revenues in the period in which the Company funds the Trust as well as when the Company pays the premiums due for the retirees. Additionally, retiree contributions are recognized in the period that retirees are billed for their portion of the premiums paid on their behalf.

**Benefits** – Premiums paid on behalf of retirees are recorded as deductions from net position available for benefits when approved and paid by the Plan.

**NOTE 3 – INVESTMENTS**

Investments at fair value are as follows as of December 31:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Corporate bonds	\$ 1,846,449	\$ 1,577,919	\$ 1,295,941
U.S. government securities	2,958,341	3,353,760	984,805
Municipal bonds	512,988	-	-
Money market funds	<u>1,214,914</u>	<u>385,722</u>	<u>2,324,374</u>
	<u>\$ 6,532,692</u>	<u>\$ 5,317,401</u>	<u>\$ 4,605,120</u>

**Credit risk** – Credit risk for investments is the risk that an issuer or other counterparty will not fulfill its obligations to the Plan and custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

The Plan generally follows the investment policy established for the Company except that the Plan is allowed to invest in securities with maturities of five years or more.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Money market funds	\$ 1,214,914	\$ 385,722	\$ 2,324,374
Corporate bonds:			
AA rating	588,923	594,872	389,887
A rating	727,917	740,527	464,562
BBB rating	243,574	242,520	441,492
Not rated	286,035	-	-
U.S. government securities	2,958,341	3,353,760	984,805
Municipal bonds	512,988	-	-
	<u>\$ 6,532,692</u>	<u>\$ 5,317,401</u>	<u>\$ 4,605,120</u>

**Concentration of credit risk** – This is the risk of loss attributed to the magnitude of an entity’s investment in a single issuer. In 2012, 2011, and 2010, investments that represent 5% or more of the Plan’s net assets held in trust for post-retirement benefits at December 31 are as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Wells Fargo Bank Institutional Money Market	\$ 1,214,914	\$ 385,722	\$ 2,324,374
U.S. Treasury Note (2.625% maturing on February 29, 2016)	535,040	540,470	513,165
U.S. Treasury Note (2.625% maturing on November 15, 2020)	548,750	538,280	471,640
Target Corporation (8.8% maturing on May 15, 2022)	*	284,076	263,646

\* Less than 5% at year end

**Interest rate risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or a deposit. The Plan has direct investments in corporate bonds that are subject to interest rate risk. The Plan attempts to mitigate interest rate risk through portfolio diversification.

**Net appreciation (depreciation) in fair value investments** – During 2012, 2011, and 2010, the Plan’s investments (including gains and losses on investments held during the year) changed in value as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Corporate bonds	\$ (16,040)	\$ 42,278	\$ 17,746
U.S. government securities	3,495	102,232	-
	<u>\$ (12,545)</u>	<u>\$ 144,510</u>	<u>\$ 17,746</u>

**CALIFORNIA ISO RETIREES MEDICAL PLAN  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 – CERTIFIED INFORMATION**

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the following investment information was certified by the Trustee and was not subjected to any auditing procedures performed by the independent accountants:

Investments reflected on the accompanying statements of net position available for benefits as of December 31, 2012, 2011, and 2010.

- Net appreciation/depreciation in fair value of investments, dividends, and interest reflected on the accompanying statements of changes in net position available for benefits for the years ended December 31, 2012, 2011, and 2010.
- All information in the Additional Information: Schedules of Assets (Held at End of Year) and Schedules of Reportable Transactions.
- Investment information in Note 3.

The trustee has certified that the information provided is complete and accurate.

**NOTE 5 – TAX STATUS**

The Plan has been amended since receiving its latest favorable determination letter dated December 10, 2010. The Company believes that the Plan is operated in accordance with, and qualifies under, the applicable requirements of the Internal Revenue Code (the Code) and related state statutes, and that the trust, which forms a part of the Plan, is exempt from federal income and state franchise taxes.

**NOTE 6 – ACTUARIAL ACCRUED LIABILITY**

**Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligation**

The annual OPEB cost for the California ISO Retirees Medical Plan is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Codification Section P50 Financial Reporting for Postemployment Benefits Other than Pension Plans. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 15 years (using the level dollar open method). The ARC is adjusted for the amortized amount of the discounted present value (ordinary annuity) of the balance of the net OPEB obligation at the beginning of the year.

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

The Plan's annual OPEB cost at December 31, 2012, 2011 and 2010, and for the years then ended, is as follows (in thousands):

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual required contribution	\$ 4,310	\$ 3,720	\$ 3,987
Interest on net OPEB obligation	719	797	633
Adjustment to annual required contribution	<u>(1,616)</u>	<u>(1,516)</u>	<u>(1,219)</u>
Annual OPEB cost	3,413	3,001	3,401
Contributions made	<u>(1,333)</u>	<u>(670)</u>	<u>(416)</u>
Increase in net OPEB obligation	2,080	2,331	2,985
Net OPEB obligation			
Beginning of year	<u>17,966</u>	<u>15,635</u>	<u>12,650</u>
End of year	<u>\$ 20,046</u>	<u>\$ 17,966</u>	<u>\$ 15,635</u>

**Actuarial methods and assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and Plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following significant actuarial methods and assumptions were used in the calculation of the expense and annual OPEB cost for the years ended January 1, 2012, 2011, and 2010.

Valuation date	January 1, 2012	January 1, 2011	January 1, 2010
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level dollar, open	Level dollar, open	Level dollar, open
Remaining amortization period	15 years	15 years	15 years
Asset valuation method	Market	Market	Market
Investment rate of return	4.0%	5.1%	5.0%
Healthcare cost trend rate	8.0% initial, 5% ultimate	8.5% initial, 5% ultimate	8.4% initial, 5% ultimate

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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The actuarial valuation as of January 1, 2013, incorporated changes to actuarial assumptions which are different from the assumptions used in the calculation of the annual pension costs for the year ending December 31, 2012. Such changes included a decrease in the investment rate of return from 4.0% to 3.5%, plan eligibility changes and the change in the cost-sharing of the plan coverage costs, including the employer cost cap. The APBO decreased by \$2.7 million between 2012 and 2013. This change is primarily to due plan changes, which reduced the obligation by \$9.5 million partially offset by increases in the obligation resulting from assumption changes of \$3.7 million and to the increases associated with the normal cost of the plan of \$3.1 million.

The actuarial valuation as of January 1, 2012 incorporated changes to actuarial assumptions which are different from the assumptions used in the calculation of the annual pension costs for the year ending December 31, 2011. Such changes included a decrease in the investment rate of return from 5.1% to 4.0%, a decrease in the health care cost trend rate from 8.5% to 8.0% and changes to the retirement age rates. The increase in the APBO between 2011 and 2012 is associated with changes in the assumptions which amounted to approximately \$1.8 million and the remaining approximately \$2.9 million increase year over year is primarily due to annual normal cost of the Plan and interest costs on the unfunded portion of the APBO.

The actuarial valuation as of January 1, 2011, was based on actuarial methods and assumptions that were generally consistent with those used in the calculation of the annual pension cost for the year ending December 31, 2010, except for the rate of return (which changed from 5.0% to 5.1%), health care cost trend rate (which changed from 8.4% to 8.5%) and HMO pre-65 morbidity adjustment (which changed from 52.0% to 45.0%, as a result of lower than expected number of retirees). Additionally, the valuation included the estimated impact of the provisions of the Patient Protection and Affordable Care Act. The net effect of the all changes in these assumptions maintained the APBO on approximately the same level as the previous year.

**NOTE 7 - RELATED PARTY TRANSACTIONS**

Certain Plan investments are shares of a money market fund managed by Wells Fargo. Because Wells Fargo is the Trustee, any transactions in this fund qualify as party-in-interest transactions.

**NOTE 8 - PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Code.

**NOTE 9 - SUBSEQUENT EVENTS**

Effective January 1, 2013, eligible retirees hired on or after January 1, 2013 must have ten years of continuous service or were involuntarily terminated from employment with the Company for non-performance reasons in connection with a group of employees on or after age 59 with at least ten year of continuous service with the Company. Also, for every additional year of continuous service in excess of ten years, the retiree's contribution percentage will be reduced by one per cent per year up to a maximum of 10%.

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**NOTES TO FINANCIAL STATEMENTS**

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In addition, effective January 1, 2013, the Base Employee Cost-Share of the Blue Shield High Deductible Health Plan changed from 30% to 40% and the limit for the amount the Company will pay for coverage is \$8,000 for individual retiree coverage and \$16,000 for retiree plus spouse and/or dependent coverage. Participants also have the option of enrolling in Delta Dental and Blue Shield Vision Plus Plans.

Effective January 1, 2013, the Plan follows an investment policy separate from the Company's investment policy. The new investment policy was approved by the Company's board in late 2012.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**SCHEDULE OF FUNDING PROGRESS**  
**December 31, 2012**

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**Schedule of Funding Progress (in thousands):**

<b>Actuarial valuation date</b>	<b>Actuarial value of assets (a)</b>	<b>Accumulated postretirement benefit obligation (APBO) (b)</b>	<b>Unfunded APBO (b-a)</b>	<b>Funded ratio (a/b)</b>	<b>Covered payroll (c)</b>	<b>APBO as a percentage of covered payroll [(b) - (a)] / (c)</b>
January 1, 2007	\$ -	\$ 9,463	\$ 9,463	0.0%	N/A*	N/A*
January 1, 2008	-	12,245	12,245	0.0%	N/A*	N/A*
January 1, 2009	1,813	17,171	15,358	10.6%	N/A*	N/A*
January 1, 2010	4,137	18,009	13,872	23.0%	N/A*	N/A*
January 1, 2011	4,608	18,022	13,414	25.6%	N/A*	N/A*
January 1, 2012	5,344	22,727	17,383	23.5%	N/A*	N/A*
January 1, 2013	6,564	20,046	13,482	32.7%	N/A*	N/A*

\* Benefits not related to pay

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**December 31, 2012**

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**Schedule of Employer Contributions (in thousands):**

<b>Year ended</b>	<b>Annual required contribution (ARC)</b>	<b>Employer contribution</b>	<b>Percentage contributed</b>
2007	\$ 2,490	\$ 42	1.7%
2008	3,099	1,866	60.2%
2009	4,273	2,077	48.6%
2010	3,987	416	10.4%
2011	3,720	670	18.0%
2012	4,310	1,332	30.9%

**ADDITIONAL INFORMATION**

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**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**FORM 5500 – SF, LINE 7(c) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2012**

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500 - SF, Line 7(c)

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party		Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
*	Wells Fargo Bank Institutional Money Market	Money Market Fund	\$ 1,214,914	\$ 1,214,914
	U.S. Treasury Note	U.S. Government Securities (0.25% Maturing on November 30, 2013)	250,000	250,147
	U.S. Treasury Note	U.S. Government Securities (0.50% Maturing on August 15, 2014)	250,820	251,095
	U.S. Treasury Note	U.S. Government Securities (2.25% Maturing on July 31, 2018)	261,563	269,278
	U.S. Treasury Note	U.S. Government Securities (2.625% Maturing on February 29, 2016)	514,260	535,040
	U.S. Treasury Note	U.S. Government Securities (2.625% Maturing on November 15, 2020)	472,850	548,750
	Federal Home Loan Bank	U.S. Government Securities (1.625% Maturing on December 11, 2015)	255,277	258,617
	Federal Home Loan Mortgage Corporation	U.S. Government Securities (0.375% Maturing on October 15, 2013)	300,444	300,459
	Federal Home Loan Mortgage Corporation	U.S. Government Securities (0.375% Maturing on November 27, 2013)	249,778	250,440
	Federal Home Loan Mortgage Corporation	U.S. Government Securities (5.00% Maturing on February 16, 2017)	296,100	294,515
	Campbell Soup Co.	Corporate Bond (3.05% Maturing on July 15, 2017)	210,484	216,222
	Colgate-Palmolive Co.	Corporate Bond (5.20% Maturing on November 7, 2016)	174,171	172,201
	E.I. Du Pont De Nemours	Corporate Bond (5.75% Maturing on March 15, 2019)	238,400	243,574
	General Electric Capital Corp	Corporate Bond (5.90% Maturing on May 13, 2014)	226,664	214,342
	IBM Corp.	Corporate Bond (1.25% Maturing on May 12, 2014)	202,600	202,380
	Simon Property Group LP	Corporate Bond (5.25% Maturing on December 1, 2016)	284,570	286,035
	Target Corp.	Corporate Bond (8.80% Maturing on May 15, 2022)	291,000	277,870
	Wachovia Corp.	Corporate Bond (5.50% Maturing on May 1, 2013)	248,954	233,825
	Wisconsin State General Rev Ref Taxable Series A	Municipal Bond (4.319% Maturing on May 1, 2014)	267,530	262,820
	Calleguas California Municipal Water District Taxable Ref Series A	Municipal Bond (0.467% Maturing on July 1, 2013)	250,000	250,168
Total investments			<u>\$ 6,460,379</u>	<u>\$ 6,532,692</u>

\* Party-in-interest

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**FORM 5500 – SF, LINE 7(c) – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2011**

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500 - SF, Line 7(c)

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party		Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
*	Wells Fargo Bank Institutional Money Market	Money Market Fund	\$ 385,722	\$ 385,722
	U.S. Treasury Note	U.S. Government Securities (0.25% Maturing on November 30, 2013)	250,000	250,030
	U.S. Treasury Note	U.S. Government Securities (0.50% Maturing on August 15, 2014)	250,820	251,132
	U.S. Treasury Note	U.S. Government Securities (2.25% Maturing on July 31, 2018)	261,563	265,897
	U.S. Treasury Note	U.S. Government Securities (2.625% Maturing on February 29, 2016)	514,260	540,470
	U.S. Treasury Note	U.S. Government Securities (2.625% Maturing on November 15, 2020)	472,850	538,280
	Federal Farm Credit Bank	U.S. Government Securities (1.83% Maturing on March 1, 2017)	250,000	250,007
	Federal Home Loan Bank	U.S. Government Securities (0.125% Maturing on November 15, 2012)	249,910	249,717
	Federal Home Loan Bank	U.S. Government Securities (1.625% Maturing on December 11, 2015)	255,278	257,023
	Federal Home Loan Mortgage Corporation	U.S. Government Securities (0.375% Maturing on November 27, 2013)	249,778	249,598
	Federal National Mortgage Association	U.S. Government Securities (0.80% Maturing on March 12, 2015)	249,375	250,468
	Federal National Mortgage Association	U.S. Government Securities (1.50% Maturing on September 21, 2016)	250,000	251,138
	Campbell Soup Co.	Corporate Bond (3.05% Maturing on July 15, 2017)	210,484	213,778
	Colgate-Palmolive Co.	Corporate Bond (5.20% Maturing on November 7, 2016)	174,171	173,568
	E.I. Du Pont De Nemours	Corporate Bond (5.75% Maturing on March 15, 2019)	238,400	242,520
	General Electric Capital Corp.	Corporate Bond (5.90% Maturing on May 13, 2014)	226,664	219,030
	IBM Corp.	Corporate Bond (1.25% Maturing on May 12, 2014)	202,600	202,274
	Target Corp.	Corporate Bond (8.80% Maturing on May 15, 2022)	291,000	284,076
	Wachovia Corp.	Corporate Bond (5.50% Maturing on May 1, 2013)	248,954	242,673
Total investments			<u>\$ 5,231,829</u>	<u>\$ 5,317,401</u>

\* Party-in-interest

**CALIFORNIA ISO RETIREES MEDICAL PLAN**  
**FORM 5500 - SF, LINE 7(c) - SCHEDULE OF ASSETS (HELD AT END OF YEAR)**  
**December 31, 2010**

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Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500 - SF, Line 7(c)

(a)	(b)	(c)	(d)	(e)
Identity of issue, borrower, lessor or similar party		Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
*	Wells Fargo Bank Institutional Money Market	Money Market Fund	\$ 2,324,374	\$ 2,324,374
	U.S. Treasury Note	U.S. Government Securities (2.625% Maturing on February 29, 2016)	514,260	513,165
	U.S. Treasury Note	U.S. Government Securities (2.625% Maturing on November 15, 2020)	472,850	471,640
	Avon Products Inc.	Corporate Bond (4.80% Maturing on March 1, 2013)	200,000	214,722
	Campbell Soup Co.	Corporate Bond (3.05% Maturing on July 15, 2017)	210,484	200,916
	Colgate-Palmolive Co.	Corporate Bond (5.20% Maturing on November 7, 2016)	174,171	168,535
	E.I. Du Pont De Nemours	Corporate Bond (5.75% Maturing on March 15, 2019)	238,400	226,770
	General Electric Capital Corp.	Corporate Bond (5.90% Maturing on May 13, 2014)	226,664	221,352
	Target Corp.	Corporate Bond (8.80% Maturing on May 15, 2022)	291,000	263,646
Total investments			<u>\$ 4,652,203</u>	<u>\$ 4,605,120</u>

\* Party-in-interest

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			5,343,636.30			
COMPARATIVE VALUE (5%)			267,181.81			
02/07/12 B	ISSUE: 3134G2U42 - FED HOME LN MTG CORP 0.375% 10/15/13 300,000	1.002	0	300,444-*	300,444	
01/23/12 B	ISSUE: 3137EAAM1 - FED HOME LN MTG CORP 5% 2/16/17 250,000	1.184	0	296,100-*	296,100	
07/11/12 B	ISSUE: 828807BW6 - SIMON PROPERTY GROUP 5.25% 12/01/16 250,000	1.138	0	284,570-*	284,570	
06/08/12 B	ISSUE: 977100AT3 - WISCONSIN ST GEN REV 4.319% 5/01/14 250,000	1.070	0	267,530-*	267,530	
01/24/12 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 301,586	1.000	0	301,586 *	301,586	0
02/08/12 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 300,797	1.000	0	300,797 *	300,797	0
04/13/12 B	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 1,094,537	1.000	0	1,094,537-*	1,094,537	
04/16/12 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 1,157,518	1.000	0	1,157,518 *	1,157,518	0
04/16/12 B	ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C 1,158,080	1.000	0	1,158,080-*	1,158,080	
06/13/12 S	ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C 268,790	1.000	0	268,790 *	268,790	0
07/16/12 S	ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C 283,161	1.000	0	283,161 *	283,161	0
GRAND TOTAL			0	5,713,113	5,713,113	0

F O O T N O T E S

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
B = BUY TRANSACTION  
S = SELL TRANSACTION  
R = REINVESTMENT TRANSACTION

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY BROKER		UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
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	BEGINNING MARKET VALUE				5,343,636.30			
	COMPARATIVE VALUE (5%)				267,181.81			
	-----				-----			
BROKER: UBS PAINEWEBBER INC.								
01/23/12 B	250,000	ISSUE: 3137EAAM1 - FED HOME LN MTG CORP 5% 2/16/17		1.184	0	296,100-*	296,100	
02/07/12 B	300,000	ISSUE: 3134G2U42 - FED HOME LN MTG CORP 0.375% 10/15/13		1.002	0	300,444-*	300,444	
	SUB-TOTAL				0	596,544	596,544	0
BROKER: CITIGROUP GLOBAL MARKETS INC.								
06/08/12 B	250,000	ISSUE: 977100AT3 - WISCONSIN ST GEN REV 4.319% 5/01/14		1.070	0	267,530-*	267,530	
	SUB-TOTAL				0	267,530	267,530	0
BROKER: WELLS FARGO SECURITIES, LLC								
07/11/12 B	250,000	ISSUE: 828807BW6 - SIMON PROPERTY GROUP 5.25% 12/01/16		1.138	0	284,570-*	284,570	
	SUB-TOTAL				0	284,570	284,570	0
	GRAND TOTAL				0	1,148,644	1,148,644	0

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD -----	SHARES/ PAR VALUE -----	SERIES / BY BROKER	UNIT PRICE -----	EXPENSE INCURRED -----	PRINCIPAL CASH -----	TRANSACTION COST -----	REALIZED GAIN/LOSS -----
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F O O T N O T E S  
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\* = SINGLE TRANSACTION IS 5% REPORTABLE  
B = BUY TRANSACTION  
S = SELL TRANSACTION  
R = REINVESTMENT TRANSACTION

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE					5,343,636.30		
COMPARATIVE VALUE (5%)					267,181.81		
ISSUE: 3134G2U42 - FED HOME LN MTG CORP 0.375% 10/15/13							
02/07/12 B	300,000		1.002	0	300,444-*	300,444	
SUB-TOTAL OF BUYS # 1				0	300,444	300,444	
SUB-TOTAL				0	300,444	300,444	0
ISSUE: 3137EAAM1 - FED HOME LN MTG CORP 5% 2/16/17							
01/23/12 B	250,000		1.184	0	296,100-*	296,100	
SUB-TOTAL OF BUYS # 1				0	296,100	296,100	
SUB-TOTAL				0	296,100	296,100	0
ISSUE: 828807BW6 - SIMON PROPERTY GROUP 5.25% 12/01/16							
07/11/12 B	250,000		1.138	0	284,570-*	284,570	
SUB-TOTAL OF BUYS # 1				0	284,570	284,570	
SUB-TOTAL				0	284,570	284,570	0
ISSUE: 977100AT3 - WISCONSIN ST GEN REV 4.319% 5/01/14							
06/08/12 B	250,000		1.070	0	267,530-*	267,530	
SUB-TOTAL OF BUYS # 1				0	267,530	267,530	
SUB-TOTAL				0	267,530	267,530	0

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
01/03/12 B	26	1.000	0	26-	26	
01/11/12 B	251,652	1.000	0	251,652-	251,652	
01/17/12 B	3,050	1.000	0	3,050-	3,050	
01/31/12 B	2,813	1.000	0	2,813-	2,813	
02/01/12 B	28	1.000	0	28-	28	
02/15/12 B	625	1.000	0	625-	625	
02/16/12 B	6,250	1.000	0	6,250-	6,250	
02/29/12 B	6,563	1.000	0	6,563-	6,563	
03/01/12 B	7	1.000	0	7-	7	
03/12/12 B	1,000	1.000	0	1,000-	1,000	
03/15/12 B	5,750	1.000	0	5,750-	5,750	
03/21/12 B	1,875	1.000	0	1,875-	1,875	
04/02/12 B	3	1.000	0	3-	3	
04/13/12 B	1,094,537	1.000	0	1,094,537-*	1,094,537	
SUB-TOTAL OF BUYS # 14			0	1,374,179	1,374,179	
01/24/12 S	301,586	1.000	0	301,586 *	301,586	0
02/08/12 S	300,797	1.000	0	300,797 *	300,797	0
04/16/12 S	1,157,518	1.000	0	1,157,518 *	1,157,518	0
SUB-TOTAL OF SALES # 3			0	1,759,901	1,759,901	0
SUB-TOTAL			0	3,134,080	3,134,080	0
ISSUE: 992995936 - WFB COLLATERALIZED INST BANK DEP A/C						
04/16/12 B	1,158,080	1.000	0	1,158,080-*	1,158,080	
05/01/12 B	6,343	1.000	0	6,343-	6,343	
05/07/12 B	3,848	1.000	0	3,848-	3,848	
05/14/12 B	7,150	1.000	0	7,150-	7,150	
05/15/12 B	8,117	1.000	0	8,117-	8,117	
05/29/12 B	536	1.000	0	536-	536	
05/31/12 B	313	1.000	0	313-	313	
06/01/12 B	20	1.000	0	20-	20	
06/11/12 B	2,031	1.000	0	2,031-	2,031	
07/02/12 B	15	1.000	0	15-	15	
07/31/12 B	2,813	1.000	0	2,813-	2,813	
08/01/12 B	9	1.000	0	9-	9	
08/15/12 B	615	1.000	0	615-	615	
08/16/12 B	6,250	1.000	0	6,250-	6,250	

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
08/31/12 B	6,563	1.000	0	6,563-	6,563	
09/04/12 B	7	1.000	0	7-	7	
09/12/12 B	251,000	1.000	0	251,000-	251,000	
09/17/12 B	5,750	1.000	0	5,750-	5,750	
09/21/12 B	251,875	1.000	0	251,875-	251,875	
10/01/12 B	11	1.000	0	11-	11	
10/15/12 B	563	1.000	0	563-	563	
10/22/12 B	7,309	1.000	0	7,309-	7,309	
11/01/12 B	11,739	1.000	0	11,739-	11,739	
11/07/12 B	3,848	1.000	0	3,848-	3,848	
11/13/12 B	7,150	1.000	0	7,150-	7,150	
11/15/12 B	265,519	1.000	0	265,519-	265,519	
11/27/12 B	469	1.000	0	469-	469	
11/30/12 B	313	1.000	0	313-	313	
12/03/12 B	6,580	1.000	0	6,580-	6,580	
12/11/12 B	2,031	1.000	0	2,031-	2,031	
SUB-TOTAL OF BUYS # 30			0	2,016,867	2,016,867	
06/13/12 S	268,790	1.000	0	268,790 *	268,790	0
06/20/12 S	250,000	1.000	0	250,000	250,000	0
07/16/12 S	283,161	1.000	0	283,161 *	283,161	0
SUB-TOTAL OF SALES # 3			0	801,951	801,951	0
SUB-TOTAL			0	2,818,818	2,818,818	0
GRAND TOTAL			0	7,101,542	7,101,542	0

F O O T N O T E S

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
B = BUY TRANSACTION  
S = SELL TRANSACTION  
R = REINVESTMENT TRANSACTION

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SINGLE / BY BROKER		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
BEGINNING MARKET VALUE			5,343,636.30			
COMPARATIVE VALUE (5%)			267,181.81			
BROKER: UBS PAINEWEBBER INC.						
01/23/12 B	250,000	1.184	0	296,100-*	296,100	
ISSUE: 3137EAAM1 - FED HOME LN MTG CORP 5% 2/16/17						
02/07/12 B	300,000	1.002	0	300,444-*	300,444	
ISSUE: 3134G2U42 - FED HOME LN MTG CORP 0.375% 10/15/13						
SUB-TOTAL			0	596,544	596,544	0
BROKER: CITIGROUP GLOBAL MARKETS INC.						
06/08/12 B	250,000	1.070	0	267,530-*	267,530	
ISSUE: 977100AT3 - WISCONSIN ST GEN REV 4.319% 5/01/14						
SUB-TOTAL			0	267,530	267,530	0
BROKER: WELLS FARGO SECURITIES, LLC						
07/11/12 B	250,000	1.138	0	284,570-*	284,570	
ISSUE: 828807BW6 - SIMON PROPERTY GROUP 5.25% 12/01/16						
SUB-TOTAL			0	284,570	284,570	0
GRAND TOTAL			0	1,148,644	1,148,644	0

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2012

DATE BOUGHT/SOLD -----	SHARES/ PAR VALUE -----	SINGLE / BY BROKER		PRINCIPAL CASH -----	TRANSACTION COST -----	REALIZED GAIN/LOSS -----
		UNIT PRICE -----	EXPENSE INCURRED -----			

F O O T N O T E S  
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\* = SINGLE TRANSACTION IS 5% REPORTABLE  
B = BUY TRANSACTION  
S = SELL TRANSACTION  
R = REINVESTMENT TRANSACTION

4FR8C001800744\*

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			4,626,157.19			
COMPARATIVE VALUE (5%)			231,307.86			
08/25/11 B	ISSUE: 31331KXJ4 - FED FARM CREDIT BK 1.83% 3/01/17 250,000	1.000	0	250,000-*	250,000	
08/24/11 B	ISSUE: 313371VF0 - FED HOME LN BK 1.625% 12/11/15 250,000	1.021	0	255,278-*	255,278	
12/01/11 B	ISSUE: 313376J48 - FED HOME LN BK 0.125% 11/15/12 250,000	1.000	0	249,910-*	249,910	
09/01/11 B	ISSUE: 31356OCT8 - FED NATL MTG ASSN 0.8% 3/12/15 250,000	0.998	0	249,375-*	249,375	
09/01/11 B	ISSUE: 3136FRZ30 - FED NATL MTG ASSN 1.5% 9/21/16 250,000	1.000	0	250,000-*	250,000	
12/01/11 B	ISSUE: 3137EACZO - FED HOME LN MTG CORP 0.375% 11/27/13 250,000	0.999	0	249,778-*	249,778	
08/24/11 B	ISSUE: 912828QY9 - US TREASURY NOTE 2.25% 7/31/18 250,000	1.046	0	261,563-*	261,563	
08/24/11 B	ISSUE: 912828RB8 - US TREASURY NOTE 0.5% 8/15/14 250,000	1.003	0	250,820-*	250,820	
12/01/11 B	ISSUE: 912828RS1 - US TREASURY NOTE 0.25% 11/30/13 250,000	1.000	0	250,000-*	250,000	
03/21/11 B	ISSUE: 92976WBJ4 - WACHOVIA CORP 5.5% 5/01/13 230,000	1.082	0	248,954-*	248,954	
04/07/11 B	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 516,415	1.000	0	516,415-*	516,415	
08/25/11 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 768,911	1.000	0	768,911 *	768,911	0
09/01/11 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 249,664	1.000	0	249,664 *	249,664	0
09/12/11 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 249,375	1.000	0	249,375 *	249,375	0
09/21/11 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 250,000	1.000	0	250,000 *	250,000	0
12/02/11 S	ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT 749,781	1.000	0	749,781 *	749,781	0
GRAND TOTAL			0	5,299,824	5,299,824	0

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2011

<u>DATE</u> <u>BOUGHT/SOLD</u>	<u>SHARES/</u> <u>PAR VALUE</u>	<u>UNIT</u> <u>PRICE</u>	<u>EXPENSE</u> <u>INCURRED</u>	<u>PRINCIPAL</u> <u>CASH</u>	<u>TRANSACTION</u> <u>COST</u>	<u>REALIZED</u> <u>GAIN/LOSS</u>
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F O O T N O T E S

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
B = BUY TRANSACTION  
S = SELL TRANSACTION  
R = REINVESTMENT TRANSACTION

153720010000344

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY BROKER UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			4,626,157.19			
COMPARATIVE VALUE (5%)			231,307.86			

BROKER: UBS PAINWEBBER INC.

03/21/11 S	200,000	ISSUE: 054303AT9 - AVON PRODUCTS INC 4.8% 3/01/13	1.059	0	211,854	200,000	11,854
08/24/11 B	250,000	ISSUE: 912828QY9 - US TREASURY NOTE 2.25% 7/31/18	1.046	0	261,563*	261,563	
08/24/11 B	250,000	ISSUE: 912828RB8 - US TREASURY NOTE 0.5% 8/15/14	1.003	0	250,820*	250,820	
08/25/11 B	250,000	ISSUE: 31331KXJ4 - FED FARM CREDIT BK 1.83% 3/01/17	1.000	0	250,000*	250,000	
09/01/11 B	250,000	ISSUE: 31356OCT8 - FED NATL MTG ASSN 0.8% 3/12/15	0.998	0	249,375*	249,375	
12/01/11 B	200,000	ISSUE: 459200GW5 - IBM CORP 1.25% 5/12/14	1.013	0	202,600-	202,600	
12/01/11 B	250,000	ISSUE: 3137EACZ0 - FED HOME LN MTG CORP 0.375% 11/27/13	0.999	0	249,778*	249,778	
12/01/11 B	250,000	ISSUE: 912828RS1 - US TREASURY NOTE 0.25% 11/30/13	1.000	0	250,000*	250,000	
SUB-TOTAL			0		1,925,990	1,914,136	11,854

BROKER: CITIGROUP GLOBAL MARKETS INC.

03/21/11 B	230,000	ISSUE: 92976WBJ4 - WACHOVIA CORP 5.5% 5/01/13	1.082	0	248,954*	248,954	
SUB-TOTAL			0		248,954	248,954	0

BROKER: WELLS FARGO SECURITIES, LLC

08/24/11 B	250,000	ISSUE: 313371VF0 - FED HOME LN BK 1.625% 12/11/15	1.021	0	255,278*	255,278	
09/01/11 B	250,000	ISSUE: 3136FRZ30 - FED NATL MTG ASSN 1.5% 9/21/16	1.000	0	250,000*	250,000	

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY BROKER		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
12/01/11 B	250,000	ISSUE: 313376J48 - FED HOME LN BK 0.125% 11/15/12 1.000	0	249,910-*	249,910	
	SUB-TOTAL		0	755,188	755,188	0
	GRAND TOTAL		0	2,930,132	2,918,278	11,854

F O O T N O T E S

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
 B = BUY TRANSACTION  
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 R = REINVESTMENT TRANSACTION

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
BEGINNING MARKET VALUE			4,626,157.19			
COMPARATIVE VALUE (5%)			231,307.86			
ISSUE: 31331KXJ4 - FED FARM CREDIT BK 1.83% 3/01/17						
08/25/11 B	250,000	1.000	0	250,000-*	250,000	
SUB-TOTAL OF BUYS # 1			0	250,000	250,000	
SUB-TOTAL			0	250,000	250,000	0
ISSUE: 313371VF0 - FED HOME LN BK 1.625% 12/11/15						
08/24/11 B	250,000	1.021	0	255,278-*	255,278	
SUB-TOTAL OF BUYS # 1			0	255,278	255,278	
SUB-TOTAL			0	255,278	255,278	0
ISSUE: 313376J48 - FED HOME LN BK 0.125% 11/15/12						
12/01/11 B	250,000	1.000	0	249,910-*	249,910	
SUB-TOTAL OF BUYS # 1			0	249,910	249,910	
SUB-TOTAL			0	249,910	249,910	0
ISSUE: 3135G0CT8 - FED NATL MTG ASSN 0.8% 3/12/15						
09/01/11 B	250,000	0.998	0	249,375-*	249,375	
SUB-TOTAL OF BUYS # 1			0	249,375	249,375	
SUB-TOTAL			0	249,375	249,375	0

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
ISSUE: 3136FRZ30 - FED NATL MTG ASSN 1.5% 9/21/16						
09/01/11 B	250,000	1.000	0	250,000-*	250,000	
SUB-TOTAL OF BUYS # 1			0	250,000	250,000	
SUB-TOTAL			0	250,000	250,000	0
ISSUE: 3137EACZ0 - FED HOME LN MTG CORP 0.375% 11/27/13						
12/01/11 B	250,000	0.999	0	249,778-*	249,778	
SUB-TOTAL OF BUYS # 1			0	249,778	249,778	
SUB-TOTAL			0	249,778	249,778	0
ISSUE: 912828QY9 - US TREASURY NOTE 2.25% 7/31/18						
08/24/11 B	250,000	1.046	0	261,563-*	261,563	
SUB-TOTAL OF BUYS # 1			0	261,563	261,563	
SUB-TOTAL			0	261,563	261,563	0
ISSUE: 912828RB8 - US TREASURY NOTE 0.5% 8/15/14						
08/24/11 B	250,000	1.003	0	250,820-*	250,820	
SUB-TOTAL OF BUYS # 1			0	250,820	250,820	
SUB-TOTAL			0	250,820	250,820	0
ISSUE: 912828RS1 - US TREASURY NOTE 0.25% 11/30/13						
12/01/11 B	250,000	1.000	0	250,000-*	250,000	
SUB-TOTAL OF BUYS # 1			0	250,000	250,000	

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

SERIES / BY ISSUE						
DATE BOUGHT/SOLD	SHARES/ PAR VALUE	UNIT PRICE	EXPENSE INCURRED	PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
-----	-----	-----	-----	-----	-----	-----
SUB-TOTAL			0	250,000	250,000	0
ISSUE: 92976WBJ4 - WACHOVIA CORP 5.5% 5/01/13						
03/21/11 B	230,000	1.082	0	248,954-*	248,954	
SUB-TOTAL OF BUYS # 1			0	248,954	248,954	
SUB-TOTAL			0	248,954	248,954	0
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
01/03/11 B	345	1.000	0	345-	345	
01/18/11 B	3,203	1.000	0	3,203-	3,203	
02/01/11 B	296	1.000	0	296-	296	
02/28/11 B	6,563	1.000	0	6,563-	6,563	
03/01/11 B	5,068	1.000	0	5,068-	5,068	
03/15/11 B	5,750	1.000	0	5,750-	5,750	
04/01/11 B	297	1.000	0	297-	297	
04/07/11 B	516,415	1.000	0	516,415-*	516,415	
05/02/11 B	6,659	1.000	0	6,659-	6,659	
05/09/11 B	3,848	1.000	0	3,848-	3,848	
05/16/11 B	15,363	1.000	0	15,363-	15,363	
06/01/11 B	358	1.000	0	358-	358	
07/01/11 B	346	1.000	0	346-	346	
07/15/11 B	3,050	1.000	0	3,050-	3,050	
08/01/11 B	358	1.000	0	358-	358	
08/31/11 B	6,563	1.000	0	6,563-	6,563	
09/15/11 B	5,750	1.000	0	5,750-	5,750	
10/03/11 B	164	1.000	0	164-	164	
11/01/11 B	6,403	1.000	0	6,403-	6,403	
11/07/11 B	3,848	1.000	0	3,848-	3,848	
11/14/11 B	5,900	1.000	0	5,900-	5,900	
11/15/11 B	15,363	1.000	0	15,363-	15,363	
12/01/11 B	76	1.000	0	76-	76	
12/12/11 B	2,031	1.000	0	2,031-	2,031	
SUB-TOTAL OF BUYS # 24			0	614,017	614,017	
03/24/11 S	41,512	1.000	0	41,512	41,512	0
04/13/11 S	9,387	1.000	0	9,387	9,387	0
05/13/11 S	31,245	1.000	0	31,245	31,245	0

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
06/17/11 S	25	1.000	0	25	25	0
08/25/11 S	768,911	1.000	0	768,911 *	768,911	0
09/01/11 S	249,664	1.000	0	249,664 *	249,664	0
09/12/11 S	249,375	1.000	0	249,375 *	249,375	0
09/21/11 S	250,000	1.000	0	250,000 *	250,000	0
12/02/11 S	749,781	1.000	0	749,781 *	749,781	0
12/06/11 S	202,767	1.000	0	202,767	202,767	0
SUB-TOTAL OF SALES # 10			0	2,552,667	2,552,667	0
SUB-TOTAL			0	3,166,684	3,166,684	0
GRAND TOTAL			0	5,682,362	5,682,362	0

FOOTNOTES

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
 B = BUY TRANSACTION  
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Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
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 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SINGLE / BY BROKER		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
-----	-----	UNIT PRICE	EXPENSE INCURRED	-----	-----	-----
	BEGINNING MARKET VALUE		4,626,157.19			
	COMPARATIVE VALUE (5%)		231,307.86			
	-----		-----			

BROKER: UBS PAINEWEBBER INC.

03/21/11 S	ISSUE: 054303AT9 - AVON PRODUCTS INC 4.8% 3/01/13	200,000	1.059	0	211,854	200,000	11,854
08/24/11 B	ISSUE: 912828QY9 - US TREASURY NOTE 2.25% 7/31/18	250,000	1.046	0	261,563-*	261,563	
08/24/11 B	ISSUE: 912828RB8 - US TREASURY NOTE 0.5% 8/15/14	250,000	1.003	0	250,820-*	250,820	
08/25/11 B	ISSUE: 31331KXJ4 - FED FARM CREDIT BK 1.83% 3/01/17	250,000	1.000	0	250,000-*	250,000	
09/01/11 B	ISSUE: 31356OCT8 - FED NATL MTG ASSN 0.8% 3/12/15	250,000	0.998	0	249,375-*	249,375	
12/01/11 B	ISSUE: 459200GW5 - IBM CORP 1.25% 5/12/14	200,000	1.013	0	202,600-	202,600	
12/01/11 B	ISSUE: 3137EACZ0 - FED HOME LN MTG CORP 0.375% 11/27/13	250,000	0.999	0	249,778-*	249,778	
12/01/11 B	ISSUE: 912828RS1 - US TREASURY NOTE 0.25% 11/30/13	250,000	1.000	0	250,000-*	250,000	
	SUB-TOTAL		0		1,925,990	1,914,136	11,854

BROKER: CITIGROUP GLOBAL MARKETS INC.

03/21/11 B	ISSUE: 92976WBJ4 - WACHOVIA CORP 5.5% 5/01/13	230,000	1.082	0	248,954-*	248,954	
	SUB-TOTAL		0		248,954	248,954	0

BROKER: WELLS FARGO SECURITIES, LLC

08/24/11 B	ISSUE: 313371VF0 - FED HOME LN BK 1.625% 12/11/15	250,000	1.021	0	255,278-*	255,278	
09/01/11 B	ISSUE: 3136FRZ30 - FED NATL MTG ASSN 1.5% 9/21/16	250,000	1.000	0	250,000-*	250,000	

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2011

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SINGLE / BY BROKER		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
12/01/11 B	250,000	1.000	0	249,910-*	249,910	
	SUB-TOTAL		0	755,188	755,188	0
	GRAND TOTAL		0	2,930,132	2,918,278	11,854

F O O T N O T E S

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
 B = BUY TRANSACTION  
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Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
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CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2010

<u>DATE BOUGHT/SOLD</u>	<u>SHARES/ PAR VALUE</u>	<u>UNIT PRICE</u>	<u>EXPENSE INCURRED</u>	<u>PRINCIPAL CASH</u>	<u>TRANSACTION COST</u>	<u>REALIZED GAIN/LOSS</u>
<u>BEGINNING MARKET VALUE</u>			4,178,356.07			
<u>COMPARATIVE VALUE (5%)</u>			208,917.80			
ISSUE: 054303AT9 - AVON PRODUCTS INC		4.8%	3/01/13			
08/19/10 S	1,800,000	1.082	0	1,947,600 *	1,800,000	147,600
ISSUE: 084664BD2 - BERKSHIRE HATHAWAY		4.6%	5/15/13			
04/30/10 S	1,592,000	1.075	0	1,711,400 *	1,580,714	130,686
ISSUE: 134429AV1 - CAMPBELL SOUP CO		3.05%	7/15/17			
08/19/10 B	200,000	1.052	0	210,484-*	210,484	
ISSUE: 239753BM7 - TARGET CORP		8.8%	5/15/22			
08/19/10 B	200,000	1.455	0	291,000-*	291,000	
ISSUE: 263534BW8 - E.I. DU PONT DE NEMO		5.75%	3/15/19			
08/19/10 B	200,000	1.192	0	238,400-*	238,400	
ISSUE: 36962G4C5 - GENERAL ELEC CAP COR		5.9%	5/13/14			
08/19/10 B	200,000	1.133	0	226,664-*	226,664	
ISSUE: 912828KS8 - US TREASURY NOTE		2.625%	2/29/16			
12/10/10 B	500,000	1.028	0	514,260-*	514,260	
ISSUE: 912828PC8 - US TREASURY NOTE		2.625%	11/15/20			
12/10/10 B	500,000	0.946	0	472,850-*	472,850	
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
05/05/10 B	1,745,982	1.000	0	1,745,982-*	1,745,982	
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
08/05/10 B	315,773	1.000	0	315,773-*	315,773	
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
08/24/10 B	832,071	1.000	0	832,071-*	832,071	
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
12/13/10 S	991,896	1.000	0	991,896 *	991,896	0
GRAND TOTAL			0	9,498,380	9,220,094	278,286

FOOTNOTES

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R = REINVESTMENT TRANSACTION

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
 Plan number: 503  
 Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2010

<u>DATE BOUGHT/SOLD</u>	<u>SHARES/ PAR VALUE</u>	<u>SERIES / BY BROKER</u>	<u>UNIT PRICE</u>	<u>EXPENSE INCURRED</u>	<u>PRINCIPAL CASH</u>	<u>TRANSACTION COST</u>	<u>REALIZED GAIN/LOSS</u>
			<u>BEGINNING MARKET VALUE</u>				
			<u>COMPARATIVE VALUE (5%)</u>				
					4,178,356.07		
					208,917.80		
BROKER: UBS PAINEWEBBER INC.							
08/19/10 B	200,000	ISSUE: 263534BW8 - E.I. DU PONT DE NEMO 5.75% 3/15/19	1.192	0	238,400*	238,400	
08/19/10 B	200,000	ISSUE: 239753BM7 - TARGET CORP 8.8% 5/15/22	1.455	0	291,000*	291,000	
SUB-TOTAL			0	0	529,400	529,400	0
BROKER: WELLS FARGO SECURITIES, LLC							
04/30/10 S	1,592,000	ISSUE: 084664BD2 - BERKSHIRE HATHAWAY 4.6% 5/15/13	1.075	0	1,711,400 *	1,580,714	130,686
08/19/10 B	200,000	ISSUE: 36962G4C5 - GENERAL ELEC CAP COR 5.9% 5/13/14	1.133	0	226,664*	226,664	
08/19/10 B	200,000	ISSUE: 134429AV1 - CAMPBELL SOUP CO 3.05% 7/15/17	1.052	0	210,484*	210,484	
08/19/10 B	148,000	ISSUE: 19416QDHO - COLGATE-PALMOLIVE CO 5.2% 11/07/16	1.177	0	174,171-	174,171	
08/19/10 S	1,800,000	ISSUE: 054303AT9 - AVON PRODUCTS INC 4.8% 3/01/13	1.082	0	1,947,600 *	1,800,000	147,600
12/10/10 B	500,000	ISSUE: 91282K8S - US TREASURY NOTE 2.625% 2/29/16	1.028	0	514,260*	514,260	
12/10/10 B	500,000	ISSUE: 91282PC8 - US TREASURY NOTE 2.625% 11/15/20	0.946	0	472,850*	472,850	
SUB-TOTAL			0	0	5,257,429	4,979,143	278,286
GRAND TOTAL			0	0	5,786,829	5,508,543	278,286

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2010

<u>DATE BOUGHT/SOLD</u>	<u>SHARES/ PAR VALUE</u>	<u>SERIES / BY BROKER</u>	<u>UNIT PRICE</u>	<u>EXPENSE INCURRED</u>	<u>PRINCIPAL CASH</u>	<u>TRANSACTION COST</u>	<u>REALIZED GAIN/LOSS</u>
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F O O T N O T E S

\* = SINGLE TRANSACTION IS 5% REPORTABLE  
B = BUY TRANSACTION  
S = SELL TRANSACTION  
R = REINVESTMENT TRANSACTION

Plan sponsor: California Independent Systems Operator  
Employer identification number: 94-3274043  
Plan number: 503  
Form 5500-SF

CALIFORNIA ISO RETIREES MEDICAL PLAN  
FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 2010

<u>DATE BOUGHT/SOLD</u>	<u>SHARES/ PAR VALUE</u>	<u>SERIES / BY ISSUE</u>		<u>PRINCIPAL CASH</u>	<u>TRANSACTION COST</u>	<u>REALIZED GAIN/LOSS</u>
		<u>UNIT PRICE</u>	<u>EXPENSE INCURRED</u>			
<u>BEGINNING MARKET VALUE</u>						
<u>COMPARATIVE VALUE (5%)</u>				<u>4,178,356.07</u>		
				<u>208,917.80</u>		
ISSUE: 054303AT9 - AVON PRODUCTS INC 4.8% 3/01/13						
08/19/10 S	1,800,000	1.082	0	1,947,600 *	1,800,000	147,600
SUB-TOTAL OF SALES # 1			0	1,947,600	1,800,000	147,600
SUB-TOTAL			0	1,947,600	1,800,000	147,600
ISSUE: 084664BD2 - BERKSHIRE HATHAWAY 4.6% 5/15/13						
04/30/10 S	1,592,000	1.075	0	1,711,400 *	1,580,714	130,686
SUB-TOTAL OF SALES # 1			0	1,711,400	1,580,714	130,686
SUB-TOTAL			0	1,711,400	1,580,714	130,686
ISSUE: 134429AV1 - CAMPBELL SOUP CO 3.05% 7/15/17						
08/19/10 B	200,000	1.052	0	210,484*	210,484	
SUB-TOTAL OF BUYS # 1			0	210,484	210,484	
SUB-TOTAL			0	210,484	210,484	0
ISSUE: 239753BM7 - TARGET CORP 8.8% 5/15/22						
08/19/10 B	200,000	1.455	0	291,000*	291,000	
SUB-TOTAL OF BUYS # 1			0	291,000	291,000	
SUB-TOTAL			0	291,000	291,000	0

Plan sponsor: California Independent Systems Operator  
 Employer identification number: 94-3274043  
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CALIFORNIA ISO RETIREES MEDICAL PLAN  
 FORM 5500-SF-SCHEDULE OF REPORTABLE TRANSACTIONS  
 YEAR ENDED DECEMBER 31, 2010

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
ISSUE: 263534BW8 - E.I. DU PONT DE NEMO 5.75% 3/15/19						
08/19/10 B	200,000	1.192	0	238,400*	238,400	
SUB-TOTAL OF BUYS # 1			0	238,400	238,400	
SUB-TOTAL			0	238,400	238,400	0
ISSUE: 36962G4C5 - GENERAL ELEC CAP COR 5.9% 5/13/14						
08/19/10 B	200,000	1.133	0	226,664*	226,664	
SUB-TOTAL OF BUYS # 1			0	226,664	226,664	
SUB-TOTAL			0	226,664	226,664	0
ISSUE: 912828KS8 - US TREASURY NOTE 2.625% 2/29/16						
12/10/10 B	500,000	1.028	0	514,260*	514,260	
SUB-TOTAL OF BUYS # 1			0	514,260	514,260	
SUB-TOTAL			0	514,260	514,260	0
ISSUE: 912828PC8 - US TREASURY NOTE 2.625% 11/15/20						
12/10/10 B	500,000	0.946	0	472,850*	472,850	
SUB-TOTAL OF BUYS # 1			0	472,850	472,850	
SUB-TOTAL			0	472,850	472,850	0
ISSUE: 992925917 - WFB INSTITUTIONAL MONEY MARKET ACCT						
01/04/10 B	44	1.000	0	44-	44	
02/01/10 B	44	1.000	0	44-	44	
03/01/10 B	48,039	1.000	0	48,039-	48,039	
04/01/10 B	50	1.000	0	50-	50	
05/03/10 B	48	1.000	0	48-	48	
05/05/10 B	1,745,982	1.000	0	1,745,982*	1,745,982	

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CALIFORNIA ISO RETIREES MEDICAL PLAN  
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 YEAR ENDED DECEMBER 31, 2010

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SERIES / BY ISSUE		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
06/01/10 B	244	1.000	0	244-	244	
07/01/10 B	264	1.000	0	264-	264	
08/02/10 B	272	1.000	0	272-	272	
08/05/10 B	315,773	1.000	0	315,773-*	315,773	
08/24/10 B	832,071	1.000	0	832,071-*	832,071	
09/01/10 B	5,135	1.000	0	5,135-	5,135	
09/15/10 B	5,750	1.000	0	5,750-	5,750	
10/01/10 B	406	1.000	0	406-	406	
11/01/10 B	420	1.000	0	420-	420	
11/08/10 B	3,848	1.000	0	3,848-	3,848	
11/15/10 B	14,700	1.000	0	14,700-	14,700	
12/01/10 B	408	1.000	0	408-	408	
SUB-TOTAL OF BUYS # 18			0	2,973,498	2,973,498	
08/31/10 S	10	1.000	0	10	10	0
12/13/10 S	991,896	1.000	0	991,896 *	991,896	0
SUB-TOTAL OF SALES # 2			0	991,906	991,906	0
SUB-TOTAL			0	3,965,404	3,965,404	0
GRAND TOTAL			0	9,578,062	9,299,776	278,286

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YEAR ENDED DECEMBER 31, 2010

DATE BOUGHT/SOLD	SHARES/ PAR VALUE	SINGLE / BY BROKER		PRINCIPAL CASH	TRANSACTION COST	REALIZED GAIN/LOSS
		UNIT PRICE	EXPENSE INCURRED			
<u>BEGINNING MARKET VALUE</u>			4,178,356.07			
<u>COMPARATIVE VALUE (5%)</u>			208,917.80			
BROKER: UBS PAINEWEBBER INC.						
ISSUE: 263534BW8 - E.I. DU PONT DE NEMO 5.75% 3/15/19						
08/19/10 B	200,000	1.192	0	238,400-*	238,400	
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08/19/10 B	200,000	1.455	0	291,000-*	291,000	
SUB-TOTAL			0	529,400	529,400	0
BROKER: WELLS FARGO SECURITIES, LLC						
ISSUE: 084664BD2 - BERKSHIRE HATHAWAY 4.6% 5/15/13						
04/30/10 S	1,592,000	1.075	0	1,711,400 *	1,580,714	130,686
ISSUE: 36962G4C5 - GENERAL ELEC CAP COR 5.9% 5/13/14						
08/19/10 B	200,000	1.133	0	226,664-*	226,664	
ISSUE: 134429AV1 - CAMPBELL SOUP CO 3.05% 7/15/17						
08/19/10 B	200,000	1.052	0	210,484-*	210,484	
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<u>DATE BOUGHT/SOLD</u>	<u>SHARES/ PAR VALUE</u>	<u>SINGLE / BY BROKER</u>		<u>PRINCIPAL CASH</u>	<u>TRANSACTION COST</u>	<u>REALIZED GAIN/LOSS</u>
		<u>UNIT PRICE</u>	<u>EXPENSE INCURRED</u>			

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