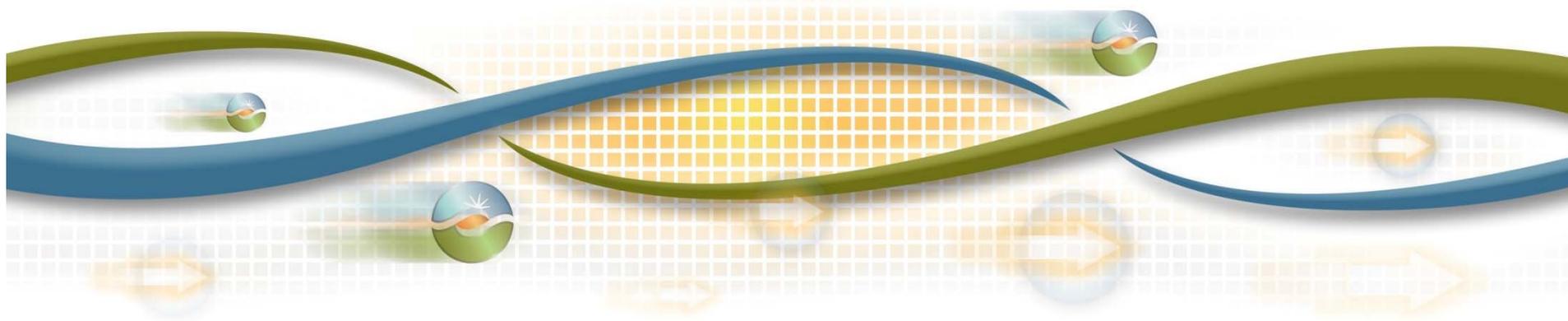




# Briefing on 2015 operations audit

Nancy Traweek  
Executive Director, System Operations

Audit Committee Meeting  
General Session  
May 14, 2015



## Operations audit background

- Independent audit review required by tariff section 22.1.2.2
- Compliance with operations policies, procedures
- Scope determined generally by stakeholder feedback, PwC input, ISO Management
- Stakeholder input received for 2015 audit
  - Processes and procedures associated with implementation of EIM, FERC 789 and FERC 764
  - Transparency and settlement based suggestions
    - Outside of scope of annual operations audit that is focused on operating procedures
- PricewaterhouseCoopers, to conduct the 2015 audit

## 2015 audit scope determination

- Based on input from stakeholders
  - Operating Procedures changes resulting from the following 2014 implementations.
    - Energy imbalance market
    - FERC 789 (new contingency reserve requirements)
    - FERC 764 (fifteen minute market & intra-hour transmission scheduling)
- Operating Procedures that changed resulting from tool changes deployed since 2013.
- Operating Procedures that changed resulting from task changes on Interchange Scheduler desk.

# Audit schedule

Target date	
May 2015	ISO to provide all process data to PricewaterhouseCoopers
June 2015	Finalize audit parameters
July 2015	Conduct audit dry run
August 2015	Conduct first on-site audit
October 2015	Conduct second on-site audit
December 2015	Present audit results to the Audit Committee