



CALIFORNIA ISO

Approval of Firm Transmission Right Quantities for the 2006 Annual FTR Auction

**Operations Committee Meeting
December 15 & 16, 2005**

*Deborah Le Vine
Director of Market Services*



2006 FTR Auction Overview

- Requesting Board approval of 2006 annual FTR quantities, pursuant to Tariff section 9.9.2
- Methodology for calculating the FTR release amounts is outlined in the Tariff and is the same as used in prior years and performed by the Dept of Market Monitoring with review by Market Services.
- The amount of FTRs released is based on the prior year's capacity availability at the 99.5% level.
- FTR term will be from April 1, 2005 through March 31, 2006.



What is an FTR?

- An FTR provides a financial hedge against congestion charges in the forward market.
- FTRs provide a physical scheduling priority in the Day Ahead Market
- Each FTR holder shall be entitled to a share of Usage Charges, in the forward market, for transfers on that path in that same direction.
- Auction proceeds are credited to the respective Participating TOs based on Branch Group ownership.

FTR Auction Historical Data

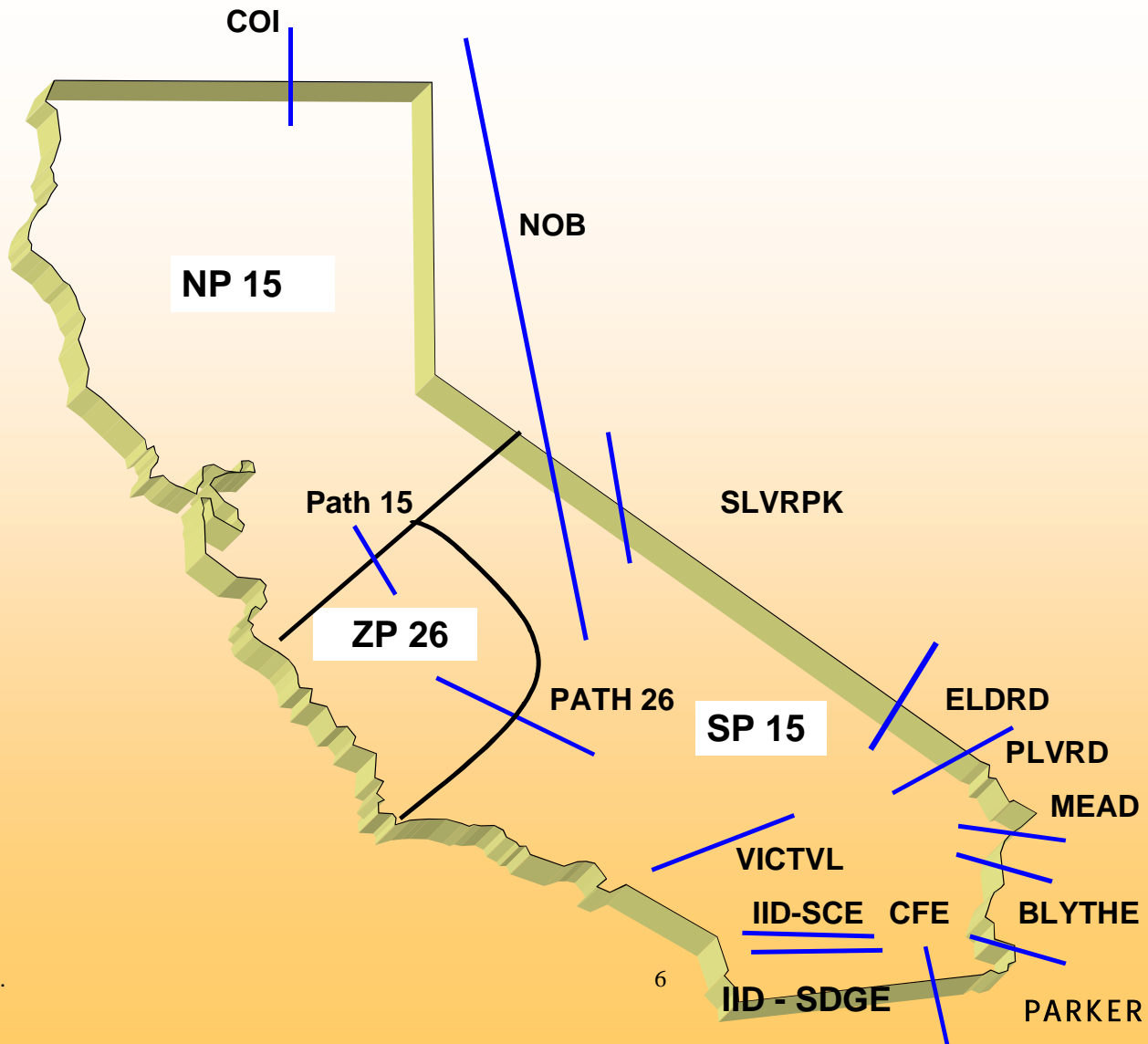
	FTR Release Amounts (MW)	FTR Revenue (\$)
2002 Annual FTR Auction - Actual	10,419	59,224,906
2003 Annual FTR Auction - Actual	9,559	100,806,148
2004 Annual FTR Auction - Actual	11,491	101,338,444
2005 Annual FTR Auction - Actual	12,616	94,116,759
2006 Annual FTR Auction - Actual	16,597	TBD

FTR Auction Historical Data

	Number of FTR Holders	FTR Purchases by IOUs (% of Total Revenue)
2002 Annual FTR Auction - Actual	19	35.9%
2003 Annual FTR Auction - Actual	19	81.2%
2004 Annual FTR Auction - Actual	20	76.5%
2005 Annual FTR Auction - Actual	21	66.8%
2006 Annual FTR Auction - Actual	TBD	TBD



TRANSMISSION PATHS WITH FTRs





Proposed FTR Release Amounts

Proposed 2006 FTR Release Amounts

Path Number	Branch Group	From	To	2006 Proposed Release Amounts
1	BLYTHE _BG	SP15	LC2	145
2	BLYTHE _BG	LC2	SP15	140
3	CFE _BG	MX	SP15	345
4	CTNWDRDMT _BG	NP15	SMD3	320
5	CTNWDRDMT _BG	SMD3	NP15	320
6	CTNWDWAPA _BG	NP15	SMD2	797
7	CTNWDWAPA _BG	SMD2	NP15	797
8	ELDORADO _BG	SP15	AZ2	536
9	ELDORADO _BG	AZ2	SP15	536
10	IID-SCE _BG	II1	SP15	600
11	IID-SDGE _BG	SP15	II2	62
12	IID-SDGE _BG	II2	SP15	62
13	MEAD _BG	SP15	LC1	637
14	MEAD _BG	LC1	SP15	597
15	NOB _BG	SP15	NW3	454
16	NOB _BG	NW3	SP15	472
17	PACI _BG	NP15	NW1	448
18	PACI _BG	NW1	NP15	684
19	PALOVRDE _BG	SP15	AZ3	1248
20	PALOVRDE _BG	AZ3	SP15	1230
21	PARKER _BG	LC3	SP15	130
22	PATH15 _BG	ZP26	NP15	1730
23	PATH26 _BG	ZP26	SP15	1315
24	RNCHLAKE _BG	NP15	SMDE	473
25	RNCHLAKE _BG	SMDE	NP15	570
26	SILVERPK _BG	SP15	SR3	17
27	SILVERPK _BG	SR3	SP15	17
28	VICTVL _BG	SP15	LA4	560
29	VICTVL _BG	LA4	SP15	1355
			Total:	16,597

Key Dates

Board approval of maximum FTR amounts	12/15/2005
Post FTR amounts and starting bid prices on web site	12/16/2005
FTR Participant Training	1/10/2006-1/12/2006
FTR Mock Auction	1/17/2006-1/18/2006
FTR Participants post security	1/20/2006
Live FTR Auction	1/24/2006-1/26/2006