

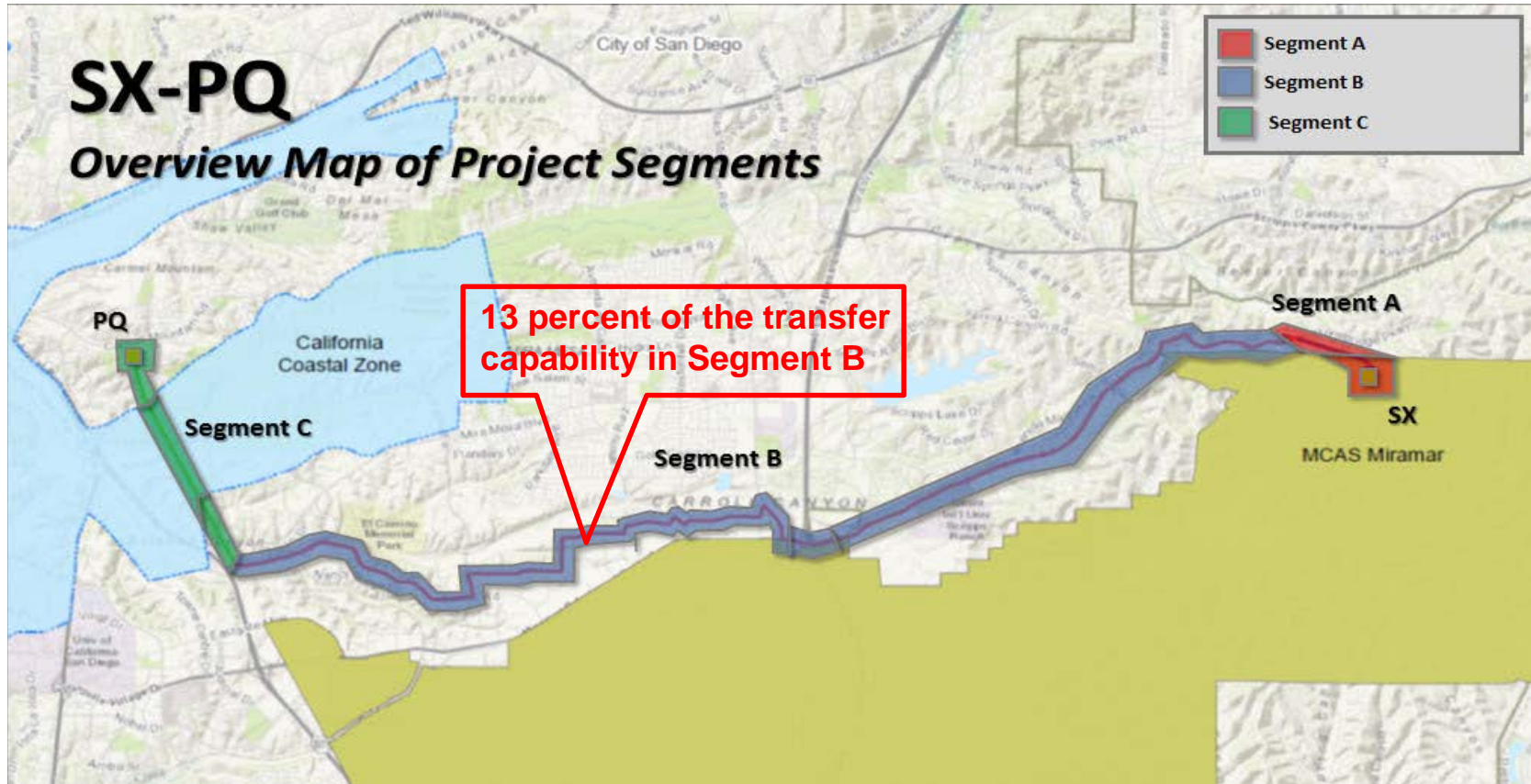


Decision on PTO Application of Citizens Sycamore-Penasquitos Transmission LLC

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General Session
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Citizens Sycamore-Penasquitos Transmission LLC (CSPT) intends to lease a portion of the Sycamore-Penasquitos transmission project.



CSPT is seeking to turn over operational control of its portion of the Sycamore-Penasquitos Project to the ISO.

- To turn over its transmission assets to the ISO, a transmission owner must execute the transmission control agreement
- The transmission control agreement describes the terms and conditions by which a transmission owner's assets become ISO controlled grid
- A key step to a transmission owner becoming a participating transmission owner is the ISO Board of Governors' acceptance of the application

The ISO tariff and transmission control agreement provide a specific process.

- Transmission owner must submit an application to the ISO
- Application must be posted on ISO website for public comment
- ISO Board of Governors must authorize acceptance of the application
- Transmission owner must execute the transmission control agreement
- Upon FERC approval, the transmission owner becomes a participating transmission owner

Management recommends that the Board approve the application of CSPT

- CSPT's application was posted on the ISO website for 60 days for public comment
- The stakeholder process concluded and the application is not opposed.
- Current participating transmission owners have raised no concerns with CSPT becoming a party to the transmission control agreement