

**2009 Initial Stakeholder Budget Workshop**  
**ISO Folsom Facility, Building 101A**  
**June 17, 2009**  
**10:00 a.m. – 12:00 p.m.**  
**Meeting Notes**

**Attendees:**

<b>Name</b>	<b>Organization</b>		<b>Name</b>	<b>Organization</b>
Justin Wynne	CMUA		Jan Cogdill	CAISO
David Cohen	TANC		Judith Sanders	CAISO
Dean Burke	CDWR		Charles Snay	CAISO
Geoff Gong	CDWR		Jake Thai	CAISO
Bob Kargoll	PG&E		Christina Erlandes	CAISO
Sean Neal	MID		Chris Kirsten	CAISO
Steve Berberich	CAISO			
Denise Walsh	CAISO			
Michael Epstein	CAISO			
<u>Via Telephone</u>			<u>Via Telephone</u>	
Tracy Bibb	SCE		Yan Sun	Edison Mission
Mihai Cosman	CPUC		Steve Williams	SDG&E
Jackie DeRosa	CES			
Tayaun Messer	Mirant			
Susan Schneider	Phoenix Consulting			

*Questions or comments about the Budget should be directed to: Denise Walsh (dwalsh@caiso.com).*

Steve Berberich, VP, Corporate Services and Interim Chief Financial Officer & Treasurer, opened the meeting with a brief introduction of the purpose of the workshop and a perspective of financials.

Following Mr. Berberich were:

Denise Walsh, Controller

Michael Epstein, Director, Financial Planning

Denise Walsh, Controller, spoke briefly on the CAISO 2010 Budgeting Process and key calendar dates. Ms. Walsh asked stakeholders to provide comments on the presentation by June 24.

Michael Epstein followed with a presentation on 2009 Financials, Capital, Grid Management Charge, and the FERC refund case. Mr. Epstein also spoke on the bond issue and the plans for the financing of the new CAISO facility.

Stakeholders were given an opportunity to ask questions and provide comments and suggestions. Questions and comments received during the workshop are summarized in the following tables.

## Perspective of Financials

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1	In regards to Convergence Bidding, is there a process contemplated for the summer for GMC Rate Design?	MID	S. Berberich	Yes, although there is no anticipation of this coming online in the next year. The CAISO is in the process of making sure that all the requirements are planned correctly to maintain the scope of MAP.
2	Will ABC rollout and start collecting time in September 2009 for all employees? Will there be a high level overview on the CAISO website to explain how ABC is going to work?	TANC	S. Berberich	Yes. The CAISO will give some perspective on ABC and how we plan to go about doing so during the next 2010 Budget Stakeholder Meeting.
3	In regards to MAP contracting, we are glad to hear that the CAISO is going with a fixed price contract. We want to make sure that payments to venders are synchronized to the deliverable and satisfaction to CAISO as well as back to the deliverable	TANC	S. Berberich	The CAISO needs to do things different, and we are.
4.	Can you tell us if the CAISO is planning to delay all of MAP, or just Convergence Bidding?	Phoenix Consulting	S. Berberich	No, we are not planning to delay all of MAP. The CAISO is decoupling some items so we can get them done sooner and so that other items are not further delayed. Unfortunately, we are unable to state which items and when.
5.	Can you please give us a statement about Payment Acceleration?	TANC	S. Berberich C. Snay	Payment Acceleration will be implemented in November 2009.  This will reduce the settlements cycle by an average of 85 days to 25 days.
6.	The capital list has percentage of dollars complete, but there is no mention of percentage of process completed. Is there a way to track this?	CDWR	S. Berberich	The CAISO will release a perspective capital list of 2010. We do track the percentage of process completed, but not on the released report.

## CAISO 2010 Budgeting Process

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1	It seems clear that in the past the CAISO management has been able to keep the budget under target. Why is it taking so much time to produce the budget?	TANC	M. Epstein  J. Cogdill	This is the same timeline from last year, but we are putting in place an additional meeting to walk through the rate cap with customers.  The CAISO used to receive budget approval in November, but this year there is no board meeting in November so it has been moved to December. This timeframe includes putting everything together, unless we have guidance to change the budgeting process. In addition, sometimes we do not know information right until the end of the process, i.e.: revenue.
2	We want to know if the board allows the CAISO to exceed the \$197 Million cap, if there will be a GMC conference call/meeting as this violates agreements and rates could go into effect on January 1, 2010.	TANC	J. Sanders	The CAISO anticipates following the same process as in the past and intends to extend the current GMC, including the current revenue requirement cap, into 2010. Stakeholders will be advised accordingly at the July meeting that initiates the GMC extension process.(Date for meeting has been set for July 22 <sup>nd</sup> )
3.	Is there a process for posting comments on the meeting minutes?	MID	C. Kirsten	Comments will be posted on July 1. A Market Notice will be posted and there will be a period for comments.

## Grid Management Charge, the FERC Refund Case, and the New Building

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1.	Will debt be tax exempt?	TANC	M. Epstein  C. Snay	Yes. We anticipate receiving ratings on June 24 <sup>th</sup> . The CAISO will be at or higher than existing ratings.  A2, A, AA- are current ratings.
2.	On the "2009 YTD GMC Revenues" graph, could you add the monthly forecasted denominator v. actual to see the variance?	TANC	M. Epstein.	Yes. The CAISO will take this under advisement.
3.	With respect to the groundbreaking of the new facility, will completion be in 2010?	MID	M. Epstein, C. Snay	Move-in will be March 31, 2011 with the control center in place late 2010 early 2011.
4	The filing with FERC stated \$225 Million of potential debt, yet Steve motioned \$210 Million. Can you please clarify this?	TANC	M. Epstein	\$210 Million is the cap for the building. \$15 Million was for additional software.
5	Is there a timeline for the 2001 Refunds?	MID	J. Sanders, M. Epstein	The CAISO will hold a Stakeholder meeting. A schedule will be put together for the FERC filing at the end of the month.