



Due to the limited time available to obtain input on this report and the lack of time to agree upon an established process to finalize a joint report, the CAISO concluded that it was preferable to submit the initial quarterly report on a unilateral basis. In preparing this report, the CAISO did circulate a preliminary draft to the organizers of the two meetings mentioned above for their comments. The CAISO received suggested changes, several of which were accepted and are reflected in this report. The CAISO is committed to working with its neighboring control areas during the fourth quarter to develop a process for preparing joint reports as directed by the Commission starting with the January 30, 2007 report on fourth quarter activities.

### **Third Quarter Meetings with External Parties in the West**

During the third quarter CAISO staff participated in two meetings with external control areas to provide an overview of MRTU and an opportunity to discuss seams issues.

The first of these meetings was the regular monthly meeting of the WestConnect Steering Committee in San Diego, which was expanded to include a special three-hour session on MRTU. The CAISO was invited to make a presentation at this meeting to educate the parties on various aspects of MRTU, including why a comprehensive redesign of the CAISO markets is needed, the rationale for the specific design proposed under MRTU, and some of the details of those elements of MRTU that were of greatest interest to the participating parties. The parties who attended this meeting generally agreed that it was a good first step, however, they all noted that an in-depth and ongoing process to identify and resolve seams issues was necessary. They further

noted the need to include knowledgeable participants from CAISO and their own operations staff in future discussions on details of seams problems and how to ensure reliability in the Western Interconnection. A complete attendance list for this meeting is provided as Attachment A to this report.

The second meeting was the regular quarterly meeting of the Seams Issues Subcommittee (“SIS”) of the WECC Market Interface Committee (“MIC”) in Salt Lake City. At this meeting, the CAISO did not make a formal presentation. The main objective of this meeting as regards seams with the CAISO was to plan for a special session on MRTU at the upcoming MIC meeting on October 26. As a result, the CAISO agreed to prepare a presentation for the October 26 MIC meeting similar to the one made at the August 24 WestConnect meeting, and in addition to focus on certain aspects of MRTU of particular interest to parties who engage in import and export transactions with the CAISO. A complete attendance list for the September 14 WECC Seams Issues Subcommittee meeting is provided as Attachment B to this report.

### **Anticipated Fourth Quarter Activities with External Parties**

The following activities are currently scheduled or in process of being scheduled during the fourth quarter of 2006.

- CAISO presentation and open discussion on MRTU at the WECC Market Interface Committee, which occurred on October 26, Salt Lake City.
- FERC Technical Conference on Seams Issues, December 14-15, Phoenix.
- Individual meetings between CAISO staff and individual neighboring control areas, to identify and mitigate both operations-related and market-related seams problems.
- Development of process by CAISO and neighboring control areas for preparing joint quarterly reports in compliance with MRTU Order P 490.

The CAISO looks forward to working with all interested parties at the December 14-15 Technical Conference and intends to report on fourth quarter activities in the January 30, 2007 report, which it will develop jointly with participating neighboring control areas.

## **Conclusion**

Wherefore, for the foregoing reasons the CAISO respectfully requests that the Commission accept this status report.

Respectfully submitted,

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Date: October 30, 2006

## **Certificate of Service**

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 30th day of October, 2006 at Folsom in the State of California.

/s/ Sidney Mannheim Davies  
Sidney Mannheim Davies  
(916) 608-7145

**Attachment A. Attendees at August 24 WestConnect Steering Committee meeting, San Diego**

	Name	Company	Phone	e-mail
1	Jerry Smith	APS	602-250-1135	<a href="mailto:Jerry.smith@aps.com">Jerry.smith@aps.com</a>
2	Paul Anderson (via phone)	Nevada PUC		
3	Cary Deise	APS	602-250-1232	<a href="mailto:Cary.deise@aps.com">Cary.deise@aps.com</a>
4	Pauline Foley	APS	602-250-4246	<a href="mailto:Pauline.foley@pinnaclewest.com">Pauline.foley@pinnaclewest.com</a>
5	Lanny Foote	IID Legal	760-352-2821	<a href="mailto:ofoot@hkcf-law.com">ofoot@hkcf-law.com</a>
6	Greg Miller	PNM	505-241-4570	<a href="mailto:gregory.miller@pnm.com">gregory.miller@pnm.com</a>
7	Jim McMorran	Sierra	775-834-4640	<a href="mailto:jmcmorran@sppc.com">jmcmorran@sppc.com</a>
8	Laurel Whisler	SRP	602-236-3854	<a href="mailto:Ljwhisler@srpnet.com">Ljwhisler@srpnet.com</a>
9	Jim Rein (via phone)	SW Transco	520-586-5116	<a href="mailto:jrein@swtransco.coop">jrein@swtransco.coop</a>
10	Ed Beck	TEP	520-745-3276	<a href="mailto:ebeck@tep.com">ebeck@tep.com</a>
11	Dill Ramsay	Tri-State	303-254-3450	<a href="mailto:dramsay@tristategt.org">dramsay@tristategt.org</a>
12	Dave Shelton	WAPA	801-524-4012	<a href="mailto:shelton@wapa.gov">shelton@wapa.gov</a>
13	Charles Reinhold	WestConnect	208-253-6916	<a href="mailto:reinhold@globalcrossing.net">reinhold@globalcrossing.net</a>
14	Joe Taylor	Xcel energy	303-308-6162	<a href="mailto:joseph.c.taylor@xcelenergy.com">joseph.c.taylor@xcelenergy.com</a>
15	Chuck Garcia	PNM	502-241-4939	<a href="mailto:charles.garcia@pnmresources.com">charles.garcia@pnmresources.com</a>
16	Jessica Youle	SRP	602-236-5536	<a href="mailto:Jjyoule@srpnet.com">Jjyoule@srpnet.com</a>
17	Gary Harper	SRP	602-236-	<a href="mailto:gwharper@srpnet.com">gwharper@srpnet.com</a>
18	Marilyn Morgan	Tri-State	303-254-3544	<a href="mailto:mmorgan@tristategt.org">mmorgan@tristategt.org</a>
19	Frank Barbera	IID	760-822-1700	<a href="mailto:fbarbera@iidenergy.com">fbarbera@iidenergy.com</a>
20	Ron Moulton (via phone)	WAPA		
21	Mo Beshir (via phone)	LADWP		
22	Mike Clester (via phone)	SRP		
23	Mike Hummel (via phone)	SRP		
24	Vern Taylor (via phone)	NPC		
25	Ziad Alaywan	Z-Global		
26	Tom Ingwers	SMUD		
27	Kevin Smith	SMUD		
28	Lorenzo Kristov	CAISO		
29	Don Fuller	CAISO		

30	Justin Thompson	APS		
31	Jesus Montano	IID		
32	Jess Hill (via phone)	NPC		
33	Holly Liu	CAISO		
34	Rosa Maria Gonzales	IID		
35	John Federowicz	IID		
36	Dennis Malone	EPE		

**Attachment B. Attendees at September 14 WECC Seams Issues Subcommittee meeting, Salt Lake City**

Jerry Smith – APS and Chair of SIS

Brian Theaker – Williams Energy

Brenda Anderson – BPA

Jerry Bicknell – SRP

Bob Schwermen – SMUD

Mike Wells – WECC

Jim McMoran – Sierra Pacific

Lorenzo Kristov – CAISO