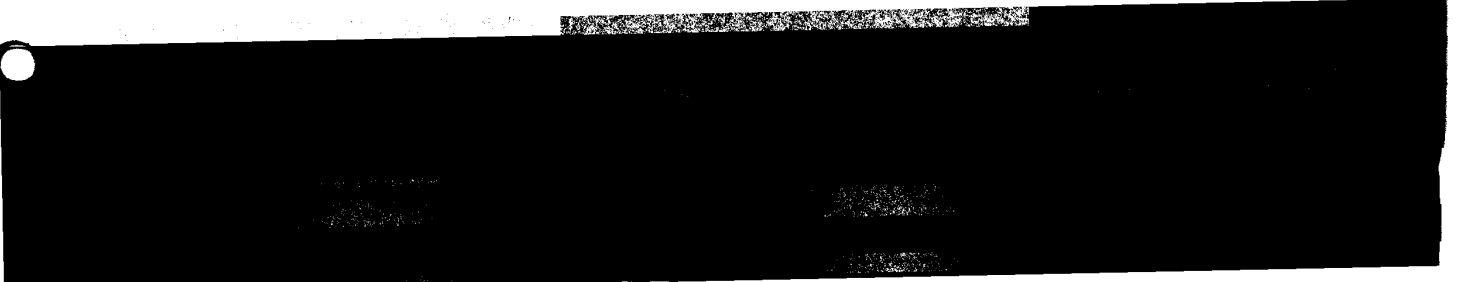
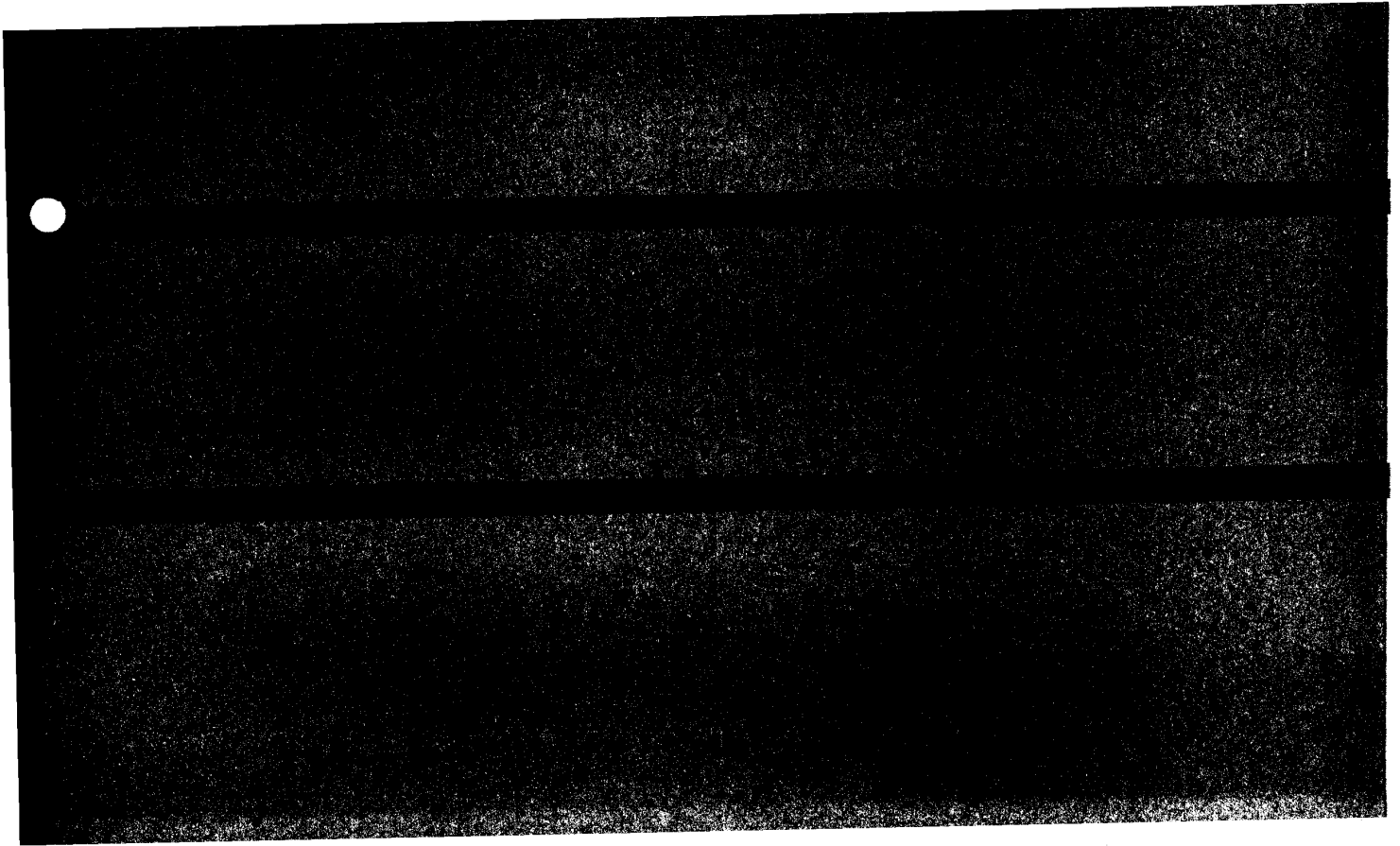


Exhibit No. ISO 2(11)

January 6, 1999

MARKET ISSUES FORUM



Market Issues Forum

January 6, 1999
California ISO Banquet Room

8:30 – 9:00 Continental Breakfast

Ancillary Services Redesign

9:00 – 9:30	Introduction	Susan Schneider
9:30-10:00	Review Top Priorities from Stakeholder Meetings and Conference Calls, including ... price/schedule information	Don Fuller
10:00 – 10:45	Feedback/Discussion on Further Prioritization	Kellan Fluckiger
10:45 – 11:00	BREAK	
11:00 – 12:00	Feedback/Discussion on Further Prioritization (cont.)	Kellan Fluckiger
12:00 – 12:30	LUNCH	
12:30 – 2:15	Develop Final Recommended Prioritization and Discuss Stakeholder Views	Kellan Fluckiger
2:15 – 2:30	Follow-Up Actions	Don Fuller
2:30 – 2:45	BREAK	

Compliance Issues

2:45 – 4:00	Min/Max and Penalties for Uninstructed Deviations and Non-Compliance with Instructions	Kellan Fluckiger/ Eric Leuze
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GMC Unbundling

4:00 – 4:30	GMC Unbundling	Mike Epstein/Phil Leiber/Don Fuller
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Issue Management Process

4:40 – 5:00	Issue Management and Stakeholder Involvement Process	Byron Woertz
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GMC Unbundling Update

Proposed Service Categories & Billing Determinants

Presentation to Market Issues Forum
January 6, 1999



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Single Rate

Consultant's Proposal

Current Consideration

All CAISO Services

Control Area Operations

Manage the control area and controlled grid to "keep the lights on". I.e. ensure safe, reliable operation of the transmission grid and dispatch of bulk power supplies.

Market Facilitation Operations

To provide open and non-discriminatory access for market making activities for those participants through ancillary services auctions, provision of energy balancing services and market surveillance.

Control Area Operations

Scheduling

Congestion

Existing Contracts

Market Operations

Settlements & Billing





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Current Consideration

Control Area Operations:

- Grid operations in real time, including real time energy balancing, ancillary services, outage coordination, emergency management.
- Management of the control area activities including must-run units.
- Performing operation studies, system security analyses, transmission maintenance standards and system planning to ensure overall reliability.

*Preliminary
Cost Allocation:*

39%

Possible Billing Determinants:

- MW hours of metered energy



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Current Consideration

Scheduling:

- Scheduling generation, imports, exports and wheeling in the day ahead and hour ahead of actual operations.

**Preliminary
Cost Allocation:**

14%

Possible Billing Determinants:

- MW hours metered
- Number of schedules



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Current Consideration

Congestion:

- Management of the control area activities including congestion management.

*Preliminary
Cost Allocation:*

5%

Possible Billing Determinants:

- MW hours of new firm transmission
- Firm transmission rights
- Total MW hours of metered demand



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Current Consideration

Existing Contracts:

- Incremental efforts necessary to accommodate existing contracts within new market structure.

(Definition not provided by Consultant in Report)

**Preliminary
Cost Allocation:**

4%

Possible Billing Determinants:

- Contracted hours
- Number of contracts
- MW scheduled



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Current Consideration

Market Operations:

- SC Related Market Activity: posting of market information, real time energy balancing, conducting ancillary services auction and market surveillance.
- SC Client Relations.

**Preliminary
Cost Allocation:**

16%

Possible Billing Determinants:

- MW hours sold into market vs. MW hours bought out
- Metered load
- Number of schedules



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Current Consideration

Billing & Settlements:

- Billing & Settlements.
- Metering.
- SC Client Relations.

**Preliminary
Cost Allocation:**

21%

Possible Billing Determinants:

- Number of statements
- Charge per item

