February 2, 2007

VIA OVERNIGHT DELIVERY

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

> **Re: Monthly Status Report re MRTU, California Independent**
> **System Operator Corporation, Docket No. ER06-615**

Dear Secretary Salas:

    Enclosed for filing in the above-captioned docket, please find an original and 14 copies of the Status Report of the California Independent System Operator Corporation ("CAISO"). An additional copy is also enclosed. Please date-stamp and return it in the self-addressed prepaid Federal Express envelope.

Respectfully submitted,

Sidney Mannheim Davies
The California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

Attorneys for the California Independent
 System Operator Corporation

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System   )   Docket No. ER06-615
  Operator Corporation   )
)

FEBRUARY 2007 STATUS REPORT OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

The California Independent System Operator Corporation ("CAISO")

respectfully submits this monthly progress report ("Report") in compliance with

Paragraph 1415 of the Commission's September 21, 2006 "Order Conditionally

Accepting The California Independent System Operator's Electric Tariff Filing To

Reflect Market Redesign and Technology Upgrade," 116 FERC ¶ 61,274 (2006)

("September 21 Order"), issued in the above-referenced docket.

The September 21 Order requires the CAISO to file monthly reports

concerning the progress in designing and implementing the CAISO's Market

Redesign and Technology Upgrade ("MRTU") and, as required by P 1415 of the

September 21 Order, on the CAISO's MRTU readiness program. The CAISO will

continue to file this monthly report on the first Monday of the month through the

implementation of MRTU, currently slated for January 31, 2008 following the

California Board of Governor's December 19, 2006 decision to extend the

implementation date.

The monthly report contains two attachments: Attachment A includes the

following elements as previously provided: (1) detailed timeline with the

sequential and concurrent nature of the design elements; (2) cost estimates for

each element; (3) progress report; (4) accomplishments/milestones; and (5) planned activities[1]. Attachment B addresses the development of both the CAISO and market participant readiness criteria. The information contained in Attachment B reflects the current status of the CAISO's MRTU Readiness Program.[2]

Highlights related to MRTU implementation identified in Attachment A include: **(1) Integration Interfaces** – completed Release 4B Design and Build, completed Release upgrades and delivered various services to Application Integration Testing (AIT); **(2) Congestion Revenue Rights** – posted monthly allocations results and completed April and August monthly Auctions for Dry Run; **(3) Settlements and Market Clearing (SaMC) Systems** – delivered merged set of Charge Codes for Release 3 to testing, and completed Release 4A build and began testing; **(4) Program Management Office** – received Board approval on impact of FERC Order changes and in the process of completing a re-baseline of project budgets and work plans; **(5) Full Network Model and State Estimator** – supported mapping database 1 for Release 3 Factory Acceptance Tests (FAT)/Site Acceptance Tests (SAT); **(6) Integrated Forward Markets** – continued FAT/SAT testing and support of AIT, and successfully completed FAT for CR3A which is needed for Market Simulation 3; **(7) Market Quality Systems** – continued AIT Release 3 Web Services and completed FAT preparation; and

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[1] The Market Redesign and Technology Upgrade Program is comprised of seven major system projects – (1) Integrated Forward Markets/Real-Time Market/Full Network Model ("IFM/RTM/FNM"), (2) Scheduling Infrastructure Business Rules ("SIBR"), (3) Congestion Revenue Rights ("CRR"), (4) Settlements and Market Clearing ("SaMC"), (5) Legacy Systems, (6) Master File Redesign ("MFRD") and (7) Post Transaction Repository ("PTR").

[2] Documents relating to the CAISO's MRTU implementation and readiness activities, including the MRTU Readiness Criteria Dashboard posted on January 31, 2007, can be found at the following link: http://www.caiso.com/docs/2005/06/21/2005062113583824742.html.

(8) Testing – continued AIT and Functional Integrated Testing (FIT) for Release 3, and created Load and Performance Test metrics and scenarios.

Highlights on status of readiness activities included in Attachment B: **(1) MRTU Working Groups** – including Participant Readiness Advisory Group, MRTU Implementation Workshops, SaMC User Group and Systems Interface User Group; **(2) Market Participant Assessments** – completed initial participant assessments for 80% of the 75 participants to assess readiness along People, Process and Technology dimensions; **(3) Market Participant Training** – conducted eight out of nine Level 200 training for participants, with remaining one scheduled for February 9, 2007; **(4) Market Participant Feedback** – finalized and concluded feedback process with participants on Readiness Criteria and Measures; **(5) Readiness Criteria Update** – updated Readiness Criteria and tools for tracking readiness activities; and **(6) MRTU Training for CAISO Staff** – conducted Level 200 training for all CAISO Operations staff.

Dated: February 2, 2007

Respectfully submitted,

Sidney Mannheim Davies

Counsel for the California Independent
System Operator Corporation

ATTACHMENT A

California Independent
System Operator Corporation

Market Redesign and Technology Upgrade
FERC Update

February, 2007

MRTU Executive Summary

California ISO — Your Link to Power

MRTU Schedule

Current Period	Trend
G	➡

Tracking Delay: 0 weeks
Critical Path Items: Vendor Delivery, Integration Testing
*Based on approved 2/1/08 Trade Date Go-Live date

MRTU Budget

Current Period	Trend
G	➡

Approved MRTU budget: $189.223 M*
*Based on approved budget on 12/06

- Majority of System Development activities are complete, with the exception of FERC-Related changes and some SIBR/IFM/MQS components. PMO working with vendors to mitigate potential delivery delays

- Project remains challenged with vendor delivery of applications. However, some headway made during the month and term sheet was executed.

- Integration Testing executing Release 2/3 Functional Integration Testing (FIT) schedule, tracking to a 5/7/07 Market Simulation Phase 3 date.

- Market Simulation Phase 2 began on 1/22; Inter-SC Trades functionality available to Market Participants on 1/29

- Board approved revised MRTU Schedule of 1/31/08 Go-Live for 2/1/08 Trade Date and Budget of $189.223M on 12/19/06

- Release Plan updated based on new approved schedule

- CAISO working with key vendors to re-negotiate remaining work and costs

- MRTU continues to work with business units to address upward budget pressures

◆ (blue) / G (green)	Y — Delay, but will not impact 1/31/08 Go-live date.
	R — Delay, will impact 1/31/08 Go-live date. Use of contingency funds.

🟢	Variance less than +2 %
🟡	Variance between +2 % and +6 %
🔴	Variance over + 6%

- ⬆ Situation has improved since last reporting period.
- ➡ No change since last reporting period.
- ⬇ Situation has deteriorated since last reporting period.

MRTU Executive Overview

At a high level, Market Simulation Phase 2 commenced on 1/22/07, with the first week being focused on training Market Participant on the new functionality. Release 3 system development and integration testing initiatives are tracking to schedule, maintaining the End-to-End testing and the Market Simulation 3 start date of 5/7/07. Teams have been gathering Release 4 (predominately FERC Order changes) requirements concurrently with development and integration testing underway for other releases - all efforts supporting 2/1/08 Trade Date Go-Live.

Specific development and readiness accomplishments include: SaMC delivered Release 3 charge codes and completed Release 3 build; Legacy completed RAVE work-effort based plan, and continued Integration Logic development; MQS continued Application Integration Testing (AIT) of Release 3 Web Services and completed Functional Acceptance Test (FAT) test cases; CRR published Monthly Allocation results and completed the Monthly Auction for April and August; IFM completed FAT for Release 3A and began the Site Acceptance Test (SAT); IFM Release 3B began FAT; and supported AIT/FIT for Web Services. Integration completed design and build of interfaces required for Release 3, and delivered various services to AIT.

Concurrently, the Program Management Office (PMO) is working with the MRTU projects to complete and confirm their re-baselined work plans and budgets, incorporating the new scope which includes the FERC changes. MRTU is tracking towards a 2/1/08 Trade Date implementation and a $189.223M budget.

California Independent
System Operator Corporation

Program Area	Design	Build	Test	Integration Test	End-End Test	Market Simulation	Deployment
Phase 1A	■	■	■	■	■	■	■
Phase 1B	■	■	■	■	■	■	■
Market Systems							
Real-Time Market	■	■	▨	▨			
Integrated Forward Mkt	■	■	▨	▨			
Hour-Ahead Processor	■	■	▨	▨			
Residual Unit Com.	■	■	▨	▨			
Scheduling	■	■	▨	▨		▨	
Policy Must-Haves	■	▨					
FERC Changes – Market Systems	▨						
Settlements							
Base Product	■	■	■	▨			
Charge Types	■	■	▨	▨			
Congestion Revenue Rights	■	■	▨	▨			
FERC Changes – Settlements/CRRs	▨						
Legacy							
Automated Dispatch System (ADS)	■	■	■	▨			
Reference Level Calculator (RLC)	■	■	■	▨			
Scheduling and Logging System (SLIC)	■	■	■	▨			
Compliance Automation Production System (CAPS)	■	▨	▨				
Existing Transmission Contract Coordination (ETCC)	■	■	■	▨			
Operational Meter Analysis and Reporting (OMAR)	■	■	■	▨			
Open Access Same-Time Information System (OASIS)	■	▨	▨	▨			
Reliability-Must-Run Application Validation Engine (RAVE)	■	▨					
Other Applications							
Market Quality System	▨	▨	▨				
PTR	▨	▨	▨	■			
Portal	■	■	■	▨		▨	
MFRD	■	■	▨	▨			
FERC Changes – Legacy/Other Applications	▨						

Preliminary application-specific testing conducted

Legend	
Phase not started	□
Phase in progress	▨
Phase complete	■

Supporting Activities

Program Area	Planning	Development	Execution
Internal Readiness	■	▨	▨
External Readiness	■	▨	▨
Training	■	■	▨
Business Processes (Phase 1)	■	■	■
BPMs	■	■	▨

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Accomplishments & Milestones

Planned Activities

Integration (Interfaces)
- Completed Release 4B Design and Build; Release upgrades complete; delivered various services to Application Integration Testing (AIT)

Congestion Revenue Rights
- Posted Monthly Allocations results
- Completed April and August Monthly Auctions for Dry Run

SaMC
- Delivered merged set of Charge Codes for Release 3 to testing
- Completed Release 4A build - began testing in upgraded environment

Program Management Office (PMO)
- Received Board approval on impact of FERC Order changes
- In the process of completing the re-baseline of project budgets and work plans

Full Network Model and State Estimator
- Supported mapping DB1 for Release 3 Factory Acceptance Tests (FAT)/Site Acceptance Tests (SAT)

Integrated Forward Markets/Real-Time Nodal
- Continued FAT/SAT testing and support of AIT
- Successfully completed FAT for CR3A – needed for Market Sim 3

Market Quality Systems
- Continued AIT Release 3 Web Services and completed FAT preparation

Testing
- Continued AIT and FIT testing for Release 3, to support Market Sim 3
- Limited End-to-End testing commenced execution
- Created Load & Performance Test Metrics and Scenarios
- Began remote testing of interfaces for multiple applications

Integration (Interfaces)
- Conduct Release Planning for Market Sim 3
- Update Release 3B documents to be consistent with Release 3A
- Commence design documentation for FERC-related interfaces; support AIT activities

Testing
- Continue AIT/FIT; introduce various interfaces to FIT
- Continue to End-to-End Testing

Integrated Forward Markets/Real-Time Nodal
- Continue FAT/SAT test cycles for CR3A/B; support AIT/FIT for Web Services
- Continue Analysis Track Testing Phase 2

Congestion Revenue Rights
- Prepare CRR Dry Run report
- Work with stakeholder on potential changes
- Continue SAT for latest Build; continue Broadcast Services Testing

SaMC
- Charge Code testing
- Continue Market Clearing testing
- Complete any outstanding design and unit test templates
- Commence design of FERC-related changes

Market Quality Systems
- Continue FAT testing of components needed for Market Sim 3
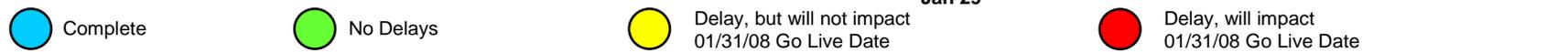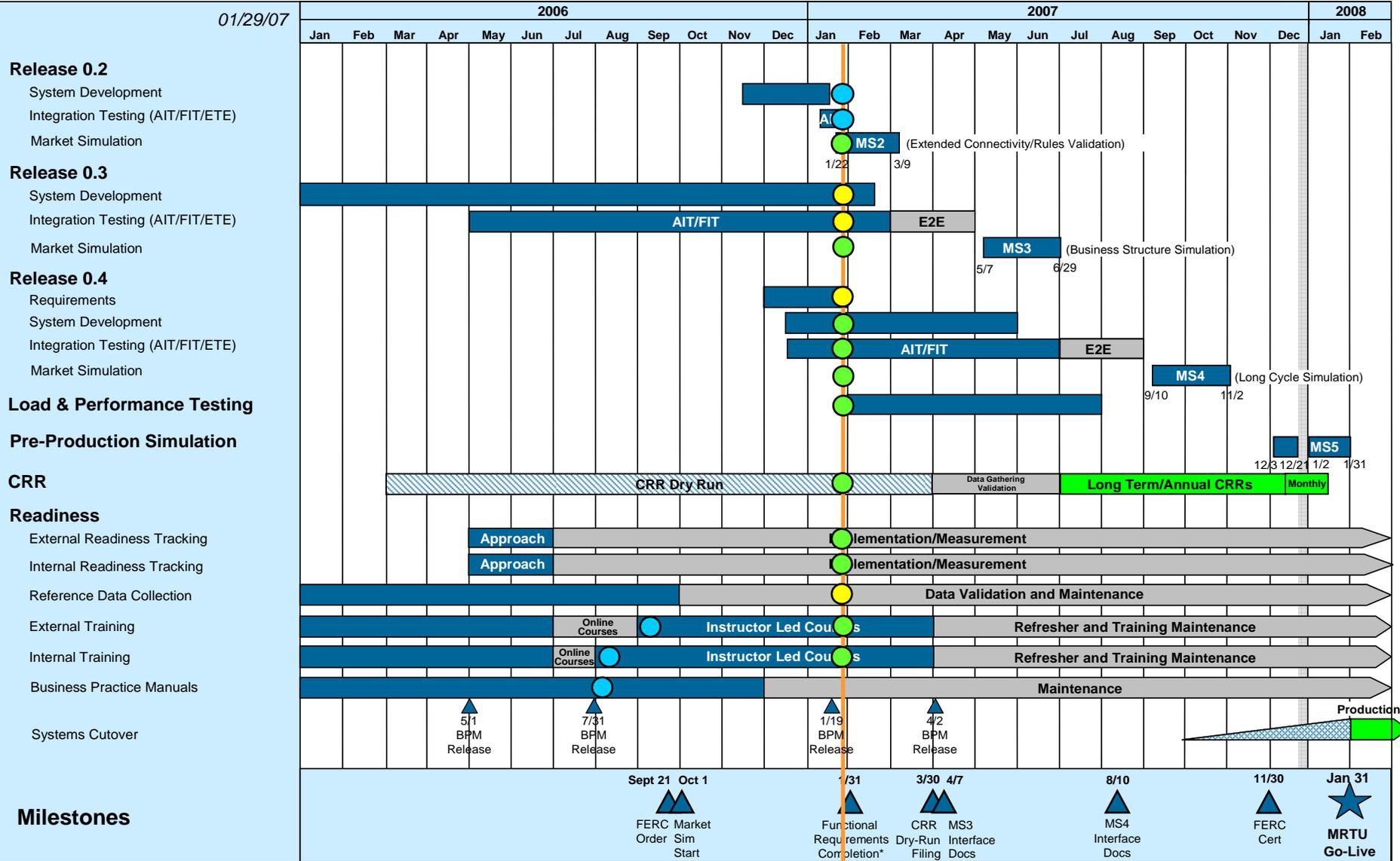- Finalize FERC requirements and designs required for Market Sim 4

Legacy
- Continue Integration Logic efforts and SAT execution

Market Simulation
- Complete Market Sim 2 functionality additions
- Continue planning for Market Sim 3 (Business Structure Simulation)

MRTU High-Level Timeline

California Independent System Operator Corporation

MRTU High-Level Milestone Description

The following are descriptions for some of the milestones indicated on the MRTU High-Level Timeline;.

- Functional Requirements Completion – represents the date by which MRTU functional requirements documentation will be completed to allow system development design activities, with the exception of three MRTU projects, including: SaMC, SIBR, and IFM/RTN.

- CRR Dry-Run Filing – represents the date that CAISO will file the report for the Dry-Run results for Annual and Monthly auctions and allocations.

- MS3 Interface Documents – represents the date the CAISO will release the Technical Interface documents to Market Participants for Market Simulation Phase 3. These documents specify the interface details required for participants to access CAISO Systems and participate in the simulation.

- MS4 Interface Documents – represents the date the CAISO will release the Technical Interface documents to Market Participants for Market Simulation Phase 4. These documents specify the interface details required for participants to access CAISO Systems and participate in the simulation.

Program Key Metrics

Re-Baselining to new Schedule and Budget

- Actual hours burned by MRTU projects are below the planned rate. A significant portion of the discrepancy can be explained by Testing remaining understaffed until systems come online and earned value is consistent with burned hours

- Current earned value is tracking below planned earned value due to various delays. PMO is working with the project teams to re-baseline the delivery schedules per the new 2/1/08 Trade Date Go-Live, which will address this issue

MRTU Budget Re-Baseline Analysis

	Project	Re-baselined Project Costs June 2006**	Re-baselined Project Costs Dec. 2006**	Budget Increase from June 2006 to Dec 2006
	Market Redesign	**$ 56,519**	**$ 64,807**	**$ 8,288**
1	Automatic Mitigation Procedures/Phase 1A	773	773	(0)
2	Real Time Markets/Phase 1B	16,297	16,297	0
3	Integrated Forward Markets/Real -Time Market (IFM/RTM)	29,205	33,372	4,168
4	Congestion Revenue Rights (CRR)	4,014	4,516	501
4A	Market Quality System (MQS)	2,643	6,261	3,618
11A	Hardware & Software Purchases	3,588	3,588	0
	Technology Upgrade	**$ 68,954**	**$ 74,179**	**$ 5,225**
5	Scheduling Infrastructure Business Rules (SIBR)	12,086	13,323	1,238
6	Settlements and Market Clearing (SaMC)	17,391	18,030	638
6	Master File (MFRD)	2,279	2,300	21
9	Post Transactional Repository (PTR)	2,177	2,461	284
10	Legacy Systems	7,638	7,785	147
10A	State Estimator/Full Network Model	1,024	1,345	322
11	Technology Infrastructure/ Portal	2,065	2,065	0
11B	Hardware & Software Purchases	6,923	6,923	0
12A	System Integration	17,372	17,989	617
12B	Technology Architecture	0	1,957	1,957
	Common Projects	**$ 36,215**	**$ 41,214**	**$ 5,000**
13	Training/Readiness Projects	10,021	9,709	(311)
14A	Project Management	14,248	17,666	3,418
14B	Testing	11,946	13,840	1,893
	Ongoing Scope Adjustments	**$ 3,357**	**$ 1,523**	**$ (1,834)**
	Pending MRTU Scope Changes	3,357	1,523	(1,834)
	Contingency	**$ 5,000**	**$ 7,500**	**$ 2,500**
	FERC Contingency	0	2,500	2,500
15	Program Contingency	5,000	5,000	0
	Total MRTU Project	**$ 170,045**	**$ 189,223**	**$ 19,178**

*   Columns and rows may not total due to rounding.
**   Budgets include: Consultant Labor, Vendor Costs, Travel & Meals Expenses, Training, Hardware, Software, Maintenance, Employee Backfill costs

MRTU Financials

California Independent System 0perator
Summary of Expected Completion Costs vs. December, 2006 Budget
12/31/2006 (with 12/15/06 Actuals)

(In Thousands) *

	Project	Re-baselined Project Costs Dec. 2006 (a)**	Actual Costs Through 2005 (b)	Paid Invoices To Date 12/15/06 (c)	Estimated Costs to Complete (d)	Cost of Project at Completion (e)=(c+d)	Increase (Decrease) from Baseline (f)=(e-a)
	Market Redesign	**$ 64,807**	**$ 40,235**	**$ 48,908**	**$ 15,899**	**$ 64,807**	**$ -**
1	Automatic Mitigation Procedures/Phase 1A	773	$ 773	773	(0)	773	0
2	Real Time Markets/Phase 1B	16,297	16,297	16,297	0	16,297	0
3	Integrated Forward Markets/Real -Time Market (IFM/RTM)	33,372	17,010	23,194	10,178	33,372	0
4	Congestion Revenue Rights (CRR)	4,516	3,386	3,795	721	4,516	0
4A	Market Quality System (MQS)	6,261	0	1,902	4,359	6,261	0
11A	Hardware & Software Purchases	3,588	2,769	2,947	642	3,588	0
	Technology Upgrade	**$ 74,179**	**$ 34,137**	**$ 58,225**	**$ 15,954**	**$ 74,179**	**$ -**
5	Scheduling Infrastructure Business Rules (SIBR)	13,323	6,326	9,473	3,850	13,323	0
6	Settlements and Market Clearing (SaMC)	18,030	5,313	15,646	2,383	18,030	0
6	Master File (MFRD)	2,300	1,860	2,304	(4)	2,300	0
9	Post Transactional Repository (PTR)	2,461	1,041	2,056	405	2,461	0
10	Legacy Systems	7,785	3,434	6,191	1,593	7,785	0
10A	State Estimator/Full Network Model	1,345	157	1,021	325	1,345	0
11	Technology Infrastructure/ Portal	2,065	2,028	2,049	17	2,065	0
11B	Hardware & Software Purchases	6,923	4,566	4,909	2,014	6,923	0
12A	System Integration/Enterprise Architecture	17,989	9,412	14,452	3,537	17,989	0
12B	Technology Architecture	1,957	0	124	1,833	1,957	0
	Common Projects	**$ 41,214**	**$ 9,670**	**$ 23,196**	**$ 18,019**	**$ 41,214**	**$ -**
13	Training/Readiness Projects	9,709	916	6,114	3,595	9,709	0
14A	Project Management	17,666	7,674	11,344	6,321	17,666	0
14B	Testing	13,840	1,080	5,737	8,102	13,840	0
	Ongoing Scope Adjustments	**$ 1,523**	**$ -**	**$ -**	**$ 1,523**	**$ 1,523**	**$ -**
	Pending MRTU Scope Changes	1,523	0	0	1,523	1,523	0
	Contingency	**$ 7,500**	**$ -**	**$ -**	**$ 7,500**	**$ 7,500**	**$ -**
	FERC Contingency	2,500	0	0	2,500	2,500	0
15	Program Contingency	5,000	0	0	5,000	5,000	0
	Total MRTU Project	**$ 189,223**	**$ 84,042**	**$ 130,329**	**$ 58,894**	**$ 189,223**	**$ -**

*   Columns and rows may not total due to rounding.
**   Budgets include: Consultant Labor, Vendor Costs, Travel & Meals Expenses, Training, Hardware, Software, Maintenance, Employee Backfill costs
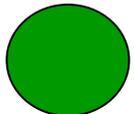
ATTACHMENT B

California Independent
System Operator Corporation

MRTU Readiness Program Summary
FERC Update

February 1, 2007

MRTU Executive Summary

MRTU Readiness Schedule	
Current Period	**Trend**
🟢	➡️

MRTU Readiness Budget	
Current Period	**Trend**
🟢	➡️

- Training conducted on schedule.
- CAISO internal readiness tracking has been fully initiated and launched across the all Business Units with initial readiness milestones accomplished
- Participant Readiness activities are now on schedule as readiness criteria and measures have been completed and agreement has been made between CAISO and Participants
- Achieved overall planned target of completed Participant Assessments of 80% of the 75 Participants on January 31, 07
- Specific Participant Assessments accomplishments include:
  - Completed: 13 of 14 On-site Assessments
  - Completed 20 of 21 Assisted Self-assessments
  - Received 24 of 37 of the Self-assessments
  - Will provide remaining 5 action plans in February for those who have submitted an assessment

- Training and Readiness activities remain under budget.
- CAISO staff supporting internal business unit readiness have been working regularly to provided readiness update information for all key areas.
- CAISO staff have participated in the conducting and supporting the Participant Assessment activities.
- Key CAISO employees have taken on roles and accountability for both Internal and External Readiness efforts and in place to execute the work plan.

🔵	Complete	🟢	No Delays
🟡	Delay, but will not impact 11/07 go-live date. Contingency maintained, but at risk.		
🔴	Delay, will impact program delivery and 11/07 Go-live date. Use of contingency funds.		

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MRTU Readiness Program Executive Summary

The MRTU Readiness program focuses on a set of activities to ensure that the people, processes, and technologies for both CAISO and the Participants are ready for the implementation of the MRTU program for Trade Date 2/1/08. The MRTU Readiness Program has successfully launched and implemented concurrent Readiness efforts since August 06 with the following areas of progress:

- Conducting weekly progress reporting and tracking for Internal Readiness with all Business Units
- Assessed first Readiness milestone for all Business Units
- Finalized Readiness Criteria by engaging Participants incorporating feedback and assessing FERC Order impacts
- Completed initial Participant Assessments for 80% of the 75 Participants to assess readiness along People, Process and Technology dimensions
- Implemented CAISO communication activities to increase MRTU awareness and understanding among staff
- Conducted ongoing Market Participant Meetings such as PRAG, Implementation Workshop and Technical Workshops
- Established Settlements Workgroup
- Conducted Level 200 Training for Operations staff
- Conducted Level 200 Training for Participants (8 out of 9 sessions with remaining one to be conducted by February 9, 07)

Readiness Progress (As of January 31, 2007)

CAISO Business Unit Readiness Summary

Program Area	Planning	Development	Execution	Comments
Outreach	✓	✓	✓	• Executing the Outreach Campaign (Kick-off meetings, periodic assessments, progress communication). • Conducted ISO wide MRTU Update meeting
Assessments	✓	✓	✓	• Achieved initial internal readiness milestone for all business units to have completed readiness work plans by 01/31/07 • Initiated next readiness milestone to complete MRTU impact analysis
Business Unit Readiness	✓	✓	✓	• Continued weekly meetings with all core Business Units to discuss next milestone tasks • Conducting regular tracking of readiness and action planning for all Business Units
Training	✓	✓	✓	• Conducted Level 200 Training for Operations staff • Advanced level courses under development, scheduled for 2007 • Additional courses as required

Readiness Progress (As of January 31, 2007)

Market Participant Readiness Summary

Program Area	Planning	Development	Execution	Comments
Stakeholder Interaction	✓	✓	✓	• Supporting Participant Readiness Advisory Group • Supporting MRTU Implementation Workshop • Supporting other working group sessions including Technical Workshops, SaMC User Groups and SIUG
Outreach	✓	✓	✓	• Supporting ongoing Outreach Campaign execution (phone campaigns, MRTU Milestone Details, etc) • Supporting MRTU Bulletin Board content

Market Participant Readiness	✓	✓	✓	• Implemented participant assessments for approximately 75 market participants that included the following: On-site assessment, Assisted self-assessment, Self-assessment
				• Achieved 80% completion of assessments from all Participants on January 31, 07 made up of the following:
				  • 13 of 14 On-sites
				  • 20 of 21 Assisted self-assessments
				  • Received 24 of 37 of the Self-assessments
				• Will provide remaining 5 action plans in February for those who have submitted an assessment

Training	✓	✓	✓	• Conducted Level 200 Training for Participants (8 out of 9 sessions with remaining 1 to be conducted by February 9, 07) • Planning and began design for advanced level courses scheduled for 2007 • Additional training as required

Readiness Progress (As of January 31, 2007)

Readiness Criteria Summary

Program Area	Planning	Development	Execution	Comments
Readiness Criteria	✓	✓	✓	• Finalized Participant comments and feedback for Readiness Criteria that will be used to assess and monitor readiness towards the MRTU Implementation in February 08. • Initial reports have been drafted to reflect the following: • Roll-up of categories indicating readiness, risks and actions • Dashboards provided to the Business Unit owners, MRTU Steering Committee, Officers, Board and Market Participants • Tracking began in January 07and formal reporting for Readiness Criteria will begin February 2007

Accomplishments & Milestones

CAISO Internal Assessment (Personnel)

▪ Conducted CAISO Wide Employee MRTU Update and Information Session

Business Unit Readiness

● Continued weekly meetings with Core Business Units (medium/high MRTU impact) to discuss next milestone tasks
● Assessed first Readiness milestone for key Business Units

Internal Training

● Conducted Level 200 Training for all Operations staff

Stakeholder Interaction

▪ Continued to support Participant Readiness Advisory Group and MRTU Implementation Workshops

▪ Supporting other working group sessions including Technical Workshops, SaMC User Groups and SIUG

External Outreach

▪ Supported Participants with information needs, action plans and general updates resulting from Assessments

Market Participant Readiness

▪ Completed initial Participant Assessments for 80% of the 75 Participants to assess readiness along People, Process and Technology dimensions

Participant Training

▪ Conducted Level 200 Training for Participants (8 out of 9 sessions with remaining 1 to be conducted by February 9, 07)

Readiness Reporting

▪ Finalized and concluded feedback process with Participants on Readiness Criteria and Measures

▪ Updated Readiness Criteria and tools to prepare first tracking and report in February 07

Internal Outreach

- Continue CAISO wide information sessions and meetings to provide MRTU readiness updates

CAISO Internal Assessment (Personnel)

- Continue communication activities based on feedback from company wide readiness assessment
- Conduct follow-up company wide readiness assessment survey

Business Unit Readiness

- Continue to work with all of CAISO's Internal Business Owners to develop detailed readiness status and actions to prepare for the next major readiness milestone (Analysis Phase)
- Continue to meet with core Business Units on a weekly basis and meet with non-core Business Units as needed
- Plan and conduct Process Walkthrough sessions to assess MRTU impacts for core Business Units

Internal Training

- Continue to conduct Intermediate courses scheduled for 2007
- Continue developing Advanced Courses for 2007

Stakeholder Interaction

- Continue supporting Participant Readiness Advisory Group and MRTU Implementation Workshops

External Outreach

- Continue to support Participants with Readiness information needs such as Assessments and Action Plans

Market Participant Readiness

- Conduct remaining On-Site Assessment and receive remainder of the Self-Assessments from Participants
- Complete the remaining action plans for Participants that have completed assessments
- Plan next phase of Participant Assessments

Participant Training

- Conduct remaining Level 200 Session in February 2007 and develop additional content for next wave of training
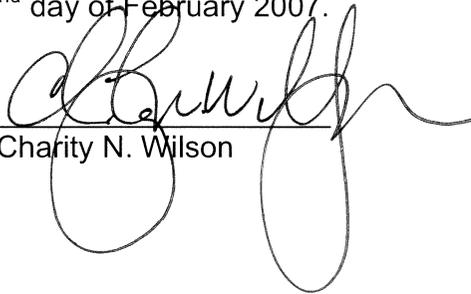
Readiness Reporting

- Establish 60 Day Prior to MRTU Implementation sign-off process and governance approach
- Track all readiness activities using establish Readiness Criteria to be reported monthly beginning in February
- Publish first baseline Readiness report for Participants and CAISO Business Units

CERTIFICATE OF SERVICE

I hereby certify that I have caused the public version of the foregoing document to be served upon the Public Utilities Commission of the State of California and upon all parties of the official service lists maintained by the Secretary for Docket No. ER06-615.

Dated at Folsom, California, this 2nd day of February 2007.

_____
Charity N. Wilson