

Market Notice

Pursuant to the November 24, 1999 FERC order approving Amendment No. 22, the ISO is hereby giving notice to Market Participants that the following items will become effective January 31 for Trading Day February 1, 2000:

- 1) Revised ETC and FTR Scheduling Templates;
- 2) The new congestion management zone (ZP26);
- 3) The new methodology for allocating Transmission Losses to UDCs

The ISO initially proposed, and FERC accepted, that these items would become effective upon 10-days notice to Market Participants. Due to an oversight, the ISO failed to issue the Market Notice on Friday, January 21, 2000, for implementation on February 1, 2000. The ISO believes, however, that it is appropriate to continue with the February 1, 2000 implementation date. Many of these items are related to the ISO's initial release of FTRs, and Market Participants have been given substantial notice that this initial release is scheduled for February 1, 2000. The ISO believes that Market Participants anticipate implementation of the above described changes on February 1, 2000, and that it is appropriate to implement them as intended so as not to cause confusion in the marketplace.

Please note that in the Amendment 22 Order, the Commission also directed that we revise the FTR Tariff provisions to make clear that we will post certain information about FTR prices and ownership and about secondary FTR transactions, consistent with prior FERC orders. We submitted our Amendment 22 compliance filing on 12/22/99 - the Commission has not yet acted on the compliance filing. One of the requirements requires the ISO to indicate whether a sale in the secondary market is "conditional." Compliance with this directive required software modifications. Therefore, in our compliance filing, we requested that changes related to the FTR conditional sales posting requirement be made effective after 10 days market notice that software is complete. The "conditional flag" software is complete and, since this change is directly related to a FERC requirement, the ISO believes it is appropriate to implement this feature for Trading Day February 1, 2000 even absent Commission action on the compliance filing.