

Stakeholder Comments Template

Submitted by	Company or Entity	Date Submitted
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In response to the California Independent System Operator Corporation's ("ISO") August 6, 2014 Market Notice, MID thanks the ISO for the opportunity to comment on Tariff changes to implement the ISO Grid Management Charge ("GMC") Update for 2015 forward. MID notes specifically that it supports the fact that the ISO has reflected the requirement agreed to in the prior stakeholder process that the ISO perform a cost of service study every three years and make changes resulting from such studies to the service charge percentages, as well as to other GMC fees and charges, through a Federal Power Act Section 205 filing.

In addition, MID has the following questions and comments concerning the proposed Tariff language:

- 1) In Section 11.22.2.6, the ISO proposes to delete text describing that the formula in Appendix F, Schedule 1, Part C sums certain costs and components to obtain a total revenue requirement. What is the reason for this deletion? Is the reason for such deletion due to potential duplication of what is set forth in Appendix F in terms of the calculation of the total revenue requirement?
- 2) In Section 11.22.2.6, what is the reason for the deletion of the parenthetical cross-reference to ISO Tariff Section 11.17 after the text "surplus revenues from the previous year or period", which described a component of annual ISO website postings? The current Section reference goes to a persistent deviation metric for Bid Cost Recovery, which seems to be in error. Is there a different Tariff section cross-reference that should be cited?
- 3) What does the language mean that the fees cited in Sections 11.22.4 (TOR Charges), 11.22.5 (Bid Segment Fee), 11.22.6 (CRR Transaction Fee), 11.22.7, (Inter-Scheduling Coordinator Trade Transaction Fee), and 11.22.8 (Scheduling Coordinator ID Charge), are subject to adjustment, as described in Appendix F, Schedule 1 Part A? Is this language proposed simply because such fees can be adjusted as a result of cost of service studies through Section 205 filings?

- 4) In Appendix F, Schedule 1, Part C, the ISO proposes to modify the definition of “CAISO Other Costs and Revenues” to include Uniform System of Accounts 457.1 (Direct costs charged to associate companies) and 457.2 (Indirect costs charged to associate companies). What is intended to be captured by reference to these accounts? Also, in that text, the ISO proposes to delete reference to “Scheduling Coordinator application and training fees, and fines assessed and collected by the CAISO”. The way the ISO has reorganized this provision, it appears limited to those Uniform System of Account numbers cited in the parenthetical. Is this interpretation true, and is the ISO proposing not to include miscellaneous fines in this provision, or, for example, Scheduling Coordinator application fees? If this interpretation is not correct, should the language be clarified to signify that “Scheduling Coordinator application and training fees, and fines assessed and collected by the CAISO” are still included within “CAISO Other Costs and Revenues”?
- 5) In Appendix F, Schedule 1, Part D, the ISO is proposing to issue the draft budget book (i.e., budget detail) to stakeholders subsequent to the initial submission of the draft budget to the ISO Board. Is it possible to have the budget book disclosed to stakeholders earlier, or alternatively, commit to posting the draft budget book simultaneously when submitted to the ISO Board, and have the Tariff language specifically state such commitment?
- 6) In Appendix F, Schedule 1, Part D, the ISO proposes to add a “capital projects report” in its periodic financial reports, but delete inclusion of a “statement of operating reserves”. Are operating reserves intended to be reported elsewhere? If not, such operating reserves should continue to be described in the ISO’s periodic financial reports as useful information to ISO stakeholders.