#### INDEX

Article Number	Provisions	Sheet No.
1. DEFINITIONS AND I	NTERPRETATION.	1
2. ISO OPERATIONS.		2
2.1 Access to the ISC	Controlled Grid.	2
2.2 Scheduling.		4
2.3 System Operation	ns under Normal and Emergency Operating Condition	ons. 27
2.4 [Not Used]		43
2.5 Ancillary Services	3.	56
2.6 Incorporation of the	he ISO Market Monitoring & Information Protocol	120
3. RELATIONSHIP BET	TWEEN ISO AND PARTICIPATING TOS.	121
3.1 Nature of Relation	nship.	121
3.2 Transmission Exp	pansion.	121
4. RELATIONSHIP BET	TWEEN ISO AND UDCs.	132
4.1 General Nature of	f Relationship Between ISO and UDCs.	132
4.2 Coordinating Main	ntenance Outages of UDC Facilities.	133
4.3 UDC Responsibili	ities.	133
4.4 System Emergen	cies.	134
4.5 Electrical Emerge	ency Plan (EEP).	135
4.6 System Emergen	cy Reports: UDC Obligations.	136
4.7 Coordination of E	xpansion or Modifications to UDC Facilities.	136

Issued by: N. Beth Emery, General Counsel and Vice President

Issued on: June 1, 1998 Effective: March 31, 1998

## CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF ORIGINAL VOLUME NO. I

Original Sheet No. ii

4.8 Information Sharing.	136
4.9 UDC Facilities under ISO Control.	138
5. RELATIONSHIP BETWEEN ISO AND GENERATORS.	139
5.1 General Responsibilities.	139
5.2 Procurement of Reliability Must-Run Generation by the ISO.	142
5.3 Identification of Generating Units.	145
5.4 Generator Performance Standard.	145
5.5 Outages.	146
5.6 System Emergencies.	147
5.7 Interconnection to the ISO Controlled Grid.	148
5.8 Recordkeeping; Information Sharing.	149
5.9 Access Right.	150
5.10 Black Start Services.	150
6. TRANSMISSION SYSTEM INFORMATION AND COMMUNICATIONS.	152
6.1 WEnet.	152
6.2 Reliable Operation of the WEnet.	154
6.3 Information to be Provided By Connected Entities to the ISO.	155
6.4 Failure or Corruption of the WEnet.	155
6.5 Confidentiality.	156
6.6 Standards of Conduct.	156
7. TRANSMISSION PRICING.	157

Issued by: N. Beth Emery, General Counsel and Vice President Issued on: June 1, 1998

Effective: March 31, 1998

# CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF ORIGINAL VOLUME NO. I

Original Sheet No. iii

7.1 Access Charges.	157
7.2 Zonal Congestion Management.	166
7.3 Usage Charges and Grid Operations Charges.	177
7.4 Transmission Losses.	183
8. GRID MANAGEMENT CHARGE.	186
8.1 ISO's Obligations.	186
8.2 Components of the Grid Management Charge.	186
8.3 Allocation of the Grid Management Charge Among Scheduling Coordinator	rs.187
8.4 Calculation and Adjustment of the Grid Management Charge.	188
8.5 Operating and Reserve Account.	188
9. [NOT USED]	189
10. METERING.	190
10.1 Applicability.	<b>190</b> 190
10.1 Applicability.	190
10.1 Applicability.  10.2 Responsibilities of ISO Metered Entities	190 190
<ul><li>10.1 Applicability.</li><li>10.2 Responsibilities of ISO Metered Entities</li><li>10.3 Meter Service Agreements.</li></ul>	190 190 194
<ul><li>10.1 Applicability.</li><li>10.2 Responsibilities of ISO Metered Entities</li><li>10.3 Meter Service Agreements.</li><li>10.4 Low Side Metering.</li></ul>	190 190 194 196
<ul> <li>10.1 Applicability.</li> <li>10.2 Responsibilities of ISO Metered Entities</li> <li>10.3 Meter Service Agreements.</li> <li>10.4 Low Side Metering.</li> <li>10.5 Audit, Testing Inspection and Certification Requirements.</li> </ul>	190 190 194 196 196
<ul> <li>10.1 Applicability.</li> <li>10.2 Responsibilities of ISO Metered Entities</li> <li>10.3 Meter Service Agreements.</li> <li>10.4 Low Side Metering.</li> <li>10.5 Audit, Testing Inspection and Certification Requirements.</li> <li>10.6 Metering for Scheduling Coordinator Metered Entities.</li> </ul>	190 190 194 196 196 197
<ul> <li>10.1 Applicability.</li> <li>10.2 Responsibilities of ISO Metered Entities</li> <li>10.3 Meter Service Agreements.</li> <li>10.4 Low Side Metering.</li> <li>10.5 Audit, Testing Inspection and Certification Requirements.</li> <li>10.6 Metering for Scheduling Coordinator Metered Entities.</li> <li>11. ISO SETTLEMENTS AND BILLING.</li> </ul>	190 190 194 196 196 197 <b>203</b>
<ul> <li>10.1 Applicability.</li> <li>10.2 Responsibilities of ISO Metered Entities</li> <li>10.3 Meter Service Agreements.</li> <li>10.4 Low Side Metering.</li> <li>10.5 Audit, Testing Inspection and Certification Requirements.</li> <li>10.6 Metering for Scheduling Coordinator Metered Entities.</li> <li>11. ISO SETTLEMENTS AND BILLING.</li> <li>11.1 Settlement Principles.</li> </ul>	190 190 194 196 196 197 <b>203</b> 203

## CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF ORIGINAL VOLUME NO. I

Original Sheet No. iv

11.3 Billing and Payment Process.	213
11.4 General Principles for Production of Settlement Statements.	213
11.5 Calculation in the Event of Lack of Meter Data for the Balancing of Market	
Accounts.	215
11.6 Settlements Cycle.	215
11.7 Confirmation and Validation.	217
11.8 Payment Procedures.	218
11.9 Invoices.	219
11.10 Instructions for Payment.	219
11.11 ISO's Responsibilities.	219
11.12 Non-payment by a Scheduling Coordinator.	220
11.13 Payment to ISO Creditors.	220
11.14 Using the ISO Reserve Account.	220
11.15 Prohibition on transfers.	221
11.16 Alternative Payment Procedures.	221
11.17 [DELETED]	221

# CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION FERC ELECTRIC TARIFF

ORIGINAL VOLUME NO. I Original Sheet No. v 11.18 Payment Errors. 222 11.19 Defaults. 223 11.20 Proceedings to Recover Overdue Amounts. 223 224 11.21 Data Gathering and Storage. 224 11.22 Confidentiality. 225 11.23 Communications. 11.24 ISO Payments Calendar. 225 12. **AUDITS.** 226 226 12.1 Materials Subject to Audit. 12.2 ISO Audit Committee. 226 12.3 Audit Results. 228 228 12.4 Availability of Records. 12.5 Confidentiality of Information. 228 12.6 Payments. 228 13. DISPUTE RESOLUTION. 230 13.1 Applicability. 230 13.2 Negotiation and Mediation. 231 13.3 Arbitration. 234 13.4 Appeal of Award. 243

Issued by: N. Beth Emery, General Counsel and Vice President

14. LIABILITY AND INDEMNIFICATION.

Issued on: June 1, 1998 Effective: March 31, 1998

245

14.1 Liability for Damages.	245
14.2 Exclusion of Certain Types of Loss.	245
14.3 Market Participant's Indemnity.	245
15. UNCONTROLLABLE FORCES.	246
16. ISO GRID OPERATIONS COMMITTEE; CHANGES TO ISO PROTOCOLS.	248
16.1 ISO Grid Operations Committee	248
16.2 ISO Protocol Amendment Process	248
16.3 Market Surveillance: Changes to Operating Rules and Protocols	248
17. ASSIGNMENT.	249
18. TERM AND TERMINATION.	250
19. REGULATORY FILINGS.	251
20. MISCELLANEOUS.	252
20.1 Notice.	252
20.2 Waiver.	253
20.3 Confidentiality.	253
20.4 Staffing and Training To Meet Obligations.	255
20.5 Accounts and Reports.	256
20.6 Titles.	256
20.7 Applicable Law and Forum.	256

Issued by: N. Beth Emery, General Counsel and Vice President

Issued on: July 15, 1998 Effective: March 31, 1998

20.8 Consistency with Federal Laws and Regulations	256
21. GENERATION METER MULTIPLIERS.	259
21.1 Temporary Simplification Relating to GMM Loss Factors.	259
21.2 Application.	259
21.3 Notices of Full-Scale Operations.	260
22. SCHEDULE VALIDATION TOLERANCES.	261
22.1 Temporary Simplification of Schedule Validation Tolerances.	261
22.2 Application.	261
22.3 Notices of Full-Scale Operations.	261
23. TEMPORARY CHANGES TO THE REAL-TIME MARKET FOR IMBALAN ENERGY	CE 263
23.1 Application	263
23.2 ISO Tariff Amendments	263
23.3 Amendments to the Dispatch Protocol	276
23.4 Amendments to the Schedules and Bids Protocol	277
23.4 Amendments to the Schedules and Bids Protocol  23.5 Amendments to the Settlement and Billing Protocol	277 278
23.5 Amendments to the Settlement and Billing Protocol	
23.5 Amendments to the Settlement and Billing Protocol 24. TEMPORARY CHANGES RESPECTING PHYSICAL CONSTRAINTS ON	278
23.5 Amendments to the Settlement and Billing Protocol  24. TEMPORARY CHANGES RESPECTING PHYSICAL CONSTRAINTS ON SCHEDULES	278 <b>284</b>
23.5 Amendments to the Settlement and Billing Protocol  24. TEMPORARY CHANGES RESPECTING PHYSICAL CONSTRAINTS ON SCHEDULES  24.1 Application and Termination	278 284 284

26. TEMPORARY CHANGES TO ANCILLARY SERVICES PENALTIES	286
26.1 Application and Termination	286
• •	
27. TEMPORARY RULE LIMITING ADJUSTMENT BIDS APPLICABLE TO	
DISPATCHABLE LOADS AND EXPORTS	287
	007
27.1 Application and Termination	287
28. TEMPORARY RULE DISQUALIFYING CERTAIN ENERGY BIDS	288
28.1 Application and Termination	288
28.2 Amendment to Section 2.5.22.6	288
APPENDIX A - MASTER DEFINITIONS SUPPLEMENT	289
APPENDIX B - SCHEDULING COORDINATOR AGREEMENT	359
APPENDIX C - ISO SCHEDULING PROCESS	365
APPENDIX D - BLACK START UNITS	369
AFFENDIX D - BLACK START UNITS	309
APPENDIX E - VERIFICATION OF SUBMITTED DATA FOR	
ANCILLARY SERVICES	371
APPENDIX F - RATE SCHEDULES	374