

## INDEX

Article Number	Provisions	Sheet No.
<b>1.</b>	<b>DEFINITIONS AND INTERPRETATION.</b>	<b>1</b>
<b>2.</b>	<b>ISO OPERATIONS.</b>	<b>2</b>
2.1	Access to the ISO Controlled Grid.	2
2.2	Scheduling.	3
2.3	System Operations under Normal and Emergency Operating Conditions.	33
2.4	[Not Used]	50
2.4.3	Existing Contracts for Transmission Service	50
2.5	Ancillary Services.	61
2.6	Incorporation of the ISO Market Monitoring & Information Protocol	139
<b>3.</b>	<b>RELATIONSHIP BETWEEN ISO AND PARTICIPATING TOS.</b>	<b>140</b>
3.1	Nature of Relationship.	140
3.2	Transmission Expansion.	141
3.3	[Not Used]	150
<b>4.</b>	<b>RELATIONSHIP BETWEEN ISO AND UDCS.</b>	<b>161</b>
4.1	General Nature of Relationship Between ISO and UDCs.	161
4.2	Coordinating Maintenance Outages of UDC Facilities.	162
4.3	UDC Responsibilities.	162
4.4	System Emergencies.	163
4.5	Electrical Emergency Plan (EEP).	164
4.6	System Emergency Reports: UDC Obligations.	164A
4.7	Coordination of Expansion or Modifications to UDC Facilities.	165
4.8	Information Sharing.	165
4.9	UDC Facilities under ISO Control.	167
<b>5.</b>	<b>RELATIONSHIP BETWEEN ISO AND GENERATORS.</b>	<b>167</b>
5.1	General Responsibilities.	167
5.2	Procurement of Reliability Must-Run Generation by the ISO.	170
5.3	Identification of Generating Units.	179
5.4	WECC Requirements.	179
5.5	Outages.	179A
5.6	System Emergencies.	180

5.7 Interconnection of Generating Units and Generating Facilities to the ISO Controlled Grid.	181B
5.8 Recordkeeping; Information Sharing.	182
5.9 Access Right.	183
5.10 Black Start Services.	184
5.11 Must-Offer Obligations.	184A
5.12 [Not Used]	184G
5.13 Energy Bids.	184G
<b>6. TRANSMISSION SYSTEM INFORMATION AND COMMUNICATIONS.</b>	<b>185</b>
6.1 WEnet.	185
6.2 Reliable Operation of the WEnet.	187
6.3 Information to be Provided By Connected Entities to the ISO.	188
6.4 Failure or Corruption of the WEnet.	188
6.5 Confidentiality.	189
6.6 Standards of Conduct.	189
<b>7. TRANSMISSION PRICING.</b>	<b>189</b>
7.1 Access Charges.	189
7.2 Zonal Congestion Management.	198
7.3 Usage Charges and Grid Operations Charges.	207
7.4 Transmission Losses.	213
7.5 FERC Annual Charges.	215
<b>8. GRID MANAGEMENT CHARGE.</b>	<b>215D</b>
8.1 ISO's Obligations.	215D
8.2 Costs Included in the Grid Management Charge.	216
8.3 Allocation of the Grid Management Charge Among Scheduling Coordinators.	217
8.4 Calculation and Adjustment of the Grid Management Charge.	217A.02
8.5 Operating and Capital Reserves Account.	218
8.6 Transition Mechanism	218
<b>9. FIRM TRANSMISSION RIGHTS</b>	<b>219</b>
9.1 General	219
9.2 Characteristics of Firm Transmission Rights	219
9.3 Maximum Number of Firm Transmission Rights	221
9.4 Issuance of Firm Transmission Rights by the ISO	222

9.5 Distribution of Auction Revenues Received by the ISO for Firm Transmission Rights	228
9.6 Distribution of Usage Charges to FTR Holders	228A
9.7 Scheduling Priority of FTR Holders	230
9.8 Assignment of Firm Transmission Rights	231

<b>10. METERING.</b>	<b>233</b>
10.1 Applicability.	233
10.2 Responsibilities of ISO Metered Entities	233
10.3 Meter Service Agreements for ISO Metered Entities.	237
10.4 Low Side Metering.	238
10.5 Audit, Testing Inspection and Certification Requirements.	239
10.6 Metering for Scheduling Coordinator Metered Entities.	239
<b>11. ISO SETTLEMENTS AND BILLING.</b>	<b>245</b>
11.1 Settlement Principles.	245
11.2 Calculations of Settlements.	246
11.3 Billing and Payment Process.	253A
11.4 General Principles for Production of Settlement Statements.	253A
11.5 Calculation in the Event of Lack of Meter Data for the Balancing of Market Accounts.	254
11.6 Settlements Cycle.	255
11.7 Confirmation and Validation.	257
11.8 Payment Procedures.	259
11.9 Invoices.	260
11.10 Instructions for Payment.	260
11.11 ISO's Responsibilities.	260
11.12 Non-payment by a Scheduling Coordinator.	261
11.13 Payment to ISO Creditors.	261
11.14 Using the ISO Reserve Account.	261
11.15 Prohibition on transfers.	262
11.16 Alternative Payment Procedures.	262
11.17 [DELETED]	262A
11.18 Payment Errors.	262A
11.19 Defaults.	263
11.20 Proceedings to Recover Overdue Amounts.	264
11.21 Data Gathering and Storage.	264
11.22 Confidentiality.	265
11.23 Communications.	265
11.24 ISO Payments Calendar.	266

<b>12. AUDITS.</b>	<b>266</b>
12.1 Materials Subject to Audit.	266
12.2 ISO Audit Committee.	266
12.3 Audit Results.	268
12.4 Availability of Records.	268
12.5 Confidentiality of Information.	268
12.6 Payments.	269
<b>13. DISPUTE RESOLUTION.</b>	<b>269</b>
13.1 Applicability.	269
13.2 Negotiation and Mediation.	270
13.3 Arbitration.	272
13.4 Appeal of Award.	281
13.5 Allocation of Awards Payable by or to the ISO	282
<b>14. LIABILITY AND INDEMNIFICATION.</b>	<b>284</b>
<b>14.1 Liability for Damages.</b>	<b>284</b>
14.2 Exclusion of Certain Types of Loss.	284
14.3 Market Participant's Indemnity.	284
14.4 Potomac Economics, Ltd. Limitation of Liability.	284A
<b>15. UNCONTROLLABLE FORCES.</b>	<b>285</b>
<b>16. ISO GRID OPERATIONS COMMITTEE; CHANGES TO ISO PROTOCOLS.</b>	<b>286</b>
16.1 ISO Grid Operations Committee	286
16.2 ISO Protocol Amendment Process	286
16.3 Market Surveillance: Changes to Operating Rules and Protocols	286
<b>17. ASSIGNMENT.</b>	<b>287</b>
<b>18. TERM AND TERMINATION.</b>	<b>287</b>
<b>19. REGULATORY FILINGS.</b>	<b>287</b>
<b>20. MISCELLANEOUS.</b>	<b>288</b>
20.1 Notice.	288
20.2 Waiver.	289
20.3 Confidentiality.	289
20.4 Staffing and Training To Meet Obligations.	292.01
20.5 Accounts and Reports.	292.01
20.6 Titles.	292A
20.7 Applicable Law and Forum.	292A

20.8 Consistency with Federal Laws and Regulations	293
<b>21. GENERATION METER MULTIPLIERS.</b>	<b>294</b>
21.1 Temporary Simplification Relating to GMM Loss Factors.	294
21.2 Application.	294
21.3 Notices of Full-Scale Operations.	295
<b>22. SCHEDULE VALIDATION TOLERANCES.</b>	<b>295</b>
22.1 Temporary Simplification of Schedule Validation Tolerances.	295
22.2 Application.	296
22.3 Notices of Full-Scale Operations.	296
<b>23. METERED SUBSYSTEMS</b>	<b>297</b>
23.1 General Nature of Relationship Between ISO and MSS	297
23.2 Coordination of Operations.	297
23.3 Coordinating Maintenance Outages of MSS Facilities.	297
23.4 MSS Operator Responsibilities.	297A
23.5 Scheduling by or on Behalf of a MSS Operator.	297B
23.6 System Emergencies.	297C
23.7 Under Frequency Load Shedding (UFLS).	297D
23.8 Electrical Emergency Plan (EEP)	297E
23.9 System Emergency Reports: MSS Obligations	297E
23.10 Coordination of Expansion or Modifications to MSS Facilities.	297E
23.11 Ancillary Service Obligations for MSS.	297F
23.12 Load Following	297F
23.13 Information Sharing.	297I
23.14 Installation of and Rights of Access to MSS Facilities.	297K
23.15 MSS System Unit	297L
23.16 MSS Settlements	297N
<b>24. [NOT USED]</b>	<b>297P</b>
<b>25. [NOT USED]</b>	<b>297P</b>
<b>26. TEMPORARY CHANGES TO ANCILLARY SERVICES PENALTIES</b>	<b>297P</b>
26.1 Application and Termination	297P
<b>27. TEMPORARY RULE LIMITING ADJUSTMENT BIDS APPLICABLE TO DISPATCHABLE LOADS AND EXPORTS</b>	<b>297Q</b>
27.1 Application and Termination	297Q
<b>28. RULES LIMITING CERTAIN ENERGY AND ANCILLARY SERVICE BIDS</b>	<b>298</b>

<b>29. [NOT USED]</b>	<b>298A</b>
<b>30. YEAR 2000 COMPLIANCE</b>	<b>298A</b>
30.1 Y2K Compliance	298A
30.2 Responsibility for Y2K Compliance	299
30.3 Disconnection of Non-Y2K Compliant Systems and Processes	299
<b>APPENDIX A - MASTER DEFINITIONS SUPPLEMENT</b>	<b>300</b>
<b>APPENDIX B - SCHEDULING COORDINATOR AGREEMENT</b>	<b>358</b>
<b>APPENDIX C - ISO SCHEDULING PROCESS</b>	<b>363</b>
<b>APPENDIX D - BLACK START UNITS</b>	<b>367</b>
<b>APPENDIX E - VERIFICATION OF SUBMITTED DATA FOR     ANCILLARY SERVICES</b>	<b>369</b>
<b>APPENDIX F - RATE SCHEDULES</b>	<b>372</b>
<b>APPENDIX G - MUST-RUN AGREEMENTS</b>	<b>388</b>
<b>APPENDIX H - METHODOLOGY FOR DEVELOPING THE WEIGHTED     AVERAGE RATE FOR WHEELING SERVICE</b>	<b>389</b>
<b>APPENDIX I - ISO CONGESTION MANAGEMENT ZONES</b>	<b>391</b>

<b>APPENDIX J - END-USE METER STANDARDS &amp; CAPABILITIES</b>	<b>393</b>
<b>APPENDIX K - QUALIFYING FACILITY PARTICIPATING GENERATOR AGREEMENT</b>	<b>396</b>
<b>APPENDIX L - ISO PROTOCOLS</b>	<b>397</b>