



Briefing on Outstanding MRTU Activities

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ISO Board of Governors Meeting
General Session
October 28–29, 2008

A number of MRTU activities have been completed and other activities remain.

- Completed activities
 - LECG certification
- Remaining activities
 - SAIC certification
 - Tariff changes
 - Testing
 - PriceWaterhouseCoopers audit opinion of SaMC
 - Congestion Revenue Rights
 - 60-day FERC certification
 - Continued testing and cutover/reversion in January 2009

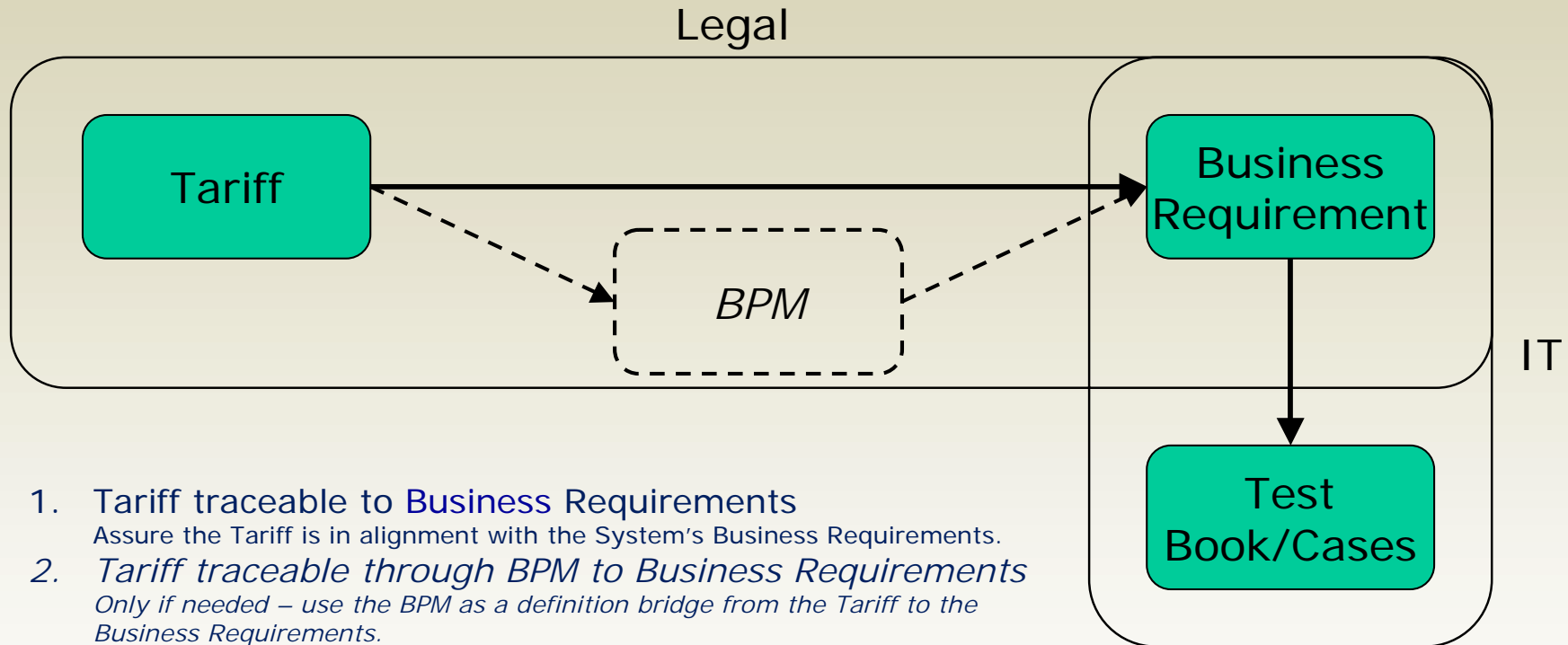


SAIC high-level goals for MRTU software certification were:

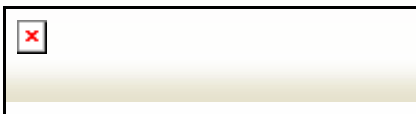
- Certify that new software systems accurately implement the ISO Tariff
- Certify that those systems do not introduce any new concepts that are inconsistent with the ISO Tariff
- Certify a traceable path from the ISO Tariff through software system requirements to software system testing, and confirm system tested with "Pass" results.



SAIC certification assures that the following relationships exist.



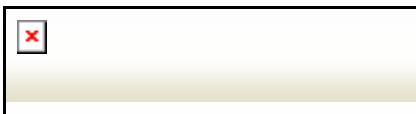
1. **Tariff traceable to Business Requirements**
Assure the Tariff is in alignment with the System's Business Requirements.
2. *Tariff traceable through BPM to Business Requirements*
Only if needed – use the BPM as a definition bridge from the Tariff to the Business Requirements.
3. **Business Requirements traceable to Test Book/Test Cases**
Assure there is a "Passed" Test Book/Test Case for each Business Requirement.
Assures the Software performs to the Business Requirement.
4. **All documentation is current**



Summary of SAIC findings and current status of resolution is as follows:

- Outstanding tariff clarifications
 - CAISO has agreed to accept the majority of the SAIC proposed tariff changes
 - Those changes not accepted have been discussed with participants
 - Some changes made through parameter tuning process
 - FERC filing planned for early November
- Outstanding Test Issues
 - CRR, MQS and SIBR test cases and requirement mapping completed
 - Of 85 IFM/RTN test cases, 7 remain open
 - Of 96 IFM/RTN requirement mapping, 10 remain open

***No major issues were uncovered by SAIC
in regards to Tariff or software functionality***



Remaining certifications

- LECG:
 - Final report from LECG received and discussed
 - No issues raised
- PricewaterhouseCoopers – Settlement Audit
 - On Track for January 31st audit opinion
 - No issues currently
 - Update at December Board Meeting



Congestion Revenue Rights process is underway.

- 2009 Annual process underway
 - Tier 1 and Tier 2 allocation results posted, most participants got their requested allocation
 - Long-term process closed October 21st, posting results tonight
 - Tier 3 opens October 31st with results scheduled to post on November 11th
 - Annual auction opens November 18th with results scheduled to post on December 2nd
- Monthly CRR process starts in December for February 2009 CRRs

