

Attachment C – Agreed Issues

ISSUE #	ISSUE, INTERVENOR & CITE	RESOLUTION
6.	Scheduling and Billing Protocol: The SABP does not recognize sales of Ancillary Services from system resources and incorrectly states the formula for inadvertent interchange. BPA I at 16-17.	The SABP Appendices will be changed to reflect the use of a System Resource consistent with earlier Amendments. The Scheduling and Billing Protocol (SABP) does not reflect the purchase of Ancillary Services from System Resources. SABP App. C (10/31/97), §§ C2.1.1 (b), (c) & (d), C2.1.2 (b), (c) & (d), P. C-2 - C-6; SABP App. D (10/31/97), §§ D2.1, P. D-1 - D-2. This contradicts section 2.5.6 of the ISO Tariff and needs to be corrected to permit the purchase of Ancillary Services from System Resources.
7.	Proposed new Section 2.5.7.4 is unnecessary and unduly discriminatory against Ancillary Services providers that are located outside the ISO control area that would otherwise be qualified to and wish to participate in the Ancillary Services market in California or who could economically self provide those services using resources located outside of the ISO control area. BPA I at 25-27.	The current version of the ISO Tariff Section 2.5.7.4.4 will be modified to read as follows: 2.5.7.4.4 Scheduling Coordinators may utilize transmission under Existing Contracts self-provide Regulation (consistent with the applicable ISO Protocols) Spinning Reserve, Non-Spinning Reserve or Replacement Reserve from resources located outside the ISO Control Area, where technically feasible, consistent with WSCC standards.
11.	Scheduling Protocol section 1.3.1(d): The Interconnected Control Area Agreement will set forth the entire agreement regarding the coordination of schedules at the interconnection between the ISO and adjacent control areas. Delete inclusion of interfacing control area operators in section 1.3.1(d). BPA I Table 3 at 1.	Resolved in accordance with Issue Nos. 14 and 17.
14.	Outage Coordination Protocol section 1.3.1(d): The Interconnected Control Area Agreement will set forth the entire agreement regarding the coordination of outages affecting the interconnection between the ISO and adjacent control areas. Inclusion of Connected Entities that are adjacent control areas in section 1.3.1(d) should be deleted. BPA I Table 3 at 2.	The parties have agreed to revise OCP 1.3.1 as follows: OCP applies to the ISO and to the following: ... <u>(d) Connected Entities, to the extent the agreement between the Connected Entity and the ISO so provides; and</u>
17.	Dispatch Protocol section 1.3.1(e): The Interconnected Control Area Agreement will set forth the entire agreement between the ISO and adjacent control areas regarding the coordination of information on and mitigation of adverse conditions affecting the reliable operation of the interconnection. Inclusion of Control Area Operators that are adjacent control areas in section 1.3.1(e) should be deleted. BPA I Table 3 at 2-3.	The parties have agreed to revise DP 1.3.1 as follows: This Protocol applies to the ISO and to the Participants: ... <u>(e) Control Area Operators, to the extent the agreement between the Control Area Operator and the ISO so provides; and</u>
21.	Outage Coordination Protocol section 5.5 requires clarification. It is not clear whether there are different procedures applicable to Participating TOs versus Operators. Southern Cities I at 10.	The ISO has agreed to replace “Participating TO” in the first sentence of OCP § 5.5 and “Operator” in the second sentence with “the Participating TO’s Operator” in both places.
22.	The ASRP appears inconsistent in describing the different types of resources that may provide a given ancillary service. For example, the provision of regulation and spinning reserves seems limited to Generating Units while other protocols allow for these services to be provided by System Resources. Southern Cities I at 11. Modify the ASRP Appendices to include System Resources as a means of providing Ancillary Services. BPA Comp Filing at 15-16	The following sections of the ASRP Appendices will be modified to include System Resources as a means of providing Ancillary Services. The Appendices currently limit the provision of Ancillary Services: ASRP APPENDICES – Appendix A A1.1, A1.2, A1.3, A1.4, A1.5, A1.6; Appendix BB1, B1.2, B1.3, B1.4, B1.5, B2, B3, B4, B5, B6, B7, B8, B9, B10, B11, B12.3, B12.4, B13, B14 and B15; Appendix C C1, C1.1, C3.1, C3.2, C4, C14.3, C14.4, and C15; and Appendix D D1, D1.1, D3.1, D4, D14.3, D14.4, D15. The ISO has agreed to make this change, subject to its review of the particular sections of ASRP Appendices referenced by BPA.

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24.	Previous drafts of sections 4.1.4 and 4.1.5 of the ASRP should be incorporated to specify the times by which the ISO would publish its estimated requirements for Regulation and provide guidance for participants. Southern Cities I at 11.	The ISO has agreed to modify the provisions to specify the times by which the ISO would normally publish its estimate.
26.	Because entities providing Regulation service under section 4.2.2 of the ASRP cannot be held accountable for ISO EMS control and related SCADA equipment not under their control, the language in section 4.2.2 needs to be modified. Southern Cities I at 11-12. ASRP 4.2.2 needs to be clarified to specify the location and time period of the Participating Generator's responsibilities. Metropolitan I , Appendix A at 18.	ASRP 4.2.2 will be revised to read "Each Participating Generator must ensure that the ISO EMS control and related SCADA equipment <u>for its generating facility are</u> is operational throughout the time period during which Regulation is required to be provided."
34.	Appendix F section 4 of ASRP should require the ISO to respond to a request for reconsideration within 60 days of that request. Southern Cities I at 13.	The ISO has agreed to make the recommended change.
35.	SABP section 1.2.4's reference to "prevailing Pacific Standard Time" is confusing. It is not clear whether or not Daylight Time will be recognized. Southern Cities I at 13.	The ISO has agreed to make the recommended change
40.	The ISO's ability to impose requirement for additional metering facilities should be limited in section 5.1.1 of the MP. Southern Cities I at 14.	Resolved in accordance with Issue No. 53.
41.	An applicant is entitled to a specific reason for ISO rejection of an application, not just generalized boilerplate reference. Section 3.1(b) of the Scheduling Coordinator Application Protocol should be modified. Southern Cities I at 15.	The parties have agreed that the following language be added to §3.1(b) of the SCAP: "Upon request, the ISO will provide guidance as to how the SC Applicant can cure the grounds for the rejection."
43.	Section 7.2 of the SCAP providing for suspension of a SC's scheduling rights must address how the SC's customers will simultaneously obtain a replacement SC. Southern Cities I at 15. Section 7.2 of the SCAP should specify the results of termination or suspension of SC scheduling rights or rejection of SC schedules. TANC I Appendix A at 10. 1/28/98 TANC update - Section 7.2 of the SCAP should specify the treatment of schedules submitted to the ISO by a suspended or terminated SC.	The ISO has committed to develop a process under which a list of default SC's is compiled (based on applications by qualified SC's). Under such an approach, when an SC is terminated for default, Eligible Customers it represents could be assigned to SC's on the list on a rotating basis.
45.	The requirement that an applicant must report to the ISO within 3 business days any changes regarding the information set forth in the Application Form is unreasonable. Appendix A (section 6.2) of the SCAP should be changed to 7 days. Southern Cities I at 16.	The ISO has agreed to change 3 days to 7 days except for the security requirement data in Section III and with the proviso that the SC, not the ISO, will be responsible if the failure to submit revised technical data more promptly extends the period during which schedules are rejected.
46.	Sections 3.3.3 and 3.3.4 of the SBP are not clear as to what types of instructions can be exercised independent of the ISO and what types cannot. The ISO should be directed to provide examples. Southern Cities I at 16.	The ISO has agreed to delete section 3.3.3.
47.	SP section 3 should provide 7 days notice of any variation in timing requirements. Southern Cities I at 17.	Resolved in accordance with Issue No. 412. The ISO will make the corresponding changes.
53.	The ISO should not be permitted to impose additional metering requirements except to the extent such additional facilities are necessary to permit the ISO to fulfill obligations with respect to the ISO Controlled Grid. Section 10.2.2 of the Tariff should be modified. Southern Cities I at 20.	The ISO has agreed to add the following sentence after the first sentence of Section 10.2.2: In directing the addition of meters and metering system components that would impose increased costs on an ISO Metered Entity, the ISO shall give due consideration to whether the expected benefits of such equipment are sufficient to justify such increased costs.

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57.	Section 16.2, in conjunction with Sections 16.1 and 20.1.3, allows the ISO Board to establish an amendment process and amend the protocols by unilateral action of the ISO Board on 30 days notice, thus depriving the Commission of any review of the amended protocols. Cities/M-S-R 12/4/97 at 12-13.	Resolved in accordance with Issue No. 316.
58.	The ISO should utilize the least expensive Generating Units for all Ancillary Services, including Voltage Support. The ISO should be required to utilize the least-cost Generating Units and clearly incorporate that concept in its “merit order stack” criterion (in Section 2.5.18 of the Tariff). Cities/M-S-R 12/4/97 at 15.	The ISO has agreed to modify the second sentence of the third paragraph of Section 2.5.18 to read as follows: Subject to any location requirements, the ISO shall select the least costly Generating Units from a computerized merit order stack to back down to produce additional Voltage Support in each location where Voltage Support is needed.
67.	With respect to the discussion of protocol and activity rule changes (MMIP section 7.1), Tariff changes (MMIP section 7.2) and sanctions and penalties (MMIP section 7.3), Enron objects to these provisions allowing the ISO Governing Board to make changes to the protocols without Commission approval. Enron I at 3.	Resolved in accordance with the concept expressed in Issue No. 316.
78.	<p>SMUD disagrees with amended Section 2.4.4.5 which states that the “ISO will require” an automated solution using its “Congestion Management software” to deal with transmission rights under Existing Contracts. In many instances, those rights are implemented manually by existing control area operators. SMUD has seen no technical justification from the ISO that past practices in this regard cannot be implemented by the ISO. Further, the ISO’s proposal is inconsistent with the Commission’s recognition of the need to accommodate Existing Contracts. SMUD I at 14.</p> <p>The Scheduling Protocol is inconsistent with FERC’s directive and the ISO Tariff in its proposed treatment of conditional firm transmission rights under Existing Contracts (specifically Path 15). Comments and Protest of the California Municipal Utilities Association, Docket Nos. EC96-19-008 and ER96-1663-009, filed November 21, 1997 (“CMUA”) at 9-10.</p> <p>SP 7.2 proposes to put all ISO Tariff users, whether formerly PG&E native load, or any other new user, ahead of conditional firm users under Existing Contracts. SP 7.2 relegates conditional firm users under Existing Contract to a lower priority than new users under the ISO Tariff, representing a diminishment in the value of Existing Contracts. CMUA at 10-11.</p> <p>Scheduling Protocol is inconsistent with the ISO’s Tariff in which the ISO states that it will have no role in interpreting Existing Contracts. The ISO does so when it establishes range values of Adjustment Bids to reflect its interpretation of the relative priorities of Existing Contracts vis a vis the rights of users of the ISO Tariff. CMUA at 11-12.</p>	SMUD proposed the following language to be inserted after the first sentence in SP 7.2.2: “Use of such rules to automate scheduling of Existing Contracts does not implicate the just and reasonable allocation of ISO costs to rightholders under Existing Contracts.” The ISO the other participants have agreed that the no prejudice language will be placed in the Offer of Settlement not the ISO Tariff.
89.	<p>Grid Operations Charge, SABP Appendix B 2.2, substitutes and employs the undefined term “consumption” in calculating the charge. SMUD I at 27.</p> <p>The Ocharge, in the SABP substitutes the term metered “consumption” for metered “Demand.” Consumption is undefined and creates ambiguity. SMUD I at 27.</p>	The ISO agrees to change “consumption” to “demand” in SABP Appendix B 2.6 and SABP Appendix B 3.14.

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95.	ASRP 5.3.1, ASRP 5.4.2 and ASRP 6.2.2 are confusing, and unnecessary, in that they present no additional qualifications applicable to a Scheduling Coordinator who is seeking to determine whether it would qualify to provide particular service. These provisions should be clarified and should state the minimum requirement applicable to Scheduling Coordinators seeking to provide services, <i>i.e.</i> , the ability to provide service for 2 hours. ECI I at 10.	The ISO has agreed to clarify each of these provisions by deleting the material after “two hours” (<i>i.e.</i> , the clause beginning “or if earlier . . .”) In this way, each section is conformed to the corresponding definition in Appendix A of the Ancillary Service in question and also conformed to WSCC criteria
96.	ASRP 7.3 is unclear. For instance, it is unclear how a generator would know what “sufficient reactive supply” is if it does not know the substation voltage. In order to provide an adequate level of information to enable generators to make this determination, the ISO must be directed to designate a party responsible for monitoring voltage and a party responsible for providing the signal to change reactive output, as well as set forth the limitations on what steps the receiver of the signal must take in order to provide this service. ECI I at 12.	<p>The ISO has agreed to delete the current language of ASRP 7.3 and revise the provision to read as follows:</p> <p>The ISO shall determine on an hourly basis for each day the quantity of Voltage Support required at various locations on the ISO Controlled Grid to maintain voltage levels and reactive margins within WSCC and NERC criteria using a power flow study based on the quantity and location of scheduled Demand. The ISO shall issue daily voltage schedules based on that determination to any Generators and Loads that are requested to change their voltage levels. Each Generating Unit owned by a Participating Generator shall maintain the ISO specified voltage schedule at the transmission interconnection points to the extent possible while operating within the power factor range required by Section 2.5.3.4 (within a band of 0.90 lag and 0.95 lead unless otherwise specified in an agreement specified in that Section). Other Generating Units shall operate within the power factor range required by Section 2.5.3.4. Each Load directly connected to the ISO Controlled Grid shall maintain voltage levels and power factors as required under Section 2.5.3.4 (within a power factor band of 0.97 lag to 0.99 lead). Each UDC shall maintain reactive power flow at the Scheduling Points with which it is interconnected with the ISO Controlled Grid within the range of 0.97 lag to 0.99 lead, unless otherwise specified in its UDC Agreement.</p>
99.	Section 2.5.20.1 of the Tariff, dealing with allocation of the costs of Ancillary Services, should be revised to use real time demand, rather than schedule demand. Edison at 11-12.	The ISO has agreed to make the recommended change.
106.	The provisions of section 3.2.9(e) of the SP should be expanded to be consistent with section 3.3.2(g) regarding the lack of need for change if the other Control Area operator’s records are in error. Furthermore, the procedure by which the ISO will determine an “affected SC” regarding the mismatch of intertie schedules should be described. TANC I Appendix A at 1.	The ISO has agreed to revise Section 3.2.9 (e) to add the following sentence following the penultimate sentence: “If the other Control Area Operator’s records are in error, no changes will be required by the ISO or affected SCs.”
112.	The failure to submit an “Adjustment Bid” in the ISO format cannot deny an Existing Contract rights holder its contractual right to firm transmission service. Section 7.2.2(a) of the SP should be modified. TANC I Appendix A at 2.	The ISO has agreed to change “except” in SP Section 7.2.2 to “in accordance with”.
128.	Section 2.5 of the DP should not include an implication that the SBP and SP may alter the ISO Tariff provisions. TANC I Appendix A at 6.	The ISO has agreed to strike everything after “time” in Section 2.5 of the DP.
131.	Section 10.4.2 of the DP should not attempt to regulate the discretion of Local Regulatory Authorities with regard to load curtailment programs. TANC I Appendix A at 7.	The ISO has agreed to delete the third sentence of DP 10.4.2.
134.	<p>Sections 4.5.3 and 5.5.1 of the ASRP should make clear that Ancillary Services may be provided by providers that are indirectly connected to the ISO Controlled Grid. TANC I Appendix A at 8.</p> <p>Sections 5.8.2 and 6.5.2 of the ASRP should make clear that Ancillary Services may be provided by providers that are indirectly connected to the ISO Controlled Grid. TANC I, Appendix A at 8.</p>	The ISO has agreed to remove “connected to and” from 4.5.3, 5.8.2, and 6.5.2 but not 5.5.1

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135.	Sections 7.5.2 and 8.5.1 of the ASRP should include a description of the length of the initial procurement period for Voltage Support and Black Start capability and a reference to the subsequent procurement process as set forth in the ISO Tariff. TANC I Appendix A at 8.	The ISO will specify its implementation schedule in the Offer of Settlement.
159.	Section 2.1 of the SABP should not attempt to establish matters of “prima facie proof” in advance for purposes of dispute resolution. TANC I Appendix A at 14.	The ISO has agreed that the following sentence will be added to Section 2.1: “Nothing in this section will be deemed to establish the burden of proof with respect to Settlement calculations in any proceeding.”
163.	Appendix A (section 3.2) of the SABP should refer to the ISO’s FERC rate filing in the specification of the volume of transactions on which an SC’s GMC will be calculated. TANC I Appendix A at 14.	The ISO has agreed to make the recommended change.
169.	Section 6 of the MMIP should provide for a comprehensive scope of review by the ISO Market Surveillance Committee, rather than the narrow scope of functions specified. Moreover, the MMIP should allow for the Committee to present information directly to FERC. TANC I Appendix A at 15.	Resolved in accordance with Issue No. 456.
174.	Amendment to Section 2.2.4.7 does not state who provides the SC services after termination of an SC. TANC I Appendix B at 2.	Resolved in accordance with Issue No. 43.
176.	Use of “metered consumption” rather than “metered Demand” (section 8.3) is improper. TANC I Appendix B at 2.	While the use of the term metered consumption reflects the term used in the Grid Management Charge settlement, the ISO will add to the end of Section 8.3 of the ISO Tariff “which shall be reflected in a rate schedule appended to the ISO Tariff.”
189.	Tariff Amendment No. 4: Protest to Amendment to the extent that it is designed to permanently preclude entities from providing competitive Black Start and Voltage Support Services to the ISO Grid. Protest of the California Department of Water Resources, Docket Nos. EC96-19-017 and ER96-1663-018, filed March 16, 1998 (“DWR II”) at 2-5. Protest and Comments on Amendment No. 4 to the ISO Operating Agreement and Tariff and Protocols of The Metropolitan Water District of Southern California, Docket Nos. EC96-19-017 and ER96-1663-018, filed March 16, 1998 (“Metropolitan II”) at 9.	The ISO’s Requests for Proposal for the Local Area Reliability Services project (LARS 2000) will include requests for the supply of voltage support. The Offer of Settlement will specify the ISO’s implementation schedule and that the ISO would make any necessary tariff changes prior to implementation.
217.	Tariff Amendment No. 6: Proposed changes to the pricing mechanism for Imbalance Energy require clarification, including the definition of Uninstructed Imbalance Energy. TANC III at 3.	The ISO has agreed to clarify the intended reference of “such price” by revising the definition to read as follows: The real time change in Generation or Demand other than that instructed by the ISO or which the ISO Tariff provides will be paid at <u>the price for Uninstructed Imbalance Energy.</u>

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220.	<p>Tariff Amendment No. 6: Staging Plan 3 submitted on April 6, 1998 does not provide the expected duration of temporary amendments. DWR III at 2.</p> <p>Tariff Amendment No. 4: Amendment 4 addresses a variety of separate issues, ranging from clarifications in the Imbalance Energy calculation, which appear permanent, to modification reflecting a “temporary manual workaround for assessing Wheeling Access Charges in certain cases until a recently discovered software variance can be corrected,” which appears temporary. Amendment 4 does not, however, clearly identify which changes are permanent, or the expected duration of temporary changes. EC96-19-017, et al.; Protest of DWR, filed 3/16/98.</p> <p>Tariff Amendment No. 5: These changes, which increase tolerances, may be necessary upon initial start-up. Nonetheless, they may permit some Market Participants to “lean” on others, such as creating higher Imbalance Energy costs, and necessarily provide less precision and efficiency than contemplated for the ISO. Thus their expected duration should be clearly delimited. EC96-19-018, et al., Protest of DWR filed 3/16/98.</p>	The ISO has agreed to specify which amendments are temporary and state the expected duration of temporary changes in the settlement.
243.	The Neutrality Adjustment must be relatively small, as represented. Turlock Irrigation District’s April 9, 1998, comments, filed in Docket Nos. EC96-19-021, ER96-1663-022 (“TID 04/09”), at page 4.	The ISO has committed to undertake a review of what can be done to reduce this charge.
252.	The ISO proposes additions to Section 7.1.3.1 that incorrectly limit the self-sufficiency credit associated with Existing Contracts for the delivery of power to only those contracts with Participating Transmission Owners. If this language was intended to clarify or further define the requirements for the Self-Sufficiency test, then it should be modified because it incorrectly limits the credits used to determine Self-Sufficiency. The language should be modified to state that: “To the extent that a Participating TO has Existing Contracts with a the Participating TO to which it is physically connected...” Such a modification would allow all valid power supply or delivery contracts to qualify for Self-Sufficiency purposes as intended by the Commission. SMUD II at 6-8.	Resolved in accordance with Issue No. 438.
253.	The ISO’s proposal regarding Section 7.2.6.2 to change RMR generation from a reliability tool to an Intra-Zonal Congestion management tool by using Adjustment Bids to accommodate RMR contracts during times of Intra-Zonal Congestion should be rejected because it does not fully comply with FERC orders, and is otherwise unjust and unreasonable. Furthermore, the ISO proposal will obscure costs and severely damage the ability to recognize whether the new zones should be created pursuant to the criteria set out in Section 7.2.7. SMUD II at 8-10.	The ISO has agreed to remove the second sentence from Section 7.2.6.2 of the Tariff.
276.	<p>Request clarification that the ISO does not have the authority to sanction BPA. BPA Comp. Filing at 9.</p> <p>The ISO does not have authority to sanction Bonneville for or otherwise attempt to control its marketing practices or perceived market power. BPA Req. for Reh’g or Clarif. 11/ 26/97 in EC96-19-001 et al.</p>	The parties have agreed that this issue can be deferred until such time as the ISO files for its penalties and sanctions
277.	Modify ISO Tariff sections 2.2.11.2.2, 2.2.11.2.4 and 2.2.11.2.5 to include System Resources. BPA Comp Filing at 6-7.	The ISO has agreed to modify the cited provisions to include System Resources.
279.	Modify ISO Tariff sections 2.2.13.1.2 through 2.2.13.3.1.4 to include System Resources. BPA Comp Filing at 7-8.	The reference is intended to be to 2.2.13.3.1.2 - 2.2.13.3.1.4, and the ISO has agreed to make the suggested modifications.

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280.	Modify ISO Tariff section 2.5.6.1 to remove the requirement that System Resources provide reactive power information. BPA Comp Filing at 9-10.	<p>The ISO has agreed to modify subsections (c) and (d) of Section 2.5.6.1 as follows:</p> <p>(c) maximum power (real and reactive), <u>except that System Resources shall be required to comply only with the requirement for maximum real power;</u></p> <p>(c) minimum power (real and reactive), <u>except that System Resources shall be required to comply only with the requirement for minimum real power;</u></p>
281.	Complete the sentence in ISO Tariff section 2.5.22.4.1. BPA Comp Filing at 10.	The ISO has agreed to make the recommended change.
282.	Modify ISO Tariff section 2.5.24 to reflect the use of Dynamic Schedules to verify the performance of Ancillary Services. BPA Comp Filing at 11-12.	The ISO has agreed to modify section 2.5.24 of the ISO Tariff to read: "Availability of both contracted and self provided Ancillary Services shall be verified by the ISO by unannounced testing of Generating Units, Loads and System Resources, by auditing of response to ISO Dispatch instructions, and by analysis of the appropriate Meter Data, <u>or interchange schedules.</u> Participating Generators, owners..."
283.	Modify ISO Tariff section 5.6.2 to remove the words System Resource from the section. BPA Comp Filing at 11-13.	<p>The ISO has agreed to the following changes to the ISO Tariff: Delete Section 2.3.1.2.2 and revise Section 2.3.1.2.1 to read as follows: Comply with Operating Orders Issued. With respect to this Section 2.3.1.2, all Market Participants within the ISO Control Area shall comply fully and promptly (<u>with no more delay than specified in the response times set out in the ISO Protocols</u>) with the ISO's operating orders, unless such operation would impair public health or safety. For this purpose, ISO operating orders to shed Load shall not be considered an impairment to public health or safety. Revise the last sentence of Section 2.3.1.3 to read as follows: <u>Within the ISO Control Area, All</u> all Market Participants and the ISO shall comply with the ISO reliability criteria, standards, and procedures. To clarify the applicability of Section 5.6.2, revise the definition of "Participating Seller or Participating Generator" to read as follows: A Generator or other seller of Energy or Ancillary Services through a Scheduling Coordinator over the ISO Controlled Grid, and which has undertaken to be bound by the terms of the ISO Tariff, <u>in the case of a Generator through a Participating Generator Agreement.</u></p> <p>In addition to these changes, the ISO has agreed to replace "facilities" in the first line of Section 5.1.1 with "Generating Units".</p>
288.	Definition section in each ISO Protocol should be revised to delete phrase "Unless the context requires" in conformance with the December 17 Order respecting various ISO pro forma agreements. TANC I, Appendix A at 1, 4, 6, 8, 9, 10, 12, 13, 14 and 15.	The ISO has agreed that the text "Unless the context otherwise requires," shall be deleted from the Protocols (ASRP 1.2.1, DFP 1.2.1, DP 1.2.1, MMIP 1.2.1, OCP 1.2.1, SBP 1.2.1, SP 1.2.1, SABP 1.2.1 and MP 1.2.1).
293.	SABP 1.2.4 should more appropriately reference "prevailing Pacific time" to avoid confusion during daylight saving time. TANC I, Appendix A at 14.	The ISO has agreed to make the recommended change.
299.	ISO Tariff § 2.2.4.6.1: To make clear that the jurisdictional status of an entity will not change by virtue of membership or participation in the ISO, the phrase "by an entity subject to the jurisdiction of the FERC" should be added to §2.2.4.6.1 in the first line, after "given." Southern Cities	The ISO has agreed to add "by the ISO" after the word filed.

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300.	ISO Tariff § 2.4.4.3.1.2: As the section is drafted, it is not clear what it is intended to prohibit. If it means that a recipient of ISO service cannot obtain transmission over facilities not turned over to the ISO, there is no apparent justification for such a restriction. The provision should be clarified to state that, "The recipient . . . shall obtain all future transmission services over facilities subject to the control of the ISO using the ISO's scheduling and operational procedures and protocols" Southern Cities.	The ISO has agreed to clarify that into starts at the ISO Controlled Grid.
302.	ISO Tariff §2.5.9 refers to the provision of information to Market Participants, but the body of the section appears to limit access to general system information to SCs. The potential recipients of information referenced in the body of the section should be changed to Market Participants, consistent with the title. Southern Cities.	The ISO has agreed to amend the title to Section 2.5.9 as follows: Provision of System Information to <u>Scheduling Coordinators</u> .
303.	ISO Tariff §5.2.3, second sentence, should make reference to Local Regulatory Authority where the designated unit is not subject to the jurisdiction of the FERC. Southern Cities.	The ISO has agreed to revise the second sentence as follows: A Generating Unit so designated shall then be obligated to provide the ISO with its proposed rates for Reliability Must-Run Generation for negotiation with the ISO and authorization . <u>Such rates shall be authorized by FERC or the Local Regulatory Authority, whichever authority is applicable.</u>
306.	The definition for "Non-ISO Participant" should be deleted from the Master Definitions in the ISO Tariff, because the term does not appear to be used in the ISO Tariff, the Transmission Control Agreement, the PX Tariff or the <i>pro forma</i> TO Tariff. In the absence of any identification as to where and how the term is used, the definition should be deleted. Southern Cities	The ISO has agreed to make the recommended change.
307.	Ancillary Services Requirements Protocol §10.7.2: In the last line, "10" should be changed to "11." Southern Cities	The ISO has agreed to make the recommended change.
308.	Ancillary Services Requirements Protocol §10.7.2: In the last line, "10" should be changed to "11." Southern Cities	The ISO has agreed to make the recommended change.
310.	Schedules and Bids Protocol §3.3.2: The caption for this section should read "Curtailed under Emergency and Non-Emergency Conditions," and each circumstance should be addressed in a subsection. Southern Cities.	The ISO has agreed to make the recommended change as follows: 3.3.2 Curtailed Under <u>Emergency and Non-Emergency Conditions</u> 3.3.2.1 <u>Emergency Conditions:</u> To the extent practicable, the ISO shall allocate necessary curtailments of Existing Rights or Non-Converted Rights under emergency conditions in accordance with the instructions submitted by the Responsible PTO pursuant to SBP 3.3.1. If circumstances prevent the ISO's compliance with such instructions, the ISO shall allocate such curtailments in a <u>non-discriminatory manner consistent with good utility practice.</u> 3.3.2.2 <u>Non-Emergency Conditions:</u> Unless otherwise specified by the Responsible PTO in the instructions that it submits to the ISO under SBP 3.3.1, the ISO will allocate any necessary curtailments under non-emergency conditions pro rata among holders of Existing Rights or Non-Converted Rights at particular Scheduling Points and/or on particular contract paths in the order of: (1) non-firm, (2) each priority of conditional firm, and (3) each priority of firm rights. Priorities for firm and conditional firm transmission service are indicated using Adjustment Bids, as described in the SP.

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316.	<p>Each ISO Protocol allows for the ISO Governing Board to review and approve proposed changes to the Protocols. These sections should be revised to provide for filing of all Protocol changes with the Commission for review and approval of any amendment prior to implementation.</p> <p>Metropolitan</p>	<p>The parties have agreed to the following concept:</p> <p>Add the following new sentence to Section 16.2: "<u>Under that process, the ISO shall file for acceptance at the FERC any amendment to an ISO Protocol that is on file with the FERC.</u>"</p> <p>And the ISO has agreed to add to Section 20.1.3, at the end: "<u>and, in the case of the ISO Protocols, Section 16.2 of this ISO Tariff.</u>"</p>
319.	<p>Section 2.5.3.4 of the ISO Tariff, which requires the ISO to procure all of its needed Voltage Support through its Reliability Must-Run Contracts, is unjust and unreasonable. The section is at cross purposes with the objectives of both AB1890 and previous Commission orders which have the principal objective of fostering competition, increasing the efficiency of the market and reducing Energy costs. Metropolitan.</p> <p>The ISO Tariff should permit continuation of technically sound provision of voltage support from Loads. EC96-19, et al. Comments of DWP filed 6/6/97 at 60.</p> <p>ISO Tariff §2.5.3.4 and Ancillary Services Requirements Protocol §7.5.1: Language that would allow the ISO to utilize all available sources of Voltage Support that was deleted by the ISO's June 1, 1998 filing should be reinstated. Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 6.</p>	<p>The ISO's Requests for Proposal or the Local Area Reliability Services project (LARS 2000) will include requests for the supply of voltage support. The Offer of Settlement will specify the ISO's implementation schedule and that the ISO would make any necessary tariff changes prior to implementation.</p>
323.	<p>The term "End Use Scheduling Coordinator Metering Entities" in Section 10.6.6.2 of the ISO Tariff is confusing. The ISO should clarify this term and its intentions regarding certification of meters.</p> <p>Metropolitan's 12/4 Comments, Appendix A at 2.</p>	<p>The ISO will clarify that it should be the End-Use Meter of an ISO metered entity or the End-Use Meter of a Schedule Coordinator metered entity.</p>
325.	<p>ASRP App. A5, App. B5, App. C7, D7 and App. E5 should have specific response times added.</p> <p>Metropolitan I, Appendix A at 20-21.</p>	<p>The ISO has agreed to make the recommended change by inserting, in each provision, the following after "in writing": "no later than two weeks after receipt of the notice".</p>
326.	<p>The Voltage Support requirements in ASRP 7.3 vary significantly from Section 2.5.4.3 if the ISO Tariff. Power factors for Participating Generators not operating under specified agreements are inconsistent with the power factors of Section 2.5.3.4. Also, ASRP 7.3 does not address Voltage Support requirements for Loads as does Section 2.5.4.3. Metropolitan I, Appendix A at 19-20.</p>	<p>The parties have agreed, pending review of the implementing language, that this Protocol section should be conformed to section 2.5.3.4 and to the obligations of signatories to UDC Agreements to maintain voltage and power factor. The ISO will develop appropriate language in the Offer of Settlement.</p>
330.	<p>DP 2.1.3 should be revised to require the ISO to accept Local Reliability Criteria when new participants join the ISO as required by the TCA. Metropolitan I, Appendix A at 10.</p>	<p>The ISO has agreed to modify DP 2.1.3 to provide that the ISO will accept Local Regulatory Criteria in effect at the time a new Participating TO places its transmission facilities under the control of the ISO.</p>
334.	<p>The term "jurisdiction" in DP 6.2 is inaccurate, not defined and confusing. Metropolitan I, Appendix A at 12.</p>	<p>The ISO has agreed to replace "jurisdiction" with "Operational Control" in the text of DP 6.2.2 and 6.2.3 and to revise the titles of affected provisions as follows:</p> <p>DP 6.2 becomes "ISO Controlled Facilities"; DP 6.2.1 becomes "General"; and In DP 6.2.2, DP 6.2.3, and DP 6.7.2, delete "Jurisdiction"</p>
342.	<p>OCP 4.4.3 contains an incorrect cross-reference. OCP 4.3.4 should be changed to OCP 4.4.2.</p> <p>Metropolitan I, Appendix A at 4.</p>	<p>The ISO has agreed to make the recommended change.</p>

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343.	OCP 5.9 and DP 6.8 reference each other with respect to rescheduling of a canceled Outage. The ISO must clearly establish the procedures for rescheduling an Outage. Metropolitan I, Appendix A at 4.	The ISO has agreed to change “pursuant to the Dispatch Protocol” in the last sentence of OCP 5.9 to “in accordance with this Protocol.”
346.	SP 3.1.5 is inconsistent with Section 2.2.8.3 of the ISO Tariff. Section 2.2.8.3 requires that the Revised Schedule be balanced and seek to reduce or eliminate Congestion, while SP 3.1.5 only requires the Revised Schedule to be balanced. Metropolitan I, Appendix A at 7.	The ISO has agreed to conform SP 3.1.5 to Tariff Section 2.2.8.3.
353.	ISO tariff provisions regarding short term voltage support require clarification to ensure that the ISO does not rely on those providing services beyond minimum criteria. EC96-19 et al, Comments of DWR 6/6/97 at 62.	This provision does contemplate the ISO’s calling on a generator to deviate from its VAR set point to provide additional reactive energy support. This obligation, and the corresponding right to compensation, are to be allocated among Participating Generators satisfying locational requirements on the basis of a merit order stack. The ISO agrees to clarify in the Offer of Settlement that this mechanism should be used only as a backstop, in case contracted sources of reactive support are insufficient at a given point in time.
356.	<p>Less costly alternatives to transmission expansion identified in ISO Tariff Section 3.2.1.2 should be priced at the greater of a cost-based rate or the revenues foregone (<i>i.e.</i>, the opportunity cost) in providing them. EC96-19, et al., Comments of DWR, p. 11, filed 07/08/1997; EC96-19, et al., Comments of DWR, p. 25, filed 09/02/1997.</p> <p>Lower Cost Alternatives To Transmission Expansion Should Also Be Compensated At The Higher Of Its Cost Of Service Or Opportunity Cost. EC96-19-029 & ER96-1663-030, Comments and Protest of DWR, p. 43 filed 08/05/1998.</p>	ISO agrees that the Offer of Settlement will specify that this issue is being addressed in the Local Area Reliability Service Request for Proposals.
361.	ISO must consult will all market participants subject to load curtailments under the Electrical Emergency Plan. EC96-19, et al., Comments of DWR, p. 40 filed 9/2/97.	The ISO has agreed that it will consult with market participants in accordance with 2.3.2.6 of the ISO Tariff in setting or relying upon new or revised load protective settings or Remedial Action Schemes not covered under Existing Contracts.
375.	WSCC and RTG Coordination. Proposed Section 3.2.6 would eliminate the obligation of the transmission Project Sponsor to pay the Participating Transmission Owner’s expenses incurred for WSCC and RTG coordination. This is inconsistent with the Commission’s finding that cost responsibility for a study should track cost responsibility for the project. The ISO should restore the original language, which properly required the Project Sponsor to pay the costs of any study pertaining to WSCC and RTG coordination. LADWP Comments in EC96-19-029 and ER96-1663-030.	The ISO has agreed to restore “at the Project Sponsor’s expense.”
378.	Settlement and Billing Protocol. Section 2.2.6 of the Settlement and Billing Protocol requires a Scheduling Coordinator and Participating Transmission Owner to have a settlement account where payments <u>to and from</u> the ISO Clearing Account are made. It should be acceptable if two settlement accounts are used - - one settlement account capable of <u>receiving</u> payments from the ISO Clearing Account, and a different account to <u>remit</u> payments to the ISO Clearing Account. The ISO Staff has indicated in informal discussions that it can accept this approach. Los Angeles requests that Section 2.2.6 be modified to accommodate these concerns. LADWP Comments in EC96-19-029 and ER96-1663-030.	The ISO has agreed to modify SABP 2.2.6 to permit (but not require) an SC to use separate accounts for receipts and payments.

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379.	<p>TCA - <u>Section 4.7.1(i) - Release from ISO's Operational Control</u>. Section 4.7.1 provides that the ISO may relinquish its Operational Control over transmission lines and associated facilities constituting part of the ISO Controlled Grid under certain circumstances. Section 4.7.1(i) provides that if the ISO determines that it no longer requires to exercise Operational Control over a transmission line in order to meet its Control Area responsibilities <u>and</u> the line is a directly assignable radial line interconnecting generation facilities, it can relinquish its Operational Control over such line. In essence, the ISO can remove from the ISO Controlled Grid lines that were previously accepted and used by the ISO. In the case of directly assignable radial line interconnecting generating facilities (<i>i.e.</i>, "gen tie" lines), no such provision is necessary. Under Section 4.1.1(i), gen tie lines simply never become part of the transmission network transferred to the ISO for its Operational Control. That being the case, there is no reason for Section 4.7.1(i) because the ISO cannot return facilities over which it never took control in the first place. Section 4.7.1(i) should be deleted because it is unnecessary and confusing. Failing the deletion of Section 4.7.1(i), Los Angeles would urge the Commission to require that Section 4.7.1(i) be modified to ensure that facilities that were accepted by the ISO during the application process under Section 4.1.1, and not refused in accordance with Section 4.1.3, cannot then be "released" under Section 4.7.1(i) once the applicant becomes a Participating TO. LADWP Comments in ER98-1971-001.</p>	<p>The ISO will modify this provision to specify prospectively that facilities accepted by the ISO under the application process of Section 4.1.1 and not refused under Section 4.1.3 will not be released under Section 4.7.1(i) unless the ISO determines the nature of the function served by the facility has changed.</p>
399.	<p>ISO to modify its bylaws to provide for the existence, role and independence of a separate market monitoring unit within the organization. TURN/UCAN 8/5/98 protest at 10-12.</p>	<p>ISO will commit in the Offer of Settlement to address this issue in the next round of by-law changes filed at the Commission.</p>
405.	<p>Section 2.2.3.1 - Add section to refer to NERC tagging. PG&E 8/5 at 10.</p>	<p>The ISO has agreed to add a general reference to NERC tagging. SBP 2.1.3 already requires a NERC ID. The parties have agreed that SBP 2.1.3 be clarified with respect to the format/content of NERC tags and SP 3 be modified to reflect the timing of NERC tags.</p>
411.	<p>Section 2.3.2.9 - should include a review of ISO actions in outage. PG&E 8/5 at 12.</p>	<p>The ISO has agreed to modify Section 2.3.2.9 to reflect this suggestion.</p>
412.	<p>Section 2.5.2.2 - Time for A/S changes: should provide 7 days notice on ISO home page. PG&E 8/5 at 13.</p>	<p>The ISO has agreed:</p> <p>(1) to add the following to the end of Section 2.5.2.2:</p> <p>Where practicable, the ISO will provide notice, via the ISO Home Page, of any temporary adjustments to Ancillary Service standards by 6:00 p.m. two days ahead of the Trading Day to which the adjustment will apply.</p> <p>(2) And, to add a new subsection (h) to SP 3.2.1, as follows:</p> <p>(h) a description of any temporary adjustments to Ancillary Service standards that the ISO has determined by that time to make, in accordance with Section 2.5.22.</p>
420.	<p>Section 4.8.4.2 - Add UDC staff presence during ISO visits. PG&E 8/5 at 19.</p>	<p>The ISO has agreed to add the following to the end of the first sentence of Section 4.8.4.2:</p> <p>"and opportunity for UDC staff to be present."</p>

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438.	The ISO has failed to modify the Self-Sufficiency test to clarify that Existing Rightsholders can satisfy the self-sufficiency test while Existing Contracts are still effective. TANC 8/5 Comments at 20.	The ISO agrees to replace the second sentence of Section 7.1.3.1 with: “To the extent a Participating Transmission Owner has Existing Contracts for the delivery of its Energy requirements, that Participating Transmission Owner has satisfied the Self-Sufficiency test until such time as those contracts have been terminated.”
440.	The use of defined terms in Section 2.5.3.4 of the ISO Tariff is improper, as the ISO does not have control of all Generating Units, but only those of Participating Generators. TANC 8/5 Comments at 26.	The ISO has agreed to modify the new third sentence in 2.5.3.4 to read: “All other Generating Units shall comply with the power factor requirements set forth in contractual arrangements in effect on the ISO Operations Date, or, if no such contractual arrangements exist and the generating unit exists within the system of a Participating TO, the power factor requirements applicable under the Participating TO’s TO Tariff or other tariff on file with the FERC.”
442.	Section 2.2.4.5(a)(i) of the ISO Tariff should include a time period for the notice of termination as do subsections (ii) and (iii). TANC 8/5 Comments at 29. Section 2.2.4.6 of the ISO Tariff, which provides for notice to an Eligible Customer of termination of its Scheduling Coordinator’s agreement simply by a posting on the ISO Home Page, is insufficient notice. The ISO should be required to provide such notice to each Eligible Customer by e-mail. Metropolitan’s 8/5 Comments, Appendix 1 at 1. See also issue 36.	The ISO has agreed to specify that 7 days notice will be provided.
452.	The language in DP 3.6.1 is overly broad in that it would apply even to transmission assets of the Participating TO that are not turned over to the Operational Control of the ISO. TANC 8/5 Comments at 53.	The ISO has agreed to insert after “transmission assets” in the first sentence the following: “turned over to the control of the ISO or in equipment that affects transmission assets turned over to the control of the ISO”.
454.	The term “ISO Market(s), ” used throughout the MMIP is not a defined term. TANC 8/5 Comments at 54.	The ISO has agreed to define “ISO Market” as follows: Any of the markets administered by the ISO under the ISO Tariff, including, without limitation, Imbalance Energy, Ancillary Services, and FTRs.
455.	MMIP 3.3.3.1 contains an incorrect reference to MMIP 3.3.3(b) which does not exist. TANC 8/5 Comments at 54.	The ISO has agreed to change the reference to “3.3.3.2.”
456.	MMIP 4.7 contains confusing and unnecessary subsection numbering. It should also provide for a comprehensive scope of review by the ISO Market Surveillance Committee. TANC 8/5 Comments at 54. MMIP 6 fails to establish or confirm the specific authority of the Market Surveillance Committee to file information and reports directly with the Commission. TANC 8/5 Comments at 55.	The ISO has agreed that MMIP 6.2 will be revised, as follows: The ISO MSC may, upon request of the Market Surveillance Unit, the ISO CEO or the ISO Governing Board, or on its own volition, evaluate such information or data, <u>including</u> as may be collected by the Market Surveillance Unit on the basis of the evaluation criteria developed by the Market Surveillance Unit or on such further articulated evaluation criteria developed by the ISO MSC, and that MMIP 6.3.1 will be revised by adding the following sentence: <u>The ISO MSC may submit any report to FERC, subject to due restrictions on dissemination of confidential or commercially sensitive information.</u> The ISO has also agreed to modify the numbering of MMIP 4.7.

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462.	ISO Tariff §2.2.7.2: Language added to the end of this section in the June 1, 1998 Compliance Filing provides that, “Scheduling Coordinators shall be able to validate their Schedules prior to the deadline for submission to the ISO.” To avoid misunderstanding, the language should be clarified to state, “Scheduling Coordinators shall have an opportunity to validate their Schedules prior to the deadline for submission to the ISO by requesting such validation prior to the applicable deadline.” Comments on Behalf of the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California, Docket No. ER98-3760-000, August 17, 1998, at page 8.	The ISO has agreed to make the recommended change.
464.	ISO Tariff §8.3: In the fourth line, “Change” should be “Charge.” Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8.	The ISO has agreed to make the recommended change.
465.	ISO Tariff §§10.3 and 10.6.7: These sections have the same titles; to avoid confusion, they should be distinguished. The Southern Cities suggest that §10.3 be captioned “Meter Service Agreements for ISO Metered Entities.” Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8.	The ISO has agreed to make the recommended change.
466.	ISO Tariff §11.2.4.1: The intent of the last sentence is unclear and should be clarified. Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 8.	The ISO has agreed to delete the sentence.
468.	Master Definitions, definition of “Balanced Schedule”: The word “forecast” should be inserted before “Demand.” Because the term applies to advance schedules, the reference to Demand should be clarified to indicate that it is forecast Demand. This change is required to be consistent with §2.2.7.2 of the ISO Tariff. Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 9.	The ISO has agreed to make the recommended change.
470.	Master Definitions, definitions of “Severance Fee” and “Transition Charge”: In both of these definitions, the date for AB 1890 is incorrect. In addition, the use of the term “enacted” is ambiguous. Anaheim, Azusa, Banning, Colton, and Riverside Docket No. ER98-3760-000, August 17, 1998, at page 9.	The ISO has agreed to make the recommended change.
481.	ISO Tariff §6.1.2.2.2: Unexplained changes proposed in the ISO’s June 1, 1998 Compliance Filing should be explained and justified. Comments of Southern Cities on the June 1, 1998 Compliance Filing, Dockets Nos. EC96-19-029 and ER96-1663-030, August 5, 1998, at page 9.	The ISO is not managing Intra-Zonal Congestion in forward markets at the present (and does not expect to be doing so for at least one year). The ISO will agree in the Offer of Settlement to post the forecasts when they become available.
505.	The ISO’s Overgeneration management procedure conflicts with the Commission’s directives to honor Existing Contracts by requiring all Scheduling Coordinators to adopt “pro rata” reductions in their schedules, notwithstanding Existing Contract rights. Metropolitan’s 8/5 Comments at 18-20.	The ISO has agreed to delete section 2.3.4.4 of the ISO Tariff. See also the resolution of Issue 641.
508.	All “Temporary” Tariff changes located in Sections 23 through 28 of the ISO Tariff should be relocated to the modified sections. Metropolitan’s 8/5 Comments at 29.	The ISO has agreed that the provisions of Sections 23, 24, and 29 will be relocated to the sections of the Tariff and Protocols they modify. The ISO has also agreed to add cross references to the other temporary sections.
511.	The tolerance band specifications necessary to validate submitted schedules are not referenced in Section 2.2.7.2 of the ISO Tariff. It is also unclear how a schedule can be “deemed to be balance” just because it is an import, export, or an Inter-SC trade. Metropolitan’s 8/5 Comments, Appendix I at 2.	The ISO has agreed to delete the penultimate sentence.
512.	The phrase “Regulation and Reserve” in the first sentence of Section 2.5.20.2 of the ISO Tariff should be replaced with the defined terms “Regulation,” “Operating Reserve,” and “Replacement Reserve” to make the wording more consistent with Section 2.5.20.4. Metropolitan’s 8/5 Comments, Appendix I at 5.	The ISO has agreed to make the recommended change.

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513.	The term “Transmission Loss Imbalance Charge” in Section 2.2.7.3 of the ISO Tariff is not a defined term and should be deleted from the seventh sentence of that section. Metropolitan’s 8/5 Comments, Appendix I at 3.	The ISO has agreed to delete “Transmission Loss Imbalance Charge”.
515.	The third sentence of Section 2.2.12.6 of the ISO Tariff is a repeat of the second sentence. Metropolitan’s 8/5 Comments, Appendix I at 3.	The ISO has agreed to make the recommended change.
516.	The term “ISO Operations Protocols” in Section 2.3.1.2.2 of the ISO Tariff is not a defined term. Metropolitan’s 8/5 Comments, Appendix I at 3.	The ISO has agreed to make the recommended change.
517.	Section 2.3.2.3.4 of the ISO Tariff appears to have an incorrect reference - 2.3.2.3.2(c) should be 2.3.2.3.2(d). Metropolitan’s 8/5 Comments, Appendix I at 3.	The ISO has agreed to make the recommended change.
519.	Section 2.3.3.6.1 of the ISO Tariff does not establish a time frame within which the Operator must provide written justification for refusing a request for a Maintenance Outage. Metropolitan’s 8/5 Comments, Appendix I at 4.	The ISO has agreed that oral notice for the refusal of the request by an Operator be provided by no later than the end of the next business day and that a written justification be provided within 5 business days.
521.	The term “market” should be capitalized in the last sentence of Section 2.5.11 of the ISO Tariff. Metropolitan’s 8/5 Comments, Appendix I at 4.	The ISO has agreed to make the recommended change.
524.	Section 5.10.5 of the ISO Tariff places responsibility for repayment to the ISO of any reserve payment on the owner of Reliability Must-Run Units. However, such an owner may not be the appropriate party for this repayment. Metropolitan’s 8/5 Comments, Appendix I at 6.	The ISO has agreed to revise Section 5.10.5 to read: If a Black Start Generating Unit fails to achieve a Black Start when called upon by the ISO, or fails to pass a performance test administered by the ISO, the <u>Market Participant that has contracted to supply Black Start service from the Generating Unit shall re-pay the ISO . . .</u>
525.	The definition for UFE in ISO Appendix A references a section listed as “Not Used.” Metropolitan’s 8/5 Comments, Appendix I at 6.	The ISO will change the reference to Section 7.4.2.
527.	The second paragraph of MMIP 2.3.4.4 refers to MMIP 2.2.4 which does not exist. It appears that the section should refer to MMIP 2.3.4. Metropolitan’s 8/5 Comments, Appendix I at 13.	The ISO has agreed to modify the provision as recommended.
528.	The references to Section 2.6 in SCAP 2.7.1 appear to be incorrect, the reference should be Section 2.7. Metropolitan’s 8/5 Comments, Appendix I at 15.	The ISO has agreed to modify the provision as recommended.
529.	The references to SCAP 2.6.1 in SCAP 2.7.2 appear to be incorrect, the reference should be Section 2.7.1. Metropolitan’s 8/5 Comments, Appendix I at 15.	The ISO has agreed to modify the provision as recommended.
532.	The revision to Section 2.5.20.7(e), which infers that Ancillary Services can only be delivered from another Control Area under an Existing Contract, is no longer necessary in light of the Commission’s acceptance of ISO Tariff Amendment No. 10. Metropolitan’s 8/17 Comments at Appendix A.	The ISO has agreed to modify the provision as recommended.
541.	At page 61,499 of the October 30 Order, the Commission required that the ISO Tariff be modified to reflect that Ancillary Service resources can be dispatched by telephone or fax, rather than solely by direct computer link, since full computer link capability has not been reached. While the ISO made certain changes to the relevant ISO sections, <u>i.e.</u> , Sections 2.5.6.2 and 2.5.22.10, the substance of the Commission’s Order was not implemented. Cities/M-S-R 8/5/98 at 10.	The ISO has agreed to amend the third sentence of Section 2.5.6.2 to read as follows: <u>The ISO will determine which method of communication is appropriate; provided that the ISO will consult with the Scheduling Coordinator, if time permits, and will consider the method of communication then utilized by such Scheduling Coordinator; provided further, that the ISO shall make the final determination as to the additional communication methods.</u>

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548.	The ISO Tariff Should Not Be Construed As Permission By State Agencies To Be Sued In Federal Court. EC96-19-029 & ER96-1663-030, Comments and Protest of DWR, p. 44 filed 08/05/1998.	The ISO has agreed to confirm that Section 20.7 relates to venue and does not confer jurisdiction where it does not otherwise exist.
580.	Section 2.2.4.7.2 provides that service will be provided under certain circumstances at “UDC rates.” However, the ISO has not provided any justification as to why the UDC rate is the appropriate rate. Absent such justification, a Scheduling Coordinator should be compensated at its bid rate. ECI compliance filing protest at 8.	Included in the Offer of Settlement is to be an agreement concerning service to customers of a defaulting Scheduling Coordinator
586.	Section 2.5.6.2 has been modified to permit the ISO to determine unilaterally “which method of communication is appropriate.” Such discretion should not be left to the ISO. The selection of the method of communication should be mutually agreeable to both the ISO and the market participant. ECI compliance filing protest at 10.	As stated in the discussion of Issue No. 541, the ISO has agreed to modify the provision to take existing communications methods into account and consulting with SC, but must retain ability to make the final determination.
587.	Section 2.5.20.7 sets forth the conditions to be satisfied by self-provided Ancillary Service schedules. One of the criteria appears now to limit self-provided Ancillary Services delivered from another control area to those arranged for pursuant to an Existing Contract. Section 2.5.20.7(e). The ISO has failed to justify this change. ECI compliance filing protest at 3-4.	The ISO has agreed that, in light of Amendment No. 10, this requirement is no longer applicable.
594.	Section 7.2.6.3 is modified to provide that the ISO will pay Scheduling Coordinators for RMR generation dispatched by the ISO at the “Energy weighted average of the decremental Adjustment Bids.” This modification appears to be a unilateral attempt by the ISO to modify the contract price under its RMR contracts. The ISO should be required to modify this section to provide that the ISO will pay generators with RMR contracts the price under the RMR contract. ECI compliance filing protest at 12.	The ISO has agreed to confirm in the Offer of Settlement that this provision does not modify the terms of RMR contracts.
602.	Section 23.2.2 proposes to define the initial BEEP Interval as 10 minutes. However, the ISO goes on to provide that it may, upon 7 days’ notice, unilaterally modify the BEEP Interval to be anywhere from 5 to 30 minutes. The timing of the BEEP Interval can impact the real time Energy markets and ex post Energy markets. Therefore, the ISO should only adjust this interval via an appropriately-filed application with the Commission. ECI compliance filing protest at 16.	The ISO has agreed that it can only modify the BEEP Interval upon 7 days notice after the ISO Governing Board acts.
618.	ECI objects to the broad discretion. The ISO should not be able to shut down a generating unit unless there is an actual System Emergency. Additionally, any shutdown should be consistent with Good Utility Practice, so as not to harm generation facilities. ECI compliance filing protest at 25.	<p>The ISO has agreed to revise DP 9.4.1(e) to read as follows:</p> <p>Generators must:</p> <p>...</p> <p>(e) respond to a Dispatch instruction issued for the shut down of a Generating Unit <u>in accordance with DP 10.2.8</u>, within the time frame stated in the instruction.</p>
619.	DP 9.5 grants the ISO broad authority to impose Dispatch Instructions upon generating units, and permits the ISO to sanction a generator for non-compliance. ECI objects. The generator should only be required to comply with the Dispatch Instructions to the extent the ISO has provided all of the dispatch information required under the Tariff. Sanctions should apply only in the case of Ancillary Services, not Supplemental Energy, and should apply only if they have been filed with and approved by the Commission (see discussion above with respect to DP 3.4.4). ECI compliance filing protest at 25.	The first part of Issue No. 619 has been merged with Issue No. 617. The ISO agreed and will specify in the Offer of Settlement that sanctions will apply only after they have been filed and approved by the Commission.

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620.	DP 10.1.1, .2 and .3 provide definitions of System Alert, System Warning, and System Emergency. These provisions are ambiguous as to the criteria of when the ISO may call such emergency conditions. In order to protect the market from the abuses that could occur without objective criteria, the ISO should modify its Tariff to include such criteria. ECI compliance filing protest at 25-26.	The ISO has agreed to develop definitions for Alert Notice and Warning Notice and include them in the ISO Tariff.
622.	SBP 2.1.4 requires the parties to an Inter-Scheduling Coordinator Trade to agree on a Zone in which the Inter-Scheduling Coordinator Trade will be deemed to have taken place. If the parties to an Inter-Scheduling Coordinator Trade cannot agree on the Zone, the ISO is empowered to designate one. The provision is silent, however, as to how the ISO will designate the zone. In order to eliminate the potential for discriminatory application of this provision by the ISO, and to provide market participants with a level of certainty with respect to the factors used by the ISO in designating the zone, the ISO should modify this provision to set forth the criteria to be followed when the ISO determines the zone. ECI compliance filing protest at 27.	The ISO has agreed to revise section 2.1.4 to be in accord with SP 3.2.6.4 by removing the ISO's ability to select the zone for trade.
635.	The ISO cannot control or give operational instructions to generation located outside of the ISO Control Area except in accordance with specific prior agreement or in conformance with the terms of purchased services. Sections 2.3.1.2.2, 2.3.1.3.1, 5.1.1, and 5.6.1 should be revised to reflect this. BPA Request for Reh'g or, in the alternative, Clarification dated November 26, 1997 in Docket Nos. EC96-19-001 et al.	The ISO has agreed to the following changes to the ISO Tariff: Delete Section 2.3.1.2.2 and revise Section 2.3.1.2.1 to read as follows: Comply with Operating Orders Issued. With respect to this Section 2.3.1.2, all Market Participants within the ISO Control Area shall comply fully and promptly (<u>with no more delay than specified in the response times set out in the ISO Protocols</u>) with the ISO's operating orders, unless such operation would impair public health or safety. For this purpose, ISO operating orders to shed Load shall not be considered an impairment to public health or safety. Revise the last sentence of Section 2.3.1.3.1 to read as follows: <u>Within the ISO Control Area, All</u> Market Participants and the ISO shall comply with the ISO reliability criteria, standards, and procedures. To clarify the applicability of Section 5.6.2, revise the definition of "Participating Seller or Participating Generator" to read as follows: A Generator or other seller of Energy or Ancillary Services through a Scheduling Coordinator over the ISO Controlled Grid, and which has undertaken to be bound by the terms of the ISO Tariff, <u>in the case of a Generator through a Participating Generator Agreement.</u>
641.	Curtailment priority for Reliability Must-Run Generation may contribute to Overgeneration conditions and may breach the "bury your own dead" rule, if not the ISO should clarify and explain why not. Turlock 5/1/98 Comments in Docket Nos. EC96-19-023 and ER96-1663-024 at 6; Turlock sought reh'g or clarification on 6/29.	The ISO has agreed to delete section 2.3.4.4 of the ISO Tariff.
642.	Curtailment priority for Reliability Must Run Generation will penalize non-CPUC-jurisdictional utilities; CPUC created Reliability Must-Run concept and non-jurisdictional utilities should not suffer detrimental curtailments as a result. Turlock 5/1/98 Comments in Docket Nos. EC96-19-023 and ER96-1663-024 at 6-7; Turlock sought reh'g or clarification on 6/29.	Resolved in accordance with Issue No. 641.
657.	Linkages in SP 7.2.2 and SP 7.2.3 to the schedules of Existing Contracts, but not to other schedules, is arbitrary and discriminatory. Metropolitan Amendment No. 7 Rehearing Request at 20.	The ISO has agreed to change the title to "Allowable Linkages"

Attachment C – Agreed Issues

667.	<p>Sections 5.7.1 and 5.7.2 of the Compliance Tariff give broad discretion to the ISO to require compliance with interconnection standards which are different from or in addition to the interconnection standards reflected in Existing Contracts, such as interconnection agreements. This is an improper elevation of the authority of the ISO and should be rejected. Cities/M-S-R Rehearing 12/1/97 at 38-40.</p>	<p>The ISO has agreed to: (1) Modify the last sentence of Section 5.7.1 to read: <u>Unless a proposed interconnection is pursuant to an encumbrance of the ISO Controlled Grid enumerated in the TCA</u>, an existing or prospective Generator shall not be entitled; and (2) Modify the second sentence of Section 5.7.2 to read: Protocols and standards developed by the ISO may supersede, where appropriate, protocols and standards specific to the Participating TO or UDC, <u>but such ISO protocols and standards may not supersede any instruction provided to the ISO by a Participating TO that relates to an encumbrance of the ISO Controlled Grid enumerated in the TCA.</u></p>
673.	<p>The ISO does not mitigate constraints between Active and Inactive Zones as part of the Inter-Zonal CM process. The tariff provides pursuant to section 7.2.7.3.3 and 7.2.7.3.5 how costs are allocated and when a new or inactive zone should be created or become active. If Congestion appears at an interface with an Inactive Zone, the ISO intends to convert it into an Active Zone and classify the transmission path as an Inter-Zonal interface. ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 6-8.</p>	<p>The ISO has agreed to develop a procedure.</p>
674.	<p>The ISO notes that some of the information which the Commission requires to be posted will be unavailable until necessary software is in place. ISO Request for Reh'g, etc. dated 12/1/97 in Docket Nos. EC96-19 and ER96-1663 at pp. 6-8.</p>	<p>The participants do not oppose the ISO's rehearing request to delay this requirement until the software is available.</p>