

Stakeholder Comments Template

Subject: Payment Acceleration Straw Proposal

This template has been created for submission of stakeholder comments on the following topics in regards to Payment Acceleration. Upon completion of this template please submit (in MS

Submitted by	Company	Date Submitted
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Word) to pacceleration@caiso.com. Submissions are requested by close of business on Thursday, November 13th, 2008.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. Settlement Timeline

Which of the following two options do you prefer for publication of Settlement statements?

	Timeline
Option #1	T+7B - Initial T+38B - 1 st true-up T+76B - 2 nd true-up T+18M - 3 rd true-up T+35M - 4 th true-up
Option #2	T+7B - Initial T+38B - 1 st true-up T+51B - 2 nd true-up T+18M - 3 rd true-up T+35M - 4 th true-up

Please provide comments on these options:

Given the two options; Anaheim's preference is option #2. This option shortens the turn around time for the 2nd true-up invoice by 25 days (T+51 B vs. T+76B). The CAISO should have all SQMD meter loads by T+50B, which should eliminate the need to push the 2nd true-up billing period out to T+76B.

2. Interest Payments

Do you support CAISO's proposal of applying interest on deviations between the Initial and first true-up statements?

Yes

Do you prefer applying interest to subsequent true-ups?

Yes

3. Invoicing

Please provide detailed examples of your preferred invoicing solution.

Please see the example below.

Statement Type	Statement Generated	End SC Review Period	INVOICING
Initial Statements	(T+7B)	T+21B	Initial Billing From the 1st to the 31st Calendar Days 3rd Tuesday of the following month
First True-Up	(T+38B)	T+56B	First True-Up Monthly Billing True up from the initial statements and Prior Periods True-up TM+38B
Second True-Up	(T+51B)	T+12M	2nd True Up Prior Periods Adjustment Billing TM+51B
Third True-Up	(T+18M)	T+19M	Third True Up Invoices Prior Periods Adjustment Billing TM+18M
Fourth True-Up	(T+35M)	N/A	Fourth True Up Invoices Prior Periods Adjustment Billing TM+35M

The key differences between what the CAISO has proposed and what Anaheim is proposing is that accounting periods (calendar months) cannot be crossed over during initial invoices and anything outside the current accounting period should show up only in true-ups as prior period adjustments and the 2nd true-up should move up from T+76B to T+51B (as explained in question #1) to help reduce the market participant’s outstanding balance and shorten their credit risk exposure.

4. Meter Data Substitution

For meter estimation process, when adjusting DA Scheduled Demand by an incremental amount to reflect Actual Load, the amount of adjustment will not exceed 15% of the DA Scheduled Demand. For example, if SC1’s DA Scheduled Demand = 100 MW, the maximum estimation

adjustment would be 15 MW. Therefore, SC1's Estimated Metered Demand used in the T+7B Settlement = 115MW (maximum).

Note: The proposed meter estimation methodology will never negatively adjust the DA Scheduled Demand. So in this example minimum estimation value = 100 MW, maximum estimation value = 115MW.

Anaheim proposes that the meter estimation process, specifically when adjusting DA Scheduled Demand by an incremental amount to reflect actual load, should not exceed 10% of the DA Scheduled Demand vs. the CAISO proposed 15%. This will help to reduce the variance gap between actual vs. estimate when using CAISO Total System Demands.

5. Other Comments?