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REDACTED VERSION FOR PUBLIC RELEASE

PRIVILEGED INFORMATION CONTAINED IN SEPARATE VOLUME

December 20, 2005

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: California Independent System Operator Corporation
Docket No. ER06-____-000

Dear Secretary Salas:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d, the California Independent System Operator Corporation ("ISO")[1] submits for Commission filing and acceptance the Amended and Restated Interconnected Control Area Operating Agreement ("Amended ICAOA") between the ISO and Sierra Pacific Power Company ("SPPC"). The ISO requests an effective date of February 1, 2006 for the Amended ICAOA.

The original version of the ICAOA was filed with the Commission on December 10, 1997 in Docket No. ER98-1029-000. The Commission accepted that filing, subject to suspension, hearing procedures, and refund procedures in *California Independent System Operator Corporation*, 82 FERC ¶ 61,174, at 61,622 and Ordering Paragraphs (B) and (D) (1998). On October 2, 1998, the

[1] Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff, and in the ICAOA, as amended.

ISO filed an offer of settlement in the proceeding in which it proposed certain revisions to the ICAOA. The Commission approved the offer of settlement in *California Independent System Operator Corporation*, 87 FERC ¶ 61,231 (1999). Pursuant to the Commission's approval of the offer of settlement, on July 28, 1999, the ISO submitted a compliance report containing the revised version of the ICAOA (which is the currently effective ICAOA) in Docket No. ER98-1029-001. The Commission accepted the compliance report by letter order issued on March 14, 2001. The ICAOA is designated as Rate Schedule FERC No. 18.

I. Amended ICAOA

A. Purpose of the Amended ICAOA

The ICAOA is designed to assist the ISO and SPPC in coordinating the operation and maintenance of their interconnected Control Areas, in a manner consistent with North American Electric Reliability Council criteria, Western Electricity Coordinating Council Minimum Operating Reliability Criteria, and Good Utility Practice.

The primary purpose of the Amended ICAOA is to incorporate into the ICAOA provisions addressing the creation of a new intertie at the Plumas-Sierra Marble Substation ("Plumas-Sierra intertie"), between the ISO Control Area and the SPPC Control Area.[2] In addition, the Amended ICAOA modifies the current version of the ICAOA to specify metering and telemetry requirements at the interconnection points, provide updated information concerning technical specifications, provide clarification of provisions, and update contact information for operations and notices.

B. Differences between the Currently Effective ICAOA and this Amended ICAOA

The Amended ICAOA contains several changes and additions to the currently effective ICAOA, including the following:

- The title of the ICAOA has been modified to state that the ICAOA is Amended and Restated.

- Section ICAA 2.2.15 has been added to include the definition of Scheduling Coordinator.

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[2] The creation of the Plumas-Sierra intertie is among several changes to the current ISO Control Area footprint that occurred on December 1, 2005. The changes are described further in the ISO's September 30, 2005 filing in Docket No. ER05-1522-000, at page 2.

- Section ICAA 3.2.3.2 has been modified to update the timing requirements to return to Real Time Operating Limits.

- Section ICAA 4 has been modified to clarify Reliability Coordinator entities and designations.

- Service Schedules 1, 4, 5, 6, 7, and 10 have been updated to incorporate technical and operating information associated with the new Plumas-Sierra intertie and other interconnection points.

- Service Schedule 1 and Service Schedule 9 have been updated to specify revenue metering, telemetry, and real-time data requirements for the Control Area interties.

- Service Schedule 3 has been modified to update the operational contact information and add contacts for notices.

- Service Schedule 12 has been modified to clarify current outage coordination procedures relative to long-term outage schedules, coordination of switching for scheduled outages, and submittal of outage requests.

- Other minor clarifications have been made to ICAA Sections 1, 1.2.1, 1.3, 2.1, 2.2.1, 2.2.3, 2.2.4, 2.2.6, 2.2.9, 2.2.14, 2.2.17, 3.1.1, 3.2.1, 3.2.2, 3.2.3.1, 3.2.5, 5.1, 6.1, 6.2, 7.2, 7.3, 7.4, 8.5, 10.1, 10.5, and 10.6 and Service Schedules 2, 8, 11, 13, 14, and 15.

- Attachment A has been deleted as outdated.

II. Request for Waiver

The ISO respectfully requests a waiver of the Commission's 60-day prior notice requirement, pursuant to Section 35.11 of the Commission's regulations, 18 C.F.R. § 35.11, to allow the Amended ICAOA to become effective as of February 1, 2006. Granting the waiver will permit the ISO and SPPC to implement the operating and scheduling functions of the new intertie at the Plumas-Sierra intertie between the ISO Control Area and the SPPC Control Area as soon as possible, subject to additional equipment installation that is being undertaken. Granting the requested waiver, therefore, is appropriate.

III. Request for Privileged Treatment

Included in a separate volume along with the instant filing, pursuant to Commission Order Nos. 630 and 630-A,[3] is a sealed copy of the non-public portions of the Amended ICAOA provided in Attachment A to the instant filing, specifically, Service Schedule 3. The ISO is seeking privileged treatment for Service Schedule 3 under 18 C.F.R. § 388.112, because it contains confidential telephone numbers of ISO and SPPC operating personnel. Because public disclosure of the telephone numbers would unnecessarily reveal sensitive information, the ISO submits that these numbers should be exempt from public exposure and should be granted privileged treatment.

IV. Expenses

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

V. Service

Copies of this filing have been served on SPPC, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER98-1029. In addition, the filing has been posted on the ISO's website.

Enclosed for filing are six copies of each of the following:

(1) this letter of transmittal;

(2) the executed Amended ICAOA, provided in a format that complies with *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000) ("Order No. 614") (Attachment A)[4]; and

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[3] *Critical Energy Infrastructure Information*, Order No. 630, FERC Stats. & Regs. ¶ 31,140, *order on reh'g*, Order No. 630-A, FERC Stats. & Regs. ¶ 31,147 (2003).

[4] Order No. 614 requires that, if a rate schedule that existed prior to the issuance of Order No. 614 (and thus does not comply with the directives in Order No. 614) is changed, that entire rate schedule must be re-filed, at the time the change is made, in a format that complies with the order. Order No. 614, FERC Stats. & Regs. ¶ 31,096, at 31,502. The currently-effective ICAOA was filed with the Commission prior to the issuance of Order No. 614, and therefore was not submitted in a format that complies with Order No. 614. In order to provide the entire Amended ICAOA in a format that complies with Order No. 614, the ISO and SPPC executed the Amended ICAOA in that format and now provide the ICAOA contained in Attachment A. The provisions that

(3) a black-lined document showing the changes to the currently effective public version of the ICAOA contained in the Amended ICAOA (Attachment B).

The filing also includes a separate volume that contains the non-public portions of the Amended ICAOA described above.

Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger.

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the ISO proposes to add to the ICAOA pursuant to the Amended ICAOA are the only provisions for which Commission acceptance is required in this proceeding.

The Amended ICAOA contained in the present filing is provided in an Order No. 614-compliant format that is similar to the format previously used and approved with regard to a filing involving another pre-Order No. 614 ICAOA. See the filing of Amendment No. 1 to the ICAOA between the ISO and Nevada Power Company, Docket No. ER01-1995-000 (May 8, 2001), and the June 14, 2001 Commission letter order accepting that amendment for filing.

VI. Correspondence

The ISO requests that all correspondence, pleadings and other communications concerning this filing be served upon the following:

John Anders*
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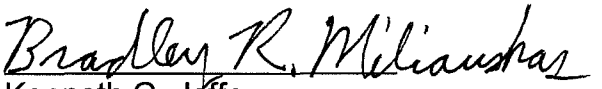
Respectfully submitted,



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ATTACHMENT A

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
FIRST REVISED FERC RATE SCHEDULE NO. 18
INTERCONNECTED CONTROL AREA OPERATING AGREEMENT Original Sheet No. 1

SIERRA PACIFIC POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

AMENDED AND RESTATED INTERCONNECTED CONTROL AREA OPERATING AGREEMENT

Issued by: Charles F. Robinson, Vice President and General Counsel
Issued on: December 20, 2005 Effective: February 1, 2006

AMENDED AND RESTATED

INTERCONNECTED CONTROL AREA

OPERATING AGREEMENT

ICAA 1 STANDARD OPERATING AGREEMENT

Interconnected Control Area Operating Agreement

THIS OPERATING AGREEMENT is entered into this 13 th day of December, 2005 and is accepted, by

and between:

The Sierra Pacific Power Company, having its registered and principal executive office at P.O. Box 10100, Reno, NV 89520-1830, ("SPPC")

and

California Independent System Operator Corporation, a California nonprofit public benefit Corporation having a principal executive office located at such place in the State of California as the ISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "ISO").

SPPC and the ISO are hereinafter referred to as the "Parties".

Whereas:

1. The Parties operate interconnected Control Areas (connected by the "Interconnection").
2. The Parties wish to coordinate operation and maintenance of the Interconnection to satisfy North American Electric Reliability Council or its successor ("NERC") criteria and Western Electricity Coordinating Council or its successor ("WECC") Minimum Operating Reliability Criteria ("MORC") and Good Utility Practice.
3. The ISO has certain statutory obligations under California law to maintain power system reliability.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ICAA 1.2 Purpose and Intent

ICAA 1.2.1 Purpose

The purpose of this Operating Agreement is to establish the rights and obligations of the ISO and SPPC with respect to the operation, maintenance, and control of the Interconnection. This Operating Agreement is based upon procedural protocols drawn from the ISO Tariff, NERC reliability standards and WECC MORC, existing contracts between SPPC and Participating Transmission Owners comprising the ISO, and established operating procedures. This Operating Agreement acknowledges that other Transmission Owners may have concurrent rights and responsibilities.

ICAA 1.2.2 Intent

The intent of this Operating Agreement is to acknowledge requirements, establish procedures and designate responsibilities for the operation and management of the Interconnection. It is not the intent of this Operating Agreement to abrogate or alter the rights and obligations under existing contracts pertaining to the subject of Interconnection.

ICAA 1.3 Term and Termination

ICAA 1.3.1 Effective Date

This Operating Agreement shall become effective on the Effective Date, and shall continue in effect until terminated.

ICAA 1.3.2 Termination

This Operating Agreement may be terminated by either Party upon two years written notice to the other Party or upon mutual consent of both Parties. For entities subject to Federal Energy Regulatory Commission ("FERC") jurisdiction, termination will be effective upon acceptance by the FERC of notice of termination. The ISO shall timely file any notice of termination with the FERC. The filing of the notice of termination by the ISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ISO files the notice of termination within 30 days of receipt of such request.

ICAA 2 DEFINITIONS

ICAA 2.1 WECC Definitions

Except as defined below, terms and expressions used in this Operating Agreement shall have the same meanings as those contained in the WECC MORC Definitions.

ICAA 2.2 Specific Definitions

ICAA 2.2.1 **Effective Date:** The effective date of this Operating Agreement shall be the later of the date that the Parties listed as signatories have executed this Operating Agreement, or the date this Operating Agreement is accepted for filing and made effective by the FERC, but no sooner than December 1, 2005.

ICAA 2.2.2 **Entitlements:** The right of a Transmission Owner obtained through contract or other means to use another entity's transmission facilities for the transmission of energy.

ICAA 2.2.3 **Forced Outage:** An Outage for which sufficient notice cannot be given to allow the Outage to be factored into the preschedule processes and the established Outage coordination principles of the Control Areas.

ICAA 2.2.4 **Good Utility Practice:** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry in the WECC region during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

ICAA 2.2.5 **Interconnection:** Transmission facilities that connect one Control Area to another Control Area. The Interconnection is described in more detail in Service Schedule 1.

ICAA 2.2.6 **ISO:** The California Independent System Operator Corporation, a state-chartered, nonprofit corporation that controls the transmission facilities of all Participating Transmission Owners, dispatches certain generating units and loads, and is a Control Area operator.

ICAA 2.2.7 **ISO Controlled Grid:** The system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ICAA 2.2.8 **ISO Tariff:** ISO Operating Agreement and Tariff as amended from time to time, together with any appendices or attachments thereto.

ICAA 2.2.9 **Nomogram:** A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WECC operating criteria.

ICAA 2.2.10 **Outage:** Disconnection or separation, planned or forced, of one or more elements of an electric system.

ICAA 2.2.11 **Planned Outage:** An Outage for which sufficient notice has been given to allow the Outage to be factored into the processes and the established Outage coordination principles of the Control Areas.

ICAA 2.2.12 **Point of Contact:** A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other Control Area operator and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.

ICAA 2.2.13 **Participating Transmission Owner:** An owner of transmission that has placed its transmission assets and Entitlements under the ISO's operational control.

ICAA 2.2.14 **Real Time Operating Limits:** The rated transfer capability less reductions during any hour caused by, but not limited to, physical limitations beyond the control of Control Area operators, and operational limitations resulting from transmission line Outages, equipment Outages, stability limits and loop flow.

ICAA 2.2.15 **Scheduling Coordinator:** An entity certified by the ISO for the purposes of undertaking the functions of: submitting schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the ISO's charges; and ensuring compliance with ISO protocols.

ICAA 2.2.16 **Transmission Owner:** An entity owning transmission facilities or Entitlements at the Interconnection.

ICAA 2.2.17 **WECC Reliability Coordinator:** One of the area control centers assigned by the WECC to proactively anticipate and mitigate potential

problems, facilitate notification, and coordinate restoration following a disturbance.

ICAA 3 OPERATIONAL RESPONSIBILITIES

ICAA 3.1.1 Standards to Be Met

Both the ISO and SPPC shall plan and operate the Interconnection in conformance with NERC standards, WECC MORC, and Good Utility Practice.

ICAA 3.1.2 Existing Contracts

The ISO will assume certain rights and responsibilities of Participating Transmission Owners in existing contracts, operating agreements or procedures between SPPC and the Participating Transmission Owners regarding the Interconnection where those rights and responsibilities pertain to the coordinated operation of the interconnected Control Areas. The ISO and SPPC, after consulting with affected Transmission Owners, shall develop the procedures to be used regarding those rights and responsibilities mentioned herein. The specific provisions of the aforementioned agreements which are affected by this Operating Agreement and the procedures for implementing such existing agreements shall be identified in Service Schedule 2.

ICAA 3.1.3 Communication

The ISO and SPPC shall each operate and maintain a 24-hour, 7-day control center with real time scheduling and control functions. Appropriate control center staff will be provided by each Party who shall be responsible for operational communications and who shall have sufficient authority to commit and bind that Party.

The ISO and SPPC shall jointly develop communication facilities and procedures necessary to support scheduling and dispatch functions. The Points of Contact, the communication facilities and the procedures for insuring reliable functionality are identified in Service Schedule 3.

ICAA 3.2 Grid Operation

ICAA 3.2.1 Responsibility

The Parties shall coordinate efforts consistent with Good Utility Practice to mitigate adverse conditions that occur at the Interconnection. The ISO and SPPC are each responsible for exercising operational control over facilities in their respective Control Areas, and shall not exercise operational control over any part of the Interconnection facilities owned or operated by the other Control Area operator except by mutual agreement. The respective jurisdictions for operational control by the ISO and SPPC are identified in Service Schedule 4.

ICAA 3.2.2 Switching Operations

The ISO and SPPC agree that the Transmission Owners retain possession of and will operate those interconnected facilities in accordance with the existing contracts and agreements in force between the Transmission Owners and SPPC. Operations on the Interconnection shall be coordinated through the ISO and SPPC except as otherwise indicated in ICAA 7.4. Specific switching responsibilities will be identified in Service Schedule 5.

ICAA 3.2.3 Real Time Operating Limits

ICAA 3.2.3.1 Real Time Operating Limits Established Jointly

The ISO and SPPC, in consultation with the Transmission Owners, shall jointly agree upon the Real Time Operating Limits of the Interconnection. Real Time Operating Limits shall be based on the given real time conditions, current operating criteria, and established Nomograms, graphs, and charts specific to the transfer paths within SPPC and the ISO. These established operating limits are specified in Service Schedule 6.

ICAA 3.2.3.2 Real Time Operating Limits Exceeded

If a Real Time Operating Limit is exceeded or the operation of either the SPPC Control Area or the ISO Control Area is jeopardized, the ISO and SPPC shall communicate and coordinate actions to return the affected Control Area(s) to Real Time Operating Limits. In compliance with WECC MORC, the ISO and SPPC will make coordinated adjustments to energy flows between the two Control Areas such that

stability limited facilities are returned to Real Time Operating Limits within 20 minutes after such limit is exceeded and thermally limited facilities are returned to Real Time Operating Limits within 30 minutes after such limit is exceeded, or as otherwise established and mandated by WECC.

ICAA 3.2.4 Relay Action

The ISO and SPPC shall provide pertinent relay data and related equipment condition and operational information concerning the Interconnection to each other as soon as practicable after the occurrence of any relay action on Interconnection equipment, including, as it becomes available, additional information regarding cause, condition, effects, and estimated corrective action. Notwithstanding the foregoing, the ISO and SPPC shall agree upon corrective action and the procedure for returning to normal or adjusted operation.

ICAA 3.2.5 Voltage Control

The ISO and SPPC shall coordinate the use of voltage control equipment to maintain transmission voltages and reactive flows at mutually agreed upon levels to ensure system stability within the operating range of electrical equipment and in accordance with WECC MORC. The ISO and SPPC shall operate the facilities at the Interconnection at reactive reserve margins that are adequate to maintain minimum acceptable voltage limits under facility Outage conditions. Agreed upon voltage schedule limits and reactive flows will be specified in Service Schedule 7.

ICAA 3.2.6 Information Exchange

The ISO and SPPC shall coordinate directly the exchange of any information concerning the reliable operation of the Interconnection facilities and the status of the Control Areas. Such information shall be communicated through mutually acceptable methods. Procedures and forms for the exchange of emergency information shall be jointly developed and are contained in Service Schedule 8.

ICAA 3.2.6.1 Information Required to be Provided

Details regarding the information necessary to the reliable operation of the Interconnection shall be included in Service Schedule 9.

ICAA 3.2.7 Joint Operating Procedures

Procedures for coordinating the reliable operation of the Interconnection will be jointly implemented by the ISO, SPPC and the Participating Transmission Owners. Such procedures are described in more detail in Service Schedule 10.

ICAA 4 RELIABILITY COORDINATION

The California-Mexico Reliability Coordinator (CMRC) has been designated the WECC Reliability Coordinator for WECC's California-Mexico Subregion. The ISO operates under the purview of the CMRC, and is subject to CMRC directives as set forth in the Reliability Coordination Agreement between the ISO and CMRC. The Pacific Northwest Security Coordinator (PNSC) has been designated the WECC Reliability Coordinator for WECC's Pacific Northwest Subregion. SPPC operates under the purview of the PNSC, and is subject to PNSC directives as set forth in the Security Coordination Agreement between SPPC and PNSC.

ICAA 5 SCHEDULING AND DISPATCH

ICAA 5.1 Coordination and Exchange of Information

The ISO and SPPC shall coordinate and exchange information on schedules and Control Area checkouts at the Interconnection. All schedules at the Interconnection shall match. In accordance with WECC MORC, the ISO and SPPC shall verify, at mutually acceptable times, the actual and scheduled interchange numbers for past hours as well as scheduled interchange numbers for current and future hours. The ISO and SPPC shall jointly develop methods and details for coordinating scheduling procedures, information exchange, and notifications in normal, emergency, and curtailment conditions. These methods and details are included in Service Schedule 11.

ICAA 5.2 Notifications

The ISO and SPPC shall jointly develop methods for coordinating the notification of all affected scheduling entities within their respective

Control Areas regarding schedule changes in emergency or curtailment conditions.

ICAA 6 OUTAGE COORDINATION

ICAA 6.1 Maintenance Coordination

Outages of facilities affecting the Interconnection shall be jointly coordinated by the ISO, SPPC and the Transmission Owner to minimize a reduction and the duration of such reduction to the operating limits of the Interconnection. The ISO and SPPC shall provide each other reasonable notice of Planned Outages and scheduled maintenance affecting the Interconnection in advance.

The ISO and SPPC shall review Planned Outages and scheduled maintenance to determine the feasibility of initiating the switching process. If, given the current or anticipated system conditions at the time, the ISO and SPPC jointly determine that system reliability may be impaired, the Outage may be canceled or rescheduled.

Outage coordination procedures to be followed will be jointly developed by the ISO and SPPC and included in Service Schedule 12.

ICAA 6.2 Forced Outages

The ISO and SPPC shall coordinate and implement operational changes necessary to accommodate Forced Outages, emergencies or curtailments. All notifications of Forced Outages, emergencies or curtailments shall be communicated between the ISO and SPPC control centers as soon as possible. If notice prior to a Forced Outage, emergency or curtailment cannot be given, the ISO or SPPC shall notify the other Party of the event immediately after it occurs.

All Forced Outage notifications shall be communicated by both control centers to other Control Area operators likely to be affected by the Forced Outage.

ICAA 7 EMERGENCY OPERATION

ICAA 7.1 Emergency Assistance Arrangements

Service Schedule 13 details emergency assistance arrangements.

ICAA 7.2 Unscheduled Flow Mitigation (Loop Flow)

The ISO shall implement Unscheduled Flow Mitigation Procedures for the qualified paths operated by the ISO, consistent with WECC procedures.

ICAA 7.3 Emergency Action

In the event of a system emergency, the ISO and SPPC shall take coordinated action as they consider necessary to preserve or restore stable operation of the interconnected grid and to preserve or restore reliable, safe and efficient service as quickly as reasonably practicable. The ISO and SPPC shall, where practicable, keep operators in affected Control Areas and the appropriate WECC Reliability Coordinators informed as to the nature and extent of the system emergency.

ICAA 7.4 Operations Exercised Independently

Emergency operation in response to unforeseen system occurrences that may jeopardize the safety of personnel and the general public and/or system stability may be performed independently by SPPC, the ISO, and the Transmission Owner. SPPC shall forward the outcomes to the ISO Control Center as soon as practicable after the occurrence. The ISO Control Center shall forward the outcomes of emergency operation to which it is a party to SPPC as soon as it is practicable after the occurrence. The duties and responsibilities for the ISO Control Center, SPPC and the Transmission Owner under the foregoing circumstances are described in more detail in Service Schedule 14.

ICAA 7.5 Restoration Coordination

The ISO and SPPC shall coordinate restoration of the facilities affecting the Interconnection, and shall take necessary restoration measures on facilities affecting the Interconnection in their respective Control Areas following an interruption, including coordinating the restarting of either or both systems from a black start, if requested. The ISO and SPPC shall develop Interconnection restoration procedures, which shall be included in Service Schedule 15.

ICAA 7.6 Voltage Collapse

The ISO and SPPC shall take measures in their respective Control Areas to arrest collapsing voltage that affects the Interconnection.

ICAA 8 LIABILITY

ICAA 8.1 Uncontrollable Forces

An uncontrollable force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of a Control Area operator which could not be avoided through the exercise of Good Utility Practice.

Neither the ISO nor SPPC will be considered in default of any obligation under this Operating Agreement or liable to the other for direct, indirect, or consequential damages if prevented from fulfilling that obligation due to the occurrence of an uncontrollable force.

In the event of the occurrence of an uncontrollable force, which prevents either the ISO or SPPC from performing any obligations under this Operating Agreement, the affected entity shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the uncontrollable force. The ISO and SPPC shall each use its best efforts to mitigate the effects of such uncontrollable force, remedy its inability to perform, and resume full performance of its obligations hereunder.

ICAA 8.2 Liability To Third Parties

Except as otherwise expressly provided herein, nothing in this Operating Agreement shall be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or any liability or obligation, contractual or otherwise, on the part of ISO or SPPC.

ICAA 8.3 Liability Between the Parties

The Parties' duties and standard of care with respect to each other, and the benefits and rights conferred on each other, shall be no greater than as explicitly stated herein. Neither Party, its directors, officers, employees or agents, shall be liable to the other Party for any loss, damage, claim, cost, charge or expense, whether direct, indirect or consequential, arising from the Party's performance or nonperformance under this Operating Agreement, except for a Party's gross negligence, or willful misconduct.

ICAA 8.4 Liability For Electric Disturbance

The ISO and SPPC shall plan, operate and maintain their respective systems to minimize or avoid electric disturbances that may interfere with the system of the other Party, consistent with Good Utility Practice. The limits of responsibility for The ISO and SPPC shall each be for protecting their own respective systems from possible damage by reason of electric disturbance or faults caused by the operation, faulty operation or non-operation of their facilities.

ICAA 8.5 Liability For Interruptions

Neither Party shall be liable to the other Party for any claim, demand, liability, loss or damage, whether direct, indirect, or consequential, incurred by the Parties or their respective customers, which results from the separation of the systems in an emergency.

If a customer within the Control Area of a Party makes a claim or brings an action against the other Party for any death, injury, loss or damage arising out of or in connection with electric service to such customer and caused by the operation or failure of operation of the other Party's Control Area or any portion thereof, the first Party shall indemnify and hold harmless the other Party, its directors, officers and employees from and against any liability for such injury, loss or damage.

ICAA 9 SERVICE SCHEDULES

The ISO and SPPC shall establish with each other and where appropriate with the Transmission Owner specific procedures for the reliable operation and scheduling of the Interconnection facilities. The details of these particular operating procedures will be set forth in the applicable Service Schedule.

ICAA 10 MISCELLANEOUS

ICAA 10.1 Assignments

Either Party to this Operating Agreement may assign its obligations under this Operating Agreement, with the other Party's prior written consent. Such consent shall not be unreasonably withheld.

Obligations and liabilities under this Operating Agreement shall be binding on the successors and assigns of the Parties. No assignment of this Operating Agreement shall relieve the assigning Party from any obligation or liability under this Operating Agreement arising or accruing due prior to the date of assignment.

ICAA 10.2 Notices

Any notice, demand or request which may be given to or made upon either Party regarding this Operating Agreement shall be made in writing and shall be deemed properly served, given, or made: (a) upon delivery if delivered in person, (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid, (c) upon receipt of confirmation by return facsimile if sent by facsimile, or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Service Schedule 3 relating to its address as that information changes.

ICAA 10.3 Waivers

Any waiver at any time by either Party of its rights with respect to any default under this Operating Agreement, or with respect to any other matter arising in connection with this Operating Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or matter arising in connection with this Operating Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Operating Agreement shall not constitute or be deemed a waiver of such right.

ICAA 10.4 Governing Law and Forum

Subject to ICAA 10.5, this Operating Agreement shall be deemed to be a contract made under and for all purposes shall be governed by and construed in accordance with the laws of the State of California, except that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Operating Agreement shall be brought in any of the following forums, as appropriate: court of the State of California or any federal court of the United States of America located in the State of California or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission. No provision of this Operating Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Operating Agreement, or any action or proceeding arising under or relating to this Operating Agreement, is subject to the jurisdiction of the Federal Energy Regulatory Commission.

ICAA 10.5 Consistency with Federal Laws and Regulations

(a) Nothing in this Operating Agreement shall compel any person or federal entity to: (1) violate federal statutes or regulations; or (2) in the case of a federal agency, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Operating Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation to that extent, it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with any provision of this Operating Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the ISO Tariff to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

(b) If any provision of this Operating Agreement requiring any person or federal entity to give an indemnity or impose a sanction on any person is unenforceable against a federal entity, the ISO shall submit to the Secretary of Energy or other appropriate Departmental

Secretary a report of any circumstances that would, but for this provision, have rendered a federal entity liable to indemnify any person or incur a sanction and may request the Secretary of Energy or other appropriate Departmental Secretary to take such steps as are necessary to give effect to any provisions of this Operating Agreement that are not enforceable against the federal entity.

ICAA 10.6 Severability

If any term, covenant, or condition of this Operating Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Operating Agreement and their application shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Operating Agreement.

ICAA 10.7 Section Headings

Section headings provided in this Operating Agreement are for ease of reading and are not meant to interpret the text in each Section.

ICAA 10.8 Amendments

This Operating Agreement and the Schedules and Attachments attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that are subject to FERC approval shall not take effect until FERC has accepted such amendments for filing and has made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.

ICAA 10.9 Counterparts

This Operating Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Operating Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Operating Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date written in ICAA 1.

California Independent System Operator Corporation

By: _____

Name: James W. Detmers

Title: VP Operations

Date: 12/13/05

The Sierra Pacific Power Company

By: _____

Name: Carolyn C. Barbosa

Title: Executive, Transmission

Date: 12-9-05

SERVICE SCHEDULE 1

INTERCONNECTION

[Section 2.2.5]

The Interconnection between the ISO and SPPC is comprised of six (6) ties. Three of these ties interconnect with the ISO through transmission facilities owned by Pacific Gas and Electric Company (PG&E). Two of these ties interconnect with the ISO through transmission facilities owned by Southern California Edison Company (SCE). One tie interconnects with the ISO through transmission facilities owned by Plumas-Sierra Rural Electric Cooperative (Plumas Sierra).

PG&E Summit Intertie:

- **Drum / Summit / North Truckee #1 115kV Line**

This 115 kV Line connects PG&E's Drum Substation to SPPC's North Truckee Substation. Summit Meter Station is the interconnection metering point of the line located west of Truckee and is the interconnection point, since it also marks the change of jurisdiction.

ISO Terminal:	Drum
Participating Transmission Owner:	PG&E
SPPC Terminal:	North Truckee
Point of Interconnection:	Summit Meter Station
Voltage:	115kV

- **Drum / Summit /California Sub #2 115kV Line**

This 115 kV Line connects PG&E's Drum Substation to SPPC's California Substation. Summit Meter Station is also the metering point for this line.

ISO Terminal:	Drum
Participating Transmission Owner:	PG&E
SPPC Terminal:	California Substation
Point of Interconnection:	Summit Meter Station
Voltage:	115kV

- **Spaulding / Summit / Truckee 60 kV line**

This 60 kV Line connects PG&E's Spaulding Substation to SPPC's Truckee Substation. Summit Meter Station is also the metering point for this line.

ISO Terminal:	Spaulding
Participating Transmission Owner:	PG&E
SPPC Terminal:	Truckee Substation
Point of Interconnection:	Summit Meter Station
Voltage:	60 kV

SCE Control / Silver Peak Intertie:

The California-Nevada state border is considered the point of Interconnection between the ISO and SPPC where SCE is the Participating Transmission Owner. Two (2) 55 kV lines make up this interconnection point. Responsibility for lines and equipment is defined in the following statements. Refer to the attached drawing (note that SPPC uses number system for line identification).

- **Control / Silver Peak A 55 kV Line**

ISO Terminal:	Control Substation
Participating Transmission Owner:	SCE
SPPC Terminal:	Silver Peak Substation
Point of Interconnection:	California – Nevada border
Voltage:	55 kV

- **Control / Silver Peak C 55 kV Line**

ISO Terminal:	Control Substation
Participating Transmission Owner:	SCE
SPPC Terminal:	Silver Peak Substation
Point of Interconnection:	California – Nevada border
Voltage:	55 kV

Plumas Sierra Marble Intertie

Interconnection of the Plumas Sierra 69 kV grid to the SPPC 60 kV grid occurs at the SPPC Marble Substation through the Plumas Sierra Marble 69/60 kV transformer. The

point of interconnection is on the 60 kV side of the transformer and is the location of the metering between the ISO and SPPC Control Areas.

- **Marble Substation 69/60 kV transformer**

ISO Terminal:	Marble Substation 69kV
Transmission Owner:	Plumas Sierra
SPPC Terminal:	Marble Substation 60kV
Point of Interconnection:	Marble Substation 60kV
Voltage:	60 kV

Metering is located at the SPPC side of the substation.

REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

SPPC has in service revenue quality metering at all Interconnections points. This metering shall meet the standards as mutually agreed upon by SPPC and the ISO. Meters are inspected and tested per existing agreements between SPPC and the respective Transmission Owner. The ISO shall be entitled to witness annual testing of the Interconnection metering. Any change or modification to such metering equipment by SPPC or any other entity shall be coordinated with the ISO. SPPC shall program the Interconnection revenue metering to record data at five minute intervals and shall provide for ISO polling of that metering.

SPPC and the ISO shall maintain arrangements that ensure that both Parties shall have access to real-time data from all of the points of Control Area Interconnection. SPPC understands that the ISO wants to directly poll MW and MVAR data from interconnection metering and/or data recorders, which may include RTUs, at all points of Control Area Interconnection. SPPC agrees to allow the ISO to directly poll real-time data from SPPC substations and will work with the ISO to facilitate ISO direct polling of real-time data from substations of other entities in a timely manner. In the event that a second communication port of the RTU is not available for direct polling by the ISO's EMS, the ISO shall have the option to provide an RTU to the substation owner for the purpose of establishing a communication port available for direct polling by the ISO EMS.

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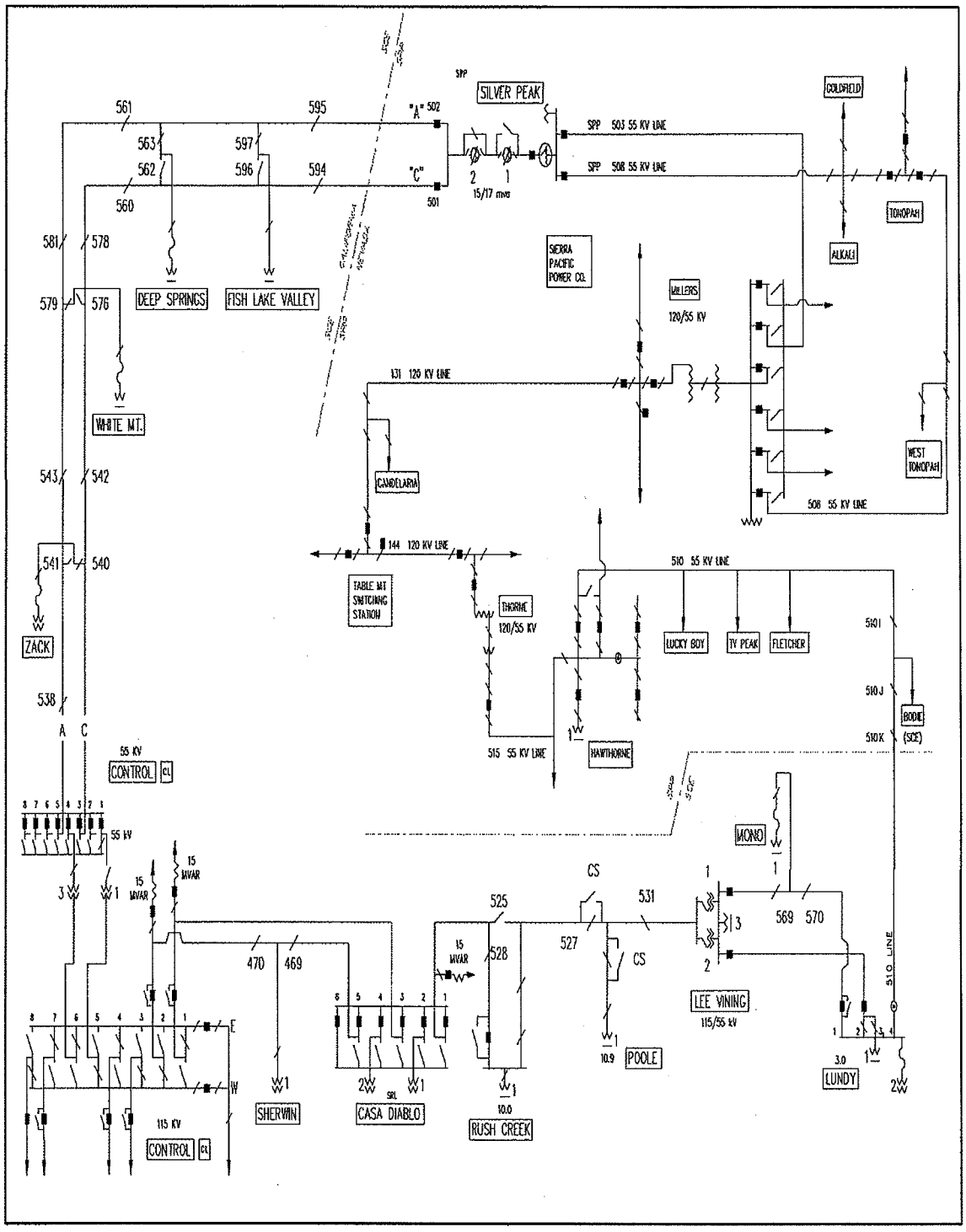

Issued by: Charles F. Robinson, Vice President and General Counsel
Issued on: December 20, 2005 Effective: February 1, 2006

SERVICE SCHEDULE 2

EXISTING CONTRACT PROVISIONS AND PROCEDURES

[Section 3.1.2]

EXISTING TRANSMISSION SERVICE CONTRACTS

The ISO shall respect and comply with SPPC existing contracts established through prior agreement with PG&E to the extent allowed by state and federal law, FERC orders, and the mandates of local regulatory commissions. As so allowed, in order to do so, the ISO shall not provide any firm transmission services to a third party without SPPC's advance written consent if such services would reduce SPPC's capacity import capability from PG&E, through the term of said prior agreement.

SERVICE SCHEDULE 3

POINTS OF CONTACT

(Privileged Material Redacted Pursuant To 18 C.F.R. § 388.112)

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SERVICE SCHEDULE 4

RESPECTIVE JURISDICTION FOR OPERATIONAL CONTROL

[Section 3.2.1]

PG&E Summit Intertie (ISO will be involved in the coordination of switching on these lines):

- **Drum / Summit /North Truckee #1 115 kV Line**

  Jurisdictional Boundary:
  PG&E has switching and maintenance responsibility for transmission and facilities from Drum to and including switch 139 at Summit.
  SPPC has operational control of and switching and maintenance responsibility for transmission and facilities from North Truckee to and including switches 133C, 133A, and 133B at Summit.
  ISO has operational control of PG&E facilities up to and including switch 139 at Summit.

- **Drum / Summit /California Sub #2 115 kV Line**

  Jurisdictional Boundary:
  PG&E has switching and maintenance responsibility for transmission and facilities from Drum to and including switch 239 at Summit.
  SPPC has operational control of and switching and maintenance responsibility for transmission facilities from California Sub to and including switches 102C, 102A and 102B at Summit.
  ISO has operational control of PG&E facilities up to and including switch 239 at Summit. ISO will be involved in the coordination of switching on these lines.

- **Spaulding / Summit / Truckee 60 kV line**

  Jurisdictional Boundary:
  PG&E has switching and maintenance responsibility for transmission and facilities from Spaulding to and including switch 39 at Summit.
  SPPC has operational control of and switching and maintenance responsibility for transmission and facilities from Truckee to and including switches 607A, 607B, and 607C at Summit.
  ISO has operational control of PG&E facilities up to and including switch 39 at Summit. ISO will be involved in the coordination of switching on these lines.

SCE Control / Silver Peak Intertie:

- **Control / Silver Peak "A" and "C" lines**
  Jurisdictional Boundary:
  SCE and SPPC have joint jurisdiction of Pole Switches 595 and 594.
  SCE Bishop Hydro Division Dispatcher has switching and maintenance responsibility for transmission and facilities for The Control-Sliver Peak "A" (502) 55 kV line from Pole Switch 595 to Control Substation and for The Control-Silver Peak "C" (501) 55 kV line from Pole Switch 594 to Control Substation.
  SPPC has operational control of and switching and maintenance responsibility for transmission and facilities for The 502 (Control-Silver Peak "A") 55 kV line from Pole Switch 595 to Silver Peak Substation and for The 501 (Control-Silver Peak "C") 55 kV line from Pole Switch 594 to Silver Peak Substation.
  ISO has operational control of the portions of the lines that belong to SCE.

Plumas Sierra Marble Intertie

- **Marble Substation 69/60 kV transformer**

  Jurisdictional Boundary:

  SPPC has operational control of the Marble #619 circuit breaker, Marble #619B disconnect switch and the SPPC #619 line from Truckee to Portola Substations.

  Plumas Sierra has switching and maintenance responsibility for the MB04 circuit breakers, the 69/60 kV transformer, and other facilities, at Marble Substation. Plumas Sierra has operational control of the MB04 circuit breaker. Plumas Sierra has operational control of the 69/60 kV transformer and all 69kV lines between Quincy and Marble Substations.

  ISO
  ISO will be involved in the coordination of switching at Marble Substation.

SERVICE SCHEDULE 5

SWITCHING OPERATIONS

[Section 3.2.2]

PG&E Summit Intertie:

Switching of the intertie will be coordinated between ISO, PG&E, and SPPC and performed under the direction of PG&E and SPPC dispatchers.
Clearances on the intertie will be issued between PG&E and SPPC dispatchers, and then by the dispatcher to the appropriate personnel.
Testing will be coordinated among ISO, PG&E, and SPPC.
Monitoring and Control will be coordinated between ISO and SPPC.

Routine 115kV Switching
All switching at the Substation terminals of the two (2) 115 kV lines will be performed by personnel of the company which operates the substation. Operation of switches at Summit (102A, 102B, 102C, 133A, 133B, 133C) will normally be performed by personnel from SPPC. Operation of switches 139 and 239 will normally be performed by personnel from PG&E. All other Pole Switches will be operated by the personnel of the company having jurisdiction of the line.

Clearance Procedures---115kV Lines
An intercompany Clearance will be required for work on any line or line section which terminates at or includes Pole Switches 102A, 102B, 102C, 133A, 133B, 133C, 139 or 239.

After switching has been completed (to clear the pertinent line or line section) the PG&E Drum Division Dispatcher and the SPPC Transmission System Operator will issue an Intercompany Clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Drum/Summit/North Truckee #1 line will normally be energized for test from Drum. If it must be energized from North Truckee, the in service phase shifter at SPPC California Substation may, at the discretion of SPPC, need to be placed on neutral and/or the bypass disconnects closed prior to the test.

The Drum/Summit/California #2 line will normally be energized for test from Drum. If it must be energized from California, the in service phase shifter at SPPC California

Substation may, at the discretion of SPPC, need to be placed on neutral and/or the bypass disconnects closed prior to the test.

Routine 60kV Switching
All switching at the Substation terminals of the 60kV line will be performed by personnel of the company which operates the substation. Operation of the switches at Summit (607A, 607B, 607C) will normally be performed by personnel from SPPC. Operation of the switch 39 will normally be performed by personnel from PG&E. All other Pole Switches will be operated by the personnel of the company having jurisdiction of the line.

Clearance Procedures---60kV Line
An Intercompany Clearance will be required for work on any line or line section which terminates at or includes Pole Switches 607A, 607B or 607C.

After switching has been completed (to clear the pertinent line or line section) the PG&E Drum Division Dispatcher and the SPPC Transmission System Operator will issue an Intercompany Clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Spaulding/Summit/Truckee line will normally be energized for test from Spaulding, but may be tested from either end as conditions dictate.

SCE Control / Silver Peak Intertie:

- **Control / Silver Peak "A" and "C" lines**

Switching of the intertie will be coordinated between ISO, SCE, and SPPC.

Routine 55 kV Switching
All switching at the Substation terminals of the two (2) 55 kV lines will be performed by personnel of the company which operates the substation.

Operation of Pole Switches 594 and 595 will normally be performed by personnel of the company desiring to work on their line section. All other Pole Switches will be operated by the personnel of the company having jurisdiction of the line.

Clearance Procedures
An Inter-company Clearance will be required for work on any line or line

section which terminates at or includes Pole Switches 594 or 595.

After switching has been completed to clear the pertinent line or line section, the SCE Bishop Hydro Division Dispatcher and the SPPC Transmission System Operator will issue an Inter-company Clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Control-Silver Peak "A" (502) or "C" (501) 55 kV lines will normally be energized for test from Control. If they must be energized from Silver Peak, the in service phase shifter may, at the discretion of SPPC, need to be placed on neutral and/or the bypass disconnects closed prior to the test.

Plumas Sierra Marble Intertie:

Switching of the intertie will be coordinated between ISO, Plumas Sierra, and SPPC and performed under the direction of Plumas Sierra and SPPC dispatchers.
Clearances on the intertie will be issued between Plumas Sierra and SPPC dispatchers.
Testing will be coordinated among ISO, Plumas Sierra and SPPC.
Monitoring and Control will be coordinated between ISO and SPPC.

Routine Switching at Marble
All Switching at Marble Substation shall be performed by personnel of the company who operate the respective equipment. Operation of Marble #619 circuit breaker and #619B disconnect switch will normally be performed by personnel from SPPC. Operation of the MB04 circuit breaker and MB05 disconnect switch shall normally be performed by personnel from Plumas Sierra.

Clearance Procedures---69kV Lines
An inter-company Clearance will be required for work on any line or line section which terminates at Marble Substation.

After switching has been completed (to clear the pertinent line or line section) the Plumas Sierra Dispatcher and the SPPC Transmission System Operator will issue an Inter-company clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Quincy/Beckworth/Marble line will normally be energized for test from Quincy to the open MB04 circuit breaker at Marble. The SPPC Truckee-to-Marble #619 line shall be tested from Truckee up to the open Marble #619 circuit breaker.

SPPC shall normally energize the Marble 69/60kV transformer through its operation control of the #619 circuit breaker. Plumas Sierra shall normally make the inter-tie with SPPC through the MB04 circuit breaker.

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SERVICE SCHEDULE 6

REAL TIME OPERATING LIMITS

[Section 3.2.3.1]

PG&E Summit Intertie:

The transfer capability of the interconnection between PG&E and SPPC is 160MW bi-directional, as indicated in the WECC Path Rating Catalog. SPPC performs the operational studies necessary to establish the Path 24 rating. The real time Available Transmission Capacity (ATC) is determined, in part, by SPPC in accordance with a control area import nomogram. Additionally, the Path 24 ATC is affected by any schedules at the Marble Interconnection. SPPC shall maintain a Marble Interconnection/California substation phase shifter/Path 24 nomogram and other studies (as necessary) to manage ATC.

SCE Control / Silver Peak Intertie:

Contract limit: 15 MW, bi-directional.

Plumas Sierra Marble Intertie

The Marble Interconnection point shall have a path Total Transfer Capability of +\-22 MW. SPPC performs the operational studies necessary to establish the Marble Interconnection rating. The real time Available Transmission Capacity (ATC) is determined by SPPC. Marble Interconnection ATC is affected by any schedules on Path 24. SPPC shall maintain a Marble Interconnection/California substation phase shifter/Path 24 nomogram and other studies (as necessary) to manage ATC.

SERVICE SCHEDULE 7

VOLTAGE CONTROL

[Section 3.2.5]

PG&E Summit Intertie:

ISO and SPPC will maintain Voltage at the terminals of the intertie to limit adverse effects to the intertie and to the Control Areas in compliance with NERC standards and WECC MORC.

SCE Control / Silver Peak Intertie:

- **Control / Silver Peak A and C Lines**
  ISO and SPPC will maintain Voltage at the terminals of the intertie to limit adverse effects to the intertie and to the Control Areas in compliance with NERC standards and WECC MORC.

Plumas Sierra Marble Intertie

ISO and SPPC will maintain Voltage at the terminals of the intertie to limit adverse effects to the intertie and to the Control Areas in compliance with NERC standards and WECC MORC.

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SERVICE SCHEDULE 8

INFORMATION EXCHANGE PROCEDURES FOR GRID OPERATIONS

[Section 3.2.6]

Information Exchange

The ISO and SPPC shall coordinate, either directly or through their Reliability Coordinators, the exchange of any information specified in Section 3.2.6 concerning the Interconnection facilities and the status of the Control Areas that may affect the operation of the Interconnection or either of the interconnected Control Areas. Real Time information shall be communicated in the most efficient method possible through any shared electronic, voice, or facsimile media or via their respective WECC Reliability Coordinators. Such communication equipment may be common networked mass communication equipment in place and shared by WECC participants or regional transmission groups. Service Schedule 9 lists information necessary to the reliable operation of the ISO, SPPC, and the WECC.

SERVICE SCHEDULE 9

INTERCONNECTION INFORMATION

[Section 3.2.6.1]

Information necessary to the reliable operation of the ISO, SPPC, and the WECC shall include, but not be limited to, the following operational data:

1) Real-time data on the Interconnection, including instantaneous MW and MVAR outputs, bus kV, circuit breaker status and hourly MWh-in and MWh-out outputs for each tie line and/or at each Interconnection point, which data will be telemetered to the ISO over the existing ICCP data link subject to the need to transition to direct ISO polling of the substation RTU receiving the real time MW and MVAR data in accordance with NERC operating data requirements. In addition, back-up tie line outputs for each tie line instantaneous MW and MVAR outputs will be telemetered to the ISO via either direct connection to the substation RTU or via a single back-up RTU, independent of and in addition to the data transmitted over the existing ICCP data link;
2) Major transmission outages, planned or unplanned, as they occur or are effected;
3) Restoration of major transmission facilities after Planned or unplanned Outages;
4) Any planned or unplanned generation facility outage in the PG&E Drum division;
5) Expected Operating Transfer Capability (OTC) based on forecasted Drum System conditions;
6) Restoration of generation facility in the PG&E Drum division;
7) Any planned or unplanned thermal overload relay system outage on the following PG&E 115kV lines: Drum/Summit #1; Drum/Summit #2; Drum/Rio Oso #2; Rio Oso/Drum #1; Rio Oso/Drum #2; Drum/Placer; Gold Hill/Placer #1; Gold Hill/Placer #2. Thermal overload relay system components include all thermal overload relays and associated transfer-trip and communications equipment;
8) Loss or impairment of certain reactive equipment;
9) Loss of load or resources resulting in detectable frequency variation;

10) Detectable significant weather data and/or atmospheric conditions;

11) Significant conditions such as fires, floods, and earthquakes;

12) Activation or deactivation of RAS equipment on the affected tie lines;

13) Any planned or unplanned operation that can or will impair the availability or transfer capability of resources; and

14) Activation of emergency command centers.

Additional information requirements including joint operating procedures may be added by mutual agreement between the ISO and SPPC.

SERVICE SCHEDULE 10

JOINT OPERATING PROCEDURES

[Section 3.2.7]

PG&E/Plumas-Sierra:
Paralleling Systems
The phase angle measured across the paralleling circuit breaker shall be monitored and adjusted before paralleling the two systems. The maximum allowable phase angle differences are:

North Truckee Substation 133 Terminal:	20 Degrees
Truckee 607 Substation Terminal:	20 Degrees
California 102 Substation Terminal:	Autosynchronizer available
Marble MB04 Substation Terminal:	20 Degrees

WECC Separation Trip Scheme
Whenever the Pacific NE/SE 500 kV AC Intertie Controller Separation Scheme is armed and a triggering operation occurs, SPPC – PG&E ties will separate via a signal from SPPC Control Center. The separation points are:

Truckee/Marble/Portola #619 line at the SPPC Truckee terminal
Drum / Summit / North Truckee #1 120kV line at the SPPC North Truckee terminal
Drum / Summit / California #2 120kV line at the SPPC California Substation terminal
Drum / Summit / Truckee 60kV line at the SPPC Truckee terminal

The SPPC Electric System Control Center Transmission System Operator will keep the ISO transmission dispatcher informed of the transfer trip scheme status.

The ISO and SPPC may agree to add joint operational procedures as they become necessary.

Thermal Overload Separation Trip Scheme
PG&E maintains nine thermal overload relays at various locations:

Drum substation on the Drum / Summit / North Truckee #1 115kV line
Drum substation on the Drum / Summit / California #2 115kV line
Drum substation on the Drum / Rio Oso #1 115kV line
Drum substation on the Drum / Spaulding 60kV line
Rio Oso substation on the Rio Oso / Drum #1 115kV line
Rio Oso substation on the Rio Oso / Drum #2 115kV line
Gold Hill substation on the Gold Hill / Placer #1 115kV line
Gold Hill substation on the Gold Hill / Placer #2 115kV line
Placer substation on the Placer / Gold Hill #1 115kV line

If the system is armed and a triggering condition occurs, the SPPC - PG&E ties will separate via a signal sent from and thermal overload relay location to PG&E Drum substation. The following terminals will be tripped:

Drum / Summit / North Truckee #1 115kV line at the PG&E Drum terminal
Drum / Summit / California #2 115kV line at PG&E Drum terminal
Drum / Summit / Truckee 60kV line at PG&E Spaulding terminal (via EMS)

SPPC and PG&E determined that the Plumas-Sierra Marble Intertie is not required to be included in the Thermal Overload Separation Trip Scheme.

The PG&E Electric System Control Center Shift Supervisor will keep the ISO transmission dispatcher informed of the thermal overload transfer-trip scheme status. The ISO transmission dispatcher shall keep the SPPC Electric System Control Center Transmission System Operator informed of the thermal overload transfer-trip scheme status.

The ISO and SPPC may agree to add joint operational procedures as they become necessary.

Interconnection Tieline Flow Control

SPPC has a 120kV phase shifting transformer (PST) located at California Substation which is used to control the SPPC-PG&E interchange. SPPC shall control interchange between SPPC and PG&E with this PST in accordance with the most current WECC MORC or other applicable WECC policies.

SCE:

Paralleling Systems

The phase angle measured across the paralleling circuit breaker shall be monitored and adjusted before paralleling the two systems. The maximum allowable phase angle differences are:

Silver Peak 501 Substation Terminal:	30 Degrees
Silver Peak 502 Substation Terminal:	30 Degrees

WECC Separation Trip Scheme

Whenever the Pacific NE/SE 500 kV AC Intertie Controller Separation Scheme is armed and a triggering operation occurs, SPPC -SCE ties will separate via a signal from SPPC Control Center. This separation occurs at the Silver Peak 501 and 502 circuit breakers. The SPPC Electric System Control Center Shift Supervisor will keep the ISO transmission dispatcher informed of the transfer trip scheme status.

The ISO and SPPC may agree to add joint operational procedures as they become necessary.

Interconnection Tieline Flow Control

SPPC has two 55kV phase shifting transformers (PSTs) located at Silver Peak Substation which are used to control the SPPC-PG&E interchange. SPPC shall control interchange between SPPC and SCE with these PSTs in accordance with the most current WECC MORC or other applicable WECC policies.

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SERVICE SCHEDULE 11

INFORMATION EXCHANGE AND COORDINATION FOR SCHEDULING AND DISPATCH

[Section 5.1]

A. PRESCHEDULE CHECKOUT PROCEDURES

Day-Ahead Process: The ISO will confirm net interchange schedules with adjacent Control Areas based on schedules submitted by Scheduling Coordinators within the parameters of the ISO's Day Ahead market and in accordance with any transmission limitations encountered by SPPC. Interchange schedules will not be implemented unless accepted by both the ISO and SPPC.

Hour-Ahead Process: The ISO will confirm hourly net interchange schedules with adjacent Control Areas based on Schedules submitted by Scheduling Coordinators within the parameters of the ISO's Hour Ahead and in accordance with any transmission limitations encountered by SPPC. Interchange schedules will not be implemented unless accepted by both the ISO and SPPC. Interchange schedules submitted by Scheduling Coordinators for existing contract rights-holders that retain rights to submit schedules after the close of the ISO's Hour Ahead market parameters will be accepted and the ISO will confirm net interchange schedules with the adjacent Control Area when the schedule is submitted.

B. REAL TIME CHECKOUT PROCEDURES

The ISO will confirm net interchange schedules with adjacent Control Areas on real time as required to meet NERC and WECC criteria.

C. AFTER THE FACT CHECKOUT PROCEDURES

The ISO will confirm net interchange schedules with adjacent Control Areas after the close of each settlement period (the scheduling hour, "Hour Ending") as required to meet the obligations of inadvertent interchange energy accounting of prevailing NERC or WECC policy.

SERVICE SCHEDULE 12

MAINTENANCE COORDINATION PROCEDURES

[Section 6.1]

ISO OUTAGE COORDINATION PRINCIPLES

The ISO Outage Coordination Office (OCO) will coordinate Outage scheduling with the Participating Transmission Owners and the interconnected Control Area operators on the following types of equipment:

1. interconnected transmission lines;
2. interconnected transmission equipment including circuit breakers, transformers, disconnects, reactive devices, wave traps;
3. protection and control schemes, including RAS, SCADA, EMS, or AGC; and
4. facilities within either Control Area that affect the transfer capability of the Interconnection.

In some cases it may be necessary for the party requesting an Outage to submit procedures and diagrams to facilitate the switching for the Outage.

The preferred Outage coordination schedule for the ISO is developed in accordance with the following general schedule:

1. October and April Outage coordination conferences.
   Each year near mid-October the ISO confers with other WECC entities in a long-range, regional Outage coordination process. A similar conference occurs in April of each year.
2. Quarterly Confirmation.
   Each quarter (on the 15th of January, April, July, and October) the ISO's market participants submit long range Outage plans covering a rolling twelve-month period, beginning the first of the following quarter, and they update (as needed) their existing Outage schedules with the ISO.
3. Outage Schedule Revisions.
   Requests for changes, additions, and cancellations to the annual/quarterly Outage schedule can be made at any time. However, the minimum notification for Outage requests is governed by the process listed below.
4. Three Day Prior Confirmation/Notification.

   Any request to change the schedule of an Outage that may affect transfer capability must be submitted no later that 1130 at least three working days prior

to the starting date of the scheduled Outage. This applies to facilities affecting the inter-Control Area operations, including the following:

a. all 500 kV facilities;
b. any line Outage;
c. any load transformer Outage;
d. any bus Outage;
e. relay protection Outages that reduce the transfer capability of a line or path;
f. any Outage that requires coordination by two or more connected entities;
g. communication system Outages, including SCADA facilities; and
h. any other Outage that will affect the transfer capability of any line or path.

5. Final Approval.
On the day of the scheduled Outage the ISO Control Center will consult with the interconnected Control Area operator and determine whether to approve the scheduled Outage.

Forced Outages will be handled as follows:

1. Immediate Forced Outages

Situations likely to result in a Forced Outage within the next twenty-four hours unless immediate corrective action is taken should be communicated directly to the ISO Control Center or SPPC's Control Center. The ISO Control Center operators will work with the Transmission Owner and/or the interconnected Control Area operator to take actions as necessary.

2. Imminent Forced Outages

Situations not requiring a removal from service of transmission facilities until some time more than twenty-four hours in the future should be communicated to the ISO OCO and will be scheduled for Outage. Time limits for notification will be waived and the request will be expedited by the ISO OCO provided notice is given as soon as possible.

Switching for scheduled outages will be coordinated by the ISO Control Center, the interconnected Control Area operator, and the Transmission Owner. Following approval to remove the facilities from service, the ISO Control Center will direct the Participating Transmission Owner to work with the interconnected Control Area operator to open the circuit breakers and then to perform necessary switching. The Transmission Owner will report to the ISO Control Center regarding the removal from service of the affected facilities.

Likewise, when returning facilities to service, following approval to return the facilities to service, the ISO Control Center will direct the Participating Transmission Owner to work with the interconnected Control Area operator to perform necessary switching in preparation for closing circuit breakers and then the actual closing of the circuit breakers. The Transmission Owner will report to the ISO Control Center regarding the return to service of the affected facilities.

Clearances will be exchanged and appropriate records kept between the Transmission Owners and the interconnected Control Area operators. The ISO Control Center will also keep records of the Outages.

The ISO OCO will maintain a record of each Outage as it is implemented utilizing the ISO's logging and Outage data management application ("SLIC"). Such records will be available for inspection by the owners of the facilities involved.

ISO Preferred Methods of Submitting Outage Requests

The primary method of submitting Outage requests to the ISO is via the ISO's "SLIC" internet application (i.e., ISO's electronic Outage request tool). If that application is unavailable or an interface to other Control Area applications has not been established, other methods may be used, including:

1. E-mail to: outage.folsom@caiso.com
2. Phone: 916-351-2300
3. Fax: 916-351-2367

All questions pertaining to communications with the ISO Outage Coordination Office should be presented to the ISO by phone to: 916-351-2300.

SPPC Outage Coordination Center
Planned Outages or Curtailments:
Planned intertie outages or curtailments must be requested at least 72 hours prior to the outage or curtailment start time.
Forced Outages or Curtailments:
Time limits for notification will be waived and the request will be expedited. The primary contact for forced outage coordination is the SPPC Transmission System Operator.

SPPC Transmission Provider Preferred Methods of Submitting Outage Requests

The primary methods of submitting Outage requests to SPPC are E-mail or telephone. Fax is available but seldom used. The numbers are as follow:

1. E-mail to: sppoc@sppc.com
2. Phone: (775) 834-4024
3. Fax: (775) 834-3940

Normally PG&E will submit an outage to SPPC first followed by the ISO.
Normally SPPC will submit an outage to PG&E first followed by the ISO.

SERVICE SCHEDULE 13

EMERGENCY ASSISTANCE ARRANGEMENTS

[Section 7.1]

To the extent possible, the Parties will assist each other in an emergency by scheduling energy and/or capacity. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. ISO and SPPC operators will agree upon and log MW values, start and end times, ramp rates and times, and integrated MWH values for any emergency assistance provided.

The price paid for ISO emergency assistance will be at the ISO market price for energy and/or capacity, plus all applicable charges, as specified in the ISO Tariff and Protocols. Such price may be estimated prior to delivery and finalized in the settlement process. The ISO will establish a Scheduling Coordinator account for SPPC for the sole purpose of facilitating the settlement of such emergency assistance. Payment to the ISO for such emergency assistance will be made in accordance with the settlement process, billing cycle, and payment timeline set forth in the ISO Tariff and Protocols.

The price paid for SPPC emergency assistance will be at a price agreed upon by the Parties or a price established by SPPC for such emergency assistance in advance, as may be applicable. Payment by the ISO for such emergency assistance will be made in accordance with the settlement process, billing cycle, and payment timeline set forth in the ISO Tariff and Protocols.

SERVICE SCHEDULE 14

INDEPENDENT OPERATION DUTIES AND RESPONSIBILITIES

[Section 7.4]

Beyond that included in the body of the agreement, no additional independent operation duties and responsibilities currently exist.

The ISO and SPPC may agree to add additional understandings as appropriate.

SERVICE SCHEDULE 15

RESTORATION COORDINATION

[Section 7.5]

The SPPC Energy Control Center and the ISO will cooperate to maximize the reliability of interconnected operations. The WECC MORC and off-nominal frequency procedures will be utilized as applicable. As appropriate, priority will be placed by both Parties on restoration of the Interconnection. The Interconnection will be closed only on orders from the ISO and the SPPC Energy Control Center.

ATTACHMENT B

~~CALIFORNIA INDEPENDENT SYSTEM OPERATOR~~

~~INTERCONNECTED CONTROL AREA OPERATING AGREEMENT~~

~~Dated: 26 day of November, 1997~~

SIERRA PACIFIC POWER COMPANY

and

CALIFORNIA INDEPENDENT SYSTEM

OPERATOR CORPORATION

AMENDED AND RESTATED
INTERCONNECTED CONTROL AREA

OPERATING AGREEMENT

AMENDED AND RESTATED

INTERCONNECTED CONTROL AREA

OPERATING AGREEMENT

ICAA 1 STANDARD OPERATING AGREEMENT

Interconnected Control Area Operating Agreement

THIS OPERATING AGREEMENT is entered into this ~~26th~~ day of ~~November~~, ~~1997~~ and is accepted, by

and between:

The Sierra Pacific Power Company, having its registered and principal executive office at ~~PO~~P.O. Box 10100, Reno, NV 89520-1830, ("SPPC")

and

California Independent System Operator Corporation, a California nonprofit public benefit Corporation having a principal executive office located at such place in the State of California as the ISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the "ISO").

SPPC and the ISO are hereinafter referred to as the "Parties".

Whereas:

1. The Parties operate interconnected Control Areas (connected by the "Interconnection").
2. The Parties wish to coordinate operation and maintenance of the Interconnection to satisfy ~~NERC~~North American Electric Reliability

Council or its successor ("NERC") criteria and ~~WSCC~~Western Electricity Coordinating Council or its successor ("WECC") Minimum Operating Reliability Criteria ("MORC") and Good Utility Practice.

3. The ISO has certain statutory obligations under California law to maintain power system reliability.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, **THE PARTIES AGREE** as follows:

ICAA 1.2 Purpose and Intent

ICAA 1.2.1 Purpose

The purpose of this Operating Agreement is to establish the rights and obligations of the ISO and SPPC with respect to the operation, maintenance, and control of the Interconnection. This Operating Agreement is based upon procedural protocols drawn from the ISO Tariff ~~and WSCC Minimum Operating Reliability Criteria (MORC)~~, NERC reliability standards and WECC MORC, existing contracts between SPPC and Participating Transmission Owners comprising the ISO, and established operating procedures. This Operating Agreement acknowledges that other Transmission Owners may have concurrent rights and responsibilities.

ICAA 1.2.2 Intent

The intent of this Operating Agreement is to acknowledge requirements, establish procedures and designate responsibilities for the operation and management of the Interconnection. It is not the intent of this Operating Agreement to abrogate or alter the rights and obligations under existing contracts pertaining to the subject of Interconnection.

ICAA 1.3 Term and Termination

ICAA 1.3.1 Effective Date

This Operating Agreement shall become effective on the Effective Date, and shall continue in effect until terminated.

ICAA 1.3.2 Termination

This Operating Agreement may be terminated by either Party upon two years written notice to the other Party or upon mutual consent of both Parties. For entities subject to ~~the FERC~~Federal Energy Regulatory

Commission ("FERC") jurisdiction, termination will be effective upon ~~approval~~acceptance by the FERC of notice of termination. The ISO shall timely file any notice of termination with the FERC. The filing of the notice of termination by the ISO will be considered timely if: (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the ISO files the notice of termination within 30 days of receipt of such request.

ICAA 2 DEFINITIONS

ICAA 2.1 ~~WSCC~~WECC Definitions

Except as defined below, terms and expressions used in this Operating Agreement shall have the same meanings as those contained in the ~~WSCC~~WECC MORC Definitions.

ICAA 2.2 Specific Definitions

ICAA 2.2.1 **Effective Date:** The effective date of this Operating Agreement shall be the later of the date that the Parties listed as signatories have executed this Operating Agreement, or the date this Operating Agreement is accepted for filing and made effective by the FERC, but no sooner than ~~January~~December 1, ~~1998.~~2005.

ICAA 2.2.2 **Entitlements:** The right of a Transmission Owner obtained through contract or other means to use another entity's transmission facilities for the transmission of energy.

ICAA 2.2.3 **Forced Outage:** An Outage for which sufficient notice cannot be given to allow the Outage to be factored into the preschedule processes and the established ~~outage~~Outage coordination principles of the Control Areas.

ICAA 2.2.4 **Good Utility Practice:** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry in the ~~WSCC~~WECC region during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

ICAA 2.2.5 **Interconnection:** Transmission facilities that connect one Control Area to another Control Area. The Interconnection is described in more detail in Service Schedule 1.

ICAA 2.2.6 **~~ISO (The California Independent System Operator)~~:** The California Independent System Operator Corporation, a state-chartered, nonprofit corporation that controls the transmission facilities of all Participating Transmission Owners ~~and~~, dispatches certain generating units and loads, and is a Control Area operator.

ICAA 2.2.7 **ISO Controlled Grid:** The system of transmission lines and associated facilities of the Participating Transmission Owners that have been placed under the ISO's operational control.

ICAA 2.2.8 **ISO Tariff:** ISO Operating Agreement and Tariff as amended from time to time, together with any appendices or attachments thereto.

ICAA 2.2.9 **Nomogram:** A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet ~~WSCC Minimum Operating Reliability Criteria~~NERC and WECC operating criteria.

ICAA 2.2.10 **Outage:** Disconnection or separation, planned or forced, of one or more elements of an electric system.

ICAA 2.2.11 **Planned Outage:** An Outage for which sufficient notice has been given to allow the Outage to be factored into the processes and the established Outage coordination principles of the Control Areas.

ICAA 2.2.12 **Point of Contact:** A person or entity having the authority to receive and act upon scheduling or dispatch communications from the other Control Area operator and available through a communications device mutually agreed upon on a 24-hour, 7-day basis.

ICAA 2.2.13 **Participating Transmission Owner:** An owner of transmission that has placed its transmission assets and Entitlements under the ISO's operational control.

ICAA 2.2.14 **Real Time Operating Limits:** The rated transfer capability less reductions during any hour caused by, but not limited to, physical limitations beyond the control of Control Area operators, and operational limitations resulting from transmission line Outages, equipment Outages, stability limits and loop flow.

ICAA 2.2.15 **Scheduling Coordinator:** An entity certified by the ISO for the purposes of undertaking the functions of: submitting schedules for energy, generation, transmission losses, and ancillary services; coordinating generation; tracking, billing, and settling trades with other Scheduling Coordinators; submitting forecast information; paying the ISO's charges; and ensuring compliance with ISO protocols.

ICAA 2.2.16 ~~**ICAA 2.2.15**~~ **Transmission Owner:** An entity owning transmission facilities or Entitlements at the Interconnection.

ICAA 2.2.17 ~~**ICAA 2.2.16 WSCC Security**~~**WECC Reliability Coordinator:** One of the area control centers assigned by the ~~WSCC~~WECC to proactively anticipate and mitigate potential problems, facilitate notification, and coordinate restoration following a disturbance.

ICAA 3 OPERATIONAL RESPONSIBILITIES

ICAA 3.1.1 Standards to Be Met

Both the ISO and SPPC shall plan and operate the Interconnection in conformance with NERC standards, ~~WSCC Minimum Operating Reliability Criteria (MORC)~~WECC MORC, and Good Utility Practice.

ICAA 3.1.2 Existing Contracts

The ISO will assume certain rights and responsibilities of Participating Transmission Owners in existing contracts, operating agreements or procedures between SPPC and the Participating Transmission Owners regarding the Interconnection where those rights and responsibilities pertain to the coordinated operation of the interconnected Control Areas. The ISO and SPPC, after consulting with affected Transmission Owners, shall develop the procedures to be used regarding those rights and responsibilities mentioned herein. The specific provisions of the aforementioned agreements which are affected by this Operating Agreement and the procedures for implementing such existing agreements shall be identified in Service Schedule 2.

ICAA 3.1.3 Communication

The ISO and SPPC shall each operate and maintain a 24-hour, 7-day control center with real time scheduling and control functions. Appropriate control center staff will be provided by each Party who shall be responsible for operational communications and who shall have sufficient authority to commit and bind that Party.

The ISO and SPPC shall jointly develop communication facilities and procedures necessary to support scheduling and dispatch functions. The Points of Contact, the communication facilities and the procedures for insuring reliable functionality are identified in Service Schedule 3.

ICAA 3.2 Grid Operation

ICAA 3.2.1 Responsibility

The Parties shall coordinate efforts consistent with Good Utility Practice to mitigate adverse conditions that occur at the Interconnection. The ISO and SPPC are each responsible for exercising operational control over facilities in their respective Control Areas, and shall not exercise operational control over any part of the Interconnection facilities owned or operated by the other Control Area operator except by mutual agreement. The respective jurisdictions for operational control by the ISO and SPPC are identified in Service Schedule 4.

ICAA 3.2.2 Switching Operations

The ISO and SPPC agree that the Transmission Owners retain possession of and will operate those interconnected facilities in accordance with the existing contracts and agreements in force between the Transmission Owners and SPPC. Operations on the Interconnection shall be coordinated through the ISO and SPPC except as otherwise indicated in ICAA ~~7.3.1.~~7.4. Specific switching responsibilities will be identified in Service Schedule 5.

ICAA 3.2.3 Real Time Operating Limits

ICAA 3.2.3.1 Real Time Operating Limits Established Jointly

The ISO and SPPC, in consultation with the Transmission Owners, shall jointly agree upon the Real Time Operating Limits of the Interconnection. Real ~~time~~Time Operating Limits shall be based on the given real time conditions, current operating criteria, and established Nomograms, graphs, and charts specific to the transfer paths within SPPC and the ISO. These established operating limits are specified in Service Schedule 6.

ICAA 3.2.3.2 Real Time Operating Limits Exceeded

If ~~an operating limit~~a Real Time Operating Limit is exceeded or the operation of either the SPPC Control Area or the ISO ~~Controlled Grid~~Control Area is jeopardized, the ISO and SPPC shall communicate and coordinate actions to return the affected ~~control area~~Control Area(s) to ~~operating limits~~Real Time Operating Limits. In compliance with ~~WSCC mandatory reliability criteria for stability rated paths~~WECC MORC, the ISO and SPPC will make ~~immediate Control Area to Control Area schedule adjustments to return overloaded stability rated facilities to Real Time Operating Limits within 10 minutes~~coordinated adjustments to energy flows between the two Control Areas such that stability limited facilities are returned to Real Time Operating Limits within 20 minutes after such limit is exceeded and thermally limited facilities are returned to Real Time Operating Limits within 30 minutes after such limit is exceeded, or as otherwise established and mandated by WECC.

ICAA 3.2.4 Relay Action

The ISO and SPPC shall provide pertinent relay data and related equipment condition and operational information concerning the Interconnection to each other as soon as practicable after the occurrence of any relay action on Interconnection equipment, including, as it becomes available, additional information regarding cause, condition, effects, and estimated corrective action. Notwithstanding the foregoing, the ISO and SPPC shall agree upon

corrective action and the procedure for returning to normal or adjusted operation.

ICAA 3.2.5 Voltage Control

The ISO and SPPC shall coordinate the use of voltage control equipment to maintain transmission voltages and reactive flows at mutually agreed upon levels to ensure system stability within the operating range of electrical equipment and ~~following WSCC~~in accordance with WECC MORC. The ISO and SPPC shall operate the facilities at the Interconnection at reactive reserve margins that are adequate to maintain minimum acceptable voltage limits under facility Outage conditions. Agreed upon voltage schedule limits and reactive flows will be specified in Service Schedule 7.

ICAA 3.2.6 Information Exchange

The ISO and SPPC shall coordinate directly the exchange of any information concerning the reliable operation of the Interconnection facilities and the status of the Control Areas. Such information shall be communicated through mutually acceptable methods. Procedures and forms for the exchange of emergency information shall be jointly developed and are contained in Service Schedule 8.

ICAA 3.2.6.1 Information Required to be Provided

Details regarding the information necessary to the reliable operation of the Interconnection shall be included in Service Schedule 9.

ICAA 3.2.7 Joint Operating Procedures

Procedures for coordinating the reliable operation of the Interconnection will be jointly implemented by the ISO, SPPC and the Participating Transmission Owners. Such procedures are described in more detail in Service Schedule 10.

ICAA 4 ~~SECURITY~~RELIABILITY COORDINATION

~~The ISO shall be the designated WSCC Security Coordinator for the California Subregion.~~

The California-Mexico Reliability Coordinator (CMRC) has been designated the WECC Reliability Coordinator for WECC's California-Mexico Subregion. The ISO operates under the purview of the CMRC, and is subject to CMRC directives as set forth in the Reliability Coordination Agreement between the ISO and CMRC. The Pacific Northwest Security Coordinator (PNSC) has been designated the WECC Reliability Coordinator for WECC's Pacific Northwest Subregion. SPPC operates under the purview of the PNSC, and is

subject to PNSC directives as set forth in the Security Coordination Agreement between SPPC and PNSC.

ICAA 5 SCHEDULING AND DISPATCH

ICAA 5.1 Coordination and Exchange of Information

The ISO and SPPC shall coordinate and exchange information on schedules and Control Area checkouts at the Interconnection. All schedules at the Interconnection shall match. In accordance with ~~WSCC~~WECC MORC, the ISO and SPPC shall verify, at mutually acceptable times, the actual and scheduled interchange numbers for past hours as well as scheduled interchange numbers for current and future hours. The ISO and SPPC shall jointly develop methods and details for coordinating scheduling procedures, information exchange, and notifications in normal, emergency, and curtailment conditions. These methods and details ~~will be~~are included in Service Schedule 11.

ICAA 5.2 Notifications

The ISO and SPPC shall jointly develop methods for coordinating the notification of all affected scheduling entities within their respective Control Areas regarding schedule changes in emergency or curtailment conditions.

ICAA 6 OUTAGE COORDINATION

ICAA 6.1 Maintenance Coordination

Outages of facilities affecting the Interconnection shall be jointly coordinated by the ISO, SPPC and the Transmission Owner to minimize a reduction and the duration of such reduction to the operating limits of the Interconnection. The ISO and SPPC shall provide each other reasonable notice of Planned Outages and scheduled maintenance affecting the Interconnection in advance.

The ISO and SPPC shall review Planned Outages and scheduled maintenance to determine the feasibility of initiating the switching process. If, given the current or anticipated system conditions at the time, the ISO and SPPC jointly determine that system reliability may be impaired, the Outage may be canceled or rescheduled.

Outage coordination procedures to be followed will be jointly developed by the ISO and SPPC and included in Service Schedule 12.

ICAA 6.2 Forced Outages

The ISO and SPPC shall coordinate and implement operational changes necessary to accommodate Forced Outages, emergencies or curtailments. All notifications of Forced Outages, emergencies or curtailments shall be communicated between the ISO and SPPC control centers as soon as possible. If notice prior to a Forced Outage, ~~Emergency~~emergency or curtailment cannot be given, the ISO or SPPC shall notify the other Party of the event immediately after it occurs.

All Forced Outage notifications shall be communicated by both control centers to other Control Area operators likely to be affected by the Forced Outage.

ICAA 7 EMERGENCY OPERATION

ICAA 7.1 Emergency Assistance Arrangements

Service Schedule 13 details emergency assistance arrangements.

ICAA 7.2 Unscheduled Flow Mitigation (Loop Flow)

The ISO shall ~~be the administrator for~~implement Unscheduled Flow Mitigation Procedures for the ~~California subregion~~qualified paths operated by the ISO, consistent with ~~WSCC~~WECC procedures.

ICAA 7.3 Emergency Action

In the event of a system emergency, the ISO and SPPC shall take coordinated action as they consider necessary to preserve or restore stable operation of the interconnected grid and to preserve or restore reliable, safe and efficient service as quickly as reasonably practicable. The ISO and SPPC shall, where practicable, keep operators in affected Control Areas and the appropriate ~~Security~~WECC Reliability Coordinators informed as to the nature and extent of the system emergency.

ICAA 7.4 ~~ICAA 7.3.1~~ Operations Exercised Independently

Emergency operation in response to unforeseen system occurrences that may jeopardize the safety of personnel and the general public and/or system stability may be performed independently by SPPC, the ISO, and the Transmission Owner. SPPC ~~and Transmission Owners~~ shall forward the outcomes to the ISO Control Center as soon as practicable after the occurrence. The ISO Control Center shall forward the outcomes of emergency operation to which it is a party to SPPC as

soon as it is practicable after the occurrence. The duties and responsibilities for the ISO Control Center, SPPC and the Transmission Owner under the foregoing circumstances are described in more detail in Service Schedule 14.

ICAA 7.5 ~~ICAA 7.4~~ Restoration Coordination

The ISO and SPPC shall coordinate restoration of the facilities affecting the Interconnection, and shall take necessary restoration measures on facilities affecting the Interconnection in their respective Control Areas following an interruption, including coordinating the restarting of either or both systems from a black start, if requested. The ISO and SPPC shall develop Interconnection restoration procedures, which shall be included in Service Schedule 15.

ICAA 7.6 ~~ICAA 7.5~~ Voltage Collapse

The ISO and SPPC shall take measures in their respective Control Areas to arrest collapsing voltage that affects the Interconnection.

ICAA 8 LIABILITY

ICAA 8.1 Uncontrollable Forces

An uncontrollable force means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of a Control Area operator which could not be avoided through the exercise of Good Utility Practice.

Neither the ISO nor SPPC will be considered in default of any obligation under this Operating Agreement or liable to the other for direct, indirect, or consequential damages if prevented from fulfilling that obligation due to the occurrence of an uncontrollable force.

In the event of the occurrence of an uncontrollable force, which prevents either the ISO or SPPC from performing any obligations under this Operating Agreement, the affected entity shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the uncontrollable force. The ISO and SPPC shall each use its best efforts to mitigate the effects of such uncontrollable force, remedy its inability to perform, and resume full performance of its obligations hereunder.

ICAA 8.2 Liability To Third Parties

Except as otherwise expressly provided herein, nothing in this Operating Agreement shall be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or any liability or obligation, contractual or otherwise, on the part of ISO or SPPC.

ICAA 8.3 Liability Between the Parties

The Parties' duties and standard of care with respect to each other, and the benefits and rights conferred on each other, shall be no greater than as explicitly stated herein. Neither Party, its directors, officers, employees or agents, shall be liable to the other Party for any loss, damage, claim, cost, charge or expense, whether direct, indirect or consequential, arising from the Party's performance or nonperformance under this Operating Agreement, except for a Party's gross negligence, or willful misconduct.

ICAA 8.4 Liability For Electric Disturbance

The ISO and SPPC shall plan, operate and maintain their respective systems to minimize or avoid electric disturbances that may interfere with the system of the other Party, consistent with Good Utility Practice. The limits of responsibility for The ISO and SPPC shall each be for protecting their own respective systems from possible damage by reason of electric disturbance or faults caused by the operation, faulty operation or non-operation of their facilities.

ICAA 8.5 Liability For Interruptions

Neither Party shall be liable to the other Party for any claim, demand, liability, loss or damage, whether direct, indirect, or consequential, incurred by the Parties or their respective customers, which results from the separation of the systems in an ~~Emergency~~emergency.

If a customer within the Control Area of a Party makes a claim or brings an action against the other Party for any death, injury, loss or damage arising out of or in connection with electric service to such customer and caused by the operation or failure of operation of the other Party's Control Area or any portion thereof, ~~The~~the first Party shall indemnify and hold harmless the other Party, its directors, officers and employees from and against any liability for such injury, loss or damage.

ICAA 9 SERVICE SCHEDULES

The ISO and SPPC shall establish with each other and where appropriate with the Transmission Owner specific procedures for the

reliable operation and scheduling of the Interconnection facilities. The details of these particular operating procedures will be set forth in the applicable Service Schedule.

ICAA 10 MISCELLANEOUS

ICAA 10.1 Assignments

Either Party to this Operating Agreement may assign its obligations under this Operating Agreement, with the other Party's prior written consent. Such consent shall not be unreasonably withheld.

Obligations and liabilities under this Operating Agreement shall be binding on the successors and assigns of the Parties. No assignment of this Operating Agreement shall relieve the ~~original party from its obligations or liabilities~~assigning Party from any obligation or liability under this Operating Agreement arising or accruing due prior to the date of assignment.

ICAA 10.2 Notices

Any notice, demand or request which may be given to or made upon either Party regarding this Operating Agreement shall be made in writing and shall be deemed properly served, given, or made: (a) upon delivery if delivered in person, (b) five (5) days after deposit in the mail if sent by first class United States mail, postage prepaid, (c) upon receipt of confirmation by return facsimile if sent by facsimile, or (d) upon delivery if delivered by prepaid commercial courier service. A Party must update the information in Service Schedule 3 relating to its address as that information changes.

ICAA 10.3 Waivers

Any waiver at any time by either Party of its rights with respect to any default under this Operating Agreement, or with respect to any other matter arising in connection with this Operating Agreement, shall not constitute or be deemed a waiver with respect to any subsequent default or matter arising in connection with this Operating Agreement. Any delay, short of the statutory period of limitations, in asserting or enforcing any right under this Operating Agreement, shall not constitute or be deemed a waiver of such right.

ICAA 10.4 Governing Law and Forum

Subject to ICAA 10.5, this Operating Agreement shall be deemed to be a contract made under and for all purposes shall be governed by and construed in accordance with the laws of the State of California, except that if a dispute concerns the operation of transmission lines or facilities, the law of the state where the transmission lines or facilities are located will control. The Parties irrevocably consent that any legal action or proceeding arising under or relating to this Operating Agreement shall be brought in any of the following forums, as appropriate: court of the State of California or any federal court of the United States of America located in the State of California or, where subject to its jurisdiction, before the Federal Energy Regulatory Commission. No provision of this Operating Agreement shall be deemed to waive the right of any Party to protest, or challenge in any manner, whether this Operating Agreement, or any action or proceeding arising under or relating to this Operating Agreement, is subject to the jurisdiction of the Federal Energy Regulatory Commission.

ICAA 10.5 Consistency with Federal Laws and Regulations

(a) Nothing in this Operating Agreement shall compel any person or federal entity to: (1) violate federal statutes or regulations; or (2) in the case of a federal agency, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Operating Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation to that extent, it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with any provision of this Operating Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations, or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the ISO Tariff to the extent that applicable federal laws, regulations, and orders lawfully promulgated thereunder permit it to do so.

(b) If any provision of this Operating Agreement requiring any person or federal entity to give an indemnity or impose a sanction on any person is unenforceable against a federal entity, the ISO shall submit to the Secretary of Energy or other appropriate Departmental Secretary a report of any circumstances that would, but for this provision, have rendered a federal entity liable to indemnify any person or incur a sanction and may request the Secretary of Energy or other appropriate Departmental Secretary to take such steps as are

necessary to give effect to any provisions of this Operating Agreement that are not enforceable against the federal entity.

ICAA 10.6 Severability

If any term, covenant, or condition of this Operating Agreement or the application or effect of any such term, covenant, or condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent permitted by law, and all other terms, covenants, and conditions of this Operating Agreement and their application shall not be affected thereby, but shall remain in force and effect and the ~~parties~~Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Operating Agreement.

ICAA 10.7 Section Headings

Section headings provided in this Operating Agreement are for ease of reading and are not meant to interpret the text in each Section.

ICAA 10.8 Amendments

This Operating Agreement and the Schedules and Attachments attached hereto may be amended from time to time by the mutual agreement of the Parties in writing. Amendments that are subject to FERC approval shall not take effect until FERC has accepted such amendments for filing and has made them effective. If the amendment does not require FERC approval, the amendment will be filed with FERC for information.

ICAA 10.9 Counterparts

This Operating Agreement may be executed in one or more counterparts at different times, each of which shall be regarded as an original and all of which, taken together, shall constitute one and the same Operating Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Operating Agreement to be duly executed on behalf of each by and through their authorized representatives as of the date written in ICAA 1.

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

Date: _____

The Sierra Pacific Power Company

By: _____

Name: _____

Title: _____

Date: _____

SERVICE SCHEDULE 1

INTERCONNECTION

[Section 2.2.5]

The Interconnection between the ~~California Independent System Operator (ISO)~~ISO and ~~the Sierra Pacific Power Company (SPP)~~SPPC is comprised of ~~five~~six (~~5~~6) ~~lines~~ties. Three of these ~~lines~~ties interconnect with the ISO through transmission facilities owned by ~~the~~ Pacific Gas and Electric Company (PG&E) ~~and two~~. Two of these ~~lines~~ties interconnect with the ISO through transmission facilities owned by ~~the~~ Southern California Edison Company (SCE). One tie interconnects with the ISO through transmission facilities owned by Plumas-Sierra Rural Electric Cooperative (Plumas Sierra).

PG&E Summit Intertie:

- **Drum / Summit / North Truckee #1 115kV Line**

This 115 kV Line connects PG&E's Drum Substation to ~~Sierra Pacific~~SPPC's North Truckee Substation. Summit Meter Station is the interconnection metering point of the line ~~near the California-Nevada state border~~located west of Truckee and is the interconnection point, since it also marks the change of jurisdiction.

ISO Terminal:	Drum
~~PTO:~~	~~PG&E~~
Participating Transmission Owner:	PG&E
SPPC Terminal:	North Truckee
Point of Interconnection:	Summit Meter Station
Voltage:	115kV

- **Drum / Summit /California Sub #2 115kV Line**

This 115 kV Line connects PG&E's Drum Substation to ~~Sierra Pacific~~SPPC's California Substation. Summit Meter Station is also the metering point for this line.

ISO Terminal:	Drum
~~PTO:~~	~~PG&E~~
Participating Transmission Owner:	PG&E
SPPC Terminal:	California Substation
Point of Interconnection:	Summit Meter Station
Voltage:	115kV

- **Spaulding / Summit / Truckee 60 kV line**

This 60 kV Line connects PG&E's Spaulding Substation to ~~Sierra Pacific~~SPPC's Truckee Substation. Summit Meter Station is also the metering point for this line.

ISO Terminal:	Spaulding
~~PTO:~~	~~PG&E~~
Participating Transmission Owner:	PG&E
SPPC Terminal:	Truckee Substation
Point of Interconnection:	Summit Meter Station
Voltage:	60 kV

SCE Control / Silver Peak Intertie:

The California-Nevada state border is considered the point of Interconnection between the ISO and ~~the Sierra Pacific Power Company~~SPPC where SCE is the Participating Transmission Owner ~~(PTO)~~. Two (2) 55 kV ~~Lines~~lines make up this interconnection point. Responsibility for lines and equipment is defined in the following statements. Refer to the attached drawing (note that ~~SPP~~SPPC uses number system for line identification).

- **Control / Silver Peak A 55 kV Line**

ISO Terminal:	Control Substation
~~PTO:~~	~~SCE~~
Participating Transmission Owner:	SCE
SPPC Terminal:	~~SPP~~ Silver Peak Substation
Point of Interconnection:	California – Nevada border
Voltage:	55 kV

- **Control / Silver Peak C 55 kV Line**

ISO Terminal:	Control Substation
~~PTO:~~	~~SCE~~
Participating Transmission Owner:	SCE
SPPC Terminal:	Silver Peak Substation
Point of Interconnection:	California – Nevada border
Voltage:	55 kV

Plumas Sierra Marble Intertie

Interconnection of the Plumas Sierra 69 kV grid to the SPPC 60 kV grid occurs at the SPPC Marble Substation through the Plumas Sierra Marble 69/60 kV transformer. The point of interconnection is on the 60 kV side of the transformer and is the location of the metering between the ISO and SPPC Control Areas.

- **Marble Substation 69/60 kV transformer**

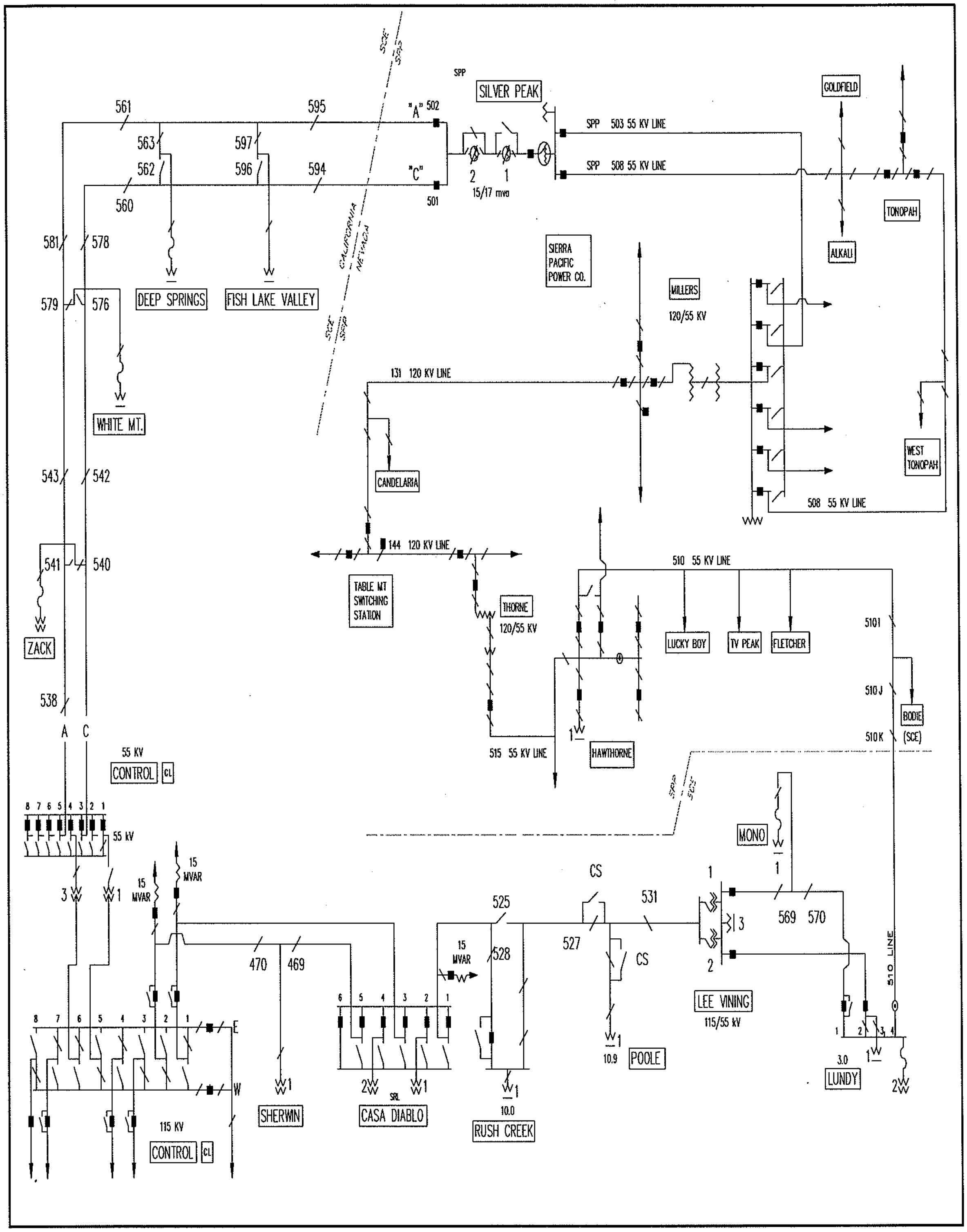
ISO Terminal:	Marble Substation 69kV
Transmission Owner:	Plumas Sierra
SPPC Terminal:	Marble Substation 60kV
Point of Interconnection:	Marble Substation 60kV
Voltage:	60 kV

Metering is located at the SPPC side of the substation.

REVENUE METERING AND TELEMETRY AT INTERCONNECTION POINTS

SPPC has in service revenue quality metering at all Interconnections points. This metering shall meet the standards as mutually agreed upon by SPPC and the ISO. Meters are inspected and tested per existing agreements between SPPC and the respective Transmission Owner. The ISO shall be entitled to witness annual testing of the Interconnection metering. Any change or modification to such metering equipment by SPPC or any other entity shall be coordinated with the ISO. SPPC shall program the Interconnection revenue metering to record data at five minute intervals and shall provide for ISO polling of that metering.

SPPC and the ISO shall maintain arrangements that ensure that both Parties shall have access to real-time data from all of the points of Control Area Interconnection. SPPC understands that the ISO wants to directly poll MW and MVAR data from interconnection metering and/or data recorders, which may include RTUs, at all points of Control Area Interconnection. SPPC agrees to allow the ISO to directly poll real-time data from SPPC substations and will work with the ISO to facilitate ISO direct polling of real-time data from substations of other entities in a timely manner. In the event that a second communication port of the RTU is not available for direct polling by the ISO's EMS, the ISO shall have the option to provide an RTU to the substation owner for the purpose of establishing a communication port available for direct polling by the ISO EMS.



SILVER PEAK
SPP
"A" 502
"C"
501
15/17 mva
SPP 503 55 KV LINE
SPP 508 55 KV LINE
561
595
563
597
562
596
594
560
581
578
579
576
DEEP SPRINGS
FISH LAKE VALLEY
WHITE MT.
CALIFORNIA
NEVADA
SCE
SPP
GOLDFIELD
TONOPAH
ALKALI
SIERRA PACIFIC POWER CO.
MILLERS
120/55 KV
131 120 KV LINE
CANDELARIA
WEST TONOPAH
508 55 KV LINE
543
542
541
540
ZACK
144 120 KV LINE
TABLE MT SWITCHING STATION
THORNE
120/55 KV
510 55 KV LINE
LUCKY BOY
TV PEAK
FLETCHER
5101
510J
510K
BODIE (SCE)
538
A C
55 KV
CONTROL
HAWTHORNE
515 55 KV LINE
MONO
55 KV
15 MVAR
CS
525
531
527
528
569 570
470
469
LEE VINING
115/55 kV
510 LINE
E
W
SHERWIN
CASA DIABLO
SRL
10.0
RUSH CREEK
10.9
POOLE
3.0
LUNDY
115 KV
CONTROL

SERVICE SCHEDULE 2

EXISTING CONTRACT PROVISIONS AND PROCEDURES

[Section 3.1.2]

EXISTING TRANSMISSION SERVICE CONTRACTS

The ISO shall respect and comply with SPPC ~~Existing Rights~~existing contracts established through prior agreement with PG&E to the extent allowed by state and federal law, FERC orders, and the mandates of local regulatory commissions. As so allowed, in order to do so, the ISO shall not provide any firm transmission services to a third party without SPPC's advance written consent if such services would reduce SPPC's capacity import capability from PG&E, through the term of said prior agreement.

SERVICE SCHEDULE 3

POINTS OF CONTACT

(Privileged Material Redacted Pursuant To 18 C.F.R. § 388.112)

SERVICE SCHEDULE 4

RESPECTIVE JURISDICTION FOR OPERATIONAL CONTROL

[Section 3.2.1]

PG&E Summit Intertie (ISO will be involved in the coordination of switching on these lines):

- **Drum / Summit /North Truckee #1 115 kV Line**

  Jurisdictional Boundary:
  PG&E has switching and maintenance responsibility for transmission and facilities from Drum to and including switch 139 at Summit.
  SPPC has operational control of and switching and maintenance responsibility for transmission and facilities from North Truckee to and including switches 133C, 133A, and 133B at Summit.
  ISO has operational control of PG&E facilities up to and including switch 139 at Summit.

- **Drum / Summit /California Sub #2 115 kV Line**

  Jurisdictional Boundary:
  PG&E has switching and maintenance responsibility for transmission and facilities from Drum to and including switch 239 at Summit.
  SPPC has operational control of and switching and maintenance responsibility for transmission facilities from California Sub to and including switches 102C, 102A and 102B at Summit.
  ISO has operational control of PG&E facilities up to and including switch 239 at Summit. ISO will be involved in the coordination of switching on these lines.

- **Spaulding / Summit / Truckee 60 kV line**

  Jurisdictional Boundary:
  PG&E has switching and maintenance responsibility for transmission and facilities from Spaulding to and including switch 39 at Summit.
  SPPC has operational control of and switching and maintenance responsibility for transmission and facilities from Truckee to and including switches 607A, 607B, and 607C at Summit.
  ISO has operational control of PG&E facilities up to and including switch 39 at Summit. ISO will be involved in the coordination of switching on these lines.

SCE Control / Silver Peak Intertie:

- **Control / Silver Peak "A" and "C" lines**
  Jurisdictional Boundary:
  SCE and SPPC have joint jurisdiction of Pole Switches 595 and 594.
  SCE Bishop Hydro Division Dispatcher has switching and maintenance responsibility for transmission and facilities for The Control-Sliver Peak "A" (502) 55 kV line from Pole Switch 595 to Control Substation and for The Control-Silver Peak "C" (501) 55 kV line from Pole Switch 594 to Control Substation.
  SPPC has operational control of and switching and maintenance responsibility for transmission and facilities for The 502 (Control-Silver Peak "A") 55 kV line from Pole Switch 595 to Silver Peak Substation and for The 501 (Control-Silver Peak "C") 55 kV line from Pole Switch 594 to Silver Peak Substation.
  ISO has operational control of the portions of the lines that belong to SCE.

Plumas Sierra Marble Intertie

- **Marble Substation 69/60 kV transformer**

  Jurisdictional Boundary:

  SPPC has operational control of the Marble #619 circuit breaker, Marble #619B disconnect switch and the SPPC #619 line from Truckee to Portola Substations.

  Plumas Sierra has switching and maintenance responsibility for the MB04 circuit breakers, the 69/60 kV transformer, and other facilities, at Marble Substation. Plumas Sierra has operational control of the MB04 circuit breaker. Plumas Sierra has operational control of the 69/60 kV transformer and all 69kV lines between Quincy and Marble Substations.

  ISO
  ISO will be involved in the coordination of switching at Marble Substation.

SERVICE SCHEDULE 5

SWITCHING OPERATIONS

[Section 3.2.2]

PG&E Summit Intertie:

Switching of the intertie will be coordinated between ISO, PG&E, and SPPC and performed under the direction of PG&E and SPPC dispatchers.
Clearances on the intertie will be issued between PG&E and SPPC dispatchers, and then by the dispatcher to the appropriate personnel.
Testing will be coordinated among ISO, PG&E, and SPPC.
Monitoring and Control will be coordinated ~~among~~between ISO and SPPC.

Routine 115kV Switching
All switching at the Substation terminals of the two (2) 115 kV lines will be performed by personnel of the company which operates the substation. Operation of switches at Summit (102A, 102B, 102C, 133A, 133B, 133C) will normally be performed by personnel from SPPC. Operation of switches 139 and 239 will normally be performed by personnel from PG&E. All other Pole Switches will be operated by the personnel of the company having jurisdiction of the line.

Clearance Procedures---115kV Lines
An intercompany Clearance will be required for work on any line or line section which terminates at or includes Pole Switches 102A, 102B, 102C, 133A, 133B, 133C, 139 or 239.

After switching has been completed (to clear the pertinent line or line section) the PG&E Drum Division Dispatcher and the SPPC ~~Electric~~Transmission System ~~Control Center Shift Supervisor~~Operator will issue an Intercompany Clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Drum/Summit/North Truckee #1 line will normally be energized for test from Drum. If it must be energized from North Truckee, the in service phase shifter at SPPC California Substation may, at the discretion of SPPC, need to be placed on neutral and/or the bypass disconnects closed prior to the test .

The Drum/Summit/California #2 line will normally be energized for test from Drum. If it must be energized from California, the in service phase shifter at SPPC California Substation may, at the discretion of SPPC, need to be placed on neutral and/or the bypass disconnects closed prior to the test .

Routine 60kV Switching
All switching at the Substation terminals of the 60kV line will be performed by personnel of the company which operates the substation. Operation of the switches at Summit

(607A, 607B, 607C) will normally be performed by personnel from SPPC. Operation of the switch 39 will normally be performed by personnel from PG&E. All other Pole Switches will be operated by the personnel of the company having jurisdiction of the line.

Clearance Procedures---60kV Line
An Intercompany Clearance will be required for work on any line or line section which terminates at or includes Pole Switches 607A, 607B or 607C.

After switching has been completed (to clear the pertinent line or line section) the PG&E Drum Division Dispatcher and the SPPC ~~Electric~~Transmission System ~~Control Center Shift Supervisor~~Operator will issue an Intercompany Clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Spaulding/Summit/Truckee line will normally be energized for test from Spaulding, but may be tested from either end as conditions dictate.

SCE Control / Silver Peak Intertie:

- **Control / Silver Peak "A" and "C" lines**

Switching of the intertie will be coordinated between ISO, SCE, and SPPC.

Routine 55 kV Switching
All switching at the Substation terminals of the two (2) 55 kV lines will be performed by personnel of the company which operates the substation.

Operation of Pole Switches 594 and 595 will normally be performed by personnel of the company desiring to work on their line section. All other Pole Switches will be operated by the personnel of the company having jurisdiction of the line.

Clearance Procedures
An Inter-company Clearance will be required for work on any line or line section which terminates at or includes Pole Switches 594 or 595.

After switching has been completed to clear the pertinent line or line section, the SCE Bishop Hydro Division Dispatcher and the SPPC ~~Electric~~Transmission System ~~Control Center Shift Supervisor~~Operator will issue an Inter-company Clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Control-Silver Peak "A" (502) or "C" (501) 55 kV lines will normally be energized for test from Control. If they must be energized from Silver Peak, the in service phase

shifter may, at the ~~disgression~~discretion of SPPC, need to be placed on neutral and/or the bypass disconnects closed prior to the test .

Plumas Sierra Marble Intertie:

Switching of the intertie will be coordinated between ISO, Plumas Sierra, and SPPC and performed under the direction of Plumas Sierra and SPPC dispatchers.
Clearances on the intertie will be issued between Plumas Sierra and SPPC dispatchers.
Testing will be coordinated among ISO, Plumas Sierra and SPPC.
Monitoring and Control will be coordinated between ISO and SPPC.

Routine Switching at Marble

All Switching at Marble Substation shall be performed by personnel of the company who operate the respective equipment. Operation of Marble #619 circuit breaker and #619B disconnect switch will normally be performed by personnel from SPPC. Operation of the MB04 circuit breaker and MB05 disconnect switch shall normally be performed by personnel from Plumas Sierra.

Clearance Procedures---69kV Lines

An inter-company Clearance will be required for work on any line or line section which terminates at Marble Substation.

After switching has been completed (to clear the pertinent line or line section) the Plumas Sierra Dispatcher and the SPPC Transmission System Operator will issue an Inter-company clearance to each other before either agency issues a line Clearance to its own station or field personnel. Both companies will record such Clearances in their usual manner.

The Quincy/Beckworth/Marble line will normally be energized for test from Quincy to the open MB04 circuit breaker at Marble. The SPPC Truckee-to-Marble #619 line shall be tested from Truckee up to the open Marble #619 circuit breaker.

SPPC shall normally energize the Marble 69/60kV transformer through its operation control of the #619 circuit breaker. Plumas Sierra shall normally make the inter-tie with SPPC through the MB04 circuit breaker.

SERVICE SCHEDULE 6

REAL TIME OPERATING LIMITS

[Section 3.2.3.1]

PG&E Summit Intertie:

The transfer capability of the interconnection between PG&E and SPPC is 160MW bi-directional, as indicated in the ~~WSCC~~WECC Path Rating Catalog. ~~The real time operational transfer capability~~SPPC performs the operational studies necessary to establish the Path 24 rating. The real time Available Transmission Capacity (ATC) is determined, in part, by SPPC in accordance with a control area import ~~Nomogram that is maintained by SPPC~~nomogram. Additionally, the Path 24 ATC is affected by any schedules at the Marble Interconnection. SPPC shall maintain a Marble Interconnection/California substation phase shifter/Path 24 nomogram and other studies (as necessary) to manage ATC.

SCE Control / Silver Peak Intertie:

Contract limit: ~~14~~15 MW, bi-directional.

Plumas Sierra Marble Intertie

The Marble Interconnection point shall have a path Total Transfer Capability of +\-22 MW. SPPC performs the operational studies necessary to establish the Marble Interconnection rating. The real time Available Transmission Capacity (ATC) is determined by SPPC. Marble Interconnection ATC is affected by any schedules on Path 24. SPPC shall maintain a Marble Interconnection/California substation phase shifter/Path 24 nomogram and other studies (as necessary) to manage ATC.

SERVICE SCHEDULE 7

VOLTAGE CONTROL

[Section 3.2.5]

PG&E Summit Intertie:

ISO and SPPC will maintain Voltage at the terminals of the intertie to limit adverse effects to the intertie and to the Control Areas in compliance with NERC standards and ~~WSCC~~WECC MORC.

SCE Control / Silver Peak Intertie:

- **Control / Silver Peak A and C Lines**

  ~~MVAR Schedule: Zero MVAR at Control Substation plus or minus 5 MVAR~~
  ISO and SPPC will maintain Voltage at the terminals of the intertie to limit adverse effects to the intertie and to the Control Areas in compliance with NERC standards and WECC MORC.

Plumas Sierra Marble Intertie

ISO and SPPC will maintain Voltage at the terminals of the intertie to limit adverse effects to the intertie and to the Control Areas in compliance with NERC standards and WECC MORC.

SERVICE SCHEDULE 8

INFORMATION EXCHANGE PROCEDURES FOR GRID OPERATIONS

[Section 3.2.6]

Information Exchange

The ISO and SPPC shall coordinate, either directly or through their ~~Security~~Reliability Coordinators, the exchange of any information specified in Section 3.2.6 concerning the Interconnection facilities and the status of the Control Areas that may affect the operation of the Interconnection or either of the interconnected Control Areas. Real Time information shall be communicated in the most efficient method possible through any shared electronic, voice, or facsimile media or via their respective ~~WSCC Security~~WECC Reliability Coordinators. Such communication equipment may be common networked mass communication equipment in place and shared by ~~WSCC~~WECC participants or regional transmission groups. Service Schedule 9 lists information necessary to the reliable operation of the ISO, SPPC, and the ~~WSCC~~WECC.

SERVICE SCHEDULE 9

INTERCONNECTION INFORMATION

[Section 3.2.6.1]

Information necessary to the reliable operation of the ISO, SPPC, and the ~~WSCC~~WECC shall include, but not be limited to, the following operational data:

1) Real-time data on the Interconnection, including instantaneous MW and MVAR outputs, bus kV, circuit breaker status and hourly MWh-in and MWh-out outputs for each tie line and/or at each Interconnection point, which data will be telemetered to the ISO over the existing ICCP data link subject to the need to transition to direct ISO polling of the substation RTU receiving the real time MW and MVAR data in accordance with NERC operating data requirements. In addition, back-up tie line outputs for each tie line instantaneous MW and MVAR outputs will be telemetered to the ISO via either direct connection to the substation RTU or via a single back-up RTU, independent of and in addition to the data transmitted over the existing ICCP data link;

2) ~~1)~~ Major transmission outages, planned or unplanned, as they occur or are effected;

3) ~~2)~~ Restoration of major transmission facilities after Planned or unplanned Outages;

4) ~~3)~~ Any planned or unplanned generation facility outage in the PG&E Drum division;

5) Expected Operating Transfer Capability (OTC) based on forecasted Drum System conditions;

6) ~~4)~~ Restoration of generation facility in the PG&E Drum division;

7) ~~5)~~ Any planned or unplanned thermal overload relay system outage on the following PG&E 115kV lines: Drum/Summit #1; Drum/Summit #2; Drum/Rio Oso #2; Rio Oso/Drum #1; Rio Oso/Drum #2; Drum/Placer; Gold Hill/Placer #1; Gold Hill/Placer #2. Thermal overload relay system components include all thermal overload relays and associated transfer-trip and communications equipment;

8) ~~6)~~ Loss or impairment of certain reactive equipment;

9) ~~7)~~ Loss of load or resources resulting in detectable frequency variation;

10) ~~8)~~ Detectable significant weather data and/or atmospheric conditions;

11) ~~9)~~ Significant conditions such as fires, floods, and earthquakes;

12) ~~10)~~ Activation or deactivation of RAS equipment on the affected tie lines;

13) ~~11)~~ Any planned or unplanned operation that can or will impair the availability or transfer capability of resources; and

14) ~~12)~~ Activation of ~~Emergency~~emergency command centers.

Additional information requirements including joint operating procedures may be added by mutual agreement ~~of~~between the ISO and SPPC.

SERVICE SCHEDULE 10

JOINT OPERATING PROCEDURES

[Section 3.2.7]

PG&E/Plumas-Sierra:

Paralleling Systems

The phase angle measured across the paralleling circuit breaker shall be monitored and adjusted before paralleling the two systems. The maximum allowable phase angle differences are:

North Truckee Substation 133 Terminal: 20 Degrees
Truckee 607 Substation Terminal: 20 Degrees
California 102 Substation Terminal: ~~Autosynchonizer~~Autosynchronizer available
Marble MB04 Substation Terminal: 20 Degrees

~~WSCC~~WECC Separation Trip Scheme

Whenever the Pacific NE/SE 500 kV AC Intertie Controller ~~SeparationScheme~~Separation Scheme is armed and a triggering operation occurs, SPPC – PG&E ties ~~willseparate~~will separate via a signal from SPPC Control Center. The separation points are:

Truckee/Marble/Portola #619 line at the SPPC Truckee terminal
Drum / Summit / North Truckee #1 120kV line at the SPPC North Truckee terminal
Drum / Summit / California #2 120kV line at the SPPC California Substation terminal
Drum / Summit / Truckee 60kV line ~~ant~~at the SPPC Truckee terminal

The ~~SPP~~SPPC Electric System Control Center ~~Shift Supervisor~~Transmission System Operator will keep the ISO transmission dispatcher informed of the transfer trip scheme status.

The ISO and ~~SPP~~SPPC may agree to add joint operational procedures as they become necessary.

Thermal Overload Separation Trip Scheme

~~PGAE~~PG&E maintains nine thermal overload relays at various locations:

Drum substation on the Drum / Summit / North Truckee #1 ~~120~~115kV ~~terminal~~line

Drum substation on the Drum / Summit / California #2 ~~120~~115kV ~~terminal~~ line
Drum substation on the Drum / Rio Oso #1 ~~120~~115kV ~~terminal~~ line
Drum substation on the Drum / Spaulding 60kV ~~terminal~~ line
Rio Oso substation on the Rio Oso / Drum #1 ~~120~~115kV ~~terminal~~ line
Rio Oso substation on the Rio Oso / Drum #2 ~~120~~115kV ~~terminal~~line

Gold Hill substation on the Gold Hill / Placer #1 ~~120kV terminal~~
~~Gold Hill substation on the Gold Hill / Placer #2 120kV terminal~~
~~Placer substation on the Placer / Gold Hill #1 120kV terminal~~ 115kV line
Gold Hill substation on the Gold Hill / Placer #2 115kV line
Placer substation on the Placer / Gold Hill #1 115kV line

If the system is armed and a triggering condition occurs, the SPPC - ~~PGAE~~PG&E ties will separate via a signal sent from and thermal overload relay location to ~~PGAE~~PG&E Drum substation. The following terminals will be tripped:

Drum / Summit / North Truckee #1 ~~120~~115kV line at the ~~PGAE~~PG&E Drum terminal
Drum / Summit / California #2 ~~120~~115kV line at ~~PGAE~~PG&E Drum terminal
Drum / Summit / Truckee 60kV line at ~~PGAE~~PG&E Spaulding terminal (via EMS)

SPPC and PG&E determined that the Plumas-Sierra Marble Intertie is not required to be included in the Thermal Overload Separation Trip Scheme.

The ~~PGAE~~PG&E Electric System Control Center Shift Supervisor will keep the ISO transmission dispatcher informed of the thermal overload transfer-trip scheme status. The ISO transmission dispatcher shall keep the SPPC Electric System Control Center ~~Shift Supervisor~~Transmission System Operator informed of the thermal overload transfer-trip scheme status.

The ISO and ~~SPP~~SPPC may agree to add joint operational procedures as they become necessary.

Interconnection Tieline Flow Control

~~SPP~~SPPC has a 120kV phase shifting transformer (PST) located at California Substation which is used to control the ~~SPP~~SPPC-PG&E interchange. ~~SPP~~SPPC shall control interchange between ~~SPP~~SPPC and PG&E with this PST in accordance with the most current ~~WSCC~~WECC MORC or other applicable ~~WSCC~~WECC policies.

SCE:

Paralleling Systems

The phase angle measured across the paralleling circuit breaker shall be monitored and adjusted before paralleling the two systems. The maximum allowable phase angle differences are:

Silver Peak 501 Substation Terminal:	30 Degrees
Silver Peak 502 Substation Terminal:	30 Degrees

~~WSCC~~WECC Separation Trip Scheme

Whenever the Pacific NE/SE 500 kV AC Intertie Controller Separation Scheme is armed and a triggering operation occurs, SPPC -SCE ties will separate via a signal from SPPC Control Center. This separation occurs at the Silver Peak 501 and 502 circuit breakers. The ~~SPP~~SPPC Electric System Control Center Shift Supervisor will keep the ISO transmission dispatcher informed of the transfer trip scheme status.

The ISO and ~~SPP~~SPPC may agree to add joint operational procedures as they become necessary.

Interconnection Tieline Flow Control

~~SPP~~SPPC has two 55kV phase shifting transformers (~~PST's~~PSTs) located at Silver Peak Substation which are used to control the ~~SPP~~SPPC-PG&E interchange. ~~SPP~~SPPC shall control interchange between ~~SPP~~SPPC and SCE with these ~~PST's~~PSTs in accordance with the most current ~~WSCC~~WECC MORC or other applicable ~~WSCC~~WECC policies.

SERVICE SCHEDULE 11

INFORMATION EXCHANGE AND COORDINATION

FOR SCHEDULING AND DISPATCH

[Section 5.1]

A. PRESCHEDULE CHECKOUT PROCEDURES

Day-Ahead Process: ~~As more fully described in Attachment A, the California~~The ISO will confirm net interchange schedules with adjacent Control Areas based on schedules submitted by Scheduling Coordinators within the parameters of the ISO's Day Ahead market and in accordance with any transmission limitations encountered by SPPC. Interchange schedules will not be implemented unless accepted by both the ISO and SPPC.

Hour-Ahead Process: ~~As more fully described in Attachment A, the California~~The ISO will confirm hourly net interchange schedules with adjacent Control Areas based on Schedules submitted by Scheduling Coordinators within the parameters of the ISO's Hour Ahead and in accordance with any transmission limitations encountered by SPPC. Interchange schedules will not be implemented unless accepted by both the ISO and SPPC. Interchange schedules submitted by Scheduling Coordinators for ~~Existing Contract~~existing contract rights-holders that retain rights to submit schedules after the close of the ISO's Hour Ahead market parameters will be accepted and the ~~California~~ ISO will confirm net interchange schedules with the adjacent Control Area when the schedule is submitted.

B. REAL TIME CHECKOUT PROCEDURES

The ~~California~~ ISO will confirm net interchange schedules with adjacent Control Areas on real time as required to meet NERC and ~~WSCC~~WECC criteria.

C. AFTER THE FACT CHECKOUT PROCEDURES

The ~~California~~ ISO will confirm net interchange schedules with adjacent Control Areas after the close of each ~~Settlement Period~~settlement period (the scheduling hour, "Hour Ending") as required to meet the obligations of inadvertent interchange energy accounting of prevailing NERC or ~~WSCC~~WECC policy. ~~This is more fully described in Attachment A.~~

SERVICE SCHEDULE 12

MAINTENANCE COORDINATION PROCEDURES

[Section 6.1]

ISO OUTAGE COORDINATION PRINCIPLES

The ISO Outage Coordination Office (OCO) will coordinate ~~outage~~Outage scheduling with the Participating Transmission Owners and the ~~Interconnected~~interconnected Control Area operators on the following types of equipment:

1. interconnected transmission lines;
2. interconnected transmission equipment including circuit breakers, transformers, disconnects, reactive devices, wave traps;
3. protection and control schemes, including RAS, SCADA, EMS, or AGC~~.~~; and
4. facilities within either Control Area that affect the transfer capability of the Interconnection.

In some cases it may be necessary for the party requesting an ~~outage~~Outage to submit procedures and diagrams to facilitate the switching for the ~~outage~~Outage.

The preferred ~~outage~~Outage coordination schedule for the ISO is developed in accordance with the following general schedule:

~~1.~~1. October ~~outage~~and April Outage coordination ~~conference~~conferences.
Each year ~~by~~ near mid-October ~~1 the ISO will gather annual outage schedules from the ISO Participating Transmission Owners. The ISO will confer~~the ISO confers with other ~~WSCC~~WECC entities ~~to begin the annual outage~~in a long-range, regional Outage coordination process. A similar conference occurs in April of each year.

2. Quarterly Confirmation.
Each quarter (on the 15th of January, April, ~~and July) the Participating Transmission Owners will update and confirm their outage~~July, and October) the ISO's market participants submit long range Outage plans covering a rolling twelve-month period, beginning the first of the following quarter, and they update (as needed) their existing Outage schedules with the ISO ~~and Interconnected Control Areas. At that time the ISO OCO will look ahead at the following quarter and at the three following quarters and will confirm outage schedules for the coming year~~.

3. Outage Schedule Revisions.
Requests for changes, additions, and cancellations to the annual/quarterly ~~outage~~Outage schedule can be made at any time. However, the minimum notification for ~~outage request~~Outage requests is governed by the ~~Three Day and One Day Confirmation~~ process listed ~~in 4 and 5~~ below.

4. Three Day Prior Confirmation/Notification.

Any request to ~~confirm or~~ change the schedule of an ~~outage~~Outage that may affect transfer capability must be submitted no later that 1130 at least three working days prior to the starting date of the scheduled ~~outage. (Acknowledgement of requests to the ISO OCO will be made within two working hours and approval will be made by 1530 the following day.) This applies to~~Outage. This applies to facilities affecting the inter-Control Area operations, including the following:

a. all 500 kV facilities;
b. any line ~~outage~~Outage;
c. any load transformer ~~outage~~Outage;
d. any bus ~~outage~~Outage;
e. relay protection ~~outages~~Outages that reduce the transfer capability of a line or path;
f. any ~~outage~~Outage that requires coordination by two or more connected entities;
g. communication system ~~outages~~Outages, including SCADA facilities; and
h. any other ~~outage~~Outage that will affect the transfer capability of any line or path.

5. ~~One Day Prior Confirmation/Notification. Any request to confirm or change the schedule of an outage not covered in 4 above must be submitted no later than 11:30 am at least one day prior to the starting date of the outage.~~6. Final Approval.
On the day of the scheduled ~~outage~~Outage the ISO Control Center will consult with the ~~Interconnected~~interconnected Control Area operator and determine whether to approve the scheduled ~~outage~~Outage.

Forced Outages will be handled as follows:

1. Immediate Forced Outages

   Situations likely to result in a Forced Outage within the next twenty-four hours unless immediate corrective action is taken should be communicated directly to the ISO Control Center or SPPC's Control Center. The ISO Control Center operators will work with the ~~Participating~~ Transmission Owner and/or the ~~Interconnected~~interconnected Control Area operator to take actions as necessary.

2. Imminent Forced Outages

   Situations not requiring a removal from service of transmission facilities until some time more than twenty-four hours in the future should be communicated to the ISO OCO and will be scheduled for ~~outage~~Outage. Time limits for notification will be waived and the request will be expedited by the ISO OCO provided notice is given as soon as possible.

Switching for scheduled outages will be coordinated by the ISO Control Center, the ~~Interconnected~~interconnected Control Area operator, and the Transmission Owner. ~~The ISO Control Center will work with the~~ Following approval to remove the facilities from service, the ISO Control Center will direct the Participating Transmission Owner ~~and the Interconnected Control Area Operator to create a phone bridge linking the ISO, the Participating Transmission Owner, the Interconnected Control Area Operator and switchmen, as necessary, to monitor the opening of circuit breakers. The ISO Control Center will direct the Transmission Owner to perform the remainder of the~~to work with the interconnected Control Area operator to open the circuit breakers and then to perform necessary switching ~~in coordination with the Interconnected Control Area operator and then to~~. The Transmission Owner will report to the ISO Control Center ~~the condition~~regarding the removal from service of the affected facilities.

Likewise, when returning facilities to service, following approval to return the facilities to service, the ISO Control Center will direct the Participating Transmission Owner to work with the ~~Interconnected~~interconnected Control Area operator to perform necessary switching in preparation for closing circuit breakers and then ~~will monitor via linked phone lines~~ the actual closing of the circuit breakers. The Transmission Owner will report to the ISO Control Center regarding the return to service of the affected facilities.

Clearances will be exchanged and appropriate records kept between the Transmission Owners and the ~~Interconnected~~interconnected Control Area operators. The ISO Control Center will also keep records of the ~~outages and Clearances~~Outages.

The ISO OCO will maintain a record of each ~~outage~~Outage as it is implemented utilizing the ISO's logging and Outage data management application ("SLIC"). Such records will be available for inspection by the owners of the facilities involved.

~~A suggested Outage Request form follows:~~

CALIFORNIA ISO OUTAGE COORDINATION OFFICE

TRANSMISSION OUTAGE REQUEST

Transmission Owner / Operator: _____

New Request: _____ Change to Existing Approved Request: _____

Original Start Date _____ Time: _____ Hours

Facility: _____

_____

Outage Start Date: ____ / ____ / ____ Start Time: _____ Hours

Outage End Date: ____ / ____ / ____ End Time: _____ Hours

NOTE: All start and end times include switching.

Work to be Performed: _____

_____

_____

_____

_____

_____

Special Conditions: _____

_____

_____

_____

_____

Emergency Return to Service Time: _____ Hours

Requestor: _____

ISO Preferred Methods of Submitting Outage Requests

The primary method of submitting Outage requests to the ISO is via the ISO's "SLIC" internet application (i.e., ISO's electronic Outage request tool). If that application is unavailable or an interface to other Control Area applications has not been established, other methods may be used, including:

1. E-mail to: outage.folsom@caiso.com
2. Phone: 916-351-2300

3. Fax: 916-351-2367

~~Primary Telephone No.~~ _____ ~~Alternate Telephone No.~~ _____
All questions pertaining to communications with the ISO Outage Coordination Office should be presented to the ISO by phone to: 916-351-2300.

SPPC Outage Coordination Center
Planned Outages or Curtailments:
Planned intertie outages or curtailments must be requested at least 72 hours prior to the outage or curtailment start time.
Forced Outages or Curtailments:
Time limits for notification will be waived and the request will be expedited. The primary contact for forced outage coordination is the SPPC Transmission System Operator.

~~ISO Approval:~~ _____
SPPC Transmission Provider Preferred Methods of Submitting Outage Requests
The primary methods of submitting Outage requests to SPPC are E-mail or telephone. Fax is available but seldom used. The numbers are as follow:
1. E-mail to: sppoc@sppc.com
2. Phone: (775) 834-4024
3. Fax: (775) 834-3940

~~Other Notifications of Approval:~~ _____
_____
_____
Normally PG&E will submit an outage to SPPC first followed by the ISO.
Normally SPPC will submit an outage to PG&E first followed by the ISO.

SERVICE SCHEDULE 13

EMERGENCY ASSISTANCE ARRANGEMENTS

[Section 7.1]

To the extent possible, the Parties will assist each other in an emergency by scheduling energy and/or capacity. Such emergency assistance will be available at the sole discretion of the Party supplying it and will be recallable without advance notice as required to meet reliability requirements. ISO and SPPC operators will agree upon and log MW values, start and end times, ramp rates and times, and integrated MWH values for any emergency assistance provided.

The price paid for ISO emergency assistance will be at the ISO market price for energy and/or capacity, plus all applicable charges, as specified in the ISO Tariff and Protocols. Such price may be estimated prior to delivery and finalized in the settlement process. The ISO will establish a Scheduling Coordinator account for SPPC for the sole purpose of facilitating the settlement of such emergency assistance. Payment to the ISO for such emergency assistance will be made in accordance with the settlement process, billing cycle, and payment timeline set forth in the ISO Tariff and Protocols.

The price paid for SPPC emergency assistance will be at a price agreed upon by the Parties or a price established by SPPC for such emergency assistance in advance, as may be applicable. Payment by the ISO for such emergency assistance will be made in accordance with the settlement process, billing cycle, and payment timeline set forth in the ISO Tariff and Protocols.

SERVICE SCHEDULE 14

INDEPENDENT OPERATION DUTIES AND RESPONSIBILITIES

[Section ~~7.3.1~~]7.4]

Beyond that included in the body of the agreement, no additional independent operation duties and responsibilities currently exist.

The ISO and ~~SPP~~SPPC may agree to add additional understandings as appropriate.

SERVICE SCHEDULE 15

RESTORATION COORDINATION

[Section ~~7.4~~7.5]

The ~~SPP~~SPPC Energy Control Center and the ISO will ~~work in close cooperation~~cooperate to maximize the reliability of interconnected operations. The ~~WSCC~~WECC MORC and off-nominal frequency procedures will be utilized as applicable. As appropriate, priority will be placed by both Parties on restoration of the Interconnection. The Interconnection will be closed only on orders from the ISO and the SPPC Energy Control Center.

~~ATTACHMENTS~~

Attachment A

Attachment A details provisions and procedures as anticipated to be in place on January 1, 1998, and is included for informational purposes only.

Summary of information contained in Attachment A:

Scheduling for ISO will close at 1000 for Day Ahead schedule, and two hours before the hour for the Hour Ahead schedule.

It will be possible to check Day Ahead schedules from 1300 to 2200, at the discretion of each control area operator. It will be possible to check Hourly Schedules one hour before the hour, at the discretion of each control area operator.

After the fact checkout of hourly schedules and actuals will be possible following the completion of each hour. After the fact checkout of daily schedules and actuals will be possible after 0000 the following day.

California ISO Scheduling System
- Planned Implementation of Interchange Scheduling Procedures -

The interchange scheduling procedures described in Service Schedule 11 of the Interconnected Control Area Agreement are deliberately broad due to the nature of their development and testing prior to the ISO Operations Date. The broadly stated procedures are intended to allow the California ISO and adjacent Control Areas a reasonable amount of latitude in refining the working procedures to meet the needs and capabilities of each system. The procedures are based on the parameters of the applicable California ISO Protocols and may differ from existing practices. To the extent possible, California scheduling procedures and practices encompass prevailing practices of interchange scheduling in the Western Systems Coordinating Council (WSCC).

This summary is intended to assist adjacent Control Areas in understanding the California ISO scheduling process and to help identify potential changes to current interchange scheduling practices. It is also based on current California ISO scheduling system functionality. As enhanced functionality is added to the ISO scheduling system, some of which is anticipated prior to the ISO Operations Date, procedural processes can be modified to streamline interchange scheduling practices.

All Schedules turned into the ISO must be submitted by a Scheduling Coordinator as outlined in the California ISO's Schedules and Bids Protocol and Scheduling Protocol. The Scheduling Coordinator electronic interface is the only method to input Schedules into the California ISO's Day-Ahead and Hour-Ahead scheduling database.

~~If a Schedule is not submitted prior to 1000 (1200 if there is Congestion Management) the day prior to the Trading Day, it will not exist in the California ISO's Day-Ahead scheduling database. Schedules submitted after the ISO's Day-Ahead scheduling deadline can be submitted as Hour-Ahead Schedules anytime after the ISO issues Final Day-Ahead Schedules (at 1300) up to two hours prior to the actual Settlement Period (the scheduling hour, HE).~~

~~The ISO will be able to checkout the next day Schedules with adjacent Control Areas based on the information contained in the ISO's scheduling database at 1300. If the Application Program Interface (API) made available to the adjacent Control Areas is operational, confirmation of net interchange schedules could be performed electronically. In the absence of an operational API interface, the ISO will continue the prevailing practice of confirmation by telephone.~~

~~Hour-Ahead data will be available, for checkout, to the ISO one hour in advance of the beginning of each Settlement Period. Due to the ISO's requirement to Congestion Management for the Hour-Ahead Market, the next hour's (i.e., the Settlement Period) data will not be available for checkout prior to one hour in advance of the Settlement period.~~

~~The ISO will be able to make real time schedule adjustments (after the ISO has issued Final Hour-Ahead Schedules) under specific circumstances. Existing Contracts (with defined rights to schedule after the ISO issues Final Hour-Ahead Schedules), Supplemental Energy interchange schedules, and emergency changes are the most likely circumstances. Changes to correct interchange mismatches not discovered during preliminary Control Area checkouts will be made as required in the real time environment.~~

~~As required, and if no other arrangements have been made by Existing Contract rights-holders, a Participating Transmission Owner will likely provide the services of a Scheduling Coordinator for Existing Contract rights-holders. In any event, the ISO will be able to confirm net interchange, and confirm individual interchange schedules, based on the schedules it has in the ISO scheduling database contingent on the time they were submitted by Scheduling Coordinators.~~

~~After-the-fact interchange values should be available to the California ISO via its scheduling system for checkout immediately after the end of each Settlement Period. This will enable the California ISO to meet the requirements of inadvertent interchange accounting and interchange schedule reporting with adjacent Control Areas. As a practical matter, these after-the-fact checkouts will be performed during the next business day.~~

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all the entities that the document states are to receive service, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California on this 20th day of December, 2005.

BRM

John Anders