

GMC Unbundling Conference Call – January 15, 1999

Conference call attendees: Mike Epstein, Phil Leiber, Michelle Windmiller, Farouk Nakhuda, Cheryl Beach, Barbara Barkovich, Carolyn Kehrein, Gene Walsh, Romolo Barreno, Ann Belding, Mike Werner, Alexis Wodtke, Tom Woo, David Cohen, Linda ?, Tony Braun, Ellen Banaghan, Ed Lucero, Roger Johnson, Brian Jobson, Steve Greenleaf

Discussed options at this time and discussed views of conference call attendees.

Gene Walsh – in favor of extension

Tony Braun – in favor of extension

Alexis Wodtke – in favor of extension

Linda ? – in favor of extension (if extend past July 1 date subject to refund further extension will make it more complicated.

Steve Greenleaf – Longer extension will make the process more complicated. Discussed refund complications. If we agree to an unbundled rate in future – reallocation of GMC fees paid for entire year. Not a clear indication of what would be easier.

Enron opposed last filing but FERC granted the extension as a 205 change. May not approve this time if there is opposition.

Ed Lucero – Wants 2 bucket. San Diego originally thought was going to look at a 2 bucket system not necessarily implement it. Refinement needed. Cost of Service is a pretty good cost of service. If looked at 2 bucket what would impact be on Scheduling Coordinators. Hoping to get rid of the 50/50 split. Could we talk about it at the Stakeholder meeting in March? To a certain extent need to develop how cost will be when the time comes. Need for more separation.

Brian Jobson – Great amount of progress has been made but a great deal of work to go. If extension is agreed upon still need to continue with aggressive work. Most problem is with implementation. Need to pursue.

Gene Walsh – Agrees with billing determinate consideration. Not ready for 2 buckets at this time.

David Cohen – ISO still concerned about billing determinants. ISO was going to investigate options by March.

Ellen Banaghan – Unable to render opinion without more information on the 2 buckets

Mike Werner – Interested in 2 buckets – can live with extension.

Barbara Barkovich – would like to see analysis of consequences. Sometimes making a further change only makes things worse. Commented on December 30th FERC ruling for the New England ISO. They do things much differently.

Study for... As far as... perspective... buckets... and settlement... to be more reflective. Settlement with more reasonable offer. Favors extension.

Phil Leiber: Discussed Rudden report. Split at 69% Cost Control Ops and 31% Market facilitation

SMUD would support keeping with 50/50

Agreeing ISO needs more time. What should be extended? What should be done in the interim?

Western in favor of extension

California PX in favor

Discussed further meetings. What is next step? If we go with settlement extension lay out what extension would be. Send letter out explaining. What are options? Need to talk about Billing Determinants.

3 options.

- 1) 50/50 split
- 2) 2 buckets – cost assigned
- 3) Change 50/50 to some other percentages

Farouk -- 2nd and 3rd options are the same.

It was mentioned that Edison was not on the call.

Netting issues of Co-generation in settlement.

San Diego likes 3rd option.

Subsidation – not accurate until contracts unbundled.

All support going forward with the study to come to a consensus on cost allocation and consensus on how to bill out.

Future dates:

February 16th – Delivery of the information

February 23rd - Steering Committee Meeting

Stakeholder meeting to be determined after the February 23rd Steering Committee Meeting

Decision has to go to the Board for Decision by March 25th.

Secondary ... are ... making ... made ... the ...