

**INTERCONNECTED CONTROL AREA OPERATING
AGREEMENT**

BETWEEN

CALIFORNIA INDEPENDENT SYSTEM OPERATOR

AND

COMISION FEDERAL DE ELECTRICIDAD

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INTERCONNECTED CONTROL AREA
OPERATING AGREEMENT

ICAA 1 STANDARD OPERATING AGREEMENT

Interconnected Control Area Operating Agreement

THIS INTERCONNECTED CONTROL AREA OPERATING AGREEMENT (OPERATING AGREEMENT) is entered into this ____ day of _____, _____ and is accepted, by and between:

Comision Federal de Electricidad (CFE), a decentralized organization of the Federal Public Administration of the United Mexican States, possessing its own legal status and assets and having the responsibility to provide electric power public service pursuant to the provisions contained in article 4 of the Electric Power Public Service Law, in all the national territory, including as a consequence the north of Baja California State and part of Sonora State, for which it may execute any agreements or contracts with other entities, public and private, pursuant to the terms in section VII of article 9 of said Law. Having its address for the purposes of this Agreement at:

**Calle Don Manuelito No. 32
Col. Olivar de los Padres
México, D.F.
CP 01780**

and

California Independent System Operator Corporation (ISO), 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**

CFE 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 need to coordinate the maintenance of the interconnection and its operation to satisfy the North American

Electric Reliability Council (NERC) criteria, Western Systems Coordinating Council (WSCC), 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 CFE with respect to the operation, maintenance, and control of the Interconnection. This Operating Agreement is based upon the ISO Tariff, WSCC MORC, and respects existing contracts between CFE and Participating Transmission Owners comprising the ISO, and operating procedures established in them. 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 be effective as of the later of the date of execution of this Operating Agreement or the date this Operating Agreement is accepted for filing and made effective by the Federal Energy Regulatory Commission (FERC), the most recent date, and shall continue in effect until terminated, pursuant to the terms of the following numeral.

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 FERC jurisdiction, termination will be effective upon acceptance by FERC of notice of termination. The ISO shall timely file any notice of termination with 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 before mentioned conditions for termination have been met, and (2) the ISO files the notice of termination within 30 days of receipt of such request.

ICAA 1.4 ISO Creation

California Assembly Bill 1890, dated September 23, 1996, established legislation which required California to deregulate the electric utility industry and formed the ISO. The legislation established January 1st., 1998 as the initial ISO Operations Date. The ISO Operations Date was extended to prior to March 31, 1998. Initially, transmission facilities owned by the Investor-Owned Utilities (SDG&E being one of them) will be operationally controlled by the ISO. The ISO will ensure that all Scheduling Coordinators have an equal opportunity to send energy through the ISO Control Area to their customers.

ICAA 1.5 CFE and ISO State:

The Interconnection and Exchange Agreement that currently exists between CFE and SDG&E regulates the operation of the Interconnection facilities between the CFE and SDG&E control areas. The ISO is to have operating control of the SDG&E Interconnection facilities and transmission rights on the SDG&E tie lines with CFE, including the responsibility to coordinate with CFE as control area operators. SDG&E will not have any opportunity to exchange control area responsibilities and services with CFE.

ICAA 2 DEFINITIONS

ICAA 2.1 WSCC Definitions

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

ICAA 2.2 Specific Definitions

ICAA 2.2.1 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 2.2.2 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 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 2.2.3 Interconnection: Transmission facilities that connect one control area to another control area. The Interconnection for this Operating Agreement is described in Service Schedule 1.

ICAA 2.2.4 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.

ICAA 2.2.5 ISO Control Area: The ISO electric power system (initially comprising the electric power systems previously operated as control areas by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E), including, but not limited to, the facilities and entitlements which represent the ISO Controlled Grid, for which the ISO has reliability responsibility pursuant to NERC and WSCC requirements.

ICAA 2.2.6 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 2.2.7 ISO Operations Date: The date on which the ISO first assumes operational control of the ISO Control Area.

ICAA 2.2.8 ISO Tariff: ISO Operating Agreement, Protocols, 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 WSCC 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 **Participating Transmission Owner:** An owner of transmission that has placed its transmission assets and entitlements under the ISO's operational control.

ICAA 2.2.12 **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 2.2.13 **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 2.2.14 **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 charges, and ensuring compliance with ISO protocols.

ICAA 2.2.16 **Transmission Owner:** An entity owning transmission facilities or having firm contractual rights to use transmission facilities at the Interconnection.

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

ICAA 2.2.18 **San Diego Gas & Electric Company (SDG&E):** An electric company that owns the transmission system that delivers electricity to the southwestern area of California. SDG&E's service territory has a common border with the State of Baja California in the United Mexican States.

ICAA 2.2.19 **Comisión Federal de Electricidad (CFE):** Has an electric system

operated by the Area de Control Baja California (ACBC) and serves the northern area of Baja California State and part of Sonora State. CFE's service territory has a common border with the United States of America.

ICAA 3 OPERATIONAL RESPONSIBILITIES

ICAA 3.1 Base Commitments

ICAA 3.1.1 Standards to Be Met

Both the ISO and CFE shall plan and operate the Interconnection in conformance with NERC standards, WSCC 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 CFE 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 CFE, 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 are identified in Service Schedule 2.

ICAA 3.1.3 Communication

The ISO and CFE 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 CFE shall jointly develop communication procedures necessary to support scheduling and dispatch functions. The Points of Contact and the procedures for insuring reliable communication 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 CFE 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. The respective jurisdictions for operational control by the ISO and CFE are identified in Service Schedule 4.

ICAA 3.2.2 Switching Operations

The ISO and CFE 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 CFE. Operations on the Interconnection shall be coordinated through the ISO and CFE except as otherwise indicated in ICAA 7.4. Specific switching responsibilities are 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 CFE, in consultation with the Transmission Owner(s), 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 CFE 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 CFE Control Area or the ISO Control Area is jeopardized, the ISO and CFE shall communicate and coordinate actions to return the Interconnections and the affected control area(s) to Real Time Operating Limits.

ICAA 3.2.4 Relay Action (Devices used to protect the elements of the electric system)

The ISO and CFE 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 CFE shall agree upon corrective action and the procedure for returning to normal or adjusted operation.

ICAA 3.2.5 Voltage Control

The ISO and CFE 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 WSCC MORC. The ISO and CFE 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 CFE 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 are 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, CFE, and the Participating Transmission Owners. Such procedures are described in more detail in Service Schedule 10.

ICAA 4 SECURITY COORDINATION

The WSCC, for the purposes of operating supervision, is divided into three subregions.

The ISO has been designated WSCC Security Coordinator for the California Subregion.

ICAA 5 SCHEDULING AND DISPATCH

ICAA 5.1 Coordination and Exchange of Information

The ISO and CFE 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 MORC, the ISO and CFE 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 CFE 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 CFE 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, CFE, and the Transmission Owner to minimize a reduction and the duration of such reduction to the operating limits of the Interconnection. The ISO and CFE shall provide each other reasonable notice of Planned Outages and scheduled maintenance affecting the Interconnection in advance.

The ISO and CFE 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 CFE jointly determine that system reliability may be impaired, the Outage may be canceled.

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

ICAA 6.2 Forced Outages

The ISO and CFE 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 CFE control centers as soon as possible. If notice prior to a Forced Outage, emergency, or curtailment cannot be given, the ISO or CFE 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 Unscheduled Flow Mitigation Procedures for the California Subregion, consistent with WSCC procedures.

ICAA 7.3 Emergency Action

In the event of a system emergency, the ISO and CFE 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 CFE shall, where practicable, keep operators in affected control areas and the appropriate Security 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 CFE, the ISO, and the Transmission Owner. CFE 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 CFE Control Center as soon as practicable after the occurrence. The duties and responsibilities for the ISO Control Center, the CFE Control Center, and the Transmission Owner(s) under the foregoing circumstances are described in more detail in Service Schedule 14.

ICAA 7.5 Restoration Coordination

The ISO and CFE 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 CFE shall develop Interconnection restoration procedures, which shall be included in Service Schedule 15.

ICAA 7.6 Voltage Collapse

The ISO and CFE 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 natural phenomenon or event which is uncontrollable by man, including but not limited to, the following: 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 CFE 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 a force which prevents either the ISO or CFE 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 CFE 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 CFE.

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 and Interruptions

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

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 or interruption.

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 CFE shall establish with each other and where appropriate with the Transmission Owner(s) 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 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. Such changes shall not constitute an amendment to this Operating Agreement.

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 if a dispute concerns the operation of transmission lines or facilities, then 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 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, and is unenforceable against a federal entity, the ISO shall submit to the Secretary of Energy of the United States of America or other appropriate Departmental Secretary of the United States of America 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 of the United States of America or other appropriate Departmental Secretary of the United States of America 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.
- (c) Nothing in this Operating Agreement shall compel CFE to violate any Mexican law or regulations. ISO acknowledges that Article 4 of the Federal Code for Civil Procedure of the United Mexican States applies to CFE.

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 and Service Schedules

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

The Service Schedules are part of this Agreement. If there is a dispute between the Service Schedules and the Agreement, the Agreement will prevail.

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, and 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.

ICAA 10.10 Language

The Parties signing this Operating Agreement do so in three originals in Spanish and three originals in English. It is agreed that the English version shall govern the relationship between the Parties hereunder and shall be relied upon by the Parties in the Operating Agreement's interpretation.

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.

**COMISIÓN FEDERAL
DE ELECTRICIDAD**

**CALIFORNIA INDEPENDENT
SYSTEM OPERATOR
CORPORATION**

ING. OSWALDO GANGOITI RUIZ
Operations Director, CFE Representative

MR. TERRY WINTER
Chief Executive Officer

ING. GUSTAVO A. SALVADOR TORRES
CENACE Coordinator

Revised in its technical aspects:

ING. MARIO LARA CARMONA
Head of Baja California Control Area

The above signatures correspond to the **Interconnected Control Area Operating Agreement** reached by **Comisión Federal de Electricidad** and **California Independent System Operator Corporation**.

SERVICE SCHEDULE 1

INTERCONNECTION

[Section 2.2.5]

The Interconnection between the ISO and Comisión Federal de Electricidad (CFE) consists of two 230 kV transmission lines. One 230 kV transmission line connects CFE's Tijuana I substation to SDG&E's Miguel substation. This transmission line has a thermal rating of 796 MVA. The other transmission line connects CFE's La Rosita substation to SDG&E's Imperial Valley substation. This transmission line has a thermal rating of 408 MVA. Together, the two transmission lines form a path that is collectively rated at 408 MVA to allow for loss of the Tijuana I - Miguel 230 kV transmission line without overloading the La Rosita-Imperial Valley 230 kV transmission line. The jurisdictional boundary between SDG&E and CFE is at the International Border for both of the 230 kV transmission lines. Following are descriptions of the Interconnection facilities.

- **Imperial Valley - La Rosita (23050) 230 kV line**

ISO Terminal:	Imperial Valley
Participating Transmission Owner:	SDG&E
Other Transmission Owner:	CFE
Comisión Federal de Electricidad Terminal:	La Rosita
Point of Interconnection:	International Border
Voltage:	230 kV

- **Miguel - Tijuana I (23040) 230 kV Line**

ISO Terminal:	Miguel
Participating Transmission Owner:	SDG&E
Other Transmission Owner:	CFE
Comisión Federal de Electricidad Terminal:	Tijuana I
Point of Interconnection:	International Border
Voltage:	230 kV

SERVICE SCHEDULE 2

EXISTING CONTRACT PROVISIONS AND PROCEDURES

[Section 3.1.2]

SDG&E as the Participating Transmission Owner, is responsible for providing the ISO with this Service Schedule, outlining the instructions for CFE's existing contract (s).

SERVICE SCHEDULE 3

POINTS OF CONTACT

[Section 3.1.3]

OPERATIONAL CONTACT

ISO:

Transmission Dispatcher: (Folsom-Primary):	<u>(916) 351-2492 or 2497</u>
Transmission Dispatcher: (Alhambra-Backup)	<u>(626) 537-2590</u>
Real Time Scheduler:	<u>(916) 351-2491 or 2493</u>
Shift Supervisor:	<u>(916) 351-2490</u>
Outage Coordination:	<u>(916) 351-2300</u>
Fax:	<u>(916) 351-4486</u>
Manager of Dispatch and Security Coordination:	<u>(916) 351-4463</u>
Address:	<u>California ISO</u> <u>151 Blue Ravine Road</u> <u>P.O. Box 639014</u> <u>Folsom, CA 95763-9014</u>

OPERATIONAL CONTACT

CFE:

For all numbers, first dial 011-526-558

System Operator:
(Primary): 1551

System Operator :
(Backup) 1504 or 1505

Transmission Scheduler: 1506

Shift Supervisor: 1503 or 1502

Outage Coordination: 1506 or 1504

Fax: 1534 (Control Room), 1533 (Office)

Head of Baja California Control
Area: Mario Lara Carmona 1501

Operations Superintendent Jesús M. Moya Vázquez 1502

City/State/Zip Code

Address: Comisión Federal de Electricidad
Calzada Héctor Terán Terán Km. 3.5
Col. Wisteria
Mexicali B.C. C.P. 21350
México

Mail Address: Comisión Federal de Electricidad
PMB 42-023
120-A Rockwood Ave.
Calexico, CA. 92231-2748

E-Mail: mlara@cfe.gob.mx

SERVICE SCHEDULE 4

RESPECTIVE JURISDICTION FOR OPERATIONAL CONTROL

[Section 3.2.1]

SDG&E owns and will transfer operational control to the ISO of all equipment at both Miguel and Imperial Valley Substations, including the 230 kV transmission line equipment at both substations, which interconnects with CFE. In addition, SDG&E owns and has installed Remote Terminal Units at Imperial Valley, Miguel, La Rosita, and Tijuana I substations. SDG&E owns the transmission line equipment of these two 230 kV transmission lines from Imperial Valley and Miguel substations up to the International Border. CFE owns and operates the transmission line equipment in United Mexican States to the International Border. In addition, CFE has installed, owns, and retains operational control of Remote Terminal Units at La Rosita, and Tijuana I substations.

SERVICE SCHEDULE 5

SWITCHING OPERATIONS

[Section 3.2.2]

- **Imperial Valley - La Rosita (23050) 230 kV transmission line**

ISO/SDG&E Switching Responsibility: All switching at Imperial Valley substation will be performed by SDG&E personnel.

CFE Switching Responsibility: All switching at La Rosita substation will be performed by CFE personnel.

Operational Responsibility: The ISO, CFE and SDG&E dispatchers will coordinate and monitor the energizing, testing, de-energizing, issuing permission to work on energized or de-energized facilities, in accordance with SDG&E/CFE Control Procedure 3250 - SDG&E/CFE Operating Procedures for TL 23050. (This document is subject to revisions as needed).

Maintenance Responsibility: SDG&E will maintain terminal equipment for the transmission line at Imperial Valley substation. SDG&E will maintain the transmission line from Imperial Valley substation south to the International Border. CFE will maintain terminal equipment for the transmission line at La Rosita substation. CFE will maintain the transmission line from La Rosita substation north to the International Border.

- **Miguel - Tijuana I (23040) 230 kV transmission Line**

ISO/SDG&E Switching Responsibility: All switching at Miguel substation will be performed by SDG&E personnel.

CFE Switching Responsibility: All switching at Tijuana I substation will be performed by CFE personnel.

Operational Responsibility: The ISO, CFE and SDG&E dispatchers will coordinate and monitor the energizing, testing, de-energizing, issuing permission to work on energized or de-energized facilities, in accordance with SDG&E/CFE Control Procedure 3240 - SDG&E/CFE Operating Procedures for TL 23040. (This document is subject to revisions as needed).

Maintenance Responsibility: SDG&E will maintain terminal equipment for the transmission line at the Miguel substation. SDG&E will maintain the transmission line from the Miguel substation south to the International Border. CFE will maintain terminal equipment for the transmission line at Tijuana I substation. CFE will maintain the transmission line from the Tijuana I substation north to the International Border.

SERVICE SCHEDULE 6

REAL TIME OPERATING LIMITS

[Section 3.2.3.1]

The Interconnection between the ISO and CFE consists of two 230 kV transmission lines. One transmission line connects CFE's Tijuana I substation to SDG&E's Miguel substation and has a thermal rating of 796 MVA continuous with no emergency rating. The second transmission line connects from CFE's La Rosita to SDG&E's Imperial Valley substation and has a thermal rating of 408 MVA continuous (based on 115 degrees Fahrenheit desert ambient temperature) and a 15 minute emergency rating of up to 506 MVA (at 506 MVA, La Rosita relays trip in two seconds). Together, the two transmission lines form a path that is collectively rated at 408 MVA to allow for loss of the Tijuana I - Miguel 230 kV transmission line without overloading the La Rosita - Imperial Valley 230 kV transmission line.

ISO operating procedures T-123 and T-132, which are hereby incorporated by reference, contain operating nomograms outlining specific operating limits for the ISO/SDG&E – CFE interconnection and combined SDG&E/CFE import limitations, respectively. These procedures may be updated and/or modified from time to time, to reflect changes in the operating and/or seasonal conditions.

SERVICE SCHEDULE 7

VOLTAGE CONTROL

[Section 3.2.5]

Ideally, the 230 kV bus voltage at Miguel and Imperial Valley substations are adjusted to minimize the VAR interchange with the neighboring utilities. In actual practice, the VAR interchange between CFE and SDG&E is only limited by any adverse impact on the ISO/SDG&E system or the interconnected system. Maintaining the required ISO/SDG&E voltage profile is of more importance than VAR interchange with CFE.

The 230 kV bus voltage at Miguel substation should be held between 230 kV and 231 kV at all times. Any one or a combination of the following actions can accomplish this:

1. Switch the tertiary reactors at Miguel in or out of service.
2. Adjust the tap changer on the Miguel Bk 80.
3. Adjust the tap changer on the Miguel Bk 60.
4. Adjust South Bay 138 kV Bus voltage.
5. Switch the 500 kV line reactor at Imperial Valley in or out of service.

The voltage at Imperial Valley should be held between 231 kV and 233 kV unless VAR interchange with Imperial Irrigation District (IID) or CFE is excessive or the 500 kV voltage there is too high or low. This can be accomplished by adjusting the tap changer on the Imperial Valley Bank 80 .

CFE keeps nominal voltage (230 kV) at La Rosita and Tijuana I substations by adjusting voltage at generating units of Presidente Juárez (PJZ) and Cerro Prieto (GCP).

SERVICE SCHEDULE 8

INFORMATION EXCHANGE PROCEDURES FOR GRID OPERATIONS [Section 3.2.6]

Information Exchange

The ISO and CFE shall coordinate 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 of either control areas. Real time information shall be communicated in the most efficient method possible through any shared electronic, voice, or facsimile. Service Schedule 9 lists information necessary to the reliable operation of the ISO, CFE, and the WSCC.

SERVICE SCHEDULE 9

INTERCONNECTION INFORMATION

[Section 3.2.6.1]

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

1. Major transmission Outages, planned or unplanned, as they occur or are effected.
2. Restoration of major transmission facilities after planned or unplanned Outages.
3. Loss or impairment of certain reactive equipment.
4. Loss of load or resources resulting in detectable frequency variation.
5. Detectable significant weather data and/or atmospheric conditions.
6. Significant conditions such as fires, floods, and earthquakes.
7. Activation or deactivation of RAS (Remedial Action Schemes) equipment.
8. Any planned or unplanned operation that can or will impair the availability or transfer capability of resources; and
9. Activation of Emergency Command Centers.

SERVICE SCHEDULE 10

JOINT OPERATING PROCEDURES

[Section 3.2.7]

Existing Joint Reliability Procedures: Those procedures identified in Service Schedule 6.

RAS Schemes:

230 kV TL 23050 (Imperial Valley-La Rosita)

(See Service Schedule 6.)

It should be noted the **CFE** has the following overload relays on the La Rosita to Imperial Valley, La Rosita to Rumorosa, and the La Rosita to Tijuana I 230 kV transmission lines which operate as follows:

- La Rosita to Imperial Valley Transmission Line: The La Rosita to Imperial Valley transmission line trips at La Rosita in 2 seconds if load on the transmission line exceeds its emergency rating of 506 MVA.
- La Rosita to Rumorosa Transmission Line: The La Rosita to Imperial Valley transmission line cross-trips in 1.5 seconds if load on the La Rosita to Rumorosa transmission line exceeds its continuous rating of 302 MVA.
- La Rosita to Tijuana I Transmission Line: The La Rosita to Imperial Valley transmission line cross-trips in 1.5 seconds if load on the La Rosita to Tijuana I transmission line exceeds its continuous rating of 302 MVA.

SDG&E has installed the following overload relay on La Rosita to Imperial Valley transmission line, which operates as follows:

La Rosita to Imperial Valley Transmission Line: The La Rosita to Imperial Valley transmission line trips at Imperial Valley in 4 seconds if load on the transmission line exceeds its emergency rating of 506 MVA. This relay provides backup protection to CFE relays, which are installed on the La Rosita to Imperial Valley transmission line at La Rosita.

SDG&E Common Structure Import Limitations RAS Scheme:

SDG&E operating procedure TMC 1505, which is hereby incorporated by reference, provides information on implementing import limitations during San Onofre units 2 and/or 3 Outages and a Remedial Action Scheme for the loss of a common structure with Miguel-Sycamore Canyon and Miguel-Mission 230 kV transmission lines (TL23021 & TL23022). The loss of these lines would cause multiple facility overloads in the southern portion of the **SDG&E** grid. The RAS scheme has been installed at Miguel substation to open Miguel-Tijuana I 230 kV transmission line to help relieve the overload situation. This scheme is normally off when both San Onofre units are on line. SDG&E operating procedure TMC 1505 may be updated and/or modified from time to time to reflect seasonal and/or system status changes.

CFE/SDG&E RAS Scheme (also known as the CFE/SDG&E Cross-Trip Scheme):

A WSCC approved redundant RAS scheme is installed to protect the Imperial Valley-La Rosita 230 kV transmission line (230 kV TL 23050) from loading above its emergency rating. An overcurrent relay is installed at Imperial Valley such that it will send transfer trip signal to Miguel to trip 230 kV TL 23040 terminal if loading on 230 kV TL 23050 at Imperial Valley is above its emergency rating AND either end of 500 kV TL 50001 is open. A similar scheme is installed at La Rosita (ROA), which will send a transfer trip signal to Tijuana 1 (TJ1) Substation to trip 230 kV TL 23040 terminal, if loading on 230 kV TL 23050 at La Rosita (ROA) is above the emergency level, AND either end of 500 kV TL 50001 is open. For further details refer to SDG&E's operating procedure TMC 1505, which is hereby incorporated by reference.

WSCC coordinated Off-Nominal Frequency Load Shedding and Restoration Plan:

The WSCC Underfrequency Issues Work Group, in studies of recent WSCC disturbances, determined that in response to underfrequency conditions, greater system stability was achieved through shedding of more load to keep interties in service than through creating electrical islands due to underfrequency tie tripping relays. The following points are included in the Program, as it is currently constituted:

- ◇ Interties to remain connected for frequency above 57.9 Hz.
At the present CFE's interties open at 57.9 Hz. This value would be modified according to system conditions and agreements reached by operations groups.
- ◇ Underfrequency load shedding to drop 50% load before opening ties.
- ◇ Systems to maintain adequate voltage during disturbances.

- ◇ Load shedding to be equitably distributed among systems.
- ◇ Load shedding to be coordinated within anticipated islands.
- ◇ Priority to be given to restoring interties before loads.
- ◇ Loads to be restored only at stable frequency and with adequate generation.
- ◇ WSCC Security Coordinators to coordinate restoration.
- ◇ The Program also acknowledges the WSSC restoration plan, which requires:
 - ◆ Stabilization of islands
 - ◆ Returning to normal frequency
 - ◆ Synchronizing islands, restoring interties, then
 - ◆ Restoring generation and customer loads.

EMERGENCY SCHEDULING FOR STABILITY RATED PATHS

PURPOSE

WSCC Mandatory Reliability Criteria for Stability Rated Paths requires that when the Real Time Operating Limit of a Stability Rated path is exceeded, immediate action must be taken to return the facility to its Real Time Operating Limit within ten minutes. To facilitate this rapid response requires direct Control Area to Control Area emergency scheduling.

If the Real Time Operating Limit of the Stability Rated path is exceeded or, in the judgement of the Parties, will be exceeded unless immediate emergency action is taken, the ISO and CFE shall implement an Emergency Schedule which will return the Stability Rated path to Real Time Operating Limits.

CRITERIA

If the Real Time Operating Limits of the Stability Rated path is currently exceeded, or, in the judgment of the Parties, will be exceeded unless some mitigating action is taken immediately and in the judgment of either Party, normal scheduling procedures will not be timely enough to return the system(s) to Real Time Operating Limits within the WSCC Reliability criteria of ten minutes, implementation of the Emergency Scheduling Procedure for Stability Rated Paths will be required.

PROCEDURE

1. Either Party recognizing the overload condition shall contact the other Party(s) and describe the condition in sufficient detail to facilitate coordination of relief measures.
2. The Parties shall establish an emergency schedule (i.e., a new schedule) in the direction, magnitude, and ramp-rate necessary to relieve the overloaded interconnection within the WSCC reliability criteria. The schedule established shall be a Control Area to Control Area schedule and will not involve Scheduling Coordinators.

The method of payment for such schedule is the return of like-MWH at a mutually agreeable time.

3. The Parties shall implement the schedules and take measures to adjust generation accordingly.
4. As soon as practicable the Parties will implement normal curtailment scheduling procedures to replace this emergency schedule adjustment and establish a mutually agreeable ramp start time and duration for the schedule change. The emergency schedule will be ramped out at the same time, rate, and magnitude as the new schedules (adjusted as needed for the curtailment) are ramped in.

5. Integrated values for the emergency schedule may be agreed upon at the initiation of the emergency schedule, its termination, or at a later time. MWH accounts shall be maintained by both Parties establishing MWH amounts and type of MWH (i.e., peak, off-peak) to facilitate later repayment in kind.

SERVICE SCHEDULE 11

INFORMATION EXCHANGE AND COORDINATION FOR SCHEDULING AND DISPATCH

[Section 5.1]

INTRODUCTION

This procedure describes some information parameters that allow Control Area operators to check the transactions that are established between them and to arrange and implement interchange transactions in accordance with WSCC MORC. Additionally, the requirements of California Power Exchange, the ISO and all their operating criteria which are applicable are addressed.

A. PRESCHEDULE CHECKOUT PROCEDURE.

The control areas must have personnel available on a 24-hour basis to maintain communication with adjacent Control Areas in order to confirm and implement transactions, verify transactions, or to be notified about changes due to circumstances out of control. This verification will be made by the personnel after 13:00 of the day prior to the transactions and must include all the information required by NERC Policy 3B.

B. REAL TIME CHECKOUT PROCEDURE.

The ISO and CFE will maintain a checkout process of hourly and daily values of actual and scheduled interchange as required to meet all WSCC and NERC standards.

The ISO and CFE will be in close contact with all parties involved, in order to assure that transactions are kept according to the prearranged interchange transaction schedule.

C. AFTER-THE-FACT CHECKOUT PROCEDURE.

In case of any discrepancy, the Control Area personnel (CFE and ISO) will make the final decisions, by mutual agreement, concerning all actual and scheduled interchange values.

All the information will be checked the next working day and kept confidential and will be given only to authorized personnel of either Party.

Whenever possible, the Parties involved in a transaction will keep records (by any electronic or other means) of: instructions, readings and changes made between the Accounting Departments of the Parties involved in a transaction. These records will be held confidential and maintained for at least 90 days.

SERVICE SCHEDULE 12

MAINTENANCE COORDINATION PROCEDURES

[Section 6.1]

Facility Outages on transmission lines and equipment (including RAS equipment) that affect the Interconnection, shall be coordinated between the control area Outage dispatchers.

It is desirable that these types of Outages be scheduled as far in advance as possible. Except in emergencies, they shall be scheduled a minimum of 3 working days prior to the Outage day.

For informational purposes, the ISO has included the following Outage coordination procedures, which the Participating Transmission Owners are required to meet, which may impact CFE.

ISO Outage Coordination Principles.

The ISO Outage Coordination Office (OCO) will coordinate Outage scheduling with the Participating Transmission Owners and the interconnected control area operator, 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.
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 Outage Coordination Conference:

Each year, by October 1st, the ISO will gather annual Outage schedules from the Participating Transmission Owners. The ISO will confer with other WSCC entities to begin the annual Outage coordination process.

2. Quarterly Confirmation:

Each quarter (on the 15th of January, April, July and October), the Participating Transmission Owners will update and confirm their 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 schedule can be made at any time. However, the minimum notification for Outage request, 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, that may affect transfer capability, must be submitted no later than 11:30, at least three working days prior to the starting date of the scheduled Outage. (Acknowledgment of requests to the **ISO** OCO will be made within two working hours, and approval will be made by 15:30 the following day).

This applies to the following:

All 500 kV facilities.

Any transmission line Outage.

Any load transformer Outage.

Any Bus Outage.

Relay protection Outages that reduce the transfer capability of a transmission line or path.

Any Outage that requires coordination by two or more connected entities.

Communication system Outages, including SCADA facilities; and any other Outage that will affect the transfer capability of any transmission line or path.

5. One Day Prior Confirmation/Notification:

Any request to confirm or change the schedule of an Outage not covered in No. 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 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:

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. The ISO Control Center operators will work with the Participating Transmission Owner and/or the interconnected control area operator, to take actions as necessary.

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 schedule Outages will be coordinated by the **ISO** Control Center, the interconnected control area operator, the Participating Transmission Owner and the Transmission Owner(s). The **ISO** Control Center will work with 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 (s), to perform the remainder of the necessary switching, in coordination with the interconnected control

area operator, and then to report to the **ISO** Control Center, the condition of the affected facilities.

Likewise, when returning 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 preparations for closing circuit breakers, and then will monitor, via linked phone lines, the actual closing of the circuit breakers.

Clearances will be exchanged between the Transmission Owners and the interconnected control area operators. The ISO Control Center will also keep record of the Outages and clearances. The ISO OCO, will maintain a record of each Outage, as it is implemented. Such record will be available for inspection.

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: _____

Primary Telephone No. _____ Alternate Telephone No. _____

ISO Approval: _____

Other Notifications of Approval: _____

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 CFE 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 and CFE will establish a temporary Scheduling Coordinator account for CFE 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 CFE emergency assistance will be at a price agreed upon by the Parties or a price established by CFE 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. The ISO and CFE will establish a temporary Scheduling Coordinator account for CFE for the sole purpose of facilitating the settlement of such emergency assistance.

SERVICE SCHEDULE 14

INDEPENDENT OPERATION DUTIES AND RESPONSIBILITIES

[Section 7.3.1]

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

The ISO and CFE may agree to additional understandings as appropriate.

SERVICE SCHEDULE 15

RESTORATION COORDINATION

[Section 7.4]

The CFE Control Center and the ISO will work in close cooperation to maximize the reliability of interconnected control area operations. The WSCC MORC and off-normal 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 CFE Control Center.

The ISO, as Security Coordinator, will coordinate with CFE and other entities in the California sub region to manage the timely and effective restoration of Interconnections, generation, and load.