

## Stakeholder Process: MRTU Tariff Miscellaneous Amendments

### Summary of Submitted Comments

Stakeholders submitted one round of written comments to the CAISO on the following date:

- Round One: 11/21/07

Stakeholder comments are posted at: <http://www.caiso.com/17ba/17ba873e19350.html>

Other stakeholder efforts include:

- Stakeholder conference call: 11/29/07
- Call to SCE representatives regarding SCE's written comments: 11/27/07
- E-mail exchange with WPTF representative: 11/29/07

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Addition of authority for reversion to the previously-effective version of the ISO Tariff within 30 days after MRTU implementation, in the event this is needed.	Requested detailed criteria for reversion, detail on CRRs in event of reversion, more detail on Settlements in event of reversion, termination of reversion provisions 30 days after MRTU cutover, and "tabletop walk-through" of cutover and reversion plan.	Oppose  Asserted that reversion provisions are not needed, given significant flexibility already incorporated into MRTU Tariff regarding operating emergencies and Settlements and the significant potential impacts of reversion on the commercial arrangements of Market Participants. Also provided proposed edits to the CAISO's proposed reversion provisions to emphasize their temporary nature and require a CAISO report to FERC on the reversion.	Requested further clarification of the criteria for implementation of the reversion process and the details of its effectiveness.	Questioned whether there would be any end date for the reversion process once implemented.	No Comment	No Comment	In response to stakeholder comments, Management has committed to specify in the tariff language that Settlements in the event of a reversion would be performed under a single version of the CAISO Tariff for the entire month in which a reversion might occur to the greatest extent possible in order to avoid having to settle the relevant settlement period under two different regimes. Otherwise, Management continues to maintain that the proposed reversion authority is needed in addition to the various existing MRTU Tariff provisions providing emergency authority and is drafted consistent with similar provisions in the tariffs of other ISOs and RTOs. Management has proposed that stakeholders address the details of the cutover and reversion process, including the criteria for reversion, the treatment of CRRs, and the details of Settlements, through the separate stakeholder process on the CAISO's draft "MRTU Cutover and Reversion Overview" posted on the CAISO website. Management notes that the reversion provisions are drafted to provide authority for only 30 days, rendering a 30-day termination provision unnecessary, and that it is infeasible to specify a limit on the duration of a reversion. However, Management has also determined to adopt much of the essence of the WPTF proposed revisions to the text of the reversion provisions.
Modification of specifications for the annual operations	Opposed changing "audit" to "review;" supported use of	Opposed use of CAISO internal audit staff; supported use of	No Comment	No Comment	Supported use of an independent entity.	No Comment	In response to stakeholder comments, Management has committed to limit compliance review to performance by an independent party and omit

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compliance review.	independent consultants; opposed use of NERC audit; requested CAISO notice of audit scope, findings, recommendations, and certifications.	independent firm or NERC; requested copy of compliance review and that any conditions on access be subject to public comment.					references to the CAISO's internal audit staff and to the NERC audit. Management continues to propose changing "audit" to "compliance review" and to remove references to an "accounting firm" particularly in order to accommodate stakeholder interest in access to the compliance review. Management has noted that it intends to post the results of the compliance review on the CAISO Website if permitted by the independent party conducting the review, which would not be possible for an "audit" by an accounting firm. If the report is conducted by an accounting firm, the CAISO would not post the report on the CAISO Website but would make the reports available subject to a non-disclosure agreement.
Establishment of Settlements priority for amounts less than \$5,000 and for FERC Annual Charges.	No Comment	No Comment	No Comment	No Comment	No Comment	No Comment	No response necessary.
Reduction of Outage reporting requirements for Generating Units less than 40 MW.	No Comment	No Comment	No Comment	No Comment	No Comment	No Comment	No response necessary.
Limitation of the availability of CAISO Operating Procedures on the CAISO Website to exclude confidential information.	No Comment	Proposed the CAISO list Operating Procedures not posted on the CAISO Website and reasons why. Proposed that Operating Procedures not posted be made available to	No Comment	No Comment	No Comment	Agreed with WPTF's concerns over access to confidential Operating Procedures	Management has noted to stakeholders that a list of all Operating Procedures is already posted on the CAISO website with an explanation of those that are confidential and that the criteria for confidentiality of CAISO Operating Procedures are specified in the CAISO's filings with FERC in compliance with FERC Order No. 890. Management has explained that portions of certain Operating Procedures contain market-sensitive

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		parties executing the non-disclosure agreement for the network model.					information that may not be appropriate to release to Market Participants even under a non-disclosure agreement.
Substitution of the term "Balancing Authority Area" for "Control Area."	No Comment	No Comment	No Comment	No Comment	No Comment	No Comment	No response necessary.
Increase in bank account information processing time and addition of a "survival" clause in the <i>pro forma</i> Scheduling Coordinator Agreement ("SCA").	No Comment	Oppose  Asserted that 7 Business Days is reasonable for CAISO processing of bank account information and that "survival" clause for unknown obligations adds unreasonable uncertainty to SCA termination.	No Comment	No Comment	No Comment	No Comment	In response to the stakeholder comment, Management has determined that it should ordinarily not take more than 20 days for processing of changes to bank account information from the time the requesting Scheduling Coordinator (SC) provides all of the information necessary to initiate the change. As a result, Management will revise the proposed provision of the SCA to reflect that determination. The need for even this much extra time is due to the effort required in the CAISO's systems and the need for absolute accuracy. In fact, the Fed-Wire test alone generally takes about two weeks to arrange and conduct. Management continues to consider a "survival" clause to be appropriate, as it ensures SC continuing accountability for the results of Settlements "re-runs" and that other SCs are not required to absorb Settlements impacts of terminating SCs. This may also benefit the terminating SC, as the tariff currently permits the CAISO to hold the terminating SC's Financial Security until all obligations are satisfied. In addition, it is a very common term in other types of commercial contracts.
Establishment of consistency of "boilerplate" terms	Conditional Support	No Comment	No Comment	No Comment	No Comment	No Comment	Management will accept the proposed revision to the provisions on FERC filing rights.

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in <i>pro forma</i> agreements.	Supported intent, but reserved comment pending review of proposed language. Provided separate comment on contract language proposing revision to provisions on FERC filing rights.						