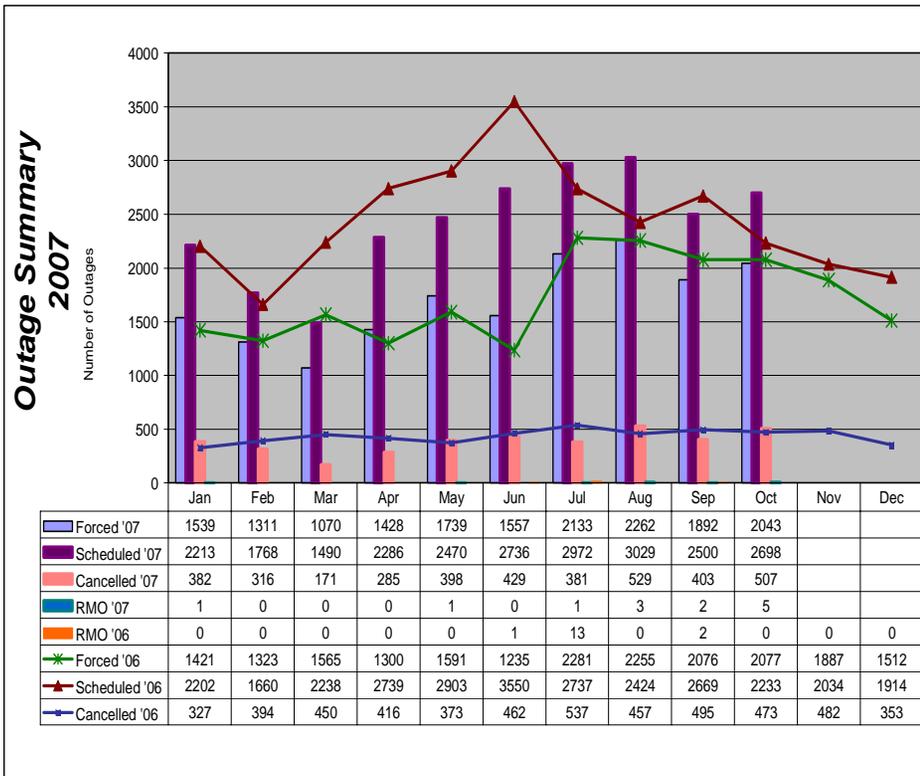


Operations Highlights Report

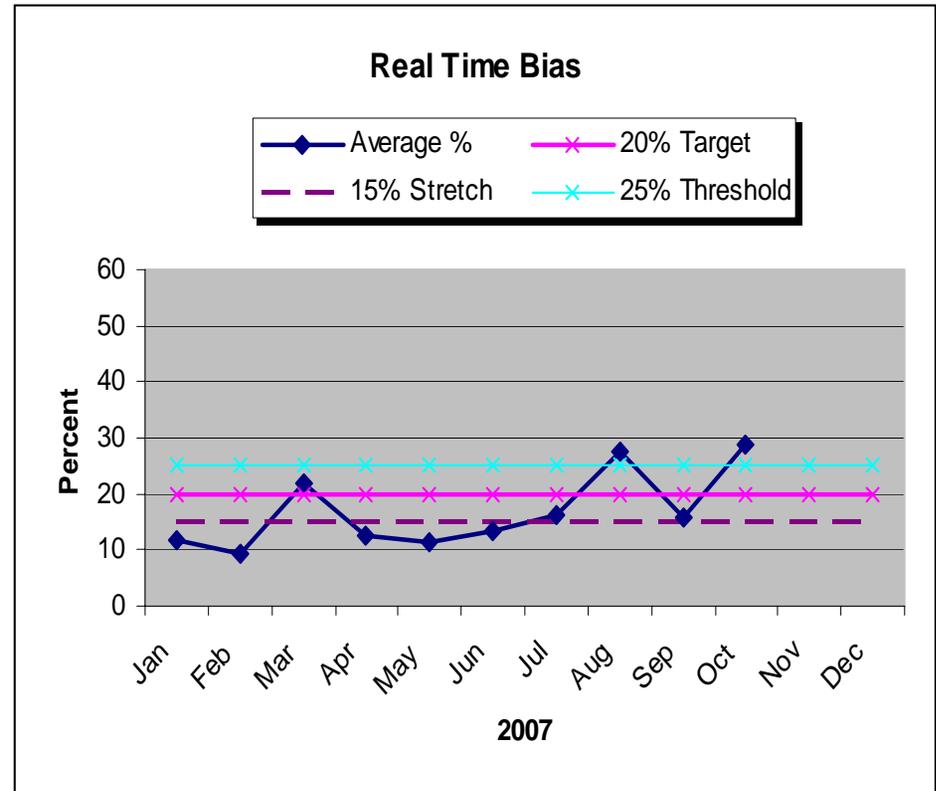
Notable Events

Southern California Fires

Fires wreaked havoc over the transmission system from Sunday October 22nd through Thursday October 25th. We operated under a Transmission Maintenance and Transmission Emergency umbrella while the fires tripped out lines and power plants throughout the Southland. With the loss of the Southwest Power Link (SWPL) 500kv line on Sunday, import capabilities were severely reduced as additional lines went out of service. At one point we were down to one 230kv line linking San Diego to the WECC. Fortunately the SWPL was returned to service and we began restoring the system toward an operational state that was manageable from a generation and load perspective. ISO Grid Operations called on all of our support groups inside and outside of the ISO to maintain reliability during some of the most severe operating conditions.

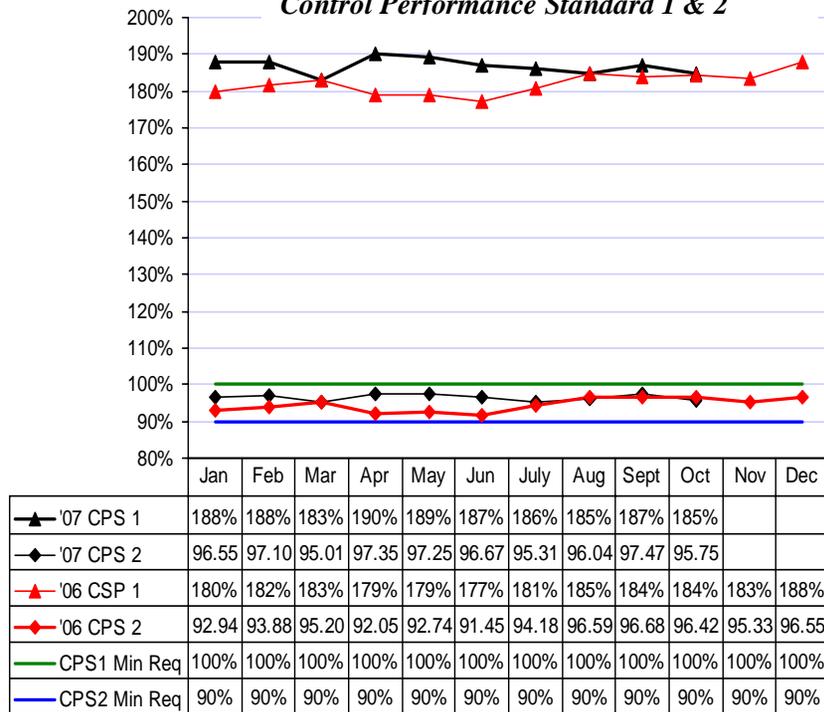


The Outage Activity Summary graph shows the number forced, scheduled, and cancelled generation and transmission outages processed per month by the Outage Coordination office. Included in the graph is the number of Restricted Maintenance Operations (RMO), RMO accommodates additional transmission or other maintenance on the grid.



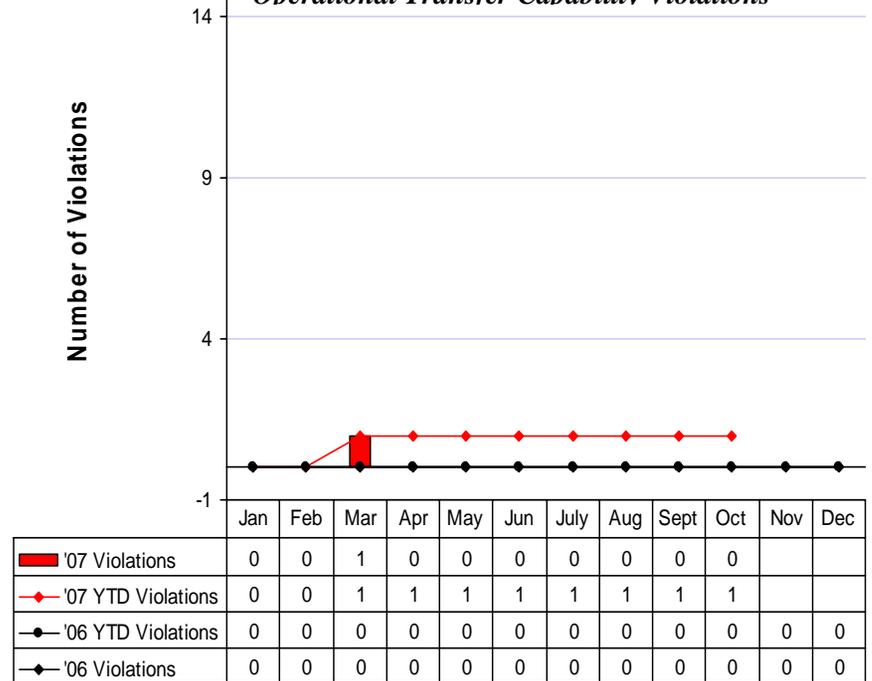
Bias numbers for August, September, and October were 27.6%, 15.9%, and 28.9% respectively. The favorable biasing levels seen in September went away in October due to input data issues. These issues were largely resolved by early November and biasing is closer to target levels. For the year to date, biasing is 17%, better than our internal target of 20%.

Control Performance Standard 1 & 2



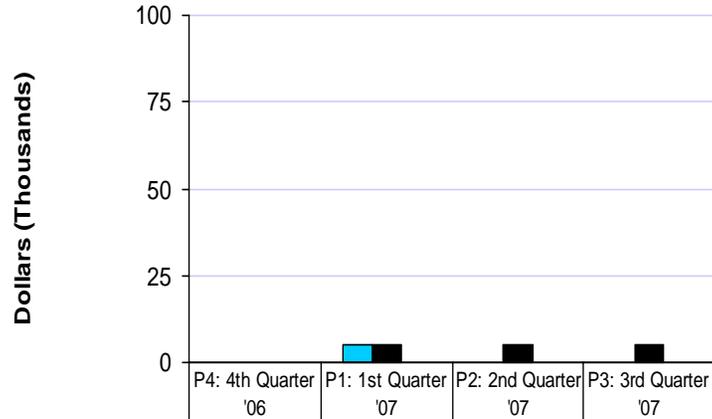
WECC Minimum Operating Reliability Criteria for CPS1 is 100%. The CPS1 Target and Stretch Goal are to attain a score of 100% 12 of 12 months during the calendar year. WECC Minimum Operating Reliability Criteria for CPS2 is 90%. The CPS2 Target and Stretch Goal are to attain a score of 90% 12 of 12 months during the calendar year. Our YTD results are on track to meet the Stretch objective of attaining a score of 100% for CPS1 and 90% for CSP2 of 12 months for 2007.

Operational Transfer Capability Violations



The OTC Violation Target Goal is not to exceed 2 violations, with the Stretch goal of zero violations for the calendar year. Our YTD results are on track to meet the Target Goal for 2007.

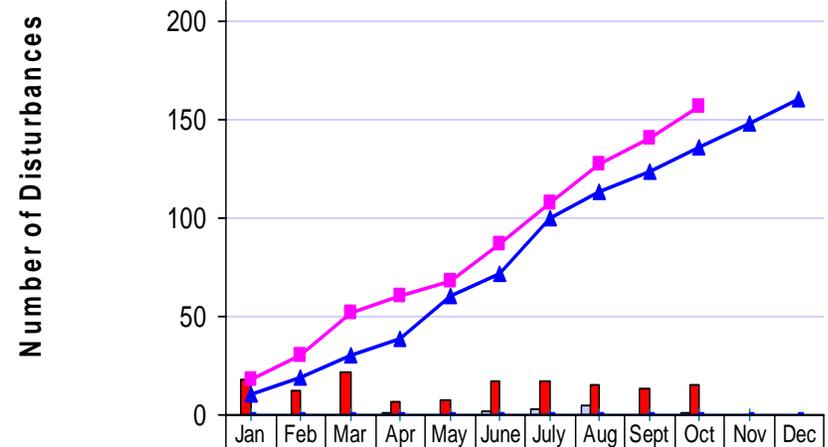
WECC Monetary Sanctions



Quarter	P4: 4th Quarter '06	P1: 1st Quarter '07	P2: 2nd Quarter '07	P3: 3rd Quarter '07
ISO Qtr Monetary Sanctions in Thousands of Dollars	0	5	0	0
ISO YTD Monetary Sanctions in Thousands of Dollars	0	5	5	5
Total WECC YTD Monetary Sanctions** in Thousands of Dollars	4	13	46	46
YTD ISO % of WECC Monetary Sanctions	0.0%	37.0%	10.0%	10.0%

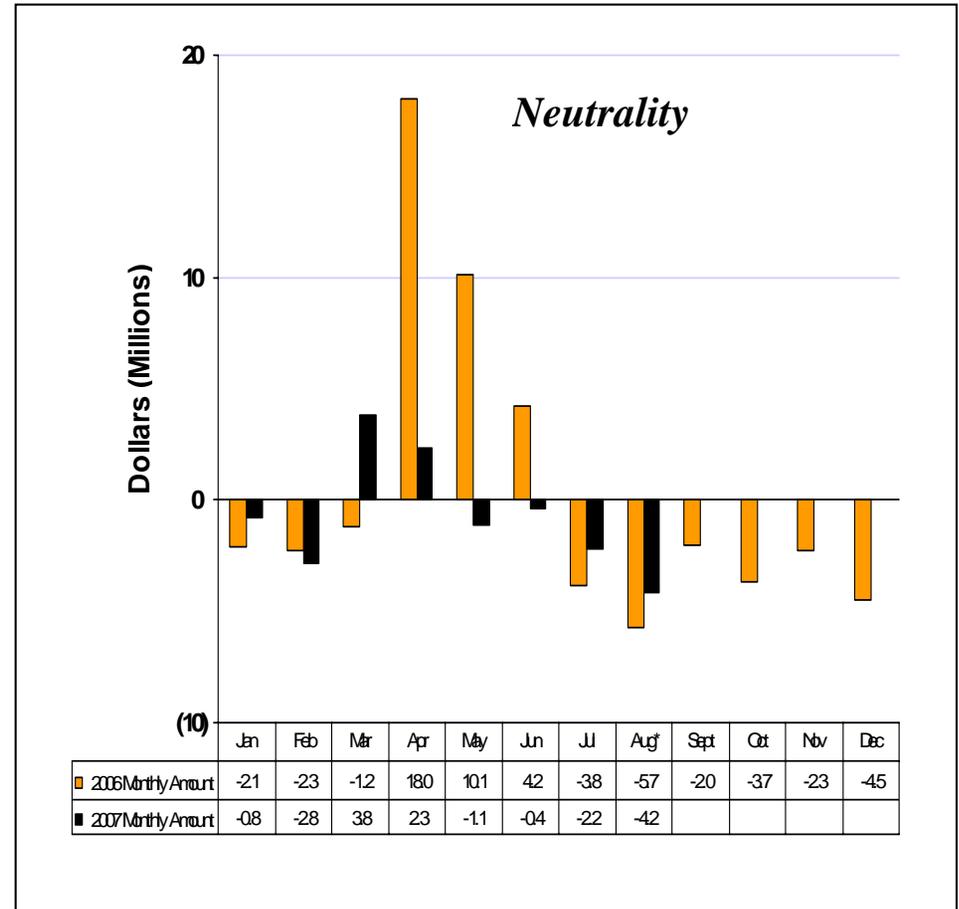
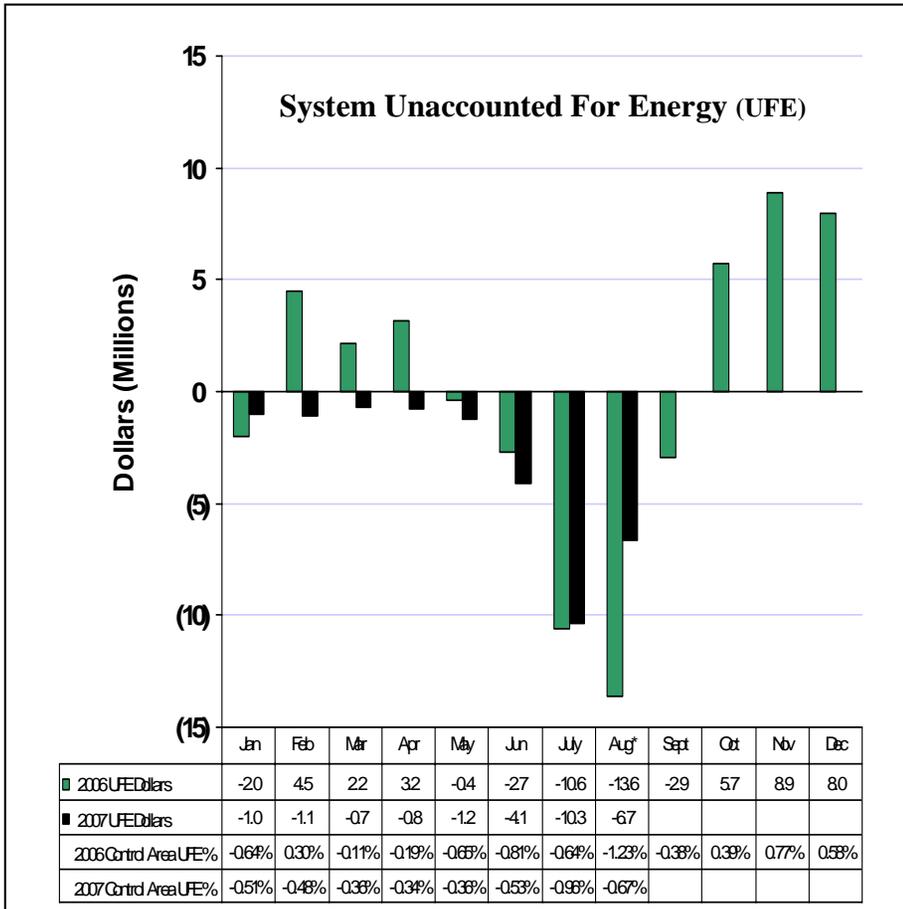
*Chart begins with 4th Quarter 2006 to allow for delay in finalization and receipt of year-end WECC sanction data, and to enable analysis of Performance goals based on a full year.

Frequency Disturbances



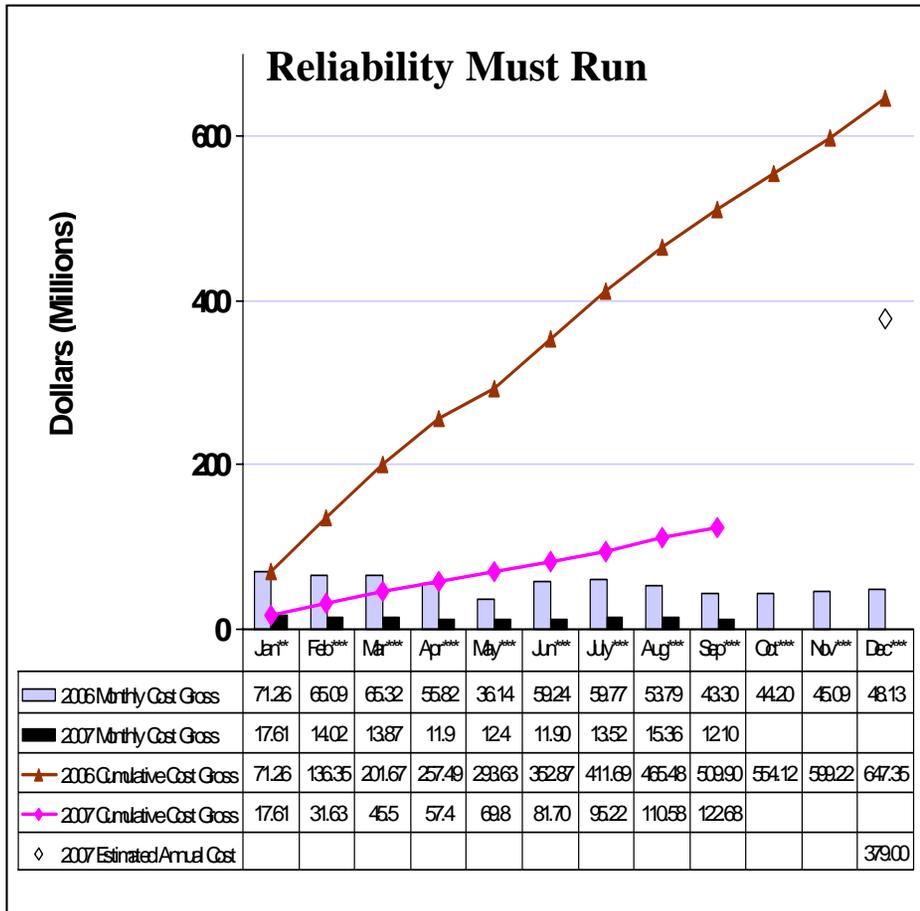
Inside ISO '07	0	0	0	1	0	2	3	5	0	1		
Outside ISO '07	18	12	22	7	8	17	17	15	13	15		
Inside ISO '06	3	0	0	1	2	1	5	1	2	1	4	1
Outside ISO '06	7	9	11	8	19	11	23	12	8	12	8	11
'07 YTD Total	18	30	52	60	68	87	107	127	140	156		
'06 YTD Total	10	19	30	39	60	72	100	113	123	136	148	160
ISO DCS Violations '07	0	0	0	0	0	0	0	0	0	0	0	0
ISO DCS Violations '06	0	0	0	0	0	0	0	0	0	0	0	0

Frequency Disturbances are results of a sudden loss of load or generation. ISO DCS Violations are those losses of generation greater than 35% of our most severe single contingency (currently 399 MW), where the ACE is not recovered within 15 minutes. The DCS Violation Target Goal is not to exceed 2 ISO DCS violations, with the Stretch goal of zero violations for the calendar year. Our YTD results are on track to meet the Stretch objective to have zero DCS Violations for 2007.

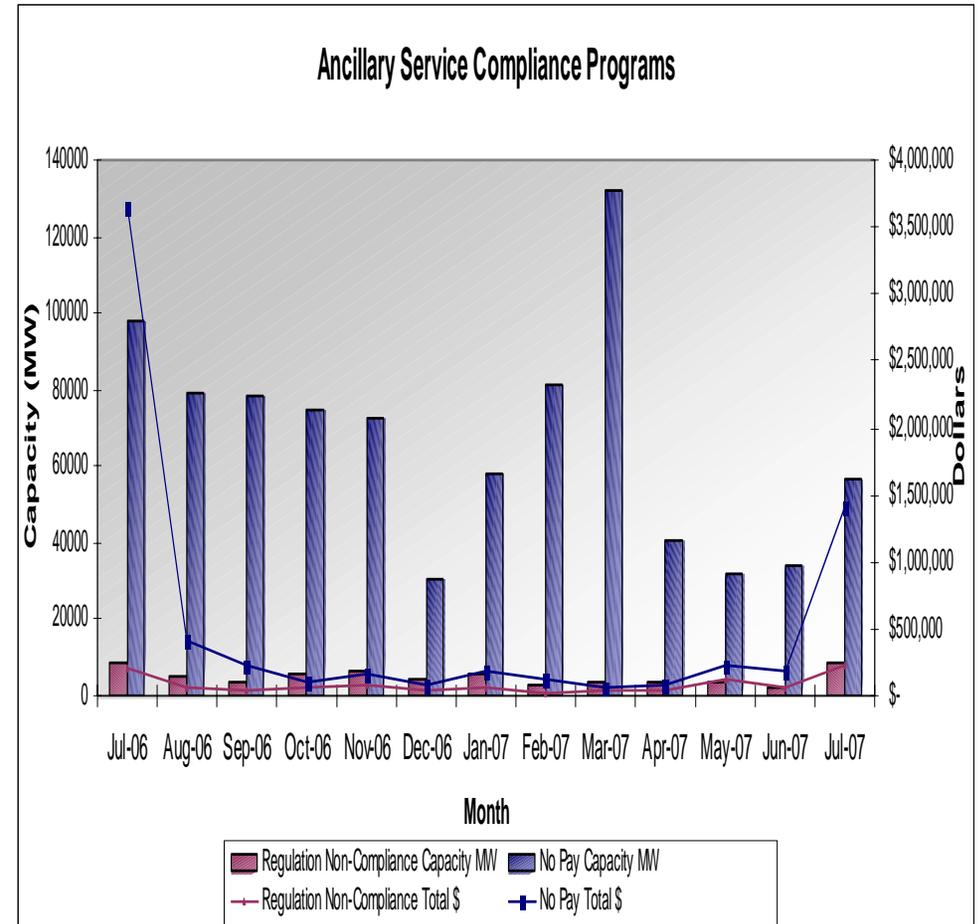


• Operations Support continues to monitor changes in trends (both positive and negative) of Unaccounted for Energy (UFE) prior to and after Preliminary Settlement Statements. For the month of July, Operations Support has not identified any outstanding issues. The graph shows the amount of system Unaccounted for Energy.

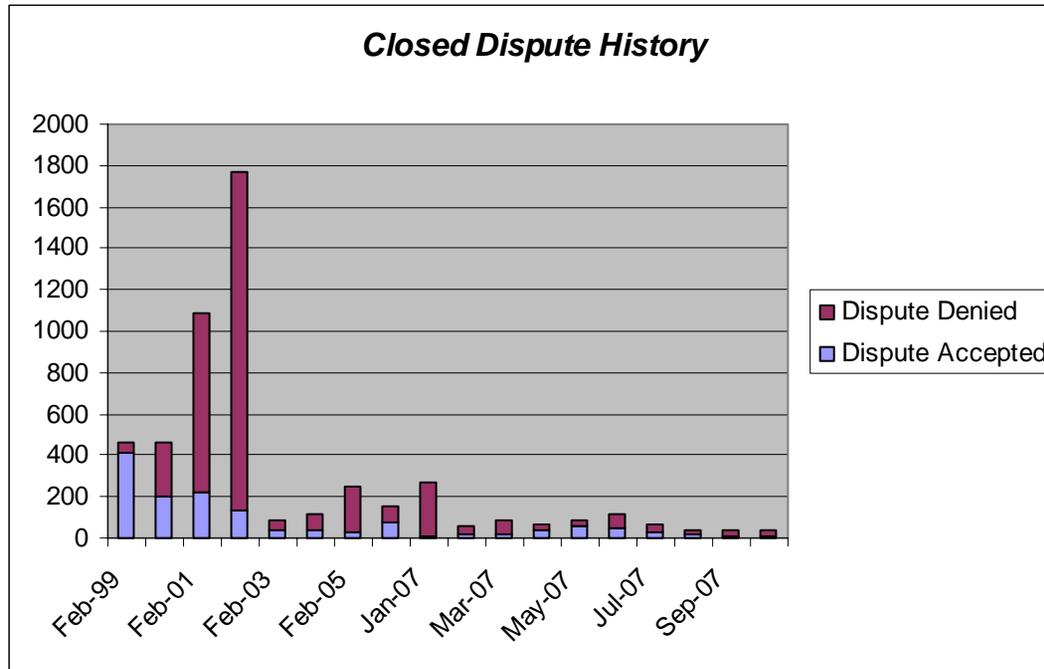
Neutrality number includes both the Neutrality Adjustment & Existing Contract Charge/Adjustment *There is a 75 day time lag before actual Neutrality data becomes available.



RMR decreased in 2007 to 13 facilities consisting of 35 units; down from 30 facilities consisting of 86 units in 2006. * There is a 120 day lag time before final actual RMR data becomes available. **January thru December 2006 RMR has not yet received adjusted invoices for Border, El Cajon, Enterprise, and VacaDixon. Adjusted invoices not yet received for Jan thru Feb 2007 are Enterprise, Border, and El Cajon. ***Jan 2006 thru Jun 2007 RMR has not received estimated invoices for Enterprise, Border, and El Cajon. Jan 2006 thru Apr 2007 month cost for the listed facilities are based on previous months' data.



Operations Support monitors suppliers of Ancillary Services to ensure that Ancillary Service capacity awarded in the ISO markets is available in real-time. In July 2007, 98 percent of scheduled Regulation was available and an average of 96 percent of scheduled Spinning Reserve and Non-Spinning Reserve was available. The total value of rescinded payments was approximately \$1,636,093 for July. The graph shows the monthly totals of non-compliant Ancillary Service capacity (MW) for twelve months.



The graph above shows the volume of disputes from February 1999 through October 2007.

Definitions The following are definitions of the items and or systems covered in the Operations Performance Scorecard section of this report:

Operations Performance Scorecard:

WECC Monetary Sanctions - Measures through WECC's Reliability Management System (RMS) criteria. The RMS criteria include items such as Operating Reserve (OR), Operational Transfer Capability (OTC), Disturbance Control Standard (DCS), System Operator certification, and compliance with the WECC Unscheduled Flow Reduction Procedure. The ISO's goal is to have zero monetary sanctions per quarter.

Control Performance Standards 1 & 2. - Control Performance Standard 1 (CPS1) is intended to provide a control area with a frequency sensitive evaluation of how well it is meeting its demand requirements. CPS1 is a statistical measure of Area Control Error (ACE) variability. Control Performance Standard 2 (CPS2) is a statistical measure of ACE magnitude. It is designed to limit a Control Area's unscheduled (or inadvertent) power flows that could result from large ACE values.

Operating Transfer Capability Violations - OTC Violations are defined as those transmission path overloads that exceed WECC allowable time limits for stability rated (20 min.) and thermally rated (30 min.) paths.

ISO Control Area Frequency - The ISO Control Area Frequency figures report internal and external system disturbances and include violations of the Disturbance Control Standard (DCS) resulting from ISO Control Area internal disturbances, such as loss of a large generating unit or transmission line. WECC allowable time limit for disturbance recovery is 15 minutes. Per WECC criteria, qualifying disturbances are defined as those greater than 35% of our maximum generation loss from our most severe single contingency. The California ISO's most severe single generation contingency is a nuclear unit with maximum generation output 1120 MW, 35% of which is the 392 MW thresholds used herein.

Real Time Bias - The number entered manually by the ISO operator into Real Time Market application (RTMA) to adjust for the energy deviation between RTMA and the Energy Management System (EMS).