

2010 Operations Review Status

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ADR/Audit Committee Meeting

General Session

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We selected the scope for the 2010 operations review.

- The ISO tariff requires an annual review of compliance with our operation policies and procedures
- We used the following criteria in selecting the scope:
 - relevant to consistent and reliable operation
 - stable and not undergoing major changes
 - not fully transparent to the market participants
 - suggested by the market participants

Management considered an array of candidates.

- The pool of activities considered for this years review were:
 - Transmission line biasing
 - Pre-market validation
 - Constraint management
 - Multi-stage generation

Management selected transmission line biasing for the scope of this year's review.

- Transmission line biasing was selected from possible candidates due to:
 - The activity involves operator intervention, which is a focus for the ISO, as demonstrated by our corporate goal
 - There are no major changes expected in this area
 - The process of performing transmission line biasing is not transparent to the market participants

The review provides insight on compliance.

- The review assesses the process and quality of transmission line biasing by:
 - Evaluating the procedural requirements
 - Observing operator actions for compliance and consistency
 - Identifying potential areas for improvement