



July 2, 2004

The Honorable Magalie Roman Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426

**Re: California Independent System Operator Corporation,  
Docket Nos. ER04-928-000 and ER02-1656**

Dear Secretary Salas:

In accordance with the "Order on Further Development of The California ISO's Market Design and Establishing Hearing Procedures," issued by the Federal Energy Regulatory Commission ("Commission") on June 17, 2004, the ISO hereby submits for filing an Existing Transmission Contract ("ETC") Stakeholder Process Updated Work Plan. The Updated Work Plan sets forth the stakeholder process and timeline that the ISO proposes to follow to address outstanding ETC issues. Adherence to this schedule should enable the ISO to file a conceptual proposal regarding ETC scheduling and management processes with the Commission by August 31, 2004 and Tariff language by December 31, 2004.

To maintain the existing implementation schedule for the ISO's market redesign, the ISO needs to receive conceptual approval from the Commission of any ETC proposal by the end of October 2004. In order to facilitate resolution of the ETC issues, the ISO believes that it may be appropriate for the Commission to schedule one or more technical conferences to address ETC issues.

Thank you for your assistance in this matter.

Respectfully submitted,

**/s Anthony J. Ivancovich**

Anthony J. Ivancovich  
Counsel for The California Independent  
System Operator Corporation

Cc: All Parties

## ATTACHMENT A

**ETC Stakeholder Process**  
**Updated Work Plan**  
**Docket Nos. ER02-1656 and ER04-928**

May 13<sup>th</sup>  
(Thursday)

**1<sup>st</sup> Stakeholder Meeting**, Folsom  
*Overview of LMP*  
*Overview of ETC Proposal*  
*MISO Proposal for ETCs*  
*Pre-ISO Management of ETCs*

June 9<sup>th</sup>  
(Wednesday)

**2<sup>nd</sup> Stakeholder Meeting**, Folsom  
*Initial Demonstration of Settlement Costs*  
*Initial Analysis of ETC Contracts*  
*Discussion on RTS*

June 30<sup>th</sup>  
(Wednesday)

**3<sup>rd</sup> Stakeholder Meeting**, Folsom  
*Review of FERC June 17 order*  
*Review of methodology for further analysis of ETCs*  
*Further Settlement Examples*

July 2, 2004  
(Friday)

**Update to FERC on Stakeholder process**

**Tentative**

July 15, 2004  
(Thursday)

**4<sup>th</sup> Stakeholder Meeting (or conference call)**

August 5, 2004  
(Thursday)

**5<sup>th</sup> Stakeholder Meeting (or conference call)**

August 12, 2004  
(Thursday)

**ISO issues Revised White Paper**

August 24, 2004  
(Tuesday)

**Stakeholder comments due**

August 31, 2004  
(Tuesday)

**ISO Filing to FERC on Conceptual MD02 Design for ETCs**

December, 2004

**ISO Tariff Filing on MD02-related issues, including ETCs**

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned dockets.

Dated at Folsom, California, on this 2nd day of July, 2004.

**/s Anthony J. Ivancovich**  
Anthony J. Ivancovich