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January 13, 2006

Via Hand Delivery

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

**Re: California Independent System Operator Corporation
Docket No. ER05-1501-000**

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SECRETARY
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FEDERAL ENERGY
REGULATORY COMMISSION

Dear Secretary Salas:

In compliance with the Federal Energy Regulatory Commission's ("Commission") December 9, 2005 Notice of Post-Technical Conference Schedule issued in the above-referenced docket, enclosed for filing please find an original and 6 copies of the California Independent System Operator Corporation's ("CAISO") comments on the December 7, 2005 Technical Conference that addressed the CAISO's Simplified and Reorganized Tariff ("S&R Tariff"). The filing includes *pro forma* S&R Tariff sheets reflecting both the CAISO's November 4, 2005 Answer to Protests, Motions to Intervene, and Comments as well as the discussions at the December 7, 2005 conference.

Thank you for your assistance in this matter.

Respectfully submitted,



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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**California Independent System)
Operator Corporation)**

Docket No. ER05-1501-000

**COMMENTS OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

I. INTRODUCTION AND SUMMARY

The California Independent System Operator Corporation (“CAISO”) would like to thank the Federal Energy Regulatory Commission (“Commission”) for the opportunity to discuss with both Commission Staff and Intervenor the CAISO Simplified and Reorganized Tariff (“S&R Tariff”) at the December 7, 2005 Technical Conference. Further, the CAISO appreciates the intervenors’ detailed review of the S&R Tariff, which allowed for meaningful discussion both during and following the conference.

In response to concerns raised before, during, and after the conference, the CAISO proposes to:

- (1) incorporate all changes proposed in the CAISO’s November 4, 2005 Answer¹ with the exception of the proposed changes to Section 16.2.3.1 and Section 16.2.4C, which the CAISO will leave as originally filed;
- (2) correct two additional S&R Tariff errors that the CAISO found since filing the S&R Tariff in September 2005;
- (3) incorporate the two Tariff changes suggested to the CAISO during the December 2005 technical conference;
- (4) incorporate certain of the proposed changes submitted to the CAISO after the conference and explain why the CAISO does not agree with certain other suggestions; and

¹ See Attachment B of this filing for the Motion for Leave to File Answer and Answer to Protests, and Answer to Motions to Intervene and Comments of the California Independent System Operator Corporation in Docket No. ER05-1501-000 (Nov. 4, 2005) (“CAISO November Answer”).

- (5) in response to concerns expressed at the technical conference, propose an S&R Tariff effective date of March 1, 2006.

The CAISO believes that by proposing solutions to or offering explanations addressing the intervenors' concerns, it is demonstrating that it did not intend for the S&R Tariff to contain substantive changes to any of the CAISO's operations, practices, rates, terms or conditions of service.

In order to offer additional reassurance that the S&R Tariff is not intended to alter the rights or responsibilities of the CAISO or any Market Participant, the CAISO proposes that the Commission include in its order the following language:²

Disputes over the interpretation of any provision of the Simplified and Reorganized Tariff resulting from the simplification and reorganization process shall be resolved in accordance with the conformed ISO Tariff in effect immediately prior to March 1, 2006, until amendments that substantively alter the relevant provisions are made effective by the Commission pursuant to a filing by the CAISO or any other party under Sections 205 or 206 of the Federal Power Act, as applicable.

The CAISO also intends to make an update filing in the coming months to incorporate any additional amendments and/or compliance filings that have been approved by the Commission and gone into effect between August 31, 2005 and the effective date of the S&R Tariff. This update filing will include the entire S&R Tariff and will reflect the Commission-approved effective date of either April 21, 2006, as directed by the Commission in its November 21, 2005 "Order Accepting and Suspending Filing and Directing Staff to Convene a Technical Conference," 113 FERC ¶ 61,186, or an

² As promised during the technical conference, the CAISO circulated this proposed language via electronic mail on December 22, 2005 to all conference participants as well as all individuals who requested to be included in response to the notification sent to all parties on the official service list for this proceeding.

earlier effective date pursuant to a further order of the Commission. The CAISO has requested and continues to request an earlier effective date and specifically proposed a March 1, 2005 effective date at the December 7, 2005 Technical Conference.

II. PROPOSED S&R TARIFF CHANGES

A. CAISO November Answer

The CAISO proposes to make all changes contained in its November Answer with the exception of the following:

1. Pursuant to the request of participants at the technical conference, S&R Tariff Sections 16.2.3.1 and 16.2.4C will remain as originally filed.
2. CAISO November Answer agreed to remove OCP 2.1 and 4.1 from S&R Tariff Section 9.3.4 and instead add the OCP provisions to a new S&R Tariff Section 9.3.6. Given that S&R Tariff Section 9.3.6 already contains language on Maintenance Outage Planning, the CAISO will instead move the relevant OCP provisions to a new S&R Tariff Section 9.3.5.2A.

B. Two S&R Tariff Errors Found by CAISO Since September 2005

After further review of the S&R Tariff, the CAISO found the following two errors and has corrected them in the *pro forma* tariff sheets contained in Attachment A to this filing:

1. S&R Tariff Section 11.1.7, Prepayments, is misnumbered and should instead be Section 11.3.3.
2. S&R Tariff Section 37.2.1.2 should read "...the applicable Hourly Ex Post Price or the..." rather than "...the applicable Dispatch/Settlement Internal Locational Marginal Price or the..."

C. Changes Suggested during the December 7, 2005 Technical Conference

To address concerns expressed by intervenors during the technical conference, the CAISO agrees to add the word “intertie” before “interconnection schedules” in Section 4.5.3.2 and remove the word “technical” from Section 8.5.4(f). Both changes are proposed in the *pro forma* tariff sheets found in Attachment A to this filing.

D. Changes Submitted to the CAISO Following the December 7, 2005 Technical Conference.

On January 3, 2006, the Transmission Agency of Northern California, the Cities of Redding and Santa Clara, California, the M-S-R Public Power Agency and the Modesto Irrigation District (collectively, “TANC, *et al.*”) submitted to the CAISO via electronic mail the following requests:

1. A request that the CAISO revise the last sentence of S&R Tariff Section 16.2.3.4.5 to read as follows: “Each Participating TO will be responsible for recovering any deficits or crediting any surpluses associated with differences in assignment of Transmission Loss requirements and/or Ancillary Services requirements, through its bilateral arrangements or its Transmission Owner’s Tariff.” The CAISO agrees to do so as reflected in the *pro forma* tariff sheets found in Attachment A to this filing.
2. A request that in S&R Tariff Section 16.2.4A.1, the CAISO include a cross reference to Section 16.2.4A.3. The CAISO agrees to do so as reflected in the *pro forma* tariff sheets found in Attachment A to this filing.
3. A request that the CAISO capitalize the “t” in “tariff” in S&R Tariff Section 16.2.4A.2. Given that Section 16.2.4A.2 does not contain the word “tariff,” the CAISO has not made this change.

In addition to the three requests noted above, TANC, *et al.* submitted to the CAISO the following two charts containing additional comments or requests for clarification with regard to (1) S&R Tariff provisions and (2) Attachment A to the CAISO November Answer, which contained a table of conforming changes to

Pro Forma Agreements. The CAISO's response to each comment is contained in the new right-hand column.

1. TANC, et al., Comments/Requests for Clarification: S&R Tariff Provisions

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<p>4.3.1 {3.1} Nature of Relationship. Each Participating TO shall enter into a Transmission Control Agreement with the ISO. In addition to converting Existing Rights in accordance with Section 2.4.4.2 <u>16.2.1A.1</u>, and except as provided in Section 3.1.3 4.3.1.3, New Participating TOs will be required to turn over Operational Control of all facilities and, Entitlements that: (1) satisfy the FERC's functional criteria for determining transmission facilities that should be placed under ISO Operational Control; (2) satisfy the criteria adopted by the ISO Governing Board identifying transmission facilities for which the ISO should assume Operational Control; and (3) are the subject of mutual agreement between the ISO and the Participating TOs. The ISO shall notify Market Participants when an application has been received from a potential Participating TO and shall notify Market Participants that a New Participating TO has executed the Transmission Control Agreement and the date on which the ISO will have Operational Control of the transmission facilities.</p>		Reference to 16.2.1A.1 should be 16.2.1A.	The CAISO agrees to make this proposed cross reference change.
<p>4.5.1.2.1.2 {SCAP 7.1.2} Obligation to Report a Change in Credit Rating. <u>The Scheduling Coordinator has an ongoing obligation to inform</u></p>	<p>SCAP 7.1.2 Obligation to Report a Change in Credit Rating. The SC has an ongoing obligation to inform the</p>	Language in this section was moved from SCAP 7.1.2 and changed as shown on the strikethrough and	Section 4.5.1.2.1.2 contains an inadvertent deletion and replacement, and the CAISO agrees to

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<p><u>the ISO within 3 Business Days of any change to its Credit Rating.</u></p>	<p>ISO within 3 Business Days if its Approved Credit Rating has been reduced below the ISO requirements of any <u>change to its Credit Rating.</u></p>	<p>underline. These changes were not noted in the S&R Blackline.</p>	<p>amend the language to conform with the existing SCAP 7.1.2.³</p>
<p>4.5.4.4.1 {2.2.4.5.1} Pending acceptance of termination of service pursuant to Section 2.2.4.6.1 4.5.4.5.1 by FERC, the ISO will suspend the certification of a Scheduling Coordinator which has received a notice of termination under Section 2.2.4.5(a) 4.5.4.4 and the Scheduling Coordinator will not be eligible to submit Schedules and bids for Energy and Ancillary Services to the ISO.</p>	<p>2.2.4.5.1 Pending acceptance of termination of service pursuant to Section 2.2.4.6.1 by FERC, the ISO will suspend the certification of a Scheduling Coordinator which has received a notice of termination under Section 2.2.4.5(a) and the Scheduling Coordinator will not be eligible to submit Schedules and bids for Energy and Ancillary Services to the ISO.</p>	<p>It appears that the reference to Section 4.5.4.4 should be to 4.5.4.4 (a).</p>	<p>The CAISO agrees to make this proposed cross reference change.</p>
<p>4.5.4.5 {2.2.4.6} Notification of Termination. The ISO shall, promptly after providing written notice of default to a Scheduling Coordinator as specified in Section 2.2.4.5(a) 4.5.4.4, notify the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the Scheduling Coordinator under Section 2.2.4.7.2 4.5.4.6.2 if the default is not cured. The ISO shall, as soon as reasonably practicable following the occurrence of any of the events specified in Section 2.2.4.5 4.5.4.4, notify the Scheduling Coordinator and the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the defaulting Scheduling</p>	<p>2.2.4.6 Notification of Termination. The ISO shall, promptly after providing written notice of default to a Scheduling Coordinator as specified in Section 2.2.4.5(a), notify the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the Scheduling Coordinator under Section 2.2.4.7.2 if the default is not cured. The ISO shall, as soon as reasonably practicable following the occurrence of any of the events specified in Section 2.2.4.5, notify the Scheduling Coordinator and the Scheduling</p>	<p>It appears that the reference to Section 4.5.4.4 should be to 4.5.4.4 (a).</p>	<p>The CAISO agrees to make this proposed cross reference change to the first instance of Section 4.5.4.4 in S&R Tariff Section 4.5.4.5.</p>

³ The CAISO believes its decision to restore the original language of SCAP 7.1.2 should resolve Coral Power LLC's concern regarding S&R Tariff Section 4.5.1.2.1.2 submitted to the CAISO via electronic mail on January 5, 2005.

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
Coordinator, and the UDCs, and shall , as soon as reasonably practicable after the issuance of such notice of termination post such notice on the ISO Home Page. Termination of the SC Scheduling Coordinator Agreement will automatically remove the Scheduling Coordinator's certification under Section 2.2.4 4.5 and Section 2.5.6 8.4.	Coordinators that could be required to represent End Use Eligible Customers of the defaulting Scheduling Coordinator, and the UDCs, and shall , as soon as reasonably practicable after the issuance of such notice of termination post such notice on the ISO Home Page. Termination of the SC Scheduling Coordinator Agreement will automatically remove the Scheduling Coordinator's certification under Section 2.2.4 and Section 2.5.6.		
7.2.2.3 Standards to be Observed. [DP2] The ISO shall exercise Operational Control over the ISO Controlled Grid in compliance with all Applicable Reliability Criteria. [Moved from 2.3.1.3. 3.1]	DP 2.1 Applicable Reliability Criteria The ISO shall exercise Operational Control over the ISO Controlled Grid in compliance with all Applicable Reliability Criteria.	The S&R Tariff Blackline notes that the language has been moved from 2.3.1.3.3.1. Such a section does not appear to exist in the current conformed Tariff. However, it appears that the language was incorporated from DP 2.1.	The CAISO agrees that the bracketed note in the blacklines should have read “Moved from DP 2.1.” This change is not reflected in the attached <i>pro forma</i> tariff sheets, however, as it does not change any provision of the S&R Tariff.
9.3.2 {2.3.3.2} Requirement for Approval. An Operator shall not take: (i) facilities that comprise the ISO Controlled Grid or (ii) Participating Generators out of service for the purposes of planned maintenance or for new construction or other work except as approved by the ISO Outage Coordination Office. <u>The information relating to each Maintenance Outage submitted by a Participating Generator in accordance with Section 2.3.3.4 9.3.5 or by a Participating TO in accordance with Section 2.3.3.4 9.3.5 constitutes a request for a long-range Maintenance Outage and is</u>	OCP 2.3.3 Approval of Generation Outages The information relating to each Maintenance Outage submitted by a Participating Generator in accordance with OCP 2.2 constitutes a request for a long-range Maintenance Outage and is not considered an Approved Maintenance Outage until the ISO has notified that Participating Generator of such approval pursuant to OCP 4.3. OCP 3.1.4 Nature of Maintenance Outage Information The information relating	The references to sections in the S&R Tariff Blackline do not match up to the OCP references in the current conformed ISO Tariff. References to S&R Section 9.3.5 and 9.3.6 may be incorrect.	The ISO agrees that the stricken references do not match up to the original OCP references. The stricken reference to Section 2.3.3.4 should have been to OCP 2.2 and OCP 3.1. The stricken reference to Section 2.3.3.5 should have been to OCP 4.3 and OCP 5.4. Given, however, that this change does not affect any provision in the S&R Tariff, it is not reflected in the attached <i>pro forma</i> tariff sheets.

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<p><u>not considered an Approved Maintenance Outage until the ISO has notified that the Participating Generator of such approval pursuant to Section 2.3.3.5 9.3.6 of the Participating TO pursuant to Section 2.3.3.5 9.3.6. [OCP 2.3.3; Italicized inserts from OCP 3.1.4]</u></p>	<p>to each Maintenance Outage submitted by a Participating TO in accordance with OCP 3.1 constitutes a request for a long-range Maintenance Outage and is not considered an Approved Maintenance Outage until the ISO has notified the Participating TO of such approval pursuant to OCP 5.4.</p>		<p>As to the second comment suggesting that the references to Sections 9.3.5 and 9.3.6 may be inaccurate, the CAISO does not agree. The decision to make the cross references in this section more general by one decimal point was deliberate, as it ensures that the substance of the originally referenced sections, which were simplified and reorganized, is encompassed in the more general references.</p>
<p>9.3.6.2 90 Day Look Ahead In addition to changes made at quarterly Outage submittals, each Participating Generator shall notify the ISO in writing of any known changes to a Generating Unit or System Unit Outage scheduled to occur within the next 90 days <i>and may submit changes to its planned Maintenance Outage schedule at any time.</i> [from OCP 2.2.4] Participating Generators must obtain the approval of the ISO Outage Coordination Office in accordance with OCP 4 and Section 2.3.3 of the ISO Tariff. Such approval may be withheld only for reasons of System Reliability or security. [Merged OCP 2.2.3 and OCP 2.2.4].</p>		<p>For consistency and clarity, an S&R section should be specified to replace the current section references that have been stricken through.</p>	<p>The CAISO agrees to add a general reference to “Section 9.”</p>
<p>9.3.10.1A {Section 4.3.1.6(1) and 7.3.1.6(1)} Each PTO shall report any change or potential change in equipment status of the PTO’s transmission assets turned over to the control of the ISO or in equipment that affects transmission assets turned over</p>		<p>In the current ISO Tariff, Sections 4.3.1.6(1) and 7.3.1.6(1) do not exist.</p>	<p>The CAISO agrees that the bracketed note in the blacklines should have read “DP 3.6.1.” Given, however, that this change does not affect any provision in the</p>

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<p>to the control of the ISO immediately to the ISO (this will include line and station equipment, line protection, Remedial Action Schemes and communication problems, etc.). Each PTO shall also keep the ISO immediately informed as to any change or potential change in the PTO's transmission system that could affect the reliability of the ISO Controlled Grid. This would include, but is not limited to, adverse weather conditions, fires, bomb threats, system failures, etc.</p>			<p>S&R Tariff, it is not reflected in the attached <i>pro forma</i> tariff sheets.</p>
<p>9.3.10.2 {2.3.3.9.2} <u>Any Operator, upon identification of a situation likely to result in a Forced Outage but of a nature not requiring a removal from service until some time more than twenty-four (24) hours in the future will be subject to the provisions of OCP 4 and OCP 5 this ISO Tariff with respect to any necessary Outage except the requirements imposing time limits for notification will be waived and the request will be expedited by the ISO provided notice is given as soon as possible. [OCP 6.2]</u></p>		<p>Reference to "this ISO Tariff" as a replacement to the current reference to OCP 4 and OCP 5 seems overly broad</p>	<p>The CAISO agrees to add a general reference to "Section 9."</p>
<p>16.2.1.2 {2.4.4.1.2}and to minimize the contract parties' costs of administering the contract while preserving their financial rights and obligations as defined in Section 2.4.4.3 16.2.</p>		<p>Inconsistency. Current Section 2.4.4.3 has been incorporated into S&R Tariff Section 16.2.2. Thus, it appears that the reference to 16.2 should be to 16.2.2.</p>	<p>The CAISO agrees to make this proposed cross reference change.</p>
<p>19.3.1 {DFP 4.1} <u>The ISO will publish on the ISO Website and supply to the SCs Scheduling Coordinators advisory Control Area Demand Forecasts comprised of Hourly Demand Forecasts for each Congestion Zone for each Settlement Period of the relevant Trading Day.</u></p>	<p>DFP 4.1 The ISO will publish on WEnet and supply to the SCs advisory Control Area Demand Forecasts comprised of Hourly Demand Forecasts for each Congestion Zone for each Settlement Period of the relevant Trading Day.</p>	<p>The sentence in DFP 4.1 that states as follows was omitted from S&R Section 19.3.1: "The ISO will publish this information in accordance with the timing requirements set forth in the SP". This change does not appear</p>	<p>The last sentence of DFP 4.1 was inadvertently deleted, and the CAISO agrees to restore it in the S&R Tariff Section 19.3.1.</p>

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
	The ISO will publish this information in accordance with the timing requirements set forth in the SP.	to have been noted in the S&R Blackline.	
<p>25.1.1 { 5.7.1.1} The owner of a Generating Unit described in Section 25.1 5.7.1 (a), (b), or (c), or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with the LGIP or ISO Tariff Appendix W, as applicable.</p>		Incorrect cross-reference. Section 5.7.1.1 does not appear to exist in the ISO's current conformed Tariff.	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. New Section 5.7.1.1 was added by tariff filings in the Large Generator Interconnection Procedures proceeding, Docket No. ER04-445. The original filing adding and amending this section was made 01/05/05, and was approved (in part) as effective 07/01/05 by a 07/01/05 FERC order. In compliance with that order, further amendments were filed on 08/30/05.</p>
<p>25.1.2 {5.7.1.2} If the owner of a qualifying facility described in Section 25.1 5.7.1 (d), or its designee, represents that the total capability and electrical characteristics of the qualifying facility will be substantially unchanged, then that entity must submit an affidavit to the ISO and the applicable Participating TO representing that the total capability and electrical characteristics of the qualifying facility will remain substantially unchanged. If there is any change to the total capability and electrical characteristics of the</p>		Incorrect cross-reference. Section 5.7.1.2 does not appear to exist in the ISO's current conformed Tariff.	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. New Section 5.7.1.2 was added by tariff filings in the Large Generator Interconnection Procedures proceeding, Docket No. ER04-445. The</p>

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
qualifying facility, however, the affidavit shall include supporting information describing any such changes. The ISO and the applicable Participating TO shall have the right to verify whether or not the total capability or electrical characteristics of the qualifying facility have changed or will change.			original filing adding and amending this section was made 01/05/05, and was approved (in part) as effective 07/01/05 by a 07/01/05 FERC order. In compliance with that order, further amendments were filed on 08/30/05.
<p>25.1.2.1 {5.7.1.2.1} If the ISO and the applicable Participating TO confirm that the electrical characteristics are substantially unchanged, then that request will not be placed into the interconnection queue. However, the owner of the qualifying facility, or its designee, will be required to execute either a Standard Large Generator Interconnection Agreement in accordance with Section 11 of the LGIP or an interconnection agreement in accordance with ISO Tariff Appendix W, as applicable.</p>		Section 5.7.1.2.1 does not appear to exist in the ISO's current conformed Tariff.	As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. New Section 5.7.1.2.1 was added by tariff filings in the Large Generator Interconnection Procedures proceeding, Docket No. ER04-445. The original filing adding and amending this section was made 01/05/05, and was approved (in part) as effective 07/01/05 by a 07/01/05 FERC order. In compliance with that order, further amendments were filed on 08/30/05.
<p>25.1.2.2 {5.7.1.2.2} If the ISO and the applicable Participating TO cannot confirm that the total capability and electrical characteristics are and will be substantially unchanged, then the owner of the qualifying facility, or its designee, shall be an Interconnection Customer required to submit an Interconnection Request and comply with either the LGIP or</p>		Section 5.7.1.2.2 does not appear to exist in the ISO's current conformed Tariff.	As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. New Section 5.7.1.2.2 was added by tariff filings in the Large

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
ISO Tariff Appendix W, as applicable.			<p>Generator Interconnection Procedures proceeding, Docket No. ER04-445. The original filing adding and amending this section was made 01/05/05, and was approved (in part) as effective 07/01/05 by a 07/01/05 FERC order. In compliance with that order, further amendments were filed on 08/30/05.</p>
<p>25.2 { 5.7.2} Interconnections to the Distribution System. Any proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the ISO Controlled Grid consistent with the Standard Large Generator Interconnection Procedures. In addition, each Participating TO will provide to the ISO a copy of the system impact study used to determine the impact of a planned Generating Unit on the Distribution System and the ISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or other Local</p>	<p>5.7.2 Interconnections to the Distribution System. Any request by a New Facility Operator to connect at distribution level voltage proposed interconnection by the owner of a planned Generating Unit, or its designee, to connect that Generating Unit to a Distribution System of a Participating TO will be processed, as applicable, pursuant to the Wholesale Distribution Access Tariff of the interconnecting PTO or CPUC Rule 21, or other Local Regulatory Authority requirements, if applicable, of the Participating TO; provided, however, that the owner of the planned Generating Unit, or its designee, shall be required to mitigate any adverse impact on reliability of the ISO Controlled Grid consistent with the Standard Large Generator Interconnection Procedures. In addition, each Interconnecting Participating TO will</p>	<p>The S&R Tariff Blackline does not depict that language from 5.7.2 that is shown in strikethrough has been omitted from, and language in underline has been added to, Section 25.2.</p>	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. New Section 5.7.2 was amended by tariff filings in the Large Generator Interconnection Procedures proceeding, Docket No. ER04-445. The original filing adding and amending this section was made 01/05/05, and was approved (in part) as effective 07/01/05 by a 07/01/05 FERC order. In compliance with that order, further amendments were filed on 08/30/05.</p>

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<u>Regulatory Authority requirements, if applicable.</u>	provide to the ISO a copy of the System Impact Study used to determine the impact of a New Facility <u>planned Generating Unit</u> on the Distribution System and the ISO Controlled Grid pursuant to a request to interconnect under the applicable Wholesale Distribution Access Tariff or CPUC Rule 21, or <u>other Local Regulatory Authority requirements, if applicable.</u>		
<p>36.4.3 {9.4.3} For the ten-year transition period described in Section 4 of Schedule 3 to Appendix F, a New Participating TO that has an obligation to serve Load shall receive FTRs for Inter-Zonal Interfaces to which the transmission facilities and Converted Rights for Inter-Zonal Interfaces that the New Participating TO turns over to the ISO's Operational Control give it transmission rights, <u>provided such transmission facilities are Existing High Voltage Facilities.</u> The amount of FTRs will be determined when the Transmission Control Agreement is executed and shall be commensurate with the transmission capacity the New Participating TO is turning over to ISO Operational Control. <u>The ISO will submit to FERC in the transmittal letter for the amendment to the Transmission Control Agreement regarding each New Participating TO the amount of FTRs allocated to such New Participating TO. The amount of FTRs that has been determined will not be effective until after FERC issues an order concerning the amendment</u></p>	<p>9.4.3 For the ten-year transition period described in Section 4 of Schedule 3 to Appendix F, a New Participating TO that has an obligation to serve Load shall receive FTRs for Inter-Zonal Interfaces to which the transmission facilities and Converted Rights for Inter-Zonal Interfaces that the New Participating TO turns over to the ISO's Operational Control give it transmission rights. The amount of FTRs will be determined when the Transmission Control Agreement is executed and shall be commensurate with the transmission capacity the New Participating TO is turning over to ISO Operational Control. FTRs issued in accordance with this section shall entitle the FTR Holder to receive Usage Charge revenues and to priority in the scheduling of Energy in the Day-Ahead Market in</p>	<p>The underlined language shown in the S&R Tariff Blackline column herein, has not been underlined in the ISO's S&R Blackline. The language noted herein in underline does not exist in Section 9.4.3 of the ISO's current conformed Tariff. Thus, the S&R Blackline Tariff does not depict that the language shown here in underline, is new language.</p>	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. Section 9.4.3 was amended by a compliance filing made 07/05/05 in the TAC proceeding, Docket Nos. ER00-2019, et al.</p>

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<p><u>required by this section. No additional FTRs will be issued to New Participating TOs for building High Voltage Transmission Facilities after they become Participating TOs. FTRs issued in accordance with this section shall entitle the FTR Holder to receive Usage Charge revenues and to priority in the scheduling of Energy in the Day-Ahead Market in accordance with the provisions of the ISO Tariff. FTRs associated with Converted Rights shall terminate on the earlier of termination of the Existing Contract or the end of the ten-year transition period.</u></p>	<p>accordance with the provisions of the ISO Tariff. FTRs associated with Converted Rights shall terminate on the earlier of termination of the Existing Contract or the end of the ten-year transition period.</p>		
<p>37.8.1 {EP 8.1} Purpose; Scope. <u>The provisions of this Section 37.8 EP-8 set forth the procedures by which the Market Monitoring Unit will independently investigate potential violations of the Rules of Conduct and administer enforcement activities. Except as hereinafter provided, and except as provided in Section 37.2.5 EP 2.5 and Section 37.4.4 EP 4.4, the provisions of this section apply to the Rules of Conduct set forth in Sections 37.2 through 37.7 EP 2 through EP 7.</u></p>		<p>Incorrect cross-reference. EP 8.1 does not appear to exist in the ISO's current conformed Tariff.</p>	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. EP 8.1 was added by a compliance filing made 08/01/05 in the Amendment 55 proceeding, Docket No. ER03-1102.</p>
<p>37.8.2 Referrals to FERC {EP 8.2}. <u>Section 37.7 EP-7 shall be enforced by FERC, in accordance with FERC's rules and procedures. The Market Monitoring Unit shall refer to FERC and its staff all matters in which it has formed a reasonable belief that a violation of Section 37.7 EP 7 may have occurred. Although Sections 37.2 through 37.6 EP 2 through EP 6 will generally be enforced by the Market Monitoring Unit, the Market Monitoring Unit shall refer to FERC any matter for</u></p>		<p>EP 8.2 does not appear to exist in the ISO's current conformed Tariff.</p>	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. EP 8.2 was added by a compliance filing made 08/01/05 in the Amendment 55 proceeding, Docket No. ER03-1102.</p>

ISO S&R Tariff (Black Line)	ISO Current Conformed Tariff as of June 27, 2005	Comments	CAISO Response
<p><u>which the particular circumstances preclude the objective determination of a Rules of Conduct violation, and shall refer to FERC any Sanction that it believes should be modified in accordance with Sections 37.2.5, 37.4.4, or 37.9.1. EP 72.5, EP 4.4., or EP 9.1 The time limitation contained in Section 37.10.1 EP 10.1 to assess a Sanction under this Protocol shall be determined as of the date that a Sanction is initially assessed by the ISO, excluding the time required for FERC to investigate a potential Rules of Conduct violation and/or determine a Sanction in accordance with this section, Sections 37.2.5, 37.4.4, or 37.9.1 EP 4.4, or EP 9.1.</u></p>			
<p>37.8.3 {EP8.3} Investigation</p> <p>37.8.4 {EP 8.4} Notice</p>		<p>S&R Tariff Blackline notes the addition of two new sections 37.8.3 and 37.8.4 that supposedly were incorporated from EP8.3 and EP 8.4. However, the ISO's current conformed Tariff does not appear to contain an EP 8.3 or EP 8.4.</p>	<p>As stated in the CAISO's transmittal letter, the S&R Tariff reflects all amendments and corrections to the ISO Tariff accepted by the Commission as of August 31, 2005. EP 8.3 and EP 8.4 were added by a compliance filing made 08/01/05 in the Amendment 55 proceeding, Docket No. ER03-1102.</p>

**2. TANC, et al., Comments/Requests for Clarification:
Attachment A to CAISO November Answer**

Pro Forma Reliability Must Run Schedule			CAISO Response
Schedule E, page 39 <u>40</u>	List of Ancillary Services	Same	The CAISO does not agree with the suggestion that the page number is inaccurate, as this row is referring to the following list of ancillary services found on page 39 of Schedule E: Regulation, Spinning Reserve, Nonspinning Reserve, Replacement Reserve, Voltage Support (including synchronous condenser operation), Black Start.
Schedule K, page 69 <u>70</u>	Refers to “RMR Charge” and “RMR Refund” as defined in Annex 1 of the SABP	Reference to SABP Annex 1 should be changed to Appendix N of the S&R Tariff	The CAISO agrees that this row should read “page 69 and 70” rather than only page 69.
Qualifying Facility Participating Generator Agreement			
Section 10.1 on page 9	Section 15 <u>15.1</u> of the ISO Tariff	Section 14.1 of the S&R Tariff	The CAISO disagrees. The reference to Section 15, Uncontrollable Forces, of the current tariff has become Section 14.1 of the S&R Tariff.
Dynamic Scheduling Agreement for Scheduling Coordinators			
Section 10.1 on page 7	Section 15 <u>15.1</u> of the ISO Tariff	Section 14.1 of the S&R Tariff	The CAISO disagrees. The reference to Section

			15, Uncontrollable Forces, of the current tariff has become Section 14.1 of the S&R Tariff.
Participating Generator Agreement			
Section 10.1 on page 7	Section 4.5 <u>15.1</u> of the ISO Tariff	Section 14.1 of the S&R Tariff	The CAISO disagrees. The reference to Section 15, Uncontrollable Forces, of the current tariff has become Section 14.1 of the S&R Tariff.
Meter Service Agreement for Scheduling Coordinators			
Section 2.2.1 on page 4	Section 4.5 <u>15.1</u> of the ISO Tariff	Section 14.1 of the S&R Tariff	The CAISO disagrees. The reference to Section 15, Uncontrollable Forces, of the current tariff has become Section 14.1 of the S&R Tariff.
Section 10.1 on page 8	Section 4.5 <u>15.1</u> of the ISO Tariff	Section 14.1 of the S&R Tariff	The CAISO disagrees. The reference to Section 15, Uncontrollable Forces, of the current tariff has become Section 14.1 of the S&R Tariff.
Utility Distribution Company Operating Agreement Section 4.3 on page 6	Sections 4.5 <u>4.5.1 and 4.5.2</u> of the ISO Tariff	Sections 7.4.6 and 7.4.6.1 of the S&R Tariff.	The CAISO disagrees. The second entry in this row lists the cross reference to Section 4.5 as contained in Section 4.3 of the existing Utility Distribution Company Operating Agreement.

E. Deferred Maintenance: Effective Dates

The CAISO recognizes that certain “deferred maintenance” issues from the existing Tariff have been carried over into the S&R Tariff. The CAISO is committed to resolving such issues by performing a systematic review of the S&R Tariff following the filing of the Market Redesign and Technology Upgrade (“MRTU”) Tariff. In the meantime, however, the CAISO has addressed one such “deferred maintenance” issue regarding certain existing Tariff sheets that inaccurately indicate a future effective date. Attachment B to the CAISO November Answer contained a table noting the current status of each of the outdated sheets, including dates on which those sheets became effective. Pursuant to the findings in that table, all provisions of the S&R Tariff have been placed into effect (and, accordingly, their corresponding tariff sheets indicate an effective date of March 1, 2006 as shown in the *pro forma* tariff sheets in Attachment A) with the exception of the following S&R Tariff sheets that contain future effective dates:

Tariff Sheet in S&R Tariff	Wording of Effective Date Designation in S&R Tariff	Source of Effective Date Designation and Current Status
S&R Tariff Sheet Nos. 209 through 213 (containing majority of existing Tariff Section 11.2.4.1.2 in S&R Tariff Section 11.2.4.1.2); Sheet Nos. 219 and 220 (containing portion of existing Tariff Section 11.2.4.1.2(e) in S&R Tariff Section 11.2.4.5); Sheet Nos. 950 through 952 (containing portion of existing Tariff Section 11.2.4.1.2(h) in Appendix R Sections 3.1.1,	Upon Notice On or After May 1, 2004	Filing submitted on 9/7/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); the Uninstructed Deviation Penalty provisions have not gone into effect

3.1.2(6) and 4.2).		
S&R Tariff Sheet Nos. 346 and 347	Upon Notice After October 13, 2000	Filing submitted on 9/27/99 in the Amendment No. 22 proceeding (Docket No. ER99-4545) (October 13, 2000 was the date on which a tariff update occurred); S&R Tariff Section 27.2.1.2.1.2 has not gone into effect.
S&R Tariff Sheet No. 503 (containing definition of "Market Monitoring Unit"); Sheet Nos. 431 and 432 (containing existing Tariff EP 1.9 and EP 1.10 in S&R Tariff Sections 37.1.4 and 37.1.5); Sheet Nos. 442 through 447 (containing existing Tariff EP 8.1 through EP 8.10 in S&R Tariff Sections 37.8.1 through 37.8.10; containing existing Tariff EP 9.1 in S&R Tariff Section 37.9.1; containing existing Tariff EP 9.3 in S&R Tariff Sections 37.9.3 through 37.9.3.4).	Upon Commission Approval.	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); the effective date for FERC's enforcement of the existing Tariff's Enforcement Protocol is 10/28/04 [<i>i.e.</i> , the date that FERC issued <i>California Independent System Operator Corporation</i> , 109 FERC 61,087]; however, a future FERC order following the ISO's August 1, 2005 compliance filing in Docket No. ER03-1102 may authorize the ISO's MMU to enforce the existing Tariff's Enforcement Protocol provisions (contained on the sheets listed in the left column), effective on a date to be provided in that FERC order.

III. **PRO FORMA TARIFF SHEETS**

The CAISO assembled the *pro forma* tariff sheets in Attachment A by redlining all proposed tariff changes against a clean version of the S&R Tariff as filed in September 2005 rather than against a clean version of the existing CAISO Tariff. The CAISO found this to be the most user-friendly approach, as it effectively highlights only those changes at issue following the September 22, 2005 filing and discussed at the conference. This approach also meets the requirement contained in the Commission's December 9, 2005 Notice of Post-Technical Conference Schedule that the *pro forma* tariff sheets "reflect the discussions at the conference."

IV. CONCLUSION

Wherefore, with the comments and changes suggested above, the CAISO respectfully requests that the Commission approve the March 1, 2006 effective date for the S&R Tariff.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated for service on the Secretary's official service list in the above captioned proceeding.

Dated at Folsom, California on this 13th day of January, 2006.

\s\

Sidney Mannheim Davies
Counsel for the California System
Operator Corporation

ATTACHMENT A:
PRO FORMA S&R TARIFF SHEETS

ATTACHMENT A.1:
CLEAN *PRO FORMA* S&R TARIFF SHEETS

4.3.1 Nature of Relationship.

Each Participating TO shall enter into a Transmission Control Agreement with the ISO. In addition to converting Existing Rights in accordance with Section 16.2.1A, and except as provided in Section 4.3.1.3, New Participating TOs will be required to turn over Operational Control of all facilities and Entitlements that: (1) satisfy the FERC's functional criteria for determining transmission facilities that should be placed under ISO Operational Control; (2) satisfy the criteria adopted by the ISO Governing Board identifying transmission facilities for which the ISO should assume Operational Control; and (3) are the subject of mutual agreement between the ISO and the Participating TOs. The ISO shall notify Market Participants when an application has been received from a potential Participating TO and shall notify Market Participants that a New Participating TO has executed the Transmission Control Agreement and the date on which the ISO will have Operational Control of the transmission facilities.

4.3.1.1 In any year, a Participating TO applicant must declare its intent in writing to the ISO to become a New Participating TO by January 1 or July 1, and provide the ISO with an application within 15 days of such notice of intent. Applicable agreements will be negotiated and filed with the Federal Energy Regulatory Commission as soon as possible for the New Participating TO, such that the Agreements can be effective the following July 1 or January 1.

4.3.1.2 With respect to its submission of Schedules to the ISO, a New Participating TO shall become a Scheduling Coordinator or obtain the services of a Scheduling Coordinator that has been certified in accordance with Section 4.5.1.1, which Scheduling Coordinator shall not be the entity's Responsible Participating TO in accordance with the Responsible Participating Transmission Owner Agreement, unless mutually agreed, and shall operate in accordance with the ISO Tariff and applicable agreements.

The New Participating TO shall assume responsibility for paying all Scheduling Coordinators charges regardless of whether the New Participating TO elects to become a Scheduling Coordinator or obtains the services of a Scheduling Coordinator.

4.3.1.3 Western Path 15 shall be required to turn over to ISO Operational Control only its rights and interests in the Path 15 Upgrade and shall not be required to turn over to ISO Operational Control

4.5.1.1.11 Final Certification of Scheduling Coordinator Applicant.

The Scheduling Coordinator Applicant will become a Scheduling Coordinator when:

- (a) its application has been accepted;
- (b) it has entered into an Scheduling Coordinator Agreement, Meter Service Agreements and Interim Black Start Agreements, if applicable, with the ISO;
- (c) the Scheduling Coordinator Applicant has met the financial requirements of ISO Tariff Section 12.1; and
- (d) the Scheduling Coordinator Applicant has fulfilled all technical/operational requirements of ISO Tariff Section 4.5.4.1, Section 4.5.1.1.10.1, and the ISO Application File Template.

The ISO will not certify a Scheduling Coordinator Applicant as a Scheduling Coordinator until the Scheduling Coordinator Applicant has completed all the above referenced requirements to the ISO's satisfaction, at least 14 days before the commencement of service.

4.5.1.2 Scheduling Coordinator's Ongoing Obligations After Certification.

4.5.1.2.1 Scheduling Coordinator's Obligation to Report Changes.

4.5.1.2.1.1 Obligation to Report a Change in Filed Information.

Each Scheduling Coordinator has an ongoing obligation to inform the ISO of any changes to any of the information submitted by it to the ISO as part of the application process, including any changes to the additional information requested by the ISO. Appendix T sets forth the procedures for changing the Scheduling Coordinator's information and timing of notifying the ISO of such changes.

4.5.1.2.1.2 Obligation to Report a Change in Credit Rating.

The SC has an ongoing obligation to inform the ISO within 3 Business Days if its Approved Credit Rating has been reduced below the ISO requirements.

4.5.1.2.2 ISO's Response for Failure to Inform.

4.5.1.2.2.1 Failure to Promptly Report a Material Change.

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If a Scheduling Coordinator fails to inform the ISO of a material change in its information provided to the ISO, which may affect the reliability or safety of the ISO Controlled Grid, or the financial security of the ISO, the ISO may suspend or terminate the Scheduling Coordinator's rights under the ISO Tariff in accordance with the terms of ISO Tariff Sections 12.3 and 4.5.1 respectively. If the ISO intends to terminate the Scheduling Coordinator's rights it shall file a Notice of Termination with FERC. Such termination shall be effective upon acceptance by FERC of a Notice of Termination.

4.5.2 Eligible Customers Represented by Scheduling Coordinators.

Each Scheduling Coordinator shall within ten (10) days of a request by the ISO provide the ISO with a list of the Eligible Customers which it represents at the date of the request.

4.5.3 Responsibilities of a Scheduling Coordinator.

Each Scheduling Coordinator shall be responsible for:

4.5.3.1 Obligation to Pay. Paying the ISO's charges in accordance with this ISO Tariff;

4.5.3.2 Submit Schedules. Submitting Schedules for Energy in the Day-Ahead Market and Hour-Ahead Market in relation to Market Participants for which it serves as Scheduling Coordinator, Scheduling Coordinators shall provide the ISO with intertie Interconnection schedules prepared in accordance with all NERC, WECC and ISO requirements;

4.5.3.3 Modifications in Demand and Supply. Coordinating and allocating modifications in scheduled Demand and exports and scheduled Generation and imports at the direction of the ISO in accordance with this ISO Tariff;

4.5.3.3A Trades between Scheduling Coordinators. Billing and settling an Inter-Scheduling Coordinator Energy or Ancillary Service Trade shall be done in accordance with the agreements between the parties to the trade. The parties to an Inter-Scheduling Coordinator Energy or Ancillary Service Trade shall notify the ISO, in accordance with the ISO Protocols, of the Zone in which the transaction is deemed to occur, which, for Inter-Scheduling Coordinator Energy Trades, shall be used for the purpose of identifying which Scheduling Coordinator will be responsible for payment of applicable Usage Charges;

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related to the operation of dynamic functionality. See the forms of agreement in Attachment A to Appendix X.

4.5.4.4 Termination of Service Agreement.

(a) A Scheduling Coordinator's Scheduling Coordinator Agreement may be terminated by the ISO on written notice to the Scheduling Coordinator:

(i) if the Scheduling Coordinator no longer meets the requirements for eligibility set out in Section 4.5 and fails to remedy the default within a period of seven (7) days after the ISO has given written notice of the default;

(ii) if the Scheduling Coordinator fails to pay any sum under this ISO Tariff and fails to remedy the default within a period of seven (7) days after the ISO has given written notice of the default; or

(iii) if the Scheduling Coordinator commits any other default under this ISO Tariff or any of the ISO Protocols which, if capable of being remedied, is not remedied within thirty (30) days after the ISO has given it written notice of the default; or

(b) by the Scheduling Coordinator on sixty (60) days written notice to the ISO, provided that such notice shall not be effective to terminate the Scheduling Coordinator Agreement until the Scheduling Coordinator has complied with all applicable requirements of Section 4.5.2.

The ISO shall, following termination of an Scheduling Coordinator Agreement and within thirty (30) days of being satisfied that no sums remain owing by the Scheduling Coordinator under the ISO Tariff, return or release to the Scheduling Coordinator, as appropriate, any money or credit support provided by such Scheduling Coordinator to the ISO under Section 12.1.

4.5.4.4.1 Pending acceptance of termination of service pursuant to Section 4.5.4.5.1 by FERC, the ISO will suspend the certification of a Scheduling Coordinator which has received a notice of termination under Section 4.5.4.4(a) and the Scheduling Coordinator will not be eligible to submit Schedules and bids for Energy and Ancillary Services to the ISO.

4.5.4.5 Notification of Termination.

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The ISO shall, promptly after providing written notice of default to a Scheduling Coordinator as specified in Section 4.5.4.4(a), notify the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the Scheduling Coordinator under Section 4.5.4.6.2 if the default is not cured. The ISO shall, as soon as reasonably practicable following the occurrence of any of the events specified in Section 4.5.4.4, notify the Scheduling Coordinator and the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the defaulting Scheduling Coordinator, and the UDCs, and shall as soon as reasonably practicable after the issuance of such notice of termination post such notice on the ISO Home Page. Termination of the Scheduling Coordinator Agreement will automatically remove the Scheduling Coordinator's certification under Section 4.5 and Section 8.4.

4.5.4.5.1 Filing of Notice of Termination.

Any notice of termination given pursuant to Section 4.5.4.4 shall also be filed by the ISO with FERC.

4.5.4.6 Continuation of Service on Termination.

4.5.4.6.1 Option for Eligible Customers to choose a new Scheduling Coordinator.

When the ISO suspends the certification of a Scheduling Coordinator pending termination, Eligible Customers of the defaulting Scheduling Coordinator shall be entitled to select another Scheduling Coordinator to represent them. The ISO will post notice of any suspension on the ISO Home Page. Until the ISO is notified by another Scheduling Coordinator that it represents an Eligible Customer of the defaulting Scheduling Coordinator, the Eligible Customer of the defaulting Scheduling Coordinator will receive interim service in accordance with Section 4.5.4.6.2.

4.5.4.6.2 Interim Service.

The ISO shall maintain a list of Scheduling Coordinators willing to represent Eligible Customers of a defaulting Scheduling Coordinator, which list may be differentiated by UDC Service Area. Scheduling Coordinators who indicate to the ISO their desire to be on such list shall be placed thereon by the ISO in random order.

(a) When the ISO suspends the certification of a Scheduling Coordinator in accordance with Section 4.5.4.4.1, Eligible Customers of the defaulting Scheduling Coordinators shall be assigned to all

4.6.1.1 Operate Pursuant to Relevant Provisions of ISO Tariff.

Participating Generators shall operate, or cause their facilities to be operated, in accordance with the relevant provisions of this ISO Tariff, including, but not limited to, the operating requirements for normal and emergency operating conditions specified in Section 7 and the requirements for the dispatch and testing of Ancillary Services specified in Section 8.

(i) Each Participating Generator shall immediately inform the ISO, through its respective Scheduling Coordinator, of any change or potential change in the current status of any Generating Units that are under the Dispatch control of the ISO. This will include, but not be limited to, any change in status of equipment that could affect the maximum output of a Generating Unit, the minimum load of a Generating Unit, the ability of a Generating Unit to operate with automatic voltage regulation, operation of the PSSs (whether in or out of service), the availability of a Generating Unit governor, or a Generating Unit's ability to provide Ancillary Services as required. Each Participating Generator shall immediately report to the ISO, through its Scheduling Coordinator any actual or potential concerns or problems that it may have with respect to Generating Unit direct digital control equipment, Generating Unit voltage control equipment, or any other equipment that may impact the reliable operation of the ISO Controlled Grid.

(ii) In the event that a Participating Generator cannot meet its Generation schedule, whether due to a Generating Unit trip or the loss of a piece of equipment causing a reduction in capacity or output, the Participating Generator shall notify the ISO, through its Scheduling Coordinator at once. If a Participating Generator will not be able to meet a time commitment or requires the cancellation of a Generating Unit start up, it shall notify the ISO, through its Scheduling Coordinator at once.

4.6.1.2 Operate Pursuant to Relevant Operating Protocols.

Participating Generators shall operate, or cause their Generating Units and associated facilities to be operated, in accordance with the relevant operating protocols established by the ISO or, prior to the establishment of such protocols, the operating protocols established by the TO or UDC owning the facilities that interconnect with the Generating Unit of the Participating Generator.

4.6.3 Generators Connected to UDC Systems.

6.6 Failure or Corruption of the WEnet.

The ISO shall, in consultation with Scheduling Coordinators, make provision for procedures to be implemented in the event of a total or partial failure of WEnet or the material corruption of data on WEnet and include these procedures in the ISO Protocols. The ISO shall ensure that such alternative communications systems are tested periodically.

6.7 Confidentiality.

All information posted on WEnet shall be subject to the confidentiality obligations contained in Section 20 of this ISO Tariff.

6.8 Standards of Conduct.

The ISO and all Market Participants shall comply with their obligations, to the extent applicable, under the standards of conduct set out in 18 C.F.R. §37.

6.9 ISO Postings.

6.9.1 Information to be Provided by the ISO to all Scheduling Coordinators. By 6:00 p.m. two days prior to a Trading Day, the ISO shall publish on WEnet information, including the following to all Scheduling Coordinators for each Settlement Period of the Trading Day:

6.9.1.1 Scheduled Line Outages. Scheduled transmission line Outages;

6.9.1.2 Forecast Loop-Flow. Forecast Loop Flow over ISO Inter-Zonal Interfaces and Scheduling Points;

6.9.1.3 Advisory Demand Forecasts. Advisory Demand Forecasts by location;

6.9.1.4 Updated Transmission Loss Factors. Updated Generation Meter Multipliers reflecting Transmission Losses to be supplied by each Generating Unit and by each import into the ISO Control Area;

6.9.1.5 Ancillary Services. Expected Ancillary Services requirement by reference to Zones for each of the reserve Ancillary Services.

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The ISO shall establish back-up control facilities remote from the ISO Control Center sufficient to enable the ISO to continue to direct the operation of the ISO Controlled Grid, Reliability Must-Run Units, System Resources and Generating Units providing Ancillary Services in the event of the ISO Control Center becoming inoperable.

7.1.3 ISO Control Center Authorities.

The ISO shall have full authority, subject to Section 4.2, to direct the operation of the facilities referred to in Section 7.1.2 including (without limitation), to:

- (a) direct the physical operation by the Participating TOs of transmission facilities under the Operational Control of the ISO, including (without limitation) circuit breakers, switches, voltage control equipment, protective relays, metering, and Load Shedding equipment;
- (b) commit and dispatch Reliability Must-Run Units, except that the ISO shall only commit Reliability Must-Run Generation for Ancillary Services capacity according to Section 30.6.1 of the Tariff;
- (c) order a change in operating status of auxiliary equipment required to control voltage or frequency;
- (d) take any action it considers to be necessary consistent with Good Utility Practice to protect against uncontrolled losses of Load or Generation and/or equipment damage resulting from unforeseen occurrences;
- (e) control the output of Generating Units, Interconnection schedules, and System Resources that are selected to provide Ancillary Services or Imbalance Energy;
- (f) Dispatch Curtailable Demand which has been scheduled to provide Non-Spinning Reserve or Replacement Reserve;
- (g) procure Supplemental Energy; and
- (h) require the operation of resources which are at the ISO's disposal in a System Emergency, as described in Section 7.4

The ISO will exercise its authority under this Section 7.1.3 by issuing Dispatch Instructions to the relevant Participants using the relevant communications method described in Section 34.3.6.

7.4.9.4 In compiling its UFLS program, the ISO, at its discretion, may also coordinate with other entities, review and audit their UFLS programs and systems as described in Section Sections 7.4.9.1 to 7.4.9.3.

7.4.10 Further Obligations Relating to System Emergencies.

The ISO and Participating TOs shall comply with their obligations in Section 9 of the TCA.

7.4.11 Use of Load Curtailment Programs.

7.4.11.1 Use of UDC's Existing Load Curtailment Programs.

As an additional resource for managing System Emergencies, the ISO will, subject to Section 3, notify the UDCs when the conditions to implement their Load curtailment programs have been met in accordance with their terms. The UDCs will exercise their best efforts, including seeking any necessary regulatory approvals, to enable the ISO to rely on their curtailment rights at specified levels of Operating Reserve. Each UDC shall by not later than October 1 of each year advise the ISO of the capabilities of its Load curtailment programs for the forthcoming year, and the conditions under which those capabilities may be exercised and shall give the ISO as much notice as reasonably practicable of any change to such programs.

7.4.11.2 Load Curtailment.

A Scheduling Coordinator may specify that Loads will be reduced at specified Market Clearing Prices or offer the right to exercise Load curtailment to the ISO as an Ancillary Service or utilize Load curtailment itself (by way of self-provision of Ancillary Services) as Non-Spinning Reserve or Replacement Reserve. The ISO, at its discretion, may require direct control over such Curtailable Demand to assume response capability for managing System Emergencies. However, non-firm Loads shall not be eligible to provide Curtailable Demand if they are receiving incentives for interruption under existing programs approved by a Local Regulatory Authority, unless: a) participation in the ISO's Ancillary Services markets is specifically authorized by such Local Regulatory Authority, and b) there exist no contingencies on the availability, nor any unmitigated incentives encouraging prior curtailment, of such interruptible Load for Dispatch as Curtailable Demand as a result of the operation of such existing program. The ISO may establish

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standards for automatic communication of curtailment instructions to implement Load curtailment as a condition for accepting any offered Load curtailment as an Ancillary Service.

7.4.11.3 The ISO shall have the authority to direct a UDC or an MSS Operator to disconnect Load from the ISO Controlled Grid if necessary to avoid an anticipated System Emergency or to regain operational control over the ISO Controlled Grid during an actual System Emergency. The ISO shall direct the UDCs or the MSS Operator to shed Load in accordance with the prioritization schedule developed pursuant to Section 7.4.8. When ISO Controlled Grid conditions permit restoration of Load, the ISO shall restore Load according to the prioritization schedule developed pursuant to Section 7.4.8 hereof. The MSS Operator shall restore Load internal to the MSS.

7.4.11.4 Load Shedding.

7.4.11.4.1 A portion of the ISO forecast of Control Area Load for each Trading Day will be allocated to each UDC or MSS Service Area. The ISO will aggregate each Scheduling Coordinator's Day-Ahead Schedules to Load in each UDC or MSS Service Area and will compare those aggregated Load Schedules to the ISO's Control Area Load forecast of metered Demand for that UDC or MSS Service Area to determine if the Load in the UDC or MSS Service Area has a resource deficiency based on the Day-Ahead Schedules.

7.4.11.4.2 If the ISO forecasts in advance of the Hour-Ahead Market that Load curtailment will be necessary due to a resource deficiency, the ISO will identify any UDC or MSS Service Area that is resource deficient. The ISO will provide notice to all Scheduling Coordinators if one or more UDC or MSS is deficient. If Load curtailment is required to manage a System Emergency associated with insufficient Hour-Ahead Schedules of resources, the ISO will determine the amount and location of Load to be curtailed and will allocate a portion of that required Load curtailment to each UDC or MSS Operator whose Service Area has been identified, based on Hour-Ahead Schedules, as being resource-deficient based on the ratio of its resource deficiency to the total Control Area resource deficiency. Each UDC or MSS Operator shall be responsible for notifying its customers and Generators connected to its system of curtailments and service interruptions.

8.2.3.3 Replacement Reserve.

The ISO needs sufficient Replacement Reserve to be available to allow restoration of dispatched Operating Reserve to its Set Point within sixty minutes. The ISO shall make its determination of the required quantity of Replacement Reserve based on:

- (a) historical analysis of the deviation between actual and Day-Ahead forecast Demand,
- (b) historical patterns of unplanned Generating Unit Outages,
- (c) historical patterns of shortfalls between Final Day-Ahead Schedules and actual Generation and Demand,
- (d) historical patterns of unexpected transmission Outages, and
- (e) such other factors affecting the ability of the ISO to maintain System Reliability as the ISO may from time to time determine.

The ISO shall have discretion to determine the quantity of Replacement Reserve it requires in each Zone.

8.2.3.4 Voltage Support.

The ISO shall determine on an hourly basis for each day the quantity and location of Voltage Support required to maintain voltage levels and reactive margins within WECC and NERC criteria using a power flow study based on the quantity and location of scheduled Demand. The ISO shall issue daily voltage schedules (Dispatch instructions) to Participating Generators, Participating TOs and UDCs, which are required to be maintained for ISO Controlled Grid reliability. All other Generating Units shall comply with the power factor requirements set forth in contractual arrangements in effect on the ISO Operations Date, or, if no such contractual arrangements exist and the Generating Unit exists within the system of a Participating TO, the power factor requirements applicable under the Participating TO's TO Tariff or other tariff on file with the FERC.

All Participating Generators shall maintain the ISO specified voltage schedule at the transmission interconnection points to the extent possible while operating within the power factor range specified in their interconnection agreements or, for Regulatory Must-Take Generation, Regulatory Must-Run

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Generation and Reliability Must-Run Generation consistent with existing obligations. For Generating Units, that do not operate under one of these agreements, the minimum power factor range will be within a band of 0.90 lag (producing VARs) and 0.95 lead (absorbing VARs) power factors. Participating Generators with Generating Units existing at the ISO Operations Date that are unable to meet this operating power factor requirement may apply to the ISO for an exemption. Prior to granting such an exemption, the ISO shall require the Participating TO or UDC to whose system the relevant Generating Units are interconnected to notify it of the existing contractual requirements for Voltage Support established prior to the ISO Operations Date for such Generating Units. Such requirements may be contained in CPUC Electric Rule 21 or the Interconnection Agreement with the Participating TO or UDC. The ISO shall not grant any exemption under this Section from such existing contractual requirements. The ISO shall be entitled to instruct Participating Generators to operate their Generating Units at specified points within their power factor ranges. Participating Generators shall receive no compensation for operating within these specified ranges.

If the ISO requires additional Voltage Support, it shall procure this either through Reliability Must-Run Contracts or, if no other more economic sources are available by instructing a Generating Unit to move its MVar output outside its mandatory range. Only if the Generating Unit must reduce its MW output in order to comply with such an instruction will it be compensated in accordance with Section 8.5.9.

All Loads directly connected to the ISO Controlled Grid shall maintain reactive flow at grid interface points within a specified power factor band of 0.97 lag to 0.99 lead. Loads shall not be compensated for the service of maintaining the power factor at required levels within the bandwidth. A UDC interconnecting with the ISO Controlled Grid at any point other than a Scheduling Point shall be subject to the same power factor requirement.

The power factor for both the Generating Units and Loads shall be measured at the interconnection point with the ISO Controlled Grid. The ISO will develop and will be authorized to levy penalties against Participating Generators, UDCs or Loads whose Voltage Support does not comply with the ISO's requirements. The ISO will establish voltage control standards with UDCs and the operators of

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other Control Areas and will enter into operational agreements providing for the coordination of actions in the event of a voltage problem occurring.

Wheeling Through and Wheeling Out transactions may also be subject to a reactive charge as developed by the ISO. If the ISO shall determine that a reactive charge should be payable at a future date, it shall, subject to FERC acceptance and approval, publish annually the Voltage Support obligations and applicable charges for Wheeling Through and Wheeling Out transactions at Scheduling Points. The obligations shall be predetermined by the ISO based on the estimated amount of the Wheeling Through and Wheeling Out transactions each year.

8.2.3.5 Black Start Capability.

The ISO shall determine the amount and location of Black Start Generation it requires through contingency studies that are used as the basis of the ISO's emergency plans. The studies shall specify:

- (a) the initiating disturbance;
- (b) the magnitude of the Outage, including the extent of the Outage (local area, ISO Controlled Grid, or WECC), the assumed status of Generation after the initiating disturbance, the status of interconnections, the system Demand level at the time of the disturbance, the interconnection support, and assumptions regarding the availability of support from other utilities to help restore Generation and Demand;
- (c) the Generator performance including a percentage of Black Start units (to be determined by the ISO) which are expected to fail to start, and;
- (d) expected transmission system damage.

The ISO shall also specify the following load restoration performance goals:

- (i) Black Start unit startup and connection times;
- (ii) ISO Controlled Grid restoration times; and
- (iii) load restoration times.

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whenever they become aware that an Ancillary Service is not available in any way. All Participating Generators, owners or operators of Loads, operators of System Units or System Resources and owners or operators of reactive devices shall check, monitor and/or test their system and related equipment routinely to assure availability of the committed Ancillary Services. These requirements apply whether the Ancillary Services are contracted or self-provided. For a duration specified by the ISO, the ISO may suspend the technical eligibility certificate of a Scheduling Coordinator for a Generating Unit, System Unit, Load or System Resource, which repeatedly fails to perform. The ISO shall develop measures to discourage repeated non-performance on the part of both bidders and self-providers.

8.10A Compliance Testing for Regulation. The ISO may test the capability of any Generating Unit or System Resource providing Regulation by using the ISO EMS to move that Generating Unit's or System Resource's output over the full range of its Regulation capacity within a ten-minute period.

8.10B [Not Used]

8.10C Compliance Testing for Non-Spinning Reserve.

(a) Compliance Testing of a Generating Unit, System Unit or System Resource. The ISO may test the Non-Spinning Reserve capability of a Generating Unit, System Unit or an external import of a System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit or System Unit to come on line and ramp up or, in the case of a System Resource, to affirmatively respond to real-time interchange schedule adjustment; all in accordance with the Scheduling Coordinator's bid. Such tests may not necessarily occur on the hour. The ISO shall measure the response of the Generating Unit, System Unit or external import of a System Resource to determine compliance with its stated capabilities.

(b) Compliance Testing of Curtailable Demand. The ISO may test the Non-Spinning Reserve capability of a Load providing Curtailable Demand by issuing unannounced Dispatch instructions requiring the operator of the Load to report the switchable Demand of that Load actually being served by the operator at the time of the instruction. No Load will be disconnected as part of the test.

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Coordinator of such failure as soon as reasonably practicable after the completion of the test. Failure to meet requirements shall lead to the penalties described in Section 2.5.26.

8.10.1.1 Regulation. The ISO shall continuously monitor the response of a Generating Unit, System Unit, or System Resource to the ISO's Regulation instructions in order to determine compliance with Dispatch instructions.

8.10.1.2 Spinning Reserve. The ISO shall test the Spinning Reserve capability of a Generating Unit, System Unit or System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit, System Unit or System Resource to ramp up to its ten minute capability. The ISO shall measure the response of the Generating Unit, System Unit or System Resource to determine compliance with requirements. Such tests may not necessarily occur on the hour. The Scheduling Coordinator for the Generating Unit, System Unit or System Resource shall be paid the Energy Bid price of the Generating Unit or System Unit for the output under the Spinning Reserve test.

8.10.1.3 Non-Spinning Reserve. The ISO may test the Non-Spinning Reserve capability of a Generating Unit, Load, System Unit or System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit, Load, System Unit or System Resource to come on line and ramp up or to reduce Demand to its ten minute capability. The ISO shall measure the response of the Generating Unit, System Unit, System Resource or Load to determine compliance with requirements. The Scheduling Coordinator for the Generating Unit, System Unit, Load or System Resource shall be paid the Energy (or Demand reduction) Bid price of the Generating Unit, System Unit, Load or System Resource for its output or reduction, under the Non-Spinning Reserve test.

8.10.1.4 Replacement Reserve. The ISO may test the Replacement Reserve capability of a Generating Unit, Load, System Unit or System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit, Load, System Unit or System Resource to come on line and ramp up or reduce Demand to its sixty minute capability. The ISO shall measure the response of the Generating Unit, Load, System Unit or System Resource to determine compliance with requirements. The Scheduling Coordinator for the Generating Unit, Load, System Unit or System Resource shall be paid the Energy or Demand reduction Bid price of the Generating Unit, Load, System Unit or System Resource for the output,

that conflicts with the Scheduling Coordinator's Ancillary Service capacity commitments, thereby resulting in a failed availability test.

8.14 Temporary Rule Limiting Adjustment Bids Applicable To Dispatchable Loads And Exports.

8.14.1 Application and Termination.

The temporary change limiting Adjustment Bids for Dispatchable Loads and exports set out in Section 8.14.2 shall continue in effect until such time as the Chief Executive Officer of the ISO posts a notice ("Notice of Full-Scale Operations"), on the ISO Home Page specifying the date on which this Section 8.14 shall cease to apply, which date shall not be less than seven (7) days after the Notice of Full-Scale Operations is posted.

8.14.2 For so long as this Section 8.14.2 remains in effect, Scheduling Coordinators shall continue to be allowed to specify Adjustment Bids for Dispatchable Loads and exports, conditioned on the rule that the last segment of the Adjustment Bid (i.e., the maximum MW value) must equal the preferred MW operating point specified for the Dispatchable Load or export.

9. OUTAGES.

9.1 Coordination and Approval for Outages.

The ISO shall have authority to coordinate and approve Outages and returns to service of all facilities comprised in the ISO Controlled Grid and Reliability Must-Run Units in accordance with Section 9.3. The ISO will coordinate and approve Maintenance Outages and coordinate responses to Forced Outages of all transmission facilities in the ISO Controlled Grid and Reliability Must-Run Units in accordance with this Section 9. Any scheduled Outages that are cancelled by ISO real-time operations due to system requirements must be rescheduled with the ISO Outage Coordination Department in accordance with Section 9.3.

9.3.2 Requirement for Approval.

An Operator shall not take: (i) facilities that comprise the ISO Controlled Grid or (ii) Participating Generators out of service for the purposes of planned maintenance or for new construction or other work except as approved by the ISO Outage Coordination Office. The information relating to each Maintenance Outage submitted by a Participating Generator in accordance with Section 9.3.5 or by a Participating TO in accordance with Section 9.3.5 constitutes a request for a long-range Maintenance Outage and is not considered an Approved Maintenance Outage until the ISO has notified the Participating Generator of such approval pursuant to Section 9.3.6 or the Participating TO pursuant to Section 9.3.6.

9.3.3 Requests for Outages in Real-Time Operation.

Requests for Outages of: (i) facilities that comprise the ISO Controlled Grid or (ii) Participating Generators in real-time operation shall be made by the Operator to the ISO Control Center. The ISO will not approve any Outage request made within seventy-two (72) hours of the requested Outage start time unless: (i) the requested Outage could not have been reasonably foreseen and scheduled through the Outage coordination process provided in Section 9.3; and (ii) the requested Outage will not compromise ISO Controlled Grid reliability.

9.3.4 Single Point of Contact.

Requests for approvals and coordination of all Maintenance Outages (consistent with Section 9.3.1) will be through a single point of contact between the ISO Outage Coordination Office and each Operator. The Operator shall provide in its initial request and specify from time to time the identification of the single point of contact along with primary and alternate means of communication pursuant to the detailed procedures referred to in Section 9.3.6.

9.3.5 Method of Communications.

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The primary method of communication from an Operator to the ISO with regard to maintenance and outage planning will be as described in the Operating Procedure on the ISO Home Page. Emergency capabilities, to be used only as a back-up if the primary communication method is unavailable, will include:

- (a) voice;
- (b) fax; and
- (c) electronic (E-mail, FTP file, etc.).

9.3.5.1 Confirmation.

When fax or electronic communication is utilized, confirmation from the ISO must be received by the Operator to validate the receipt of the request.

9.3.5.2 Communication of Approval or Rejection.

The ISO shall use the same methods in communicating the approval or rejection of an Outage request or approval of a request to change an Approved Maintenance Outage to the relevant Operator.

9.3.5.2A Information regarding planned outages for resources providing Regulatory Must-Take Generation shall be provided to the ISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator pursuant to the terms of the existing agreement with the Regulatory Must-Take Generation resource or as requested by the ISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must-Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must-Take Generator has not executed a Participating Generator Agreement. If the Regulatory Must-Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.

9.3.6 Maintenance Outage Planning.

Each Operator shall, by not later than October 15 each year, provide the ISO with a proposed schedule of all Maintenance Outages it wishes to undertake in the following year. The proposed schedule shall include all of the Operator's transmission facilities that comprise the ISO Controlled Grid and Participating Generators (including its Reliability Must-Run Units). In the case of a Participating TO's transmission facilities, that proposed schedule shall be developed in consultation with the UDCs interconnected with that Participating TO's system and shall take account of each UDC's planned maintenance requirements. The nature of the information to be provided and the detailed Maintenance Outage Planning Procedure shall be established by the ISO. This information shall include:

The following information is required for each Generating Unit of a Participating Generator:

- (a) the Generating Unit name and Location Code;
- (b) the MW capacity unavailable;
- (c) the scheduled start and finish date for each Outage; and

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- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

The following information is required for each transmission facility:

- (a) the identification of the facility and location;
- (b) the nature of the proposed Maintenance Outage;
- (c) the preferred start and finish date for each Maintenance Outage; and
- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

Either the ISO, pursuant to Section 9.3.7, or an Operator, subject to Section 9.3.6.10, may at any time request a change to an Approved Maintenance Outage. An Operator may, upon seventy-two (72) hours advance notice, schedule with the ISO Outage Coordination Office a Maintenance Outage on its system, subject to the conditions of Sections 9.3.6.4A, 9.3.6.7, and 9.3.6.8.

9.3.6.1 Quarterly Updates.

9.3.6.1A Each Participating Generator will provide the ISO with quarterly updates of its long-range Outage schedule referred to in Section 9.3.6 for Generating Units and System Units by the close of business on the fifteenth (15th) day of each January, April, and July. These updates must identify known changes to any previously planned Generating Unit Outages and any additional Outages anticipated over the next twelve months from the time of this report. In this report, each Participating Generator must include all known planned Outages for the following twelve months.

9.3.6.1B Each Participating TO will provide the ISO with quarterly updates of the data provided under 9.3.6 by close of business on the fifteenth (15th) day of each January, April, and July. These updates must identify known changes to any previously planned ISO Controlled Grid facility Maintenance Outages and any additional Outages anticipated over the next twelve months from the time of the report. As part of this update, each Participating TO must include all known planned Outages for the following twelve months.

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9.3.6.2 90 Day Look Ahead.

In addition to changes made at quarterly Outage submittals, each Participating Generator shall notify the ISO in writing of any known changes to a Generating Unit or System Unit Outage scheduled to occur within the next 90 days and may submit changes to its planned Maintenance Outage schedule at any time. Participating Generators must obtain the approval of the ISO Outage Coordination Office in accordance with Section 9 of this ISO Tariff. Such approval may be withheld only for reasons of System Reliability or security.

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ISO Outage Coordination Office reasonably determines that the requested Maintenance Outage or the requested change to an Approved Maintenance Outage, when evaluated together with existing Approved Maintenance Outages, is not likely to have a detrimental effect on the efficient use and reliable operation of the ISO Controlled Grid, the ISO shall authorize the Maintenance Outage or change to the Approved Maintenance Outage, and shall so notify the requesting Operator and other entities who may be directly affected.

9.3.6.8 Where, in the reasonable opinion of the ISO Outage Coordination Office, the requested Maintenance Outage or requested change to an Approved Maintenance Outage is likely to have a detrimental effect on the efficient use and reliable operation of the ISO Controlled Grid, the ISO Outage Coordination Office may reject the requested Maintenance Outage or requested change to Approved Maintenance Outage. If in the ISO's determination, any of the Maintenance Outages would cause the ISO to violate the Applicable Reliability Criteria, the ISO will notify the relevant Operator, and the Operator will then revise the proposed Maintenance Outage and inform the ISO of the proposed changes. The ISO Outage Coordination Office shall, in a rejection notice, identify the ISO's reliability, security and market concerns which prompt the rejection and suggest possible remedies or schedule revisions which might mitigate any such concerns. The ISO Outage Coordination Office may provide each Operator in writing with any suggested amendments to those Maintenance Outage requests rejected by the ISO Outage Coordination Office. Any such suggested amendments will be considered as an ISO maintenance request and will be approved in accordance with the process set forth in Section 9.3.7 of the ISO Tariff. The determination of the ISO Outage Coordination Office shall be final and binding on the Operator. If, within fourteen (14) days of having made its determination, the Operator requests the ISO Outage Coordination Office to provide reasons for its determination, it shall do so as soon as is reasonably practicable. The ISO will give reasons for informational purposes only and without affecting in any way the finality or validity of the determination.

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complete information is not received by the ISO Outage Coordination Office within the time frames set forth in Section 9.3.8.1. The ISO Control Center shall have the authority to withhold a Final Approval for an Approved Maintenance Outage for reasons of System Reliability, security or system status of the ISO Controlled Grid or market impact. The ISO Control Center shall immediately notify the relevant Operator of its intention to withhold the Final Approval. The Generator Maintenance Outage or ISO Controlled Grid facility Maintenance Outage will then be rescheduled pursuant to this ISO Tariff.

9.3.10 Forced Outages.

9.3.10.1 Coordination of all Forced Outages (consistent with Section 9.3.4) will be through the single point of contact between the Operator and the ISO Control Center.

9.3.10.1A Each PTO shall report any change or potential change in equipment status of the PTO's transmission assets turned over to the control of the ISO or in equipment that affects transmission assets turned over to the control of the ISO immediately to the ISO (this will include line and station equipment, line protection, Remedial Action Schemes and communication problems, etc.). Each PTO shall also keep the ISO immediately informed as to any change or potential change in the PTO's transmission system that could affect the reliability of the ISO Controlled Grid. This would include, but is not limited to, adverse weather conditions, fires, bomb threats, system failures, etc.

9.3.10.2 Any Operator, upon identification of a situation likely to result in a Forced Outage within the next twenty-four (24) hours unless immediate corrective action is taken, where such action requires the removing from service or restricting an operating Generating Unit or removing a transmission facility from service, shall communicate directly with the ISO Control Center. All notifications of Forced Outages shall be communicated to the ISO Control Center with as much notice as possible in order that the necessary security analysis and ISO Controlled Grid assessments may be performed. If prior notice of a Forced Outage cannot be given, the Operator shall notify the ISO of the Forced Outage within thirty (30) minutes after it occurs. Any Operator, upon identification of a situation likely to result in a Forced Outage but of a nature not requiring a removal from service until some time more than twenty-four (24) hours in the future will be subject to the provisions of Section 9 of this ISO Tariff with respect to any necessary

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Outage except the requirements imposing time limits for notification will be waived and the request will be expedited by the ISO provided notice is given as soon as possible.

9.3.10.3 The ISO Control Center shall coordinate any operational changes necessary to accommodate a Forced Outage and Market Participants shall comply with the ISO's instructions given for that purpose.

9.3.10.4 All Forced Outages shall be communicated by the ISO Control Center to Operators likely to be affected by the Outage using the same procedures adopted for Maintenance Outage coordination procedures.

9.3.10.5 Within forty-eight (48) hours of the commencement of a Forced Outage, the Operator shall provide to the ISO an explanation of the Forced Outage, including a description of the equipment failure or other cause and a description of all remedial actions taken by the Operator. Upon request of the ISO, Operators, and where applicable, Eligible Customers, Scheduling Coordinators, UDCs and MSSs promptly shall provide information requested by the ISO to enable the ISO to review the explanation submitted by the Operator and to prepare reports on Forced Outages. If the ISO determines that any Forced Outage may have been the result of gaming or other questionable behavior by the Operator, the ISO shall submit a report describing the basis for its determination to the FERC. The ISO shall consider the following factors when evaluating the Forced Outage to determine if the Forced Outage was the result of gaming or other questionable behavior by the Operator: 1) if the Forced Outage coincided with certain market conditions such that the Forced Outage may have influenced market prices or the cost of payments associated with out-of-sequence dispatches, out-of-market dispatches, or Real Time Market dispatches above the Marginal Proxy Clearing Price or Non-Emergency Clearing Price Limit, as applicable; 2) if the Forced Outage coincided with a change in the bids submitted for any units or resources controlled by the Operator or the Operator's Scheduling Coordinator; 3) if the ISO had recently rejected a request for an outage for, or to shut down, the Generating Unit experiencing the Forced Outage; 4) if the timing or content of the notice of the Forced Outage provided to the ISO was inconsistent with subsequent reports of or the actual cause of the outage; 5) if the Forced Outage or the duration of the Forced Outage was inconsistent with the history or past performance of that Generating

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due from ISO Debtors are higher than the payments due to ISO Creditors, the ISO shall allocate a payment to the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (including exports) in MWh of Energy for that Trading Day;

(d) amounts required with respect to payment adjustments for regulating Energy as calculated in accordance with Section 8.11.1. These charges will be allocated amongst the Scheduling Coordinators who traded on that Trading Day pro rata to their metered Demand (excluding exports) in MWh for that Trading Day; and

(e) awards payable by or to the ISO pursuant to good faith negotiations or ISO ADR Procedures that the ISO is not able to allocate to or to collect from a Market Participant or Market Participants in accordance with Section 13.5.3. These charges will be allocated amongst Scheduling Coordinators over an interval determined by the ISO and pro rata based on metered Demand (including exports) during that interval.

11.2.9.1 The total annual charges levied under Section 11.2.9 shall not exceed \$0.095/MWh, applied to Gross Loads in the ISO Control Area and total exports from the ISO Controlled Grid, unless: (a) the ISO Governing Board reviews the basis for the charges above that level and approves the collection of charges above that level for a defined period; and (b) the ISO provides at least seven days' advance notice to Scheduling Coordinators of the determination of the ISO Governing Board.

11.2.10 Payments Under Section 40.3.1 Contracts.

The ISO shall calculate and levy charges for the recovery of costs incurred under contracts entered into by the ISO under the authority granted in Section 40.3.1 in accordance with Section 40.3.1.8 of this ISO Tariff.

11.2.11 Obligation for FERC Annual Charges.

11.2.11.1 Each Scheduling Coordinator shall be obligated to pay for the FERC Annual Charges for its use of the ISO Controlled Grid to transmit electricity, including any use of the ISO Controlled Grid through Existing Contracts scheduled by the Scheduling Coordinator. Any FERC Annual Charges to be assessed by FERC against the ISO for such use of the ISO Controlled Grid shall be assessed against

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Scheduling Coordinators at the FERC Annual Charge Recovery Rate, as determined in accordance with this Section 11.2.11. Such assessment shall be levied monthly against all Scheduling Coordinators based upon each Scheduling Coordinator's metered Demand and exports.

11.2.11.2 Scheduling Coordinators may elect, each year, to pay the FERC Annual Charges assessed against them by the ISO either on a monthly basis or an annual basis. Scheduling Coordinators that elect to pay FERC Annual Charges on a monthly basis shall make payment for such charges within five (5) Business Days after issuance of the monthly invoice. The FERC Annual Charges will be issued to Market Participants once a month, on the first business day after the final market and Grid Management Charge invoices are issued for the trade month. Once the final FERC Annual Charge Recovery Rate is received from FERC in the Spring/Summer of the following year, a supplemental invoice will be issued. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall make payment for such charges within five (5) Business Days after the ISO issues such supplemental invoice. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall maintain either an Approved Credit Rating, as defined with respect to either payment of the Grid Management Charge, or payment of other charges, or shall maintain security in accordance with Section 12.1.

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11.2.12 FERC Annual Charge Trust Account.

All funds collected by the ISO for FERC Annual Charges shall be deposited in the FERC Annual Charge Trust Account. The FERC Annual Charge Trust Account shall be an interest-bearing account separate from all other accounts maintained by the ISO, and no other funds shall be commingled in it at any time. The ISO shall disburse funds from the FERC Annual Charge Trust Account in order to pay the FERC any and all FERC Annual Charges assessed against the ISO.

11.2.13 Determination of the FERC Annual Charge Recovery Rate.

11.2.13.1 The FERC Annual Charge Recovery Rate shall be set at the projected total FERC Annual Charge obligation with regard to transactions on the ISO Controlled Grid during the year in which the FERC Annual Charge Recovery Rate is collected, adjusted for interest projected to be earned on the monies in the FERC Annual Charge Trust Account ("Annual Charge Obligation"), divided by the projected Demand and exports during that year for all entities subject to assessment of FERC Annual Charges by the ISO ("Annual Charge Demand"). The FERC Annual Charge Recovery Rate for the period from January 1, 2001 until the first adjustment of the FERC Annual Charge Recovery Rate goes into effect shall be posted on the ISO Home Page at least fifteen (15) days in advance of the date on which the initial rate will go into effect.

11.2.13.2 The ISO may adjust the FERC Annual Charge Recovery Rate on a quarterly basis, as necessary, to reflect the net effect of the following:

- (a) the difference, if any, between actual Annual Charge Demand and projected Annual Charge Demand during the year-to-date;
- (b) the difference, if any, between the projections of the Annual Charge Obligation and the Annual Charge Demand upon which the charge for the year is based and the ISO's most current projections of those values, provided that the projection of the Annual Charge Obligation may only be adjusted on an annual basis for changes in the Federal Energy Regulatory Commission's budget for its electric regulatory program or changes in the projected total transmission volumes subject to assessment of FERC Annual Charges;

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- (c) the difference, if any, between actual and projected interest earned on funds in the FERC Annual Charge Trust Account; and
- (d) any positive or negative balances of funds collected for FERC Annual Charges in a previous year after all invoices for FERC Annual Charges for that year have been paid by the ISO, other than those that are addressed through the mechanism described in Section 11.2.13.4.

11.2.13.3 The adjusted FERC Annual Charge Recovery Rate shall take effect on the first day of the calendar quarter. The ISO shall publish all data and calculations used by the ISO as a basis for such an adjustment on the ISO Home Page at least fifteen (15) days in advance of the date on which the new rate shall go into effect.

11.2.13.4 If the FERC Annual Charges assessed by FERC against the ISO for transactions on the ISO Controlled Grid during any year exceed or fall short of funds collected by the ISO for FERC Annual Charges with respect to that year by a range of 10% or less, the ISO shall take such under- or over-recovery into account through an adjustment to the FERC Annual Charge Recovery Rate in accordance with Section 11.2.13.2. Any deficiency of available funds necessary to pay for any assessment of FERC Annual Charges payable by the ISO may be covered by an advance of funds from the ISO's Grid Management Charge, provided any such advanced funds will be repaid. If the ISO's collection of funds for FERC Annual Charges with respect to any year results in an under- or over-recovery of greater than 10%, the ISO shall either assess a surcharge against all active Scheduling Coordinators for the amount under-recovered or shall issue a credit to all active Scheduling Coordinators for the amount over-recovered. Such surcharge or credit shall be allocated among all active Scheduling Coordinators based on the percentage of each active Scheduling Coordinators metered Demand and exports during the relevant year. For purposes of this section, an "active Scheduling Coordinator" shall be a Scheduling Coordinator certified by the ISO in accordance with Section 4.5.1 of this ISO Tariff at the time the ISO issues a surcharge or credit under this section. The ISO will issue any surcharges or credits under this section within 60 days of receiving a FERC Annual Charge assessment from the FERC.

11.2.14 Credits and Debits of FERC Annual Charges Collected from Scheduling Coordinators.

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In addition to the surcharges or credits permitted under Sections 11.2.13 or 11.6.3.3 of this ISO Tariff, the ISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or under-assessment of FERC Annual Charges that the ISO determines occurred due to the error, omission, or miscalculation by the ISO or the Scheduling Coordinator.

11.2.15 The ISO shall calculate the amount due from each UDC or MSS, or from a Scheduling Coordinator delivering Energy for the supply of Gross Load not directly connected to the facilities of a UDC or MSS, for the High Voltage Access Charge and Transition Charge in accordance with operating procedures posted on the ISO Home Page. These charges shall accrue on a monthly basis.

11.2.16 Emissions and Start-Up Fuel Cost Charges.

The ISO shall calculate, account for and settle charges and payments for Emissions Costs and Start-Up Fuel Costs in accordance with Sections 40.1.9 and 40.1.10 of this ISO Tariff.

11.2.17 The ISO shall calculate, charge and disburse all collected default Interest in accordance with the ISO Tariff.

11.2.18 Auditing

All of the data, information, and estimates the ISO uses to calculate these amounts shall be subject to the auditing requirements of Section 10.2.11 of the ISO Tariff. The ISO shall calculate these amounts using the software referred to in Section 11.4. 4except in cases of system breakdown when it shall apply the procedures set out in 11.9a (Emergency Procedures).

11.3 Billing and Payment Process.

The ISO will calculate for each charge the amounts payable by the relevant Scheduling Coordinator, Black Start Generator or Participating TO for each Settlement Period of the Trading Day, and the amounts payable to that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for each Settlement Period of that Trading Day and shall arrive at a net amount payable for each charge by or to that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for that Trading Day. Each of these amounts will appear in the Preliminary and Final Settlement

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Statements that the ISO will provide to the relevant Scheduling Coordinator, Black Start Generator or Participating TO.

The eight components of the Grid Management Charge will be included in the Preliminary Settlement Statement and Final Settlement Statement with the other types of charges referred to in Section 11.2, but a separate invoice for the Grid Management Charge, stating the rate, billing determinant volume, and total charge for each of its eight components, will be issued by the ISO to the Scheduling Coordinator.

11.3.1 The billing and payment process shall be based on the issuance of Preliminary and Final Settlement Statements for each Settlement Period in each Trading Day.

11.3.2 Payment for the charges referred to in Section 11.1.6 of the ISO Tariff (except for the charges payable under long-term contracts) for each Trading Day in each calendar month shall be made five (5) Business Days after issuance of the Preliminary Settlement Statement for the last day of the relevant calendar month. Payment for adjustments will be made five (5) Business Days after issuance of the Final Settlement Statement for the last day of the relevant month. Payments for FERC Annual Charges will be made in accordance with Section 17 of this ISO Tariff.

11.3.3 Prepayments.

(a) A Scheduling Coordinator may choose to pay at an earlier date than the Payment Date specified in the ISO Payments Calendar by way of prepayment provided it notifies the ISO by electronic means before submitting its prepayment.

(b) Prepayment notifications must specify the dollar amount prepaid.

(c) Prepayments must be made by Scheduling Coordinators via Fed-Wire into their ISO prepayment account designated by the ISO. The relevant Scheduling Coordinator shall grant the ISO a security interest on all funds in its ISO prepayment account.

(d) On any Payment Date the ISO shall be entitled to cause funds from the relevant Scheduling Coordinator's ISO prepayment account to be transferred to the ISO Clearing Account in such amounts as may be necessary to discharge in full that Scheduling Coordinator's payment obligation arising in relation to that Payment Date.

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(e) Any funds held in the relevant Scheduling Coordinator's ISO prepayment account shall be treated as part of that Scheduling Coordinator's Security.

(f) Interest (or other income) accruing on the relevant Scheduling Coordinator's ISO prepayment account shall inure to the benefit of that Scheduling Coordinator and shall be added to the balance of its ISO prepayment account on a monthly basis.

(g) Funds held in an ISO prepayment account by a Scheduling Coordinator may be recouped, offset or applied by the ISO to any outstanding financial obligations of that Scheduling Coordinator to the ISO or to other Scheduling Coordinators under this ISO Tariff,

11.3.4 System Failure.

11.3.4.1 At ISO Debtor's Bank.

If any ISO Debtor becomes aware that a payment will not, or is unlikely to be, remitted to the ISO Bank by 10:00 am on the relevant Payment Date for any reason (including failure of the Fed-Wire or any computer system), it shall immediately notify the ISO, giving full details of the payment delay (including the reasons for the payment delay). The ISO Debtor shall make all reasonable efforts to remit payment as soon as possible, by an alternative method if necessary, to ensure that funds are received for value no later than 10:00 am on the Payment Date, or as soon as possible thereafter.

11.3.4.2 At the ISO's Bank.

In the event of failure of any electronic transfer system affecting the ISO Bank, the ISO shall use reasonable efforts to establish alternative methods of remitting funds to the ISO Creditors' Settlement Accounts by close of banking business on that Payment Date, or as soon as possible thereafter. The ISO shall notify the ISO Debtors and the ISO Creditors of occurrence of the system failure and the alternative methods and anticipated time of payment.

11.4 General Principles for Production of Settlement Statements.

11.4.1 Basis of Settlement.

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The basis of each Settlement Statement shall be the debiting or crediting of an account in the name of the relevant Scheduling Coordinator in the general ledger set up by the ISO to reflect all transactions, charges or payments settled by the ISO.

11.4.2 Right to Dispute.

All Scheduling Coordinators shall have the right to dispute any item or calculation set forth in any Preliminary Settlement Statement in accordance with this ISO Tariff.

11.4.3 Data Files.

Settlement Statements relating to each Scheduling Coordinator shall be accompanied by a data file of supporting information that includes the following for each Settlement Period of the Trading Day on a Zone-by-Zone basis:

- (a) the aggregate quantity (in MWh) of Energy supplied or withdrawn by the Metered Entities represented by the Scheduling Coordinator;
- (b) the aggregate quantity (in MW) and type of Ancillary Services capacity provided or purchased;
- (c) the relevant prices that the ISO has applied in its calculations;
- (d) details of the Scheduled quantities of Energy and Ancillary Services accepted by the ISO in the Day-Ahead Market and the Hour-Ahead Market;
- (e) details of Imbalance Energy and penalty payments; and
- (f) detailed calculations of all fees, charges and payments allocated amongst Scheduling Coordinators and each Scheduling Coordinator's share.

11.4.4 Settlement Software.

The ISO Settlement software shall be audited by an independent firm of auditors competent to carry out audits of such software to determine its consistency with the ISO Tariff. In any dispute regarding Settlement calculations, a certificate of such firm of auditors that the ISO software is consistent with the ISO Tariff shall be prima facie proof that the charges shown in a Settlement Statement have been calculated in a method consistent with the ISO Tariff. Nothing in this section will be deemed to establish the burden of proof with respect to Settlement calculations in any proceeding.

11.5 Calculation in the Event of Lack of Meter Data for the Balancing of Market Accounts.

Settlements shall not be cleared for final processing until the accounting trial balance is zero. In order to publish a Settlement Statement, the ISO may use estimated, disputed or calculated Meter Data. When actual verified Meter Data is available and all of the disputes raised by Scheduling Coordinators during the validation process described in Section 11.7 of this ISO Tariff have been determined, the ISO shall recalculate the amounts payable and receivable by the affected Scheduling Coordinators or by all

Scheduling Coordinators, if applicable, as soon as reasonably practical and shall show any required adjustments as a debit or credit in the next Settlement Statement.

11.6 Settlements Cycle.

11.6.1 Timing of the Settlements Process.

11.6.1.1 Preliminary Statements.

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The ISO shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO for validation a Preliminary Settlement Statement for each Trading Day within thirty-eight (38) Business Days of the relevant Trading Day, covering all Settlement Periods in that Trading Day. Each Preliminary Settlement Statement will include a statement of:

- (a) the amount payable or receivable by the Scheduling Coordinator, Black Start Generator or Participating TO for each charge referred to in Section 11.2 for each Settlement Period in the relevant Trading Day;
- (b) the total amount payable or receivable by that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section 11.3; and
- (c) the components of each charge in each Settlement Period except for information contained in the Imbalance Energy Report referred to in Section 11.6.1.1.

Each Preliminary Settlement Statement shall also be accompanied by a breakdown of the components of the Imbalance Energy Charge (the "Imbalance Energy Report").

11.6.1.2 Each Scheduling Coordinator, Black Start Generator or Participating TO shall have a period of eight (8) Business Days from the issuance of a Preliminary Settlement Statement during which it may review the Preliminary Settlement Statement and notify the ISO of any errors. No later than fifty-one (51) Business Days after the Trading Day to which it relates, the ISO shall issue a Final Settlement Statement to each Scheduling Coordinator for that Trading Day.

11.6.1.2A Final Statements.

The ISO shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO a Final Settlement Statement in accordance with the ISO Tariff and the ISO Payments Calendar. The Final Settlement Statement shall be in a format similar to that of the Preliminary Settlement Statement and

Participating TO and the holder of the transmission rights from an operational point of view; and (vi) does not require the ISO to interpret or underwrite the economics of the Existing Contract.

16.1.2 The ISO will accept valid Schedules from a Responsible Participating TO that is the Scheduling Coordinator for the Existing Contract rights holders, or from Existing Contract rights holders that are Scheduling Coordinators, or that are represented by a Scheduling Coordinator other than the Responsible Participating TO. Schedules submitted by Scheduling Coordinators to the ISO which include the use of Existing Rights must be submitted in accordance with Section 16.1, Section 16.2, and Section 30.2.7. The ISO may refuse to accept Schedules submitted pursuant to Existing Contracts which do not meet the requirements of the principles, protocols and rules referred to in this Section 16.1 and Section 16.2. The ISO will implement Sections 16.1 and 16.2 with respect to Existing Contracts after the close of the Hour-Ahead Market and in real time.

16.1.3 The ISO will, if requested, advise parties to Existing Contracts regarding the operational aspects of any Existing Contract renegotiations that they undertake.

16.2 ISO Administration of Existing Contracts for Transmission Service.

16.2.1 Continuation of Rights and Obligations of Non-Participating TOs Under Existing Contracts.

16.2.1.1 The transmission service rights and obligations of Non-Participating TOs under Existing Contracts, including all terms, conditions and rates of the Existing Contracts, as they may change from time to time under the terms of the Existing Contracts, will continue to be honored by the parties to those contracts, for the duration of those contracts. For the purpose of Section 16.2, the transmission service rights of Non-Participating TOs are called "Existing Rights."

16.2.1.2 If a Participating TO is a party to an Existing Contract under which Existing Rights are provided, the Participating TO shall attempt to negotiate changes to the Existing Contract to align the contract's scheduling and operating provisions with the ISO's scheduling and operational procedures, rules and protocols, to align operations under the contract with ISO operations, and to minimize the

contract parties' costs of administering the contract while preserving their financial rights and obligations as defined in Section 16.2.2.

In addition, the Participating TO shall attempt to negotiate changes to provisions in the Existing Contract to ensure that whenever transmission services under the Existing Contract are used to deliver power to a Market Participant that is subject to Access Charges under this Tariff, no duplicative charge for access to the ISO Controlled Grid will be charged under the Existing Contract. For purposes of such negotiations, there shall be a presumption that any charges in an Existing Contract that were designed to recover the embedded cost of transmission facilities within the ISO Controlled Grid will be fully recovered through the Access Charges established under Section 26.1 of this Tariff.

16.2.1.3 If a Non-Participating TO has an Existing Contract with a Participating TO under which the Non-Participating TO's transmission facilities are subject to use by the Participating TO, the Non-Participating TO's rights to the use and ownership of its facilities shall remain unchanged, regardless of the Participating TO's act of turning over the Participating TO's entitlement to use the Non-Participating TO's facilities to the extent possible to the Operational Control of the ISO.

16.2.1.4 If the parties to an Existing Contract are unable to reach agreement on the changes needed to meet the requirements of Section 16.2.1.2 or Section 16.2.1.3, any disputes related thereto shall be addressed using the dispute resolution provisions of the Existing Contract, including any remedies as are provided by law. The rights of the parties to seek changes or to challenge such changes, under the FPA or as otherwise provided by law, are preserved consistent with the terms of the Existing Contract. Unless and until the necessary changes to the Existing Contract are made, all terms and conditions of the Existing Contracts will continue to be honored by the parties to the contracts.

16.2.1A Conversion of Participating TOs' Rights and Obligations Under Existing Contracts.

16.2.1A.1 Parties who are entitled to transmission service rights under Existing Contracts and who choose to become Participating TOs must, at the time of becoming a Participating TO exercise those rights by converting them to "Converted Rights", which are described in Section 16.2.2. A party who ceases to be a Participating TO at or before the end of the five year period beginning at the ISO Operations Date shall be entitled to resume service under any Existing Contract to which it is then a

resolved, and unless the Existing Contract specifies otherwise, the ISO shall implement the operating instructions of the first Participating TO for which the Existing Contract is an Encumbrance.

16.2.3.2 The ISO's scheduling protocols will accommodate Existing Rights, so that the holders of Existing Rights will receive the same priorities (in scheduling, curtailment, assignment and other aspects of transmission system usage) to which they are entitled under their Existing Contracts.

16.2.3.3 Scheduling deadlines and operational procedures associated with Existing Rights will be honored by the ISO.

16.2.3.4 All contractual provisions that have been communicated to the ISO in writing in accordance with Section 16.2.3.1 by the parties to the Existing Contracts, shall be honored by the ISO and the parties to the Existing Contracts and shall be implemented in accordance with the terms and conditions of the relevant Existing Contracts so notified.

16.2.3.4.1 The holders of Existing Rights will not be responsible for paying Usage Charges related to those rights, nor will they be entitled to receive Usage Charge revenues related to those rights.

16.2.3.4.2 Other than any existing rights to such revenues under the Existing Contracts, the holders of Existing Rights will not be entitled to an allocation of revenues from Wheeling Out or Wheeling Through services on the ISO Controlled Grid, related to those rights.

16.2.3.4.3 The holders of Existing Rights shall continue to pay the providers of the Existing Rights at the rates provided in the associated Existing Contracts, as they may change from time to time under the terms of the Existing Contracts.

16.2.3.4.4 [Not Used]

16.2.3.4.5 Parties with Existing Rights shall continue to pay for Transmission Losses or Ancillary Services requirements in accordance with such Existing Contracts as they may be modified or changed in accordance with the terms of the Existing Contract. Likewise the Participating TOs shall continue to provide Transmission Losses and any other Ancillary Services to the holder of the rights under an Existing Contract as may be required by the Existing Contracts. To the extent that Transmission Losses or Ancillary Service requirements associated with Existing Rights are not the same as those under the

ISO's rules and protocols, the ISO will not charge or credit the Participating TO for any cost differences between the two, but will provide the parties to the Existing Contracts with details of its Transmission Losses and Ancillary Services calculations to enable them to determine whether the ISO's calculations result in any associated shortfall or surplus and to enable the parties to the Existing Contracts to settle the differences bilaterally or through the relevant TO Tariff. Each Participating TO will be responsible for recovering any deficits or crediting any surpluses associated with differences in assignment of Transmission Loss requirements and/or Ancillary Services requirements, through its bilateral arrangements or its Transmission Owner's Tariff.

16.2.4 ISO Protocols Shall Accommodate Existing Rights.

The ISO will implement the provisions of Section 16.2.3. The objective will be to ensure that under the ISO Tariff, Existing Rights will enjoy the same relative priorities vis-à-vis new, ISO-provided transmission uses, as they would under the Existing Contracts and the FERC Order 888 tariffs. Under the ISO Tariff:

16.2.4A Existing scheduling rules, curtailment priorities and any other relevant terms and conditions associated with the scheduling and day-to-day implementation of transmission rights will be documented in sets of operating instructions provided to the ISO by the parties to the Existing Contracts. The documentation of these operating instructions, and disputes related to these operating instructions, will be handled in accordance with the terms of Section 16.2.3.1.1.

16.2.4A.1 The responsible Participating TO with respect to an Existing Contract or set of interdependent Existing Contracts is required to submit to the ISO, in accordance with the timing requirements of Section 16.2.4A.2 and 16.2.4A.3, the instructions that are necessary to implement the exercise of Existing Rights in accordance with the ISO Tariff. The operating instructions will be submitted to the ISO electronically, by the Responsible PTO, utilizing a form provided by the ISO in a format similar to the one set out in the Standard Template – Transmission Rights/Curtailment Instructions in Appendix M. The instructions will include the following information at a minimum and such other information as the ISO may reasonably require to enable it to carry out its functions under the ISO Tariff and ISO Protocols (the letters below correspond with the letters of the instructions template in the Standard Template – Transmission Rights/Curtailment Instructions in Appendix M:

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- (a) a unique contract reference number (Existing Contract reference number that will be assigned by the ISO and communicated to the Responsible PTO on the completed instruction and that references a single Existing Contract or a set of interdependent Existing Contracts; the provisions of Section 30.4.2 will apply to the validation of scheduled uses of Existing Contract transmission rights);
- (b) whether the instruction can be exercised independent of the ISO's day-to-day involvement (Yes/No);
- (c) name of an operational single point of contact for instructions and a 24-hour a day telephone number for the Responsible PTO;
- (d) name(s) and number(s) of Existing Contract(s);
- (e) path name(s) and location(s) (described in terms of the Zones in which the point(s) of receipt and point(s) of delivery are located);
- (f) names of the party(ies) to the Existing Contract(s);
- (g) Scheduling Coordinator ID code: the ID number of the Scheduling Coordinator who will submit Schedules which make use of the Existing Contract(s) for the party(ies) indicated in (f);
- (h) type(s) of rights, by rights holder, by Existing Rights;
- (i) type(s) of service, by rights holder, by Existing Contract (firm, conditional firm, or non-firm), with priorities for firm and conditional firm transmission services indicated in Schedules using Adjustment Bids as described in this ISO Tariff;
- (j) amount of transmission service, by rights holder, by Existing Contract expressed in MW;
- (k) for Day-Ahead scheduling purposes, the time of the day preceding the Trading Day at which the Scheduling Coordinator submits Schedules to the ISO referencing the Existing Contract(s) identified in the instructions;

- (l) for Hour-Ahead or real-time scheduling purposes, the number of minutes prior to the start of the Settlement Period of delivery at which the Scheduling Coordinator may submit Schedule adjustments to the ISO regarding the Existing Rights under the Existing Contract(s) identified in the instructions;
- (m) whether or not real-time modifications to Schedules associated with Existing Rights are allowed at any time during the Settlement Period;
- (n) Service period(s) of the Existing Contract(s);
- (o) any special procedures which would require curtailments to be implemented by the ISO in any manner different than that specified in Section 7.4.12. Any such instructions submitted to the ISO must be clear, unambiguous, and not require the ISO to make any judgments or interpretations as to the meaning intent, results, or purpose of the curtailment procedures or the Existing Contract (otherwise, they will not be accepted by the ISO); and
- (p) any special procedures relating to curtailments during emergency conditions. Any such instructions submitted to the ISO must be clear, unambiguous, and not require the ISO to make any judgments or interpretations as to the meaning, intent, results, or purpose of the curtailment procedures or the Existing Contract (otherwise, they will not be accepted by the ISO).

16.2.4A.2 The Responsible PTOs shall submit the operating instructions to the ISO associated with Existing Contracts or sets of interdependent Existing Contracts thirty (30) days prior to either (a) the ISO Operations Date or (b) the date on which the scheduling or curtailment of the use of the Existing Rights is to commence pursuant to Sections 16.1 or 16.2. The ISO will not accept Schedules which include the use of Existing Rights, unless the Responsible PTO has provided the ISO with the information required in the Transmission Control Agreement and this Section 16.2.4, including transmission rights/curtailment instructions supplied in a form and by means of communication specified by the ISO.

16.2.4D The ISO shall determine, based on the information provided by the Participating TOs and contract rights holders under Sections 16.2.4B and 16.2.4C, the transmission capacities that (i) must be reserved for firm Existing Rights, (ii) may be allocated for use as ISO transmission service (i.e., new firm uses), (iii) must be reserved by the ISO for conditional firm Existing Rights, and (iv) remain for any non-firm Existing Rights for which a Participating TO has no discretion over whether or not to provide such non-firm service.

16.2.4E The ISO shall coordinate the scheduling of Existing Rights with the scheduling of ISO transmission service, using the ISO's Day-Ahead scheduling rules and protocols. In doing so, the ISO shall subtract, from the capacity that is available for the ISO to schedule in the ISO's Day-Ahead scheduling process, an appropriate amount of transmission capacity reflecting the amount and nature of the Existing Rights.

16.2.4F For those Existing Rights the use of which has not been scheduled by the rights-holders by the start of the ISO's Hour-Ahead scheduling process, the ISO shall coordinate the scheduling of Existing Rights with the scheduling of ISO transmission service, using the ISO's Hour-Ahead scheduling protocols. In doing so, the ISO may, at its own discretion, consider as available for the ISO to schedule in its Hour-Ahead scheduling process, any or all of the transmission capacity associated with Existing Rights the use of which has not been scheduled by the rights-holders in the ISO's Hour-Ahead scheduling process.

16.2.4G The ISO shall recognize that the obligations, terms or conditions of Existing Contracts may not be changed without the voluntary consent of all parties to the contract (unless such contract may be changed pursuant to any applicable dispute resolution provisions in the contract or pursuant to Section 205 or Section 206 of the FPA and the FERC's Rules and Regulations or as otherwise provided by law).

16.2.4H The parties to Existing Contracts shall remain liable for their performance under the Existing Contracts. The ISO shall be liable in accordance with the provisions of this ISO Tariff for any damage or injury caused by its non-compliance with the operating instructions submitted to it pursuant to this Section 16.2.

16.2.4I Unless specified otherwise, in the event that the dispute resolution mechanisms prescribed in an Existing Contract, including all recourses legally available under the contract, can not, in the first instance, result in a resolution of such a dispute, the ISO's ADR Procedure will be used to resolve any disputes between the ISO and the Participating TO regarding any aspects of the implementation of Section 16.1 and 16.2, including the reasonableness of a Participating TO's operating instructions or any other decision rules which the Participating TO may submit to the ISO as part of the operational protocols. The transmission rights-holder(s) under the Existing Contract shall have standing to participate in the ISO ADR Procedure.

16.2.4.1 Allocation of Forecasted Total Transfer Capabilities.

16.2.4.1.1 Prioritization of Transmission Uses.

The following rules are designed to enable the ISO to honor Existing Contracts in accordance with Sections 16.1 and 16.2 of the ISO Tariff. Regardless of the success of the application of such rules, it is intended that the rights under Existing Contracts will be honored as contemplated by the ISO Tariff. In each of the categories described in Section 23, the terms and conditions of service may differ among transmission contracts. These differences will be described by each Responsible PTO in the instructions submitted to the ISO in advance of the scheduling process. In addition, Generation, Inter-Scheduling Coordinator Energy Trade imports or external imports in one Zone must be matched by an equal magnitude of Demand, Inter-Scheduling Coordinator Energy Trade exports or external exports in an adjacent Zone (see Section 16.2.4.1.2 for a summary of allowable linkages). Scheduling and curtailment priorities associated with each category will be defined by Scheduling Coordinators through the use of contract usage templates submitted as part of their Schedules.

(a) Transmission capacity for Schedules will be made available to holders of firm Existing Rights in accordance with this Section and the terms and conditions of their Existing Contracts. In the event that the firm uses of these rights must be curtailed, they will be curtailed on the basis of priority expressed in contract usage templates. So as not to be curtailed before any other scheduled use of Congested Inter-Zonal Interface capacity, the ISO's Congestion Management software will assign high priced Adjustment Bids to the scheduled uses (for example, a difference of \$130,000/MWh to \$140,000/MWh for Demand or

external exports and a difference of -\$130,000/MWh to -\$140,000/MWh for Generation or external imports). This range will be reserved strictly for use in association with the prioritization of firm Existing Rights to use available Inter-Zonal Interface transmission capacity. These high priced Adjustment Bids are only for the ISO's use, in the context of Inter-Zonal Congestion Management, in recognizing the various levels of priority that may exist among the scheduled uses of firm transmission service. These high priced Adjustment Bids will not affect any other rights under Existing Contracts. To the extent that the MW amount exceeds the MW amount specified in the Existing Contract, the excess scheduled amount will be treated as a new firm use of ISO transmission services as described in (b) below. Note that, in some instances, for a particular Inter-Zonal Interface, there may be multiple Scheduling Coordinators submitting Schedules under several different Existing Contracts on behalf of several Existing Contract rights holders. In these circumstances, and to the extent the rights holders desire to coordinate the prioritization of their firm uses of the Inter-Zonal Interface, their Scheduling Coordinators will make the arrangements among themselves ahead of the ISO's scheduling process. In the absence of a valid contract usage template associated with Existing Contract rights, the ISO will treat the scheduled use of transmission service as a "price-taker" of ISO transmission service subject to Usage Charges.

(b) ISO transmission service (i.e., "new firm uses") will be priced in accordance with the ISO Tariff. Usage Charges associated with the ISO's Congestion Management procedures, as described in Section 27.1.1.5, will be based on Adjustment Bids. In the absence of an Adjustment Bid, the ISO will treat the scheduled "new firm use" of ISO transmission service as a price taker paying the Usage Charge established by the highest valued use of transmission capacity between the relevant Zones.

(c) Transmission capacity will be made available to holders of conditional firm Existing Rights in a manner similar to that done prior to the ISO Operations Date; that is, allocated, as available, based on the agreed priority. The levels of priority will be expressed in the contract usage templates associated with the Schedules. To the extent that the MW amount in a schedule exceeds the MW amount specified in the contract usage template, the excess scheduled amount will be treated as a new firm use of ISO transmission services as described in (b) above. Note that, in some instances, for a particular Inter-Zonal Interface, there may be multiple Scheduling Coordinators submitting Schedules under several different

Existing Contracts on behalf of several Existing Contract rights holders. In these circumstances, and to the extent the rights holders desire to coordinate the prioritization of their conditional firm uses of the Inter-Zonal Interface, their Scheduling Coordinators will make the arrangements among themselves ahead of the ISO's scheduling process. In the absence of a valid contract usage template associated with Existing Contract rights, the ISO will treat the scheduled use of transmission service as a "price-taker" of ISO transmission services subject to Usage Charges.

(d) Transmission capacity will be made available to holders of non-firm Existing Rights in a manner similar to that done prior to the ISO Operations Date; that is, treated as the lowest valued use of available transmission capacity. Non-firm uses of transmission capacity under Existing Contracts will be indicated in Schedules submitted by Scheduling Coordinators as \$0.00/MWh Adjustment Bids. Therefore, there will be no contract reference number associated with non-firm Existing Contract rights.

16.2.4.1.2 Allowable Linkages.

As indicated in Section 16.2.4.1.1, Generation, Inter-Scheduling Coordinator Energy Trade imports or external imports in one Zone must be matched by an equal magnitude of Demand, Inter-Scheduling Coordinator Energy Trade exports or external exports in the same Zone or in an adjacent Zone.

16.2.4.2 The Day-Ahead Process.

16.2.4.2.1 Validation.

The ISO will coordinate the scheduling of the use of Existing Rights with new firm uses in the Day-Ahead process. The ISO will validate the Schedules submitted by Scheduling Coordinators on behalf of the rights holders for conformity with the instructions previously provided by the Responsible PTO. Invalid Schedules will be rejected and the ISO will immediately communicate the results of each Scheduling Coordinator's validation to that Scheduling Coordinator via WEnet.

16.2.4.2.2 Scheduling Deadlines.

Those Existing Contract rights holders who must schedule the use of their rights by the deadline for the submission of Schedules in the Day-Ahead Market must do so. After this time, the ISO will release these unused rights as available for new firm uses (not subject to recall).

16.2.4.2.3 Reservation of Firm Transmission Capacity.

As an initial step in performing its Day-Ahead Congestion Management analysis, the ISO will determine the amount of transmission capacity that is available by subtracting, from the total transfer capability of the Inter-Zonal Interface, the unused portions of capacity applicable to firm Existing Rights. For purposes of Congestion Management, the total transfer capability of the Inter-Zonal Interface is therefore adjusted downward by an amount equal to the unused portions of firm Existing Rights. By reserving these blocks of unused transmission capacity, Existing Contracts rights holders are able to schedule the use of their transmission service on the timelines provided in their Existing Contracts after the deadline of the ISO's Day-Ahead scheduling process (in other words, after 1:00 pm on the day preceding the Trading Day), but prior to the deadline of the ISO's Hour-Ahead scheduling process (in other words, two hours ahead of the Settlement Period).

16.2.4.2.4 Allocation of Inter-Zonal Interface Capacities.

In the ISO's Congestion Management analysis of the Day-Ahead Market, for each Inter-Zonal Interface:

- (a) if all scheduled uses of transmission service fit within the adjusted total transfer capability, all are accepted (in other words, there is no Congestion);
- (b) if all scheduled uses of transmission service do not fit within the adjusted total transfer capability, scheduled uses of non-firm Existing Rights will be curtailed, pro rata, to the extent necessary. If the remaining scheduled uses of transmission service still do not fit within the adjusted total transfer capability, uses of conditional firm Existing Rights will be curtailed (based upon the levels of priority expressed in the contract usage templates for Schedules as described in Section 16.2.4.1.1) to the extent necessary;
- (c) if Congestion still exists after curtailing all lower priority schedules (e.g. requesting non-firm and conditional firm uses of transmission service under Existing Contracts), the remaining transmission capacity (that is not already reserved as firm Existing Rights) is priced based upon Adjustment Bids. To the extent there are insufficient Adjustment Bids to fully mitigate the remaining Congestion, the default Usage Charge will apply and the ISO will curtail ISO transmission service (in other words, new firm uses

other than Firm Transmission Rights uses evaluated in the Day-Ahead process), pro rata, to the extent necessary;

(d) If Congestion still exists after curtailing all new firm uses (other than Firm Transmission Rights uses) in the Day-Ahead scheduling process, scheduled uses of Firm Transmission Rights are then curtailed, pro rata, to the extent necessary; and

(e) if Congestion still exists after curtailing ISO new firm uses and uses of Firm Transmission Rights, scheduled uses of firm Existing Rights are then curtailed (based upon the priorities expressed in the contract usage templates associated with the Schedules as described in Section 16.2.4.1.1) to the extent necessary.

16.2.4.3 The Hour-Ahead Process.

16.2.4.3.1 Validation.

The ISO will coordinate the scheduling of the use of Existing Rights with new firm uses, in the Hour-Ahead process. The ISO will validate the submitted Schedules for conformity with the instructions provided by the Responsible PTOs. Invalid schedules will be rejected and the ISO will immediately communicate the results of each Scheduling Coordinator's validation to that Scheduling Coordinator via WEnet.

16.2.4.3.2 Scheduling Deadlines.

Those rights holders who must schedule the use of their rights by the deadline for the submission of Schedules in the Hour-Ahead Market must do so. After this time, the ISO will release these unused rights as available for new firm uses (not subject to recall).

16.2.4.3.3 Acceptance of Firm Transmission Schedules.

Before allocating any remaining transmission capacity under the following provisions of this Section 16.2, the ISO will accept Schedules associated with firm Existing Rights (subject to validation under 16.2.4.3.1), allocating transmission capacity for use by these rights holders.

16.2.4.3.4 Reservation of Firm Transmission Capacity.

The ISO will adjust the total transfer capabilities of Inter-Zonal Interfaces with respect to firm Existing Rights as it does in its Day-Ahead process described in this Section 16.2. Therefore, holders of Existing Rights are still able to exercise whatever scheduling flexibility they may have under their Existing Contracts after the Schedules and bids submittal deadline of the ISO's Hour-Ahead scheduling process, as described further in Section 16.2.4.4.

16.2.4.3.5 Allocation of Inter-Zonal Interface Capacities.

In the ISO's Congestion Management analysis of the Hour-Ahead Market, for each Inter-Zonal Interface:

- (a) if all scheduled uses of transmission service fit within the total transfer capability, all are accepted (in other words, there is no Congestion);
- (b) if all scheduled uses of transmission service do not fit within the total transfer capability, scheduled uses of non-firm Existing Rights will be curtailed, pro rata, to the extent necessary. If the remaining scheduled uses of transmission service still do not fit within the total transfer capability, scheduled uses of conditional firm Existing Rights will be curtailed (based upon the levels of priority expressed in the contract usage templates for the Schedules as described in Section 16.2.4.1.1) to the extent necessary;
- (c) if Congestion still exists after curtailing all lower priority schedules (e.g. representing non-firm and conditional firm uses of transmission service under Existing Contracts), the remaining transmission capacity (the subject of firm Existing Rights) is priced based upon Adjustment Bids. To the extent there are insufficient Adjustment Bids to fully mitigate the remaining Congestion, the default Usage Charge will apply and the ISO will curtail ISO transmission service (in other words, new firm uses including new firm uses of Firm Transmission Rights), pro rata, to the extent necessary; and
- (d) if Congestion still exists after curtailing ISO new firm uses, scheduled uses of firm Existing Rights will be curtailed (based upon the priorities expressed in the contract usage template associated with the Schedules as described in Section 16.2.4.1.1) to the extent necessary.

16.2.4.4 The ISO's Real-Time Process.

Consistent with Section 16.2.4.3.4, the ISO will honor those scheduling flexibilities that may be exercised by holders of Existing Rights through their respective Scheduling Coordinators during the ISO's real-time processes to the extent that such flexibilities do not interfere with or jeopardize the safe and reliable operation of the ISO Controlled Grid or Control Area operations. The real-time processes described in Sections 16.2.4.4.1 and 16.2.4.4.2 will occur during the three hours following the ISO's receipt of Preferred Hour-Ahead Schedules (that is, from two hours ahead of the start of the Settlement Period through the end of such Settlement Period).

16.2.4.4.1 Inter-Control Area Changes to Schedules that Rely on Existing Rights.

Changes to Schedules that occur during the ISO's real-time processes that involve changes to ISO Control Area imports or exports with other Control Areas (that is, inter-Control Area changes to Schedules) will be allowed and will be recorded by the ISO based upon notification received from the Scheduling Coordinator representing the holder of the Existing Rights. The ISO must be notified of any such changes to external import/export schedules. The ISO will receive notification of real-time changes to external import/export schedules, by telephone, from the Scheduling Coordinator representing the holder of the Existing Rights. The timing and content of any such notification must be consistent with the instructions previously submitted to the ISO by the Responsible PTO. The ISO will manually adjust the Scheduling Coordinator's schedule to conform with the other Control Area's net schedule in real time, and the notifying Scheduling Coordinator will be responsible for and manage any resulting Energy imbalance. These Imbalance Energy deviations will be priced and accounted to the Scheduling Coordinator representing the holder of Existing Rights in accordance with the Section 11.

16.2.4.4.2 Intra-Control Area Changes to Schedules that Rely on Existing Rights.

Changes to Schedules that occur during the ISO's real-time processes that do not involve changes to ISO Control Area imports or exports with other Control Areas (that is, intra-Control Area changes to Schedules) will be allowed and will give rise to Imbalance Energy deviations. These Imbalance Energy deviations will be priced and accounted to the Scheduling Coordinator representing the holder of Existing Rights in accordance with the Section 11.

19.2.4 Forecast Standards.

19.2.4.1 Avoiding Duplication.

Each UDC submitting Demand Forecasts to the ISO and its Scheduling Coordinator shall ensure, to the best of its ability, that any Demand Forecasts that it is submitting to the ISO and its Scheduling Coordinator are not duplicated in another Scheduling Coordinator's Demand Forecasts.

19.2.4.2 Required Performance.

Each UDC submitting its Demand Forecasts to the ISO and its Scheduling Coordinator shall take all necessary actions to provide Demand Forecasts that reflect the best judgment of the submitting UDC to help avoid potential System Reliability concerns and to enable the ISO to administer a meaningful market for Energy and Ancillary Services. The ISO may publish information on the accuracy of UDC Demand Forecasts from time to time.

19.2.5 UDC Demand Forecast Format. This template is for use by the Scheduling Coordinators to forecast their direct-access loads for each UDC. The forecast must be for seven (7) future days including the current Day-Ahead Market.

19.2.5.1 Scheduling Coordinator's ID code.

19.2.5.2 Trading Day of current Day-Ahead Market (month/day/year).

19.2.5.3 UDC's ID code.

19.2.5.4 Hourly Demand Forecast for the 168 hours beginning with the first hour of the current Day-Ahead Market.

19.3 ISO Responsibilities.

19.3.1 Advisory Control Area Demand Forecasts.

The ISO will publish on the ISO Website and supply to the Scheduling Coordinators advisory Control Area Demand Forecasts comprised of Hourly Demand Forecasts for each Congestion Zone for each

Settlement Period of the relevant Trading Day. The ISO will publish this information in accordance with the timing requirements set forth in this ISO Tariff.

19.3.2 ISO Demand Forecasts.

The ISO shall publish monthly on the ISO Website on the following two (2) Demand Forecasts for the next 52 weeks.

19.3.2.1 Consolidated Scheduling Coordinator Forecast. This forecast will be developed by adding together the Weekly Peak Demand Forecasts of the individual Scheduling Coordinators.

19.3.2.2 Independent ISO Forecast. This forecast will be developed by the ISO.

The ISO may, at its discretion, publish on the ISO Website additional Demand Forecasts for two or more years following the next year.

19.3.3 System Adequacy Reports.

The ISO will publish the following reports comparing the projected aggregate Generation capacity to the peak forecast Demands, as calculated in accordance with this Section.

19.3.3.1 Annual Reports. On an annual basis and within eight weeks after receiving the annual or updated long-range planned Outage schedules from all Participating Generators, the ISO shall publish on the ISO Website a report comparing the aggregated weekly peak Generation capacity to the weekly peak forecast Demand for the next 52 weeks;

19.3.3.2 Quarterly Reports. On a quarterly basis, the ISO shall publish on the ISO Website a report comparing the aggregated weekly peak Generation capacity to the weekly peak forecast Demand for the next 3 months; and

19.3.3.3 Monthly Reports. On a monthly basis, the ISO shall publish on the ISO Website a report comparing the aggregated weekly peak Generation capacity to the weekly peak forecast Demand for the next month.

19.3.3.4 The ISO shall, on the basis of the information supplied by Participating Generators under Section 4.6.6.1 and other information available to the ISO, prepare and publish on WEnet forecast

22.11 ISO Protocol Amendment Process.

The ISO Governing Board shall establish an ISO Protocol amendment process in order to ensure that all affected parties have an opportunity to participate. Under that process, the ISO shall file for acceptance at the FERC any amendment to an ISO Protocol that is on file with the FERC.

22.13 Scheduling Responsibilities and Obligations.

Nothing in this ISO Tariff is intended to permit or require the violation of Federal or California law concerning hydro-generation and Dispatch, including but not limited to fish release requirements, minimum and maximum dam reservoir levels for flood control purposes, and in-stream flow levels. In carrying out its functions, the ISO will comply with and will have the necessary authority to give instructions to Participating TOs and Market Participants to enable it to comply with requirements of environmental legislation and environmental agencies having authority over the ISO in relation to Environmental Dispatch and will expect that submitted Schedules will support compliance with the requirements of environmental legislation and environmental agencies having authority over Generators in relation to Environmental Dispatch. In contracting for Ancillary Services and Imbalance Energy the ISO will not act as principal but as agent for and on behalf of the relevant Scheduling Coordinators.

ARTICLE II – TRANSMISSION SERVICE

23 CATEGORIES OF TRANSMISSION CAPACITY.

References to new firm uses shall mean any use of ISO transmission service, except for uses associated with Existing Rights. Prior to the start of the Day-Ahead scheduling process, for each Inter-Zonal Interface, the ISO will allocate the forecasted total transfer capability of the Interface to four categories. This allocation will represent the ISO's best estimates at the time, and is not intended to affect any rights provided under Existing Contracts, except as provided in Section 16.2.4.3. The ISO's forecast of total transfer capability for each Inter-Zonal Interface will depend on prevailing conditions for the relevant Trading Day, including, but not limited to, the effects of parallel path (unscheduled) flows and/or other limiting operational conditions. This information will be posted on WEnet by the ISO in accordance with Appendix Y. In accordance with Section 16.2.4D of the ISO Tariff, the four categories are as follows:

- (a) transmission capacity that must be reserved for firm Existing Rights;
- (b) transmission capacity that may be allocated for use as ISO transmission service (i.e., "new firm uses");
- (c) transmission capacity that may be allocated by the ISO for conditional firm Existing Rights; and
- (d) transmission capacity that may remain for any other uses, such as non-firm Existing Rights for which the Responsible PTO has no discretion over whether or not to provide such non-firm service.

24 TRANSMISSION EXPANSION.

A Participating TO shall be obligated to construct all transmission additions and upgrades that are determined to be needed in accordance with the requirements of this Section 24 and which: (1) are additions or upgrades to transmission facilities that are located within its PTO Service Territory, unless it does not own the facility being upgraded or added and neither terminus of such facility is located within its PTO Service Territory; or (2) are additions to existing transmission facilities or upgrades to existing transmission facilities that it owns, that are part of the ISO Controlled Grid, and that are located outside of its PTO Service Territory, unless the joint-ownership arrangement, if any, does not permit. A Participating TO's obligation to construct such transmission additions and upgrades shall be subject to: (1) its ability, after making a good faith effort, to obtain all necessary approvals and property rights under applicable federal, state, and local laws and (2) the presence of a cost recovery mechanism with cost responsibility assigned in accordance with Section 24.7. The obligations of the Participating TO to construct such transmission additions or upgrades will not alter the rights of any entity to construct and expand transmission facilities as those rights would exist in the absence of the TO's obligations under this ISO Tariff or as those rights may be conferred by the ISO or may arise or exist pursuant to this ISO Tariff.

24.1 Determination of Need.

A Participating TO or any other Market Participant may propose a transmission system addition or upgrade. The ISO will determine that a transmission addition or upgrade is needed where it will promote economic efficiency or maintain System Reliability as set forth below.

27.1.1.3 Use of Computational Algorithms for Congestion Management and Pricing.

The ISO will use computer optimization algorithms to implement its Congestion Management process.

27.1.1.4 Adjustment Bids Will Be Used by the ISO to Manage Congestion.

27.1.1.4.1 Uses of Adjustment Bids by the ISO.

27.1.1.4.1.1 The ISO shall use the Adjustment Bids, in both the Day-Ahead Market and the Hour-Ahead Market, to schedule Inter-Zonal Interface capacity to those Scheduling Coordinators which value it the most to reflect the Scheduling Coordinators' implicit values for Inter-Zonal Interface capacity and to determine the prices for the use of Congested Inter-Zonal Interfaces.

27.1.1.4.1.2 The Adjustment Bids will be used by the ISO to determine the marginal value associated with each Congested Inter-Zonal Interface.

27.1.1.4.1.3 The ISO shall use Energy Bids from Generating Units and from other resources in the ISO's real-time system operation, for increasing resources' output for Intra-Zonal Congestion Management and to decrement Generation in order to accommodate Overgeneration conditions, including Reliability Must-Run Generation which the ISO requests under Reliability Must-Run Contracts.

27.1.1.4.1.4 To facilitate trades amongst Scheduling Coordinators, the ISO will develop procedures to publish Adjustment Bids of those Scheduling Coordinators who authorize the publication of their identity and/or Adjustment Bids. Scheduling Coordinators will then be able to utilize this information to conduct trades to aid Congestion Management.

27.1.1.4.2 Submission of Adjustment Bids.

27.1.1.4.2.1 Each Scheduling Coordinator is required to submit a preferred operating point for each of its resources. However, a Scheduling Coordinator is not required to submit an Adjustment Bid for a resource.

27.1.1.4.2.2 The minimum MW output level specified for a resource, which may be zero MW, and the maximum MW output level specified for a resource must be physically realizable by the resource.

27.1.1.4.2.3 The Scheduling Coordinator's preferred operating point for each resource must be within

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ISO's computer optimization algorithm to equal the total change in Redispatch costs (based on the Adjustment Bids) that would result if the interface's scheduling limit was increased by a small increment.

27.1.1.5.2.3 As part of the Day-Ahead scheduling procedure, but not the Hour-Ahead scheduling procedure, Scheduling Coordinators will be given the opportunity to adjust their Preferred Schedules (including the opportunity to make trades amongst one another) and to submit Revised Schedules to the ISO, in response to the ISO's Suggested Adjusted Schedules and prices for Inter-Zonal Interfaces.

27.1.1.5.2.4 If the ISO receives any Revised Schedules it will execute its Inter-Zonal Congestion Management algorithms using revised Preferred Schedules, to produce a new set of allocations and prices.

27.1.1.5.2.5 All of the ISO's calculations will treat each Settlement Period independently of the other Settlement Periods in the Trading Day.

27.1.1.5.2.6 If inadequate Adjustment Bids have been submitted to schedule Inter-Zonal Interface capacity on an economic basis and to the extent that scheduling decisions cannot be made on the basis of economic value, the ISO will allocate the available Inter-Zonal Interface capacity to Scheduling Coordinators in proportion to their respective proposed use of that capacity as indicated in their Schedules and shall curtail scheduled Generation and Demand to the extent necessary to ensure that each Scheduling Coordinator's Schedule remains balanced, except for those uses of transmission service under Existing Contracts, which are curtailed in accordance with Sections 16.2.4.2 and 16.2.4.3.

27.1.1.5.2.7 The ISO will publish information prior to the Day-Ahead Market, between the iterations of the Day-Ahead Market, and prior to the Hour-Ahead Market, to assist the Scheduling Coordinators to construct their Adjustment Bids so as to actively participate in the management of Congestion and the valuation of Inter-Zonal Interfaces. This information may include the ISO's most-current information regarding: potentially Congested paths, projected transmission uses, projected hourly Loop Flows across Inter-Zonal Interfaces, scheduled line Outages, forecasts of expected system-wide Load, the ISO's Ancillary Services requirements, Generation Meter Multipliers, and power flow outputs.

particular hour.

27.1.2.1.5 Determination of Usage Charges to be Paid to Scheduling Coordinators Who Counter-Schedule.

27.1.2.1.5.1 Scheduling Coordinators who in effect create additional Inter-Zonal Interface transmission capacity on Congested Inter-Zonal Interfaces will receive from the ISO a Usage Charge for each hour they have counter-scheduled on the Congested Inter-Zonal Interfaces. The amount payable shall be the product of the Usage Charge referred to in Section 27.1.2.1.2 for that particular hour, multiplied by the Scheduling Coordinator's scheduled flows.

27.1.2.1.5.2 If a Scheduling Coordinator fails to provide the scheduled flows in a counter direction, it must reimburse the ISO for the ISO's costs of buying or selling Imbalance Energy in each of the Zones affected by the non-provided scheduled flows in a counter direction, at the ISO's Zonal Imbalance Energy prices. That is, any Scheduling Coordinator that does not produce, in real time, the amount of Energy scheduled in the Day-Ahead Market or Hour-Ahead Market will be deemed to have purchased/sold the amount of Energy under/over produced in the real-time imbalance market at the real-time price.

27.1.2.1.6 ISO Disbursement of Net Usage Charge Revenues.

The ISO will determine the net Usage Charges on an interface-by-interface basis by subtracting the Usage Charge fees paid to Scheduling Coordinators from the Usage Charge fees paid by Scheduling Coordinators. The net Usage Charge revenues collected by the ISO for each Inter-Zonal Interface shall be, subject to the provisions of Section 27.1.2.1.7 of the ISO Tariff, paid to: (i) FTR Holders, in accordance with Section 36.6; and (ii) to the extent not paid to FTR Holders, to Participating TOs who own the Inter-Zonal Interfaces and Project Sponsors as provided in Section 24.7.3 (in proportion to their respective ownership rights). If a New Participating TO has received FTRs, pursuant to Section 36.4.3, over an Inter-Zonal Interface, the MW of FTRs received shall not be eligible for the disbursement of Usage Charge revenues under part (ii) of this section. Participating TOs will credit in turn the Usage Charge revenue to their Transmission Revenue Balancing Accounts, or, for those Participating TOs that do not have such accounts, to their Transmission Revenue Requirements.

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- 30.2.6.6** Energy type – firm (FIRM), non-firm (NFRM) or dynamic (DYN) or Wheeling (WHEEL);
- 30.2.6.7** external Control Area ID;
- 30.2.6.8** priority type, if applicable, to the Settlement Period (use OTHER if scheduling the use of Existing Contract rights or RLB_MUST_RUN for Reliability Must-Run Generation);
- 30.2.6.9** contract reference number for Reliability Must-Run Generation or Existing Contract (or set of interdependent Existing Contracts);
- 30.2.6.10** contract type – transmission (TRNS), Energy (ENGY) or both (TR_EN);
- 30.2.6.11** Schedule ID (NERC ID number);
- 30.2.6.12** Congestion Management flag – “Yes” indicates that any Adjustment Bid submitted for an external import/export in item (q) below should be used;
- 30.2.6.13** publish Adjustment Bid flag, which will not be functional on the ISO Operations Date. In the future, “Yes” will indicate that the Scheduling Coordinator wishes the ISO to publish its Adjustment Bids;
- 30.2.6.14** Complete NERC tag;
- 30.2.6.15** hourly scheduled external imports/exports in MWh (the ISO will multiply these values by the hourly Generation Meter Multipliers), including any zero values, for each Settlement Period of the Trading Day (in the case of a Day-Ahead Schedule) and for the relevant Settlement Period (in the case of an Hour-Ahead Schedule) and with external imports into the ISO Controlled Grid reported as negative quantities and external exports from the ISO Controlled Grid reported as positive quantities;
- 30.2.6.16** the MW and \$/MWh values for each external import/export for which an Adjustment Bid is being submitted consistent with Section 30.2.8;
- 30.2.6.17** for dynamically scheduled imports only, the transmission loss self-provision flag (LOSS_CMP_FLG): “Yes” indicates that Dispatch Instructions provided to the resource will include Transmission Losses associated with the resource’s Final Hour-Ahead Schedule as determined by the relevant GMM.

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36.2.2 The ISO Governing Board shall, from time to time, approve the amount of FTRs to be auctioned for each FTR Market and the ISO shall publish this information on the ISO Home Page at least thirty (30) days prior to the auction. The ISO may issue FTRs in one or more auctions in any year so long as the total FTRs for any interface do not exceed the maximum amount permitted in Section 36.3.

36.2.2.1 Should the ISO create additional Zones or otherwise change the ISO's defined Inter-Zonal Interface, and if such changes would affect outstanding FTRs, such changes will not take effect prior to the expiration date of any such outstanding FTRs. The ISO shall also publish an announcement of any such pending changes on the ISO Home Page and WEnet at least thirty (30) days prior to the applicable FTR auction.

36.2.2.2 Any additional FTRs auctioned as a result of changes in the ISO's defined Inter-Zonal Interfaces shall not affect the rights associated with existing FTRs.

36.2.3 Each FTR shall be issued in the denomination of 1 MW. The annual release of FTRs shall start with the hour beginning at 12:00 a.m., on April 1 and end with the hour beginning at 11:00 p.m., on March 31 of the following year. An FTR shall not afford the FTR Holder any right to share in Usage Charges attributable to Inter-Zonal Congestion occurring in any hour before or after the term of the FTR.

36.2.4 The portion of the Usage Charges to which the FTR Holder is entitled shall be determined in accordance with Section 36.6.

36.2.5 FTR Holders shall be entitled to priority in the scheduling of Energy in the Day-Ahead Market as specified in Section 36.7.

36.2.6 Any entity, with the exception of the ISO, shall be eligible to acquire FTRs by participating in the ISO's auction of FTRs, as described in Section 36.4, or by purchasing FTRs in secondary markets. To participate in the ISO's auction of FTRs, an entity must either be a certified Scheduling Coordinator or have met financial requirements equivalent to the financial certification criteria required of all Scheduling Coordinators. An entity may not acquire FTRs with a total value that exceeds the financial security proved by that entity to the ISO. In addition, an FTR Bidder must have, or have access to, the necessary technical equipment to participate in the electronic auction.

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authority to assess the sanctions, and otherwise to enforce the rules as set forth and described in this Section 37. FERC shall have authority to remedy a violation under this Section 37 from the date of the violation. Nothing in this Section 37 shall be deemed to be a limitation or condition on the authority of FERC or other entities under current law or regulation.

37.1.5 Administration.

The Marketing Monitor Unit will administer the Rules of Conduct specified herein, except for Section 37.7, which shall be administered by FERC, and except as provided in Section 37.2.5 and Section 37.4.4. Nothing in this ISO Tariff limits or should be construed to limit the ability of components of the ISO organization other than the Market Monitoring Unit to analyse data and refer matters to the Market Monitoring Unit for enforcement.

37.2 Comply with Operating Orders.

37.2.1 Compliance with Orders Generally.

37.2.1.1 Expected Conduct.

Market Participants must comply with operating orders issued by the ISO as authorized under the ISO Tariff. For purposes of enforcement under this Section 37.2, an operating order shall be an order(s) from the ISO directing a Market Participant to undertake, a single, clearly specified action (e.g., the operation of a specific device, or change in status of a particular Generating Unit) that is feasible and intended to resolve a specific operating condition. A Market Participant's failure to obey an operating order containing multiple instructions to address a specific operating condition will result in a single violation of Section 37.2. If some limitation prevents the Market Participant from fulfilling the action requested by the ISO, then the Market Participant must promptly and directly communicate the nature of any such limitation to the ISO. Compliance with ISO operating orders requires a good faith effort to achieve full performance as soon as is reasonably practicable in accordance with Good Utility Practice.

37.2.1.2 Sanctions.

The Sanction for a violation of this Section shall be the greater of the quantity of Energy non-performance multiplied by the applicable Hourly Ex Post Price or the following: for the

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first violation in a rolling twelve (12) month period, \$5,000; for the second and subsequent violations in a rolling twelve (12) month period, \$ 10,000. Sanctions under Section 37.2.1 will not be greater than \$10,000 per violation and will be subject to the limitation stated in Section 37.2.6. If a quantity of energy cannot be objectively determined, then the financial sanctions specified above will apply. A Market Participant may incur Sanctions for more than one violation per day.

37.2.2 Failure to Curtail Load.

37.2.2.1 Expected Conduct.

A UDC or MSS Operator shall promptly comply with any ISO operating order to curtail interruptible or firm load issued pursuant to the ISO's authority under Section 7.4.11.3 of the ISO Tariff.

37.2.2.2 Sanctions.

The Sanction for non-compliance with an operating order to curtail load will be \$10,000 for each violation.

37.2.3 Operations & Maintenance Practices.

37.2.3.1 Expected Conduct.

Market Participants shall undertake such operating and maintenance practices as necessary to avoid contributing to a major outage or prolonging response time as indicated by Section 7.4.13.3 of the ISO Tariff.

37.2.3.2 Sanctions.

The Sanction for a violation of Section 37.2.3 will be \$10,000.

37.2.4 Must-Offer Denials/Revocations.

37.2.4.1 Expected Conduct.

A Market Participant shall start a Generating Unit and have that Generating Unit operating at minimum load within 30 minutes of the time at which a must-offer waiver revocation becomes effective, or report the derate, outage or other event outside the control of the Market Participant that prevents the Generating Unit from being started by such time. Notwithstanding the foregoing, no violation shall occur unless the

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Forward Scheduling

Charge

The component of the Grid Management Charge that provides for the recovery of the ISO's costs, including, but not limited to the costs of providing the ability to Scheduling Coordinators to forward schedule Energy and Ancillary Services and the cost of processing accepted Ancillary Service bids. For purposes of the Forward Scheduling Charge, a schedule is represented by each Final Hour-Ahead Schedule with a value other than 0 MW submitted to the scheduling infrastructure/scheduling application system (import, export, Load, Generation, inter-Scheduling Coordinator trade, and Ancillary Services, including self-provided Ancillary Services) submitted to the ISO's scheduling infrastructure. The formula for determining the Forward Scheduling Charge is set forth in Appendix F, Schedule 1, Part A of this Tariff. Parts II and III of the Federal Power Act, 16 U.S.C. § 824 et seq., as they may be amended from time to time.

FPA

FTR (Firm Transmission Right)

A contractual right, subject to the terms and conditions of the ISO Tariff, that entitles the FTR Holder to receive, for each hour of the term of the FTR, a portion of the Usage Charges received by the ISO for transportation of energy from a specific originating Zone to a specific receiving Zone and, in the event of an uneconomic curtailment to manage Day-Ahead Congestion, to a Day-Ahead scheduling priority higher than that of a Schedule using Converted Rights capacity that does not have an FTR.

FTR Bidder

An entity that submits a bid in an FTR auction conducted by the ISO in accordance with Section 36.4 of the ISO Tariff.

FTR Holder

The owner of an FTR, as registered with the ISO.

FTR Market

A transmission path from an originating Zone to a contiguous receiving Zone for which FTRs are auctioned by the ISO in accordance with Section 36.4 of the ISO Tariff.

Full Marginal Loss Rate

A rate calculated by the ISO for each Generation and Scheduling Point location to determine the effect on total system Transmission Losses of injecting an increment of Generation at each such location to serve an equivalent incremental MW of Demand distributed proportionately throughout the ISO Control Area.

Generating Facility

An Interconnection Customer's Generating Unit(s) used for the

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Standard Large Generator Interconnection Procedures, in accordance with Section 25.1 of the ISO Tariff.

Interconnection Service

The service provided by the Participating TO and ISO associated with interconnecting the Interconnection Customer's Generating Facility to the ISO Controlled Grid and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement, the Participating TO's TO Tariff, and the ISO Tariff.

Interconnection Study

Any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

**Interconnection System
Impact Study**

An engineering study conducted by the Participating TO(s), ISO, or a third party consultant for the Interconnection Customer that evaluates the impact of the proposed interconnection on the safety and reliability of the ISO Controlled Grid and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

**Interconnection System
Impact Study Agreement**

The form of agreement accepted by FERC and posted on the ISO Home Page for conducting the Interconnection System Impact Study.

Interest

Interest shall be calculated in accordance with the methodology specified for interest on refunds in the regulations of FERC at 18 C.F.R. §35.19(a)(2)(iii) (1996). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment, except as provided in Section 11.2.1. When payments are made by mail, bills shall be considered as having been paid on the date of receipt.

Interruptible Imports

Energy sold by a Generator or resource located outside the ISO

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Voltage Support

Services provided by Generating Units or other equipment such as shunt capacitors, static var compensators, or synchronous condensers that are required to maintain established grid voltage criteria. This service is required under normal or System Emergency conditions.

Waiver Denial Period

The period determined in accordance with Section 40.1.6.

Warning Notice

A Notice issued by the ISO when the operating requirements for the ISO Controlled Grid are not met in the Hour-Ahead Market, or the quantity of Regulation, Spinning Reserve, Non-Spinning Reserve, Replacement Reserve and Supplemental Energy available to the ISO does not satisfy the Applicable Reliability Criteria.

Weekly Peak Demand

Forecast

Demand Forecast of the highest Hourly Demand in any hour in a period beginning at the start of the hour ending 0100 on Sunday and ending at the end of the hour ending 2400 the following Saturday, in MW.

WEnet (Western Energy Network)

An electronic network that facilitates communications and data exchange among the ISO, Market Participants and the public in relation to the status and operation of the ISO Controlled Grid.

Western Interconnection

A network of transmission lines embodied within the WECC region.

Western Path 15

The Western Area Power Administration, Sierra Nevada Region (or its successor) with respect solely to its rights and interests in the Path 15 Upgrade.

Wheeling

Wheeling Out or Wheeling Through.

Wheeling Access Charge

The charge assessed by the ISO that is paid by a Scheduling Coordinator for Wheeling in accordance with Section 26.1. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996. The Wheeling Access Charge may consist of a High Voltage Wheeling Access Charge and a Low Voltage Wheeling Access Charge.

Wheeling Out

Except for Existing Rights exercised under an Existing Contract in accordance with Sections 16.1 and 16.2, the use of the ISO Controlled Grid for the transmission of Energy from a Generating Unit located within the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.

Wheeling Through

Except for Existing Rights exercised under an Existing Contract in

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X of this Agreement. With respect to any notice of termination given pursuant to this Section, the ISO must file a timely 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 preconditions for termination have been met, and (2) the ISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

- 3.2.2 Termination by Participating Generator.** In the event that the Participating Generator no longer wishes to schedule Energy or provide Ancillary Services through a Scheduling Coordinator over the ISO Controlled Grid, it may terminate this Agreement, on giving the ISO ninety (90) days written notice, provided, however, that in accordance with Section 4.1.3, the Participating Generator may modify Schedule 1 to eliminate Generating Units which it no longer owns or no longer has contractual entitlement to and such modification shall be effective upon receipt by the ISO. With respect to any notice of termination given pursuant to this Section, the ISO must file a timely 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 preconditions for termination have been met, and (2) the ISO files the notice of termination within 30 days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Generating Units

- 4.1.1 Identification of Generating Units.** The Participating Generator has identified the Generating Units that it owns, operates or has a contractual entitlement to in Schedule 1, as required by Section 4.6.4 of the ISO Tariff.
- 4.1.2 Technical Characteristics.** The Participating Generator has provided to the ISO in Schedule 1 the required information regarding the capacity and operating characteristics of each of the Generating Units listed in that schedule. Pursuant to Section 8.10.1 of the ISO Tariff, the ISO may verify, inspect and test the capacity and operating characteristics provided in Schedule 1.
- 4.1.3 Notification of Changes.** Sixty (60) days prior to changing any technical information in Schedule 1, the Participating Generator shall notify the ISO of the proposed changes. Pursuant to Section 8.10.1 of the ISO Tariff, the ISO may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. The ISO shall post on the ISO Home Page a schedule showing, for at least one year in advance: (i) the proposed dates on which the ISO's Master File will be updated, which dates shall occur at least every three months; (ii) the dates on which the information contained in the revised Master File will become effective; and (iii) the deadlines by which changed technical information must be submitted to the ISO in order to be tested and included in the next scheduled update of the ISO's Master File. Unless the Participating Generator fails to test at the values in the proposed change(s), the change will become effective upon the effective date for the next scheduled update of the Master File, provided the Participating

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Generator submits the changed information by the applicable deadline and is tested by the deadline. Subject to such notification this Agreement shall not apply to any generating unit identified in Schedule 1 which the Participating Generator no longer owns or no longer has contractual entitlement to.

- 4.2 Agreement Subject to ISO Tariff.** The Parties will comply with all applicable provisions of the ISO Tariff, including Sections 7.4, 8.2.3.4 and 4.6. This Agreement shall be subject to the ISO Tariff which shall be deemed to be incorporated herein.
- 4.3 Obligations Relating to Ancillary Services**
- 4.3.1 Submission of Bids.** When the Scheduling Coordinator on behalf of the Participating Generator submits a bid for Ancillary Services, the Participating Generator will, by the operation of this Section 4.3.1, warrant to the ISO that it has the capability to provide that service in accordance with the ISO Tariff and that it will comply with ISO Dispatch instructions for the provision of the service in accordance with the ISO Tariff.
- 4.3.2 Certification.** Except as provided in Section 4.3.3, the Participating Generator shall not use a Scheduling Coordinator to submit a bid for the provision of an Ancillary Service or submit a schedule for the self provision of an Ancillary Service unless the Scheduling Coordinator serving that Participating Generator is in possession of a current certificate pursuant to Sections 8.4 and 8.10 of the ISO Tariff.
- 4.3.3 Initial Exemption.** Not later than November 1, 1998, the ISO shall fully implement its certification process in accordance with Sections 8.4 and 8.10 of the ISO Tariff. Until full implementation of the certification process and notification of the Participating Generator and its Scheduling Coordinator of the completion of such process, the non-certified Scheduling Coordinator on behalf of a Participating Generator may submit a bid for the provision of an Ancillary Service or submit a schedule for the self provision of an Ancillary Service. Upon timely notification by the ISO, the Participating Generator must complete the certification process prior to November 1, 1998 to continue its participation in accordance with Section 4.6.7.3 of this Agreement.
- 4.4 Obligations relating to Major Incidents**
- 4.4.1 Major Incident Reports.** The Participating Generator shall promptly provide such information as the ISO may reasonably request in relation to major incidents, in accordance with Section 4.6.7.3 of the ISO Tariff.

ARTICLE V

PENALTIES AND SANCTIONS

- 5.1 Penalties.** If the Participating Generator fails to comply with any provisions of this Agreement, the ISO shall be entitled to impose penalties and sanctions on the Participating Generator. No penalties or sanctions may be imposed under this Agreement unless a Schedule providing for such penalties or sanctions has first been filed with and made effective by FERC. Nothing in the Agreement, with the exception of the provisions relating to ADR, shall be construed as waiving the rights of the Participating Generator to oppose or protest any penalty proposed by the ISO to the

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Black Start Capability

The user rate per unit of purchased Black Start capability for each Settlement Period will be calculated in accordance with ISO Tariff Section 8.12.5.

Imbalance Energy Charges

Rates for Imbalance Energy will be calculated in accordance with the formula in ISO Tariff Section 11.2.4.1.

Replacement Reserve Charge

The Replacement Reserve Charge will be calculated in accordance with ISO Tariff Sections 8.12.3A and 11.2.4.1.

Unaccounted for Energy

Rates for UFE will be calculated in accordance with ISO Tariff Section 11.2.4.1.

Transmission Losses Imbalance Charges

Transmission Losses for each hour will be calculated in accordance with ISO Tariff Sections 27.2.1.2.

Access Charges

The High Voltage Access Charge and Transition Charge is set forth in ISO Tariff Schedule 3 of Appendix F. The Low Voltage Access Charge of each Participating TO is set forth in that Participating TO's TO Tariff or comparable document.

Usage Charges

The amount payable by Scheduling Coordinators is determined in accordance with ISO Tariff Section 27.1.2.1.4. Usage Charges will be calculated in accordance with ISO Tariff Section 27.1.2.1.

Default Usage Charge

The Default Usage Charge will be used in accordance with ISO Tariff Section 27.1.2.1.

Grid Operations Charge for Intra-Zonal Congestion

Intra-Zonal Congestion during the initial period of operation will be managed in accordance with ISO Tariff Sections 27.1.1.6.1 and 27.1.1.6.2.

Wheeling Access Charges

The Wheeling Access Charge for transmission service is set forth in Section 26.1.4.1 of the ISO Tariff and Appendix II of the TO Tariffs.

Charge for Failure to Conform to Dispatch Instructions

The Charge for Failure to Conform to Dispatch Instructions will be determined in accordance with ISO Tariff Section 34.8.

Reliability Must-Run Charge

The Reliability Must-Run Charge will be determined in accordance with ISO Tariff Section 30.6.1.1.

FERC Annual Charge Recovery Rate

The FERC Annual Charge Recovery Rate will be determined in accordance with ISO Tariff Section 11.2.11.

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modification shall be effective upon receipt by the ISO. With respect to any notice of termination given pursuant to this Section, the ISO must file a timely 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 preconditions for termination have been met, and (2) the ISO files the notice of termination within thirty (30) days of receipt of such request. This Agreement shall terminate upon acceptance by FERC of such a notice of termination.

ARTICLE IV

GENERAL TERMS AND CONDITIONS

4.1 Technical Characteristics.

4.1.1 Curtailable Demand. As required by Section 8.4 of the ISO Tariff, the Participating Load shall provide the ISO with all technical and operational information requested in Schedule 1 for each Curtailable Demand that it owns, operates, or has a contractual entitlement to. For those Loads designated by the Participating Load as providing Curtailable Demand, Schedule 1 requires the Participating Load to indicate in Schedule 1 whether the Load can be scheduled or bid as Non-Spinning Reserve or Replacement Reserve. Pursuant to Section 8.10.1 of the ISO Tariff, the ISO may verify, inspect and test the capacity and operating characteristics provided in Schedule 1 for Curtailable Demands.

4.1.2 Dispatchable Load. The Participating Load shall provide the ISO that information required in Schedule 1 which is relevant to the Dispatchable Load that it owns, operates, or has a contractual entitlement to for the provision of Adjustment Bids.

4.2 Metering and Communication.

4.2.1 Curtailable Demand. Pursuant to Sections 8.4.4 and 8.4.6 of the ISO Tariff, Curtailable Demand that is scheduled or bid as Non-Spinning Reserve or Replacement Reserve is required to comply with the ISO's communication and metering requirements.

4.2.2 Dispatchable Load. The Participating Load shall schedule Dispatchable Load pursuant to Section 30.2.1 of the ISO Tariff. Dispatchable Load shall comply with the ISO's communication and metering requirements.

4.3 UDC Interruptible Load Programs. Due to the ISO's reliance on interruptible Loads to relieve System Emergencies and its contractual relationship with each UDC, the ISO will not accept, and the Participating Load shall not submit Adjustment Bids, Supplemental Energy bids, or Ancillary Services bids or self-provided Ancillary Service Schedules from interruptible Loads which are subject to curtailment criteria established under existing retail tariffs, except under such conditions as may be specified in the ISO Tariff.

4.4 Notification of Changes. Sixty (60) days prior to changing any technical information in Schedule 1, the Participating Load shall notify the ISO of the proposed change(s). Pursuant to Section 8.10.1 of the ISO Tariff, the ISO may verify, inspect and test the capacity and operating characteristics provided in the revised Schedule 1. The ISO shall post on the ISO Home Page a schedule

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Access Charge (LVAC) that is based on a utility-specific rate established by each Participating TO in accordance with its TO Tariff.

- 5.2 Each Participating TO will develop, in accordance with Section 6 of this Schedule 3, a High Voltage Transmission Revenue Requirement (HVTRR_{PTO}) consisting of a Transmission Revenue Requirement for Existing High Voltage Facility (EHVTRR_{PTO}) and a Transmission Revenue Requirement for New High Voltage Facility (NHVTRR_{PTO}). The HVTRR_{PTO} includes the TRBA adjustment described in Section 6.1 of this Schedule 3.
- 5.3 The Gross Load amount in MWh shall be established by each Participating TO and filed at FERC with each Participating TO's Transmission Revenue Requirement (GL_{PTO}).
- 5.4 The HVAC applicable to each UDC or MSS Operator serving Gross Load in the PTO Service Territory, shall be based on a TAC Area component (HVAC_A) and an ISO Grid-wide component (HVAC_I).

$$\text{HVAC} = \text{HVAC}_A + \text{HVAC}_I$$

- 5.5 The Existing Transmission Revenue Requirement for the TAC Area component (ETRR_A) is the summation of each Participating TO's EHVTRR_{PTO} in that TAC Area. The Gross Load in the TAC Area (GL_A) is the summation of each Participating TO's Gross Load in that TAC Area (GL_{PTO}). The TAC Area component will be based on the product of Existing Transmission Revenue Requirement for the TAC Area (ETRR_A) and the applicable annual transition percentage (%TA) in Section 5.8 of this Schedule 3, divided by the Gross Load in the TAC Area (GL_A).

$$\text{ETRR}_A = \sum \text{EHVTRR}_{\text{PTO}}$$

$$\text{GL}_A = \sum \text{GL}_{\text{PTO}}$$

$$\text{HVAC}_A = (\text{ETRR}_A * \%TA) / \text{GL}_A$$

- 5.6 The Existing Transmission Revenue Requirement for the ISO Grid-wide component (ETRR_I) will be the summation of all TAC Areas' ETRR_A multiplied by the applicable annual transition percentage (%IGW) in Section 5.8 of this Schedule 3. The New Transmission Revenue Requirement (NTRR) is the summation of each Participating TO's NHVTRR_{PTO}. The ISO Grid-wide component will be based on the ETRR_I plus the NTRR, divided by the summation of all Gross Loads in the TAC Areas (GL_A).

$$\text{ETRR}_I = \sum \text{ETRR}_A * \%IGW$$

$$\text{HVAC}_I = (\text{ETRR}_I + \text{NTRR}) / \sum \text{GL}_A$$

The foregoing formulas will be adjusted, as necessary to take account of new TAC Areas.

- 5.7 The Transition Charge shall be calculated separately for each Participating TO by dividing (i) the net difference between (1) the Participating TO's payment responsibility, if any, under Section 26.5 of the ISO Tariff and Section 7 of this Schedule 3; and (2) the amount, if any, payable to the Participating TO in accordance with Section 26.5 of the ISO Tariff and Section 7 of this Schedule 3; by (ii) the total of all forecasted Gross Load in the PTO Service Territory of the Participating TO, including the UDC and/or MSS Operator. If greater than zero, the

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Transition Charge shall be collected with the High Voltage Access Charge. If less than zero, the Transition Charge shall be credited with the High Voltage Access Charge. The amount of each Participating TO's NHVTRR shall not be included in the Transition Charge calculation.

- 5.8 The High Voltage Access Charge shall transition over a 10-year period from TAC Area to ISO Grid-wide. The transition percentage to be used for each year will be based on the following:

Year	TAC Area High Voltage (%TA)	ISO Grid-Wide High Voltage (%IGW)
1	90%	10%
2	80%	20%
3	70%	30%
4	60%	40%
5	50%	50%
6	40%	60%
7	30%	70%
8	20%	80%
9	10%	90%
10	0%	100%

- 5.9 After the completion of the transition period described in Section 4 of this Schedule 3, the High Voltage Access Charge shall be equal to the sum of the High Voltage Transmission Revenue Requirements of all Participating TOs, divided by the sum of the Gross Loads of all Participating TOs.

6. High Voltage Transmission Revenue Requirement.

- 6.1 The High Voltage Transmission Revenue Requirement of a Participating TO will be determined consistent with ISO procedures posted on the ISO Home Page and shall be the sum of:
- (a) the Participating TO's High Voltage Transmission Revenue Requirement (including costs related to Existing Contracts associated with transmission by others and deducting transmission revenues actually expected to be received by the Participating TO related to transmission for others in accordance with Existing Contracts, less the sum of the Standby Transmission Revenues); and

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- (b) the annual high voltage TRBA adjustment shall be based on the principal balance in the high voltage TRBA as of September 30, which shall be calculated as a dollar amount based on the projected Transmission Revenue Credits as adjusted for the true up of the prior year's difference between projected and actual credits. For a Participating TO that is not a UDC, MSS or a Scheduling Coordinator serving End-Use Customers and that does not have Gross Load in its TO Tariff in accordance with Appendix F, Schedule 3, Section 9, the Participating TO shall include any over- or under-recovery of its annual High Voltage Transmission Revenue Requirement in its high voltage TRBA. If the annual high voltage TRBA adjustment involves only a partial year of operations, the Participating TO's over- or under-recovery shall be based on a partial year revenue requirement, calculated by multiplying the Participating TO's High Voltage Transmission Revenue Requirement by the number of days the High Voltage Transmission Facilities were under the ISO's Operational Control divided by the number of days in the year.

7. Limitation

- (a) During each year of the transition period described in this Schedule 3, the increase in the total payment responsibility applicable to Gross Loads in the PTO Service Territory of an Original Participating TO attributable to the total for the year of (i) the amount applicable for the Original Participating TO under Section 26.5 of the ISO Tariff; plus (ii) the amount applicable to the implementation of the High Voltage Access Charge shall not exceed the amount specified in paragraph (b) of this section. This limitation shall be calculated individually for each Original Participating TO, provided that, if the net effect of clauses (i) and (ii) of this paragraph is positive for one or more Original Participating TOs for any year, the combined net effect shall be allocated among all Original Participating TOs in proportion to the amounts specified in paragraph (b) of this section. This limitation shall be applied by the ISO's calculation annually of amounts payable by New Participating TOs to Original Participating TOs such that the combined effect of clauses (i) and (ii) of this paragraph, and the payments received by each Original Participating TO shall not exceed the amounts specified in paragraph (b) of this section. The amount receivable by the Original Participating TO from the New Participating TOs to implement the limitation in paragraph (b) of this section, shall be credited through the Transition Charge established pursuant to Section 5.7 of this Schedule 3. Payment responsibility under this section, if any, shall be allocated among New Participating TOs in proportion to their TAC Benefits.
- (b) The maximum annual amounts for Original Participating TO shall be as follows:
 - (i) For Pacific Gas and Electric Company and Southern California Edison Company, the maximum annual amount shall be thirty-two million dollars (\$32,000,000.00) each; and
 - (ii) For San Diego Gas & Electric Company, the maximum annual amount shall be eight million dollars (\$8,000,000.00).

8. Updates to High Voltage Access Charges.

- 8.1** High Voltage Access Charges and High Voltage Wheeling Access Charges shall be adjusted: (1) on January 1 and July 1 of each year when necessary to reflect the addition of any New Participating TO and (2) on the date FERC makes effective a change to the High Voltage Transmission Revenue Requirements of any Participating TO. Using the High Voltage

ISO TARIFF APPENDIX H
Methodology for Developing the Weighted Average Rate
for Wheeling Service

The weighted average rate payable for Wheeling over joint facilities at each Scheduling Point shall be calculated as follows, applying the formula separately to the applicable Wheeling Access Charges:

$$WBAC = \sum \left(P_n \times \frac{Q_n}{\sum Q_n} \right)$$

Where:

- WBAC = Weighted-average Wheeling Access Charge for each ISO Scheduling Point
- P_n = The applicable Wheeling Access Charge rate for a TAC Area or Participating TO_n in \$/kWh as set forth in Section 26.1.4 of the ISO Tariff and Section 5 of the TO Tariff.
- Q_n = The Available Transfer Capacity (in MW), whether from transmission ownership or contractual entitlements, of each Participating TO_n for each ISO Scheduling Point which has been placed within the ISO Controlled Grid. Available Transfer Capacity shall not include capacity associated with Existing Rights of a Participating TO as defined in Section 16.2 of the ISO Tariff.
- n = the number of Participating TOs from 1 to n

ATTACHMENT A.2:
BLACKLINE *PRO FORMA* S&R TARIFF SHEETS

4.3.1 Nature of Relationship.

Each Participating TO shall enter into a Transmission Control Agreement with the ISO. In addition to converting Existing Rights in accordance with Section ~~16.2.1A~~ **16.2.1A.1**, and except as provided in Section 4.3.1.3, New Participating TOs will be required to turn over Operational Control of all facilities and Entitlements that: (1) satisfy the FERC's functional criteria for determining transmission facilities that should be placed under ISO Operational Control; (2) satisfy the criteria adopted by the ISO Governing Board identifying transmission facilities for which the ISO should assume Operational Control; and (3) are the subject of mutual agreement between the ISO and the Participating TOs. The ISO shall notify Market Participants when an application has been received from a potential Participating TO and shall notify Market Participants that a New Participating TO has executed the Transmission Control Agreement and the date on which the ISO will have Operational Control of the transmission facilities.

4.5.1.2.1.2 Obligation to Report a Change in Credit Rating.

The Scheduling Coordinator has an ongoing obligation to inform the ISO within 3 Business Days ***if its Approved Credit Rating has been reduced below the ISO requirements of any change to its Credit Rating.***

4.5.1.2.2.1 Failure to Promptly Report a Material Change.

If a Scheduling Coordinator fails to inform the ISO of a material change in its information provided to the ISO, which may affect the reliability or safety of the ISO ~~**Controlled Grid**~~ **Balancing Authority Area**, or the financial security of the ISO, the ISO may suspend or terminate the Scheduling Coordinator's rights under the ISO Tariff in accordance with the terms of ISO Tariff Sections 12.3 and 4.5.1 respectively. If the ISO intends to terminate the Scheduling Coordinator's rights it shall file a Notice of Termination with FERC. Such termination shall be effective upon acceptance by FERC of a Notice of Termination.

4.5.3.2 Submit Schedules. Submitting Schedules for Energy in the Day-Ahead Market and Hour-Ahead Market in relation to Market Participants for which it serves as Scheduling Coordinator, Scheduling Coordinators shall provide the ISO with **intertie** Interconnection schedules prepared in accordance with all NERC, WECC and ISO requirements;

4.5.4.4.1 Pending acceptance of termination of service pursuant to Section 4.5.4.5.1 by FERC, the ISO will suspend the certification of a Scheduling Coordinator which has received a notice of termination under Section 4.5.4.4(a) and the Scheduling Coordinator will not be eligible to submit Schedules and bids for Energy and Ancillary Services to the ISO.

4.5.4.5 Notification of Termination.

The ISO shall, promptly after providing written notice of default to a Scheduling Coordinator as specified in Section 4.5.4.4(a), notify the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the Scheduling Coordinator under Section 4.5.4.6.2 if the default is not cured. The ISO shall, as soon as reasonably practicable following the occurrence of any of the events specified in Section 4.5.4.4, notify the Scheduling Coordinator and the Scheduling Coordinators that could be required to represent End Use Eligible Customers of the defaulting Scheduling Coordinator, and the UDCs, and shall as soon as reasonably practicable after the issuance of such notice of termination post such notice on the ISO Home Page. Termination of the Scheduling Coordinator Agreement will automatically remove the Scheduling Coordinator's certification under Section 4.5 and Section 8.4.

4.6.1.1 Operate Pursuant to Relevant Provisions of ISO Tariff.

Participating Generators shall operate, or cause their facilities to be operated, in accordance with the relevant provisions of this ISO Tariff, including, but not limited to, the operating requirements for normal

and emergency operating conditions specified in Section 7 and the requirements for the dispatch and testing of Ancillary Services specified in Section 8.

(i) Each **Participating** Generator shall immediately inform the ISO, through its respective Scheduling Coordinator, of any change or potential change in the current status of any Generating Units that are under the Dispatch control of the ISO. This will include, but not be limited to, any change in status of equipment that could affect the maximum output of a Generating Unit, the minimum load of a Generating Unit, the ability of a Generating Unit to operate with automatic voltage regulation, operation of the PSSs (whether in or out of service), the availability of a Generating Unit governor, or a Generating Unit's ability to provide Ancillary Services as required. Each **Participating** Generator shall immediately report to the ISO, through its Scheduling Coordinator any actual or potential concerns or problems that it may have with respect to Generating Unit direct digital control equipment, Generating Unit voltage control equipment, or any other equipment that may impact the reliable operation of the ISO Controlled Grid.

(ii) In the event that a **Participating** Generator cannot meet its Generation schedule, whether due to a Generating Unit trip or the loss of a piece of equipment causing a reduction in capacity or output, the **Participating** Generator shall notify the ISO, through its Scheduling Coordinator at once. If a **Participating** Generator will not be able to meet a time commitment or requires the cancellation of a Generating Unit start up, it shall notify the ISO, through its Scheduling Coordinator at once.

6.6 ————— Failure or Corruption of the WEnet.

~~Based on the designed reliability of the WEnet, there is no external back-up communications system in the event of a total or partial failure of WEnet or the material corruption of data on WEnet. In the extremely unlikely event of WEnet failure, communications will be lost to all Scheduling Coordinators and the ISO will use the latest valid information available to operate until restoration of WEnet.~~

6.6 {6.4} Failure or Corruption of the WEnet.

The ISO shall, in consultation with Scheduling Coordinators, make provision for procedures to be implemented in the event of a total or partial failure of WEnet or the material corruption of data on

WEnet and include these procedures in the ISO Protocols. The ISO shall ensure that such alternative communications systems are tested periodically.

7.1.3 ISO Control Center Authorities.

The ISO shall have full authority, subject to Section 4.2, to direct the operation of the facilities referred to in Section 7.1.2 including (without limitation), to:

- (a) direct the physical operation by the Participating TOs of transmission facilities under the Operational Control of the ISO, including (without limitation) circuit breakers, switches, voltage control equipment, protective relays, metering, and Load Shedding equipment;
- (b) commit and dispatch Reliability Must-Run Units, except that the ISO shall only commit Reliability Must-Run Generation for Ancillary Services capacity according to Section 30.6.1 of the Tariff;
- (c) order a change in operating status of auxiliary equipment required to control voltage or frequency;
- (d) take any action it considers to be necessary consistent with Good Utility Practice to protect against uncontrolled losses of Load or Generation and/or equipment damage resulting from unforeseen occurrences;
- (e) control the output of Generating Units, Interconnection schedules, and System Resources that are selected to provide Ancillary Services or Imbalance Energy;
- (f) ~~dispatch: (i) Dispatch Curtailable Demand which has been scheduled to provide Non-Spinning Reserve or Replacement Reserve, or (ii) Loads through direct Load control or other means at the ISO's discretion that are curtailable as an Ancillary Service;~~
- (g) procure Supplemental Energy; and
- (h) require the operation of resources which are at the ISO's disposal in a System Emergency, as described in Section 7.4

The ISO will exercise its authority under this Section 7.1.3 by issuing Dispatch Instructions to the relevant Participants using the relevant communications method described in Section 34.3.6.

7.4.11.2 Load Curtailment.

A Scheduling Coordinator may specify that Loads will be reduced at specified Market Clearing Prices or offer the right to exercise Load curtailment to the ISO as an Ancillary Service or utilize Load curtailment itself (by way of self-provision of Ancillary Services) as Non-Spinning Reserve or Replacement Reserve. The ISO, at its discretion, may require direct control over such Curtailable Demand to assume response capability for managing System Emergencies. However, non-firm Loads shall not be eligible to provide Curtailable Demand if they are receiving incentives for interruption under existing programs approved by a Local Regulatory Authority, unless: a) participation in the ISO's Ancillary Services markets is specifically authorized by such Local Regulatory Authority, and b) there exist no contingencies on the availability, nor any unmitigated incentives encouraging prior curtailment, of such interruptible Load for Dispatch as Curtailable Demand as a result of the operation of such existing program. The ISO may establish standards for automatic communication of curtailment instructions to implement Load curtailment as a condition for accepting any offered Load curtailment as an Ancillary Service.

~~The ISO may establish standards for automatic communication of curtailment instructions to implement Load curtailment as a condition for accepting any offered Curtailable Demand as an Ancillary Service.~~

8.2.3.4 Voltage Support.

The ISO shall determine on an hourly basis for each day the quantity and location of Voltage Support required to maintain voltage levels and reactive margins within WECC and NERC criteria using a power flow study based on the quantity and location of scheduled Demand. The ISO shall issue daily voltage schedules (Dispatch instructions) to **Participating** Generators, Participating TOs and UDCs, which are required to be maintained for ISO Controlled Grid reliability. All other Generating Units shall comply with the power factor requirements set forth in contractual arrangements in effect on the ISO Operations Date,

or, if no such contractual arrangements exist and the Generating Unit exists within the system of a Participating TO, the power factor requirements applicable under the Participating TO's TO Tariff or other tariff on file with the FERC.

All Participating Generators shall maintain the ISO specified voltage schedule at the transmission interconnection points to the extent possible while operating within the power factor range specified in their interconnection agreements or, for Regulatory Must-Take Generation, Regulatory Must-Run Generation and Reliability Must-Run Generation consistent with existing obligations. For Generating Units, that do not operate under one of these agreements, the minimum power factor range will be within a band of 0.90 lag (producing VARs) and 0.95 lead (absorbing VARs) power factors. Participating Generators with Generating Units existing at the ISO Operations Date that are unable to meet this operating power factor requirement may apply to the ISO for an exemption. Prior to granting such an exemption, the ISO shall require the Participating TO or UDC to whose system the relevant Generating Units are interconnected to notify it of the existing contractual requirements for Voltage Support established prior to the ISO Operations Date for such Generating Units. Such requirements may be contained in CPUC Electric Rule 21 or the Interconnection Agreement with the Participating TO or UDC. The ISO shall not grant any exemption under this Section from such existing contractual requirements. The ISO shall be entitled to instruct Participating Generators to operate their Generating Units at specified points within their power factor ranges. **Participating** Generators shall receive no compensation for operating within these specified ranges.

If the ISO requires additional Voltage Support, it shall procure this either through Reliability Must-Run Contracts or, if no other more economic sources are available by instructing a Generating Unit to move its MVar output outside its mandatory range. Only if the Generating Unit must reduce its MW output in order to comply with such an instruction will it be compensated in accordance with Section 8.5.9.

All Loads directly connected to the ISO Controlled Grid shall maintain reactive flow at grid interface points within a specified power factor band of 0.97 lag to 0.99 lead. Loads shall not be compensated for the service of maintaining the power factor at required levels within the bandwidth. A

UDC interconnecting with the ISO Controlled Grid at any point other than a Scheduling Point shall be subject to the same power factor requirement.

The power factor for both the Generating Units and Loads shall be measured at the interconnection point with the ISO Controlled Grid. The ISO will develop and will be authorized to levy penalties against Participating Generators, UDCs or Loads whose Voltage Support does not comply with the ISO's requirements. The ISO will establish voltage control standards with UDCs and the operators of other Control Areas and will enter into operational agreements providing for the coordination of actions in the event of a voltage problem occurring.

Wheeling Through and Wheeling Out transactions may also be subject to a reactive charge as developed by the ISO. If the ISO shall determine that a reactive charge should be payable at a future date, it shall, subject to FERC acceptance and approval, publish annually the Voltage Support obligations and applicable charges for Wheeling Through and Wheeling Out transactions at Scheduling Points. The obligations shall be predetermined by the ISO based on the estimated amount of the Wheeling Through and Wheeling Out transactions each year.

8.10B ~~**[Not Used] Compliance Testing for Spinning Reserve.**~~ The ISO may test the capability of any Generating Unit, System Unit or external import of a System Resource providing Spinning Reserve by issuing unannounced Dispatch instructions requiring the Generating Unit, System Unit or external import of a System Resource to ramp up to its stated ten minute capability in accordance with the Scheduling Coordinator's Bid. Such tests may not necessarily occur on the hour. The ISO shall measure the response of the Generating Unit, System Unit or external import of a System Resource to determine compliance with its stated capabilities. **[First and third sentences deleted as redundant with new Section 8.10.1.2; second sentence added to Section 8.10.1.2]**

8.10.1.2 Spinning Reserve. The ISO shall test the Spinning Reserve capability of a Generating Unit, System Unit or System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit, System Unit or System Resource to ramp up to its ten minute capability. The ISO shall measure the response of the Generating Unit, System Unit or System Resource to determine compliance with requirements. **Such tests may not necessarily occur on the hour.** [ASRP 9.2] The Scheduling Coordinator for the Generating Unit, System Unit or System Resource shall be paid the Energy Bid price of the Generating Unit or System Unit for the output under the Spinning Reserve test.

9.1 Coordination and Approval for Outages.

The ISO shall have authority to coordinate and approve Outages and returns to service of all facilities comprised in the ISO Controlled Grid and Reliability Must-Run Units in accordance with Section ~~9.32.3.3~~. The ISO will coordinate and approve Maintenance Outages and coordinate responses to Forced Outages of all transmission facilities in the ISO Controlled Grid and Reliability Must-Run Units in accordance with this Section 9. Any scheduled Outages that are cancelled by ISO real-time operations due to system requirements must be rescheduled with the ISO Outage Coordination Department in accordance with Section 9.3.

9.3.4 Single Point of Contact.

Requests for approvals and coordination of all Maintenance Outages (consistent with Section 9.3.1) will be through a single point of contact between the ISO Outage Coordination Office and each Operator. The Operator shall provide in its initial request and specify from time to time the identification of the single point of contact along with primary and alternate means of communication pursuant to the detailed procedures referred to in Section 9.3.6. ~~Information regarding planned outages for resources providing Regulatory Must Take Generation shall be provided to the ISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator~~

~~pursuant to the terms of the existing agreement with the Regulatory Must-Take Generation resource or as requested by the ISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must-Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must-Take Generator has not executed a Participating Generator Agreement. If the Regulatory Must-Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.~~

9.3.5 Method of Communications.

The primary method of communication from an Operator to the ISO **with regard to maintenance and outage planning** will be as described in the Operating Procedure on the ISO Home Page. Emergency capabilities, to be used only as a back-up if the primary communication method is unavailable, will include:

- (a) voice;
- (b) fax; and
- (c) electronic (E-mail, FTP file, etc.).

9.3.5.2A Information regarding planned outages for resources providing Regulatory Must-Take Generation shall be provided to the ISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator pursuant to the terms of the existing agreement with the Regulatory Must-Take Generation resource or as requested by the ISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must-Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must-Take Generator has not executed a Participating Generator Agreement. If the

Regulatory Must-Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators. IOCP 2.1 and OCP 4.11

9.3.6 Maintenance Outage Planning.

Each Operator shall, by not later than October 15 each year, provide the ISO with a proposed schedule of all Maintenance Outages it wishes to undertake in the following year. The proposed schedule shall include all of the Operator's transmission facilities that comprise the ISO Controlled Grid and Participating Generators (including its Reliability Must-Run Units). In the case of a Participating TO's transmission facilities, that proposed schedule shall be developed in consultation with the UDCs interconnected with that Participating TO's system and shall take account of each UDC's planned maintenance requirements. The nature of the information to be provided and the detailed Maintenance Outage Planning Procedure shall be established by the ISO. This information shall include:

The following information is required for each Generating Unit **of a Participating Generator**:

- (a) the Generating Unit name and Location Code;
- (b) the MW capacity unavailable;
- (c) the scheduled start and finish date for each Outage; and
- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

The following information is required for each transmission facility:

- (a) the identification of the facility and location;
- (b) the nature of the proposed Maintenance Outage;
- (c) the preferred start and finish date for each Maintenance Outage; and

- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

Either the ISO, pursuant to Section 9.3.7, or an Operator, subject to Section 9.3.6.10, may at any time request a change to an Approved Maintenance Outage. An Operator may, upon seventy-two (72) hours advance notice, schedule with the ISO Outage Coordination Office a Maintenance Outage on its system, subject to the conditions of Sections 9.3.6.4A, 9.3.6.7, and 9.3.6.8.

9.3.6.2 90 Day Look Ahead.

In addition to changes made at quarterly Outage submittals, each Participating Generator shall notify the ISO in writing of any known changes to a Generating Unit or System Unit Outage scheduled to occur within the next 90 days and may submit changes to its planned Maintenance Outage schedule at any time. Participating Generators must obtain the approval of the ISO Outage Coordination Office **in accordance with Section 9 of this ISO Tariff.** Such approval may be withheld only for reasons of System Reliability or security.

9.3.6.8 Where, in the reasonable opinion of the ISO Outage Coordination Office, the requested Maintenance Outage or requested change to an Approved Maintenance Outage is likely to have a detrimental effect on the efficient use and reliable operation of the ISO Controlled Grid, the ISO Outage Coordination Office may reject the requested Maintenance Outage or requested change to Approved Maintenance Outage. If in the ISO's determination, any of the Maintenance Outages would cause the ISO to violate the Applicable Reliability Criteria, the ISO will notify the relevant Operator, and the Operator will then revise the proposed Maintenance Outage and inform the ISO of the proposed changes. The ISO Outage Coordination Office shall, in a rejection notice, identify the ISO's reliability, security and market concerns which prompt the rejection and suggest possible remedies or schedule revisions which might mitigate any such concerns. The ISO Outage Coordination Office may provide each Operator in writing with any suggested amendments to those Maintenance Outage requests rejected by the ISO Outage

Coordination Office. Any such suggested amendments will be considered as an ISO maintenance request and will be approved in accordance with the process set forth in Section ~~9.3.7~~~~9.3.3.7~~ of the ISO Tariff. The determination of the ISO Outage Coordination Office shall be final and binding on the Operator. If, within fourteen (14) days of having made its determination, the Operator requests the ISO Outage Coordination Office to provide reasons for its determination, it shall do so as soon as is reasonably practicable. The ISO will give reasons for informational purposes only and without affecting in any way the finality or validity of the determination.

9.3.10.2 Any Operator, upon identification of a situation likely to result in a Forced Outage within the next twenty-four (24) hours unless immediate corrective action is taken, where such action requires the removing from service or restricting an operating Generating Unit or removing a transmission facility from service, shall communicate directly with the ISO Control Center. All notifications of Forced Outages shall be communicated to the ISO Control Center with as much notice as possible in order that the necessary security analysis and ISO Controlled Grid assessments may be performed. If prior notice of a Forced Outage cannot be given, the Operator shall notify the ISO of the Forced Outage within thirty (30) minutes after it occurs. Any Operator, upon identification of a situation likely to result in a Forced Outage but of a nature not requiring a removal from service until some time more than twenty-four (24) hours in the future will be subject to the provisions of Section 9 of this ISO Tariff with respect to any necessary Outage except the requirements imposing time limits for notification will be waived and the request will be expedited by the ISO provided notice is given as soon as possible.

11.2.11 ~~11.2.11.1~~ Obligation for FERC Annual Charges.

11.2.11.1 ~~11.2.11.1.1~~ Each Scheduling Coordinator shall be obligated to pay for the FERC Annual Charges for its use of the ISO Controlled Grid to transmit electricity, including any use of the ISO Controlled Grid through Existing Contracts scheduled by the Scheduling Coordinator. Any FERC Annual Charges to be assessed by FERC against the ISO for such use of the ISO Controlled Grid shall be assessed against Scheduling Coordinators at the FERC Annual Charge Recovery Rate, as determined in

accordance with this Section 11.2.11. Such assessment shall be levied monthly against all Scheduling Coordinators based upon each Scheduling Coordinator's metered Demand and exports.

11.2.11.2 ~~11.2.11.1.2~~ Scheduling Coordinators may elect, each year, to pay the FERC Annual Charges assessed against them by the ISO either on a monthly basis or an annual basis. Scheduling Coordinators that elect to pay FERC Annual Charges on a monthly basis shall make payment for such charges within five (5) Business Days after issuance of the monthly invoice. The FERC Annual Charges will be issued to Market Participants once a month, on the first business day after the final market and Grid Management Charge invoices are issued for the trade month. Once the final FERC Annual Charge Recovery Rate is received from FERC in the Spring/Summer of the following year, a supplemental invoice will be issued. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall make payment for such charges within five (5) Business Days after the ISO issues such supplemental invoice. Scheduling Coordinators that elect to pay FERC Annual Charges on an annual basis shall maintain either an Approved Credit Rating, as defined with respect to either payment of the Grid Management Charge, or payment of other charges, or shall maintain security in accordance with Section 12.1.

11.2.12 ~~11.2.11.2~~ FERC Annual Charge Trust Account.

All funds collected by the ISO for FERC Annual Charges shall be deposited in the FERC Annual Charge Trust Account. The FERC Annual Charge Trust Account shall be an interest-bearing account separate from all other accounts maintained by the ISO, and no other funds shall be commingled in it at any time. The ISO shall disburse funds from the FERC Annual Charge Trust Account in order to pay the FERC any and all FERC Annual Charges assessed against the ISO.

11.2.13 ~~11.2.11.3~~ Determination of the FERC Annual Charge Recovery Rate.

11.2.13.1 The FERC Annual Charge Recovery Rate shall be set at the projected total FERC Annual Charge obligation with regard to transactions on the ISO Controlled Grid during the year in which the FERC Annual Charge Recovery Rate is collected, adjusted for interest projected to be earned on the monies in the FERC Annual Charge Trust Account ("Annual Charge Obligation"), divided by the projected Demand and exports during that year for all entities subject to assessment of FERC Annual Charges by

the ISO ("Annual Charge Demand"). The FERC Annual Charge Recovery Rate for the period from January 1, 2001 until the first adjustment of the FERC Annual Charge Recovery Rate goes into effect shall be posted on the ISO Home Page at least fifteen (15) days in advance of the date on which the initial rate will go into effect.

11.2.13.2 ~~11.2.11.3.2~~ The ISO may adjust the FERC Annual Charge Recovery Rate on a quarterly basis, as necessary, to reflect the net effect of the following:

- (a) the difference, if any, between actual Annual Charge Demand and projected Annual Charge Demand during the year-to-date;
- (b) the difference, if any, between the projections of the Annual Charge Obligation and the Annual Charge Demand upon which the charge for the year is based and the ISO's most current projections of those values, provided that the projection of the Annual Charge Obligation may only be adjusted on an annual basis for changes in the Federal Energy Regulatory Commission's budget for its electric regulatory program or changes in the projected total transmission volumes subject to assessment of FERC Annual Charges;
- (c) the difference, if any, between actual and projected interest earned on funds in the FERC Annual Charge Trust Account; and
- (d) any positive or negative balances of funds collected for FERC Annual Charges in a previous year after all invoices for FERC Annual Charges for that year have been paid by the ISO, other than those that are addressed through the mechanism described in Section **11.2.13.4** ~~11.2.11.3.4~~.

11.2.13.3 ~~11.2.11.3.3~~ The adjusted FERC Annual Charge Recovery Rate shall take effect on the first day of the calendar quarter. The ISO shall publish all data and calculations used by the ISO as a basis for such an adjustment on the ISO Home Page at least fifteen (15) days in advance of the date on which the new rate shall go into effect.

11.2.13.4 ~~11.2.11.3.4~~ If the FERC Annual Charges assessed by FERC against the ISO for transactions on the ISO Controlled Grid during any year exceed or fall short of funds collected by the ISO for FERC Annual Charges with respect to that year by a range of 10% or less, the ISO shall take such under- or

over-recovery into account through an adjustment to the FERC Annual Charge Recovery Rate in accordance with Section ~~11.2.13.2~~ ~~11.2.11.3.2~~. Any deficiency of available funds necessary to pay for any assessment of FERC Annual Charges payable by the ISO may be covered by an advance of funds from the ISO's Grid Management Charge, provided any such advanced funds will be repaid. If the ISO's collection of funds for FERC Annual Charges with respect to any year results in an under- or over-recovery of greater than 10%, the ISO shall either assess a surcharge against all active Scheduling Coordinators for the amount under-recovered or shall issue a credit to all active Scheduling Coordinators for the amount over-recovered. Such surcharge or credit shall be allocated among all active Scheduling Coordinators based on the percentage of each active Scheduling Coordinators metered Demand and exports during the relevant year. For purposes of this section, an "active Scheduling Coordinator" shall be a Scheduling Coordinator certified by the ISO in accordance with Section 4.5.1 of this ISO Tariff at the time the ISO issues a surcharge or credit under this section. The ISO will issue any surcharges or credits under this section within 60 days of receiving a FERC Annual Charge assessment from the FERC.

~~11.2.14~~ ~~11.2.11.4~~ Credits and Debits of FERC Annual Charges Collected from Scheduling Coordinators.

In addition to the surcharges or credits permitted under Sections ~~11.2.13~~ ~~11.2.11.3~~ or 11.6.3.3 of this ISO Tariff, the ISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or under-assessment of FERC Annual Charges that the ISO determines occurred due to the error, omission, or miscalculation by the ISO or the Scheduling Coordinator.

~~11.2.15~~ ~~11.2.12~~ The ISO shall calculate the amount due from each UDC or MSS, or from a Scheduling Coordinator delivering Energy for the supply of Gross Load not directly connected to the facilities of a UDC or MSS, for the High Voltage Access Charge and Transition Charge in accordance with operating procedures posted on the ISO Home Page. These charges shall accrue on a monthly basis.

~~11.2.16~~ ~~11.2.13~~ Emissions and Start-Up Fuel Cost Charges.

The ISO shall calculate, account for and settle charges and payments for Emissions Costs and Start-Up Fuel Costs in accordance with Sections 40.1.9 and 40.1.10 of this ISO Tariff.

11.2.17 ~~11.2.14~~ The ISO shall calculate, charge and disburse all collected default Interest in accordance with the ISO Tariff.

11.2.18 ~~11.2A~~ Auditing

All of the data, information, and estimates the ISO uses to calculate these amounts shall be subject to the auditing requirements of Section 10.2.11 of the ISO Tariff. The ISO shall calculate these amounts using the software referred to in Section 11.4. 4except in cases of system breakdown when it shall apply the procedures set out in 11.9a (Emergency Procedures).

11.3.3 ~~11.1.7~~ Prepayments.

(a) A Scheduling Coordinator may choose to pay at an earlier date than the Payment Date specified in the ISO Payments Calendar by way of prepayment provided it notifies the ISO by electronic means before submitting its prepayment.

(b) Prepayment notifications must specify the dollar amount prepaid.

(c) Prepayments must be made by Scheduling Coordinators via Fed-Wire into their ISO prepayment account designated by the ISO. The relevant Scheduling Coordinator shall grant the ISO a security interest on all funds in its ISO prepayment account.

(d) On any Payment Date the ISO shall be entitled to cause funds from the relevant Scheduling Coordinator's ISO prepayment account to be transferred to the ISO Clearing Account in such amounts as may be necessary to discharge in full that Scheduling Coordinator's payment obligation arising in relation to that Payment Date.

(e) Any funds held in the relevant Scheduling Coordinator's ISO prepayment account shall be treated as part of that Scheduling Coordinator's Security.

(f) Interest (or other income) accruing on the relevant Scheduling Coordinator's ISO prepayment account shall inure to the benefit of that Scheduling Coordinator and shall be added to the balance of its ISO prepayment account on a monthly basis.

(g) Funds held in an ISO prepayment account by a Scheduling Coordinator may be recouped, offset or applied by the ISO to any outstanding financial obligations of that Scheduling Coordinator to the ISO or to other Scheduling Coordinators under this ISO Tariff,

11.4.2 ~~[Not Used]~~ Right to Dispute.

All Scheduling Coordinators shall have the right to dispute any item or calculation set forth in any Preliminary Settlement Statement in accordance with this ISO Tariff.

11.6.1.1 Preliminary Statements.

The ISO shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO for validation a Preliminary Settlement Statement for each Trading Day **within thirty-eight (38) Business Days of the relevant Trading Day, covering all Settlement Periods in that Trading Day in accordance with the ISO Payments Calendar.** Each Preliminary Settlement Statement will include a statement of:

- (a) the amount payable or receivable by the Scheduling Coordinator, Black Start Generator or Participating TO for each charge referred to in Section 11.2 for each Settlement Period in the relevant Trading Day;
- (b) the total amount payable or receivable by that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section 11.3; and
- (c) the components of each charge in each Settlement Period except for information contained in the Imbalance Energy Report referred to in Section 11.6.1.1.

Each Preliminary Settlement Statement shall also be accompanied by a breakdown of the components of the Imbalance Energy Charge (the “Imbalance Energy Report”).

16.2.1.2 If a Participating TO is a party to an Existing Contract under which Existing Rights are provided, the Participating TO shall attempt to negotiate changes to the Existing Contract to align the contract’s scheduling and operating provisions with the ISO’s scheduling and operational procedures, rules and protocols, to align operations under the contract with ISO operations, and to minimize the contract parties’ costs of administering the contract while preserving their financial rights and obligations as defined in Section 16.2.2.

In addition, the Participating TO shall attempt to negotiate changes to provisions in the Existing Contract to ensure that whenever transmission services under the Existing Contract are used to deliver power to a Market Participant that is subject to Access Charges under this Tariff, no duplicative charge for access to the ISO Controlled Grid will be charged under the Existing Contract. For purposes of such negotiations, there shall be a presumption that any charges in an Existing Contract that were designed to recover the embedded cost of transmission facilities within the ISO Controlled Grid will be fully recovered through the Access Charges established under Section 26.1 of this Tariff.

16.2.3.4.5 Parties with Existing Rights shall continue to pay for Transmission Losses or Ancillary Services requirements in accordance with such Existing Contracts as they may be modified or changed in accordance with the terms of the Existing Contract. Likewise the Participating TOs shall continue to provide Transmission Losses and any other Ancillary Services to the holder of the rights under an Existing Contract as may be required by the Existing Contracts. To the extent that Transmission Losses or Ancillary Service requirements associated with Existing Rights are not the same as those under the ISO’s rules and protocols, the ISO will not charge or credit the Participating TO for any cost differences between the two, but will provide the parties to the Existing Contracts with details of its Transmission Losses and Ancillary Services calculations to enable them to determine whether the ISO’s calculations result in any associated shortfall or surplus and to enable the parties to the Existing Contracts to settle the

differences bilaterally or through the relevant TO Tariff. Each Participating TO will be responsible for recovering any deficits or crediting any surpluses associated with differences in assignment of **Transmission Loss requirements and/or** Ancillary Services requirements, through its bilateral arrangements or its Transmission Owner's Tariff.

16.2.4 ISO Protocols Shall Accommodate Existing Rights.

The ISO will implement the provisions of Section 16.2.3. The objective will be to ensure that under the ISO ~~T~~ariff, Existing Rights will enjoy the same relative priorities vis-à-vis new, ISO-provided transmission uses, as they would under the Existing Contracts and the FERC Order 888 tariffs. Under the ISO ~~T~~ariff:

16.2.4A.1 The ~~r~~Responsible Participating TO with respect to an Existing Contract or set of interdependent Existing Contracts is required to submit to the ISO, in accordance with the timing requirements of Section 16.2.4A.2 and 16.2.4A.3, the instructions that are necessary to implement the exercise of Existing Rights in accordance with the ISO Tariff. The operating instructions will be submitted to the ISO electronically, by the Responsible PTO, utilizing a form provided by the ISO in a format similar to the one set out in the Standard Template – Transmission Rights/Curtailment Instructions **in Appendix M**. The instructions will include the following information at a minimum and such other information as the ISO may reasonably require to enable it to carry out its functions under the ISO Tariff and ISO Protocols (the letters below correspond with the letters of the instructions template in the Standard Template – Transmission Rights/Curtailment Instructions **in Appendix M**):

- (a) a unique contract reference number (Existing Contract reference number that will be assigned by the ISO and communicated to the Responsible PTO on the completed instruction and that references a single Existing Contract or a set of interdependent Existing Contracts; the provisions of Section 30.4.2 will apply to the validation of scheduled uses of Existing Contract transmission rights);

- (b) whether the instruction can be exercised independent of the ISO's day-to-day involvement (Yes/No);
- (c) name of an operational single point of contact for instructions and a 24-hour a day telephone number for the Responsible PTO;
- (d) name(s) and number(s) of Existing Contract(s);
- (e) path name(s) and location(s) (described in terms of the Zones in which the point(s) of receipt and point(s) of delivery are located);
- (f) names of the party(ies) to the Existing Contract(s);
- (g) Scheduling Coordinator ID code: the ID number of the Scheduling Coordinator who will submit Schedules which make use of the Existing Contract(s) for the party(ies) indicated in (f);
- (h) type(s) of rights, by rights holder, by Existing Rights;
- (i) type(s) of service, by rights holder, by Existing Contract (firm, conditional firm, or non-firm), with priorities for firm and conditional firm transmission services indicated in Schedules using Adjustment Bids as described in this ISO Tariff~~the SP~~;
- (j) amount of transmission service, by rights holder, by Existing Contract expressed in MW;
- (k) for Day-Ahead scheduling purposes, the time of the day preceding the Trading Day at which the Scheduling Coordinator submits Schedules to the ISO referencing the Existing Contract(s) identified in the instructions;
- (l) for Hour-Ahead or real-time scheduling purposes, the number of minutes prior to the start of the Settlement Period of delivery at which the Scheduling Coordinator may submit Schedule adjustments to the ISO regarding the Existing Rights under the Existing Contract(s) identified in the instructions;
- (m) whether or not real-time modifications to Schedules associated with Existing Rights are allowed at any time during the Settlement Period;

- (n) Service period(s) of the Existing Contract(s);
- (o) any special procedures which would require curtailments to be implemented by the ISO in any manner different than that specified in Section 7.4.12. Any such instructions submitted to the ISO must be clear, unambiguous, and not require the ISO to make any judgments or interpretations as to the meaning intent, results, or purpose of the curtailment procedures or the Existing Contract (otherwise, they will not be accepted by the ISO); and
- (p) any special procedures relating to curtailments during emergency conditions. Any such instructions submitted to the ISO must be clear, unambiguous, and not require the ISO to make any judgments or interpretations as to the meaning, intent, results, or purpose of the curtailment procedures or the Existing Contract (otherwise, they will not be accepted by the ISO).

16.2.4A.2 The Responsible PTOs shall submit the operating instructions to the ISO associated with Existing Contracts or sets of interdependent Existing Contracts thirty (30) days prior to either (a) the ISO Operations Date or (b) the date on which the scheduling or curtailment of the use of the Existing Rights is to commence pursuant to Sections 16.1 or 16.2. The ISO will not accept Schedules which include the use of Existing Rights, unless the Responsible PTO has provided the ISO with the information required in the Transmission Control Agreement and this Section **16.2.4**, including transmission rights/curtailment instructions supplied in a form and by means of communication specified by the ISO.

16.2.4F For those Existing Rights the use of which has not been scheduled by the rights-holders by the start of the ISO's Hour-Ahead scheduling process, the ISO shall coordinate the scheduling of Existing Rights with the scheduling of ISO transmission service, using the ISO's Hour-Ahead scheduling protocols. In doing so, the ISO may, at its own discretion, consider as available for the ISO to schedule in its Hour-Ahead scheduling process, any or all of the transmission capacity associated with Existing Rights

the use of which has not been scheduled by the rights-holders in the ISO's Hour-Ahead scheduling process. ~~The provisions shall apply to real time changes in interconnection schedules under Existing Contracts.~~

16.2.4.1.1 ~~16.2.4.2~~ Prioritization of Transmission Uses.

The following rules are designed to enable the ISO to honor Existing Contracts in accordance with Sections 16.1 and 16.2 of the ISO Tariff. Regardless of the success of the application of such rules, it is intended that the rights under Existing Contracts will be honored as contemplated by the ISO Tariff. In each of the categories described in Section 23, the terms and conditions of service may differ among transmission contracts. These differences will be described by each Responsible PTO in the instructions submitted to the ISO in advance of the scheduling process. In addition, Generation, Inter-Scheduling Coordinator Energy Trade imports or external imports in one Zone must be matched by an equal magnitude of Demand, Inter-Scheduling Coordinator Energy Trade exports or external exports in an adjacent Zone (see Section ~~16.2.4.3~~ 16.2.4.1.2 for a summary of allowable linkages). Scheduling and curtailment priorities associated with each category will be defined by Scheduling Coordinators through the use of contract usage templates submitted as part of their Schedules.

(a) Transmission capacity for Schedules will be made available to holders of firm Existing Rights in accordance with this Section and the terms and conditions of their Existing Contracts. In the event that the firm uses of these rights must be curtailed, they will be curtailed on the basis of priority expressed in contract usage templates. So as not to be curtailed before any other scheduled use of Congested Inter-Zonal Interface capacity, the ISO's Congestion Management software will assign high priced Adjustment Bids to the scheduled uses (for example, a difference of \$130,000/MWh to \$140,000/MWh for Demand or external exports and a difference of -\$130,000/MWh to -\$140,000/MWh for Generation or external imports). This range will be reserved strictly for use in association with the prioritization of firm Existing Rights to use available Inter-Zonal Interface transmission capacity. These high priced Adjustment Bids are only for the ISO's use, in the context of Inter-Zonal Congestion Management, in recognizing the various levels of priority that may exist among the scheduled uses of firm transmission service. These

high priced Adjustment Bids will not affect any other rights under Existing Contracts. To the extent that the MW amount exceeds the MW amount specified in the Existing Contract, the excess scheduled amount will be treated as a new firm use of ISO transmission services as described in (b) below. Note that, in some instances, for a particular Inter-Zonal Interface, there may be multiple Scheduling Coordinators submitting Schedules under several different Existing Contracts on behalf of several Existing Contract rights holders. In these circumstances, and to the extent the rights holders desire to coordinate the prioritization of their firm uses of the Inter-Zonal Interface, their Scheduling Coordinators will make the arrangements among themselves ahead of the ISO's scheduling process. In the absence of a valid contract usage template associated with Existing Contract rights, the ISO will treat the scheduled use of transmission service as a "price-taker" of ISO transmission service subject to Usage Charges.

(b) ISO transmission service (i.e., "new firm uses") will be priced in accordance with the ISO Tariff. Usage Charges associated with the ISO's Congestion Management procedures, as described in Section 27.1.1.5, will be based on Adjustment Bids. In the absence of an Adjustment Bid, the ISO will treat the scheduled "new firm use" of ISO transmission service as a price taker paying the Usage Charge established by the highest valued use of transmission capacity between the relevant Zones.

(c) Transmission capacity will be made available to holders of conditional firm Existing Rights in a manner similar to that done prior to the ISO Operations Date; that is, allocated, as available, based on the agreed priority. The levels of priority will be expressed in the contract usage templates associated with the Schedules. To the extent that the MW amount in a schedule exceeds the MW amount specified in the contract usage template, the excess scheduled amount will be treated as a new firm use of ISO transmission services as described in (b) above. Note that, in some instances, for a particular Inter-Zonal Interface, there may be multiple Scheduling Coordinators submitting Schedules under several different Existing Contracts on behalf of several Existing Contract rights holders. In these circumstances, and to the extent the rights holders desire to coordinate the prioritization of their conditional firm uses of the Inter-Zonal Interface, their Scheduling Coordinators will make the arrangements among themselves ahead of the ISO's scheduling process. In the absence of a valid contract usage template associated

with Existing Contract rights, the ISO will treat the scheduled use of transmission service as a “price-taker” of ISO transmission services subject to Usage Charges.

(d) Transmission capacity will be made available to holders of non-firm Existing Rights in a manner similar to that done prior to the ISO Operations Date; that is, treated as the lowest valued use of available transmission capacity. Non-firm uses of transmission capacity under Existing Contracts will be indicated in Schedules submitted by Scheduling Coordinators as \$0.00/MWh Adjustment Bids. Therefore, there will be no contract reference number associated with non-firm Existing Contract rights.

16.2.4.1.2 ~~16.2.4.3~~ Allowable Linkages.

As indicated in Section **16.2.4.1.1~~16.2.4.2~~**, Generation, Inter-Scheduling Coordinator Energy Trade imports or external imports in one Zone must be matched by an equal magnitude of Demand, Inter-Scheduling Coordinator Energy Trade exports or external exports in the same Zone or in an adjacent Zone.

16.2.4.2 ~~16.2.5~~ The Day-Ahead Process.

16.2.4.2.1 ~~16.2.5.1~~ Validation.

The ISO will coordinate the scheduling of the use of Existing Rights with new firm uses in the Day-Ahead process. The ISO will validate the Schedules submitted by Scheduling Coordinators on behalf of the rights holders for conformity with the instructions previously provided by the Responsible PTO. Invalid Schedules will be rejected and the ISO will immediately communicate the results of each Scheduling Coordinator's validation to that Scheduling Coordinator via WEnet.

16.2.4.2.2 ~~16.2.5.2~~ Scheduling Deadlines.

Those Existing Contract rights holders who must schedule the use of their rights by the deadline for the submission of Schedules in the Day-Ahead Market must do so. After this time, the ISO will release these unused rights as available for new firm uses (not subject to recall).

16.2.4.2.3 ~~16.2.5.3~~ Reservation of Firm Transmission Capacity.

As an initial step in performing its Day-Ahead Congestion Management analysis, the ISO will determine the amount of transmission capacity that is available by subtracting, from the total transfer capability of the Inter-Zonal Interface, the unused portions of capacity applicable to firm Existing Rights. For purposes of Congestion Management, the total transfer capability of the Inter-Zonal Interface is therefore adjusted downward by an amount equal to the unused portions of firm Existing Rights. By reserving these blocks of unused transmission capacity, Existing Contracts rights holders are able to schedule the use of their transmission service on the timelines provided in their Existing Contracts after the deadline of the ISO's Day-Ahead scheduling process (in other words, after 1:00 pm on the day preceding the Trading Day), but prior to the deadline of the ISO's Hour-Ahead scheduling process (in other words, two hours ahead of the Settlement Period).

16.2.4.2.4 ~~16.2.5.4~~ Allocation of Inter-Zonal Interface Capacities.

In the ISO's Congestion Management analysis of the Day-Ahead Market, for each Inter-Zonal Interface:

- (a) if all scheduled uses of transmission service fit within the adjusted total transfer capability, all are accepted (in other words, there is no Congestion);
- (b) if all scheduled uses of transmission service do not fit within the adjusted total transfer capability, scheduled uses of non-firm Existing Rights will be curtailed, pro rata, to the extent necessary. If the remaining scheduled uses of transmission service still do not fit within the adjusted total transfer capability, uses of conditional firm Existing Rights will be curtailed (based upon the levels of priority expressed in the contract usage templates for Schedules as described in Section 16.2.4.1.1~~16.2.4.2~~) to the extent necessary;
- (c) if Congestion still exists after curtailing all lower priority schedules (e.g. requesting non-firm and conditional firm uses of transmission service under Existing Contracts), the remaining transmission capacity (that is not already reserved as firm Existing Rights) is priced based upon Adjustment Bids. To the extent there are insufficient Adjustment Bids to fully mitigate the remaining Congestion, the default Usage Charge will apply and the ISO will curtail ISO transmission service (in other words, new firm uses

other than Firm Transmission Rights uses evaluated in the Day-Ahead process), pro rata, to the extent necessary;

(d) If Congestion still exists after curtailing all new firm uses (other than Firm Transmission Rights uses) in the Day-Ahead scheduling process, scheduled uses of Firm Transmission Rights are then curtailed, pro rata, to the extent necessary; and

(e) if Congestion still exists after curtailing ISO new firm uses and uses of Firm Transmission Rights, scheduled uses of firm Existing Rights are then curtailed (based upon the priorities expressed in the contract usage templates associated with the Schedules as described in Section 16.2.4.1.1~~16.2.4.2~~) to the extent necessary.

16.2.4.3 ~~16.2.6~~ The Hour-Ahead Process.

16.2.4.3.1 ~~16.2.6.1~~ Validation.

The ISO will coordinate the scheduling of the use of Existing Rights with new firm uses, in the Hour-Ahead process. The ISO will validate the submitted Schedules for conformity with the instructions provided by the Responsible PTOs. Invalid schedules will be rejected and the ISO will immediately communicate the results of each Scheduling Coordinator's validation to that Scheduling Coordinator via WEnet.

16.2.4.3.2 ~~16.2.6.2~~ Scheduling Deadlines.

Those rights holders who must schedule the use of their rights by the deadline for the submission of Schedules in the Hour-Ahead Market must do so. After this time, the ISO will release these unused rights as available for new firm uses (not subject to recall).

16.2.4.3.3 ~~16.2.6.3~~ Acceptance of Firm Transmission Schedules.

Before allocating any remaining transmission capacity under the following provisions of this Section 16.2, the ISO will accept Schedules associated with firm Existing Rights (subject to validation under 16.2.4.3.1~~16.2.6.1~~), allocating transmission capacity for use by these rights holders.

16.2.4.3.4 ~~16.2.6.4~~ Reservation of Firm Transmission Capacity.

The ISO will adjust the total transfer capabilities of Inter-Zonal Interfaces with respect to firm Existing Rights as it does in its Day-Ahead process described in this Section 16.2. Therefore, holders of Existing Rights are still able to exercise whatever scheduling flexibility they may have under their Existing Contracts after the Schedules and bids submittal deadline of the ISO's Hour-Ahead scheduling process, as described further in Section **16.2.4.4~~16.2.7~~**.

16.2.4.3.5 ~~16.2.6.5~~ Allocation of Inter-Zonal Interface Capacities.

In the ISO's Congestion Management analysis of the Hour-Ahead Market, for each Inter-Zonal Interface:

- (a) if all scheduled uses of transmission service fit within the total transfer capability, all are accepted (in other words, there is no Congestion);
- (b) if all scheduled uses of transmission service do not fit within the total transfer capability, scheduled uses of non-firm Existing Rights will be curtailed, pro rata, to the extent necessary. If the remaining scheduled uses of transmission service still do not fit within the total transfer capability, scheduled uses of conditional firm Existing Rights will be curtailed (based upon the levels of priority expressed in the contract usage templates for the Schedules as described in Section **16.2.4.1.1~~16.2.4.2~~**) to the extent necessary;
- (c) if Congestion still exists after curtailing all lower priority schedules (e.g. representing non-firm and conditional firm uses of transmission service under Existing Contracts), the remaining transmission capacity (the subject of firm Existing Rights) is priced based upon Adjustment Bids. To the extent there are insufficient Adjustment Bids to fully mitigate the remaining Congestion, the default Usage Charge will apply and the ISO will curtail ISO transmission service (in other words, new firm uses including new firm uses of Firm Transmission Rights), pro rata, to the extent necessary; and
- (d) if Congestion still exists after curtailing ISO new firm uses, scheduled uses of firm Existing Rights will be curtailed (based upon the priorities expressed in the contract usage template associated with the Schedules as described in Section **16.2.4.1.1~~16.2.4.2~~**) to the extent necessary.

~~16.2.4.4~~ ~~16.2.7~~ The ISO's Real-Time Process.

Consistent with Section **~~16.2.4.3.4~~~~16.2.6.4~~**, the ISO will honor those scheduling flexibilities that may be exercised by holders of Existing Rights through their respective Scheduling Coordinators during the ISO's real-time processes to the extent that such flexibilities do not interfere with or jeopardize the safe and reliable operation of the ISO Controlled Grid or Control Area operations. The real-time processes described in Sections **~~16.2.4.4.1~~~~16.2.7.1~~** and **~~16.2.4.4.2~~~~16.2.7.2~~** will occur during the three hours following the ISO's receipt of Preferred Hour-Ahead Schedules (that is, from two hours ahead of the start of the Settlement Period through the end of such Settlement Period).

~~16.2.4.4.1~~ ~~16.2.7.1~~ Inter-Control Area Changes to Schedules that Rely on Existing Rights.

Changes to Schedules that occur during the ISO's real-time processes that involve changes to ISO Control Area imports or exports with other Control Areas (that is, inter-Control Area changes to Schedules) will be allowed and will be recorded by the ISO based upon notification received from the Scheduling Coordinator representing the holder of the Existing Rights. The ISO must be notified of any such changes to external import/export schedules. The ISO will receive notification of real-time changes to external import/export schedules, by telephone, from the Scheduling Coordinator representing the holder of the Existing Rights. The timing and content of any such notification must be consistent with the instructions previously submitted to the ISO by the Responsible PTO. The ISO will manually adjust the Scheduling Coordinator's schedule to conform with the other Control Area's net schedule in real time, and the notifying Scheduling Coordinator will be responsible for and manage any resulting Energy imbalance. These Imbalance Energy deviations will be priced and accounted to the Scheduling Coordinator representing the holder of Existing Rights in accordance with the Section 11.

~~16.2.4.4.2~~ ~~16.2.7.2~~ Intra-Control Area Changes to Schedules that Rely on Existing Rights.

Changes to Schedules that occur during the ISO's real-time processes that do not involve changes to ISO Control Area imports or exports with other Control Areas (that is, intra-Control Area changes to Schedules) will be allowed and will give rise to Imbalance Energy deviations. These Imbalance Energy deviations will be priced and accounted to the Scheduling Coordinator representing the holder of Existing Rights in accordance with the Section 11.

19.3.1 Advisory Control Area Demand Forecasts.

The ISO will publish on the ISO Website and supply to the Scheduling Coordinators advisory Control Area Demand Forecasts comprised of Hourly Demand Forecasts for each Congestion Zone for each Settlement Period of the relevant Trading Day. The ISO will publish on WEnet and supply to the SCs advisory Control Area Demand Forecasts comprised of Hourly Demand Forecasts for each Congestion Zone for each Settlement Period of the relevant Trading Day. **The ISO will publish this information in accordance with the timing requirements set forth in *this ISO Tariff* the SP.**

23 CATEGORIES OF TRANSMISSION CAPACITY.

References to new firm uses shall mean any use of ISO transmission service, except for uses associated with Existing Rights. Prior to the start of the Day-Ahead scheduling process, for each Inter-Zonal Interface, the ISO will allocate the forecasted total transfer capability of the Interface to four categories. This allocation will represent the ISO's best estimates at the time, and is not intended to affect any rights provided under Existing Contracts, except as provided in Section **16.2.4.3**~~16.2.6~~. The ISO's forecast of total transfer capability for each Inter-Zonal Interface will depend on prevailing conditions for the relevant Trading Day, including, but not limited to, the effects of parallel path (unscheduled) flows and/or other limiting operational conditions. This information will be posted on WEnet by the ISO in accordance with Appendix Y. In accordance with Section 16.2.4D of the ISO Tariff, the four categories are as follows:

- (a) transmission capacity that must be reserved for firm Existing Rights;
- (b) transmission capacity that may be allocated for use as ISO transmission service (i.e., "new firm uses");
- (c) transmission capacity that may be allocated by the ISO for conditional firm Existing Rights; and
- (d) transmission capacity that may remain for any other uses, such as non-firm Existing Rights for which the Responsible PTO has no discretion over whether or not to provide such non-firm service.

27.1.1.4.1.3 The ISO shall use Energy Bids from Generating Units and from other resources in the ISO's real-time system operation, for increasing resources' output for Intra-Zonal Congestion Management and to decrement Generation in order to accommodate Overgeneration conditions, including Reliability Must-Run Generation which the ISO requests under Reliability Must-Run Contracts.

27.1.1.5.2.6 If inadequate Adjustment Bids have been submitted to schedule Inter-Zonal Interface capacity on an economic basis and to the extent that scheduling decisions cannot be made on the basis of economic value, the ISO will allocate the available Inter-Zonal Interface capacity to Scheduling Coordinators in proportion to their respective proposed use of that capacity as indicated in their Schedules and shall curtail scheduled Generation and Demand to the extent necessary to ensure that each Scheduling Coordinator's Schedule remains balanced, except for those uses of transmission service under Existing Contracts, which are curtailed in accordance with Sections 16.2.4.2~~16.2.5~~ and 16.2.4.3~~16.2.6~~.

27.1.2.1.5.2 If a Scheduling Coordinator fails to provide the scheduled flows in a counter direction, it must reimburse the ISO for the ISO's costs of buying or selling Imbalance Energy in each of the Zones affected by the non-provided scheduled flows in a counter direction, at the ISO's Zonal Imbalance Energy prices. That is, ~~for~~ any Scheduling Coordinator that does not produce, in real time, the amount of Energy scheduled in the Day-Ahead Market or Hour-Ahead Market will be deemed to have purchased/sold the amount of Energy under/over produced in the real-time imbalance market at the real-time price.

30.2.6.14 Complete **NERC WECC** tag;

36.2.3 Each FTR shall be issued in the denomination of 1 MW. The ~~annual initial~~ release of FTRs shall start with the hour beginning at 12:00 a.m., on ~~April 1~~February 1, 2000 and end with the hour beginning at 11:00 p.m., on March 31 ~~of the following year, 2001~~. An FTR shall not afford the FTR Holder any right to share in Usage Charges attributable to Inter-Zonal Congestion occurring in any hour before or after the term of the FTR.

37.2.1.2 Sanctions.

The Sanction for a violation of this Section shall be the greater of the quantity of Energy non-performance multiplied by the applicable ~~Hourly Ex Post Price Dispatch/Settlement Internal Locational Marginal Price~~ or the following: for the first violation in a rolling twelve (12) month period, \$5,000; for the second and subsequent violations in a rolling twelve (12) month period, \$ 10,000. Sanctions under Section 37.2.1 will not be greater than \$10,000 per violation and will be subject to the limitation stated in Section 37.2.6. If a quantity of energy cannot be objectively determined, then the financial sanctions specified above will apply. A Market Participant may incur Sanctions for more than one violation per day.

ATTACHMENT B:

CAISO NOVEMBER 4, 2005 ANSWER

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November 4, 2005

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

**Re: California Independent System Operator Corporation
Docket No. ER05-1501-000**

Dear Secretary Salas:

Enclosed for electronic filing in the above-referenced docket please find the California Independent System Operator Corporation's Motion for Leave to File Answer and Answer to Protests, and Answer to Motions to Intervene and Comments.

Thank you for your assistance in this matter.

Respectfully submitted,

/s/

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**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**California Independent System
Operator Corporation**

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)

Docket No. ER05-1501-000

**MOTION FOR LEAVE TO FILE ANSWER AND ANSWER TO PROTESTS,
AND ANSWER TO MOTIONS TO INTERVENE AND COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

I. INTRODUCTION AND SUMMARY.

On September 22, 2005, the California Independent System Operator Corporation ("CAISO") submitted for filing with the Federal Energy Regulatory Commission ("the Commission") its Simplified and Reorganized CAISO Tariff (the "S&R Tariff"). The S&R Tariff is a simplified and reorganized version of the existing ISO Tariff ("Tariff") and is not intended to substantively change any of the CAISO's operations, practices, rates, terms, or conditions of service. In response to the S&R Tariff filing, a number of parties submitted comments, protests, and motions to intervene.¹

Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2005), the CAISO hereby requests leave to file this answer² to the

¹ Motions to intervene, protests and comments concerning the CAISO's September 22, 2005 S&R Tariff filing were submitted by the following entities: Pacific Gas & Electric ("Amended PG&E"); Citizens Energy Corporations ("Citizens"); Cogeneration Association of California ("CAC"); Transmission Agency of Northern California ("TANC"), Modesto Irrigation District ("MID"), the City of Redding, California ("Redding"), the City of Santa Clara, doing business as Silicon Valley Power ("SVP"), and M-S-R Public Power Agency ("M-S-R"); Northern California Power Agency ("NCPA"); Southern California Edison Company ("SCE"); California Energy Resources Scheduling Division ("CERS"); California Department of Water Resources State Water Project ("DWR"); California Electricity Oversight Board ("CEOB"); Mirant Americas Energy Marketing, LP, Mirant California, LLC, Mirant Delta, LLC, and Mirant Potrero, LLC (collectively, "Mirant"); the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, "Six Cities"); the City of Burbank, California ("Burbank"); the City of Glendale, California ("Glendale"); Turlock Irrigation District ("TID"); Imperial Irrigation District ("IID"); Morgan Stanley Capital Group Inc. ("MSCG"); Williams Power Company ("Williams"); Duke Energy North America, LLC and Duke Energy Marketing America, LLC (collectively, "Duke Energy"); Powerex Corp. ("Powerex"); Sacramento Municipal Utility District ("SMUD"); Metropolitan Water District of Southern California ("Metropolitan"); and Trans-Elect NTD Path 15, LLC ("NTD Path 15").

² The ISO requests waiver of Rule 213(a)(2) (18 C.F.R. § 385.213(a)(2)) to permit it to make an answer to the protests. Good cause for this waiver exists here because the answer will aid the

comments, protests and motions to intervene submitted in the above-referenced docket. The CAISO does not oppose the intervention of any of the parties that have sought leave to intervene in this proceeding.

The S&R Tariff represents a significant undertaking by the CAISO in establishing a more workable ISO Tariff structure for the upcoming MRTU filing. In addition, the S&R Tariff structure will be a useful platform for the CAISO to make additional improvements in 2006. For example, on June 8, 2005 the CAISO Governing Board approved changes to the CAISO's credit policies. In the existing Tariff, the credit-related provisions are dispersed throughout the Tariff. The S&R Tariff has a new section, Section 12, which consolidates the credit-related provisions in one section allowing for a much more straightforward and transparent future amendment to implement the CAISO's new credit policies. The CAISO also recognizes that there is certain "deferred maintenance" in the existing Tariff that has been carried over to the S&R Tariff. One example noted by CAC is the need to conform the Tariff to be consistent with Commission rulings on Qualified Facilities. Other examples of deferred maintenance include unresolved inconsistencies between original Tariff language and language found in the Protocols that have been merged. In some instances, these inconsistencies can be resolved. When they cannot be resolved, original Tariff language should continue to prevail over any merged Protocol language until it is resolved through further Tariff amendment. Additional examples of deferred maintenance relate to anachronisms. The CAISO acknowledges that it has not sought to resolve all these imperfections in the S&R Tariff. The CAISO has pledged to engage in a separate effort to update and conform the ISO Tariff to address these issues.

As discussed in detail below, the Commission should allow the S&R Tariff to go into effect after a brief suspension period, e.g., thirty to sixty days, to allow the Participating Transmission Owners to make conforming changes to their tariffs. The Commission should approve the S&R Tariff with the additional clarifications and

Commission in understanding the issues in the proceeding, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in this case. See, e.g., *Entergy Services, Inc.*, 101 FERC ¶ 61,289, at 62,163 (2002); *Duke Energy Corporation*, 100 FERC ¶ 61,251, at 61,886 (2002); *Delmarva Power & Light Company*, 93 FERC ¶ 61,098, at 61,259 (2000).

corrections based on the CAISO's response to the comments from intervenors as discussed below. With these additional clarifications and corrections, the S&R Tariff should be deemed to be the legal equivalent of the existing Tariff. The Commission's order accepting the S&R Tariff should accept the S&R Tariff on the basis that it is a simplified and reorganized version of the existing Tariff with the same legal force and effect.

II. ANSWER.

A. SMUD's Request That the S&R Tariff Be Rejected Should Be Denied.

SMUD argues that the S&R Tariff should be rejected because "it will prevent market participants from receiving a black line of the MRTU Tariff against the version of the CAISO Tariff they are familiar with and under which they have historically received service." SMUD at 2-3. SMUD's request should be denied.

As another intervenor, TANC, recognizes "the currently effective conformed CAISO Tariff and Protocols are in need of simplification and reorganization and should be replaced with a more comprehensive tariff structure" and "the MRTU Tariff should be built on the foundation of a pre-existing, clear and organized tariff." TANC, *et al.*, at 11 and 12. Further, PG&E states that the CAISO "has undertaken a monumental task in attempting to reorganize and simplify its existing open-access tariff, and its filing represents a significant and notable achievement." PG&E at 1.

The CAISO agrees with TANC and PG&E as to the need to reform the current Tariff and the importance of not perpetuating the structure that makes the current Tariff so problematic. Moreover, the S&R Tariff will enable the Commission and all market participants to review the MRTU-related provisions without also having to consider the reorganization at the same time.

SMUD seems to imply that the new market design should be applied to the existing ISO Tariff without taking the interim step of simplifying and reorganizing it. No good purpose would be served by this exercise. As explained in the transmittal letter for the S&R Tariff filing, the existing Tariff is based on a bifurcated structure in which the

Protocols, which were not meant to be filed, duplicate, and at times conflict with, other provisions of the Tariff. To perpetuate this unwieldy structure would only increase the disorganized format of the existing Tariff. Thus, the CAISO had a choice of either: (1) engaging in a two-step process where first it proposes the Tariff reorganization and then applies the MRTU changes to the reorganized Tariff; or (2) proposing both the organizational and substantive changes at once.

The CAISO chose the first approach. SMUD would have the Commission mandate the second. The CAISO submits that a blackline of the MRTU-related changes against the current Tariff, as SMUD suggests, containing both restructuring and substantive changes would be far more complex and difficult to understand.

The S&R Tariff is establishing a new platform that corrects the structural errors of the existing document. Intervenor has provided well-considered comments on that restructuring effort and the CAISO will respond in the following section. This process will result in a new conformed Tariff that will provide a foundation for the substantive changes resulting from the new market design. If the CAISO is forced to perform both the restructuring and the substantive changes in the upcoming filing as SMUD proposes, the CAISO, Market Participants, and the Commission will face the difficult task of discerning changes that are merely organizational as well as changes that do modify CAISO markets and operational practices at the same time.

B. The Commission Should Delay the S&R Tariff's Effective Date For a Reasonable Amount of Time and Grant Waiver of the Filing Requirements for the MRTU Filing.

PG&E notes that an S&R Tariff effective date of November 21, 2005 leaves insufficient time for PG&E to conform certain of its Tariffs to reflect the organizational changes set forth in the S&R Tariff. PG&E at 7-9. In recognition of the benefits of using the S&R Tariff as the baseline for the MRTU Tariff, PG&E also requests that the Commission grant waiver of Order No. 614 requirements.

The CAISO appreciates PG&E's comments and supports the proposal to suspend the effective date of the S&R Tariff to allow PG&E and other Participating Transmission Owners a reasonable amount of time (30 to 60 days) to conform their

Tariffs to the S&R Tariff, contingent upon the Commission's waiver of the Order No. 614 permitting the CAISO to use the S&R Tariff as the platform for changes proposed by the future MRTU Tariff filing to meet the requirements of 18 C.F.R. §35.10 (c).

While PG&E is correct in stating that there is no substantive change in the S&R Tariff, the CAISO opposes an indefinite delay. The S&R Tariff is an improvement over the existing Tariff, separate and apart from the need to provide a structure for the new market design. Moreover, as noted above, the CAISO intends to make additional Tariff changes during 2006, e.g., to implement credit policies, the new settlement system and timeline, and to address deferred maintenance issues. Accordingly, it is important that the Commission allow the S&R Tariff to become effective within a reasonable time.

In the meantime, granting the Order No. 614 waiver as proposed by PG&E, would allow the CAISO to file the MRTU Tariff based on the S&R Tariff platform and enable the CAISO to realize the objective of allowing the Commission and Market Participants to focus on the substantive MRTU Tariff-related changes without spending additional resources on questions that result only from reorganization.

C. The Commission Should Accept the S&R Tariff as a Replacement of the Existing Tariff.

Metropolitan requests that the Commission accept the S&R Tariff as an informational filing only, as it asserts that the "significant effort" involved in resolving MRTU Tariff issues hindered stakeholders' ability to review the S&R Tariff text. Metropolitan at 8-9. As noted in the prior sections, it is important that the Commission accept the S&R Tariff as a replacement for the current Tariff, eliminating the need to keep two sets of Tariff sheets and allowing the CAISO, stakeholders and the Commission to work only with the new Tariff structure. Any concern that the CAISO may have inadvertently changed the substance of the Tariff can be addressed by the Commission's order accepting the S&R Tariff only as a simplified and reorganized version of the existing ISO Tariff.

D. Section-Specific Issues Relating to Interpretation, the Existing Tariff, Organization, Clarity and Typographical or Other Minor Errors.

The CAISO greatly appreciates the care and effort intervenors undertook to review the S&R Tariff. The comments fall into several categories: (1) concerns reflecting problems with the existing Tariff; (2) the integration of Protocols into the Tariff; and (3) typographical and other minor errors.

The CAISO will address on a section-by-section basis the comments filed with the Commission. With respect to the first category of concerns – problems with the existing Tariff language, as noted above, the CAISO deliberately did not seek to make corrections or changes at this time and has pledged to address many of these concerns in 2006.

1. Section 4.5.1.2.2.1

TANC and NCPA express concerns that when the language in S&R Tariff Section 4.5.1.2.2.1 was moved from the Scheduling Coordinator Application Protocol (“SCAP”), the term “ISO Controlled Grid” was changed to “ISO Balancing Authority Area.” TANC, *et al.*, 13-14; NCPA at 4. TANC and NCPA are correct. The change was unintended – the language should not have been modified from “ISO Controlled Grid.”³ Accordingly, 4.5.1.2.2.1 should read as follows:

4.5.1.2.2.1 Failure to Promptly Report a Material Change.

If a Scheduling Coordinator fails to inform the ISO of a material change in its information provided to the ISO, which may affect the reliability or safety of the ISO **Balancing Authority Area Controlled Grid**, or the financial security of the ISO, the ISO may suspend or terminate the Scheduling Coordinator’s rights under the ISO Tariff in accordance with the terms of ISO Tariff Sections 12.3 and 4.5.1 respectively. If the ISO intends to terminate the Scheduling Coordinator’s rights it shall file a Notice of Termination with FERC. Such termination shall be effective upon acceptance by FERC of a Notice of Termination.

³ At one point, the CAISO had considered making additional changes to the Tariff, including using the term “CAISO Balancing Authority Area” and making other corrections. Once it became clear that the simplification and reorganization process was itself a major undertaking, the CAISO decided to limit the changes to the S&R Tariff to just the simplification and reorganization.

2. Section 4.5.3.2

PG&E contends that the term “Interconnection schedules” is vague and that Appendix A should include a definition that is consistent with the use of the term in the current Dispatch Protocol (“DP”). Amended PG&E at 12-13. The CAISO does not necessarily oppose PG&E’s contention. In preparing the S&R Tariff, however, the CAISO deliberately avoided making such substantive changes to the existing Tariff. Instead, here the CAISO combined the first sentence of DP 3.3 with Tariff Section 2.2.6.2, a strictly organizational change. In doing so, the CAISO did not eliminate or change any existing definition of “Interconnection schedules.” Such a change would be beyond the scope of the S&R Tariff.

3. Section 4.5.3.7

Powerex requests that the CAISO modify Section 4.5.3.7 to make explicit that only Scheduling Coordinators that serve load must submit demand forecasts. Powerex at 6-7. As proposed in the S&R Tariff, Section 4.5.3.7 accurately tracks the existing Tariff language of Section 2.2.6.8. While the CAISO appreciates Powerex’s comment, this would go beyond simplification and reorganization.

4. Section 4.5.4.2

Powerex asserts that the CAISO should modify Section 4.5.4.2 to reflect that in practice the CAISO does not adjust imports or exports for Transmission Losses. Powerex at 7. Again, while the CAISO appreciates Powerex’s comment, the purpose of the S&R Tariff is limited to the simplification and reorganization of the existing Tariff. The language in Section 4.5.4.2 was taken directly and without modification from the existing Scheduling Protocol (“SP”) 3.1.1 and existing Tariff Section 2.2.7.2.

5. 4.6.1.1(i) & (ii)

PG&E states that Sections 4.6.1.1(i) & (ii) should read “Participating Generator” instead of “Generator.” Amended PG&E at 11-12. While the term “Generator” is what is used in the current DP 3.7.1 and DP 3.7.2, the source of S&R Tariff Section 4.6.1.1. (i) and (ii), the CAISO does not object to this non-substantive correction. The amended Section 4.6.1.1 is as follows:

4.6.1.1 Operate Pursuant to Relevant Provisions of ISO Tariff.

Participating Generators shall operate, or cause their facilities to be operated, in accordance with the relevant provisions of this ISO Tariff, including, but not limited to, the operating requirements for normal and emergency operating conditions specified in Section 7 and the requirements for the dispatch and testing of Ancillary Services specified in Section 8.

(i) Each **Participating** Generator shall immediately inform the ISO, through its respective Scheduling Coordinator, of any change or potential change in the current status of any Generating Units that are under the Dispatch control of the ISO. This will include, but not be limited to, any change in status of equipment that could affect the maximum output of a Generating Unit, the minimum load of a Generating Unit, the ability of a Generating Unit to operate with automatic voltage regulation, operation of the PSSs (whether in or out of service), the availability of a Generating Unit governor, or a Generating Unit's ability to provide Ancillary Services as required. Each **Participating** Generator shall immediately report to the ISO, through its Scheduling Coordinator any actual or potential concerns or problems that it may have with respect to Generating Unit direct digital control equipment, Generating Unit voltage control equipment, or any other equipment that may impact the reliable operation of the ISO Controlled Grid.

(ii) In the event that a **Participating** Generator cannot meet its Generation schedule, whether due to a Generating Unit trip or the loss of a piece of equipment causing a reduction in capacity or output, the **Participating** Generator shall notify the ISO, through its Scheduling Coordinator at once. If a **Participating** Generator will not be able to meet a time commitment or requires the cancellation of a Generating Unit start up, it shall notify the ISO, through its Scheduling Coordinator at once.

6. Section 6.6

PG&E objects to the manner in which the CAISO integrated the existing Schedules and Bids Protocol ("SBP") 7.5 with the existing Tariff Section 6.4 into the new proposed S&R Tariff Section 6.6, stating that the CAISO replaced controlling Tariff language that required the CAISO to maintain a back-up system in case of failure with previously non-controlling Protocol language not requiring such a system. Amended PG&E at 10-11. The CAISO accepts PG&E's comments and proposes to delete SBP 7.5 as being superseded by the existing Tariff Section 6.4, thus the S&R Tariff would show the following:

6.6 {6.4} Failure or Corruption of the WEnet.

The ISO shall, in consultation with Scheduling Coordinators, make provision for procedures to be implemented in the event of a total or partial failure of WEnet or the material corruption of data on WEnet and include these procedures in the ISO Protocols. The ISO shall ensure that such alternative communications systems are tested periodically.

7. Section 7.1.3(f)

DWR states that Section 7.1.3(f) contains repetition of the term “dispatch” and that there seems to be no difference between Sections 7.1.3(f)(i) and 7.1.3(f)(ii). DWR is correct. The repetition of the term “dispatch” was unintended. Further, the duplication between (i) and (ii) resulted from the CAISO’s decision to err on the side of inclusion when merging Protocol provisions into the Tariff so as to prevent substantive changes. Here, however, the CAISO agrees that (ii) can be deleted without resulting in any substantive change. Accordingly, Section 7.1.3(f) should read as follows:

- (f) **dispatch:** ~~(i)~~ Dispatch Curtailable Demand which has been scheduled to provide Non-Spinning Reserve or Replacement Reserve, ~~or (ii) Loads through direct Load control or other means at the ISO’s discretion that are curtailable as an Ancillary Service;~~

8. Section 7.4.11.2

PG&E notes that the last two sentences of S&R Tariff Section 7.4.11.2 are duplicative. Amended PG&E at 14. The CAISO agrees. Again, this is a result of the CAISO’s decision to err on the side of inclusion when merging Protocol provisions into the Tariff so as to prevent substantive changes. Accordingly, the imported sentence from DP 10.4.2 can be deleted as redundant with existing Tariff Section 2.3.2.8.2 and the resulting Section 7.4.11.2 is as follows:

7.4.11.2 Load Curtailment.

A Scheduling Coordinator may specify that Loads will be reduced at specified Market Clearing Prices or offer the right to exercise Load curtailment to the ISO as an Ancillary Service or utilize Load curtailment itself (by way of self-provision of Ancillary Services) as Non-Spinning Reserve or Replacement Reserve. The ISO, at its discretion, may require direct control over such Curtailable Demand to assume response capability for managing System Emergencies. However, non-firm Loads shall not be eligible to provide Curtailable Demand if they are receiving incentives for interruption under existing programs approved by a Local Regulatory Authority, unless: a) participation in the ISO’s Ancillary Services markets is specifically authorized by such Local Regulatory Authority, and b) there exist no contingencies on the availability, nor any unmitigated incentives encouraging prior curtailment, of such interruptible Load for Dispatch as Curtailable Demand as a result of the operation of such existing program. The ISO may establish standards for automatic communication of curtailment instructions to implement Load curtailment as a condition for accepting any offered Load curtailment as an Ancillary Service.

~~The ISO may establish standards for automatic communication of curtailment instructions to implement Load curtailment as a condition for accepting any offered Curtailable Demand as an Ancillary Service.~~

9. Section 8.2.3.4

PG&E states that Section 8.2.3.4 should read "Participating Generator" instead of "Generator." Amended PG&E at 11-12. The CAISO does not object to this clarification. The amended Section 8.2.3.4 is as follows:

8.2.3.4 Voltage Support.

The ISO shall determine on an hourly basis for each day the quantity and location of Voltage Support required to maintain voltage levels and reactive margins within WECC and NERC criteria using a power flow study based on the quantity and location of scheduled Demand. The ISO shall issue daily voltage schedules (Dispatch instructions) to **Participating** Generators, Participating TOs and UDCs, which are required to be maintained for ISO Controlled Grid reliability. All other Generating Units shall comply with the power factor requirements set forth in contractual arrangements in effect on the ISO Operations Date, or, if no such contractual arrangements exist and the Generating Unit exists within the system of a Participating TO, the power factor requirements applicable under the Participating TO's TO Tariff or other tariff on file with the FERC.

All Participating Generators shall maintain the ISO specified voltage schedule at the transmission interconnection points to the extent possible while operating within the power factor range specified in their interconnection agreements or, for Regulatory Must-Take Generation, Regulatory Must-Run Generation and Reliability Must-Run Generation consistent with existing obligations. For Generating Units, that do not operate under one of these agreements, the minimum power factor range will be within a band of 0.90 lag (producing VARs) and 0.95 lead (absorbing VARs) power factors. Participating Generators with Generating Units existing at the ISO Operations Date that are unable to meet this operating power factor requirement may apply to the ISO for an exemption. Prior to granting such an exemption, the ISO shall require the Participating TO or UDC to whose system the relevant Generating Units are interconnected to notify it of the existing contractual requirements for Voltage Support established prior to the ISO Operations Date for such Generating Units. Such requirements may be contained in CPUC Electric Rule 21 or the Interconnection Agreement with the Participating TO or UDC. The ISO shall not grant any exemption under this Section from such existing contractual requirements. The ISO shall be entitled to instruct Participating Generators to operate their Generating Units at specified points within their power factor ranges. **Participating** Generators shall receive no compensation for operating within these specified ranges.

If the ISO requires additional Voltage Support, it shall procure this either through Reliability Must-Run Contracts or, if no other more economic sources are available by instructing a Generating Unit to move its MVar output outside its mandatory range. Only if the Generating Unit must reduce its MW output in order to comply with such an instruction will it be compensated in accordance with Section 8.5.9.

All Loads directly connected to the ISO Controlled Grid shall maintain reactive flow at grid interface points within a specified power factor band of 0.97 lag to 0.99 lead. Loads shall not be compensated for the service of maintaining the power factor at required levels within the bandwidth. A UDC interconnecting with the ISO Controlled Grid

at any point other than a Scheduling Point shall be subject to the same power factor requirement.

The power factor for both the Generating Units and Loads shall be measured at the interconnection point with the ISO Controlled Grid. The ISO will develop and will be authorized to levy penalties against Participating Generators, UDCs or Loads whose Voltage Support does not comply with the ISO's requirements. The ISO will establish voltage control standards with UDCs and the operators of other Control Areas and will enter into operational agreements providing for the coordination of actions in the event of a voltage problem occurring.

Wheeling Through and Wheeling Out transactions may also be subject to a reactive charge as developed by the ISO. If the ISO shall determine that a reactive charge should be payable at a future date, it shall, subject to FERC acceptance and approval, publish annually the Voltage Support obligations and applicable charges for Wheeling Through and Wheeling Out transactions at Scheduling Points. The obligations shall be predetermined by the ISO based on the estimated amount of the Wheeling Through and Wheeling Out transactions each year.

10. Section 8.4.6

Powerex requests that the CAISO modify Section 8.4.6 to reflect the fact that System Resources do not have traditional meters by inserting the term "interchange data." Powerex at 7-9. As proposed in the S&R Tariff, Section 8.4.6 accurately incorporates the existing Tariff language from Section 2.5.6.3 that does not include such a clarification. While the CAISO appreciates Powerex's comment and agrees that the CAISO should consider amending the Tariff to reflect current practices, this change would go beyond the scope of the S&R Tariff.

11. Section 8.5.4⁴

PG&E requests that the CAISO define "technical requirements" as set forth in Section 8.5.4(f). Amended PG&E at 13. The CAISO disagrees. PG&E accurately notes that the source of S&R Tariff Section 8.5.4(f) is SP 9.1(c), which refers to "technical requirements as defined in the ASRP." There is no such definition of "technical requirements" in the existing Ancillary Services Requirements Protocol ("ASRP"). Accordingly, the S&R Tariff likewise does not contain a definition of "technical requirements." Such a definition would be beyond the scope the S&R Tariff.

⁴ In its Amended Motion to Intervene and Protest, PG&E refers to the term "technical requirements" in Section 8.5.3.2(f). PG&E at 13. Given that Section 8.5.3.2(f) does not exist, the CAISO assumes that PG&E meant to refer to Section 8.5.4(f), which does contain the term "technical requirements."

12. Section 8.10B and 8.10.1.2

DWR states that Sections 8.10B and 8.10.1.2 contain duplicative first sentences and should be consolidated as appropriate. DWR at 4. The CAISO agrees. In order to eliminate Protocol-Tariff redundancy, one of the primary goals of the S&R Tariff, the relevant sections will be amended as follows:

~~**8.10B Compliance Testing for Spinning Reserve.** The ISO may test the capability of any Generating Unit, System Unit or external import of a System Resource providing Spinning Reserve by issuing unannounced Dispatch instructions requiring the Generating Unit, System Unit or external import of a System Resource to ramp up to its stated ten minute capability in accordance with the Scheduling Coordinator's Bid. Such tests may not necessarily occur on the hour. The ISO shall measure the response of the Generating Unit, System Unit or external import of a System Resource to determine compliance with its stated capabilities.~~ **[First and third sentences deleted as redundant with new Section 8.10.1.2; second sentence added to Section 8.10.1.2]**

8.10.1.2 Spinning Reserve. The ISO shall test the Spinning Reserve capability of a Generating Unit, System Unit or System Resource by issuing unannounced Dispatch instructions requiring the Generating Unit, System Unit or System Resource to ramp up to its ten minute capability. The ISO shall measure the response of the Generating Unit, System Unit or System Resource to determine compliance with requirements. ***Such tests may not necessarily occur on the hour. [ASRP 9.2]*** The Scheduling Coordinator for the Generating Unit, System Unit or System Resource shall be paid the Energy Bid price of the Generating Unit or System Unit for the output under the Spinning Reserve test.

13. Section 9.1

TANC notes that Section 9.1 contains an inaccurate cross reference to Section 2.3.3. TANC, *et al.*, at 20. The CAISO agrees. The cross reference should have been modified to refer to Section 9.3 rather than Section 2.3.3. Accordingly, Section 9.1 should read as follows:

9.1 Coordination and Approval for Outages.

The ISO shall have authority to coordinate and approve Outages and returns to service of all facilities comprised in the ISO Controlled Grid and Reliability Must-Run Units in accordance with Section ~~9.3~~ **2.3.3**. The ISO will coordinate and approve Maintenance Outages and coordinate responses to Forced Outages of all transmission facilities in the ISO Controlled Grid and Reliability Must-Run Units in accordance with this Section 9. Any scheduled Outages that are cancelled by ISO real-time operations due to system requirements must be rescheduled with the ISO Outage Coordination Department in accordance with Section 9.3.

14. Section 9.3.4

PG&E states that discussion of the single point of contact issue should be separate from the discussion of how the CAISO intends to handle outages for regulatory Must-Take generation instead of combined as in Section 9.3.4. Amended PG&E at 14. The CAISO agrees. One of the goals of the S&R Tariff was to merge Protocols into the Tariff where similar issues are addressed. If the merger in Section 9.3.4 instead creates confusion, then Outage Coordination Protocol ("OCP") 2.1 and 4.1 should be removed from Section 9.3.4 and added as a new Section 9.3.6.

9.3.4 Single Point of Contact.

~~Requests for approvals and coordination of all Maintenance Outages (consistent with Section 9.3.1) will be through a single point of contact between the ISO Outage Coordination Office and each Operator. The Operator shall provide in its initial request and specify from time to time the identification of the single point of contact along with primary and alternate means of communication pursuant to the detailed procedures referred to in Section 9.3.6. Information regarding planned outages for resources providing Regulatory Must-Take Generation shall be provided to the ISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator pursuant to the terms of the existing agreement with the Regulatory Must-Take Generation resource or as requested by the ISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must-Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must-Take Generator has not executed a Participating Generator Agreement. If the Regulatory Must-Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.~~

9.3.6 *Information regarding planned outages for resources providing Regulatory Must-Take Generation shall be provided to the ISO Outage Coordination Office by the Participating TO or UDC having an existing contract with such resource or by a Participating Generator. Information provided will be that obtained by the Participating TO, UDC or a Participating Generator pursuant to the terms of the existing agreement with the Regulatory Must-Take Generation resource or as requested by the ISO. Scheduling and approvals of Maintenance Outages for resources providing Regulatory Must-Take Generation shall continue to be coordinated as detailed in the applicable contract with the Participating TO or UDC, provided the Regulatory Must-Take Generator has not executed a Participating Generator Agreement. If the Regulatory Must-Take Generator has executed a Participating Generator Agreement, it shall comply with Section 9.3.5 and other provisions applicable to Participating Generators.*

15. Section 9.3.5

PG&E states that Section 9.3.5 should indicate that the "Method of Communication" specifically relates to maintenance & outage planning in order to be

consistent with the context of the language in its original location, OCP 7.2. Amended PG&E at 15. The CAISO agrees. In order to accurately capture the original context of OCP 7.2, Section 9.3.5 should read as follows:

9.3.5 Method of Communications.

The primary method of communication from an Operator to the ISO ***with regard to maintenance and outage planning*** will be as described in the Operating Procedure on the ISO Home Page. Emergency capabilities, to be used only as a back-up if the primary communication method is unavailable, will include:

- (a) voice;
- (b) fax; and
- (c) electronic (E-mail, FTP file, etc.).

PG&E also states that the general reference to “Operating Procedure on the ISO Home Page” in Section 9.3.5 is not specific enough given that there are multiple links to documents entitled “Operating Procedure” on the CAISO’s web page. The detail PG&E suggests, however, does not currently exist in the OCP. Adding such detail would be beyond the scope of the S&R Tariff.

16. Section 9.3.6

PG&E states that Section 9.3.6 should be clarified to refer to Generating Units of Participating Generators. Amended PG&E at 11-12. The CAISO agrees. In order to accurately capture the original context of OCP 2.2.1, Section 9.3.6 should read as follows:

9.3.6 Maintenance Outage Planning.

Each Operator shall, by not later than October 15 each year, provide the ISO with a proposed schedule of all Maintenance Outages it wishes to undertake in the following year. The proposed schedule shall include all of the Operator’s transmission facilities that comprise the ISO Controlled Grid and Participating Generators (including its Reliability Must-Run Units). In the case of a Participating TO’s transmission facilities, that proposed schedule shall be developed in consultation with the UDCs interconnected with that Participating TO’s system and shall take account of each UDC’s planned maintenance requirements. The nature of the information to be provided and the detailed Maintenance Outage Planning Procedure shall be established by the ISO. This information shall include:

The following information is required for each Generating Unit ***of a Participating Generator***:

- (a) the Generating Unit name and Location Code;
- (b) the MW capacity unavailable;

- (c) the scheduled start and finish date for each Outage; and
- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

The following information is required for each transmission facility:

- (a) the identification of the facility and location;
- (b) the nature of the proposed Maintenance Outage;
- (c) the preferred start and finish date for each Maintenance Outage; and
- (d) where there is a possibility of flexibility, the earliest start date and the latest finish date, along with the actual duration of the Outage once it commences.

Either the ISO, pursuant to Section 9.3.7, or an Operator, subject to Section 9.3.6.10, may at any time request a change to an Approved Maintenance Outage. An Operator may, upon seventy-two (72) hours advance notice, schedule with the ISO Outage Coordination Office a Maintenance Outage on its system, subject to the conditions of Sections 9.3.6.4A, 9.3.6.7, and 9.3.6.8.

17. Section 9.3.6.8

TANC states that Section 9.3.6.8 contains an inaccurate cross reference to Section 9.3.3.7. TANC, *et al.*, at 20. The CAISO agrees. The cross reference should have been modified to refer to Section 9.3.7 rather than Section 9.3.3.7. Accordingly, Section 9.3.6.8 should read as follows:

9.3.6.8 Where, in the reasonable opinion of the ISO Outage Coordination Office, the requested Maintenance Outage or requested change to an Approved Maintenance Outage is likely to have a detrimental effect on the efficient use and reliable operation of the ISO Controlled Grid, the ISO Outage Coordination Office may reject the requested Maintenance Outage or requested change to Approved Maintenance Outage. If in the ISO's determination, any of the Maintenance Outages would cause the ISO to violate the Applicable Reliability Criteria, the ISO will notify the relevant Operator, and the Operator will then revise the proposed Maintenance Outage and inform the ISO of the proposed changes. The ISO Outage Coordination Office shall, in a rejection notice, identify the ISO's reliability, security and market concerns which prompt the rejection and suggest possible remedies or schedule revisions which might mitigate any such concerns. The ISO Outage Coordination Office may provide each Operator in writing with any suggested amendments to those Maintenance Outage requests rejected by the ISO Outage Coordination Office. Any such suggested amendments will be considered as an ISO maintenance request and will be approved in accordance with the process set forth in Section ~~9.3.7~~ **9.3.3.7** of the ISO Tariff. The determination of the ISO Outage Coordination Office shall be final and binding on the Operator. If, within fourteen (14) days of having made its determination, the Operator requests the ISO Outage Coordination Office to provide reasons for its determination, it shall do so as soon as is reasonably practicable. The ISO will give reasons for informational purposes only and without affecting in any way the finality or validity of the determination.

18. Section 11.2.4.1.2(h)

PG&E questions the meaning of the term “UDPAP” as used in the bracketed notes in the blacklined version of the S&R Tariff. Amended PG&E at 13. The term “UDPAP” is an abbreviation for “Uninstructed Deviation Penalty Aggregation Protocol,” the majority of which has been transferred to Appendix R of the S&R Tariff. The first bracketed note in Section 11.2.4.1.2(h), for instance, indicates that the previous sentence was removed as redundant with the Uninstructed Deviation Penalty Aggregation Protocol Sections 3.1.1 and 3.1.2(2)(c).

19. Section 11.2.11.1

DWR notes that Section 11.2.11.1 appears to be misnumbered. DWR at 4-5. The CAISO agrees. The existing Tariff Section 11.2.11 was deleted as an unnecessary cross reference to Section 7.5,⁵ but its subsections were never adjusted accordingly. The relevant sections of the S&R Tariff should be adjusted according to the following table:

Misnumbered Section Numbers in S&R Tariff	Corrected Section Numbers
11.2.11.1	11.2.11
11.2.11.1.1	11.2.11.1
11.2.11.1.2	11.2.11.2
11.2.11.2	11.2.12
11.2.11.3	11.2.13
11.2.11.3.1	11.2.13.1
11.2.11.3.2	11.2.13.2

⁵ Existing Tariff Section 11.2.11, FERC Annual Charge Recovery Rate, states: “The ISO shall calculate and levy the rates for recovery of FERC Annual Charges in accordance with Section 7.5 of this ISO Tariff.” This section has been deleted as an unnecessary cross reference because existing Tariff Sections 7.5.1 through 7.5.4 have been moved to S&R Tariff Sections 11.2.11.1 through 11.2.11.4.

11.2.11.3.3	11.2.13.3
11.2.11.3.4	11.2.13.4
11.2.11.4	11.2.14
11.2.12	11.2.15
11.2.13	11.2.16
11.2.14	11.2.17
11.2A	11.2.18

As a result of the section number changes above, the cross references in the following three sections will be adjusted as follows:

11.2.11.3.2

(d) any positive or negative balances of funds collected for FERC Annual Charges in a previous year after all invoices for FERC Annual Charges for that year have been paid by the ISO, other than those that are addressed through the mechanism described in Section **11.2.13.4** ~~11.2.11.3.4~~.

11.2.11.3.4 If the FERC Annual Charges assessed by FERC against the ISO for transactions on the ISO Controlled Grid during any year exceed or fall short of funds collected by the ISO for FERC Annual Charges with respect to that year by a range of 10% or less, the ISO shall take such under- or over-recovery into account through an adjustment to the FERC Annual Charge Recovery Rate in accordance with Section **11.2.13.2** ~~11.2.11.3.2~~. Any deficiency of available funds necessary to pay for any assessment of FERC Annual Charges payable by the ISO may be covered by an advance of funds from the ISO's Grid Management Charge, provided any such advanced funds will be repaid. If the ISO's collection of funds for FERC Annual Charges with respect to any year results in an under- or over-recovery of greater than 10%, the ISO shall either assess a surcharge against all active Scheduling Coordinators for the amount under-recovered or shall issue a credit to all active Scheduling Coordinators for the amount over-recovered. Such surcharge or credit shall be allocated among all active Scheduling Coordinators based on the percentage of each active Scheduling Coordinators metered Demand and exports during the relevant year. For purposes of this section, an "active Scheduling Coordinator" shall be a Scheduling Coordinator certified by the ISO in accordance with Section 4.5.1 of this ISO Tariff at the time the ISO issues a surcharge or credit under this section. The ISO will issue any surcharges or credits under this section within 60 days of receiving a FERC Annual Charge assessment from the FERC.

11.2.11.4 Credits and Debits of FERC Annual Charges Collected from Scheduling Coordinators.

In addition to the surcharges or credits permitted under Sections ~~11.2.13 11.2.11.3~~ or 11.6.3.3 of this ISO Tariff, the ISO shall credit or debit, as appropriate, the account of a Scheduling Coordinator for any over- or under-assessment of FERC Annual Charges that the ISO determines occurred due to the error, omission, or miscalculation by the ISO or the Scheduling Coordinator.

20. Section 11.4.2

DWR states that the CAISO has not explained the deletion of Section 11.4.2. DWR at 5. The CAISO agrees that this was an error and that the existing Tariff Section 11.4.2 should be restored.

21. Section 11.6.1.1

DWR states that the CAISO has not explained the deletion of the 38-day deadline for submitting a Preliminary Settlement Statement to a Scheduling Coordinator from Section 11.6.1.1. DWR at 5-6. While the CAISO was attempting to reconcile Section 11.6.1.1 with SABP Section 4.1.1, which states that the Preliminary Statement will be provided in accordance with the CAISO Payments calendar, it does not object to restoring this deadline and will modify Section 11.6.1.1 as follows:

11.6.1.1 Preliminary Statements.

The ISO shall provide to each Scheduling Coordinator, Black Start Generator or Participating TO for validation a Preliminary Settlement Statement for each Trading Day ~~in accordance with~~ ***within thirty-eight (38) Business Days of the relevant Trading Day, covering all Settlement Periods in that Trading Day*** ~~the ISO Payments Calendar.~~ Each Preliminary Settlement Statement will include a statement of:

- (a) the amount payable or receivable by the Scheduling Coordinator, Black Start Generator or Participating TO for each charge referred to in Section 11.2 for each Settlement Period in the relevant Trading Day;
- (b) the total amount payable or receivable by that Scheduling Coordinator, Black Start Generator or Participating TO for each charge for all Settlement Periods in that Trading Day after the amounts payable and the amounts receivable under (a) have been netted off pursuant to Section 11.3; and
- (c) the components of each charge in each Settlement Period except for information contained in the Imbalance Energy Report referred to in Section 11.6.1.1.

Each Preliminary Settlement Statement shall also be accompanied by a breakdown of the components of the Imbalance Energy Charge (the "Imbalance Energy Report").

22. Section 16.2

PG&E asserts that the organization and content of Section 16.2 is confusing. Amended PG&E at 15. Specifically, PG&E states that existing Tariff SP 7.2.1, which was moved to S&R Tariff Section 23, is too far removed from the rest of existing Tariff SP 7, which was moved to S&R Tariff Section 16.1.2 and 16.2. Amended PG&E at 15. The CAISO disagrees. Existing Tariff SP 7.2.1, Categories of Transmission Capacity, has been appropriately placed under Article II, Transmission Service.

23. Section 16.2.3.1 and Section 16.2.3.1.1

PG&E states that Section 16.2.3.1 conflicts with Section 16.2.3.1.1 in its treatment of the submission of operating instructions to the ISO and the process of designating a Responsible Participating TO. Amended PG&E at 15-16. The CAISO disagrees. Section 16.2.3.1 states that, unless the parties agree otherwise, the party providing transmission service, the Responsible Participating TO, will submit transmission rights/curtailment instructions to the CAISO. If more than one party provides transmission service, then the relevant Participating TOs will designate a single Responsible Participating TO and notify the CAISO (or the CAISO will do so for them).

Rather than conflicting with these requirements, Section 16.2.3.1.1 provides another layer of detail to specifically address operating instructions and designation of a Participating TO *in the event the parties cannot agree upon operating instructions*. For instance, should the parties disagree over the operating instructions, Section 16.2.3.1.1 requires the CAISO to implement the Participating TO's operating instructions. Further, if both parties are Participating TOs *and the parties cannot agree to the operating instructions*, the CAISO shall implement the operating instructions of the first Participating TO for which the Existing Contract is an Encumbrance until the dispute is resolved.

As to PG&E's comment that the two sections are slightly redundant, the CAISO agrees, and the following amendment should be made accordingly:

16.2.3.1 For the purposes of Section 16.2, Existing Rights fall into one of three general categories: firm transmission service, non-firm transmission service, and

conditional firm transmission service. The parties to an Existing Contract shall notify the ISO which Existing Rights fall into each category, through the operating instructions described in this section and in Section 16.2.4A.

- (i) For each Existing Contract, the party providing transmission service (the "Responsible PTO") shall be responsible for the submission of transmission rights/curtailment instructions to the ISO on behalf of the holders of Existing Rights, unless the parties to the Existing Contract agree otherwise. For the purposes of this ISO Tariff, such otherwise agreed party will be acting in the role of Responsible PTO.
- (ii) ~~In accordance with the ISO Tariff, the parties to Existing Contracts will attempt to jointly develop and agree on any instructions that will be submitted to the ISO.~~ [Redundant with Section 16.2.3.1.1, second sentence] To the extent there is more than one Participating TO providing transmission service under an Existing Contract or there is a set of Existing Contracts which are interdependent from the point of view of submitting instructions to the ISO involving more than one Participating TO, the relevant Participating TOs will designate a single Participating TO as the Responsible PTO and will notify the ISO accordingly. If no such Responsible PTO is designated by the relevant Participating TOs or the ISO is not notified of such designation, the ISO shall designate one of them as the Responsible PTO and notify the relevant Participating TOs accordingly.
- (iii) The parties to an Existing Contract shall also be responsible to submit to the ISO any other necessary operating instructions based on their contract interpretations needed by the ISO to enable the ISO to perform its duties.

16.2.3.1.1 The ISO will have no role in interpreting Existing Contracts. The parties to an Existing Contract will, in the first instance, attempt jointly to agree on any operating instructions that will be submitted to the ISO. In the event that the parties to the Existing Contract cannot agree upon the operating instructions submitted by the parties to the Existing Contract, the dispute resolution provisions of the Existing Contract, if applicable, shall be used to resolve the dispute; provided that, until the dispute is resolved, and unless the Existing Contract specifies otherwise, the ISO shall implement the Participating TO's operating instructions. If both parties to an Existing Contract are Participating TOs and the parties cannot agree to the operating instructions submitted by the parties, until the dispute is resolved, and unless the Existing Contract specifies otherwise, the ISO shall implement the operating instructions of the first Participating TO for which the Existing Contract is an Encumbrance.

24. Section 16.2.3.4

Without explanation, PG&E requests that the CAISO insert "and Section 16.2.4A" after the phrase "in accordance with Section 16.2.3.1" in S&R Tariff Section 16.2.3.4. While the CAISO appreciates the comment and presumably the effort to improve the thoroughness of the cross reference, such detail does not appear in the existing Tariff Section 2.4.4.4.4 from which S&R Tariff Section 16.2.3.4 was transferred, and the CAISO does not believe that the change is necessary or within the scope of the S&R Tariff.

25. Section 16.2.3.4.5

TANC, NCPA, and PG&E note that the merger of SP 9.9 and SP 4.3 into existing Tariff Section 2.4.4.4.5, which is now S&R Tariff Section 16.2.3.4.5, does not capture the existing CAISO Tariff's requirement that Participating TOs are responsible for differences in assignment of Transmission Losses. TANC, *et al.*, at 15-17; NCPA at 4-6; Amended PG&E at 17. The CAISO agrees. The requirement was inadvertently left out of S&R Tariff Section 16.2.3.4.5, and it should be amended as requested by PG&E:

16.2.3.4.5 Parties with Existing Rights shall continue to pay for Transmission Losses or Ancillary Services requirements in accordance with such Existing Contracts as they may be modified or changed in accordance with the terms of the Existing Contract. Likewise the Participating TOs shall continue to provide Transmission Losses and any other Ancillary Services to the holder of the rights under an Existing Contract as may be required by the Existing Contracts. To the extent that Transmission Losses or Ancillary Service requirements associated with Existing Rights are not the same as those under the ISO's rules and protocols, the ISO will not charge or credit the Participating TO for any cost differences between the two, but will provide the parties to the Existing Contracts with details of its Transmission Losses and Ancillary Services calculations to enable them to determine whether the ISO's calculations result in any associated shortfall or surplus and to enable the parties to the Existing Contracts to settle the differences bilaterally or through the relevant TO Tariff. Each Participating TO will be responsible for recovering any deficits or crediting any surpluses associated with differences in assignment of **Transmission Loss Requirements and Ancillary Services** requirements, through its bilateral arrangements or its Transmission Owner's Tariff.

26. Section 16.2.4

PG&E requests that the CAISO capitalize "tariff" in Section 16.2.4. Amended PG&E at 18. The CAISO agrees. The terms "ISO rules and protocols" and "Scheduling Protocol" were inadvertently replaced with "ISO tariff" rather than "ISO Tariff," and the section should be amended accordingly:

16.2.4 ISO Protocols Shall Accommodate Existing Rights.

The ISO will implement the provisions of Section 16.2.3. The objective will be to ensure that under the ISO ~~T~~ariff, Existing Rights will enjoy the same relative priorities vis-à-vis new, ISO-provided transmission uses, as they would under the Existing Contracts and the FERC Order 888 tariffs. Under the ISO ~~T~~ariff:

27. Section 16.2.4A

PG&E states that Section 16.2.4A should read “in accordance with the terms of this Section 16.2.4A and Section 16.2.3.1” rather than “in accordance with the terms of Section 16.2.3.1.1.” Amended PG&E at 18. The CAISO disagrees. S&R Tariff Section 16.2.4A is identical to existing Tariff Section 2.4.4.5.1.1 with the exception of an accurately updated reference to S&R Tariff Section 16.2.3.1.1, which was originally existing Tariff Section 2.4.4.4.1.1. The proposed change would, thus, be beyond the scope of the S&R Tariff.

28. Section 16.2.4A.1

TANC seeks clarification as to why the first sentence of SBP 3.3.1 was deleted rather than added to Section 16.2.4A.1. TANC, *et al.*, at 17-19. While this language is arguably covered by 16.2.3.1, the CAISO agrees to add the sentence back into 16.2.4A.1.

TANC also requests a cross-reference to the term “Standard Template – Transmission Rights/Curtailment Instructions.” TANC, *et al.*, at 17-19. The template can be found in the existing SBP Appendix, or S&R Tariff Appendix M. The first paragraph of Section 16.2.4A.1 will be modified as follows in order to avoid confusion resulting from merging a Protocol into the Tariff:

16.2.4A.1 The Responsible Participating TO with respect to an Existing Contract or set of interdependent Existing Contracts is required to submit to the ISO, in accordance with the timing requirements of Section 16.2.4A.2, the instructions that are necessary to implement the exercise of Existing Rights in accordance with the ISO Tariff. The operating instructions will be submitted to the ISO electronically, by the Responsible PTO, utilizing a form provided by the ISO in a format similar to the one set out in the Standard Template – Transmission Rights/Curtailment Instructions *in Appendix M*. The instructions will include the following information at a minimum and such other information as the ISO may reasonably require to enable it to carry out its functions under the ISO Tariff and ISO Protocols (the letters below correspond with the letters of the instructions template in the Standard Template – Transmission Rights/Curtailment Instructions *in Appendix M*):

Also, PG&E requests that the term “SP” be defined or deleted from Section 16.2.4A.1(i). Amended PG&E at 16. The CAISO agrees. The abbreviation for

“Scheduling Protocol” was inadvertently left in Section 16.2.4A.1(i), and the section should be adjusted accordingly:

16.2.4A.1

- (i) type(s) of service, by rights holder, by Existing Contract (firm, conditional firm, or non-firm), with priorities for firm and conditional firm transmission services indicated in Schedules using Adjustment Bids as described in **this ISO Tariff**~~the SP~~;

29. Section 16.2.4A.2

PG&E requests that the CAISO replace the phrase “specified by the ISO” with “as specified in Section 16.2.4A.1” in Section 16.2.4A.2. Amended PG&E at 18. The CAISO disagrees. With the exception of minor conforming language, Section 16.2.4A.2 is identical to existing SP 7.1.1. The additional change would be beyond the scope of the S&R Tariff.

Also, PG&E and TANC suggest that “this Section 2.4” should be changed to “this Section 16.2.4” in Section 16.2.4A.2. Amended PG&E at 18; TANC, *et al.*, at 19-20. The CAISO agrees. The reference to “SBP” was inadvertently changed to “Section 2.4” instead of “16.2.4” and Section 16.2.4A.2 should be adjusted accordingly:

16.2.4A.2 The Responsible PTOs shall submit the operating instructions to the ISO associated with Existing Contracts or sets of interdependent Existing Contracts thirty (30) days prior to either (a) the ISO Operations Date or (b) the date on which the scheduling or curtailment of the use of the Existing Rights is to commence pursuant to Sections 16.1 or 16.2. The ISO will not accept Schedules which include the use of Existing Rights, unless the Responsible PTO has provided the ISO with the information required in the Transmission Control Agreement and this Section **16.2.4 2.4**, including transmission rights/curtailment instructions supplied in a form and by means of communication specified by the ISO.

30. Section 16.2.4C

PG&E requests that the CAISO delete the second sentence of Section 16.2.4C, as it is redundant with Section 16.2.3.1. Amended PG&E at 16. The CAISO agrees. In order to eliminate redundancy, one of the primary goals of the S&R Tariff, Section 16.2.4.C will be amended as follows:

16.2.4C To the extent that the operating instructions can not be exercised independently of the ISO and the results forwarded to the ISO (because, for example,

they require iteration with the ISO's scheduling process, would unduly interfere with the ISO's real-time management of curtailments or would unduly interfere with the ability of the holder of rights to exercise its rights), the operating instructions will be provided to the ISO for day-to-day implementation. ~~These instructions will be provided by the Responsible PTO to the ISO for implementation unless the parties to the Existing Contracts otherwise agree that the rights holder will do so.~~ For these instructions, the Scheduling Coordinators representing the holders of Existing Rights will submit their Schedules to the ISO for implementation in accordance with the instructions. In this case, the ISO shall act as the scheduling agent for the Participating TOs with regard to Existing Rights.

31. Section 16.2.4F

DWR and PG&E state that the last sentence of Section 16.2.4F is unclear and appears to be missing text explaining what provisions apply to real-time changes. DWR at 6; Amended PG&E at 16-17. The CAISO agrees that the integration is unclear. The sentence comes from DP 3.3. In the S&R Tariff the CAISO merged the first part of DP 3.3 into Section 4.5.3.2 and the second part into 16.2.4F. Upon further review, the CAISO would propose to delete the last sentence of 16.2.4F as unnecessary. The original sentence "The provisions of the SBP and the SP shall apply to real-time changes in Existing Contracts" is covered by the CAISO's integration of the substantive requirements of the SBP and the SP. For example, the new Section 16.2.6.4 incorporates the existing SP 7.4.4 concerning the reservation of inter-zonal capacity for Existing Rights.

32. Section 16.2.4.1 through 16.2.7.2

PG&E states that the numbering of Sections 16.2.4.1 through 16.2.7.2 is out of order and should be amended to reflect the original numbering convention in the SP. Amended PG&E at 16. The CAISO agrees. The sections were inadvertently misnumbered, and the Sections should be renumbered according to the following table:

Misnumbered Section Numbers in S&R Tariff	Corrected Section Numbers
16.2.4.1	16.2.4.1
16.2.4.2	16.2.4.1.1
16.2.4.3	16.2.4.1.2

16.2.5	16.2.4.2
16.2.5.1	16.2.4.2.1
16.2.5.2	16.2.4.2.2
16.2.5.3	16.2.4.2.3
16.2.5.4	16.2.4.2.4
16.2.6	16.2.4.3
16.2.6.1	16.2.4.3.1
16.2.6.2	16.2.4.3.2
16.2.6.3	16.2.4.3.3
16.2.6.4	16.2.4.3.4
16.2.6.5	16.2.4.3.5
16.2.7	16.2.4.4
16.2.7.1	16.2.4.4.1
16.2.7.2	16.2.4.4.2

As a result of the section number changes above, the cross references in the following S&R Tariff Sections will be updated as well: 16.2.4.2, 16.2.4.3, 16.2.5.4(b) and (e), 16.2.6.3, 16.2.6.4, 16.2.6.5(b) and (d), 16.2.7, 23, and 27.1.1.5.2.6.

33. Section 16.2.4.2(a)

PG&E comments that the sentence in Section 16.2.4.2(a) that begins with “To the extent that the MW amount...” should be rewritten to read, “To the extent that the MW amount in a schedule...” in order to improve clarity. Amended PG&E at 17. The CAISO disagrees. Section 16.2.4.2(a) is the existing SP 7.2.2, and the CAISO does not believe that the change is appropriate in light of the limited purpose of the S&R Tariff.

34. Section 19

PG&E states that Section 19, which contains former Demand Forecasting Protocol (“DFP”) provisions, imposes requirements that the CAISO, Scheduling Coordinators and Utility Distribution Coordinators have not consistently complied with in the past. PG&E at 10-11. While the CAISO appreciates the comment, any change in the Tariff to address his concern would be beyond simplification and reorganization of the existing ISO Tariff.

35. Section 23

Metropolitan argues that the proposed definition of “new firm uses” in Section 23 is problematic because it only excludes “Existing Rights” in determining what transmission capacity is available for CAISO use, ignoring other transmission capacity that cannot be used for “new firm uses.” Metropolitan at 6-8. Metropolitan states that Section 23 would permit the CAISO to accept schedules over non-participating TOs’ transmission facilities from entities having no ownership or contract rights to such facilities. Metropolitan at 6-8. In addition, DWR notes that the definition is not in the Master Definition Supplement, and given its potential to affect many Market Participants, encourages the CAISO to develop a new definition through a stakeholder process. DWR at 6. It is important to note that the CAISO did not make changes to this provision, but merely transferred the existing SP 7.2.1. Any changes to address this concern should be undertaken in a separate proceeding following a stakeholder process, as suggested by Metropolitan, and not in the S&R Tariff docket.

36. Section 27.1.1.4.1.3

PG&E requests that the CAISO add “and” before “to decrement” in Section 27.1.1.4.1.3. Amended PG&E at 18. Section 27.1.1.4.1.3 is identical to existing Tariff Section 7.2.4.1.4, but believes that correcting non-substantive typos is consistent with the purpose of the S&R Tariff and agrees to make the following correction:

27.1.1.4.1.3 The ISO shall use Energy Bids from Generating Units and from other resources in the ISO's real-time system operation, for increasing resources' output for Intra-Zonal Congestion Management **and** to decrement Generation in order to accommodate Overgeneration conditions, including Reliability Must-Run Generation which the ISO requests under Reliability Must-Run Contracts.

37. Section 27.1.1.4.2.6

Powerex states that Section 27.1.1.4.2.6 should be modified to reflect that the CAISO does not allow for the withdrawal of adjustment bids. Powerex at 10. The CAISO disagrees. The first part of Section 27.1.1.4.2.6 is derived from the Scheduling Protocol, and the second part is identical to the existing Tariff Section 7.2.4.2.6. While

the CAISO appreciates the comment, this change would be beyond the scope of the S&R Tariff.

38. Section 27.1.1.6(d)

PG&E states that Section 27.1.1.6(d) is internally ambiguous and that the comparison between hydro resources and MSS resources should be omitted. Amended PG&E at 13-14. The CAISO disagrees. On August 25, 2005, the CAISO filed the language at issue for approval at the Commission in compliance with the Commission's July 26, 2005 order, 112 FERC ¶ 61,136, directing the CAISO to modify Section 7.2.6 of the existing Tariff "to indicate that it treats hydroelectric resources in the same manner as it treats MSS [Metered Subsystem] resources." Given that the language is still pending FERC approval, the CAISO proposes not to make changes at this time.

39. Section 27.1.1.6(d)(1)

PG&E asserts that Section 27.1.1.6(d)(1) conflicts with Section 27.1.1.4.2.1 in that the former assumes that all sellers will bid, and the latter states that a Scheduling Coordinator is not required to submit an Adjustment Bid. Amended PG&E at 13. The CAISO disagrees that there is any conflict. First, the language from both of these Sections is unchanged. Section 27.1.1.4.2.1 applies to Adjustments Bids to resolve Inter-Zonal Congestion and does, indeed, provide that a Scheduling Coordinator is not required to submit them. Section 27.1.16(d)(1) applies to Intra-zonal Congestion only *if* a Scheduling Coordinator submits an Energy Bid, also a voluntary act.

40. Section 27.1.1.6.1.1(a)(1)

PG&E notes that the fourth sentence of Section 27.1.1.6.1.1(a)(1) contains a minor typographical error. Amended PG&E at 18. The CAISO agrees. A period and an extra space were inadvertently inserted, and a parenthesis inadvertently deleted. Section 27.1.1.6.1.1(a)(1) should be changed accordingly:

1. Excluding proxy bids, mitigated bids, and bids used out of merit order for managing Intra-Zonal Congestion, the accepted decremental bid, or the lower of the mean or the median of a resource's accepted decremental bids if such a resource has more than one accepted decremental bid in competitive periods over the previous 90 days for peak and off-peak periods, adjusted for daily changes in fuel prices using gas

price determined by Equation C1-8 (Gas) of the Schedules to the Reliability Must-Run Contract for the relevant Service Area (San Diego Gas & Electric Company, Southern California Edison Company, or Pacific Gas and Electric Company), or, if the resource is not served from one of those three Service Areas, from the nearest of those three Service Areas. There will be a six-day time lag between when the gas price used in the daily gas index is determined and when the daily gas index based on that gas price can be calculated. For the purposes of this Section 27.1.1.6.1, to determine whether accepted decremental bids over the previous 90 days were accepted during competitive periods, the independent entity responsible for determining reference prices will apply a test to the prior 90-day period. The test will require that the ratio of a unit's accepted out-of-sequence decremental bids (MWh) for the prior 90 days to its total accepted decremental bids (MWh) for the prior 90 days be less than 50 percent. If this ratio is greater or equal to 50%, accepted decremental bids will be determined to have been accepted in non-competitive periods and cannot be used to determine the decremental reference price. This test would be applied each day on a rolling 90-day basis. One ratio would be calculated for each unit with no differentiation for various output segments on the unit. Accepted and justified decremental bids below the applicable soft cap, as set forth in Section 39.3 of this Tariff, will be included in the calculation of reference prices;

41. Section 27.1.2.1.5.2

PG&E requests that the CAISO delete "for" before "any Scheduling Coordinator" in Section 27.1.2.1.5.2. Amended PG&E at 18. Section 27.1.2.1.5.2 is identical to existing Tariff Section 7.3.1.5.2. The CAISO agrees that correction of obvious typos is consistent with the simplification process and does not oppose PG&E's suggestion. Accordingly, the CAISO agrees to the following change:

27.1.2.1.5.2 If a Scheduling Coordinator fails to provide the scheduled flows in a counter direction, it must reimburse the ISO for the ISO's costs of buying or selling Imbalance Energy in each of the Zones affected by the non-provided scheduled flows in a counter direction, at the ISO's Zonal Imbalance Energy prices. That is, ~~for~~ any Scheduling Coordinator that does not produce, in real time, the amount of Energy scheduled in the Day-Ahead Market or Hour-Ahead Market will be deemed to have purchased/sold the amount of Energy under/over produced in the real-time imbalance market at the real-time price.

42. Section 27.2.1.2

Powerex requests that the CAISO add a reference to Transmission Meter Multipliers ("TMMs") to Section 27.2.1.2 and throughout the remainder of the Tariff where the term "GMMs" is included because, according to Powerex, the appropriate terminology for External Imports at Scheduling Points is TMMs and not GMMs. Powerex at 9. Powerex also requests that TMMs be added to the Master Definitions Supplement and defined as "the transmission loss calculation associated with the

particular intertie.” The CAISO disagrees. The S&R Tariff is consistent with the existing Tariff. While the CAISO appreciates the comment, the S&R Tariff is not intended to introduce new concepts.

43. Section 30.2

PG&E seeks clarification on the location of the “ISO Data Templates and Validation Rules Document” referenced in Section 30.2. Amended PG&E at 14. This reference in S&R Tariff Section 30.2 is identical to the reference in existing Tariff SBP 2.1. Given that the level of detail PG&E suggests does not currently exist in the SBP, adding such detail would be beyond the scope of the S&R Tariff. For general informational purposes, the SI Data Templates and Validation Rules Document is posted on the CAISO Website under Market Operations Technical Information. The document is titled “SI Data Templates and Validation Rules” and the link is as follows: <http://www.caiso.com/docs/2005/10/01/2005100118333920546.html>.

44. Section 30.2.6.14

Powerex requests that the CAISO replace “WECC tags” with “NERC tags” in Section 30.2.6.14. Powerex at 10. While Section 30.2.6.14 is deliberately identical to SBP 2.1.3(n) in compliance with the S&R Tariff’s goals of simplification and reorganization, the CAISO does not oppose Powerex’s suggestion to correct an obvious error. The resulting text would be as follows:

30.2.6.14 Complete ~~NERC~~ **WECC** tag;

45. Section 30.3.1A

DWR asserts that the deletion of the last four sentences in the blacklined version of Section 30.3.1A is unexplained, as DWR cannot find the two sections with which those four sentences were redundant. DWR at 7. According to the bracketed notes in Section 30.3.1A, the sentences were deleted as redundant with existing Tariff Sections 2.2.12.6 and 2.2.8.4, which have been transferred to S&R Tariff Sections 31.1.7 and 30.3.4.1. These two section transfers can be tracked in the “Mapping Table in Order of

Current CAISO Tariff” on page 4 and page 2, respectively. For convenience, the language of Sections 31.1.7 and 30.3.4.1 is as follows:

31.1.7 ISO Analysis of Preferred Schedules.

On receipt of the Preferred Schedules, the ISO will analyze the Preferred Schedules of Applicable RMR Scheduling Coordinators to determine the compatibility of such Preferred Schedules with the RMR Dispatch Notices. The ISO shall notify the Scheduling Coordinator of any specific Reliability Must-Run Units which have not been included in the Preferred Schedule but which the ISO requires to run in the next Trading Day. The ISO will also notify the Scheduling Coordinator of any Ancillary Services it requires from specific Reliability Must-Run Units under their Reliability Must-Run Contracts in the next Trading Day. If the ISO identifies mismatches in the scheduled quantity or location for any Inter-Scheduling Coordinator Energy Trade, it will notify the Scheduling Coordinators concerned and give them until a specified time, which will allow them approximately one half-hour, in which to modify their Schedules to resolve the mismatch before it applies the provisions of Section 30.2.3.4. The ISO shall analyze the combined Preferred Schedules submitted by all Scheduling Coordinators to forecast the probability of Congestion being caused by the Preferred Schedules. If the ISO finds that the Preferred Schedules will not cause Congestion, and subject to Section 30.2.3.4, the Preferred Schedules shall become the Final Schedules and the ISO shall notify Scheduling Coordinators accordingly.

30.3.4.1 Final Schedules.

If the ISO notifies a Scheduling Coordinator that there will be no Congestion on the ISO Controlled Grid based on the Preferred Schedules submitted by all Scheduling Coordinators, then subject to Section 30.2.3.4, the Preferred Schedule shall become that Scheduling Coordinator's Final Schedule. If the ISO has issued Suggested Adjusted Schedules and if no Scheduling Coordinator submits any changes to the Suggested Adjusted Schedules, all of the Suggested Adjusted Schedules shall become the Final Schedules. If the ISO has adjusted the Scheduling Coordinator's Preferred Schedule to match Inter-Scheduling Coordinator Energy Trades then the adjusted Preferred Schedule shall become that Scheduling Coordinator's Final Schedule.

If the ISO notifies a Scheduling Coordinator that there will be no Congestion on the ISO Controlled Grid become that Scheduling Coordinator's Final Schedule. If the ISO has adjusted the Scheduling Coordinator's Revised Schedule to match Inter-Scheduling Coordinator Energy Trades then the adjusted Revised Schedule shall become that Scheduling Coordinator's Final Schedule. If there is Congestion based on the Revised Schedules or mismatches in Inter-Scheduling Coordinator Energy Trades, the ISO shall adjust the Revised Schedules and issue Final Schedules. The Scheduling Coordinators will be notified, via WEnet, that their Schedules have become final. The ISO will also publish a final set of Usage Charges for Energy transfers between Zones, applicable to all Scheduling Coordinators. The Final Schedules shall serve as the basis for Settlement between the ISO and each Scheduling Coordinator.

46. Section 30.4.1.2

Powerex requests that the CAISO modify Section 30.4.1.2 to reflect that in practice the CAISO does not adjust imports or exports for Transmission Losses. Powerex at 7. While the CAISO appreciates the comment, the language in Section

30.4.1.2 was taken from the existing SBP 2.2.2. The suggested change is beyond the scope of the S&R Tariff.

47. Section 33.1.2.3.1.2

Powerex suggests that the CAISO change “Location Code of each Generating Unit, System Resource and Scheduling Point” in Section 33.1.2.3.1.2 to instead read “Resource Point of each Generating Unit, System Resource and Scheduling Point.” Powerex at 7-9. Powerex also suggests that the CAISO add references to System Resources where appropriate, e.g. the definition of “Ancillary Service Provider.” Powerex at 7-9. While the CAISO appreciates the comment, the language in Section 33.1.2.3.1.2 was taken from existing ISO Tariff Section 2.2.13.3.1.2. Any additional change is beyond the scope of the S&R Tariff.

48. Section 36.2.3

Powerex suggests that the CAISO replace specific, past date references in Section 36.2.3 with general language. Powerex at 10. The CAISO agrees that obvious non-substantive corrections to outdated language can be made consistent with the purpose of the S&R Tariff. Accordingly, the CAISO does not oppose Powerex’s suggestion. Section 36.2.3 should be modified to read as follows:

36.2.3 Each FTR shall be issued in the denomination of 1 MW. The **annual initial** release of FTRs shall start with the hour beginning at 12:00 a.m., on **April**~~February~~ 1, **2000** and end with the hour beginning at 11:00 p.m., on March 31, **2001 of the following year**. An FTR shall not afford the FTR Holder any right to share in Usage Charges attributable to Inter-Zonal Congestion occurring in any hour before or after the term of the FTR.

49. Appendix A

DWR states that the proposed new definition of “trading interval” is redundant with the definition of “Settlement Period.” DWR at 7. The term “trading interval” comes from SABP 1.2.2. While the CAISO does not necessarily disagree with DWR about the redundancy between the two terms, the CAISO does not believe the change is appropriate in light of the limited purpose of the S&R Tariff.

SMUD notes that the definition of “FTR Market” contains an inaccurate cross reference to Section 9.4. SMUD at 7. The CAISO agrees. The cross reference should

have been modified to refer to Section 36.4 rather than Section 9.4. Accordingly, the definition of “FTR Market” should read as follows:

FTR Market

A transmission path from an originating Zone to a contiguous receiving Zone for which FTRs are auctioned by the ISO in accordance with Section ~~36.4~~ **9.4** of the ISO Tariff.

SMUD also notes that the definition of “Interest” contains an inaccurate cross reference to SABP 6.10.5. SMUD at 7. The CAISO agrees. The cross reference should have been modified to refer to Section 11.2.1 rather than SABP 6.10.5. Accordingly, the definition of “Interest” should read as follows:

Interest

Interest shall be calculated in accordance with the methodology specified for interest on refunds in the regulations of FERC at 18 C.F.R. §35.19(a)(2)(iii) (1996). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment, except as provided in **Section 11.2.1 SABP-6.10.5**. When payments are made by mail, bills shall be considered as having been paid on the date of receipt.

SMUD states finally that the definition of “Wheeling Access Charge” contains an inaccurate cross reference to Section 7.1. SMUD at 7. The CAISO agrees. The cross reference should have been modified to refer to Section 26.1 rather than Section 7.1. Accordingly, the definition of “Wheeling Access Charge” should read as follows:

Wheeling Access Charge

The charge assessed by the ISO that is paid by a Scheduling Coordinator for Wheeling in accordance with Section ~~26.17.1~~. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996. The Wheeling Access Charge may consist of a High Voltage Wheeling Access Charge and a Low Voltage Wheeling Access Charge.

50. Appendix B.2

SMUD notes that Appendix B.2, Section 4.1.1 contains an inaccurate cross reference to Tariff Section 5.3. SMUD at 7. The CAISO agrees. The cross reference

should have been modified to refer to Section 4.6.4 rather than Section 5.3.

Accordingly, Section 4.1.1 should read as follows:

- 4.1.1 Identification of Generating Units.** The Participating Generator has identified the Generating Units that it owns, operates or has a contractual entitlement to in Schedule 1, as required by Section **4.6.4 5.3** of the ISO Tariff.

SMUD also points out that Appendix B.2, Section 4.4.1 contains an inaccurate cross reference to Tariff Section 5.8.3. SMUD at 7. The CAISO agrees. The cross reference should have been modified to refer to Section 4.6.7.3 rather than Section 5.8.3. Accordingly, Section 4.4.1 should read as follows:

- 4.4.1 Major Incident Reports.** The Participating Generator shall promptly provide such information as the ISO may reasonably request in relation to major incidents, in accordance with Section **4.6.7.3 5.8.3** of the ISO Tariff.

SMUD states further that Appendix B.2, Sections 9.1 and 10.1 have become redundant with the S&R Tariff combination of Sections 14 and 15 into S&R Tariff Section 14. SMUD at 7. The CAISO disagrees. The language of existing Tariff Sections 14 and 15, now in S&R Tariff Section 14, has not changed. The CAISO does not believe that the merger of these two sections has created redundancy, nor has it eliminated the need for inclusion of Sections 9.1 and 10.1 in the Participating Generator Agreement in Appendix B.2.

51. Appendix B.4

SMUD notes that Appendix B.4, Section 4.2.2 contains an inaccurate cross reference to Tariff Section 2.2.11.1. SMUD at 7. The CAISO agrees. The cross reference should have been modified to refer to Section 30.2.1 rather than Section 2.2.11.1. Accordingly, Section 4.2.2 should read as follows:

- 4.2.2 Dispatchable Load.** The Participating Load shall schedule Dispatchable Load pursuant to Section **30.2.1 2.2.11.1** of the ISO Tariff. Dispatchable Load shall comply with the ISO's communication and metering requirements.

52. Appendix F, Schedule 2

SMUD notes that the description of "Replacement Reserve Charge" in Appendix F, Schedule 2 contains an inaccurate cross reference to Tariff Section 2.5.28.4. SMUD at 7. The CAISO agrees. The cross reference should have been modified to refer to Section 8.12.3A rather than Section 2.5.28.4. Accordingly, Appendix F, Schedule 2 should read as follows:

Replacement Reserve Charge

The Replacement Reserve Charge will be calculated in accordance with ISO Tariff Sections **8.12.3A 2.5.28.4** and 11.2.4.1.

53. Appendix F, Schedule 3

SMUD notes that Appendix F, Schedule 3, Sections 5.7 and 7 contain inaccurate cross references to Tariff Section 8.6. SMUD at 8. The CAISO agrees. The cross references should have been modified to refer to Section 26.5 rather than Section 8.6. Accordingly, Section 5.7 and Section 7 should read as follows:

5.7 The Transition Charge shall be calculated separately for each Participating TO by dividing (i) the net difference between (1) the Participating TO's payment responsibility, if any, under Section **26.5 8.6** of the ISO Tariff and Section 7 of this Schedule 3; and (2) the amount, if any, payable to the Participating TO in accordance with Section 26.5 of the ISO Tariff and Section 7 of this Schedule 3; by (ii) the total of all forecasted Gross Load in the PTO Service Territory of the Participating TO, including the UDC and/or MSS Operator. If greater than zero, the Transition Charge shall be collected with the High Voltage Access Charge. If less than zero, the Transition Charge shall be credited with the High Voltage Access Charge. The amount of each Participating TO's NHVTRR shall not be included in the Transition Charge calculation.

7. Limitation

- (a) During each year of the transition period described in this Schedule 3, the increase in the total payment responsibility applicable to Gross Loads in the PTO Service Territory of an Original Participating TO attributable to the total for the year of (i) the amount applicable for the Original Participating TO under Section **26.5 8.6** of the ISO Tariff; plus (ii) the amount applicable to the implementation of the High Voltage Access Charge shall not exceed the amount specified in paragraph (b) of this section. This limitation shall be calculated individually for each Original Participating TO, provided that, if the net effect of clauses (i) and (ii) of this paragraph is positive for one or more Original Participating TOs for any year, the combined net effect shall be allocated among all Original Participating TOs in proportion to the amounts specified in paragraph (b) of this section. This limitation shall be applied by the ISO's calculation annually of amounts payable by New Participating TOs to Original Participating TOs such that the combined effect of clauses (i) and (ii) of this paragraph, and the payments received by each

Original Participating TO shall not exceed the amounts specified in paragraph (b) of this section. The amount receivable by the Original Participating TO from the New Participating TOs to implement the limitation in paragraph (b) of this section, shall be credited through the Transition Charge established pursuant to Section 5.7 of this Schedule 3. Payment responsibility under this section, if any, shall be allocated among New Participating TOs in proportion to their TAC Benefits.

- (b) The maximum annual amounts for Original Participating TO shall be as follows:
 - (i) For Pacific Gas and Electric Company and Southern California Edison Company, the maximum annual amount shall be thirty-two million dollars (\$32,000,000.00) each; and
 - (ii) For San Diego Gas & Electric Company, the maximum annual amount shall be eight million dollars (\$8,000,000.00).

SMUD notes the Methodology for Developing the Weighted Average Rate for Wheeling Service in Appendix H contains an inaccurate cross references to Tariff Section 7.1.4. SMUD at 8. The CAISO agrees. The cross reference should have been modified to refer to Section 26.1.4 rather than Section 7.1.4. Accordingly, Appendix H should read as follows:

Appendix H: Methodology for Developing the Weighted Average Rate for Wheeling Service

P_n = The applicable Wheeling Access Charge rate for a TAC Area or Participating TO_n in \$/kWh as set forth in Section ~~26.1.4~~ ~~7.1.4~~ of the ISO Tariff and Section 5 of the TO Tariff.

E. Table of Conforming Changes from Pro Forma Agreements.

PG&E notes in footnote 2 of its Amended Motion to Intervene and Protest that a table updating CAISO Pro Forma Agreement and Contract cross references would help to reduce confusion and burden. Amended PG&E at 7. SMUD also requests such a table. SMUD at 12. Attachment A to this filing is a chart that reviews each of the CAISO contracts. The chart identifies the contract, the current Tariff cross references contained in that contract and how those cross-references would be transferred to the S&R Tariff. The CAISO proposes to include this chart as part of the S&R Tariff as Annex 1 to Appendix B: Pro Forma Agreements.

F. Tariff Sheet Designations Indicating a Future Effective Date.

Powerex opposes the use of a November 21, 2005 effective date for each sheet in the S&R Tariff because certain of the sheets in the ISO Tariff in effect as of the date of the S&R Tariff filing contain designations indicating that they will be made “effective upon notice,” or some similar phrasing indicating a future effective date. Powerex at 5-6. As Powerex acknowledges (at 5), the CAISO has already identified this issue. Attachment B this present filing contains a table with an entry for each sheet in the ISO Tariff in effect as of the date of the S&R Tariff filing that contains a designation indicating a future effective date. Attachment B provides the current status of each sheet, including the dates on which tariff sheets became effective for tariff provisions that have been implemented. As shown in that table, all of the existing Tariff sheets with the exception of Nos. 20, 214, and 247A through 247D.01, and the sheets containing certain provisions of the Enforcement Protocol as described in the CAISO’s August 1, 2005 compliance filing in Docket No. ER03-1102, have been placed into effect. Consequently, all of the existing S&R Tariff sheets with the exception of Nos. 208 through 212, 218, 342 through 343, 360, 947 through 949, and the sheets containing the certain provisions of the Enforcement Protocol as described in the CAISO’s August 1, 2005 compliance filing in Docket No. ER03-1102, appropriately have a November 21, 2005 effective date.

G. There Is No Need for Additional Settlement Procedures.

Two intervenors, TANC and NCPA, request that the Commission establish settlement procedures to provide an additional period of review and correction of the S&R Tariff. TANC, *et al.*, at 13; NCPA at 6. Such procedures are unwarranted. The S&R Tariff, as modified based on the CAISO’s responses to the specific comments as discussed herein, should be accepted and allowed to go into effect. As discussed above, many of the suggested changes go beyond the purpose of the S&R Tariff and, thus should not be considered in this docket at all. Moreover, the CAISO has pledged to continue to improve the S&R Tariff once it goes into effect. Finally, the Commission can accept the S&R Tariff as the simplified and reorganized version of the existing ISO Tariff—any errors, if any, such as erroneous cross-references—would have no

substantive effect. The CAISO would, of course, be willing to correct such errors periodically.

III. CONCLUSION.

Wherefore, with the changes as suggested above, the CAISO respectfully requests that the Commission accept the S&R Tariff effective after a limited 30-60 day suspension and grant waiver of the Order No. 614 requirements for the MRTU Tariff filing so that the S&R Tariff can serve as the baseline for that filing to implement the CAISO's new market design.

Respectfully submitted,

/s/

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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 docket.

Dated at Folsom, California on this 4th day of November, 2005.

/s/

Sidney Mannheim Davies
Counsel for the California Independent
System Operator

ATTACHMENT A

MAPPING TABLE TRACKING CROSS REFERENCES IN CAISO CONTRACTS AND AGREEMENTS FROM JUNE 2005 CONFORMED TARIFF TO SEPTEMBER 2005 SIMPLIFIED AND REORGANIZED TARIFF¹

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Pro Forma Reliability Must Run Contract		
In definition of “RMR Payments Calendar” on page 12; Article 9.1(a) on page 69; Article 9.2 on page 75 & 76; Article 9.3(a) on page 76 & 77	Annex 1 of the Settlement and Billing Protocol of the ISO Tariff	Part J to Appendix N of the S&R Tariff
In definition of “Long-term Planned Outage” on page 8	ISO’s Outage Coordination Protocol	Majority of OCP transferred to Section 9 of the S&R Tariff
In definition of “Scheduling Coordinator” on page 12	Section 2.2.6 of the ISO Tariff	Section 4.5.3 of the S&R Tariff
Article 2.2(d) on page 16	Refers to “Replacement Reserve” as defined in the Master Definition Supplement	Same
Article 4.1(c)(v)(C) on page 24	Section 2.5.3.6 of the ISO Tariff	Section 8.2.3.6 of the S&R Tariff
Article 4.2 on page 25	Refers to “Final Schedule” as defined in Master Definition Supplement	Same
Article 4.9(c) on page 32	Ancillary Services Requirements Protocol (“ASRP”) in the ISO Tariff	Majority of ASRP transferred to Section 8 of the S&R Tariff
Article 7.5(a)(ii) on page 49 and Article 7.5(k)(i) on page 53	Section 5.2.8 of the ISO Tariff	Section 30.6.1.2 of the S&R Tariff

¹ The following contracts/agreements do not appear in this table, as they did not contain cross references in need of updating: (1) TCA Appendix A, with the exception of the Supplement to Edison Appendix A: Notices Pursuant to Section 4.1.5 and the Supplement to SDG&E’s Appendix A: Notices Pursuant to Section 4.1.5; (2) TCA Appendix B, with the exception of the Encumbrances (Exhibit B-1 to PG&E Appendix B); and (3) TCA Appendix C, E and F.

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Article 9.1(a) on page 69; Article 9.2 on page 75 & 76; Article 9.4(b)(iii)-(iv) and (c) on page 78; Article 9.7 on page 83	Section 5.2.7 of the ISO Tariff	Section 30.6.1.1 of the S&R Tariff
Article 9.4(e) on page 79	Section 13 of the ISO Tariff	No update
Article 12.6 on page 96	Section 14.3 of the ISO Tariff	Section 14.2 of the S&R Tariff
Pro Forma Reliability Must Run Schedule		
Schedule E, page 39	List of Ancillary Services	Same
Schedule E, page 44	ISO Ancillary Services Requirements Protocol and ISO Dispatch Protocol	Majority of the ASRP deleted as redundant with or added to Section 8 of the ISO Tariff; majority of DP added to Section 7 and 34 of the S&R Tariff
Schedule K, page 69	Refers to "RMR Charge" and "RMR Refund" as defined in Annex 1 of the SABP	Reference to SABP Annex 1 should be changed to Appendix N of the S&R Tariff.
Transmission Control Agreement		
Section 2.2.1(iv) on Sheet No. 4; Section 4.1.1 on Sheet No. 15; Section 4.4.3 on Sheet No. 23; Section 13 on Sheet No. 45	Sections 2.4.3 and 2.4.4 of the ISO Tariff	Sections 16.1 and 16.2 of the S&R Tariff
Section 4.1.2 on Sheet No. 16	Section 3.2.9 of the ISO Tariff	Section 24.9 of the S&R Tariff
Section 4.5.4 on Sheet No. 25; Section 11 on Sheet No. 44A	Section 3.2 of the ISO Tariff	Section 24 of the S&R Tariff
Section 4.6.1 on Sheet No. 25	Section 2.3.1.1 of the ISO Tariff	Section 7.1.1 of the S&R Tariff
Section 4.7.2 on Sheet No. 27; Section 15 on Sheet No. 48; Section 26.11 on Sheet No. 62	Section 13 of the ISO Tariff	Same
Section 5.1.1. on Sheet No. 27	Section 13.2.2 of the ISO Tariff	Same

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Section 5.4.1 on Sheet No. 31; Section 26.3.1 on Sheet No. 59A	Section 6 of the ISO Tariff	Section 6.4 of the S&R Tariff
Section 7.1 on Sheet No. 36; Section 7.3.2 on Sheet No. 37	Section 2.3.3 of the ISO Tariff	Section 9.3 of the S&R Tariff
Section 9.1 on Sheet No. 39	Section 2.3.2 of the ISO Tariff	Section 7.4 of the S&R Tariff
Section 9.3.2 on Sheet No. 40	Section 2.3 of the ISO Tariff	Section 7 of the S&R Tariff
Section 12.1 on Sheet No. 45	Section 2.1.2 of the ISO Tariff	Section 2.2 of the S&R Tariff
Section 16.1 on Sheet No. 48	Section 11 of the ISO Tariff	Same
Section 17.2.3(ii) on Sheet No. 50	Section 2.3.3.5 of the ISO Tariff	Section 9.3.6 of the S&R Tariff
Section 22.1 on Sheet No. 55	Section 13.3.14 of the ISO Tariff	Same
Section 26.3.1 on Sheet No. 59	Section 20.3 of the ISO Tariff	Section 20 of the S&R Tariff
TCA: Supplement to Edison Appendix A: Notices Pursuant to Section 4.1.5		
Footnote #2 on Sheet No. 87	Section 3.2.2 of the ISO Tariff	Section 24.2 of the S&R Tariff
TCA: Supplement to SDG&E's Appendix A: Notices Pursuant to Section 4.1.5		
Footnote #3 on Sheet No. 91	Section 3.2.2 of the ISO Tariff	Section 24.2 of the S&R Tariff
TCA: Appendix B: Encumbrances (Exhibit B-1 to PG&E Appendix B)		
Introduction paragraph on Sheet No. 110	Sections 2.4.3.1, 2.4.4.4.1, and 2.4.4.4.3 of the ISO Tariff	Sections 16.1.1, 16.2.3.1, and 16.2.3.3 of the S&R Tariff
TCA: Appendix D: Master Definition Supplement		
In definition of "Existing Rights" on Sheet No. 189	Section 2.4.4.1.1 of the ISO Tariff	Section 16.2.1.1 of the S&R Tariff
In definition of "ISO ADR Procedures" on Sheet No. 195	Section 13 of the ISO Tariff	Same
In definition of "ISO Control Center" on Sheet No. 195	Section 2.3.1.1 of the ISO Tariff	Section 7.1.1 of the S&R Tariff

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
In definition of "ISO Outage Coordination Office" on Sheet No. 196	Section 2.3.3 of the ISO Tariff	Section 9.3 of the S&R Tariff
In definition of "Non-Converted Rights" on Sheet No. 199	Section 2.4.4.2.1 of the ISO Tariff	Section 16.2.1A.1 of the S&R Tariff
In the definition of "Non-Participating TO" on Sheet No. 199	Section 2.4.3 and 2.4.4 of the ISO Tariff	Sections 16.1 and 16.2 of the S&R Tariff
In definition of "Project Sponsor" on Sheet No. 202	Section 3.2 of the ISO Tariff	Section 24 of the S&R Tariff
In the definition of "Scheduling Coordinator" on Sheet No. 204	Section 2.2.6 of the ISO Tariff	Section 4.5.3 of the S&R Tariff
Dynamic Scheduling Host Control Area Operating Agreement		
Section 2.2.2 on page 2; Section 2.2.6 on page 3; Section 3.3 on page 3; Section 4 on page 4; Section 5 on page 4; Section 7.2 on page 5; Section 8.4 on page 6	Dynamic Scheduling Protocol	Majority of DSP transferred to Appendix X of the S&R Tariff
Qualifying Facility Participating Generator Agreement		
Section D on page 1	Section 5.1.5 of the ISO Tariff	Section 4.6.3.2 of the S&R Tariff
Section 2.2 on page 4	Section 5 of the ISO Tariff	Section 4.6 of the S&R Tariff
Section 4.1.1 on page 5	Section 5.3 of the ISO Tariff	Sections 30.6.1.3 and Section 4.6.4 of the S&R Tariff
Section 4.1.2 on page 5; Section 4.1.3 on page 5	Section 2.5.25 of the ISO Tariff	Section 8.10.1 of the S&R Tariff
Section 4.2 on page 6	Section 2.3.2, 2.5.3.4 and 5 of the ISO Tariff	Sections 7.4, 8.2.3.4 and 4.6 of the S&R Tariff
Section 4.2.1 on page 6	Metering Protocol Section 2.2.4.3 and Section 2.3.5	Section 10.1.3 (and subsections) of the S&R Tariff
Section 4.2.2 on page 6	Metering Protocol	Majority of MP transferred to Section 10 of the S&R Tariff

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Section 4.3.2 on page 7	Section 2.5.6 and Section 2.5.24 of the ISO Tariff	Sections 8.4 and 8.10 of the S&R Tariff
Section 4.4.1 on page 7	Section 5.8.3 of the ISO Tariff	Section 4.6.7.3 of the S&R Tariff
Section 4.5 on page 7	Section 5.11.4 of the ISO Tariff	Section 40.1.4 of the S&R Tariff
Section 4.5 on page 7	Section 2.3, 5.1.4 and 11.2.4.2.1 of the ISO Tariff	Sections 7, 4.6.3, 11.2.4.2.1 of the S&R Tariff
Section 7.1 on page 8	Section 13 of the ISO Tariff	Same
Section 9.1 on page 9	Section 14 of the ISO Tariff	Same
Section 10.1 on page 9	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 11.1 on page 10	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 11.2 on page 10	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Section 11.5 on page 10	Section 20.8 of the ISO Tariff	Section 22.9 of the S&R Tariff
Dynamic Scheduling Agreement for Scheduling Coordinators		
Section 4.1.1 on page 4	Section 2.2.7.6 of the ISO Tariff	Section 4.5.4.3 of the S&R Tariff
Section 4.1.7 on page 5	Section 2.5.25 of the ISO Tariff	Section 8.10.1 of the S&R Tariff
Section 4.2 on page 5	Section 2.2.7.6 and 2.5.6.2 of the ISO Tariff	Sections 4.5.4.3 and 8.4.5 of the S&R Tariff
Section 5.1 on page 5	Section 11.2.4.1.2 of the ISO Tariff	Section 11.2.4.1.2; (e) transferred in part to Section 11.2.4.5 of the S&R Tariff; (h) second sentence deleted as redundant with UDPAP 3.1.1, 3.1.2(2)(c); last three sentences of (h) added to UDPAP 3.1.1, 4.2, and 3.1.2(6)
Section 7.1 on page 6	Section 13 of the ISO Tariff	Same
Section 9.1 on page 6	Section 14 of the ISO Tariff	Same
Section 10.1 on page 7	Section 15 of the ISO	Section 14.1 of the S&R

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
	Tariff	Tariff
Section 11.1 on page 7	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 11.2 on page 7	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Section 11.5 on page 7	Section 20.8 of the ISO Tariff	Section 22.9 of the S&R Tariff
Participating Generator Agreement: Schedule 1		
Footnote 1	Section 2.5.24 and 2.5.25 and 5.3 and 5.8.1 of the ISO Tariff and Section 9 of the ASRP	Section 2.5.24 is Section 8.10 of the S&R Tariff; Section 2.5.25 is Section 8.10.1 of the S&R Tariff; Section 5.3 is Section 30.6.1.3 and 4.6.4 of the S&R Tariff; Section 5.8.1 is Section 4.6.7.1 of the S&R Tariff; and ASRP 9 is deleted in part and merged in part with Section 8.10.1 of the S&R Tariff
Participating Load Agreement		
Section 4.1.1 on page 4	Section 2.5.6.1 and 2.5.25 of the ISO Tariff	Sections 8.4.1 and 8.10.1 of the S&R Tariff
Section 4.2.1 on page 4	Section 2.5.6.2 and 2.5.6.3 of the ISO Tariff	Sections 8.4.5 and 8.4.6 of the S&R Tariff
Section 4.2.2 on page 4	Section 2.2.11.1 of the ISO Tariff	Section 30.2.1 of the S&R Tariff
Section 4.4 on page 5	Section 2.5.25 of the ISO Tariff	Section 8.10.1 of the S&R Tariff
Section 4.5 on page 5	Section 2.3.2, 2.5 and 10 of the ISO Tariff	Sections 7.4, 8 and 10 of the S&R Tariff
Section 4.6.2 on page 5	Section 2.5.6 and 2.5.24 of the ISO Tariff	Sections 8.4 and 8.10 of the S&R Tariff
Section 5.1 on page 6	Section 2.5.26 of the ISO Tariff	Section 8.10.2 of the S&R Tariff
Section 7.1 on page 6	Section 13 of the ISO Tariff	Same
Section 9.1 on page 7	Section 14 of the ISO Tariff	Same
Section 10.1 on page 7	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Section 11.1 on page 8	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 11.2 on page 8	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Section 11.5 on page 8	Section 20.8 of the ISO Tariff	Section 22.9 of the S&R Tariff
Schedule 1, footnote 1	Sections 2.5.24 and 2.5.25 of the ISO Tariff and Section 9 of the ASRP	Sections 8.10 and 8.10.1 of the S&R Tariff. Section 9 of the ASRP has been deleted in part and merged in part with Section 8.10.1 of the S&R Tariff
Meter Service Agreement for ISO Metered Entities		
Section A on page 1	Section 10.3.1 of the ISO Tariff	Section 10.2.7.1 of the S&R Tariff
Section B on page 1	Section 10.2.4 of the ISO Tariff	Same
Section D on page 1; Section 1.3(l) on page 3; Section 3.2.1 on page 5; Section 3.2.3 on page 5; Section 3.2.4 on page 5; Section 3.2.5 on page 5; Section 3.3.1 on page 6	Metering Protocol	Majority added to or merged with Section 10 of the S&R Tariff
Definition of "ISO Authorized Inspector"	"as defined in the Metering Protocol"	Term now defined in the S&R Tariff Appendix A: Master Definition Supplement, renamed "CAISO Authorized Inspector"
Definition of "Metering Protocol"	The reference to "Metering Protocol," Section 10 of the ISO Tariff, and Appendix J of the ISO Tariff	The majority of the Metering Protocol was added to Section 10 of the S&R Tariff; Section 10 remains Section 10 of the S&R Tariff; Appendix J remains Appendix J of the S&R Tariff
Section 2.2.1 on page 4; Section 10.1 on page 8	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 3.1 on page 4	Reference to "Metering Protocol" and Section 10	The majority of the Metering Protocol was added to

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
	of the ISO Tariff	Section 10 of the S&R Tariff; Section 10 remains Section 10 of the S&R Tariff
Section 9.1 on page 8	Section 14 of the ISO Tariff	Same
Section 11.1 on page 8	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 11.2 on page 9	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Section 11.5 on page 9	Section 20.8 of the ISO Tariff	Section 22.9 of the S&R Tariff
Participating Generator Agreement		
Section 4.1.1 on page 4	Section 5.3 of the ISO Tariff	Sections 30.6.1.3 and 4.6.4 of the S&R Tariff
Section 4.1.2 on page 4; Section 4.1.3 on page 5	Section 2.5.25 of the ISO Tariff	Section 8.10.1 of the S&R Tariff
Section 4.2 on page 5	Section 2.3.2, 2.5.3.4 and 5 of the ISO Tariff	Sections 7.4, 8.2.3.4 and 4.6 of the S&R Tariff
Section 4.3.2 on page 5; Section 4.3.3 on page 5	Section 2.5.6 and 2.5.24 of the ISO Tariff	Sections 8.4 and 8.10 of the S&R Tariff
Section 4.4.1 on page 6	Section 5.8.3 of the ISO Tariff	Section 4.6.7.3 of the S&R Tariff
Section 7.1 on page 6	Section 13 of the ISO Tariff	Same
Section 9.1 on page 7	Section 14 of the ISO Tariff	Same
Section 10.1 on page 7	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 11.1 on page 7	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 11.5 on page 8	Section 20.8 of the ISO Tariff	Section 22.9 of the S&R Tariff
Meter Service Agreement for Scheduling Coordinators		
Section A and Section B on page 1	Section 10.6.7 of the ISO Tariff	Section 10.3.13 of the S&R Tariff
Section D on page 1; definition of "ISO Authorized Inspector" on page 2; Section 1.3(1) on page 3; Section 3.3.4 on page 5	References "Metering Protocol"	The majority of the Metering Protocol was added to Section 10 of the S&R Tariff

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Definition of "Metering Protocol" on page 2; Section 3.1 on page 4	References "Metering Protocol" and Section 10 of the ISO Tariff	The majority of the Metering Protocol was added to Section 10 of the S&R Tariff and Section 10 remains the same
Section 2.2.1 on page 4	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 7.1 on page 7	Section 13 of the ISO Tariff	Same
Section 9.1 on page 8	Section 14 of the ISO Tariff	Same
Section 10.1 on page 8	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 11.1 on page 8	Section 17 of the ISO Tariff	Section 22.2 of the ISO Tariff
Section 11.2 on page 9	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Section 11.5 on page 9	Section 20.8 of the ISO Tariff	Section 22.9 of the S&R Tariff
Utility Distribution Company Operating Agreement		
Section 3.1.1 on page 4	Section 4.9 of the ISO Tariff	Section 4.4.9 of the S&R Tariff
Section 3.2 on page 4	Section 16.1, 20.1.3, and Section 4 of the ISO Tariff	Sections 22.10.1, 22.4.3, and 4.4 of the S&R Tariff
Section 3.4.1 on page 5	Section 16.1 and 20.1.3 of the ISO Tariff	Sections 22.10.1 and 22.4.3 of the S&R Tariff
Section 3.5 on page 5	Section 2.2.3 and 2.2.4 of the ISO Tariff	Section 2.2.3 is Section 4.5.1 of the S&R Tariff; Section 2.2.4 was deleted as redundant with SCAP 2 through SCAP 6
Section 3.7 on page 5	Section 4.1.2 of the ISO Tariff	Section 4.4.1.2 of the S&R Tariff
Section 4.1.1 on page 6	Reference to "Outage Coordination Protocol"	Majority of OCP is added to or deleted as redundant with Section 9 of the S&R Tariff
Section 4.2 on page 6	Section 4.4 of the ISO Tariff; the Dispatch Protocol	Section 7.4 of the S&R Tariff; the majority of the DP added to Section 7 and 34 of the S&R Tariff
Section 4.2.1 on page 6	Section 2.3.2 and 4.4.3 of	Sections 7.4 and 7.4.9 of the

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
	the ISO Tariff	S&R Tariff
Section 4.2.3 on page 6	Section 2.3 and Section 4.4.4 of the ISO Tariff	Sections 7 and 7.4.11.3 of the S&R Tariff
Section 4.3 on page 6	Section 4.5 of the ISO Tariff	Section 7.4.6 and 7.4.6.1 of the S&R Tariff
Section 4.4 on page 7	Section 4.4.4 of the ISO Tariff	Section 7.4.11.3 of the S&R Tariff
Section 4.5 on page 7	Section 4.1.2, 4.6, 4.8, and 2.3.2.9.1	Sections 4.4.1.2, 4.4.6, 4.4.8, and 7.4.13.1 of the S&R Tariff
Section 4.7 on page 7	Section 4.3 of the ISO Tariff	Section 4.4.3 of the S&R Tariff
Section 5.1 on page 7; Section 5.2 on page 7	Section 4.8.4 of the ISO Tariff	Section 4.4.8.4 of the S&R Tariff
Section 5.3 on page 8	Section 4.8.4.3 of the ISO Tariff	Section 4.4.8.4.3 of the S&R Tariff
Section 7.1 on page 8	Section 13 of the ISO Tariff	Same
Section 9.1 on page 9	Section 14 of the ISO Tariff	Same
Section 10.1 on page 9	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 11.1 on page 9	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 11.2 on page 9	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Schedule 3	Section 4.1.2 of the ISO Tariff	Section 4.4.1.2 of the S&R Tariff
Schedule 12, Section 1.3 and Section 2.6	Section 2.5.3.4 of the ISO Tariff	Section 8.2.3.4 of the S&R Tariff
Interconnected Control Area Operating Agreement		
Attachment A	References "Schedules and Bids Protocol" and "Scheduling Protocol"	Majority of SBP and SP deleted as redundant with or merged into various Sections of the S&R Tariff
Responsible Participating Transmission Owner Agreement		
Section D and E on page 1; Section 2.1 on page 3; Section 2.2.2 on page 4	Section 2.4.3 and 2.4.4 of the ISO Tariff	Sections 16.1 and 16.2 of the S&R Tariff
Section F on page 2; Section 3.3 on page 7;	Section 2.4.4.4.4.5 of the ISO Tariff	Section 16.2.3.4.5 of the S&R Tariff

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
Section 4.1 on page 8		
Section 2.3 on page 5; Section 3.5 on page 7; Section 9.2 on page 11	Reference to “Scheduling Coordinator Application Protocol”	Majority of SCAP merged with or deleted as redundant with Section 4 of the S&R Tariff
Section 2.7 on page 6	Section 2.4.3.1 of the ISO Tariff	Section 16.1.1 of the S&R Tariff
Section 3.1 on page 6 and 7	Section 2.2.7.2 and Section 20.3 of the ISO Tariff	Sections 4.5.4.2 and Section 20 of the S&R Tariff
Section 3.2 on page 7; Appendix B, row 3	Reference to “Schedules and Bids Protocol”	Majority of SBP deleted as redundant with or merged into various Sections of the S&R Tariff
Section 4.2 on page 8	Section 2.5.2.1 and 2.5.20 of the ISO Tariff	Section 8.2.1 and 8.6 of the S&R Tariff
Section 5.1 on page 9	Reference to “Outage Coordination Protocol”	Majority of OCP transferred to Section 9 of the S&R Tariff
Section 6.1 on page 9	Reference to “Demand Forecasting Protocol”	Majority of DFP merged into Section 19 of the S&R Tariff
Section 7.1 on page 9	Section 13.2(d) of the MP	Section 10.3.18.2 of the S&R Tariff
Section 9.1 on page 10	Section 2.6.2 of the Scheduling Coordinator Application Protocol	Section 4.5.1.1.6.2 of the S&R Tariff
Section 11.1 on page 12	Section 13 of the ISO Tariff	Same
Section 13.1 on page 12	Section 14 of the ISO Tariff	Same
Section 14.1 on page 12	Section 15 of the ISO Tariff	Section 14.1 of the S&R Tariff
Section 15.1 on page 13	Section 17 of the ISO Tariff	Section 22.2 of the S&R Tariff
Section 15.2 on page 13	Section 20.1 of the ISO Tariff	Section 22.4 of the S&R Tariff
Scheduling Coordinator Agreement		
Section A on page 1	Section 2.2.3 of the ISO Tariff	Section 4.5.1 of the S&R Tariff
Section 2C on page 2	Section 4 of the ISO Tariff	Section 4.4 of the S&R Tariff
Section 2D on page 2	Section 5 of the ISO	Section 4.6 of the S&R

Location of Cross Reference (page or section number)	Cross Reference as of June 2005 Conformed Tariff	Cross Reference as of Simplified & Reorganized Tariff
	Tariff	Tariff
Section 6 on page 3	Section 11 of the ISO Tariff	Same

ATTACHMENT B

TABLE OF SOURCES OF TARIFF SHEETS IDENTIFIED AS TO BE EFFECTIVE UPON NOTICE OF SOME FUTURE EVENT

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Third Revised Sheet No. 14	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 10/29/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 14A	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 10/29/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 20	Upon the date the ISO implements changes to its scheduling system to permit Section 2.2.9 of the ISO Tariff to go into effect	Filing submitted on 11/29/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); Section 2.2.9 (contained on this sheet) has not yet gone into effect and the S&R Tariff sheet should reflect the same designation
Second Revised Sheet No. 20A	Upon the date the ISO implements changes to its scheduling system to permit Section 2.2.9 of the ISO Tariff to go into effect	Filing submitted on 11/29/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on the tariff sheet became effective on 5/30/03, but the sheet was given its current effective date designation because it is a "rollover" sheet with regard to Sheet No. 20
First Revised Sheet No. 23	Upon Notice After October 13, 2000	Filing submitted on 5/2/00 in the Amendment No. 29 proceeding (Docket No. ER00-2383) (October 13, 2000 was the date on which a tariff update occurred); a market notice was issued on 10/16/00 stating that the upon-notice

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		provisions on the tariff sheet would become effective on 10/26/00
Original Sheet No. 24A	Upon Notice After February 27, 2001	Filing submitted on 12/29/00 in the Amendment No. 35 proceeding (Docket No. ER01-836); Market Participants received automatically generated electronic RMR pre-dispatch notification on May 31, 2000 at 0500
Fourth Revised Sheet No. 26	Upon Notice After February 27, 2001	Filing submitted on 12/29/00 in the Amendment No. 35 proceeding (Docket No. ER01-836); Market Participants received automatically generated electronic RMR pre-dispatch notification on May 31, 2000 at 0500
First Revised Sheet No. 26A	Upon Notice After February 27, 2001	Filing submitted on 12/29/00 in the Amendment No. 35 proceeding (Docket No. ER01-836); Market Participants received automatically generated electronic RMR pre-dispatch notification on May 31, 2000 at 0500
Third Revised Sheet No. 35	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation</i> , 109 FERC ¶ 61,087
Second Revised Sheet No. 35A	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on the tariff sheet became effective on 2/21/04, but the sheet was given its current effective date designation because it is a "rollover" sheet with regard to Sheet No. 35
Third Revised Sheet No. 45	Upon Written Notice Provided by the ISO to FERC and Market	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.);

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
	Participants	market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 67	Upon notice after May 19, 2001	Filing submitted on 3/20/01 in the Amendment No. 38 proceeding (Docket No. ER01-1579); a market notice was issued on 05/18/01 stating that the BEEP Split would become effective on 05/23/01
Original Sheet No. 67-A	Upon notice after May 19, 2001	Filing submitted on 3/20/01 in the Amendment No. 38 proceeding (Docket No. ER01-1579); a market notice was issued on 05/18/01 stating that the BEEP Split would become effective on 05/23/01
First Revised Sheet No. 68	Upon notice after May 19, 2001	Filing submitted on 3/20/01 in the Amendment No. 38 proceeding (Docket No. ER01-1579); a market notice was issued on 05/18/01 stating that the BEEP Split would become effective on 05/23/01
Original Sheet No. 68-A	Upon notice after May 19, 2001	Filing submitted on 3/20/01 in the Amendment No. 38 proceeding (Docket No. ER01-1579); a market notice was issued on 05/18/01 stating that the BEEP Split would become effective on 05/23/01
Second Revised Sheet No. 69	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 78	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Second Revised Sheet No. 79	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 80	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 82	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 83	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 83A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 85	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 86	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Second Revised Sheet No. 86A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 87	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 87-A	Upon notice after May 19, 2001	Filing submitted on 3/20/01 in the Amendment No. 38 proceeding (Docket No. ER01-1579); a market notice was issued on 05/18/01 stating that the BEEP Split would become effective on 05/23/01.
Third Revised Sheet No. 89	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 90	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 90A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 93	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 100	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 101	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 101A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Seventh Revised Sheet No. 103	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 103A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 104	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
First Revised Sheet No. 104B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 104C	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 105	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 106	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 106A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 108	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Fourth Revised Sheet No. 109	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Ninth Revised Sheet No. 110	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Seventh Revised Sheet No. 110K	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 114	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 115	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 116	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 117	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 119	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 120	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 121	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 123	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 124	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 125	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 134	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		MRTU Phase 1B)
First Revised Sheet No. 177	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Tenth Revised Sheet No. 184C	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Ninth Revised Sheet No. 184D.01	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Sixth Revised Sheet No. 184E	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 184E.01	Upon Notice After September 6, 2003	Filing submitted on 9/7/04 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 184F	Upon Notice by the ISO	Filing submitted on 5/11/04 in the Amendment No. 60 proceeding (Docket No. ER04-835); a market notice concerning change in CTs pursuant to Amendment No. 60 was issued on 8/26/04 and the change went into effect with MRTU Phase 1B on 10/1/04

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Original Sheet No. 184F.01	Upon Notice by the ISO	Filing submitted on 5/11/04 in the Amendment No. 60 proceeding (Docket No. ER04-835); a market notice concerning the implementation of the SCUC application was issued on 8/23/04 and the software was implemented on 9/2/04 for Trade Date 9/3/04
Original Sheet No. 184F.02	10 Days After Notice by the ISO	Filing submitted on 5/11/04 in the Amendment No. 60 proceeding (Docket No. ER04-835); a market notice concerning the implementation of the SCUC application was issued on 8/23/04 and the software was implemented on 9/2/04 for Trade Date 9/3/04
Fourth Revised Sheet No. 184G	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 199	Upon Notice After September 5, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 201	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 202	Upon Notice After October 13, 2000	Filing submitted on 5/2/00 in the Amendment No. 29 proceeding (Docket No. ER00-2383) (October 13, 2000 was the date on which a tariff update occurred); a market notice was issued on 10/16/00 stating that the upon-notice provisions on the tariff sheet would

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		become effective on 10/26/00
Third Revised Sheet No. 204B	One Day After Notice to Market Participants	Filing submitted on 2/14/05 in the Amendment No. 50 proceeding (Docket No. ER03-683); a market notice concerning the implementation of a daily gas index was issued on 6/22/05
First Revised Sheet No. 204B.01	One Day After Notice to Market Participants	Filing submitted on 2/17/05 in the Amendment No. 65 proceeding (Docket No. ER05-595); a market notice concerning the implementation of a daily gas index was issued on 6/22/05
First Revised Sheet No. 204C	One Day After Notice to Market Participants	Filing submitted on 2/14/05 in the Amendment No. 50 proceeding (Docket No. ER03-683); a market notice concerning the implementation of a daily gas index was issued on 6/22/05
Fifth Revised Sheet No. 205	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Second Revised Sheet No. 213	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 213.00	Upon Notice After September 6, 2003	Filing submitted on 9/7/04 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 213A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 214	Upon Notice After October 13, 2000	Filing submitted on 9/27/99 in the Amendment No. 22 proceeding (Docket No. ER99-4545) (October 13, 2000 was the date on which a tariff update occurred); Section 7.4.2.1.2 (contained on this tariff sheet) has not gone into effect and the S&R Tariff sheet should reflect the same designation
Fourth Revised Sheet No. 246	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 246A	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Second Revised Sheet No. 247.01	Upon Notice On or After May 1, 2004	Filing submitted on 3/2/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute First Revised Sheet No. 247.02	Upon Notice On or After May 1, 2004	Filing submitted on 3/2/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 247A	Upon Notice On or After May 1, 2004	Filing submitted on 9/7/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); the Uninstructed Deviation Penalty

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation
Third Revised Sheet No. 247B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); the Uninstructed Deviation Penalty provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation
Substitute Fifth Revised Sheet No. 247C	Upon Notice On or After May 1, 2004	Filing submitted on 3/2/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); the Uninstructed Deviation Penalty provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation
Original Sheet No. 247C.00	Upon Notice On or After May 1, 2004	Filing submitted on 9/7/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); the Uninstructed Deviation Penalty provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation
Third Revised Sheet No. 247C.01	Upon Notice On or After May 1, 2004	Filing submitted on 9/7/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); the Uninstructed Deviation Penalty provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Substitute Fourth Revised Sheet No. 247D	Upon Notice	Filing submitted on 8/3/04 in the Amendment No. 62 proceeding (Docket No. ER04-1087); the Uninstructed Deviation Penalty provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation
Original Sheet No. 247D.01	Upon Notice	Filing submitted on 11/1/04 in the Amendment No. 62 proceeding (Docket No. ER04-1087); the Uninstructed Deviation Penalty provisions in the subsections of Section 11.2.4.1.2 (contained on this sheet) have not gone into effect and the S&R Tariff sheet should reflect the same designation
Substitute Sixth Revised Sheet No. 250	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute First Revised Sheet No. 250.00	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 250.01	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Seventh Revised Sheet No. 250A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Second Revised Sheet No. 250B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 250C	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 256	Upon notice	Filing submitted on 6/10/03 in the Amendment No. 53 proceeding (Docket No. ER03-942); a market notice was issued on 03/10/04 stating that charge types would become effective beginning with the January 2004 Preliminary Invoice on 03/25/04
Second Revised Sheet No. 257	November 14, 2003 or upon Order by FERC	Filing submitted on 4/15/03 in the Amendment No. 51 proceeding (Docket No. ER03-746); provisions on tariff sheet accepted by order issued on 11/14/03, <i>California Independent System Operator Corporation</i> , 105 FERC ¶ 61,203
First Revised Sheet No. 260	November 14, 2003 or upon Order by FERC	Filing submitted on 4/15/03 in the Amendment No. 51 proceeding (Docket No. ER03-746); provisions on tariff sheet accepted by order issued on 11/14/03, <i>California Independent System Operator Corporation</i> , 105 FERC ¶ 61,203
Second Revised Sheet No. 262	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator</i>

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		<i>Corporation, 109 FERC ¶ 61,087</i>
Original Sheet No. 262.01	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); the tariff sheet was given its current effective date designation because it is a “rollover” sheet with regard to Sheet No. 262
Second Revised Sheet No. 297O	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 297P	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 305	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 306	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Fourth Revised Sheet No. 308	Upon Notice On or After May 1, 2004	Filing submitted on 6/17/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 308.01	Upon Notice On or	Filing submitted on 3/19/04 in the Amendment No. 58 proceeding

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
	After May 1, 2004	(Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 311.01	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 316	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 316A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 322	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 334.01	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 337	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Substitute Sixth Revised Sheet No. 340	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 344A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Third Revised Sheet No. 345	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 345A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 348	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 352	Upon Notice On or After May 1, 2004	Filing submitted on 3/2/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 352A	Upon Notice On or After May 1, 2004	Filing submitted on 3/2/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Original Sheet No. 357A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 460	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 466	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 469	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 470	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 475	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 477	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 478	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 479	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 479A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 480	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 480A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 481	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Second Revised Sheet No. 482	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 483	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 483A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 484	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 485	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 489	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 491	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California</i>

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		<i>Independent System Operator Corporation, 109 FERC ¶ 61,087</i>
Second Revised Sheet No. 496	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation, 109 FERC ¶ 61,087</i>
Second Revised Sheet No. 497	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation, 109 FERC ¶ 61,087</i>
Second Revised Sheet No. 499	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation, 109 FERC ¶ 61,087</i>
Second Revised Sheet No. 500	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation, 109 FERC ¶ 61,087</i>
Third Revised Sheet No. 508B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 508D	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 508G	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 508G.01	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 508J	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 541	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 541A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 542	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 543	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 544	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 544A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute First Revised Sheet No. 553	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 555	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 556	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 557	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding; market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B) (Docket Nos.

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		ER02-1656, et al.);
Fourth Revised Sheet No. 558	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 559	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 560	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 561	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 562	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 563	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
Third Revised Sheet No. 563A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Sixth Revised Sheet No. 564	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 564A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 565	Upon Notice	Filing submitted on 8/3/04 in the Amendment No. 62 proceeding (Docket No. ER04-1087); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 565.01	Upon Notice After September 6, 2003	Filing submitted on 11/21/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 565A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 565B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Original Sheet No. 565C	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 610	Upon Notice After October 13, 2000	Filing submitted on 9/27/99 in the Amendment No. 22 proceeding (Docket No. ER99-4545) (October 13, 2000 was the date on which a tariff update occurred); a market notice was issued on 1/24/00 stating that the upon-notice provisions would become effective on 1/31/00 for Trade Date 2/1/00
Third Revised Sheet No. 629	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 629A	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 630	Upon Written Notice Provided by the ISO to FERC and Market Participants	Filing submitted on 9/20/02 in the Amendment No. 44 proceeding (Docket Nos. ER02-1656, et al.); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fifth Revised Sheet No. 648	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		issued on 10/28/04, <i>California Independent System Operator Corporation</i> , 109 FERC ¶ 61,087
First Revised Sheet No. 648A	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation</i> , 109 FERC ¶ 61,087
Fifth Revised Sheet No. 649	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); provisions on tariff sheet accepted by order issued on 10/28/04, <i>California Independent System Operator Corporation</i> , 109 FERC ¶ 61,087
Third Revised Sheet No. 657	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 657A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 658	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 659	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
Third Revised Sheet No. 660	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 689	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 690	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Second Revised Sheet No. 691	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 694	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 694A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Original Sheet No. 694B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 694C	Upon Notice On or After May 1, 2004	Filing submitted on 9/7/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 694D	Upon Notice On or After May 1, 2004	Filing submitted on 9/7/04 in the Amendment No. 58 proceeding (Docket No. ER04-609); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 694G	Upon Notice	Filing submitted on 8/3/04 in the Amendment No. 62 proceeding (Docket No. ER04-1087); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Substitute Original Sheet No. 694H	Upon Notice After September 6, 2003	Filing submitted on 11/21/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Second Revised Sheet No. 696	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 697	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
First Revised Sheet No. 697A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Fourth Revised Sheet No. 698	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 699	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
Third Revised Sheet No. 700	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 700A	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 700B	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 700C	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		implementation of MRTU Phase 1B)
First Revised Sheet No. 700D	Upon Notice After September 6, 2003	Filing submitted on 7/8/03 in the Amendment No. 54 proceeding (Docket No. ER03-1046); market notices were issued on 9/17/04 and 10/1/04 (the latter being the date of implementation of MRTU Phase 1B)
First Revised Sheet No. 858	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102); the effective date for FERC's enforcement of the Enforcement Protocol (contained on Sheet Nos. 858 through 878) is 10/28/04 [<i>i.e.</i> , the date that FERC issued <i>California Independent System Operator Corporation</i> , 109 FERC 61,087]; however, a future FERC order may authorize the ISO's MMU to enforce the Enforcement Protocol, effective on a date to be provided in that FERC order
Substitute First Revised Sheet No. 859	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute Original Sheet No. 859A	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Original Sheet No. 859B	Upon Commission Approval	Filing submitted on 8/1/05 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
First Revised Sheet No. 860	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102)

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		See entry for Sheet No. 858, above
Substitute First Revised Sheet No. 861	Upon Commission Approval	Filing submitted on 5/21/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute First Revised Sheet No. 862	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute First Revised Sheet No. 863	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute First Revised Sheet No. 864	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Original Sheet No. 864A	Upon Commission Approval	Filing submitted on 4/25/05 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Substitute First Revised Sheet No. 865	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Substitute First Revised Sheet No. 866	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute First Revised Sheet No. 867	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
		(Docket No. ER03-1102) See entry for Sheet No. 858, above
Original Sheet No. 867A	Upon Commission Approval	Filing submitted on 11/29/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Substitute First Revised Sheet No. 868	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Substitute First Revised Sheet No. 869	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Substitute First Revised Sheet No. 870	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute First Revised Sheet No. 871	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Original Sheet No. 871A	Upon Commission Approval	Filing submitted on 8/1/05 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Original Sheet No. 871B	Upon Commission Approval	Filing submitted on 8/1/05 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Substitute First Revised Sheet	Upon Commission	Filing submitted on 5/20/04 in the

Tariff Sheet in Current ISO Tariff	Wording of Effective Date Designation in Current ISO Tariff	Source of Effective Date Designation; Date(s) of Notice(s) of Effectiveness, or Current Status
No. 872	Approval	Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Second Substitute First Revised Sheet No. 873	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
Original Sheet No. 873A	Upon Commission Approval	Filing submitted on 11/29/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
First Revised Sheet No. 874	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
First Revised Sheet No. 875	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
First Revised Sheet No. 876	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
First Revised Sheet No. 877	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above
First Revised Sheet No. 878	Upon Commission Approval	Filing submitted on 5/20/04 in the Amendment No. 55 proceeding (Docket No. ER03-1102) See entry for Sheet No. 858, above

