

**2011 Budget Stakeholder Meeting**  
**ISO Folsom Facility, Building 101A**  
***October 14, 2010***  
***10:00 a.m. – 2:00 p.m.***

**Attendees:**

<b>Name</b>	<b>Organization</b>		<b>Name</b>	<b>Organization</b>
<b>Via Phone:</b>			Steven Greenlee	CAISO
Katy Aflatouni	CDWR		Jenifer Melson	CAISO
Sean Beatty	Mirant		Chhanna Prak	CAISO
Sean Brannan	Flynn Research Consulting		Denise Walsh	CAISO
Don Brookhyser	CAC		Dan Sparks	PG&E
Bob Caracristi	NCPA		Mari Turner	PG&E
Mihai Cosman	CPUC		Michelle Volk	Bonneville Power
Hilary Costa	PLAPTS		Heather Wilson	SMUD
Jeff Davis	MID		Kathleen Wright	CDWR
Jackie DeRosa	Customized		<b>Present:</b>	
Josh Ditman	CEG		Charles	SWP
Philip Fernandez	City of Riverside		Brian Theaker	Dynegy
Carle Funke	San Diego Gas & Electric		David Cohen	TANC
Tina Hays	Tenaska Incorporated		Sean Neal	MID
Gifford Jung	Powerex		Chris Kirsten	CAISO - Host
Colby Kettler	Citigroup		Debi LeVine	CAISO
Elden Krause	City of Anaheim		Stephanie O'Guinn	CAISO
Cindi Leinenkugel	City of Riverside		April Gordon	CAISO
Sue Mara	RTO Advisors		Christina Ernandes	CAISO
Ron Matlock	Aces Power Market		Jan Cogdill	CAISO
John Perry	TID		Don Trethaway	CAISO
Abigail Seto	PG&E		Mike Epstein	CAISO
Chris Soderlund	SDG&E		Ryan Seghesio	CAISO
			Charles Snay	CAISO

*Questions or comments about the GMC should be directed to: GMC@caiso.com*

The following topics were covered:

## **Draft 2011 Budget**

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO's Initial Response/Views
1	It was his understanding that the 2011 Iron Point O&M expenses were to be picked up by the bond, is that not the case?	David Cohen - TANC	Ryan Seghesio	Correct
2	Is the bulk of the occupancy and equipment lease budget made up by the 3-facility leases?	David Cohen - TANC	Ryan Seghesio	Yes The interest component is not part of the O&M budget.
3	Slide 13: Regarding the percentage of personnel costs over total costs in the budget. Could he simply trace personnel costs back to the budget?	David Cohen - TANC	Mike Epstein	Yes, with the exception of the one person cost centers.
4.	Slide 15: Is there a reason why the green bar is not level across the years?	David Cohen - TANC	Ryan Seghesio	The series 2008 bonds had variable debt service amounts as portions of it paid off old bonds. The series 2009 bonds are fixed debt services amounts
5.	Do you have an idea of what the actual dollar amount is for debt reserve?	David Cohen - TANC	Mike Epstein	Page 35 of the budget document has the detail he is looking for.
6.	In regards to the approved \$15m capital funded projects only \$5m has been spent, what happens to the unspent money? This question is related to a question Sean Neil asked earlier re: the 2010 cash funded capital. The money was collected from the customers but not spent.	David Cohen - TANC	Mike Epstein	The money was collected in Jan. 2010 from payment acceleration and the unspent money is in managed reserve account.
7.	Is the money earning any interest?	David Cohen - TANC	Mike Epstein	yes and at the highest rate available

8.	Regarding the billing determinates, when the 2011 rate was put together did we consider the 2010 forecast changes?	Charles- SWP	Charles Snay	Yes. There should be fewer billing adjustments in 2011. 2010 had multiple adjustments because of volume issues and operating reserve impacts to certain charge categories.
9.	Do you have a total of the operations or capital costs incurred when convergence bidding was rolled out? What were the total costs of the roll out?	Charles- SWP	Charles Snay	No, the rate for CB is based on estimated usage impact of 9% for Forward Scheduling and MUFE.
10.	Are the start up costs included for the project included in capital or O&M?	Charles- SWP	Jan Cogdill	Yes, the software costs are capital costs, operating is part of O&M.
11.	In terms of budget for next year, were there budget line items for NERC and FERC compliance?	David Cohen-TANC	Mike Epstein	yes, they are included in the budgets for the pertinent cost centers.
12.	They were not included in separate budget?	David Cohen-TANC	Mike Epstein	No
13.	What is the 2011 benefit factor?	David Cohen-TANC	Mike Epstein	35%
14.	Was the budget put together based on the same structure as 2010 or by a new structure?	David Cohen-TANC	Mike Epstein	The 2011 budget was put together using the 2010 structure as the reorgs took place in the middle of the budget prep.
15.	Does the CAISO know how much it is spending on NERC compliance?	David Cohen-TANC	Mike Epstein	We will need to do some research