

**2012 Budget-Initial Stakeholder Meeting**  
**ISO Folsom Facility**  
**June 16, 2011**  
**10:00a.m. – 12:00 p.m.**

**Attendees:**

Name	Organization		Name	Organization
<b>Via Phone:</b>				
BROOKHYSER, DON	CAC		SHULTS, EMILY	SEMPRA ENERGY
CARACRISTI, BOB	NCPA		SODERLUND, CHRIS	SAN DIEGO GAS & ELECTRIC
DAVIS, JET	MODESTO IRRIGATION DISTRICT		TANNER, STACY	NCPA
DEROSA, JACKIE	CUSTOMIZE		TURNER, MARI	PACIFIC GAS & ELECTRIC
EMMERT, CAROLINE	ACES POWER MARKETING		VILLALOBOS, LIZ	CITY OF PASADENA
FARROKHPAY, SAEED	FERC		WARD, MICHAEL	ALSTON BIRD
FUNKE, CARL	SAN DIEGO GAS & ELECTRIC		WHITNEY, MIKE	NORTHERN CALIFORNIA POWER AGENCY
GONG, GEOFF	CALIFORNIA DEPARTMENT OF WATER RESOURCE		WILLIAMS, STEVE	SAN DIEGO GAS & ELECTRIC
HANSEN, BERT	SOUTHERN CALIFORNIA EDISON		WILSON, HEATHER	SMUD
KARAS, NATALIE	DUNCAN WEINBERG		WYNNE, JUSTIN	CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION
KRAMEK, MIKE	EDISON MISSION		PERRY, JOHN	TID
KRUTH, MAURY	FERC		ZIMMER, TONY	NCPA
LEINENKUGEL, CINDI	CITY OF RIVERSIDE			
MARA, SUE	RTO ADVISORS			
OLEKSAK, SHARON	PORTLAND GENERAL ELECTRIC			

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Name	Organization		Name	Organization
<b>Present:</b>				
Stephanie O’Guinn	CAISO		Judy Sanders	CAISO
April Gordon	CAISO		David Cohen	Navigant
Mike Epstein	CAISO		Consuela Richardson	
Charles Snay	CAISO		Dean Burk	
Denise Walsh	CAISO		Dean Cooley	Geyser Power
Ryan Seghesio	CAISO			
Jan Cogdill	CAISO			
Chris Kirsten	CAISO			
Debi Le Vine	CAISO			

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

The following topics were covered:

- 2012 Budget Process & GMC rate outlook
- 2011-2012 Project release plans
- 2011 GMC rate change
- 2011 YTD Financial Summary
- 2012 Budget Calendar
- GMC Tariff Language Review

#	Comment/Question/Suggestion	Stakeholder	CAISO Respondent	ISO’s Initial Response/Views
1.	Regarding comments to the Board in October – Will the comments to the Board be at the level of the budget or allocations?	David Cohen	Charles Snay	The comments can be regarding any part of the budget or GMC
2.	Regarding GMC Revenue requirement and rate outlook – Is the forecast by component?	David Cohen	Charles Snay	yes

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3.	Is the forecast for MWh from past forecasts?	David Cohen	Charles Snay	Yes- The last forecast done was in May 2011
4.	Is there an ISO methodology or just summing members forecasting?	David Cohen	Charles Snay	We look at historical actuals and make forward estimates based on that
5.	When you developed the Budget for 2010, was this weather normalized?	David Cohen	Charles Snay	We budgeted from the previous year. It was estimated. When considering weather the result is lower
6.	Did you verify with various PTO's?	David Cohen	Charles Snay	We looked at forecasts of CEC and historical data
7.	Regarding releases to Capital Projects, in the future can there be a sidebar to identify these?	David Cohen	Janet Morris	Yes, we can do that
8.	Is Dynamic Stability the same as Dynamic Transfers?	David Cohen	Janet Morris	No
9.	Regarding the development of Capital Project release – is additional staff or other costs identified?	David Cohen	Janet Morris	The majority of costs is software but some staff
10.	As far as the budget, does this include additional employees?	David Cohen	Mike Epstein	Currently the headcount is 601. The goal is to stay at that headcount.
11.	Does the headcount include consultants?	Dean Burk	Mike Epstein	Includes third party costs; otherwise the headcount will stay the same
12.	What does other income include?	David Cohen	Denise Walsh Ryan Seghesio	It includes new market participants, COI, and interest income 2011 YTD cumulative capital expenditures

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13.	How are capital expenditures being funded?	David Cohen	Jan Cogdill	From the GMC budget/Current revenue funded as cash funded capex
14.	Is there any other documentation to support Capital listing?	David Cohen	Jan Cogdill	The document included is a preliminary listing
15.	For items on the capital budget, will unused \$\$ be rolled into the 2013 capital budget?	David Cohen	Jan Cogdill Mike Epstein	Yes, it will be rolled in The budget for out of pocket will be less
16.	Is the Federal Smart Grid \$\$ that the ISO gets considered in the budget?	Consuelo Richardson	Mike Epstein	Smart projects would not come out of the budget; so far ISO doesn't qualify for grants but Smart Grid continues to look for grant
17.	Is there information from the program office regarding internal labor (???)	David Cohen	Mike Epstein	(???)Credit of program office – O&M; make sure balances(???)
18.	Is the TOR rate the same as TOR charge?	Chris Soderlund	Judi Sanders	Yes -Same fixed charge
19.	Is the percentage of the three buckets put in percentage of the Cost of Service Study in Fall of 2010/Labor Allocations? Is the percentage proposed not to change by the 205 filing in 2015?	David Cohen	Mike Epstein	Yes
20.	Not 100% of ABC tracking?	David Cohen	Mike Epstein	We used Level 2 activities in October – not time tracking; we interviewed Managers and Staff
21.	As the tracking method continues to be implemented, can we get a commitment next year for cost allocation percentage to get an update on tracking? Maybe a presentation?	David Cohen	Mike Epstein	The budget posts ABC; Q1 of 2012 everyone should be tracking
22.	How many Level 2 components are there?	David Cohen	Mike Epstein	125
23.	Did you talk to FERC staff on maintaining costs	David Cohen	Judi Sanders	Yes

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	for 3 years?			
24.	Regarding Tariff 11.22.5.1,2 & 3 – Form used for Schedule Coordinators; Appendix F – Rate calculated- No language on billable quantities; where is the language located for Schedule Coordinators billed	Tony Zimmer	James Lynn	Appendix – Billable determinates; BPMs descriptions – Part A
25.	Suggestion - add language pointing to BPM	Tony Zimmer	Judi Sanders	That's a good point and we will consider adding that
26.	CDWR – defined term/Billing determinates Market Services charge/Operational Adjustments for Day Ahead	Tony Zimmer	James Lynn	11.15.1- Day ahead and Real-Time/HASP real-time & Day Ahead/Settlement BPM & Not Tariff BPM
27.	Can we just call it – Cash fund & Capital?	David Cohen	Mike Epstein	Absolutely
28.	Related to TAC phase-in statewide	David Cohen	Judi Sanders	No
29.	Regarding Schedule 3 change; TAC high voltage statewide – why keep the old language?	David Cohen	Judi Sanders	We will change when we do the Schedule 3 changes
30.	Not for GMC filing? At a later date, will this be put on the “Bucket List”?	Dean Cooley	None	Comment only
31.	Does the Tariff have footnotes?	David Cohen	Judi Sanders	No
32.	Regarding Appendix F Will the source of this be identified	David Cohen	Mike Epstein	It will be in FERC filing
33.	Schedule for Tariff document with testimony	David Cohen	Judi Sanders	There will not be a draft posted. It will be filed by the end of June 2011
34.	TOR Supply/TOR Demand	Natalie Karas	Charles Snay	Definition encompassing
35.	Schedule 1 Part B- Accounting for credits	Natalie Karas	Judi Sanders	Specific credit – Charges credited against buckets