

**AMENDMENT NO. 1 TO THE
METER SERVICE AGREEMENT
FOR SCHEDULING COORDINATORS**

THIS AMENDMENT is dated this ____ day of _____, 1998 and is entered into, by and between:

(1) **NorAm Energy Services, Inc.** having its registered and principal place of business located at **1111 Louisiana, Houston, TX 77002** (“NorAm”);

and

(2) **California Independent System Operator Corporation**, a California non-profit public benefit Corporation having a principal executive office located at such place in the State of California as the ISO Governing Board may from time to time designate, initially 151 Blue Ravine Road, Folsom, California 95630 (the “ISO”).

NorAm and the ISO are hereinafter referred to as the “Amending Parties.”

Whereas:

- A.** The Amending Parties entered into the Meter Service Agreement for Scheduling Coordinators dated December 11, 1997 (the “Principal Agreement”).
- B.** By orders issued on December 17, 1997 and March 30, 1998, the Federal Energy Regulatory Commission required that the Principal Agreement be amended.

NOW THEREFORE, **THE AMENDING PARTIES AGREE** as follows:

1) Effective Date. This Amendment shall be effective as of the effective date of the Principal Agreement and shall remain in full force and effect until the termination of the Principal Agreement.

2) Amendment to the Principal Agreement. The Principal Agreement shall be amended as set out below:

a) Recital C is amended to read as follows:

C. The Parties are entering into this Agreement in order to establish the terms and conditions upon which the ISO and the SC shall discharge

their respective duties and responsibilities pursuant to this Agreement and the ISO Tariff.

b) Recital D is amended to read as follows:

D. All obligations and responsibilities included in this Agreement shall be set forth in further detail in the Metering Protocol of the ISO Tariff.

c) Section 1.1 is amended to read as follows:

1.1 Master Definitions Supplement. All terms and expressions used in this Agreement shall have the same meaning as those contained in the Master Definitions Supplement to the ISO Tariff.

d) Section 1.2 is amended to read as follows:

1.2 Special Definitions for this Agreement. In this Agreement, the following words and expressions shall have the meanings set forth below:

“ISO Authorized Inspector” has the meaning as defined in the Metering Protocol of the ISO Tariff.

“ISO Metered Entity” means:

(a) any one of the following entities that is directly connected to the ISO Controlled Grid:

- i. a Generator other than a Generator that sells all of its Energy (excluding any Energy consumed by auxiliary load equipment electrically connected to that Generator at the same point) and Ancillary Services to the UDC in whose Service Area it is located;
- ii. an Eligible Customer; or
- iii. an End-User other than an End-User that purchases all of its Energy from the UDC in whose Service Area it is located; and

(b) any one of the following entities:

- i. a Participating Generator; or
- ii. a Participating TO in relation to its Tie Point Meters with other TOs or Control Areas.

“**Metering Protocol**” means the Metering Protocol of the ISO Tariff on the subject of revenue quality metering which sets forth the requirements and procedures that SCs, amongst others, shall meet and follow in order to comply with their obligations under Section 10 of the ISO Tariff.

“**MDAS**” means the ISO’s revenue metering data acquisition and processing system.

“**Metering Facilities**” means revenue quality meters, instrument transformers, secondary circuitry, secondary devices, meter data servers, related communication facilities and other related local equipment.

“**SC**” means Scheduling Coordinator.

“**Scheduling Coordinator Metered Entity**” or “**SC Metered Entity**” means a Generator, Eligible Customer or End-User that is not an ISO Metered Entity.

e) Section 1.3(a) is amended to read as follows:

(a) if there is any inconsistency between this Agreement and the ISO Tariff, the ISO Tariff will prevail to the extent of the inconsistency;

f) Section 2.2.1 is amended to read as follows:

2.2.1 Termination by ISO. Subject to Section 4.2, the ISO may terminate this Agreement by giving written notice of termination in the event that the SC commits any default under this Agreement and/or the ISO Tariff which, if capable of being remedied, is not remedied within thirty (30) days after the ISO has given it written notice of the default, unless excused by reason of Uncontrollable Force in accordance with Section 15 of the ISO Tariff. With respect to any notice of termination given pursuant to this Section, the ISO must file a timely notice of termination with FERC. This Agreement shall terminate upon acceptance by FERC of such notice of termination.

g) Section 2.2.2 is amended to read as follows:

2.2.2 Termination by SC. In the event that the SC wishes to terminate this Agreement, the SC shall give the ISO ninety (90) days written notice. With respect to any notice of termination given pursuant to this Section, the ISO must file a timely notice of termination with FERC. This Agreement shall terminate upon acceptance by FERC of such notice of termination.

h) Section 3.1 is amended to read as follows:

3.1 Agreement Subject to ISO Tariff. This Agreement shall be subject to the provisions of the ISO Tariff which shall be deemed to be incorporated herein, as the same may be changed or superseded from time to time. The Parties agree that they will comply with the provisions of Section 10 of the ISO Tariff and the Metering Protocol of the ISO Tariff.

i) Section 3.2 is amended to read as follows:

3.2 Requirements and Standards for Metering Facilities. The SC shall ensure that the SC Metered Entities it represents shall adhere to the requirements and standards for Metering Facilities of its Local Regulatory Authority. If that SC Metered Entity's Local Regulatory Authority has not set any requirements or standards in relation to any of its Metering Facilities, the SC representing that SC Metered Entity must comply with the requirements and standards for those Metering Facilities as set forth in this Agreement and the ISO Tariff.

j) Section 3.3.3 is amended to read as follows:

3.3.3 Profiled and Cumulative Meter Data. The SC shall provide the ISO with any applicable load profile for each SC Metered Entity that it represents that is load profiled in accordance with the ISO Tariff. The SC shall provide a copy of the load profile applicable to each SC Metered Entity (if any) that it represents which shall be set forth in Schedule 2 to this Agreement. The SC must immediately notify the ISO of any changes to the load profiles referred to in Schedule 2 to this Agreement and provide the ISO with a copy of the new or amended load profile. Such change to Schedule 2 shall not constitute an amendment to this Agreement.

k) Section 3.3.4 is amended to read as follows:

3.3.4 Security and Validation Procedures. The SC shall apply to the Meter Data of the SC Metered Entities that it represents, the security and validation procedures prescribed by the relevant Local Regulatory Authority. If the relevant Local Regulatory Authority has not prescribed any such procedures, the SC shall apply the procedures set forth in the Metering Protocol of the ISO Tariff. Meter Data submitted by an SC for SC Metered Entities shall conform to these standards unless the ISO has, at its discretion, exempted the SC from these standards.

l) Section 3.4.1 is amended to read as follows:

3.4.1 Exemptions Granted by ISO. Any exemptions provided for under the ISO Tariff that are granted by the ISO shall be set forth in Schedule 3 to this Agreement. Any amendment or addition to Schedule 3 shall not constitute an amendment to this Agreement.

m) Section 3.4.2 is amended to read as follows:

3.4.2 ISO as Third-Party Beneficiary. The ISO shall be a third-party beneficiary to the agreements between the SC and SC Metered Entities that the SC represents. Such agreements shall grant the ISO access to any relevant information, records and facilities of the SC Metered Entity as needed for the ISO to fulfill its obligations under this Agreement and the ISO Tariff.

n) Section 4.2 is amended to read as follows:

4.2 Corrective Measures. If the SC or any SC Metered Entity that it represents fails to meet or maintain the standards for Metering Facilities or comply with the audit or test procedures as set forth in the ISO Tariff, the ISO shall be permitted to take corrective measures. Details of the corrective measures and rights the ISO may exercise upon any failure by any entity to meet those standards for Metering Facilities or to comply with the audit or test procedures shall be set forth in Schedule 4 Part B.

o) Section 8.2 is amended to read as follows:

8.2 The SC represents and warrants that all of the entities which it identifies on Schedule 1 as SC Metered Entities that it represents have granted it all necessary authority to enable it to carry out its obligations under this Agreement and the ISO Tariff, and, subject to the execution and delivery by the ISO, this Agreement will be enforceable against the SC in accordance with its terms.

IN WITNESS WHEREOF, the Amending Parties have caused this Amendment No. 1 to be duly executed by and through their respective authorized representatives as of the date hereinabove written.

California Independent System Operator Corporation

By: _____

Name: _____

Title: _____

NorAm Energy Services, Inc.

By: _____

Name: _____

Title: _____