

*ISO Response to MID's  
Data Requests and Clarification Questions on the 2011 Budget  
And GMC Rates  
10/6/10*

1. Please explain the basis for the assumption in the 2011 Rate Structure for using an 80/20 revenue split between ETS-withdrawals (CC4505) and ETS-UE (CC4506).

**ISO Response:**

*The 80/20 revenue split between ETS- Net Energy (NE) and ETS-Uninstructed Energy (UE) was proposed as part of the 2003 GMC unbundling initiative and approved as part of the 2004 settlement in Docket ER04-114-000.*

2. Please provide copies of the costs of service studies identified in Appendix D for:
  - MU-Forward Energy (CC4537), and
  - CRS/ETS TOR rate (CC 4508).

**ISO Response:**

*These charges were developed during the GMC Under MRTU stakeholder initiative that culminated in the February 20, 2008 filing in Docket ER08-585-000. The cost of service study conducted as part of that initiative was discussed in the testimony of Ben Arikawa, submitted as Attachment C to that filing (<http://www.caiso.com/1f73/1f73c21917a40.pdf>).*

3. Please explain and walk through a couple of Cost Center examples describing the differences between numbers in Appendix B versus Appendix D.

**ISO Response:**

*Using cost center 2121 as an example, the amount shown in Appendix D is \$2,737,900 and the amount shown in appendix B is \$675,337. The reason for this difference is the amount allocated to two cost centers new in 2011, cost centers 2123 and 2124. On the detailed tabs for these cost centers, the dollars are mapped to cost center 2121 thereby adding the amounts of \$987,553 for cost center 2123 and \$1,075,010 for cost center 2124. The amount that appears in Appendix D, \$2,737,900, is reached by adding all three amounts together.*

4. Refer to Appendix B – 2011 O&M Functionalization – Prelim.xls. Please provide this table in Excel with an added column identifying the CAISO FTE Wages and Salaries separated out from the Total FY2011 budget by Cost Center #.

**ISO Response:**

*See attached spreadsheet provided in response to question 7a.*

5. Refer to Appendix B, PDF page 4 column A, what does the “c” in that column refer to and how is it used in making further calculations?

**ISO Response:**

*The letter “c” has no significance and is not used in making further calculations. It will be deleted in future versions.*

6. Refer to Appendix B, Please explain the reasons for the following new cost centers for 2011 and how the CAISO arrived at them.

**ISO Response:**

New Cost Center No.	Description	No. of CAISO FTE assigned to this Cost Center	Reason for adding in 2011, and in which Cost Center were the dollars in 2010 Approved Budget
2142	Enterprise Model Management	1	CC 2542 – Standardize network model development in Technology
2442	IT Product Development	9	CC 2441 & 2463 - Separate existing responsibilities within the division
2481	Power Systems Technology Development	6	CC 2542 - Separate existing responsibilities within the division
2482	Power Systems Technology Operations	8	CC 2541 & 2542 - Separate existing responsibilities within the division
2483	Power Systems Smart Grid Technologies and Strategies	2	CC 2843 - Focus smart grid development in Technology
2532	Operations Engineering	-	Cost center not used
2533	Studies & Procedures	-	Cost center not used
2681	Asst General Counsel – Litigation and Mandatory Standards	3	CC 2621 - Separate existing responsibilities within the division
2761	Market Analyses & Development	2	CC 2721 - Separate existing responsibilities within the division
2762	Market Analysis	5	CC 2721 - Separate existing responsibilities within the division

7. Referring to Appendix D – 2011 Revenue Requirement – Prelim.xls TAB: Rev Req detail.  
a) What are the 2011 CAISO FTE Labor costs, (excluding Consultants) out of the \$162.458 million of Total O&M expenses proposed?

**ISO Response:**

*See attached spreadsheet detailing FTEs and salaries and benefits which total \$110,940,999.*

- b) For the following columns in that spreadsheet, what is the 2011 CAISO FTE Labor costs included in:

**ISO Response:**

Description	% of O&M costs in cost category	Labor Costs in cost category
Core Reliability	39.39%	\$ 43,697,360
Energy Transmission Services	16.01%	\$ 17,765,601
CRS/ETS TOR	0.45%	\$ 501,603
Forward Scheduling	3.77%	\$ 4,176,958
Market Usage	13.11%	\$ 14,543,206
Market Usage Forward Energy	2.94%	\$ 3,264,778
Settlements, Metering and Client Relations	24.33%	\$ 26,991,489
Total	100.00%	\$110,940,995

- c) Please explain the allocation of the dollars of Credits and percentages included in the table below and explain why it is different than the % Revenue Requirement before Application of credits (debts).

Description	Credits	% Credits	% Revenue Requirement before Application of credits (debts)
Core Reliability	(\$11,328,284)	29.68%	34.1%
Energy Transmission Services	(\$8,435,436)	22.10%	13.9%
CRS/ETS TOR	(\$124,578)	0.33%	0.4%
Forward Scheduling	(\$2,748,436)	7.20%	7.4%
Market Usage	(\$7,892,688)	20.68%	13.2%
Market Usage Forward Energy	(\$1,844,568)	4.83%	5.8%
Settlements, Metering and Client Relations	(\$5,794,944)	15.18%	25.3%

**ISO Response:**

*The credits include the operating reserve credit in which over and under collections of charges from the prior year are applied to their respective cost categories. The over and under collections are materially different from the allocation of costs for the current year.*

8. Referring to Appendix D – 2011 Revenue Requirement – Prelim.xls TAB: Rev Req Summary.

- a) Please explain the basis for assigning the proposed 2011 \$27,000,000 of Cash Funded Financing Budget to the GMC Buckets listed below:

Description	\$27,000,000 Cash Funded
Core Reliability	\$6,846,366
Energy Transmission Services	\$3,048,327
CRS/ETS TOR	\$81,982
Forward Scheduling	\$4,196,441
Market Usage	\$4,398,961
Market Usage Forward Energy	\$2,380,405
Settlements, Metering and Client Relations	\$6,047,519

**ISO Response:**

*The basis for assigning the \$27 million to the GMC buckets listed above is to first assign the amount of dollars for each system to the tariff defined systems and then allocate those dollars to the percentages associated with those systems, therefore allocating this amount to the GMC buckets.*

9. Please quantify for 2010 through September how much of the 2010 Cash Financed amount of \$15,000,000 has been spent so far?

**ISO Response:**

*The 2010 Capital Budget of \$31 million is made up of \$16 million of debt funded money and \$15 million of cash funded money. The Corporate Management Committee has to date approved \$25 million of the \$31 million available. Of that \$25 million approved, \$5 million of the cash funded money has been spent. Please note that amounts approved are therefore reserved and are not necessarily immediately spent, so there is usually a significant carryover of funds from one year to the next.*

	California ISO			
	2011 Budget			
	FTE & Salaries & benefits by Cost Center			
	7. Referring to Appendix D – 2011 Revenue Requirement – Prelim.xls TAB: Rev Req detail.			
	a) What is the 2011 CAISO FTE Labor costs, (excluding Consultants) out of the \$162.458 million of Total O&M expenses proposed?			
cc	name	FTE	Labor costs	comments
	CEO division			
2111	CEO - General	2	1,314,924	
2121	Market Monitoring - General	2	391,337	
2123	Monitoring & Reporting	6	987,553	
2124	Analysis & Mitigation	6	1,074,010	
	<b>Total</b>	<b>16</b>	<b>3,767,824</b>	
	HR division			
2341	Human Resources - General	4	2,120,260	
2342	Learning & Organizational Development	2	328,751	
2343	Compensation and Benefits	7	1,018,360	
2344	HR Operations	6	753,342	
	<b>Total</b>	<b>19</b>	<b>4,220,713</b>	
	MID division			
2211	Market & Infrastructure Development - General	4	1,123,542	
2221	Regional Transmission - North	13	2,418,494	
2231	Regional Transmission - South	10	1,723,176	
2241	Grid Assets	11	1,827,384	
2721	Market & Infrastructure Policy - General	5	1,074,442	
2722	Market Design & Regulatory Policy	5	894,251	
2723	Infrastructure Policy & Contracts	8	1,319,752	
2761	Market Analysis & Development - General	2	607,485	
2762	Market Analysis	5	979,935	
	<b>Total</b>	<b>63</b>	<b>11,968,461</b>	
	Technology division			
2411	Technology - General	1	645,171	
2142	Enterprise Model Management	1	-	1 FTE CC - costs in CC 2411
2481	Power Systems Technology Development	6	1,451,058	
2482	Power Systems Technology Development	8	1,481,409	
2483	Smart Grid Technologies and Strategies	2	398,471	
2441	Software Quality	6	1,060,138	
2442	IT Product Development	9	1,769,026	
2463	Business Solutions & Quality - General	9	1,794,371	
2456	System Administration	11	2,039,900	
2461	IT Strategy & Support - General	7	1,195,505	
2462	EMS Information Technology	12	2,169,161	
2464	Corporate Systems	14	2,656,467	
2465	Critical Systems	10	1,864,287	
2451	IT Support & Operations - General	2	382,877	
2452	System & Database Administration	19	3,402,892	
2453	Data Center & Operations	11	1,889,330	
2455	Support Services	19	2,200,975	
2731	Program Office - General	7	-	Labor costs in projects
2741	Program Life Cycle & Process	5	806,977	
	<b>Total</b>	<b>159</b>	<b>27,208,015</b>	

	California ISO			
	2011 Budget			
	FTE & Salaries & benefits by Cost Center			
cc	name	FTE	Labor costs	comments
	Operations division			
2511	Operations - General	2	1,203,603	
2571	Grid System Architecture & Renewable Integration	1	-	1 FTE in CC - costs in CC 2511
2351	Facilities	8	912,380	
2374	Campus Operations	8	857,158	
2521	System Operations - General	5	842,467	
2522	Real-Time Operations	62	15,253,392	
2523	Scheduling	9	1,961,121	
2524	Outage Management	13	2,042,848	
2542	Market Operations	8	1,695,367	
2531	Reliability & Market Modeling - General	18	2,787,996	
2251	Network Applications	6	1,031,021	
2554	Model & Contract Implementation	10	1,658,640	
2541	Market Services - General	4	662,889	
2543	Billing & Settlements	22	3,268,002	
2545	Market Information	11	1,673,530	
2552	Energy Measurement, Acquisition & Analysis	13	2,015,775	
2555	Market Services Analysis & Resolution	23	3,364,699	
2551	Operations Process, Quality & Compliance - General	4	743,010	
2553	Operations Procedures & Training	12	1,969,505	
2581	Operations Compliance	5	819,396	
	<b>Total</b>	<b>244</b>	<b>44,762,799</b>	
	General Counsel division			
2611	General Counsel - General	4	1,424,224	
2361	Procurement & Vendor Management	7	975,968	
2372	Internal Audit	4	710,554	
2651	Assistant Corporate Secretary	1	-	1 FTE in CC - costs in CC 2611
2671	Mandatory Standards Compliance	5	777,020	
2311	Treasury & Credit	5	899,199	
2321	Accounting	8	917,272	
2331	Financial Planning	3	588,171	
2621	Assistant General Counsel - Corporate	3	780,239	
2631	Assistant General Counsel - Regulatory	5	1,492,093	
2641	Assistant General Counsel - Tariff & Compliance	5	1,552,985	
2661	Paralegal & Office Administration	6	567,465	
2681	Asst. General Counsel - Litigation & Mandatory Standards	3	968,984	
	<b>Total</b>	<b>59</b>	<b>11,654,174</b>	
	Policy & Client Services division			
2811	Policy & Client Services - General	3	1,076,347	
2841	Customer Services & Industry Affairs - General	2	421,255	
2842	Customer Service	12	1,904,994	
2843	Stakeholders & Industry Affairs	9	1,505,941	
2821	Communications & Public Relations - General	6	902,464	
2822	Information Products & Services	4	695,222	
2831	State Affairs	2	384,670	
2832	Regulatory Affairs	2	468,116	
2833	Federal Affairs	1	-	1 FTE in CC - costs in CC 2811
	<b>Total</b>	<b>41</b>	<b>7,359,009</b>	
	<b>Total all</b>	<b>601</b>	<b>110,940,995</b>	