

Agenda

2004 GMC Rate Structure Project

Monday, June 16, 2003

10:00 a.m. to 12:00 p.m.

Conference Call-in #1-888-788-6681 Passcode: 98563

1. Introductions/roll call
2. Updates
 - a. SCE proposal
 - b. MID proposal
 - c. ISO proposal
3. Discussion of SDG&E issues
4. June 6 Board discussion
5. June 26 Board presentations
 - a. What to expect
 - b. Participant opinions on proposals and process
6. Bill impact analysis update
7. Discussion of timeline

See notes and participant list below:

Notes to conference call:

The conference call began with a discussion of the agenda for the conference call and schedule of future meetings.

David Cohen asked if a different version of the bill impacts spreadsheet could be sent out as the current version was too large and he was unable to print it.

SDG&E asked if they would have an opportunity to discuss their issues with billing determinants. An opportunity for them to do so was provided after the discussion of proposal updates.

SCE began with a brief update. They would be modifying their proposal to replace the energy charge on CAS with a demand charge. It would take a few days for him to make the change. David Cohen asked if Bert Hansen had taken the issue of a 25 percent DDES charge to his management. Bert had not, but they would be looking at it soon.

MID had no update to their proposal. When asked, MID stated that it was possible that their proposal would change in response to issues brought up by other participants. MID had decided on whether Option A or B was the correct method to use. MID wanted to have participants input prior to making that decision.

David Cohen asked if MID had reconsidered its tiered charges in the Resolving Energy Imbalances function. MID had not.

The ISO discussed updates to its proposal. No new information had been released. There were a few questions concerning the revised billing determinants.

The ISO had not yet completed compiling data through February 2003 for all billing determinants, but did state that it was likely to have all the data by the end of the week. The ISO also committed to having a revised white paper out at approximately the same time.

There was a discussion of the use of the more recent data. The ISO deferred answering that question until its legal counsel had been consulted.

SDB&E raised the issue of the SouthWest Power Link (SWPL) receiving ISO GMC charges. As SWPL was used to transmit power to IID and APS, these show up as exports and would be assessed the same charges as load and exports.

CDWR brought up the issue of the use of non-coincident peak rather than coincident peak. The ISO said that this issue could be addressed at the June 30th meeting. CDWR and their counsel discussed this briefly and agreed with the ISO that this discussion could take place then.

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SDG&E was given the opportunity to raise their issues, primarily charges to exports to APS and IID over SWPL. SCE compared SWPL to the California Oregon Transmission Project. MID took issue with this characterization. There was a long discussion of the similarities or lack of similarities between SWPL, Eldorado (exports from Mohave) and COTP. There was an agreement at the end of this discussion by the parties, SDG&E, SCE and MID not to mischaracterize aspects of the respective transmission lines.

SDG&E asked if the ISO would define exports not to include exports on COTP, SWPL and Eldorado. The ISO would not at this time. SDG&E mentioned that it was willing to discuss alternative charges that would be lower than the current or proposed charges.

David Cohen asked if SDG&E would quantify the amount of MWs and MWhs that would be involved in exports from SWPL, so that participants could get an idea of potential magnitude of bill impacts. SDG&E agreed. There was a discussion of whether there were similarly situated entities. MID pointed out that there were none. SDG&E said there was no intention to bring forth a new GMC proposal, but that their discussion was meant to focus on the implementation of whatever GMC is adopted.

The ISO briefly recapped the June 6th ISO Board meeting and the direction that the Board gave at that meeting. This led to a discussion of what would be presented at the June 26th Board meeting. According to the ISO, there would be no presentations on proposals at the June 26th meeting. The ISO would make a presentation on FERC ratemaking standards. There would be no GMC action items on the agenda.

There was the possibility of a mid-July Finance Committee meeting at which proposals could be presented. However, this was not firm yet.

At the July 24th ISO Board meeting, the Finance Committee might make a recommendation to the full Board on a GMC structure and the full Board might take action.

There were some questions about the ability of participants to make comments to the Board. The ISO stated that there was always a public comment period and that parties with proposals to present would be given sufficient time to make their proposals.

At the end of the conference call, an additional conference call or meeting for July 8th was discussed. The date was set for a conference call, though David Cohen thought that a meeting might be more fruitful.

List of Participants on Conference Call

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