

San Francisco Bay Area Rapid Transit District's Comments on Revised Proposal for Honoring Existing Transmission Contracts White Paper

The San Francisco Bay Area Rapid Transit District (BART) appreciates the opportunity to comment on the ISO's September 20, 2004 revised white paper titled Proposal for Honoring Existing Transmission Contracts. BART's Existing Transmission Contract (ETC) is a Network Integration Transmission Service Agreement, or Network OATT, and thus BART's comments pertain exclusively to this particular type of service. BART is only providing general comments on the white paper at this time.

BART strongly supports the position taken by many other parties, that under any ISO market structure, ETC holders should continue to realize all the benefits of their contracts.

The current white paper proposal described in Section 4.3 provides a mechanism for the preservation of ETC capacity rights that BART believes would be satisfactory for BART.

BART continues to have a concern that the ISO, in pursuing a LMP congestion management strategy, will adopt the use of a system of network nodes (injection and takeout points) that is not compatible with BART's rights to network service under BART's ETC.

In terms of congestion price hedging, BART supports the "perfect hedge option" proposed in the current white paper.