



NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL

Princeton Forrestal Village, 116-390 Village Boulevard, Princeton, New Jersey 08540-5731

December 28, 2005

Ms. Julie Pierce
Chairman, NERC Interchange Distribution Calculator Working Group
Midwest ISO, Inc.
1125 Energy Park Drive
St. Paul, Minnesota 55108

Dear Ms. Pierce:

E-tag and Market Adjustments

Thank you for your letter, dated November 18, 2005, requesting the NERC/NAESB Joint Interchange Scheduling Work Group (JISWG) create a “market operator adjust” feature for e-tagging that operates similar to the “curtailment” feature. The JISWG recognizes the Interchange Distribution Calculator Working Group (IDCWG) needs to identify market-driven e-tag adjustments separately from reliability adjustments. Developing the market operator adjust feature for use in place of the curtailment function will provide clearer separation of e-tag adjustments and aid in IDCWG e-tag reviews. During our December 13, 2005 conference call, the JISWG discussed your request and decided to develop a Standards Authorization Request (SAR) for submittal to the NERC Standards development process to modify applicable reliability standards and business practices.

The JISWG will begin drafting this SAR at its January 25–26, 2006 meeting in Houston. The draft SAR and any additional materials will be posted on the NAESB JISWG Web site at http://www.naesb.org/weq/weq_jiswg.asp.

Sincerely,

Bob Harshbarger

Bob Harshbarger
NAESB Co-Chair
Joint Interchange Scheduling Work Group

Jim Hansen

Jim Hansen
NERC Co-Chair
Joint Interchange Scheduling Work Group

cc: Interchange Subcommittee
Interchange Distribution Calculator Working Group
Operating Reliability Subcommittee Chairman, James Castle
DeDe Kirby, NAESB

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