As announced on June 15, 2007 and August 2, 2007, the staff of the Federal Energy Regulatory Commission will hold a technical conference in the above-referenced proceeding on September 18, 2007, at the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington D.C. It will be held in the Commission Meeting Room (Room 2C) from 9:30 a.m. until 1:00 p.m. (EDT).

All interested persons are invited, and there is no registration fee to attend.

The conference will explore issues associated with the cost recovery of penalties for Reliability Standard violations assessed against independent system operators (ISOs) and regional transmission organizations (RTOs), as set forth in Midwest Independent Transmission System Operator, Inc., 119 FERC ¶ 61,222 (May 31, 2007) in Docket Nos. ER07-701-000 and AD07-12-000. In that Order, the following topics were identified for discussion:

1. How each ISO’s or RTO’s regional tariffs and other operational agreements and protocols allocate reliability responsibilities among the parties;

2. What provisions exist in those tariffs, agreements, and protocols to establish responsibility for penalty costs associated with Reliability Standard violations;

3. What provisions exist that may prevent an entity from being registered for compliance with relevant Reliability Standards if its failure to perform under such tariffs, agreements, and protocols leads to a violation of Reliability Standards; and

4. What policies for any pass-through of penalty costs associated with Reliability Standard violations by ISOs and RTOs would both best provide due process for entities that would ultimately be required to pay these penalty costs and also avoid redundant investigations and litigation of Reliability Standard violations.
The agenda, panelists and topics for the conference will be as follows:

**Welcome and Introduction to the conference:** 9:30 – 9:45 a.m.

**Panel One:** 9:45 – 10:45 a.m.

New York ISO
   **Mark Lynch**, Chief Executive Officer

PJM Interconnection, L.L.C. (PJM)
   **Steven Pincus**, Senior Counsel for PJM

ERCOT
   **Mike Grable**, Assistant General Counsel

California ISO
   **Anthony Ivancovich**, Assistant General Council – Regulatory

Southwest Power Pool (SPP)
   **Les Dillahunty**, Vice President, Regulatory Policy

Midwest Independent Transmission System Operator, Inc. (MISO)
   **Stephen G. Kozey**, Vice President, General Counsel and Secretary

Panelists should be prepared to address Commission Topics 1, 2, 3 and 4 above. In addition, panelists are requested to consider the following topics:

A. Should an RTO or ISO be permitted to allocate to its customers or members reliability penalties assessed against it pursuant to section 215 of the FPA? If so, should this be handled by tariff or by contract? What allocation method would fairly apportion the cost burden?

B. If an RTO or ISO is permitted to pass on to its customers or members the reliability penalties assessed against it, how should the Commission ensure that the RTO/ISO has adequate incentives to comply with the Reliability Standards?

C. Should an RTO or ISO be permitted to directly assign to specific customers, market participants or members reliability penalties assessed against it, and if so, how should duplicative proceedings be avoided and due process ensured?

**Break** 10:45 – 11:00 a.m.
Panel Two: 11:00 a.m. – 12:00 p.m.

Dale Landgren, Vice President and Chief Strategic Officer, American Transmission Company

Brian F. Thumm, P.E., Manager, ERO/Regional Affairs, ITC Holdings

Maureen Borkowski, Vice President of Transmission, Ameren Services

Tamara Linde, Vice President – Regulatory, PSEG Services Corporation

Bary K. Warren, Director of Transmission Policy and Compliance, Empire District Electric Company

John A. Anderson, President and CEO, Electricity Consumers Resource Council (ELCON)

Panelists should be prepared to address Commission Topics 1, 2, 3 and 4 above. In addition, panelists are requested to consider the following topics:

A. Should an RTO or ISO be permitted to allocate to its customers or members reliability penalties assessed against it pursuant to section 215 of the FPA? If so, should this be handled by tariff or by contract? What allocation method would fairly apportion the cost burden?

B. If an RTO or ISO is not permitted to pass on reliability penalty costs assessed against it, what source of funds is suggested for payment?

C. Should an RTO or ISO be permitted to directly assign to specific customers, market participants or members reliability penalties assessed against it, and if so, how should duplicative proceedings be avoided and due process ensured?

Panel Three: 12:00 – 1:00 p.m.

NERC: David Whiteley, Executive Vice President

ReliabilityFirst Corporation (RFC): Raymond Palmieri, Vice President and Director of Compliance

Texas Regional Entity (TRE): Larry Grimm, Director of Compliance
Northeast Power Coordinating Council (NPCC):
Edward Schwerdt, President and CEO

Midwest Reliability Organization (MRO):
Dan Skaar, President

Panelists should be prepared to address Commission Topics 3 and 4 above. In addition, panelists are requested to consider the following topics:

A. How would Regional Entities and NERC address in enforcement proceedings assessment of penalties for matters in which an RTO or ISO and one or more customers or members violated the same Reliability Standard or different Reliability Standards?

B. If an RTO or ISO asserts that an entity that is not listed in NERC’s compliance registry is responsible for the RTO’s or ISO’s violation of a Reliability Standard, in an enforcement hearing pursuant to section 215 of the FPA, will Regional Entities or NERC inquire if the root cause of the violation lies with that entity and provide the entity an opportunity to participate in the proceeding?

Closing Remarks 1:00 p.m.

A free webcast of this event will be available through www.ferc.gov. Anyone with Internet access who desires to view this event can do so by navigating to www.ferc.gov’s Calendar of Events and locating this event in the Calendar. The event will contain a link to its webcast. The Capitol Connection provides technical support for the webcasts and offers access to the meeting via a phone bridge for a fee. If you have any questions, visit www.CapitolConnection.org or contact Danelle Perkowski or David Reininger at 703-993-3100.

Transcripts of the meeting will be available immediately for a fee from Ace Reporting Company (202-347-3700 or 1-800-336-6646). They will be available for free on the Commission’s eLibrary system and on the events calendar approximately one week after the conference.

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Questions about the conference should be directed to Don LeKang by e-mail at donald.lekang@ferc.gov or by phone at 202-502-8127.

Kimberly D. Bose
Secretary