

September 9, 2004

To: NAESB WEQ Seams Subcommittee

From: ISO/RTO Standards Review Committee

Re: NAESB Request for Comments on Draft Request for Standards on Replacement of Contract Paths with Flow-Based Transmission Service

This letter is submitted on behalf of the ISO/RTO Council (IRC), in response to NAESB's WEQ Seams Subcommittee Draft Request for Standards on Replacement of Contract Paths with Flow-Based Transmission Service

The IRC neither supports, nor objects to the request for this Standard, but cautions that the issues and challenges required to implement such a change in methodologies are innumerable and exceedingly complex. More concerning to the IRC, however, is the fact that implementation of any such standards would likely conflict with existing or proposed RTO market structure and policy. If NAESB does intend to pursue the development of this Standard, IRC requests that any proposed standards resulting from this request should be submitted to the Joint Interface Committee for their review and careful consideration.