

**DRAFT FOR REVIEW OF THE
BY-LAWS & GOVERNANCE SUBCOMMITTEE
FEBRUARY 28, 2002**

Proposed Changes to MC By-Laws Regarding Tariff Filings

- 8.01 All matters to be acted on by the Management Committee shall be brought up for a vote or approval in the form of a motion, which must be seconded. **If a motion addresses a subject that, if approved, will require a modification to the ISO Agreement, the ISO OATT or other ISO Tariff, the motion shall identify the committee, subcommittee or working group that will be charged with reviewing the tariff language before it is filed with FERC.** Only one substantive motion, and one motion to amend the substantive motion, may be pending for discussion at one time, although procedural motions, including motions to table the substantive motion, may be raised at any time. Substantive motions (and motions to amend substantive motions) that have been tabled shall not be considered pending for purposes of initiating any other substantive motion or an amendment to the pending substantive motion.

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- 9.03 The Management Committee shall review and approve or reject all proposed amendments to the ISO Agreement, the ISO OATT, and other ISO Tariffs.⁴⁷ **The final review and approval of such proposed tariff changes shall be implemented in accordance with Section 14.04 of the Management Committee By-Laws.**

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- 14.04 There shall be a subcommittee of the Management Committee, called the “Tariff Review Subcommittee,” empowered to review draft tariff language on behalf of the Management Committee as set forth in this Section 14.04, if the review of draft tariff language is delegated to it by the Management Committee.

14.04.1 Following the Management Committee’s approval of any motion that (i) requires a tariff filing and (ii) did not include tariff language, the **Management Committee shall specify whether, and to whom, it chooses to delegate the review of the new tariff language. The Management Committee may delegate such review to (1) the Business Issues Committee, (2) the Operating Committee, (3) an ISO subcommittee or working group or (4) the Tariff Review Subcommittee’s. If the Management Committee chooses to delegate**

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the review of the tariff language, the sole role of the committee, subcommittee or working group to which such review is delegated shall be to review the relevant draft tariff language prepared by ISO counsel to confirm the consistency of the draft language with the intent of the particular Management Committee action, rather than having the full Management Committee review the tariff language. ~~The Tariff Review Subcommittee~~In reviewing the draft tariff language, the committee, subcommittee or working group to which such review is delegated shall not make policy determinations about, or changes to, the actions of the Management Committee.

- 14.04.2 The Tariff Review Subcommittee shall consist of one member from each of the five sectors of the Management Committee pursuant to Section 14.04.2.1 and any additional members appointed by the Chairperson of the Management Committee pursuant to Sections 14.04.2.2 or 14.04.2.3.
- 14.04.2.1 Each sector shall select its representative who will serve as a member on the Tariff Review Subcommittee in any manner and for any term that the sector deems reasonable. A sector representative may assign the representative's right to review any particular draft tariff language to any other member of the representative's sector.
- 14.04.2.2 If a subsector of any sector believes that its interests are not being protected by the sector representative, the subsector may request that the Chairperson of the Management Committee appoint a representative of that subsector as an ad hoc member of the Tariff Review Subcommittee for review of that draft tariff language. Appointment of subsector members to the Tariff Review Subcommittee will be made at the sole discretion of the Management Committee Chairperson.
- 14.04.2.3 For any particular Management Committee action referred to the Tariff Review Subcommittee by the Management Committee, the Chairperson of the Management Committee may appoint to the Tariff Review Subcommittee an additional member with particular expertise in the relevant subject matter.
- 14.04.3 The ISO staff and counsel to the ISO shall attend all meetings of the Tariff Review Subcommittee, and all relevant meetings of other committees, subcommittees or working groups to which tariff review is delegated, to provide expertise and advice on proposed tariff language.
- 14.04.4 Meetings of the Tariff Review Subcommittee, and relevant meetings of other committees, subcommittees or working groups to which tariff review is delegated, shall be called by counsel to the ISO after such counsel has prepared the draft tariff language for review and after notice as provided in Section 14.04.5.

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- 14.04.5 ~~The~~ **If the Management Committee delegates the review of** draft tariff language ~~for review of, the Tariff Review Subcommittee~~ **draft tariff language**, including the initial draft tariff language and all such subsequent drafts, shall be made available on the ISO website and shall be provided to the members of the ~~Tariff Review Subcommittee~~ **committee, subcommittee or working group to which the review is delegated**, not less than three business days prior to the meeting of such ~~committee, subcommittee~~ **or working group**.
- 14.04.6 If the **Management Committee delegates the review of** draft tariff language is approved by the ~~Tariff Review Subcommittee~~ **to the Business Issues Committee or to the Operating Committee**, then the ~~draft~~ **new tariff** language shall be filed; ~~provided however, that such language shall be made available on the ISO website and shall be provided to the members of the Tariff Review Subcommittee without further approval by the Management Committee only after a vote of approval of at least three business days prior to filing~~ **58% of the Business Issues Committee or Operating Committee, respectively**.
- 14.04.7 If the Management Committee delegates the review of draft tariff language to an ISO subcommittee or working group other than the Tariff Review Subcommittee, then the new tariff language must be reviewed by such subcommittee or working group and referred to the Chairperson and Vice-Chairperson of the Management Committee for approval prior to filing.**
- ~~14.04.7~~ **14.04.8 If the Management Committee delegates the review of draft tariff language to the Tariff Review Subcommittee, then the draft tariff language shall be filed without further Management Committee approval only if all members of the Tariff Review Subcommittee approve the language for filing.** If any member of the Tariff Review Subcommittee objects to the proposed tariff language on the grounds that it is inconsistent with the intent of the Management Committee action, then the language shall not be filed without the approval of the Management Committee.
- ~~14.04.8~~ ~~The notice provisions set forth in Sections 14.04.5 and 14.04.6, shall apply to the Tariff Review Subcommittee and to any other Committee, subcommittee or group to which the Management Committee has delegated the review of draft tariff language.~~
- 14.04.9 If the draft tariff language is delegated and approved in accordance with this Section 14.04, then the draft language shall be filed; provided however, that such language shall be made available on the ISO website and shall be provided to the members of the committee, subcommittee or working group to whom the review was delegated at least three business days prior to filing.**