



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

**BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION
DEPARTMENT OF ENERGY
WASHINGTON, D.C.**

The staff of the Bureau of Economics of the Federal Trade Commission ("FTC")(2) appreciates this opportunity to respond to the Federal Energy Regulatory Commission's ("FERC") Inquiry Concerning the Commission's Policy on Independent System Operators ("ISOs"). FERC also has invited interested parties to submit comments addressing topics discussed at its ISO Conference held April 15-16, 1998. Our comment primarily concerns the question addressed by Panel 6 of the conference: "Should ISOs have monitoring and sanctioning functions?" The purposes of this comment are to identify issues of general applicability to all ISOs that we addressed in a previous comment to FERC on market monitoring by the New England Power Pool ("NEPOOL"), and to provide related observations arising from the ISO Conference. (3)

Rulemaking, Docket Nos. RM95-8-000 & RM94-7-001, filed August 7, 1995.