

**Energy and Generation Imbalances:** Energy and generation imbalance services are currently provided by the New England RTO, ISO New England, Inc., as part of the hourly market mechanisms used to settle energy to load and from generation. The New England Participating Transmission Owners (PTOs) believe that this is a sound mechanism to ensure appropriate pricing and settlement of energy and generation imbalances. In Paragraph 670 of the Federal Energy Regulatory Commission's Order 890, the Commission has acknowledged that it does not propose to redesign ISO/RTO markets. Accordingly, the PTOs do not plan to provide the energy and generation imbalance pricing mechanisms contemplated by Schedules 4 and 9 of the pro forma OATT issued as part of the Commission's Order No. 890.