



November 1, 1999

VIA COURIER

David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Mountain West Independent Scheduling Administrator
Docket No. ER99-3719-000

Dear Secretary Boergers:

This letter is submitted on behalf of the California Independent System Operator (“CAISO”) in response to the letter submitted on October 25, 1999, by the Mountain West Independent Scheduling Administrator (“Mountain West”). The CAISO disagrees with Mountain West’s assessment that there is no need for a technical conference at the Commission and continues to believe such a conference would be useful.

It is correct, as stated in Mountain West’s letter, that participants in the Mountain West ISA met to discuss certain issues, including concerns raised by the CAISO, on October 12, 1999. The discussion at that meeting, however, was limited and did not fully address all of the concerns of the CAISO.

First, the CAISO was asked only to discuss reliability issues as they relate to the interconnection between the systems. As a result of the meeting, Mountain West agreed to review two possible changes to its proposals, but did not, and could not, commit to any change. Moreover, the two changes discussed do not fully address all of the reliability concerns of the CAISO.

Second, while reliability issues are of greatest concern to the CAISO, the CAISO also has a significant interest in the development of effective markets in the western region. These market issues were not discussed, and it is the CAISO’s understanding that they will not be discussed at any future Mountain West-sponsored meeting. A technical conference at the Commission could provide the appropriate forum to consider these types of issues.

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Third, to date, discussions with Mountain West have not included all relevant Commission proceeding intervenors. For example, the system operators in Nevada have not participated. As a result, it is not certain that clarifications or resolutions can be reached through the Mountain West process. The CAISO believes that similar problems would not exist under a Commission-sponsored technical conference.

Finally, through stakeholder discussions, aspects of Mountain West's proposal have become clearer. At the same time it is becoming evident that with regard to some important issues, there may simply be disagreement among the parties. The CAISO hopes to refine a list of such outstanding issues, and our views of how the proposal should be amended to address them. A technical conference would provide an ideal forum for discussing outstanding issues and proposed solutions.

In sum, contrary to Mountain West's letter, the CAISO does not believe that the Mountain West stakeholder process would be undermined if the Commission convened a technical conference on the Mountain West filing. Even though there may be further opportunities for discussion with Mountain West through state-sponsored proceedings, ultimately the Commission will need to review and, if necessary, resolve the issues. The CAISO believes that a technical conference will permit the Commission to reach that resolution most efficiently and promptly.

Sincerely,

Ziad Alaywan
Director, Market Operations
California Independent System
Operator

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 29th day of October, 1999.

Kenneth B. Smith
Swidler Berlin Shereff Friedman, L.L.P.
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007-5116