

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

PGE Energy Services) **Docket No. EL03-164-000**

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTION TO DISMISS SHOW CAUSE PROCEEDING**

On August 29, 2003, Commission Trial Staff (“Staff”) filed a Motion To Dismiss Show Cause Proceeding (“Motion”), in resolution of all issues related to PGE Energy Services (“PGE”) set for hearing in *American Electric Power Service Corp., et al.*, 103 FERC ¶ 61,345 (2003) (“the Gaming Show Cause Order” or “Order”). Pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213, and to the Commission’s “Notice of Extension of Time” in this docket, dated September 8, 2003, the California Independent System Operator Corporation (“CAISO”) timely submits this answer to the Motion.

I. Background

The Gaming Show Cause Order required PGE to show cause why it should not be found to have engaged in False Import and Circular Scheduling, as those practices were described in the Order. In the Motion, Staff requested that PGE be dismissed from this docket, and that PGE be relieved from further obligation with respect to this docket.

II. Discussion

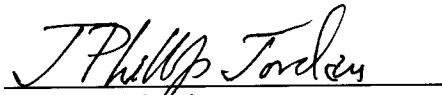
The CAISO does not object to relieving PGE from further obligation with respect to the practices of False Import and Circular Scheduling. As noted in the Motion, the dismissal relates only to matters raised in this docket, see Motion at ¶ 5.3; it does not affect any other proceeding, any pending rehearing or clarification requests with respect to the Order, or the possibility of subsequent proceedings against PGE based on the outcome of those requests, or on different time periods, different practices, or different transactions.

The CAISO respectfully suggests that, on balance, and contrary to the request in the Motion, see Motion at ¶ 5.1, it is preferable not to close the docket or to relieve PGE of all further obligations. Rather, the docket should remain open until all of the Show Cause proceedings have been concluded, and PGE should remain subject to discovery as a party if it has information relevant to potential gaming by others. There would be no prejudice to PGE, and it would serve the interests of efficiency, especially in light of the short discovery periods in these proceedings, to avoid the cumbersome process of obtaining discovery from a non-party.

III. Conclusion

The CAISO does not object to relieving PGE of further obligation to respond to the Gaming Show Cause Order. However, the docket should remain open and PGE should be subject to discovery as a party.

Respectfully submitted,



J. Phillip Jordan
Michael Kunselman
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007
Tel: (202) 424-7500

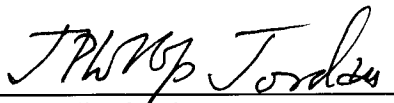
Charles F. Robinson,
General Counsel
Gene Waas,
Regulatory Counsel
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 916-7049

Dated: September 26, 2003

CERTIFICATE OF SERVICE

In accordance with the order issued by the Presiding Administrative Law Judge I hereby certify that I have this day served the foregoing document by posting an electronic copy on the Listserv for this proceeding, as maintained by the Commission.

Dated at Washington, DC, on this 26th day of September, 2003.


J. Phillip Jordan