

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

San Diego Gas & Electric Company)	
Complainant,)	
v.	)	Docket Nos. EL00-95-004
Sellers of Energy and Ancillary	)	EL00-95-005
Service Into Markets Operated	)	EL00-95-019
by the California Independent	)	EL00-95-031
System Operator Corporation)	
and the California Power)	
Exchange)	
Respondents.)	
)	
Investigation of Practices of the	)	Docket Nos. EL00-98-004
California Independent System	)	EL00-98-005
Operator and the California	)	EL0098-018
Power Exchange	)	EL00-98-030
)	
Puget Sound Energy, Inc.)	
Complainant,)	
v.	)	Docket Nos. EL01-10-000
All Jurisdictional Sellers of Energy	)	EL01-10-001
and/or Capacity at Wholesale into)	
Electric Energy and/or Capacity)	
Markets in the Pacific Northwest,)	
Including Parties to the Western)	
Systems Power Pool Agreement,)	
Respondents.)	

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO EXPEDITED REQUEST FOR CLARIFICATION OR, IN THE
ALTERNATIVE, REHEARING, OF INDICATED CALIFORNIA GENERATORS**

I. INTRODUCTION

Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213 (2001), the California Independent System Operator Corporation ("ISO") hereby submits its Answer to the Expedited Request for Clarification or, In the

Alternative, Rehearing, of Indicated California Generators filed on August 22, 2001 (“Expedited Request”).¹ The Indicated California Generators request that the Commission provide clarification or rehearing of an issue in the Commission’s refund order issued in these proceedings on July 25, 2001.² For the reasons described below, the Commission should find that the request of the Indicated California Generators should be denied.

II. ANSWER³

The ISO urges rejection of the Indicated California Generators’ request that the Commission resolve, on a piecemeal basis, a limited subset of objections to the methodology prescribed by the Commission for the calculation of the Mitigated Market

¹ The Expedited Request states that the Indicated California Generators are subsidiaries of Duke Energy, Dynegy, Mirant, Reliant, and Williams that have undersigned the Expedited Request. Expedited Request at 1, 4-5. Thus, the Indicated California Generators appear to be Dynegy Power Marketing, Inc.; El Segundo Power LLC, Long Beach Generation LLC, Cabrillo Power I LLC and Cabrillo Power II LLC; Mirant Americas Energy Marketing, LP, Mirant California, LLC, Mirant Delta, LLC, and Mirant Potrero, LLC; Reliant Energy Power Generation, Inc. and Reliant Energy Services, Inc.; Williams Energy Marketing & Trading Co; and Duke Energy North America, LLC and Duke Energy Trading & Marketing LLC. *See id.* at 4-5.

² *Id.* at 1 (citing *San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Service into Markets Operated by the California Independent System Operator Corporation and the California Power Exchange, et al.*, 96 FERC ¶ 61,120 (2001)).

³ The Indicated California Generators style the Expedited Request as a request for clarification or, in the alternative, rehearing, without differentiating between their request for clarification and their request for rehearing. Regardless of the extent to which the Expedited Request is considered a request for clarification or the extent to which it is considered a request for rehearing, the Commission should accept this Answer. Although the Commission’s rules normally prohibit answers to requests for rehearing, there is no prohibition on answers to motions or requests for clarification. *Compare* Rule 213(a)(2), 18 C.F.R. § 385.213(a)(2), *with* Rule 213(a)(3), 18 C.F.R. § 385.213(a)(3). Therefore, this Answer is entirely proper as a response to the Indicated California Generators’ request for clarification. In addition, notwithstanding Rules 213(a)(2) and 713(d)(1), 18 C.F.R. §§ 385.213(a)(2), 713(d)(1), the Commission has accepted answers to requests for rehearing that assist the Commission’s understanding and resolution of the issues raised in a request for rehearing (*see, e.g., South Carolina Public Service Authority*, 81 FERC ¶ 61,192 (1997); *Williams Natural Gas Co.*, 75 FERC ¶ 61,274 (1996)), or clarify or shed light on those issues (*see, e.g., Sithe/Independence Power Partners, L.P. v. Niagara Mohawk Power Corp.*, 81 FERC ¶ 61,071 (1997); *Great Lakes Gas Transmission Limited Partnership*, 77 FERC ¶ 61,034 (1996)). The ISO’s proposed Answer in these proceedings will serve these purposes and will also help the Commission “to achieve a complete, accurate, and fully argued record.” *Mojave Pipeline Co.*, 70 FERC ¶ 61,296 (1995), *modified*, 72 FERC ¶ 61,167 (1995), *vacated on other grounds*, 75 FERC ¶ 61,108

Clearing Price, specifically objections that the Indicated California Generators have with respect to the gas price calculation, not including objections to that very same calculation advanced by other parties to this proceeding.

As the Commission can well imagine, this proceeding is imposing an enormous additional burden on the limited professional and hardware resources that are available to the ISO. The ISO has taken all reasonable steps to expand those resources, but the ISO still remains extremely pressed. In addition to meeting the data preparation obligations that have been imposed upon it by the Commission, the ISO has endeavored to be as responsive as is possible to all parties in an effort to facilitate their participation. For example, in addition to the normal round of discovery requests (which in themselves are becoming overly burdensome by requesting piecemeal reruns and which may force the ISO to seek protection), the ISO, on its own initiative, conducted an informational session for all parties so that questions might be addressed to the ISO professionals that have and are producing data about the nature of that data and how it might be utilized by others. In addition, the ISO has had informal discussions with parties in an effort to help them understand how they might be able to acquire the data that they wish to use and, where possible, to facilitate production.

Recognizing the enormous burdens that all participants confront, but mindful of the need that this proceeding be brought to resolution at the earliest feasible time, as the Commission's July 25, 2001 order contemplates, the parties have been in prolonged discussions over the past several days in an effort to streamline the process without prejudicing the rights of any one party. The relief requested by the Indicated California

(1996), 78 FERC ¶ 61,163 (1997). The Answer should accordingly be accepted as a response to the

Generators would be counterproductive of all that is being done to meet the Commission's appropriately expeditious time schedule. The ISO must not be put in the position where it becomes necessary to rerun data and Settlement statements any more than is absolutely necessary. That is a very time-consuming process and, quite frankly, there are no resources left to take on that added burden. From a purely pragmatic standpoint, the request of the Indicated California Generators must be rejected.

III. CONCLUSION

For the foregoing reasons, the ISO respectfully requests that the Commission deny the Expedited Request filed by the Indicated California Generators.

Respectfully submitted,

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