

132 FERC ¶ 61,154  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

August 23, 2010

In Reply Refer To:  
California Independent System Operator  
Corporation  
Docket No. ER08-1113-009

California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630

Attention: Anna McKenna, Esq.  
Senior Counsel for California Independent System Operator Corporation

Reference: Order on Compliance

Dear Ms. McKenna:

1. On May 19, 2010, the California Independent System Operator Corporation (CAISO) submitted a compliance filing, as directed by the Commission's April 19 Order on Compliance,<sup>1</sup> concerning loss adjustments under its Integrated Balancing Authority Area (IBAA) proposal. The Commission accepts the revised tariff sheets, subject to the CAISO filing the changes that it committed to make in its answer, identified below, within 30 days of the date of this order.

2. Notice of the CAISO's filing was published in the *Federal Register* with comments due on or before June 9, 2010.<sup>2</sup> A timely motion to intervene and comment

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<sup>1</sup> *Cal. Indep. Sys. Operator Corp.*, 131 FERC ¶ 61,050 (2010).

<sup>2</sup> 75 Fed. Reg. 30,391 (2010).

was filed by the IBAA Entities.<sup>3</sup> The CAISO filed an answer to the comments on June 24, 2010.

3. IBAA Entities claim that the CAISO's proposed certification requirements need clarification. IBAA Entities state that one line of section G.1.2 of the proposed tariff language in the CAISO's May 19 Compliance Filing inexplicably introduces new terminology, creating an obligation for IBAA Entities to "demonstrate" that losses are paid. IBAA Entities state that the use of the term "demonstrate" appears unintentional, as it is not defined or described in the tariff language or the transmittal letter. IBAA Entities also assert that the CAISO's transmittal letter uses "certify" in the quoted language concerning the subject tariff provision, but the tariff sheet uses "demonstrate." Thus, IBAA Entities claim that the Commission should direct the CAISO to replace "demonstrate" with "certify."

4. IBAA Entities claim that on compliance the CAISO proposed to reflect that loss adjustments would apply at *either* the southern terminus of the California-Oregon Transmission Project *or* at the applicable scheduling point that interconnects the CAISO's balancing authority and the Western transmission system, in addition to the Tracy scheduling point. IBAA Entities claim that this change has been made consistently throughout the CAISO's proposed tariff language, but, in one instance, the CAISO uses the word "any" rather than "applicable" when referring to scheduling points.<sup>4</sup> IBAA Entities assert that this inconsistency creates ambiguity regarding pricing calculations. Thus, IBAA Entities request that the Commission require the CAISO to replace "any" with "applicable" in the subject proposed tariff provision.

5. IBAA Entities also propose some grammatical and clarifying changes to the portion of the CAISO's proposed tariff language concerning Resource IDs. IBAA Entities contend that in one line of the proposed tariff provision the word "use" should be moved to ensure that it applies to multiple phrases and that the phrase "within the SMUD/TID IBAA" should be added to the end of the sentence to clarify the sentence.<sup>5</sup> Also, IBAA Entities request that "that" be changed to "where" in the proposed tariff

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<sup>3</sup> The IBAA Entities are: the Sacramento Municipal Utility District, Transmission Agency of Northern California, Turlock Irrigation District, Modesto Irrigation District, and the Cities of Santa Clara, California, Redding, California and Palo Alto, California.

<sup>4</sup> IBAA Entities Comments at 6 (citing May 19 Compliance Filing, Attachment B, proposed tariff Section G.1.2).

<sup>5</sup> *Id.* at 7.

section G.1.2 concerning the uses of Resource IDs.<sup>6</sup> So, the subject tariff language would read, “~~where that~~ the export Schedules use: (a) the California-Oregon Transmission Project; or (b) transmission facilities owned by the Western Area Power Administration within the SMUD/TID IBAA.”

6. IBAA Entities claim that the tariff language submitted by the CAISO complies with the Commission direction that the CAISO provide a loss adjustment to parties that demonstrate that they would face duplicative loss charges for non-COTP exports. IBAA Entities, however, contend that the quoted tariff language provided in the transmittal letter does not reflect the changes in the CAISO’s proposed tariff language.

7. IBAA Entities state that although the tariff language would control, the inconsistency could create confusion. Thus, IBAA Entities request that the Commission clarify that the language in the proposed tariff provision governs and that the inconsistent language in the transmittal language is rejected.

8. In its answer, the CAISO proposes to make the tariff modifications requested by the IBAA Entities, but the CAISO maintains that adding “within the SMUD/TID IBAA” is unnecessary because its proposed tariff language already contains the phrase. The CAISO also agrees that the language in the tariff sheets, if approved by the Commission, would govern and not the language in the transmittal letter.

9. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,<sup>7</sup> the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure,<sup>8</sup> prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept the CAISO’s answer because it has provided information that assisted us in our decision-making process.

10. The Commission hereby accepts the CAISO’s commitment to submit tariff language consistent with the modifications it has agreed to in its answer, and the Commission directs the CAISO to file these changes within 30 days of the date of this order. The Commission notes that the subject tariff language already contains the phrase “within the SMUD/TID IBAA,” so no additional language is necessary. All parties

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<sup>6</sup> *Id.* at 8.

<sup>7</sup> 18 C.F.R. § 385.214 (2010).

<sup>8</sup> 18 C.F.R. § 385.213(a)(2) (2010).

acknowledge that the tariff sheets contain the controlling language, and the Commission does not direct any additional action.<sup>9</sup>

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>9</sup> See *Cal. Indep. Sys. Operator Corp.*, 124 FERC ¶ 61,095, at P 22 (2008) (clarifying that tariff language filed in compliance with an order governs over any conflicting language in the transmittal letter).

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