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February 6, 2008

VIA MESSENGER

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

**Re: Amendments to Enable the Implementation of the Congestion
Revenue Right Contingency Plan**

**California Independent System Operator Corporation
Docket No. ER08-519-000**

**Substitute Certificate of Service and Request for any Necessary
Waiver of Prior Notice Requirement**

Dear Secretary Bose:

On January 31, 2008, the California Independent System Operator Corporation ("CAISO")¹ filed with the Federal Energy Regulatory Commission ("FERC" or "Commission") a proposed amendment to its tariff to provide for the treatment of Congestion Revenue Rights ("CRRs") and Firm Transmission Rights ("FTRs") in light of a delay of uncertain length of the implementation date of the CAISO's Market Redesign & Technology Upgrade ("MRTU") program, which is currently scheduled to be implemented as of the April 1, 2008 Trading Day ("CRR Contingency Plan Amendment" or "Amendment"). The CAISO requested that the Commission make the Amendment effective by April 1, 2008, 60 days after filing, in order to ensure that, as of April 2008 and any additional months prior to MRTU launch, the CAISO is able to: 1) to reduce the terms of and resettle CRRs, and if necessary 2) implement a backstop method for ensuring FTRs are available.

In the transmittal letter accompanying the Amendment, the CAISO stated that it had served, on January 31, copies of the Amendment on the California Public Utilities

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff.

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Commission, the California Energy Commission, the California Electricity Oversight Board, and all parties with effective Scheduling Coordinator Service Agreements under the ISO Tariff. The CAISO also included with the Amendment a certificate of service to this effect. Due to an administrative oversight, however, the CAISO did not serve the Amendment on January 31. The CAISO discovered the oversight on February 5, and served the Amendment that same day on the parties listed above. Enclosed with this filing is a substitute certificate of service which indicates the correct date of service – February 5, 2008. The CAISO respectfully requests that the Commission replace the certificate of service originally filed with the Amendment on January 31 with the substitute certificate provided in Attachment A to the instant filing.

In addition, to the extent that the Commission considers the delay in serving the Amendment to be grounds for extending the effective date of the Amendment past April 1, 2008, per the 60-day notice requirement of 18 C.F.R. § 35.3, the CAISO respectfully requests waiver of the notice requirement pursuant to 18 C.F.R. § 35.11 in order to allow the Amendment to become effective no later than April 1, 2008. Good cause exists to grant the requested waiver for several reasons. First, it is important that the CRR Contingency Plan Amendment go into effect on April 1. Otherwise, the CAISO may be forced to delay releasing FTRs that will allow Market Participants to manage their congestion costs during the period between the expiration of the current FTRs, which will occur on April 1, 2008, and the implementation of the MRTU markets. Moreover, delaying the effectiveness of the Amendment past April 1 will mean a delay in the CAISO's ability to re-settle the results of the CRR Auction so as to ensure that entities that purchased CRRs are not financially disadvantaged as a result of the delay in MRTU start-up.

Good cause also exists to grant any necessary waiver of the Commission's notice requirement because the CAISO provided notice to stakeholders, prior to January 31, that it would submit the Amendment on that day. The CAISO issued a market notice on January 18 stating that it would post on its Website a revised CRR Allocation Plan on January 22, and that revised CRR Allocation Plan expressly stated that the CAISO would submit the Amendment by January 31. The CAISO reiterated this during its January 24 conference call with stakeholders. Therefore, the CAISO provided ample notice beforehand that January 31 was the date on which it would file the Amendment.

Finally, no harm will result to any entity from Commission approval of a waiver of the notice requirement. Such waiver would be limited to five days, *i.e.*, from January 31 to February 5, the latter being the date on which the CAISO served the Amendment. Those five days will make no discernable difference in the ability of the entities served to review the Amendment and decide whether to intervene in the above-referenced proceeding. The Amendment is conceptually straightforward and contains just over four pages of proposed modifications to the ISO Tariff. In addition, it is reasonable to expect that most or all of the entities that will intervene in this proceeding have already taken part in the stakeholder process concerning the Amendment, and thus would be familiar with the issues and the specific proposals contained therein. Moreover, all interested

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parties have had the opportunity to review the Amendment since it was posted on the CAISO Website on January 31. For these reasons, good cause exists for the Commission, to the extent necessary, to grant the CAISO a waiver of the notice requirement to allow the CRR Contingency Plan Amendment to go into effect no later than April 1, 2008.

An original and five copies of this filing are enclosed, along with two extra copies. Please stamp the extra copies with the date and time filed and return them to the messenger. Feel free to contact the undersigned with any questions concerning this matter.

Respectfully submitted,

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Attorneys for the California Independent System Operator Corporation

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the California Public Utilities Commission, the California Energy Commission, the California Electricity Oversight Board, and all parties with effective Scheduling Coordinator Service Agreements under the CAISO Tariff, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this February 6, 2008.

Sidney Davies ^{BRM}
Sidney Davies

ATTACHMENT A

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed in the attached filing as receiving service, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 5th day of February, 2008.



Sidney Davies