

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

California Independent System Operator Corporation))))	Docket No. ER00-800-000
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**ANSWER OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
TO COMMENTS, PROTEST, AND
REQUEST FOR CLARIFICATION, HEARING AND CONSOLIDATION**

On December 15, 1999, the California Independent System Operator Corporation ("ISO") submitted, in accordance with the terms of its Tariff, an informational filing to present its calculation of the Grid Management Charge ("GMC") for the year 2000 ("Informational Filing"). In response to the Informational Filing, one party questioned whether the ISO had properly applied all factors in the formula rate governing the GMC¹ and another party requested a hearing and consolidation of this proceeding with other proceedings governing the GMC.² Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213, the ISO submits its Answer to these filings.

¹ See *Motion to Intervene and Comments of the Cities of Redding and Santa Clara, California, and the M-S-R Public Power Agency*, Docket No. ER00-800-000 (filed Jan. 7, 2000) ("Metropolitan Motion").

² See *Motion to Intervene, Protest, and Request for Clarification, Hearing and Consolidation of the Western Power Trading Forum*, Docket No. ER00-800-000 (filed Jan. 7, 2000) ("WPTF Motion").

DISCUSSION

Under the ISO Tariff, each December 15, the ISO is to file certain information with the Commission regarding the GMC to be applied for the next calendar year.³ This was accomplished for the GMC for the year 2000 through the Informational Filing. In accordance with the commitments the ISO had made in the original settlement governing the GMC,⁴ the ISO held meetings and provided information to the public well in advance of the December 15 filing regarding the data to be included in the Informational Filing as well as the projected GMC level. It also requested comments on that data. No comments were received. Informational Filing Transmittal Letter at 3. Two parties, however, the Metropolitan Water District of Southern California (“Metropolitan”) and Western Power Trading Forum (“WPTF”),⁵ raised questions or comments regarding the actual Informational Filing.

Metropolitan’s filing questioned whether the ISO had forgotten to include an amount in the category “Reserve Transfer” under the GMC formula. See Metropolitan Motion at 5-6. The answer to that question is that the Operating Reserve Transfer amount is zero (0) for the Year 2000 calculation because the Operating Reserve Transfer account has not yet been fully funded. The Informational Filing was thus correct.

³ Appendix F, Schedule 1, Part D, Original Sheet No. 378.

⁴ *Offer of Settlement of the California Independent System Operator Corporation*, Docket Nos. ER98-211-000, *et al.* (filed April 7, 1998).

⁵ Enron Energy Services, Inc. filed a motion to intervene and protest that incorporated in its entirety and adopted as its own the protests contained in the WPTF

Turning to WPTF's filing, WPTF simply rehashes issues that it has raised in earlier proceedings related to the GMC.⁶ The ISO has responded to each of the claims raised by WPTF previously and it would not be productive to restate those arguments in this proceeding. In any event, there is no need to examine those issues here because the Commission has made clear that the collection of the GMC is currently subject to refund and to the outcome of the proceeding that will examine the GMC to be made effective January 1, 2001.⁷ The Informational Filing only changed the level of the GMC in accordance with the formula rate; it did not alter the fact that the GMC is being collected subject to these conditions.

filing. Accordingly, the ISO is treating the filings by WPTF and Enron as one and the same.

⁶ WPTF's filing contains three "main objections," see WPTF Motion at 7-8, each of which WPTF has raised and the ISO has responded to previously. The first objection is that the proposed GMC is unduly discriminatory and anticompetitive since it discounts the GMC paid by parties with existing contracts by 50% without making the same discount available to similarly situated non-incumbents. See, e.g., *Motion to Intervene, Protest, and Request for Hearing and Consolidation [of] the Western Power Trading Forum*, Docket No. ER99-2730-000 (filed May 20, 1999), at 8-12. The second is that the proposed GMC is discriminatory since it proposes to exempt totally volumes located within the service areas of municipal and governmental utilities served by generation located within that same utility's service area without offering the same exemption to similarly situated volumes located on the systems of three California Utility Distribution Companies. See, e.g., *id.* at 12-13. The third objection raised by WPTF is that the GMC may be excessive. See, e.g., *Complaint and Request for Expedited Relief of Western Power Trading Forum*, Docket No. EL99-30-000 (filed Jan. 20, 1999), at 9-10. The ISO responded to these first two objections of the WPTF on several different occasions including in, for example, its *Answer of the California Independent System Operator Corporation to Motions to Intervene, Amendments and Supplement to Such Motions, Comments and Protests*, Docket No. ER99-2730-000 (filed June 4, 1999), at 8-10. It responded to the third objection in, for example, its *Answer of the California Independent System Operator Corporation to the Complaint and Request for Expedited Relief Filed by the Western Power Trading Forum*, Docket No. EL99-30-000 (filed Mar. 5, 1999), at 5-12.

⁷ See *California Independent System Operator Corp.*, 87 FERC ¶ 61,304 (1999).

WPTF thus will have the opportunity to raise its concerns in connection with the January 1, 2001, GMC filing. No further relief is required.

CONCLUSION

For the foregoing reasons, the Commission should accept the Informational Filing without modification.

Respectfully submitted,

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Dated: January 24, 2000