

November 1, 2002

The Honorable Magalie Roman Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

RE: Williams Energy Marketing & Trading Company  
Docket No. ER02 -91-000

Dear Ms. Salas:

Transmitted herewith for filing in the above -referenced proceeding is a "Joint Motion to Stay."

If you have any questions, please do not hesitate to contact the undersigned.

Very truly yours,

/s/ Excetral K. Caldwell  
Senior Attorney III

Enclosures  
pc: Per Certificate of Service

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

**Williams Energy Marketing  
& Trading Company**

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**Docket No. ER02 -91-000**

**JOINT MOTION TO STAY**

Williams Energy Marketing & Trading Company ("Williams" or "Company"), the California Independent System Operator ("ISO"), the California Public Utilities Commission ("CPUC"), the California Electricity Oversight Board ("CEOB"), and AES Southland, LLC ("AES")<sup>1</sup> pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.212, hereby respectfully and jointly move for a stay of the submission of the Company's 2002 "Schedule F Informational Filing" pending a decision on an "Offer of Settlement" currently under review by the Commission in Docket Nos. ER02 -91-000 and ER02 -303-000. In support of the instant Motion, the following is shown:

1. By Letter Order, issued May 28, 1999, the Commission approved a "Reliability Must-Run" Agreement (the "RMR Agreement") between Williams and the ISO. The RMR Agreement governs the delivery of "Energy" and the provision of "Ancillary Services" by Williams to the ISO and, inter alia, sets forth specific formulas for the determination of annual rates and charges for each generating facility providing service to the ISO. The specific formula for the determination of "Annual Fixed Revenue Requirements" and "Variable O&M Rates" payable by the ISO is contained in Schedule F to the RMR Agreement.

2. Schedule F of the RMR Agreement also mandates the submission of an "Informational Filing" detailing the calculations supporting the Annual Fixed Revenue

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<sup>1</sup> Williams, the ISO, CPUC, CEOB and AES are sometimes referred to hereinafter as the "Parties."

Requirements and Variable O&M Rates. The purpose of the Schedule F Informational Filing is to "allow for review of the related rates and charges by the FERC Staff and affected parties." <sup>2</sup>

Schedule F also specifies a submission date and sets out a procedural schedule for the conduct of discovery on and the submission of protests to the Informational Filing.

3. Pursuant to Schedule F, Williams submitted an Informational Filing on October 12, 2001 (the "2001 Schedule F Informational Filing"). The 2001 Schedule F Informational Filing was intended to detail and support the Company's Annual Fixed Revenue Requirement and Variable O&M Rates for the generation units designated by and providing service to the ISO and requested a January 1, 2002 effective date. By "Notice" and separate "Motions," the ISO, CPUC, CEOb and Southern California Edison Company ("SCE") protested the Company's 2001 Schedule F Informational Filing. Data requests and data responses were subsequently submitted and, after several conferences, negotiations and extensions, Williams, the ISO, SCE and AES reached an agreement resolving the Annual Fixed Revenue Requirement and Variable O&M Rates contained in the 2001 Informational Filing. 001

4. The agreement by and among Williams, the ISO, SCE and AES was memorialized in an "Offer of Settlement" <sup>3</sup> and submitted to the Commission July 5, 2002. The Pacific Gas and Electric Company ("PGE") submitted "Comments" opposing the Offer of Settlement on July 25, 2002. On August 9, 2002, Williams submitted a "Motion for Leave to Reply and Reply Comments" and the ISO submitted a "Motion for Receipt Late Filed Reply Comments and Reply Comments" in rebuttal to the PGE opposition to the Offer of Settlement.

<sup>2</sup> See RMR Agreement, Schedule F, Part B.

<sup>3</sup> An "Explanatory Statement," "revised RMR Agreement" Schedules and "workpapers" were submitted with the Offer of Settlement. Although not parties to the Offer of Settlement, neither the CPUC nor the CEOb opposed the proposed settlement.

SCE filed a "Motion for Leave to Respond and Response" also in rebuttal to the PGE Comments on August 14, 2002. The Offer of Settlement, the PGE opposition and Williams, ISO and SCE rebuttals, accordingly, are sub judice before the Commission.

5. Significantly, the Offer of Settlement, inter alia, proposed a two -year effective date -- from January 1, 2002 to and including December 31, 2003 -- for the specific terms and conditions agreed to by and among Williams, the ISO, SCE and AES and to be applied to the Schedule Annual Fixed Revenue Requirement and Variable O&M Rates. Thus, if approved by the Commission, the Offer of Settlement would resolve both the 2001 Schedule F Informational Filing and the Company's 2002 Schedule F Informational Filing due November 1, 2002.

6. The Parties, accordingly, respectfully request a stay of the submission of the Company's 2002 Schedule F Informational Filing. More specifically, if approved by the Commission, the Offer of Settlement would resolve both the 2001 and 2002 Schedule F Informational Filings. The Parties, therefore, respectfully submit that it would be administratively inefficient to submit a 2002 Schedule F Informational Filing, conduct discovery and file protests and an answer thereto while the Offer of Settlement is under Commission review. In short, because approval of the Offer of Settlement would "moot" the 2002 Schedule F Informational Filing, the Parties respectfully request a stay of the 2002 Schedule F Informational Filing pending a Commission decision on the Offer of Settlement.

7. If the Offer of Settlement is not approved by the Commission, the Parties further respectfully request that Williams be granted an additional sixty (60) days to submit the 2002 Schedule F Informational Filing. As agreed to by the Parties, the sixty (60) day time period within which Williams would submit the 2002 Schedule F Informational Filing would

commence the day after the decision rejecting the Offer of Settlement is issued by the Commission.

8. The Parties respectfully submit that no party will be prejudiced by Commission approval of the instant stay request.

**WHEREFORE**, in view of the foregoing, the Parties respectfully request that the Commission stay the submission of the Williams' 2002 Schedule F Information pending a decision on the related Offer of Settlement under review by the Commission. If the Offer of Settlement is not approved by the Commission, the Parties further respectfully request that Williams be granted an additional sixty (60) days to submit a 2002 Schedule F Informational Filing.

**Respectfully submitted,**

/s/ Excetra K. Caldwell  
Senior Attorney  
The Williams Companies, Inc.  
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(918) 573-6413

Dated: November 1, 2002

**CERTIFICATE OF SERVICE**

I hereby certify that I have on this 1<sup>st</sup> day of November 2002, served copies of the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Excetral K. Caldwell