

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

**Electronic Tariff Filings**

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**Docket No. RM01-5-000**

**COMMENTS OF THE CALIFORNIA INDEPENDENT  
SYSTEM OPERATOR CORPORATION**

Pursuant to the Commission's March 1, 2006 "Notice of Technical Conference, Comment Deadline and Electronic Format Manual" ("March 1 Notice"), issued in the captioned docket, the California Independent System Operator Corporation ("CAISO")<sup>1</sup> hereby submits its comments ("Comments"). The March 1 Notice requests final comments on the Commission's Notice of Proposed Rulemaking regarding electronic tariff filings, Commission Statutes and Regulations, 69 Fed. Reg. 43,929 (July 23, 2004), Proposed Regulations ¶ 32,575 (July 8, 2004) ("July 8, 2004 NOPR"). The CAISO's comments include several requests for clarification of the Commission's proposals and deferral of implementation pending satisfaction of certain conditions.

The CAISO previously submitted comments regarding the July 8, 2004 NOPR on August 1, 2005 ("August 1 Comments"). As the Commission has not yet provided clear guidance regarding some of those August 1 Comments in its Technical Conferences and orders, the CAISO has consolidated the outstanding issues and concerns from those August 1 Comments into the second part of these Comments. In the first part of these Comments, the CAISO provides its

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

new comments, focusing primarily on issues and concerns resulting from the CAISO's efforts to test the Commission's eTariff software and on the timing of eTariff implementation.

**I. CAISO New Comments on the July 8, 2004 NOPR**

**A. The Commission Should Improve Various Aspects of the eTariff Software and User Support Prior to Implementation**

**1. The CAISO's Testing Efforts Have Raised Concerns Regarding eTariff Software and the Timing of eTariff Implementation**

The CAISO has recently undertaken efforts to download and test the functionality of the most-current version of the Commission's eTariff software in preparation for the submittal of these Comments. In the course of these efforts, the CAISO has encountered some difficulties that the CAISO proposes be addressed and resolved prior to implementation of eTariff requirements by the Commission. In the first place, the CAISO's software programming personnel do not consider the macro provided by the Commission to be suitable for importing the CAISO Tariff or CAISO rate schedules into the eTariff software. The CAISO's programmers have had preliminary success in creating a special macro for this purpose, but the CAISO would propose that the Commission order that the eTariff requirements not be implemented until the CAISO and other affected utilities have confirmed that they are able to import their tariffs and rate schedules into the eTariff software in a manner that provides for automatic assignment of appropriate section numbering to each section of each tariff and rate schedule.

This is a particularly important concern for those utilities that, like the CAISO, have tariffs over 400 pages in length. As the Commission points out in its guidance document on creating automated tariff extraction macros, the manual “cut-and-paste” method of importation into the eTariff software is not efficient for tariffs of this size. The opportunity to create and use an automated tariff extraction macro that is compatible with the eTariff will be crucial in enabling such utilities to reduce the burden of tariff conversion by saving the many hours of additional effort that manual conversion would require.

Allowing such additional time for implementation would enable the Commission’s eTariff software developers to further consult with the programming personnel of the regulated utilities so as to ensure that the eTariff software is compatible with their tariffs. For example, in the course of the CAISO’s efforts to import the current version of its tariff into the eTariff software, the CAISO encountered the issue that the eTariff software is sorted by section number, which is a text field. As the current version of the CAISO tariff includes alphabetical characters in the section number, e.g., Section 8.2G.4, these tariff sections displayed out of sequence in the imported tariff. While the CAISO ultimately intends to revise its tariff to remove alphabetical characters from its section numbering, this would be problematic if the Commission orders the implementation of the eTariff requirements prior to the CAISO’s tariff revisions to that effect. Moreover, the CAISO is concerned that it will not be able to import in appropriate order the 20+ alphabetical-lettered Appendices to the CAISO tariff that are currently anticipated to remain even in a revised version of its tariff. It is

likely that other tariff submitters with alphabetical characters have or will encounter similar problems in importing their tariffs. The CAISO therefore recommends that in order to avoid this problem, the imported tariff be indexed and sorted on the sect\_id field. This would allow the tariff tree to display the tariff in the correct order.

Another concern of the CAISO's programmers is that the application installer puts many files in the root directory of the install drive. The CAISO proposes that the installer should put all application-specific files and data into application-specific directories. All shared or common files should be placed in common directories. No application files or data should be placed in the root directory.

Other such issues are likely to arise as the regulated utilities go through the process of importing their tariffs and rate schedules, and an extended implementation period would help facilitate a smooth transition from the current system to the eTariff environment.

## **2. The Enhancement of Available User Support and Documentation Is Critical to the Successful Implementation of the eTariff**

The software download and tariff import issues the CAISO has encountered have led the CAISO also to propose that the Commission establish a greater level of user support both in advance of and subsequent to implementation of eTariff requirements than appears to be available or anticipated at present. The CAISO proposes that the Commission provide eTariff software training to the CAISO and other utilities prior to implementation of the

eTariff requirements. To supplement that training, the CAISO proposes that the Commission assign a significant group of staff to provide more extensive direct support and assistance to the CAISO and other utilities than is currently available, including availability by both telephone and on-line.

In addition, the CAISO proposes that the Commission substantially improve the documentation available regarding the eTariff software for both the software programmers and the tariff and rate schedule administration staff of the CAISO and other utilities. Programmers require documentation that ensures they are able to understand the functionality of the eTariff software and to maximize its effective implementation. Tariff and rate schedule administration staff of the CAISO and other utilities require detailed user manuals to enable them to utilize the eTariff software appropriately. In particular, the user manuals need to provide a much more detailed explanation of the step-by-step processes for creating and using the eTariff software, including descriptions of data entry processes, potential error messages, and options for actions in the course of data entry and correction of errors in language that can be understood and implemented by non-technical tariff administration staff.

**3. Regulated Utilities and Tariff Users Should Be Provided an Opportunity for Comment on the Public Viewer Software Before a Final eTariff Rule Is Issued**

Also, the CAISO is concerned that the functionality for the eTariff Public Viewer software that will provide public access to the eTariff submittals should be confirmed to be operational prior to the implementation of the eTariff requirements. This concern is exacerbated by the fact that the current schedule

for the eTariff rulemaking process appears to offer no opportunity for regulated utilities to have any direct comment on the Public Viewer software before the issuance of a final eTariff rule. As of the drafting date of these comments, the Public Viewer software remains under development and is not available for trial use even by those who have made eTariff submittals, let alone by tariff users among the general public. While the documentation provided by the Commission to date and presentations by Commission staff indicate that the current specifications for the Public Viewer software call for a wide range of functionality, including the capability to search by effective date, current status of tariff provisions, and specific tariff text, the CAISO has no way at present to evaluate what form those essential functions will take in the completed software product. Given the lengthy testing and development process that has been required to bring the eTariff software to its current point, and the significant changes it has undergone from the design specifications originally envisioned, some of which have not been incorporated into the final product (e.g., a comparison function that would supersede the requirement to redline tariff changes), the CAISO is concerned that it may be premature to close the comment period on this rulemaking before regulated utilities and other potential users of the Public Viewer have been able to review and assess the functionality of a working Public Viewer software product. The CAISO proposes that the schedule for the eTariff rulemaking be extended to the degree necessary to allow for comment on the Public Viewer software before a final rule is issued.

**B. The Commission Should Permit Utilities Like the CAISO that Have a Pending Filing of a Comprehensive Revision to Their Tariffs to Defer Implementation of eTariff Requirements until the Effective Date of Their Revised Tariffs**

As the Commission is aware, the CAISO has recently re-filed the entire CAISO Tariff to make comprehensive revisions to its provisions in order to implement its “Market Redesign and Technology Upgrade” (“MRTU”) in large part in response to prior Commission orders. (See Docket No. ER06-615-000.) However, the CAISO has requested an effective date for this MRTU Tariff of November 1, 2007. The CAISO does not consider it useful or efficient to implement the eTariff requirements with respect to the current version of the CAISO Tariff given the impending implementation of the MRTU Tariff, with its associated extensive revisions to both the text and the section numbering of the current version of the CAISO Tariff. The CAISO urges the Commission to include in its orders regarding eTariff implementation a provision for deferral of implementation of the eTariff requirements pending the effectiveness of any pending new comprehensive refiling of a utility’s tariff, such as the CAISO’s pending MRTU Tariff.

**II. Continuing CAISO Concerns Described in its August 1 Comments on the July 8, 2004 NOPR**

**A. Unilateral Tariffs and Rate Schedules**

The CAISO seeks clarification regarding whether there will be any difference between unilateral tariffs and contracts designated by the Commission as rate schedules for purposes of the July 8, 2004 NOPR (particularly regarding the form of electronic submittal of amendments to contracts, including signature

pages). See July 8, 2004 NOPR at ¶¶ 4-5, 12, 14, 41. For example, the CAISO cannot tell whether it will have to submit a scanned signature page (and whether the Commission's software will accept such a scanned page) for a contract that is otherwise submitted in a word-searchable format. See *id.* at ¶¶ 34-37.

### **B. Tariff Provision Numbering Issues**

The CAISO agrees with the Commission's proposal that tariff sheets be replaced with tariff sections for purposes of filing revisions. See July 8, 2004 NOPR at ¶ 16. The CAISO believes that the system of using tariff sheets and sheet numbers should be done away with entirely.

The Commission also requests comment "on whether to adopt a standardized numbering or outlining scheme for tariff filings across industries, to adopt a standardized scheme within each industry, or to permit each filer to choose its own numbering scheme." July 8, 2004 NOPR at ¶ 28. The CAISO believes that each filer should be able to utilize its own numbering or outlining scheme. A standardized scheme appears to be impractical, because different tariff provisions or organization of tariff provisions may be required for different utilities and industries.

The Commission requests comments on whether "utilities should not (except in extreme cases) change the initial numbering of tariff provisions." July 8, 2004 NOPR at ¶ 29. The CAISO believes that utilities should be permitted to change the initial numbering of tariff provisions where a tariff is being completely re-written. In such a case, the utility should perhaps include in its tariff a table of

cross-references from the old section numbers to the new sections (if any) covering the same subject matter.

The Commission asked commenters to address whether utilities, in making their initial filings, should be required to break their tariffs into the same sections they currently use, or should be able to file larger or smaller sections. July 8, 2004 NOPR at ¶ 30. The CAISO believes that utilities should not be required to break their tariffs into the sections they currently use, because a re-written tariff may require a different organization of sections than the organization in the tariff it replaces. Moreover, the sizes of tariff sections will vary according to their content, and therefore utilities should be able to file larger or smaller sections.

The Commission requested comments on whether using date stamps is sufficient to identify historic tariff provisions or whether the current practice of numbering revisions would provide for more accurate tracking and citation. July 8, 2004 NOPR at ¶¶ 20, 31. The CAISO believes that using date stamps sufficiently identifies historic tariff revisions, and that date stamps are more efficient and user friendly than the current practice. For example, the current practice may lead to situations in which several different versions of a given section are pending at the same time and it is not known in advance in which order they will be approved. The date stamp method would accommodate such situations more easily.

### **C. Software and Database Issues Regarding Effective Dates**

The CAISO requests clarification on whether the Commission's software will provide a means for distinguishing between a tariff section's approval date, effective date, issued-on date, date made effective upon specific conditions, etc. as is required under Order No. 614. See July 8, 2004 NOPR at ¶¶ 40, 61-64.

The CAISO seeks clarification on several issues regarding the insertion of the effective date for a tariff section. First, it is unclear who provides the effective date for a tariff section – the Commission or the utility. Paragraph 40 of the July 8, 2004 NOPR “require[s] the company to populate other required fields, such as the proposed effective date.” However, page 22 of the Commission's User Guide states that the “Effective Date” field in the “Tariff Section Window . . . reflects when the displayed section was Approved by an order from FERC. This field is designated as “read only” and populated when the Approved status for the filing is downloaded from the FERC Tariff Server.” (There appears to be no discussion of proposed effective dates anywhere in the User Guide.) The Commission does not appear to explain what happens in a situation where the Commission does not agree with a utility's proposed effective date. The CAISO's request for clarification concerns the initial effective dates of new proposed tariff provisions as well as the effective dates of amendments to tariff provisions.

The eTariff software in its current form apparently requires a specific proposed effective date to be assigned to each amended tariff section submitted. However, the CAISO has found it necessary, from time to time, to submit tariff amendments whose effective dates are indefinite, usually because they are

contingent on some future event whose timing cannot be known with certainty, such as completion of necessary software, approval of negotiated settlements, Commission approval of other pending tariff amendments, etc. Commission staff have indicated in their remarks at technical conferences that, while the eTariff software as currently configured will not accommodate the direct submission of an indefinite proposed effective date for a proposed tariff section, parties preparing such amendments can obtain the assistance of Commission staff, who will be able to provide an “override” or “work-around” solution to such a situation. The CAISO requests clarification as to what the procedures for accommodating such a situation would be.

#### **D. Filing Requirements**

The CAISO notes that the July 8, 2004 NOPR does not contain any procedures that will be required as to notices of filing and interventions (and other filings) concerning eTariff modifications.<sup>2</sup> The CAISO requests that the Commission explain any such procedures.

#### **E. Confidential Information**

The July 8, 2004 NOPR (at ¶ 47) provides some guidelines for the provision of confidential information. The CAISO seeks clarification on the process for ensuring that sensitive information remains confidential, as the CAISO has several *pro forma* contracts designated by the Commission as rate

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<sup>2</sup> The July 8, 2004 NOPR does state that “[t]he baseline tariff filings will be subject to notice and comment to permit customers to ensure that the proposed baseline tariff is an accurate duplication of the effective tariff,” and that “[p]rotests in the baseline tariff proceedings, therefore, will only be considered if they involve the issue of whether the baseline tariff reflects an accurate duplication of the existing effective tariff.” July 8 NOPR at ¶ 53. However, the July 8, 2004 NOPR does not appear to address notice and intervention procedures applicable to modifications to eTariffs.

schedules that each include confidential information. For example, when sensitive information in tariff provisions needs to be redacted, particularly from a contract designated by the Commission as a rate schedule, how much of the tariff provisions should be filed as confidential and how much should be redacted from the non-confidential version of a particular section? Can the entire section be redacted? Also, will the Commission be specifying a standard form for the protective order that the filing utility must prepare to allow intervenors access to the confidential information?

#### **F. Timing of the Transition to eTariffs**

The Commission proposed to require public utilities, including regional transmission organizations and independent system operators, to submit eTariffs in approximately the last half of a six-month period following the effective date for the Commission's proposed regulations. July 8, 2004 NOPR at ¶ 56.<sup>3</sup> As discussed above in Sections I. A and I.B of these Comments, the CAISO believes that both the software challenges involved in converting large tariffs to eTariff format and the CAISO's pending complete rewrite of its tariff in the MRTU proceeding argue for an extended implementation period before the eTariff requirements take effect. The CAISO also proposes that the final eTariff rule not be issued until regulated utilities have had an opportunity to review and comment on the completed Public Viewer software product. Given these concerns, the

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<sup>3</sup> Specifically, the Commission proposed to require natural gas pipelines to submit eTariffs in the first eight-week period following the effective date for the proposed regulations, followed by oil pipelines over the next eight-week period, and public utilities over the next 14-week period. July 8, 2004 NOPR at ¶ 56. The Commission originally was aiming for a March 1, 2005 effective date for the proposed regulations (*id.* at ¶ 51), but now the regulations will be made effective on some subsequent date.

CAISO feels that any attempt to impose the requirement to submit a completed eTariff before these matters are addressed and resolved would be premature.

### **III. Conclusion**

The CAISO requests that the Commission give consideration to the comments presented herein.

Respectfully submitted,

**/s/ Michael D. Dozier**

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Dated: May 30, 2006



California Independent  
System Operator Corporation

May 30, 2006

**Via Electronic Filing**

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

**Re: Electronic Tariff Filings  
Docket No RM01-5-000**

Dear Secretary Salas:

Transmitted herewith for electronic filing in the above-referenced proceeding is Comments of the California Independent System Operator Corporation.

Thank you for your attention to this matter.

Yours truly,

**/s/ Michael D. Dozier**

Michael D. Dozier

Counsel for the California Independent  
System Operator Corporation

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this 30<sup>th</sup> day of May 2006 caused to be served a copy of the forgoing document upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

**/s/ Michael D. Dozier**

Michael D. Dozier