



November 21, 2008

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

Re: *California Independent System Operator Corporation*
Docket No. ER06-615-____
Compliance Filing

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations,² and in compliance with Paragraph 20 of the Commission's order issued on October 1, 2008 in the above-referenced docket,³ the California Independent System Operator Corporation ("CAISO") respectfully submits for filing an original and five copies of a revised tariff sheet of the *pro forma* Reliability Must-Run ("RMR") Contract, located at Appendix G of the Market Redesign and Technology Upgrade ("MRTU") Tariff.⁴

I. BACKGROUND

On October 26, 2007, the CAISO submitted a compliance filing in response to Paragraph 417 of the Commission's September 21, 2006 order conditionally accepting the MRTU Tariff.⁵ That compliance filing included a version of the *pro forma* RMR Contract adapted to be consistent with the MRTU Tariff. In the October 1 Order, the Commission conditionally accepted the proposed *pro forma* RMR Contract subject to a single compliance obligation. Specifically, the Commission directed the CAISO to ensure that the definition of "CAISO Controlled Grid" to be used in the *pro forma* RMR Contract is consistent with the definition of that same term in Appendix A of MRTU Tariff.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35 *et seq.*

³ *Cal. Indep. Sys. Operator Corp.*, 125 FERC ¶ 61,002 (2008) ("October 1 Order").

⁴ The CAISO also tenders two additional copies of this filing to be time and date stamped and returned to our courier.

⁵ *Cal. Ind. Sys. Operator Corp.*, 116 FERC ¶ 61,274 (2006).

II. CAISO FILING

Consistent with the convention adopted for other definitions in the *pro forma* RMR Contract that are also in Appendix A of the MRTU Tariff, the CAISO has modified the tariff definition in the *pro forma* RMR Contract to refer directly to the definition in Appendix A.

III. CONTENTS OF FILING

In addition to this transmittal letter, this filing includes the following attachments:

Attachment A Clean MRTU Tariff Sheet

Attachment B Redlined MRTU Tariff Sheet

IV. COMMUNICATIONS

Please address communications regarding this filing to the following individuals:

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* Parties designated for service.

V. EFFECTIVE DATE AND CONDITIONAL REQUEST FOR WAIVER

The CAISO requests that the Commission approve the changes in this compliance filing to be effective one day prior to the implementation date of MRTU. The earliest implementation date of MRTU is February 1, 2009.

In the event that MRTU is implemented more than 120 days after the submittal of this compliance filing, the CAISO also requests waiver, pursuant to Section 35.11 of the Commission's regulations (18 C.F.R. § 35.11), of Section 35.3 of the Commission's regulations (18 C.F.R. § 35.3), in order to permit the changes in this compliance filing to become effective as of that implementation date. Granting a waiver in this instance would be consistent with the similar waivers of Section 35.3 that the Commission has granted for other MRTU-related filings.

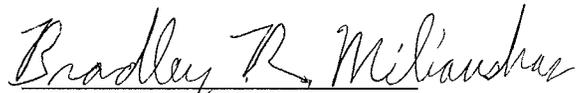
VI. SERVICE

The CAISO has served copies of this filing on all parties listed on the official service list compiled by the Secretary in this docket, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

VII. CONCLUSION

For the reasons set forth above, the CAISO respectfully requests that the Commission accept the proposed modification to the MRTU Tariff, in compliance with the October 1 Order.

Respectfully submitted,



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**Attachment A – Clean Sheet
Reliability Must-Run Compliance Filing
4th Replacement Tariff (MRTU)
November 21, 2008**

“CAISO Controlled Grid” is defined in Appendix A to the CAISO Tariff.

“CAISO Invoice” is defined in Section 9.1(b).

“CAISO’s Repair Share” is defined in Section 7.5 (g).

“CAISO Settlements Calendar” is defined in Section 9.1(b).

“CAISO Tariff” means the California Independent System Operator Tariff on file with FERC and in effect from time to time.

“Calculation Hour” is defined in Section 8.3(c)(i)(A).

“California Agency” means the agency or agencies responsible for representing the State of California in FERC proceedings involving the rates, terms and conditions of service under this Agreement.

“Capital Item” means an addition or modification to, change in or repair, replacement or renewal of plant, equipment or facilities used by Owner to fulfill Owner’s obligations under this Agreement. A Capital Item does not include Repairs to such plant, equipment or facilities. A Capital Item does not include an Upgrade, unless recovery of costs of the Upgrade has been approved by CAISO. For purposes of this Agreement, Capital Items are “retirement units” or other items the costs of which are properly capitalized in accordance with the FERC Uniform System of Accounts, 18 C.F.R. Part 101.

“Closed” is defined in Section 2.5.

“Collateral” is defined in Section 9.7.

“Comparable RMR Unit” is defined in Section 4.7 (f).

“Competitive Constraint Run” is defined in Appendix A to the CAISO Tariff.

“Condition 1” means the terms of this Agreement applicable to a Unit providing service under Condition 1 as described in Section 3.1.

“Condition 2” means the terms of this Agreement applicable to a Unit providing service under Condition 2 as described in Section 3.1.

“Confidential Information” is defined in Section 12.5.

Attachment B – Blacklines
Reliability Must-Run Compliance Filing
4th Replacement Tariff (MRTU)
November 21, 2008

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CAISO TARIFF APPENDIX G

Pro Forma Reliability Must-Run Contract

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ARTICLE 1 DEFINITIONS

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“CAISO Controlled Grid” means the system of transmission lines and associated facilities that from time to time are under CAISO’s operational control is defined in Appendix A to the CAISO Tariff.

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