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April 19, 2004

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *California Independent System Operator Corporation***  
**Docket No. EL04-24-000**

Dear Secretary Salas:

On December 5, 2003, the California Independent System Operator Corporation ("ISO") filed, in the above-captioned proceeding, the evidentiary record of the arbitration in this matter. It has come to our attention that several pages of San Diego Gas & Electric Company's Exhibit No. 2 in the arbitration inadvertently were left out of the record that was filed. To correct this omission, the ISO is submitting the attached pages as a correction to the record. The new pages should follow what has been designated as page 2578 of the filed record, so they have been labeled 2578A- 2578G.

We apologize for any inconvenience this has caused.

Respectfully submitted,



Julia Moore

Counsel for the California Independent System  
Operator Corporation

Cc: Service List

**Municipal Tax Exempt  
Debt**

An obligation the interest on which is excluded from gross income for federal tax purposes pursuant to Section 103(a) of the Internal Revenue Code of 1986 or the corresponding provisions of prior law without regard to the identity of the holder thereof. Municipal Tax Exempt Debt does not include Local Furnishing Bonds.

**Municipal Tax Exempt TO**

A Transmission Owner that has issued Municipal Tax Exempt Debt with respect to any transmission facilities, or rights associated therewith, that it would be required to place under the ISO's Operational Control pursuant to the Transmission Control Agreement if it were a Participating TO.

**NERC**

The North American Electric Reliability Council or its successor.

**Net Negative Uninstructed  
Deviation**

The real time change in Generation or Demand associated with underscheduled Load (i.e., Load that appears unscheduled in real time) and overscheduled Generation (i.e., Generation that is scheduled in forward markets and does not appear in real time). Deviations are netted for each BEEP Interval, apply to a Scheduling Coordinator's entire portfolio, and include Load, Generation, Imports and Exports.

**New High Voltage Facility**

A High Voltage Transmission Facility of a Participating TO that enters service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F, or a capital addition made after the beginning of the transition period described in Section 4.1 of Schedule 3 of Appendix F to an Existing High Voltage Transmission Facility.

**New Participating TO**

A Participating TO that is not an Original Participating TO.

**Nomogram**

A set of operating or scheduling rules which are used to ensure that simultaneous operating limits are respected, in order to meet NERC and WSCC operating criteria.

**Non-ISO Transmission  
Facilities**

Transmission facilities, either inside or outside the State of California, over which the ISO does not exert Operational Control.

**Non-Participating  
Generator**

A Generator that is not a Participating Generator.

**Non-Participating TO**

A TO that is not a party to the TCA or for the purposes of Sections 2.4.3 and 2.4.4 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.

**Non-PX Generation**

Generation that is scheduled by a Scheduling Coordinator, other than the PX, and that supplies Loads through the use of transmission or distribution facilities owned by Participating TOs.

**Non-PX Load**

Load that is scheduled by a Scheduling Coordinator, other than the PX, and which is supplied through the use of transmission or distribution facilities owned by Participating TOs.

**Non-Spinning Reserve**

The portion of off-line generating capacity that is capable of being synchronized and ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.

**NRC**

The Nuclear Regulatory Commission or its successor.

**Operating Procedures**

Procedures governing the operation of the ISO Controlled Grid as the ISO may from time to time develop, and/or procedures that Participating TOs currently employ which the ISO adopts for use.

- Operating Reserve** The combination of Spinning and Non-Spinning Reserve required to meet WSCC and NERC requirements for reliable operation of the ISO Control Area.
- Operational Control** The rights of the ISO under the Transmission Control Agreement and the ISO Tariff to direct Participating TOs how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting Applicable Reliability Criteria.
- Operator** The operator of facilities that comprise the ISO Controlled Grid or a Participating Generator.
- OPF (Optimal Power Flow)** A computer optimization program which uses a set of control variables (which may include active power and/or reactive power controls) to determine a steady-state operating condition for the transmission grid for which a set of system operating constraints (which may include active power and/or reactive power constraints) are satisfied and an objective function (e.g. total cost or shift of schedules) is minimized.
- Order No. 888** The final rule issued by FERC entitled "Promoting Wholesale Competition through Open Access Non- discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities," 61 Fed. Reg. 21,540 (May 10, 1996), FERC Stats. & Regs., Regulations Preambles [1991-1996] ¶ 31,036 (1996), Order on Rehearing, Order No. 888-A, 78 FERC ¶ 61,220 (1997), as it may be amended from time to time.

<b><u>Order No. 889</u></b>	The final rule issued by FERC entitled "Open Access Same-Time Information System (formerly Real Time Information Networks) and Standards of Conduct," 61 Fed. Reg. 21,737 (May 10, 1996), FERC Stats. & Regs., Regulations Preambles [1991-1996] ¶¶ 31,035 (1996), Order on Rehearing, Order No. 889-A, 78 FERC ¶¶ 61,221 (1997), as it may be amended from time to time.
<b><u>Original Participating TO</u></b>	A Participating TO that was a Participating TO as of January 1, 2000.
<b><u>Outage</u></b>	Disconnection or separation, planned or forced, of one or more elements of an electric system.
<b><u>Overgeneration</u></b>	A condition that occurs when total Generation exceeds total Demand in the ISO Control Area.
<b><u>Participating Buyer</u></b>	A Direct Access End-User or a wholesale buyer of Energy or Ancillary Services through Scheduling Coordinators.
<b><u>Participating Intermittent Resource</u></b>	One or more Eligible Intermittent Resources that meets the requirements of the technical standards for Participating Intermittent Resources adopted by the ISO and published on the ISO Home Page.
<b><u>Participating Load</u></b>	An entity providing Curtailable Demand, which has undertaken in writing to comply with all applicable provisions of the ISO Tariff, as they may be amended from time to time.

**Participating Seller or  
Participating Generator**

A Generator or other seller of Energy or Ancillary Services through a Scheduling Coordinator over the ISO Controlled Grid from a Generating Unit with a rated capacity of 1 MW or greater, or from a Generating Unit providing Ancillary Services and/or Imbalance Energy through an aggregation arrangement approved by the ISO, which has undertaken to be bound by the terms of the ISO Tariff, in the case of a Generator through a Participating Generator Agreement.

Issued by: Charles F. Robinson, Vice President and General Counsel  
Issued on: January 31, 2002

Effective: April 1, 2002

**SWPL 2578F**

**Participating TO**

A party to the TCA whose application under Section 2.2 of the TCA has been accepted and who has placed its transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA. A Participating TO may be an Original Participating TO or a New Participating TO.

**Payment Date**

The date by which invoiced amounts are to be paid under the terms of the ISO Tariff.

**PBR (Performance-Based Ratemaking)**

Regulated rates based in whole or in part on the achievement of specified performance objectives.

**Physical Scheduling Plant**

A group of two or more related Generating Units, each of which is individually capable of producing Energy, but which either by physical necessity or operational design must be operated as if they were a single Generating Unit and any Generating Unit or Units containing related multiple generating components which meet one or more of the following criteria: i) multiple generating components are related by a common flow of fuel which cannot be interrupted without a substantial loss of efficiency of the combined output of all components; ii) the Energy production from one component necessarily causes Energy production from other components; iii) the operational arrangement of related multiple generating components determines the overall physical efficiency of the combined output of all components; iv) the level of coordination required to schedule individual generating components would cause the ISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or



## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing documents upon each person designated on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, CA this 19<sup>th</sup> day of April, 2003.

Beth Ann Burns / jmn  
Beth Ann Burns