

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

California Independent System Operator Corporation)	Docket No. ER03-218-000
)	
)	
California Independent System Operator Corporation)	Docket No. ER03-219-000
)	
)	(not consolidated)

**MOTION TO WITHDRAW ELEMENTS OF COMPLIANCE
FILING OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 212 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.212 (2002), the California Independent System Operator Corporation (“ISO”) hereby requests authority to withdraw elements of its April 15, 2003 filing in compliance with the Commission’s January 24, 2003 order¹ in the above-captioned dockets (“Compliance Filing”). The ISO makes this request in light of the action taken by the Commission in its May 2, 2003 order on rehearing.²

I. BACKGROUND

On November 25, 2002, the ISO filed, in Docket No. ER03-219-000, an amended TCA executed by PG&E, San Diego Gas & Electric Company (“SDG&E”), Southern California Edison Company (“SCE”), and the Southern Cities. The purpose of the amendment to the TCA was: (1) to clarify, amend, and supplement various provisions of the current TCA in response to issues raised by the Southern Cities in their

¹ *California Independent System Operator Corporation*, 102 FERC ¶ 61,061 (2003) (“January 24 Order”).

² *California Independent System Operator Corporation*, 103 FERC ¶ 61,113 (2003) (“May 2

application process to become Participating TOs, (2) to identify the transmission interests that Southern Cities would be turning over to the ISO's Operational Control, and (3) to make certain other changes to the TCA proposed by the ISO and the existing Participating TOs.

In connection with the amended TCA, the ISO also filed on November 25, 2002, in Docket No. ER03-218-000, Amendment No. 47 to the ISO Tariff, which proposed to modify the Tariff to be consistent with the provisions of the TCA that were being amended to accommodate the Southern Cities becoming Participating TOs. The process of becoming a Participating TO includes signing the TCA and turning over Operational Control of transmission facilities and Entitlements to the ISO. The Southern Cities requested several changes to the TCA prior to signing it, which necessitated minor changes to the ISO Tariff. Amendment 47 reflects the necessary Tariff revisions.

On January 24, 2003, the Commission issued an order directing the ISO:

1. Require Commission approval prior to withdrawal of Participating Transmission Owners from the ISO, even when such Participating TOs are threatened with an Impending Adverse Tax Action, as those terms are used in the TCA (January 24 Order at P 38);
2. File Procedures to Relinquish Operational Control, which the Commission described as "what procedures [the ISO] will use to effectuate a Participating TO's withdrawal from the CAISO" within 30 days after such procedures have been developed (January 24 Order at P 38);
3. Develop a mechanism for the ISO Transmission Register to allow Market Participants to have access to the information it contains without compromising the need for its security (at P 22); and
4. Correct the typographical error in the listing of Pacific Gas and Electric Company ("PG&E") Encumbrance 12 in TCA Appendix B (at P 35).³

Order").

³ Although the January 24 Order did not provide a date by which the ISO was required to comply with its directives, the Commission issued an Errata Notice on February 14, 2003 specifying that the ISO

The ISO (on February 20, 2003) and the Southern Cities (on February 6, 2003) filed separate Requests for Rehearing of the January 24 Order on the issue of Commission approval of withdrawal from the TCA when threatened with an Actual or Impending Adverse Tax Action, as those terms are used in the TCA.

On May 2, 2003, the Commission issued an order on rehearing of the January 24 Order. In this order, the Commission, *inter alia*, that

1. The Southern Cities were pre-authorized to withdraw their transmission facilities from ISO operational control in the limited circumstances provided for in TCA section 3.4, and hence the ISO was no longer required to revise TCA section 3.4.1 (May 2 Order at P 5); and
2. The ISO need not file Procedures to Relinquish Operational Control. *Id.*

II. ARGUMENT

The Commission's May 2 Order has removed the requirement that the ISO comply with certain directives of the January 24 Order, namely, those related to obtaining Commission pre-approval for withdrawal of facilities facing an adverse tax action and to developing withdrawal procedures to accommodate such pre-approved withdrawal. In light of this, the ISO requests that it be permitted to withdraw the elements of its April 15, 2003 Compliance Filing related to these directives. Specifically, the ISO seeks to withdraw sections III(A) and III(B) of the Compliance Filing, together with Attachments A-D supporting these sections.

was to comply with the directives of the January 24 Order within 60 days of the Errata Notice, *i.e.*, by April 15, 2003.

III. CONCLUSION

For the reasons described above, the ISO respectfully requests that it be permitted to withdraw the above-described elements of its April 15, 2003 Compliance Filing in these dockets.

Respectfully submitted,

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Dated: May 5, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 5th day of May, 2003.

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