UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PacifiCorp	)	Docket ER11-3865-000
	)	ER11-3865-001

MOTION TO INTERVENE AND PROTEST OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

The California Independent System Operator Corporation ("ISO") respectfully files this motion to intervene and protest in the above referenced proceeding.[1] This proceeding concerns PacifiCorp's submittal on June 23, 2011, of an unexecuted Owners Coordinated Operations Agreement Among Pacific Gas and Electric Company and PacifiCorp and the Transmission Agency of Northern California and Western Area Power Administration Governing the Coordinated Operation of the Pacific AC Intertie and the California-Oregon Transmission Project ("Second Amended OCOA"). The ISO requests that the Commission reject the proposed changes to sections 2.12, 5 and 8.4 of the existing Owners Coordinated Operations Agreement Among Pacific Gas and Electric Company and the Transmission Agency of Northern California and Western Area Power Administration Governing the Coordinated Operation of the

[1] The ISO makes this filing pursuant to Rules 211 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.211 and 385.214. The ISO requests that the Commission grant its motion to intervene because the ISO serves as the path operator for the facilities subject to the Amended OCOA as well as the balancing authority area operator in which a portion of these facilities are located. As such, the ISO has a direct and substantial interest in this proceeding, and requests that it be permitted to intervene. Because no other party can adequately represent the ISO's interests in this proceeding, the ISO's intervention is in the public interest and should be granted.

Pacific AC Intertie and the California-Oregon Transmission Project ("Amended OCOA").

I. Introduction and Summary

The Amended OCOA governs the coordinated operation of the Pacific AC Intertie ("PACI") and the California Oregon Transmission Project ("COTP") (together, the "System"). In its transmittal letter, PacifiCorp explains it is proposing revisions to sections 2.12, 5, and 8.4 of the Amended OCOA to which not all parties have agreed.[2] PacifiCorp states that these revisions, which

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[2] The proposed revisions to sections 2.12, 5, and 8.4 are set forth below. Underscored language reflects additions and inter-lineated language reflects deletions.

> 2.12 The Parties clarify in this Agreement that the prohibited charges described in Section 8.4 include any charges for any power which flows over the System as a result of Unscheduled Flow over transmission facilities that underlie, support, interconnect or constitute the System when a party or its transmission customers are scheduling transactions using that Party's own transmission rights.
>
> **5 SCOPE OF AGREEMENT**
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> This Agreement governs the coordinated operation of the PACI and COTP. It is the intent of the Parties to maintain the System as coordinated facilities to benefit its Transfer Capability. The Parties also intend to prohibit charges as reflected in Section 8.4 of this Agreement. Except as to the use of the Tesla ByPass provided under this Agreement and as necessary to perform curtailment sharing obligations under Section 11 of this Agreement, no Party provides or shall be required to provide any transmission or other electric service to another Party under this Agreement. The Unscheduled Flow resulting from transactions scheduled on a Party's own transmission rights does not constitute the provision of transmission or other electric service to another Party irrespective of the Control Area to which the power is scheduled to be delivered.
>
> **8.4 Coordination Rights of Parties**
> The System shall be operated as a coordinated three-line transmission system. The Parties recognize power scheduled by a Party, or its transmission customers, using that Party's transmission rights over the COTP, PACI-1, or PACI-2, will result in Unscheduled Flow over transmission facilities that underlie, interconnect, support, or constitute the System. As such, no Party shall be charged any rate for any power which flows over the System, including any charges for congestion, transmission losses, and/or marginal losses on transmission facilities that underlie, interconnect, support, or constitute the System as a result of Unscheduled Flow resulting from use of a Party's own transmission rights over the System, and such Unscheduled Flow does not

concern unscheduled flows, "clarify the understood intent of the language originally negotiated in the original Coordinated Operations Agreement."[3]

PacifiCorp proposes to prohibit charges for congestion, transmission losses, and marginal losses arising from unscheduled flows on the three-line system caused by a party's use of its own facilities that are part of the system, irrespective of which balancing authority area the schedules sink. In addition, PacifiCorp proposes to include language in the agreement to extend provisions related to unscheduled flow of power to transmission facilities beyond the System. The Commission should recognize that these proposed changes involve sections of the Amended OCOA that have been subject to extensive litigation during proceedings regarding the Integrated Balancing Authority Area ("IBAA") provisions of the ISO tariff.[4] The ISO currently calculates these locational marginal prices for imports from or exports to the Balancing Authority of Northern California and Turlock Irrigation District balancing authority areas (together, the "Northern California-Turlock IBAA") pursuant to these provisions, which were approved by the Commission,[5] and affirmed by the United States

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> constitute transmission service for which a charge could be rendered. Such rates shall not be charged by any Party or by any third party on behalf of any Party. In addition, ~~and~~ PG&E shall not be charged any transmission losses for any power~~,~~ which flows ~~over the System or~~ over the Tesla ByPass. . . .
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> (*The ISO does not oppose the remaining changes to section 8.4, which address the sharing of rights on the PACI as between PG&E, PacificCorp and Western*.)

[3] PacifiCorp transmittal letter at 1.

[4] *See* ISO Tariff § 27.5.3.

[5] *Cal. Indep. Sys. Operator Corp.* 124 FERC ¶ 61,271 (2008) ("*IBAA Order*"), *reh'g denied, California Independent System Operator Corp.* 128 FERC ¶ 61,103 (2009) ("*IBAA Rehearing Order*").

Court of Appeals.[6] During litigation of the ISO's IBAA proposal, certain parties argued that the ISO's methodology for calculating locational marginal prices for imports from and exports to the Northern California and Turlock IBAA constituted charges for unscheduled flows on the System. In its order authorizing use of the IBAA pricing structure, however, the Commission rejected this argument, ruling that the IBAA pricing structure assessed charges for scheduled, not unscheduled, flows on the ISO grid.[7] Therefore, if the intent of the proposed amendment regarding unscheduled flows is to "clarify" the impact of the Amended OCOA on the IBAA pricing structure – *i.e.,* to prohibit the congestion and marginal losses charges authorized in the *IBAA Order* – it does not accomplish that objective.

If, however, the amendments were sufficient to prohibit the charges authorized in the *IBAA Order* – which the ISO does not believe they are – then they would constitute an impermissible end-run around the *IBAA Order* and an impermissible attempt to modify the ISO tariff. The Commission approved the IBAA pricing structure as just and reasonable and that structure is a part of the ISO tariff. Only the ISO has the authority to propose amendments to its tariff under section 205. PacifiCorp cannot do so.

Further, the Commission should reject the amendments regardless of PacifiCorp's intent. PacifiCorp represents that the Transmission Agency of

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6 *Transmission Agency of No. Cal. v. FERC*, 628 F.3d 538 (D.C. Cir. 2010), *cert. denied sub nom. Turlock Irrigation Dist. v. FERC*, --- S.Ct. ----, 2011 WL 863883, (U.S. Jun 13, 2011) (No.10-1124).

7 *IBAA Order* at P 250.

Northern California ("TANC") and the Western Area Power Administration ("Western") agree to the proposed changes.[8] PG&E has not agreed to these proposed changes. PacifiCorp argues that, in such a case, it has the right under the Offer of Settlement and Stipulation filed on November 21, 2007, in Docket Nos. ER07-882, et al. ("Settlement") and accepted by the Commission[9] to propose amendments unilaterally to the Amended OCOA and to request that the Commission resolve the disagreement.[10] The Settlement, however, allows parties to submit to the Commission only amendments "to include PacifiCorp as a party [to the Amended OCOA] and to make other, related and necessary changes." The proposed amendments to 2.12, 5, and 8.4 are not of the type contemplated by the Settlement because they are not related and necessary to making PacifiCorp a party to the Amended OCOA. Amendments to clarify the "original intent" of the parties that did not even include PacifiCorp are not related to making PacifiCorp a party.

Moreover, regardless of whether the amendments are of the type contemplated by the Settlement, PacifiCorp has failed to provide any reason for the Commission to accept its proposed changes to Section 2.12, 5 and 8.4 because PG&E has filed a different set of amendments to the Amended OCOA,[11] the question before the Commission is not simply whether the proposal is just and reasonable. In light of the competing versions of the Second Amended

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8 PacifiCorp transmittal letter at 2.

9 *PacifiCorp*, 124 FERC ¶ 61,271 (2007).

10 PacifiCorp transmittal letter at 3-4.

11 Commission Docket ER11-3911, filed June 28, 2011.

OCOA, the burden is on PacifiCorp to demonstrate that its proposed "clarifications" serve some valid purpose. It has not done so. The ISO is unaware of any instance in which it, or any other party, has attempted to assess any charges for unscheduled flows, including for congestion, transmission losses, and marginal losses arising from such flows, on the System or on transmission facilities that underlie, interconnect, or support the System. Indeed, the ISO is unaware of any instance in which it, or any other party, has even asserted authority to do so. PacifiCorp does not even explain what is unclear about the existing provisions or how the existing provisions could be read to authorize such charges.

The Commission should therefore reject the proposed amendments to sections to 2.12, 5, and 8.4 as not related or necessary to the inclusion of PacifiCorp as a party to the Amended OCOA and not necessary for any other reason. If the Commission should nonetheless accept the amendments, the ISO requests that the Commission clarify that these amendments do not affect the validity of the ISO's methodology for calculating locational marginal prices for imports from and exports to the Northern California and Turlock IBAA. If the Commission instead concludes that these amendments do affect the validity of the ISO's methodology for calculating locational marginal prices for such imports and exports, then it should reject them as an impermissible effort to revise the ISO tariff.

II. Background about the OCOA

The Amended OCOA is the third version[12] of the agreement governing the coordinated operation the System.[13] The PACI comprises two parallel 500 kV AC lines that run from the Malin substation in Oregon to the Tesla substation owned by PG&E in Central California, including various associated facilities. PG&E, Western, and PacifiCorp each own portions of the PACI. The COTP is a third 500 kV line that runs from the Captain Jack substation in Oregon to an interconnection with the PACI near PG&E's Tesla Substation.

In 2007, PacifiCorp proposed to terminate a lease under which it had provided its capacity on the PACI to PG&E. The proposed termination was the subject of litigation and extensive settlement procedures. The proceedings culminated in the Settlement, which included eight new or revised agreements, including the Amended OCOA, a transmission exchange agreement, and a new lease agreement.[14] Section 5.3 of the Settlement provided:

> The parties to the OCOA and COI-POA and PacifiCorp (1) shall commence good faith negotiations in an attempt to agree to further amendments to the OCOA and the [California Oregon Intertie Path Operating Agreement] to include PacifiCorp as a party to each agreement and to make other, related and necessary changes no later than January 1, 2009, and (2) shall execute the further amended OCOA and further amended [California Oregon Intertie Path Operating Agreement] by June 1, 2011. If mutual

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[12] The first two versions were the Coordinated Operations Agreement and the OCOA, respectively.

[13] The northern portions of the Pacific-AC Intertie and the California Oregon Transmission Path constitute the California Oregon Intertie.

[14] *See* Offer of Settlement and Stipulation, filed November 21, 2007, in Docket No. ER07-882, approved *PacifiCorp*, 124 FERC ¶ 61,271 (2007).

> agreement cannot be reached, PacifiCorp or any party to the OCOA or the [California Oregon Intertie Path Operating Agreement] has the right to unilaterally propose amendments to the OCOA or the [California Oregon Intertie Path Operating Agreement] to become effective January 1, 2012, and to request that FERC resolve the disputed issues among the affected parties.

The ISO understands that the parties attempted in good faith to reach mutual agreement on a further amended OCOA, but were unable to do so.

III. Argument

A. The Amendments to Sections 2.12, 5, and 8.4 of the Amended OCOA Are Not Related and Necessary to Making PacifiCorp a Party.

As the basis for its authority to propose changes to section 2.12, 5 and 8.4 of the amended OCOA, PacifiCorp states that, under the Settlement, if the parties have been unable to reach mutual agreement regarding a further amended OCOA that includes PacifiCorp as a party, any party has the right unilaterally to propose amendments and request that the Commission resolve the disagreement.[15] While this is an accurate description of the provisions of the Settlement, the proposed changes to sections 2.12, 5, and 8.4 are not within the scope of the amendments because they are not related and necessary to making PacifiCorp a party to the Amended OCOA.

PacifiCorp makes no attempt to demonstrate that its proposed changes to sections 2.12, 5 and 8.4 are designed to accommodate the logistic and legal

[15] PacifiCorp transmittal letter at 3-4. The ISO notes that while section 19.2 of the Amended OCOA does permit a party to make application to the Commission for a change in *rates* under section 205, the proposed amendments to Sections 2.12, 5 and 8.4 attempt to govern other parties' rates, not only PacifiCorp's. It is unclear under what authority PacifiCorp or any party under the Amended OCOA could file the subject amendments independently under section 205 of the Federal Power Act.

implications of PacifiCorp's participation. Its only stated purpose is to "clarify" the "original intent" of the parties regarding unscheduled flows; PacifiCorp's only evidence concerns the intent of the drafters, at a time when PacifiCorp's participation was not even an issue. PacifiCorp does not explain how this intent is related and necessary to PacifiCorp's participation.

B. PacifiCorp's Amendments to Sections 2.12, 5, and 8.4 Are Unnecessary for Any Other Purpose and the Commission Should Reject Them.

As discussed above, because PacifiCorp is not a party to the Amended OCOA, its authority to file amendments to that agreement must derive from the Settlement. Under the Settlement, the Commission is to resolve disputes between parties regarding amendments, not simply to decide if the amendments are just and reasonable. In other words, while the Commission cannot approve an amendment that is not just and reasonable, it may need to choose between two just and reasonable amendments. In such circumstances, the fact that a disputed amendment serves no valid purpose should weigh heavily against its adoption. PacifiCorp's proposed amendments to sections 2.12, 5 and 8.4 are within the category of amendments that serve no valid purpose.

PacifiCorp's proposals essentially make three changes to the agreement, none of which has any substantive effect on the agreement. First, PacifiCorp offers that its proposed changes are necessary to recognize that section 8.4's prohibition on parties' charging each other for use of the System extends to unscheduled flows.[16] It further contends that section 5, which states that no party

[16] PacifiCorp transmittal letter at 7-8.

provides or is required to provide, transmission service to another party under the agreement, must be clarified to state that unscheduled flows do not constitute transmission service. Yet the Commission has already clarified these points in its *IBAA Order*:

> [T]he California-Oregon Intertie and the agreements governing the operation of the California-Oregon Intertie recognize that schedules on the PACI will cause flows on the COTP, and vice versa. Section 8.4 . . . merely provides that parties cannot charge for these flows.[17]

Second, PacifiCorp explains that the proposed changes to Sections 2.12, 5 and 8.4 will recognize that unscheduled flows that occur on facilities that "underlie, interconnect, support, or constitute the System" does not constitute transmission service.[18] Again, based on the Commission's interpretation of Section 8 of the agreement, a party that schedules power over its own facilities is not subject to charges resulting from unscheduled flows. The Commission did not exclude unscheduled power flows that extend beyond the 500 kV System.

Third, PacifiCorp explains that the proposed language in Section 5 is necessary to recognize that neither the parties to the agreement nor any third party will charge each other for unscheduled flows over the 500 kV System irrespective of the balancing authority area to which the power is scheduled to be delivered.[19] PacifiCorp states that although third parties (namely, the ISO) have taken operational control of portions of the three line system, PacifiCorp, TANC

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[17] *IBAA Order* at P 252.

[18] PacifiCorp transmittal letter at 8.

[19] PacifiCorp transmittal letter at 10.

and Western believe that the "essential covenants of coordinated operations should remain steadfast." PacifiCorp does not explain how the balancing authority area in which a scheduled flow is to sink may affect the Commission's interpretation of section 8.4 as prohibiting charges for unscheduled flows. PacifiCorp also does not explain why the ISO's operational control of certain facilities that constitute the System requires amendments in order to preserve the "essential covenants." The ISO assumed operational control in 1998 and the parties revised the Coordinated Operations Agreement at that time to address that change. The COTP was thereafter transferred to Sacramento Municipal Utility District balancing authority area, and the 2007 amendments were executed subsequently without any party suggesting a threat to the "essential covenants." Nor has PacifiCorp explained why an agreement governing coordinated operation of the California Oregon Intertie must address the delivery point for schedules once power from those schedules has left the three line system.

Because PacifiCorp has failed to demonstrate that the proposed amendment to sections 2.12, 5 and 8.4 are necessary, there is no reason for the Commission to approve these revisions over the objection of a party to the Amended OCOA (PG&E).

C. If the Commission Accepts PacifiCorp's Proposed Amendments to Sections 2.12, 5 and 8.4, It Should Clarify that These Amendments Do Not Affect the Manner in Which the ISO May Determine Locational Marginal Prices for Imports from and Exports to the Northern California and Turlock IBAA.

Over the last three years, several parties, including TANC and Western, have opposed the Commission's approval of the ISO's IBAA structure for pricing interchange transactions between the ISO and the Northern California and

Turlock IBAA. The IBAA structure prices interchange schedules at a single hub in order to represent the locations of external resources used to implement interchange transactions more accurately in the ISO's full network model.[20] The IBAA structure helps to ensure that interchange transactions with the Northern California and Turlock IBAA are appropriately valued for purposes of managing congestion on the ISO-controlled grid, and to reduce the likelihood of significant differences between scheduled flows and actual flows.[21]

In the proceedings regarding the IBAA, certain parties argued that the ISO's use of a single hub to determine locational marginal prices (specifically congestion charges and marginal losses) constituted charges for parallel (*i.e.,* unscheduled) flows on the System and were thus impermissible under section 8.4.[22] The Commission rejected these arguments and determined that the IBAA structure did not violate the agreement.[23]

Although PacifiCorp does not acknowledge the IBAA orders in its transmittal letter, the ISO is concerned that the proposed amendments to sections 2.12, 5, and 8.4 may constitute a *sub rosa* effort to reverse the Commission's approval of the IBAA pricing structure and to exempt COTP users from congestion charges in connection with imports from and exports to the

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[20] IBAA Rehearing Order at P 3.

[21] *IBAA Rehearing Order* at P 3.

[22] *IBAA Order* at PP 230-31.

[23] *IBAA Order* at PP 252-54.

Northern California and Turlock IBAA that are scheduled on the ISO's grid.[24] PacifiCorp and others may believe that referring to congestion and marginal losses in section 8.4 will exempt COTP transactions that include the scheduled use of the ISO grid from such charges. The proposed revisions, however, would not be effective for that purpose. The proposed language in section 8.4 specifies that a party may not charge a party for congestion or marginal losses on transmission facilities that underlie, interconnect, support, or constitute the System *as a result of unscheduled flow* resulting from use of a party's own transmission rights over the System. In considering the IBAA, the Commission determined that "[a] key element . . . in relation to the Coordinated Operation Agreement is that under the IBAA Proposal, the proposed charges apply to COTP transactions that include the *scheduled* use of the CAISO-controlled grid."[25] As the Commission explained:

> [T]he IBAA Proposal does not improperly charge for unscheduled parallel flows because in order to be subject to the IBAA pricing mechanism, the transaction must be *scheduled* to make use of the CAISO-controlled grid. Consequently, unscheduled parallel flows are not subject to the charge. But when a transaction is scheduled to use the CAISO-controlled grid, the applicable tariff rates apply, as the IBAA Proposal provides. Thus, TANC's assertion that the COTP is not a CAISO-controlled facility misses the point. The IBAA Proposal only applies when the transaction impacts the CAISO-controlled facilities

[24] Indeed, declarations of Transmission Agency of Northern California employees in support of the proposed changes to the agreement mirror arguments submitted by these same employees in declarations supporting the agency's protest filed in the IBAA proceeding. These declarations argue that the proposed changes to sections 2.12., 5 and 8.4 are consistent with the parties' original intent to not charge each other for unscheduled flow.

[25] IBAA Rehearing Order at P 254 (emphasis added).

> and not transactions, for instance, that use the COTP and not the CAISO-controlled grid.[26]

Specifying congestion and marginal losses among the prohibited charges for unscheduled flows, including unscheduled flows on underlying facilities, and providing that it does not matter into which balancing authority area the scheduled flow sinks do not change the basic fact recognized by the Commission: the charges under the IBAA only apply to flows scheduled on the ISO grid.

Nonetheless, some parties might use PacifiCorp's proposed amendments to sections 2.12, 5, and 8.4 in order to relitigate the IBAA pricing structure. While, in light of the Commission's previous conclusions regarding unscheduled flows, the Commission should reject any such effort as an impermissible collateral attack in the *IBAA Order*,[27] the litigation would nonetheless impose significant burdens on the Commission, the ISO, and other parties. In order to avoid such a result, the ISO requests that the Commission reject the proposed amendments. If the Commission nonetheless accepts the amendments to sections 2.12, 5, and 8.4, then the Commission should clarify that these changes do not affect the manner in which the ISO may determine locational marginal prices for imports from and exports to the Northern California and Turlock IBAA.

D. If the Commission concludes that the Amendments Do Affect the Manner in Which the ISO May Determine Locational Marginal Prices for Imports from and Exports to the Northern

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[26] *Id.* at P 256.

[27] *See Swidler Berlin Shereff Friedman*, *LLP*, 108 FERC ¶ 61,105 at P 4 (2004), holding that challenges to the merits of the Commission's underlying directive in a prior Commission order constitute an impermissible collateral attack.

California and Turlock IBAA, It Should Reject Them as an Impermissible Effort to Revise the ISO Tariff.

As discussed above, the ISO believes that the proposed amendments to sections 2.12, 5, and 8.4, if accepted, would not affect the manner in which the ISO determines locational marginal prices for imports from and exports to the Northern California and Turlock IBAAs that involve scheduled use of the ISO grid and ask the Commission to make such a finding if it accepts the amendments. If, however, the Commission concludes to the contrary, then it should reject the amendments as an end-run around the *IBAA Order* and an impermissible effort to revise the ISO Tariff.

In the *IBAA Order*, the Commission not only found that the single hub approach by which the ISO determines locational marginal prices for imports from and exports to the Northern California and Turlock IBAA is consistent with the Amended OCOA, it also found that the ISO tariff provisions establishing that approach are just and reasonable. If the proposed amendments represent an attempt to invalidate the Commission's approval of the IBAA pricing structure, then they constitute an impermissible end-run around the *IBAA Order.*

In *El Segundo Power, LLC*,[28] a generator that was dissatisfied with the ISO's compensation provisions for out-of-market dispatches filed its own tariff establishing a rate for out-of-market dispatches. Noting that it had previously rejected the generator's arguments regarding the compensation, the Commission stated:

[28] 91 FERC ¶ 61,110 (2000).

> To the extent El Segundo's filing is based on its dissatisfaction with the rate option approved in the [previous order], El Segundo's proposed [tariff] represents a collateral attack on that order and is hereby rejected. We note that El Segundo . . . argued that the proposed alternative OOM rates filed by the ISO . . . and accepted by the Commission in the January 7 Order were confiscatory. The Commission rejected those arguments, finding that the ISO's proposal was a pragmatic approach to addressing Participating Generators' concerns that the original OOM payment option may not cover their actual out-of-pocket costs.[29]

If the PacifiCorp amendment would preclude the ISO's IBAA pricing structure for imports from and exports to the Northern California and Turlock IBAA, then the Commission should reject them for the same reasons. Although PacifiCorp was not a party to the IBAA proceeding, TANC and Western – the signatories to the Amended OCOA that have agreed to the proposed amendment – were parties. They should not now be allowed to challenge the *IBAA Order* through a proxy.

Moreover, the rationale for rejecting such an attempt is even stronger than in *El Segundo Power, LLC.* In that case, the generator attempted to revise its compensation (*i.e.*, what the ISO market paid) under the ISO tariff, to which it was bound as a Participating Generator. Here, if the amendments would preclude the ISO's IBAA pricing structure for imports and exports to from the Northern California and Turlock IBAA, they would be revising the ISO tariff provisions for what the ISO *charges* for services it provides – congestion management (redispatch) and losses. Only the ISO has the authority under section 205 of the Federal Power Act to revise the ISO's rates. If another party,

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[29] *Id.* at 61,390.

or even the Commission, seeks a revision to the ISO's rates, it must do so through section 206 of the Federal Power Act and must demonstrate that the existing rates are unjust and unreasonable.[30] Thus, if the amendments would preclude the ISO's IBAA pricing structure for imports from and exports to the Northern California and Turlock IBAA, they would be not only an end-run around the *IBAA Order*, they would also be an end-run around the Federal Power Act. This is not permissible.

IV. Description of the ISO and Communications

The ISO is a non-profit public benefit corporation organized under the laws of the State of California with its principal place of business at 250 Outcropping Way, Folsom, CA 95630. The ISO is the balancing authority responsible for the reliable operation of the electric grid comprising the transmission systems of a number of utilities, including PG&E, as well as the coordination of electricity markets. The ISO requests that all communications and notices concerning this motion and these proceedings be provided to:

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[30] *See, e.g. Western Resource, Inc. v. Federal Energy Regulatory Commission*, 9 F.3d 1568 (D.C. Cir. 1993); *Tennessee Gas Pipeline Co. v. FERC,* 860 F.2d 446 (D.C. Cir. 1988); *Northern Natural Gas Co. v. FERC*, 827 F.2d 779 (D.C.Cir.1987); *Sea Robin Pipeline Co. v FERC,* 795 F.2d (D.C. Cir. 1986); *ANR Pipeline Co. v. FERC,* 771 F.2d 507 (D.C. Cir. 1985); *Panhandle Eastern Pipe Line Co. v. FERC,* 613 F.2d 1120 (D.C.Cir.1979).

V. CONCLUSION

The ISO requests that the Commission reject the proposed changes to sections 2.12, 5 and 8.4 of the Amended OCOA as proposed by PacifiCorp. The amendments are not related and necessary to making PacifiCorp a party and are also not necessary based on the Commission's prior interpretation of these sections of the Amended OCOA. In the event that the Commission accepts these proposed changes, the ISO asks that the Commission clarify that these changes do not affect the IBAA pricing structure for the scheduled use of the ISO grid. The Commission should also require parties to the Amended OCOA to submit contractual language to this effect on compliance. If the Commission does believe that the proposed amendments would affect the manner in which the ISO determines locational marginal prices under its IBAA tariff provisions, the Commission should reject these proposed changes as an impermissible attempt to modify the ISO's tariff.

Respectfully submitted

By: *<u>/s/ John Anders</u>*

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Dated: July 19, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed on the official service list for the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 19th day of July 2011.

/s/ Anna Pascuzzo

Anna Pascuzzo