# UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

California Department of Water	)	Docket No. EL03-142-000
Resources	)	

## ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO MOTION TO DISMISS SHOW CAUSE PROCEEDING

On October 29, 2003, Commission Trial Staff ("Staff") filed a Motion To Dismiss Show Cause Proceeding ("Motion"), in resolution of all issues related to the California Department of Water Resources ("DWR") set for hearing in *American Electric Power Service Corp., et al.*, 103 FERC ¶ 61,345 (2003) ("the Gaming Show Cause Order" or "Order"). Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213, the California Independent System Operator Corporation ("CAISO") timely submits this answer to the Motion.

#### I. Background

The Gaming Show Cause Order required DWR to show cause why it should not be found to have engaged in Paper Trading, as that practice is described in the Order. In the Motion, Staff requested that DWR be dismissed from the Show Cause proceeding established by the Order, that this

docket be terminated, and that DWR be relieved from further obligation with respect to this docket.

#### II. Discussion

The CAISO does not object to relieving DWR of any obligation to respond further concerning the practice of Paper Trading. As noted in the Motion, the CAISO's October 4, 2002 Department of Market Analysis Report contains no reference to DWR, and the CAISO's July 15, 2003 data production, made pursuant to the Gaming Show Cause Order, contains no data for DWR related to Paper Trading. Motion at ¶ 2.6. As also noted in the Motion, the dismissal relates only to matters raised in this docket, see Motion at ¶ 4.3; it does not affect any other proceeding, any pending rehearing or clarification requests with respect to the Order, or the possibility of subsequent proceedings against DWR based on the outcome of those requests, or on different time periods, different practices, or different transactions.

The CAISO respectfully suggests that, on balance, and contrary to the request in the Motion, see Motion at ¶ 4.1, it is preferable not to close the docket or to relieve DWR of all further obligations. Rather, the docket should remain open until all of the Show Cause proceedings have been concluded, and DWR should remain subject to discovery as a party if it has information relevant to potential gaming by others. There would be no prejudice to DWR, and it would serve the interests of efficiency, especially in light of the short discovery periods

in these proceedings, to avoid the cumbersome process of obtaining discovery from a non-party.

#### III. Conclusion

The CAISO does not object to relieving DWR of further obligation to respond to the Gaming Show Cause Order. However, the docket should remain open and DWR should be subject to discovery as a party.

Respectfully submitted,

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Dated: November 13, 2003

### **CERTIFICATE OF SERVICE**

In accordance with the order issued by the Presiding Administrative Law Judge I hereby certify that I have this day served the foregoing document by posting an electronic copy on the Listserv for this proceeding, as maintained by the Commission.

Dated at Washington, D.C., on this 13<sup>th</sup> day of November, 2003.

<u>/s/ J. Phillip Jordan</u> J. Phillip Jordan

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