

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

PacifiCorp	)	Docket No. ER07-882-000
	)	
Pacific Gas & Electric Co.	)	ER07-967-000
	)	
PacifiCorp	)	EL07-84-000
	)	(not consolidated)
	)	
Pacific Gas & Electric Co.	)	ER07-968-000
PacifiCorp	)	ER07-973-000
	)	(consolidated)

**ANSWER OF  
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
TO MOTION OF PACIFICORP FOR APPOINTMENT OF  
SETTLEMENT JUDGE**

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”)<sup>1</sup> respectfully submits this Answer to the Motion for Appointment of Settlement Judge filed by PacifiCorp in the above-captioned proceeding on August 10, 2007 (“Motion”).

**I. BACKGROUND**

On July 30, 2007, the Commission issued an order<sup>2</sup> addressing the “Notice of Termination of Agreement for Use of Transmission Capacity among Pacific Power & Light Company, Pacific Gas and Electric Company, Southern

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<sup>1</sup> Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

<sup>2</sup> *PacifiCorp et al.*, 120 FERC ¶ 61,113 (2007) (the “July 30 Order”).

California Edison Company, and San Diego Gas & Electric Company dated August 1, 1967” (“Capacity Agreement”), filed by PacifiCorp on May 10, 2007 and a number of related changes to various agreements involving the use of the Pacific AC Intertie (“PACI”) filed by affected parties. In the July 30 Order, the Commission found that, “the proposed changes raise disputes concerning use, rates for transmission service, and operational responsibility issues.” July 30 Order at P 1. The Commission accepted and suspended certain of these agreements, initiated paper hearing procedures to resolve the open issues in this proceeding, and initiated an investigation of rates under section 206 of the Federal Power Act that is held in abeyance. The Commission also encouraged a negotiated resolution of the issues in this proceeding:

While the Commission will hold this paper hearing, we nevertheless encourage the various parties to avail themselves of the Commission’s alternative dispute resolution services, such as settlement judges or the Dispute Resolution Service, for any issues in dispute related to any agreements discussed in this order.

July 30 Order at P 35 n.35.

On August 10, PacifiCorp filed its Motion seeking the appointment of a settlement judge in this proceeding.

## **II. ANSWER**

The CAISO proposed the establishment of settlement procedures in its May 31, 2007, Motion to Intervene and Protest in Docket No. ER07-882. The CAISO supports the PacifiCorp request for appointment of a settlement judge, provided that all of the issues raised in this proceeding are included within the scope of the settlement discussions. PacifiCorp’s Motion states that the issues for resolution in this proceeding are “very

narrow” and suggests that such issues might be limited to the allocation of curtailments under the Owners Coordinated Operation Agreement and a handful of other issues. Motion at 3. The CAISO believes the July 30 Order is clear that any settlement procedures in this proceeding should address “any issues in dispute related to any agreements discussed in this order.” July 30 Order at P 35 n.35. In particular, the settlement procedures should address all of the issues identified in the CAISO’s May 31, 2007, Motion to Intervene and Protest in Docket No. ER07-882.

The CAISO also believes it is critical that the schedule for paper hearings established by the July 30 Order be maintained. This procedural schedule will allow all issues raised in this proceeding to be resolved in a timely manner. The CAISO therefore would oppose any modification to the procedural schedule for briefing and a Commission order in connection with the appointment of a settlement judge.

### **III. CONCLUSION**

Wherefore, the CAISO respectfully requests that the Commission grant the PacifiCorp Motion for Appointment of Settlement Judge without limitation on the issues that will be addressed in the settlement discussions and without modification to the procedural schedule for paper hearings established by the July 30 Order.

Respectfully submitted,

John Anders  
Assistant General Counsel - Corporate  
The California Independent System  
Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
Tel: (916) 351-4400  
Fax: (916) 351-4436

**/s/ Sean A. Atkins**

Sean A. Atkins  
Michael Ward  
Alston & Bird LLP  
The Atlantic Building  
950 F Street, N.W.  
Washington, DC 20004-1404  
Tel: (202) 756-3405  
Fax: (202) 756-3333

Dated: August 15, 2007

## Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-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 this 15th day of August, 2007 at Folsom in the State of California.

/s/ Charity Wilson  
Charity Wilson