



April 18, 2005

**VIA ELECTRONIC FILING**

The Honorable Magalie R. Salas  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation  
Docket No. ER04-609-003**

Dear Secretary Salas:

Transmitted herewith for electronic filing in the above-referenced proceeding is the Conditional Withdrawal of Request for Rehearing of the California Independent System Operator Corporation.

Thank you for your attention to this matter.

Yours truly,

**/s/ Sidney Mannheim Davies**

Sidney Mannheim Davies  
Senior Regulatory Counsel

Counsel for the California Independent  
System Operator Corporation

Enclosure

cc: Service List

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

**California Independent System )  
Operator Corporation            )  
  )**

**Docket No. ER04-609-003**

**CONDITIONAL WITHDRAWAL OF REQUEST FOR REHEARING OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The pleading addresses the March 23, 2005 letter from Ellen K. Schall, Assistant General Counsel of Markets, Tariffs and Rates, to Charles F. Robinson, General Counsel to the California Independent System Operator Corporation (“CAISO”), regarding a pending rehearing request concerning the Commission’s rejection of the CAISO’s proposal to require Reliability Must-Run (“RMR”) generators to use one set of values for minimum operating level and start-up lead time as of October 1, 2004, the implementation date of the Real Time Market Application, Phase 1 B, of the CAISO’s Market Redesign and Technology Upgrade (“MRTU”). As noted in the March 23 letter, the CAISO had requested that the Commission delay action on the request for hearing of this issue during a six-month trial period of an alternative approach and that sixth month period expired on April 1, 2005.

The CAISO has found the alternative approach has worked to the CAISO’s satisfaction and is willing to maintain these procedures so long as the CAISO’s current market design remains in effect. The CAISO has some concern, however, that the alternative approach may not be suitable, feasible or consistent

with the complete MRTU proposal contemplated for implementation in February 2007. Accordingly, the CAISO hereby withdraws its request for rehearing on this issue as it applies to the CAISO's current market design without prejudice as to whether single values for minimum operating level and start-up lead times are a just and reasonable element of the comprehensive MRTU tariff to be filed later this year. RMR generation owners would, of course, retain all rights to comment or protest in the event the CAISO included this element as part of the MRTU tariff.

April 18, 2005

Respectfully submitted

**/s/ Sidney Mannheim Davies**  
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Operator Corporation  
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**CERTIFICATE OF SERVICE**

I hereby certify that I have this 18<sup>th</sup> day of April, 2005 caused to be served a copy of the forgoing document upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

**/s/ Sidney Mannheim Davies**

Sidney Mannheim Davies