

April 5, 2005

Via Electronic Filing

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

**Re: Williams Power Company, Inc. v. California Independent
System Operator Corporation, Docket No. EL05-57-001
Errata Filing**

Dear Secretary Salas:

On April 4, 2005, the California Independent System Operator Corporation ("ISO") submitted a Motion for Clarification and Motion for Extension of Time in the captioned docket ("April 4 Filing"). In the present errata filing, the ISO is deleting language that was inadvertently included in one sentence in the April 4 Filing. This change is shown in clean copy on the pages included in Attachment A to the present filing, and in red-lined format on the pages included in Attachment B to the present filing. Please replace the versions of pages 4 and 5 as provided in the April 4 Filing with the versions of those pages provided in Attachment A to the present filing. (Except for the change described above, the pages in Attachment A are identical to the corresponding pages in the April 4 Filing.) The ISO apologizes for the inconvenience.

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Feel free to contact the undersigned with any questions. Thank you for your attention to this matter.

Respectfully submitted,

/s/ Bradley R. Miliauskas
J. Phillip Jordan
Bradley R. Miliauskas

Counsel for the California
Independent System Operator
Corporation

ATTACHMENT A

the CAISO to rescind minimum load cost payments to must-offer units that are ramping down to minimum load status following a CAISO dispatch instruction.” March 4 Order at PP 21, 23. Based on these findings, the Commission directed the ISO to “refund to Williams and all other must-offer generators the minimum load cost compensation that they were denied based on the unauthorized application of the tolerance band” and to file a refund report, within 30 days of the issuance of the March 4 Order. March 4 Order at P 23.

II. REQUESTS FOR CLARIFICATION

The ISO requests clarification on the scope of the March 4 Order, and specifically whether it extends to the ISO’s use of a unit’s ramp rate to determine its eligibility for MLCC in the interval(s) immediately following the end of an ISO Dispatch Instruction. The ISO’s uncertainty about the scope of the March 4 Order exists because prior to the March 4 Order, the ISO had been determining a must-offer unit’s eligibility for MLCC based on the sum of (1) the residual energy the unit would produce if it returned to its minimum load level at the ramp rate established in the ISO Master File, (2) the Tolerance Band, and (3) the minimum load level. The ISO had been applying the ramp rate in conjunction with the Tolerance Band under the same precedent and authority that the March 4 Order expressly rejected as support for the Tolerance Band in post-Dispatch Instruction intervals.⁴ The March 4 Order did not expressly address the ISO’s use of a ramp

⁴ See, e.g., the Commission’s October 31, 2002 Order on Compliance Filing and Compliance Report, 101 FERC ¶ 61,112 (2002); March 13, 2003 Order on Compliance Filing, 102 FERC ¶ 61,285 (2003); October 22, 2003 Order on Proposed Tariff Amendment No. 54, 105 FERC ¶ 61,091 (2003); November 14, 2003 Order on Compliance Filing, 105 FERC ¶ 61,196 (2003); and August 5, 2004 Order on Rehearing and Compliance on Proposed Tariff Amendment No. 54, 108 FERC ¶ 61,142 (2004).

rate as a component of the MLCC eligibility calculation. Certain language in the March 4 Order could be read as an indication that the ramp rate should remain a component of the MLCC eligibility calculation. Specifically, the Commission directed the ISO to “make refunds and file a refund report identifying each instance in which the CAISO denied minimum load cost compensation to a must-offer generator *while it was returning to minimum load status* following a CAISO dispatch instruction based on the un-filed tolerance band.” March 4 Order at P 23 (*emphasis added*).

In the interest of avoiding any further challenge to the calculation or rescission of MLCC payments, the ISO seeks guidance from the Commission as to whether the March 4 Order extends to the ISO’s use of the ramp rate as well as to the Tolerance Band.

Moreover, the ISO requests clarification as to whether it may apply the Commission-approved minimum load Tolerance Band to a unit that has produced energy in an interval in response to an ISO Dispatch Instruction but subsequently has not returned to minimum load even though a reasonable period of time has elapsed for it to do so.

In response to Williams’ Complaint, the Commission found that the ISO was not permitted to rescind MLCC to must-offer units “that are ramping down” to minimum load status following an ISO Dispatch Instruction. March 4 Order at PP 21, 23. However, the March 4 Order did not address the situation of a unit that still has not returned to minimum load after sufficient time has elapsed for it to do so. This unit should no longer be “ramping down” and may, in fact, not be

ATTACHMENT B

the CAISO to rescind minimum load cost payments to must-offer units that are ramping down to minimum load status following a CAISO dispatch instruction.” March 4 Order at PP 21, 23. Based on these findings, the Commission directed the ISO to “refund to Williams and all other must-offer generators the minimum load cost compensation that they were denied based on the unauthorized application of the tolerance band” and to file a refund report, within 30 days of the issuance of the March 4 Order. March 4 Order at P 23.

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~~ramp rate as a component of the MLCC eligibility calculation, nor did t~~The March 4 Order did not expressly address the ISO's use of a ramp rate as a component of the MLCC eligibility calculation.that point. Certain language in the March 4 Order could be read as an indication that the ramp rate should remain a component of the MLCC eligibility calculation. Specifically, the Commission directed the ISO to "make refunds and file a refund report identifying each instance in which the CAISO denied minimum load cost compensation to a must-offer generator *while it was returning to minimum load status* following a CAISO dispatch instruction based on the un-filed tolerance band." March 4 Order at P 23 (emphasis added).

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CERTIFICATE OF SERVICE

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

Dated at Folsom, California, on this 5th day of April, 2005.

/s/ Anthony Ivancovich
Anthony Ivancovich