

March 30, 2005

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  
Compliance Filing  
Docket No. ER05-405-001**

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")<sup>1</sup> respectfully submits six copies of the present filing in compliance with the Commission's February 28, 2005 order in Docket Nos. ER05-405-000 and ER05-407-000 (not consolidated), 110 FERC ¶ 61,196 ("February 28 Order"), concerning the "Turlock Irrigation District Interim Operations Agreement" ("TID Agreement," between the ISO and Turlock Irrigation District ("TID")) (Docket No. ER05-405) and the "Modesto Irrigation District Operations Agreement" ("MID Agreement") (Docket No. ER05-407).

In the February 28 Order, the Commission, in response to a clarification of the TID Agreement proposed by the ISO, directed the ISO to amend Section 6.3 of the TID Agreement to clarify that the provisions of the *Grid Management Charge* settlement in Docket Nos. ER04-115-000, *et al.*, once approved, will govern TID's obligations under the TID Agreement for as long as that settlement is in effect. February 28 Order at P 31 and ordering paragraph (B).<sup>2</sup> The ISO has modified Section 6.3 of the TID Agreement accordingly.

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<sup>1</sup> Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, ISO Tariff Appendix A., as filed August 15, 1997, and subsequently revised.

<sup>2</sup> The ISO proposed to submit a compliance filing to make the TID Agreement consistent with the MID Agreement as to the *Grid Management Charge* settlement referenced above. February 28 Order at P 21.


The Commission also directed to modify Section 4.5 of the TID Agreement to eliminate the requirement that Pacific Gas and Electric Company ("PG&E") provide information to the ISO regarding removing and restoring facilities to service, to the extent PG&E is required to provide that information under PG&E's Interconnection Agreement with TID. February 28 Order at P 35 and ordering paragraph (D). The ISO has so modified Section 4.5 of the TID Agreement by specifically referencing the PG&E Interconnection Agreement and the Responsible Participating Transmission Owner Agreement.

The changes to the TID Agreement described above are shown in the revised sheets provided in Attachment A to the present filing, and are shown in black-line format in Attachment B. Additionally, the ISO submits, in Attachment C, a form notice of filing suitable for publication in the Federal Register, along with a computer diskette containing the notice of filing.

Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. If there are questions concerning this filing, please contact the undersigned.

Respectfully submitted,

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## ATTACHMENT A

**4.5 Coordination of Operations:** *The District will act in coordination with PG&E, in accordance with the all operational requirements of its Interconnection Agreement with PG&E, including outage coordination, Load shedding and Load restoration. PG&E, on the District's behalf consistent with PG&E's obligations under the PG&E IA and the Responsible Participating Transmission Owner Agreement executed between the ISO and PG&E, shall provide information to the ISO regarding removing from service, and following an outage restoring to service, all or part of the District's facilities, under the Outage Coordination Protocol of the ISO Tariff.*

## **5. RELIABILITY MANAGEMENT SYSTEM**

**5.1 Purpose.** In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement and WECC sets forth reliability criteria adopted by the WECC to which the ISO shall be required to comply.

**5.2 Compliance.** The WECC program provides that both transmission paths and generators comply with the program.

**5.2.1. Generating Unit Performance Standard.** The District shall, in relation to each of its Generating Units, meet all applicable WECC standards including any standards regarding governor response capabilities, use of power system stabilizers, voltage control capabilities and hourly Energy delivery.

**5.2.2 Generating Unit Reliability Criteria.** The District shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC Reliability Criteria set forth in Section IV of Annex A thereof. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Section 5.2.2 as though set forth fully herein, and the District shall for all purposes be considered Participants as defined in that Agreement, and shall be subject to all of the obligations of Participants, under and in connection with the WECC Reliability Criteria Agreement. The District shall copy the ISO on all reports supplied to the WECC in accordance with Section IV of Annex A of the WECC Reliability Criteria Agreement.

**5.2.3 Generating Unit Payment of Sanctions.** The District shall be responsible for payment directly to the WECC of any monetary sanction assessed against the District by the WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

**5.2.4 Transmission Path Compliance.** Section III.K to Annex A of the WECC Reliability Criteria Agreement provides for Qualified Path Unscheduled Flow Relief and the System is a qualified path for Unscheduled Flow in

agrees to reimburse the ISO for the District's proportionate share of such sanction provided the District does not reimburse TANC for the District's proportionate share.

**5.3 Publication.** The District hereby provides consent on behalf of the District to the release by the WECC of information related to the District's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.

**5.4 Reserved Rights.** Nothing in the RMS or the WECC Reliability Criteria Agreement shall affect the right of the ISO, subject to any necessary regulatory approval, to take such other measures to maintain reliability, which the ISO may otherwise be entitled to take.

## **6.0 COSTS, CHARGES AND PAYMENT**

**6.1 Operating and Maintenance Costs.** The District shall be responsible for all of its costs incurred in connection with operating and maintaining its Electric System including its ownership interests in the COTP.

**6.2 Charges Not Generally Affected.** Nothing in this Agreement is intended to affect the rates and charges paid by transmission service customers of the ISO for use of the ISO Controlled Grid. Transmission service customers of the ISO using the ISO's markets or the ISO Controlled Grid shall pay rates and charges in accordance with the ISO Tariff.

**6.3 Charges for Non-ISO Controlled Grid Facilities.** If the Scheduling Coordinator for the District schedules transactions from the SMUD Control Area to the ISO Control Area which do not use the ISO Controlled Grid then the Scheduling Coordinator for the District shall be responsible for procuring or self-providing: (1) Ancillary Services consistent with the requirements of the Control Area in which the Load is served; (2) Imbalance Energy; and (3) losses consistent with the requirements of the ISO Tariff. For the transactions scheduled under this Agreement, the ISO shall impose charges for Ancillary Services if the Load is served in the ISO Control Area, Imbalance Energy, and losses, but only to the extent that such services and losses are not self-provided by the District or a Scheduling Coordinator for the District. In addition the ISO will charge the Scheduling Coordinator for the District the Grid Management Charge in accordance with the ISO Tariff, provided that, if FERC accepts or approves the pending settlement in Docket No. ER04-115-000 *et al.*, then the provisions of that settlement shall govern the obligations of the District and the Scheduling Coordinator for the District with respect to the GMC, for as long as that settlement remains in effect. The ISO shall not charge the Scheduling Coordinator of the District for any other charge types outside of this Section 6.3, if such transactions do not use the ISO Controlled Grid.

**ATTACHMENT B**

**4.5 Coordination of Operations:** The District will act in coordination with PG&E, in accordance with the all operational requirements of its Interconnection Agreement with PG&E, including outage coordination, Load shedding and Load restoration. PG&E, on the District's behalf consistent with PG&E's obligations under the PG&E IA and the Responsible Participating Transmission Owner Agreement executed between the ISO and PG&E, shall provide information to the ISO regarding removing from service, and following an outage restoring to service, all or part of the District's facilities, under the Outage Coordination Protocol of the ISO Tariff.

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**6.3 Charges for Non-ISO Controlled Grid Facilities.** If the Scheduling Coordinator for the District schedules transactions from the SMUD Control Area to the ISO Control Area which do not use the ISO Controlled Grid then the Scheduling Coordinator for the District shall be responsible for procuring or self-providing: (1) Ancillary Services consistent with the requirements of the Control Area in which the Load is served; (2) Imbalance Energy; and (3) losses consistent with the requirements of the ISO Tariff. For the transactions scheduled under this Agreement, the ISO shall impose charges for Ancillary Services if the Load is served in the ISO Control Area, Imbalance Energy, and losses, but only to the extent that such services and losses are not self-provided by the District or a Scheduling Coordinator for the District. In addition the ISO will charge the Scheduling Coordinator for the District the Grid Management Charge in accordance with the ISO Tariff, provided that, if unless or until FERC accepts or approves the pending settlement in Docket No. ER04-115-000 et al., then the provisions of that settlement shall govern the obligations of the District and the Scheduling Coordinator for the District with respect to the GMC, for as long as that settlement remains in effect. The ISO shall not charge the Scheduling Coordinator of the District for any other charge types outside of this Section 6.3, if such transactions do not use the ISO Controlled Grid.

**ATTACHMENT C**



**NOTICE OF FILING SUITABLE FOR PUBLICATION  
IN THE FEDERAL REGISTER**

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

**California Independent System                 )  
Operator Corporation                                 )**         **Docket No. ER05-405-001**

**Notice of Filing**

**[                                 ]**

Take notice that on March 30, 2005, the California Independent System Operator Corporation (ISO) submitted a filing in compliance with the Commission's February 28, 2005 order in Docket Nos. ER05-405-000 and ER05-407-000 (not consolidated), 110 FERC ¶ 61,196.

The ISO states that this filing has been served upon all parties on the official service list for the captioned docket. In addition, the ISO has posted this filing on the ISO Home Page.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov>, using the **eLibrary** (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at [FERCOnlineSupport@ferc.gov](mailto:FERCOnlineSupport@ferc.gov) or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date: \_\_\_\_\_