



CALIFORNIA ISO PUBLIC

California Independent System Operator

December 5, 2002

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

ORIGINAL

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OFFICE OF THE SECRETARY
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FEDERAL ENERGY
REGULATORY COMMISSION

Re: **California Independent System Operator Corporation**
Docket No. ER03-4-000

Dear Secretary Salas:

244

The California Independent System Operator Corporation ("ISO") hereby submits an original and six copies of its informational filing pursuant to Article IX, Section B of the Stipulation and Agreement approved by the Commission on May 28, 1999, California Independent System Operator Corp., 87 FERC ¶ 61,250 (1999). This provision requires the ISO provide on a confidential basis to the Commission (i) information regarding any notice from an RMR Unit requesting a change of Condition; (ii) the date the chosen Condition will begin; and (iii) if the change is from Condition 2, the applicable level of Fixed Option Payment. Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. If there are any questions concerning this filing please contact the undersigned.

COMMUNICATIONS

Correspondence regarding this filing should be directed to:

Desk/OSEC

<p>Jeanne M. Solé* Regulatory Counsel The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630 Tel: (916) 351-4400 Fax: (916) 608-7222</p>	<p>J. Phillip Jordan* Rebecca A. Blackmer Swidler Berlin Shereff Friedman, LLP 3000 K Street, N.W., Suite 300 Washington, DC 20007 Tel: (202) 424-7500 Fax: (202) 424-7643</p>
<p>Deborah A. Le Vine¹ Director of Contracts The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630 Tel: (916) 351-4400 Fax: (916) 608-7222</p>	

* Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 203(b)(3).

CONTENTS OF FILING

The following documents are included in this filing:

(1) Transmittal Letter

(2) Attachment A – Information Regarding Changes of Condition

(3) A Notice of Filing, suitable for publication in the Federal Register, together with a computer disk with a copy of the Notice in Word Perfect

PROCEDURAL BACKGROUND

Since April 1, 1998, when the ISO began operations, certain Generating Units have been designated by the ISO as necessary for local reliability needs and thus has been subject to a "reliability must run" ("RMR") contract between the ISO and RMR Unit Owner. Broadly speaking, the RMR contracts authorize the ISO to call on RMR Units to provide specified levels of energy and ancillary

services, and require the ISO to make specified fixed and variable-cost payments to RMR Unit Owners for these services. Under Section 5.2.8 of the ISO tariff, costs payable by the ISO under the RMR contracts are passed through to the relevant Responsible Utility.²

By order issued December 17, 1997 in Docket Nos. ER98-441-000, et al., the Commission placed the initial RMR contracts for RMR units in California into effect, subject to refund, as of the date the ISO began operations.³ On April 2, 1999, the ISO, the owners of all of the RMR units in California, the three Responsible Utilities, and other parties to Docket Nos. ER98-441-000, et al., filed an offer of settlement in those dockets (the "First Stipulation") substantially revising the standard terms of the contract, but leaving a number of issues subject to litigation or further settlement efforts. The First Stipulation was approved by the Commission in May 1999.⁴

Article IX, Section B of the First Stipulation provides:

The ISO shall provide on a confidential basis to the Commission pursuant to Section 388.112 of the Commission's Regulations, 18 C.F.R. §388.112 (1998), and to the California Agency and the affected Responsible Utility pursuant to the applicable Non-Disclosure and Confidentiality Agreement in the RMR Contract . . . :
(i) information regarding any notice from an RMR Unit requesting a

¹ In addition to Ms. Solé and Mr. Jordan, the ISO respectfully requests that Ms. Le Vine be included in the Official Service List. Ms. Solé and Ms. Le Vine work in separate buildings, and it would be of significant assistance to the ISO if both were included on the list.

² Section 5.2.8 provides that costs incurred by the ISO under an RMR contract for a generating plant are to be borne by the utility in whose service territory the generating plant is located.

³ Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company, 81 FERC ¶ 61,322 (1997).

⁴ California Independent System Operator Corp., 87 FERC ¶ 61,250 (1999). A subsequent settlement (the "Second Stipulation"), covering some of the issues not resolved in the First Stipulation, was filed on August 14, 2000 in Docket Nos. ER98-441-000, et al., and approved in California Independent System Operator Corp., 93 FERC ¶ 61,089 (2000).

change of Condition; (ii) the date the chosen Condition will begin; and (iii) if the change is from Condition 2, the applicable level of the Fixed Option Payment. Such information will be provided within ten (10) business days of the receipt of such notice by the ISO. The ISO shall provide a copy of all information provided to the Commission to the RMR Owner.

On November 22, 2002, the ISO received a notice from an RMR Owner transferring the condition of one unit for the 2003 contract year. On November 26, 2002, the ISO received notice from two further RMR Owners transferring the condition of additional units effective January 1, 2003. In preparing this filing, the ISO became aware that it overlooked the provision to the Commission of the relevant information under Article IX, Section B, as to notices received on November 28, 2001 relating to other RMR units and to be effective on January 1, 2002.

INFORMATION PROVIDED

Attachment A to this filing sets forth the information required to be provided under Article IX, Section B of the First Stipulation as to the notices received by the ISO on November 22, 2002, November 26, 2002, and November 28, 2001.

REQUEST FOR CONFIDENTIAL TREATMENT

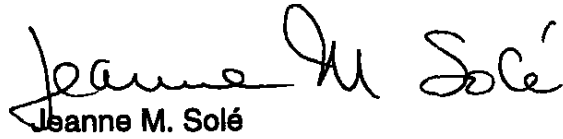
Article IX, Section B of the First Stipulation provides that the ISO is to submit the requisite information to the Commission on a confidential basis pursuant to Section 388.112 of the Commission's Regulations. Consistent with this requirement, the ISO seeks confidential treatment for Attachment A to this filing. The person to be contacted regarding the request for privileged treatment of the confidential document attached is Jeanne M. Solé, Regulatory Counsel, California Independent System Operator, 151 Blue Ravine Road, Folsom, CA 95630, telephone: (916) 351-4400, facsimile (916) 608-7222. Consistent with Section 388.112 of the Commission's Regulations, this filing includes a confidential version of Attachment A and fourteen copies of the redacted version of Attachment A.

SERVICE

Unredacted copies of this filing have been served, subject to the applicable Non-Disclosure and Confidentiality Agreement in the RMR Contract, on the designated RMR contact persons at the California Public Utilities Commission and the California Electricity Oversight Board. Partially redacted copies of this filing have been served, subject to the Non-Disclosure and Confidentiality Agreement in the RMR Contract, on the designated RMR contact persons at the relevant Responsible Utilities and the relevant RMR Owners.

Redacted copies of this filing have been served on the California Public Utilities Commission, the California Electricity Oversight Board, the California Energy Commission and all parties with effective Scheduling Coordinator Agreements under the ISO Tariff.

Respectfully submitted,

A handwritten signature in black ink that reads "Jeanne M. Solé". The signature is written in a cursive style with a large, stylized initial "J".

Jeanne M. Solé
Counsel for the California Independent
System Operator Corporation

ATTACHMENT A

Notice was received from [redacted] on November 26, 2002 to transfer [redacted] to Condition [redacted].

Notice was received from [redacted] on November 22, 2002 to transfer [redacted] to [redacted].

Notice was received from [redacted] on November 26, 2002 to transfer [redacted] to Condition [redacted].

Notice was received from [redacted] on November 28, 2001 to transfer [redacted] to Condition [redacted].

Notice of Filing

[]

Take notice that the California Independent System Operator Corporation ("ISO") on December 5, 2002, submitted an informational filing in accordance with Article IX, Section B of the Stipulation and Agreement approved by the Commission on May 28, 1999, California Independent System Operator Corp., 87 FERC ¶ 61,250 (1999). This provision requires the ISO to provide on a confidential basis to the Commission (i) information regarding any notice from an RMR Unit requesting a change of Condition; (ii) the date the chosen Condition will begin; and (iii) if the change is from Condition 2, the applicable level of Fixed Option Payment.

The ISO states that unredacted copies of this filing have been served, subject to the applicable Non-Disclosure and Confidentiality Agreement in the RMR Contract, on the designated RMR contact persons at the California Public Utilities Commission and the California Electricity Oversight Board. Partially redacted copies of this filing have been served, subject to the Non-Disclosure and Confidentiality Agreement in the RMR Contract, on the designated RMR contact persons at the relevant Responsible Utilities and the relevant RMR Owners. Redacted copies of this filing have been served on the California Public Utilities Commission, the California Electricity Oversight Board, the California Energy Commission and all parties with effective Scheduling Coordinator Agreements under the ISO Tariff.

Any person desiring to be heard or to protest the filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). All such motions or protests must be filed in accordance with § 35.8 of the Commission's regulations. 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. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. This filing may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 2002-208-222 for assistance).

Comment date: []