

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System        )   Docket No. ER04-835-\_\_\_\_  
Operator Corporation                    )

**MOTION FOR CLARIFICATION OF THE CALIFORNIA INDEPENDENT  
SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.212, the California Independent System Operator Corporation ("CAISO")<sup>1</sup> hereby requests that the Commission clarify its "Order on Rehearing and Compliance Filing" issued on October 29, 2004 in the captioned proceeding ("Amendment No. 60 Rehearing Order").<sup>2</sup>

In support here, the CAISO respectfully states as follows:

**I. BACKGROUND**

On May 11, 2004, the ISO tendered for filing Amendment No. 60 to the ISO Tariff ("Amendment No. 60"). Amendment No. 60 proposed modifications to various aspects of the must-offer obligation and process first imposed by the Commission in an order issued April 26, 2001. Among other things, Amendment No. 60 proposed that if the ISO was required to operate a Generating Unit at its dispatchable minimum operating level, rather than at its lower manual minimum operating level, the ISO would (1) pay the Minimum Load Costs up to the manual

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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 on August 15, 1997, and subsequently revised.

<sup>2</sup> *California Independent System Operator Corporation*, 109 FERC ¶ 61,097 (2004).

minimum operating level and (2) pay the greater of the Generating Unit's costs or the Market Clearing Price for the range between the Generating Unit's manual minimum operating level and the Generating Unit's dispatchable minimum operating level.

In response to a request for rehearing filed by Duke Energy North America, LLC and Duke Energy Trading and Marketing, LLC (collectively, "Duke"), the Commission directed the ISO to modify Section 5.11.6.1.2.1 of the ISO Tariff to reflect the same compensation level as Section 5.11.6.1.2 of the ISO Tariff. Amendment No. 60 Rehearing Order at P 26. The Commission had approved the ISO's proposal to include intra-state gas transportation fees and use the same two-day average of gas indices used to compensate Reliability Must-Run ("RMR") units in its July 8, 2004 order on Amendment No. 60.<sup>3</sup>

## **II. MOTION FOR CLARIFICATION**

The ISO proposed, in Amendment No. 54 to the ISO Tariff ("Amendment No. 54"), that a Generating Unit instructed to operate at its dispatchable minimum operating level would be paid Minimum Load Cost Compensation at that level once the Phase 1B modifications were put into effect. Transmittal Letter for Amendment No. 54, Docket No. ER03-1046-000 (filed July 8, 2003), at 30. The ISO noted in Amendment No. 60 that its proposal to pay the higher of the Market Clearing Price or the Generating Unit's costs for the range between the manual minimum operating level and the dispatchable minimum operating level would only be in effect until the Phase 1B modifications were put into effect.

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<sup>3</sup> *California Independent System Operator Corporation*, 108 FERC ¶ 61,022, at PP 81-82.

Transmittal Letter for Amendment No. 60, Docket No. ER04-835-000 (filed May 11, 2004), at 30. The ISO submitted two versions of revised tariff sheets and black-lined language with Amendment No. 60 – one that would be in effect until the Phase 1B modifications were put into effect, and one that would be in effect after the Phase 1B modifications were put into effect. The section that the Commission directed the ISO to modify in the Amendment No. 60 Rehearing Order, Section 5.11.6.1.2.1, was included only in the pre-Phase 1B modifications and not in the post-Phase 1B modifications proposed in Amendment No. 60. As a result, Section 5.11.6.1.2.1 ceased to exist when the Phase 1B modifications were put into effect on October 1, 2004 – four weeks before the Amendment No. 60 Rehearing Order was issued. Because Section 5.11.6.1.2.1 no longer exists as of October 1, 2004, the ISO respectfully requests that the Commission clarify that no compliance filing is required.

Respectfully Submitted,

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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 29<sup>th</sup> day of November, 2004.

/s/ Anthony J. Ivancovich  
Anthony J. Ivancovich