FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

California Independent System Operator Corporation Docket No. ER08-1565-000 November 14, 2008

Michael E. Ward Alston & Bird, LLP The Atlantic Building 950 F Street, N.W. Washington, D.C. 20004-1404

Reference: Disposition of Proceeds of Penalty Assessments

Dear Mr. Ward:

On September 22, 2008, the California Independent System Operator Corporation (CAISO) submitted for filing, a petition seeking Commission approval of the disposition of proceeds of penalty assessments (Distribution Plan) collected pursuant to section 37.9 of the CAISO Tariff. The CAISO states that it proposes to distribute the proceeds in accordance with the allocation set forth in Attachment 1 of the proposed Distribution Plan and requests confidential treatment of Attachment 1 under 18 C.F.R. § 112.¹ The proposed Distribution Plan is accepted for filing, effective November 21, 2008.

This filing was noticed on September 25, 2008, with comments, protests or motions to intervene due on or before October 14, 2008. On October 14, 2008, the M-S-R Power Agency (M-S-R) filed a motion to intervene and protest. Subsequently, On November 10, 2008, M-S-R filed a notice to withdraw its protest. No other adverse comments, protests or motions to intervene were filed. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 211 and Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R § 385.211 and § 385.214). Any opposed or untimely filed motion to intervene is governed

¹ Under the CAISO Tariff, the CAISO is not required to publicly disclose the identity of a Market Participant that engages in sanctionable behavior. While section 37.9.3.1 of the CAISO Tariff provides that the CAISO may publish such information on its website, it does not compel the CAISO to do so.

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by the provisions of Rule 214.

This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rates or services provided for in the filed documents; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

Authority to act on this matter is delegated to the Director, Division of Tariffs and Market Development - West, under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Steve P. Rodgers, Director Division of Tariffs and Market Development-West

cc: All Parties

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