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May 31, 2005

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

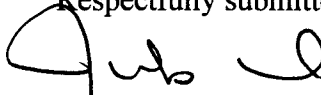
Re: *California Independent System Operator Corporation*
Docket No. ER04-835-000

Pacific Gas and Electric Company v. California Independent System
Operator Corporation
Docket No. EL04-103 (consolidated)

Dear Secretary Salas:

Enclosed please find an original and 5 copies of the Proposed Joint Stipulation of Contested Issues filed on behalf of the participants in this proceeding by the California Independent System Operator Corporation. Two additional copies of this filing are enclosed to be stamped with the date and time of filing and returned to our messenger. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,



Julia Moore

Counsel for the California Independent System
Operator Corporation

Cc: The Honorable H. Peter Young
Service List

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

California Independent System Operator Corporation)	
)	Docket No. ER04-835-000
)	
Pacific Gas and Electric Company)	
)	
v.)	
)	
California Independent System Operator Corporation)	Docket No. EL04-103-000
)	(consolidated)

**Proposed Joint Stipulation of Contested Issues
(May 31, 2005)**

**To: The Honorable H. Peter Young
Presiding Administrative Law Judge**

Pursuant to the Order of the Chief Judge Extending Procedural Dates issued on March 10, 2005, the participants in the above-captioned dockets propose the following Joint Stipulation of Issues.

Docket No. ER04-835

- I. Allocation of MLCC Costs
 - A. What factors should be considered in determining whether the ISO's Amendment No 60 cost allocation proposal is just, reasonable and not unduly discriminatory?
 - B. Whether it is just and reasonable to classify MLCC costs into three buckets: System, Local, and Zonal.

- C. Should MLCC costs be allocated, pursuant to the criteria used by the ISO to classify units committed under the Must Offer Waiver Denial (MOWD) process as set forth in Attachment E of the ISO's filing of May 11, 2004, to each of the Local, System, Zonal categories, or should they be allocated in another manner or to other categories?
- D. Whether the "incremental cost of Local" approach for determining the allocation of MLCC costs between "System" and "Local" categories is just and reasonable.
- E. Timing Issues
 - 1. Whether non-Local MLCC costs should be allocated on a daily or monthly basis.
 - 2. Whether non-Local MLCC costs should be assessed only to loads occurring in the peak time periods for which Must Offer Waivers are denied.
 - 3. If non-Local MLCC costs should be allocated only to loads occurring in the peak time periods for which Must Offer Waivers are denied, how should the peak period be defined?
- F. Whether ETC Schedules should be exempted from all or some Zonal MLCC costs.
- G. Whether Wheel-through schedules should be exempted from all or some System MLCC costs.
- H. Whether Pump Loads should be exempted from all or some MLCC costs.
- I. Whether load serving entities ("LSEs") should be permitted to self-provide local generation (or inertia) and thereby avoid SCIT related MLCC costs.
- J. How should the ISO treat MLCC costs related to must offer waivers denied for more than one reason?
- K. Whether the ISO should allocate System Minimum Load Costs based on deviations between metered load and Day-Ahead scheduled load (where the total Day-Ahead scheduled load deviates from the total metered load by more than a 5 percent threshold).

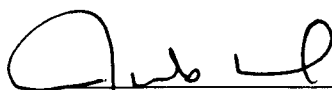
- L. Whether Start-Up and Emissions costs of units denied must offer waivers should be allocated in the same manner as those associated with Minimum Load Cost Compensation (“MLCC”) and whether a revision to the allocation of these costs even should be addressed in this proceeding.
- II. Attachment E Issues
 - A. Whether Attachment E as included in the ISO’s original filing of May 11, 2004 should be deemed part of Amendment 60 to the ISO Tariff as filed.
 - B. Whether the criteria used by the ISO to classify units committed under the Must Offer Wavier Denial (MOWD) process should be included in the ISO Tariff.
- III. Whether the proposed definition of Reliability Services Costs is just and reasonable.
- IV. Ancillary Services Issues
 - A. Does the ISO have the authority to commit a Generating Unit under the Must Offer Obligation to provide Ancillary Services?
 - B. Should Scheduling Coordinators who self-provide Ancillary Services be allocated costs of MLCC for Ancillary Services?

Docket No. EL04-103

- I. Whether the manner in which the ISO allocated Must Offer Obligation related charges, including MLCC costs prior to October 1, 2004 was just, reasonable and not unduly discriminatory.

- II. Whether the refund effective date of July 17, 2004 should be conditioned in any way.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify I have this day served the public elements of the foregoing documents on each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, California, on this 31st day of May, 2005.

Stephen A. S. Morrison /mm
Stephen A. S. Morrison