

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

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|---|---|---------------------------------|
| California Independent System Operator Corporation |) | Docket Nos. ER04-445-000 |
| |) | ER04-445-001 |
| |) | ER04-445-002 |
| |) | ER04-445-003 |
| |) | |
| Pacific Gas and Electric Company |) | Docket Nos. ER04-443-000 |
| |) | ER04-443-001 |
| |) | ER04-443-002 |
| |) | |
| San Diego Gas and Electric Company |) | Docket Nos. ER04-441-000 |
| |) | ER04-441-001 |
| |) | ER04-441-002 |
| |) | |
| Southern California Edison Company |) | Docket Nos. ER04-435-000 |
| |) | ER04-435-001 |
| |) | ER04-435-003 |

REQUEST FOR EXTENSION OF TIME TO FILE COMPLIANCE FILING OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

Pursuant to Rule 212 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. § 385.212, the California Independent System Operator Corporation ("CAISO")¹ submits this request for a 90 day extension of time to file the compliance filing required by the Commission's July 30, 2004 order, 108 FERC ¶ 61,104 (2004) ("July 30 Order") issued in the above-captioned dockets.

In the July 30 Order, the Commission rejected in their entirety the CAISO's proposed LGIP and the LGIA filed jointly by the CAISO and the jurisdictional

¹ Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

Participating TOs,² pursuant to Order Nos. 2003 and 2003-A. The Commission did not address the merits of either filing. Instead, it based its rejection solely on its view that the CAISO was not permitted to propose variations from the *pro forma* LGIP and LGIA using the “independent entity variation” standard because the Commission had already found that the CAISO was not “independent.”³ The Commission directed the CAISO to file a compliance filing within 60 days of the date of the July 30 Order, in which the CAISO must justify any proposed variations from the standardized interconnection terms and agreement adopted in Order Nos. 2003 and 2003-A based on either the “consistent with or superior to” standard or the regional reliability variations standard permitted for non-independent entities. The CAISO has today filed a rehearing request in which it argues, *inter alia*, that the Commission lacks substantial evidence that the CAISO is not independent.

Recently, the CAISO was informed that the Governor of California will soon be making new appointments to the CAISO Governing Board. In light of the CAISO’s rehearing request, and the fact that that the Commission’s sole reason for rejecting the ISO’s proposed LGIP and LGIA was because of the purported lack of independence in its governance structure, the CAISO submits that it would be premature for the Commission to require the CAISO to make a compliance filing that relies on the standards articulated in Order Nos. 2003 and 2003-A for non-independent entities before these new appointments are made and the Commission has the chance to

² The jurisdictional Participating TOs consist of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company.

³ The Commission did not consider any of the variations that the ISO had proposed under the “consistent with and superior to” standard, stating that the CAISO had not explained with specificity which variations met this standard. July 30 Order a P 24.

evaluate the impact of these new appointments on the governance structure and overall independence of the CAISO. In particular, these new appointments may change the Commission's view that certain classes of stakeholder groups are over-represented on the CAISO Governing Board.⁴ Even if the Commission does not act on the rehearing request before the compliance filing, the new appointments may affect the Commission's evaluation of the compliance filing.

For this reason, the CAISO respectfully requests that the Commission grant a 90-day extension to the deadline for filing a compliance filing pursuant to the July 30 Order. The CAISO believes that a 90-day extension will provide sufficient time for the new Governing Board appointments to be made and for the Commission to determine what effect these new appointments have on its evaluation of the CAISO's independence.

Respectfully submitted,

Charles F. Robinson
Anthony Ivancovich
Gene L. Waas
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-7147

/s/ Kenneth G. Jaffe
Kenneth G. Jaffe
Michael Ward
Michael Kunselman
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007
Tel: (202) 424-7500

Dated: August 30, 2004

⁴ See Order Concerning Governance of the California Independent System Operator Corporation, 100 FERC ¶ 61,059 (2002) at P59.

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, CA, on this 30th day of August, 2004.

/s/ Gene L. Waas
Gene L. Waas