

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

California Independent System Operator Corporation)	Docket Nos. ER98-997-000 ER98-1309-000
)	

**JOINT MOTION FOR EXTENSION
OF THE PROCEDURAL SCHEDULE**

To: The Honorable Delbert R. Terrill, Jr.
Presiding Administrative Law Judge

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.212 (1998), the California Independent System Operator Corporation ("ISO") and the Cogeneration Association of California ("CAC") (collectively the "joint movants") respectfully request that the Presiding Judge extend the procedural schedule established by order issued on November 19, 1998 in this proceeding. The joint movants are also authorized to state that the Commission Trial Staff ("Trial Staff") does not object to the relief requested in this motion. In support of this request, the joint movants state as follows:

1. The instant proceeding involves a number of issues related to the ISO's Participating Generator Agreements ("PGAs") as applicable to Qualifying Facilities ("QFs").¹
2. The above-captioned dockets have been severed from an ongoing proceeding involving the generally applicable terms and conditions of the PGAs in Docket Nos. ER98-992-000 et al. On September 1, 1998, the ISO submitted

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

Direct Testimony in Docket Nos. ER98-992-000 et al., and on October 20, 1998, the CAC submitted testimony in those dockets recommending that “the Commission order the ISO to develop a separate and independent pro forma Participating Generator Agreement for Qualifying Facilities.” Direct Testimony of James A. Ross at 2. Trial Staff then filed a Motion for a Prehearing Conference to discuss revised procedures which would sever dockets involving QFs from other dockets in which a settlement in principle had been reached. The Trial Staff also asked that the ISO be required to file testimony stating its position on the elements of a PGA tariff for QFs, before the Trial Staff filed testimony.

3. Consistent with that proposal, and pursuant to discussions held at a prehearing conference on November 18, 1999, the ISO filed, that same day, a Motion to Sever Certain Dockets from the consolidated proceeding. In the Motion to Sever, the ISO committed itself to initiating a stakeholder process to develop a new QF-specific PGA to be filed in the severed dockets by a date certain, after certain specified milestones were met.

4. On November 19, 1998, the Chief Administrative Law Judge issued an order severing the above-captioned dockets from the consolidated proceeding in Docket Nos. ER98-992-000 et al. and setting the severed dockets for separate hearing. On the same date, the Presiding Judge issued an order establishing a procedural schedule in the instant proceeding. The Presiding Judge's November 19 Order established a timetable for negotiation and submission of a QF-specific pro forma PGA and an Offer of Settlement to be filed by March 1, 1999. The procedural order also set forth an accelerated schedule for the submission of testimony and exhibits and the commencement of hearing procedures which was to go into effect if certain milestones were not met.

5. Consistent with the Presiding Judge's November 19 Order, the ISO circulated an initial draft of a pro forma QF PGA to Market Participants on

December 1, 1998. A stakeholder meeting was held on December 17, 1998, to discuss the draft agreement and a proposed agreement drafted by CAC, and to address various other issues in this proceeding. A revised draft of the agreement was distributed on January 20, 1999, with additional stakeholder comments on the draft being provided through February.

6. On or about January 30, the Trial Staff arranged a meeting between the ISO, the Trial Staff and members of the CAC. to discuss an operational resolution to the dispute. Negotiations have resulted in significant progress toward a settlement, but the parties have not yet resolved all issues. While the March 1, 1999 milestone to file a QF-PGA at FERC has not been met, the negotiations have achieved significant progress. The active participants have reached agreement in principle on a number of technical and operational issues related to QFs.

7. Pursuant to the procedures established by the Presiding Judge's November 19 order, the ISO submitted the Prepared Direct Testimony of Michael Dozier on March 15, 1999. Under those procedures, intervenor direct testimony would be due by March 22 and the direct testimony of the Trial Staff would be due by March 29, 1999. The ISO and the CAC are in agreement that their time, effort, and resources would be better spent finalizing an Offer of Settlement.

8. The ISO and the CAC therefore respectfully request that the Presiding Judge extend each filing requirement, and the hearing date, in the procedural schedule by thirty-six (36) days. The joint movants believe that granting this extension will provide sufficient time for the participants to attain a negotiated resolution of these matters. For this reason, the Trial Staff does not object to the requested extension. If this extension is granted, the active participants in this proceeding commit to meet during the week of March 22, 1999 to negotiate in good faith any outstanding issues. Should a negotiated resolution not be

reached, however, the joint movants commit to a resumption of the procedural schedule starting with the filing of CAC testimony on April 27, 1999. Consistent with the subsequent intervals in the procedural schedule established in the Presiding Judge's November 19 Order, a hearing, if necessary, would commence on or after June 8, 1999. It is anticipated that the hearing in this case would immediately follow adjournment of hearing in Docket No. ER98-1499, et al., a related case involving the same parties. The joint movants further anticipate that any hearing in this case could be concluded prior to June 15, 1999.

WHEREFORE, the ISO and the CAC respectfully request that the Presiding Judge extend each filing requirement, and the hearing date, in the procedural schedule by thirty-six (36) days.

Respectfully submitted,

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Counsel for the California Independent
System Operator Corporation

Dated: March 17, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the service list compiled by the Secretary in this proceeding.

Dated at Washington, DC, this 17th day of March, 1999.

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Counsel for the California Independent
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March 17, 1999

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Docket Nos. ER98-997-000 and ER98-1309-00**

Dear Secretary Boergers:

Enclosed for filing in the above-captioned dockets are an original and fourteen copies of the Motion For Extension of the Procedural Schedule submitted on behalf of the California Independent System Operator Corporation and the Cogeneration Association of California. Also enclosed is an extra copy of the filing to be time/date stamped and returned to the messenger. Thank you for your assistance in this matter.

Respectfully submitted,

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Enclosures

cc: Service List
The Honorable Delbert R. Terrill, Jr.