

April 29, 2005

Via Electronic Filing

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

**Re: California Independent System Operator Corporation,
Docket No. ER03-683-____**

Dear Secretary Salas:

Enclosed please find the California Independent System Operator Corporation's Motion for Deferral of Effective Date, submitted in the captioned docket.

Feel free to contact the undersigned with any questions. Thank you for your attention to this matter.

Respectfully submitted,

/s/ Bradley R. Miliauskas
Kenneth G. Jaffe
Bradley R. Miliauskas

Counsel for the California
Independent System Operator
Corporation

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System)
Operator Corporation) Docket No. ER03-683-____

MOTION FOR DEFERRAL OF EFFECTIVE DATE

On April 18, 2005, the Federal Energy Regulatory Commission (“Commission”) issued its “Order on Rehearing and Compliance Filing” in the captioned proceeding, 111 FERC ¶ 61,074 (“April 18 Order”). Pursuant to Rules 212 and 2008 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.2008, the California Independent System Operator Corporation (“ISO”) moves for a deferral of the effective date stated in the April 18 Order for implementation of a Commission-approved daily gas index in calculating decremental reference levels. The ISO respectfully requests that the Commission permit the daily gas index to become effective one day after the ISO provides notice to the market that the daily gas index is ready to be implemented. As discussed below, the ISO anticipates that the software changes needed to implement the daily gas index will be completed by May 21, 2005.

I. Request for Deferral of Effective Date for Implementation of the Daily Gas Index

On February 14, 2005, the ISO submitted a compliance filing (“Compliance Filing”) in this proceeding that, *inter alia*, proposed a means of incorporating the use of a Commission-approved daily gas index into the

calculation of decremental reference levels. Transmittal Letter for Compliance Filing at 3-5. The ISO explained that it would be necessary for the ISO and Potomac Economics ("Potomac"), the independent entity responsible for determining reference prices, to make changes to their software in order to implement the use of the proposed daily gas index. *Id.* at 4. The ISO stated that after the software changes were made, the ISO would implement the use of the daily gas index. *Id.* at 5. Therefore, the ISO proposed to make the use of the daily gas index effective one day after providing notice to the market. *Id.* The ISO stated that it "*anticipate[d]* that it will provide the required notice to the market by April 29, 2005." *Id.* (emphasis added). However, the ISO could not be certain that the requisite software changes would be made by April 29 and that the ISO would be providing notice to the market on that date. For this reason, the ISO did not propose to make the ISO Tariff sheets containing the daily gas index effective on a specific date, but instead proposed to make those sheets effective "one day after notice to Market Participants," *i.e.*, the ISO gave the sheets the same effective date as explained in the transmittal letter for the Compliance Filing. See Compliance Filing at Attachment A, First Revised Sheet Nos. 204B and 204C.

In the April 18 Order, the Commission accepted the ISO's proposed daily gas index. April 18 Order at P 31. The Commission went on to state, however, that "[g]iven the implementation issues related to the software problems, we grant the CAISO's request for an April 30, 2005 effective date for this tariff revision." *Id.* As explained above, the ISO never requested that the daily gas

index be made effective on any specific date, e.g., April 30, 2005, but rather that it be made effective one day after notice to the market. Therefore, the effective date stated in the April 18 Order is not the effective date the ISO requested.

In any event, Potomac has informed the ISO that the software changes that are needed to implement the use of the daily gas index are relatively significant and that Potomac anticipates such changes will be completed and tested by May 21, 2005. Therefore, the ISO requests that the Commission defer the April 30, 2005 effective date stated in the April 18 Order, and permit the daily gas index to become effective one day after the ISO provides notice to the market that the daily gas index is ready to be implemented. As stated above, Potomac anticipates that the software changes needed to implement the daily gas index will be completed by May 21.

II. Conclusion

For the reasons discussed above, the ISO respectfully asks that the Commission grant the requested deferral of the effective date stated in the April 18 Order for implementation of a Commission-approved daily gas index in calculating decremental reference levels.

Respectfully submitted,

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Dated: April 29, 2005

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 29th day of April, 2005.

/s/ Anthony Ivancovich
Anthony Ivancovich