

SWIDLER BERLIN LLP

Julia Moore
Phone 202.295.8357
Fax 202.424.7643
juliamoore@swidlaw.com

The Washington Harbour
3000 K Street, N.W., Suite 300
Washington, D.C. 20007-5116
Phone 202.424.7500
Fax 202.424.7647
www.swidlaw.com

June 8, 2005

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*
Amendment No. 62 Compliance Filing
Docket No. ER04-1087-_____**

Dear Secretary Salas:

The California Independent System Operator Corporation ("CAISO")¹ respectfully submits six copies of the present filing in compliance with the Commission's May 9, 2005 order in the captioned docket, 111 FERC ¶ 61,193 ("May 9 Order").

The CAISO submitted Amendment No. 62 to the ISO Tariff ("Amendment No. 62") in the captioned docket on August 3, 2004. In Amendment No. 62, the CAISO proposed, among other things, to revise the definition of the term "Start-Up Costs" contained in Appendix A to the ISO Tariff. Transmittal Letter for Amendment No. 62 at 7-8; Attachment B to Amendment No. 62 at revised definition of Start-Up Costs. The Commission rejected the proposed revision in its order on Amendment No. 62 issued October 1, 2004. *California Independent System Operator Corporation*, 109 FERC ¶ 61,006 at P 26. Williams Power Company ("Williams") and Duke Energy North America, LLC and Duke Energy Trading and Marketing, LLC, (collectively "Duke") filed requests for rehearing and/or clarification of that Commission finding. In the May 9 Order, the Commission granted Williams'

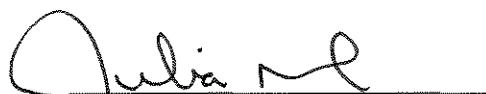
¹ Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, ISO Tariff Appendix A., as filed August 15, 1997, and subsequently revised.

rehearing request, which also resolved Duke's request for clarification, and accepted the CAISO's revised definition of Start-Up Costs. May 9 Order at P 10. The Commission stated that the revised definition of Start-Up Costs would be effective as of October 1, 2004, and directed the CAISO to submit a compliance filing that included the revised definition. *Id.* at P 12. The CAISO submits the present filing to comply with that directive.

The tariff revision described above is shown in the revised sheet provided in Attachment A to the present filing, and is shown in black-line format in Attachment B. This filing has been served upon all parties on the official service list for the captioned docket. Further, the ISO has posted this filing on the ISO Home Page.

Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. If there are questions concerning this filing, please contact the undersigned.

Respectfully submitted,



Sidney Mannheim Davies
Senior Regulatory Counsel
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7296

J. Phillip Jordan
Julia Moore
Bradley R. Miliauskas
Swidler Berlin LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7643

Counsel for the California Independent System
Operator Corporation

ATTACHMENT A

<u>Start-Up Cost Charge</u>	The charge determined in accordance with Section 2.5.23.3.7.
<u>Start-Up Cost Demand</u>	The level of Demand specified in Section 2.5.23.3.7.3.
<u>Start-Up Cost Invoice</u>	The invoice submitted to the ISO in accordance with Section 2.5.23.3.7.6.
<u>Start-Up Cost Trust Account</u>	The trust account established in accordance with Section 2.5.23.3.7.2.
<u>Start-Up Costs</u>	The cost incurred by a particular Generating Unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or the time the unit was last synchronized to the grid, whichever is later, until the time the generating unit reaches its minimum operating level. Start-Up Costs are determined as the sum of (1) the cost of auxiliary power used during the start-up and (2) the number that is determined multiplying the actual amount of fuel consumed by the proxy gas price as determined by Equation C1-8 (Gas) of the Schedules to the Reliability Must-Run Contract for the relevant Service Area (San Diego Gas & Electric Company, Southern California Gas Company, or Pacific Gas and Electric Company), or, if the Must-Offer Generator is not served from one of those three Service Areas, from the nearest of those three Service Areas.

ATTACHMENT B

ISO TARIFF APPENDIX A

Master Definitions Supplement

* * *

Start-Up Costs

The cost incurred by a particular Generating Unit from the time of first fire, the time of receipt of an ISO Dispatch instruction, or *the time the unit was last synchronized to the grid, whichever is later*, until the time the generating unit reaches its minimum operating level~~.is synchronized or re-synchronized to the grid and producing Energy~~. Start-Up Costs are determined as the sum of (1) the cost of auxiliary power used during the start-up and (2) the number that is determined multiplying the actual amount of fuel consumed by the proxy gas price as determined by Equation C1-8 (Gas) of the Schedules to the Reliability Must-Run Contract for the relevant Service Area (San Diego Gas & Electric Company, Southern California Gas Company, or Pacific Gas and Electric Company), or, if the Must-Offer Generator is not served from one of those three Service Areas, from the nearest of those three Service Areas.