

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

**California Power Exchange)
Corporation)** **Docket No. EL03-143-000**

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTION TO DISMISS SHOW CAUSE PROCEEDING**

On October 30, 2003, Commission Trial Staff (“Staff”) filed a Motion To Dismiss Show Cause Proceeding (“Motion”), in resolution of all issues related to the California Power Exchange Corporation (“PX”) set for hearing in *American Electric Power Service Corp., et al.*, 103 FERC ¶ 61,345 (2003) (“the Gaming Show Cause Order” or “Order”). Pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213, the California Independent System Operator Corporation (“CAISO”) timely submits this answer to the Motion.

I. Background

The Gaming Show Cause Order required the PX to show cause why it should not be found to have engaged in Paper Trading, as that practice is described in the Order. In the Motion, Staff requested that the PX be dismissed from the Show Cause proceeding established by the Order, that this docket be terminated, and that the PX be relieved from further obligation with respect to this docket.

II. Discussion

The CAISO does not object to relieving the PX of any obligation to respond further concerning the practice of Paper Trading. As noted in the Motion, the dismissal relates only to matters raised on this docket, see Motion at ¶ 4.3; it does not affect any other proceeding, any pending rehearing or clarification requests with respect to the Order, or the possibility of subsequent proceedings against the PX based on the outcome of those requests, or on different time periods, different practices, or different transactions.

The CAISO respectfully suggests that, on balance, and contrary to the request in the Motion, see Motion at ¶ 4.1, it is preferable not to close the docket or to relieve the PX of all further obligations. Rather, the docket should remain open until all of the Show Cause proceedings have been concluded, and the PX should remain subject to discovery as a party if it has information relevant to potential gaming of others. There would be no prejudice to the PX, and it would serve the interests of efficiency, especially in light of the short discovery periods in these proceedings, to avoid the cumbersome process of obtaining discovery from a non-party.

III. Conclusion

The CAISO does not object to relieving the PX of further obligation to respond to the Gaming Show Cause Order. However, the docket should remain open and the PX should be subject to discovery as a party.

Respectfully submitted,

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Dated: November 14, 2003

CERTIFICATE OF SERVICE

In accordance with the order issued by the Presiding Administrative Law Judge I hereby certify that I have this day served the foregoing document by posting an electronic copy on the Listserv for this proceeding, as maintained by the Commission.

Dated at Washington, DC, on this 14th day of November, 2003.

/s/ J. Phillip Jordan
J. Phillip Jordan