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December 6, 2004

The Honorable Magalie R. Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Compliance Filing
Docket Nos. EL04-133-___ and ER04-1198-___ (Not Consolidated)**

Dear Secretary Salas:

The California Independent System Operator Corporation ("ISO")¹ respectfully submits six copies of this filing in compliance with the Commission's November 5, 2004 order in the captioned dockets, 109 FERC ¶ 61,153 ("November 5 Order"). In the November 5 Order, the Commission directed the ISO to make changes to the modified Transmission Control Agreement ("TCA") that the ISO submitted in Docket No. EL04-133 on September 7, 2004.

The Commission directed the ISO to modify Sections 8.1 and 8.2 of the TCA to clarify that the requirements stated in those sections apply only to the transmission facilities that are part of the ISO Controlled Grid. November 5 Order at P 38. The ISO has modified the sections accordingly. The Commission also rejected the proposed changes contained in Section 8.3 (formerly 8.2.4) of the TCA. *See id.* Therefore, the ISO has removed those changes so that the wording of the section is the same as it was prior to the submittal of the September 7, 2004 filing; to maintain the consecutive numbering of sections in the TCA, the ISO does, however, propose to continue to designate the subject section as Section 8.3.

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

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In addition, the Commission rejected without prejudice proposed Section 10.5 of the TCA. November 5 Order at P 40. Therefore, the ISO has deleted that section.

The changes to the TCA described above are shown in the revised sheets provided in Attachment A to the present filing, and are shown in black-line format in Attachment B to the present filing. Additionally, the ISO submits, in Attachment C to the present filing, a form notice of filing suitable for publication in the Federal Register, along with a computer diskette containing the notice of filing.

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,

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ATTACHMENT A

and provide to the ISO the functionality of all RAS for electric systems operating at 200 kV nominal voltage or higher and any other lower voltage lines that the ISO and Participating TO determine to be critical to the reliability of the ISO Controlled Grid. Each Participating TO shall provide to the ISO a description of the functionality of UFLS and UVLS schemes that protect the security and reliability of transmission facilities on the ISO Controlled Grid.

Each Participating TO shall maintain the design, functionality, and settings of its existing RAS, UFLS, and UVLS schemes. New or existing schemes that are functionally modified must be in accordance with WSCC/NERC planning, reliability, and protection policies and standards. Each Participating TO shall notify the ISO in advance of all RAS, UFLS, and UVLS schemes functionality and setting changes that affect transmission facilities on the ISO Controlled Grid. Each Participating TO shall not disable or take clearances on RAS or UVLS schemes without the approval of the ISO through the Maintenance Outage and Forced Outage coordination process in accordance with the ISO Tariff. Clearances on UFLS may be taken without approval depending upon the armed load disabled as agreed to between the Participating TO and ISO and incorporated in the Operating Procedures.

The requirements of this Section 8.1 shall apply only to the transmission facilities that are part of the ISO Controlled Grid.

8.2. Protective Relay Systems.

Each Participating TO shall provide to the ISO protective relay system

functional information necessary to perform system planning and operating analysis,
and to operate transmission facilities on the ISO Controlled Grid in compliance with
WSCC/NERC planning, reliability and protection policies and standards.

The requirements of this Section 8.2 shall apply only to the transmission
facilities that are part of the ISO Controlled Grid.

8.3 Non-ISO Controlled Grid Critical Protective Systems.

Each Participating TO may alter the settings and functionality of protective relay systems and Remedial Action Schemes that have not been designated as ISO Controlled Grid Critical Protective Systems without the consent of the ISO, provided that such changes do not reduce the normal or emergency rating of a facility identified in the ISO Register. If the facility rating will be reduced, the Participating TO shall obtain approval of the ISO prior to making such changes. In addition, the Participating TO shall promptly report to the ISO any facility rating increases that result from any changes to its protective relay settings or Remedial Action Schemes.

9. SYSTEM EMERGENCIES

9.1. ISO Management of Emergencies.

The ISO shall manage a System Emergency pursuant to the provisions of Section 2.3.2 of the ISO Tariff. The ISO may carry out unannounced tests of System Emergency procedures pursuant to the ISO Tariff.

9.2. Management of Emergencies by Participating TOs.

9.2.1 **ISO Orders.** In the event of a System Emergency, the Participating TOs shall comply with all directions from the ISO regarding the management and alleviation of the System Emergency unless such compliance would impair the health or safety of personnel or the general public.

9.2.2 **Communication.** During a System Emergency, the ISO and Participating TOs shall communicate through their respective control centers, in

or other agreement entered into pursuant to this Section 10.3 or the provisions of the ISO Tariff and its TO Tariff as applicable relating to Interconnection.

10.3.8 On-Site Inspections. The ISO may at its own expense accompany a Participating TO during on-site inspections and tests of Interconnections or, by pre-arrangement, may itself inspect Interconnections or perform its own additional inspections and tests.

10.4 Joint Responsibilities.

The Parties shall share with the ISO relevant information about Interconnection requests and coordinate their activities to ensure that all Interconnection requests are processed in a timely, non-discriminatory fashion and that all Interconnections meet the operational and reliability criteria applicable to the ISO Controlled Grid. Subject to Section 26.3 of this Agreement, the ISO shall pass on such information to any Parties who require it to carry out their responsibilities under this Agreement.

11. EXPANSION OF TRANSMISSION FACILITIES

The provisions of Section 3.2 of the ISO Tariff will apply to any expansion or reinforcement of the ISO Controlled Grid affecting the transmission facilities of the Participating TOs placed under the Operational Control of the ISO.

12. USE AND ADMINISTRATION OF THE ISO CONTROLLED GRID

12.1. Use of the ISO Controlled Grid.

Except as provided in Section 13, use of the ISO Controlled Grid by the

ATTACHMENT B

8. CRITICAL PROTECTIVE SYSTEMS THAT SUPPORT ISO CONTROLLED GRID OPERATIONS

8.1. Remedial Action Systems, Under Frequency Load Shedding, Under Voltage Load Shedding.

Each Participating TO shall coordinate its Critical Protective Systems with the ISO, other Transmission Owners, and Generators to ensure that its Remedial Action Schemes (“RAS”), Under Frequency Load Shedding (“UFLS”), and Under Voltage Load Shedding (“UVLS”) schemes function on a coordinated and complementary basis in accordance with WSCC/NERC planning, reliability, and protection policies and standards. Participating TOs that are parties to contracts affecting RAS, UFLS, and UVLS schemes shall make reasonable efforts to amend those contracts in order to permit the RAS, UFLS, and UVLS schemes to be operated in accordance with WSCC/NERC planning, reliability, and protection policies and standards and the ISO Tariff.

Each Participating TO, in conjunction with the ISO, shall identify, describe, and provide to the ISO the functionality of all RAS for electric systems operating at 200 kV nominal voltage or higher and any other lower voltage lines that the ISO and Participating TO determine to be critical to the reliability of the ISO Controlled Grid. Each Participating TO shall provide to the ISO a description of the functionality of UFLS and UVLS schemes that protect the security and reliability of transmission facilities on the ISO Controlled Grid.

Each Participating TO shall maintain the design, functionality, and settings of its existing RAS, UFLS, and UVLS schemes. New or existing schemes that are

functionally modified must be in accordance with WSCC/NERC planning, reliability, and protection policies and standards. Each Participating TO shall notify the ISO in advance of all RAS, UFLS, and UVLS schemes functionality and setting changes that affect transmission facilities on the ISO Controlled Grid. Each Participating TO shall not disable or take clearances on RAS or UVLS schemes without the approval of the ISO through the Maintenance Outage and Forced Outage coordination process in accordance with the ISO Tariff. Clearances on UFLS may be taken without approval depending upon the armed load disabled as agreed to between the Participating TO and ISO and incorporated in the Operating Procedures.

The requirements of this Section 8.1 shall apply only to the transmission facilities that are part of the ISO Controlled Grid.

8.2 Protective Relay Systems.

Each Participating TO shall provide to the ISO protective relay system functional information necessary to perform system planning and operating analysis, and to operate transmission facilities on the ISO Controlled Grid in compliance with WSCC/NERC planning, reliability and protection policies and standards.

The requirements of this Section 8.2 shall apply only to the transmission facilities that are part of the ISO Controlled Grid.

8.2.48.3 Non-ISO Controlled Grid Critical Protective Systems.

Each Participating TO may alter the settings and functionality of protective relay systems and Remedial Action Schemes that have not been designated as ISO Controlled Grid Critical Protective Systems without the consent of the ISO, provided that such changes do not reduce the normal or emergency rating of a facility identified in the

ISO Register. If the facility rating will be reduced, the Participating TO shall obtain approval of the ISO prior to making such changes. In addition, the Participating TO shall promptly report to the ISO any facility rating increases that result from any changes to its protective relay settings or Remedial Action Schemes.

* * *

~~10.5 Interconnection Responsibilities of Western.~~

~~Notwithstanding any other provision of this Section 10, the responsibilities of Western to allow interconnection to its Path 15 Upgrade facilities and Entitlements set forth in Appendix A (Western) shall be as set forth in Western's General Requirements for Interconnection as these requirements are set forth in Western's TO Tariff or in Western's "Open Access Transmission Tariff" ("OATT"), as applicable. Western shall be subject to the provisions of this Section 10 to the extent they are not inconsistent with the provisions of Western's TO Tariff or OATT, as applicable. Execution of this Agreement shall not constitute agreement of any Party that Western is in compliance with FERC's regulations governing interconnections.~~

ATTACHMENT C

NOTICE OF FILING SUITABLE FOR PUBLICATION
IN THE FEDERAL REGISTER

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System) Docket Nos. EL04-133-___ and
Operator Corporation) ER04-1198-___
)
) (Not Consolidated)

Notice of Filing

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Take notice that on December 6, 2004, the California Independent System Operator Corporation (ISO) submitted a filing in compliance with the Commission's November 5, 2004 order in the captioned dockets, 109 FERC ¶ 61,153. The ISO states that this filing has been served on all parties on the official service lists in these dockets. In addition, the ISO has posted the filing on the ISO Home Page.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov>, using the **eLibrary** (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date: _____