

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

Pacific Gas and Electric Company) Docket No. ER00-565-000

**SUPPLEMENTAL COMMENTS OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

The California Independent System Operator Corporation ("ISO"), hereby provides Supplemental Comments on the Scheduling Coordinator Tariff filed by Pacific Gas & Electric Company ("PG&E") on November 12, 1999, in the above-captioned docket. The ISO previously filed an unopposed motion to intervene one day out-of-time in this docket. At the time, the ISO raised no substantive issues, but noted that it might do so at a later date.

Upon further review of the proposed Scheduling Coordinator Tariff, the ISO has noticed that section 2.3(b) of the Scheduling Coordinator Tariff provides that, in the event of inconsistencies between the Scheduling Coordinator Tariff and the ISO Tariff, the Scheduling Coordinator Tariff will prevail. For the reasons stated below, the ISO strongly opposes this provision. While the ISO hopes that the Commission may take these concerns into account in acting upon the Scheduling Coordinator Tariff, the ISO recognizes that the Commission may be required to act before that is possible. Should the Commission set this matter for hearing, the ISO intends to pursue these concerns.

By section 2.3(b), PG&E is attempting in effect to assume the authority to revise operations under the ISO Tariff according to PG&E's preferences. The ISO does not believe that PG&E has the authority to do so.

Moreover, allowing the Scheduling Coordinator Tariff to prevail over the ISO Tariff would be unsound policy. The ISO is responsible for the nondiscriminatory operation of the ISO Controlled Grid, which comprises the transmission facilities of the three investor-owned utilities in California. It is critical that the ISO be able administer

its Tariff in a uniform manner. The existence of separate, contradictory interpretations of ISO Tariff provisions would complicate, if not preclude, such uniformity.

Section 2.3(b) would set a precedent that could severely undermine the ISO's ability to fulfill its responsibilities. PG&E is just one of dozens of entities with whom the ISO has Scheduling Coordinator Agreements. Each could follow PG&E's example, causing multiple different interpretations of the ISO Tariff.

WHEREFORE, the ISO respectfully requests that, should the Commission approve the Scheduling Coordinator Tariff, the Commission require that it be amended to provide that, in case of conflict with the provisions of the ISO Tariff, the ISO Tariff controls.

Respectfully submitted,

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Date: January 10, 2000

CERTIFICATE OF SERVICE

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

Dated at Washington, DC, on this 10th day of January, 2000.

Michael E. Ward

January 10, 2000

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: **Pacific Gas and Electric Company**
Docket No. ER00-565-000

Dear Secretary Boergers:

Enclosed for filing are one original and 14 copies of the Supplemental Comments of the California Independent System Operator Corporation in the above-identified proceeding. Two additional copies of the filing are also enclosed. Please stamp the two additional copies with the date and time filed and return them to the messenger.

Thank you for your assistance in this matter.

Yours truly,

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