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June 12, 2006

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
Compliance Filing
Docket ER05-1502-___**

Dear Secretary Salas:

The California Independent System Operator Corporation ("CAISO")¹ submits an original and five copies of the instant filing in compliance with the Commission's May 12, 2006 order in the captioned docket, 115 FERC ¶ 61,168 ("May 12 Order").

In the May 12 Order, the Commission directed the CAISO to make a compliance filing within 30 days of the order excluding generator station power from Amendment No. 72. May 12 Order at P 29. To comply with the Commission's directive, the CAISO hereby submits changes to Sections 4.5.4.2.1.1 and 31.1.4.2² of the CAISO Tariff indicating that the requirements specified in such tariff provisions do not apply to Demand associated with generator Station Power.

The CAISO notes that its December 21, 2005 compliance filing in the referenced proceeding was incorporated into the September 21, 2005 version of the CAISO's Conformed Tariff, *i.e.*, the pre-Simplified and Reorganized Tariff

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the CAISO Tariff.

² The CAISO notes that the existing CAISO Tariff inadvertently contains two sections numbered 31.1.4.1, one entitled "Daily Information" and the other entitled "Preliminary Weekly Information." As part of this compliance filing, the CAISO is renumbering the "Preliminary Weekly Information" tariff section as Section 31.1.4.2. The CAISO requests that the Commission accept this ministerial, non-substantive change.

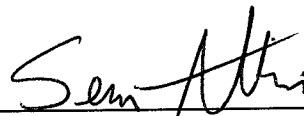
("S&R Tariff). However, the applicable section and sheet numbers changed as a result of the CAISO's March 22, 2006 filing of the S&R Tariff (with an effective date of March 1, 2006). Accordingly, the CAISO is submitting two sets of revised clean sheets and black-line sheets reflecting the changes resulting from the May 12 Order, one set based on the S&R Tariff and the other set based on the pre-S&R Tariff.

The supporting documents submitted with this filing are as follows:

- | | |
|--------------|--|
| Attachment A | Clean S&R Tariff Sheets incorporating the changes directed in the May 12 Order |
| Attachment B | Tariff Sheets showing the changes directed in the May 12 Order Blacklined against the CAISO's S&R Tariff |
| Attachment C | Clean pre-S&R Tariff Sheets incorporating the changes directed in the May 12 Order |
| Attachment D | Tariff Sheets showing the changes directed in the May 12 Order Blacklined against the CAISO's pre-S&R Tariff |

Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. Copies of this filing have been served on all parties in the captioned proceeding. If there are any questions concerning the filing, please contact the undersigned.

Respectfully submitted,



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ATTACHMENT A

4.5.4.2.1 Submission of Schedules Sufficient to Meet Forecasted Demand

4.5.4.2.1.1 Each Scheduling Coordinator shall submit to the ISO, for each hour of each Trading Day, a Day-Ahead Schedule that includes at least ninety-five percent (95%) of that Scheduling Coordinator's forecast Demand for each hour, for each UDC Service Area, with respect to all entities for which the Scheduling Coordinator schedules in the applicable UDC Service Areas. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

4.5.4.3 Dynamic Scheduling.

Scheduling Coordinators may dynamically schedule imports of Energy, Supplemental Energy, and Ancillary Services (other than Regulation) for which associated Energy is delivered dynamically from System Resources located outside of the ISO Control Area, provided that (a) such dynamic scheduling is technically feasible and consistent with all applicable NERC and WECC criteria and policies, (b) all operating, technical, and business requirements for dynamic scheduling functionality, as posted in standards on the ISO Home Page, are satisfied, (c) the Scheduling Coordinator for the dynamically scheduled System Resource executes an agreement with the ISO for the operation of dynamic scheduling functionality, and (d) all affected host and intermediary Control Areas each execute with the ISO an Interconnected Control Area Operating Agreement ("ICAOA") or special operating agreement related to the operation of dynamic functionality. See the forms of agreement in Attachment A to Appendix X.

4.5.4.4 Termination of Service Agreement.

(a) A Scheduling Coordinator's Scheduling Coordinator Agreement may be terminated by the ISO on written notice to the Scheduling Coordinator:

- (i) if the Scheduling Coordinator no longer meets the requirements for eligibility set out in Section 4.5 and fails to remedy the default within a period of seven (7) days after the ISO has given written notice of the default;

(ii) if the Scheduling Coordinator fails to pay any sum under this ISO Tariff and fails to remedy the default within a period of seven (7) days after the ISO has given written notice of the default; or

purpose of balancing the RMR Contract Energy not otherwise Scheduled to forecast Demand or through an Inter-Scheduling Coordinator Energy Trade. The price for the RMR Contract Energy Scheduled to the RMR Contract Energy Load Point shall be the price paid to Demand deviations from Final Hour-Ahead Schedules.

31.1.3.5 [Not Used]

31.1.4 Demand Information.

31.1.4.1 Daily Information. By 10:00 a.m. on the day preceding the Trading Day, each Scheduling Coordinator shall provide to the ISO a Demand Forecast specified by UDC Service Area for which it will schedule deliveries for each of the Settlement Periods of the following Trading Day. The ISO shall aggregate the Demand information by UDC Service Area and transmit the aggregate Demand information to each UDC serving such aggregate Demand.

31.1.4.2 Preliminary Weekly Information. Each Scheduling Coordinator shall provide to the ISO, no later than seven (7) days after the end of each week, which shall end at Sunday HE 24, data for the previous week (Monday through Sunday), in electronic format, comparing, for each hour of that week: (1) the Scheduling Coordinator's total Day-Ahead scheduled Demand by UDC Service Area, as submitted pursuant to Section 4.5.4.2, (2) the Scheduling Coordinator's total Day-Ahead Demand Forecast by UDC Service Area, as submitted pursuant to Section 31.1.4.1, and (3) an estimate of the Scheduling Coordinator's actual Demand by UDC Service Area. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

31.1.5 The Preferred Schedule of each Scheduling Coordinator for the following Trading Day shall be submitted at or prior to 10:00 a.m. on the day preceding the Trading Day together with any Adjustment Bids and Ancillary Services bids.

31.1.6 In submitting its Preferred Schedule, each Scheduling Coordinator shall notify the ISO of any Dispatchable Loads which are not scheduled but have submitted Adjustment Bids and are available for Dispatch at those same Adjustment Bids to assist in relieving Congestion.

31.1.7 ISO Analysis of Preferred Schedules.

On receipt of the Preferred Schedules, the ISO will analyze the Preferred Schedules of Applicable RMR

ATTACHMENT B

ER05-1502-001 Amendment 72 Compliance Filing

Blacklines based on March 1, 2006 S&R Tariff

4.5.4.2.1 Submission of Schedules Sufficient to Meet Forecasted Demand

4.5.4.2.1.1 Each Scheduling Coordinator shall submit to the ISO, for each hour of each Trading Day, a Day-Ahead Schedule that includes at least ninety-five percent (95%) of that Scheduling Coordinator's forecast Demand for each hour, for each UDC Service Area, with respect to all entities for which the Scheduling Coordinator schedules in the applicable UDC Service Areas. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

31.1.4 Demand Information.

31.1.4.1 Daily Information. By 10:00 a.m. on the day preceding the Trading Day, each Scheduling Coordinator shall provide to the ISO a Demand Forecast specified by UDC Service Area for which it will schedule deliveries for each of the Settlement Periods of the following Trading Day. The ISO shall aggregate the Demand information by UDC Service Area and transmit the aggregate Demand information to each UDC serving such aggregate Demand.

31.1.4.1.2 Preliminary Weekly Information. Each Scheduling Coordinator shall provide to the ISO, no later than seven (7) days after the end of each week, which shall end at Sunday HE 24, data for the previous week (Monday through Sunday), in electronic format, comparing, for each hour of that week: (1) the Scheduling Coordinator's total Day-Ahead scheduled Demand by UDC Service Area, as submitted pursuant to Section 4.5.4.2, (2) the Scheduling Coordinator's total Day-Ahead Demand Forecast by UDC Service Area, as submitted pursuant to Section 31.1.4.1, and (3) an estimate of the Scheduling Coordinator's actual Demand by UDC Service Area. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

ATTACHMENT C

2.2.7.2 Submitting Balanced Schedules. A Scheduling Coordinator shall submit to the ISO only Balanced Schedules in the Day-Ahead Market and the Hour-Ahead Market. A Schedule shall be treated as a Balanced Schedule when aggregate Generation, Inter-Scheduling Coordinator Energy Trades (whether purchases or sales), and imports or exports to or from external Control Areas adjusted for Transmission Losses as appropriate, equals aggregate forecast Demand with respect to all entities for which the Scheduling Coordinator schedules in each Zone. If a Scheduling Coordinator submits a Schedule that is not a Balanced Schedule, the ISO shall reject that Schedule provided that Scheduling Coordinators shall have an opportunity to validate their Schedules prior to the deadline for submission to the ISO by requesting such validation prior to the applicable deadline.

2.2.7.2.1 Submission of Schedules Sufficient to Meet Forecasted Demand

2.2.7.2.1.1 Each Scheduling Coordinator shall submit to the ISO, for each hour of each Trading Day, a Day-Ahead Schedule that includes at least ninety-five percent (95%) of that Scheduling Coordinator's forecast Demand for each hour, for each UDC Service Area, with respect to all entities for which the Scheduling Coordinator schedules in the applicable UDC Service Areas. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

2.2.7.3 Limitation on Trading. A Scheduling Coordinator, UDC or MSS that does not maintain an Approved Credit Rating, as defined with respect to either payment of the Grid Management Charge, or payment of other charges, shall maintain security in accordance with Section 2.2.3.2. For the avoidance of doubt, the ISO Security Amount is intended to cover the entity's outstanding and estimated liability for

2.2.12.3 Demand Information.

2.2.12.3.1 Daily Information. By 10:00 a.m. on the day preceding the Trading Day, each Scheduling Coordinator shall provide to the ISO a Demand Forecast specified by UDC Service Area for which it will schedule deliveries for each of the Settlement Periods of the following Trading Day. The ISO shall aggregate the Demand information by UDC Service Area and transmit the aggregate Demand information to each UDC serving such aggregate Demand.

2.2.12.3.2 Preliminary Weekly Information. Each Scheduling Coordinator shall provide to the ISO, no later than seven (7) days after the end of each week, which shall end at Sunday HE 24, data for the previous week (Monday through Sunday), in electronic format, comparing, for each hour of that week: (1) the Scheduling Coordinator's total Day-Ahead scheduled Demand by UDC Service Area, as submitted pursuant to Section 2.2.7.2, (2) the Scheduling Coordinator's total Day-Ahead Demand Forecast by UDC Service Area, as submitted pursuant to Section 2.2.12.3.1, and (3) an estimate of the Scheduling Coordinator's actual Demand by UDC Service Area. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

2.2.12.4 The Preferred Schedule of each Scheduling Coordinator for the following Trading Day shall be submitted at or prior to 10:00 a.m. on the day preceding the Trading Day together with any Adjustment Bids and Ancillary Services bids.

2.2.12.5 In submitting its Preferred Schedule, each Scheduling Coordinator shall notify the ISO of any Dispatchable Loads which are not scheduled but have submitted Adjustment Bids and are available for Dispatch at those same Adjustment Bids to assist in relieving Congestion.

ATTACHMENT D

ER05-1502-001 Amendment 72 Compliance Filing

Blacklines based on September 21, 2005 (Pre- S&R Tariff)

2.2.7.2.1 Submission of Schedules Sufficient to Meet Forecasted Demand

2.2.7.2.1.1 Each Scheduling Coordinator shall submit to the ISO, for each hour of each Trading Day, a Day-Ahead Schedule that includes at least ninety-five percent (95%) of that Scheduling Coordinator's forecast Demand for each hour, for each UDC Service Area, with respect to all entities for which the Scheduling Coordinator schedules in the applicable UDC Service Areas. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

2.2.12.3 Demand Information.

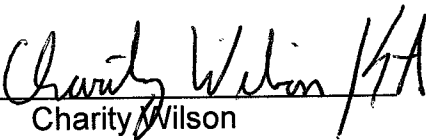
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2.2.12.3.2 Preliminary Weekly Information. Each Scheduling Coordinator shall provide to the ISO, no later than seven (7) days after the end of each week, which shall end at Sunday HE 24, data for the previous week (Monday through Sunday), in electronic format, comparing, for each hour of that week: (1) the Scheduling Coordinator's total Day-Ahead scheduled Demand by UDC Service Area, as submitted pursuant to Section 4.5.4.2, (2) the Scheduling Coordinator's total Day-Ahead Demand Forecast by UDC Service Area, as submitted pursuant to Section 31.1.4.1, and (3) an estimate of the Scheduling Coordinator's actual Demand by UDC Service Area. The requirements of this section do not apply to the portion of a Scheduling Coordinator's Demand associated with Station Power.

Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 12th day of June, 2006 at Folsom in the State of California.


Charity Wilson