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October 14, 2005

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

**Re: California Independent System Operator Corporation
Cancellation of Rate Schedule FERC No. 55
Docket No. ER06-____-000**

Dear Secretary Salas:

Pursuant to Sections 35.15 and 131.53 of the Commission's regulations, 18 C.F.R. §§ 35.15, 131.53 (2005), the California Independent System Operator Corporation ("ISO") hereby provides notice to the Commission of the cancellation of ISO Rate Schedule FERC No. 55, entitled the Interim COTP Operations Agreement ("Interim COTP Agreement").¹ The purpose of the cancellation is to facilitate the transfer of the 500 kV California-Oregon Transmission Project ("COTP") transmission line from the ISO Control Area to the Control Area of the Sacramento Municipal Utility District ("SMUD"). That transfer is one of several planned modifications to the current ISO Control Area footprint that are scheduled to occur on December 1, 2005.² The ISO requests an effective date of December 1, 2005 for this filing.

The Interim COTP Agreement is between the ISO and the Transmission Agency of Northern California ("TANC"), on behalf of the COTP Participants that

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff, and in the Interim COTP Agreement.

² The planned modifications are described further in the ISO's September 30, 2005 filing in Docket No. ER05-1522-000, at page 2.

are not Participating Transmission Owners ("Participating TOs").³ It was filed on November 1, 2004, in Docket No. ER05-155-000. The Commission accepted it in *California Independent System Operator Corporation*, 109 FERC ¶ 61,391, at Ordering Paragraph (A) (2004), *reh'g denied*, 111 FERC ¶ 61,363 (2005), and made it effective January 1, 2005.

Section 3.2(a) of the Interim COTP Agreement provides that the agreement may be terminated as of "[t]he date the COTP transmission facilities are no longer in the ISO Control Area provided the ISO has been provided with 45 days advance written notice." The transfer of the COTP transmission facilities from the ISO Control Area to the SMUD Control Area is proposed to be implemented by means of Amendment No. 4 to the ISO-SMUD Interconnected Control Area Operating Agreement (filed in Docket No. ER05-1533-000), regarding which the ISO has also requested an effective date of December 1, 2005. Attachment A to the present filing contains the advance written notice that TANC provided to the ISO.

Communications and Service

Communications regarding this filing should be addressed to the following persons, whose names should be entered on the official service list maintained by the Secretary for the docket established with respect to this filing:

John Anders*
Corporate Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
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* Individuals designated for service pursuant to Rule 203(b)(3),
18 C.F.R. § 203(b)(3).

³ The COTP Participants that are not Participating TOs are: the California Department of Water Resources, the Carmichael Water District, the San Juan Suburban Water District, the Shasta Dam Area Public Utility District, TANC, and the Western Area Power Administration – Sierra Nevada Region. The COTP Participants that are Participating TOs are Pacific Gas and Electric Company and the City of Vernon, California. The Western Area Power Administration – Sierra Nevada Region is a partial Participating TO with regard to the Path 15 transmission lines in California.

Effective Date and Waiver

The ISO respectfully requests waiver of the Commission's sixty-day prior notice requirement, pursuant to Section 35.15 of the Commission's regulations, 18 C.F.R. § 35.15, to permit an effective date for the cancellation of December 1, 2005. Granting the waiver requested herein would facilitate the transfer of the 500 kV COTP transmission line from the ISO Control Area to the SMUD Control Area as described above. No harm will result to any entity from the December 1, 2005 effective date, and the cancellation will not result in any increase in rates or charges. Granting the requested waiver, therefore, is appropriate.

Further, the information submitted with this filing substantially complies with the requirements of Part 35 of the Commission's regulations applicable to filings of this type. The ISO therefore requests waiver of any applicable requirement of Part 35 for which waiver is not specifically requested, if necessary, in order to permit this filing to become effective as proposed.

Documents Enclosed

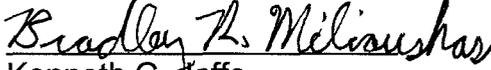
Enclosed are six copies of the following documents:

1. This letter of transmittal;
2. Written notice of the cancellation of the Interim COTP Agreement (Attachment A);
3. A Notice of Cancellation concerning the Interim COTP Agreement, in conformance with Section 131.53 of the Commission's regulations (Attachment B); and
4. A rate schedule sheet implementing the cancellation of the Interim COTP Agreement, designated pursuant to Order No. 614, *Designation of Electric Rate Schedule Sheets*, FERC Stats. and Regs. ¶ 31,096 (2000) (Attachment C).

Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger. This filing has been served on the California Department of Water Resources, the Carmichael Water District, the City of Vernon, California, Pacific Gas and Electric Company, SMUD, the San Juan Suburban Water District, the Shasta Dam Area Public Utility District, TANC, the Western Area Power Administration – Sierra Nevada Region, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER05-155. In addition, the filing has been posted on the ISO's website. Please contact the undersigned with any communications or questions concerning this filing.

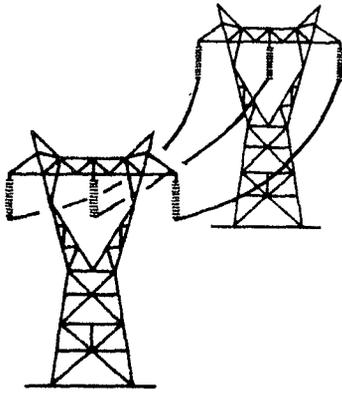
Respectfully submitted,

Charles F. Robinson
General Counsel
John Anders
Corporate Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
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Kenneth G. Jaffe
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Attorneys for the California Independent
System Operator Corporation

ATTACHMENT A



TRANSMISSION AGENCY OF NORTHERN CALIFORNIA

P.O. Box 15129, Sacramento, CA 95851-0129 (916) 852-1673

September 30, 2005

Mr. Thomas Doughty
Director of Client Relations
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

Re: Transmission Agency of Northern California
Notice of Termination of Interim COTP Operations Agreement

Dear Mr. Doughty:

The Transmission Agency of Northern California (TANC), pursuant to Section 3.2 of the Interim COTP Operations Agreement (ICOA), provides its Notice of Termination of the ICOA effective on the later of December 1, 2005, or on the date the California-Oregon Transmission Project (COTP) is no longer part of the California Independent System Operator's (ISO) control area and has moved to the Sacramento Municipal Utility District (SMUD) control area. TANC has executed alternative control area arrangements with SMUD and the Western Area Power Administration (Western).

Under the terms of the ICOA, the ISO has committed to cooperate with TANC in moving the COTP to a new control area in 2005. To the extent the ISO is obligated to file the Notice of Termination with the Federal Energy Regulatory Commission (FERC) or to comply with the requirements of FERC Order No. 2001 and related orders to terminate the ICOA on a timely basis, TANC urges the ISO to take such action pursuant to the terms of the ICOA.

Please do not hesitate to contact me if you have any questions regarding this Notice or its implementation.

Sincerely,

James C. Feider
Chairman

c: Philip D. Pettingill, Manager of Policy Development
Jim Detmers, Vice President-Grid Operations

A Public Entity whose Members include:
Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Modesto Irrigation District,
Palo Alto, Plumas-Sierra Rural Electric Cooperative, Redding, Roseville,
Sacramento Municipal Utility District, Santa Clara, Turlock Irrigation District, Ukiah

ATTACHMENT B

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

California Independent System
Operator Corporation

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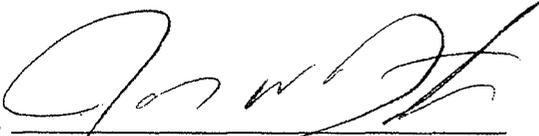
Docket No. ER05-____-000

NOTICE OF CANCELLATION

Notice is hereby given that effective the 1st day of December, 2005, California Independent System Operator Corporation Rate Schedule FERC No. 55, effective January 1, 2005, and filed with the Federal Energy Regulatory Commission, is to be cancelled. Notice of the proposed cancellation has been served upon the California Department of Water Resources, the Carmichael Water District, the City of Vernon, California, Pacific Gas and Electric Company, the Sacramento Municipal Utility District, the San Juan Suburban Water District, the Shasta Dam Area Public Utility District, the Transmission Agency of Northern California, the Western Area Power Administration – Sierra Nevada Region, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER05-155.

CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION

By: _____



Jim Detmers, Vice President, Operations

Dated: October 13, 2005

ATTACHMENT C

**Cancels Rate Schedule FERC No. 55
And All Supplements Thereto**

NOTICE OF CANCELLATION