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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. 57
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")¹ hereby provides notice to the Commission of the cancellation of ISO Rate Schedule FERC No. 57, the Operations Agreement between the ISO and the Modesto Irrigation District ("Modesto Operations Agreement"). The purpose of the cancellation is to facilitate the Modesto Irrigation District's ("Modesto") incorporation into the Control Area of the Sacramento Municipal Utility District ("SMUD"), which Modesto has requested. That event 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 Modesto Operations Agreement was filed on December 30, 2004, in Docket No. ER05-407-000. The Commission accepted it, subject to modification, in *California Independent System Operator Corporation*, 110 FERC ¶ 61,196, at Ordering Paragraphs (A), (C), and (D), *reh'g denied*, 111 FERC ¶ 61,360 (2005),

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

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

effective January 1, 2005. The ISO submitted the required modification on March 30, 2005, in Docket No. ER05-407-001, and the Commission accepted it by letter order issued May 6, 2005.

Section 3.2(b) of the Modesto Operations Agreement provides that the agreement may be terminated as of the date that Modesto's "Electric System is resident in a Control Area other than that of the ISO provided the ISO has been provided with 45 days advance written notice." The transfer of Modesto's electric system 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 Modesto 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
Tel: (916) 351-4400
Fax: (916) 608-7222

Bradley R. Miliauskas*
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* Individuals designated for service pursuant to Rule 203(b)(3),
18 C.F.R. § 203(b)(3).

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 Modesto's incorporation into 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

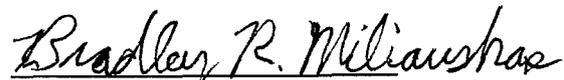
Enclosed are six copies of the following documents:

1. This letter of transmittal;
2. Written notice of the cancellation of the Modesto Operations Agreement (Attachment A);
3. A Notice of Cancellation concerning the Modesto Operations 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 Modesto Operations Agreement, designated pursuant to Order No. 614, *Designation of Electric Rate Schedule Sheets*, FERC Stats. and Regs. ¶ 31,096 (2000) (Attachment C).

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Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger. This filing has been served upon Modesto, SMUD, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER05-407. 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,

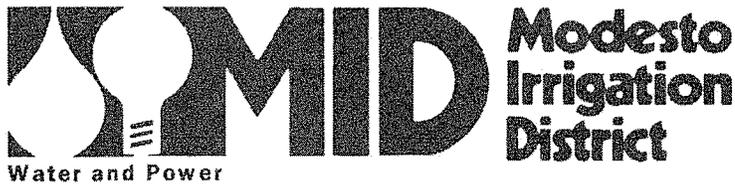


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Attorneys for the California Independent
System Operator Corporation

ATTACHMENT A



1231 Eleventh St.
P.O. Box 4060
Modesto, CA 95352
(209) 526-7373

October 7, 2005

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

Subject: Modesto Irrigation District Control Area Transition

Dear Mr. Doughty:

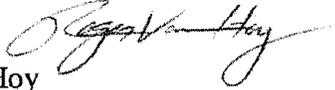
The intent of this letter is to provide notification to the CAISO that the Modesto Irrigation District (MID) plans to leave the California Independent System Operator (CAISO) Control Area and move to the Sacramento Municipal Utility District (SMUD) Control Area. MID plans to make this move simultaneous with other control area changes including transition of the California Oregon Transmission Project (COTP) line into the SMUD control area, currently scheduled to occur on Dec 1, 2005.

In addition, MID would like to clarify a few points so that movement can proceed smoothly:

1. The change of control area by MID will render irrelevant the existing Operations Agreement between CAISO and MID, filed with FERC 12/30/2004 and approved by FERC on 2/2/2005. Therefore, MID requests termination of this agreement effective the date MID begins operation within the SMUD control area.
2. MID confirms receipt of Mr. Jim Detmer's letter, dated July 19, 2004, confirming CAISO's support for planned control area transitions and associated cost estimate. We look forward to receiving additional supporting data related to your cost estimate.
3. CAISO staff has questioned MID regarding service to MID's Hershey and Hunt substations after MID completes transition to the SMUD Control Area. Please be advised that MID plans to feed these stations directly from MID's internal transmission system, which will reside within the SMUD control area. These substations and associated load will be disconnected from City and County of San Francisco (CCSF) line #8, located within the CAISO control area.

We hope this answers some questions relating to our move. We look forward to working with you during the implementation of our planned activities. Should you have any questions, please do not hesitate to contact me at (209) 526-7464.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger VanHoy". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

Roger VanHoy
Assistant General Manager
Electric Resource Division

Modesto Irrigation District

ATTACHMENT B

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System
Operator Corporation

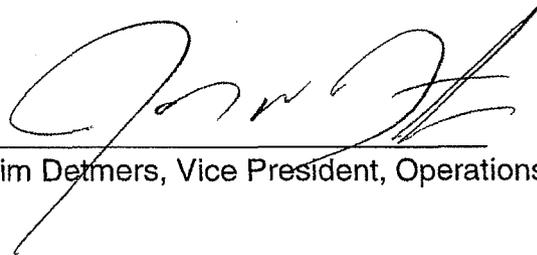
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Docket No. ER05-____-000

NOTICE OF CANCELLATION

Notice is hereby given that effective the 1st day of December, 2005, Rate Schedule FERC No. 57 and all supplements thereto, effective January 1, 2005, and filed with the Federal Energy Regulatory Commission by the California Independent System Operator Corporation is to be canceled. Notice of the proposed cancellation has been served upon the Modesto Irrigation District, the Sacramento Municipal Utility District, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER05-407.

CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION

By: 

Jim Detmers, Vice President, Operations

Dated: October 13, 2005

ATTACHMENT C

Cancels Rate Schedule FERC No. 57
And All Supplements Thereto

NOTICE OF CANCELLATION