

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

Geysers Power Company, LLC)

Docket No. ER01-812-002

**NOTICE OF WITHDRAWAL OF PROTEST OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO THE
REFUND REPORT OF GEYSERS POWER COMPANY, LLC**

Pursuant to Rule 216 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. §§ 385.216, the California Independent System Operator Corporation ("ISO") hereby requests to withdraw its protest filed on August 1, 2002, in the above-captioned docket ("Protest").

In its Protest, the ISO contested a refund report filed by Geysers Power Company, LLC ("Geysers") as a result of a settlement regarding 2001 rates pursuant to the Must-Run Service Agreement ("RMR Agreement") between the ISO and Geysers. The ISO objected to an offset by Geysers from the refund amounts owed pursuant to the settlement agreement and noted a minor mistake.

On August 15, 2002, Geysers filed a Motion for Leave to Submit Answer and Answer in which it admitted that \$3,845,281.99 is the correct total invoice amount for March 2001. The Geysers Answer incorrectly indicates that the difference between the amounts set forth in the refund report was an increase in the outstanding amount owed by the ISO to Geysers. Rather, because of the refund, the difference was an increase in the outstanding amount owed by

Geysers to the ISO. In any event, the CA ISO has received from Geysers a Revised Adjusted RMR Invoice for March 2001 setting forth the correct amount. Accordingly the minor mistake has been addressed.

On July 22, 2003, Pacific Gas and Electric Company ("PG&E") and Geysers entered a stipulation ("Stipulation") with the U.S. Bankruptcy Court for the Northern District of California, San Francisco Division, Case No. 01 30923 DM ("Bankruptcy Court"). The Stipulation addressed the offset amount at issue in this proceeding. On July 25, 2003, the Bankruptcy Court approved the Stipulated Order. On August 19, 2003, PG&E withdrew the protest that it filed in this matter.

The Stipulation resolves these particular issues from the standpoint of the ISO because, under the RMR Agreement and the ISO Tariff, the refund amount should flow to the Responsible Utility, in this case PG&E. Moreover, the RMR Agreement provides that PG&E is, to the extent set forth in the RMR Agreement, a third-party beneficiary of the ISO's rights under the Agreement, and shall control the disposition of all claims against Geysers for non-payment. See RMR Agreement section 9.6.

In sum, the issues that led to the CA ISO's protest have now been resolved, specifically: Geysers has submitted a Revised Adjusted RMR Invoice with the correct total invoice amount of \$3,845,281.99 for March 2001 and PG&E and Geysers have addressed the other items at issue in the refund report. Therefore, the CA ISO respectfully requests that the Commission allow the ISO to withdraw its protest on these matters.

Respectfully submitted,

Jeanne M. Solé
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-7144
Fax: (916) 608-7222

Counsel for the California Independent
System Operator Corporation

Date: September 22, 2003

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 Folsom, California this 22nd day of September, 2003.

Jeanne M. Solé
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630



CALIFORNIA ISO

California Independent
System Operator

September 22, 2003

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Geysers Power Company, LLC
Docket No. ER01-812-002

Dear Secretary Salas:

Enclosed for electronic filing in the above-captioned proceeding is the Notice of Withdrawal of Protest of the California Independent System Operator Corporation to the Refund Report of Geysers Power Company, LLC.

Thank you for your attention to this matter.

Respectfully submitted,

Jeanne M. Solé
Counsel for the California Independent
System Operator Corporation

Submission Contents

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