

November 23, 2010

The Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: **California Independent System Operator Corporation
Docket No. ER06-1360-_____**

**Notice of ISO Acceptance of Operational Control of Trans Bay
Cable Transmission Rights and Effective Date of Trans Bay
Cable Status as New Participating Transmission Owner**

Dear Secretary Bose:

The California Independent System Operator Corporation provides notice that it assumed operational control of the transmission rights of Trans Bay Cable, LLC effective 13:00 Pacific Standard Time on November 23, 2010. The ISO also provides notice that Trans Bay Cable has become a new participating transmission owner pursuant to the Transmission Control Agreement (TCA) as of this date.¹

I. Background

Trans Bay Cable has built a new high voltage direct current transmission cable and two alternating-current-to-direct-current converter stations that will be used to transmit approximately 400 megawatts of electricity from an existing Pacific Gas and Electric Company (PG&E) substation adjacent to the Pittsburg power plant located in the City of Pittsburg, California, underneath San Francisco Bay, to an existing PG&E substation within the City of San Francisco, California. Trans Bay Cable has an entitlement to the entire capacity of this line and converter stations and has proposed to turn over operational control of its entitlement to the ISO.

By order issued October 10, 2006 in Docket No. ER06-1360-000,² the Commission accepted for filing the revisions to the Transmission Control Agreement to identify the transmission rights that Trans Bay Cable has proposed

¹ The ISO is also sometimes referred to as the CAISO. The TCA is ISO FERC Electric Tariff No. 7.

² *California Independent System Operator Corporation*, 117 FERC ¶ 61,029 (2006).

to turn over to the ISO's operational control.³ In that order, the Commission directed the ISO to submit revised pages of the TCA to establish Trans Bay Cable as a new participating transmission owner signatory to the TCA and implement related revisions upon providing notification of the effective date of these TCA pages.⁴ The ISO conditioned the effective date of these pages of the TCA on its assumption of operational control of Trans Bay Cable's transmission rights and the Commission's acceptance of Trans Bay Cable's transmission revenue requirement and transmission owner tariff.

By order issued December 17, 2009 in Docket No. ER10-116-000,⁵ the Commission accepted for filing Trans Bay Cable's transmission revenue requirement, suspended it to become effective on the day that Trans Bay Cable's project achieves commercial operation and is transferred to the operational control of the ISO, and set it for hearing, subject to refund and settlement judge procedures.⁶ The settlement judge proceedings on Trans Bay Cable's transmission revenue requirement are still pending.

By order issued January 14, 2010 in Dockets No. ER10-266-000 and ER10-266-001,⁷ the Commission accepted Trans Bay Cable's transmission owner tariff and suspended it for a nominal period, to be effective on the date Trans Bay Cable's project commences commercial operation, subject to the outcome of Trans Bay Cable's transmission revenue requirement proceeding established in Docket No. ER10-116-000 and subject to a further compliance filing. By letter order issued April 22, 2010 in Docket No. ER10-266-002, the Commission accepted Trans Bay Cable's compliance filing of revisions to its transmission owner tariff, to be effective on the date Trans Bay Cable's project commences commercial operation, consistent with its January 14, 2010 order.

II. ISO Assumption of Operational Control of Trans Bay Cable Transmission Rights

The ISO has been working with Trans Bay Cable and PG&E during the start-up and testing of the Trans Bay Cable line and associated converter

³ The Commission clarified the effective date of revisions to other provisions of the TCA in subsequent orders issued in Dockets No. ER06-1360-001 (*California Independent System Operator Corporation*, 117 FERC ¶ 61,181 (2006)) and ER06-1360-002 (letter order issued April 9, 2007).

⁴ *California Independent System Operator Corporation*, 117 FERC ¶ 61,029 (2006), p. 7 (ordering paragraph (B)).

⁵ *Trans Bay Cable, LLC*, 129 FERC ¶ 61,225 (2009).

⁶ The Commission issued an order on July 29, 2010 in Docket No. ER10-116-001 denying rehearing of its conditional acceptance of Trans Bay Cable's transmission revenue requirement, instituting an investigation of the justness and reasonableness of Trans Bay Cable's transmission revenue requirement, and establishing a refund effective date. *Trans Bay Cable, LLC*, 132 FERC ¶ 61,083 (2010).

⁷ *Trans Bay Cable LLC*, 130 FERC ¶ 61,028 (2010).

stations, and the ISO is in concurrence with these entities that all necessary steps for commercial operation of Trans Bay Cable's transmission facilities have taken place such that the facilities were made available for market participant use effective 13:00 PST on November 23, 2010. Therefore, the ISO provides this notice to the Commission of this effective date of the ISO's assumption of operational control of Trans Bay Cable's facilities.

III. Effective Date for Trans Bay Cable as a New Participating Transmission Owner and Planned Subsequent Filing of Revised TCA in eTariff Format

The ISO has determined that Trans Bay Cable has completed the requirements for commercial operation of its transmission facilities in a manner that permits the ISO to assume operational control of Trans Bay Cable's transmission rights in those facilities. As well, the Commission has accepted Trans Bay Cable's transmission revenue requirement and transmission owner tariff conditional upon the achievement of commercial operation and the ISO's assumption of operational control of Trans Bay Cable's transmission rights. Consequently, Trans Bay Cable's status as a new participating transmission owner pursuant to the TCA takes effect as of 13:00 PST on November 23, 2010.

At this time, however, the ISO is unable to comply with the directive in the Commission's October 10, 2006 order that the ISO submit revised pages of the TCA applicable to Trans Bay Cable upon providing notice of the effective date of these TCA pages.⁸ As a result of the Commission's intervening implementation of its new eTariff software system, the ISO will need to import the entire TCA into that eTariff software in conjunction with the submittal of the three affected TCA pages, as this is the first time that the TCA has been revised since the implementation of eTariff. Due to the complications of having to make the conversion of the TCA into eTariff format, the current strain on the ISO's resources of having to prepare filings of numerous Large Generator Interconnection Agreements subject to severe time constraints, and the limited availability of ISO personnel due to the Thanksgiving holiday week, the ISO is unable to undertake the effort to convert the TCA into eTariff format in order to submit the revised TCA into eTariff at this time. Consequently, the ISO notifies the Commission that it will submit the TCA signature page for Trans Bay Cable and associated pages of TCA Appendices A and F (currently identified as Original Sheet Nos. 72D, 103D, and 238) at a future date as soon as reasonably practical, and that this filing will be accompanied by a request that these TCA pages become effective as of 13:00 PST on November 23, 2010.

⁸ *California Independent System Operator Corporation*, 117 FERC ¶ 61,029 (2006), p. 7 (ordering paragraph (B)).

IV. Service

The ISO has served copies of this notice on the California Public Utilities Commission, the California Energy Commission, its participating transmission owners, and the parties to Docket No. ER06-1360. In addition, the ISO is posting this notice on the ISO's website.

V. Correspondence

The ISO requests that all correspondence, pleadings and other communications concerning this notice be served upon the following:

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

VI. Conclusion

The ISO respectfully requests that the Commission accept this notice of the ISO's assumption of operational control of Trans Bay Cable's transmission rights and establishing Trans Bay Cable as a new participating transmission owner effective as of 13:00 PST on November 23, 2010. If there are any questions concerning this notice, please contact the undersigned.

Respectfully submitted,

By: /s/ Michael D. Dozier

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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 proceeding, 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 24th day of November, 2010, at Folsom, California.

Anna Pascuzzo
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