

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation)	Docket Nos. ER01-313-000
)	ER01-313-001
Pacific Gas and Electric Company)	Docket Nos. ER01-424-000
)	ER01-424-001

**UNOPPOSED MOTION OF
CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO CHANGE PROCEEDING TO “TRACK 3”**

To: The Honorable Curtis L. Wagner
Chief Administrative Law Judge

Pursuant to Rule 212 of the Commission’s rules of practice and procedure, 18 C.F.R. § 385.212, 2000, the California Independent System Operator Corporation (“ISO”) files this Motion to request the Chief Administrative Law Judge to change the Grid Management Charge proceeding in the above-captioned docket before Judge Bobbie McCartney from a Track 2 schedule to a Track 3 schedule. No party to the proceeding objects to this motion.

I. Basis for the Motion

A. Background

The Grid Management Charge (“GMC”) is designed to recover the administrative and operating costs of the ISO. Until this calendar year, the GMC consisted of a bundled formula rate. On November 1, 2000,¹ the ISO filed an unbundled GMC with the objective of allocating costs fairly among all ISO system

users, and thus minimizing cost subsidization among Market Participants. The current GMC proposal, as more fully described in the November 1, 2000 transmittal letter, separates the GMC into three service categories, or “buckets”, calculates a rate for each category, and then calculates each Market Participant’s charges for the categories using three different billing determinants. The buckets are: Control Area Services / Scheduling, Inter-Zonal Scheduling Services, and Market Operations / Billing and Settlements.

On November 13, 2000, Pacific Gas and Electric Company (“PG&E”) submitted for filing a proposed pass-through Tariff, intended to allow PG&E to pass-through the unbundled GMC to certain wholesale contract customers. PG&E amended its filing on December 26, 2000 to reflect the Period II cost data and testimony submitted by the ISO on December 15th.

The dockets were consolidated by the Commission on December 29, 2000. The dockets were assigned to a Track 2 schedule by order of the Chief Judge dated January 8, 2001.

B. Complexity of the Case

Track 2 schedules are appropriate for cases that are complex, whereas Track 3 schedules are designed for exceptionally complex cases. The parties to this proceeding now believe this case belongs in the exceptionally complex category. Having had the opportunity to review initial rounds of testimony and to conduct extensive discovery, the parties now recognize the number and complexity of issues involved in the ISO’s cost allocation methodologies and in

¹ The procedural background to the various GMC proceedings has been described in the November 1, 2000 filing. The November 1 GMC filing was subsequently supported by a filing of

analyzing PG&E's proposed pass-through to certain wholesale contract customers.

These difficulties have been exacerbated by competing demands on the time of many participants in this proceeding, from the numerous ongoing FERC proceedings, to the preparations necessary to adapt to the Commission Staff's Market Stabilization Plan, to the issues surrounding PG&E's Chapter 11 filing on April 6, 2001. In this context, efforts to respond to the understandably numerous discovery requests and other trial preparation activities have been hampered as parties find their personnel engaged in other urgent matters.

The competing demands that new state and federal proposals have placed on the time of finite technical personnel able to respond to discovery requests are, to a great extent, also consuming the time needed to explore settlement possibilities. A transfer to Track 3 would allow the parties time to explore the details of competing positions necessary to craft a settlement in this matter instead of diverting resources to the preparation of testimony for hearing. A global settlement, while difficult to achieve in this matter under any circumstances, is that much more difficult given the constraints of the Track 2 schedule.

C. Difficulty of a Summer Hearing

This procedural change also is being sought to avoid a hearing during the summer, when nearly every potential witness of every party will be needed in California to deal with what will no doubt be considerable challenges. Current predictions about the electric markets in the state this summer are, to say the

least, not encouraging, and parties surely will have even greater demands on their time than they do now. The ISO urges the Chief Judge to allow this hearing to be delayed until the most difficult period of the year is behind us.

II. Relief Requested

As noted above, the ISO seeks to have this proceeding moved to a “Track 3” schedule.² A Track 3 schedule allows for 42 weeks between the Chief Judge’s order designating a presiding judge and the first day of the hearing. In this case, the Chief Judge’s order was issued on January 8, 2001, making the last date on which a hearing could commence October 29, 2001. In response to various scheduling concerns voiced by the parties, the ISO suggests a hearing date of October 16, 2001 (a Tuesday). No party opposes this date. Judge McCartney’s legal technician has informed the ISO that, should the Chief Judge grant this motion, an October 16 hearing date would be acceptable to Judge McCartney, as well.

If this Motion is granted, the parties will develop a full procedural schedule, including the dates for remaining rounds of testimony and the joint statement of issues, and file a motion with Judge McCartney requesting an order establishing the agreed-upon dates.

In light of the absence of opposition to this Motion, the ISO requests that the Chief Judge waive the requirement for responses to this Motion, in order that the parties may have a ruling as soon as possible. With additional dates for

² The granting of requests to change procedural schedule tracks is not without precedent. In *Southern Company Services, Inc.*, 93 FERC 63,009 (2000), the Chief Judge allowed a change from Track 1 to Track 2 after all parties agreed to the change. In the present matter, all parties have had input on the procedural schedule and no party opposes the switch to Track 3.

testimony fast approaching, a ruling in the immediate future would be of substantial benefit to the parties, especially in enabling them to focus on potential settlement opportunities, and would be greatly appreciated.

III. CONCLUSION

For the foregoing reasons, the ISO requests that the Chief Judge change this proceeding to a Track 3 schedule. As this motion is unopposed, the ISO requests waiver of responses to this motion to allow for a more rapid ruling.

Respectfully submitted,

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Dated: April 19, 2001

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all parties 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 at Washington, DC this 19th day of April, 2001.

Julia Moore
(202) 295-8357

April 19, 2001

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation,
Docket Nos. ER01-313-000 and ER01-313-001**

**Pacific Gas and Electric Company
Docket Nos. ER01-424-00 and ER01-424-001**

Dear Secretary Boergers:

Enclosed for filing are one original and 14 copies of the Unopposed Motion of the California Independent System Operator to Change Proceeding to Track 3 in the above-referenced proceeding. Two courtesy copies of this pleading have been provided to Chief Judge Curtis L. Wagner, Jr. Two additional copies of the filing are also enclosed. Please stamp the two additional copies with the date and time filed and return them to the messenger.

Thank you for your assistance in this matter.

Respectfully submitted,

Julia Moore

Attorney for the California Independent
System Operator Corporation

CC: The Honorable Curtis L. Wagner, Jr.
The Honorable Bobbie J. McCartney
Service List