

October 20, 1998

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Docket Nos. EC96-19-023 and ER96-1663-024

Dear Secretary Boergers:

Enclosed please find an original and fourteen copies of a Temporary Suspension - Notice of Full-Scale Operations ("Temporary Suspension Notice") issued on October 19, 1998 by the California Independent System Operator Corporation ("ISO") to notify Market Participants and the Commission that the ISO is temporarily suspending the ability of Scheduling Coordinators to submit incremental Adjustment Bids for exports and Detachable Loads.

The ISO filed proposed Amendment No. 7 to the ISO Tariff in the above-captioned dockets on March 31, 1998. Amendment No. 7 included a temporary rule precluding Scheduling Coordinators from submitting incremental Adjustment Bids for Dispatchable Loads and exports set forth in Section 27 of the Tariff. In the Amendment No. 7 filing, the ISO stated that the temporary rule was necessary because the ISO's Congestion Management ("CONG") software was not capable of properly implementing incremental Adjustment Bids for exports and Dispatchable Loads to counter-flow power across Congested paths.

The Commission accepted Amendment No. 7 for filing, effective March 31, 1998, by order issued on May 28, 1998. California Independent System Operator Corporation, 83 FERC ¶ 61,209 (1998). Under Section 27.1 of the ISO Tariff, the temporary rule regarding Adjustment Bids for Detachable Loads and exports was to remain in effect until a notice was posted on the ISO Home Page specifying that Section 27 would cease to apply on a date no less than seven days after the notice is posted.

On October 7, 1998, the ISO issued a "Notice of Full-Scale Operations" pursuant to Section 27.1. This "Notice of Full-Scale Operations", which was filed with the Commission and posted on the ISO Home Page, specified that Scheduling Coordinators could submit both incremental and decremental Adjustment Bids for Dispatchable Loads and exports effective with the October 14 Day Ahead Market for trade day October 15, 1998.

On October 15, 1998, the ISO issued a notice to Market Participants indicating that it had detected an error in the revised CONG software. Temporary suspension of the Scheduling Coordinators' ability to submit incremental Adjustment Bids for exports and Dispatchable Loads is necessary to allow the ISO to fix this error. As indicated in the enclosed Temporary Suspension Notice, the ISO will issue a notice to Market Participants at least forty-eight hours before the ISO lifts the temporary suspension and resumes accepting such incremental Adjustment Bids.

Contemporaneous with this filing, the Temporary Suspension Notice will be posted on the ISO Home Page, www.caiso.com. The ISO also states that it has served the Temporary Suspension Notice upon each person designated on the official service lists for the above-captioned dockets, as indicated in the attached certificate of service.

An extra copy of this filing is also enclosed. Please stamp this copy with the date and time filed and return it to the messenger. Thank you for your assistance in this matter.

Respectfully submitted

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Notice upon each person designated on the service list compiled by the Secretary in the above-referenced dockets.

Dated at Washington, DC, this 20th day of October, 1998.

Sean A. Atkins
Counsel for the California Independent
System Operator Corporation