

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

Pacific Gas and Electric Company) Docket No. EL03-162-000

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTION TO DISMISS SHOW CAUSE PROCEEDING**

On October 30, 2003, Commission Trial Staff (“Staff”) filed a Motion To Dismiss Show Cause Proceeding (“Motion”), in resolution of all issues related to Pacific Gas and Electric Company (“PG&E”) set for hearing in *American Electric Power Service Corp., et al.*, 103 FERC ¶ 61,345 (2003) (“the Gaming Show Cause Order” or “Order”). Pursuant to Rule 213 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213, the California Independent System Operator Corporation (“CAISO”) timely submits this answer to the Motion.

I. Background

The Gaming Show Cause Order required PG&E to show cause why it should not be found to have engaged in Cutting Non-Firm or Paper Trading, as those practices are described in the Order. In the Motion, Staff requested that PG&E be dismissed from the Show Cause proceeding established by the Order, that this docket be terminated, and that PG&E be relieved from further obligation with respect to this docket.

II. Discussion

The CAISO does not object to relieving PG&E of any obligation to respond further concerning the practices of Cutting Non-Firm and Paper Trading. As noted in the Motion, the dismissal relates only to matters raised in this docket, see Motion at ¶ 4.3; it does not affect any other proceeding, any pending rehearing or clarification requests with respect to the Order, or the possibility of subsequent proceedings against PG&E based on the outcome of those requests, or on different time periods, different practices, or different transactions.

The CAISO respectfully suggests that, on balance, and contrary to the request in the Motion, see Motion at ¶ 4.1, it is preferable not to close the docket or to relieve PG&E of all further obligations. Rather, the docket should remain open until all of the Show Cause proceedings have been concluded, and PG&E should remain subject to discovery as a party if it has information relevant to potential gaming by others. There would be no prejudice to PG&E, and it would serve the interests of efficiency, especially in light of the short discovery periods in these proceedings, to avoid the cumbersome process of obtaining discovery from a non-party.

III. Conclusion

The CAISO does not object to relieving PG&E of further obligation to respond to the Gaming Show Cause Order. However, the docket should remain open and PG&E should be subject to discovery as a party.

Respectfully submitted,

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Dated: November 14, 2003

CERTIFICATE OF SERVICE

In accordance with the order issued by the Presiding Administrative Law Judge I hereby certify that I have this day served the foregoing document by posting an electronic copy on the Listserv for this proceeding, as maintained by the Commission.

Dated at Washington, DC, on this 14th day of November, 2003.

/s/ J. Phillip Jordan
J. Phillip Jordan