

May 12, 2005

Via Electronic Filing

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

**Re: California Independent System Operator Corporation,
Docket No. ER05-786-000**

Dear Secretary Salas:

Enclosed please find the Answer of the California Independent System Operator Corporation to Motions to Intervene and Comments, submitted in the captioned docket.

Feel free to contact the undersigned with any questions. Thank you for your attention to this matter.

Respectfully submitted,

/s/ Bradley R. Miliauskas
J. Phillip Jordan
Bradley R. Miliauskas

Counsel for the California
Independent System Operator
Corporation

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System)
Operator Corporation) Docket No. ER05-786-000

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTIONS TO INTERVENE AND COMMENTS**

On April 6, 2005, the California Independent System Operator Corporation (“ISO”)¹ filed in the captioned proceeding a Dynamic Scheduling Agreement for Scheduling Coordinators (“DSA”) between the ISO and Powerex Corporation (“Powerex”) as a “non-conforming” service agreement (“April 6 Filing”). Parties submitted motions to intervene and comments in the proceeding concerning the April 6 Filing.² Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.213, the ISO submits this answer to the motions to intervene and comments.

I. Answer

The ISO does not oppose any of the motions to intervene.

SVP notes that Section 4.1.1 of the DSA between the ISO and Powerex exempts Powerex from the provisions of Section 6.2 of the ISO’s Dynamic

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff, as filed August 15, 1997, and subsequently revised.

² The Transmission Agency of Northern California submitted a motion to intervene that raised no substantive issues. The City of Santa Clara, California, doing business as Silicon Valley Power (“SVP”), submitted a motion to intervene and comments. Powerex submitted a motion to intervene in support of the April 6 Filing.

Scheduling Protocol (“DSP”), which requires a change in an “e-tag” in the event that there is a change in the magnitude of a dynamic schedule by 25% or 25 MW, whichever is less. SVP argues that the Commission should direct the ISO to include such a provision in the *pro forma* DSA and the *pro forma* Dynamic Scheduling Host Control Area Operating Agreement (“DSHCAOA”). SVP at 6. SVP’s concern has been rendered moot by the ISO’s recent submittal, in Docket No. ER05-224, of a compliance filing that eliminated from Section 6.2 of the DSP the requirement that an e-tag be changed in the event that there is a change in the magnitude of a dynamic schedule as described above. See Compliance Filing, Docket No. ER05-224-001 (filed May 9, 2005), at pages 1-2 of transmittal letter and Attachment B.

SVP asserts that “[t]he ISO should be obligated to file with the Commission changes to its DSP, including changes it makes to individual DSHCAOAs and DSAs that are not only specific to the parties to that agreement, but are also applicable to all entities that anticipate participating in future agreements.” SVP argues that “[u]nless such changes are filed, affected entities may not have notice of changes the ISO seeks to make to the DSP or changes that it makes to agreements made under the DSP.” SVP at 6-7. SVP’s concerns are groundless. The ISO already files every change to the DSP, every individual DSHCAOA with any provision that differs from the *pro forma* DSHCAOA, and every individual DSA with any provision that differs from the *pro forma* DSA (and explains the provision(s) differing from the *pro forma* DSHCAOA or *pro forma*

DSA in the filing letter); thus, affected entities have notice and an opportunity to comment, as SVP desires.

II. Conclusion

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission accept the April 6 Filing as submitted and not require the changes proposed by SVP.

Respectfully submitted,

Charles F. Robinson
General Counsel
John Anders
Corporate Counsel
California Independent System
Operator Corporation
Folsom, California 95630

/s/ J. Phillip Jordan
J. Phillip Jordan
Bradley R. Miliauskas
Swidler Berlin LLP
3000 K Street, N.W.
Suite 300
Washington, D.C. 20007

Attorneys for the California Independent
System Operator Corporation

Dated: May 12, 2005

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list for the captioned proceeding, in accordance with Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California, on this 12th day of May, 2005.

/s/ John Anders
John Anders