

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

Northern California Power Agency) Docket No. EL03-161-000

**ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTION TO DISMISS NORTHERN CALIFORNIA POWER
AGENCY FROM GAMING SHOW CAUSE PROCEEDING**

On October 30, 2003, Commission Trial Staff (“Staff”) filed a Motion To Dismiss Northern California Power Agency From Gaming Show Cause Proceeding (“Motion”), in resolution of all issues related to the Northern California Power Agency (“NCPA”) set for hearing in *American Electric Power Service Corp., et al.*, 103 FERC ¶ 61,345 (2003) (“the Gaming Show Cause Order”), and to remove certain of those issues to the proceeding in Docket No. EL03-196-000 established in *Enron Power Marketing, Inc. and Enron Energy Services Inc., et al.*, 103 FERC ¶ 61,346 (2003) (“the Partnership Show Cause 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 NCPA to show cause why it should not be found to have engaged in Load Shift or Paper Trading, as those practices are described in the Gaming Show Cause Order. The Partnership

Show Cause Order required NCPA to show cause why it should not be found to have engaged in arrangements with Enron Power Marketing, Inc. and Enron Energy Services, Inc. that may have been used to engage in Gaming Practices, as those practices are described in the Partnership Show Cause Order. In the Motion, Staff requested that NCPA be dismissed from the Show Cause proceeding established by the Order, that the captioned docket be terminated, and that NCPA be relieved from further obligation with respect to the captioned docket. Staff also conditioned the Motion upon removal of all Load Shift issues with regard to NCPA (including any remedies) to Docket No. EL03-196-000.

II. Discussion

The CAISO does not object to relieving NCPA of any obligation to respond further in this proceeding concerning the practices of Load Shift and Paper Trading. As noted in the Motion, the dismissal relates only to matters raised in the captioned 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 NCPA based on the outcome of those requests, or on different time periods, different practices, or different transactions. Moreover, the ISO does not object to removing all Load Shift issues with regard to NCPA (including any remedies) to Docket No. EL03-196-000. See Motion at ¶ 4.1.

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

captioned docket or to relieve NCPA of all further obligations in this proceeding. Rather, the captioned docket should remain open until all of the Show Cause proceedings have been concluded, and NCPA should remain subject to discovery as a party if it has information relevant to potential gaming by others. There would be no prejudice to NCPA, 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 NCPA of further obligation to respond to the Gaming Show Cause Order, nor does the ISO object to removing all Load Shift issues with regard to NCPA (including any remedies) to Docket No. EL03-196-000. However, the captioned docket should remain open and NCPA 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