

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

**California Independent System) Docket No. ER05-151-____
Operator Corporation)**

**MOTION FOR LEAVE TO FILE ANSWER ONE DAY OUT OF TIME AND
ANSWER OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION TO MOTIONS TO INTERVENE, COMMENTS, PROTEST,
REQUEST FOR TECHNICAL CONFERENCE, REQUEST FOR
CLARIFICATION, AND REQUEST FOR CONSOLIDATION**

On November 1, 2004, the California Independent System Operator Corporation (“ISO”)¹ filed a non-conforming Operating Agreement (“Operating Agreement”) between the ISO and Western Area Power Administration – Sierra Nevada Region (“Western”). In addition, the ISO filed revisions to the Meter Service Agreement for Scheduling Coordinators (“MSA-SC”) between the ISO and Western. The purpose of the filing of the Operating Agreement and MSA-SC was to accommodate a planned change in Control Area boundaries related to the decision by Western to join the Sacramento Municipal Utility District (“SMUD”) Control Area planned for January 1, 2005.

Parties submitted motions to intervene, comments, a protest, a request for a technical conference, a request for clarification, and a request for consolidation concerning the Operating Agreement and MSA-SC.² Pursuant to Rules 212 and

¹ Capitalized terms not otherwise defined herein have the meaning set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

² The following parties submitted the above-referenced filings: Calpine Corporation (“Calpine”) and Calpine Construction Finance Company, L.P. (“CCFC”) (together, “Calpine/CCFC”); Cities of Redding and Santa Clara, California, and the M-S-R Public Power Agency; Lassen Municipal Utility District; Modesto Irrigation District; Northern California Power Agency; Pacific Gas and Electric Company (“PG&E”); SMUD; and Western. The Public Utilities Commission of the State of California submitted a notice of intervention.

213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213, the ISO hereby respectfully requests leave to file an answer one day out of time, and files its answer, to the filings submitted in the above-captioned proceeding.³

The ISO does not oppose any of the motions to intervene. As explained below, however, the Commission should accept the Operating Agreement and MSA-SC as submitted, and in light of the clarifications provided below.

I. ANSWER

A. Answer to Calpine/CCFC Filing

Calpine/CCFC state that they protest the ISO's filing "on the same basis and for the same rationale, as their protest in Docket No. ER05-149-000."

Calpine/CCFC at 7. The ISO is responding today to the arguments presented by Calpine/CCFC in that docket. Therefore, the ISO refers the reader of the present answer to the answer in Docket No. ER05-149-000. In addition, Calpine/CCFC request consolidation of Docket Nos. ER05-149 and ER05-151, and a technical conference. Calpine/CCFC at 7-8. The arguments presented by Calpine/CCFC in this regard are the same as arguments presented in Docket No. ER05-149,

³ Due to administrative difficulties, the ISO failed to file this answer within 15 days of the above-described filings being submitted. Given the fact that the answer is being submitted only one day out of time and the good cause for accepting the answer described below, however, the ISO respectfully suggests that the answer should be accepted.

To the extent this answer responds to the protests, the ISO requests waiver of Rule 213(a)(2) (18 C.F.R. § 385.213(a)(2)) to permit it to make this answer. Good cause for this waiver exists here because the answer will aid the Commission in understanding the issues in the proceeding, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in this case. See, e.g., *Entergy Services, Inc.*, 101 FERC ¶ 61,289, at 62,163 (2002); *Duke Energy Corporation*, 100 FERC ¶ 61,251, at 61,886 (2002); *Delmarva Power & Light Company*, 93 FERC ¶ 61,098, at 61,259 (2000).

therefore, again, the ISO refers the Commission to the answer submitted by the ISO in that docket.

B. Answer to PG&E Filing

PG&E seeks clarification that the Operating Agreement does not impose any obligation on PG&E, particularly with regard to load shedding and load restoration. PG&E at 4-7. The ISO now provides the requested clarification: nothing in the Operating Agreement alters PG&E's obligations (*e.g.*, with regard to load shedding and restoration) from the obligations that exist today. The ISO also notes, however, that some contractual arrangement should be put into place to address the Load shedding and restoration obligations associated with Western's customers, after the Operating Agreement and other agreements go into effect on January 1, 2005. PG&E and Western have authorized the ISO to represent in this filing that they are working to reach such a contractual arrangement.

PG&E asserts that the language of Section 3.1.1 of the Operating Agreement and Schedule 1 of the Operating Agreement need to be harmonized. PG&E at 8. As discussed further below, the ISO is proposing to expand Schedule 1 of the Operating Agreement to resolve the concern raised by PG&E.

PG&E states that Schedule 1 of the Operating Agreement is incomplete in that it omits certain customers that are expected to take service from Western starting on January 1, 2005. PG&E at 8-9. The customers not listed in Schedule 1 are those customers whom Western serves but for whom Western is not a Scheduling Coordinator, and also those dual-supply customers that are served

by both PG&E and Western. The ISO proposes to modify Schedule 1 by adding the following at the end of the schedule:

The following Western customers are in the ISO Control Area and the Power and Water Resource Pooling Authority (PWRPA), on its member's behalf, has made Scheduling Coordinator arrangements with Western; however, Western is not the primary power supplier:

Power and Water Resource Pooling Authority Members*

Arvin-Edison Water Storage District
Banta-Carbona Irrigation District
Byron-Bethany Irrigation District
Cawelo Water District
Glenn-Colusa Irrigation District
James Irrigation District
Lower Tule River Irrigation District
Provident-Princeton Irrigation District
Santa Clara Valley Water District
Sonoma County Water Agency
West Side Irrigation District
Westlands Water District
Reclamation District 2035

* Reclamation District 108 is a PWRPA member that is a dual-supply customer.

However, the remaining dual-supply customers, including Reclamation District 108, Western believes primarily serve their Load as PG&E customers and therefore PG&E has the responsibility to ensure that its UDC Operating Agreement covers these entities.⁴

⁴ The remaining Western customers and Bureau of Reclamation Project Use loads are Table Mountain Rancheria, Coyote Valley Band of Pomo Indians, Placer County Water Agency, and the California State Universities.

II. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission accept the Operating Agreement and MSA-SC as submitted and in light of the clarifications provided above.

Respectfully submitted,

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Date: December 8, 2004

CERTIFICATE OF SERVICE

I hereby certify I have this day served the foregoing document on each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, CA, on this 8th day of December, 2004.

/s/ John Anders
John Anders