

April 23, 2009

VIA OVERNIGHT DELIVERY

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20246

**Re: California Independent System Operator Corporation
Compliance Filing
Docket No. ER06-615-____; ER08-367-____**

Dear Secretary Bose:

The California Independent System Operator Corporation (“ISO”) hereby submits an original and five copies of this filing in compliance with the Commission’s March 26, 2009 order in the above-referenced proceeding.¹ One additional copy of this filing is enclosed to be date-stamped and returned to our office via the self-addressed, postage prepaid envelope contained herein.

I. Discussion

On January 2, 2009, the ISO submitted a compliance filing to make certain changes to its tariff, including among others, how an entity may request access to non-public Operating Procedures.² On March 26, 2009, the Commission issued its *Order on Compliance Filing*, which directed the ISO to modify its proposed tariff language related to access to non-public Operating Procedures. Specifically, the Commission directed the ISO to:

- (1) Set forth the criteria the ISO proposes to use to determine whether a Market Participant that is operationally affected by a non-public Operating Procedure may receive access to the Operating Procedure;
- (2) Include an explanation of what constitutes being operationally affected by a non-public Operating Procedure;

¹ *Order on Compliance Filing*, Docket Nos. ER06-615-035; ER08-367-001, issued March 26, 2008, 126 FERC ¶ 61,276. (“*Order on Compliance Filing*”)

² Capitalized terms not otherwise defined herein have the meanings set forth the Master Definitions Supplement, Appendix A to the CAISO Tariff.

- (3) Include a timeline for providing access to non-public Operating Procedures or an explanation for denial of access to such Operating Procedures;
- (4) Provide for access to non-public Operating Procedures to multiple representatives as opposed to a single representative of a Market Participant.³

The ISO is submitting revised proposed tariff language consistent with the directives identified above. Specifically, the proposed changes to tariff section 22.11.3 - Requests for and Access to Non-public Operating Procedures – provide that the ISO may limit access to non-public Operating Procedures containing information that is market sensitive, system sensitive or proprietary.⁴ The proposed tariff language provides that subject to agreed upon controls the ISO will make an ISO non-public Operating Procedure available for review to entities that are operationally affected by implementation or revision of the Operating Procedure. The proposed tariff language also provides that employees or representatives acting as agents of a requesting entity may obtain access to the non-public Operating Procedure subject to agreed upon controls to limit access, disclosure and use of non-public information.

Consistent with the directives in the *Order on Compliance Filing*, the proposed tariff language provides that an entity is “operationally affected” by an Operating Procedure if (1) the entity is a party to the Transmission Control Agreement or a neighboring Balancing Authority and the Operating Procedure directs the entity to operate transmission equipment; or (2) the Operating Procedure directs an interruption in transmission service to facilities interconnected to the CAISO Controlled Grid which are operated by the entity requesting access to the Operating Procedure. This description focuses on the operation of and access to the CAISO Controlled Grid, which is consistent with the ISO’s definition of Operating Procedures. The CAISO Tariff defines Operating Procedures as follows:

Procedures governing the operation of the CAISO Controlled Grid as the CAISO may from time to time develop, and/or procedures that the Participating TOs current employ which the CAISO adopts for use.⁵

The description of whether an entity is operationally affected excludes those instances in an entity is only economically or financially affected.⁶

³ *Order on Compliance Filing* at P 34.

⁴ *Id.* at P 34.

⁵ CAISO Tariff Appendix A, Master Definitions Supplement.

⁶ *Order on Compliance Filing* at P 34.

The proposed tariff language explains the process for requesting access to an ISO non-public Operating Procedure, the timeline for the ISO to respond to a written request for access, and the criteria the ISO will use to determine whether to provide access to the non-public Operating Procedure.⁷ The proposed tariff language provides that the ISO shall respond in writing to a request for access to a non-public Operating Procedure or portion thereof within ten (10) Business Days after receipt of the request. In its response, the ISO will state whether it will allow access to review the non-public Operating Procedure and under what set of proposed controls. If the ISO determines the entity is operationally affected by the Operating Procedure or portion thereof, the ISO will, subject to agreed-upon controls, provide access to the non-public Operating Procedure within thirty (30) days. The ISO will determine whether to provide access to review the non-public Operating Procedure based on whether the entity is operationally affected as a result of implementation of the Operating Procedure or a portion thereof.

If the ISO determines that the entity is not operationally affected by the Operating Procedure or portion thereof, the ISO will explain the reason for its determination in its written response. Although the ISO does not consider it necessary to include duplicative language in the proposed new tariff language, if the ISO denies a request for access to a non-public Operating Procedure or portion thereof the requesting entity has the right to seek remedies pursuant to the dispute resolution procedures in Section 13 of the CAISO Tariff or pursuant to a complaint filed with the Commission under Section 206 of the Federal Power Act.

II. Materials Provided In This Compliance Filing

The following documents, in addition to this transmittal letter, support this filing:

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|--------------|--|
| Attachment A | Clean sheets of the tariff showing revisions described in this filing |
| Attachment B | Sheets showing, in black-line format, changes to the tariff described in this filing |

⁷ *Id.* at P 34.

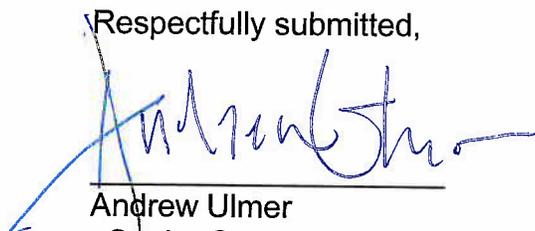
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III. Conclusion

The ISO respectfully requests that the Commission accept this filing as complying with the directives of the Commission's March 26, 2009 *Order on Compliance Filing*. Please do not hesitate to contact the undersigned if you have any questions.

April 23, 2009

Respectfully submitted,



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CERTIFICATE OF SERVICE

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

Dated at Folsom, California this 23rd day of April, 2009.


Jane L. Ostapovich

Attachment A – Clean Sheets

December 21, 2007 MRTU Tariff Filing Compliance Filing

ER08-367-___ and ER06-615-___

Fourth Replacement CAISO Tariff

April 24, 2009

the urgent BPM PRR at its next regularly scheduled meeting, or at a special meeting called by the BPM change management coordinator to consider the urgent BPM PRR. Any revisions to a BPM that take effect pursuant to an urgent BPM PRR shall be subject to a BPM PRR impact analysis.

22.11.2 Changes to Business Practice Manual for BPM Change Management.

Any changes to the Business Practice Manual for BPM change management shall require CAISO Governing Board approval.

22.11.3 Requests for and Access to Nonpublic Operating Procedures

Non-public Operating Procedures contain information that is either market sensitive, system security sensitive, or proprietary to third parties. The CAISO may limit access to these non-public Operating Procedures. Subject to agreed upon controls, the CAISO will make non-public CAISO Operating Procedures or portions thereof available to entities that are operationally affected by implementation of the Operating Procedure or any proposed changes to the Operating Procedure. Such controls may include execution of a nondisclosure agreement or other measures to limit access, disclosure and use of any non-public information. Subject to agreed upon controls, the CAISO will provide access to employees or representatives acting as agents of the requesting entity. For purposes of this tariff section an entity is "operationally affected" by a CAISO Operating Procedure if either (1) the entity is a party to the Transmission Control Agreement or is a neighboring Balancing Authority and the Operating Procedure directs the entity to operate transmission equipment; or (2) the Operating Procedure directs an interruption in transmission service to facilities interconnected to the CAISO Controlled Grid which are operated by the requesting entity. An entity that may merely be affected economically or financially by implementation or revision of a non-public Operating Procedure or portion thereof is not entitled to access to that Operating Procedure or portion thereof pursuant to this Section 22.11.3.

Any entity that believes it is operationally affected by a non-public CAISO Operating Procedure may seek access to that Operating Procedure by providing a written request to the CAISO. Any such request must identify the specific Operating Procedure to which the entity seeks access, the name and position of the employees and representatives of the entity that seek to review the non-public Operating Procedure, a representation that each employee or representative needs to review the non-public Operating Procedure or portion thereof to perform their employment responsibilities and a representation that each employee or representative does not perform a market function on behalf of the requesting entity. The CAISO shall respond in writing to a request for access to a non-public Operating Procedure or portion thereof within ten (10) Business Days after receipt of the request. The CAISO will state whether it will allow access to review the non-public Operating Procedure and under what set of proposed controls. The CAISO will determine whether to provide access to review the non-public Operating Procedure based on whether the entity is operationally affected as a result of implementation of the Operating Procedure or a portion thereof. If the CAISO determines the entity is operationally affected by the Operating Procedure or portion thereof, the CAISO will, subject to agreed-upon controls, provide access to the non-public Operating Procedure within thirty (30) days. If the CAISO determines that the entity is not operationally affected by the Operating Procedure or portion thereof, the CAISO will explain the reason for its determination in its written response.

Attachment B - Blacklines

December 21, 2007 MRTU Tariff Filing Compliance Filing

ER08-367-___ and ER06-615-___

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22.11.3 Requests for and Access to Nonpublic Operating Procedures

Non-public Operating Procedures contain information that is either market sensitive, system security sensitive, or proprietary to third parties. The CAISO may limit access to these non-public Operating Procedures. Subject to agreed upon controls, the CAISO will make non-public CAISO Operating Procedures or portions thereof available to ~~entities~~a single representative of an entity that ~~are~~ may be affected operationally affected by implementation of the Operating Procedure or any proposed changes to the Operating Procedure. Such controls may include execution of a nondisclosure agreement or other measures to ~~ensure~~limited access, disclosure and usage of any non-public information. Subject to agreed upon controls, the CAISO will provide access to employees or representatives acting as agents of the requesting entity. For purposes of this tariff section an entity is "operationally affected" by a CAISO Operating Procedure if either (1) the entity is a party to the Transmission Control Agreement or is a neighboring Balancing Authority and the Operating Procedure directs the entity to operate transmission equipment; or (2) the Operating Procedure directs an interruption in transmission service to facilities interconnected to the CAISO Controlled Grid which are operated by the requesting entity. An entity that may merely be affected economically or financially by implementation or revision of a non-public Operating Procedure or portion thereof is not entitled to access to that Operating Procedure or portion thereof pursuant to this Section 22.11.3.

Any entity that believes it is ~~affected~~ operationally affected by a non-public CAISO Operating Procedure may seek and desires access to that Operating Procedure by providing a written request to shall notify the CAISO ~~of its request for access to that Operating Procedure in accordance with the CAISO's Operating Procedure for access to Operating Procedures, and its request will be processed by the CAISO in accordance with that Operating Procedure.~~ Any such request must identify the specific Operating Procedure to which the entity seeks access, the name and position of the employees and representatives of the entity that seek to review the non-public Operating Procedure, a representation that each employee or representative needs to review the non-public Operating Procedure or portion thereof to perform their employment responsibilities and a representation that each employee or representative does not perform a market function on behalf of the requesting entity. The CAISO shall respond in writing

to a request for access to a non-public Operating Procedure or portion thereof within ten (10) Business Days after receipt of the request. The CAISO will state whether it will allow access to review the non-public Operating Procedure and under what set of proposed controls. The CAISO will determine whether to provide access to review the non-public Operating Procedure based on whether the entity is operationally affected as a result of implementation of the Operating Procedure or a portion thereof. If the CAISO determines the entity is operationally affected by the Operating Procedure or portion thereof, the CAISO will, subject to agreed-upon controls, provide access to the non-public Operating Procedure within thirty (30) days. If the CAISO determines that the entity is not operationally affected by the Operating Procedure or portion thereof, the CAISO will explain the reason for its determination in its written response.

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