

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

Public Utilities Providing Service in )  
California under Sellers' Choice Contracts )      Docket No. EL04-108-000  
)  
)

**COMMENT IN SUPPORT OF  
JOINT MOTION TO HOLD PROCEEDING IN ABEYANCE**

**To:   The Honorable William J. Cowan  
      Presiding Administrative Law Judge**

Pursuant to Rule 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. § 385.213 (2004), the California Independent System Operator Corporation ("CAISO") files this brief comment in support of the "Joint Motion of the California Department of Water Resources and Sempra Generation to Hold Proceeding in Abeyance and Request for Shortened Response Period and Expedited Action" ("Motion") filed on April 7, 2005 by the California Energy Resources Scheduling Division ("CERS") of the California Department of Water Resources ("CDWR") and Sempra Generation ("Sempra").

CAISO supports the request of CERS and Sempra to hold this proceeding in abeyance. The CAISO has from the outset believed negotiated settlement of the seller's choice issues concerning the CERS contracts to be the best course to ensure the CAISO's ability to implement locational marginal pricing ("LMP"), and after extended negotiations, CERS and Sempra have entered into a Settlement Agreement that resolves the effects of the CAISO's new LMP-based market design on their bilateral power contract.

As the CAISO stated in the filing of its Design Proposal for Inter-Scheduling Coordinator Trades (“Inter-SC Trade Policy”), and as CERS and Sempra reiterated in their Settlement Agreement, the Settlement Agreement and the amendment of the initial power contract between CERS and Sempra called for in the Settlement Agreement are inextricably tied to approval and implementation of the Inter-SC Trade Policy. The Settlement Agreement, in fact, contemplates that CERS and Sempra will not execute the amendment to the power contract unless and until the Commission accepts the Inter-SC Trade Policy for filing without material modification and approves the Offer of Settlement.

The Settlement Agreement also provides that the contract amendment would become ineffective and the Seller’s Choice Proceeding would restart if the Inter-SC Trade Policy were rendered ineffective or certain new types of bilateral energy trades are not subject to physical validation. If the amendment to the contract were to become ineffective for any reason, this proceeding would provide a forum for CERS and Sempra to expeditiously resolve the “seller’s choice” issues relating to the Settlement Agreement.

Respectfully submitted,

/s/ *Ronald E. Minsk*

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Dated: April 11, 2005

### **Certificate of Service**

I hereby certify that I have this day served a copy of this document by posting it to the public document listserv, consistent with the guidelines contained in the Presiding Administrative Law Judge's Prehearing Order of July 1, 2004. Dated at Washington, DC this 11<sup>th</sup> day of April, 2005.

/s/ Ronald E. Minsk  
Ronald E. Minsk