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November 5, 2003

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

ORIGINAL

**Re: Idaho Power Company
Docket No. EL03-156-000**

Dear Secretary Salas :

Enclosed please find an original and fourteen copies of the Comments of the California Independent System Operator Corporation on Agreement and Stipulation in Docket No. EL03-156-000.

Please also find two additional copies of the comments to be date-stamped and returned to the messenger. Thank you for your assistance in this matter. Please call if you have any questions.

Sincerely,



Michael N. Kuselman

ORIGINAL

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Idaho Power Company) Docket No. EL03-156-000

COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION ON AGREEMENT AND STIPULATION

To: Presiding Administrative Law Judge Carmen A. Cintron

On September 30, 2003, Idaho Power Company ("Idaho Power") and the Federal Energy Regulatory Commission Trial Staff ("Staff") submitted an Agreement and Stipulation ("Agreement") to the Commission in full and final resolution of all issues related to Idaho Power set for hearing on June 25, 2003 in *American Electric Power Service Corp., et al.*, 103 FERC ¶ 61,345 (2003) (the "Gaming Order" or "Order"). Pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2003), the California Independent System Operator Corporation ("CAISO") timely submits these comments on the Agreement.

I. Background

The Gaming Order required Idaho Power to show cause why it should not be found to have engaged in False Import, Paper Trading, and Circular Scheduling, as those practices were described in the Order. With respect to the practices of False Import and Paper Trading, Idaho Power and staff propose to settle for no money. Agreement at Art. III. With respect to the practice of Circular Scheduling, Idaho Power

and Staff propose to settle the proceeding by having Idaho Power pay \$83,373, which represents the total revenue that Idaho Power may have received from this practice as set forth in the CAISO Report. *Id.* at Arts. II-III.

II. Discussion

The CAISO does not oppose approval of the agreement, subject to a caveat concerning Article IV, Section 5 of the Agreement. That provision purports to make it a condition of the Agreement that the Commission, in addition to accepting the Agreement as a final resolution of the issues related to Idaho Power that were set for hearing in the Gaming Order, also exempt Idaho Power from any further scrutiny, investigations, or proceedings relating to its trading activities in California during the period January 1, 2000 through June 20, 2001, except for issues that have been identified in the Commission's June 25 Order Requiring Demonstration that Certain Bids Did Not Constitute Anomalous Market Behavior: Investigation into Anomalous Bidding Behavior in the Western markets, 103 FERC ¶ 61,347 (2003) ("Bid Investigation Order"), and the Commission's Order to Show Cause Concerning Gaming and/or Anomalous Market Behavior Through the Use of Partnerships, Alliances or Other Arrangements and Directing the Submission of Information, 103 FERC ¶ 61,346 (2003) ("Partnership Order"). This purported condition, in which Staff did not join, should be expressly rejected by the Commission in any order approving the agreement. Idaho Power has suggested no rationale for why this patently over-broad release would be in the public interest, and there clearly is none. Settlement with respect to the specific transactions that are the subject of the Gaming Order concerning Idaho Power is all that Idaho

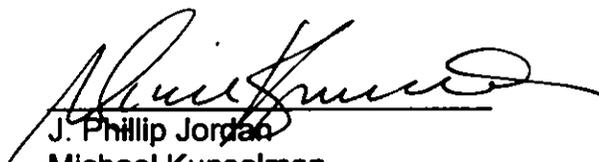
Power has offered and all that the Commission should approve. The Commission should make clear in any order that neither the Agreement, the Commission's order, nor payment of the amount called for by the Agreement, will affect Idaho Power's potential liability under any other proceeding now ongoing, or prevent the institution of future Show Cause or other proceedings against Idaho Power based on time periods, practices, or transactions different from those made relevant to Idaho Power in the Gaming Order, Partnership Order, or Bid Investigation Order.

III. Conclusion

The CAISO does not object to approval of the Agreement, except for the caveat with respect to Article IV, Section 5, as described above.

Respectfully submitted,

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System Operator Corporation
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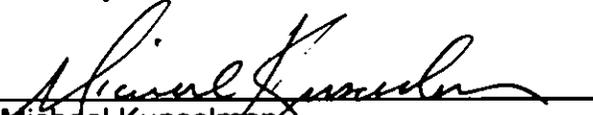

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Dated: November 5, 2003

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, D.C., on this 5th day of November, 2003


Michael Kunselman