

February 24, 1999

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: California Independent System Operator Corporation
Docket No. ER99-896**

Dear Secretary Boergers:

Enclosed for filing please find copies of tariff sheets for the California Independent System Operator Corporation ("ISO") FERC Electric Tariff, Original Volumes I and III, submitted in compliance with the Commission's February 9, 1999 Order in the above-captioned docket.

On December 11, 1999, the ISO filed Amendment No. 13 to the ISO Tariff in the above-captioned docket. Amendment No. 13 proposed a variety of modifications to the ISO Tariff, including changes to encourage compliance with the scheduling and Ancillary Service market provisions of the ISO Tariff, a change to appropriately allocate cost responsibility associated with derates of transmission capacity, a change to promote the use of market mechanisms to resolve overgeneration conditions, and changes that address a number of miscellaneous issues that had arisen in the course of the ISO's administration of the ISO Tariff.

Numerous parties submitted motions to intervene, comments and/or protests to Amendment No. 13. On January 22, 1999, as corrected on January 25, 1999, the ISO submitted its Answer to Motions to Intervene, Request for Hearing, Comments and Protests and Motion for Deferred Effective Dates for Portion of Rate Filing in the above-captioned docket. In its Answer, the ISO

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agreed to make a number of small revisions to the ISO Tariff and Protocols in response to various intervenor comments and questions on Amendment No. 13.

On February 9, 1999, the Commission issued an order accepting Amendment No. 13 with certain modifications and directing the ISO to submit a compliance filing with a number of revisions to the ISO Tariff within 15 days of the issuance of the order. California Independent System Operator Corp., 86 FERC ¶ 61,122 (1999). The modifications ordered by the Commission were consistent with the revisions the ISO had committed to make in its Answer. Specifically, the Commission directed the ISO to make certain editorial revisions to Sections 2.5.26.2, 2.5.26.2.4 and 2.5.27 related to the tariff changes implementing nonpayment for uninstructed deviations. 86 FERC ¶ 61,122, slip op. at 4-5. The Commission also directed that references to "System Units" and "System Resources" be added to the definition of "Instructed Imbalance Energy." Id., slip op. at 14. Lastly, the Commission directed the ISO to make similar additions of the term "System Units" in a number of Tariff provisions identified by an intervenor. 86 FERC ¶ 61,122, slip op. at 19.

Enclosed are revised Tariff sheets which incorporate the revisions ordered by the Commission (Attachment A) as well as the text of the affected tariff provisions identifying the changes made in this compliance filing (Attachment B). Also enclosed is a notice of filing suitable for publication in the Federal Register (Attachment C) and a 3½ inch diskette containing the notice in WordPerfect format.

In addition, an extra copy of the filing is enclosed. Please date-stamp the extra copy with the time and date of filing and return it to the messenger. Thank you for your assistance in this matter.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all parties on the official service list compiled by the Secretary in the above-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 Washington, D.C. this 24th day of February, 1999.

Sean A. Atkins