

December 6, 2013

The Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: California Independent System Operator Corporation  
Notice of Termination of Interconnected Balancing Authority  
Area Operating Agreement, Rate Schedule No. 31  
Docket No. ER14-\_\_\_\_-000**

Dear Secretary Bose:

The California Independent System Operator Corporation hereby notices termination of the Interconnected Balancing Authority Area Operating Agreement (“IBAAOA”) between the ISO and the Western Area Power Administration – Desert Southwest Region (“Western – DSR”).<sup>1</sup> The ISO is separately and concurrently submitting for Commission filing and acceptance an Adjacent Balancing Authority Operating Agreement (ABAOA”) to replace the IBAAOA in a filing being made today in a separate docket.<sup>2</sup> The ISO proposes that the termination of the IBAAOA be made effective on February 5, 2014, coincident with the proposed effective date of the ABAOA.<sup>3</sup>

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<sup>1</sup> The ISO notices termination of the ICAAOA pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d and Part 35 of the Commission’s regulations, 18 C.F.R. Part 35, and in compliance with Order No. 714, *Electronic Tariff Filings*, FERC Stats. & Regs. ¶ 31,276 (2009).

<sup>2</sup> Because the IBAAOA is on file under a different ISO tariff ID than the ISO now uses for its rate schedules (i.e., in a separate eTariff database), it is not possible for the ISO to combine the termination of the IBAAOA with the submission of the ABAOA in a single filing, as would otherwise be its practice. The ISO requests that the IBAAOA be terminated contemporaneously with the ABAOA’s effective date; i.e., if for any reason the effective date proposed for the ABAOA is delayed, the ISO requests that the termination date of the IBAAOA not precede the effective date of the ABAOA.

<sup>3</sup> The IBAAOA also facilitates dynamic transfers. However, the ISO has separately and concurrently requested acceptance of a Dynamic Transfer Balancing Authority Operating Agreement between the ISO and Western – DSR (“Dynamic Transfer Agreement”) coincident with the requested effective date of the ABAOA and termination of the IBAAOA. Together, the

## **I. Background of the IBAAOA**

The original version of the IBAAOA, then referred to as an interconnected control area operating agreement, was filed with the Commission on July 13, 1998 in Docket No. ER98-3708-000. In a letter order issued August 31, 1998, the Commission accepted that filing, subject to suspension, hearing procedures, and refund procedures. On October 2, 1998, the ISO filed an offer of settlement in the proceeding in which it proposed certain revisions. The Commission approved the offer of settlement in *California Independent System Operator Corporation*, 87 FERC ¶ 61,231 (1999). Pursuant to the Commission's approval of the offer of settlement, on July 28, 1999, the ISO submitted a compliance report containing the revised version of the agreement in Docket No. ER98-3708-001. The Commission accepted the compliance report by letter order issued on March 14, 2001.

An amendment to the interconnected control area operating agreement was later submitted in Docket No. ER02-1053-000 and approved by Commission letter order issued on April 8, 2002. Thereafter, the parties filed an amended and restated Interconnected Balancing Authority Area Operating Agreement with the Commission in Docket No. ER08-617-000, which was accepted by Commission letter order issued on April 29, 2008. The most recent amendment to the IBAAOA was filed in Docket No. ER13-168-000 and conditionally accepted by Commission order issued on December 20, 2012.<sup>4</sup>

The parties now desire to replace the IBAAOA with the ABAOA to more appropriately consider matters addressed by the reliability standards.

## **II. Termination of the IBAAOA**

Termination of the IBAAOA is appropriate. The ABAOA being filed today in a separate docket is intended to replace the IBAAOA, and the parties have also requested Commission acceptance of a Dynamic Transfer Balancing Authority Operating Agreement ("Dynamic Transfer Agreement"). Together the ABAOA and the Dynamic Transfer Agreement address all matters previously included in the IBAAOA and it should terminate coincidentally.

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Dynamic Transfer Agreement and ABAOA cover all matters previously addressed by the IBAAOA.

<sup>4</sup> *Cal. Indep. Sys. Operator Corp.*, 141 FERC ¶ 61,218 (accepting the IBAAOA subject to a further compliance filing, which was accepted by Commission letter order dated February 25, 2013). An intervening amendment to the IBAAOA had also been filed in Docket No. ER11-3778-000 and accepted by Commission letter order issued on August 9, 2011.

### **III. Effective Date**

The ISO requests that the termination of the IBAAOA be made effective on February 5, 2014, coincidentally with the effective date that the ISO has requested for the ABAOA.

### **IV. Service**

The ISO has served copies of this filing upon the Western Area Power Administration – Desert Southwest Region, Southern California Edison Company, Metropolitan Water District of Southern California, Valley Electric Association, Inc., the California Public Utilities Commission, and the California Energy Commission. In addition, the filing has been posted on the ISO website.

### **V. Correspondence**

The ISO requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

John C. Anders\*  
Senior Counsel  
California Independent System  
Operator Corporation  
250 Outcropping Way  
Folsom, CA 95630  
Tel: (916) 608-7287  
E-mail: [janders@caiso.com](mailto:janders@caiso.com)

\* Individual designated for service pursuant to Rule 203(b)(3),  
18 C.F.R. § 203(b)(3).

**VI. Conclusion**

The ISO respectfully requests that the Commission accept this notice and permit termination of the Interconnected Balancing Authority Area Operating Agreement coincidentally with the effective date of the Adjacent Balancing Authority Operating Agreement being filed today in a separate docket. If there are any questions concerning this filing, please contact the undersigned.

Respectfully submitted,

**By: /s/ John C. Anders**

Nancy Saracino

General Counsel

Roger E. Collanton

Deputy General Counsel

Sidney M. Davies

Assistant General Counsel

John C. Anders

Senior Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel: (916) 608-7287

[janders@caiso.com](mailto:janders@caiso.com)

Attorneys for the California Independent  
System Operator Corporation