

**SPECIFIC RESPONSE OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
TO THE ALLEGATIONS CONTAINED IN THE NUMBERED PARAGRAPHS
IN THE COMPLAINT FILED BY THE WESTERN POWER TRADING FORUM**

The ISO hereby answers as follows the specific allegations contained in the Complaint of the Western Power Trading Forum (“WPTF”):

1. The ISO admits that WPTF purports to be a California non-profit corporation with a broad-based membership. The ISO lacks sufficient information or knowledge to form a belief as to the truth of the remaining allegations contained in Paragraph 1 of the Complaint and, therefore, denies them.

2. The ISO admits the allegation contained in Paragraph 2 of the Complaint.

3. The ISO admits that some WPTF member companies pay various fees to the ISO to support its operation of the transmission facilities in California, including the Grid Management Charge (“GMC”). The ISO admits the remaining allegations in Paragraph 3 of the Complaint.

4. The ISO admits the allegation contained in Paragraph 4 of the Complaint.

5. The ISO admits the allegation contained in Paragraph 5 of the Complaint.

6. The ISO admits that it filed a settlement in April 1998 in Docket No. ER98-211-000. The remainder of the Paragraph characterizes the documents

and purposes of the parties and the ISO does not agree with such characterizations. Instead, the ISO's position on the matters discussed in Paragraph 6 is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 6 of the Complaint.

7. The ISO admits that the settlement contains paragraphs numbered 20 and 23, and that the Commission approved the settlement by letter order. The remainder of the Paragraph characterizes the documents and purposes of the parties and the ISO does not agree with such characterizations. Instead, the ISO's position on the matters discussed in Paragraph 7 is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 7 of the Complaint.

8. The ISO admits that it made two filings on October 28, 1998. The remainder of the Paragraph characterizes the documents and purposes of the parties and the ISO does not agree with such characterizations. Instead, the ISO's position on the matters discussed in Paragraph 8 is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 8 of the Complaint.

9. The ISO admits that the Commission issued an order in Docket No. ER99-473-000 that addressed the ISO's October 28, 1998 filings. The remainder of the Paragraph characterizes the order. The ISO's understanding of that order is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 9 of the Complaint.

10. The ISO admits that the Commission granted rehearing in part of its December 23, 1998 order, and established a refund effective date pursuant to Section 206 of the Federal Power Act ("FPA"). The remainder of the Paragraph characterizes the order. The ISO's understanding of that order is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 10 of the Complaint.

11. The ISO admits that on January 20, 1999, WPTF filed a complaint in *Western Power Trading Forum v. California Independent System Operator Corporation*, Docket No. EL99-30-000, and that the Commission issued an order on April 2, 1999, dismissing the complaint. The remainder of the Paragraph characterizes the complaint and the Commission's order, as well as WPTF's positions on various matters. The ISO's understanding of the complaint and order is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 11 of the Complaint.

12. The ISO admits that on December 15, 1998, it submitted an informational filing in Docket No. ER99-921-000 showing a revised GMC and that the Commission accepted the filing on April 2, 1999.

13. The ISO admits that on April 30, 1999, it filed in Docket No. ER99-2730-000, to extend the existing GMC rate. The remainder of the Paragraph characterizes the filing and the ISO does not agree with such characterizations. Instead, the ISO's position on the matters discussed in

Paragraph 13 is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 13 of the Complaint.

14. The ISO admits the allegations contained in Paragraph 14 of the Complaint.

15. The ISO admits the allegations contained in Paragraph 15 of the Complaint.

16. The ISO admits that on December 15, 1999, the ISO filed its second informational filing in Docket No. ER00-800-000, and that the Commission accepted the filing on February 25, 2000. The remainder of the Paragraph characterizes the Commission's order. The ISO's understanding of the order is presented in its Answer to the Complaint. The ISO therefore denies the remainder of the allegations in Paragraph 16 of the Complaint.

17. Paragraph 17 presents WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

18. The ISO admits that, pursuant to Section 206 of the FPA, the Commission has the authority to order refunds. However, the remainder of the Paragraph characterizes the Commission's February 25 order and the ISO disagrees with WPTF's characterizations. Instead, the ISO's position on the matters discussed in Paragraph 18 is presented in its Answer to the Complaint.

19. Paragraph 19 presents WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

20. Paragraph 20 presents WPTF's request for relief with which the ISO disagrees as explained in its Answer to the Complaint.

21. Paragraph 21 incorporates Paragraphs 1-20.

22. The ISO agrees that, under the existing GMC, customers with Existing Contracts pay a different rate than other customers, which may include some of the Complainants. The remainder of the Paragraph characterizes the impact of the existing GMC rate and the ISO disagrees with such characterization. The ISO's position on the matters presented in Paragraph 22 is discussed in its Answer to the Complaint.

23. The ISO denies the characterizations of and the conclusions drawn from the "Memorandum from Debi Le Vine to Beth Emery," dated June 25, 1999, presented in Paragraph 23 as explained in its Answer to the Complaint. The ISO also expresses concern about the WPTF's continued use of this confidential ISO memorandum.

24. Paragraphs 24-26 present WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

25. Paragraph 27 incorporates Paragraphs 1-20.

26. Paragraphs 28-30 present WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

27. Paragraph 31 incorporates Paragraphs 1-20.

28. Paragraph 32 presents WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

29. The ISO admits that TGAL, Inc. prepared a report dated October 1998 and that WPTF attached such report to its Complaint. The remainder of Paragraph 33 presents WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

30. The ISO admits that the ISO's December 15, 1999 Informational Filing resulted in an increase in the GMC of \$0.83 per MWh, which represents an increase of \$0.0519 per MWh above the 1999 GMC. The remainder of Paragraph 34 presents WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

31. Paragraphs 35-40 present WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

32. Paragraph 41 incorporates Paragraphs 1-20.

33. Paragraphs 42-48 present WPTF's legal conclusions and characterizations that the ISO denies as explained in its Answer to the Complaint.

34. Paragraphs 49-50 characterize WPTF's conclusions regarding the Commission's dispute resolution requirements. The ISO denies WPTF's characterizations.