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July 6, 2006

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: California Independent System Operator Corporation
Docket No. ER98-3760-____**

Dear Secretary Salas:

The California Independent System Operator Corporation ("CAISO") respectfully submits an original and five copies of the instant filing in compliance with the order of the Federal Energy Regulatory Commission ("Commission") dated June 7, 2006 in the above-captioned proceeding, *California Independent System Operator Corporation*, 115 FERC ¶ 61,300 ("June 7 Order").¹

In the June 7 Order, the Commission directed the CAISO to modify Section 7.3.2 of the CAISO Tariff to change "in accordance with the provisions of the TCA" to read "in accordance with section 5 of the TCA." June 7 Order at P 51. However, the current version of the CAISO Tariff as filed with the Commission contains no Section 7.3.2; instead, the provisions the Commission directed the CAISO to modify are now set forth in Section 7.2.2.2 of the CAISO Tariff. Accordingly, the ISO has modified Section 7.2.2.2 as directed by the

¹ The June 7 Order did not specify a date by which this compliance filing was due, but the ISO believes that the filing is properly submitted within 30 days of the issuance of the June 7 Order. Cf. 18 C.F.R. § 385.1907 (2006) (requiring that "reports of compliance" be submitted within 30 days unless otherwise ordered).

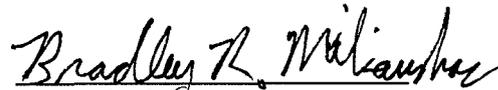
The Honorable Magalie Roman Salas
July 6, 2006
Page 2

Commission, effective June 7, 2006.

The changes described above are shown in black-line format in Attachment A to the present filing, and are shown in the revised sheet provided in Attachment B to the present filing.

Two additional copies of this filing are enclosed to be date-stamped and returned to our messenger. If there are questions concerning this filing, please contact the undersigned.

Respectfully submitted,



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ATTACHMENT A

BLACKLINED CONFORMED S&R TARIFF SECTION 7.2.2.2

7.2.2.2 The ISO Governing Board may establish planning guidelines more stringent than those established by NERC and WECC as needed for the secure and reliable operation of the ISO Controlled Grid. The ISO may revise the Local Reliability Criteria subject to and in accordance with section 5 the provisions of the TCA.

ATTACHMENT B
CLEAN CONFORMED S&R TARIFF SECTION 7.2.2.2

limited to; interchange curtailment, generation Dispatch adjustment (real power, reactive power and voltage), transmission configuration adjustments, special protection activation, load curtailment and any other action deemed necessary to maintain System Reliability.

(c) The Reliability Coordinator shall also have the responsibility and authority to take action in its sub-region for problems in another sub-region that it may help resolve. This must be accomplished at the request of and in coordination with the Reliability Coordinators of the other sub-regions.

7.2.2 [Not used]

7.2.2.1 The ISO shall exercise Operational Control over the ISO Controlled Grid to meet planning and Operating Reserve criteria no less stringent than those established by WECC and NERC as those standards may be modified from time to time, and Local Reliability Criteria that are in existence on the ISO Operations Date and have been submitted to the ISO by each Participating TO pursuant to Section 2.2.1(v) of the TCA. All Market Participants and the ISO shall comply with the ISO Reliability Criteria, standards, and procedures.

7.2.2.2 The ISO Governing Board may establish planning guidelines more stringent than those established by NERC and WECC as needed for the secure and reliable operation of the ISO Controlled Grid. The ISO may revise the Local Reliability Criteria subject to and in accordance with section 5 of the TCA.

7.2.2.3 Standards to be Observed.

The ISO shall exercise Operational Control over the ISO Controlled Grid in compliance with all Applicable Reliability Criteria.

7.2.2.3.1 Applicable Reliability Criteria.

Applicable Reliability Criteria are defined as the standards established by NERC, WECC and Local Reliability Criteria and include the requirements of the Nuclear Regulatory Commission (NRC).

7.2.2.3.2 WECC Criteria (Standards).

(a) Western Interconnection.

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 Folsom, California this 6th day of July, 2006.

^{BRM}
Michael D. Dozier
Michael D. Dozier