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March 11, 2008

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

Re: *California Independent System Operator Corporation*
Docket No. ER08-____-000

Notice of Termination of
Non-Conforming Service Agreement No. 298

Dear Secretary Bose:

Pursuant to Sections 35.15 and 131.53 of the Commission's regulations (18 C.F.R. §§ 35.15, 131.53), the California Independent System Operator Corporation ("CAISO")¹ tenders for filing the enclosed Notice of Termination of the Participating Generator Agreement ("PGA") between the CAISO and the Northern California Power Agency ("NCPA"), which became effective January 1, 2000. The CAISO requests that the PGA be terminated effective March 14, 2008.

I. Background Concerning the PGA

The PGA establishes the terms and conditions under which NCPA may submit bids and schedules through a Scheduling Coordinator into the CAISO's markets. NCPA's PGA was filed in Docket No. ER00-2274-000 as part of a

¹ Capitalized terms not otherwise defined herein have the meanings set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

settlement concerning the terms, conditions, and rates of NCPA's Reliability Must-Run (RMR) contracts. It is a non-conforming service agreement. For the 2008 calendar year, the NCPA's Generating Units were not nominated for renewal by the CAISO. As the existing RMR contract terminated January 1, 2008, the existing PGA no longer serves the purpose for which it was executed.

II. Termination of the PGA

Section 3.2.2 of the PGA provides in relevant part that, notwithstanding anything to the contrary in the CAISO Tariff, the NCPA may terminate the Agreement upon giving the CAISO ninety (90) days written notice. Section 3.2.2 also states, with respect to any notice of termination given pursuant to the section, that the CAISO must file a timely notice of termination with the Commission and that the filing of the notice of termination by the CAISO will be considered timely if (1) the request to file a notice of termination is made after the preconditions for termination have been met, and (2) the CAISO files the notice of termination within thirty (30) days of receipt of such request.

On February 20, 2008, the NCPA sent two letters to the CAISO requesting termination of the PGA effective as of March 14, 2008, because the NCPA no longer has an RMR agreement with the CAISO. The NCPA also requested a waiver of the 90-day notice requirement, as described in Section 3.2.2 of the PGA. The letters are included in this filing as Attachment B.

Pursuant to the NCPA's letters and the requirements of Section 3.2.2 of the PGA, the CAISO is timely filing a notice of termination of the PGA with the Commission. The CAISO requests waiver of the notice provisions of Section 35.15 of the Commission's regulations to permit the PGA to terminate effective as of March 14, 2008, as requested by the NCPA.

III. Expenses

No expense or cost associated with this filing has been alleged or judged in any judicial or administrative proceeding to be illegal, duplicative, unnecessary, or demonstratively the product of discriminatory employment practices.

IV. Service and Materials Included in the Instant Filing

Copies of this filing have been served upon the NCPA, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER00-2274.

Enclosed for filing are six copies of each of the following:

- (1) this letter of transmittal;

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- (2) the letters from the NCPA to the CAISO requesting termination of the PGA (Attachment A); and
- (3) Notice of Termination of the PGA effective as of March 14, 2008 (Attachment B); and

Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger.

V. Correspondence

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

John Anders*
Assistant General Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 351-4400
Fax: (916) 608-7222
E-mail: john.anders@caiso.com

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

Respectfully submitted,

John Anders*
Assistant General Counsel
California Independent System
Operator Corporation
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Attorneys for the California Independent
System Operator Corporation

ATTACHMENT A



RECEIVED

FEB 22 2008

MPD - CONTRACTS

180 Cirby Way, Roseville, CA 95678

phone (916) 781-3636

fax (916) 783-7693

web www.ncpa.com

Via FedEx Delivery

February 20, 2008

Roni L Reese
Senior Contracts Analyst
California ISO
151 Blue Ravine Road
Folsom, CA 95630

Dear Ms. Reese:

This letter is to advise California Independent System Operator Corporation ("ISO") that Northern California Power Agency ("NCPA") is requesting an extension on termination of the Participating Generator Agreement (PGA), dated January 1, 2000.

The previously mutually agreed effective date of February 21, 2008 is now updated to March 14, 2008. This extension is to allow the CAISO the necessary time to update the MSSA Schedule 14 for Federal Energy Regulatory Commission (FERC) filings.

Further contact by the ISO regarding NCPA should be addressed to:

James H. Pope
General Manager
Northern California Power Agency
180 Cirby Way, Roseville, CA 95678

Sincerely,

Matthew Foskett
Supervisor, Power Contracts & Interconnection Affairs

SR: 101:7



180 Cirby Way, Roseville, CA 95678

phone (916) 781-3636
fax (916) 783-7693
web www.ncpa.com

Via FedEx Delivery

February 20, 2008

Roni L Reese
Senior Contracts Analyst
California ISO
151 Blue Ravine Road
Folsom, CA 95630

Dear Ms. Reese:

This letter is to advise California Independent System Operator Corporation ("ISO") of Northern California Power Agency ("NCPA")'s request for termination of the following agreement between NCPA and the ISO:

1. Participating Generator Agreement (PGA), dated January 1, 2000

Additionally, NCPA requests a waiver of the ninety (90) day notice required in Section 3.2.2 of the PGA and requests the termination of this agreement be effective as of March 14, 2008. NCPA will terminate the PGA as this agreement came into effect only to enable the Reliability Must Run (RMR) contracts to be awarded to NCPA. For the 2008 calendar year, the NCPA's generating units were not nominated for renewal by the CAISO, thus the existing RMR contract is set to terminate on January 1, 2008 and effectively the PGA will no longer serve the ISO or NCPA with the functionality it was originally set in place for.

Further contact by the ISO regarding NCPA should be addressed to:

James H. Pope
General Manager
Northern California Power Agency
180 Cirby Way, Roseville, CA 95678

NCPA understands that any filing with the Federal Energy Regulatory Commission (FERC) that may be necessary to document termination of the agreements listed above in accordance with this request will be done by the ISO.

Sincerely,

A handwritten signature in black ink that reads "Matthew Foskett".

Matthew Foskett
Supervisor, Power Contracts & Interconnection Affairs

SR: 101:7

ATTACHMENT B

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**California Independent System
Operator Corporation**

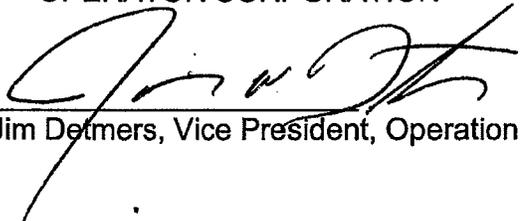
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Docket No. ER08-____-000

NOTICE OF TERMINATION

Notice is hereby given that effective the 14th day of March, 2008, Service Agreement No. 298, together with all supplements thereto, effective January 1, 2000, and filed with the Federal Energy Regulatory Commission by the California Independent System Operator Corporation, is to be terminated. Notice of the proposed termination has been served upon the Northern California Power Agency, the California Public Utilities Commission, the California Electricity Oversight Board, and all entities that are on the official service list for Docket No. ER00-2274.

CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION

By: 

Jim Detmers, Vice President, Operations

Dated: March 11, 2008

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all of the parties listed in the attached filing as receiving service, 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 11th day of March, 2008.


Bradley R. Miliauskas