



November 12, 2003

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

**Re: California Independent System Operator Corporation
Docket No. ER03-1221-000**

Dear Secretary Salas:

Enclosed for electronic filing please find the Motion for Clarification and Conditional Request for Rehearing of the California Independent System Operator in the above-referenced docket.

Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Anthony J. Ivancovich', is written over the typed name.

Anthony J. Ivancovich
Counsel for The California Independent
System Operator Corporation

and Information Protocol³ Though no consensus solution emerged from the technical conference, the ISO committed to proposing amendments to its Tariff to address this issue. Accordingly, on August 18, 2003, the ISO submitted Tariff Amendment No. 56 in which the ISO proposed certain reforms to the RMR Scheduling process.

In addition to the changes the ISO proposed in Amendment No. 56 regarding Scheduling RMR Energy, the ISO also proposed to correct an oversight regarding the application of a penalty previously approved by the Commission in Amendment No. 35 See Amendment No. 56 transmittal letter at 9. The Commission expressly rejected the ISO's proposal to modify the way RMR Energy is Scheduled, and directed the ISO to implement a procedure that would allow RMR Owners to schedule RMR Contract Energy for which they cannot find a buyer to a load point designated by the ISO for this purpose However, in its Amendment No. 56 Order, the Commission did not address the issue of the proposed Tariff revisions that the ISO filed to ensure proper and uniform application of the penalty approved in Amendment No. 35⁴ No party opposed the ISO's proposal to apply the penalty approved in Amendment No. 35 to both RMR Market Energy and RMR Contract Energy. In fact, Dynegy included this penalty provision when it proposed revisions to Section 2.12.2.2.

Therefore, the ISO requests that the Commission clarify whether its rejection of Amendment No. 56 was intended to apply only to the RMR Scheduling process

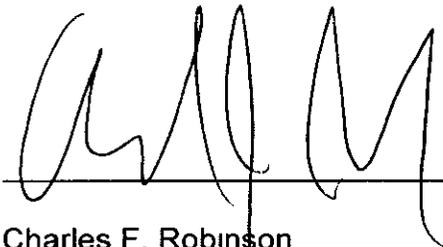
³ *American Electric Power Service Corporation, et al*, 103 FERC ¶ 61,345 (2003) at paragraph 60

⁴ *California Independent System Operator Corporation*, 94 FERC ¶ 61,266 (2001) at ¶ 61,924

or to the ISO's request to uniformly implement the Amendment No. 35 penalty as well. If the Commission determines that its Amendment No 56 Order also rejected the ISO's request to apply the penalty approved in Amendment No. 35 to RMR Contract Energy, then the ISO respectfully submits that the Commission has erred and requests rehearing of this particular issue. As the ISO discussed in the Amendment No. 56 transmittal letter, because the incentives for failing to generate the requested RMR Energy are the same whether the RMR Energy is being paid for under the RMR Contract or through the market, there is no reason to apply the penalty only to RMR Market Energy and not to RMR Contract Energy.

II. CONCLUSION

Wherefore, for the reasons discussed above, the ISO respectfully requests that the Commission grant clarification, and, as necessary, rehearing of the Amendment No. 56 Order, in accordance with the discussion above



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Respectfully submitted,



David B. Rubin

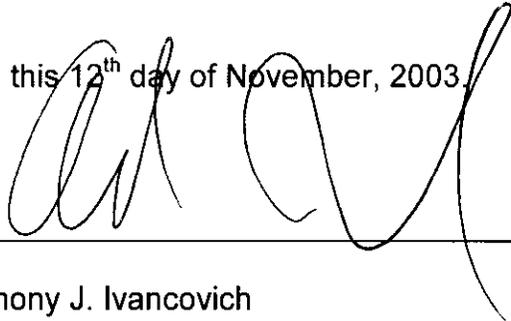
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Dated: November 12, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the above-captioned dockets

Dated at Folsom, California, on this 12th day of November, 2003.



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