

September 5, 2000

The Honorable David P. Boergers  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: California Independent System Operator Corporation, Docket No. ER99-896-000; California Independent System Operator Corporation, Docket No. ER99-1971-000; and California Independent System Operator Corporation, Docket No. ER00-2383-000**

Dear Secretary Boergers:

Enclosed for filing please find an original and fourteen copies of a Notice of Implementation regarding non-payment for uninstructed deviations from awarded Ancillary Services capacity (the "No-Pay" rule) of the California Independent System Operator Corporation ("ISO").<sup>1</sup> The enclosed Notice of Implementation was issued by the ISO on September 1, 2000. The filing of this notice is being made for the information of the Commission.

The No-Pay rule was proposed and approved by the Commission in its orders concerning Amendment Nos. 13 and 14. *See California Independent System Operator Corporation*, 86 FERC ¶ 61,122, 61,417-19 (1999) (Amendment No. 13 order); *California Independent System Operator Corporation*, 87 FERC ¶ 61,208, 61,810-11 (1999) (Amendment No. 14 order). As described in the enclosed notice, implementation was delayed for software

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<sup>1</sup> Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff, as filed August 15, 1997, and subsequently revised.

reasons, and has been tied to the implementation of ten-minute markets since March of this year. The Commission accepted the ISO's ten-minute market proposal in its order on Amendment No. 29, conditioned upon the ISO's extending an exemption from the No-Pay rule to all Participating Loads that execute a Participating Load Agreement. *California Independent System Operator Corporation*, 91 FERC ¶ 61,324, 62,119 (2000).<sup>2</sup>

On August 22, 2000, the ISO issued notice that ten-minute markets would be implemented on September 1, 2000, pursuant to the Commission's order on Amendment No. 29. The ISO filed this notice with the Commission on August 23, 2000. The notice concerning ten-minute markets did not mention the No-Pay rule. Thus, the ISO decided to delay implementation of the No-Pay element of ten-minute markets for an additional ten days until Trade Day September 10, 2000. The ISO announced this September 10 implementation date in the enclosed notice.

The ISO states that the enclosed Notice of Implementation was posted on the ISO Home Page on September 1, 2000, and was sent to all Market Participants via e-mail on that same date. The ISO further states that it has served the Notice of Implementation upon each person designated on the official service lists for the above-referenced dockets, as indicated in the attached certificate of service.

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<sup>2</sup> The exemption described above applied to Participating Loads taking part in the ISO's Summer 2000 trial program. This trial program terminates on October 15, 2000. In evaluating its experience with the Summer 2000 trial program, the ISO will also evaluate the need for a continued exemption from the No-Pay rule for Participating Loads.

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Enclosed please also find a form notice of filing suitable for publication in the Federal Register and a copy of that form notice on a 3.5" diskette. Two extra copies of this filing are also enclosed. Please stamp these copies with the date and time of filing and return them to the messenger.

Respectfully submitted,

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System Operator Corporation

**NOTICE OF FILING SUITABLE FOR PUBLICATION  
IN THE FEDERAL REGISTER**

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

California Independent System <b>Operator Corporation</b>	) )	Docket No. ER99-896-000
<b>California Independent System Operator Corporation</b>	) )	<b>Docket No. ER99-1971-000</b>
<b>California Independent System Operator Corporation</b>	) )	<b>Docket No. ER00-2383-000</b>

**[Not consolidated]**

Notice of Filing

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Take notice that on September 5, 2000, the California Independent System Operator Corporation (ISO) tendered for filing a Notice of Implementation, posted on the ISO Home Page and sent to all Market Participants on August 1, 2000, which specifies that, effective September 10, 2000, the ISO will implement non-payment for noninstructed deviations from awarded Ancillary Services capacity (the "No-Pay" rule).

The ISO states that this filing has been served on all parties listed on the official service lists in the above-referenced dockets.

Any person desiring to be heard to protest said filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 or 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§ 385.211, 385.214). All such motions or protests must be filed in accordance with § 35.9 of the Commission's regulations. Protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room. This filing may also be viewed on the Internet at <http://www.ferc.fed.us/online/rims.htm> (call 202-208-2222 for assistance).

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing Notice upon each person designated on the service lists compiled by the Secretary in the above-referenced dockets.

Dated at Washington, D.C. this 5<sup>th</sup> day of September, 2000.

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Bradley R. Miliauskas