

May 8, 2001

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. ER01-____-____; Amendment No. 1 to Rate Schedule
No. 40

Dear Secretary Boergers:

Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 U.S.C. § 824d (1994), the California Independent System Operator Corporation submits for Commission filing and acceptance an amendment ("Amendment No. 1") to the Interconnected Control Area Operating Agreement ("ICAOA") between the ISO and Nevada Power Company ("NEVP"), as well as an amended ICAOA which incorporates the changes described in Amendment No. 1.

The ISO is requesting a waiver of the 60-day prior notice requirement to allow the enclosed materials to be effective as of January 17, 2001.

I. Purpose of the Amended Interconnected Control Area Operating Agreement

The ICAOA is designed to assist the ISO and NEVP in coordinating the operation and maintenance of their interconnected control areas, in a manner consistent with the North American Electric Reliability Council criteria, Western Systems Coordinating Council Minimum Operating Reliability Criteria, and Good Utility Practice. Amendment No. 1 to the ICAOA is designed to facilitate these functions.

The ISO originally filed the ICAOA with NEVP on April 25, 2000 in Docket No. ER00-2292-000. The Commission accepted the ICAOA by letter order issued June 23, 2000. The ICAOA with NEVP has been designated as Rate Schedule No. 40.

II. Revisions Incorporated In Amendment No. 1 to the ICAOA

The primary purpose of Amendment No. 1 to the ICAOA is to implement the change in Control Area boundary related to the new Merchant Intertie between the ISO and NEVP. The following summarizes the specific revisions incorporated in Amendment No. 1:

- The ZIP code for Nevada Power Company in Section ICAA 1 has been amended to read "89146."
- Section ICAA 3.2.1 has been revised to delete the reference to the deferral of the implementation of the jurisdictional boundary for the Merchant 230 kV Intertie.
- Service Schedule 1 has been revised to delete the reference to the deferral of the implementation of the jurisdictional boundary for the Merchant 230 kV Intertie and to clarify the description of that Intertie.
- Service Schedule 4 has been revised to clarify the description of the operational jurisdiction for the Merchant 230 kV Intertie.
- Service Schedule 5 has been revised to clarify the coordination procedure for switching for the Merchant 230 kV Intertie and additionally to clarify the switching and communication procedures for the Mohave-Laughlin 69 kV Intertie.
- Service Schedule 6 has been revised to indicate that the initial rating of the Merchant Intertie will be 645 MW instead of 598 MW.
- Service Schedule 10 has been revised to clarify the communication procedures for the Mohave-Laughlin 500 kV Intertie and the Merchant 230 kV Intertie and to add a description of the proposed operating procedure and NEVP instructions to facilitate mitigation of excessive fault duty of certain 500 kV circuit breakers at McCullough Substation.

III. Request for Waiver

The ISO respectfully requests a waiver of the Commission's 60-day prior notice requirement, pursuant to Section 35.3 of the Commission's regulations, 18 C.F.R. § 35.3, to allow the enclosed materials to become effective as of January 17, 2001, as provided in Amendment No. 1. Granting the waiver will permit the ISO and NEVP to better coordinate the operation and maintenance of their interconnected control areas, which will enhance power system reliability and the efficiency of the market. Granting the requested waiver, therefore, is appropriate.

IV. 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.

V. Correspondence

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

Roger E. Smith*	Kenneth G. Jaffe
Deborah A. Le Vine	David B. Rubin*
Michael Dozier	Bradley R. Miliauskas
The California Independent	Swidler Berlin Shereff Friedman, LLP
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* Individuals designated for service pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3).

VI. Service

Copies of this filing have been served on all parties that received service of the original ICAOA in Docket No. ER00-2292-000.

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

- (1) the executed Amendment No. 1 to the Interconnected Control Area Operating Agreement between the ISO and NEVP (Attachment A);
- (2) the amended and unexecuted Interconnected Control Area Operating Agreement between the ISO and NEVP (Attachment B), which incorporates the changes described in Amendment No. 1, above, and which is in a format that complies with the Commission's order in *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. and Regs. ¶ 31,096 (2000);
- (3) the amended Interconnected Control Area Operating Agreement between the ISO and NEVP, with the changes contained in Amendment No. 1, above, shown in black-line format (Attachment C);
- (4) a Notice of Filing suitable for publication in the Federal Register (Attachment D), as well as a computer diskette version of the Notice saved in WordPerfect format; and
- (5) a Certificate of Service.

Please contact the undersigned with any questions you may have.

Respectfully submitted,

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