UNITED STATES OF AMERICA FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;

Nora Mead Brownell, Joseph T. Kelliher,

and Suedeen G. Kelly.

California Independent System Operator Docket Nos. ER98-997-004

Corporation ER98-1309-003

California Independent System Operator Docket Nos. ER02-2297-003

Corporation ER02-2298-003

ORDER ON REHEARING

(Issued February 11, 2005)

1. In this order, we deny the California Independent System Operator Corporation's (CAISO) rehearing request of the Commission's September 21 Order. This decision maintains our well-established practice of requiring *pro forma* service agreements to be designated as sheet numbers under an Open Access Transmission Tariff (OATT).

Request for Rehearing

- 2. In the September 21 Order, the Commission conditionally accepted, among other things, the CAISO's compliance filing pursuant to Opinion No. 464 which directed the CAISO to file a *pro forma* Participating Generator Agreement (PGA) designated specifically for Qualifying Facilities (QF's).
- 3. On October 21, 2004, the CAISO filed a rehearing request of the September 21 Order. The CAISO states that it is not seeking rehearing of the Commission's acceptance of CAISO's compliance filing. It is, however, requesting rehearing on the limited issue of the Commission's directive requiring the CAISO to designate *pro forma* QF-PGA as part of its OATT. Specifically, the Commission stated that the CAISO's proposed QF PGA did not comply with the requirements of section 35.9 of the Commission's regulations, and therefore directed the CAISO to designate the *pro forma* QF PGA as sheet numbers under the CAISO's OATT.²

 $^{^1}$ California Independent System Operator Corporation, 108 FERC \P 61,273 (2004) (September 21 Order).

² *Id.* at P 27.

4. On rehearing, the CAISO contends that the Commission has "overlooked prior, well-established practice" of not designating pro forma service agreements as sheet numbers under the CAISO tariff. The CAISO further elaborates that its pro forma agreements, including the standard pro forma PGA on which it's QF PGA was fashioned, have not been designated as sheet numbers under the CAISO tariff. The CAISO contends that they have instead been designated with single service agreement numbers with the requisite information delineated only on the cover sheet with the service agreement designation, as required by section 35.9 of the Commission's regulations.³ In addition, CAISO argues, several of its service agreements, namely: (1) the Utility Distribution Company Operating Agreement; (2) the Meter Service Agreement for Scheduling Coordinators; (3) the Meter Service Agreement for ISO Metered Entities; (4) the Participating Load Agreement, (5) the Dynamic Scheduling Agreement for Scheduling Coordinators, and (6) the Dynamic Scheduling Host Control Area Operating Agreement have been accepted by the Commission, without sheet designation under the CAISO OATT. Therefore, the CAISO contends, the same treatment should be extended to the QF PGA.

Commission Conclusion

5. We will deny the CAISO's request for rehearing. Section 35.9 is applicable to actual service agreements that are entered into with other parties, which are required to be filed and designated as service agreements under the tariff.⁴ Section 35.10a of the Commission's Regulations requires that a public utility include as part of its applicable tariff an unexecuted standard service agreement approved by the Commission for each category of generally applicable service offered by the public utility under its tariff.⁵ Therefore, the *pro forma* QF PGA, and any other *pro forma* agreements that the Commission has approved for the CAISO to enter into service agreements under its tariff, must be included in the tariff.⁶ Accordingly, to the extent that the CAISO has

³ CAISO Rehearing Request at 2, *referencing* section 35.9(b)(4) and (b)(5) of the Commissions regulations applicable to service agreements.

⁴ Only service agreements that deviate from the *pro forma* agreement are required to be filed. If there are no deviations, the service agreement is reported on electronic quarterly reports.

⁵ 18 C.F.R. § 35.10a (2004).

⁶ The Commission did assign tariff sheet designations for the Meter Service Agreement for Scheduling Coordinators and the Meter Service Agreement for ISO Metered Entities, 90 FERC \P 61,186 (2000). No designations have been found for the other *pro forma* agreements listed by the CAISO.

Commission-approved *pro forma* service agreements that are not included in its tariff, the Commission will direct the CAISO to file, within 60 days of the date of this order, each of those *pro forma* agreements with the appropriate sheet number designations for inclusion in its tariff as required in § 35.10a.⁷

The Commission orders:

- (A) The CAISO's rehearing request is hereby denied, as discussed in the body of this order.
- (B) The CAISO is hereby directed to designate the Utility Distribution Company Operating Agreement, the Meter Service Agreement for Scheduling Coordinators, the Meter Service Agreement for ISO Metered Entities, the Participating Load Agreement, the Dynamic Scheduling Agreement for Scheduling Coordinators, and the Dynamic Scheduling Host Control Area Operating Agreement as sheet numbers under the CAISO's OATT, as discussed in the body of this order.

By the Commission.

(SEAL)

Linda Mitry, Deputy Secretary.

⁷ In a compliance filing submitted on October 21, 2004 in these dockets, the CAISO included the *pro forma* QF PGA with tariff sheet number designations for inclusion in the CAISO tariff.