

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
William L. Massey, and Nora Mead Brownell.

Salt River Project Agricultural Improvement  
and Power District

Docket No. EL03-171-000

ORDER GRANTING MOTION TO DISMISS

(Issued August 12, 2003)

**I. Introduction**

1. In this order, we grant an unopposed motion by Salt River Project Agricultural Improvement and Power District (Salt River) to dismiss it as a respondent to the Order to Show Cause Concerning Gaming and/or Anomalous Market Behavior issued on June 25, 2003,<sup>1</sup> with respect to the alleged practice of Circular Scheduling (sometimes referred to as "Death Star").

**II. Background**

2. In the June 25 Order, the Commission found that over 50 market participants appeared to have engaged in certain conduct that constituted Gaming Practices that violated the California Independent System Operator Corporation (ISO) and California Power Exchange Corporation (PX) tariffs. The order instituted a trial-type evidentiary proceeding before an administrative law judge (ALJ), where the respondents could show cause why their behavior during the period January 1, 2000 to June 20, 2001 did not violate the ISO and PX tariffs. One practice identified by the order as relating to the ISO and PX tariffs was Circular Scheduling.<sup>2</sup> Attachment B to the June 25 Order identified the market participants alleged to have engaged in Circular Scheduling, including Salt

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<sup>1</sup>American Electric Power Service Corp., et al., 103 FERC ¶ 61,345 (2003) (June 25 Order), reh'g pending.

<sup>2</sup>See June 25 Order, 103 FERC ¶ 61,345 at P 34-36, 41, 43 and 46-47.

River, citing the ISO Report and studies by Dr. Peter Fox-Penner on behalf of the California Parties.<sup>3</sup>

3. On July 23, 2003, Salt River filed a motion to dismiss and a request for expedited consideration. Salt River asks the Commission to remove its name from Attachment B and summarily dismiss it as a respondent with respect to the alleged practice of Circular Scheduling. According to Salt River, neither the ISO analyses nor Dr. Fox-Penner allege that Salt River may have engaged in Circular Scheduling. Further, Salt River states that the supporting transaction data filed by the ISO<sup>4</sup> contains no evidence that it may have engaged in Circular Scheduling. Salt River states that the California Parties and the Commission's Trial Staff have authorized Salt River to state that they do not oppose removal of Salt River's name from Attachment B and the dismissal of Salt River as a respondent with respect to Circular Scheduling. No answers in opposition to Salt River's motion were filed.

4. On August 1, 2003, Salt River filed a request for permission to lodge an e-mail, dated July 31, 2003, from the Litigation Counsel for the ISO to Salt River, stating that the ISO had reviewed the matter and agreed that the ISO Report does not indicate that Salt River engaged in Circular Scheduling.

### **III. Discussion**

5. Attachment B of the June 25 Order listed Salt River as a market participant alleged to have engaged in Circular Scheduling, based on the ISO Report and the testimony of Dr. Fox-Penner on behalf of the California Parties. However, the ISO and the California Parties – the sponsors of the ISO Report and Dr. Fox-Penner's testimony, respectively – agree that the ISO Report and Dr. Fox Penner's testimony do not indicate that Salt River engaged in Circular Scheduling.<sup>5</sup> Further, neither Trial Staff nor any party opposes Salt

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<sup>3</sup>Id. at P 8 & n.11 (citing the ISO Report), P 34 & n.51 (basis for identifying the market participants). The California Parties consist of the Attorney General of California, the California Electricity Oversight Board, the Public Utilities Commission of the State of California, Pacific Gas and Electric Company, and Southern California Edison Company.

<sup>4</sup>On July 17, 2003, in Docket No. EL03-137-000, et al., the ISO submitted supporting transaction data pursuant to the June 25 Order. Id. at P 72.

<sup>5</sup>We also note that the Commission Staff's Final Report on Price Manipulation in Western Markets: Fact-Finding Investigation of Potential Manipulation of Electric and Natural Gas Prices, Docket No. PA02-2-000 (March 26, 2003) does not identify Salt

(continued...)

River's motion. Accordingly, we will grant Salt River's motion to dismiss it as a show cause respondent with respect to the alleged practice of Circular Scheduling, as ordered below.

The Commission orders:

Salt River's motion to dismiss it as a respondent to the June 25 Order with respect to the alleged practice of Circular Scheduling is hereby granted.

By the Commission.

( S E A L )

Linda Mitry,  
Acting Secretary.

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<sup>5</sup>(...continued)  
River as an alleged participant in Circular Scheduling.