

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

Southern California Edison Company)	Docket Nos. ER12-1302-000
California Independent System Operator)	ER12-1305-000
Corporation)	(consolidated)
)	ER12-1312-000

**REPLY COMMENTS OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 602 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.602 (2013), the California Independent System Operator Corporation (“ISO”) submits these reply comments to address an administrative concern raised in the Commission Trial Staff’s Comments Supporting Settlement Agreement (“Staff Comments”), which were submitted in these proceedings on January 7, 2014.

Trial Staff recommends certification and approval of both of the settlements filed in these proceedings on December 18, 2013 (Staff Comments at 1), but raises an administrative point regarding the settlement by and among the ISO, San Diego Gas & Electric Company (“SDG&E”) and the Nevada Hydro Company, Inc. (“Nevada Hydro”) (the “SDG&E Settlement Agreement”), as it affects the notice of termination of the LGIA between those parties. The ISO respectfully submits that Trial Staff’s administrative point is not a concern, and in any event should not impede certification and approval of the SDG&E Settlement Agreement.

The March 21, 2012 notice of termination of the LGIA between the ISO, SDG&E, and Nevada Hydro was permitted to become effective on August 11, 2012, subject to

refund and to the outcome of hearing and settlement judge procedures. Southern California Edison Co., et al., 140 FERC ¶ 61,117 at P 1 (2012). Article III, Section 1 of the SDG&E Settlement Agreement provides that when the settlement becomes effective pursuant to its terms, the notice of termination of the LGIA between the ISO, SDG&E, and Nevada Hydro “shall be deemed to be withdrawn in its entirety.” Trial Staff expresses the concern that because the notice of termination has already been made effective, it may be necessary for the parties “to explore alternatives to achieve the desired result sought by this settlement[,]” such as by refiling the underlying LGIA to reinstate it. Staff Comments at 7. Notwithstanding this concern, Trial Staff supports the settlement and recommends its approval. Id.

The ISO does not believe that reinstatement of the LGIA should require refiling, as it already is on file with the Commission. Even if the Commission were to determine that the LGIA should be refiled as a housekeeping matter in order to reinstate the agreement as previously filed with and accepted by the Commission in Nevada Hydro Co., et al., 129 FERC ¶ 61,098 (2009), this should not delay certification and approval of the SDG&E Settlement Agreement, which is supported by Trial Staff and not opposed by any participant in these proceedings.

WHEREFORE, the ISO respectfully requests that the SDG&E Settlement Agreement be certified and approved, according to its terms.

Respectfully submitted,

/s/ Robert B. Wolinsky

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January 17, 2014

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 this proceeding pursuant to 18 C.F.R. § 385.2010(f)(2) (2013).

Dated at Washington, D.C., this 17th day of January, 2014.

/s/ Kevin M. Downey

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