

**ORIGINAL**

PUBLIC VERSION (Privileged Information Is Not Included)

SECRETARY  
02 JAN 28 PM 3: 52  
FEDERAL ENERGY  
REGULATORY COMMISSION

January 28, 2002

Ms. Magalie Roman Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

EC02-45-000

Dear Ms. Salas:

Pursuant to Section 203 of the Federal Power Act ("FPA")<sup>1</sup> and Part 33 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") Regulations (18 C.F.R. § 33), Southern California Edison Company ("SCE") and the California Independent System Operator Corporation ("ISO") (jointly, the "Applicants"), hereby file a joint application for authority to transfer operational control of certain jurisdictional transmission facilities from SCE to the ISO.<sup>2</sup>

In Section 7 below, SCE requests privileged treatment of the single-line diagrams attached as Attachment B as required by Section 33.2(h).

I. Summary of Proposed Transfer.

The transmission facilities being transferred consist of thirty-five additions and one change that have been made to SCE transmission facilities since those facilities were originally placed under the operational control of the ISO as part of the restructuring of

<sup>1</sup> 16 U.S.C. §824b.

<sup>2</sup> Fed. Power Act §203 ("No public utility shall sell, lease, or otherwise dispose of the whole of its facilities subject to the jurisdiction of the Commission or any part thereof of a value in excess of \$50,000 ... without first having secured an order of the Commission authorizing it to do so."); Transmission Control Agreement ("TCA") § 4.5.1 ("If the ISO determines that it requires Operational Control over additional transmission lines and associated facilities not then constituting part of the ISO Controlled Grid in order to fulfill its responsibilities in relation to the ISO Controlled Grid, then the ISO shall apply to FERC pursuant to Section 203 of the Federal Power Act...").

LW020150038

020130-0230-1

AS  
DOCKETED

the electricity market in California.

SCE submitted a list of the facility additions and change to the ISO and the ISO has updated the ISO Transmission Register (ISO Register) accordingly.

As explained in Section 2(g) below, the proposed transfer of operational control of these facilities to the ISO is in the public interest. FERC approved transfer of the underlying transmission facilities in an October 1997 decision.<sup>3</sup> As with the underlying transmission facilities, the assets at issue here are part of the integrated transmission network and not local distribution facilities and need to be placed under ISO operational control so that the ISO can operate the system in a safe, reliable and efficient manner. Moreover, in accordance with the TCA and the ISO Tariff, when additions are made to transmission facilities that are already under the operational control of the ISO, those additions automatically would be subject to ISO operational control.<sup>4</sup>

2. Section 33.2 Requirements.

In support of this Application and in accordance with Section 33.2 of the Commission's regulations, SCE and the ISO submit the following information:

(a) The Exact Names and the Addresses of the Principal Business Offices of the Applicants.

Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770

California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630

<sup>3</sup> *Pacific Gas & Elec. Co. et al.*, 81 FERC ¶ 61,122 at 61, 559 (1997) ("In light of these developments, and subject to the following conditions, we grant interim Section 203 authorization for the transfer of operational control of the Companies' transmission facilities, identified in Appendix A to the Transmission Control Agreement.") ("October 30, 1997 Decision").

<sup>4</sup> ISO Tariff § 3.2.8.1; TCA §§ 4.5.4, 11.

(b) Names and Addresses of the Persons Authorized to Receive  
Notices and Communications in Respect to Application.

SCE:

Michael D. Mackness, Esq.  
Joanna Moore, Esq.  
Southern California Edison Company  
P.O. Box 800  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
(626) 302-1418  
(626) 302-2050 (Fax)  
joanna.moore@sce.com

and

Richard L. Roberts, Esq.  
Steptoe & Johnson, LLP  
1330 Connecticut Avenue, N.W.  
Washington, D.C. 20036  
(202) 429-3000  
(202) 261-9823 (Fax)  
rroberts@steptoe.com

ISO:

Gene Waas, Regulatory Counsel  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630  
(916) 608-7049  
(916) 608-7296 (Fax)  
gwaas@caiso.com

and

Deborah A. Le Vine  
Director of Contracts  
California Independent System Operator Corporation  
151 Blue Ravine Road  
Folsom, California 95630  
(916) 351-2144  
(916) 351-2487 (Fax)  
dlevine@caiso.com

(c) Description of the Applicants.

SCE is a public utility, whose service territory is located in 14 counties in Central and Southern California, consisting of Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Mono, Orange, Riverside, San Bernardino, Santa Barbara, Tulare, and Ventura Counties.

The ISO is a non-profit public benefit corporation organized under the laws of the State of California and responsible for the reliable operation of a transmission grid that generally comprises the systems of Pacific Gas and Electric Company, SCE, and San Diego Gas & Electric Company.

Applicants respectfully request waiver of the Commission's requirement pursuant to Section 33.2(c) of the Commission's Regulations to file Exhibits A, B, C, D and F. Given the nature of this Application, to transfer operational control of certain jurisdictional facilities from SCE to the ISO, the information required in these exhibits is inapplicable or irrelevant. For instance, with respect to the information required by Section 33.2(c)(3) to be identified in Exhibit C, transferring operational control of the facilities at issue does not affect the corporate structure of any party to the transaction. Likewise, the proposed transfer of operational control will not affect any of the Applicants' business interests and thus the information required in Section 33.2(c)(4) to be identified in Exhibit D is not relevant. Such a waiver is consistent with the Commission's Notice of Proposed Rulemaking: Revised Filing Requirements under 18 C.F.R. Part 33,<sup>3</sup> in which the Commission proposed to streamline the filing requirements associated with applications filed under Section 203 of the FPA. Good cause exists to waive the requirement to file these exhibits because they are not necessary for the Commission to render a decision on this Application.<sup>6</sup>

---

<sup>3</sup> 63 Fed. Reg. 20340 (1998).

<sup>6</sup> See *PSI Energy, Inc.*, ¶ 62,131 at 63,342 (1992) (waivers of filing requirements granted because applicant provided sufficient information to evaluate the proposed transaction).

With regard to Section 33.2(c)(b), which requires SCE to identify in Exhibit E any common officers or directors of parties to the proposed transaction, there are no such officers or directors.

(d) Description of the Jurisdictional Facilities Owned or Operated for Transmission of Electric Energy in Interstate Commerce or for the Sale of Electric Energy at Wholesale in Interstate Commerce.

SCE owns or functionally operates approximately 5,000 circuit-miles of interconnected transmission lines of 230 kV and greater, as well as approximately 1300 circuit miles of lower voltage integrated transmission facilities under ISO operational control. Effective April 1, 1998, operational control of SCE's integrated transmission facilities was transferred to the ISO. In addition, SCE owns and operates 38 hydroelectric plants, an undivided 75.05% interest in Units 2 and 3 at the San Onofre Nuclear Generating Station, and a 56% undivided interest in the Mohave Generating Station. SCE also owns a 48% undivided interest in Units 4 and 5 at the Four Corners Generating Station and a 15.8% share of the Palo Verde Nuclear Generating Station; both of these stations are operated by other utilities.

The ISO is a non-profit public benefit corporation organized under the laws of the State of California and responsible for the reliable operation of a transmission grid that generally comprises the systems of Pacific Gas and Electric Company, SCE, and San Diego Gas & Electric Company.

(e) Description of Proposed Transaction for Which Commission Authority Sought.

(1) Identity of all Parties Involved in the Transaction.

This Application, supplementing SCE's Section 203 filing made in April 1996, seeks authority to make certain additions and a change to the jurisdictional facilities under the "operational control" of the ISO. SCE and the ISO are the only parties to the proposed transaction. The Application does not seek authority for SCE to sell or lease

these facilities to the ISO or for the ISO to sell or lease these facilities to SCE, nor for a merger or consolidation of the facilities.

(2) Description of Jurisdictional Facilities Subject to Application.

The jurisdictional transmission facilities of which SCE proposes to transfer operational control are listed in Attachment A, which is attached to this Application. Attachment A contains the information that Section 33.2(e)(2) requires to be identified in Exhibit H. As Attachment A shows, SCE has made 35 additions to the transmission facilities that comprise the ISO controlled grid since its previous Section 203 filing in April 1996, proposing to transfer transmission facilities to the ISO. The additions consist of new capacitors and capacitor banks, circuit breakers, a transformer bank and a transmission line.

In addition, a reconfiguration of the system changed the function of a facility. The facility once serving a radial function now is integrated as part of the ISO controlled grid. Specifically, at the Control Substation, a line position that originally served a non-ISO substation was reconfigured and is now functioning in parallel as an ISO bus tie and should be designated under ISO operational control.

In addition to the facilities listed in Attachment A, SCE has also removed from service a facility that was under ISO operational control after a study showed that the facility was no longer needed under the current system configuration and other lower cost facilities could better serve the same function. In addition, the function of certain facilities that were under ISO operational control has changed as a result of a reconfiguration of the system and those facilities are no longer under ISO operational control. These changes were never listed on the ISO Register. SCE's next rate filing will be consistent with these changes.

(3) Consideration for the Transaction.

Because the Application seeks only to transfer operational control of certain jurisdictional facilities and does not seek to sell or lease such facilities, no consideration is required for the transaction.

(4) Effect of Transaction on Jurisdictional Facilities.

As explained in Section 33.2(e)(1), the only effect of the transaction on the jurisdictional facilities at issue is that operational control of such facilities will be transferred to the ISO.

(f) All Contracts to the Proposed Transaction and any Other Written Instruments to be Entered into by Applicants.

The documents identified by Section 33.2(f) to be filed in Exhibit I do not exist for the proposed transaction. There are no other contracts or written instruments to be entered into by Applicants relating to the proposed transaction.

(g) Facts Relied Upon to Show Transfer is in the Public Interest.

Under Section 203 of the FPA, certain dispositions of jurisdictional facilities require FERC approval.<sup>7</sup> The Commission has held that it must be notified by the filing of a Section 203 application of the subsequent transfers of operational control of jurisdictional facilities between the ISO and participating transmission owners.<sup>8</sup>

When a disposition involves a transaction other than a merger, FERC does not apply any specific uniform criteria in considering whether the transaction conforms to the statutory standard, "consistent with the public interest."<sup>9</sup> An applicant does not need to demonstrate that a transaction will have a positive benefit for the public in order to

---

<sup>7</sup> 16 U.S.C. § 824b.

<sup>8</sup> October 30, 1997 Decision at 61,560.

<sup>9</sup> 16 U.S.C. § 824b.

comply with Section 203.<sup>10</sup> It is necessary only that the transaction be compatible with the public interest.<sup>11</sup> The Commission must approve any transaction that meets this standard.<sup>12</sup> The proposed transfer of operational control to the ISO of the transmission facilities subject to this Application meets this statutory standard.

Here, the facilities being transferred from SCE to the ISO consist for the most part of additions to SCE's transmission facilities already under ISO operational control. In its October 30, 1997 Decision, the Commission approved transfer of the jurisdictional transmission facilities of SCE, PG&E and SDG&E to the operational control of the ISO.<sup>13</sup> The Commission approved SCE's application of the seven-factor test set forth in the Commission's Order No. 888<sup>14</sup> to determine whether its facilities were transmission or local distribution. Facilities that were part of the integrated transmission network and not local distribution facilities needed to be placed under ISO operational control so that the ISO could operate the system in a safe, reliable and efficient manner. As with the underlying transmission facilities, applying the seven indicators, the additions at issue qualify as transmission facilities and accordingly should be part of the ISO controlled grid.

In fact, because of the nature of the facilities being transferred, transfer to ISO operational control should be automatic. According to the TCA and the ISO Tariff, additions to facilities that are part of the ISO controlled grid are automatically subject to ISO operational control. Section 4.5.4 of the TCA provides:

<sup>10</sup> *Northeast Utils. Serv. Co. v. FERC*, 993 F.2d 937, 950 (1<sup>st</sup> Cir. 1993).

<sup>11</sup> *See, e.g., Pacific Power & Light Co. v. FPC*, 111 F.2d 1014, 1016-17 (9<sup>th</sup> Cir. 1940).

<sup>12</sup> *Id.*

<sup>13</sup> October 30, 1997 Decision at 61,559-61,560.

<sup>14</sup> Order No. 888, FERC Statutes & Regs. ¶ 31,026 at 31,771 (1996). In Order No. 888, the Commission identified the following functional/technical indicators for local distribution facilities, as opposed to transmission facilities: (1) Local distribution facilities are normally in close proximity to retail customers; (2) Local distribution facilities are primarily radial in character; (3) Power flows into local distribution systems; it rarely, if ever, flows out; (4) When power enters a local distribution system, it is not reconsigned or transported on to some other market; (5) Power entering a local distribution system is consumed in a comparatively restricted geographical area; (6) Meters are based at the transmission/local distribution interface to measure flows into the local distribution system; and (7) Local distribution systems will be of



"Any transmission expansion projects carried out pursuant to Section 3.2 of the ISO Tariff shall be subject to the ISO's Operational Control from the date that it goes into service or after such period as the ISO deems to be reasonably necessary for the ISO to integrate the project into the ISO Controlled Grid."<sup>15</sup>

Likewise, Section 3.2.8.1 of the ISO Tariff provides that "All transmission additions and upgrades in accordance with this Section 3.2 shall form part of the ISO Controlled Grid and shall be operated and maintained by a Participating TO in accordance with the Transmission Control Agreement."

Finally, the transfer of a facility, whose function has changed as a result of reconfiguration of the system, should be approved. The Commission acknowledged in a November 26 decision that "the initial delineation of facilities that are subject to ISO control can change as the uses of the facilities change."<sup>16</sup> The TCA provides that the ISO does not need to exercise operational control over radial facilities, while ISO control over facilities that operate in parallel is necessary for the reliable functioning of the ISO controlled grid.<sup>17</sup> As described in Section 2(f), a line position that originally served a non-ISO substation was reconfigured and is now functioning as an ISO bus tie in parallel with the transmission system.

Consistent with the ISO Tariff and TCA and Order No. 888's seven-factor test, the ISO has agreed with the additions and change SCE submitted and has updated the ISO

---

reduced voltage.

<sup>15</sup> See also TCA § 11 ("The provisions of Section 3.2 of the ISO Tariff will apply to any expansion or reinforcement of the ISO Controlled Grid affecting the transmission facilities of the Participating TOs placed under the Operational Control of the ISO.").

<sup>16</sup> *Pacific Gas & Elec. Co. et al.*, 77 FERC ¶ 61,204, at 61,822 (1996).

<sup>17</sup> TCA § 4.7.1 ("... the ISO may relinquish its Operational Control over any transmission lines and associated facilities constituting part of the ISO Controlled Grid if ... the ISO determines that it no longer requires to exercise Operational Control over them in order to meet its Control Area responsibilities and they constitute ... directly assignable radial lines and associated facilities interconnecting Generation ...").

Register to reflect those modifications.<sup>18</sup> Specifically, the ISO has updated the ISO Register to reflect that it has assumed operational control of the 35 added facilities. The ISO also recorded the change in function of one of the facilities. Finally, upon the Commission's approval of this Application, the ISO will make a compliance filing amending the diagrams incorporated in Appendix A of the TCA showing Edison's facilities placed under the ISO's operational control.

As shown above, Applicants submit that the modifications at issue here are consistent with, and indeed affirmatively promote, the public interest and should be approved.

(h) Single-Line Diagrams.

One-line diagrams of the facilities being transferred are appended to this Application as Attachment B. Attachment B contains the information that Section 33.2(h) requires to be identified in Exhibit K. SCE is seeking protection from public disclosure of these diagrams pursuant to Sections 33.9 and 388.112 of the Commission's Regulations.

(i) Statement as to the Other Required Regulatory Approvals.

No other Federal or State regulatory body is required to pass upon the lawfulness of this transaction. Nevertheless, upon approval of the proposed transfers by the Commission, SCE will submit an application to the California Public Utilities Commission (CPUC) under Section 851 of the California Public Utilities Code or request an order confirming that the CPUC lacks jurisdiction to review transfers of purely FERC-jurisdictional facilities.

3. Section 33.5 – Proposed Accounting Entries.

Applicants respectfully request waiver of this requirement. Neither SCE nor the

---

<sup>18</sup> TCA § 4.2.3 ("The ISO Register shall be updated by the end of the next business day to reflect each addition or removal of a facility or entitlement from the ISO's Operational Control.").

ISO is transferring ownership of the facilities that are the subject of this Application and neither SCE's nor the ISO's transfer of operational control of the jurisdictional facilities will have any impact on SCE's or the ISO's financial records. Thus, the cost of the facilities at issue in this Application should not be material to the Commission's review of whether this Application is in the public interest. To the extent the transfer of operational control of the subject facilities impacts SCE's or the ISO's rates for jurisdictional service, SCE or the ISO will address any such impact in its next FERC rate case.

4. Section 33.6 – Form of Notice.

A form of notice concerning the Application suitable for issuance in the Federal Register is included in the filing package accompanying this Application, together with an electronic version of the notice on a 3.5" diskette in Word Perfect format.

5. Section 33.7 – Verification

A verification signed under oath by each Applicant is included in the filing package accompanying this Application.

6. Section 33.8 – Number of Copies.

An original and eight copies of this Application are being submitted. Because SCE is submitting a public and non-public version of the filing, pursuant to Section 388.112(b)(ii), the original and three of the eight copies are of the non-public version of the filing.

7. Request for Privileged Treatment of Documents Submitted to the Commission.

SCE is requesting, pursuant to Section 388.112 (18 C.F.R. § 388.112) and Section 33.9 (18 C.F.R. § 33.9) of the Commissions Regulations, privileged treatment of the single line diagrams depicting in different colors the facilities that are subject to the proposed transfer of operational control from SCE to the ISO. As required by Section

33.2(h), SCE has attached the diagrams as Exhibit K. SCE is concerned that allowing public disclosure of the detailed operational information contained in the single line diagrams will present a security risk, particularly in light of the September 11, 2001 terrorist attacks. In line with SCE's concerns, FERC has issued a Statement of Policy on Treatment of Previously Public Documents in Docket No. PL02-1-000, recognizing that the September 11 attacks justifies a reconsideration of treatment of certain documents that have previously been made available to the public, such as maps detailing the specifications of jurisdictional facilities. Here, the single line diagrams at issue provide detailed and sensitive information regarding the location of critical assets needed to serve load and accordingly they should be exempt from public disclosure.

In accordance with Section 33.9, SCE is attaching a proposed protective order as Attachment C.

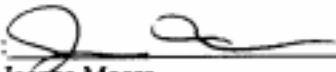
The SCE individuals identified in Section 33.2(b) may be contacted regarding the request for privileged treatment of the single line diagrams.

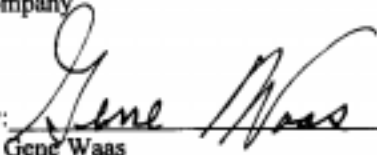
#### 8. Conclusion

SCE and the ISO respectfully request that the Commission approve this Application and authorize the proposed transfer of operational control over the transmission facilities identified in this filing from SCE to the ISO because such transfers are consistent with the public interest. Pursuant to Section 33.10 of the Commission's

regulations, Applicants request that the Commission accept this Application for filing, to be effective 45 days after the date of filing.

Very truly yours,

By:   
Joanna Moore  
Attorney for Southern California Edison  
Company

By:   
Gene Waas  
Attorney for California Independent System  
Operator Corporation

GW/JM:scp:Document1.doc  
Enclosures

UNITED STATES OF AMERICA  
 FEDERAL ENERGY REGULATORY COMMISSION

Mailing List

NAME	ADDRESS
Public Utilities Commission State of California Legal Division	State Building 505 Van Ness Avenue San Francisco, California 94102
California Independent System Operator Corporation	151 Blue Ravine Road Folsom, California 95630

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison Company)                   Docket No. EC02-  
and California Independent System     )  
Operator Corporation                    )

NOTICE OF FILING  
(January \_\_, 2002)

Take notice, that on January \_\_, 2002, Southern California Edison Company ("SCE") and the California Independent System Operator Corporation ("ISO") tendered for filing in accordance with Part 33 of the Federal Energy Regulatory Commission's Regulations (18 CFR § 33) a joint application pursuant to Section 203 of the Federal Power Act for authority to transfer operational control of certain facilities from SCE to the ISO. The transmission facilities primarily consist of capacitors, capacitor banks and circuit breakers that have been added to the transmission system. The subject transfers will have no effect on SCE's or the ISO's other jurisdictional facilities or services and are compatible with the public interest. SCE is seeking privileged treatment of certain single line diagrams, required by the Commission's regulations to be attached as an Exhibit to the Application, that depict the jurisdictional facilities at issue.

SCE and the ISO request that the Commission accept this Application for filing, to become effective 45 days after the date of filing. A copy of this filing was served upon the Public Utilities Commission of the State of California and the ISO.

Any person desiring to be heard or to protest this application 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 and 214 of the Commission's Rules of Practice and Procedure (18 CFR §§ 385.211, 385.214). All such motions or protests should be filed on or before \_\_\_\_\_. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this Application are on file with the Commission and are available for public inspection. This filing may also be viewed on the Commission's web site at <http://www.ferc.gov> using the "RIMS" link, select "Docket #" and follow the instructions (call 202-208-2222 for assistance). Comments, protests and interventions may be filed electronically via the internet in lieu of paper. See, 18 CFR 385.2001 (a) (1) (iii) and the instructions on the Commission's web site under the "e-filing" link.

**ATTACHMENT A**

**(Exhibit H – Description of Facilities Subject to Application)**



**SOUTHERN CALIFORNIA EDISON COMPANY  
LIST OF CHANGES TO ISO-CONTROLLED FACILITIES**

<u>LOCATION</u>	<u>CAUSE</u>	<u>DESCRIPTION</u>	<u>FROM</u>	<u>TO</u>
ANTELOPE-BAILEY	ADD	1 220 KV CAPACITOR W/CB @ ANTELOPE, Pos. No. 1X		ISO
	ADD	1 66 KV CAPACITOR W/CB @ ANTELOPE, Pos. No. 19		ISO
	ADD	1 66 KV CAPACITOR @ MONOLITH, Pos. No. 10		ISO
BARRE	ADD	220 KV CAPACITOR BANK W/1 CB, Pos. No. 13		ISO
CHINO	ADD	220 KV CAPACITOR BANK W/1 CB, Pos. No. 6		ISO
CONTROL	CHG	1 55 KV BUS TIE W/CB @ Pos. No.8	N-ISO	ISO
	ADD	1 CB @ 115KV BANK POSITION No. 5		ISO
DEVERS	ADD	220 KV CAPACITORS (1B) @ DEVERS, Pos. No. 10		ISO
	ADD	220 KV CAPACITORS (3A/3B) W/CB @ DEVERS, Pos. 2X		ISO
	ADD	CAPACITOR BANK W/ 1 CB @ MIRAGE, Pos. No. 7		ISO
	ADD	1 CB @ MIRAGE POSITION NO. 2		ISO
	ADD	1 115KV CAPACITOR W/1 CB @ DEVERS, POS. NO. 9		ISO
ELDORADO	ADD	2 CB @ ELDORADO 220 KV SUBSTATION @ POS #1		ISO
	ADD	1 220 KV ELDORADO-MERCHANT LINE @ Pos. No. 1		ISO
EL NIDO/ CHEVMAIN	ADD	220 KV SHUNT CAPACITOR W/CB @ EL NIDO, Pos. No. 2X		ISO
GOULD	ADD	220 KV CAPACITOR BANK W/ 1 CB, Pos. No. 6		ISO
KRAMER	ADD	ISO CAPACITOR BANK W/CB AT KRAMER 220 KV, Pos. No. 1X		ISO
LA CIENEGA	ADD	1 220 KV CAPACITOR BANK W/ 1 CB, Pos. No. 1		ISO
LAGUNA	ADD	1 220 KV CAPACITOR BANK W/ 1 CB,		ISO

BELL		Pos. No. 10		
MIRA LOMA	ADD	220 KV CAPACITOR BANK W/1 CB, Pos. No. 17		ISO
	ADD	220 KV CAPACITOR BANK W/1 CB, Pos. No. 4X		ISO
	ADD	2 CB @ Pos. No. 9		ISO
MOORPARK	ADD	220 KV CAPACITOR BANK W/ 1 CB @ MOORPARK, Pos. 14		ISO
OLINDA	ADD	220 KV CAPACITOR BANK W/ 1 CB, Pos. No. 1		ISO
PADUA	ADD	220 KV CAPACITOR BANK W/ 1 CB, Pos. No. 9		ISO
RIO HONDO	ADD	220 KV CAPACITOR BANK W/ 1 CB (6A/6B), Pos. No. 10		ISO
SAN BERNARDINO	ADD	220 KV CAPACITOR BANK W/ 1 CB (3A/3B), Pos. No. 1		ISO
SANTA CLARA	ADD	220 KV CAPACITOR BANK W/CB AT SANTA CLARA, Pos. No. 12		ISO
SAUGUS	ADD	220 KV CAPACITOR BANK W/ CB AT PARDEE, Pos. No. 5		ISO
SERRANO	ADD	2 - 500 KV CB @ Pos. Nos. 2 and 3		ISO
	ADD	1 - 500 KV TRANSFORMER BANK (3AA), Pos. No. 3		ISO
VICTOR 115	ADD	115 KV CAPACITOR BANK W/CB (4A/4B), Pos. No. 1B		ISO
VINCENT	ADD	220 KV CAPACITOR BANK W/CB (1A/1B), Pos. No. 8		ISO
VILLA PARK	ADD	220 KV CAPACITOR BANK W/CB (5A/5B), Pos. No. 6		ISO
VISTA 115	ADD	220 KV CAPACITOR BANK W/ 1 CB, Pos. No. 1X		ISO
WALNUT 66	ADD	220 KV CAPACITOR BANK W/ CB @ WALNUT 220, Pos. No. 1X		ISO

ADD=ADDED
CHG=CHANGES
RMV=REMOVE

PUBLIC VERSION (Privileged Information Is Not Included)

**ATTACHMENT B**

**(Exhibit K – One-Line Diagrams of the Facilities)**

LW020150038

**ATTACHMENT C**

**(Proposed Protective Order)**

LW020150038

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

Southern California Edison Company and ) California Independent System Operator ) Corporation ) )	Docket No. EC02-
--	------------------

**[PROPOSED] PROTECTIVE ORDER**

1. This Protective Order shall govern the use of all Protected Materials produced by, or on behalf of, any participant. Notwithstanding any order terminating this proceeding, this Protective Order shall remain in effect until specifically modified or terminated by the Presiding Administrative Law Judge ("Presiding Judge") or the Federal Energy Regulatory Commission ("Commission").

2. A Participant may designate as protected those materials which customarily are treated by that Participant as sensitive or proprietary, which are not available to the public, and which, if disclosed freely, would subject that Participant or its customers to risk of competitive disadvantage, other business injury or pose a security risk.

3. Definitions – For purposes of this Order:

a. The term "Participant" shall mean a participant as defined in 18CFR § 385.102(b).

b. The term "Protected Materials" means (A) materials filed by a Participant in this proceeding, designated by such Participant as protected and determined by the Commission to be protected; (B) materials (including depositions) provided by a Participant in response to discovery requests and designated by such Participant as protected; (C) any information contained in or obtained from such designated materials; (D) any other materials which are made subject to this Protective Order by the Presiding Judge, by the Commission, by any court or other body having appropriate authority, or by agreement of the Participants; (E) notes of Protected Materials; and (F) copies of Protected Materials. The Participant producing the Protected Materials shall physically mark them on each page as "PROTECTED MATERIALS" or with works of similar import as long as the term "Protected Materials" is included in that designation to indicate that they are Protected Materials.

Protected Materials shall not include (A) any information or document contained in the files of the Commission, or any other federal or state agency, or any federal or state court, unless the information or document has been determined to be protected by such agency or court; or (B) information that is public knowledge, or which becomes public knowledge, other than through disclosure in violation of this Protective Order.

c. The term "Notes of Protected Materials" means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in Paragraph 3.b. Notes of Protected Materials are subject to the same restrictions provided in this order for Protected Materials except as specifically provided in this order.

d. The term "Non-Disclosure Certificate" shall mean the certificate annexed hereto by which Participants who have been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Protective Order, and that such Participants have read the Protective Order and agree to be bound by it. All Non-Disclosure Certificates shall be served on all parties on the official service list maintained by the Secretary in this proceeding.

e. The term "Reviewing Representative" shall mean a person who has signed a Non-Disclosure Certificate and who is:

- i. Commission Litigation Staff;
- ii. an attorney who has made an appearance in this proceeding for a Participant;
- iii. attorneys, paralegals, and other employees associated for purposes of this case with an attorney described in (3.e.ii);
- iv. an expert or an employee of an expert retained by a Participant for the purpose of advising, preparing for or testifying in this proceeding;
- v. a person designated as a Reviewing Representative by order of the Presiding Judge or the Commission; or
- vi. employees or other representatives of Participants appearing in this proceeding with significant responsibility for this docket.

4. Protected Materials shall be made available under the terms of this Protective Order only to Participants and only through their Reviewing Representatives as provided in Paragraphs 7, 8, and 9.

5. Protected materials shall remain available to Participants until the later of the date that an order terminating this proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Protected Materials is concluded and no longer subject to judicial review. If requested to do so in writing after that date, the Participants shall, within fifteen

days of such request, return the Protected Materials (excluding Notes of Protected Materials) to the Participant that produced them, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and Notes of Protected Material may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period each Participant, if requested to do so, shall also submit to the producing Participant an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to the Protective Order.

6. All Protected Materials shall be maintained by the Participant in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8 and 9. The Secretary shall place any Protected Materials filed with the Commission in a non-public file. By placing such documents in a non-public file, the Commission is not making a determination of any claim of privilege. The Commission retains the right to make determinations regarding any claim of privilege and the discretion to release information necessary to carry out its jurisdictional responsibilities.

For documents submitted to Commission Litigation Staff ("Staff"), Staff shall follow the notification procedures of 18 CFR §§ 388.112 before making public any Protected Materials.

7. Protected Materials shall be treated as confidential by each Participant and by the Reviewing Representative in accordance with the certificate executed pursuant to Paragraph 9. Protected Materials shall not be used except as necessary for the conduct of this proceeding, nor shall they be disclosed in any manner to any person except a Reviewing Representative who is engaged in the conduct of this proceeding and who needs to know the information in order to carry out that person's responsibilities in this proceeding. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) If a Reviewing Representative's scope of employment includes the marketing of energy, the direct supervision of any employee or employees whose duties include the marketing of energy, the provision of consulting services to any person whose duties include the marketing of energy, or the direct supervision of any employee or employees whose duties include the marketing or energy, such Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give any Participant or any competitor of any Participant a commercial advantage.

(b) In the event that a Participant wishes to designate as a Reviewing Representative a person not described in Paragraph 3.e above, the Participant shall seek agreement from the Participant providing the Protected Materials. If an agreement is reached that person shall be a Reviewing Representative pursuant to Paragraph 3.e above with respect to those materials. If no agreement is reached, the Participant shall submit the disputed designation to the Presiding Judge for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Protective Order unless that Reviewing Representative has first executed a Non-Disclosure Certificate provided that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for the Participant asserting confidentiality prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their supervision or control comply with this order.

10. Any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing Representative to whom the Protected Materials are disclosed ceases to be engaged in these proceedings, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraphs 3.e, access to Protected Materials by that person shall be terminated. Even if no longer engaged in this proceeding, every person who has executed a non-Disclosure certificate shall continue to be bound by the provisions of this Protective Order and the certification.

11. Subject to Paragraph 17, the Presiding Administrative Law Judge shall resolve any disputes arising under this Protective Order. Prior to presenting any dispute under this Protective Order to the Presiding Administrative Law Judge, the parties to the dispute shall use their best efforts to resolve it. Any participant that contests the designation of materials as protected shall notify the party that provided the Protected Materials by specifying in writing the materials whose designation is contested. This Protective Order shall automatically cease to apply to such materials five (5) business days after the notification is made unless the designator, within said 5-day period, files a motion with the Presiding Administrative Law Judge, with supporting affidavits, demonstrating that the materials should continue to be protected. In any challenge to the designation of materials as protected, the burden of proof shall be on the participant seeking



protection. If the Presiding Administrative Law Judge finds that the materials at issue are not entitled to protection, the procedures of Paragraph 17 shall apply.

12. All copies of all documents reflecting Protected Materials, including the portion of the hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Protective Order. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal and served under seal upon the Presiding Judge and all Reviewing Representatives who are on the service list for anything filed under seal, redacted versions or, where an entire document is protected, a letter indicating such, will also be filed with the Commission and served on all parties on the service list and the Presiding Judge. Counsel for the producing Participant shall provide to all Participants who request the same, a list of Reviewing Representatives who are entitled to receive such material. Counsel shall take all reasonable precautions necessary to assure that Protected Materials are not distributed to unauthorized persons.

If any Participant desires to include, utilize or refer to any Protected Materials or information derived therefrom in testimony or exhibits during the hearing in these proceedings in such a manner that might require disclosure of such material to persons other than reviewing representatives, such participant shall first notify both counsel for the disclosing participant and the Presiding Judge of such desire, identifying with particularity each of the Protected Materials. Notification of the desire to use Protected Materials at trial without *in camera* restrictions shall be provided to counsel for the producing Participant not more than ten (10) calendar days prior to the date established for the oral argument to show cause and any objecting producing Participant shall provide the Presiding Judge and the Reviewing Parties with the requisite affidavits and Master Index of Protected Materials no later than five (5) calendar days prior to the date established for the oral argument to show cause.

13. Nothing in this Protective Order shall be construed as precluding any Participant from objecting to the use of Protected Materials on any legal grounds.

14. Nothing in this Protective Order shall preclude any Participant from requesting the Presiding Judge, the Commission, or any other body having appropriate authority, to find that this Protective Order should not apply to all or any materials previously designated as Protected Materials pursuant to this Protective Order. The Presiding Judge may alter or amend this Protective Order as circumstances warrant at any time during the course of this proceeding.

15. Each party governed by this Protective Order has the right to seek changes in it as appropriate from the Presiding Judge or the Commission.

16. All Protected Materials filed with the Commission, the Presiding Judge, or any other judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers bearing prominent markings indicating that the contents include Protected Materials subject to this Protective Order.

17. If the Presiding Judge finds at any time in the course of this proceeding that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Protective Order for three (3) business days from the date of issuance of the Presiding Judge's decision, and if the Participant seeking protection files an interlocutory appeal or requests that the issue be certified to the Commission, for an additional seven (7) business days. None of the Participants waives its rights to seek additional administrative or judicial remedies after the Presiding Judge's decision respecting Protected materials or Reviewing Representatives, or the Commission's denial of any appeal thereof. The provisions of 18 CFR § 388.112 shall apply to any requests for Protected Materials in the files of the Commission under the Freedom of Information Act. (5 U.S.C. § 552).

18. Nothing in this Protective Order shall be deemed to preclude any Participant from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Protective Order.

19. None of the Participants waives the right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Protected Materials.

20. The contents of Protected Materials or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with this Protective Order and shall be used only in connection with this (these) proceedings(s). Any violation of this Protective Order and of any Non-Disclosure Certificate executed hereunder shall constitute a violation of an order of the Commission.

---

By: [Name]  
[Title]  
Federal Energy Regulation Commission

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

Southern California Edison company and	)	
California Independent system Operator	)	Docket No. EC02-
Corporation	)	
	)	

**NON-DISCLOSURE CERTIFICATE**

I hereby certify my understanding that access to Protected materials is provided to me pursuant to the terms and restrictions of the Protective Order in this Proceeding, that I have been given a copy of and have read the Protective order, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses protected materials shall not be disclosed to anyone other than in accordance with that Protective Order. I acknowledge that a violation of this certificate constitutes a violation of an order of the Federal Energy Regulatory Commission.

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Representing: \_\_\_\_\_  
 Date: \_\_\_\_\_

**VERIFICATION**

I am an officer of Southern California Edison Company ("SCE"), and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this \_\_\_ day of January, 2002, at Rosemead, California.



---

John R. Fielder  
Senior Vice President  
SOUTHERN CALIFORNIA EDISON COMPANY

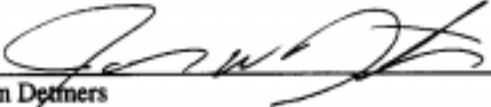
LW020150038

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 24 day of January, 2002, at Folsom, California.

  
\_\_\_\_\_  
Jim Detmers  
Vice President - Grid Operations  
CALIFORNIA ISO

LW020150038