Southern California Edison “SCE” submits the following comments on the MSG Transition Costs Draft Tariff Language, dated July 12, 2010.

**Sections 11.8.2.1.7.1, 11.8.3.1.4.1, and 11.8.4.1.7.1**
- Language includes the term “Minimum Load amount” when determining the operating level at which Transition Costs will be applied for a given settlement interval. Rather than using the term “Minimum Load amount”, SCE recommends the ISO use the term “Minimum Load level”.

- The language describing the tolerance band for recovery of Transition Costs is inconsistent with the method described in the Draft Final Proposal (DFP). The DFP states that the tolerance band will be based on the resource’s PMax, while the draft tariff language states the tolerance band is based on delivered metered generation. SCE requests the ISO explain why the determination of the tolerance band has changed from the DFP. SCE has concerns with the draft language determining a tolerance band using metered generation, rather than a static value such as the Pmax of a MSG resource/configuration or corresponding PMin.

**Section 30.4**
- SCE seeks clarification that the registered cost values for each MSG configuration will be subject to the same maximum limit (200% of proxy costs) as non-MSG resources. The language as currently drafted states that the registered costs values for each MSG configuration will be based on the proxy costs values for each MSG configuration, but makes no reference of the maximum limit of 200%.
Section 30.4.2

- SCE questions the requirement that each SC submit a Transition Cost index values along with transition costs to the ISO. SCE does not support each SC providing its own gas index value for Transition Costs; rather the ISO should calculate the monthly gas index value for each month and use that value for all MSG resources.

- SCE seeks clarification on the proxy start-up cost value that will be used for rule 1 of the transition cost mitigation rules. Is the only change between the proxy Start-Up Cost calculation used for commitment of a resource and the proxy value used for mitigation rule 1 the use of a monthly gas price index (proxy Start-up Costs for commitment uses a daily gas price), or does the ISO intend to exclude the cost of auxiliary power, as described in section 30.4.1.1, from the proxy start calculation for mitigation rule 1?