UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

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California Independent System Operator Corporation

Docket No. ER05-372-000

ANSWER TO MOTION TO INTERVENE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

Pursuant to Rule 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213, the California Independent System Operator Corporation ("ISO") hereby files its answer to the Motion to Intervene of the Southern California Edison Company ("SCE"). In support whereof, the ISO states as follows.

I. Background

On December 22, 2004, the ISO¹ submitted a transmission Access Charge Informational Filing ("Informational Filing").

On January 12, 2005 SCE filed a Motion to Intervene in this proceeding. In its Motion, SCE stated that it was "preserving all of its rights regarding all pending disputes, issues and outstanding dockets regarding Trans-Elect, WAPA, and the TAC, particularly as such disputes may affect the TAC rate proposed

¹ Capitalized terms not otherwise defined herein have the meaning set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

herein by the ISO, and require the ISO to file a revised rate." SCE Motion at 1-2. The ISO now files this Answer to respond to this statement.²

II. Answer

SCE's statement regarding "preserving its rights" is misplaced in this proceeding. As approved by the Commission,³ the ISO's transmission Access Charge is a formula rate based on the Commission-approved Transmission Revenue Requirements ("TRRs") of the Participating Transmission Owners ("Participating TOs"). If a Participating TO has filed a revision to its TRR and the Commission accepts it subject to refund, or is filing a TRR for the first time, the ISO adjusts its formula to accommodate the new TRR, and subsequently makes any necessary refunds that may be the result of future settlement or litigation in the Participating TO's TRR proceeding.

Thus, SCE's concerns should be taken up in the dockets assigned to the individual Participating TO's TRR dockets. Indeed, SCE has intervened in the relevant proceedings and is free to raise whatever arguments or issues it sees fit in those fora. When those proceedings are resolved, they may result in changes to Participating TOs' TRRs. At that time, as it has done in the past, the ISO will file a new Transmission Access Charge Informational Filing incorporating the changes into the formula and process any Commission-ordered refunds in

² The ISO does not object to SCE's intervention in this proceeding.

³ California Independent System Operator Corp., 109 FERC ¶ 61,301 (2004).

accordance with the ISO Tariff. Therefore, SCE's concerns about "preserving its rights" have no place in the instant docket.

III. Conclusion

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission accept the Informational Filing subject to refund, consistent with its previous practice.

Respectfully submitted,

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Date: January 27, 2005

CERTIFICATE OF SERVICE

I hereby certify I have this day served the foregoing document on each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, CA, on this 27th day of January, 2005.

<u>/s/ John Anders</u> John Anders