

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

Southern California Edison Company) Docket No. ER02-608-000

**MOTION TO INTERVENE AND PROTEST OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.214, and the Commission's December 31, 2001, Notice of Filing, the California Independent System Operator Corporation ("ISO") hereby moves to intervene in the above-captioned proceeding. In support thereof, the ISO states as follows:

I. COMMUNICATIONS

Please address communications concerning this filing to the following persons:

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II. BACKGROUND

On December 26, 2001, as described in the Notice of Filing, Southern California Edison Company ("SCE") tendered for filing an amendment to the Firm

Transmission Service Agreement (Victorville-Lugo/Midway) between SCE and M-S-R Public Power Agency (“M-S-R”), First Revised Rate Schedule FERC No. 339 (“M-S-R Agreement”). The proposed amendment would provide that M-S-R, rather than SCE, shall schedule the transmission services provided under the M-S-R Agreement. Specifically, under the revised M-S-R Agreement, M-S-R would communicate its schedules directly to the ISO through its own Scheduling Coordinator.

III. BASIS FOR MOTION TO INTERVENE

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 grid comprising the transmission systems of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and SCE, as well as for the coordination of the competitive electricity market in California. As the operator of this grid, the ISO believes that it has a unique interest in any Commission proceeding concerning the SCE proposal described above.

IV. PROTEST

Commission approval of SCE’s requested amendment to the M-S-R Agreement would appear to require M-S-R either: (i) to retain a new Scheduling Coordinator; or (ii) to itself be certified as a Scheduling Coordinator.¹ The ISO does not object to this result. Rather, the ISO files this intervention to request that the Commission clarify the responsibilities of M-S-R and SCE regarding

when and how the ISO should be notified of the new Scheduling Coordinator.² The logistics of transitioning from SCE's current obligations under the M-S-R Agreement are important to assure the ISO will not be forced to address operational and settlement related issues that could arise if there is not a seamless transition to the requisite new Scheduling Coordinator.³ Moreover, the ISO needs sufficient advance notice of the change in Scheduling Coordinators to make necessary modifications to its computer systems to accommodate the change.

¹ See, e.g., ISO Tariff section 2.2.3 (providing that the ISO shall accept Schedules only from Scheduling Coordinators).

² See, e.g., Sections 2.3 and 2.4 of the Responsible Participating Transmission Owner Agreement between the ISO and SCE, filed in ER98-1058-000, December 12, 1997 and accepted by Letter Order Approving Settlement dated July 15, 1999, as modified by compliance filing on August 16, 1999 and accepted on September 23, 1999 (providing that SCE notify the ISO in the event a new Scheduling Coordinator is appointed, a new Scheduling Coordinator is selected, or a or an Existing Contract terminates).

³ Western Systems Coordinating Council scheduling requirements are that all schedules be known by the sending and receiving Control Areas. Schedules not coordinated with the sending and receiving Control Areas degrade reliability and cause unscheduled flows to occur. These unscheduled flows have financial consequences associated with them as well.

V. CONCLUSION

For the foregoing reasons, the ISO respectfully requests that the Commission permit it to intervene, and that it be accorded full party status in this proceeding. Further, the ISO respectfully requests that the Commission clarify the logistical questions raised by the ISO should the Commission approve SCE's request.

Respectfully submitted,

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Counsel for the California Independent
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Date: January 16, 2002

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.

Dated at Washington, D.C. this 16th day of January, 2002.

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