

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

City of Vernon, California)	Docket No. EL00-105-007
)	
California Independent System Operator Corporation)	Docket No. ER00-2019-007
)	

**To: The Honorable Carmen A. Cintron
Presiding Administrative Law Judge**

The California Independent System Operator Corporation (“ISO”)¹ respectfully requests that the Presiding Judge adopt the following findings of fact and conclusions of law in Her Initial Decision.

Proposed Findings of Fact:

1. The City of Vernon, California (“Vernon”)Vernon turned over Operational Control of its transmission facilities, including its Entitlements in the Mead-Adelanto Project (“MAP”) and the Mead-Phoenix Project (“MPP”) and related contracts with the Los Angeles Department of Water and Power, to the ISO effective January 1, 2001.
2. The MAP and MPP facilities are network transmission facilities integrated with the ISO Controlled Grid.
3. All Market Participants had prior notice that Vernon’s MAP and MPP Entitlements would be under ISO Operational Control on January 1, 2001.
4. No Market Participant other than Vernon sought to schedule on Vernon’s MAP and MPP Entitlements from January 1, 2001 through December 31, 2002.
5. The ISO estimated that it could have established Scheduling Points for the MAP and MPP Entitlements within three months, once software design had commenced.

¹ Unless otherwise defined, capitalized terms are used as defined in the ISO Tariff (Item by Ref. 2) Appendix A.

6. The ISO did not establish Scheduling Points for the MAP and MPP Entitlements upon assuming Operational Control over the Entitlements on January 1, 2001 due to competing demands on ISO personnel due to the California Energy crisis. This decision regarding the use of resources was reasonable.

7. Once it became apparent that Southern Cities would become Participating TOs, it was reasonable for the ISO to delay creating Scheduling Points for the MAP and MPP Entitlements until the Southern Cities joined the ISO, as it was more efficient to design a branch group model and Scheduling Points taking the relevant facilities as a whole rather than attempting to do so in a piecemeal fashion.

Proposed Conclusions of Law:

1. Operational Control under the ISO Tariff consists of the ISO’s legal authority, under the Transmission Control Agreement, “to direct Participating TOs how to operate their transmission lines and facilities . . . for the purpose of affording comparable non-discriminatory transmission access and meeting Applicable Reliability Criteria.” In the case of facilities outside the ISO Control Area, the authority consists of the ability to direct Participating TOs regarding the scheduling of transmission on the facilities and Entitlement and with regard to outage coordination.

2. The Commission has established that all integrated network facilities under ISO Operational Control should be included in a utility’s Transmission Revenue Requirement.

3. The January 9 Order (*California Independent System Operator Corp.*, 94 FERC ¶ 62,016 (2001)) did not require the establishment of Scheduling Points as a condition precedent to the ISO’s assumption of Operational Control of the Vernon facilities to the ISO.

Respectfully submitted,

/s/ Julia Moore _____

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Dated: October 27, 2004

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 October, 2004.

/s/ *Anthony J. Ivancovich* ____
Anthony J. Ivancovich