

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

**California Independent System) Docket Nos. ER04-445-007
Operator Corporation) ER04-445-008**

**ANSWER OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
TO CONDITIONAL PROTEST AND ANSWER IN SUPPORT
OF MOTION TO CONSOLIDATE ON BEHALF OF THE SOUTHERN CITIES**

I. INTRODUCTION

On February 18, 2005, the California Independent System Operator Corporation (“ISO”)¹ made its compliance filing in the matter of the Large Generator Interconnection Procedures (“LGIP”) and, along with the original Participating Transmission Owners (“PTOs”) comprised of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company, made its revised compliance filing in the matter of the Large Generator Interconnection Agreement (“LGIA”) in compliance with the Commission’s Order No. 2003-B.² As part of those filings, the ISO and the Filing Parties requested that the Commission consolidate the February 18 compliance filings with the compliance filings made by the ISO and Filing Parties’ in these dockets on January 5, 2005, pursuant to the Commission’s July 30, 2004 order.³ On March 11, 2005, one party, the Southern Cities,⁴ filed a pleading supporting the ISO and Filing Parties’ motion to consolidate these compliance filings. As part of that pleading, Southern Cities also included a “conditional protest to preserve their challenges to the

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

² 109 FERC ¶ 61,287 (2004).

³ *Order Rejecting Order Nos. 2003 and 2003-A Compliance Filings*, 108 FERC ¶ 61,104 (2004).

⁴ The “Southern Cities” consists of the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California.

provisions of the January 5, 2005 filings that are included in the February 18, 2005 filings” in the event that the Commission declines to consolidate the February 18 and January 5 filings.

II. ANSWER

Southern Cities’ conditional protest reiterates, nearly verbatim, its protest filed on January 26, 2005, in response to the ISO and Filing Parties’ January 5 LGIP and LGIA compliance filings. The ISO responded to these arguments in detail in its answer of February 10, 2005.⁵ Therefore, if the Commission declines to consolidate the January 5 and February 18 compliance filings, the ISO respectfully requests that the Commission incorporate herein its responses from its February 10 answer to the objections re-raised by Southern Cities in its conditional protest. Namely: (1) that the economic test proposed by the ISO for reimbursement of the cost of transmission network upgrades is necessary for the equitable treatment of both developers and customers;⁶ and (2) that the changes proposed to the pro forma LGIA do not materially “alter the balance” of rights and obligations from Order No. 2003.⁷

⁵ *Motion for Leave to File Answer and Answer of the California Independent System Operator Corporation to Motions to Intervene, Comments, Limited Protests and Protests*, Docket Nos. ER04-445-005, et al. (Feb. 10, 2005) (“ISO February 10 Answer”).

⁶ ISO February 10 Answer at 4-6.

⁷ ISO February 10 Answer at 16-17.

III. CONCLUSION

For the reasons set forth above, if the Commission declines to consolidate the ISO and Filing Parties' January 5 and February 18 compliance filings, the ISO respectfully requests that the Commission incorporate herein the ISO's February 10, 2005 response to the issues re-raised by Southern Cities in its March 11, 2005 conditional protest.

Respectfully submitted,

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/s/ Gene L. Waas
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Dated: March 28, 2005



March 28, 2005

BY ELECTRONIC TRANSMISSION

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

**Re: California Independent System Operator Corporation
Docket Nos. ER04-445-007 and ER04-445-008**

Dear Secretary Salas:

Enclosed for electronic filing please find a Motion for Leave to File Answer & Answer of the California Independent System Operator Corporation to Motions to Intervene, Comments, Limited Protests, and Protests in the above-referenced docket.

Thank you for your assistance in this matter.

Very truly yours,

/s/ Gene L. Waas
Gene L. Waas

Counsel for the California Independent
System Operator Corporation

Enclosures

cc: All parties of record

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 the above proceeding.

Dated at Folsom, CA, this 28th day of March, 2005.

/s/ Gene L. Waas
Gene L. Waas