

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

**City of Anaheim, California** ) **Docket Nos. EL03-15-000**  
 )  
**City of Riverside, California** ) **EL03-20-000**

**JOINT MOTION OF THE CALIFORNIA INDEPENDENT  
SYSTEM OPERATOR CORPORATION AND THE CITIES OF  
ANAHEIM AND RIVERSIDE TO REOPEN RECORD AND  
MODIFY PROCEDURAL SCHEDULE AND FOR EXPEDITED  
RESPONSES TO THIS MOTION**

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

Pursuant to Rules 212 and 716 of the Commission’s Rules of Practice and Procedure, 18 CFR §§385.212 and 385.716, the California Independent System Operator Corporation (“ISO”) and the Cities of Anaheim and Riverside, California (“Cities”) hereby jointly move that the Presiding Administrative Law Judge reopen the record in this proceeding and establish dates for the submission of evidence regarding a revision to the operating procedures for scheduling transmission service on the Cities’ Entitlements to the Southern Transmission System (“STS”), the Northern Transmission System (“NTS”) and related contracts with the Los Angeles Department of Water and Power (“LADWP”) that the ISO is in the process of implementing. In addition, to avoid unnecessary expenditure of resources by all parties, the ISO and the Cities further respectfully request that the Presiding Administrative Law Judge seek the permission of the Chief Administrative Law Judge to defer the submission of post-hearing briefs and

the Initial Decision to allow for the submission and consideration of such additional evidence. As good cause for this Motion the ISO and the Cities state as follows:

During the course of this proceeding, a number of parties submitted extensive pre-filed testimony concerning ISO Operating Procedure S-326, which includes procedures for the scheduling of transmission service over the Cities' Entitlements in the STS, NTS and related LADWP contracts. There also was significant cross-examination at hearing concerning Operating Procedure S-326, particularly regarding the extent to which provisions in Operating Procedure S-326 may limit access by other Market Participants to the Cities' STS, NTS, and related LADWP contract Entitlements. The Presiding Administrative Law Judge asked several witnesses what had and would be done to address the scheduling restrictions. In addition, ISO Witness Le Vine stated during her cross-examination that the staffs of the ISO and the Cities would be getting together to resolve misunderstandings regarding the Entitlements and that, because of concerns raised in this proceeding, the ISO would revisit the scheduling restrictions on the IPP-Lugo Branch Group. *See* Tr. at 703:5 - 705:5.

Subsequent to the close of the hearing and in light of the concerns raised in this proceeding, the ISO held meetings with the Cities and LADWP and determined that Operating Procedure S-326 can be modified, consistent with the ISO's Branch Group model, to eliminate several of the restrictions. Specifically, the ISO believes that Operating Procedure S-326 can be modified to merge the IPP-Lugo Branch Group (*i.e.*, LUGOIPPDC\_BG) and the Mona-Lugo Branch Group (*i.e.*, LUGOTMONA\_BG) into a single scheduling point such that all Scheduling Coordinators would be eligible to schedule over the available capacity of the Cities' Entitlements in the STS, NTS, and

related LADWP contracts. In addition, as a result of LADWP's agreement that Riverside's 118 MW of northbound Victorville-Lugo to Adelanto Entitlement can be linked with Riverside's northbound Entitlements on the STS and NTS, the ISO believes that the currently effective restrictions prohibiting exports of energy from Lugo to Mona and from Lugo to Gonder can be eliminated. The Cities support these revisions to Operating Procedure S-326, which will allow greater functionality in use of the Cities' STS, NTS, and related LADWP contract Entitlements for all Market Participants.

The ISO and Cities submit that, although reopening the record at this stage of the proceeding is unusual and will result in delayed resolution of the issues as well as additional effort for the Presiding Administrative Law Judge, all parties, and Staff, the record will be incomplete and may lead to an unjust and unreasonable result without consideration of the anticipated revisions to Operating Procedure S-326. The elimination of restrictions on access to transmission capacity by Market Participants should be encouraged whenever possible. To the extent the operating procedures for scheduling on the Cities' STS, NTS, and related LADWP contract Entitlements may affect the outcome of the issues in this proceeding, the record should include information concerning the revisions the ISO has undertaken.

Moreover, reopening the record at this time may avoid the need for additional litigation. For example, the witness for Southern California Edison Company carefully limited his argument for restrictions on the Cities' recovery of the costs associated with the STS, NTS, and related LADWP contract Entitlements to the period when scheduling restrictions are in effect. While the ISO and the Cities do not believe that the evidence would justify any denial of the Cities' STS/NTS costs for the period since January 1,

2003, when those Entitlements were transferred to the ISO's Operational Control, reception of evidence regarding the new scheduling procedures would allow the Presiding Administrative Law Judge to evaluate fully the Cities' Transmission Revenue Requirements on both a retrospective and prospective basis.

Accordingly, the ISO and the Cities respectfully request that the Presiding Administrative Law Judge reopen the record to permit additional pre-filed testimony and cross-examination, if desired, concerning the ISO's proposed revisions to Operating Procedure S-326. The ISO and the Cities propose June 16, 2004 as the due date for submission of such pre-filed testimony by the ISO and any supporting testimony by the Cities. The ISO and the Cities request that the Presiding Administrative Law Judge, in consultation with the parties and Staff, establish a date for any desired responsive testimony by other parties and the Staff and a hearing date for any desired cross-examination on all such supplemental pre-filed testimony. Further, in order to avoid unnecessary expenditure of resources by all participants in preparing briefs based on the incomplete record, as well as to avoid potential confusion in the formulation of the arguments on brief, the ISO and the Cities further respectfully request that the Presiding Administrative Law Judge request that the Chief Administrative Law Judge extend the procedural schedule for this proceeding to allow the submission of post-hearing briefs after the submission of additional evidence described above and to extend the date for the Initial Decision accordingly.

Finally, in view of the approaching June 8<sup>th</sup> date for submission of Initial Briefs, the ISO and the Cities respectfully request that the Presiding Administrative Law Judge

establish an expedited schedule for responses to this Motion and, if considered necessary and appropriate, a post-hearing conference to address this Motion.

Respectfully submitted,

/s/ Michael E. Ward

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June 1, 2004

## **CERTIFICATE OF SERVICE**

I hereby certify that I have on this 1st day of June, 2004, caused a copy of the foregoing document to be sent by electronic mail and by United States mail to all parties on the list compiled by the Secretary of the Commission in this proceeding.

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