

## LADWP's recommendations for the CRR Study 2 Parameters

### #13 -- CRR Nominations for ETCs

recommend modeling the condition where CAISO does not prevail at FERC with its "New Method to Honor ETCs"; this assumption requires modeling the status quo method of handling ETCs. To model ETCs under these conditions, there would be no nomination of CRR for ETCs, and the ETC capacity would be removed from the CRR study as it was in CRR Study #1.

#### Reason:

CAISO has not satisfied FERC's direction to demonstrate that the "New Method" would not diminish ETC rights -- LADWP holds that CAISO cannot make this demonstration. CAISO only has contractual rights to LADWP's ETC transmission as non-firm, but proposes to use it as new firm use under the "new method", without compensation to the ETC holder. This unavoidably diminishes the contract rights.

### #19 -- Non-ISO Transmission

recommend that CAISO reserve (in other words, remove from the CRR study) all transmission with ownership rights listed under § 4.5 and CAISO's March 5th 2004 ETC White paper: COTP, MWD 230 kV System, SWPL, and Mohave-Eldorado.

#### Reason:

Treatment of "Non-ISO Transmission" should be based on ownership, not on the definition of the "ISO Controlled Grid." Schedules on owned transmission should not be subject to congestion charges stemming from the CAISO paradigm. CAISO has no right to take owned transmission for its own use without compensation.