

II. BACKGROUND

On July 21, 2003, Southern California Edison Company (“SCE”) filed a Petition for Declaratory Order and Request for Expedited Treatment, or, in the Alternative, Filing a New Tariff for Scheduling Coordinator Service under Section 205 of the Federal Power Act. SCE seeks a declaratory order from the Commission declaring that SCE is not obligated to serve as Scheduling Coordinator for the Los Angeles Department of Water and Power (“LADWP”) under the Los Angeles-Edison Exchange Agreement (“Exchange Agreement”). In the alternative, if the Commission finds that SCE should continue to serve as Scheduling Coordinator for LADWP, SCE requests that the Commission accept, pursuant to Section 205 of the Federal Power Act, the Southern California Edison Scheduling Coordinator Services Tariff (“SC Tariff”) filed concurrently with the petition for declaratory order. The SC Tariff would allow SCE to pass through to its Scheduling Coordinator Customers costs billed by the ISO to SCE in its role as Scheduling Coordinator for specified existing transmission contracts (“ETCs”) of such Scheduling Coordinator Customers. In particular, the proposed SC Tariff would permit SCE to pass-through to LADWP its Scheduling Coordinator charges imposed by the ISO in connection with the Exchange Agreement.

By its Notice issued July 24, 2003, the Commission established August 11, 2003 as the date motions to intervene are to be filed in the above-captioned proceeding.

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 & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and the Cities of Vernon, Anaheim, Azusa, Banning and Riverside, California. As the operator of this grid, the ISO believes that it has a unique interest in any Commission proceeding concerning the issues raised in the captioned proceeding.

IV. COMMENTS

The ISO does not have a position regarding SCE's request for a declaratory order that SCE is not obligated to serve as Scheduling Coordinator for LADWP under the Exchange Agreement. However, the ISO notes that, under Section 2.2.3 of the ISO's Tariff, the ISO only accepts schedules and bids for Energy and Ancillary Services from Scheduling Coordinators. Accordingly, no matter how the Commission ultimately decides the issue raised by SCE, some entity must serve as the certified Scheduling Coordinator for LADWP in connection with the Exchange Agreement, unless the Exchange Agreement is terminated.

With respect to SCE's alternative proposal, the ISO supports SCE's recovery of Scheduling Coordinator charges that it prudently incurs in scheduling ETCs. This is consistent with the position the ISO has taken in its support of the Original Participating TOs in the District of Columbia Circuit Court of Appeals of

the Commission's decision on ER97-2358-004 *et.al.* and the amended Comprehensive Market Design ("MD02") Proposal that was filed on July 22, 2003 in Docket No. ER02-1656.¹

¹ In its July 22, 2003 MD02 Filing, the ISO has proposed a new approach for accommodating Existing Contract schedules such as the Exchange Agreement. With respect to the charges that Scheduling Coordinators might incur in connection with the scheduling and settlement of Existing Contract transactions under the proposed regime, the ISO stated that it would support filings at the Commission for the recovery of all such costs that are prudently incurred. MD02 Filing at 120. As indicated in the MD02 Filing, the ISO is still working with stakeholders to develop a mechanism to facilitate the allocation of costs associated with Existing Contract transactions.

V. CONCLUSION

For the foregoing reasons, the ISO respectfully requests that the Commission permit the ISO to intervene and accord the ISO full party status in this proceeding. The ISO also requests that any action taken by the Commission in this proceeding be consistent with the discussion herein.

Respectfully submitted,

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Counsel for the California Independent
System Operator Corporation

Date: August 11, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this day electronically served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, CA, this 11th day of August, 2003.

Anthony J. Ivancovich



August 11, 2003

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

Re: **Southern California Edison Company**
Docket Nos. ER03-1094-000 and EL03-214-000

Dear Secretary Salas:

Enclosed please find an electronic filing of the Motion to Intervene and Comments of the California Independent System Operator Corporation. Thank you for your attention to this filing.

Respectfully submitted,

Anthony J. Ivancovich

Counsel for the California Independent
System Operator Corporation