

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

**California Independent System)
Operator Corporation)** **Docket No. ER05-381-000**

**MOTION FOR LEAVE TO FILE ANSWER AND ANSWER OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO
MOTIONS TO INTERVENE AND PROTEST**

On December 23, 2004, the California Independent System Operator Corporation (“ISO”),¹ on behalf of itself, Pacific Gas and Electric Company, San Diego Gas & Electric Company (“SDG&E”), Southern California Edison Company (“SCE”), the Cities of Anaheim, Azusa, Banning, and Riverside, California (together, the “Southern Cities”), the City of Vernon, California, Trans-Elect NTD Path 15, LLC, and the City of Pasadena, California (“Pasadena”), filed revisions to the Transmission Control Agreement (“TCA”). The ISO submitted the revisions to identify the transmission interests (*i.e.*, the transmission facilities and Entitlements) that Pasadena will be turning over to the ISO’s Operational Control, by including those interests in a new Appendix A to the TCA; identify the Encumbrances associated with those interests, by listing the Encumbrances in a new Appendix B to the TCA; and identify the persons to contact at Pasadena for notice purposes by expanding Appendix F to the TCA.

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

Several parties submitted motions to intervene concerning the ISO's filing,² and the California Department of Water Resources State Water Project ("SWP") submitted a motion to intervene and protest. Pursuant to Rules 212 and 213 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212, 385.213, the ISO hereby respectfully requests leave to file an answer, and files its answer, to the motions to intervene and protest submitted in the above-captioned proceeding.³

The ISO does not oppose any of the motions to intervene. As explained below, however, the protest is without merit and the Commission should accept the filing without modification.

I. ANSWER

SWP states that it protests the ISO's filing for the same reasons that SWP explained in its November 19, 2004 motion to intervene and protest in Docket No. EL05-18, and states that SWP incorporates the November 19, 2004 motion to intervene and protest by reference into the present proceeding. SWP at 6. The proceeding in Docket No. EL05-18, in contrast to the present proceeding, concerns cost recovery with regard to transmission. Pasadena filed a petition in Docket No. EL05-18 in which it asked the Commission to issue an order:

² The following parties submitted motions to intervene: the California Electricity Oversight Board; Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California; Northern California Power Agency; Pasadena; SCE; and SDG&E.

³ The ISO requests waiver of Rule 213(a)(2) (18 C.F.R. § 385.213(a)(2)) to permit it to make an answer to SWP's protest. Good cause for this waiver exists here because the answer will aid the Commission in understanding the issues in the proceeding, provide additional information to assist the Commission in the decision-making process, and help to ensure a complete and accurate record in this case. See, e.g., *Entergy Services, Inc.*, 101 FERC ¶ 61,289, at 62,163 (2002); *Duke Energy Corporation*, 100 FERC ¶ 61,251, at 61,886 (2002); *Delmarva Power & Light Company*, 93 FERC ¶ 61,098, at 61,259 (2000).

accepting Pasadena's Transmission Revenue Requirement ("TRR") and Transmission Owner Tariff ("TO Tariff") submitted with the petition, effective as of the later of January 1, 2005 or the effective date of a TCA acceptable to Pasadena; approving Pasadena's TRR; and granting any other relief or waivers as may be necessary or appropriate for approval or implementation of Pasadena's TRR and TO Tariff. *City of Pasadena, California*, 109 FERC ¶ 61,386, at P 2 (2004). The Commission accepted Pasadena's proposed TRR and TO Tariff, to become effective on the date requested by Pasadena, subject to refund and subject to further Commission orders following the outcome of hearing and settlement judge procedures. *Id.* at P 1 and ordering paragraphs (A), (D)-(G). The settlement proceeding commenced January 26, 2005.

SWP's protest, however, contains the same essentially arguments that SWP has presented to the Commission concerning the transfer of Operational Control of Entitlements from the Southern Cities to the ISO. The Commission has *repeatedly* informed SWP that such arguments are appropriately raised in proceedings regarding the TRR, such as Docket No. EL05-18, and not in proceedings regarding the transfer of Entitlements or the TCA.⁴ SWP's effort to raise these arguments here is in total disregard of these previous Commission orders. The Commission should reject these efforts once again.

⁴ See *California Independent System Operator Corporation*, 102 FERC ¶ 61,061, at PP 15, 27 (2003); *California Independent System Operator Corporation*, 103 FERC ¶ 61,113, at P 13 (2003); *California Independent System Operator Corporation*, 105 FERC ¶ 61,207, at P 19 (2003); *California Independent System Operator Corporation*, 107 FERC ¶ 61,150, at PP 13-14 (2004).

Moreover, even if the Commission were to conclude that SWP's protest is relevant to this proceeding, the Commission should reject it as meritless. There is no basis to conclude that Pasadena's Entitlements that are included in the TCA are anything but integrated network facilities. The ISO has already provided transmission service to Scheduling Coordinators, other than the Participating Transmission Owners that hold the Converted Rights in those facilities, between the ISO Controlled Grid and other Control Areas.⁵ Although the ISO does not believe that such service must be provided before a facility may be considered an integrated network facility, the provision of such service is sufficient to demonstrate the function of a line as such. See *Pacific Gas and Electric Company*, 104 FERC ¶ 61,226 (2003), *order on reh'g*, 106 FERC ¶ 61,144 (2004).

⁵ See attached Declaration of Michael Martin. (Due to time constraints, the ISO is only able to attach a copy of the signed declaration. The ISO will provide the original of the signed declaration within the next several business days.) Obviously, the ISO does not distinguish upon which Participating Transmission Owners' Entitlement service is provided.

II. CONCLUSION

WHEREFORE, for the foregoing reasons, the ISO respectfully requests that the Commission reject SWP's protest and accept the ISO's filing without modification.

Respectfully submitted,

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Filed: January 28, 2005

ATTACHMENT

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

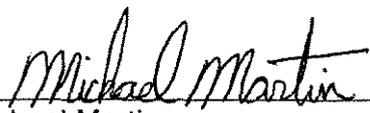
City of Pasadena, California) Docket No. ER05-381-000

**DECLARATION OF MICHAEL MARTIN
ON BEHALF OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

1. My name is Michael Martin. I am employed by the California Independent System Operator Corporation ("ISO") currently as a Market Design Engineer. I started with the ISO in April 1998. My business address is 151 Blue Ravine Road, Folsom, California 95630.
2. As a Market Design Engineer, I develop business requirements for forward market solutions including transmission modeling, congestion and ancillary services. I also facilitate the implementation of such solutions as well as provide second level On Call support for the Market Operations real time operators. My responsibilities require full access to the Market Operations systems including Scheduling Coordinators' schedules for troubleshooting and investigative purposes.
3. The purpose of my declaration is to document that subsequent to January 1, 2005, the ISO is able to provide and has provided transmission service between the ISO Controlled Grid and other transmission systems to Scheduling Coordinators on the Northern Transmission System, Southern Transmission

System, and Mead-Sylmar Line (the "Lines"), other than to the Participating Transmission Owners that hold Entitlements on those Lines.

4. I have reviewed the final schedules submitted on the defined scheduling points on the Lines outside the ISO Controlled Grid since the implementation of the scheduling procedures for the integration of the City of Pasadena's Entitlements into the ISO Controlled Grid. My review showed that Scheduling Coordinators other than those that have Entitlements on the Lines have utilized such scheduling points. This specifically includes, but is not limited to, the scheduling points that represent Mona, Gonder, IPP, West Wing, Mead, Lugo and Sylmar.
5. The existence of final schedules on the Participating Transmission Owners' facilities by those Scheduling Coordinators without Entitlements demonstrates that the ISO is able to provide and has provided transmission services on the Lines to such Scheduling Coordinators between the ISO Controlled Grid and other Control Areas.
6. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.



Michael Martin
Market Design Engineer

Executed on January 28, 2005.

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon all parties on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 28th day of January, 2005.

/s/ John Anders
John Anders