

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

California Independent System Operator Corporation)	Docket Nos. ER01-313-000 and ER01-313-001
)	
Pacific Gas and Electric Company)	Docket Nos. ER01-424-000 and ER01-424-001
)	

**SUMMARY OF THE REBUTTAL TESTIMONY OF
DEBORAH A. LE VINE ON BEHLF OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

Ms. Le Vine addresses three areas: the so-called “gross versus net” issue regarding the billing determinant for the charge for Control Area Services; billing for Control Area Services based on the non-Southern California Edison share of the Energy from the Mohave Power Plant (“Mohave Participant Energy” or “MPE”); and billing for Market Operations based on Energy on the Southwest Power Link (“SWPL Energy”).

With respect to “gross versus net” billing for Control Area Services, Ms. Le Vine explains that charging differing amounts to entities benefiting from the “basket” of services now grouped under Control Area Services is not possible now but may be part of a further unbundling of the Grid Management Charge (“GMC”) in the future, Exh. No. ISO-34 at 4-5; that including “behind-the-meter” Load in the computation of gross Load will not discourage co-generation, Exh. No. ISO-34 at 5-8; that a “behind-the-meter” Load’s payment for standby Energy service does not cover all of that Load’s causation of costs for Control Area Services, Exh. No. ISO-34 at 10-12; and that some arguments raised by other witnesses deal with matters not the subject of this proceeding, Exh. No. ISO-34 at 6-9.

With respect to Mohave Participant Energy, Ms. Le Vine explains that arguments concerning how the previously unbundled GMC was billed are irrelevant to the question of how the ISO should reasonably bill the Control Area Services component of the unbundled GMC. Exh. No. ISO-34 at 12-13.

With respect to SWPL Energy, Ms. Le Vine explains that this Energy is charged the Market Operations Charge because a small amount of Imbalance Energy must be purchased due to transmission line losses on that Energy, Exh. No. ISO-34 at 15-16, and because the ISO does perform Market Operations services with regard to that Energy. Exh. No. ISO-34 at 16-17. She also refutes arguments that SWPL Energy does not use the ISO Controlled Grid, Exh. No. ISO-34 at 17; that ownership rights in the SWPL facilities are relevant to whether the Market Operations charged should be assessed, Exh. No. ISO-34 at 17-18; and that use of the ISO Controlled Grid is even required in order for the ISO to assess the Market Operations Charge. Exh. No. ISO-34 at 19.