

December 27, 2000

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: California Independent System Operator Corporation
Docket No. ER01-724-000
Transmission Control Agreement, Rate Schedule No. 7

Dear Secretary Boergers:

On December 21, 2000, the California Independent System Operator Corporation ("ISO") filed, in Docket No. ER01-724-000, an amendment to the Transmission Control Agreement ("TCA") among the ISO and the Original Participating TOs – Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company. Previous to this filing, the ISO had proffered the amendment to the TCA to the City of Vernon, California ("Vernon") for execution, but Vernon had not yet expressed its willingness to assume all obligations associated with being a Participating TO. Therefore, the effectiveness of Appendices A and B to the December 21 filing, and of Vernon's membership as a Participating TO, was conditioned upon Vernon's executing the TCA without condition. See Transmittal Letter for December 21 Filing at 12-13.

While the December 21 filing was in production, the ISO received Vernon's assurance that Vernon had contractually committed itself to the TCA. Vernon stated that it had executed the TCA, and noted that this act "fully binds Vernon to the TCA as it is or as it may be changed by the Commission." See Vernon Filing Dated December 21, 2000, in Docket No. EL01-14-000, at Appendix A, December 20, 2000 Vernon Letter Response, pp. 1-2. In addition, Vernon stated that it was "absolutely, legally committed to the TCA as it would be finally approved by the Commission." Vernon Filing Dated December 21, 2000,

The Honorable David P. Boergers
December 27, 2000
Page 2

in Docket No. EL01-14-000, at 3. Vernon also assured the ISO that “Vernon had stated no counter-offer” to the proffered TCA, and that “Vernon is as bound by the TCA as is any other signatory to the TCA.” Motion to Intervene, Protests, Comments, and Motion to Consolidate of City of Vernon, California, Docket Nos. ER01-724-000 and EL01-14-000, at 3 (December 22, 2000).

Accordingly, the ISO is filing the attached signature page, by which Vernon has executed the TCA amendment. In accordance with the commitment the ISO made in the December 21 filing submitted in Docket No. ER01-724-000, the ISO respectfully requests waiver of the notice requirements of Section 35.3 of the Commission’s regulations, 18 C.F.R. § 35.3, to permit the TCA to become effective as applied to Vernon on January 1, 2001. See Transmittal Letter for December 21 Filing at 13.

An additional copy of this filing is also enclosed. Please stamp this copy with the date and time of filing and return it to our messenger.

Respectfully submitted,

Charles F. Robinson
General Counsel
Roger E. Smith
Senior Regulatory Counsel
The California Independent
System Operator Corporation

Kenneth G. Jaffe
David B. Rubin
Bradley R. Miliauskas
Swidler Berlin Shereff Friedman, LLP

Counsel for the California Independent
System Operator Corporation

31. SIGNATURE PAGE
CITY OF VERNON

CITY OF VERNON has caused this Transmission Control Agreement to be executed by its duly authorized representative on this fifth day of December, 2000 and thereby incorporates the following Appendices in this Agreement:

Appendix A (Vernon)

Appendix B (Vernon)

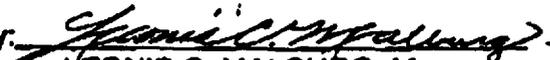
Appendix C

Appendix D

Appendix E

Appendix F

CITY OF VERNON

By: 
LEONIS C. MALBURG, Mayor

ATTEST:


BRUCE V. MALKENHORST, City Clerk

APPROVED AS TO FORM:


EDUARDO OLIVO, City Attorney