UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corp.	))	Docket No. ER00-2019-006 ER01-819-002

THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION'S MOTION FOR REASONABLE LIMITATIONS ON DISCOVERY AND ANSWER TO THE MOTION OF THE CALIFORNIA DEPARTMENT OF WATER RESOURCES STATE WATER PROJECT TO COMPEL A DATE CERTAIN FOR DISCOVERY COMPLIANCE

To: The Honorable Bobbie J. McCartney

1. Pursuant to Rules 213, 214 and 410 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation ("ISO") respectfully submits this Motion for Reasonable Limitations on Discovery and Answer to the Motion of the California Department of Water Resources State Water Project ("CDWR/SWP") to Compel a Date Certain for Discovery Compliance filed on April 21, 2003.

2. The continuing excessive discovery in this proceeding has made it virtually impossible for the ISO to respond to data requests within the Commission guidelines. In addition, as the ISO described in its email to CDWR/SWP, attached as Exh. A, the need to rush responses out the door increases the likelihood of erroneous and incomplete responses, which not only must be corrected, but which will undoubtedly be used to attack the ISO's credibility.[1] While the ISO does not disclaim all responsibility

[1] CDWR/SWP seems to believe that the ISO's need to correct data responses and testimony in the past disproves the ISO's concern for the accuracy of its data responses. The ISO would note, first, that the

for the current situation, it is not the primary source of the problem. Rather, as described below, the ISO's difficulties in making timely responses arise principally from the shotgun approach to discovery adopted by many parties and the too common unwillingness of some to engage in any independent legal and factual analysis. The proliferation of unnecessary discovery places the ISO in an untenable situation, which can not be resolved by additional deadlines that the ISO may not be able to meet, but only by revision of the discovery procedures to better advance an orderly and accurate production of information.

3. Thus, the ISO respectfully requests that the Presiding Judge find that the ISO has employed, and continues to employ, its best efforts to respond to discovery, and accordingly requests that the Presiding Judge deny the motion. In addition, for many of the same reasons discussed below, the ISO respectfully moves the Presiding Judge to exercise her discretionary authority to impose limits on further discovery in this proceeding through a numerical limitation on the number of data requests (including subparts) allowed each party.

I. BACKGROUND

4. Amendment No. 27, which modified the ISO's transmission Access Charge and is the subject of this proceeding, was filed on March 30, 2000. The filing followed a lengthy stakeholder process, during which the ISO provided stakeholders with extensive materials on various methodologies for the transmission Access Charge

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one instance cited by CDWR/SWP was an error in testimony, on an issue that was never pursued in discovery. The ISO freely admits, however, that in the proceeding in question, Docket No. ER00-313, before the Presiding Judge, the ISO found it necessary to amend a number of data requests, sometimes more than once. This need, however, was symptomatic of the same problem that arises in this proceeding, and which the ISO is trying to avoid. In Docket No. ER00-313, the ISO responded to over

and the stakeholders shared confidential information regarding the cost impacts. In its answer to the protests of Amendment No. 27, the ISO provided additional information to the other parties. In particular, the ISO explained to CDWR/SWP how that access charge methodology would apply to it. Relevant portions of the ISO's answer are attached as Exh. B.

5. Subsequent to the Commission's May 31, 2000, order accepting the filing and establishing settlement procedures, *California Indep. Sys. Operator Corp.*, 91 FERC ¶ 61,205 (2000) the parties engaged in 30 months of settlement discussions under the auspices of the Chief Administrative Law Judge. The settlement discussions explored all aspects of the proposed methodology. Settlement proceedings were terminated on December 9, 2002.

6. On December 17, 2002, discovery commenced. Since that time, the ISO has received over 456 data requests, over 590, if one includes subparts. Over 220 of the requests have been from CDWR/SWP. To date, the ISO has responded to 375 requests (including the subparts). The ISO expects to have responded to over 75 additional requests by the date of the oral argument on these motions.

7. Over 90% of the data requests pertain to the testimony of Ms. Deborah A. Le Vine, the ISO Director of Contracts. Ms. Le Vine is also responsible for responding to data requests in Docket No. ER03-142, currently before the Presiding Judge for settlement proceedings, EL03-14 et al. in settlement before ALJ Dowd, and for any litigation or arbitration concerning ISO contracts. All of this is in addition to other pressing matters including market redesign, GMC 2004 and various operational issues.

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800 data requests, over 1500 if one includes subparts. The ISO's errors in some of these responses

Besides budgeting her own time, Ms. Le Vine must often await upon other ISO personnel to provide needed data for her responses.

8. In light of these facts, it has been impossible for the ISO to commit itself to dates certain for responding to data requests. Instead, in response to requests for such dates, the ISO has consistently promised to use its best efforts to respond in the order that requests are received and data becomes available. The ISO's responses to such requests are attached as Exhs. C-H.

III. MOTION FOR LIMITATIONS ON DISCOVERY

9. As detailed below, discovery in this proceeding has, quite simply, gotten out of hand, to no useful purpose. The ISO therefore respectfully requests that the Presiding Judge impose a reasonable limitation on the number of data requests, including subparts, that each party may submit to each other party.

A. Limitations on Discovery Are an Appropriate Response to an Excessive Number of Data Requests.

10. In 1993, the Supreme Court and Congress amended Rule 33 of the Federal Rules of Civil Procedure to limit interrogatories to 25 per party, absent leave of court. The Advisory Committee's notes are instructive:

> The purpose of this revision is to reduce the frequency and increase the efficiency of interrogatory practice. . . .
>
> Experience in over half the district courts has confirmed that limitations on the number of interrogatories are useful and manageable. Moreover, because the device can be costly and may be used as a means of harassment, it is desirable to subject its use to the control of the court . . . particularly in multi-party cases where it has not been

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underscore the problems with the abuse of the discovery process.

unusual for the same interrogatory to be propounded to a party by more than one of its adversaries.

11. The Advisory Committee rightly observed the salutary effect of reasonable limitations. Such limitations force parties to evaluate what they know, do not know, and need to know; which facts are wrong, which might be disputed, and which are indisputable; which legal arguments are already decided, which are so untenable as to be easily rebutted on brief, and which need further exploration. Limitations make parties examine and evaluate testimony in context, rather than examine each line of testimony to find some question, however marginally relevant, that can be asked. In short, limitations force parties to focus on what is needed.

12. Although the Commission has not adopted limitations on discovery, it is guided in its discovery procedures by the Federal Rules of Civil Procedure. *See Rules of Discovery for Trial-Type Proceedings*, Order No. 466, F.E.R.C. Stats. & Regs. 30,731 at 30,549 (1987), *citing Public Service Co. of Colorado, et al. v. Colorado Interstate Gas*, 26 F.E.R.C. 63,051 (1984); *KN Energy Inc.*, 26 F.E.R.C. 63,068 (1984); *McDowell Country Consumers Council, Inc. v. American Electric Power Co., et al.*, 23 F.E.R.C. 61,142 (1983); *Northwest Central Pipeline Corp.*, 29 F.E.R.C. 61,333 (1984). It has also provided the Presiding Judge with broad authority to limit discovery as appropriate. 18 C.F.R. § 385.410(c). The ISO explains below why it believes limitations are necessary, but only cites a few examples of the excessive discovery to date. The ISO believes that the Presiding Judge, if she were to review the data requests submitted to the ISO, would quickly conclude that greater efficiency and focus are necessary.

A. Despite Its Best Efforts, the ISO Cannot Comply with Current Discovery Deadlines While Ensuring Accurate and Complete Responses.

13. CDWR/SWP indicated in its email response of April 25 to the ISO that it finds it difficult to "understand why the ISO, with its large staff and status as a regulated utility, is using only one person to answer discovery and testify in seemingly all FERC litigation (and apparently other arbitration)." Ms. Le Vine, however, was directly in charge of the ISO's efforts to develop the new transmission Access Charge methodology, and as Director of Contracts, she is also responsible for the negotiation and administration of RMR contracts and other special projects as assigned. One can just imagine the outcry from SWP and others if the ISO were to put up any other witness in the Access Charge proceeding, or attempted to use any less informed personnel to respond to SWP's allegations of "double-charging" in ER03-142, with which the Presiding Judge is well acquainted. Similarly, the current arbitration in which Ms. Le Vine is testifying concerns the Transmission Control Agreement and Existing Contracts – both of which are within Ms. Le Vine's responsibilities.

14. CDWR/SWP also wonders why Ms. Le Vine must respond to data requests regarding the testimony of others. Ms. Le Vine, however, only responds to such data requests that are misdirected or when the other witness is relying upon information from Ms. Le Vine. Ms. Le Vine does, of course, review all responses. In light of the tendency of certain parties to microanalyze data responses to find any basis on which to allege "inconsistency" or attempt to discredit a witness, however, Ms. Le Vine has no choice.

B. The ISO's Ability to Respond to Data Requests in a Timely Manner Is Hampered by the Failure of Parties to Focus Data Requests on Necessary and Relevant Information.

15. SWP asserts that it reduces the burden on the ISO by asking for yes or no responses or narratives.2 Unfortunately, every one of those requests still requires a response, and the ISO's burdens are exacerbated by CDWR/SWP's tendency to ask the obvious and unwillingness to obtain even the minimal level of familiarity with the ISO Tariff – despite five years of litigation regarding the Tariff – that would answer many of its questions. For example, consider SWP-ISO-154:

> SWP-ISO-154: Please refer to Ex. ISO-1 at 68:19-25
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> > These Access Charge components will be collected by the ISO from Scheduling Coordinators, Utility Distribution Companies and Metered Subsystem Operators for the delivery of Energy to Loads in a PTO Service Area. The Access Charge will be assessed on the basis of Gross Load. For Loads that are not located in a PTO Service Area, the Scheduling Coordinator serving such Load or export will pay the Wheeling Access Charge based on the usage of the ISO Controlled Grid.
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> Is SWP correct in understanding that a distinction between Wheeling Charges and Access Charges is that those who pay Access Charges are billed on the basis of actual Gross Load and provide a forecast of Gross Load for purposes relating to billing determinants, while those who pay Wheeling Charges are billed on the basis of net load or actual use of the ISO Controlled Transmission System and do not submit a Gross Load forecast for purposes relating to billing determinants?
>
> Please explain your answer.

Yet, not only is Ms. Le Vine's testimony quite clear on its face, but the definitions of Wheeling Charges and Access Charges and the information responsibility of

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[2] CDWR/SWP is incorrect when it asserts that the ISO should have, or could have, objected to its requests as burdensome. Few of CDWR/SWP's requests are burdensome when examined individually. It is only in the aggregate that they become so. The Commission's rules do not provide for objections in such circumstances. Rather, the appropriate response is to seek limitations on discovery, as the ISO is doing herein.

Participating TOs and other Market Participants are fully set forth in the ISO Tariff.

There is no need whatsoever for this question.

16. Consider also the following:

SWP-ISO-158: Please refer to the following excerpt of Ex. ISO-1 at 60:16-21

> If a New Participating TO's utility-specific rate based on its High Voltage Transmission Revenue Requirement divided by its Gross Load, is lower than the average of such calculation for all Participating TO's, the blending of the Transmission Revenue Requirements through the proposed Access Charge methodology could increase the transmission costs borne by its customers.

Please admit, pursuant to 18 CFR § 385.408, that if SWP becomes a PTO, it has no transmission "customers" whose transmission costs could be increased.

CDWR is well aware that the Commission has already answered this question, in a final order no longer subject to appeal:

> The ISO and SoCal Edison argue that entities like DWR, with only contractual entitlements to transmission capacity, would in effect have transmission customers if they joined the ISO, and therefore, the Commission must require DWR to have in place both a TRR and a mechanism such as a TRBA for crediting usage charge revenues. . . .
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> . . . .
>
> We agree with the ISO and SoCal Edison that if DWR becomes a Participating Transmission Owner in the ISO, it must have in place a TRR and TRBA. Although the ISO in this situation would be the provider of transmission services pursuant to the ISO's open access tariff, the ISO's customers would be able to make use of DWR's contractual rights that have been turned over to the ISO. The ISO would have to be able to price charges for such use to its customers and DWR would need a mechanism to recoup its costs from the ISO.

California Indep. Sys. Operator, 94 FERC ¶ 61,343 (2001), at pp. 62,267 and 62,269.

The ISO should not be required to waste time denying – and explaining its denial of – an assertion directly contrary to the Commission's rulings.

17. In SWP-ISO-207, CDWR/SWP cites Ms. Le Vine's testimony, "In recognition of the fact that certain New Participating TOs may present unique circumstances, the ISO proposes to add a section in Schedule 3 of Appendix F that allows for flexibility in the manner in which New Participating TOs convert Existing Rights and the way Participating TOs can develop their Transmission Revenue Requirement." It then asks for an admission that new Section 4.5 to Schedule 3 of Appendix F in Amendment No. 49 is the provision in question. The ISO's transmittal letter for Amendment No. 49, however, stated, "In recognition of the fact that certain New Participating TOs may present special or unusual circumstances, Amendment No. 49 adds Section 4.5 in Schedule 3 of Appendix F that allows for flexibility in the manner in which New Participating TOs convert Existing Rights to FTRs." Of course, it is relatively simply for the ISO to admit the fact in question, but CDWR/SWP does not need such an admission to make its case. The cumulative effect of such requests, however minor individually, significantly interferes with the ISO's ability to respond to necessary discovery.

18. CDWR/SWP is not alone in propounding unnecessary discovery. Various other parties have propounded discovery that asks the obvious, seeks already available data, or otherwise serves no discernible information-gathering function. Individually, these requests are insignificant. Cumulatively, they significantly interfere with the ISO's ability to respond to legitimate information needs.[3] It is not the ISO's intent to limit legitimate discovery; the ISO submits, however, that some controls are needed.

[3] The examples below are not intended to suggest that the parties in question are the most frequent or egregious abusers of discovery. Indeed, each has been quite understanding of the ISO's

predicament. These data requests are, however, symptomatic of the overall failure of parties to focus their discovery.

For example, TANC-ISO-37 asks, "Referring to Amendment 49, Attachment A, Superseding First Revised Sheet Nos. 218-219, Section 8.6: Transition Mechanism. Please provide a numerical example demonstrating how the language of this section is intended to work." Yet, not only does Exh. No. ISO-17 to Ms. Le Vine's testimony provide such an example, but the ISO has *already* provided the parties with the Excel file used in Exh. No. ISO-17 so that they can create as many numerical examples as they wish. The Transmission Agency of Northern California also asks, in TANC-ISO-36, for a numerical example of the meaning of "indirectly connected." The ISO finds it hard to conceive of such a phrase as being susceptible to numerical explanation.

Southern California Edison ("SCE") asks the following series of questions:

> **SCE-ISO-33.** With respect to Ms. Le Vine's testimony of p. 17 that "decisions by publicly owned utilities to convert their existing transmission rights to ISO transmission service would reduce costs created by phantom congestion", does the ISO contend that the ratepayers of any of the OPTOs would benefit from the reduction in phantom congestion as the result of the a decision by publicly owned utilities to "convert their existing transmission rights to ISO transmission service"?
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> **SCE-ISO-34.** If your answer to Request No. SCE-ISO-33 is in the affirmative, for the ratepayers of each OPTO please describe and quantify the reduction of costs created by phantom congestion that they would experience if publicly owned utilities converted their existing transmission rights to ISO transmission service.
>
> **SCE-ISO-35.** Please identify any and all ongoing FERC proceedings that concern or relate to the reduction or elimination of phantom congestion in California and/or in the ISO Control Area?
>
> **SCE-ISO-36.** Please identify, other than the ISO's TAC Proposal, any and all ISO plans, proposals, studies, and/or market designs that are intended to or that may eliminate or reduce phantom congestion? Please explain if, and how the effect of those plans, proposal or market designs on the elimination of phantom congestion would differ from the effects of the ISO's TAC Proposal.

Does SCE seriously intend to challenge the benefits of reducing phantom congestion? If it is, is it prepared to challenge the Commission's conclusions on phantom congestion contained in the order accepting Amendment No. 27 for filing:

> We do not agree with the position taken by the [Governmental Entities]. Software that perpetuates the non-conforming schedules will not fix this problem of "Phantom Congestion." We believe that this approach simply suggests an iterative scheduling process that will not allow sufficient time for the market to respond and will leave the ISO with insufficient time to manage the grid reliably. Furthermore, while [Governmental Entities] contend that their scheduling flexibility is a valuable asset, it results in overall market inefficiencies due to scheduling time lines that do not conform to the time lines of the overall markets. It is difficult to justify the scheduling flexibility advantage in light of the congestion these rights cause the ISO. *Therefore, "Phantom Congestion" is a market inefficiency that must be addressed and rectified as quickly as possible.*

91 FERC ¶ 61,205 at p. 61,727 (emphasis added).

III. ANSWER TO CDWR/SWP MOTION

A. CDWR/SWP's Need for a Date Certain

19. As the ISO has explained, it is using its best efforts to move forward with discovery responses, has made significant progress, and continues to respond according to the order received and the availability of information. CDWR/SWP insists that it must have a date certain for responses so that it can schedule depositions and because it needs several weeks to prepare testimony thereafter. Nothing, however, prevents CDWR/SWP from scheduling depositions at any time. To the extent any data responses are outstanding – which is likely, because CDWR will undoubtedly propound additional requests – CDWR/SWP can ask the questions at the deposition. Moreover, one must question the urgency of CDWR/SWP's timeline. Under the original schedule in this proceeding, CDWR/SWP had only eight weeks between the ISO's testimony and the due date for its testimony. The modifications included in Amendment No. 49 are minor, and indeed little of CDWR/SWP's discovery concerns Amendment No. 49. If CDWR needed several weeks to write, and intended depositions after the conclusion of data requests, it would barely have had time for two rounds of discovery following the

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SCE also asks the following question:

> **SCE-ISO-37.** With respect to Ms. Le Vine testimony on p. 19 that "the ISO's proposed Access Charge methodology has the potential to benefit all Market Participants through reduced Congestion costs, through the elimination or reduction of phantom congestion, and through potentially lower prices for Energy and Ancillary Services" please identify and describe the Market Participants that will be benefited by the "ISO's proposed Access Charge methodology"

SCE is certainly free to challenge Ms. Le Vine's statement, but does the phrase "*all* Market Participants" (emphasis added) need further elaboration in order for it to do so?

If the Presiding Judge so requests, the ISO can provide numerous similar examples of unnecessary discovery.

ISO's testimony under the original schedule. It has already propounded three after the ISO's testimony.

B. Response to CDWR/SWP Assertions

20. CDWR/SWP has proffered a variety of excuses for its inability to confine itself to a reasonable number of data requests, all of which attempt to place the blame on the ISO. Some of these complaints are simply wrong; none evidences any failure by the ISO that necessitates the volume of discovery issued by CDWR/SWP, a volume that would never be tolerated in a civil proceeding.

Excuse No. 1: The ISO's alleged failure to post information.

21. CDWR/SWP's first complaint is the ISO's alleged failure to comply with FERC directives that the ISO publicly provide information explaining such matters as its Capacity Benefit Margins ("CBMs") and Firm Transmission Rights ("FTRs"). With regard to the latter, CDWR/SWP cites the Commission's order in *California Indep. Sys. Oper. Corp.*, 91 FERC ¶ 61,205 at 61,726-27 (2000) agreeing with intervenors that more information is needed regarding various aspects of the ISO's proposed treatment. The Commission's order, however, had nothing to do with requiring the ISO to "publicly provide information." Rather, the Commission was explaining why it was setting the Amendment No. 27 for hearing. The ISO has not "failed to respond" to *any* directive in this regard, and has answered all data requests regarding FTRs to the best of its ability.

22. Regarding CBMs, CDWR/SWP is simply wrong. The ISO CBM policy is posted on the ISO's OASIS at http://oasis.caiso.com/d_help/help.html. Moreover, whether the ISO has adequately responded to the Commission's directives regarding information on CBMs has no bearing on CDWR/SWP's need for information regarding

the Access Charge or the ISO's case. CDWR/SWP's data requests regarding CBMs are designed to show that Mr. Keith Casey did not consider CBMs in his analysis of the impact of Existing Contracts on phantom congestion and congestion costs. The ISO's treatment of the Existing Contracts of Participating TOs is directly implicated by Amendment No. 27. In contrast, Amendment No. 27 has nothing to do with CBMs. Whether modifications of the ISO's treatment of CBM's would also affect congestion costs is not relevant to whether the conversion of Existing Contracts would reduce costs by reducing phantom congestion. That the one is not a substitute for the other should be readily apparent without any data requests.

23. Indeed, the issue of whether scheduling rights that cause phantom congestion should be preserved – regardless of whether other steps could also relieve phantom congestion – has already been resolved by the Commission and is not open to challenge in this proceeding.

Excuse No. 2: The ISO's response to inquiries.

24. CDWR/SWP's second excuse is that the ISO is unwilling to respond to inquiries about its practices and policies outside of a litigation context. CDWR/SWP cites the ISO's supposed failure to provide information regarding its policies on generation tie facilities, as CDWR/SWP alleges the ISO promised to do, forcing it to ask those questions in this proceeding. The ISO is not clear what promise it is alleged to have disregarded, but it is confident that any such failure does not effect CDWR's need for information in this proceeding. As the ISO explained to counsel for CDWR regarding certain ISO objections, there are three different types of issues concerning generation ties, only one of which is relevant to this proceeding. The first concerns the type of

facilities that should be transferred to ISO Operational Control. This issue is determined in proceedings under section 203 of the Federal Power Act, and is not involved in Amendment No. 27, and the ISO's policy in this regard is publicly available on the web-site as part of the application for potential Participating TOs at http://www.caiso.com/docs/2002/02/05/2002020510511321938.html. The second issue involves whether a particular facility should be included in a Participating TO's TRR. This is determined in the utility-specific proceeding on the TRR, not by Amendment No. 27, or any of the ISO's amendments to the ISO Tariff. The third issue is whether the ISO Tariff, as revised by Amendment No. 27 and subsequent amendments, should contain guidelines for inclusion of generation ties in TRRs. In this regard, only the ISO Tariff is relevant and controlling, not some distinct ISO policy. No such guidelines appear in the current Tariff. CDWR/SWP is free to advocate such guidelines, but information about some ISO policy outside the tariff cannot assist or hinder its advocacy.

25. CDWR/SWP also cites more generally a finding in a FERC audit that the ISO does not provide sufficient visibility and transparency with respect to much of its workings. The ISO has responded to this finding, which concerns the nature of dispatch instructions and the development of procedures, not the types of information CDWR/SWP is seeking. Because CDWR/SWP has not demonstrated how any ISO failures in this regard have interfered with its ability to obtain information, however, the ISO cannot respond further.

Excuse No. 3: The "confusing" ISO Tariff.

26. CDWR/SWP's problem number three is that the ISO tariff provisions apply to Participating TOs and Utility Distribution Companies, of which CDWR/SWP is neither. (Of course, as the ISO and the Commission have pointed out to CDWR/SWP, it will become a Participating TO if it gives operational control of its transmission Entitlements to the ISO.) CDWR/SWP states that it has sought a straightforward explanation of the rates CDWR/SWP would pay and why and how they would be paid, but none has been forthcoming. The ISO, in contrast, believes it has explained these matters to CDWR/SWP for almost three years, and cannot understand why CDWR/SWP remains perplexed. One example is included in the ISO's Intervenor Brief in CDWR/SWP's appeal of the requirement that it file a TRR, California Dept. of Water Resources v. FERC, Case No. 01-1234 (dismissed on nonsubstantive grounds for failure to seek rehearing). The ISO not only provided a narrative explanation of the charges CDWR/SWP would pay, but included a chart comparing its charges before and after becoming a Participating TO. The relevant portions are attached as Exh. I. More recently, the ISO has again laid out in detail the rates the CDWR would pay in response to earlier data requests in this proceeding. See SWP-ISO-75, attached as Exh. J.

27. CDWR/SWP also complains that certain aspects of the charges it must pay are not clearly set forth in the Tariff, and that the ISO sometimes uses shorthand for "complex" definitions. CDWR/SWP can cite only one supposed example of the latter. It notes that the ISO once explained that it had used "PTO" as shorthand for the UDC in the service area of a PTO. See Exh. J. The complex definition of PTO (or Participating TO) is as follows:

> A party to the [Transmission Control Agreement] whose application [to become a Participating TO] has been accepted and who has placed the its transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA. . . .

The definition of Utility Distribution Company (UDC) is no less simple:

> An entity that owns a Distribution System for the delivery of Energy to and from the ISO Controlled Grid, and that provides regulated retail electrical service to Eligible Customers . . . .

Moreover, any party that has operated in California for any period of time must be aware that each of the current Participating TOs in the ISO are also UDCs and that the PTO could only have load in its capacity as a UDC. The ISO cannot understand how this one example of a shorthand that should be obvious to all but the most casual reader justifies a need to propound over two hundred data requests.

28. Finally, with regard to this third excuse, CDWR/SWP's citations of Commission orders do nothing to advance its case. CDWR/SWP seizes upon two instances, totally unrelated to the Access Charge, in which the Commission was supportive of CDWR/SWP concerns – including one in which the Commission expressed sympathy, but made no substantive ruling – to establish its thesis that the terms of and concepts of Amendment No. 27 are not applicable to CDWR/SWP. CDWR/SWP conveniently ignores all the instances in which the Commission has found unconvincing CDWR/SWP's arguments regarding its unique nature – most importantly the two instances in which the Commission has explicitly rejected CDWR/SWP's central thesis, i.e., that it is differently situated from other potential Participating TO's with regard to the need for a TRR. See California Ind. Sys. Operator Corp., 101 FERC ¶ 61,021 at p. 61,063 (2002); California Ind. Sys. Operator Corp., 94 FERC ¶ 61,343 at p. 62,269 (2001).

Excuse No. 4: The ISO's "contradictory" responses.

29. CDWR/SWP's fourth assertion is that the ISO produces contradictory responses. The contradictions, however, are more in CDWR/SWP's imagination, produced by its abject failure to recognize clear distinctions among the questions asked. As a first example, CDWR/SWP states:

> For instance, in response to SWP-ISO-38A REV, the ISO told SWP, "The ISO is not aware of the terms, conditions, or firmness of the services provided to CDWR, except to the degree that it has received operating instructions from the Participating Transmission Owners" and in response to SWP-ISO-27, it stated, "The ISO has not reviewed the SWP ETC, and does not interpret ETCs." Yet the ISO has, according to the letter of April 8 from Ms. Sole to the CPUC (posted on the ISO website at Http://www.caiso.com/docs/2003/04/09/2003040908163911565.pdf), discussed with the California Public Utilities Commission the ISO's view of the details and future of SWP's ETC, including the Remedial Action System supporting Path 15 and ISO plans to continue the RAS with modifications upon an upgrade to Path 15.

SWP-ISO-38A-REV, however, asked the ISO to "admit" the manner in which the Commission would treat CDWR/SWP's historic use under its Existing Contracts. Consistent with its tariff obligations, *see* ISO Tariff § 2.4.4.4.1.1, the ISO declined to interpret CDWR/SWP's Existing Contract. In the letter posted on the website, Ms. Sole described very different circumstances. The letter concerned *ex parte* discussions regarding the basis for the CA ISO's view that "phantom congestion" will continue to exist going forward based on a *record* of a CPUC proceeding which discussed only the CA ISO's reservation of ETC rights consistent with the operating instructions received by the PTOs. There is nothing in the *ex parte* notice to suggest that the CA ISO discussed terms of or the interpretation of the CDWR/SWP contract, and in fact, no such discussions took place.

30. Further, Ms. Solé described what the CA ISO understands about a Remedial Action Scheme ("RAS"), how it supports the Path 15 path rating, and how it would it might change in the event of a Path 15 upgrade. The CA ISO has not obtained this information through a review or interpretation of Existing Contracts. Rather, much of this information was set forth in PG&E testimony in the proceeding. Moreover, the CA ISO had admitted in its response to SWP-ISO-115 that it is aware of the RAS and explained its understanding of how the RAS affects the Path 15 path rating. The CA ISO is aware of this information as control area operator and the coordinator of planning by Participating TOs, not through review or interpretation of Existing Contracts. The ISO was commenting based on record evidence of a services provided under a contract – which it has been, and continues to be, able and willing to do so. For example, in recent discovery in Docket No. ER03-142, the ISO declined to comment on specific services provided by CDWR under its Existing Contract until CDWR described those services. Once those services were described, the ISO responded. Similarly, in Docket No. ER00-313, also before the Presiding Judge, the ISO did not hesitate to discuss whether services provided by Governmental Entities were equivalent to Ancillary Services *once those services were described in the record.* The ISO's positions in this regard are fully consistent.

31. CDWR/SWP goes on to assert that in the same response the ISO stated it was not in a position to interpret the Commission's proposed Standard Market Design, but that the ISO interpreted the same proposal in response to NCPA-ISO-2 and NCPA-ISO-3. In SWP-ISO-38A REV, however, SWP asked the ISO to *admit* that SWP load met the definition of a "customer" with "historic load" on the ISO grid. SWP did not ask

the ISO's belief, contention, or litigation position; rather it asked the ISO to *admit* a conclusion that only the Commission can make. The ISO quite properly – particularly because the ISO explicitly stated that this was likely to be a matter of controversy – stated it was not in a position to admit or deny. The ISO did, however, provide SWP with factual admissions. SWP may use the admissions make its own legal argument regarding the status of its load instead of asking the ISO to make admissions beyond the ISO's ability.

32. In contrast, NCPA-ISO-2 and NCPA-ISO-3 (attached as Exhs. K and L) asked the ISO's *contention* regarding the ISO's own status as an Independent Transmission Provider and the conformity of the Access Charge with the proposed Standard Market Design. Not only is it reasonable to ask the ISO its position on the application of facts to a relevant legal standard, but the issue in question in NCPA's data request is one upon which the ISO will undoubtedly be required to put forth an position in future Commission filings. There is nothing "contradictory" about the ISO's ability to respond to NCPA.

33. In sum, despite CDWR/SWP's efforts to blame the ISO for its lack of understanding and its need for endless data requests, it has not succeeded in establishing such.

IV. CONCLUSION

34. For the reasons discussed above, the ISO respectfully requests that the Presiding Judge deny CDWR's Motion to Compel and issue an order imposing reasonable limitations on the number of data requests in this proceeding.

Respectfully submitted,

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David B. Rubin
Michael E. Ward
Jeffrey W. Mayes
Counsel for the ISO
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7643

Dated: April 24, 2003

CERTIFICATE OF SERVICE

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

Dated at Washington, DC, on this 24th day of April, 2003.

/s/ Michael E. Ward
Michael E. Ward

EXHIBIT A

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:23 AM
To: Klein, Daniel
Subject: FW: SWP Data Requests ER00-

-----Original Message-----
From: Ward, Michael
Sent: Monday, April 21, 2003 2:10 PM
To: 'Elisa Grammer'
Cc: 'Deborah Le Vine'; 'jsole@caiso.com'; Rubin, David; Mayes, Jeffrey; 'johannes.pfeifenberger@brattle.com'; 'Mark. Jenkins@Brattle. Com'; 'KCasey@caiso. com'; 'Edna Walz'; 'David A Sandino'; 'Jingchao Mi'; 'Harrison Call'; 'Harrison@hcallco. com'; 'Michael Werner'; 'David Bonaly'
Subject: RE: SWP Data Requests ER00-2019

Elisa --

The ISO is continuing to use its best efforts to move forward with responses. At the moment, we have outstanding requests from, inter alia, TANC and SCE, who are equally eager for responses. The ISO will continue its efforts, regardless of whether you file a motion to compel, but cannot provide a date certain for completion of all responses.

I frankly disagree strongly with your characterizations of both the the ISO's efforts and its responses. We will explain this disagreement in our answer to your motion to compel. We will also, however, request that the Presiding Judge impose reasonable limits on discovery.

The ISO is quite willing to provide all the necessary information to allow parties to prepare their cases. At some point, however, discovery requests go beyond the search for information and become nothing more than tools to improve litigation postures and facilitate cross-examination. Although it is entirely proper to use discovery for such purposes, and I have certainly done so, it is also proper for the responding party to ask for limits under such circumstances. When the ISO is forced to rush out answers, the result may be incomplete or erroneous information, particularly on insignificant details, which the ISO must later correct or supplement and which other parties have never hesitated to use to attack credibility.

I, too, regret that we must involve the Presiding Judge in this matter. Thank you for giving us time to consider your requests.

-- Mike

-----Original Message-----
From: Elisa Grammer [mailto:EJGrammer@GKRSE-law.com]
Sent: Thursday, April 17, 2003 12:48 PM
To: Ward, Michael
Cc: Deborah Le Vine; jsole@caiso.com; Rubin, David; Mayes, Jeffrey; johannes.pfeifenberger@brattle.com; 'Mark. Jenkins@Brattle. Com'; 'KCasey@caiso. com'; Edna Walz; David A Sandino; Jingchao Mi; Harrison Call; Harrison@hcallco. com; Michael Werner; David Bonaly
Subject: SWP Data Requests ER00-2019

Hi Michael-

I am thinking that maybe we should get the judge to help sort this out. We plan to notice depositions, but need to see answers to data requests first. Thus we must have a reasonable date certain for purposes of planning.

No one could dispute that Debi Le Vine is overworked, but from the outside, it's very difficult to understand why the ISO, with its large staff and status as a regulated utility, is using only one person to answer discovery and testify in seemingly all FERC litigation (and apparently other arbitration), and that same person is required to answer some of the questions specifically addressed to the testimony of other witnesses. Of course, the deadlines adopted by the ALJ in this proceeding permitted the ISO to raise objections of burdensomeness to the outstanding questions within 5 business days after receiving the discovery, which in this case would have been April 7.

SWP has attempted to restrict questions to yes or no answers and narratives that do not require massive document production, and by this time, should be easy for the ISO to answer. Of course, many of the questions would have been unnecessary if the ISO had complied with FERC directives to, for instance, post an explanation of its Capacity Benefit Margin on the website and fully explain how it allocates FTRs. Unfortunately, the ISO has taken, at least initially, the position that much information SWP is seeking is "irrelevant," generating even more work to obtain information that should be public in the first place.

Also, unfortunately, discovery is oftentimes the only way to obtain an explanation from the For instance, in August of the year 2000, Ms. Sole assured me that an ISO answer to SWP inquiries concerning ISO gen tie policy would be forthcoming shortly. We still await that reply.

The fact that ISO information is oftentimes contradictory generates additional questions. For instance, in response to SWP-ISO-38A REV, the ISO told SWP, "The ISO is not aware of the terms, conditions, or firmness of the services provided to CDWR, except to the degree that it has received operating instructions from the Participating Transmission Owners" and in response to SWP-ISO-27, it stated, "The ISO has not reviewed the SWP ETC, and does not interpret ETCs." Yet the ISO has, according to the letter of April 8 from Ms. Sole to the CPUC (posted on the ISO website at http://www.caiso.com/docs/2003/04/09/2003040908163911565.pdf), discussed with the California Public Utilities Commission the ISO's view of the details and future of SWP's ETC, including the Remedial Action System supporting Path 15 and ISO plans to continue the RAS with modifications upon an upgrade to Path 15. Also, in SWP-ISO-38A REV, the ISO informed SWP with respect to aspects of the FERC's Standard Market Design Rulemaking, "The ISO is not in a position to interpret the terms of the Commission's proposal. . . ." but in response to NCPA-ISO-2 and -3, the ISO was in a position to interpret the terms of the same rulemaking.

Finally, many, many aspects of what the ISO proposes are very difficult for SWP to understand, in large measure because the testimony and explanations assume that all entities are transmission owners or utility distribution companies-which SWP is not. We have sought a straightforward explanation of the rates SWP would pay, why and how they would be paid, but find this extremely difficult to understand. Exacerbating this problem is the fact that, as described in SWP-ISO-75, aspects of this are not clearly spelled out in the Tariff and the ISO sometimes uses "shorthand" in explaining complex definitions, for instance using the phrase "Participating TO as a shorthand for the UDC in the Service Area of a Participating TO."

Turning to scheduling issues, responses to questions of March 31 were due on April 14. It is now April 17. Intervenor testimony is due on June 2. We need to assimilate the ISO's answers to discovery, and then schedule depositions-all in time to write testimony, which itself will take several weeks. It would seem fair to have a date of April 25 for the outstanding SWP questions. This would give the ISO the almost the entire month of April to answer all outstanding questions.

The rules indicate that motions to compel are due 5 business days after an objection is filed. No objection has been filed, but this coming Monday would be 5 business days after no answer was provided.

Would you please let us know no later than tomorrow if you can commit to the April 25, 2003 date?

Thanks for your help on this.

Elisa J. Grammer
Law Offices of GKRSE
1500 K St, NW, Suite 330
Washington, DC 20005
202.408.5400
202.408.5406 FAX

-----Original Message-----
From: Ward, Michael [mailto:MEWard@SWIDLAW.com]
Sent: Tuesday, April 15, 2003 4:11 PM
To: 'Elisa Grammer'
Cc: 'dlevine@caiso.com'; 'jsole@caiso.com'; Rubin, David; Mayes, Jeffrey; 'johannes.pfeifenberger@brattle.com'; 'Mark Jenkins'; 'KCasey@caiso.com'
Subject: SWP Data Requests

Elisa --

I have received your voicemail regarding the data responses that were due yesterday. To date, the ISO has received over 450 data requests, 220 of them from SWP. 90% concern the testimony of one person -- Debi -- who must obtain necessary information from other ISO personnel, review and craft the responses, and respond to attorney questions, all the while fulfilling her job responsibilities at the ISO. For example, she is testifying in an arbitration until Thursday. The ISO is doing its best to respond to data requests as quickly as is reasonably possible, in the order received to the extent possible, but I cannot realistically give you a date specific. If the ISO's efforts are not sufficient to satisfy the parties, if may be appropriate to ask the Presiding Judge for some reasonable limits on discovery.

-- Mike

EXHIBIT B

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator Corporation	)	Docket No. ER00-2019-000

ANSWER OF
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
TO MOTIONS TO INTERVENE, MOTIONS TO REJECT, COMMENTS, REQUESTS FOR HEARING, AND PROTESTS

I. INTRODUCTION AND SUMMARY

On March 31, 2000, the California Independent System Operator Corporation ("ISO") filed Amendment No. 27 to the ISO Tariff.[1] Amendment No. 27 presented a revised methodology for determining transmission Access Charges, through which the embedded costs of the transmission facilities constituting the ISO Controlled Grid are recovered, together with associated changes adopted by the ISO Governing Board. The revised transmission Access Charge methodology was submitted in compliance with the directives of the Commission and the California legislature, requiring the ISO to submit a revised Access Charge methodology no later than two years after it commenced operations.[2]

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[1] Capitalized terms not otherwise defined herein are used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff.

[2] *Pacific Gas and Electric Co., et al.*, 81 FERC ¶ 61,122 at 61,500 (1997); *Pacific Gas and Electric Co., et al.*, 77 FERC ¶ 61,204 at 61,827 (1996); Cal. Public Util. Code § 9600(a)(2)(A).

In these circumstances, the ISO's failure to incorporate time-differentiated Access Charges in its proposed methodology does not render that methodology unjust or unreasonable.

O. Repetition of Unfounded Concerns Regarding the Participation of Entities With Contractual Transmission Rights Present No Basis for Modifying or Rejecting the Proposed Access Charge Methodology.

CDWR repeats complaints that the ISO Tariff does not make adequate provision for participation in the ISO by entities that have contractual Entitlements to transmission service, but do not own transmission facilities. Acknowledging that it raised these same concerns in other proceedings, CDWR argues that a new category of "Participating Contract Rightsholder" should be created for such entities.[112]

As the ISO has explained when CDWR has raised the same argument in other contexts, the flaw in CDWR's argument is its belief that Existing Rights holders that do not currently have transmission customers will continue to lack transmission customers after the ISO assumes control of the Existing Rights. Once such an entity joins the ISO, its rights to revenues and its access to the ISO would be indistinguishable from those of owners of physical transmission facilities. When an entity becomes a Participating TO by "plac[ing] its transmission assets and Entitlements under the ISO's Operational Control,"[113] it makes the capacity available to the ISO for scheduling the transactions of

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[112] CDWR at 23.

[113] *See* ISO Tariff, Appendix A, definition of "Participating TO." The ISO Tariff defines "Operational Control" as the "rights of the ISO . . . to direct the Participating TOs how to operate their transmission lines and facilities and other electric plant . . . for the purpose of affording

transmission customers under the ISO Tariff. The Participating TO does not cede ownership of the physical facilities to the ISO, but merely the right to control the operation of the transmission facilities and to make their capacity available to transmission customers. This is true whether the Participating TO's rights arise from ownership of the physical transmission assets or from contractual rights to use those assets.

Thus, if a Participating TO turns over a line with 1200 MW of transfer capacity to the ISO's Operational Control, and there are Existing Contracts for 500 MW of capacity on the line, the ISO can only schedule 700 MW of transactions over that line. Any Scheduling Coordinators whose transactions are scheduled over that line by the ISO are de facto transmission customers of the Participating TO, taking service under the ISO Tariff. If the holder of the rights under the Existing Contracts subsequently turns over its Entitlements to the ISO, the ISO can schedule the entire 1200 MW. A Scheduling Coordinator whose transaction is scheduled over the line by the ISO is then a transmission customer both of the Original Participating TO and of the holder of the rights under the former Existing Contracts.

The transmission pricing framework under Amendment No. 27 (as under the existing ISO Tariff provisions) reflects this concept. If CDWR has Entitlements on lines in a TAC area, all customers withdrawing Energy from the ISO Controlled Grid in that TAC Area pay High Voltage Access Charges based on the High Voltage Transmission Revenue Requirements of all Participating

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comparable and non-discriminatory transmission access and meeting Applicable Reliability Criteria."

TOs with facilities in that TAC Area or Entitlements on those facilities – including CDWR.[114] For a Participating TO that has turned over to the ISO only contractual rights, its High Voltage Transmission Revenue Requirement consists of the payments it must continue to make under the contract or contracts that create those Converted Rights.[115] The revenues are then distributed among those Participating TOs in proportion to their High Voltage Transmission Revenue Requirements.[116] The ISO Tariff thus explicitly recognizes that a Participating TO that has only Entitlements is nonetheless due payments from transmission customers.

CDWR's circumstances actually illustrate the importance of requiring entities that become Participating TOs to have Transmission Revenue Requirements and transmission rates. It is the ISO's understanding that CDWR pays approximately $20 million for contractual rights on facilities owned by PG&E and Edison, including a significant portion of Path 15. The ISO further understands that much of this capacity is in excess of CDWR's on-peak needs. If CDWR becomes a Participating TO and turns its Entitlements over to the ISO, it will continue to pay PG&E and Edison for those rights. It will not, however,

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[114] CDWR is correct that, in order to recover the costs of its low voltage facilities and Entitlements, it would have to fashion a low voltage rate. CDWR at 28 n.31. Amendment No. 27 does not dictate how that rate would be collected because the collection is the responsibility of the Participating TO charging the rate. Presumably, CDWR would collect the rates itself or, in the case of lines owned by other Participating TOs, enter into arrangements with others for collecting the rates. Although CDWR would have to pay itself for the use of its own facilities, it would be no different in that regard than other Participating TOs.

[115] CDWR is incorrect in stating that, after converting its Existing Rights, it would no longer be required to make payments under the associated contracts. *See id.* at 19. The contracts remain in place. The only change is that CDWR would exchange its right to receive transmission service under the contracts to the rights associated with being a Participating TO under the ISO Tariff.

[116] Proposed Section 7.1.3 of the ISO Tariff.

retain exclusive scheduling rights on those facilities.[117] Instead, customers scheduling transactions over Path 15 or any other of CDWR's Entitlements would effectively be transmission customers of CDWR, as well as the other Participating TOs, and CDWR will recover its costs from those customers. If CDWR does not create a Transmission Revenue Requirement (based on the cost of its Entitlements), the ISO will be unable to determine the High Voltage Access Charge applicable to transactions within the TAC area in which CDWR holds Entitlements. In addition, the ISO's calculation of High Voltage Access Charge revenue disbursements will not include CDWR, and CDWR will have no opportunity to recoup the payments it makes for that Entitlement from transmission customers scheduling transactions under the ISO Tariff.

CDWR also complains that Amendment No. 27 discriminates against it because, as a Publicly Owned Electric Utility (as the term is defined in Amendment No. 27),[118] it would need to conform to ISO accounting regulations and submit it rates to the ISO's Revenue Review Panel while other similarly situated entities (such as BART, Minnesota Methane, and Dynegy) would not.[119] CDWR concerned is misplaced, and its assumptions are wrong. The intent of Amendment No. 27 is that every Participating TO must abide by accounting

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[117] For a ten-year period, Existing Rights holders that turn their Entitlements over to the ISO's control will receive FTRs in connection with that capacity and, if they retain the FTRs, enjoy the associated limited scheduling priority in the Day Ahead Market. Proposed Section 9.4.3 of the ISO Tariff.

[118] CDWR asserts that the definition has inappropriate consequences, such as requiring CDWR to submit its retail rates (of which it has none) to the ISO for information purposes. CDWR at 31. This is a red herring. If CDWR has no retail rates, it need submit nothing. CDWR appears to believe that a definition of a class of entities is inapposite if there is a single requirement that does not apply to the entire class. Taken to its logical conclusion, CDWR's approach would require every entity to constitute a class of one.

[119] *Id.* at 30-31.

requirements of and submit its rates for review by the Commission or the ISO's Revenue Review Panel. By allowing the ISO to schedule transactions using their Entitlements, and accepting payment therefore, entities are providing jurisdictional transmission services under Section 201 of the Federal Power Act. Thus, private entities such as those mentioned by CDWR must, if they are eligible to become and choose to become Participating TOs, abide by the accounting requirements of, and submit their rates to, the Commission. Similarly, public agencies such as CDWR and BART, by making their Entitlements available for the provision of transmission services, are engaging in electric services and are Local Publicly Owned Electric Utilities such that they must conform to ISO accounting requirements and submit Transmission Revenue Requirements to review by the ISO's Revenue Review Panel.

P. This Docket Is Not the Appropriate Forum to Modify the Treatment of Congestion Revenues.

NCPA goes on at some length to raise complaints about the ISO's Congestion Management system, including in particular the distribution of Usage Charge revenues. Its real complaint appears to be with certain retail rate policies of the CPUC that, it contends, shield retail customers from Congestion price signals to the relative detriment of wholesale customers.[120] While the thrust of NCPA's argument is unclear, one thing is obvious: it has nothing to do with the Access Charge proposal presented in Amendment No. 27. NCPA's concerns are appropriately addressed in the stakeholder process that the ISO has initiated to review its Congestion Management processes in response to the Commission's

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[120] NCPA at 25-34.

EXHIBIT C

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:01 AM
To: Klein, Daniel
Subject: FW: ER00-2019: Edison's first set of data requests to SWP

-----Original Message-----
From: Ward, Michael
Sent: Wednesday, April 23, 2003 10:18 AM
To: 'Anna.Valdberg@sce.com'
Subject: RE: ER00-2019: Edison's first set of data requests to SWP

Anna --

Sorry I haven't gotten back to you earlier. We are making progress, and most drafts are done. I hope we can have something by the end of the week. As you can see, and will see from our answer to Elisa, we are having a rough time keeping up on the DRs.

-- Mike

-----Original Message-----
From: Anna.Valdberg@sce.com [mailto:Anna.Valdberg@sce.com]
Sent: Tuesday, April 22, 2003 7:15 PM
To: Mayes, Jeffrey
Cc: 'afinley@mwdh2o.com'; 'bblair@thompsoncoburn.com';
'bgriess@navigantconsulting.com'; 'blairj@mid.org';
'bpurewal@water.ca.gov'; 'chp8@pge.com'; 'CMohr@caiso.com';
'crmd@pge.com'; 'cstrother@mshpc.com'; 'cuillija@sce.com';
'DAD@DWGP.com'; Klein, Daniel; 'darthur@ci.redding.ca.us';
'daved@ncpa.com'; Rubin, David; 'dcohen@navigantconsulting.com';
'ddietz@wapa.gov'; 'dgarber@sempra.com'; 'djones@swc.org';
'dlevine@caiso.com'; 'dmahmud@mwdh2o.com'; 'DMM@DWGP.com';
'Edna.Walz@doj.ca.gov'; 'Edward.Gross@ferc.gov'; 'ehahn@mwdh2o.com';
'ejgrammer@gkrse-law.com'; 'elucero@semprautilities.com';
'erin.moore@sce.com'; 'george@ncpa.com';
'girish_balachandran@city.palo-alto.ca.us'; 'gwakade@gkrse-law.com';
'hc@hcallco.com'; 'hollis.alpert@ferc.gov'; 'J3M9@pge.com';
'janp@mid.org'; 'JDP@DWGP.com'; 'jimross@r-c-s-inc.com';
'jkey@steptoe.com'; 'jmi@water.ca.gov'; 'JoAnn.Scott@ferc.gov';
'jorge.carol@directvinternet.com'; 'jpfeifen@brattle.com';
'jsole@caiso.com'; 'jsomoano@ci.vernon.ca.us';
'jstrack@semprautilities.com'; Mayes, Jeffrey; 'kawamura@wapa.gov';
'kershner@wapa.gov'; 'kkohtz@siliconvalleypower.com';
'kpp1@Pattersonconsult.com'; 'ksims@ci.santa-clara.ca.us';
'Lawrence.Gollomp@hq.doe.gov'; 'Linda.Lee@ferc.gov';
'Linda.Patterson@ferc.gov'; 'lisa.dowden@spiegelmcd.com';
'llk1@pge.com'; 'Lot.Cooke@hq.doe.gov'; 'lpbrown@semprautilities.com';
'LSG@DWGP.com'; 'lwolfe@eob.ca.gov'; 'mark.jenkins@brattle.com';
'MATT@NCPA.COM'; 'mbrozo@navigantconsulting.com'; 'mdp5@pge.com';
'meg.meiser@spiegelmcd.com'; Ward, Michael; 'mikek@mid.org';
'mpa@a-klaw.com'; 'mparsons@thompsoncoburn.com'; 'MRP@DWGP.com';

'mryan@wapa.gov'; 'mwerner@water.ca.gov'; 'pckissel@gkrse-law.com';
'raw4@pge.com'; 'rcamacho@ci.santa-clara.ca.us'; 'rjda@pge.com';
'robert.mcdiarmid@spiegelmcd.com'; 'rogerv@mid.org';
'sjubien@eob.ca.gov'; 'SKarpinen@caiso.com'; 'skg7@pge.com';
'SMN@DWGP.com'; 'tnichols@ci.redding.ca.us'; 'toxieb@mid.org';
'troberts@sempra.com'; 'valdbeaj@sce.com'; 'WLD@DWGP.com';
'wrussell@wrassoc.com'
Subject: Re: ER00-2019: Edison's first set of data requests to SWP

Enclosed please find Edison' first set of data requests to SWP. By my calculations objections are due on April 29th and responses are due May 6th. Please do not hesitate to contact me at 626-302-1058 if you have any questions. (See attached file: 2019 discovery -- first data request to swp.doc)

EXHIBIT D

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:24 AM
To: Klein, Daniel
Subject: FW: ER00-2019 Western's Discovery

-----Original Message-----
From: Ward, Michael
Sent: Wednesday, April 16, 2003 12:06 PM
To: 'Jess Kershner'
Cc: 'Koji Kawamura'
Subject: RE: ER00-2019 Western's Discovery

Jess --

After going back over your data requests, I realized that they are all directed to Hannes' testimony. He has already provided drafts, and I hope to get the responses to you tomorrow.

-- Mike

-----Original Message-----
From: Jess Kershner [mailto:Kershner@wapa.gov]
Sent: Wednesday, April 16, 2003 11:25 AM
To: Ward, Michael
Cc: Koji Kawamura
Subject: RE: ER00-2019 Western's Discovery

Mike,

Thank you for your prompt and forthright response to our inquiry. Western understands the ISO's problems and does not believe it's necessary to go to the Presiding Judge when it is apparent the ISO is making a reasonable attempt to respond. We'll revise our anticipated arrival date and look for the ISO's responses to arrive next week.

Jess Kershner

Jess Kershner, Attorney
Western Area Power Administration
Office of General Counsel, A0209
P.O. Box 281213
Lakewood, CO 80228-8213
Kershner@wapa.gov
(720) 962-7018
(720) 962-7009 (Fax)

>>> "Ward, Michael" <MEWard@SWIDLAW.com> 04/16/03 09:00AM >>>
Jess --

You are not the first person to ask this question, and I must provide

the
same answer. It is unfortunately that WAPA, which has been quite
reasonable
in its data requests, is delayed because of the current circumstances.
To
date, however, the ISO has received over 450 data requests, including
over
200 from one party. 90% concern the testimony of one person -- Debi --
who
must obtain necessary information from other ISO personnel, review and
craft
the responses, and respond to attorney questions, all the while
fulfilling
her job responsibilities at the ISO. For example, she is testifying in
an
arbitration until Thursday, and will not be able to review or provide
any
responses prior to then. The ISO is doing its best to respond to data
requests as quickly as is reasonably possible, in the order received to
the
extent possible, but I cannot realistically give you a date specific.
I
know that WAPA's requests are pretty much next in line, and will do my
best
to provide a response early next week.

If the ISO's efforts are not sufficient to satisfy the parties, if may
be
appropriate to ask the Presiding Judge for some reasonable limits on
discovery. I would not expect that any such limits, if they become
necessary and are granted, would not interfere with WAPA's continued
reasonable discover.

-- Mike Ward

-----Original Message-----
From: Jess Kershner [mailto:Kershner@wapa.gov]
Sent: Wednesday, April 16, 2003 10:46 AM
To: Rubin, David; Ward, Michael
Cc: Koji Kawamura
Subject: ER00-2019 Western's Discovery

Dear Messrs. Rubin and Ward,
Western Area Power Administration submitted its discovery request to
the ISO on Friday, March 28. As such, the ISO's response was due by
Monday, April 7. When does the ISO anticipate being able to provide a
response? Thank you for assistance in this matter.

Sincerely,

Jess Kershner

Jess Kershner, Attorney
Western Area Power Administration

Office of General Counsel, A0209
P.O. Box 281213
Lakewood, CO 80228-8213
Kershner@wapa.gov
(720) 962-7018
(720) 962-7009 (Fax)

EXHIBIT E

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:25 AM
To: Klein, Daniel
Subject: FW: ER00-2019 Western's Discovery

-----Original Message-----
From: Ward, Michael
Sent: Wednesday, April 16, 2003 11:01 AM
To: 'Jess Kershner'
Cc: 'Koji Kawamura'; Mayes, Jeffrey; Rubin, David; 'jsole@caiso.com'; 'dlevine@caiso.com'
Subject: RE: ER00-2019 Western's Discovery

Jess --

You are not the first person to ask this question, and I must provide the same answer. It is unfortunately that WAPA, which has been quite reasonable in its data requests, is delayed because of the current circumstances. To date, however, the ISO has received over 450 data requests, including over 200 from one party. 90% concern the testimony of one person -- Debi -- who must obtain necessary information from other ISO personnel, review and craft the responses, and respond to attorney questions, all the while fulfilling her job responsibilities at the ISO. For example, she is testifying in an arbitration until Thursday, and will not be able to review or provide any responses prior to then. The ISO is doing its best to respond to data requests as quickly as is reasonably possible, in the order received to the extent possible, but I cannot realistically give you a date specific. I know that WAPA's requests are pretty much next in line, and will do my best to provide a response early next week.

If the ISO's efforts are not sufficient to satisfy the parties, if may be appropriate to ask the Presiding Judge for some reasonable limits on discovery. I would not expect that any such limits, if they become necessary and are granted, would not interfere with WAPA's continued reasonable discover.

-- Mike Ward

-----Original Message-----
From: Jess Kershner [mailto:Kershner@wapa.gov]
Sent: Wednesday, April 16, 2003 10:46 AM
To: Rubin, David; Ward, Michael
Cc: Koji Kawamura
Subject: ER00-2019 Western's Discovery

Dear Messrs. Rubin and Ward,
Western Area Power Administration submitted its discovery request to the ISO on Friday, March 28. As such, the ISO's response was due by Monday, April 7. When does the ISO anticipate being able to provide a response? Thank you for assistance in this matter.
Sincerely,

Jess Kershner, Attorney
Western Area Power Administration
Office of General Counsel, A0209
P.O. Box 281213
Lakewood, CO 80228-8213
Kershner@wapa.gov
(720) 962-7018
(720) 962-7009 (Fax)

EXHIBIT F

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:25 AM
To: Klein, Daniel
Subject: FW: SWP Data Requests

-----Original Message-----
From: Ward, Michael
Sent: Tuesday, April 15, 2003 4:11 PM
To: 'Elisa Grammer'
Cc: 'dlevine@caiso.com'; 'jsole@caiso.com'; Rubin, David; Mayes, Jeffrey; 'johannes.pfeifenberger@brattle.com'; 'Mark Jenkins'; 'KCasey@caiso.com'
Subject: SWP Data Requests

Elisa --

I have received your voicemail regarding the data responses that were due yesterday. To date, the ISO has received over 450 data requests, 220 of them from SWP. 90% concern the testimony of one person -- Debi -- who must obtain necessary information from other ISO personnel, review and craft the responses, and respond to attorney questions, all the while fulfilling her job responsibilities at the ISO. For example, she is testifying in an arbitration until Thursday. The ISO is doing its best to respond to data requests as quickly as is reasonably possible, in the order received to the extent possible, but I cannot realistically give you a date specific. If the ISO's efforts are not sufficient to satisfy the parties, if may be appropriate to ask the Presiding Judge for some reasonable limits on discovery.

-- Mike

EXHIBIT G

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:27 AM
To: Klein, Daniel
Subject: FW: ER00-2019: ISO Response to TANC-ISO-

-----Original Message-----
From: Ward, Michael
Sent: Tuesday, April 15, 2003 9:57 AM
To: 'Lisa Gast'; Rubin, David
Cc: Mayes, Jeffrey; 'JSole@caiso.com'; 'DLeVine@caiso.com'
Subject: RE: ER00-2019: ISO Response to TANC-ISO-36b

Lisa --

As I indicated, there is only so much that ISO staff can do at once, and we are processing in the order received. We are just finishing up NCPA, and also have 100 requests from SCE following yours. The reason for the four word response was not to appease TANC, but because it was a request for admission, and yesterday was the last day to admit or deny. I know that Debi was working on other responses last night. She will be testifying in an arbitration until Thursday, but I am hoping we can get additional sign-offs and distribute the ones she has worked on today. The ISO is doing the best it can, and if parties do not feel that is enough, we may need to ask the Presiding Judge for some reasonable limits on discovery.

-- Mike

> -----Original Message-----
> **From:** Lisa Gast [mailto:LSG@dwgp.com]
> **Sent:** Monday, April 14, 2003 5:52 PM
> **To:** mpa@a-klaw.com; jpfeifen@brattle.com; mark.jenkins@brattle.com; CMohr@caiso.com; dlevine@caiso.com; jsole@caiso.com; SKarpinen@caiso.com; darthur@ci.redding.ca.us; tnichols@ci.redding.ca.us; ksims@ci.santa-clara.ca.us; rcamacho@ci.santa-clara.ca.us; jsomoano@ci.vernon.ca.us; girish_balachandran@city.palo-alto.ca.us; jorge.carol@directvinternet.com; Edna.Walz@doj.ca.gov; Derek Dyson; Daisy Matthews; Jim Pembroke; Michael Postar; Sean Neal; Walley Duncan; lwolfe@eob.ca.gov; sjubien@eob.ca.gov; Edward.Gross@ferc.gov; hollis.alpert@ferc.gov; JoAnn.Scott@ferc.gov; Linda.Lee@ferc.gov; Linda.Patterson@ferc.gov; ejgrammer@gkrse-law.com; gwakade@gkrse-law.com; pckissel@gkrse-law.com; hc@hcallco.com; Lawrence.Gollomp@hq.doe.gov; Lot.Cooke@hq.doe.gov; blairj@mid.org; janp@mid.org; mikek@mid.org; rogerv@mid.org; toxieb@mid.org; cstrother@mshpc.com; afinley@mwdh2o.com; dmahmud@mwdh2o.com; ehahn@mwdh2o.com; bgriess@navigantconsulting.com; dcohen@navigantconsulting.com; mbrozo@navigantconsulting.com; daved@NCPA.COM; george@NCPA.COM; MATT@NCPA.COM; kpp1@Pattersonconsult.com; chp8@pge.com; crmd@pge.com; J3M9@pge.com; llk1@pge.com; mdp5@pge.com; raw4@pge.com; rjda@pge.com; skg7@pge.com; jimross@r-c-s-inc.com; cuillija@sce.com; erin.moore@sce.com; valdbeaj@sce.com; dgarber@sempra.com; troberts@sempra.com; elucero@semprautilities.com; jstrack@semprautilities.com; lpbrown@semprautilities.com; kkohtz@siliconvalleypower.com; lisa.dowden@spiegelmcd.com; meg.meiser@spiegelmcd.com; robert.mcdiarmid@spiegelmcd.com; jkey@steptoe.com; djones@swc.org; Klein, Daniel; Rubin, David; Mayes, Jeffrey; Ward, Michael; bblair@thompsoncoburn.com; mparsons@thompsoncoburn.com; ddietz@wapa.gov; kawamura@wapa.gov; kershner@wapa.gov; mryan@wapa.gov; bpurewal@water.ca.gov; jmi@water.ca.gov; mwerner@water.ca.gov; wrussell@wrassoc.com
> **Subject:** Re: ER00-2019: ISO Response to TANC-ISO-36b

Jeff--I am extremely disappointed with this response. The ISO's responses to TANC's second set of data requests is over a week overdue. Apparently the ISO believes that TANC would be appeased by a 4 word non-response to one-fourth of one of ten data requests. I do not wish to bother the Presiding Judge with this discovery matter unless absolutely necessary, but I have no qualms about doing so if the need arises. Please let me know as soon as possible when I can expect the remainder of the responses owed.
Sincerely,
Lisa Gas

Lisa S. Gast, Esq.
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(202) 467-6370
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>>> "Mayes, Jeffrey" <jwmayes@swidlaw.com> 04/14/03 05:16PM >>>

All:

Please find attached the above-referenced document.

-Jeff

<<Response to TANC-ISO-36b 4-14-03.DOC>>

Jeffrey W. Mayes

Swidler Berlin Shereff Friedman, LLP
The Washington Harbour
3000 K Street, Suite 300
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jwmayes@swidlaw.com

EXHIBIT H

Klein, Daniel

From: Ward, Michael
Sent: Thursday, April 24, 2003 11:28 AM
To: Klein, Daniel
Subject: FW: ER00-2019: TANC's Third Set of Data Requests to the

-----Original Message-----
From: Ward, Michael
Sent: Thursday, April 17, 2003 6:28 PM
To: 'Lisa Gast'
Subject: RE: ER00-2019: TANC's Third Set of Data Requests to the ISO

Lisa --

We will continue to do our best. I expect the rest of your responses will be done Monday (actually, they may be done tomorrow, but I won't be able to review them.) I appreciate your understanding.

-- Mike

> -----Original Message-----
> **From:** Lisa Gast [mailto:LSG@dwgp.com]
> **Sent:** Thursday, April 17, 2003 4:53 PM
> **To:** mpa@a-klaw.com; jpfeifen@brattle.com; mark.jenkins@brattle.com; CMohr@caiso.com; dlevine@caiso.com; jsole@caiso.com; SKarpinen@caiso.com; darthur@ci.redding.ca.us; tnichols@ci.redding.ca.us; ksims@ci.santa-clara.ca.us; rcamacho@ci.santa-clara.ca.us; jsomoano@ci.vernon.ca.us; girish_balachandran@city.palo-alto.ca.us; jorge.carol@directvinternet.com; Edna.Walz@doj.ca.gov; Derek Dyson; Daisy Matthews; Jim Pembroke; Michael Postar; Sean Neal; Walley Duncan; lwolfe@eob.ca.gov; sjubien@eob.ca.gov; Edward.Gross@ferc.gov; hollis.alpert@ferc.gov; JoAnn.Scott@ferc.gov; Linda.Lee@ferc.gov; Linda.Patterson@ferc.gov; ejgrammer@gkrse-law.com; gwakade@gkrse-law.com; pckissel@gkrse-law.com; hc@hcallco.com; Lawrence.Gollomp@hq.doe.gov; Lot.Cooke@hq.doe.gov; blairj@mid.org; janp@mid.org; mikek@mid.org; rogerv@mid.org; toxieb@mid.org; cstrother@mshpc.com; afinley@mwdh2o.com; dmahmud@mwdh2o.com; ehahn@mwdh2o.com; bgriess@navigantconsulting.com; dcohen@navigantconsulting.com; mbrozo@navigantconsulting.com; daved@NCPA.COM; george@NCPA.COM; MATT@NCPA.COM; kpp1@Pattersonconsult.com; chp8@pge.com; crmd@pge.com; J3M9@pge.com; llk1@pge.com; mdp5@pge.com; raw4@pge.com; rjda@pge.com; skg7@pge.com; jimross@r-c-s-inc.com; cuillija@sce.com; erin.moore@sce.com; valdbeaj@sce.com; dgarber@sempra.com; troberts@sempra.com; elucero@semprautilities.com; jstrack@semprautilities.com; lpbrown@semprautilities.com; kkohtz@siliconvalleypower.com; lisa.dowden@spiegelmcd.com; meg.meiser@spiegelmcd.com; robert.mcdiarmid@spiegelmcd.com; jkey@steptoe.com; djones@swc.org; Klein, Daniel; Rubin, David; Mayes, Jeffrey; Ward, Michael; bblair@thompsoncoburn.com; mparsons@thompsoncoburn.com; ddietz@wapa.gov; kawamura@wapa.gov; kershner@wapa.gov; mryan@wapa.gov; bpurewal@water.ca.gov; jmi@water.ca.gov; mwerner@water.ca.gov; wrussell@wrassoc.com
> **Cc:** Angela Barrett; Lisa Gast; Nena Robinson; Peter Scanlon; Tamir Ben-Yoseph
> **Subject:** ER00-2019: TANC's Third Set of Data Requests to the ISO
>
> Mr. Ward:
>
> Attached please find TANC's Third Set of Data Requests to the ISO in the TAC proceeding, ER00-2019. Although I understand the volume of data requests that the ISO has been receiving in this and other proceedings, I expect the ISO to use best efforts to respond to these requests in conformance to the 10 day response time agreed to by all parties.

Moreover, TANC is still awaiting a substantial portion of the responses to its Second round of Data Requests to the ISO in this proceeding. Please let me know when we can expect those responses.

Sincerely,
Lisa Gast

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EXHIBIT I

ORAL ARGUMENT SCHEDULED FOR SEPTEMBER 12, 2002

UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

California Department of Water Resources, Petitioner	)	
v.	)	**Case No. 01-1234**
Federal Energy Regulatory Commission, Respondent	)	

ON PETITION FOR REVIEW OF ORDERS OF THE FEDERAL ENERGY REGULATORY COMMISSION

JOINT BRIEF OF INTERVENORS SUPPORTING RESPONDENT

Jennifer L. Key
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Kenneth G. Jaffe
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Final Brief
Dated: July 19, 2002

for up to five years. ISO Tariff § 2.4.4.2.1 (old) (App. A at A-3); 81 FERC at 61,464.

3. Rate Structure

The ISO Tariff establishes two types of charges for use of the ISO Controlled Grid: rates for a PTO (acting in its capacity as an electric service provider) withdrawing electricity from the ISO Controlled Grid to serve a load directly connected to the transmission or distribution system of the PTO ("PTO Access Charges"[3]); and rates (applicable to PTOs and any other entities) for the transmission of electricity to serve a load located outside of the ISO Controlled Grid ("Wheeling Access Charges").[4] ISO Tariff Sheet 356 (current) (App. B at B-24).

a. Rate Structure Before January 1, 2001

Before January 1, 2001, each PTO developed individual transmission rates based on its TRR and TRBA. These rates formed the bases for charges for use of the ISO Controlled Grid.

PTO Access Charge: Before January 1, 2001, the ISO Tariff distinguished between Self-Sufficient PTOs and Dependent PTOs. Self-Sufficient PTOs were those that owned or had contractual rights to sufficient

[3] The term "PTO Access Charge" is not used in the ISO Tariff, but is used herein to refer to the Access Charges to which PTOs are subject.

transmission and distribution capacity, and had sufficient generation (regardless of ownership) connected to that transmission and distribution capacity, to serve its monthly peak load. ISO Tariff Sheets 346-347 (old) (App. A at A13-14); 81 FERC at 61,501. In other words, a PTO was Self-sufficient if it did not rely upon the transmission or distribution facilities of others to serve its load. A Self-Sufficient PTO did not have to pay the transmission rates of other PTOs. ISO Tariff § 7.1.2 (old) (App. A at A-4); 81 FERC at 61,501.

Dependent PTOs were those that did not meet the requirement for Self-Sufficiency. ISO Tariff Sheet 300 (old) (App. A at A-11); 81 FERC at 61,501. A Dependent PTO paid the PTO (or PTOs) that owned (or had contractual rights to) the facilities from which the electricity left the ISO Controlled Grid according to the Non Self-Sufficient Demand rate of that PTO. ISO Tariff § 7.1.3 (old) (App. A at A-4); 81 FERC at 61,501. Thus, a PTO that converted its Existing Rights to the ISO would charge a Dependent PTO for the use of those Entitlements. A Dependent PTO paid the rate only for the amount of its load for which it was not Self-Sufficient. ISO Tariff § 7.1.3 (old) (App. A at A-4); 81 FERC at 61,501.

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[4] A third type of charge, applicable to unbundled retail customers, is not relevant to these proceedings. *See* ISO Tariff § 7.1.5 (old) (App. A at A-15) and ISO Tariff § 7.1.5 (current) (App. B at B-28).

Wheeling Access Charge: Entities withdrawing energy from the ISO Controlled Grid to serve loads located outside the ISO Controlled Grid paid the Wheeling Access Charge of the PTO (or PTOs, in proportion to their rights) that owned (or had contract rights to) the facilities from which the electricity left the ISO Controlled Grid. ISO Tariff § 7.1.4.1 (old) (App. A at A-6). The charges were paid to the ISO, which disbursed the revenues to the PTOs in proportion to their overall TRRs. ISO Tariff § 7.1.4.3 (old) (App. A at A-7).

b. Rate Structure Subsequent to January 1, 2001

On January 1, 2001, the ISO implemented a new rate structure. ISO Tariff § 7.1 (current) (App. B at B-7). Under the new structure, the TRR of each PTO is divided into two parts, one reflecting the costs of the PTO's high voltage facilities (the "High Voltage TRR") and the other reflecting the cost of the PTO's low voltage facilities (the "Low Voltage TRR"). ISO Tariff § 7.1 (current) (App. B at B-7). Each PTO develops an individual Low Voltage Access Charge. ISO Tariff § 7.1 (current) (App B. at B-7).

PTO Access Charge: A PTO that withdraws energy from the ISO Controlled Grid on a low voltage facility of another PTO (or PTOs) pays the Low Voltage Access Charge of the PTO (or PTOs, in proportion to their rights) that owns the facility to the PTO and pays the applicable High

Voltage Access Charge to the ISO. ISO Tariff § 7.1 (current) (App. B at B-7). A PTO that withdraws energy from the ISO Controlled Grid on a high voltage facility pays to the ISO a High Voltage Access Charge according to from which of the three "TAC Areas" the PTO withdraws the Energy from the ISO Controlled Grid. ISO Tariff § 7.1 (current) (App. B at B-7).

The High Voltage Access Charge for each TAC Area is a combination of the "TAC Area" High Voltage Access Charge and a grid-wide High Voltage Access Charge. ISO Tariff Appendix F, Schedule 3, § 5.1 (current) (App. B at B-25); 91 FERC at 61,720. The TAC Area High Voltage Access Charge derives from the TRRs of all PTOs in the TAC Area. ISO Tariff Appendix F, Schedule 3, § 5 (current) (App. B at B-25). The grid-wide High Voltage Access charge is based on the combined TRRs of all PTOs.[5] ISO Tariff Appendix F, Schedule 3, § 5 (current) (App. B at B-25); 91 FERC at 61,724.

Wheeling Access Charge: Entities withdrawing energy from the ISO Controlled Grid to serve loads located outside the ISO Controlled Grid pay the Wheeling Access Charge, which comprises (1) the High Voltage Access

[5] Initially, the combined High Voltage Access Charge rate was calculated as 90% TAC Area High Voltage Charge and 10% grid-wide High Voltage Charge. Over the course of ten years, the grid-wide portion will increase by 10% until the TAC Area High Voltage Charge is eliminated – establishing a single High Voltage Access Charge for the entire ISO-Controlled Grid. ISO Tariff Appendix F. Schedule 3, § 5.8 (current) (App. B at B-27).

Charge for the TAC Area in which the facilities from which the electricity leaves the ISO Controlled Grid are located, and, only if the facilities are low voltage, (2) the Low Voltage Access Charge of the PTO (or PTOs, in proportion to their rights) that owns (or had contract rights to) the facilities from which the electricity leaves the ISO Controlled Grid.[6] ISO Tariff § 7.1.4.2 (current) (App. B at B-9). The Wheeling Access Charges are paid to the ISO. ISO Tariff § 7.1.4.3 (current) (App. B at B-9).

Disbursement: The ISO disburses the High Voltage Access Charges for a TAC Area in proportion to the overall High Voltage TRR of the PTOs that own or have contractual rights to facilities in the TAC Area. ISO Tariff § 7.1.4.3 (current) (App. B at B-9). Thus, an entity with Existing Rights that converts its Existing Rights receives a portion of the High Voltage Access Charge in proportion to its Entitlements.

4. Firm Transmission Rights

All transmission under the ISO Tariff is equally firm; all Loads, other than those taking transmission under Existing Contracts, are subject to curtailment in the case of congestion. ISO Tariff § 7.2.4.1 (current) (App. B at B-11). When congestion exists, the ISO adjusts schedules according to Generators' bids submitted to the ISO's congestion management. ISO Tariff

[6] The scheduling entity pays a combined rate if the facilities are in more than one TAC

§ 7.2.4.1 (current) (App. B at B-11). When all bids are exhausted, the ISO curtails Loads pro rata. ISO Tariff § 7.2.5.2.7 (current) (App. B at B-13).

When the Commission approved the ISO's operation, it directed the ISO to develop and offer a transmission product that is comparable to the firm transmission offered under the Commission's *pro forma* Open Access Transmission Tariff. 81 FERC ¶ 61,122 at 61,486. In response, the ISO filed Amendment No. 9 to the ISO Tariff, which gave rise to the orders that are the subject of this proceeding. R. 1 at 1; J.A. 0046. Under Amendment No. 9, the ISO issues a certain number of Firm Transmission Rights ("FTRs") for groups of transmission paths that are subject to congestion. R. 1 at 4 & § 9.1.1; J.A. 0049, 0056. The ISO sells the FTRs at an auction. R. 1 at 5, § 9.4; J. A. 0050, 0059. The revenues from the auction are provided to the PTO or PTOs that own or have contractual rights to the particular transmission paths, who include such revenues in their TRBA. R.1 at §§ 9.5.1, 9.5.2; J.A. 0060. Any entity meeting the financial certification requirements of the ISO Tariff may purchase FTRs. R. 1 at 5, § 9.2.7; J.A. 0050, 0058-59. Holders of FTRs receive a proportionate share of net Usage

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Area. ISO Tariff § 7.1.4.2. (current) (App. B at B-9).

Charge revenues, which the ISO pays out before distributing net Usage Charge revenues to PTOs.[7] R. 1 at §§ 9.2.1, 9.6.1; J.A. 0056, 0060.

VI. SUMMARY OF ARGUMENT

Contrary to CDWR's "factual assertion," the Commission's orders do not contravene any promise to keep CDWR "economically whole" if it became a Participating Transmission Owner. The Commission never ruled that transmission customers, who convert their contractual entitlements to the ISO, pay *only* the contractual rate. The only part of the Commission's discussion that addresses Existing Rights holders remaining whole is its description of parts of the ISO Tariff pertaining to Existing Rights holders who do *not* convert their rights.

The Commission did not need to rule whether holders of Converted rights should pay an ISO Access Charge because, at that time, the ISO Tariff did not require any PTO to pay Access Charges for transmission that did not exceed the capacity of its physical or contractual rights to the facilities. It is apparent from the Commission's discussion, however, that taking service under the ISO and Transmission Owner Tariffs entailed paying the charges that applied under those tariffs. If a converted rights holder does not bear

[7] Holders of FTRs also receive a limited scheduling priority; specifically, they are entitled to priority if there is congestion under the Day-Ahead Schedules submitted to the ISO and insufficient bids in the ISO's congestion market to resolve the congestion. R.1 at

a product of reasoned decision making.[12] CDWR Br. at 33. CDWR cites two particular impacts. First, it asserts that the order will subject it to net transmission rates equaling the ISO's Access Charge, thereby depriving it of its bargained for existing contract rates. CDWR Br. at 23. Second, CDWR contends that the Commission order will deprive it of the opportunity to hedge against congestion charges. CDWR Br. at 24.

1. The Requirement that CDWR, if It Becomes a PTO, Pay the Access Charges Applicable to the Loads of All Other PTOs Is A Reasoned Decision Consistent with Commission Policy.

a. Requiring that CDWR, if It Becomes a PTO, Pay the Access Charges Applicable to the Loads of All Other PTOs Does Not Deprive CDWR of Bargained-for Rates.

CDWR's first argument – that requiring it, if it becomes a PTO, to pay the Access Charges applicable to the Loads of other PTOs deprives CDWR of bargained-for rates – has a glaring defect. It ignores the fact that CDWR has the option, for the term of its Existing Contracts, to refrain from becoming a PTO and to continue to take service under those Existing Contracts. Under section 2.4.4.1.1 of the ISO Tariff, it will continue to pay the transmission rates and associated charges included in those contracts, not the ISO's charges. ISO Tariff § 2.4.4.1.1 (current) (App B at B-1). Only if

[12] CDWR's corollary argument, that the order constitutes an unexplained departure from Commission precedent, has been addressed above.

it *voluntarily* becomes a PTO will it be subject to Access Charges under the ISO Tariff. ISO Tariff § 7.1 (current) (App. B at B-7). The Commission has not required CDWR to do anything; accordingly, the Commission has not deprived CDWR of anything.

Moreover, should CDWR elect to become a PTO, it would not then be "pay[ing] twice for base transmission service," CDWR Br. at 23, anymore than any other PTO does. PTOs with physical ownership of transmission facilities paid for transmission on those facilities when they purchased (or built) them. In addition, the Existing PTOs may also have Converted Rights – for which they continue to pay under the ISO Tariff. ISO Tariff § 2.4.4.3 (current) (App. B at B-3). Nonetheless, under the new paradigm, they also pay the ISO Access Charge, and recover their pre-existing costs through Access Charge revenues and Wheeling Access revenues. ISO Tariff § 2.4.4.1.2 (current) (App. B at B-1). CDWR would be in the same position.

Further, as described above, at the time CDWR filed its rehearing request with the Commission (before January 1, 2001), it would have been a Self-Sufficient PTO if it joined the ISO (unless its transmission needs exceeded its contractual rights). ISO Tariff § 7.1.3.1 (old) (App. A at A-5). Under such circumstances, CDWR would have paid no additional Access Charge, ISO Tariff § 7.1.2 (old) (App. A at A-4), and would not have been

deprived of any bargained-for rates.[13] While CDWR would incur other ISO charges, it would also be receiving Usage Charges and Wheeling Access revenues in compensation.

It is only under the Tariff provisions subsequent to January 1, 2001, that CDWR would be subject to an Access Charge. ISO Tariff § 7.1 (current) (App. B at B-7). Even under those provisions, however, CDWR cannot establish it would be deprived of its bargained-for rates. There is a ten-year transition period during which new PTOs will be "held harmless" for any difference between their current costs and those after becoming a PTO (subject to a cap). ISO Tariff § 8.6 (current) (App. B at B-14). Finally, the current Access Charges are still the subject of Commission proceedings. *See California Independent System Operator Corp.*, 93 FERC ¶ 61,104 (2000). CDWR cannot assert that it has been deprived of the benefits of its bargains by rates that have not been finally approved by the Commission.

b. Requiring that CDWR, if It Becomes a PTO, Pay the Access Charges Applicable to the Loads of All Other PTOs Is A Reasoned Decision.

CDWR also asserts that the Commission's requirement that CDWR, if it becomes a PTO, pay the Access Charges applicable to the Loads of other

[13] Even if CDWR would somehow have been deprived of some such bargain, because

PTOs is not the product of reasoned decision making. CDWR Br. at 31. CDWR first argues that the ISO Tariff definition of Transmission Revenue Requirement is inconsistent with the requirement that CDWR develop a TRR because CDWR has no transmission facilities, but only contractual rights, and thus no revenue requirement authorized by a regulatory agency for such facilities. CDWR Br. at 29. It asserts that the Commission's conclusion that CDWR's TRR can be derived from the cost of its contractual rights is thus contrary to the filed rate doctrine. CDWR Br. at 30.

CDWR's attempt to distinguish itself from owners of the physical transmission facilities necessitates ignoring the whole of the ISO Tariff, which violates basic principles of tariff interpretation. *See Columbia Gas Transmission Corp.*, 27 FERC ¶ 61,089 (1984). As the ISO explained to the Commission, R. 92 at 7, J.A. 0273, when a PTO "place[s] its transmission assets and Entitlements under the ISO's Operational Control,"[14] it makes the capacity available to the ISO for scheduling the transactions of transmission customers under the ISO Tariff. The PTO does not cede ownership of the

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CDWR did not indeed become a PTO while those rates were in effect, it would not have standing to challenge such charges.

[14] *See e.g.*, the definition of "Participating TO" in the ISO Tariff. ISO Tariff Sheet 338 (current) (App. B at B-20); ISO Tariff Sheet 331 (old) (App A at A-12). The ISO Tariff defines "Operational Control" as the "rights of the ISO . . . to direct Participating TOs how to operate their transmission lines and facilities and other electric plant . . . for the purpose of affording comparable non-discriminatory transmission access and meeting Applicable Reliability Criteria." *Id.*, Sheet 336 (current) (App. B at B-30).

physical facilities to the ISO, but merely the right to control the operation of the transmission facilities and to make their capacity available to transmission customers. ISO Tariff § 3.1 (current) (App. B at B-6). This is precisely the same right CDWR would be conveying. This is true whether the Participating TO's rights arise from ownership of the physical transmission assets or from contractual rights to use those assets. ISO Tariff Sheet 352 (current) (App. B at B-21).

Thus, if a PTO that physically owns facilities turns over a line with 1200 MW of transfer capacity to the ISO's Operational Control, and there is an entity with an Existing Contract entitling it to exclusive use of 500 MW of capacity on the line, the ISO can only schedule 700 MW of transactions over that line. Any entities whose transactions are scheduled over those 700 MW by the ISO are de facto transmission customers of the PTO, taking service under the ISO Tariff. If the holder of the rights under the Existing Contract subsequently turns over its Entitlements to the ISO, the ISO can schedule the entire 1200 MW. An entity whose transaction is scheduled over the line by the ISO is then a de facto transmission customer both of the PTO and of the holder of the rights under the former Existing Contract.

The transmission pricing framework under the ISO Tariff reflects this concept. For example, under the provisions at the time Amendment No. 9

was filed, if an entity wheeled electricity out of the ISO Controlled Grid at a point on a line owned by one or more PTOs and at which another PTO had an Entitlement, the entity was charged a blended rate based on the TRRs and TRBAs of the owner(s) of the facility and the holder of the Entitlement.[15] The ISO Tariff explicitly recognized that a Participating TO that has only Entitlements was nonetheless due payments from Wheeling customers. ISO Tariff § 7.1.4.3 (old) (App. A at A-7). Wheeling revenues are thus distributed according to PTOs' TRRs. Unless the reference to "facilities" in the definition of TRR was intended to include the contractual rights to use such facilities, these provisions would make no sense. In any event, however, as the Commission's Brief notes, Comm. Br. at 38, the Commission ordered the ISO to conform its Tariff as necessary to its conclusion that CDWR must develop a TRR, and the definition of TRR now specifies that it includes the cost of transmission Entitlements. ISO Tariff Original Sheet No. 354 (current) (App. B at B-23).

[15] Under section 7.1.4.2 of the ISO Tariff (old) (App. A at A-7), "[t]o the extent that more than one Participating TO owns or has firm entitlement to transmission capacity exiting the ISO Controlled Grid at a Scheduling Point, the Scheduling Coordinator shall pay . . . a rate for Wheeling . . . which reflects an average of the Wheeling Access Charge of those Participating TOs, weighted by the relative share of such ownership or firm entitlement to transmission capacity." (Emphasis added.) Under section 7.1.4.1 (old) (App. A at A-6), the Wheeling Access Charge was based on the TRR and the TRBA of the Participating TO.

CDWR also argues that no evidence supports the Commission's acceptance of the ISO's contention that a failure to require CDWR to develop a TRR would skew the cost allocation system under the ISO Tariff. CDWR Br. at 31. To the contrary, the record includes the ISO's full explanation of the problems the exempting CDWR's exemption would present:

> At the heart of DWR's argument . . . is its repeated argument that its only customers and rates relate to wholesale water deliveries; that it is only a transmission customer, not a provider; and that its entitlement to Usage Charge revenues, Wheeling revenues, and FTR revenues is only a form of refund or compensation to a customer. DWR is indeed a transmission customer, and the ISO does not contest that fact. The ISO Tariff, however, does not provide any entity in its capacity as a customer with entitlement to Usage Charge revenues, Wheeling revenues, or FTR revenues. Rather, these payments are made to entities in their capacity as transmission providers – i.e., entities who have legal rights to use transmission capacity and who provide that capacity to the ISO to enable the ISO to serve transmission customers. Although DWR may at this time be only a transmission customer, if DWR subsequently turns its Entitlements over to the ISO's control, DWR would then also be a Participating TO, i.e., a transmission provider. DWR would be no different in this regard than any holder of transmission rights converted to the ISO's Control.
>
> Acceptance of DWR's interpretation of a Participating TO's role under the ISO Tariff would undermine the basic structure of the ISO Tariff, as accepted and approved by the Commission. Many potential Participating TOs have Existing Contract rights similar to those of DWR. The ISO Tariff treats these rights identically to physical ownership for purposes of collecting revenues (including determination of Self-Sufficiency and determination of Wheeling Access Charges)

> and the distribution of revenues (distribution of Wheeling revenues, Usage Charge revenues, and FTR auction revenues). DWR's proposal would consider these rights for the purposes of distributing revenues, but not for the purpose of collecting them, severely skewing the cost allocation system under the ISO Tariff.

R. 92 at 10-11; J.A. 0276-77. The entire approach of the ISO Tariff to account for the contractual rights of Existing Rights holders would have had to have been revised in order to create CDWR's exemption from the requirement to develop a TRR. R. 158 at 5; J.A. 0043. This reasoning was explicitly adopted by the Commission, and adequately supports the Commission's decision. R. 158 at 5; J.A. 0043.

c. Requiring that CDWR, if It Becomes a PTO, Pay the Access Charges Applicable to the Loads of All Other PTOs Is Consistent with Commission Policy.

Respondent Intervenors have explained above why the Commission's order under review is not inconsistent with any Commission precedent or policy. Significantly, the order is also in furtherance of well-established Commission policy. In Orders Nos. 888[16] and 2000,[17] the Commission

[16] Promoting Wholesale Competition Through Open Access Non-discriminatory transmission services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21,540 (1996), FERC Stats. & Regs., Regs. Preambles ¶ 31,036 (1996), order on reh'g, Order No. 888-A, 62 Fed. Reg. 12,274 (1997), FERC Stats. & Regs., Regs. Preambles ¶ 31,048 (1997), order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), aff'd in relevant part, remanded in part on other grounds sub nom, Transmission Access Policy Study Group, et al. v. FERC, 225 F.3d. 667, Nos. 97-1715, et al. (D.C.Cir), cert. granted in part, New York v. FERC, 121 S.Ct. 1185 (2001).

established a policy of moving toward the universal availability of nondiscriminatory transmission rates. *See, e.g.,* 61 Fed. Reg. 21,540; 65 Fed. Reg. 810. Although the Commission decided not to disturb existing contractual arrangements, which gave certain customers preferential treatment, 61 Fed. Reg. at 21,557, it encouraged the conversion of those rights, 65 Fed. Reg. at 933. To allow CDWR to continue to enjoy the benefits of participating in the ISO without paying the ISO Access Charge rates would reduce incentives for the conversion of Existing Contracts.

2. The Commission's Order Does Not Deprive CDWR of Its Opportunity to Hedge Against Congestion Costs

CDWR correctly notes that FTRs are intended to provide a financial hedge against congestion costs. CDWR Br. at 11. As described above, entities that place a premium on financial certainty can also reduce the likelihood of exposure to Usage Charges when congestion occurs on a portion of the ISO's transmission system over which it is scheduling Energy through FTRs. FTRs provide a hedge against these costs by allowing entities that purchase FTRs to receive a share of the net Usage Charge

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[17] Regional Transmission Organizations, Order No. 2000, 65 Fed. Reg. 809 (Jan. 6, 2000), FERC Stats. and Regs., Regs. Preambles ¶ 31,089 (Dec. 20, 1999), *order on reh'g*, Order No. 2000-A, FERC Stats. and Regs., Regs. Preambles ¶ 31,092 (2000), Notice of guidance for processing Order No. 2000 Filings, 65 Fed. Reg. 45,854 (2000), FERC Stats. and Regs., Regs. Preambles ¶ 35,040 (2000), Notice Providing Further Details on Procedures for Order No. 2000 Filings, 65 Fed. Reg. 60,931 (2000), FERC Stats. and Regs., Regs. Preambles ¶ 35,041(2000).

revenues. As the Commission has noted in its brief, Comm. Br. at 28-29, CDWR errs when it asserts that the Commission's orders under review would deprive it of that opportunity, CDWR Br. at 23-24. Under the ISO Tariff, it is only those net Usage Charges that an entity receives as a PTO that must be credited against the TRR. Thus, section 7.3.1.6 of the ISO Tariff provides that net Usage Charge revenues will be distributed first to FTR purchasers and then to PTOs. ISO Tariff § 7.3.1.6 (current) (App. B at B-29). Only with regard to the latter does it specify that the revenues will in turn be credited to the TRBA. ISO Tariff § 7.3.1.6 (current). Section 9.6 of the ISO Tariff, which addresses the entitlement of FTR purchasers to net Usage Charge Revenues, does not mention credits. ISO Tariff § 9.6 (current) (App. B at B-16). In contrast, the definition of Transmission Revenue Credit (which must be included in the TRBA) specifically identifies net Usage Charge revenues received by a PTO. ISO Tariff Sheet 353 (current) (App. B at B-22).

If there is any ambiguity in this regard in the ISO Tariff or in the Commission's orders under review, it is resolved by the Commission order in *San Diego Gas & Elec. Co., et al.*, 88 FERC ¶ 61,208 (1999). In that

proceeding, to which CDWR was a party,[18] the PTOs proposed to amend their TO Tariffs in conformity with Amendment No. 9 by modifying the definition of "Transmission Revenue Credit" to include proceeds from the auction of FTRs. *Id.* at 61,708. They also proposed to revise this definition to exclude from the Transmission Revenue Credit any congestion revenues (net Usage Charges) received by Transmission Owners from the FTRs that they have purchased. *Id.* The Commission accepted the filing without hearing or suspension. *Id.* at 61,709. There is no reason that CDWR cannot follow the same practice, and exclude net Usage Charge revenues it received as a FTR purchaser from its Transmission Revenue Credits – ensuring its ability to hedge against congestion costs.

3. The Commission's Order Does Not Impose Unreasonable Financial Detriment on CDWR.

In the final analysis, the only impact of the Commission's order on CDWR was to present the agency with two choices: to continue the status quo, or to become a PTO. As shown in the tables below, each course of action involved costs and countervailing compensation in connection with transmissions within the scope of the Existing Contracts. Both before and

[18] Indeed, CDWR specifically argued that approval of the proposed tariff amendments should be conditioned on a requirement that "if Usage Charge revenues received through FTRs are not included in the Transmission Revenue Credit then the costs of [the transmission owner's] purchases of FTRs shall not be charged to wholesale transmission

after January 1, 2001, CDWR had and has the ability to make its own economic evaluation and reasoned choice.

customers." *Id.* at 61,708. The Commission concluded that this concern is unfounded because the costs of FTRs are not reflected in the transmission revenue requirement. *Id.*

Table 2.

After January 1, 2001

	Non-PTO Existing Contract if Existing Contract covers all Schedules	New Self-Sufficient PTO with Converted Rights
Entity pays	Rates under Existing Contract	Rates under Existing Contract
		Access Charges for Schedules using ISO Controlled Grid (held harmless for 10 years)
		Usage Charges
		Costs of FTRs purchased at auction
Entity is paid		Revenues from Wheeling Access Charges (credited against TRR)
		Revenues from Access Charges proportional to TRR
		Share of Usage Charge revenues allocated to PTOs (credited against TRR)
		net Usage Charge Revenues associated with purchased FTRs

EXHIBIT J

RESPONSE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO THE SECOND DISCOVERY REQUEST OF CALIFORNIA DEPARTMENT OF WATER RESOURCES STATE WATER PROJECT ADDRESSED TO THE CALIFORNIA ISO

SWP-ISO-75

Please refer to the ISO's data response SWP-ISO-29a REV in this Docket:

SWP-ISO-29a REV

Please admit, pursuant to 18 CFR § 385.408, that upon contract conversion, under ISO Tariff § 2.4.4.3.1.4, the SWP's net transmission payment (either through (1) a process of paying the ETC rate plus the Access Charge and then receiving the ETC rate back or (2) direct SWP payment of the Access Charge) would be the applicable ISO Transmission Access Charge.

Response:

The ISO assumes for the purpose of this request and response that by "net transmission payment" SWP means the ultimate payment that SWP makes for transmission use of the ISO Controlled Grid and does not consider other ISO charges such as revenues from the FTR auction, TRBA debits and credits, and all charges listed in Section 11.1.6, except for the High Voltage Access Charge and Transition Charge. With regard to the first scenario, the ISO cannot simply admit or deny the question because the answer is based on the relationship between the ISO's transmission Access Charge, the payment SWP makes under its ETC, the Transmission Revenue Requirement ("TRR") that FERC approves for SWP, and the revenues SWP would receive as a Participating TO. The SWP would make the payments due under its ETC, and would also pay the ISO's Access Charge. SWP would receive payments from the ISO for the Entitlements turned over to ISO Operational Control, based on the rate that FERC approves, which the ISO assumes will be designed to recover fully SWP's payments under the ETC (i.e., its TRR). However, the ISO cannot forecast whether, in a given year, if SWP's revenues from rates would match precisely its payments under its ETC, and thus whether its "net transmission payment," as defined above, would equal the Access Charge. The reason for the potential mismatch is two-fold: first, FERC might not approve all of the ETC

payment for recovery under the TRR that is approved for the ISO to recover through the Access Charge; second, although the Access Charge is calculated based on the filed Gross Load of each Participating TO, the Access Charge is charged to the actual Gross Load of each Participating TO. (The filed Gross Load may be more or less than the actual Gross Load.)

Under the second scenario, assuming also that SWP would not receive revenues from the transmission Access Charge that derives from its converted rights, because the only payment or revenue assumed is the Access Charge, SWP's "net transmission payment," as defined above, should equal the Access Charge.

Prepared under the Supervision of Deborah A. Le Vine
Dated: February 19, 2003

EXHIBIT K

RESPONSE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION TO THE FIRST SET OF DATA REQUESTS FROM THE NORTHERN CALIFORNIA POWER AGENCY

NCPA-CAISO-2

Referencing page 29, lines 11-12 of Ms. LeVine's testimony, does the ISO contend that it qualifies as an Independent Transmission Provider ("ITP") under the Commission's Standard Market Design Notice of Proposed Rulemaking ("SMD NOPR")?

Response:

No. However, the ISO believes that once its Day-Ahead Energy Market is implemented, which is included in its MD02 Market Design, the ISO would qualify as an ITP.

Prepared by under the Supervision of Deborah Le Vine
Date: April 15, 2003

EXHIBIT L

**RESPONSE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION
TO THE FIRST SET OF DATA REQUESTS
FROM THE NORTHERN CALIFORNIA POWER AGENCY**

NCPA-CAISO-3

Referencing page 29, lines 11-12 of Ms. LeVine's testimony, does the CAISO contend that its TAC pricing methodology conforms to the SMD NOPR?

Response:

Yes. The ISO's Access Charge methodology as filed and amended, provides rate recovery for Participating TOs; eliminates "rate pancaking" for use of the ISO Controlled Grid; provides incentives for new transmission to be built by recovering costs for all new High Voltage transmission over all users of the ISO Controlled Grid; and provides a 10-year transition to postage stamp rates, of which the ISO is in the third year.

Prepared by under the Supervision of Deborah Le Vine
Date: April 14, 2003