UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
Nora Mead Brownell, Joseph T. Kelliher,
and Suedeen G. Kelly.

Cities of Anaheim, Azusa, Banning,
Colton, and Riverside, California, and
City of Vernon, California

v. Docket No. EL03-54-002

California Independent System Operator Corporation

ORDER DENYING CLARIFICATION

(Issued June 8, 2005)

1. This order denies a request for clarification of an order issued in this proceeding on March 30, 2005, denying a request for rehearing by Southern California Edison Company (SoCal Edison) of an order allowing the California Independent System Operator Corporation (ISO) to recover charges from SoCal Edison.[1]

2. On April 8, 2005, SoCal Edison filed a motion seeking an extension of time to comply with the prior orders pending appeal. On April 20, 2005, the extension of time was granted.[2]

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[1] *Cities of Anaheim v. California Independent System Operator Corporation*, 107 FERC ¶ 61,070 (2004), *reh'g denied*, 110 FERC ¶ 61,387 (2005) (March 30 Order).

[2] On April 27, 2005, the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California, and City of Vernon, California filed a motion for reconsideration of the notice granting the extension of time. On May 11, 2005, the Commission denied reconsideration. *Cities of Anaheim v. California Independent System Operator Corporation*, 111 FERC ¶ 61,218 (2005) (May 11 Order).

3. On April 28, 2005, SoCal Edison filed a request for clarification, asking the Commission to expressly find that it, in turn, is entitled to pass through those charges in its Reliability Services rates. SoCal Edison states that it continues to believe it should not have been charged these costs, but is concerned that, without clarification as to SoCal Edison's right to pass through such costs, its shareholders may be unfairly required to pay costs that should be recovered through its Reliability Services rates.

4. On May 9, 2005, the California Department of Water Resources (California DWR) and on May 12, 2005, the Cities of Anaheim, Azusa, Banning, Colton, and Riverside, California (Southern Cities) filed answers to the request for clarification. California DWR and Southern Cities both argue that the Reliability Services rates, under which SoCal Edison is seeking cost recovery, did not exist during the period the disputed costs were incurred, and are thus not an appropriate vehicle to recover such costs.

Discussion

5. We will deny the request for clarification. The issue of whether SoCal Edison is entitled to recover the disputed charges through its Reliability Services rates was not before us in this proceeding when we issued the March 30 Order, nor is it properly before us now. Moreover, as we explained in the May 11 Order, the ISO's Open Access Transmission Tariff provides for an automatic stay of implementation of an award, if an appeal is filed, until after the court rules on the appeal.[3] Thus, SoCal Edison is not required to pay the disputed charges at this time, let alone seek to recover them from its customers at this time, so any ruling on such recovery now would be premature. If and when that issue becomes ripe, SoCal Edison may file with the Commission seeking to recover the charges in its Reliability Services rates, and the Commission will address the issue at that time.

The Commission orders:

The request for clarification is hereby denied.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.

[3] May 11 Order at P 3.