

LOS ANGELES DEPARTMENT OF WATER AND POWER OPEN ACCESS TRANSMISSION TARIFF RESPONSES TO STAKEHOLDER QUESTIONS

The Los Angeles Department of Water and Power (LADWP) is a non-public utility under the Federal Power Act (FPA) and a Load-Serving Entity (LSE). LADWP has, over the years, built an electric generation, transmission, and distribution power system for the purpose of serving its Native Load as an LSE. LADWP facilitates the planning and expansion of its transmission facilities to satisfy its service obligations to Native Load, and to meet its reasonable needs and forecasted Native Load growth. LADWP's Native Load means LADWP's retail rate payers within LADWP's service territory.

LADWP owns and operates its distribution and transmission system, dispatches its generation resources, and makes long-term power supply arrangements to meet its Native Load service obligations. It is important to keep in mind that LADWP must first meet these obligations. LADWP will continue to make its transmission facilities and services that are not used to meet its native load service obligations available to all eligible customers in a manner that is consistent with FERC orders, rulemakings, and policies applicable to non-public utilities.

LADWP's Open Access Transmission Tariff (OATT) rates are based on its Transmission and Ancillary Services Cost of Service Study (COSS) including the underlining data used to perform such study is based on the test year 2008-2009 with pro forma adjustments to reflect certain changes for fiscal year 2010-2011. Rates may be subject to periodic revisions which shall be posted on its OASIS website. LADWP's responses to Stakeholder questions are based on the provided COSS.

LADWP wants to take this opportunity to thank all our Stakeholders for participating in its OATT Stakeholder process. The questions have all been combined and renumbered for consistency and convenience along with the **responses** below **in bold**.

1. Will LADWP be adopting FERC Order 764 and offering 15-minute intra-hour scheduling? (Powerex)

LADWP will be adopting FERC Order 764 and offering 15 minute intra-hour scheduling. However, we will delay the implementation to early 2014. 15-minute scheduling requires a vendor's software upgrade and many configuration changes. We are working with the vendor to install, test, and update the LADWP scheduling and OASIS systems. OASIS staff will post a notice to the customers

when 15 minute intra-hour scheduling is ready to be implemented.

2. LADWP to clarify that Schedule 1 and 2 charges will only be charge to the parent Transmission Service Request (aka TSR)? (Powerex)

LADWP confirms that Schedule 1 and Schedule 2 charges will only apply to the capacity of the parent TSR.

3. For Schedule 7 and 8, Powerex is concerned that LADWP is re-defining on-peak hours to include Hour-Ending 06:00, which is inconsistent with industry standards that have it from hour ending 07:00 through hour-ending 22:00 Monday through Saturday, excluding holidays. Powerex would appreciate it if LADWP would explain why it has decided to deviate from industry norms. (Powerex)

This is a typo in our proposed OATT. LADWP will clarify that on-peak hours will be between 06:00 a.m. and 10:00 p.m. or hour ending 07:00 through hour ending 22:00.

4. Referring to Section 23—Procedures for Resale, Assignment or Transfer of Service. LADWP to specify a dollar amount on its OASIS for the “Transmission Provider’s cost of expansion.” (Powerex)

LADWP has not made such calculations but will revisit this issue at a future date.

5. Is LADWP going to adopt FERC’s clarification regarding “Last in, First Out” basis for curtailing non-firm transmission service? (Powerex)

In light of FERC’s clarifying Order in mid-2013, LADWP will adopt the pro-rata curtailment for non-firm, as soon as our software vendor’s upgrade is complete and we are operationally ready to do so.

6. Please provide electronically a copy of the proposed OATT and all attachments and appendices in Word format. (BWP/GWP)

LADWP has provided all documents in PDF format. The pending OATT and all related documents are posted on the LADWP OASIS homepage for Transmission Customers to download.

The current links are:

Pending OATT -

http://www.oasis.oati.com/LDWP/LDWPdocs/Pending_OATT_for_Comments_2013-08-27.pdf

Pending OATT Rates -

http://www.oasis.oati.com/LDWP/LDWPdocs/Pending_OATT_Rates_2013-09-30.pdf

Pending Power Loss Factors -

http://www.oasis.oati.com/LDWP/LDWPdocs/Real_Power_Loss_Factors.pdf

Pending Attachment C -

http://www.oasis.oati.com/LDWP/LDWPdocs/Pending_Attachment_C.pdf

Pending Attachment E -

http://www.oasis.oati.com/LDWP/LDWPdocs/Pending_Attachment_E.pdf

Pending Attachment K -

http://www.oasis.oati.com/LDWP/LDWPdocs/Pending_Attachment_K.pdf

Pending Attachment L -

http://www.oasis.oati.com/LDWP/LDWPdocs/Pending_Attachment_L.pdf

Please follow the OASIS homepage link to get the most up-to-date postings of OATT related documents:

<http://www.oasis.oati.com/ldwp/index.html>

7. Please provide an explanation for each proposed change from the current FERC-approved pro forma OATT. (BWP/GWP)

Changes to the OATT can be readily identified in comparison to the *pro-forma* Order 890 OATT. We encourage customers to ask questions and discuss any concerns with LADWP.

8. Please provide all studies and documentation in support of all "Pending OATT Rates", including both Transmission Prices and Ancillary Services Prices. Such studies include but are not limited to:
 - a. the transmission revenue requirement study,
 - b. any transmission segmentation study,
 - c. any transmission cost-of-service study,
 - d. any transmission rate design study,
 - e. any studies used to calculate/estimate/project loads used to allocate costs or determine per unit rates,

- f. any studies supporting proposed transmission loss calculations,
- g. any studies supporting operating reserve requirements,
- h. any studies associated with the cost of generation and/or transmission inputs to the provision of ancillary services.
- i. other studies and documentation are requested specifically below, in addition to this general request.
(BWP/GWP)

LADWP neither performed a segmentation study nor any study supporting operating reserve requirements to assess transmission or ancillary service rates. However, a transmission and ancillary service Cost of Service Study was performed (aka COSS). The COSS includes a transmission revenue requirement used to determine transmission and scheduling rates and a production revenue requirement to determine the remaining ancillary service rates. See the “Summary of Approach and Process for Development of LADWP OATT Rates (November 8, 2013)” document posted on the OASIS on November 8 and also provided at the November 15, 2013 Stakeholder Meeting and the COSS. Please refer to post-Stakeholder Meeting question 94 for more details (renumbered by LADWP for consistency and convenience) for more details. Transmission Loss calculations are also attached in a separate document.

- 9. Please provide and explain all calculations that convert between and among all Daily, Monthly, Weekly, and Yearly Rates. (BWP/GWP)

See the “ COSS”document posted on the OASIS on November 8 and also provided at the November 15, 2013 Stakeholder Meeting.

- 10. If no segmentation studies have been conducted, please provide supporting studies and documentation that led to the conclusion not to conduct such studies, or that justify charging Transmission Customers who request service on LADWP’s AC Network rates that include LADWP’s DC costs. (BWP/GWP)

LADWP provides a “postage stamp” Point-to-Point transmission service to allow customers full use of the entire LADWP transmission system, including all DC and AC lines. Customers with transmission requests on an AC line are allowed to redirect Firm and Non-Firm services to paths on the DC lines. With the flexibility of using its entire system, LADWP believes that no segmentation studies are needed.

- 11. Please provide an explanation for the decision not to offer Network Integration Transmission Service (Original Sheet No. 91). (BWP/GWP)

Since LADWP started operating its OASIS in 1996, no request for NITS has ever been submitted to LADWP. As LADWP does not have any Network Integration Transmission Service (NITS) customers, LADWP does not see a need to offer NITS service.

12. Schedule 1. Please provide copies of all “arrangements” between the Transmission Provider and the Balancing Authority Area (BAA) operator that govern the provision of Scheduling, System Control and Dispatch Service by the BAA operator to the Transmission Provider (Original Sheet No. 92). (BWP/GWP)

This question is unclear. There are no “arrangements” between LADWP as a Transmission Provider (TP) and another BAA.

13. Schedule 1. Please provide forms of service agreements for the purchase of Scheduling, System Control and Dispatch Service from both the Transmission Provider and the Balancing Authority Area operator (Original Sheet No. 92). (BWP/GWP)

There are no forms of service agreements for the purchase of Scheduling, System Control and Dispatch Service from both the Transmission Provider and the Balancing Authority Area operator.

14. Schedule 1. Please provide documentation that the proposed rate for Scheduling, System Control and Dispatch is a “pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.” (Original Sheet No. 92.) (BWP/GWP)

There is no documentation that the proposed rate for Scheduling, System Control and Dispatch is a “pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.”

15. Schedule 2. Please provide copies of all “arrangements” between the Transmission Provider and the Balancing Authority Area (BAA) operator that govern the provision of Reactive Supply and Voltage Control by the BAA operator to the Transmission Provider (Original Sheet No. 94). (BWP/GWP)

There are no “arrangements” between the Transmission Provider and the Balancing Authority Area (BAA) operator that govern the provision of Reactive Supply and Voltage Control by the BAA operator to the Transmission Provider.

16. Schedule 3. Please provide all requirements for “alternative comparable arrangements” that satisfy the Regulation and Frequency Response obligation of the transmission customer (Original Sheet No. 96). (BWP/GWP)

The “alternative comparable arrangements” must demonstrate to LADWP’s satisfaction that its operational needs and reliability of its system is not compromised and that all applicable NERC and WECC standards, or its successors, are met.

17. Schedule 3. Please provide documentation that the proposed rate for Regulation and Frequency Response is a “pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.” (Original Sheet No. 97.) (BWP/GWP)

There is no documentation that the proposed rate for Regulation and Frequency Response is a “pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.” The Transmission Customer requesting service through LADWP is only charged Regulation and Frequency Response under the LADWP’s Tariff, and there are no pass-through charges.

18. Schedule 3. If a transmission customer purchases transmission capacity from LADWP pursuant to non-OATT contracts, how will that transmission capacity be taken into consideration in the calculation of the requirement that the “Transmission Customer’s total load within the Transmission Provider’s Balancing Authority Area shall not exceed the Transmission Customer’s Reserved Capacity”? For example, if a Transmission Customer has a total load (on a given hour) of 300 MW, and has reserved Capacity under the OATT of 50 MW, but the remaining 250 MW of load on that hour is served either by local customer-owned generation or by imports using non-OATT transmission contracts, how will the “shall not exceed” criterion be met? Is the “shall not exceed” calculated hourly? What are the consequences if the criterion is not met? (See Schedule 3, Original Sheet No. 97.) (BWP/GWP)

Schedule 3 is not based on a load-based charge. The charge is based on the transmission customer’s reserved capacities under the Tariff on the transmission provider’s system.

In the example suggested by the question, LADWP will be obligated to provide Schedule 3 service for the 50 MW of reserved

capacity under the OATT, unless the customer chooses to make alternative comparable arrangements.

The customer must make alternative comparable arrangements to satisfy the regulation and frequency response service obligation for the 250 MW (“other loads” pursuant to the proposed Tariff), which is not the responsibility of LADWP to provide under the OATT. The grandfathered (GF) contract customer may meet its obligation through self-supply, contract through a third party, or any other arrangement that complies with applicable NERC and WECC standards, and meets any other applicable LADWP requirements.

To clarify the intended meaning in the language of the OATT, LADWP will revise the proposed language in Schedule 3 to state: “Transmission Customer’s total Tariff load within the Transmission Provider’s Balancing Authority Area shall not exceed the Transmission Customer’s Reserved Capacity”

19. Schedule 3. For a Load Serving Entity (LSE) located within the LADWP Balancing Area that purchases transmission service under LADWP’s OATT, what “other loads” of the LSE are excluded from the Transmission Provider’s obligation to provide Regulation and Frequency Response service? (See Schedule 3, Original Sheet No. 97.) (BWP/GWP)

See response to question #18.

20. Schedule 3. Please provide all studies and documentation supporting the requirement that a transmission customer purchase 1.1 percent of Reserved Capacity for Point-to-Point service for Regulation and Frequency Response. How are non-OATT transmission contracts included in the reduction of that 1.1 percent obligation? (BWP/GWP)

See the “COSS” document posted on the OASIS on November 8 and also provided at the November 15, 2013 Stakeholder Meeting.

21. Please provide a copy of all relevant NERC and WECC requirements and Transmission Provider Business Practices associated with the self-supply of Ancillary Services under section 17(x) of the OATT. (BWP/GWP)

The relevant NERC and WECC standards that may apply to ancillary services for Schedules 3, 4, 5, 6, 9 and 10 include, but are not limited to: NERC Control Performance Standards No. 1 and No. 2, NERC Disturbance Control Standard, NERC BAL-002,

and WECC standards (BA-STD-002-0 Operating Reserves, VAR-002-WECC-1 Automatic Voltage Regulators, BAL-001-2 Voltage and Reactive Control and their successors). These standards are available for download from the NERC and WECC websites.

Schedule 1 and 2 shall be provided by LADWP.

22. Schedule 3. Please provide a copy of all technical criteria that will or may be used to determine that a Transmission Customer can meet the “speed and accuracy” requirements for the self-supply of Regulation and Frequency Response service. (BWP/GWP)

LADWP will evaluate for each customer the speed and accuracy requirements for the self-supply of regulation and frequency response on a case-by-case basis, in manner that is not unduly discriminatory.

23. Please state all criteria relevant to the determination that either Schedule 4 or Schedule 9 would apply to the provision of imbalance service. (BWP/GWP)

Schedule 4 applies to the load served by a load serving entity (LSE) located within LADWP’s balancing authority. Schedule 9 applies to any generator located within LADWP’s balancing authority. The energy or generator imbalance service is calculated as the difference between resources and obligations, where resources may include actual generator output, scheduled generation, purchased energy, import from another BA, and import from another LSE within LADWP’s balancing authority. Obligations may include LSE load metered at the point of delivery, sales of energy, export to another BA, and export to another LSE within LADWP’s balancing authority.

LADWP cannot assess schedules 4 and 9 in the same hour, unless the imbalances aggregate in the same direction rather than offsetting each other.

24. Schedule 5. If a transmission customer purchases transmission capacity from LADWP pursuant to non-OATT contracts, how will that transmission capacity be taken into consideration in the calculation of the requirement that the “Transmission Customer’s total load within the Transmission Provider’s Balancing Authority Area shall not exceed the Transmission Customer’s Reserved Capacity”? For example, if a Transmission Customer has a total load (on a given hour) of 300 MW, and has reserved Capacity under the OATT of 50 MW, but the remaining 250 MW of load on that hour is served either by local

customer-owned generation or by imports using non-OATT transmission contracts, how will the “shall not exceed” criterion be met? Is the “shall not exceed” calculated hourly? What are the consequences if the criterion is not met? (See Original Sheet No. 103.) (BWP/GWP)

The capacities from the GF contracts are not included as the transmission customer’s OATT capacity because the customer is not taking services under the OATT. See response to question #18.

25. Schedule 5. For a Load Serving Entity (LSE) located within the LADWP Balancing Area that purchases transmission service under LADWP’s OATT, what “other loads” of the LSE are excluded from the Transmission Provider’s obligation to provide Operating Reserves – Spinning? (Original Sheet No. 103.) (BWP/GWP)

See response to question #18.

26. Schedule 5. Please provide all studies and documentation supporting the requirement that a transmission customer purchase 6.4 percent of Reserved Capacity for Point-to-Point service as Operating Reserves - Spinning. How are non-OATT transmission contracts included in the reduction of that 6.4 percent obligation? (Original Sheet No. 104.) (BWP/GWP)

See the “COSS” document posted on the OASIS on November 8 and also provided at the November 15, 2013 Stakeholder Meeting.

27. Schedule 6. If a transmission customer purchases transmission capacity from LADWP pursuant to non-OATT contracts, how will that transmission capacity be taken into consideration in the calculation of the requirement that the “Transmission Customer’s total load within the Transmission Provider’s Balancing Authority Area shall not exceed the Transmission Customer’s Reserved Capacity”? For example, if a Transmission Customer has a total load (on a given hour) of 300 MW, and has reserved Capacity under the OATT of 50 MW, but the remaining 250 MW of load on that hour is served either by local customer-owned generation or by imports using non-OATT transmission contracts, how will the “shall not exceed” criterion be met? Is the “shall not exceed” calculated hourly? What are the consequences if the criterion is not met? (Original Sheet No. 106.) (BWP/GWP)

Schedule 6 is not based on a load-based charge. The charge is based on the transmission customer's reserved capacities under the Tariff on the transmission provider's system.

In the example suggested by the question, LADWP will be obligated to provide service under Schedule 6 for the 50 MW of reserved capacity under the OATT, unless the customer chooses to make alternative comparable arrangements.

The customer must make alternative comparable arrangements to satisfy the operating reserve-supplemental reserve service obligation for the 250 MW ("other loads" pursuant to the proposed Tariff), which is not the responsibility of LADWP to provide under the OATT. The GF contract customer may meet its obligation through self-supply, contract through a third party, or any other arrangement that complies with applicable NERC and WECC standards, and meets any other applicable LADWP requirements.

The capacities from the GF contracts are not included as the transmission customer's OATT capacity because the customer is not taking services under the OATT.

To clarify the intended meaning in the language of the OATT, LADWP will revise the proposed language in Schedule 6 to state: "Transmission Customer's total Tariff load within the Transmission Provider's Balancing Authority Area shall not exceed the Transmission Customer's Reserved Capacity"

28. Schedule 6. For a Load Serving Entity (LSE) located within the LADWP Balancing Area that purchases transmission service under LADWP's OATT, what "other loads" of the LSE are excluded from the Transmission Provider's obligation to provide Operating Reserves – Supplemental? (Original Sheet No. 106.) (BWP/GWP)

See response to Question #18.

29. Schedule 6. Please provide all studies and documentation supporting the requirement that a transmission customer purchase 5.3 percent of Reserved Capacity for Point-to-Point service as Operating Reserves - Supplemental. How are non-OATT transmission contracts included in the reduction of that 5.3 percent obligation? (BWP/GWP)

See the "COSS" document posted on the OASIS on November 8 and also provided at the November 15, 2013 Stakeholder Meeting .

30. Schedule 10. Please provide all studies and documentation in support of the requirement that a Transmission Customer purchase 1.1 percent of maximum name plate capacity for Generator Regulation and Frequency Response. (Original Sheet No. 119.) (BWP/GWP)

See the “COSS” document posted on the OASIS on November 8 and also provided at the November 15, 2013 Stakeholder.

31. Schedule 12 and separate document listing loss factors. Please provide all studies and documentation in support of the calculation of Real Loss Factors for the four listed segments: (a) Pacific Direct Current Intertie, (b) Intermountain Power Project Direct Current, (c) “only Alternating Current”, and (d) Sylmar-Paloverde500. Please provide studies and documentation in support of the conclusion that the sum of loss factors should be applied if a path uses a combination of segments. (BWP/GWP)

See response to Question 8 regarding loss factor studies. Sylmar to Palo Verde 500 segment requires LADWP to pay a contractual loss to a third party. Any path that involves this segment will therefore have the sum of the loss factors applied.

32. Please provide a copy of or URLs for all current Business Practices. (BWP/GWP)

The URL to the LADWP homepage where the current and pending business practices are posted is:

<http://www.oasis.oati.com/ldwp/index.html>.

This URL is the property of OATI and is subject to change. LADWP may move old postings for archive and file management purposes.

33. Please provide a list of all current Point-To-Point Transmission Service customers (Attachment I). (BWP/GWP)

Attachment I refer to NITS customers and not LADWPs current Point-To-Point customers. LADWP currently does not have any NITS customers taking service under the OATT so no list is provided. See response to question 11.

34. Please provide a list of all current Network Integration Transmission Service customers (Attachment E). No index is posted at the URL listed in Attachment E. (BWP/GWP)

Attachment E refers to LADWP's current Point-To-Point customers and can be found on the Westtrans website. LADWP currently does not have any NITS customers taking service under the OATT so no list is provided.

35. Please provide a copy of the Network Operating Agreement (Attachment G). (BWP/GWP)

See response to question 11. LADWP does not offer NITS.

36. Please provide a copy of the Annual Transmission Revenue Requirement for Network Integration Transmission Service (Attachment H). (BWP/GWP)

See response to question 11. LADWP does not offer NITS.

37. Please explain why the reference to "practices required by Federal Power Act section 215(a)(4)" has been deleted from the definition of Good Utility Practice. (BWP/GWP)

LADWP has a continuing obligation as a NERC and WECC Registered Entity to comply with approved Reliability Standards under Federal Power Act (FPA) section 215(a)(4). Elimination of the reference to Section 215(a)(4) in the definition of Good Utility Practice does not change LADWP's obligations to comply with the NERC reliability standards.

38. Please explain why the definitions of "Load Ratio Share" and "Load Shedding" have been deleted from the Tariff. (BWP/GWP)

These definitions are relevant for NITS. As described in response to Question # 11, LADWP does not offer NITS, and these definitions were deleted in our proposed tariff.

39. Please explain and provide justification, including studies and documentation, for the three-year limit on renewal rights (section 2). Please provide any studies of the impacts on reliability of service within the Balancing Authority Area of LADWP or on the ability of any current or potential Transmission Customer to meet its obligations (e.g., integration of renewable resources under California law) due to such a limit. Please explain how LADWP plans to integrate new renewable PPAs with terms of 20-25 years for service to its own retail loads given this tenor limit on transmission rights. (BWP/GWP)

As interpreted by LADWP's external bond counsel, IRS Private Use restrictions limit transmission service and renewal rights to a three year maximum. LADWP's obligation to its retail load customers requires it to abide by IRS Private Use requirements.

40. Please explain the proposal that LADWP's business practices may differ from those set forth in 18 CFR §37 and §38 regarding the operation of LA's Open Access Same-Time Information System and standards of conduct (section 12.4). Please identify the specific language in 18 CFR §37 and §38 that led to this proposal. (BWP/GWP)

LADWP does not understand the reference provided. In accordance with section 4 of the Tariff, LADWP has posted its Standards of Conducts (SOC) on OASIS. Section 12.4 of the pending OATT refers to costs during the arbitration process. That section does not seem to be related to 18 CFR §37 and §38 which refer to Open Access Same-time Information Systems and Business Practice Standards and Communication Protocols.

41. Please identify those laws that apply to the limit on interest on unpaid balances in section 7.2 of the proposed OATT. (BWP/GWP)

LADWP is a member of the Western System Power Pool (WSPP) and pursuant to Section 9.3 of the WSPP Agreement pertaining to "Interest on Unpaid Balances" the following provision has been incorporated in Section 7.2 of the Proposed OATT and made part of LADWP's credit policy.

"Amounts not paid on or before the due date shall be payable with interest calculated daily, at a rate equal to 200 basis points above the per annum Prime Rate reported daily in the Wall Street Journal for the period beginning on the day after the due date and ending on the day of payment, provided that such interest shall not exceed the amount permitted by law."

Any questions regarding passages found in the above provision should be directed to WSPP.

42. Please identify "applicable law" that pertains to the Transmission Provider's right to change rates (section 9). (BWP/GWP)

LADWP is subject to the Los Angeles Administrative Code, as may be amended from time to time by Ordinance, and also the City Charter. The Board of Water and Power Commissioners, with City Council approval, has the authority to establish tariffs

for transmission services. Board and City Council meetings where this would be approved are a public process where proper notice is given before an item is put on the agenda. These meetings are open to the public and public comments are taken and considered by our governing authority.

43. Will LADWP allow for Load Shedding as contemplated in Section 33 of the *pro forma* OATT? If so, under what conditions, protocols or business practices? Please provide a copy of any proposed Load Shedding Agreement. (BWP/GWP)

Load Shedding as contemplated in Section 33 of the *pro forma* OATT is under Network Integration Transmission Service (NITS). As described in response to Question #11, LADWP does not offer NITS at this time. It is not relevant to provide a proposed Load Shedding Agreement.

44. If LADWP determines that a transmission constraint or constraints exists on the LADWP Transmission System that may impair the reliability of the system, will LADWP redispatch resources to alleviate such constraint, on a least-cost basis without regard to the ownership of such resources? Please provide business practices or other protocols for such redispatch. (BWP/GWP)

LADWP will operate the transmission system in accordance with applicable NERC and WECC reliability standards and contractual obligations. LADWP does not offer a redispatch service at this time and has no duty to redispatch beyond its obligation.

45. If LADWP determines that a transmission constraint or constraints exists on the LADWP Transmission System that prevents LADWP from offering firm PTP service, will LADWP redispatch resources to relieve such constraints, on a least-cost basis without regard to the ownership of such resources? If so, please provide the appropriate business practice or other protocol. (BWP/GWP)

Please see answer to Question #44.

46. Please provide all studies of the potential for redispatch of any resources inside the Balancing Area Authority of LADWP in order to maintain reliability, provide transmission service, or avoid curtailment of service. (BWP/GWP)

OASIS: Please see answer to Question #44.

47. What is the process that LADWP will follow to amend its Business Practices (Section 1.7)? (BWP/GWP)

LADWP will document the current process used to create or amend business practices and said document will be posted as a business practice on OASIS when it is available.

48. Will Transmission Customers be able to provide input on Business Practices before the proposed tariff goes into effect? If so, please provide a description of opportunities to provide input. If not, please explain why not. (BWP/GWP)

Yes. LADWP posts pending Business Practices on OASIS generally for five business days for customers to comment. This gives Transmission Customers the opportunity to provide comments.

49. Will Transmission Customers be able to provide input on any future amendments to Business Practices? If so, please provide a description of opportunities to provide input. If not, please explain why not. (BWP/GWP)

Yes. LADWP's usual practice is to post all new or amended Business Practices as pending on the OASIS website. Customers are generally given five business days to provide comments. After the comment period, LADWP will consider any customer comments, make any necessary changes, and the Business Practice will become effective.

50. Under Section 9 of the proposed OATT, LADWP can "unilaterally propose a change in rates, terms and conditions, charges or classification of service." Will Transmission Customers be able to provide input on any such changes? If so, please describe and explain the process. References to the "Network Operating Committee" have been removed. Will a Customer Committee be established by LADWP to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service or other service provided under the tariff? (BWP/GWP)

Yes. Rate changes will be posted and customers will be able to provide comments. The process will also be posted on the OASIS home page prior to the rate change. As described in response to Question # 11, LADWP does not have NITS customers. Therefore, a "Network Operating Committee" is not necessary.

51. How will the information system and standards of conduct associated with LADWP's OASIS be different from those contained in Part 37 of the Commission's regulations? Please explain the reasons for any such differences. (BWP/GWP)

LADWP has posted its standards of conduct on its OASIS page.

52. Please explain the proposal to delete the definition of Transmission Provider's Monthly Transmission System Peak. (BWP/GWP)

This definition is referenced in Part III of the Pro Forma tariff. Since LADWP does not offer NITS, LADWP does not include Part III in its tariff. Therefore it was not necessary to keep this definition in the pending tariff.

53. Besides the existing firm service customers (native load, wholesale requirements (if any) and transmission-only, with a contract term greater than one year), which customers or entities have the right to continue to take transmission service from LADWP as the Transmission Provider when their contracts expire, roll over or are renewed? (BWP/GWP)

All existing transmission customers will follow the renewal procedures in the effective OATT, upon expiration of their existing contracts. LADWP native load is not its own "customer" so the renewal term does not apply.

LADWP assumed there was a typo in the question, and "Provider" should have been "Customer" in the sentence: "...take transmission service from LADWP as the Transmission *Customer* when their contracts expire, roll over or are renewed?"

54. Under Section 2, how will LADWP allocate available transfer capability if there are multiple requests for firm transmission service that have been filed simultaneously? (BWP/GWP)

LADWP is looking into allocating ATC by lottery, for similar transmission products in the same tier submitted during a Simultaneous Submission Windows. LADWP anticipates that it would develop a Business Practice will be created for this process and will be posted on OASIS when available..

55. Please explain why, in Section 15.4, the Transmission Provider is not prohibited from unreasonably denying self-provided redispatch or

redispatch arranged by the Transmission Customer from a third party resource. (BWP/GWP)

Because of the operational complexity, redispatch is not currently offered by LADWP either from LADWP's own resources or from third-party resources for any OATT customers.

56. Please explain how LADWP will ensure that customers with existing transmission contracts will "continue to receive transmission service under those agreements until such time as those agreements may expire or terminate" under Section 15.6. (BWP/GWP)

LADWP will honor the transmission service provided under grandfathered existing transmission service contracts, in a manner consistent with the terms of such agreements.

57. Please explain why the System Impact Study Procedures (Section 19.3) do not require the System Impact study to identify any system constraints, identified with specificity by flowgate, or redispatch options, contrary to the *pro forma* OATT. (BWP/GWP)

A System impact study identifies transfer limits and system constraints. Its purpose is to determine if an upgrade of the transmission path is necessary. LADWP does not offer redispatch service, and it does not use flowgates to model its rated paths.

58. Please explain the proposal to exclude redispatch from the calculation of transfer capability in the provision of partial interim service (section 19.7). (BWP/GWP)

LADWP uses Contract Path and not a flow-based methodology to calculate transfer capability. LADWP does not offer redispatch service.

59. Under Section 19.9, there are no penalties for the failure of the Transmission Provider to meet study deadlines. How will LADWP ensure that these deadlines are met, and what consequences are contemplated if deadlines are not met? (BWP/GWP)

As stated in Sections 19.3 and 19.4, LADWP will use due diligence to complete the studies on time and if these timeframes cannot be met, it will notify the Transmission Customer of the estimated completion date and provide an explanation for the additional time required.

60. Section 24.1 addresses the situation in which the Transmission Customer installs and maintains compatible metering and communications equipment to accurately account for the energy being transmitted under Part II of the Tariff. Does LADWP propose that such equipment shall remain the property of the Transmission Customer once installed? (BWP/GWP)

In certain cases, the equipment may remain the property of the Transmission Customer, but in all cases the Transmission Customer shall make the metered data available to LADWP to facilitate measurements and billing under the Service Agreements.

61. Please provide a list and descriptions of circumstances in which the Transmission Customer will or may be required to maintain a specific power factor (section 24.3). (BWP/GWP)

A load located within the Transmission Provider's Balancing Authority Area with transmission services under the OATT may be required to maintain a power factor requirement. The power factor requirements may be included in a service agreement between a load serving Transmission Customer and the Transmission Provider. The Tariff states that power factor requirements must be within the same range as the Transmission Provider.

62. Please provide a definition of "schedules . . . generating capacity" as used in Schedule 11. If an LSE within LADWP's Balancing Authority Area schedules generation from generators located within the LSE's service territory, or from generators located within an adjacent LSE's service territory that can be delivered without the use of LADWP's transmission system, in order to meet the LSE's retail load, is that schedule of generation included as a potential "unreserved use" under Schedule 11? Does LADWP plan or expect to calculate unscheduled loop flows that may create "unreserved use" under Schedule 11? If so, please provide the proposed methodology. (BWP/GWP)

At this time, LADWP does not account for loop flows as unreserved use under Schedule 11. LADWP will continue to monitor loop flows to preserve the reliability of its system. LADWP will charge for unreserved use of LADWP's transmission system under Schedule 11.

63. Please provide a description and schedule for all planned or proposed stakeholder involvement in the further development of the proposed

OATT, prior to any action by any governing board or governing body of LADWP. (BWP/GWP)

A timeline of the OATT Approval Process Schedule has been posted on the LADWP OASIS home page.

64. In “LADWP Transmission Planning Process” section of LADWP’s “Draft Attachment K” (found at http://www.oasis.oati.com/LDWP/LDWPdocs/LADWP_Attachment_K_Dec_7_2007.pdf), LADWP indicates that “will continue its tradition of participating in up-and-coming sub-regional and WECC-wide forums for the expressed purpose of meeting all of the requirements of FERC Order No. 890.” (a) To what extent does LADWP intend to conform to the *pro forma* OATT’s Attachment K, including the provisions of Order Nos. 890, 890-A, 1000 and 1000-A? (b) Does LADWP plan to follow the requirements of Order No. 1000 and 1000-A applicable to jurisdictional utilities, in particular the directives regarding coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation for new projects? (c) If so, please explain how it will do so both in the context of the “Local Planning Process” and the “Regional and Subregional Planning” referenced in LADWP Draft Attachment K. (d) If so, please provide a schedule for such compliance, including opportunities for stakeholder input. (e) If not, please provide an explanation of the decision not to comply with these orders. (BWP/GWP)

LADWP’s Attachment K is currently in review, a draft of the attachment, along with its most updated 10-year Transmission Plan is currently posted on its website. With respect to Order Nos. 1000, 1000A—LADWP is a member of WestConnect and is participating in the WestConnect Order 1000 development process to address regional and inter-regional transmission planning filings. The WestConnect Order No. 1000 filings which are subject to continuing FERC rulings and Order No. 1000 itself is the subject of appellate litigation in the DC Circuit Court of Appeals. Accordingly, the specific transmission planning processes, methodology and criteria have not been finally approved by FERC and are still subject to potential changes in the Court of Appeals. Filings with FERC are public documents and may be found on the FERC e-Library at www.ferc.gov. Meetings for WestConnect are open stakeholder processes and notices can be found on the WestConnect website. LADWP will participate in WestConnect to the extent it is able.

65. What are LADWP's current and expected processes for consulting with customers and interconnected transmission providers, including the CAISO, under the LADWP transmission planning process associated with Attachment K of the LADWP Tariff? Does the proposed LADWP planning process differ from the directives in Order Nos. 1000 and 1000-A? If so, please explain how and why LADWP has decided not to follow these process-related directives. To the extent your answer to this question differs as it relates to the "Local Planning Process" as opposed to the "Regional and Subregional Planning" process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

66. Please provide the notice procedures and anticipated frequency of planning meetings under the LADWP transmission planning process associated with Attachment K of the LADWP Tariff. Do the proposed LADWP procedures and meeting frequency differ from the directives in Order Nos. 1000 and 1000-A? If so, explain how and why LADWP has decided not follow these directives. To the extent your answer to this question differs as it relates to the "Local Planning Process" as opposed to the "Regional and Subregional Planning" process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

67. Please provide the methodology, criteria, and processes used to develop transmission plans under the LADWP transmission planning process associated with Attachment K of the LADWP Tariff. Do the proposed LADWP methodology, criteria, and processes differ from the directives in Order Nos. 1000 and 1000-A? If so, explain how and why LADWP has decided not follow with these directives. To the extent your answer to this question differs as it relates to the "Local Planning Process" as opposed to the "Regional and Sub-Regional Planning" process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

68. Please provide the obligations of and methods for customers to submit data to LADWP under the LADWP transmission planning process associated with Attachment K of the LADWP Tariff. Do the proposed LADWP obligations and methods differ from the directives in Order Nos. 1000 and 1000-A? If so, explain how and why LADWP has decided not to follow these directives. To the extent your answer to this question differs as it relates to the "Local Planning Process" as

opposed to the “Regional and Subregional Planning” process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

69. Please provide the dispute resolution process under LADWP’s transmission planning process associated with Attachment K of the LADWP Tariff. Does the proposed LADWP process differ from the directives in Order Nos. 1000 and 1000-A? If so, explain how and why LADWP has decided not to follow these directives. To the extent your answer to this question differs as it relates to the “Local Planning Process” as opposed to the “Regional and Subregional Planning” process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

70. Please provide LADWP’s study procedures for upgrades to address congestion or the integration of new resources under the LADWP transmission planning process associated with Attachment K of the LADWP Tariff. Do the proposed procedures differ from the directives in Order Nos. 1000 and 1000-A? If so, explain how and why LADWP has decided not to follow these directives. To the extent your answer to this question differs as it relates to the “Local Planning Process” as opposed to the “Regional and Sub-Regional Planning” process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

71. Please provide LADWP’s cost allocation procedures or principles under the LADWP transmission planning process associated with Attachment K of the LADWP Tariff. Do the proposed procedures or principles differ from the directives in Order Nos. 1000 and 1000-A applicable to jurisdictional utilities? If so, explain how and why LADWP has decided not to follow these directives. To the extent your answer to this question differs as it relates to the “Local Planning Process” as opposed to the “Regional and Subregional Planning” process, please describe these differences and explain why they exist. (BWP/GWP)

See response to Question # 64.

72. In the section entitled “LADWP Transmission Planning Process” of the Draft Attachment K, LADWP indicates that “Many of the Federal Energy Regulatory Commission (FERC) Order No. 890 Transmission planning process requirements is met by LADWP’s membership and participation in WECC which promotes and coordinates electric system

reliability throughout 14 regions” Please provide a list of the Order No. 890 Transmission planning requirements that are met by LADWP’s membership and participation in WECC and describe how they are met. Please also provide a list of those Order No. 890 Transmission planning requirements that are not met by LADWP’s membership and participation in WECC. (BWP/GWP)

See response to Question # 64.

73. What is the projected time-line for LADWP to seek “approval from its governing authority to join the WestConnect Planning Initiative” that is referenced in Draft Attachment K at p.3? (BWP/GWP)

LADWP is currently a member of WestConnect.

74. Does LADWP plan to rely on WestConnect to assist LADWP in following the requirements of Order Nos. 1000 and 1000-A? If so, please explain (a) why LADWP has decided to do take this course of action, (b) what specific actions LADWP expects and/or has requested WestConnect to perform, and (c) what Order Nos. 1000 and 1000-A requirements WestConnect will meet on LADWP’s behalf? Does LADWP plan to formally delegate authority to WestConnect to act on LADWP’s behalf? If so, please provide forms of such delegation. (BWP/GWP)

See response to Question # 64.

75. Section II, of Draft Attachment K, which is entitled “Local Planning Process,” indicates that “to date, no third party generators are interconnected to LADWP’s local transmission system”. (a) Please define “local transmission system”, both by inclusion and by exclusion. (b) Have any third party generators requested interconnection to LADWP’s “local transmission system”? (c) Has LADWP had any conversations with third party generators that intend to request or have requested interconnection to LADWP’s local transmission system? (d) If so, please provide a list of the entities, the projected dates of interconnection and any LADWP findings regarding the impacts or potential impacts of their interconnection. Please also provide answers to questions 72(a)-(d) for any LADWP transmission assets or capacity deemed or determined not to be part of LADWP’s “local transmission system”. (BWP/GWP)

(a) The definition of the local transmission system is the transmission located in the LADWP Balancing Authority;

(b), (c), (d) Refer to OASIS website for submissions of valid interconnection requests. The responses above apply for both local and non-“local transmission system”.

76. Section II, of Draft Attachment K, indicates that GWP “performs [its] own transmission and resource planning.” (a) Please provide the evidence on which LADWP relied to form this conclusion. (b) Does LADWP intend to coordinate its transmission and resource planning with GWP’s transmission and generation planning? (c) If so, explain how and when LADWP intends for this to occur. (BWP/GWP)

LADWP is not the transmission planner or resource planner for BWP or GWP.

77. Section II, of Draft Attachment K, indicates that “LADWP’s local transmission planning process complies with the WECC/NERC planning standards (TPL-001 through TPL-004) and the WECC voltage collapse criteria and study methodology”. Please explain how LADWP’s local transmission planning process complies with the WECC/NERC planning standards listed and provide any documentation that LADWP relies upon to demonstrate this compliance. (BWP/GWP)

LADWP’s internal compliance program delegates compliance responsibility to subject matter experts (SMEs) who execute and document compliance with FERC/NERC/WECC reliability requirements, including TPL standards. Documentation of LADWP’s compliance is regularly provided to NERC and WECC for all applicable reliability requirements, and LADWP is subjected to regular reviews and audits in accordance with the NERC and WECC compliance implementation plans.

78. Section II, of Draft Attachment K, indicates that “[i]f a planned project impacts LADWP’s service territory only, then LADWP will conduct its own internal planning process to implement the projects.” (a) Please explain how LADWP determines that a planned project impacts LADWP’s service territory only. (b) Please provide an example of such a determination. (c) Please explain whether LADWP intends to allow BWP/GWP to participate in or receive findings from these determinations, either pursuant to the LADWP OATT or otherwise. (d) If so, please explain how LADWP intends for this to occur and when in the process will this occur. (e) If not, please explain why not. (f) Does LADWP plan to treat planned generation interconnection affecting its service territory in the same way (with respect to rates and terms and conditions of service), irrespective of whether the interconnection

ultimately provides service to LADWP's retail customers or another party or parties? (BWP/GWP)

A planned project will either (1) have its impact limited to LADWP transmission system or (2) will affect a neighboring transmission operator or transmission owner.

- (a) Reliability simulations are performed to assess the effects on all entities, i.e. to see if it is situation (1) or (2).**
- (b) Recent example of (1) is the Scattergood-Olympic Cable A project which was studied in the Ten-Year Transmission Assessment, and a recent example of (2) is the upgrade of the Intermountain DC line in December 2010 after it passed the WECC Three-Phase Rating Process to evaluate its effect on neighboring transmission operators and/or transmission owners.**
- (c) LADWP only notifies any affected neighboring transmission operators and/or transmission owners.**
- (d) BWP/GWP can participate in the WECC Three-Phase Rating Process for any transmission project. Generation Interconnection Procedures require that any affected party be notified for any applicable generation interconnection.**
- (e) See answer to (d) above.**
- (f) All generation and transmission interconnection requests are treated equally.**

79. Section II, of Draft Attachment K, indicates that “[f]or local projects which may have a system impact on neighboring territories at or near the boundary of LADWP’s service territory, LADWP actively initiates and participates in joint projects through SCPPA and other joint project agreements with our neighbors.” (a) Please explain how LADWP determines that a local project “may have a system impact on neighboring territories”. (b) Please provide a recent example of such a determination (i.e., in the last five years). (c) Please explain how LADWP intends to allow GWP to participate in or receive findings from these determinations under the LADWP OATT. (d) If so, please explain how LADWP intends for this to occur and when in the process will this occur. (e) If not, please explain why not. (BWP/GWP)

A planned project will either (1) have its impact limited to LADWP transmission system or (2) it will affect a neighboring transmission operator and/or transmission owner.

- (a) Reliability simulations are performed to assess the effects on all entities, i.e. to see if it is situation (1) or (2).**

- (b) Recent example of (1) is the Scattergood-Olympic Cable A project which was studied in the Ten-Year Transmission Assessment, and a recent example of (2) is the upgrade of the Intermountain DC line in December 2010 after it passed the WECC Three-Phase Rating Process to evaluate its effect on neighboring transmission operators and/or transmission owners.**
- (c) LADWP only notifies any affected neighboring transmission operator and/or transmission owner.**
- (d) BWP/GWP can participate in the the WECC Three-Phase Rating Process for any transmission project. LGIP requires that any affected party be notified for any applicable generation interconnection.**
- (e) See answer to (d) above.**
- (f) All generation and transmission interconnection requests are treated equally.**

80. Section II, of Draft Attachment K, entitled “Regional and Subregional Planning” indicates the LADWP Board has the discretion to approve any “significant project” “based upon a number of factors, including but not limited to environmental impacts.” (a) Please provide a list of the factors considered and any associated documents or data that explain these factors and how they will be applied. (b) Please explain whether LADWP intends to allow GWP to participate in or submit data or information on the impacts of such “significant projects” on their own systems. (c) If so, please explain how LADWP intends for this to occur and when in the process will this occur. (e) If not, please explain why not. (f) Does LADWP plan to treat “significant projects” in the same way (with respect to the approval process), irrespective of whether the interconnection ultimately provides service to LADWP’s retail customers or another party or parties? (BWP/GWP)

LADWP presents its proposed projects to its governing authority (Board or City Council if appropriate) on a case by case basis. Giving a list of factors that would be considered by LADWP’s governing authority would be speculation. The approval process for such proposed projects are noticed public meetings with opportunity for public comment. All proposed transmission projects undergo the same approval process.

81. Does LADWP’s transmission planning take into consideration the various contractual rights, obligations and encumbrances created by existing transmission contracts between LADWP and GWP? If so, please (a) explain how LADWP has taken these existing transmission contracts into consideration, (b) explain how and when LADWP intends

to share this information with GWP, and (c) provide any documents, data, reports, or findings, that address these considerations. Specifically, please explain how such existing transmission contracts are incorporated into LADWP's calculations of Available Transmission Capacity. (BWP/GWP)

LADWP, Glendale, and Burbank jointly model contractual use of transmission in the WECC power flow base cases. Existing transmission contracts are incorporated in the LADWP Available Transfer Capability Implementation Document (ATCID). The ATCID is located on the LADWP OASIS homepage. LADWP models historical contractual use of existing transmission contracts in WECC power flow base cases.

82. Does LADWP intend to utilize the assumptions or findings set forth in the LADWP "2012 Ten-Year Transmission Assessment," which can be found at http://www.oasis.oati.com/LDWP/LDWPdocs/FINAL_2012_Ten-Year_Transmission_Assessment_12-18-2012_full_version.pdf, as part of LADWP's transmission planning process? If so, please explain how and the extent to which GWP will be allowed to provide comments or questions regarding the assumptions or findings in the 2012 Ten-Year Transmission Assessment, and how LADWP plans to respond to such comments or questions. (BWP/GWP)

This question is beyond the scope of the proposed OATT revisions.

83. With regard to the 2012 Ten-Year Transmission Assessment's proposed mitigation of overloads, high voltage violations, and low voltage violations, to what extent will GWP be impacted by these overloads and the associated mitigation measures? (BWP/GWP)

This question is beyond the scope of the proposed OATT revisions.

84. Does LADWP intend to utilize the assumptions or findings set forth in the LADWP 2012 Power Integration Resource Plan as part of its transmission planning process? If so, please explain how and the extent to which GWP will be allowed to provide comments or questions regarding the assumptions or findings in the 2012 Power Integration Resource Plan. Please provide a copy of the 2012 Power Integration Resource Plan. (BWP/GWP)

This question is beyond the scope of the proposed OATT revisions.

Transmission plans are described in the annual LADWP Integrated Resource Plan (IRP); the draft IRP is refined in the Neighborhood Council meetings and LADWP Board meetings. The IRP and the LADWP Board schedule are at www.ladwp.com. The schedule for the Neighborhood Council meetings is at <http://empowerla.org>

85. Please provide studies and documentation that demonstrate the comparability of rates charged for transmission service to LADWP's retail customers and to LADWP's PTP customers. (BWP/GWP)

LADWP does not have studies addressing the comparability of retail and wholesale PTP transmission rates. Our native load customers take transmission as part of the bundled service and do not take separate PTP transmission services under the OATT.

86. Please provide the logic or evidence for limiting PTP service to three years while at the same time LADWP is executing long-term Power Purchase Agreements (e.g., 20-25 years) for the integration and delivery to LADWP's retail customers of the output of new renewable energy resources. (BWP/GWP)

LADWP is obligated to plan and serve its retail customers and to meet the Renewable Portfolio Standards of California. The IRS private use rules are intended to preserve the benefits of LADWP's system for its retail customers and therefore are not limited to the three years reservation limitation.

87. Does LADWP provide Network Integration Transmission Service to its retail customers? How does LADWP schedule generation to meet its retail load obligations? Does LADWP (a) schedule specific resources to retail loads (either individually or collectively), (b) manage a pool of what would otherwise be known as Network Resources under the *pro forma* OATT, or (c) use some other scheduling protocol? If (c), please provide a copy of all documentation for such scheduling protocol. (BWP/GWP)

LADWP's Native Load customers are bundled retail customers that do not take transmission service under the OATT. The remainder of the question is beyond the scope of the proposed changes to the OATT.

88. Does LADWP plan to file its proposed OATT for "safe harbor" status at FERC? (BWP/GWP)

LADWP does not plan to file for “safe harbor” status at FERC at this time.

89. Does LADWP purchase transmission service from any FERC-jurisdictional transmission owners under their FERC-approved OATTs? If so, please provide a list of such transmission owners, and copies of the transmission service agreements. (BWP/GWP)

LADWP’s wholesale marketing purchasing activities are beyond the scope of the proposed changes to LADWP’s OATT.

90. Does LADWP plan to record and transcribe the stakeholder meeting on November 15, 2013, or provide an official note taker who will prepare and deliver to all participants a summary of comments and questions? (BWP/GWP)

LADWP does not plan to record and transcribe the stakeholder meeting on November 15, 2013. However, LADWP will post the questions and answers posed at the meeting within 2 weeks after the meeting.

91. Please provide a copy of all questions and comments submitted by other stakeholders. This request is of a continuing nature and applies to all future questions. (BWP/GWP)

As detailed in the stakeholder meeting notice, questions and comments submitted by all stakeholders prior to October 7, 2013 will be posted on the OASIS website two weeks after the stakeholders meeting. The OATT stakeholder process has a finite comment period, LADWP will provide answers to questions periodically during this comment period.

92. Schedule 2. Please provide forms of service agreements for the purchase of Reactive Supply and Voltage Control from both the Transmission Provider and the Balancing Authority Area operator (Original Sheet No. 95).

There are no forms of service agreements for the purchase of Reactive Supply and Voltage Control from both the Transmission Provider and the Balancing Authority Area operator.

93. Schedule 2. Please provide documentation that the proposed rate for Reactive Supply and Voltage Control is a “pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.” (Original Sheet No. 95.)

There is no documentation that the proposed rate for Reactive Supply and Voltage Control is a “pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area operator.” The Transmission Customer requesting service through LADWP is only charged Reactive Supply and Voltage Control under LADWP’s Tariff, and there are no pass-through charges.

94. Please provide the complete cost of service study for all transmission and ancillary services rates, including workpapers and all supporting documents. Please follow instruction no. 1 above.

LADWP will provide the complete cost of service study for the transmission and generation functions that support all transmission and ancillary services rates in hard copy format to those who request it by December 16, 2013 at 5pm. The hard copy includes the following components:

- 1. Sub-Functionalized Transmission Cost of Service**
- 2. Sub-Functionalized Production Cost of Service**
- 3. Calculation of the Rate of Return**
- 4. Revenue Credit Supporting Data**
- 5. Total Transmission Firm Load (TTFL) Supporting Data (includes monthly breakdown)**

To request a copy of this document, send a request to oattstakeholder@ladwp.com by December 16, 2013 at 5pm. When submitting your request, please include your name and mailing address.

95. Please explain why the proposed cost of service analysis for the OATT uses a 2008/2009 historical test year along with pro-forma adjustments based on 2010/2011 data, rather than a more recent or a future test year. Please provide documentation that the 2008/2009 test year with pro-forma adjustments was used to set LADWP’s current retail rates. (BWP/GWP)

Please see the “Summary of Approach and Process for Development of LADWP OATT Rates (November 8, 2013)” document posted on the OASIS on November 8, 2013 and also provided at the November 15, 2013 Stakeholder Meeting. The 2008/2009 historical test year was used as that was the most recent historical test year available at the time the study was performed. The latter question is beyond the scope of the proposed OATT revisions.

96. Please explain why a July through June test year was used, rather than a calendar test year. (BWP/GWP)

The LADWP's financial statements are on a fiscal year basis, which is July 1 through June 30.

97. What test year is the basis for the cost of service study underlying the current LADWP retail rates? If LADWP is currently conducting a new or revised Cost of Service Study for retail rates, please (a) identify the test year for that Study, and (b) provide the expected effective date of retail rates that rely on the new or revised Cost of Service Study. (BWP/GWP)

This question is beyond the scope of the proposed OATT revisions.

98. Please provide a copy of the cost of service study underlying the current LADWP retail rates. (BWP/GWP)

This question is beyond the scope of the proposed OATT revisions.

99. Please identify which ancillary service rates include Construction Work in Progress (CWIP) in the underlying rate base, and explain why it is appropriate to include generation CWIP in those ancillary service rates. (BWP/GWP)

Please see Exhibit I in the provided complete Cost of Service Study ("COSS") for all transmission and ancillary services rates, Schedule 2, 3, 5, 6, and 10; in addition to the "Summary of Approach and Process for Development of LADWP OATT Rates (November 8, 2013)" document posted on the OASIS on November 8, 2013 and also provided at the November 15, 2013 Stakeholder Meeting.

100. The rate base includes a substantial investment in a "Natural Gas Field." Please explain and document what this investment is, and provide documentation for the specific costs of the investment. Please explain the decision to include this investment in rate base, rather amortizing the cost as a fuel expense. (BWP/GWP)

LADWP has an ownership interest in gas properties and treats such investment as an asset that is part of the rate base. This asset represents capitalized costs net of depletion. Depletion expense related to the asset is recorded as a component of fuel expense for the generation function. Please see published financial statements available on the LADWP website below for further information on this asset.

http://dwphome/Organizations/Financial_Services/Financial_Services_Home-FinancialStatements.htm

101. Please provide the methodology and data that was used to calculate the proposed ROR of 7.01%, including a description of the LADWP capital

structure, LADWP's weighted average cost of debt, and the PG&E, SCE, and SDG&E costs of equity used in the calculation of the LADWP ROR. Please provide all source documents in support of this calculation. (BWP/GWP)

Please see the “Summary of Approach and Process for Development of LADWP OATT Rates (November 8, 2013)” document posted on the OASIS on November 8, 2013 and also provided at the November 15, 2013 Stakeholder Meeting; as well as the published LADWP financial statements. Please see response to question #94 for source documentation in support of this calculation.

102. Is the proposed ROR of 7.01% the same ROR included in the cost of service study underlying LADWP's current retail rates? Is the ROR for the proposed OATT the same as the ROR being used in the new or revised cost of service study supporting LADWP's future retail rates? If the answer to either question is “no”, please provide the ROR that is included in LADWP's current retail rates, and the ROR that LADWP expects to use in revised retail rates. (BWP/GWP)

This question is beyond the scope of the proposed OATT revisions.

103. Please provide the actual LADWP capital structure for each year from FY2009 through FY2012, and the forecasted LADWP capital structure for the period during which revised or new retail rates would be in effect. (BWP/GWP)

See response to Question #94 for FY 2009. Otherwise, this question is beyond the scope of the proposed OATT revisions.

104. Please provide the LADWP weighted average cost of debt for each year from FY2009 through FY2012. (BWP/GWP)

See response to Question #94 for FY 2009. Otherwise, this question is beyond the scope of the proposed OATT revisions.

105. The Rate Divisor in the Cost of Service Study is described as “Total Transmission Firm Load” (TTFL). Please explain how TTFL is determined, and at what point (voltage) on the transmission system TTFL is calculated, estimated and/or forecasted. Please provide all workpapers and supporting documents showing the determination of TTFL. Identify all loss factors used in the calculation of these loads. Please explain and document the inclusion of “grandfathered” transmission contract demands in these calculations (e.g., Exhibit II, line 28). (BWP/GWP)

Please see “Summary of Approach and Process for Development of LADWP OATT Rates (November 8, 2013)” document posted on the OASIS on November 8, 2013 and also provided at the November 15, 2013 Stakeholder Meeting. See response to Question #94. The long-term annual average Net Energy Load loss is 11.5 percent, which may vary from about 9.8 to 12.5 percent in any given year depending on System operations and the level of production. Grandfathered transmission contract demands are not included in the rate divisor, TTFL.

106. Please explain why the pro forma adjustment for future firm wheeling is negative. Specifically, which firm wheeling contracts are expected to expire, or did actually expire, after the historical test year? In addition, did LADWP experience a reduction in Native Load from 2008/09 to 2010/11 that is included as part of this pro forma reduction? Please provide documentation regarding LADWP’s Native Load in FY2008/09 through FY2010/11, in megawatts and megawatt-hours by month. (BWP/GWP)

See response to Question #94. LADWP’s native load only uses monthly megawatts, not megawatt-hours, in the rate divisor.

107. Does LADWP expect additional loads of any kind on its transmission system after implementation of the proposed OATT, where “additional” is defined relative to the loads used in the Cost of Service Study? Please explain why or why not. (BWP/GWP)

LADWP used historical loads for the 2010-2011 pro-forma adjustments included in the current COSS. Future adjustments will be used for future COSS.

108. Please provide the Total Transmission System Firm Load for each year FY2009 through FY2012 on a monthly basis. (BWP/GWP)

See response to Question #94. FY 2010 and 2012 were not used in the COSS.

109. Please provide all workpapers, supporting data and information used to calculate any Revenue Credits in the Cost of Service Study. Please describe how the revenue credits reflect the expected services purchased under the proposed OATT, including the purchase of control area services by BWP and GWP (including but not limited to OATT Schedules 9 and 10). Please provide details regarding the volumes and prices of each service that leads to a projected revenue credit. (BWP/GWP)

See response to Question #94. LADWP did not include revenues from expected services as only historical data is included to develop the revenue credit in the COSS.

110. In the LADWP transmission cost of service, what voltage levels of facilities are included in the definition of transmission? Does LADWP distinguish between high voltage and low voltage transmission in transmission system planning, load flow studies, accounting and budgeting, and/or the design of retail rates? If so, how are low and high voltage transmission defined? (BWP/GWP)

LADWP accounts for voltage levels 138kV and above in the COSS. Discussions about retail rates are beyond the scope of the proposed OATT revision process.

111. Please provide the formula and all documentation for the Gross Plant Fixed Charge Rate used in the calculation of the annual revenue requirement for production. (BWP/GWP)

Please see Schedule 2 for the Gross Plant Fixed Charge Rate formula and Exhibit I for the supporting data in the COSS that was posted on the OASIS on November 8, 2013 and also provided at the November 15, 2013 Stakeholder Meeting.

112. Please provide all studies and documentation in support of the assumption that 50 MW is the correct "Purchase Obligation" for Regulation and Frequency Response. (BWP/GWP)

LADWP does not have any studies or documents but we have used historical operations of +/- 25 MW, which as of the COSS test year was sufficient for maintaining system reliability.

113. Please provide all studies and documentation in support of the assumption that 300 MW is the correct "Purchase Obligation" for Spinning Reserves. (BWP/GWP)

The purchase obligation for Spinning Reserves is based on the Most Severe Single Contingency (MSSC).

114. Please provide all studies and documentation in support of the assumption that 250 MW is the correct "Purchase Obligation" for Supplemental Reserves. (BWP/GWP)

The purchase obligation for Supplemental Reserves is based on the MSSC.

115. Please provide all studies and documentation in support of the assumption that 40 MW is the correct "Purchase Obligation" for Generation Regulation and Frequency Response. (BWP/GWP)

A proprietary production modeling study shows that LADWP needs 40 MW (20 MW up and 20 MW down) to support 614 MW of new variable energy resources (VER) to be in service by 2015 as described in the 2011 Integrated Resource Planning (IRP) (corrected to reflect the data available at the time) .

116. Please provide all studies and documentation in support of the "anticipation" that 614 MW of incremental nameplate VER capacity will be on line in 2015. (BWP/GWP)

Please refer to LADWP's IRP document which is a public document on LADWP's website. Please see response to question 115 for additional detail.

117. What is the expected date, even if approximate, on which LADWP will offer 15-minute scheduling pursuant to FERC Order 764? (BWP/GWP)

Refer to LADWP's OASIS website for current notifications and future updates on 15 minutes scheduling implementation.

118. The documents provided in response to GWP Question 3 are non-responsive, because they are incomplete and were not provided in Excel or appropriate database format. LADWP stated in the Stakeholder Meeting on November 15, 2013 that at least some of these studies exist. Please respond to the original question as posed, or provide an explanation for the decision not to respond to the question as posed. (BWP/GWP)

LADWP believes the responses provided to date are complete. However, additional information can be found in response to Question #94.

119. LADWP stated in the Stakeholder Meeting on November 15, 2013 that the decision not to segment its transmission system was based on the ability of a Transmission Customer to reassign PTP rights between AC and DC segments. If a Transmission Customer were willing to relinquish the right to reassign Point-To-Point rights between AC and DC segments, would LADWP offer segmented service? (BWP/GWP)

No. The Cost of Service Study for the pending OATT is completed and there are no plans to redo the rates for segmentation.

120. Please provide a copy of LADWP's curtailment procedure for non-firm transmission service. (BWP/GWP)

LADWP follows industry standards for curtailment. We currently curtail non-firm transmission using the Last In First Out (LIFO) method but that will be changed to the Pro-rata curtailment method once our vendor has provided the software and LADWP tests are satisfactory. Please refer to the LADWP OASIS website for future updates.

121. Please confirm that LADWP has decided not to comply fully with FERC Order 889. Please describe the extent to which LADWP intends to comply with Order 889 (e.g., via functional unbundling). (BWP/GWP)

LADWP does not confirm that it has decided not to comply fully with FERC Order No. 889. The FERC rulemaking that resulted in Order No. 889 (and subsequent orders) speaks for itself. In Order No. 889-A, the Commission held that:

“In the OASIS Final Rule, the Commission determined that the rules in Part 37 -- including the obligation to adopt standards of conduct -- would apply to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce. Among other things, we concluded that we would not directly assert jurisdiction over non-public utilities under §311 of the Federal Power Act (FPA) to ensure compliance with OASIS requirements, including the requirement to comply with the standards of conduct. Instead, we are relying on the reciprocity provision of the Open Access pro forma tariff that requires a non-public utility to offer comparable transmission service to the Transmission Provider as a condition of obtaining open access service.”

See Open Access Same-Time Information System and Standards of Conduct, Final Rule, Order No. 889, FERC Stats. & Regs. _ 31,035, 61 FR 21,737 (1996), *Order on Rehearing*, Order No. 889-A, FERC Stats. & Regs. _ 31,049, text at n.13, 62 Fed. Reg. 12,484 (1997) (emphasis added).

LADWP is a non-public utility as that term is defined in the Federal Power Act.

122. Please provide a complete list of all NERC/WECC standards and LADWP Business Practices and any relevant LADWP policies that govern third-party supply or self-supply of any Ancillary Service. Please identify which standards, Business Practices and/or policies apply to each Ancillary Service. (BWP/GWP)

All standards for Ancillary services are provided in question #21 as explained in the Stakeholders meeting. As a balancing authority, LADWP has to comply with those standards. LADWP expects a customer who elects to self-supply or use third party self-supply to meet the standards as well.

123. Attachment E of the proposed OATT provides a URL for the index of Point-To-Point customers. The link in the URL is apparently circular, and does not lead to the requested index. Please provide the current actual list of PTP customers (i.e., those entities with executed PTP Service Agreements) in Word or PDF format, not via a URL. (BWP/GWP)

The link provided in Attachment E is not circular. The link directs you to the OATI webOASIS login website. Once the customer uses their login information to access webOASIS the Transmission Customer will be able to get to the Company → Company Customer tabs and search LADWPs most up-to-date list of active PTP customers.

124. LADWP stated in the Stakeholder Meeting on November 15, 2013 that the decision to limit long-term Point-To-Point service to three years was based on advice of bond counsel. Please provide a complete list of all customers with existing PTP service agreements with terms longer than three years. (BWP/GWP)

Transmission Customers can view all LADWP customers with existing PTP service agreements by logging on to webOASIS <http://www.oasis.oati.com/ldwp/index.html>. Transmission Customers have access to the Reservations tab and can search all LADWP reservations. The searchable fields should be set to TP=LADWP, Incr=YEARLY, Status=Confirmed, Time=Active Today Forward.

125. Does LADWP redispatch its own generation resources, on a short-term or long-term basis, in order to (a) maintain reliability in the event of a system disturbance, or (b) enable the interconnection of a new generating resource within the LADWP BA for the purpose of delivering renewable or non-renewable energy to LADWP's retail load, or (c) enable the sale of energy from an LADWP generator into off-system wholesale markets? If so, please provide examples of such redispatch. If not, please explain why such redispatch (a) has been considered but a decision has been made that

redispatch is not necessary for economic or reliability purposes, or (b) has not been considered. (BWP/GWP)

LADWP operates its generation to meet all NERC/WECC applicable reliability standards.

126. LADWP stated in the Stakeholder Meeting on November 15, 2013 that radial transmission lines, which currently provide only for the delivery of specified generation resources to LADWP's retail customers, are included in the LADWP transmission revenue requirement. Please provide a list of all such radial lines. Does LADWP provide access to transmission capacity on such radial lines under the OATT? (BWP/GWP)

Yes. LADWP included all radial transmission lines in its transmission revenue requirement with the exception of certain generation tie lines which are part of the production revenue requirement. These radial lines are available to OASIS customers. See response to Question #94 for detail.

127. Please provide a list of all generators, whether owned by LADWP or by others, that would be subject to any charges identified in Schedules 9 and 10 (Original Sheets 114-119). (BWP/GWP)

All generators using OATT services shall be subject to OATT charges.

128. Please identify all OATT Schedules that would apply to BWP/GWP's existing share of generation rights at the Intermountain Power Project in Utah. For each OATT Schedule, please identify the billing determinant in megawatts or megawatt-hours. Please state the frequency of the billing determinant (i.e., annual, monthly, weekly, daily, hourly). Please explain the process that would be used to make required changes in the billing determinants over time. (BWP/GWP)

If a customer takes service pursuant to LADWP's OATT, Schedules 1, 2, 3, 4, 5, 6, 7 (or 8), 9, and 10 may apply.

129. Please identify all OATT Schedules that would apply to BWP/GWP's existing share of generation rights at the Magnolia Power Project in Burbank. For each Schedule, please identify the billing determinant in megawatts or megawatt-hours. Please state the frequency of the billing determinant (i.e., annual, monthly, weekly, daily, hourly). Please explain the process that would be used to make required changes in the billing determinants over time. (BWP/GWP)

See response to Question #128.

130. Please identify all OATT Schedules that would apply to GWP's existing generation capacity at the Grayson Power Plant in Glendale. For each Schedule, please identify the billing determinant in megawatts or megawatt-hours. Please state the frequency of the billing determinant (i.e., annual, monthly, weekly, daily, hourly). Please explain the process that would be used to make required changes in the billing determinants over time. Please explain whether each Schedule applies to individual generating units at Grayson, or to the Grayson Plant as a whole. (BWP/GWP)

See response to Question #128.

131. Please identify all grandfathered or legacy (i.e., non-OATT) transmission service agreements between LADWP and GWP that would be affected by the proposed OATT charges. For each such affected agreement, please state which OATT Schedule(s) applies, which section(s) of the legacy contract is (are) relevant, and the methodology that LADWP proposes to use to apply each Schedule (i.e., billing determinants). (BWP/GWP)

All grandfathered or legacy transmission service agreements will be governed by the terms and conditions of those agreements.

132. LADWP stated in the Stakeholder Meeting on November 15, 2013 that the proposed OATT charges are unrelated to a new Balancing Area Agreement (BAA) that has been under negotiation between LADWP and GWP for some time. Please confirm the accuracy or inaccuracy of this description of the discussion on this topic at the Stakeholder Meeting. If any Schedules in the proposed OATT are relevant to a new BAA, please identify which Schedules, and explain how LADWP proposes that such Schedules would be applied in the context of the new BAA. (BWP/GWP)

In this OATT revision process, LADWP is not going to discuss BAA services. BAA services discussions are beyond the scope of this OATT revision process.

133. Please provide GWP a pro forma billing statement that reflects all of the charges that GWP would incur if it were to request and be granted 25 MW of new one-way Point-to-Point transmission service under the LADWP OATT between the following locations: (1) from IPP to Air Way; (2) from Sylmar to Air Way; (3) from NOB to Sylmar; and (4) from Air Way to Sylmar, IPP to Toluca, Sylmar to Toluca, Toluca to Sylmar, Hoover to Toluca, Milford to Toluca, LUGO to NOB, IPPUTAH to NOB, and McCullough500 to ELD. (BWP/GWP)

Assuming this is for non-firm service, LADWP will bill for Schedule 1, 2, 3, 4, 5, 6, and 8. The examples below will be for Daily non-firm service with the electric price index rate estimated to be \$30 and the assumption that there is no Schedule 4 for energy imbalance needed:

For IPP to Airway, NOB to Sylmar, IPP to Toluca, MDWP (Milford) to Toluca, LUGO to NOB, and IPPUTAH to NOB, the following example of charges shall apply:

Schedule 1 - $\$4 \times 25 \text{ MW} = \100.00
Schedule 2 - $\$14 \times 25 \text{ MW} = \350.00
Schedule 3 - $\$319 \times 25 \text{ MW} \times 1.10\% = \87.73
Schedule 5 - $\$258 \times 25 \text{ MW} \times 6.4\% = \412.80
Schedule 6 - $\$29 \times 25 \text{ MW} \times 5.30\% = \38.43
Schedule 8 - $\$117 \times 25 \text{ MW} = \2925.00
Losses – $600 \text{ MWH} \times \$30 \times 6.2\% \text{ loss factor} = \1116.00
Total Bill = $\$5029.95$

For Sylmar to Airway, Airway to Sylmar, Sylmar to Toluca, Toluca to Sylmar, Mead230 (Hoover) to Toluca, and McCullough500 to ELD the following example of charges shall apply:

Schedule 1 - $\$4 \times 25 \text{ MW} = \100.00
Schedule 2 - $\$14 \times 25 \text{ MW} = \350.00
Schedule 3 - $\$319 \times 25 \text{ MW} \times 1.10\% = \87.73
Schedule 5 - $\$258 \times 25 \text{ MW} \times 6.4\% = \412.80
Schedule 6 - $\$29 \times 25 \text{ MW} \times 5.30\% = \38.43
Schedule 8 - $\$117 \times 25 \text{ MW} = \2925.00
Losses – $600 \text{ MWH} \times \$30 \times 4.8\% \text{ loss factor} = \864.00
Total Bill = $\$4777.95$

134. Please provide BWP/GWP a pro forma billing statement that reflects all of the charges that BWP/GWP would incur under the current draft of the LADWP-GWP Balancing Area Agreement and describe how and why those costs are different from those charged under the LADWP OATT. (BWP/GWP)

This question is beyond the scope of the OATT revision process. Refer to response to question #132.

135. Will LADWP treat BWP/GWP as Native Load under the LADWP OATT? For example, will LADWP treat GWP/BWP as Native Load for purposes of existing contract rollover transmission rights? (BWP/GWP)

No, BWP/GWP is not a Native Load in LADWP's system. LADWP's Native Load does not take service under its OATT.

136. Does LADWP offer unbundled retail service(s)? Does LADWP offer any type of unbundled transmission service aside from the OATT, to retail or wholesale customers? If so, please identify the service(s) and provide examples of appropriate service schedules and/or contracts. Please provide an explanation of the differences between the transmission component of bundled retail service as offered by LADWP and Network Integration Transmission Service. (BWP/GWP)

LADWP's Native Load is not a customer under its OATT. LADWP offers bundled retail service to its retail customers. LADWP does not offer NITS under its OATT.

137. Please confirm the accuracy of LADWP's statement at the Stakeholder Meeting on November 15, 2013 that BWP and GWP are in the LADWP Balancing Area and that LADWP is BWP's and GWP's current Balancing Area Authority. Please provide documentation that LADWP is and/or has been designated as and/or acts as the Balancing Area Authority by NERC and/or WECC. (BWP/GWP)

Pursuant to NERC Reliability Standard BAL-005-0.2b, each Generator Operator with generation facilities, each Transmission Operator with transmission facilities, and each Load-Serving Entity with load operating in an Interconnection shall ensure that such generation, transmission and loads are included within the metered boundaries of a Balancing Authority Area (BAA).

LADWP understands that BWP/GWP is in LADWP's Balancing Authority Area. Pursuant to NERC obligations, GWP/BWP needs to ensure that they are in a BAA and meet all the requirements of the NERC standard.

138. LADWP stated in the Stakeholder Meeting on November 15, 2013 that the transmission service component of the "bundled" service LADWP provides to its retail ratepayers is different from the transmission service provided to LADWP OATT customers. Please confirm the accuracy of that statement and explain how the transmission service used to serve LA's retail load differs from transmission service under the LADWP OATT. (BWP/GWP)

LADWP's Native Load is not a customer under its OATT. LADWP offers bundled retail service to its retail customers. Retail rates are outside the scope of the OATT revision process.

139. Will LADWP's generators take firm transmission Point-to-Point transmission service under the LADWP OATT to serve the LADWP retail

customers? If not, please describe the transmission service that these LADWP generators will use to serve LADWP's retail load. (BWP/GWP)

See response to Question #138.

140. Do LADWP's generators currently take transmission service under the LADWP OATT and pay the LADWP OATT rate when the LADWP generators make wholesale sales either within or outside the LADWP Balancing Area? If not, please describe the transmission service that these LADWP generators do use currently to make these sales and the rates that these generators are currently charged. Do LADWP's tariffs and/or policies permit new "bundled" sales of wholesale energy outside the terms of a contract that exists as of the date of these questions? Will LADWP's generators take transmission service in future under the LADWP OATT and pay the LADWP OATT rate when the LADWP generators make wholesale sales either within or outside the LADWP Balancing Area? Has LADWP recently made new bundled wholesale sales (i.e., since January 1, 2012)? If so, please describe these transactions and the counter-parties. (BWP/GWP)

LADWP Wholesale Energy Resource Management (WERM) group is treated like any other third party customer when making wholesale sales.

141. LADWP stated in the Stakeholder Meeting on November 15, 2013, that it has not considered the comparability between the transmission Cost-of-Service that supports the OATT transmission rate and the transmission Cost-of-Service that supports the current LADWP bundled retail rates. Please confirm the accuracy of that statement and explain how and why the rates are not comparable. If the rates are comparable, please explain how they are comparable and provide any data or documents that support this explanation. (BWP/GWP)

LADWP's Native Load is not a customer under its OATT. Retail Rates are outside the scope of the OATT revision process.

142. LADWP stated in the Stakeholder Meeting on November 15, 2013, that its bundled retail rate is based on "marginal" costs and that the proposed OATT rate is based on "embedded" costs. Please confirm the accuracy of this statement and explain why these cost bases differ. If the statement is inaccurate, please describe the costs bases for the transmission service components of the LADWP OATT rate and the LADWP retail rates. Please explain how the transmission service component of the LADWP OATT rate compares to the transmission service component of the LADWP retail rates. Please provide definitions of the two cost concepts and explain how they applied in the context of LADWP retail rates and OATT rates. (BWP/GWP)

Yes, LADWP did state in the Stakeholder Meeting on November 15, 2013, that its bundled retail rate is based on “marginal” costs and that the proposed OATT rate is based on “embedded” costs. However, LADWP Native Load is not a customer under its OATT and its retail rates are outside the scope of the OATT revision process.

143. LADWP stated in the Stakeholder Meeting on November 15, 2013 that it is in the process of revising its bundled retail rates. Please confirm the accuracy of this statement and explain when LADWP expects that new retail rates will be effective.

Retail rate changes are contemplated for FY14/15, but at this time, the LADWP has not formally proposed to revise the electric retail rates. Information about any proposed changes in retail rates, when available, would be posted on LADWP’s website. Additionally, retail rates are outside the scope of the OATT revision process

144. LADWP stated in the Stakeholder Meeting on November 15, 2013 that the LADWP generators that serve the LADWP retail customers do not and will not be taking transmission service under the LADWP OATT. Please confirm that accuracy of that statement and explain the type of transmission service that LADWP generators do take or use and will be taking or using to serve LADWP’s retail ratepayers. Is the transmission service component of LADWP’s current or future retail bundled service defined as firm or non-firm Point-to-Point transmission service, Network Integration Service, or some other type of service? Please explain. (BWP/GWP)

See response to Question #138.

145. Please explain how the energy produced by two Metropolitan Water District hydroelectric plants that are interconnected to the LADWP transmission system at 34.5 kV is delivered to SCE at Sylmar. Please provide a copy of any agreements that support this service, and explain the pricing of this service. Please provide the agreement that provides for the “banking” of this energy in the LADWP system for “firmed/shaped” delivery to SCE, including pricing provisions. BWP/GWP understands that the underlying schedules for this delivery are “SCE MWDA” and “SCE MWDB”. (BWP/GWP)

The transmission arrangements for one of the Metropolitan Water District (MWD) hydroelectric plants have been terminated. Energy generated by this plant is now purchased by LADWP under a Power Purchase Agreement.

The arrangements for the other MWD hydroelectric plant are via an Energy Exchange Agreement. LADWP will provide this agreement in hard copy format to those who request it by December 16, 2013 at 5 pm..

146. LADWP stated in the Stakeholder Meeting on November 15, 2013 that LADWP has included in the transmission revenue requirement the costs of 230 kV conductors that supply LADWP's radial retail loads. Please confirm the accuracy of this statement, and state whether LADWP would or would not grant a request for PTP service to a third party to serve these radial retail loads. (BWP/GWP)

Yes, LADWP has included in the transmission revenue requirement the costs of 230kV conductors that supply LADWP's radial retail loads. No, LADWP will not grant any request for PTP service to a third party to serve these radial retail loads. Only LADWP serves its own native load.

147. LADWP stated in the Stakeholder Meeting on November 15, 2013 that the Scattergood-Olympic cable is an example of a transmission upgrade that only affects LADWP and no other transmission owner or operator. Please confirm the accuracy of this statement. Please explain how this particular upgrade does not affect GWP or BWP, given that both Cities currently have transmission service agreements that utilize the LADWP 138/230-kV beltline system. Please provide documentation and/or studies that support the conclusion that this upgrade does not affect GWP or BWP. (BWP/GWP)

Scattergood-Olympic cable transmission upgrade only impacts LADWP's local transmission system and does not impact any neighboring transmission owner or operator. However, the upgrade does impact BWP/GWP as users of LADWP's transmission system.

148. Please provide a citation to the "Appalachian" method referred to on page 3 of the "Summary of Approach and Process for Development of LADWP OATT Rates". (BWP/GWP) **See Appalachian Power Co., 39 FERC paragraph 61,296, pp. 61,965-66 (1987).**

149. The FERC "transparency principle" (see, e.g., [Avista Corp., 143 FERC ¶61,255 at 62-67 \(2013\)](#)) requires transmission providers to reduce to writing and make available the basic methodology, criteria, and processes used to develop transmission plans, including how they treat retail native loads, in order to ensure that standards are consistently applied. Will LADWP follow this FERC transparency principle? If so, please provide the LADWP planning process and identify the method(s) that LADWP will use to disclose the criteria, assumptions and data that underlie its transmission system plans.

Please provide the current LADWP transmission system plan. Please describe how GWP can participate in this planning process now and in the future. (BWP/GWP)

LADWP's Attachment K is currently in review. A draft of the Attachment K and the 2012 10-Year Transmission Assessment Plan are currently posted on our website.

LADWP is a member of WestConnect and is participating in the WestConnect Order 1000 development process to address regional and inter-regional transmission planning filings. The WestConnect Order No. 1000 filings which are subject to continuing FERC rulings and Order 1000 itself is the subject of appellate litigation in the DC Circuit Court of Appeals. Accordingly, the specific transmission planning processes, methodology and criteria have not been finally approved by FERC and are still subject to potential changes in Court of Appeals. Filings with FERC are public documents and may be found on the FERC e-library at www.ferc.gov. Meetings for WestConnect are open stakeholder processes and notices can be found on the WestConnect website. LADWP will participate in WestConnect to the extent it is able to.

150. LADWP stated in the Stakeholder Meeting on November 15, 2013 that it intends to rely on WestConnect and the WestConnect regional planning processes to meet its Attachment K regional planning duties and obligations. Please confirm the accuracy of this statement and explain exactly how the WestConnect processes will be employed to meet LADWP's Attachment K duties and obligations. To the extent that there are certain obligations or duties in Attachment K that will not be met by LADWP through the WestConnect process, please provide a list of those duties and obligations and explain how they will be met. (BWP/GWP)

See response to Question #149.

151. Does LADWP use curtailments or redispatch to relieve system constraints when serving LADWP's retail load? If so, please describe the circumstances when this occurs, how often it occurs on an annual basis, which resources are redispatched, the ownership of resources that are redispatched, and how LADWP employs these actions to relieve system constraints. Please provide documentation of actual instances of such redispatch. (BWP/GWP)

LADWP operate its generation to meet all applicable NERC/WECC reliability standards.

152. Does LADWP use redispatch to enable the delivery of incremental generation to LADWP retail loads *in advance* of the completion of any system

upgrades required for reliable integration of the incremental generation? If so, please provide documentation of any instances of such redispatch. (BWP/GWP)

LADWP will curtail its generation resources on a system basis taking into consideration current system conditions and transmission system capabilities.. LADWP only schedules the amount of generation for which it has the necessary transmission capacity.

153. Does LADWP use curtailments or redispatch to relieve system constraints when providing OATT or non-OATT transmission service to any LADWP transmission customer? If so, please describe the circumstances when this occurs, how often it occurs on an annual basis, whether OATT or non-OATT service is involved, and how LADWP employs these actions to relieve system constraints. (BWP/GWP)

See to response to Question #151.

154. Does LADWP allow any transmission customer to self-provide redispatch or to arrange for redispatch from a third party resource to avoid curtailment by LADWP due to a system constraint or some other problem on the LADWP system that causes LADWP to curtail transmission service? If so, please describe the circumstances when this occurs and how often it has occurred on an annual basis in the FY2010-11 through FY2011-13 period. Please provide specific examples of when this has occurred, including dates, times, MWs redispatched, ownership of redispatched resources, and compensation if any for such redispatch. (BWP/GWP)

Due to operational complexity, redispatch is not currently offered by LADWP either from LADWP's own resources or from third-party resources of any OATT customers.

155. Does LADWP redispatch its own or third party resources to avoid curtailment by LADWP of LADWP's wholesale power transactions (purchases or sales) due to a system constraint or some other problem on the LADWP system? If so, please describe the circumstances when this typically occurs or has historically occurred, and how often it has occurred on an annual basis in the FY2010-11 through FY2011-13 period. Please provide specific examples of when this has occurred, including dates, times, MWs redispatched, ownership of redispatched resources, and compensation if any for such redispatch. (BWP/GWP)

See responses to Questions #55 and #151.

156. Does LADWP have any agreements in place with adjacent Balancing Area Authorities that provide for redispatch or curtailment of LADWP resources in

order to address conditions of any kind that might affect the reliability of service in either Balancing Area? If so, please provide copies of such agreements. (BWP/GWP)

LADWP works cooperatively with other operating entities to meet reliability standards. However, this question is beyond the scope of the OATT revision process.

157. Clarification requested on Question 1: 15-min intra-hour scheduling. Please confirm it will be available on the PDCI and if not, why not. Thank you. (Powerex)

Due to the complexity of PDCI operations, 15-min intra hour scheduling will not be available on the PDCI.

158. Will LADWP permit additional questions from customers after today for inclusion in the summary to be posted on Dec 2nd? As a customer, we need additional time to review some of the responses LADWP provided at this meeting and may have additional questions as a result. Thank you. (Powerex)

Yes, LADWP will provide responses to questions submitted before December 2nd.

159. Did DWP include costs in its COSS that relate to Radial 230-KV Transmission Cables or 115-KV lines? How can Transmission customers use these resources? (BWP)

See answer to Question #126.

160. Clarification. DWP had two embedded (345-KV) customers who delivered energy to SCE @ SYL. Are these not retail PTP Customers? (Sepulveda Cyn/Gregg Ave.). (BWP)

See answer to Question #145, the Energy Exchange Agreement is not a transmission service agreement.

161. What is the relationship if any, between the COSS posted for the OATT and the COSS underlying the LADWP retail rates? (BWP).

See response to Question 142.

