

II. BACKGROUND

On June 2, 1999, Pacific Gas and Electric Company (“PG&E”) tendered for filing an executed Interconnection Agreement between PG&E and the Laguna Irrigation District (“Laguna”) pursuant to the Commission’s “Proposed Order Directing Interconnection and Establishing Further Procedures,” (“Proposed Order”) issued September 16, 1998, in the above-captioned docket. The executed Interconnection Agreement specifies the terms by which PG&E’s electrical system will be interconnected with Laguna’s facilities. The agreement provides for the 16 points of interconnection previously requested by Laguna, and also includes provisions for the addition of new points of interconnection in the future. The agreement does not, however, provide for any services, but rather, contemplates that Laguna will obtain electric power and transmission services through contracts with third-party providers. The parties request that the executed Interconnection Agreement become effective as of May 28, 1999.

PG&E and Laguna contend that the Integration Agreement resolves all contractual issues, obviating the need for briefing on contractual issues prior to issuance of a final order in this case. The agreement also secures PG&E’s right to contest the Commission’s Proposed Order, as PG&E continues to believe that the 16 points of interconnection are not legitimate wholesale interconnections under the Federal Power Act (“FPA”).

Additionally, Laguna and PG&E seek Commission guidance regarding whether the filing should be treated as a filing under Section 205 of the FPA. They request any necessary waivers should the Commission treat the filing as a Section 205 filing.

Furthermore, Laguna and PG&E request that the Commission take the above-captioned matter out of abeyance and resume active consideration of Laguna’s application

filed in this docket, as settlement negotiations regarding a possible sale of PG&E facilities to Laguna have terminated.

III. BASIS FOR MOTION TO INTERVENE

The ISO is a non-profit public benefit corporation organized under the laws of the State of California and responsible for the reliable operation of a grid comprising the transmission systems of PG&E, San Diego Gas & Electric Company, and Southern California Edison Company, as well as for the coordination of the competitive electricity market in California.

At issue in this proceeding is an Interconnection Agreement which provides for Laguna to interconnect with PG&E at specified points on the ISO Controlled Grid. The ISO therefore has an interest in this proceeding that cannot be represented by any other party. Accordingly, the ISO requests that it be permitted to intervene herein with full rights of a party.

The ISO raises no substantive issues at the present time but reserves the right to do so in any further aspects of the proceeding ordered by the Commission.

IV. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission permit it to intervene, and that it be accorded full party status in this proceeding.

Respectfully submitted,

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Date: June 22, 1999

CERTIFICATE OF SERVICE

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

Dated at Washington, DC, on this 22nd day of June, 1999.

Sara C. Weinberg

June 22, 1999

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: **Pacific Gas and Electric Company,
Docket No. ER99-3145-000**

Dear Secretary Boergers:

Enclosed for filing are one original and 14 copies of the Motion to Intervene of the California Independent System Operator Corporation in the above-referenced proceeding. Two additional copies of the filing are also enclosed. Please stamp the two additional copies with the date and time filed and return them to the messenger.

Thank you for your assistance in this matter.

Respectfully submitted,

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