UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Trans Bay Cable LLC) Docket No. ER10-266-000

MOTION FOR LEAVE TO INTERVENE OUT OF TIME AND RESPONSE TO COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

The California Independent System Operator Corporation (ISO) submits this motion for leave to intervene out of time and response to comments filed by Pacific Gas and Electric Company (PG&E) on December 4, 2009 regarding the filing made by Trans Bay Cable LLC seeking approval of its proposed transmission owner tariff.[1] The ISO seeks to intervene in this proceeding only to clarify comments regarding the application of certain of its tariff provisions and does not raise any new issues. Thus, the Commission's grant of the ISO's motion to intervene out of time will not prejudice any of the parties to this proceeding and will assist the Commission in its deliberations. The ISO wishes to clarify that its tariff provisions regarding the allocation of costs associated with Exceptional Dispatches do not apply to a participating transmission owner like Trans Bay that does not have a service territory.[2]

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[1] The ISO submits this motion and response pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.214, and the Commission's notice of filing issued on November 17, 2009.

[2] Capitalized terms not otherwise defined herein have the meanings set forth in the master definitions supplement, Appendix A to the ISO tariff.

I. RESPONSE TO COMMENTS

Trans Bay's tariff is based on similar tariffs submitted by other ISO participating transmission owners. In its comments on Trans Bay's tariff filing, PG&E states that there are several terms that are inapplicable to Trans Bay because they relate to transmission owners that have service territories and/or end-use customers, neither of which apply to Trans Bay.[3] Specifically, PG&E proposes that Trans Bay delete four items from its proposed TO Tariff:

(1) The first sentence of the definition of "Transmission Revenue Balancing Account Adjustment," because it refers to a mechanism to ensure that transmission revenue credits flow through to or are received by end-use customers, which Trans Bay does not have.

(2) The reference to the payment of ancillary services revenues by the ISO in connection with Trans Bay's project, because Trans Bay has no generation resources or loads, and therefore will not provide any ancillary services to the ISO.

(3) Paragraph 13, which describes the procedures by which a Participating Transmission Owner can review the creditworthiness and require the posting of security by other market participants, because this provision is only relevant to protect a Participating Transmission Owner against the risk of non-payment when it bills another market participant for the use

[3] PG&E Comments at 2-5.

of low voltage transmission facilities, and Trans Bay is insulated against any such risks.

(4) Paragraph 15, which provides for the recovery of costs for reliability services, including Reliability Must-Run Contracts, Exceptional Dispatches, and Minimum Load Costs, because such costs are only billed to Participating Transmission Owners with service areas.

The ISO does not consider the first three of PG&E's proposed revisions to raise material issues, as Trans Bay's status as a Participating Transmission Owner without a service territory or end-use customers renders the provisions identified by PG&E inapplicable under the current provisions of the ISO tariff. The ISO does not take a position whether the referenced provisions need to be removed from Trans Bay's proposed tariff as a result.

With regard to PG&E's fourth proposed revision, the ISO wishes to make clear that pursuant to its current tariff provisions, Trans Bay will not be allocated any reliability services costs, including those associated with Exceptional Dispatches. Under the ISO tariff, the ISO has the authority to issue Exceptional Dispatches for several reasons. In allocating the costs of Exceptional Dispatches, only those Exceptional Dispatches issued in order to resolve transmission-related modeling limitations are allocated directly to Participating Transmission Owners and then only costs in excess of the market clearing price are allocated to Participating Transmission Owners. Specifically, ISO tariff Section 11.5.6.2.5.1 provides that excess costs associated with Exceptional

Dispatches due to transmission-related modeling limitations are "charged to the Participating Transmission Owner in whose PTO Service Territory the transmission-related modeling limitation . . . is located." "PTO Service Territory" is defined as the area in which a Participating Transmission Owner is "obligated to provide electric service to load."[4] Trans Bay has no load serving obligation, and consequently has no service territory. Therefore, under the existing provisions of the ISO tariff, the ISO will not charge Trans Bay for excess costs relating to Exceptional Dispatches.[5] Thus, PG&E is correct that Section 15 can be removed from Trans Bay's tariff, as no reliability services costs will be allocated to Trans Bay under the current provisions of the ISO tariff. The ISO does not take a position whether Section 15 needs to be removed from Trans Bay's proposed tariff as a result.

II. BASIS FOR MOTION TO INTERVENE

The ISO is a non-profit public benefit corporation organized under the laws of the State of California. The ISO is responsible for the reliable operation of a grid comprising the transmission systems of various participating transmission owners, including Trans Bay. PG&E has raised an issue regarding whether one of the provisions in Trans Bay's tariff is consistent with Trans Bay's status under

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4 ISO Tariff, Appendix A.

5 The ISO also interprets this restriction to apply to situations in which an Exceptional Dispatch is issued in order to address a modeling limitation that affects more than one Participating Transmission Owner. Section 11.5.6.2.1 provides that the costs of such dispatches are to be allocated to the Participating TOs pro-rata in proportion to their respective revenue requirements. However, because Trans Bay has no PTO Service Territory, if the ISO needs to issue an Exceptional Dispatch relating to a modeling limitation that implicates both Trans Bay and another Participating Transmission Owner with a Service Territory, the ISO will allocate the entire cost of that dispatch to the Participating Transmission Owner with a Service Territory.

the ISO tariff. Because resolution of this issue necessarily will involve interpretation of the ISO's tariff, the ISO has an interest in these proceedings that no other party can represent. The ISO therefore requests that it be allowed to intervene in this proceeding out of time.

III. COMMUNICATIONS

Please address all communications concerning this proceeding to the following persons:

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* Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 203(b)(3).

IV. CONCLUSION

Wherefore, the ISO respectfully requests that the Commission grant its motion to intervene out of time, and accept the response to PG&E's comments as set forth above.

Respectfully submitted,

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Dated: December 16, 2009

Certificate of Service

I hereby certify that I have this day served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 16th day of December, 2009 in the District of Columbia.

/s/ Michael Kunselman
Michael Kunselman