

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Cabrillo Power I LLC) Docket No. ER04-308-000
Cabrillo Power II LLC)

**MOTION TO INTERVENE OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.214 (2003), the California Independent System Operator Corporation (“ISO”) submits this Motion to Intervene in the captioned proceeding. 1/

I. Description of the Proceeding

On December 17, 2003, Cabrillo Power I LLC (“Cabrillo I”) and Cabrillo Power II LLC (“Cabrillo II”) (collectively “Dynergy”) filed their annual Schedule F informational filing and, pursuant to Section 205 of the Federal Power Act, certain revised tariff sheets to update their Reliability Must-Run Service Agreements (“RMR Agreements”) 2/ with the ISO for Contract Year 2004. The Dynergy Filing is intended to make annual updates as required under the RMR Agreements.

1/ The ISO is filing under separate cover a Joint Protest.

2/ Because the facilities covered by these agreements must operate at certain times for the reliability of the transmission grid, they are referred to as “reliability must-run” or RMR units and the agreements covering them are referred to as “RMR Agreements.” Other capitalized terms that are not defined in this filing have the same meaning set forth in the RMR Agreements or in the Master Definitions Supplement, Appendix A to the ISO Tariff.

The Dynegy Filing:

- Revises Schedules A and B of the RMR Agreements to specify, for the calendar year beginning January 1, 2004: (i) Contract Service Limits, (ii) Hourly Availability Charges and Penalty Rates, and (iii) Capital Item Charges and Penalty Rates, and (iv) Owner's Repair Cost Obligation for the RMR Units;
- Revises Table B-5 of the RMR Agreements to specify, for the calendar year beginning January 1, 2004, anticipated Long-Term Planned Outages Hours, updated Average Other Outage Hours and updated Target Available Hours for the RMR Units in accordance with the provisions of Schedule B of the RMR Agreements;
- Provides the Informational Package and revises the Annual Fixed Revenue Requirements ("AFRR") in accordance with the provisions of Schedule F using cost information for the test period July 1, 2002 through June 30, 2003; and
- Revises the Prepaid Start-up values, Prepaid Start-up Costs, and Prepaid Start-up Charges for the RMR Units for the calendar year beginning January 1, 2004, in accordance with the provisions of Schedule D of the RMR Agreements.

On December 29, 2003, the Commission issued a "Notice of Filing" setting January 7, 2004, as the date for interventions, comments and protests.

II. Description of the ISO and Communications

The ISO is a non-profit public benefit corporation organized under the laws of the State of California with a principal place of business at 151 Blue Ravine Road, Folsom, CA 95630. The ISO is the Control Area Operator responsible for the reliable operation of a grid comprising of the transmission systems of a number of public utilities including San Diego Gas & Electric Company ("SDG&E"), as well as for the coordination of the competitive ancillary services and real-time electricity markets in California.

The ISO requests that all communications and notices concerning this motion and these proceedings be provided to: 3/

Anthony J. Ivancovich
Senior Regulatory Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
916-351-4400 (tel)
916-608-7222 (fax)

Deborah A. LeVine
Director of Contracts
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
916-351-4400 (tel)
916-608-7222 (fax)

Mary Anne Sullivan
Hogan & Hartson L.L.P.
555 Thirteenth Street, N.W.
Washington, D.C. 20004
202-637-3695 (tel)
202-637-5910 (fax)

III. ISO's Interest

Dynegy's RMR Units are located within SDG&E's transmission system and are needed to maintain the reliability of the SDG&E transmission system. As the Control Area Operator responsible for maintaining reliability in the SDG&E transmission system and as the counter party to the RMR Agreements, the ISO has a unique interest in any Commission proceeding concerning proposed changes to the RMR Agreements. Accordingly, the ISO has a direct and substantial interest in the proposed changes in this proceeding and requests that it be permitted to intervene with full rights of a party. Because no other party can adequately represent the

3/ Pursuant to Rule 101(e), 18 C.F.R. § 385.101(3), the ISO requests waiver of the Commission's limit on persons to be served, as set forth in 18 C.F.R. § 385.203(b)(3).

ISO's interests in this proceeding, the ISO's intervention is in the public interest and should be granted.

WHEREFORE, the ISO respectfully requests that the Commission grant this Motion to Intervene and make the ISO a party in the above-caption proceeding with full rights of participation.

Respectfully submitted

/s/ Mary Anne Sullivan
Mary Anne Sullivan
Karin L. Larson
Hogan & Hartson L.L.P
555 13th Street, N.W.
Washington, D.C. 20004

Counsel for
California Independent System
Operator Corporation

Dated: January 7, 2004

CERTIFICATE OF SERVICE

I hereby certify that I have this 7th day of January 2004 caused to be served a copy of the forgoing Motion to Intervene upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Karin L. Larson
Karin L. Larson
Hogan & Hartson L.L.P.
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109
(202) 637-6861 (tel)
(202) 637-5910 (fax)

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