

July 29, 2004
VIA FACSIMILE AND OVERNIGHT DELIVERY

**PETITION TO INTERVENE PURSUANT TO CAISO TARIFF
SUPPLEMENTAL PROCEDURE 3**

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Re: *Pacific Gas & Electric Co. v. California Independent System Operator Corp.*,
Case No. 74 Y 198 00625 04

In accordance with Supplemental Procedure 3 of the California Independent System Operator ("CAISO") Tariff, the Northern California Power Agency ("NCPA"), submits this petition to intervene. This petition to intervene relates to the June 10, 2004 Statement of Claim ("June 10 Statement") filed by Pacific Gas & Electric Company

("PG&E") regarding the California Oregon Transmission Project ("COTP") and so-called "bubble" charges from the period of 2001 through the present.

The CAISO's Dispute Resolution Procedures provide that any party whose interests may be affected by the outcome of an arbitration may intervene before the AAA. Interventions are due within 15 days of the posting by the CAISO of public notice of the Demand for Arbitration. As the CAISO posted public notice of PG&E's Demand for Arbitration on July 15, 2004, NCPA's petition to intervene is timely.

I GROUND FOR INTERVENTION AND INTEREST OF NCPA IN THIS PROCEEDING

PG&E's June 10 Statement lists as "Other Potentially Interested Parties" in its dispute with the CAISO "Holders of transmission entitlements on the California-Oregon Transmission Project." Certain NCPA members are participants in the COTP and hold entitlements thereon. NCPA intervened and participated in an earlier arbitration between PG&E and the CAISO (AAA Case No. 71 198 00711 00) that presented issues substantially similar, if not identical, to the issues discussed in PG&E's Statement of Claim. Thus, as NCPA and certain of its members have a direct interest in this proceeding, there is good cause to grant NCPA status as an intervenor.

Based on NCPA's understanding of the issues in this proceeding as set forth in PG&E's June 10 Statement, NCPA generally supports PG&E's position that the CAISO is not authorized to charge PG&E for services related to COTP or "bubble" transactions. NCPA's interest in this proceeding arises from the possibility that if the CAISO were to prevail in its attempt to charge PG&E for such services, PG&E might seek to impose such charges on NCPA members.

II. SERVICE

NCPA designates the following individuals to receive communications in this matter:

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CONCLUSION

Based on the foregoing, NCPA respectfully requests leave to intervene in this proceeding.

Respectfully submitted,



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