

**BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation, for a
Permit to Construct the Potrero to Hunters Point
115 kV Cable Project Pursuant to General Order
131-D

A.03-12-039

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

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Dated: June 14, 2004

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In accordance with Rules 45 and 54 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation ("CAISO") respectfully moves to intervene in the above-referenced proceeding. The CAISO will be present to enter an appearance in this matter at the next opportunity. In support of its request, the CAISO states as follows:

I. Communications

Please address communications concerning this filing to:

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II. Basis for Motion to Intervene

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California and responsible for the reliable operation of the transmission grid

consisting of the systems of the investor owned utilities (“IOUs”) regulated by the Commission and other Participating Transmission Owners (“PTOs”). Under California statute, the CAISO must reliably and efficiently operate the grid in a manner consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Systems Coordinating Council and the North American Electric Reliability Council. (Pub. Utilities Code § 345.) In order to achieve that objective, the CAISO has been granted the authority to compel PTOs, including the IOUs, to construct all transmission additions and upgrades determined by the CAISO to be necessary to meet applicable reliability standards. (See, CAISO Tariff § 3.2.) The CAISO has determined that the Potrero to Hunters Point 115 kV cable project that is the subject of this proceeding is needed. Accordingly, the CAISO has an interest directly affected by the potential action taken by the Commission on PG&E’s application.

For the last several years, the CAISO has cooperated with stakeholders representing the City and County of San Francisco, PG&E, and members of the Hunters Point/Bayshore communities to address the long-term load serving capability needs of the San Francisco Peninsula. As part of this effort, the CAISO has conducted analyses and communicated the results of these analyses to the stakeholders to provide information on system conditions that may permit the retirement of PG&E’s Hunters Point generation facility. In this regard, the CAISO has consistently reported that enhancement of the load serving capability of the San Francisco Peninsula requires an integrated approach that recognizes the interdependence of the transmission system feeding the peninsula, along the peninsula itself, and within San Francisco. As such, the Potrero-Hunters Point 115 kV cable project has been identified as a project needed to remedy cable constraints

internal to the 115 kV system within San Francisco and as one of several projects necessary constituting a prerequisite to the potential consent by the CAISO to close PG&E's Hunters Point facility.

The CAISO seeks to intervene in this proceeding to promote its interest in the reliable operation of the transmission grid and address issues regarding the function of the Potrero-Hunters Point 115 kV project in achieving that goal.

III. The CAISO Will Not Broaden the Issues and Its Intervention Will Not Prejudice Existing Parties

The CAISO does not anticipate broadening the issues raised by PG&E's application for a Permit to Construct. The CAISO further agrees to accept the record as currently developed in this proceeding such that no party could suffer prejudice by its intervention at this time.

IV. Conclusion

For the foregoing reasons, the CAISO respectfully requests that it be permitted to intervene, and that it be accorded full party status in this proceeding.

June 14, 2004

Respectfully submitted:



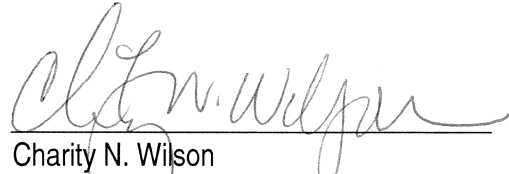
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PROOF OF SERVICE

I hereby certify that on June 14, 2004 I served, by electronic and United States mail, the Motion to Intervene of The California Independent System Operator in to the parties in Docket # A.03-12-039.

DATED at Folsom, California on June 14, 2004

A handwritten signature in black ink, appearing to read "Charity N. Wilson", written over a horizontal line.

Charity N. Wilson
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