

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

**Pacific Gas and Electric Company     )     Docket No. ER03-94-000**

**MOTION TO INTERVENE 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, and the Commission’s November 4, 2002 Notice of Filing, the California Independent System Operator Corporation (“ISO”) hereby moves to intervene in the above-captioned proceeding. In support thereof, the ISO states as follows:

**I.     COMMUNICATIONS**

Please address communications concerning this filing to the following persons:

<p>Jeanne M. Solé*  Regulatory Counsel  The California Independent System  Operator Corporation  151 Blue Ravine Road  Folsom, CA 95630  Tel: (916) 351-4400  Fax: (916) 608-7222</p>	<p>J. Phillip Jordan*  Rebecca A. Blackmer  Swidler Berlin Shereff Friedman, LLP  3000 K Street, N.W., Suite 300  Washington, DC 20007  Tel: (202) 424-7500  Fax: (202) 424-7643</p>
<p>Deborah A. Le Vine<sup>1</sup>  Director of Contracts  The California Independent System  Operator Corporation  151 Blue Ravine Road  Folsom, CA 95630  Tel: (916) 351-4400  Fax: (916) 608-7222</p>	

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

## II. BACKGROUND

On October 30, 2002, Pacific Gas and Electric Company (“PG&E”) submitted an informational rate filing proposing rate revisions under its Reliability Must-Run (“RMR”) Agreements with the ISO (“PG&E Filing”).<sup>2</sup> The PG&E Filing relates to RMR Agreements as to the following facilities: Helms Power Plant (“Helms”); Humboldt Bay Power Plant (“Humboldt”), Hunters Point Power Plant (“Hunters Point”); San Joaquin Watershed (“San Joaquin”). The filing was made to comply with the terms of a settlement agreement approved by the

<sup>1</sup> In addition to Ms. Solé and Mr. Jordan, the ISO respectfully requests that Ms. Le Vine be included in the Official Service List. Ms. Solé and Ms. Le Vine work in separate buildings, and it would be of significant assistance to the ISO if both were included on the list.

<sup>2</sup> Because the generating units 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 Master Definitions Supplement, Appendix A to the ISO Tariff.

Commission<sup>3</sup> under which each RMR Owner is required to adjust rates annually, beginning with calendar year 2002, using the rate formula set forth in Schedule F of the RMR Agreement. The PG&E Filing is intended to comply with requirements in Schedule F of the RMR Agreement to provide information supporting updated Annual Fixed Revenue Requirements ("AFRR") and Variable O&M Rates. The PG&E Filing also seeks pursuant to Section 205 of the Federal Power Act ("FPA")<sup>4</sup> to make certain updates to the rates that either 1) result from the new AFRR and Variable O&M Rates or 2) are otherwise provided for on annual basis in the RMR Agreement.

Schedule F establishes the procedures and methodology for determining the AFRR and Variable O&M Rates for facilities designated as RMR Units. The PG&E Filing is intended to provide updated cost information used in determining the AFRR and the Variable O&M Rates for its RMR Units to be effective January 1, 2003. In addition, the PG&E Filing updates a number of RMR Agreement Schedules: including the Contract Service Limits in Schedule A, the values in Tables B-1 through B-6 in Schedule B, and the Prepaid Start-up Charges in Schedule D.

On November 4, 2002, the Commission issued a "Notice of Filing" setting November 20, 2002, as the final date for interventions and protests.

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<sup>3</sup> *California Independent System Operator Corp.*, 87 FERC ¶ 61,250 (1999).

<sup>4</sup> 18 USC § 824d.

### **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 a number of public utilities including PG&E, as well as for the coordination of the competitive Ancillary Services and real-time electricity markets in California. As the counter party in the RMR Agreements governing PG&E's provision of RMR services, the ISO has a unique interest in any Commission proceeding concerning proposed changes to those RMR Agreements. Accordingly, the ISO has a direct and substantial interest in the proposed rate changes and requests that it be permitted to intervene in this proceeding with full rights of a party.

#### **IV. CONCLUSION**

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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Jeanne M. Solé  
Regulatory Counsel  
California Independent System Operator  
Corporation  
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Folsom, CA 95630  
Tel: (916) 351-4400  
Fax: (916) 608-7222

Counsel for the California Independent  
System Operator Corporation

Date: November 14, 2002



November 14, 2002

Magalie Roman Salas, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: **Pacific Gas and Electric Company,  
Docket No. ER03-94-000**

Dear Secretary Salas:

Enclosed please find an electronic filing in the above-captioned proceeding of the Motion to Intervene of the California Independent System Operator Corporation. Thank you for your attention to this filing.

Respectfully submitted,

Jeanne M. Solé  
Counsel for the California Independent  
System Operator Corporation

**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 Folsom, CA, on this 14th day of November, 2002.

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Jeanne M. Solé