UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

NEO California Power LLC) Docket Nos. ER04-220-000 ER04-220-001

MOTION TO INTERVENE AND MOTION TO CONSOLIDATE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.212 and 214 (2003), and the Commission's Notices of Filing dated December 5, 2003 and December 9, 2003, the California Independent System Operator Corporation (the "ISO") submits this motion to intervene and motion to consolidate the two captioned proceedings. In support thereof, the ISO states as follows:

I. Description of the Proceedings

A. <u>ER04-220-000</u>

On November 21, 2003, NEO California Power LLC ("NEO") filed, pursuant to Section 205 of the Federal Power Act ("FPA"), revised Schedule A associated with the Reliability Must Run Agreement ("RMR Agreement") <u>1</u>/ between NEO and the ISO. The revised Schedule A updates the Contract Service Limits for the 2004 Contract Year for the RMR Agreement. In its November 21

^{1/} Because the facility covered by this agreement must operate at certain times for the reliability of the transmission grid, they are referred to as "reliability mustrun" 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 or Article 1 of the RMR Agreement.

filing, NEO also requested a further extension of time to make its required "Schedule F" informational filing related to the RMR Agreement. On December 5, 2003, the Commission issued a Notice of Filing in Docket No. ER04-220-000 setting December 12, 2003, as the date for interventions, comments and protests. <u>2</u>/ By separate notice, dated November 28, 2003, and an Errata Notice dated December 5, 2003, the Commission granted NEO's request for an extension of time, until December 5, 2003, to make its Schedule F informational filing.

B. <u>ER04-220-001</u>

On December 5, 2003, NEO filed, pursuant to Section 205 of the FPA, revised rate schedule sheets for the RMR Agreement, which revisions update the rates for the 2004 Contract Year. NEO stated in its application that the purpose of the filing is to update the rate schedule sheets, including the values in Tables B-1, B-3, B-5, B-6 (the Hourly Availability Charges, Hourly Penalty Rates, Target Available Hours and Annual Fixed Reliability Cost), and Table D-0 (the Prepaid Start-up Cost and Prepaid Start-up Charge). NEO also filed substitute revised rate schedule sheets correcting the rate schedule sheets (Schedule A, Contract Service Limits) that NEO filed on November 21, 2003 in Docket No. ER04-220-000. On December 9, 2003, the Commission issued a Notice of Filing in Docket No. ER04-220-001 setting December 26, 2003 as the date for interventions, comments and protests.

^{2/} The filing was originally made in Docket No. ER03-1010-001 and later corrected to Docket No. ER04-220-000 by the Commission's Errata Notice issued December 5, 2003.

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 Pacific Gas & Electric Company ("PG&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:

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)

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) 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)

III. Motion to Intervene

NEO's power plant that is the subject of the RMR Agreement is located

within PG&E's transmission system and is needed to maintain reliability. As the

Control Area Operator responsible for maintaining reliability and as the counter

party to the RMR Agreement governing NEO's provision of RMR services, the ISO

has a unique interest in any Commission proceeding concerning proposed changes to the RMR Agreement. Accordingly, the ISO has a direct and substantial interest in the proposed changes in both of these sub dockets, ER04-220-000 and -001, and, therefore, requests that it be permitted to intervene in these proceedings with full rights of a party. Because no other party can adequately represent the ISO's interests in these proceedings, the ISO's intervention is in the public interest and should be granted.

IV. Motion to Consolidate

The ISO respectfully requests that the Commission consolidate the proceedings in the two sub dockets, Docket Nos. ER04-220-000 and ER04-220-001, in which NEO has made two related filings revising the rates and contract service limits to update its RMR Agreement for the 2004 Contract Year. In light of the fact that the two sub dockets involve the same applicant, the same RMR facility, and the same RMR Agreement, it would be more efficient to address these two filings in a single proceeding. Thus, consolidation of the dockets will result in savings of time and resources of the parties and of the Commission staff and hence is in the public interest.

VI. Conclusion

For the foregoing reasons, the ISO respectfully requests that the Commission: (i) grant the ISO's motion to intervene in the above-captioned proceedings and (ii) consolidate the filings in Docket No. ER04-220-000 and -001.

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Respectfully submitted

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: December 12, 2003

CERTIFICATE OF SERVICE

I hereby certify that I have this 12th day of December, 2003 caused to be served a copy of the forgoing Motion to Intervene and Motion to Consolidate upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in Docket Nos. ER04-220-000 and ER04-220-001.

Karin L. Larson

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