



California Independent
System Operator Corporation

November 21, 2006

VIA ELECTRONIC FILING

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

**Re: CalPeak Power – Vaca Dixon, LLC
Docket No. ER07-130-000**

Dear Secretary Salas:

Transmitted herewith for electronic filing in the above-referenced proceedings is the Motion to Intervene of the California Independent System Operator Corporation.

Thank you for your attention to this matter.

Yours truly,

/s/ Sidney Mannheim Davies

Sidney Mannheim Davies
Assistant General Counsel
Counsel for the California Independent
System Operator Corporation

Enclosure
cc: Service List

responsible for the reliable operation of the electric grid comprising the transmission systems of a number of utilities including Pacific Gas & Electric Company (PG&E), as well as the coordination of the ancillary services and real-time electricity markets in California.

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

Sidney Mannheim Davies
Assistant General Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-7144
Fax: (916) 608-7222
E-mail: sdavies@caiso.com

Robert C. Kott
Manager of Model and Contract
Implementation
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
Tel: (916) 608-5804
Fax: (916) 351-2487
E-mail: rkott@caiso.com

III. CAISO'S INTEREST

CalPeak's RMR Unit is located within PG&E's transmission system and has been needed to maintain the reliability of the CAISO Controlled Grid. As the Control Area operator and as the counter party to the RMR Agreement, the CAISO has a unique interest in any Commission proceeding that affects an RMR Agreement. Accordingly, the CAISO has a direct and substantial interest in this proceeding and requests that it be permitted to intervene. Because no other party can adequately represent the CAISO's interests in this proceeding, the CAISO's intervention is in the public interest and should be granted.

Based on the fact that PG&E has procured adequate Local Area Resource Adequacy Resources, the CAISO has determined that it no longer needs this resource to provide reliability services under the RMR Agreement. Accordingly,

the CAISO notified CalPeak that it would not be extending the term of the RMR Agreement and requested CalPeak to file a Notice of Cancellation, to which the CAISO does not object.

IV. CONCLUSION

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

Dated: November 21, 2006

Respectfully submitted

/s/ Sidney Mannheim Davies
Sidney Mannheim Davies
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630
(916) 608-7144 (tel)
(916) 608-7222 (fax)

CERTIFICATE OF SERVICE

I hereby certify that I have this 21st day of November 2006 caused to be served a copy of the forgoing document upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Sidney Mannheim Davies
Sidney Mannheim Davies