

California Independent System Operator Corporation

November 22, 2006

VIA ELECTRONIC FILING

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

Re: Los Esteros Critical Energy Center, LLC Docket No. ER07-161-000

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

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

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Los Esteros Critical Energy Center, LLC Docket No. ER07-161-000

MOTION TO INTERVENE OF 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 7, 2006, Combined Notice of Filings, the California Independent System Operator Corporation ("CAISO") submits this Motion to Intervene in the above captioned proceeding. In support thereof, the CAISO states as follows:

I. DESCRIPTION OF THE PROCEEDING

On November 2, 2006, Los Esteros Critical Energy Center, LLC ("LECEF") tendered for filing its Notice of Cancellation of the FERC Electric Rate Schedule No.2, Must-Run Service Agreement between LECEF and CAISO. LECEF requests that this cancellation be made effective January 1, 2007, consistent with the terms of the Agreement.

By its Notice issued November 7, 2006, the Commission established November 24, 2006, as the date motions to intervene are to be filed in the above-captioned proceeding.

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II. DESCRIPTION OF THE CAISO AND COMMUNICATIONS

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with its principal place of business at 151 Blue Ravine Road, Folsom, CA 95630. The CAISO is the Control Area operator 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 realtime 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: <u>sdavies@caiso.com</u> 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: <u>rkott@caiso.com</u>

III. CAISO'S INTEREST

LECEF'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 LECEF that it would not be extending the term of the RMR Agreement and requested LECEF 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 22, 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 22nd 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