

<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 Vine¹ 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 November 1, 2002, Williams Energy Marketing & Trading Company ("Williams") tendered for filing pursuant to Section 205 of the Federal Power Act ("FPA") revised pages to its Reliability Must-Run ("RMR") Agreements with the ISO ("Williams Filing").² The Williams Filing relates to RMR Agreement as to the Alamitos and Huntington Beach RMR Units. According to Williams, the filing is a routine filing contemplated by the pro forma RMR Agreement approved by the

¹ 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.

² 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 in 1999 and 2000.³ The Williams Filing includes revisions to Schedule A (Unit Characteristics, Limitations and Owner Commitments), Schedule B (Monthly Option Payment), Schedule C (Variable Cost Payment), Schedule D (Start-Up Payment) and the "Notice" information reflected in Schedule J. According to Williams, the Williams Filing also includes revisions to incorporate the revenue requirements and rates agreed to in an "Offer of Settlement" by and among Williams, the ISO, Southern California Edison Company ("SCE") and AES Southland LLC ("AES") which was filed with the Commission on July 5, 2002, and remains pending before it.

On November 7, 2002, the Commission issued a "Notice of Filing" setting November 22, 2002 as the final date for interventions and protests. On November 22, 2002, the ISO prepared a motion to intervene and protest in this matter and set up to file it electronically. On December 5, 2002, in reviewing FERRIS, the ISO became aware that the motion and protest did not appear to have been received by the Commission and on December 6, 2002, the ISO confirmed that the electronic submission as never completed.

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 SCE, as well as for the coordination of the competitive Ancillary Services and real-time electricity markets in California. The Alamos and Huntington Beach

³ California Independent System Operator Corp., 87 FERC ¶ 61,250 (1999) and California Independent System Operator Corp., 93 FERC ¶ 61,089 (2000).

Power Plants are located within SCE's transmission system and are needed to maintain local area reliability. As the Control Area Operator responsible for maintaining the reliability of the SCE transmission system, and as the counter party in the RMR Agreements governing Williams' 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. PROTEST

The ISO has two concerns with the Williams Filing:

- Williams appears to have included historic Long-term Planned Outage Hours ("LTPOH") in the calculation of the five-year average of Other Outage Hours ("OOH"). This inclusion of LTPOH violates the RMR Service Agreement because the definition of OOH specifically excludes LTPOH from OOH. Inclusion of LTPOH in OOH results in lower than appropriate Target Available Hours ("TAH") and, consequently, in a higher than appropriate Hourly Availability Charge. The Hourly Availability Charges for Huntington Beach Units 1 and 2 are affected by this error. The Commission should order Williams to correct the OOH, the TAH, the value of the Hourly Availability Charge for Huntington Beach RMR Units 1 and 2.
- The ISO also has concerns about the OOH for Alamitos 3 RMR Unit, and hence the TAH and the Hourly Availability Charge. In particular, the OOH for 1998 appears very high and no documentation has been provided to support

this high number. As a result, as explained above the TAH appear to be lower than appropriate and the Hourly Availability Charge appears to be higher than appropriate. The Commission should order Williams to provide further justification for the 1998 OOH for the Alamitos 3 RMR Unit, or to make appropriate corrections to the OOH, TAH and the Hourly Availability Charge for Alamitos 3 RMR Unit.

V. BASIS FOR ACCEPTANCE OF THIS MOTION AND PROTEST OUT OF TIME

As the counter party to the agreement in question, the ISO has a very key interest in this matter. The ISO intended to comply with the Notice of Filing and set up to undertake electronic filing. Through a glitch, which the ISO cannot at this point reconstruct, electronic filing was not completed. The ISO recognizes that it should have been more diligent in confirming that the filing process was successfully completed. Nonetheless, given its overriding interest in this matter and its efforts (albeit unsuccessful) to comply in a timely manner with the Commission's timelines, the ISO considers that the Commission should accept this motion and protest out of time.

VI. 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. In addition the ISO respectfully requests that the Commission direct Williams to (1) correct the OOH, the TAH, the value of the Hourly Availability Charge for Huntington Beach RMR Units 1 and 2; and (2) provide further justification for the 1998 OOH for the Alamitos 3 RMR Unit, or to make

appropriate corrections to the OOH, TAH and the Hourly Availability Charge for Alamitos 3 RMR Unit. The ISO respectfully requests that the Commission accept this filing out of time.

Respectfully submitted,

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Counsel for the California Independent
System Operator Corporation

Date: December 6, 2002



December 6, 2002

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

Re: **Williams Energy Marketing & Trading Company,
Docket No. ER03-132-000**

Dear Secretary Salas:

Enclosed please find an electronic filing in the above-captioned proceeding of the Motion to Intervene and Protest 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 6th day of December, 2002.

Jeanne M. Solé