

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

**Cities of Anaheim, Azusa, Banning,) Docket No. EL03-7-000
And Riverside, California)**

**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 October 10, 2002 Notice of Filing, the California Independent System Operator Corporation (“ISO”)¹ hereby moves to intervene in the above-captioned proceeding. In support thereof, the ISO states as follows:

II. COMMUNICATIONS

Please address communications concerning this filing to the following persons:

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¹ Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, Appendix A to the ISO Tariff, as filed August 15, 1997, and subsequently revised.

* Individuals designated to receive service pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3).²

III. BACKGROUND

As described in the Notice of Filing, on October 10, 2002, the Cities of Anaheim, Azusa, Banning, and Riverside, California ("Southern Cities") filed a Petition for a Declaratory Order affirming, under applicable federal law, the propriety of a withdrawal provision in the Transmission Control Agreement ("TCA") that will facilitate the Southern Cities participation in the ISO. Currently, the TCA requires that a Participating TO provides the ISO with two (2) years notice of withdrawal. Southern Cities allege that the withdrawal provision of the TCA proposed by Southern Cities is necessary to ensure that the Southern Cities' transfer of Operational Control of their Entitlements in transmission facilities to the ISO would not jeopardize the federal tax-exempt status of the bonds that financed the acquisition of their Entitlements under guidelines issued by the Internal Revenue Service. Southern Cities claim that inclusion of the modified withdrawal provision in the TCA is a threshold requirement with respect to the Southern Cities' participation in the ISO, since the loss of tax-exempt status for such bonds would expose the Cities to claims that they have violated existing transmission service contracts between each of the Cities and the issuer of such bonds, the Southern California Public Power Authority ("SCPPA"), and

² In addition to Mr. Anders and Mr. Rubin, the ISO respectfully requests that Ms. Le Vine be included on the Official Service List. Mr. Anders 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.

expose SCPPA to claims that it violated its contracts with the owners of such bonds.

IV. 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 San Diego Gas & Electric Company, the City of Vernon, California, Southern California Edison Company, and Pacific Gas and Electric Company, as well as for the coordination of the competitive electricity market in California. As the operator of the grid, the ISO believes that it has a unique interest in any Commission proceeding concerning the filing described above, which involves provisions in the ISO's Transmission Control Agreement and the participation of Southern Cities in the ISO. Accordingly, the ISO requests that it be permitted to intervene herein with full rights as a party.

V. CONCLUSION

Wherefore, 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,

s/ Courtney Duke

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Counsel for the California Independent
System Operator Corporation

Date: October 25, 2002

CERTIFICATE OF SERVICE

I certify that I have this day served the foregoing document upon each person designated on the service list compiled by the Secretary in this proceeding.

Dated at Washington, DC
This 25th day of October, 2002

s/ Courtney Duke
Courtney N. Duke
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