

WHEREFORE, the ISO respectfully requests that the Commission grant the ISO permission to file the attached Motion to Intervene one day out-of-time.

Respectfully submitted,

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Date: January 19, 2000

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

Southern Energy Potrero, L.L.C.

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Docket No. ER00-937-000

**MOTION TO INTERVENE AND LIMITED PROTEST 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, the California Independent System Operator Corporation ("ISO") hereby moves to intervene and protests in the above-captioned proceeding. In support thereof, the ISO states as follows:

I. COMMUNICATIONS

Please address communications concerning this filing to the following persons:

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II. BACKGROUND

On December 29, 1999, Southern Energy Potrero, L.L.C. (Southern Potrero) tendered for filing with the Commission a revised Must-Run Service Agreement between Southern Potrero and the ISO. The agreement reflects the transfer of ownership of facilities from Pacific Gas and Electric Company to Southern Potrero; and revises Schedules A, B,

and C of the RMR Agreements to specify Unit Characteristics, Contract Service Limits, and Unit Hourly Cap Heat Inputs for the year beginning January 1, 2000.

III. BASIS FOR MOTION TO INTERVENE

The ISO is a non-profit public benefit corporation organized under the laws of the State of California. It is responsible for the reliable operation of a grid comprising the transmission systems of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company, as well as for the coordination of the competitive electricity market in California. The ISO is the sole purchaser of the services provided under the Must Run Agreement that is the subject of this proceeding. The ISO therefore has an interest in this proceeding. Further, because the ISO is charged with the nondiscriminatory operation of the ISO Controlled Grid, the ISO's participation in this proceeding is in the public interest. Accordingly, the ISO requests that it be permitted to intervene in this proceeding with full rights of a party.

IV. LIMITED PROTEST

Pursuant to sections I.C.2 and I.C.3 of the Stipulation and Agreement filed in Docket Nos. ER98-441-000, et al., and approved by the Commission on May 28, 1999, the right of Southern Potrero under Sections 205 and 206 of the Federal Power Act (16 U.S.C. § 825d) to file to revise the Must Run Agreement is, with certain exceptions, suspended through December 31, 2001. Certain revisions proposed by Southern Potrero are impermissible. In particular, the proposed changes to Maximum Net Dependable Capacity do not fall into the specified exceptions and the proposed changes to the coefficients for

fossil fuel heat input are only permissible with the agreement of the ISO regarding test procedures, which Southern Potrero has not obtained.

The ISO cannot at this time waive its right to object under sections I.C.2 and I.C.3 to these changes. Southern Potrero has not sought the concurrence of the ISO or of Pacific Gas and Electric Company, the utility to whom the ISO allocates the costs of the services under the Must Run Agreement at issue. The ISO notes that, in another recent filing, the ISO was willing to waive its objections under section I.C.2 because the Reliability Must Run Owners had worked out the revisions with the responsible utility.

The ISO therefore protests the revisions to the Maximum Net Dependable Capacity and coefficients for fossil fuel heat input and requests their rejection at this time.

The ISO does not at this time object to Southern Potrero's update of contract service limits and Schedule B values, which are included in the exceptions.

V. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission permit it to intervene, that it be accorded full party status in this proceeding, and that the Commission reject the revisions to the Must Run Service Agreement identified above.

Respectfully submitted,

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Counsel for the California Independent
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Date: January 18, 2000

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 Washington, DC, on this 18th day of January, 2000.

Michael E. Ward