



March 12, 2002

The Honorable Magalie Roman Salas
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: San Diego Gas and Electric Company, Docket No. EL02-54-000

Dear Ms. Salas:

Enclosed for filing in the above-captioned proceeding, please find an original electronic filing of the attached document entitled: "Late-filed Motion to Intervene of the California Independent System Operator".

Respectfully submitted,

Jeanne M. Solé
Counsel for the California Independent
System Operator Corporation

II. BACKGROUND

On January 22, 2002, San Diego Gas and Electric Company (SDG&E) filed a Petition for Declaratory Order and Request for Expedited Consideration seeking assurances with respect to the costs of two transmission upgrades: 1) a Miguel-Mission Upgrade; and 2) an Imperial Valley Substation Modification. With regards to these upgrades, SDG&E requested: 1) rolled-in rate treatment for the costs that it incurs; 2) authority to file a limited Section 205 proceeding to roll these transmission-upgrade costs into SDG&E's transmission revenue requirement; and 3) assured cost recovery if SDG&E faces specific events beyond its control.

On January 28, 2002, the Commission issued a Notice of Filing providing that the protests, interventions and comments were to be filed February 19, 2002. Various parties filed interventions and comments, and two parties filed protests.

III. BASIS FOR MOTION TO INTERVENE OUT-OF-TIME

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 Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and the City of Vernon, California, as well as for the coordination of the competitive Ancillary Services and real-time Energy markets in California. The ISO Tariff sets forth the principles for transmission pricing in California, including the determination of Access Charges. See ISO Tariff section 7. Pursuant to ISO Tariff section 7, the ISO administers and undertakes billing and settlement for

Access Charges. Accordingly, the ISO has a significant stake in the outcome of this proceeding.

While the ISO did not initially intervene in the proceeding, a review of the protests to the SDG&E application, and the answers of SDG&E and the Border Generators to these protests, have persuaded the ISO that it should intervene. First, as described earlier, the ISO will administer and undertake billing and settlement of any modifications to the Access Charge that result from this proceeding. Second, it is apparent that key policy issues for transmission pricing have been joined.

IV. CONCLUSION

For the foregoing reasons, the ISO respectfully requests that the Commission permit the ISO to intervene out-of-time, and that it be accorded full party status in this proceeding.

Respectfully submitted,

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California Independent System Operator
151 Blue Ravine Rd
Folsom, CA 95630

Counsel for the California Independent
System Operator Corporation

Date: March 12, 2002

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 12th day of March, 2002.

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