



California Independent
System Operator Corporation

May 25, 2006

Via Electronic Filing

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

**Re: Pacific Gas and Electric Company
Docket No. ER06-949-000**

Dear Secretary Salas:

Transmitted herewith for electronic filing in the above-referenced proceeding is the Motion to Intervene and Comments 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**

**Pacific Gas and Electric Company)
) Docket No. ER06-949-000**

**MOTION TO INTERVENE AND COMMENTS 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 May 12, 2006, Notice of Filing, the California Independent System Operator Corporation ("CAISO") submits this Motion to Intervene and Comments in the above captioned proceeding. In support thereof, the CAISO states as follows:

I. DESCRIPTION OF THE PROCEEDING

On May 4, 2006, Pacific Gas and Electric Company ("PG&E") submitted a Notice of Cancellation of Rate Schedule FERC No. 209 to the Reliability Must-Run Service Agreements with the CAISO for Hunters Point Power Plant. By its Notice issued May 12, 2006, the Commission established May 25, 2006, as the date comments and motions to intervene are to be filed in the above-captioned proceeding.

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 PG&E, as well as the coordination of the ancillary services and real-time electricity markets in California.

The CAISO requests that all communications and notices concerning this motion and these proceedings be provided to:

Sidney Mannheim Davies
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III. CAISO'S INTEREST

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.

IV. COMMENTS

The CAISO supports the filing and Notice of Cancellation for PG&E Rate Schedule FERC No. 209 ('Hunters Point'). Although the Hunters Point facility has been needed to maintain local reliability for many years, both the City and County of San Francisco ("CCSF") and local community groups have expressed

a strong interest to retire this old, inefficient resource due to its impact to the environment. Over the past few years PG&E, the CAISO, CCSF and the community groups have been working together to develop and implement a plan of transmission improvements that ensure the CAISO can continue to operate the San Francisco area grid within Applicable Reliability Criteria without use of the Hunters Point facility. The transmission upgrades identified in the action plan have been completed, so Hunters Point can be retired from service.

V. 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: May 25, 2006

Respectfully submitted

/s/ Sidney Mannheim Davies
Sidney Mannheim Davies
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CERTIFICATE OF SERVICE

I hereby certify that I have this 25th day of May 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