

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

**Pacific Gas and Electric Company    )     Docket No. EL01-29-000  
  )**

**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 February 2, 2001, Notice of Filing, the California Independent System Operator Corporation (“ISO”) hereby moves to intervene 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 January 23, 2001, Pacific Gas and Electric Company (“PG&E”) filed a motion with the Commission for an immediate order directing the California Power Exchange (“PX”) to stay any liquidation of PG&E’s block forward contracts and ordering an accounting of recent invoices sent by the PX to PG&E. In its motion, PG&E states that the PX illegally has withheld a \$101 million payment to PG&E in the block forward markets apparently in order to cover a \$214 million default in the core market by Southern California Edison (“Edison”). PG&E argues that such “netting” of amounts due is inconsistent with the PX tariff, which provides for separate default procedures for the block forward and core markets. Although PG&E admits that it has agreed on occasion to “net” amounts owed to the PX in the core market with amounts due to it in the block forward market, PG&E states that it agreed to this netting as an “accounting accommodation” to the PX based on specific dollar amounts. PG&E anticipates that if it does not pay the PX the amount requested, that the PX will liquidate PG&E’s block forward market positions, an action that PG&E asserts will “cost ratepayers hundreds of millions of dollars.” Motion for Immediate Order at 4. Therefore, PG&E requests that the Commission stay any action to declare PG&E in default pending an accounting of charge-back amounts and related invoices from the PX to PG&E, and restrain the PX from liquidating PG&E’s block forward market positions.

### **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 PG&E, San Diego Gas & Electric Company, and Edison, as well as for the coordination of the competitive electricity market in California. As the operator of this grid, the ISO has a unique interest in any Commission proceeding concerning the PX markets, especially to the extent that they affect PG&E's load serving obligations. This interest cannot adequately be represented by any other party. Moreover, the ISO is responsible for ensuring nondiscriminatory access to this grid, which may be affected by the outcome of this proceeding. The ISO's participation in this proceeding is therefore in the public interest.

#### **IV. 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.

Respectfully submitted,

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Counsel for the California Independent  
System Operator Corporation

Date: February 12, 2001

## **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 12<sup>th</sup> day of February, 2001.

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February 12, 2001

David P. Boergers, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: **Pacific Gas and Electric Company**  
**Docket No. EL01-29-000**

Dear Secretary Boergers:

Enclosed for filing in the above-captioned proceeding are an original and fourteen copies of the Motion to Intervene of the California Independent System Operator Corporation. Two additional copies of the filing are also enclosed. I would appreciate your stamping the additional copies with the date filed and returning it to the messenger.

Respectfully submitted,

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Michael Kunselman  
Counsel for the California Independent System  
Operator Corporation

Enclosure