

Complainants contend that the PX's attempt to use the chargeback provisions of its Tariff² to collect amounts owed to it by Southern California Edison ("Edison") and Pacific Gas and Electric ("PG&E") is unlawful because Edison and PG&E's failure to pay may not constitute a default. The Complainants also assert that even if Edison and PG&E are, in fact, in default, that the PX is nevertheless violating its Tariff by seeking to chargeback amounts not paid by Edison and PG&E because it failed to take necessary mitigation measures prior to implementing the chargeback mechanism. Finally, the Complainants argue that the PX's chargeback mechanism was never designed to address situations such as those currently facing California, and that its application under these circumstances is unjust and unreasonable. The Complainants request that the Commission issue an order directing the PX to immediately cease application of the chargeback provisions in its Tariff, to cease issuing default notices pursuant to these provisions, and to rescind all default notices previously issued to the Complainants.

II. 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 Southern California Edison Company (the "ISO Controlled Grid"). The ISO is also the Control Area Operator for the ISO Controlled Grid and other areas of California that constitute the ISO Control Area. In order to reliably operate the ISO Controlled Grid and satisfy its obligations as Control Area

² The PX's chargeback authority is described in Section 5.3 of Schedule 2 of the PX Tariff, which states that "in the event that amounts owed to the PX Participants on a payout date cannot be fully paid due to an insufficiency of funds in the PX clearing accounts, the PX will allocate the shortage to the PX Participants using the proportional chargeback methodology"

Operator, the ISO accepts forward transmission, load and generation schedules from entities, such as the PX, that have entered into Scheduling Coordinator Agreements with the ISO. The ISO also allocates various costs associated with maintaining system reliability to those Scheduling Coordinators.

The resolution of the issues raised in this complaint may affect the ability of the PX to pay amounts due under ISO-issued invoices to Market Participants in the ISO's markets relating to transactions in which the PX has acted as a Scheduling Coordinator. Therefore, the ISO has a unique interest in this proceeding that cannot be adequately represented by any other party, and should be permitted to intervene accordingly.

III. COMMUNICATIONS

Please address communications concerning this filing to the following persons:

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IV. CONCLUSION

Based on the foregoing, the ISO respectfully requests that the Commission permit it to intervene, according it full party status in this proceeding.

Respectfully submitted,

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Attorneys for the California Independent System Operator Corporation

Date: February 28, 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 Docket No. EL01-37-000, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2000).

Dated at Washington, D.C. on this 28th day of February, 2001.

Michael Kunselman

February 28, 2001

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

Re: **Salt River Project Agricultural Improvement, et al. v.
California Power Exchange
Docket No. EL01-37-000**

Dear Secretary Boergers:

Enclosed for filing are one original and 14 copies of the Motion to Intervene of the California Independent System Operator Corporation in the above-identified docket. An additional copy of the filing is also enclosed. Please stamp the additional copy with the date and time filed and return it to the messenger.

Thank you for your assistance in this matter.

Respectfully submitted,

Michael Kunselman

Counsel for the California
Independent System Operator Corporation