

generation imbalances and to implement generation interconnection procedures. The Companies assert that the proposed energy imbalance and generation imbalance provisions have been made necessary by recent problems related to high market prices in the California markets.¹ The Companies claim that these recent high prices have created incentives for some entities to attempt to game the system by making sales to California in excess of their generation, with the Companies making up the deficiencies between scheduled deliveries of power and actual deliveries of power at imbalance charges below the cost of that power. These entities then allegedly sell the energy provided to them by the Companies and pocket the difference between the market price in California and the lower imbalance energy charge permitted under the Joint OATT.²

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 Pacific Gas & 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. As the operator of this grid, the ISO has a unique interest in any Commission proceeding concerning tariff provisions that may affect electricity sales to California. Accordingly, since the tariff revisions proposed by the Companies may affect electricity sales to California, the ISO requests that it be permitted to intervene herein with full rights as a party.

The ISO raises no substantive issues at the present time but reserves the right to do so regarding any further aspects of the proceeding ordered by the Commission. The ISO also reserves the right to file supplemental comments if warranted.

¹ The Companies' Transmittal Letter at 1.
² *Id.* at 2.

IV. CONCLUSION

Wherefore, 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,

Charles Robinson
General Counsel
Roger E. Smith
Senior Regulatory Counsel
The California Independent
System Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

Kenneth G. Jaffe
David B. Rubin
Julia Moore
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W.
Suite 300
Washington, DC 20007

Attorneys for the California Independent
System Operator Corporation

Date: July 20, 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 20th day of July, 2000.

Julia Moore

July 20, 2000

The Honorable David P. Boergers
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Sierra Pacific Power Company and Nevada Power
Company
Docket No. ER00-2997-000**

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-referenced proceeding. Two additional copies of the filing are also enclosed. Please stamp the two additional copies with the date and time filed and return them to the messenger.

Thank you for your assistance in this matter.

Respectfully submitted,

Julia Moore
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007
Tel: (202) 424-7500
Fax: (202) 424-7643

Attorney for the California
Independent System Operator Corporation