



January 14, 2004

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

Re: **San Diego Gas & Electric Company**
Docket No. ER04-340-000

Dear Secretary Salas:

Enclosed please find an electronic filing of the Motion to Intervene of the California Independent System Operator Corporation. Thank you for your attention to this filing.

Respectfully submitted,

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Anthony J. Ivanovich

Counsel for the California Independent
System Operator Corporation

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

**San Diego Gas & Electric Co.) Docket No. ER04-340-000
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**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 January 6, 2004 Notice of Filing, the California Independent System Operator Corporation (“ISO”)¹ 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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¹ Capitalized terms not otherwise defined herein are defined in the Master Definitions Supplement, Appendix A to the ISO Tariff, as filed August 15, 1997, and subsequently revised.

II. BACKGROUND

On December 24, 2003, San Diego Gas & Electric Company (SDG&E) tendered for filing its forecast of the charges it will pay under its Reliability Must Run (RMR) contracts with the California Independent System Operator (ISO) for the year 2004, and a proposed allocation for recovering those costs in rates. SDG&E projects a total RMR revenue requirement of \$106.239 million. In addition, SDG&E proposes to change from an Equal Percentage Marginal Costs allocation methodology to a 12-Month Coincident Peak methodology. SDG&E states that, under Section 5.2.7 of the ISO tariff, it is the Responsible Utility (RU) for payments to operators of RMR units within its territory. Further, SDG&E states that it recovers its costs for those payments through a dedicated rate component, and requests an effective date of January 1, 2004 for the proposed rate.

By its Notice issued January 6, 2004, the Commission established January 14, 2004 as the date motions to intervene are to be filed in the above-captioned proceeding.

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, Southern California Edison Company, San Diego Gas & Electric Company, and the Cities of Vernon, Anaheim, Azusa, Banning and Riverside, California. As the

operator of this grid, the ISO believes that it has a unique interest in any Commission proceeding concerning the issues raised in the captioned proceeding.

V. CONCLUSION

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'AP Steve Ivancovich', is written over a horizontal line. To the left of the signature is a small, stylized 'AP' monogram.

Anthony J. Ivancovich
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Counsel for the California Independent
System Operator Corporation

Date: January 14, 2004

CERTIFICATE OF SERVICE

I hereby certify that I have this day electronically served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Folsom, CA, this 14th day of January 14, 2004.


Anthony J. Mancovich