

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

NEO CALIFORNIA POWER LLC) Docket No. ER03-1010-000

**MOTION TO INTERVENE AND COMMENTS OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), 18 C.F.R. §§ 385.211 and 385.214, and the Commission's July 8, 2003 Notice of Filing in this matter, the California Independent System Operator Corporation ("ISO") hereby files a motion to intervene and comments in this proceeding. In support thereof, the ISO states as follows:

I. COMMUNICATIONS

Please address communications concerning this filing to the following persons:

<p>Jeanne M. Solé* Regulatory Counsel The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630 Tel: (916) 351-4400 Fax: (916) 608-7222</p>	<p>J. Phillip Jordan* Rebecca A. Blackmer Swidler Berlin Shereff Friedman, LLP 3000 K Street, N.W., Suite 300 Washington, DC 20007 Tel: (202) 424-7500 Fax: (202) 424-7643</p>
<p>Deborah A. Le Vine¹ Director of Contracts The California Independent System Operator Corporation 151 Blue Ravine Road Folsom, CA 95630 Tel: (916) 351-4400 Fax: (916) 608-7222</p>	

* Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 203(b)(3).

II. 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 a number of public utilities including Pacific Gas and Electric Company (“PG&E”), as well as for the coordination of the competitive Ancillary Services and real-time electricity markets in California. The ISO is the counter party in the Reliability Must-Run Agreement (“RMR Agreement”) with NEO California Power LLC (“NEO”) for their Red Bluff Generating Facility (“Red Bluff”)² that is the subject of NEO’s filing in this docket.

¹ In addition to Ms. Solé and Mr. Jordan, the ISO respectfully requests that Ms. Le Vine be included in the Official Service List. Ms. Solé and Ms. Le Vine work in separate buildings, and it would be of significant assistance to the ISO if both were included on the list.

² NEO California Power LLC is the owner of both the Red Bluff and the Chowchilla Generating Facilities. The ISO has Summer Reliability Agreements (“SRA”) with each of these facilities, and

As such, the ISO has a unique interest in any Commission proceeding concerning proposed the RMR Agreement. Accordingly, the ISO has a direct and substantial interest in the proposed rate changes and requests that it be permitted to intervene in this proceeding with full rights of a party.

III. BACKGROUND

On July 1, 2003, NEO tendered for filing an RMR Agreement executed by the ISO and NEO on June 30, 2003 for Red Bluff. On July 8, 2003, the Commission issued a Notice of Filing setting July 22, 2003 as the comment date.

IV. SUPPORTING COMMENTS

The ISO supports the RMR Agreement filed by NEO. A local area reliability need that is met by NEO's Red Bluff facility was identified in the ISO's Local Area Reliability Service Request for Bids process. The ISO worked with NEO and Pacific Gas and Electric Company ("PG&E") with input from the California Public Utilities Commission and the California Electricity Oversight Board to negotiate acceptable rates for NEO.

V. OMISSION OF FACILITY NAME AND ADDRESS

After the filing was made, the ISO noted that the name and address of the NEO facility to which the RMR Agreement applies (the Red Bluff facility) was inadvertently omitted from Schedule A of the RMR Agreement executed by NEO and the ISO. This information is essential to clearly identify the facility to which the RMR Agreement applies. As such, the ISO requests that NEO file a

hence rate schedules related to the SRA for each of these facilities are already on file with the Commission.

substitute rate sheet to include the name and address of the Red Bluff facility in Section 2 of Schedule A.

VI. 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,

Jeanne M. Solé
Counsel for the California Independent
System Operator Corporation

Date: July 22, 2003

July 22, 2003

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

Re: **NEO California Power, LLC**
Docket No. ER03-1010-000

Dear Secretary Salas:

Enclosed please find an electronic filing in the above-captioned proceeding of the Motion to Intervene and Comments of the California Independent System Operator Corporation. Thank you for your attention to this filing.

Respectfully submitted,

Jeanne M. Solé
Counsel for the California Independent
System Operator Corporation

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 Folsom, CA, on this July 22, 2003.

Jeanne M. Solé