



June 9, 2005

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

Re: **Trans Bay Cable LLC**
Docket No. ER05-985-000

Dear Secretary Salas:

Enclosed please find an electronic filing of the Motion to Intervene and Comments of the California Independent System Operator Corporation.

Thank you for your attention to this filing.

Respectfully submitted,

/s/ Grant Rosenblum
Grant Rosenblum

Counsel for the California Independent
System Operator Corporation

II. BACKGROUND

On May 19, 2005, Trans Bay Cable LLC (“TBC”) tendered for filing the Operating Memorandum (“Memorandum”), dated May 16, 2005, among TBC, the City of Pittsburg (“City”), California, and Pittsburg Power Company (collectively “Parties”), relating to the Parties’ proposed development of a high voltage direct current transmission line between the City and the City of San Francisco, California (“Project”). The Project would transmit approximately 400 megawatts of electricity to an existing substation in San Francisco. The Memorandum sets forth, among other things, the rate-making principles that the parties request the Commission accept for purposes of establishing the transmission revenue requirement (“TRR”) for the Project. Should the Project ultimately obtain approval and become operational, the TBC anticipates that operational control of the Project will be transferred to the ISO and that its TRR be recovered through the ISO’s Transmission Access charge mechanism.

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, Southern California Edison Company, San Diego Gas & Electric Company and the Cities of Vernon, Anaheim, Azusa, Banning and Riverside, California. The present filing directly implicates the ISO’s interests in that the proposed project, if approved and constructed, would be placed under the ISO’s operational control, would affect

the reliability of the ISO's Controlled Grid, and would affect the rates charged by the ISO.

IV. COMMENTS

In its filing, TBC notes that the ISO formed the San Francisco Stakeholder Study Group ("Study Group") in 1999 to evaluate long-term energy supply solutions for the constrained San Francisco load area. The Study Group is ongoing and is presently engaged in evaluating the desired mix of transmission capacity expansion, generation resources, and load management programs to serve that area's future energy needs. The Project constitutes one of the relevant resource alternatives. TBC accurately states that the Study Group anticipates completing its comparative assessment of the economic and reliability benefits of the alternatives in the near future. Following publication of the Study Group results, ISO management anticipates seeking ISO Board of Governors' approval of the preferred solution to the extent necessary and appropriate.

The ISO supports TBC's pursuit of all steps necessary to ensure that the Project remains a viable alternative that can be fully reviewed and compared on its merits. As noted, the ISO has not presently completed its analyses of the alternatives. The TBC and the Memorandum recognize this fact and the importance of ISO approval of the Project as a precondition to continued development and construction. Accordingly, while this filing may be viewed as premature and a potential unproductive use of Commission resources, the ISO supports the timing of TBC's filing and its request that the Commission opine on the rate principles set forth in the Memorandum no later than July 1, 2005, in

order to avoid the increased costs and risks alleged by TBC should this matter be delayed.

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,

/s/ Grant Rosenblum

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Counsel for the California Independent
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Date: June 9, 2005

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 9th day of June 2005.

/s/ Grant Rosenblum
Grant Rosenblum