

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

Pacific Gas and Electric Company) Docket No. ER04-690-000

**MOTION TO INTERVENE TWO DAYS OUT OF TIME AND COMMENTS 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 April 6, 2004 Notice of Filing, the California Independent System Operator Corporation ("ISO")¹ hereby moves to intervene two days out of time and provides comments in the 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 used in the sense given in the Master Definitions Supplement, Appendix A to the ISO Tariff, as filed August 15, 1997, and subsequent revised.

* Individuals designated to receive service pursuant to Rule 203(b)(3) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203(b)(3).²

II. BACKGROUND

As stated in the April 6, 2004 Notice of Filing, on March 31, 2004, Pacific Gas and Electric Company ("PG&E") submitted to the Commission proposed Notices of Cancellation of PG&E Rate Schedule FERC Nos. 79, 63, 81, 126, 151, and 152 (between Western Area Power Administration ("Western") and PG&E) and Notices of Cancellation of FERC Nos. 75 and 76 (between PG&E and Calaveras Public Power Agency and Tuolumne County Public Power Agency, respectively), effective as of the date the contracts between Western and PG&E expire, January 1, 2005. PG&E included in the filing one redesignated agreement and three proposed unexecuted replacement agreements, all between PG&E and Western.

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 an electricity transmission 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, as well as for the coordination of the competitive electricity market in California. As the

² In addition to Mr. Ivancovich and Mr. Rubin, the ISO respectfully requests that Ms. Le Vine be included on the Official Service List. Mr. Ivancovich 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.

operator of the grid, the ISO believes that it has a unique interest in any Commission proceeding concerning the filing described above, which involves the cancellation of rate schedules affecting service within the ISO Control Area. Accordingly, the ISO respectfully requests that it be permitted to intervene herein with full rights as a party.

IV. MOTION TO INTERVENE OUT OF TIME

Due to an administrative oversight, the ISO failed to file this motion by the date specified in the April 6, 2004 Notice of Filing. Given the early status of the proceeding, however, no party will be prejudiced by the granting of the motion.

V. COMMENTS

While the ISO supports the termination of Existing Contracts, it is important that new arrangements, consistent with ISO operations, be put in place to provide for continuation of service. Accordingly, the ISO would support the establishment of settlement procedures to develop a mutually acceptable new protocol to ensure a smooth transfer of operations from the terminated agreements. Moreover, the ISO has concerns about the Parallel Operations Agreement, which is one of the proposed unexecuted replacement agreements between PG&E and Western, particularly with regard to its impact on ISO operations. The ISO believes settlement procedures should be established to address issues relating to the Parallel Operations Agreement.

VI. CONCLUSION

Wherefore, for the foregoing reasons, the ISO respectfully requests that the Commission permit it to intervene, that it be accorded full party status in this proceeding, and that the Commission consider the comments presented herein.

Respectfully submitted,

/s/ David B. Rubin
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Date: April 23, 2004