

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

LSP South Bay, LLC

)

Docket No. ER07-123-000

**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 (2006), the California Independent System Operator (“CAISO”) submits this Motion to Intervene in the captioned proceeding. In support thereof, the CAISO states as follows:

I. Description of the Proceeding

On October 31, 2006, LSP South Bay, LLC (“South Bay”) submitted, pursuant to Section 205 of the Federal Power Act (“FPA”), its annual update filing proposing revised rate schedule sheets to its Reliability Must-Run Agreement (“RMR Agreement”) ^{1/} with the CAISO for Contract Year 2007. In addition, South Bay submitted its an annual informational filing, often referred to as the “Schedule F Filing,” to support its proposed changes to its Annual Fixed Revenue Requirements. South Bay requests that all of the rate revisions become effective as of January 1, 2007.

The Commission issued a Combined Notice of Filings setting November 21, 2006 as the deadline for interventions in this proceeding.

^{1/} Because the generation units covered by a RMR agreement must operate at certain times for the reliability of the transmission grid, they are referred to as “reliability must-run” or “RMR” units. Other capitalized terms that are not defined in this filing have the same meaning set forth in the RMR Agreement.

II. Description of the CAISO and Communications

The CAISO is a non-profit public benefit corporation organized under the laws of the State of California with a principal place of business at 151 Blue Ravine Road, Folsom, CA 95630. The CAISO is the Control Area Operator responsible for the reliable operation of a grid comprising of the transmission systems of a number of public utilities including San Diego Gas & Electric Company (“SDG&E”), as well as the coordination of the ancillary services and real-time electricity markets in California.

The CAISO requests that all communications and notices concerning this motion and these proceedings be provided to:

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III. Motion to Intervene

South Bay’s RMR Units are located within SDG&E’s transmission system and are needed to maintain the reliability of such system. As the Control Area Operator responsible for maintaining reliability of the SDG&E transmission system and, as the counter party to the South Bay RMR Agreement, the CAISO has a unique interest in any Commission proceeding concerning proposed changes to the RMR Agreement. Accordingly, the CAISO has a direct and

substantial interest in this proceeding and requests that it be permitted to intervene with full rights of a party. Because no other party can adequately represent the CAISO's interests, the CAISO's intervention is in the public interest and should be granted.

IV. Conclusion

For the foregoing reasons, the CAISO respectfully requests that the Commission grant the CAISO's motion to intervene in the above-captioned proceeding with full rights of a party.

Respectfully submitted,

/s/ Mary Anne Sullivan

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Counsel for
California Independent System
Operator Corporation

Dated: November 21, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this 21st day of November, 2006 caused to be served a copy of the forgoing Motion to Intervene upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.

/s/ Geo. F. Hobday
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