

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

Geysers Power Company, LLC )

Docket No. ER04-171-000

**MOTION TO INTERVENE AND PROVISIONAL PROTEST  
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 (2003), the California Independent System Operator Corporation (“ISO”) submits this motion to intervene and provisional protest in the captioned proceeding. In support thereof, the ISO states as follows:

**I. Description of Proceeding**

On November 6, 2003, Geysers Power Company, LLC (“Geysers”) filed, pursuant to Section 205 of the Federal Power Act (“FPA”), revisions to certain Reliability Must-Run Rate Schedules of its Reliability Must Run Agreements (“RMR Agreements”)<sup>1/</sup> with the ISO for Contract Year 2004 for the Geysers Main Units and the Geysers Units 13 and 16 (“§ 205 Filing”). Geysers requested an effective date of January 1, 2004. The § 205 filing was made in compliance with the RMR Agreements under which the RMR Owner is required to make certain updates to rates that are provided for on an annual

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<sup>1/</sup> Because the generating units covered by these agreements must operate at certain times for the reliability of the transmission grid, they are referred to as “reliability must-run” or “RMR” units and the agreements covering them are referred to as “RMR Agreements.” Other capitalized terms that are not defined in this filing have the same meaning set forth in the Master Definitions Supplement, Appendix A to the ISO Tariff.

basis in the RMR Agreements. The updates are made to a number of RMR Agreement Schedules including: the Contract Service Limits in Schedule A, the values in Tables B-1 through B-6 in Schedule B, and the Prepaid Start-up Charges in Schedule D.

On November 18, 2003, the Commission issued a "Notice of Filing" setting November 28, 2003, as the date for interventions, comments and protests.

## **II. Description of the ISO and Communications**

The ISO 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 ISO 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 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 requests that all communications and notices concerning this motion and this proceeding be provided to:

Anthony J. Ivancovich  
Senior Regulatory Counsel  
California Independent System  
Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
916-351-4400 (tel)  
916-608-7222 (fax)

Deborah A. LeVine  
Director of Contracts  
California Independent System  
Operator Corporation  
151 Blue Ravine Road  
Folsom, CA 95630  
916-351-4400 (tel)  
916-608-7222 (fax)

Mary Anne Sullivan  
Hogan & Hartson L.L.P.  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004  
202-637-3695 (tel)  
202-637-5910 (fax)

### **III. ISO's Interest**

The Geysers Main Units and Geysers Units 13 and 16 are located within PG&E's transmission system and are needed to maintain the reliability of the PG&E transmission system. As the Control Area Operator responsible for maintaining reliability in the PG&E transmission system and as the counter party to the RMR Agreements, the ISO has a unique interest in any Commission proceeding concerning proposed changes to the RMR Agreements. 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. Because no other party can adequately represent the ISO's interests in this proceeding, the ISO's intervention is in the public interest and should be granted.

### **IV. Provisional Protest**

The ISO enters this provisional protest in this matter because, as the entity that must administer invoicing for Geysers RMR services, the ISO is concerned that Geysers has failed to include in its filing information to be used for dispatching and invoicing where the physical meter grouping is different from the RMR Unit designations. While the ISO desires that Geysers provide dispatching and metering that would match the individual RMR Unit designations and the level of detail provided in the 205 Filing, for some reason the Geysers RMR Units 5 and 6 are jointly metered and Geysers RMR Units 7 and 8 are jointly metered. Because the rates and values, including the Hourly Availability Charges (Table B-1), Hourly Capital Item Charges (Table B-2), Penalty Rates (Table B-3), Hourly Surcharge Penalty Rates (Table B-4), Target Available Hours (Table B-5) and AFRR (Table B-6) set forth in Geysers' proposed rate sheets, are provided

on an unit-by-unit level, they are not consistent with the level of metering for the units and, thus, do not reflect the rates and values that may be used for dispatch and invoicing. This presents a problem because the aggregation of the rates from unit-by-unit basis as presented in the rate sheets to the combined groupings that are available for dispatch and invoicing can be completed using different methods. This leaves the ISO with uncertainty about the rates to be charged for the units that Geysers has combined under one meter. Accordingly, Geysers' proposed rate sheets, with regard to the rates and values for Units 5, 6, 7, and 8, are unjust and unreasonable.

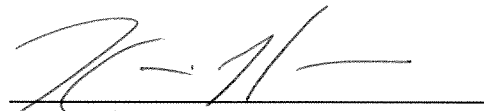
This circumstance has existed in the past. To address it, the ISO and Geysers have had agreements for "translating" the rates approved by the Commission into the rates used for invoicing. However, the ISO considers that the rates as approved by the Commission should be the same as those used for invoicing without the need for "translation" agreements. The fact that the rates as presented to the Commission for approval do not reflect physical reality and must be changed for invoicing purposes makes it difficult for the ISO to confirm that rates are just and reasonable and to verify the rates used for invoicing against the rates approved by the Commission.

Accordingly, the ISO urges the Commission to rule that Geysers' proposed revised rate schedules have not been shown to be just and reasonable and suspend the rates, establishing January 1, 2004 as the refund date. Additionally, the ISO requests that the Commission defer further action in this proceeding for 45 days from the date of this protest to give the ISO time to attempt to resolve this outstanding issue with Geysers informally.

## V. Conclusion

Accordingly, the ISO hereby respectfully requests that the Commission: (i) grant the ISO's motion to intervene and make the ISO a party to the captioned proceeding, with full rights to have notice of and participate in any hearings, to present evidence, cross-examine witnesses, file briefs, and participate in oral argument, if any, and for all other proper and needful purposes; and (ii) rule that the rates set forth in this filing have not been shown to be just and reasonable; suspend the rates establishing January 1, 2004 as the refund date, and defer action on this filing for 45 days from the date of this Provisional Protest, to give the parties time to attempt to resolve the outstanding issue.

Respectfully submitted



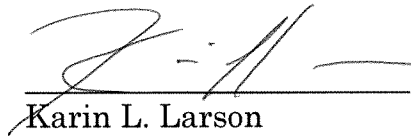
Mary Anne Sullivan  
Karin L. Larson  
Hogan & Hartson L.L.P  
555 13th Street, N.W.  
Washington, D.C. 20004

Counsel for  
California Independent System  
Operator Corporation

Dated: November 26, 2003

**CERTIFICATE OF SERVICE**

I hereby certify that I have this 26<sup>th</sup> day of November, 2003 caused to be served a copy of the forgoing Motion to Intervene and Provisional Protest upon all parties listed on the official service list compiled by the Secretary of the Federal Energy Regulatory Commission in this proceeding.



Karin L. Larson  
Hogan & Hartson L.L.P.  
555 Thirteenth Street, N.W.  
Washington, D.C. 20004-1109  
(202) 637-6861 (voice)  
(202) 637-5910 (fax)