

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric)
Company (U902 E) for Authority to Enter into)
Purchase Power Tolling Agreements with)
Escondido Energy Center, Pio Pico Energy)
Center and Quail Brush Power)

A.11-05-023

**NOTICE OF EX PARTE COMMUNICATION BY
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Nancy Saracino
General Counsel
Anthony Ivancovich
Deputy General Counsel
Anna A. McKenna
Assistant General Counsel
Judith B. Sanders
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel. 916-608-7143
Fax. 916-351-7222
Email: jsanders@caiso.com

Attorneys for the California Independent
System Operator Corporation

January 17, 2013

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

| | | |
|--|---|-------------|
| Application of San Diego Gas & Electric |) | |
| Company (U902 E) for Authority to Enter into |) | |
| Purchase Power Tolling Agreements with |) | A.11-05-023 |
| Escondido Energy Center, Pio Pico Energy |) | |
| <u>Center and Quail Brush Power</u> |) | |

**NOTICE OF EX PARTE COMMUNICATION BY
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Article 8 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, the California Independent System Operator Corporation (“ISO”) hereby files this notice of the following oral ex parte communication with Matthew Tisdale, advisor to Commissioner Michael Florio.

On January 14, 2013, from approximately 12:00 pm to 1:00 pm, Philip Pettingill, ISO Director, Regulatory Affairs, met with Matthew Tisdale at the Commission offices. The meeting was requested by the ISO.

During the meeting, Mr. Pettingill discussed the Proposed and Alternate Decisions and expressed the ISO’s concerns about the uncertainty caused by the failure of the two Decisions to approve the Pio Pico generation project. Mr. Pettingill explained that while the ISO supports the development of preferred resources, there is significant uncertainty that these resources will be available in sufficient quantity to provide adequate reliable capacity in the San Diego area. This uncertainty is aggravated by the SONGS outage. Furthermore, it is crucial that new conventional resources be constructed prior to January 1, 2018, so that the ISO will have sufficient assurance that reliability needs will be met prior to the retirement of the Encina generating facility.

In addition, Mr. Pettingill explained that there should be no concern about the deliverability of the Pio Pico generation project. Mr. Sparks has thoroughly explained in his testimony and supplemental testimony that this project is deliverable with some transmission upgrades, in the event the Carlsbad energy center project is not available.

No written materials were provided as part of the communications described in this notice. To request a copy of this notice, please contact Anna Pascuzzo (916-351-2212).

Respectfully submitted,

By: /s/Judith B. Sanders

Nancy Saracino
General Counsel
Anthony Ivancovich
Deputy General Counsel
Anna McKenna
Assistant General Counsel
Judith B. Sanders
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom, CA 95630
Tel. 916-608-7143
Fax. 916-608-7222
Email: jsanders@caiso.com

Dated: January 17, 2013

Attorneys for the California Independent
System Operator Corporation