

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

Order Instituting Rulemaking into the operation)
of interruptible load programs offered by) R.00-10-002
Pacific Gas and Electric Company, San Diego)
Gas & Electric Company, and Southern)
California Edison Company and the effect of)
these programs on energy prices, other demand)
responsiveness programs, and the reliability of)
electric system.)
_____)

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR ON
PACIFIC GAS AND ELECTRIC COMPANY'S, SOUTHERN CALIFORNIA EDISON
COMPANY'S AND SAN DIEGO GAS AND ELECTRIC COMPANY'S JOINT
EMERGENCY PETITION TO MODIFY DECISION 01-04-006**

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Dated: July 2, 2001

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Pursuant to the June 26, 2001 Ruling of Administrative Law Judge Mattson, the California Independent System Operator Corporation ("ISO") provides the following comments on Pacific Gas and Electric Company's, Southern California Edison Company's, and San Diego Gas and Electric Company's (collectively "Petitioners") joint Emergency Petition to Modify Decision 01-04-006 dated June 25, 2001.

COMMENTS

Petitioners make statements in their petition regarding activities the ISO may be required to undertake in order to properly implement the Demand Bidding Program ("DBP"). For example, Petitioners indicate the ISO would consult with the California Energy Resources Scheduling Division of the Department of Water Resources ("CERS") and facilitate timely communication of which DBP bids would be accepted. The ISO notes, however, that Petitioners do not provide a timeframe for communication by Petitioners of bids to the ISO and CERS between the hours of 1:00 p.m. (deadline to submit bids) and 4:00 p.m. (deadline to communicate acceptance or rejection

of submitted bids). A timely response by the ISO requires coordination with CERS regarding which bids CERS is willing to accept from a financial perspective and ISO evaluation of whether any operational issues are presented by the bids. Accordingly, the ISO suggests a 2:00 p.m. deadline for Petitioners to submit all bids, which would allow the ISO and CERS two hours to coordinate regarding which bids were acceptable. The ISO also desires to express its willingness to continue working with CERS and Petitioners to implement the DBP.

CONCLUSION

For the above reasons, the ISO respectfully requests the Commission to consider Petitioners request with inclusion of the above clarification and the understanding that the ISO is prepared to undertake the foregoing activities.

Dated: July 2, 2001

Respectfully submitted,

FARELLA BRAUN & MARTEL LLP

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DECLARATION OF SERVICE

I, Gabriel A. Mikulich, declare that I am employed in the County of San Francisco, State of California, and am not a party to the within action. My business address is Russ Building, 235 Montgomery Street, San Francisco, CA 94104.

On July 2, 2001, I served the document titled **COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR ON PACIFIC GAS AND ELECTRIC COMPANY'S, SOUTHERN CALIFORNIA EDISON COMPANY'S AND SAN DIEGO GAS AND ELECTRIC COMPANY'S JOINT EMERGENCY PETITION TO MODIFY DECISION 01-04-006** on all parties of record in Rulemaking 001-10-002 by both mailing a properly addressed copy by first class mail with postage prepaid to each party and providing an electronic copy to the email address of record for each party.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed at San Francisco, California this 2nd day of July, 2001.

Gabriel A. Mikulich