

August 5, 2002

California Public Utilities Commission
Docket's Unit
505 Van Ness Avenue
San Francisco, CA 94102

RE: Docket # A 01-03-036: Conditional Application of San Diego Gas and Electric Company for a Certificate of Public Convenience and Necessity Authorizing the Construction of the Valley-Rainbow 500kV Transmission Project.

Dear Docket Clerk:

Enclosed please find an original and 8 copies of the Reply Brief of the California Independent System Operator in Docket # A. 01-03-036, Conditional Application of San Diego Gas and Electric Company for a Certificate of Public Convenience and Necessity Authorizing the Construction of the Valley-Rainbow 500kV Transmission Project. Please date stamp one copy and return to the California ISO in the self-address stamped envelope enclosed.

Sincerely,

Jeanne M. Solé
Regulatory Counsel

Cc: Service List A 01-03-036

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

Conditional Application of SAN DIEGO GAS AND ELECTRIC COMPANY for a Certificate of Public Convenience and Necessity Authorizing the Construction of the Valley-Rainbow 500 kV Transmission Project	Application 01-03-036
--	-----------------------

**REPLY BRIEF OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR**

Charles F. Robinson, General Counsel
Jeanne M. Solé, Regulatory Counsel
California Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
Telephone: 916-351-4400
Facsimile: 916-608-7222

Dated: August 5, 2002

TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY1

II. A PROJECT SUCH AS VALLEY-RAINBOW SHOULD BE CONSIDERED IN THE
CONTEXT OF THE BROADER TRANSMISSION PLAN.....4

III. THE CPUC CAN INCORPORATE MILESTONES IN ITS DECISIONS TO ENSURE
THAT SDG&E ACTIVITIES AS TO A PROJECT SUCH AS VALLEY-RAINBOW ARE
PHASED TO MEET NEED AS IT DEVELOPS.....6

IV. THE CPUC CAN EVALUATE GENERATION ALTERNATIVES IN PHASE 2 BUT
SHOULD CONSIDER THE BENEFITS OF TRANSMISSION ALTERNATIVES IN
MAKING A FINAL DECISION ABOUT THE BEST ALTERNATIVE TO MEET
RELIABILITY NEEDS IN SAN DIEGO.11

V. THE NEED FOR A PROJECT SUCH AS VALLEY-RAINBOW HAS BEEN AMPLY
DEMONSTRATED.19

VI. CONCLUSION.....30

TABLE OF AUTHORITIES

CPUC Rules

California Public Utilities Commission Rule 75..... 1

Statutes

Public Utilities Section 1001 et. seq..... 1
Public Utilities Code Section 346..... 15
Public Utilities Code Section 345..... 15
Public Utilities Code Section 360..... 15
Public Utilities Code Section 330 (g)..... 16
Public Utilities Code Section 454.1 (First of two)..... 25

Others

August 13, 2002 Assigned Commissioner’s Ruling Establishing Category and Providing Scoping Memo in Compliance with Article 2.5, SB 960 Rules and Procedures, docket A. 01-03-036..... 1

March 29, 2001 Administrative Law Judge’s Ruling Regarding Summer Hearings in Phase 2, docket I. 00-11-001..... 12

November 2, 2000 Opinion Opening Docket I. 00-11-001, docket I. 00-11-001..... 17

I. INTRODUCTION AND SUMMARY

In accordance with California Public Utilities Commission Rule 75, the California Independent System Operator Corporation (CA ISO) respectfully submits its reply brief in the above captioned case. In this phase of the proceeding, the California Public Utilities Commission (CPUC or Commission) is assessing the need for the Valley-Rainbow Transmission Project (Valley-Rainbow or the Project). See August 13, 2002 Assigned Commissioner's Ruling Establishing Category and Providing Scoping Memo in Compliance with Article 2.5, SB 960 Rules and Procedures. Assessment of alternatives and their relative reliability, economic, environmental, social and aesthetic merits, consistent with Public Utilities Section 1001 et. seq. and the Commission's California Environmental Quality Act (CEQA) process, will be addressed in a subsequent phase of the proceeding. Id.

Several important and related themes emerge from a review of the opening briefs in this case. First, the Office of Ratepayer Advocates (ORA) has stressed that it is important to view decisions about particular facilities within the context of a broader long-term plan. The CA ISO agrees wholeheartedly with this view and supports a project such as Valley-Rainbow in part because it provides the basis for future expansion of the transmission grid as it becomes necessary. In determining the best alternative to meet the need identified in San Diego, it is particularly important to consider this broader context.

Second, managing uncertainty is an important theme. Parties discuss how deterministic standards and criteria that guide transmission planning should be applied in a manner that both takes account of what is known at the time decisions are made about

needed transmission facilities and addresses the uncertainty about the future that is inherent in planning, particularly in the outer years of the planning horizon. The CA ISO considers that, consistent with state law, transmission planning must ensure that the system can meet the deterministic CA ISO Grid Planning Standards and that in the context of a major transmission facility such as Valley-Rainbow, it is necessary to look beyond five years. Nonetheless, the CA ISO Grid Planning Standards must be applied judiciously taking into account both known information and uncertainty. Further, the Commission could incorporate conditions and milestones in its decision now and in phase 2 to ensure that if circumstances change, and the need for a project such as Valley-Rainbow is either deferred or accelerated, SDG&E's activities associated with a project such as Valley-Rainbow are phased to meet need as it develops.

Finally, ORA addressed the role the CPUC should play with regards to transmission planning, highlighting, among other thoughts, the relationship between this proceeding and the CPUC's transmission planning (docket I.00-11-001) and procurement (docket R.01-10-024) proceedings. As the CA ISO set forth in its opening brief, the CA ISO believes that the CA ISO, which has the responsibility to assure transmission reliability, and the CPUC, which has responsibility for transmission facility siting and environmental review, must work together to assure that each entity can effectively undertake its responsibilities under state and federal law, in a manner that is respectful of the roles and expertise of each entity. Accordingly, the CPUC should give due deference to the CA ISO's determinations of need and the CA ISO must respect the CPUC's assessment of environmental and other factors. Moreover, the CA ISO acknowledges that the CPUC may have tools to encourage generation that are unavailable to the CA

ISO. The CPUC could in phase 2 assess SDG&E actions to encourage generation as alternatives to building Valley-Rainbow. Nonetheless, before a determination is made to meet the need identified in San Diego with a generation option, in lieu of a project such as Valley-Rainbow, it is important to assess the feasibility, costs, benefits, environmental and impacts of all alternatives, including the important market benefits that transmission alternatives offer. The fact that generation alternatives could exist does not mean that they are necessarily preferable.

The CA ISO's opening brief anticipated and addressed in detail many of the other arguments made by opponents of Valley-Rainbow. While the CA ISO will not repeat the detailed analysis of need set forth in its opening brief herein, the final section of this reply brief addresses various technical matters raised by opponents of Valley-Rainbow that merit further discussion.

In summary, the CA ISO considers that in order to identify the appropriate next steps to assure that reliable service can be provided to San Diego in the next five to ten years, the Commission should proceed with phase 2. In phase 2, the relative merits of a project such as Valley-Rainbow and effective alternatives that meet the same need as the Project can be fully compared and evaluated, and a well-reasoned selection of the best alternative can be made. If the CPUC does not proceed to phase 2, it will likely have made by default the decision that San Diego needs will be met for the next five to ten years by a patchwork of short term solutions (a good number of which may not be subject to much Commission review), without fully considering the costs, benefits and impacts of this approach.

II. A PROJECT SUCH AS VALLEY-RAINBOW SHOULD BE CONSIDERED IN THE CONTEXT OF THE BROADER TRANSMISSION PLAN.

ORA argues in its opening brief that the decision about Valley-Rainbow should be made considering a broader long-term plan for meeting the electricity needs of San Diego. See Opening Brief of the Office of Ratepayer Advocates (ORA Opening Brief) at 42-46. The CA ISO heartily agrees with this recommendation. In fact, the CA ISO considers that part of the justification for a project such as Valley-Rainbow, rather than the patchwork of short-term fixes proposed by ORA, is that it provides a basis from which additional upgrades to the transmission grid can be made.

As stated in the CA ISO's opening testimony, a project such as Valley-Rainbow is one of the elements of a long-term transmission plan that would strengthen the transmission links between Southern California and Desert Southwest. It will provide a direct 500 kV connection between San Diego and the rest of California, which is presently absent. Other phases of the overall plan that are being considered include construction of a 500 kV transmission line between Rainbow and Miguel Substations and building a second 500 kV line between Southern California and Arizona. As a result of the long-term plan, San Diego would get access to the generation located outside the SDG&E territory, including generation in Mexico and Arizona. The Valley-Rainbow Transmission Project is thus one of the portion[s] of a larger overall 500 kV transmission plan.

Exh. 100, Testimony of Jeffrey C. Miller and Keith Casey on Behalf of the California Independent System Operator (CA ISO Opening Testimony), at 22: 16-24. Mr. Miller testified that this vision and how a project such as Valley-Rainbow fits in with the overall plan has been shared with the CA ISO Governing Board and stakeholders. Tr. (Miller) at 848: 1-3.

This testimony illustrates that consideration has been given to completing a 500 kV loop that would in the long-term strengthen the ties from San Diego to the North and to the West and that the CA ISO views a project such as Valley-Rainbow as an initial

component of the plan. Moreover, the CA ISO has not, as ORA suggests, been mysterious about its long-term vision; it described its vision in the passage cited above from the CA ISO opening testimony.

It is true that as yet the broader vision is somewhat general. This is because the CA ISO has not considered that it is appropriate to go forward with the additional components of the loop until additional load growth (or economic benefits from bringing in generation from the Southwest) have been shown to justify them. Moreover, it is appropriate to undertake the detailed technical analyses of the next component of the loop when it has been justified and is to be pursued in order to make sure the analyses incorporate the latest relevant information. In the meantime, however, the CA ISO has a long-term vision for the San Diego area. In fact, at the time the project was initially approved by the CA ISO Governing Board, SDG&E was directed to begin work on a "stage 2" 500 kV study to identify the next component. See exh. 100, Tab 3, May 11, 2000, Governing Board Memo at final page; and Tab 5, May 25, 2000, Governing Board Motion.

The CA ISO notes that ORA would likely be the first to be severely critical of a proposal to go forward with the full loop now, before the need for the additional components has been demonstrated. Moreover, ORA would likely be highly critical of detailed technical analyses of facilities that are not yet justified, on the basis that the underlying assumptions would have to be highly speculative.

Thus, the CA ISO has articulated a long-term vision for San Diego that the CPUC should consider in phase 2 of this proceeding. This vision is unlikely to be realized if SDG&E's application for a CPCN is summarily rejected in this phase as ORA suggests.

In that case, SDG&E and the CA ISO may have little choice but to proceed with short-term fixes as need increases in San Diego that would, based on the evidence in the record, be more expensive in the longer term and would delay progress towards substantially improving the backbone transmission system in Southern California as demand grows. Thus, the CPUC should proceed with phase 2 where it can fully assess the relative merits of alternatives to meet San Diego's electricity needs, including the level of flexibility the alternatives provide for further development of the transmission system.

III. THE CPUC CAN INCORPORATE MILESTONES IN ITS DECISIONS TO ENSURE THAT SDG&E ACTIVITIES AS TO A PROJECT SUCH AS VALLEY-RAINBOW ARE PHASED TO MEET NEED AS IT DEVELOPS.

An important challenge in the context of transmission planning is managing uncertainty. The CA ISO considers that the CA ISO Grid Planning Standards must be applied judiciously taking into account both known information and uncertainty, and that if appropriate, milestones can be built into CPUC CPCN decisions to help ensure that utility activities are phased to meet need as it develops. Nonetheless, particularly in the context of assessing a significant transmission facility such as Valley-Rainbow, it is important to look beyond a five year planning horizon. Moreover, a dismissal (even without prejudice) of SDG&E's CPCN application would be a risky and potentially wasteful response to uncertainty.

Save Southwest Riverside County, the City of Temecula and the Pechanga Development Corporation (Joint Opponents) suggest that the CPUC should limit the planning horizon to five-years, within which the deterministic criteria can be applied fairly strictly. In a nutshell, the Joint Opponents base this recommendation on the fact

that there is substantial uncertainty beyond five years, regarding generation development and load growth. Joint Opponents also argue that if the CPUC looks beyond five years, it should apply a more discretionary approach that considers the possibility of additional generation beyond generation that is already permitted. ORA argues that the CPUC should reject SDG&E's application for a CPCN without prejudice. ORA argues that need for the Project has not been demonstrated within the next five years, that any need that arises can be met by limited short-term options that can defer the need for the Project, and/or that SDG&E can re-file its application for a CPCN when a more urgent need can be demonstrated.

In their essence, these recommendations of opponents of Valley-Rainbow are based on the uncertainty that is inherent in transmission planning. The CA ISO recognizes that this uncertainty exists and becomes more severe further out in time. However, the CA ISO considers that there are substantially better approaches to manage the uncertainty than those suggested by the Joint Opponents or ORA.

The CA ISO disagrees with the Joint Opponents that the Commission should adopt a five-year planning horizon. In fact, this recommendation is inconsistent with the testimony of the Joint Opponents' own reliability witness Mr. Schmus, who testified that proper planning should look out at least ten years to determine options, particularly when long lead-time facilities are being considered. See Tr. (Schmus) at 1210: 10-19. In fact, Valley-Rainbow aptly illustrates why a five year planning horizon is inappropriate in the case of a larger facility. Most witnesses agreed that at least five years must be allocated to permitting and construction of a major facility such as Valley-Rainbow. As the CA ISO opening brief documents, in the case of a project such as Valley-Rainbow,

reasonable assumptions support a need as early as 2006, if Otay Mesa is not built and/or there are some existing generation retirements, with need becoming increasingly likely thereafter and near certain by 2008-9, if Otay Mesa is built and retirements are delayed. Yet if SDG&E waited until there was more certainty about whether Otay Mesa will be built and the extent of retirements before filing a CPCN application, it would file too late to make a 2006 in-service date. Thus, a five year planning horizon does not adequately account for the fact that there will, in most cases, be uncertainty affecting the precise year of need for any major facility. Nonetheless to ensure that a major facility is in place when needed permitting of a major facility must commence five years before the earliest likely year of project need, and rejection of a CPCN application on the grounds that need might be delayed for a year or two would just result in the need to refile an application and relitigate need within a year or two of the rejection.

Moreover, the CA ISO disagrees that if the CPUC looks beyond a five year planning horizon it should somehow apply the CA ISO Planning Standards more loosely with regards to assumptions about new generating plants. Instead, the CA ISO considers that the CA ISO Grid Planning Standards should be applied judiciously rather than mechanistically irrespective of the time frame involved. For example, a mechanistic assumption – citing industry convention -- that Otay Mesa will be built and that no units will retire does not make sense in the face of existing circumstances. The CA ISO agrees with the Joint Opponents that there is always some uncertainty associated with construction of a new plant, but disagrees that either Otay Mesa should be blindly assumed to be built or, comparatively speaking, has greater assurances of being built than most plants.

The CA ISO's continued concerns about relying on Otay Mesa are set forth in the CA ISO's opening brief, at page 30, and relate to the checkered history of the plant, and the recent rash of project cancellations and deferrals. In this context, there is substantial uncertainty related even to plants that have initiated construction in California, including Calpine's own Pastoria plant and the AES Mountainview plant for which construction was already underway. See Exh. 217A. In the CA ISO's opinion, these circumstances qualify as specific information indicating that the future of Otay Mesa is in question and support significant caution in terms of relying on Otay Mesa to ensure reliable service in San Diego.¹ Moreover, as indicated in the CA ISO's opening brief, the CA ISO's concerns are exacerbated by the existence of old vulnerable units in San Diego. In order to make sound decisions about the need for a project such as Valley-Rainbow, it is appropriate and necessary that the CA ISO and the CPUC consider these realities in both the near term and in the long term. (The CA ISO notes that while Joint Opponents suggest consideration of plants that have not been permitted in the longer term, they do not recognize that the possibility of retirements should also be considered.)

The CA ISO recognizes of course that it is possible that Otay Mesa could be built in which case, if there are no retirements, need could be deferred to 2008-9. However, given market circumstances, and the condition of the generating fleet in San Diego, the CA ISO considers that it would be injudicious to reject SDG&E's application for a CPCN relying on a deferral of need to 2008-9. Moreover, as the CA ISO noted in its opening brief, even if need were to be deferred to 2008-9, in this case it makes sense to proceed to phase 2, since rejection of the application would just result in the need to relitigate need

¹ As Mr. Korinek testified, in the context of the current market in California, it is appropriate to reconsider the practice of considering in planning studies all plants that have been permitted by the CEC. Tr. (Korinek) at 459: 18-21.

in a year and in the context of the new sources of uncertainty that will undoubtedly have developed in the intervening time period.

In light of the above, the CA ISO considers that a much better approach, if the CPUC is concerned about uncertainty, would be for it to establish milestones in its decisions that help manage the uncertainty. The CPUC could in phase 2, continue to monitor developments related to Otay Mesa and San Diego load. By summer of next year when phase 2 proceedings are scheduled to conclude, Otay Mesa should, in accordance with the renegotiated Calpine-California Department of Water Resources (CDWR) contract, be pouring the major foundation concrete. See Exh. 204, Calpine-CDWR Renegotiated Master Power Purchase and Sale Agreement, at 8. If this has indeed happened and it appears that need will in fact be deferred a few years, the CPUC could grant the CPCN conditioned on a schedule that takes account of the deferred need date, the activities that must be undertaken by SDG&E to meet this date, and further events that could have a significant further impact on the year of need. The CPUC could require bi-yearly updates by SDG&E to monitor whether as circumstances develop the need for a project such as Valley-Rainbow is either accelerating or being further deferred, and adjust the schedule accordingly.

This proposal would allow the CPUC to manage some of the remaining uncertainty associated with the need for a project such as Valley-Rainbow, without condemning San Diego to a on-going patchwork of short term transmission fixes to address new resource needs. There will always be uncertainty associated with major facilities such as Valley-Rainbow since they take longer to permit and construct than a succession of smaller, quicker projects. However, unless California is to be condemned

to a substandard patched together transmission system, it is important to develop mechanisms to manage this uncertainty without making impossible the construction of needed significant backbone infrastructure improvements.

In sum, the CA ISO acknowledges that one of the challenges of transmission planning is accounting for uncertainty particularly in the context of long-lead time facilities since uncertainty increases as one looks out further in time. The CA ISO considers that the CPUC could manage some of this uncertainty by incorporating a schedule, milestones and opportunities to correct the course into its final CPCN order. Moreover, the CA ISO considers that some approach must be adopted to manage the uncertainty other than rejection of CPCN applications any time the need date ranges over a period of years including some beyond five years. Otherwise, it would become impossible to site long-lead time major facilities in California condemning the state to a patchwork substandard system.

IV. THE CPUC CAN EVALUATE GENERATION ALTERNATIVES IN PHASE 2 BUT SHOULD CONSIDER THE BENEFITS OF TRANSMISSION ALTERNATIVES IN MAKING A FINAL DECISION ABOUT THE BEST ALTERNATIVE TO MEET RELIABILITY NEEDS IN SAN DIEGO.

ORA's opening brief suggests that the CPUC has a special role to play in the context of transmission line development and notes the relationship between the transmission siting process and other CPUC undertakings, including the procurement docket. See ORA Opening Brief at 24. ORA's brief is critical of the CA ISO's determinations of need suggesting that as transmission operator, the CA ISO's interests are not as closely aligned with those of ratepayers as those of the Commission. The CA

ISO considers that ORA has raised an interesting point as to the CPUC's abilities to assure generation alternatives to transmission. As described in further detail below, the CA ISO concurs that generation could displace transmission in terms of meeting San Diego resource needs although the CA ISO believes that there are benefits to transmission that must be considered in making the choice between transmission and generation. The CA ISO disagrees with ORA's disparaging remarks about the CA ISO's motives, and considers that the CA ISO's interest in maintaining grid reliability is in fact very much aligned with the interests of California electricity users and ratepayers.

ORA notes in its opening brief that Valley-Rainbow should be viewed as a resource option in a long-range planning process and argues that some components of a more holistic planning process are in place before the Commission in its transmission planning proceeding, docket I. 00-11-001, and in the generation procurement rulemaking, docket R.01-10-24. The CA ISO agrees that the need for a project such as Valley-Rainbow should be determined in the context of a long-term transmission planning process and has described in its opening brief the substantial transmission planning process undertaken at the CA ISO that resulted in identification of the need for the Project. See CA ISO Opening Brief at 51-55. Moreover, it is worth noting that Administrative Law Judge Gottstein ruled in docket I.00-11-001 that Valley-Rainbow should be considered on a stand-alone basis in this proceeding, see March 29, 2001 Administrative Law Judge's Ruling Regarding Summer Hearings in Phase 2. However, ORA's oblique suggestion that the Commission's generation procurement docket is relevant to the determination of need for Valley-Rainbow raises an interesting and relevant point.

In considering a solicitation for non-wires alternatives to Valley-Rainbow, one concern that arose at the CA ISO was the propriety of the CA ISO entering into contracts with non-wires alternatives. These concerns are documented in the January 16, 2001 Memo to the Governing Board, exh. 100, Tab 11. The CA ISO considered that utilities would be better entities to enter into contracts for non-wires alternatives than the CA ISO for three reasons: 1) this would keep the CA ISO from becoming increasingly involved in the development of generation, and would moderate concerns that the CA ISO might be subsidizing market activity and skewing market signals through such contracts; 2) there would be a clear and direct mechanism for cost-recovery; and 3) utilities could in assessing long-term contracts for power consider and contract for additional services, such as the output of the generation, whereas the CA ISO would be limited to considering transmission reliability benefits. *Id.* However, utilities evaluating contracts for power to serve retail load, or construction of power plants for this purpose, require a framework that provides an opportunity for recovery of their prudently incurred costs, a requirement that the CA ISO is unable to meet.

Thus, the CA ISO acknowledges that the CPUC could consider as an alternative to a project such as Valley-Rainbow approving long-term contracts between SDG&E and developers of new generation in San Diego or construction of necessary power plants by SDG&E. Moreover, the CPUC could in reviewing this possibility take into account whether and to what extent the generation output of such plants would provide benefits to San Diego customers beyond any grid reliability related benefits. In contrast, the CA ISO has no ability to provide for recovery of costs by a utility that are unrelated to the system reliability aspects of a generation contract or plant.

If generation alternatives are identified in the Draft Environmental Impact Report prepared by the Commission, the CPUC could consider in phase 2 the relative merits of SDG&E building or contracting with generation in the San Diego area as an alternative to building a project such as Valley-Rainbow. However, the CA ISO would be concerned about a dismissal of SDG&E's CPCN application on the grounds that San Diego reliability needs will be adequately addressed in the procurement docket. The procurement docket is not intended to address transmission reliability needs and potential transmission alternatives to meet these needs. Thus, the procurement proceeding is not an adequate forum in which to ensure that adequate resources are available to meet San Diego system reliability.

Moreover, by punting the issues raised in this proceeding to the procurement docket, the CPUC would be making a determination that in-area generation is a better alternative than transmission to meet San Diego system reliability needs, without evaluating and comparing the relative feasibility, costs, benefits, environmental, social and aesthetic impacts of the alternatives. As the CA ISO described in its opening brief, transmission has advantages over generation particularly where, as in the case of a project such as Valley-Rainbow, a transmission facility would be a component of a broader, long-term strategy to put into place a robust transmission system. See CA ISO Opening Brief at 39-40. Moreover, as Mr. Avery and Mr. Korinek testified, given the level of generating resources that have already been procured by CDWR, it may be difficult to justify additional generation without considering the system reliability benefits. Tr. (Avery) at 406:14-26; tr. (Korinek) at 453-55. These issues should be considered in

phase 2, in determining the best alternative to meet the reliability need identified in San Diego.

Finally, the CA ISO takes exception to ORA's suggestion that, as the transmission system operator, the CA ISO's interests diverge from those of California consumers and ratepayers, and that it is somehow a biased and inappropriate entity to undertake system planning and ensure transmission grid reliability. The CA ISO was created at the direction of the California Legislature, the elected representatives of the citizens of California. See Public Utilities Code Section 346. It was the California Legislature that placed upon the CA ISO the responsibility to ensure efficient use and reliable operation of the transmission grid consistent with the achievement of planning and operating reserve criteria no less stringent than those of WECC and NERC. See Public Utilities Code Section 345. In fact, the California Legislature directed the CPUC to ensure that appropriate filings be made to the Federal Energy Regulatory Commission (FERC) "to seek the authority needed to give the Independent System Operator the ability to secure generating and transmission resources necessary to guarantee achievement of planning and operating reserve criteria no less stringent than those established by" WECC and NERC. See Public Utilities Code Section 360.

These legislative pronouncements illustrate a few points. First, the high priority given by the California Legislature to maintenance of transmission grid reliability. Second, that the California Legislature considered that the CA ISO, the entity charged with operating the transmission grid on an independent basis, is the appropriate entity to secure the reliability of the transmission grid for the benefit of California citizen. (It is likely that the California Legislature considered that the entity charged with operation of

the grid would have the detailed knowledge of what is required to maintain transmission grid reliability and would give due regard to the fundamental importance to California citizens of efficient and reliable operation of the transmission grid.) Third, that the CPUC should support the CA ISO's efforts in this regard.

ORA's aspersions about the CA ISO's role are all the more troubling as they are coupled by a suggestion that transmission reliability is not of utmost importance to consumers, and that distribution reliability is a greater concern. See ORA Opening Brief at 24. The CA ISO sees no benefit in entering into a debate about whether transmission or distribution reliability is more important. Nonetheless, the CA ISO is very much troubled by any suggestion that transmission reliability is of less concern than distribution reliability. Such a suggestion is contrary to the expressed intent of the California Legislature, and the rationale for the creation of NERC and WECC, entities that address transmission and not distribution reliability. As Mr. Miller testified, problems at the transmission level result in wide-spread outages while problems at the distribution level are localized. Tr. (Miller) at 890: 9-12.

The California Legislature could not be clearer about the overriding importance it attaches to transmission reliability. In addition to the statutory provisions listed above, the California Legislature has stated in no uncertain terms, "[r]eliable electric service is of utmost importance to the safety, health, and welfare of the state's citizenry and economy. It is the intent of the Legislature that electric industry restructuring should enhance the reliability of the interconnected regional transmission systems . . ." Public Utilities Code section 330(g)(emphasis added). To the extent ORA's criticisms of the CA ISO's role in transmission planning are based on the premise that it places undue priority

on transmission reliability, the CA ISO notes in response that transmission grid reliability is our mandate, and that state law strongly supports continued action by both the CA ISO and the CPUC to ensure that system and transmission reliability are maintained.

ORA's opening brief notes also that historically most outages endured by SDG&E customers have been due to distribution system outages and suggests that accordingly a project such as Valley-Rainbow which addresses transmission reliability may be less important to rate payers. ORA Opening Brief at 24. The fact that the majority of outages in San Diego have been at the distribution level is neither surprising nor a reason to give less importance to transmission reliability. As Mr. Miller testified, the transmission system is planned to a higher level of reliability because the impacts of outages on the transmission system are much more widespread. Tr. (Miller) at 870: 9-12. California consumers have experienced transmission reliability because it has been a high priority, not because the transmission system is inherently reliable. The fact that reliability has been effectively maintained to date does not provide support for reducing California's commitment to transmission reliability.

Summer of 2000 illustrated how disruptive system and transmission reliability issues can be. As the Commission itself recognized, the summer 2000 outages and close calls "are costly and may compromise public safety. The state's economic health depends upon a reliable and cost-effective electric system." November 2, 2000 Opinion opening docket I.00-11-001 at 2. Moreover, it is a well-known fact that in countries where system and transmission reliability are not allocated adequate public policy attention and/or resources, electricity must be rationed, with grave economic consequences. Fortunately, California is far from this situation, although summer 2000 should serve to remind

everyone that system reliability should not be taken for granted. The point is, California consumers have to date been spared transmission related outages because these are known to be extremely disruptive and thus, consistent with the strictures of the California Legislature, the CA ISO, the CPUC and the public utilities have made transmission reliability a high priority.

As the CA ISO explained in its opening brief, the CPUC should give due deference to CA ISO determination's of need, just as the CA ISO should respect the CPUC's evaluation of environmental, social and aesthetic factors and, in the case of Valley-Rainbow, assessment of various alternatives. The CA ISO agrees that the CPUC could in phase 2 consider as an alternative to Valley-Rainbow requiring SDG&E to contract with or build generation. Nonetheless, the feasibility, advantages and disadvantages of this alternative must be assessed and compared to those of others, including the benefits of putting into place an initial component of a robust back-bone transmission system. Further, ORA's suggestion that the CA ISO's opinions on the need for transmission facilities should be given little recognition because, as operator of the transmission system, it is unduly concerned with transmission reliability is contrary to California Law which placed upon the CA ISO the responsibility to operate the grid and to ensure transmission reliability. Contrary to ORA's view of the matter, the California Legislature clearly considered that the entity responsible for operating the system should also be responsible for transmission reliability, most likely because it recognized that the system operator would have both the expertise to ensure reliability and the understanding of its fundamental importance. Further, the fact that to date transmission reliability has been maintained, provides no basis to determine that on-going efforts to do so are

somehow less important. Recent experience has shown how disruptive system and transmission related reliability issues can be to the well-being of California's citizens. This is no time to depart from the California Legislature's clearly articulated firm commitment to transmission reliability.

V. THE NEED FOR A PROJECT SUCH AS VALLEY-RAINBOW HAS BEEN AMPLY DEMONSTRATED.

The CA ISO's opening brief sets out in detail its analysis of the reliability need for a project such as Valley-Rainbow. The CA ISO anticipated many of the arguments of the opponents to Valley-Rainbow in its opening brief and will not restate all of its arguments on each of the components of need herein. The primary themes that merited response were addressed in sections II through IV above. Nonetheless, the CA ISO addresses a number of technical and other issues raised by opponents of Valley-Rainbow below.

Generally, the CA ISO notes that whereas opponents of Valley-Rainbow accuse the CA ISO and SDG&E of undue pessimism, the opposite could be said of opponents, that they optimistically have thrown out a myriad of possibilities for deferring the need for a project such as Valley-Rainbow that have not been demonstrated to be feasible or preferable. An infinite number of far-flung possibilities exist that could defer the need for a project such as Valley-Rainbow, just as an infinite number of far-flung possibilities exist that could accelerate such need. The question is what are the reasonably likely scenarios, and as set forth in the CA ISO's opening brief, the CA ISO considers that these amply support a need likely to materialize by 2006 that becomes increasingly certain by 2008-9.

The Joint Opponents:

?? The Joint Opponents argue in their opening brief that need for a project such as Valley-Rainbow must be demonstrated. The fact that the opportunity to build the project could be foreclosed does not in itself provide a basis to approve the project. See Joint Opponents' Opening Brief at 15. The CA ISO agrees but considers that the need for a project such as Valley-Rainbow has been amply demonstrated.

?? The Joint Opponents argue that the renegotiated contract between Calpine and CDWR requires that Otay Mesa be built. They argue that Calpine cannot use circumstances that existed at the time the contract was signed, a time when there was some turmoil in the electricity markets and a number of plant delays and cancellations, to excuse building the plant under the requirement to use commercially reasonable efforts to do so. See Joint Opponents Opening Brief at 47-9. Joint Opponent's theory is interesting but is not supported by the case law cited. Calpine could equally argue that it limited its obligation in the contract to using commercially reasonable efforts to build the plant precisely because there was uncertainty in the market that precluded a more binding commitment. Further, the contract specifically states that transfer to CDWR of Calpine's rights in Otay Mesa is CDWR's sole remedy as to Calpine's failure to complete Otay Mesa. See Exh. 204 at 13. As explained in the CA ISO's opening brief, if market conditions are adverse to Calpine completing the project, assumption of its rights in the project at cost are unlikely to be a great concern to Calpine. Also as explained in the CA ISO's opening brief, the CA ISO considers that an unsettling

level of uncertainty remains as to the future of Otay Mesa. Section III above suggests how this uncertainty can be managed by the CPUC.

?? The Joint Opponents argue that there is inadequate evidence that the Navy is seeking to cancel its lease for four existing gas turbine generators. See Joint Opponents Opening Brief at 64. This contention is specious. As the Joint Opponents themselves acknowledge, Mr. Miller testified that it is his understanding that the Navy wishes to terminate the leases and that the units would be moved out of their current location. Tr. (Miller) at 859: 19-23. Further, in response to a data request, the CA ISO set forth that it has discussed the possibility of a one month extension of the existing lease with the Navy. Discussions to extend a lease would not be necessary unless it were expiring. Exh 104, Second Set of Data Responses from the California Independent System Operator to the Office of Ratepayer Advocates, 2.8. The data response was prepared by the Director of CA ISO Contracts, Ms. Le Vine, as well as Mr. Miller, see id., both persons that can be expected to have personal knowledge about the circumstances surrounding generating units that are currently subject to an RMR Agreement with the CA ISO. Joint Opponents did not object to introduction of the data response into the record as exhibit 104.

?? Joint Opponents argue that the RAMCO and the El Cajon units should be considered in the planning assessments to determine whether a project such as Valley-Rainbow is needed. The CA ISO is considering these units in its determination of need. See Exh. 103, Second Set of Data Responses from the California Independent System Operator to the Office of Ratepayer Advocates,

2.7. However, Joint Opponents also argue that if the CPUC looks out beyond five years, it should consider in its assessment plants that have not been permitted. See Joint Opponents Brief at 67-73. The market conditions described in the CA ISO's opening brief at 29-30 that make construction of Otay Mesa uncertain, would also affect the new generating plants beyond Level 1 and Level 2 plants listed by Joint Opponents as appropriate for consideration beyond five years. Further, as even ORA has acknowledged, it is likely that construction of new generation in San Diego will be accompanied by retirement of old and inefficient existing generation. ORA Opening Brief at 49. Section III of this reply brief suggests an approach to address the uncertainty associated with the development and retirement of generation in San Diego. Optimistically relying on plants that have not yet been permitted to defer the need that has been identified in San Diego would unduly expose San Diego residents to reliability risks and would hence be inappropriate.

?? Joint Opponents argue that substantial resources can be expected to be available from Mexico. For the reasons set forth at length in the CA ISO's opening brief, the CA ISO disagrees. One point does bear addressing in this reply brief. Joint Opponents suggest that it is the emergency 430 MW rating on the La Rosita – Rumorosa line that would trigger tripping of the Imperial Valley – La Rosita line. See Joint Opponent's Opening Brief at 81, footnotes 41 and 42. This is incorrect. Mr. Miller did testify that if the Imperial Valley – La Rosita line tripped when La Rosita – Rumorosa line exceeds its emergency, rather than its normal rating, through-flow would be unavailable between 25-30% of the time, rather than 50%

of the time. (This was still assuming that La Rosita Power Plant would be dispatched against Pittsburg, instead of against Presidente Juarez which is the better assumption.) However, later in the proceeding, Exh. 105 was introduced that describes the relevant Remedial Action Scheme and indicates that the La Rosita – Imperial Valley would be tripped if the La Rosita – Rumorosa line exceeded its continuous rating of 308, which has been increased to 388. See Exh. 105, Interconnected Control Area Operating Agreement at 30; tr. (Solé) at 1177: 4-6. Thus, Joint Opponents are incorrect that the RAS trips when the flows exceed 430 MW as opposed to 388 MW.

In any event, the elimination of through-flow 25-30% of the time would still make reliance on through-flow highly problematic. And the 25-30% level would likely be higher since La Rosita Power Plant is more accurately dispatched against generation at Presidente Juarez. See CA ISO Opening Brief at 14. Thus, even if the emergency rating were applicable (which it is not) it would still be inappropriate to rely on through-flow, as is reported in the Energy Division Workshop Report. See Energy Division Workshop Report at 3. Finally, the CA ISO opening brief explains that there is no simple inexpensive device that can solve the through-flow problem, as the Joint Opponents contend. See CA ISO Opening Brief at 22-23.

?? Joint Opponents suggest that SDG&E could purchase CFE operating reserves on a short term basis in the event of an N-1/G-1 event. The Joint Opponents cite to no testimony by any reliability witness to support this suggestion and do not explain how CFE could meet its own responsibilities to carry adequate operating

reserves if it sold these to SDG&E. Moreover, as set forth in the CA ISO opening brief, CFE typically purchases power from California during the summer, CA ISO Opening Brief at 15, and as detailed in the Energy Division workshop report, CFE has no plan to deliver firm exports to SDG&E or the ISO during summer for the foreseeable future. Energy Division Workshop Report at 3. Thus there is no basis to conclude that operating reserves or exports from Mexico will defer the reliability need in San Diego.

?? The Joint Opponents argue that SDG&E's load forecast must be unduly elevated because it forecasts a greater bounce back in load than the California Energy Commission (CEC) or Southern California Edison (SCE). However, Joint Opponents themselves admit that they have no detailed knowledge about the factors that might account for these differences. Joint Opponents' Opening Brief at 87. In contrast, SDG&E has provided a detailed justification for its load forecast, comparisons of how the accuracy of its load forecasts compares favorably to that of the CEC forecasts, and recent information that supports projecting a robust bounce back in load. Exh. 5, Prepared Rebuttal Testimony of San Diego Gas & Electric Company, Chapter III. There is thus little basis to dismiss SDG&E's load forecast.

?? Joint Opponents stress that the CA ISO has not conducted a market power analysis and that there is thus no quantitative information about the market power mitigation benefits from a project such as Valley-Rainbow. The CA ISO certainly agrees that quantitative information would be desirable, but as stated by CA ISO witness Mr. Casey, limited resources at the CA ISO do not allow it to

undertake all the evaluations it would prefer. Tr. (Casey) at 832: 4-11.

Nonetheless, the CPUC can in reviewing the relative merits of transmission versus generation consider qualitatively the market power mitigation advantages of transmission. The California Legislature itself has recognized these benefits and directed the CPUC and the Electricity Oversight Board to support transmission that promotes a competitive market as is illustrated by Public Utilities Code Section 454.1 (First of two), passed in September 2000, after the chaotic summer 2000. Section 454.1 provides that

(a) Reasonable expenditures by transmission owners that are electrical corporations to plan, design, and engineer reconfiguration, replacement, or expansion of transmission facilities are in the public interest and are deemed prudent if made for the purpose of facilitating competition in electric generation markets, ensuring open access and comparable service, or maintaining or enhancing reliability, whether or not these expenditures are for transmission facilities that become operational.

(b) The commission and the Electricity Oversight Board shall jointly facilitate efforts of the state's transmission owning electrical corporations to obtain authorization from the Federal Energy Regulatory Commission to recover reasonable expenditures made for the purposes stated in subdivision (a).

Office of Ratepayer Advocates:

?? ORA suggests in its opening brief that the problem a project such as Valley-Rainbow is intended to address is so unlikely that it should in effect be ignored. See ORA Opening Brief at 29-36. The CA ISO vehemently disagrees. First, as described in detail above, the CA ISO is highly troubled by ORA's downplaying of the importance of transmission reliability; given that transmission outages have the potential to affect many more customers than distribution related outages. Problems at the distribution level account for the bulk of customer outages only because there has been a concerted effort to ensure adequate transmission reliability. Second, as described in

the CA ISO's opening brief, state law requires that the CA ISO ensure compliance with standards no less stringent than WECC and NERC's grid planning standards which are deterministic and intended to provide for a transmission system that can support reliable service under most circumstances. Further, ORA's back of the envelope calculations of the probability of a serious condition in San Diego are overly simplistic.

In focusing on the probability of each of the N-1/G-1 specific events considered in the assessment of need for San Diego, ORA ignores the fact that these events are intended as an umbrella representation of the many combinations of outages and events that can occur and create reliability problems. Tr. (Miller) at 865:27-28; 866: 1-23. In essence, ORA attempts to have it both ways, applying a probabilistic assessment to the events that are intended in a deterministic standard to stand in for a broader probabilistic assessment of many possible contingencies. For example, ORA's back-of-the-envelope analysis appears to recognize that it would be inappropriate to narrowly assess only the probability of an outage of Encina 5 and evaluates the probability of generation outages more broadly. ORA opening brief at 35. However, ORA assumes that an outage of the SWPL is the only transmission related problem that could be encountered. This assumption is incorrect. As Mr. Miller testified, deterministic standards are used precisely because of the difficulty involved in undertaking a full-blown probability analysis that adequately considers all the potential combinations of outages that could lead to some load interruption. Tr. (Miller) at 866: 4-9. Because the tools and data for a properly rigorous analysis may not exist, Mr. Miller was unaware of any entity in the United States that plans the

system based on a probabilistic approach, and deterministic standards are used as a substitute for a “full-blown” probabilistic approach. Tr. (Miller) at 866: 12-23. Thus, ORA’s simplistic back of the envelope calculations are neither a fair gage of the result of application of the N-1/G-1 deterministic standard in San Diego nor an appropriate substitute for a fully fleshed probabilistic assessment.

Greenpeace:

?? Greenpeace argues in their opening brief that the CA ISO study of through-flow from Mexico during an outage of SWPL is flawed, because during the first part of the time frame used to obtain the base flows (January 2000 to April 2002) Presidente Juarez 8 & 9 were not yet on line. Although a Greenpeace representative was present during particular days of the evidentiary hearings, and at the Energy Division workshop that further explored the availability of resources from Mexico, this concern was never voiced by Greenpeace until the opening brief. In response to Greenpeace’s criticism, the CA ISO has undertaken an assessment of how often La Rosita – Rumorosa would be above its rating using as base flows the period from July 1, 2001 to July 1, 2002, i.e. after Presidente Juarez 8 & 9 came on-line. This assessment shows that even with Presidente Juarez 8 & 9 on-line, during an outage of the SWPL and with La Rosita Power Plant on-line, La Rosita – Rumorosa would be above its rating 59 percent of the time, using the more realistic scenario of dispatching La Rosita Power Plant against generation at Presidente Juarez, and 32 percent of the time, using the less realistic scenario of dispatching La Rosita Power Plant against generation at

Pittsburg. See Exh. 107.² Thus, even correcting for any effect of Presidente Juarez 8 & 9, through-flow would still be unlikely more often than not. This analysis further confirms that it would be highly risky and inappropriate to rely on through-flow from Mexico to meet reliability needs in San Diego. See Exh. 102, Surrebuttal Testimony of Jeffrey C. Miller on Behalf of the California Independent System Operator at 1: 27-28.

?? Further, Greenpeace argues that dispatching La Rosita Power Plant against Presidente Juarez generation is questionable for the mere reason that it results in additional flows over La Rosita – Rumorosa. To the contrary, Mr. Miller explained that dispatching La Rosita Power Plant against Presidente Juarez is more accurate, since output from La Rosita Power Plant is mostly contracted to be sold to CFE and would either replace other Mexican generation or meet additional Mexican load much of which is in Tijuana and west of La Rosita. Tr. (Miller) at 904-905. Moreover, even when La Rosita Power Plant is dispatched against Pittsburg, La Rosita – Rumorosa would be overloaded a significant proportion of the time during on outage of SWPL, ranging from 32% to 48% depending on the base flows used for the analysis. See Exh. 107 and exh. 2, May 3, 2002 Assessment of the Ability of the CFE System to Support the San Diego Area During Outages of the Southwest Power Link (CA ISO Interim Mexico Report), Figure 3 at 9. (The CA ISO notes moreover, that contrary to

² On July 24, the CA ISO filed a motion to file late-filed exhibit 107. The CA ISO has not received any response from any other party to this motion. The motion has not yet been acted on by Administrative Law Judge Cooke. As set forth in the July 24 motion, the CA ISO considers that exhibit 107 should be admitted as it addresses an issue of fact that should have been raised during the evidentiary hearings to ensure that the Commission makes its decision in this matter based on facts, rather than speculation. If exhibit 107 is not admitted, Greenpeace's criticisms of the CA ISO's analysis should be given no consideration by the Commission since there would be little evidence in the record on the effect of the purported "flaw" on the analysis.

Greenpeace's contention, the impact of dispatching La Rosita Power Plant against Pittsburg is discernable from the data in the record since this scenario is reflected in the CA ISO Interim Mexico Report.)

?? Greenpeace also argues that SDG&E's ratings are arbitrarily low due to average wind speed assumptions. Greenpeace suggests that this "flaw" is particularly relevant with regards to the weakest links in the North-of-SONGS pathway. The Greenpeace opening brief is somewhat unclear as to the effect of any such "flaw" on the determination of the need for a project such as Valley-Rainbow. In fact, even if Greenpeace's contention were true, it would have little effect for purposes of determining the need for a project such as Valley-Rainbow. To determine this need, the important transmission system related factors are those that affect imports into San Diego; that is the rating of Path 44 and the availability of resources from Mexico during an outage of the SWPL. As described in the CA ISO's opening brief, resources from Mexico are unreliable during an outage of the SWPL for reasons unrelated to any SDG&E line ratings. See CA ISO Opening Brief at 11-25. Furthermore, the rating of Path 44 North-to-South during an outage of the SWPL is based on limiting system conditions in the SCE system. Exh. 6, May 24, 2001, Accepted Rating Report of the South-of-Songs Path Re-Rating at 9. The record is clear that SCE uses a more aggressive 4ft/second wind speed assumption for all its system based on a wind speed study SCE conducted for its entire service territory. See Tr. (Miller) at 871-2. Thus, even if SDG&E were unduly conservative regarding the wind speed assumptions this fact would not affect the level of imports that can be obtained on over Path 44 during an outage of SWPL.

Centex:

?? Centex argues that SDG&E's land cost estimates significantly understate actual costs, and that the status of the Pechanga tribe's Great Oak Ranch property will likely be in litigation and hence uncertain for several years. These factors should be considered in assessing routes and evaluating alternatives, but they have no bearing on whether there is a reliability need in San Diego that must be addressed. The CA ISO considers that need has been demonstrated. The varied and significant issues affecting the determination of the best alternative to meet the need will have to be evaluated and compared in phase 2.

VI. CONCLUSION.

As described in detail in the CA ISO's opening brief, the need for a project such as Valley-Rainbow has been amply demonstrated. Phase 2 is the appropriate forum in which to debate the best alternative to meet this need taking into account the broader context of a long-term transmission vision, the feasibility, costs and benefits of available alternatives, and their relative environmental, social and aesthetic aspects. A determination not to proceed to phase 2 would likely doom San Diego to a substandard system cobbled together by on-going short term fixes without a full evaluation of whether this approach is in the best interests of consumers. Accordingly, the CA ISO respectfully urges the CPUC to find that need for a project such as Valley-Rainbow has been demonstrated and to proceed to phase 2.

August 5, 2002

Respectfully Submitted:

By: _____
Jeanne M. Solé
Attorney for
California Independent System Operator

Charles F. Robinson, General Counsel
Jeanne M. Solé, Regulatory Counsel
California Independent System Operator
151 Blue Ravine Road
Folsom, CA 95630
Telephone: 916-351-4400
Facsimile: 916-351-2350

Attorneys for
California Independent System Operator

PROOF OF SERVICE

I hereby certify that on August 5, 2002, I served the Reply Brief of the California Independent System Operator in Docket A. 01-03-036, Conditional Application of San Diego Gas and Electric Company for a Certificate of Public Convenience and Necessity Authorizing the Construction of the Valley-Rainbow 500kV Transmission Project, on parties in the attached service list via first class mail.

DATED at Folsom, California on August 5, 2002

Pat Myers
An Employee of the California
Independent System Operator

GRANT T. BURTON
METROPOLITAN WATER DISTRICT
DEPUTY GENERAL COUNSEL
PO BOX 54153
LOS ANGELES, CA 90054-0153

JAMES KAWAHARA
HOLLAND & KNIGHT LLP
ATTORNEY AT LAW
633 WEST FIFTH STREET, 21ST FLOOR
LOS ANGELES, CA 90071

NORMAN A. PEDERSEN
HANNA AND MORTON LLP
ATTORNEY AT LAW
444 SOUTH FLOWER ST., SUITE 1500
LOS ANGELES, CA 90071

B. TILDEN KIM
RICHARDS WATSON & GERSHON
ATTORNEY AT LAW
355 SOUTH GRAND AVENUE, 40TH FLOOR
LOS ANGELES, CA 90071-3101

JULIE A. MILLER
SOUTHERN CALIFORNIA EDISON COMPANY
ATTORNEY AT LAW
2244 WALNUT GROVE AVENUE, RM. 345
PO BOX 800
ROSEMead, CA 91770

DAVID L. BRADLEY
CALIFORNIA DREAMIN BALLOON & BI PLANE
2153 WOODLAND HIGHTS GLEN
ESCONDIDO, CA 92024

REXFORD J. WAIT
THE NEVADA HYDRO COMPANY
VICE PRESIDENT
2416 CADES WAY
VISTA, CA 92083

JOHN LESLIE
LUCÉ FORWARD HAMILTON & SCRIPPS, LLP
ATTORNEY AT LAW
600 W. BROADWAY, SUITE 2600
SAN DIEGO, CA 92101

STEVEN C. NELSON
SEMPRA ENERGY
ATTORNEY AT LAW
101 ASH STREET
SAN DIEGO, CA 92101-3017

MICHAEL SHAMES
UTILITY CONSUMERS' ACTION NETWORK
ATTORNEY AT LAW
3100 FIFTH AVENUE, SUITE B
SAN DIEGO, CA 92103

JOE S. RANK
RIVERSIDE COUNTY COUNSEL
ATTORNEY AT LAW
3535 - 10TH STREET
RIVERSIDE, CA 92501

ALADDIN M. MASRY
HYDROPROBE SERVICE COMPANY
26473 CYN THIA STREET
HEMET, CA 92544

ELIN MOTHERHEAD
CAUTION
18575 VISTAS DE MONTANAS
MURRIETA, CA 92562

JACK VANHAASTER
CITY OF MURRIETA, CITY COUNCIL
24641 WASHINGTON AVENUE
MURRIETA, CA 92562

BARBARA A. SPENCER
ATTORNEY AT LAW
33250 SUNSET AVENUE
MENIFEE VALLEY, CA 92584

JOHN JOHNSON
27740 JEFFERSON AVENUE, SUITE 200
TEMECULA, CA 92590

AUDREY CILURZO
41220 CALLE CONTENTO
TEMECULA, CA 92592

BAIDA FADDLOUL
34860 CALLE ARNAZ
TEMECULA, CA 92592

DAVID AKIBA
45396 CALLE LOS MOCHIS
TEMECULA, CA 92592

JAMES WESTBROOK
32499 CORTE ZARAGOZA
TEMECULA, CA 92592

ROBERT L. HEMME
47981 PALA ROAD
TEMECULA, CA 92592

TED W. DOYLE
45145 RIO LINDA
TEMECULA, CA 92592

JOHN ROBERT WEGER
LUDWIG INSTITUTE FOR CANCER RESEARCH
32547 CORTE ZARAGOZA
TEMECULA, CA 92592-1248

DARREN W. STROUD
JACKSON DEMARCO & PECKENPAUGH
ATTORNEY AT LAW
2030 MAIN STREET, SUITE 1200
IRVINE, CA 92614

PAUL K. WATKINS
WATKINS, BLAKELY & TORGERSON, LLP
535 ANTON BLVD. SUITE 800
COSTA MESA, CA 92626-7115

MARC B. MIHALY
SHUTE MIHALY & WEINBERGER LLP
ATTORNEY AT LAW
396 HAYES STREET
SAN FRANCISCO, CA 94102

James E. Scarff
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5121 LEGAL DIVISION
SAN FRANCISCO, CA 94102-3214

JOHN P. ROSS
GREENPEACE
75 ARKANSAS STREET
SAN FRANCISCO, CA 94107

CATHERINE E. YAP
BARKOVICH & YAP, INC.
PO BOX 11031
OAKLAND, CA 94611

JEANNE M. SOLE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR
REGULATORY COUNSEL
151 BLUE RAVINE ROAD
FOLSOM, CA 95630

CHRIS KELLER
VIEW POINT WEST
23475 GOVERNMENT SPRINGS ROAD
MONTROSE, CO 81401

Maria E. Stevens
CALIF PUBLIC UTILITIES COMMISSION
320 WEST 4TH STREET SUITE 500
EXECUTIVE DIVISION
LOS ANGELES, CA 90013

JOHN PORTEOUS
DUDEK & ASSOCIATES
605 THIRD STREET
ENCINITAS, CA 92024

VALLEY RAINBOW PROJECT
4100 COUNTY CENTER DRIVE
TEMECULA BRANCH LIBRARY
TEMECULA, CA 92951

Billie C Blanchard
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 4-A INVESTIGATION, MONITORING &
COMPLIANCE BRANCH
SAN FRANCISCO, CA 94102-3214

Jay Luboff
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 4-A ANALYSIS BRANCH
SAN FRANCISCO, CA 94102-3214

Jeanne Hallman
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4205 ENERGY COST OF SERVICE BRANCH
SAN FRANCISCO, CA 94102-3214

Kelly C Lee
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4102 WATER AND NATURAL GAS BRANCH
SAN FRANCISCO, CA 94102-3214

Michael Yeo
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4209 ELECTRICITY RESOURCES AND PRICING
BRANCH
SAN FRANCISCO, CA 94102-3214

Michelle Cooke
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5006 DIVISION OF ADMINISTRATIVE LAW
JUDGES
SAN FRANCISCO, CA 94102-3214

Nicholas Sher
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4007 LEGAL DIVISION
SAN FRANCISCO, CA 94102-3214

Pamela Nataloni
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 4300 LEGAL DIVISION
SAN FRANCISCO, CA 94102-3214

Sheri Inouye
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
ROOM 5301 EXECUTIVE DIVISION
SAN FRANCISCO, CA 94102-3214

Xuguang Leng
CALIF PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
AREA 4-A INVESTIGATION, MONITORING &
COMPLIANCE BRANCH
SAN FRANCISCO, CA 94102-3214

PAUL SCHEUERMAN
3915 RAWHIDE ROAD
ROCKLIN, CA 95677

ROBERT K. WEATHERWAX
SIERRA ENERGY & RISK ASSESSMENT, INC.
1 SIERRA GATE PLAZA, SUITE 287C
ROSEVILLE, CA 95678-6607

MONICA BANKEN
OFFICE OF ASSEMBLYMEMBER HOLLINGSWORTH
STATE CAPITOL. ROOM 3098
SACRAMENTO, CA 95814

DON KONDOLEON
CALIFORNIA ENERGY COMMISSION
TRANSMISSION EVALUATION UNIT
1516 NINTH STREET, MS46
SACRAMENTO, CA 95814-5512