



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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Board of Governors
California Independent System Operator Corporation
250 Outcropping Way
Folsom, CA 95630

Subject: Cost Containment of Transmission Infrastructure

Dear Board of Governors:

The Division of Ratepayer Advocates (DRA) is the independent consumer advocate within the California Public Utilities Commission (CPUC). DRA had previously expressed concern before the CAISO Board of Governors about the importance of including cost considerations in its management of the California Transmission System.¹

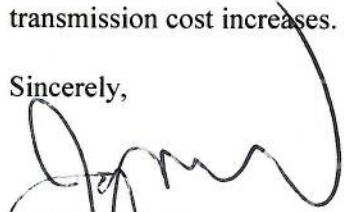
Your Board has recently received communication from NCPA/BAMx² and the City and County of San Francisco³ expressing concerns about cost containment and the cost effectiveness of the CAISO process.

DRA joins in these concerns and urges the CAISO Board of Governors to take the following action:

- 1) Direct CAISO staff to immediately apply the Transmission Planning Process and Generator Interconnection Integration framework to all unsigned Large Generator Interconnection Agreements (LGIA) and all inactive LGIAs.
- 2) Direct CAISO staff to respond to the FERC request of July 2005 with a sufficiently detailed economic test for their evaluation.

These actions are needed in the public interest to protect ratepayers from significant and unnecessary transmission cost increases.

Sincerely,


Joseph P. Como
Acting Director
Division of Ratepayer Advocates
California Public Utilities Commission

¹ DRA Comments, California ISO Board of Governors Meeting of May 17-18, 2010.

² Letter, Northern California Power Agency (NCPA) and Bay Area Municipal Transmission Group (BAMx), "Cost Containment of Transmission Infrastructure" to Board of Governors, dated February 2, 2012.

³ Letter, San Francisco Water Power Sewer, "Cost Impact of CAISO Transmission Infrastructure Decisions" to Board of Governors, dated February 29, 2012.