

ALSTON & BIRD LLP

The Atlantic Building
950 F Street, NW
Washington, DC 20004-1404

202-756-3300
Fax: 202-756-3333

March 18, 2010

FILED
SECRETARY OF THE
COMMISSION
2010 MAR 18 P 4 45
REC'D

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Agreement for Engagement of Study Services for SGIP
between San Diego Gas & Electric Co. and the California
Independent System Operator Corporation
Service Agreement No. 1432
Docket No. ER10-572-000**

Dear Secretary Bose:

On January 8, 2010, the California Independent System Operator Corporation ("ISO") submitted for Federal Energy Regulatory Commission ("Commission") approval an "Agreement for the Engagement of Study Services for SGIP" ("Study Services Agreement") between San Diego Gas & Electric Company ("SDG&E") and the ISO pursuant to Section 205 of the Federal Power Act and Section 35.13 of the Commission's regulations, 18 C.F.R. § 35.13.

The Study Services Agreement contains the terms by which SDG&E will provide certain study-related services as part of the centralized interconnection study process set forth in the ISO's Small Generator Interconnection Procedures, and provisions regarding payment to SDG&E for such services.

On March 3, 2010, in a delegated letter order, the Commission accepted the Study Services Agreement for filing effective as of January 11, 2010. In that order, the Commission noted that the ISO had not provided a service agreement or rate schedule designation for the Study Services Agreement, and directed the ISO to file the Study Services Agreement with the appropriate designation within 15 days of the date of the order. Pursuant to that directive, enclosed is an

The Honorable Kimberly D. Bose
March 18, 2010
Page 2

original and five copies of the Study Services Agreement between SDG&E and the ISO with the appropriate service agreement designation (Service Agreement No. 1432), along with an additional copy to be time and date stamped and returned to our messenger.

Please feel free to contact the undersigned with any questions concerning this filing. Thank you for your assistance in this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Kunselman", written over a horizontal line.

Michael Kunselman
Alston & Bird LLP
The Atlantic Building
950 F Street, NW
Washington, DC 20004

Counsel for the California Independent
System Operator Corporation

Attachment

Attachment A

AGREEMENT FOR THE ENGAGEMENT OF STUDY SERVICES FOR SGIP

BETWEEN

The California Independent System Operator Corporation (CAISO)

AND

San Diego Gas & Electric Company ("PTO")

Issued by: Laura Manz,
Vice President, Market and Infrastructure Development

Issued on: March 18, 2010

Effective: January 11, 2010

AGREEMENT FOR THE ENGAGEMENT OF STUDY SERVICES FOR SGIP
BETWEEN
The California Independent System Operator Corporation (CAISO)
AND
San Diego Gas and Electric Company ("PTO")

This "Agreement for Engagement of Study Services for SGIP" ("Agreement") is made and entered into this 15 day of ~~December~~ 2009, between the California Independent System Operator Corporation ("CAISO") and PTO, existing under the laws of the State of California (alternatively, the "PTO"). The CAISO and PTO each may be referred to as a "Party" or collectively may be referred to as the "Parties."

RECITALS

1. **WHEREAS**, CAISO Tariff Appendix S "Small Generator Interconnection Procedures (SGIP)" (hereinafter "SGIP") sets forth the procedures and requirements for Small Generating Facility Interconnection to the CAISO Controlled Grid;
2. **WHEREAS**, under the SGIP, the CAISO has a Centralized Study Process in connection with Interconnection Requests, in which a Participating PTO will participate, by, among other things, conducting certain portions of any required studies, and other tasks, under the direction and oversight of, and approval by the CAISO (such PTO participation, undertaking of studies, portions of studies, and other activities shall be collectively referred to as the "PTO Work");
3. **WHEREAS**, the CAISO has entered into or will enter into any of the following Agreements with SGIP Interconnection Customers: an Interconnection Feasibility Study Agreement, and Interconnection System Impact Study Agreement, and/or Interconnection Facilities Study Agreement;
4. **WHEREAS**, PTO will perform PTO Work consistent with the SGIP as described in Engagement Notifications provided by the CAISO to the PTO, together with information provided by the Interconnection Customer to the CAISO such as technical information, study assumptions and other data provided in connection with the Interconnection Feasibility Study Agreement, Interconnection System Impact Study Agreement, and/or Interconnection Facilities Study Agreement, ("Interconnection Customer Detail Information"); and
5. **WHEREAS**, the CAISO and PTO desire to establish and document certain terms and conditions applicable to the carrying out of the PTO Work and payment for such work

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained in this Agreement, it is agreed:

1. **Scope of Authorization.** The CAISO shall request that PTO perform those services set forth in the pro forma "Engagement Notification" form included as Attachment 1 of this Agreement.

Agreement For Study Services

- 1.1. The CAISO shall provide an Engagement Notification to PTO for each Interconnection Customer, requesting/authorizing PTO to incorporate work for the Interconnection Customer into the PTO Work.
 - 1.2. PTO shall complete the Engagement Notification form by including the requested information, executing the document and returning it to the CAISO. The Engagement Notification shall not be effective and PTO shall not commence the PTO Work with respect to such Interconnection Customer until PTO has returned the completed, executed Engagement Notification, and it has been accepted by the CAISO.
 - 1.3. PTO shall include in the returned Engagement Notification the PTO's estimate for the PTO Work. Should the PTO's estimate of cost to complete the PTO Work for the Interconnection Customer change at any point in time after PTO's return of the executed Engagement Notification, then the PTO shall promptly notify the CAISO of the change in estimated costs and the reasons for such change.
2. **Conditions for Performance of PTO Work.** PTO shall perform such requested work in the Engagement Notification in accordance with all provisions of the Interconnection Customer Detail Information, a copy of which shall be provided to PTO).
- 2.1. **Direction to Stop Work.** The Parties recognize that, from time to time, it may be necessary for the CAISO to direct PTO to stop all PTO Work or some portion thereof, for example, in the event of withdrawal of the Interconnection Customer's Interconnection Request. The CAISO shall provide PTO with such direction through written notice. Upon receipt of such notice, PTO shall promptly stop all PTO Work, or that portion of PTO work described in the notice, and shall incur no additional expenses. Nothing in this section shall disallow reimbursable expenses that are irrevocably committed at the time that the direction to stop work is issued.
3. **Conflicts.** In the event of a conflict between this Agreement and the Engagement Notification, the terms of this Agreement shall prevail.
4. **Effective Date, Term, and Termination.** The Agreement shall become effective on the date of Federal Energy Regulatory Commission order approving this Agreement, and shall remain in effect until the PTO Work contemplated by this Agreement is completed, unless this is otherwise terminated. A Party may terminate this Agreement by providing written notice of termination, which shall be effective no less than thirty (30) days subsequent to the date of such notice. In the event of termination of this Agreement, including termination by either Party, the terms of Section 2 [Conditions for Performance of PTO Work], Section 5 [Payment] and Section 6 [Participating PTO as Independent Contractor], and their subsections, shall nevertheless survive such termination.
5. **Payment.** The Parties acknowledge and agree that the SGIP Interconnection Customer(s) shall pay make all payments for PTO Work directly to the CAISO, regardless of whether charges and fees for the PTO's Work are characterized as being due to the CAISO and the PTO. PTO shall remit invoices for the PTO Work to the CAISO, which invoices shall set forth all of the actual costs of the PTO to complete the PTO Work.
- 5.1. The PTO shall provide an invoice no later than 75 days after the following (i) completion of the scoping meeting; (ii) completion of each study report prepared for the interconnection customer; and (iii) following the withdrawal of an

Agreement For Study Services

interconnection request. The invoice shall contain a detailed and itemized accounting of all PTO work conducted and an itemized listing of expenses incurred within the invoice period, including expenses for which the reimbursement is requested.

- 5.2. In the case of termination of this Agreement in accordance with Section 4, then, within 75 days, PTO shall submit invoices for PTO for each Engagement Notification, setting forth all costs incurred and any costs irrevocably committed to be incurred by PTO for performance of the specific services requested.
- 5.3. Should the estimate of cost to complete the requested products and services provided in the Engagement Notification change at any point in time, PTO shall immediately notify the CAISO of the change and the reasons for the change.

6. Participating TO as Independent Contractor. PTO acknowledges and agrees that, in performing its obligations under this Agreement, it is acting as an independent contractor and not an employee of the CAISO for any purpose, nor does PTO have authority, express or implied, to act as or represent itself as an agent for the CAISO.

7. Assignments and Subcontracting. PTO may subcontract or sublet assigned work, provided that, any sub-delegation by PTO under this Agreement shall be on the same terms as this Agreement and shall not relieve PTO of any obligation it has undertaken pursuant to this Agreement.

8. Modification. This Agreement may be amended only by written instrument signed by both Parties.

9. Partial Invalidity. If any term or provision of this Agreement or an Engagement Notification, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or Engagement Notification, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid, and shall be enforced to the fullest extent permitted by law.

10. Time of Essence. The Parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.

11. Execution in Counterpart. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

Agreement For Study Services

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year written above.

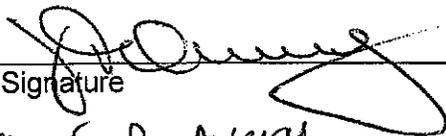
**California Independent System
Operator Corporation**

By: 
Signature

Kevin Casey, Ph.D.
Printed Name

VP Market & Infrastructure
Development
Title

San Diego Gas and Electric Company

By: 
Signature

JAMES P. Avery
Printed Name

SVP
Title

ATTACHMENT 1
ENGAGEMENT NOTIFICATION (SGIP)

Scope of Authorization Number _____ for the CAISO's Small Interconnection Process

Circle One:

- 1) Request for SGIP Scoping Meeting Services
- 2) Request for SGIP Interconnection Study Engineering Services for an Interconnection Feasibility Study
- 3) Request for SGIP Interconnection Study Engineering Services for an Interconnection System Impact Study
- 4) Request for SGIP Interconnection Study Engineering Services for an Interconnection Facilities Study

To: **Diego Gas and Electric Company [Name of Contact Person]**

The California Independent System Operator Corporation ("CAISO") the following completed Interconnection Request pursuant to the Appendix S of the CAISO Tariff.

Interconnection Request Summary

Project Sponsor:

Project Name:

Project Point of Interconnection:

Request for SGIP Small Generator Interconnection Study Engineering Services

The following Request for SGIP Interconnection Study Engineering Services as specified above is effective as of _____, 20__ and issued pursuant to the Agreement For the Engagement of Study Services, dated _____, 20__, between the CAISO and PTO.

1. The CAISO is requesting engineering services to perform engineering analyses and provide interconnection study products with the category specified above.

2. Other products and services requested,

None (Typical)

Agreement For Study Services

3. Requested product and service deviations:

None (Typical, assuming good performance)

The CAISO requests that your organization provide a cost estimate and estimated completion date to complete the analyses and deliverables as outlined in Section 1, 2 and 3 above.

[PTO to complete this information when signing and returning this document to the CAISO]

PTO provided cost estimate(s) (Please include estimates for Phase I work and Phase II work): _____

Estimated number of business days to complete work: _____

PTO estimates completed by: Name of PTO Representative _____
Title _____

Start date is established upon CAISO notification to the PTO that (i) the CAISO and the Interconnection Customer signed an Interconnection Study agreement associated with this request for services and that either (ii) the CAISO has designated a group for purposes of Group Study; or (iii) the CAISO has determined that this Interconnection Request shall be independently studied.

Authorizations

**California Independent System
Operator Corporation**

By: _____
Signature

Printed Name

Title

San Diego Gas and Electric Company

By: _____
Signature

Printed Name

Title

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service list in the captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, (18 C.F.R. § 385.2010).

Dated at Washington, D.C. this 18th day of March, 2010.

A handwritten signature in black ink, appearing to read "Michael Kunselman", is written over a horizontal line. The signature is fluid and cursive.

Michael Kunselman
Alston & Bird LLP