

BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA

Conditional Application of PACIFIC GAS AND ELECTRIC
COMPANY (U 39 E) for a Certificate of Public Convenience and
Necessity Authorizing the Construction of the Los Banos-Gates
500 kV Transmission Project

Application 01-04-012

SECOND PREHEARING CONFERENCE STATEMENT OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION

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Dated: June 8, 2001

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**SECOND PREHEARING CONFERENCE STATEMENT OF THE
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In accordance with the May 15, 2001 Administrative Law Judge's Ruling Setting Second Prehearing Conference (May 15 ALJ Ruling), the California Independent System Operator (CA ISO) respectfully submits this second prehearing conference statement regarding the application of Pacific Gas and Electric Company (PG&E) for a Certificate of Public Convenience and Necessity (CPCN) for the construction of the Los Banos-Gates 500 kV Project (Path 15 upgrade). The May 15 ALJ Ruling invites parties to set forth their proposed schedule for this proceeding as well as the basis for the proposal.

The CA ISO recommends that opening testimony should be filed in late September 2001. This schedule would permit the CA ISO to complete and review studies underway to assess the Path 15 upgrade from the perspectives of reliability and economics, and to present the Path 15 upgrade to the CA ISO Governing Board for approval. Given the unique nature of this application, which was filed conditionally in response to an order by President Lynch, the CA ISO proposes to submit opening testimony along with PG&E, setting forth the results of the assessments and the CA ISO Governing Board's consideration of the project.

The CA ISO is currently working with PG&E cooperatively to undertake and review the studies necessary to assess the reliability and economic benefits of the Path 15 upgrade. The studies and their review should be complete by the end of July.

Because the cost of the Path 15 upgrade exceeds \$20M, the CA ISO must present the project for approval to the CA ISO Governing Board. The CA ISO intends to present the Path 15 upgrade to the CA ISO Governing Board for approval during the August Governing Board meeting which is scheduled for August 24. An opening testimony due date of late September would allow the CA ISO to incorporate the results of its studies and the Governing Board review of the Path 15 upgrade into its opening testimony.

This schedule is also consistent with what the CA ISO understands to be a schedule that would provide for service of opening testimony after a Draft Environmental Impact Report (DEIR) is issued. Providing for service of opening testimony after a DEIR is issued has resulted in an efficient process in prior Certificates of Public Convenience and Necessity proceedings.

Dated at Folsom, California, this 8th day of June, 2001

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