

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

Application of Pacific Gas and Electric Company )  
For a Certificate of Public Convenience and )  
Necessity for the Northeast San Jose Transmission ) A. 99-09-029  
Reinforcement Project )  
\_\_\_\_\_ )

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR ON  
THE OCTOBER 10<sup>TH</sup> 2001 PROPOSED DECISION OF ALJ THOMAS**

October 24, 2001

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In accordance with CPUC rules 77.2, 77.3 and 77.4, the California Independent System Operator (CA ISO) respectfully submits these comments on the October 10<sup>th</sup> 2001, Proposed Decision of Administrative Law Judge (ALJ) Thomas supplementing and lifting stay of Decision 01-05-059 and Approving PG&E's Northeast San Jose Transmission Line Project (Proposed Decision). The CA ISO strongly supports the finding in the Proposed Decision that the Northeast San Jose Transmission Project (the Project) is still needed to meet reliability concerns and load demand in the northeast San Jose region. Proposed Decision at 23. The CA ISO urges the California Public (CPUC or Commission) to lift the stay on D. 01-05-059 consistent with the Proposed Decision so that Pacific Gas and Electric Company (PG&E) can proceed expeditiously with construction of the Project.

The CA ISO wholeheartedly agrees with the finding in the Proposed Decision that the Project is still needed. While some of the discussion in the Proposed Decision regarding the assessment undertaken by the CA ISO regarding need could be misunderstood, the finding of continued need is fully supported by the record. The CA

ISO points out the discussion that could be misunderstood merely for the sake of clarity. The CA ISO fully supports the finding on need in the Proposed Decision.

The Proposed Decision could be read to suggest that the CA ISO undertook a load forecast for the San Jose area. In fact, the CA ISO did not undertake an independent load forecast for the San Jose area, but rather focused on determining whether CA ISO grid planning criteria were violated during the past two summers, and the load levels at which CA ISO grid planning criteria would be violated in subsequent years considering different generation and transmission addition scenarios. Exh. 607 at 2-3, 5, Table 1.

The CA ISO used the current PG&E load forecast only to establish the distribution of load in the San Jose area for purposes of determining load levels at which CA ISO grid planning criteria would be violated in subsequent years in different scenarios. Exh. 607 at 3-4. While the CA ISO did adjust load forecast for the Silicon Valley Power (SVP) service area, this change only affected the distribution of load in the San Jose area in the analysis undertaken by the CA ISO. The CA ISO proportionately increased or decreased this adjusted load forecast to determine the load level at which CA ISO grid planning criteria would be violated in different generation and transmission addition scenarios. Id.

The record on the CA ISO analysis and PG&E's load forecasts (neither of which were challenged by any party) establishes that the Project continues to be needed. As noted in the Proposed Decision, the San Jose area was in violation of CA ISO grid planning criteria during the past two summers. See Exh. 607 at 5, Table 1; Tr. (Kozminski) at 1538. Moreover, using any of the PG&E load forecasts presented in this proceeding, including the one with the most modest level of growth, the Project continues

to be needed even when, in accordance with standard industry planning practice, generation which has been permitted in the area is considered. See Exhibit 607, Table 1; Exh. 26 at 27. Thus, the CA ISO strongly supports the finding in the Proposed Decision that “[t]he Project is still needed to meet reliability concerns and load demand in the northeast San Jose region.” Proposed Decision at 23, Findings of Fact # 1.

In sum, the CA ISO strongly supports the finding in the Proposed Decision that the Project continues to be needed, and urges the CPUC to lift the stay on D. 01-05-059 so that PG&E can commence construction as soon as possible.

Respectfully submitted October 24, 2001, by:

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