

March 24, 2003

Attn: Parties of CPUC Docket # I.00-11-001

RE: Docket # I.00-11-001, Order Instituting Investigation Into Implementation of Assembly Bill 970 Regarding the Identification of Electric Transmission and Distribution Constraints, Actions to Resolve Those Constraints, and Related Matters Affecting the Reliability of Electric Supply

Dear Parties:

Enclosed please find the spreadsheet discussed during the workshop on March 14, regarding the Proposed Methodology for Evaluating the Economic Benefits of Transmission Expansions in a Restructured Wholesale Electricity Market. As discussed during the workshop, the spreadsheet provides a step-by-step guide for deriving demand and gas price forecast errors as well as a demonstration of using the 2-stage Linear Programming Method on assigning joint probabilities to joint scenarios of demand/gas price/new generation entry.

Thank you.

Sincerely,

Jeanne M. Solé
Regulatory Counsel

Cc: Attached Service List