

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

In the Matter of the Application of San Diego Gas
& Electric Company (U 902 E) for a Certificate of
Public Convenience and Necessity for the Sunrise
Powerlink Transmission Project

Application 06-08-010
(Filed August 4, 2006)

**MOTION OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION FOR
LEAVE TO FILE ADDITIONAL TESTIMONY**

January 22, 2007

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I. Introduction and Background

On January 8, 2007 the California Independent System Operator (CAISO) filed a Motion for Extension of Time to Complete Studies (Motion for Extension). In that Motion for Extension, the CAISO explained that the evaluation of the alternative scenarios presented by the parties involved a lengthy manual process that would preclude completion of all the studies by January 26, 2007, the date established for the CAISO to file testimony supporting its analyses. The CAISO suggested that the January 26, 2007 testimony include information describing the CAISO's original analysis, as well as any updates and revisions. The January 26, 2007 testimony would also include an evaluation of the following alternative scenarios:

- 1) Development of Base Case 0- modifications will be made to the CAISO base case to reflect the updated CEC June 2006 load forecast and updated PTO demand forecasts. Demand data for SDG&E will be taken from the long-term

procurement plan filed in R.06-02-013 and discussed at the December 13, 2006 workshop.

- 2) Development of Base Case 1- Base Case 0 run with GreenPath North and LEAPS.
- 3) Development of Base Case 2- Base Case 0 run with South Bay repowering.
- 4) Development of Base Case 3- Base Case 0 run with Sunrise.

The CAISO estimated that the alternatives could be processed at a rate of about 10 studies per month, and that this evaluation process could be completed in the June/July timeframe. At that time, supplemental testimony supporting the rest of the studies would be filed. The Motion for Extension proposed several procedural schedules that would accommodate this change in testimony filing dates and still stay within the general parameters of the overall case schedule. The ALJ set January 17, 2007 as the date by which responses to the Motion for Extension would be filed, and three parties (SDG&E, UCAN and Rancho Penasquitos Concerned Citizens) submitted responses. These parties generally did not oppose the Motion for Extension but addressed the details of the procedural schedule. A ruling has not yet been issued.

In the meantime, the CAISO has been diligently preparing its work plan for completing the eight studies described above and developing testimony. As part of this work plan, the decision was made to bring in an outside consultant not only to assist with the preparation of the studies (particularly the economic analyses), but to conduct an overall evaluation of the original Sunrise Powerlink study and the updates being made to the base case to reflect changes in circumstances and other assumptions. It is this overall

evaluation that is the subject of this Motion for Leave to File Additional Testimony. The CAISO seeks leave to file additional testimony, with the results of the outside consultant's overall evaluation of the CAISO study process, on February 16, 2007. This proposal essentially would have the CAISO file its initial round of testimony in two stages, on January 26, 2007 and on February 16, 2007.

II. Filing The CAISO Testimony In Two Stages Will Not Delay The Procedural Schedule Or The Parties' Case Preparation.

The testimony that will be filed on February 16, 2007 will add value to the record of this case by further explaining and validating the CAISO's studies, but it will not alter any of the CAISO study results. All of that information will be contained in the January 26, 2007 testimony. At this point the CAISO envisions that its January 26, 2007 testimony will be presented by a panel of in-house witnesses and the outside consultant, who together will describe the results of the reformatted base case and the alternative scenario economic and reliability studies. The workpapers supporting the studies will also be submitted under seal and made available to parties who have executed the appropriate non-disclosure agreements. The parties will have all of the information needed for case preparation, at least with respect to the eight scenarios that are being studied.

The January 26, 2007 testimony will contain all of the elements described in the Motion for Extension. However, on January 8, 2007 when the Motion for Extension was filed, the CAISO had not yet made its decision to engage an outside consultant to assess its study processes and verify its conclusions regarding the Sunrise Powerlink project. Thus, the need for accommodating this additional portion of the testimony was not

anticipated at that time. Nonetheless, this two-stage approach to the CAISO's initial testimony filing will have absolutely no impact on the procedural schedule and will not delay the case in any way. As described in the Motion for Extension, there is sufficient flexibility in the current schedule to provide all parties with adequate time to prepare their own responsive testimony and still stay on track for a final decision in January, 2008.

The CAISO is aware that the ALJ has set a testimony workshop for February 2, 2007 in San Diego. The CAISO will be prepared to present an overview of its January 26, 2007 testimony at that time. If possible, the CAISO will provide a preview of its February 16, 2007 testimony at the workshop as well. Even if that is not possible, the workshop will still provide useful information to the parties. Should the parties have additional questions that are raised by the second stage of the CAISO testimony, the CAISO will be happy to provide responses informally or in another workshop setting if necessary.

II. Conclusion

The CAISO has been working continuously to meet the Commission's expectation with respect to the January 26, 2007 filing date and the evaluation of the alternative scenarios. In addition, the CAISO has taken a further step in hiring an outside consultant to provide additional validation of its study processes so that the Commission will have a full and complete record upon which to base its determination. This requested brief interval between filing both stages of the CAISO's initial testimony has no downside implications but will provide substantial benefits. The CAISO filed this Motion as soon as it became apparent that a complete outside evaluation could not be completed in the relatively short period of time available to the consultant. For all of

these reasons, leave should be granted to the CAISO to file its testimony in two stages, on January 26, 2007 and February 16, 2007.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served, by electronic and United States mail, a Motion Of The California Independent System Operator Corporation For Leave To File Additional Testimony in Docket No. A.06-08-010.

Executed on January 22, 2007, at Folsom, California.

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