

Exhibit No.: _____
Commissioner: Henry M. Duque
Administrative Law Judge: Michelle Cooke
Witness: Jeffrey C. Miller and Keith Casey

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

Conditional Application of SAN DIEGO GAS
AND ELECTRIC COMPANY for a Certificate of
Public Convenience and Necessity Authorizing the
Construction of the Valley-Rainbow 500 kV
Transmission Project

Application 01-03-036

**SURREBUTTAL TESTIMONY OF JEFFREY C. MILLER
ON BEHALF OF
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR**

Submitted by the California Independent System Operator

May 6, 2002

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3 **THE STATE OF CALIFORNIA**

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9 **SURREBUTTAL TESTIMONY OF JEFFREY C. MILLER**

10 Submitted by the California Independent System Operator

11
12 Q. Please state your name, employer and position.

13 A. My name is Jeffrey C. Miller, Regional Transmission Manager of the California Independent
14 System Operator Corporation (CA ISO).

15 Q. On whose behalf are you submitting this surrebuttal testimony?

16 A. I am submitting this surrebuttal testimony on behalf of the CA ISO.

17 Q. What is the purpose of your surrebuttal testimony?

18 A. The purpose of my surrebuttal testimony is to summarize the studies undertaken to date by the
19 CA ISO to assess the ability of the Comisión Federal de Electricidad (CFE) system to support the San
20 Diego Area during an outage of the Southwest Power Link (SWPL), in accordance with Judge Cooke's
21 ruling during the prehearing conference in this matter on April 29, 2002.

22 Q. Can you please summarize your testimony?

23 A. Yes.

24 Based on initial studies, the CA ISO has prepared an interim report on the ability of the CFE
25 system to support the San Diego Area during an outage of the SWPL (Attachment 1). These studies
26 were prepared in a short time frame and were necessarily abbreviated. Additional studies to confirm
27 the findings would be advisable. Nonetheless, based on the work done to date, I consider that it would
28 be highly risky and hence inappropriate to rely on support from CFE during an outage of the SWPL.

1 Q. Please explain.

2 A. The CA ISO studies examined two potential ways that the CFE system could assist in
3 supporting the CA ISO during an outage of the SWPL. The first is the ability of the CFE system to
4 support through-flows during an outage of the SWPL. Through-flows would be power flows that leave
5 the CA ISO grid east of San Diego at Imperial Valley Substation and return to the CA ISO grid near
6 San Diego at Miguel Substation. The second means of support from the CFE system would be direct
7 exports to the CA ISO at Miguel Substation from power generated from within the CFE system.

8 Q. Based on the studies, what level of support could be available to support the San Diego Area
9 during an outage of SWPL from through-flows?

10 A. Given the completion of the new generation in Mexico that is currently under construction,
11 there would not be any CFE through-flow capability to support the San Diego area during outages of
12 SWPL nearly half of the time. In addition, if CFE were to develop new generation resources in the
13 eastern portion of their system near La Rosita Substation, then the ability of the CFE system to support
14 through-flows would be even less.

15 Q. Based on the studies, what level of support could be available to support the San Diego Area
16 during an outage of SWPL from direct exports?

17 A. Historical data indicates that CFE rarely exports power to the CA ISO Grid. These exports are
18 particularly rare during the summer peak load period. In fact, CFE is normally importing power from
19 the CA ISO grid during these peak load periods. On the other hand, an examination of future CFE
20 loads and resources indicates that the amount of reserve margin in the CFE system may be increasing
21 in the near future although this increase will be quickly consumed by CFE load growth. Whether
22 additional capability will materialize and whether it will be available to California and can be obtained
23 through contract is not known.

24 Q. Can the amounts that could be available from through flow be summed with the amounts that
25 could be available from direct exports to obtain a total level of likely CFE system support?

26 A. No. When exports from CFE exceed 300 MW, CFE has a special protection system that will
27 likely trip the Imperial Valley-La Rosita 230 kV line following a SWPL outage. This means that
28 through-flows may be eliminated following a SWPL outage when CFE is exporting 300 MW or more.

1 As a result, it is not possible to simply add the quantities discussed above for export capability and
2 through-flow capability.

3 Q. Thank-you. I have no further questions.

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