

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

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.

Investigation No. 12-100-13

(Filed October 25, 2012)

**MOTION FOR PARTY STATUS
OF THE NEVADA HYDRO COMPANY**

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Date: November 12, 2012

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Pursuant to Rule 1.4 the Rules of Practice and Procedure of the Public Utilities Commission of the State of California (“Commission”), the Nevada Hydro Company, Inc. (“Nevada Hydro”), sponsor of the proposed Lake Elsinore Advanced Pumped Storage (“LEAPS”) project and the Talega-Escondido/Valley-Serrano 500-kV Interconnect (“TE/VS Interconnect”) project, respectfully submits this Motion for Party Status to the above referenced docket addressing the San Onofre Nuclear Generating Station Units 2 and 3 (“SONGS”).

I. BACKGROUND

Nevada Hydro’s two projects have been designed, in part, to assist the state in meeting the crisis caused by the unexpected and potentially long-term outage of SONGS.

The Federal Energy Regulatory Commission (“FERC”) is responsible for licensing the 500 MW LEAPS facility (Project Number P–14227) as a major unconstructed hydroelectric facility under the provisions of the Federal Power Act of June 10, 1920 (“FPA”), Chapter 285 and under licensing regulations found at 18 CFR, Subchapter B, Part 4. The TE/VS Interconnect appeared before this Commission in Application 10–07–001, before it was dismissed without prejudice earlier this year. Nevada Hydro is now moving to complete necessary tasks to refile its

application for a Certificate of Public Convenience and Necessity (“CPCN”) for the identical project.

LEAPS can provide the State with a variety of cost-effective enhancements that increase reliability and allow grid resources to be used more efficiently. Grid benefits include the full range of ancillary services, shifting and storage of on-peak to off-peak hours, and providing 500 MW of firm generation near the load pocket. This off-peak power can be produced by efficient, baseload generation sources, including wind-generation facilities located in the Tehachapi region, solar thermal generation in the Mojave area, geothermal-generation facilities located in the Imperial Valley, and other existing and planned renewable resources located throughout and beyond southern California. LEAPS also provides 500 MW of regulation and fast responding spin to support grid operations, the integration of intermittent renewable resources, and will provide highly responsive load following capability. With the SONGS outage, this facility will be essential to helping the grid manager operate the increasingly more complex and less stable grid in southern California.

The TE/VS Interconnect is a stand-alone high-voltage regional interconnection linking the Valley-Serrano 500-kV line in western Riverside County with the 230-kV Talega-Escondido transmission line (“TE Line”) in northern San Diego County. The TE line is the connection into San Diego from the SONGS facility, and the TE/VS Interconnect’s connection point is within a few miles of the now black SONGS facility. The TE/VS Interconnect will provide the only 500 kV connection to the San Diego load center from the north and provide San Diego with access to renewable resources from the Imperial Valley and Mojave Desert, Tehachapi, and San Geronimo regions.

II. MOTION TO INTERVENE

Pursuant to Rule 1.4 of the Commission's Rules, NHC wishes to become a party to this proceeding. NHC's position and interest is as set forth in this filing.

The undersigned will formally represent Nevada Hydro as a Party to this proceeding. In addition, please add the following person to the information only service list:

Mr. Rexford Wait, RWait@controltechnology.org

III. THE FACTUAL AND LEGAL CONTENTIONS THAT NEVADA HYDRO INTENDS TO MAKE AND THE RELEVANCE TO THIS PROCEEDING.

As part its preparation for refiling its CPCN for the TE/VS Interconnect, Nevada Hydro is updating its reliability and economic modeling. As a result, Nevada Hydro is aware of the crisis facing ratepayers and this Commission due to the unplanned and unexpected loss of the roughly 2,200 MW SONGS units 2 and 3 once produced. Issues this Commission is now facing include:

1. The present path rating of Path 44 is in jeopardy;
2. A NERC violation is on the horizon;
3. Significant operational issues;
4. The burden of fixing SONGS potentially on the ratepayer's backs.

Based upon its preliminary modeling, Nevada Hydro is now convinced that its two projects will:

- Allow 1,800 MW to move into the San Diego system.
- Prevent system collapse during usual NERC and CAISO testing requirements. Nevada Hydro notes that its modeling shows that collapse will occur even if SONGS unit 2 is operating.

- Nearly substitute for SONGS and at significantly less cost than is likely needed to rehabilitate these two SONGS units.

Particularly as the TE/VS Interconnect can be energized within one year from receiving authority to construct from this Commission, the project will benefit the system and its ratepayers quickly. While Nevada Hydro will make its case for the value of TE/VS Interconnect in that CPCN proceeding (when filed), in this proceeding Nevada Hydro intends to assure the record is clear regarding how LEAPS and the TE/VS Interconnect can economically keep the lights on in southern California.

IV. CONCLUSION

While Nevada Hydro is aware that there will be parties in this proceeding advocating for the mothballing of SONGS, Nevada Hydro is offering alternatives to keep the reliability of the system intact, whatever the Commission decides to do with SONGS.

Wherefore, Nevada Hydro respectfully requests that it be granted party status to this proceeding.

November 12, 2012

Respectfully submitted,

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By: /s/ David Kates
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