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**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)

**ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE'S  
RULING IN RESPONSE TO TWO MOTIONS OF THE CALIFORNIA  
INDEPENDENT SYSTEM OPERATOR AFFECTING THE SCHEDULE**

Pursuant to the scoping memorandum issued in this docket on November 1, 2007, the California Independent System Operator (ISO) is scheduled to file testimony today, addressing various issues. This testimony was to include technical analysis of various project alternatives, at the request of certain active intervenors. We have conducted workshops in an effort to better define the work that the ISO is to undertake. In addition, the Commission's Energy Division has been working actively with the ISO and intervenors to develop a refined and prioritized schedule of ISO computer runs. In a motion dated January 8, 2007, the ISO stated that it would be unable to complete the requested computer-driven analysis in time. It stated that it needed until some time in June to complete its analysis, and asked for a similar delay in presenting the results to the parties and the Commission.

The following parties filed responses to the motion: San Diego Gas & Electric Company (SDG&E), LS Power, Rancho Peñasquitos Concerned Citizens (Rancho Peñasquitos), and the Utility Consumer Action Network (UCAN). No party specifically opposed granting the ISO an extension of time, but each

expressed concerns. SDG&E wants to make sure that whatever extension of time the ISO is granted does not delay the final decision on the application. Others object to the notion of requiring intervenors to file testimony prior to the completion of the ISO analysis.

We are very concerned about the ISO's delayed response to the requests for computer analysis. It is the ISO's obligation to provide access to its computer models to other parties in the proceeding. As UCAN points out, the ISO has known since at least last April of the need to perform additional computer runs for intervenors. We fear that completion of the ISO analysis, which is but a step in the development of the Commission's record in this proceeding, might displace the draft Environmental Impact Report/Statement (EIR/EIS) as the critical path item, affecting the timing of a final Commission decision. We are heartened by the ISO's report (in its subsequent motion, discussed below) that it has now augmented its staff with outside consultants.

In our effort to stay on schedule, automatically granting the ISO's proposed extension of time is a step we are unwilling to take. As the comparative table below indicates, a delay until June, or early July in completion of the ISO analysis would delay the final decision. We agree with the responding intervenors that it would not make sense to require them to prepare testimony before the ISO completes its analysis because it would require the intervenors to take firm litigation positions before completing reasonable discovery. For the same reason, it makes no sense to conduct Phase 1 hearings without the benefit of the ISO analysis. As a result, by granting the requested delay, we would have to collapse Phase 1 into Phase 2, which is scheduled to occur after the release of the Draft EIR/EIS. This would mean that all of the evidentiary hearings would take place in the fall, likely requiring more hearing days during that period, and

pushing release of a draft proposed decision into early next year. In order to remain on schedule, the ISO needs to complete its work on intervenor-requested runs no later than April 20, 2007, and this is the revised deadline we will adopt.

**Sunrise Schedule Change Options  
(In Response to the ISO Request for Delay)**

| <b>Event</b>                | <b>Schedule Set in Scoping Memo</b> | <b>Schedule Impacts of ISO Request</b> | <b>Adopted Schedule</b> |
|-----------------------------|-------------------------------------|--|-------------------------|
| Applicant and ISO Testimony | January 26                          | January 26                             | January 26              |
| Extra ISO Testimony         | N/A                                 | February 16                            | February 16             |
| ISO Runs Report             | January 26                          | July 6                                 | April 20                |
| DRA's Phase 1 Direct        | March 2                             | August 2                               | May 18<br>+28 days      |
| Intervenor's Phase 1 Direct | March 14                            | August 17                              | June 1<br>+42 days      |
| All Phase 1 Rebuttal        | March 30                            | August 31                              | June 15<br>+57 days     |
| Third PHC                   | April 10                            | September 11                           | June 26<br>+68 days     |
| Phase 1 Hearings Begin      | April 23                            | September 17                           | July 9<br>+81 days      |
| Phase 1 Opening Briefs      | June 1                              | October 19                             | N/A                     |
| Phase 1 Reply Briefs        | June 15                             | November 2                             | N/A                     |
| Draft EIR/EIS Published     | August 3                            | August 3                               | August 3                |
| Phase 2 Direct Testimony    | September 9                         | September 9                            | September 9             |
| Fourth PHC                  | October 2                           | October 2                              | October 2               |
| Phase 2 Hearings Begin      | October 8                           | October 8                              | October 8               |
| Comments on Draft EIR/EIS   | Early November                      | Early November                         | Early November          |
| Phase 2 Opening Briefs      | October 31                          | November 23                            | October 31              |
| Phase 2 Reply Briefs        | November 9                          | December 7                             | November 9              |
| Final EIR/EIS Published     | November 20                         | November 20                            | November 20             |
| PD Mailed                   | December                            | January                                | December                |
| Commission Decision         | January                             | February                               | January                 |

If the ISO completes its work no later than April 20, 2007, we can move forward with productive Phase 1 hearings, and allow parties time to respond to new information in the Draft EIR/EIS in the event that Phase 2 testimony becomes necessary.

We direct the ISO to take all steps necessary to meet this schedule. We also direct the ISO to distribute via e-mail to the service list, weekly updates on its progress in completing the analysis. The ISO should also look for ways to release portions of the analysis as it is completed, rather than waiting until April 20, 2007 for its next filing. We also encourage the ISO to complete its work prior to April 20, 2007, if at all possible. The adopted schedule in the table above shows the number of days after the completion of the ISO's work that certain other events will occur. We will attempt to move up the schedule to reflect on a day-for-day basis any time that the ISO can shave off of the deadlines set forth today.

While we do not take lightly the ISO's burden in completing this work, we also take seriously the need to preserve the overall schedule.

In a separate motion dated January 22, 2007, the ISO reports on its success in retaining a consultant to help in its analysis. Although it intends to meet its other requirements related to the testimony that is due today, it asks for permission to distribute further testimony on February 16, 2007, providing additional support for its recommendation related to the Sunrise project. It appears that allowing for such additional testimony will not affect the overall schedule. However, we cannot provide unending opportunities to offer otherwise-unscheduled testimony. The acceptability of the additional testimony depends on its content. Rather than ruling on the motion now, we will allow the ISO to distribute its further testimony no later than February 16, 2007, and allow other parties 7 days thereafter to file any responses to the motion.

**IT IS RULED** that:

1. The California Independent System Operator (ISO) shall complete the additional computer runs and make that analysis available to parties no later than April 20, 2007.
2. The ISO shall seek to complete its analysis prior to April 20, 2007, and, if it is successful, we will adjust the schedule accordingly.
3. The ISO shall provide weekly reports to all parties, by e-mail to the service list, on its progress in completing its analysis.
4. The ISO shall endeavor to release its analysis as it is completed, rather than submitting all of it in a single filing.
5. The revised schedule, set forth in the last column of the above table, is adopted.
6. Parties shall respond to the ISO's motion of January 22, 2007, no later than February 23, 2007.

Dated January 26, 2007, at San Francisco, California.

/s/ DIAN M. GRUENEICH  
Dian M. Grueneich  
Commissioner

/s/ STEVEN WEISSMAN  
Steven Weissman  
Administrative Law Judge

**INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a true copy of the filed original to be served upon the service list to this proceeding. The service list I will use is current as of today's date.

Dated January 26, 2007, at San Francisco, California.

/s/ JEANNIE CHANG

Jeannie Chang