

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Pacific Gas and Electric Company (U 39M) for Authority Pursuant to Public Utilities Code Sections 851 to Grant an Easement to Sunrise Power Company, LLC for Transmission Facilities.

(U 39M)

Application 04-01-016

ADMINISTRATIVE LAW JUDGE'S RULING ALLOWING APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR AN EASEMENT FOR SUNRISE POWER COMPANY, LLC TRANSMISSION TO PROCEED

Summary

On January 15, 2004, Pacific Gas and Electric Company (PG&E) filed an application for Commission authority to grant an easement to Sunrise Power Company, LLC (Sunrise) for transmission facilities. On January 26, 2004, Administrative Law Judge (ALJ) Brown issued an ALJ ruling requesting that PG&E comment on the timing of its Sunrise application in light of the fact that on January 14, 2004, ALJ Walwyn issued an ALJ ruling deferring consideration of the Sunrise contracts until further Commission action. On February 13, 2004, PG&E responded. Upon further consideration, the Commission determines it is appropriate for PG&E's Sunrise application to proceed. Protests to the application are due 30-days from the date of this ruling.

Background

As part of Rulemaking (R.) 01-10-024,¹ San Diego Gas & Electric Company (SDG&E) conducted a Grid Reliability Capacity Request for Proposals (RFP). Following the completion and analysis of the RFP, SDG&E filed a motion in R.01-10-024 for approval to enter into six new electric resource contracts that were the winning bids from the RFP, and for approval of the cost recovery and ratemaking mechanisms associated with the contracts.

One of SDG&E's proposals was for a 10-year Power Purchase Agreement (PPA) with Calpine Corporation (Calpine), beginning on January 1, 2008. As a condition precedent to this PPA, SDG&E requested that the Commission reallocate an existing contract the utility had with the Department of Water Resources (DWR) for Sunrise from SDG&E to PG&E. However, because there is a need for the Commission to expedite a decision on SDG&E's motion concerning the six new electric resource contracts, there was concern on the part of the Commission and the parties to the RFP proceeding that the issue of reallocation of the Sunrise contract might be contentious and could impede issuing a timely decision on the RFP contracts. Therefore, ALJ Walwyn's ruling severed the issue of reallocation of the Sunrise contract from the SDG&E RFP application, and deferred it until the Commission issues a decision in Application 00-11-038, a proceeding dealing with the DWR contracts.

Discussion

PG&E filed its application for authority to grant an easement to Sunrise for transmission facilities on January 15, 2004, one day after ALJ Walwyn issued the

¹ Rulemaking to establish policies and cost recovery mechanisms for generation procurement and renewable resource development.

ruling deferring the Sunrise contract issue until after the Commission issues its decision in A.00-11-038. PG&E was asked to comment on whether their application of January 15, 2004, A.04-01-016, should be withdrawn at this time, and then refiled, after a decision issues in A.00-11-038.

On February 13, 2004, PG&E responded to the ALJ ruling and asked that its application proceed forward at this time. PG&E posited that the ruling by ALJ Walwyn deferring the Sunrise contract from consideration in the ongoing SDG&E RFP phase of the Procurement Rulemaking, R.01-10-024 did not affect its request for an easement concerning Sunrise in A.04-01-016. The Sunrise facility is in PG&E's service area. In A.04-01-016, PG&E is seeking approval to grant an easement to Sunrise to relocate its generation tie line from Bus Section D at Midway Substation to Bus Section E at Midway Substation. This request is not related to, nor will it affect, the reallocation of the DWR Sunrise contract, nor will it impede an expedited decision in SDG&E's RFP proceeding.

No other party responded to the ALJ ruling.

PG&E may proceed with A. 04-01-016, and protests are due 30-days from the date of this ruling.

IT IS RULED that:

1. PG&E may proceed with Application 04-01-016.
2. Protests are due 30-days from the date of this ruling.

Dated March 5, 2004, at San Francisco, California.

/s/ CAROL BROWN

Carol Brown
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge’s Ruling Allowing Application by Pacific Gas & Electric for an Easement for Sunrise Power Company, LLC Transmission to Proceed on all parties of record in this proceeding or their attorneys of record.

Dated March 5, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at

A.04-01-016 CAB/hl2

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