

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U 902 E) for a Certificate of Public Convenience and Necessity for the Otay Mesa Power Purchase Agreement Transmission Project.

Application 04-03-008
(Filed March 8, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING
SETTING PREHEARING CONFERENCE FOR OCTOBER 1, 2004, AND
GRANTING SDG&E'S MOTION TO FILE APPENDIX A UNDER SEAL AND
CALPINE'S MOTION TO INTERVENE**

Summary

This ruling sets a Prehearing Conference (PHC) for October 1, 2004, at 10 a.m. at the state building, 1350 Front Street, Room 107, San Diego. Parties should be prepared at the PHC to address the scope of this proceeding, the need for evidentiary hearings, and the coordination of the schedule for compliance with the California Environmental Quality Act (CEQA) with the Commission's procedural schedule for processing this application. San Diego Gas & Electric Company's (SDG&E) Motion to file Appendix A to its application under seal and Calpine Corporation's (Calpine) Motion to Intervene are granted.

Background

On March 8, 2004, SDG&E filed an application for a Certificate of Public Convenience and Necessity (CPCN) with the Commission for the proposed Otay Mesa Power Purchase Agreement (OMPPA) Transmission Project. In accordance with the 1970 CEQA and the State CEQA Guidelines, the Commission decided

that an Environmental Impact Report (EIR) will be prepared to evaluate the project in accordance with the criteria, standards, and procedures of the CEQA and the State CEQA Guidelines.

A protest was filed by the Office of Ratepayer Advocates (ORA); responses were filed by Border Generation Group (Border Generation) and Intergen NV and Coral Power (Intergen/Coral). Correspondence was received from San Diego County Hispanic Chamber of Commerce and San Diego Convention Center Corporation.

SDG&E filed a reply to ORA's protest and Calpine filed a Motion to Intervene.

The project as proposed by SDG&E is planned to accommodate increased capacity in the San Diego regional system provided by the Otay Mesa power plant, a 570-megawatt (MW) power plant that is currently under construction by Calpine with an on-line service date of January 1, 2008. Beginning in January 2008, SDG&E will purchase the full output of Otay Mesa under the terms of a 10-year Power Purchase Agreement (PPA). The primary infrastructure needed to connect the Otay Mesa power plant to SDG&E's transmission system is a new 230-kilovolt (kV) electric transmission circuit. This new 230-kV line will connect the new power plant with both the existing Sycamore Canyon Substation and the existing Old Town Substation. This transmission line is the subject of this CPCN application.

As part of the OMPPA transmission project, the utility proposes to install a new overhead second circuit between Fanita Junction and SDG&E's existing Miguel Substation in vacant positions on the 230-kV transmission structures approved as part of SDG&E's Mission-Miguel 230-kV #2 project, Application (A.) 02-07-022, approved by the Commission in Decision 04-07-026 on July 8,

2004. As part of the EIR analysis conducted for the Mission-Miguel 230-kV #2 project, the construction and operation of the second circuit on the proposed 230-kV transmission line structures between Fanita Junction and Miguel, also proposed as part of the OMPPA project, was analyzed in accordance with the criteria, standards, and procedures of CEQA. The final EIR for the Mission-Miguel 230-kV #2 project included an analysis of the OMPPA 230-kV line. Therefore, when the Commission approved the final EIR for the Mission-Miguel 230-kV #2 line, it also approved the construction and operation of the OMPPA circuit between Fanita Junction and Miguel Substation, and no further analysis of this segment will be evaluated in the OMPPA transmission project EIR.

Therefore the primary project components to be evaluated in the OMPPA transmission project EIR include a new 230-kV circuit, a new transition station, and modifications to the existing Sycamore Canyon, Miguel, and Old Town Substations.

Prehearing Conference

A PHC is scheduled for Friday, October 1, 2004, at 10 a.m., in the Commission's Courtroom located at 1350 Front Street, Room 107, San Diego, California. At this PHC, the parties will be expected to discuss the coordination of the CEQA schedule with the procedural schedule for this proceeding. In addition, parties should be prepared to present proposals on the scope of issues to be determined in the proceeding as well as whether evidentiary hearings are necessary.

Service List

A service list will be established at the PHC. Until that time, all documents filed and/or served in this proceeding should be served on the service list used by SDG&E for the filing and service of the application.

Assignment of Proceeding

This proceeding is assigned to Commissioner Geoffrey F. Brown and Administrative Law Judge (ALJ) Carol Brown.

Electronic Service

Rule 2.3(b) of the Commission's Rules of Practice and Procedure¹ (Rules) provides that the judge may direct that service be made by electronic means. By this ruling, I direct that all appearances that can provide the Commission with an electronic mail address are to serve and accept service of documents by electronic mail. Any appearance that has not provided an electronic mail address shall provide a fax number and/or a phone number, if available, so appearances without electronic mail may receive information in an expedited manner. Any appearance without electronic mail shall serve and take service by paper mail as described in Rule 2.3(a). This ruling does not change the rules regarding tendering of documents for filing, which must be done in paper form, as described in Rules 2, et seq.

As soon as a service list is established for this proceeding, it will be available on the Commission's Web page, www.cpuc.ca.gov. Choose "Service Lists," and scroll to the proceeding number, A.04-03-008. Parties are reminded to contact the Commission's Process Office to update address information when

¹ Commission Rules of Practice and Procedure, which are codified at Chapter 1, Division 1 of Title 20 of the California Code of Regulations.

A.04-03-008 CAB/hkr

necessary so that the current service list is as up-to-date and accurate as possible.

Parties are to serve Commissioner Brown's Advisor David Gamson at

DMG@cpuc.ca.gov and the assigned ALJ Carol Brown at CAB@cpuc.ca.gov.

IT IS RULED that:

1. A Prehearing Conference (PHC) will be held on Friday, October 1, 2004, at 10 a.m., in the Commission's Courtroom, 1350 Front Street, Room 107, San Diego, California.
2. At the October 1, 2004, PHC, parties are to be prepared to discuss the scope of the proceeding, the need for evidentiary hearings, and the coordination of the procedural schedule for the California Environmental Quality Act requirements and the Commission's processing of this application.
3. Electronic mail service protocols are established as set forth above.
4. Parties are to use the service list initially used by San Diego Gas & Electric Company (SDG&E) to serve the application until a service list is established for this proceeding following the PHC.
5. This proceeding is assigned to Commissioner Geoffrey F. Brown and Administrative Law Judge Carol Brown.
6. SDG&E's Motion to file Appendix A to its application under seal and Calpine Corporation's Motion to Intervene are granted.

Dated September 15, 2004, at San Francisco, California.

/s/ CAROL BROWN

Carol Brown
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Prehearing Conference for October 1, 2004, and Granting SDG&E's Motion to File Appendix A Under Seal and Calpine's Motion to Intervene on all parties of record in this proceeding or their attorneys of record.

Dated September 15, 2004, at San Francisco, California.

/s/ KE HUANG

Ke Huang

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 ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.