

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

A.05-12-014

**PROTEST
OF THE DIVISION OF RATEPAYER ADVOCATES**

I. INTRODUCTION

Pursuant to Rules 44 through 44.2 of the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") respectfully submits this Protest to San Diego Gas & Electric Company's ("SDG&E's") Application for a Certificate of Public Convenience and Necessity ("CPCN") pertaining to the transmission project referred to as the Sunrise Powerlink Transmission Project ("Sunrise Powerlink"). DRA has serious concerns regarding SDG&E's request as set forth in this Application. For these reasons, DRA protests this Application on the basis that it fails to comply with Sections 1001 and 1003 of the Public Utilities Code and asks the Commission to reject this Application unless SDG&E amends the Application to comply with statutory requirements. DRA's concerns are described below in further detail. Additional matters worthy of Commission review may come to DRA's attention after further analysis of this Application and, at the appropriate time, DRA will advise the Commission of these matters.

II. ISSUES

Based on its initial review of the Application, DRA has the following concerns regarding the substantive showing, or lack thereof, by SDG&E in support of its request

for a CPCN. Specifically, SDG&E's Application fails to conform with the basic statutory requirements imposed on all electrical corporations seeking certificates authorizing new construction. This Commission cannot waive or exempt SDG&E from these statutory requirements. Accordingly, unless SDG&E acts to amend these deficiencies outlined below, this Commission must reject SDG&E's filing as incomplete.

A. SDG&E's request for this Commission to separately consider "need" and "route" fails to comply with Section 1003 of the Public Utilities Code

The language of Section 1003 is clear, "Every electrical and every gas corporation submitting an application to the commission for a certificate authorizing the new construction of any electric plant, line, or extension, or gas plant, line, or extension, ...**shall** include all of the following information in the application in addition to any other required information:" (Emphasis added.) SDG&E fails to include the following information in its Application as required by Section 1003:

(1) Preliminary engineering and design information on the project is required by Section 1003 but SDG&E includes no such information.

(2) A project implementation plan showing how the project would be contracted for and constructed is required by Section 1003 but, again, SDG&E fails to provide such information.

(3) An appropriate cost estimate is required by SDG&E under Section 1003. Applicant does not provide this information either. An appropriate cost estimate is described by Section 1003 as including "preliminary estimates of costs of financing, construction, and operation, including fuel, maintenance, and dismantling or inactivation after the useful life of the plant, line or extension." While the Applicant provides low- and high-end cost estimates of \$1.015 billion to \$1.437 billion, SDG&E's wide-ranging cost estimate should not be considered an appropriate cost estimate under Section 1003.

(4) A cost analysis comparing the project with any feasible alternative sources of power is required by Section 1003 but SDG&E fails to provide the Commission with this information.

SDG&E apparently seeks to excuse its failure to comply with these fundamental statutory requirements by presenting the novel argument that the Commission should bifurcate its consideration of “need” versus “route” when considering this CPCN Application. Even if SDG&E’s request had some merit, SDG&E’s request would still have to comply with Section 1003. In this case, SDG&E’s Application clearly fails to comply with Section 1003. Accordingly, the Application in its entirety should be rejected unless SDG&E amends its Application to address these statutory deficiencies.

B. SDG&E’s Application fails to satisfy the fundamental requirement of all CPCN applications set forth in Section 1001, a showing that the present or future public convenience and necessity requires or will require such construction

Section 1001 sets forth the one overarching requirement that all CPCN applications must satisfy. All CPCN applications must contain a showing by the Applicant that the “present or future public convenience and necessity require or will require such construction.” SDG&E has failed to present a sufficient showing of need here. In fact, under SDG&E’s proposal to bifurcate this proceeding, it is impossible to understand how this Commission could determine “need” in the absence of a known specific route proposal. Accordingly, unless SDG&E amends this Application to address the “public convenience and necessity,” this Application should be rejected on this basis as well.

Furthermore, even if the Commission were to accept Applicant’s request to consider its showing of need before a specific route has even been identified, this “need” showing is overwhelmingly deficient. For instance, Volume 2 of the Application contains the Applicant’s showing of need based on the following three-part justification: (1) reliability, (2) cost reduction, and (3) access to renewable power. Regarding reliability, the Applicant fails to explain why this transmission project is the best alternative over all other transmission, generation, and demand-side alternatives available to satisfy the CAISO’s reliability standards. Regarding cost reduction, the Applicant fails to explain why a transmission project with a benefit-cost ratio as low as 1.0 (the

Applicant's estimate) should even be considered robust enough to warrant Commission approval. Regarding access to renewable power, the Applicant provides no policy justification for the Commission to approve a very expensive transmission line based on the possibility that the line will access recently executed or soon-to-be executed renewable power purchase contracts.

For these reasons, SDG&E's Application fails to comply with Section 1001 and, accordingly, should be dismissed.

III. PROCEDURAL MATTERS

DRA agrees with SDG&E that the proceeding be treated as ratesetting. DRA believes that hearings will be necessary. DRA has no specific proposal for the schedule for this proceeding as this time because the Application remains seriously deficient. Until such time that SDG&E addresses these statutory deficiencies, it is premature to adopt a procedural schedule for this proceeding.

WHEREFORE, DRA requests that the Commission consider the issues set forth above and reject this Application unless amended.

Respectfully submitted,

/s/ REGINA M. DEANGELIS

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January 18, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of **PROTEST OF THE DIVISION OF THE RATEPAYER ADVOCATES in A.05-12-014** and **R.04-04-003** by using the following service:

E-Mail Service: sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on January 18, 2006 at San Francisco, California.

/s/ ALBERT HILL
Albert Hill

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 and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.
