

10. On PG&E's website, there is a document that contains a proxy cost table and some details about the development of that table:

http://www.pge.com/docs/pdfs/biz/transmission_services/transmission_forum/Transmission%20Proxy%20Costs%20Report.pdf

Were these costs developed specifically for the Long-term RFO? (3-10-05)

Yes.

11. When was the table of proxy costs on the PG&E website finalized? (3-10-05)

September 2004.

12. When the proxy costs were developed, was each cluster considered "individually"? If yes, is it possible that there may be some interaction between clusters that should be analyzed as part of the bid evaluation process? (3-10-05)

Yes, the cluster was considered "individually" and it is possible that there are interactions between clusters. The proxy cost study did not evaluate the potential interactions.

13. The transmission proxy costs assumed that power was received at various 230 kV busses. Where was the power assumed to be delivered? Did it displace generation or was load added? In either case, how was this accomplished (e.g. scaling all loads or just some loads)? (3-10-05)

The power is assumed to be delivered to the 230 kV buses. To compensate for the added generation, existing generation that is in the PG&E service area but distant from the added generation would be reduced by the same quantity. For example, if the added generation is in San Francisco Bay Area, the hydro-generation in the northern part of PG&E service area would be reduced.

14. The proxy costs were developed using base case models for 2005, 2008 and 2010. What is the origin of these cases and when were these cases developed? (3-10-05)

The 2005, 2008 and 2010 base cases were the same cases that were used in the Transmission Ranking Cost study for the renewable solicitation. The detail description of the base cases could be found in that report. The web links to the report are listed below:

http://www.pge.com/docs/pdfs/suppliers_purchasing/wholesale_electric_supplier_solicitation/06_23_04%202004%20Transmission%20Ranking%20Cost%20Report%20PGE%20Final.pdf

http://www.pge.com/docs/pdfs/suppliers_purchasing/wholesale_electric_supplier_solicitation/PGE%20062504%20TRC%20Errata%20FINAL.pdf

These cases were derived from cases that were used in the PG&E's 2003 Annual Assessment Study or submitted to Western Electricity Coordinating Council. As described in the Transmission Ranking Cost Report, these cases were updated with the generation projects in the Interconnection Queue (and the associated transmission

upgrades) and the approved reliability and economic transmission upgrades as of May 2004.

15. Since the development of the proxy costs, are there any transmission plan changes or generation queue changes that might impact them? (3-10-05)

PG&E's transmission system changes constantly. It is possible that some of the changes may affect the transmission proxy cost. PG&E does not have plans to update the transmission proxy cost at this time (for the 2004/05 RFO.) Due to the nature and the intended uses, it may not be necessary to update the transmission proxy cost unless there are significant changes in the transmission system.

16. Is there a list of the transmission projects were included in these cases (or could it be easily provided)? Are they consistent with a specific PG&E Grid Expansion plan? How definite are the projects (approved, in the approval process, or still under study)? (3-10-05)

Please refer to the Transmission Ranking Cost Report listed in response to Question 5 for detail. New transmission projects that were approved by CAISO and PG&E managements (an approach consistent with the ISO prescribed process) as of May 2004 were included in the base cases. Transmission facilities, new or existing, that are modeled in the study can be found in the base cases which are available as described in the response to Q9.

17. With respect to the queued generation projects in these cases, what was the date of the ISO queue that was used to develop these cases? Can you provide a list of the generation projects included in the bases cases? How definite are the projects (approved, in the approval process, or still under study)? Is there any "generic" generation modeled, due to lack of planned generation, to allow the power flow to solve? (3-10-05)

New generation projects that were in the queue as of May 2004 were included in the base cases. Because of the potential for competition among new generation developers, the information regarding the new projects is considered confidential so we cannot provide you a list.

18. With regard to the base cases that were used to develop the proxy cost, are GE power flow files publicly available? (3-10-05)

The GE power flow files are available to those who have legitimate reasons and willing to sign the non disclosure agreement.

19. If possible, please provide per-unit costs that were used to develop the proxy costs. (3-10-05)

PG&E will provide the per-unit costs to those who have legitimate reasons and willing to sign the non-disclosure agreement.

20. How were the proxy costs calculated (e.g., using Excel, other software, or manually)? (3-10-05)

Please refer to the Transmission Ranking Cost Report listed in the response to Question 5 for detail.

- 21. For the projects on the CAISO Queue, is there a public record of which projects SIS/FS studies have been completed and results of those studies? (3-10-05)**

Please see response to Q8.

- 22. For the projects that are on the queue that was managed by PG&E prior to Amendment 39, what type of information is available about these projects? Were they modeled in the base cases used to develop the proxy costs? If we cannot know the names of these projects, is it possible to at least determine their size and location? (3-10-05)**

Please see response to Q8.

- 23. For the transmission proxy costs posted on PG&E's website, can you provide information that is similar to the table in the Transmission Ranking Cost Report (TRCR)? The TRCR table includes costs for voltage support devices, costs for other upgrades, the actual proxy facilities and the limiting elements. (3-10-05)**

Yes. PG&E will provide the information similar to the table in the Transmission Ranking Cost Report. Since the work paper for the information contains per-unit costs, a non-disclosure agreement would be necessary, see response to Q10.

- 24. Since several of the generators are not near the proxy buses provided, would it be possible to provide costs for Morro Bay, Embarcadero, Pittsburg and Humboldt and Midway? (3-10-05)**

It is not the intent to provide transmission proxy costs for all substations. The bidder is asked to select the substation from which the transmission proxy cost would be used for evaluation. Please note that a transmission proxy cost is used for preliminary evaluation of the Offer and only if there is no information available from a recent SIS/FS. Final Offer selection will be based on costs from SIS/FS. Please note that Morro Bay and Midway are south of Path15 and PG&E has stated that it will not accept delivery at those locations unless the developer has or can procure firm delivery rights to a NP15 bus. For Humboldt, please refer to the separate transmission proxy cost report for Humboldt area. (http://www.pge.com/docs/pdfs/biz/transmission_services/transmission_forum/Humboldt_Gen.pdf)

- 25. Do the proxy costs include costs for system upgrades on any congested inter-zonal paths (such as Path 15)? Would these costs be identified in a SIS/FS study as well? (3-10-05)**

Since PG&E requested delivery to north of Path 15, no upgrades were considered for inter-zonal congestion. Similarly, the SIS/FS study does not include mitigation for inter-zonal congestion.
