

120 FERC ¶ 61,182  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

Pacific Gas and Electric Company

Docket No. ER05-1190-000

City and County of San Francisco

Docket No. EL05-133-000

v.

Pacific Gas and Electric Company

ORDER GRANTING MOTION TO MODIFY  
EFFECTIVE DATE OF AGREEMENTS

(Issued August 23, 2007)

1. On July 18, 2007, Pacific Gas and Electric Company (PG&E) and the City and County of San Francisco (San Francisco) filed a joint, unopposed motion to modify the current effective date of a proposed interconnection agreement and a wholesale distribution tariff service agreement, and a notification of an extension of a settlement agreement. As discussed below, the Commission grants the motion to modify and to extend the effective dates to December 31, 2007.

**I. Interconnection Agreement and WDT Service Agreement**  
**(Docket No. ER05-1190-000)**

**A. Background**

2. On July 1, 2005, PG&E filed an unexecuted Amended and Restated Interconnection Agreement (Proposed IA) between PG&E and San Francisco and an unexecuted Wholesale Distribution Tariff (WDT Service Agreement) to become effective

on September 1, 2005.<sup>1</sup> San Francisco protested PG&E's filing, arguing, among other things, that PG&E had no right to terminate the Original IA. The Commission accepted PG&E's filing, suspended it for five months, to become effective February 1, 2006, subject to refund, and established expedited hearing procedures.

3. On October 11, 2005, PG&E and San Francisco submitted a joint emergency motion to stay the proceeding and modify the effective date of the Proposed IA and WDT Service Agreement from February 1, 2007 to September 1, 2007. The parties indicated in their motion that they had reached a settlement in principle and they requested that the Commission stay the proceeding and modify the effective date in order to allow them time to resolve outstanding issues and prepare a settlement agreement. The Commission granted the parties' motion for stay of the proceeding.<sup>2</sup>

### **B. Instant Motion**

4. The parties state that a further extension of the effective date will give them an opportunity to obtain necessary approvals and file amendments to the Proposed IA, which will resolve the issues set for hearing in Docket No. ER05-1190-000. PG&E and San Francisco state that they have been involved in settlement discussions since October 2005. They report that they have developed amendments that resolve all issues in this proceeding, and that they are now seeking approval of the amendments within their respective organizations. The parties state that the necessary approval process will likely not be completed by September 1, 2007, the current effective date of the Proposed IA and the WDT Service Agreement. They state that they expect to obtain the necessary approvals and should be able to file the amendments before October 7, 2007. Therefore, they jointly request that the Commission extend the effective date of the Proposed IA and WDT Service Agreement to December 31, 2007.

### **C. Commission Determination**

5. To allow the parties an opportunity to finalize and file amendments intended to resolve all issues in Docket No. ER05-1190-000 to the parties' mutual satisfaction, the

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<sup>1</sup> *Pacific Gas and Electric Co.*, 112 FERC ¶ 61,225 (2005). PG&E and San Francisco entered into the original Interconnection Agreement (Original IA) in 1987. The Original IA governs the interconnection of PG&E and San Francisco's electric systems and the coordination of their resources and load. Under the Original IA, PG&E also provides power and transmission services to San Francisco. *Id.* P 4.

<sup>2</sup> *Pacific Gas and Electric Co.*, 113 FERC ¶ 61,028 (2005).

Commission grants the motion to extend the effective date of the Proposed IA and WDT Service Agreement to December 31, 2007.

## **II. Settlement Agreement (Docket No. EL05-133-000)**

### **A. Background**

6. On June 29, 2005, San Francisco filed a complaint against PG&E, requesting that the Commission enjoin PG&E from invoking the arbitration provisions of the Original IA, and requested additional relief for alleged PG&E violations of the Original IA. On July 25, 2005, the parties, using the Commission's dispute resolution services (DRS), agreed to stay arbitration pending completion of the DRS and mediation with a private mediator. On October 7, 2005, the parties reached a settlement in principle. The settlement was executed on April 5, 2006, and approved by the Commission.<sup>3</sup> According to the parties, the settlement will terminate on August 31, 2007, unless extended by written agreement of the parties.

### **B. Instant Notification**

7. PG&E and San Francisco state that they are notifying the Commission of their extension of the settlement agreement in Docket No. EL05-133-000 (Billing Dispute Settlement). They intend to extend the Billing Dispute Settlement proceeding until the earlier of December 31, 2007, or the effective date of the amendments expected to be filed in Docket No. ER05-1190-000 (discussed above). The parties state that such an extension is expressly permitted by the Billing Dispute Settlement, and will serve to ensure a commonality of understanding between PG&E and San Francisco regarding the transactions at issue in the billing dispute while the amendments to be filed in Docket No. ER05-1190-000 are being considered by the Commission. They also state that they are notifying the Commission because the Billing Dispute Settlement affects the rates, terms, and conditions of the Interconnection Agreement.

### **C. Commission Determination**

8. To the extent it may be necessary that the Commission grant an extension of the Billing Dispute Settlement, we grant the motion for extension. Accordingly, the Billing

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<sup>3</sup> *City and County of San Francisco*, 115 FERC ¶ 61,106 (2006).

Dispute Settlement is extended until the earlier of December 31, 2007 or the effective date of the amendments expected to be filed in Docket No. ER05-1190-000.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.