

156 FERC ¶ 61,036  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

July 15, 2016

In Reply Refer To:  
Pacific Gas and Electric Company  
Docket Nos. ER16-994-000  
ER16-994-001

Pacific Gas and Electric Company  
Post Office Box 7442  
San Francisco, CA 94120

Attention: Joshua S. Levenberg, Esq.

Reference: Revisions to Service Agreement No. 59 under Pacific Gas and Electric  
Company's FERC Electric Tariff Volume No. 5

Dear Mr. Levenberg:

1. On February 24, 2016, pursuant to section 205 of the Federal Power Act (FPA)<sup>1</sup> and Part 35 of the Commission's rules and regulations,<sup>2</sup> Pacific Gas and Electric Company (PG&E) submitted revisions to Service Agreement No. 59, an interconnection agreement between Western Area Power Administration (Western) and PG&E (Western IA). Specifically, PG&E proposes to add a new table to Appendix A of the Western IA to incorporate certain wholesale transmission and distribution delivery points previously served under the now expired transmission service agreement between PG&E and Western.<sup>3</sup> Additionally, PG&E proposes to add a line diagram to Appendix A of the Western IA to illustrate the interconnection facilities and delineate the point where

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> 18 C.F.R. §§ 35.7, 35.13(a)(2)(iii) (2015).

<sup>3</sup> See *Pac. Gas and Elec. Co.*, Docket No. ER16-996-000 (Apr. 19, 2016) (delegated letter order).

change of ownership occurs for the seven transmission points of interconnection under the prior San Luis Contract.

2. PG&E states that the revisions are necessary to ensure uninterrupted service for the former San Luis Contract delivery points and the revisions will not result in revenue or rate changes. PG&E further requests a waiver of the Commission's 60-day prior notice requirement<sup>4</sup> to allow an effective date of April 1, 2016, which is the date that the San Luis Contract expires.

3. Notice of PG&E's filing in Docket No. ER16-994-000 was published in the *Federal Register*, 81 Fed. Reg. 11,780-01 (2016), with interventions and comments due on or before March 16, 2016. Timely motions to intervene and comments were filed by Western and the California Department of Water Resources State Water Project (CDWR). On March 30, 2016, Western filed a motion for leave to answer and answer in response to CDWR's comments. On April 15, 2016, CDWR filed a motion for leave to answer and answer in response to Western's answer.

4. Western states that it has no objection to the filing and supports an April 1, 2016 effective date.<sup>5</sup>

5. In its protest, CDWR objects to the proposed inclusion of two interconnection points that are currently listed in its interconnection agreement with PG&E (CDWR Load IA).<sup>6</sup> Specifically, CDWR asserts that the addition of lines numbered 15, the San Luis Pump/Generator Plant (San Luis), and 17, the Dos Amigos Pumping Plant (Dos Amigos) to Appendix A are duplicative of the CDWR Load IA and such duplication could lead to potential conflicts over responsibilities.<sup>7</sup> According to CDWR, it is responsible for the Dos Amigos and San Luis interconnection points because it is the operator of these facilities and it has an interconnection agreement with PG&E on file with the Commission that reflects those interconnection points.<sup>8</sup>

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<sup>4</sup> 18 C.F.R. §§ 35.3, 35.11 (2015).

<sup>5</sup> Western Comments at 3.

<sup>6</sup> CDWR Comments at 6 (citing PG&E Service Agreement No. 275, Appendix B).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* at 7-8.

6. Additionally, CDWR observes that Appendix A of the Western IA includes an existing interconnection point that is duplicative of an interconnection point in the CDWR Load IA. Specifically, CDWR asserts that the Delta Pumping Plant, listed at line 5, is actually the Banks PP (as listed in Appendix B of the CDWR Load IA), and, should also be removed from Appendix A of the Western IA for similar reasons.<sup>9</sup>

7. In its answer to CDWR's protest, Western agrees that the Delta Pumping Plant listed at line 5 in Appendix A is an error and should be removed.<sup>10</sup> However, Western states that the San Luis and Dos Amigos plants are correctly listed in the Western IA because it is the owner of both plants. Western stresses that as grandfathered agreements transition into the California Independent System Operator Corporation (CAISO) paradigm, it is important that all facilities owned by Western be reflected in new agreements, and, although CDWR currently operates the San Luis and Dos Amigos facilities under a separate contract, it asserts that "in the event the contract between the United States and CDWR terminates, the United States would operate or arrange for the operations of these facilities. As such, it is appropriate for the facilities to be included in Western's IA -- otherwise, . . . Western would not be eligible for any grandfathered treatment which may be afforded to existing interconnections."<sup>11</sup>

8. Western states that it agrees with CDWR that only one agreement should govern the current operations of the San Luis and Dos Amigos plants. For this reason, Western suggests a solution, whereby a footnote could be added to the revised Appendix A to clarify the parties' relationships and responsibilities.<sup>12</sup>

9. CDWR states in its answer that it has since conferred with Western and reached a resolution on the disputed matter.<sup>13</sup> CDWR explains that the parties agreed that the Delta Pumping Plant should be removed from the Western IA, and the San Luis and Dos Amigos plants should be governed by one interconnection agreement.<sup>14</sup> According to

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<sup>9</sup> *Id.* at 9.

<sup>10</sup> Western Answer at 4.

<sup>11</sup> *Id.* at 6.

<sup>12</sup> *Id.* at 6-7.

<sup>13</sup> CDWR Answer at 1. CDWR further indicates that PG&E authorized CDWR to state the solution was acceptable.

<sup>14</sup> *Id.* at 2.

CDWR, the parties agreed to add the following footnote to the listing of the San Luis and Dos Amigos plants in Appendix A of the Western IA:

This point of interconnection is currently governed by PG&E Service Agreement No. 275, the Interconnection Agreement between PG&E and CDWR (“CDWR Load IA”). Pursuant to the Agreement Between the United States of America and the Department of Water Resources of the State of California for the Construction and Operation of the Joint-Use Facilities of the San Luis Unit, dated Dec. 30, 1961 (the “1961 Joint-Use Agreement”), CDWR has operational control of this point of interconnection. In the event CDWR ceases to operate the interconnection and removes it from Service Agreement 275, the United States will assume the operation of such interconnection pursuant to this Service Agreement. Until such time, CDWR has assumed all operational responsibilities for the interconnection pursuant to Service Agreement No. 275.<sup>15</sup>

CDWR further committed to modify footnotes 2 and 4 in Appendix B of the CDWR Load IA during the next amendment of the CDWR Load IA.<sup>16</sup>

10. On April 21, 2016, Commission staff issued a deficiency letter seeking clarification from PG&E regarding the inclusion of the San Luis and Dos Amigos plants in both interconnection agreements and information listed in Appendix B of the CDWR Load IA, and asking whether the proposed footnote offered by CDWR in Appendix A of the Western IA, clarifying the relationships and responsibilities of the parties with regard to the San Luis and Dos Amigos plants, is appropriate or necessary.

11. On May 16, 2016, PG&E filed a response to the deficiency letter and amended its initial tariff filing. In its response, PG&E explains that: (1) including the San Luis and Dos Amigos plants in both the Western IA and the CDWR Load IA is appropriate because both Western and CDWR maintain interests in the points of interconnection; (2) the Delta Pumping Plant is duplicative of the Banks PP and should only appear in the CDWR Load IA, not the Western IA;<sup>17</sup> and (3) it supports including footnotes in Appendix A of the Western IA to clarify the responsibilities of Western and CDWR with

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<sup>15</sup> *Id.* at 3.

<sup>16</sup> *Id.* at 4.

<sup>17</sup> In its amended filing, PG&E removed the reference to the Delta Pumping Plant. PG&E Amended Filing at 2.

regard to the San Luis and Dos Amigos plants' points of interconnection.<sup>18</sup> PG&E states that it will revise Appendix A of the Western IA to add such a footnote to the San Luis and Dos Amigos listings, if so directed by the Commission.

12. Notice of PG&E's amended filing was published in the *Federal Register*, 81 Fed. Reg. 32,747-02 (2016), with interventions and comments due on or before June 6, 2016. Timely comments were filed by CDWR, in which CDWR supported PG&E's amended filing and response.

13. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

14. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept the answers filed by Western and CDWR because they have provided information that assisted us in our decision-making process.

15. We accept PG&E's revisions to the Western IA, subject to condition,<sup>19</sup> effective April 1, 2016, as requested.<sup>20</sup>

16. PG&E, Western, and CDWR agree that Line 5 in Appendix A of the Western IA listing the Delta Pumping Plant is unnecessarily duplicative of the Banks PP in Appendix B of the CDWR Load IA, and agree that it was included in the Western IA in error. In its amended filing, PG&E has removed the Delta Pumping Plant from Appendix A of the Western IA, and we accept this revision as the parties state that the Delta Pumping Plant is correctly governed by the terms of CDWR Load IA, not the Western IA.

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<sup>18</sup> *Id.* at 2-3.

<sup>19</sup> The Commission can revise a proposal filed under section 205 of the FPA as long as the filing utility accepts the change. *See City of Winnfield v. FERC*, 744 F.2d 871, 875-77 (D.C. Cir. 1984). The filing utility is free to indicate that it is unwilling to accede to the Commission's conditions by withdrawing its filing.

<sup>20</sup> *Central Hudson Gas and Electric Company*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992); *Prior Notice and Filing Requirements under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).

17. With respect to the San Luis and Dos Amigos plants, CDWR and Western have expressed concerns over the inclusion of these facilities in their respective interconnection agreements with PG&E. We agree that including the plants in both interconnection agreements without explanation may lead to confusion over each party's obligations and responsibilities with regard to these facilities. As such, we agree that an explanatory footnote should be included in the Western IA, as proposed in CDWR's answer.<sup>21</sup> We therefore direct PG&E to add this footnote to what are now lines 14 and 16, the San Luis Pump/Generator Plant and Dos Amigos Pumping Plant, respectively, in Appendix A of the Western IA, to be submitted in a compliance filing within 30 days of the date of this order.

By direction of the Commission.

Kimberly D. Bose,  
Secretary.

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<sup>21</sup> See CDWR Answer at 3; *supra* P 9.