

UNITED STATES OF AMERICA 96 FERC ¶ 61,072  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Curt Hébert, Jr., Chairman;  
William L. Massey, Linda Breathitt,  
Pat Wood, III and Nora Mead Brownell.

Pacific Gas & Electric Company

Docket No. ER00-565-002

ORDER ON REHEARING

(Issued July 13, 2001)

In this order, we deny rehearing of an order issued in this proceeding on May 18, 2001 (May 18 Order)<sup>1</sup> related to Pacific Gas & Electric Company's (PG&E) proposed Scheduling Coordinator Services Tariff (SCS Tariff), but clarify our use of the term "new service" as used in that order.

Background

In the May 18 Order, the Commission denied clarification and rehearing of an order issued January 11, 2001 (January 11 Order).<sup>2</sup> In the January 11 Order, the Commission accepted PG&E's proposed SCS Tariff for filing, suspended it, set it for hearing, and conditionally granted waiver of notice to make it conditionally effective March 31, 1998, subject to refund. The Commission exercised its discretion, given the nature of this proceeding and the Commission's desire to preserve the status quo pending Commission action on matters to be resolved in Docket No. ER97-2358-002, et al., to nominally suspend PG&E's proposed SCS Tariff. Also, the Commission deferred the hearing concerning this proposed SCS Tariff, because PG&E's request for recovery of scheduling coordinator costs through the SCS Tariff was not ripe for resolution. In the May 18 Order, the Commission, in rejecting the requests for clarification and rehearing,

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<sup>1</sup>Pacific Gas & Electric Co., 95 FERC ¶ 61,247 (2001).

<sup>2</sup>Pacific Gas & Electric Co., 90 FERC ¶ 61,010 (2000).

found no merit to the Northern California Power Agency's argument that the Commission's West Texas<sup>3</sup> policy requires a five-month suspension in this proceeding.

### Requests for Clarification

Several parties<sup>4</sup> seek rehearing of the following Commission statement in the May 18 Order:

PG&E's proposal does not constitute a rate increase, but instead seeks compensation for a new service. Thus, no portion of PG&E's proposal can be characterized as an "increase."

In particular, these parties assert that the Commission improperly concluded that the service at issue in this proceeding is a "new service" and that the Commission should revise the order to delete this conclusion. They add that the Commission, as it directed in its January 11 Order, should hold the entire proceeding in abeyance pending its decision in Docket No. ER97-2358-002.

### Discussion

The Commission made its statement concerning "new service" solely in response to an argument that the Commission had misapplied its West Texas policy concerning the appropriate length of the suspension period. The Commission did not, nor did it intend to, make a merits determination concerning whether the service at issue was a new service. Rather, the statement, admittedly inartful, was merely intended to explain that the West Texas policy did not apply here because there was no rate increase, as contemplated by West Texas, to be evaluated, i.e., there was no existing rate to compare to the proposed rate and therefore no "rate increase" to which West Texas could be applied. The Commission used the term "new service" as shorthand for this proposition, and this was, in hindsight, inappropriate. Thus, to this extent, we clarify our use of the term "new service." Moreover, we note that we never changed our holding in the January 11 Order and PG&E's proposal continues to be held in abeyance pending resolution of the issues before the Commission in Docket No. ER97-2358-002, et al. Thus, we deny the parties' requests for rehearing.

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<sup>3</sup>West Texas Utilities Company, 18 FERC ¶ 61,189 (1992).

<sup>4</sup>Transmission Agency of Northern California, the Modesto Irrigation District, the Cities of Redding and Santa Clara, and the M-S-R Public Power Agency.

The Commission orders:

The requests for rehearing are hereby denied, as discussed in the body of this order.

By the Commission.

( S E A L )

David P. Boergers,  
Secretary.