

103 FERC ¶ 61, 180
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
William L. Massey, and Nora Mead Brownell.

Pacific Gas and Electric Company

Docket Nos. ER00-565-000
ER00-565-003

ORDER LIFTING ABEYANCE AND ESTABLISHING
HEARING PROCEDURES

(Issued May 15, 2003)

1. In this order, we lift the abeyance provided on a matter set for hearing and establish hearing procedures concerning the proposed Scheduling Coordinator Services Tariff filed by Pacific Gas and Electric Company (PG&E) on November 12, 1999.¹ This order benefits customers by establishing a forum to address their concerns.

Background

2. On November 12, 1999, PG&E submitted for filing in Docket No. ER00-565-000 a Scheduling Coordinator Services Tariff in which it sought to recover costs associated with its Scheduling Coordinator customers. PG&E is the Scheduling Coordinator for eight customers² who receive transmission service pursuant to contracts that predate the formation of the California Independent System Operator (California ISO). As the Scheduling Coordinator for these customers, PG&E is billed by the California ISO for the costs that the California ISO incurs in providing transmission service. PG&E stated that the Scheduling Coordinator Services Tariff (1) represented a new service for these customers because, in its role as Scheduling Coordinator, PG&E performs a range of new functions that go beyond the service it is obligated to provide under the existing

¹See Pacific Gas & Electric Co., 90 FERC ¶ 61,010 (2000) (January 11 Order).

²The eight customers are as follows: San Francisco Bay Area Rapid Transit District (BART), the City and County of San Francisco (San Francisco), Dynegy Power Services, Inc. (Dynegy), Modesto Irrigation District (Modesto), Northern California Power Agency (NCPA), Sacramento Municipal Utility District (SMUD), Silicon Valley Power (SVP), and Turlock Irrigation District (Turlock) (collectively, the Scheduling Coordinator customers).

contracts;³ and (2) is designed to recover, dollar-for-dollar, costs that PG&E, as Scheduling Coordinator for these customers, is billed by the California ISO.

3. The Commission accepted PG&E's Scheduling Coordinator Services Tariff for filing, suspended it and set it for hearing, conditionally granting waiver of notice to make it conditionally effective March 31, 1998, subject to refund,⁴ but deferred the hearing pending resolution of the issues before the Commission in Docket Nos. ER97-2358-000, et al.⁵ In Docket Nos. ER97-2358-002, et al., PG&E sought recovery of Scheduling Coordinator costs through its Transmission Revenue Balancing Account Adjustment (TRBAA), which is assessed on customers that take service under PG&E's Transmission Owner Tariff (TO Tariff). The Commission upheld an Initial Decision issued in Docket Nos. ER97-2358-002, et al.,⁶ and denied PG&E's recovery of Scheduling Coordinator costs through the TRBAA.⁷ The Commission also held that the Scheduling Coordinator costs should be recovered from the Scheduling Coordinator customers and not from customers taking service under PG&E's TO Tariff. In the January 11 Order, the

³PG&E states that these new functions include preparing and submitting balanced schedules, procuring ancillary services and transmission losses under California ISO protocols, paying new charges required by the California ISO to schedule on the grid (e.g., neutrality and unaccounted for energy), and buying and selling energy in the California ISO imbalance energy market for over- and under-deliveries. PG&E also states that in addition to these new functions, there are new control area services and costs, such as replacement reserves, congestion, neutrality, imbalance energy, and unaccounted-for energy. Finally, PG&E further states, all of the control area services are procured in a fundamentally different fashion (i.e., from a market-based bidding process, rather than from PG&E's own resources at cost-based rates) than existed prior to the establishment of the California ISO.

⁴See January 11 Order.

⁵This action was intended to preserve the status quo pending Commission action on the Initial Decision.

⁶Pacific Gas & Electric Co., et al., 88 FERC ¶ 63,007 (September 1, 1999), aff'd, 100 FERC ¶ 61,156 (2002), aff'd, 101 FERC ¶ 61,151 (2002).

⁷If the Commission had overturned the Initial Decision in Docket Nos. ER97-2358-002, et al., concerning PG&E's recovery of these costs, the Scheduling Coordinator Services Tariff would have become unnecessary because PG&E would have been granted reimbursement of these costs.

Commission directed that within 45 days of the resolution of Docket No. ER97-2358-000, et al., the parties advise the Commission as to what action they would like the Commission to take regarding PG&E's proposed Scheduling Coordinator Services Tariff.

4. On December 16, 2002, PG&E and intervenors SMUD, Modesto, Turlock, BART, San Francisco, NCPA, the Transmission Agency of Northern California (TANC), the City of Santa Clara, California (Santa Clara), the City of Redding, California, and the M-S-R Public Power Agency submitted an advisory filing pursuant to the January 11 Order. The parties request that the Commission "reactivate" the Scheduling Coordinator Services Tariff proceeding and act promptly on the renewed, supplemented or modified motions and protests. On March 28, 2003, PG&E filed a supplement (Docket No. ER00-565-003) to its November 12, 1999 Scheduling Coordinator Services Tariff to reflect changes that have occurred during the three years this proceeding has been held in abeyance and to update Scheduling Coordinator cost and credit information through August 31, 2002.

Notice, Protests and Interventions

5. Notice of PG&E's supplemental filing was published in the Federal Register, 68 Fed. Reg. 17,036 (2003), with comments, interventions, and protests due on or before April 18, 2003. Modesto, San Francisco, NCPA, Turlock, TANC, SMUD, Santa Clara, and SVP filed renewed motions to reject or protest PG&E's supplemental filing.

Discussion

6. As an initial matter, we note that the Commission accepted and suspended the Scheduling Coordinator Services Tariff in the January 11 Order, which effectively denied requests from several parties that we reject the Scheduling Coordinator Services Tariff. In light of the Commission's finding in Docket No. ER97-2358-002, et al., in which we denied PG&E's recovery of Scheduling Coordinator costs through the TRBAA and because the parties filed a "joint advisory" motion in which they request that the Commission "reactivate" this proceeding, we will no longer hold in abeyance the hearing established in the January 11 Order and will establish hearing procedures. PG&E's supplemental filing and the parties' related pleadings should be addressed at the hearing ordered herein.

Docket Nos. ER00-565-000 and ER00-565-003

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The Commission orders:

(A) We hereby direct that the hearing established in the January 11 Order is no longer held in abeyance, as discussed in the body of this order.

(B) A presiding administrative law judge, to be designated by the Chief Administrative Law Judge, shall convene a conference in this proceeding, to be held within approximately fifteen (15) days of the date on which the Chief Judge designates the presiding judge, in a hearing room of the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426. Such conference shall be held for the purpose of establishing a procedural schedule. The presiding administrative law judge is authorized to establish procedural dates, including a date for submission of PG&E's case-in-chief, and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

(S E A L)

Magalie R. Salas,
Secretary.