

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

102 FERC ¶ 62,007

Pacific Gas and Electric Company  
California Independent System Operator Corporation

Docket No. EC03-21-000

ORDER AUTHORIZING DISPOSITION  
OF JURISDICTIONAL FACILITIES

(Issued January 3, 2003)

On November 25, 2002, Pacific Gas and Electric Company (PG&E) and California Independent System Operator Corporation (ISO) (jointly, Applicants) filed an application pursuant to section 203 of the Federal Power Act (FPA)<sup>1</sup> requesting Commission authorization for the sale of certain jurisdictional transmission facilities to Turlock Irrigation District (TID). This proposed transaction is part of a larger sale by PG&E to TID of certain distribution, substation and transmission facilities.

PG&E is a public utility engaged in the business of providing electricity and natural gas distribution and transmission services throughout northern and central California. PG&E is a subsidiary of PG&E Corporation, a holding company engaged primarily in the business of electric generation, gas transmission, and marketing of energy services and products through various subsidiaries throughout North America. TID is an irrigation district organized under California law that owns and operates an electric distribution system.

Pursuant to an Asset Sale Agreement and an Installment Sale Agreement, PG&E will sell to TID certain jurisdictional transmission facilities including (1) a 60 kV radial tap which extends from the ISO Controlled Grid to an end-use customer, Patterson Frozen Foods; and (2) a 60 kV line adjacent to the Patterson Substation which is currently part of the ISO Controlled Grid (collectively, Jurisdictional Facilities). Currently, PG&E uses the Jurisdictional Facilities to transmit power to Patterson Frozen Foods. Post-transaction, TID will continue to use the facilities in the same manner to serve Patterson Frozen Foods. Also, the Jurisdictional Facilities will be reconfigured as a radial line and will no longer be part of the ISO Controlled Grid.

Applicants state that the proposed transaction is consistent with the public interest and will not adversely effect competition, rates or regulation. Applicants state that since

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<sup>1</sup>16 U.S.C. § 824b (2000).

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no generation facilities are included in the proposed transaction, there is no impact on the generation markets in California. Applicants note the ISO has determined that it is not necessary for it to exercise control over the Jurisdictional Facilities and has thus consented to the sale of the Jurisdictional Facilities to TID. Applicants conclude that the proposed transaction will not effect open access transmission tariff service on the ISO Controlled Grid, and thus competition will not be adversely effected. With regard to rates, Applicants state that the Jurisdictional Facilities are too small to adversely impact wholesale transmission rates charged by the ISO. With regard to regulation, Applicants state that the proposed transaction does not result in the formation of a registered holding company and the California Public Utilities Commission has review authority. Therefore, Applicants conclude that neither competition, rates, nor regulation will be adversely effected by the proposed transaction.

This filing was noticed on December 3, 2002, with comments, protests or interventions due on or before December 16, 2002. TID filed a timely motion to intervene supporting the proposal. No others were received. Notices of interventions and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214). Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214.

After consideration, it is concluded that the proposed transaction is consistent with the public interest and is hereby authorized, subject to the following conditions:

- (1) The proposed transaction is authorized upon the terms and conditions and for the purposes set forth in the application;
- (2) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of cost or any other matter whatsoever now pending or which may come before the Commission;
- (3) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted;
- (4) The Commission retains authority under sections 203(b) and 309 of the FPA, to issue supplemental orders as appropriate; and

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- (5) Applicants shall notify the Commission within 10 days of the date that the disposition of the jurisdictional facilities has been consummated.

This action is taken pursuant to the authority delegated to the Director, Tariffs and Market Development - West under 18 C.F.R. § 375.307. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Michael A. Coleman  
Director  
Tariffs and Market Development - West