

Western Area Power Administration Application For Participating Transmission Owner Status

1. Description of Western's Transmission Lines and Facilities Being Turned Over to the ISO

As described in more detail below, Western Area Power Administration, Sierra Nevada Region, (Western) owns the 500 kilovolt (kV) Los Banos to Gates, transmission line associated with the Path 15 Upgrade Project. The Path 15 Upgrade Project (Project) is a federal project authorized by the Pub. Law Nos. 98-360 (1984) and 99-88, 99 (1985). As part of the legislation, Congress ordered Western to seek non-federal entities that would be willing to participate in the Project. Through an open and public process, Trans-Elect, NTD Path 15, LLC and Pacific Gas and Electric Company were selected to participate in the Project.

The Project consists of an 84-mile long 500-kV transmission line between the existing PG&E substation at Los Banos and the existing PG&E substation at Gates, both of which are located in the Central Valley of California. Western will own the transmission line. Additional facilities will be constructed at both the Los Banos and Gates substations to accommodate the new transmission line. In addition, parts of the existing Gates-Arco-Midway 230-kV transmission line will be upgraded and the existing Los-Banos-Midway 500-kV transmission line will be realigned at its entry into the Gates Substation. The current estimated rating of the South to North transmission capacity of the upgrade is 1500 megawatts.

The Letter Agreement (filed with the Federal Energy Regulatory Commission (Commission) in Docket ER01-1672-000) allocates the transmission system rights among the three participants. The initial allocations are: Trans-Elect – 72%, PG&E – 28% and Western – 10%. The final allocations will be determined pursuant to the Path 15 Upgrade Project Participant's Letter Agreement.

While Western owns additional transmission lines, pursuant to the Commission's May 30, 2003, order (103 FERC ¶ 61,260) on Amendment 49, Western is proposing to turn over only its Path 15 Upgrade Project rights to the ISO. Because Western will be requesting a waiver of \$3.1 of the ISO Tariff, Western will execute the Transmission Control Agreement conditioned on the Commission approval of the waiver. The expected commercial operation date for the line is December, 2004. Subject to Commission acceptance, Western would turn over operational control to the California ISO at the time of commercial operation. A map of the route of the proposed new 500-kV transmission line between the Los Banos and Gates Substations is attached hereto as Appendix A.

2. Description Western Transmission Entitlements

As described above, while Western owns the transmission line, PG&E owns the substation and associated facilities. The rights of the parties are fully described in the Letter Agreement and Coodinated Operating and Interconnection Agreement (COIA), attached hereto, as Appendix B.

3. Encumbrances

Other than those described in the Letter Agreement and COIA, there are no encumbrances on Western's Path 15 Upgrade Project interest.

4. Transmission Lines and Facilities to be placed under ISO's Operational Control

As noted above, Western will place all of the capacity related to its Path 15 Upgrade Project rights under the ISO's operational control.

5. Reliability Criteria

Western is not aware of any local reliability requirement relating to the Path 15 Upgrade Project other than PG&E's installation of Remedial Action Scheme protection to support the rating of Path 15. The interconnection of the Project and the existing transmission system is more fully described in the COIA. It is Western's understanding that the line will meet Western Electricity Coordinating Council (WECC) and the North American Electricity Reliability Council reliability requirements.

6. Maintenance

As more fully described in the COIA, PG&E and Western will share the maintenance responsibility for the Path 15 upgrade project. PG&E is responsible for maintaining the substation facilities associated with the project. Western will be responsible for maintenance on the newly constructed transmission line between these substations. As a member of the WECC, Western, like PG&E, is required to develop and document a transmission maintenance, testing, and inspection plan that meets the requirements of the WECC's Transmission Maintenance Standard. This Standard requires Western to certify in writing annually that it has developed an adequate plan, performed all the required maintenance, testing, and inspection activities, and maintained appropriate maintenance records. In addition, Western presently has a representative on the ISO Maintenance Coordination Committee and has assisted in the development of the ISO's own maintenance standards. Western has attached a copy of Western's current maintenance standards as Appendix C. Western has the capability and intention to comply with all applicable maintenance standards and procedures for the Path 15 upgrade project.

7. Temporary waivers

Not applicable.

8. Proposed Transmission Owner (TO) Tariff

As a federal power marketing administration, pursuant to Section 7.1.1 of the ISO Tariff, Western will develop its rates through a public process. Further because Western's Transmission Owner (TO) Tariff will have general applicability to a class of entities, Western will develop its TO Tariff through a public process. Western will propose to base its TO Tariff on the ISO's pro forma tariff; however, Western cannot make a final decision on the form or content of the final tariff until after Western completes the public process. Western's proposed TO Tariff is attached as Appendix D. Although Western is attaching the TO Tariff as part of this application, Western is currently evaluating whether to turn over operational control of the Path 15 Project as a merchant transmission line. Western understands that an owner of a merchant transmission line does not need to file a TO Tariff. We will provide notice to the ISO if it is determined that Western will turn over the operational control of the Path 15 Project as a merchant transmission line.

9. Transmission Revenue Requirement Data Request Form

Western currently is not seeking a Transmission Revenue Requirement for the Path 15 Upgrade Project.

10. Address and Contact Names

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11. Settlement Account

To be provided at a later date

12. Mwh Demand Per Month

Not Applicable. Western does not have any loads being served from the Path 15 Upgrade Project.

13. Instructions for Encumbrances and Entitlements

While the Path 15 Upgrade does not have any encumbrances, it is being operated under the COIA.

This application is respectfully submitted on this 17th day of December, 2003.

Signed,



James D. Keselburg
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Attachments
Appendix A
Appendix B
Appendix C
Appendix D