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June 8, 2010

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, DC 20426

**Re: Notice of Termination of Service Agreement No. 645 to the California
ISO Tariff
Docket No. ER10-____-000**

Dear Secretary Bose:

In accordance with Section 205(d) of the Federal Power Act, 16 U.S.C. § 824d(d), and Sections 35.9 and 35.15 of the Commission's Rules and Regulations, 18 CFR §§ 35.9 and 35.15, the California Independent System Operator Corporation ("ISO") submits for filing and acceptance a Notice of Termination relating to a Large Generator Interconnection Agreement ("LGIA") among the ISO, Pacific Gas and Electric Company ("PG&E") and the City and County of San Francisco ("CCSF"). The CCSF LGIA is designated as Service Agreement No. 645 under the ISO's FERC electric tariff. PG&E has indicated to the ISO that it supports this filing.

I. BACKGROUND

The CCSF LGIA was submitted to the Commission for acceptance in a joint filing made by PG&E and the ISO dated February 28, 2006 in Docket No. ER06-681-000. The Commission accepted the LGIA in a letter order dated April 25, 2006. The LGIA, which contains several minor non-conforming provisions requested by CCSF to accommodate CCSF's unique municipal funding and contract approval procedures, was negotiated for the purpose of interconnecting a new gas turbine generating facility to PG&E's Potrero Switchyard.

Section 2.3.1 of the LGIA provides that the LGIA may be terminated by the Interconnection Customer upon giving the ISO and the Participating Transmission Owner 90 days advance written notice. Pursuant to this section, on October 2, 2009, CCSF, through its public utilities commission (the San

Francisco Public Utilities Commission or "SFPUC"), sent a letter to the ISO and PG&E requesting termination of the LGIA.¹

II. COMMUNICATIONS AND SERVICE

Communications regarding this filing should be addressed to the following persons, whose names should be entered on the official service list maintained by the Secretary for the docket established with respect to this filing:

Nancy Saracino
General Counsel
Baldassaro "Bill" Di Capo
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Operator Corporation
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* Individuals designated for service pursuant to Rule 203(b)(3), 18 C.F.R. § 203(b)(3).

III. NOTICE OF TERMINATION

Pursuant to the SFPUC's letter of October 2, 2009, and Section 2.4.1 of the LGIA, enclosed as Attachments B to this filing is a Notice of Termination concerning Service Agreement No. 645, prepared in conformance with Section 131.53 of the Commission's Regulations.

¹ A copy of this letter is included as Attachment A to this filing. In that letter, CCSF also requested that PG&E provide it with a calculation of the amounts due to be refunded to CCSF pursuant to Section 2.4.1 of the LGIA, which states that in the event of termination, the Participating TO will refund to the Interconnection Customer any amounts paid to the Participating TO by the Interconnection Customer relating to facilities not yet constructed or installed, less any costs incurred by the Participating TO to cancel pending orders of return materials, equipment, or contracts. PG&E provided CCSF with a refund and interest calculation on February 11, 2010.

IV. ENCLOSURES

Attached for filing are six copies of the following documents:

1. This letter of transmittal;
2. Written notice of termination of the CCSF LGIA, dated October 2, 2009 (Attachment A); and
3. Notice of Termination of Service Agreement No. 645 to ISO's FERC Electric Tariff, First Replacement Volume No. 1 (Attachment B)
4. A rate schedule sheet implementing the cancellation of Service Agreement No. 645 to the ISO's FERC Electric Tariff, designated pursuant to Order No. 614, Designation of Electric Rate Schedule Sheets, FERC Stats. and Regs. ¶ 31,096 (2000) (Attachment C)

Also enclosed are two additional copies of this filing to be date-stamped and returned to our messenger. This filing has been served upon CCSF, SFPUC, PG&E, the California Public Utilities Commission, and all entities that are on the official service list for Docket No. ER06-681. In addition, the filing has been posted on the ISO's website. Please contact the undersigned with any communications or questions concerning this filing.

Respectfully submitted,



Nancy Saracino
General Counsel
Baldassaro "Bill" Di Capo
Counsel
California Independent System
Operator Corporation
151 Blue Ravine Road
Folsom, CA 95630

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Counsel for the California Independent System Operator Corporation

Attachment A



SAN FRANCISCO PUBLIC UTILITIES COMMISSION

1155 Market St., 11th Floor, San Francisco, CA 94103 • Tel. (415) 554-3155 • Fax (415) 554-3161 • TTY (415) 554.3488



October 2, 2009

Ms. Linda Wright
California ISO
151 Blue Ravine Rd.
Folsom, CA 95630

Mr. Robert Doran, Manager
Pacific Gas and Electric Company
FERC Rates and Regulation
Mail Code B13J, P.O. Box 770000
San Francisco, CA 94177

Subject: Notice of termination LGIA: San Francisco Electric Reliability Project (SFERP)

Dear Ms. Wright and Mr. Doran:

The City and County of San Francisco acting through its Public Utilities Commission (SFPUC) hereby provides to the California Independent System Operator (CAISO) and to Pacific Gas and Electric Company (PG&E) notice of termination of the Standard Large Generator Interconnection Agreement for the San Francisco Electric Reliability Power Project, approved by the Federal Energy Regulatory Commission (FERC) in docket number ER06-681-000 (the "LGIA" or "Agreement"). This letter constitutes the SFPUC's written notice of termination of the Agreement pursuant to Section 2.3.1. In accordance with Section 2.4.1, all Parties to the Agreement are hereby required to use commercially reasonable efforts to mitigate the costs, damages and charges arising as a consequence of termination. The SFPUC requests the CAISO and PG&E to promptly file a notice of termination of the Agreement with FERC.

The SFPUC expects that pursuant to Section 2.4.1 of the LGIA, PG&E will be required to refund to the SFPUC amounts advanced by the SFPUC to PG&E for the design and construction of special facilities, as these amounts should significantly exceed PG&E's expenditures on the project to date. The SFPUC requests PG&E to provide the SFPUC with this refund and its calculation of the amounts due to the SFPUC as a result of this termination as soon as possible. The SFPUC welcomes a meeting or call within the next week to discuss next steps and the schedule associated with the termination, accounting and refund. Please call John Doyle at 415-554-1541 to schedule such discussion.

Very truly yours,


Edward Harrington
General Manager

cc: John Meade, PG&E Project Manager
John Vardanian, Manager PG&E Generation Interconnection Services
Barbara Hale, SFPUC
John Doyle, SFPUC
Russell Stepp, SFPUC
Jeanne M. Solé, City Attorney

Attachment B


UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

California Independent System Operator)
Corporation) Docket No. ER06-681-000

NOTICE OF CANCELLATION

Notice is hereby given that effective August 9, 2010, Service Agreement No. 645, effective March 1, 2006, and filed with the Federal Energy Regulatory Commission by the California Independent System Operator Corporation in Docket No. ER06-681-000, is to be terminated. Notice of the proposed termination has been served upon the City and County of San Francisco, the San Francisco Public Utilities Commission, the California Public Utilities Commission, and all entities that are on the official service list for Docket No. ER06-681.

CALIFORNIA INDEPENDENT SYSTEM
OPERATOR CORPORATION

By: 
Keith E. Casey, Ph.D., Vice President,
Market & Infrastructure Development

Dated: May 24, 2010

Attachment C

NOTICE OF TERMINATION

OF

**LARGE GENERATOR INTERCONNECTION AGREEMENT AMONG
THE ISO, PACIFIC GAS AND ELECTRIC COMPANY AND
THE CITY AND COUNTY OF SAN FRANCISCO**

(Original Service Agreement No. 645, effective March 1, 2006, and accepted on
April 25, 2006, in FERC Docket No. ER06-681)

Issued by: Nancy Saracino,
Vice President, General Counsel and Corporate Secretary

Issued on: June 8, 2010

Effective: August 9, 2010