

November 30, 2016

**COMMENTS ON BEHALF OF THE CITIES OF ANAHEIM, AZUSA, BANNING,
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE
2016/2017 TRANSMISSION PLANNING PROCESS STAKEHOLDER MEETING**

In response to the CAISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") submit their comments on the CAISO's November 16, 2016 Transmission Planning Process Stakeholder Meeting for the 2016/2017 planning cycle.

The Six Cities support the CAISO's reassessment of previously-approved transmission projects. While the CAISO has focused its current re-study efforts on projects involving the Pacific Gas and Electric Company ("PG&E") low voltage network (and, as discussed below, the Gates-Gregg 230 kV Line Project), as a general matter, the Six Cities concur in the CAISO's efforts to re-visit the need for previously-approved (and uncompleted) projects in light of changed circumstances.

With respect to the Gates-Gregg 230 kV Line Project, the Six Cities support deferring cancellation of the Project for 1-2 transmission planning cycles. As the CAISO is likely aware, the Approved Project Sponsors for the Gates-Gregg Project have received authorization from FERC to recover prudently-incurred abandoned plant costs in the event the Project is cancelled for reasons outside of the Project Sponsors' control. *See, e.g., Citizens Energy Corp.*, 157 FERC ¶ 61,150 (2016); *Pac. Gas and Elec. Co.*, 148 FERC ¶ 61,195 (2014); *MidAmerican Cent. Cal. Transco, LLC*, 147 FERC ¶ 61,179 (2014). Rather than immediately cancelling the Project, it would be reasonable to defer cancellation for a limited period of time, in anticipation that circumstances might change and the Gates-Gregg Project becomes needed once again for reliability reasons or qualifies as an economic project. Resuming work on the Gates-Gregg Project could be more cost-effective for ratepayers than commencing an entirely new project, as would be needed if the Gates-Gregg Project were cancelled at this time and the CAISO determined within the next 1-2 planning cycles that the same or a similar project is needed or provides economic benefits. Because the CAISO has determined in this planning cycle that the Gates-Gregg Project is no longer needed, the Approved Project Sponsors should take steps to cease work on the Gates-Gregg Project and avoid incurring any further costs to develop the Project

until such time as the Project is officially cancelled or the Approved Project Sponsors are directed by the CAISO to resume development activities.

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