Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation Into Implementation of Assembly Bill 970 Regarding the Identification of Electric Transmission and Distribution Constraints, Actions to Resolve Those Constraints, and Related Matters Affecting the Reliability of Electric Supply.	Investigation 00-11-001 (Filed November 2, 2000)
Conditional Application of PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) for a Certificate of Public Convenience and Necessity Authorizing the Construction of the Los Banos-Gates 500 kV Transmission Project.	Application 01-04-012 (Filed April 13, 2001)

(See Attachment 1 for List of Appearances.)

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OPINION

1. Introduction and Summary[1]

Path 15 is the major transmission interface between northern and southern California. During the latter part of 2000 and early 2001, congestion occurred on Path 15 on a regular basis. Although it was the middle of winter when demand was low, generation resources proved to be scarce. The California Independent System Operator (ISO) was forced to regularly call a stage three emergency, which is defined as the point where operating reserves are so low that rolling blackouts are imminent. California experienced two days of rotating outages of firm customer load and numerous days of threatened outages. On February 13, 2001, the Commission's Energy Division issued a report on transmission constraints in California and their impacts on system reliability and electric prices.[2] In that report, the Energy Division identified constraints on Path 15 between southern and northern California as a major factor affecting system reliability and resulting in unnecessarily high electric prices. In response to this report, on March 29, President Lynch issued an Assigned Commissioner's Ruling in the Transmission Investigation (I.) 00-11-01 that ordered Pacific Gas and Electric Company (PG&E) to file an application for a Certificate of Public Convenience and Necessity (CPCN). PG&E filed a conditional application on April 13, 2001.

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[1] Attachment 2 explains each acronym or other abbreviation that appears in this decision.

[2] "Relieving Transmission Constraints" prepared by Energy Division, February 13, 2001, which is appended to D.01-03-077.

On November 6, 2001, PG&E filed a motion to withdraw Application (A.) 01-04-012 because the United States Secretary of Energy announced a Memorandum of Understanding among various public and private entities regarding an upgrade to Path 15 led by the Western Area Power Administration (WAPA). On November 30, 2001, the assigned Commissioner denied PG&E's motion.

By today's decision, we grant PG&E's motion to withdraw its Application for a CPCN for Path 15. Before we grant that motion, we certify the Final Supplemental Environmental Impact Report (FSEIR) as the Environmental Impact Report (EIR) for the project which is the subject of this application and is certified for use by other agencies in considering subsequent approvals of the project, or for portions thereof. Finally, by this decision, the issue of whether or not to construct Path 15 is excluded from any further action by the Commission in I.00-11-001.

2. Procedural Background

2.1 General

By ruling dated March 29, 2001, the Assigned Commissioner directed PG&E to file a Certificate of Public Convenience and Necessity (CPCN) to upgrade the portion of Path 15 between Los Banos and Gates substations. On April 13, 2001, PG&E submitted a conditional CPCN Application (A.) 01-04-012, as directed. A prehearing conference (PHC) was held on May 10, 2001 and another on June 27, 2001 to address scheduling issues for A.01-04-012. Public participation hearings were held on September 19, 2001 in Los Banos and Coalinga.

PG&E and the ISO served opening testimony on September 25, 2001. PG&E's testimony focused on more fully describing the project and the expected

costs to build the project. The ISO testimony addressed the economic need for the project. The Office of Ratepayer Advocates (ORA) submitted testimony criticizing the ISO's economic analysis on November 8, 2001. ISO responded with rebuttal testimony on November 15, 2001. Evidentiary hearings were scheduled to begin on November 26, 2001.

Before the testimony could be subject to evidentiary hearings, PG&E filed a motion to withdraw A.01-04-012.[3] In its motion, PG&E stated that it would not build a stand alone Path 15 project in light of a recent agreement among various public and private entities to participate in a Path 15 expansion project, i.e., the October 16, 2001 Memorandum of Understanding (MOU) executed by WAPA, PG&E, PG&E National Energy Group, Kinder Morgan, Transmission Agency of Northern California (TANC), Trans-Elect, and Williams Energy Marketing and Trading Company. The document provides a general discussion of the planned Path 15 expansion project, and leaves to future agreements the definition of parties' shares of the project costs and benefits, as well as specific roles and responsibilities. The MOU states that such agreements are to be executed no later than 90 days after the MOU was executed (i.e., by January 14, 2002.)

ORA and ISO filed responses to PG&E's motion on November 13, 2001. By ruling dated November 30, 2001, the Assigned Commissioner denied PG&E's motion and consolidated A.01-04-012 with the Commission's generic investigation of transmission constraints, stating:

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[3] On November 6, 2001, PG&E filed a "Notice of Withdrawal" of A.01-04-012. The Commission Docket Office accepted the filing as a "Motion to Withdraw".

> "I.00-11-001 provides a logical forum to further explore the issue of project economics and to examine the allocation of benefits among project participants under the MOU development approach or a PG&E stand-alone project…. PG&E is currently a respondent to I.00-11-001 and matters surrounding the economics of transmission projects throughout the state are the subject of the investigation. Parties to A.01-04-012 should be prepared to discuss a schedule for supplemental testimony regarding the allocation of costs and benefits of the federal project at the December 19, 2001 prehearing conference already scheduled in I.00-11-001…. [T]he assigned Administrative Law Judge in I.00-11-001 will establish the scope and schedule for further consideration of the Path 15 expansion application, previously served testimony and supplemental testimony."[4]

A further PHC was held on December 19, 2001, followed by the assigned ALJ ruling regarding the schedule and scope of evidentiary hearings.[5] The ISO filed Errata to the September 25 testimony on January 25, 2002, and ORA filed additional rebuttal testimony on February 8, 2002. Three days of evidentiary hearings were held on February 25, 26 and 27. During these hearings, the ALJ requested additional information from the ISO regarding the assumptions and methodology used to perform the economic analysis. This information was examined during a fourth day of evidentiary hearings on March 27, 2002.

Opening briefs were filed on April 10, 2002 by PG&E, ORA and ISO. ORA and the ISO filed reply briefs on April 22, 2002.

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[4] Assigned Commissioner's Ruling in I.00-11-001/A.01-04-012, November 30, 2001, p. 5.

[5] Assigned Administrative Law Judge's Ruling Regarding Hearings on the Path 15 Expansion Project, December 28, 2001.

On April 30, 2002, WAPA filed a letter agreement at the Federal Energy Regulatory Commission (FERC) describing who will own the land, the lines and the transmission rights on the Path 15 upgrade and seeking pre-approval of a proposed ratemaking treatment for the project participants. Those project participants are identified as WAPA, PG&E and Trans-Elect. The letter agreement states that subsequent implementation agreements will provide more detail on the ownership percentages, project scope, and the nature of the ownership rights and responsibilities, including payments for project costs.[6]

On June 17, 2002, PG&E filed opening testimony on the expected net present value (NPV) of a PG&E financed project compared to the NPV of the project financed under the terms of the letter agreement. ORA filed its opening testimony on July 3, 2002, and PG&E filed rebuttal on July 15, 2002. One day of evidentiary hearing were held in San Francisco on July 25, 2002. Subsequent to hearings, the assigned Administrative Law Judge (ALJ) directed PG&E, ORA and Energy Division to clarify the treatment of entitlements under the letter agreement and the ISO tariff. They filed a joint statement on this issue on September 6, 2002. Also on that day, PG&E and ORA filed opening briefs on the July 25, 2002 hearings. PG&E and ORA filed reply briefs on September 18, 2002. On April 18, 2003, PG&E filed a request for an expedited decision by the full Commission that would reverse Assigned Commissioner Lynch's ruling that denied PG&E's withdrawal of A.01-04-012.

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[6] Path 15 Upgrade Project Participant's Letter Agreement, executed April 25, 2001, filed with FERC on April 30, 2002; Section 9.

2.2 Environmental

In conjunction with its application, PG&E filed a Proponent's Environmental Assessment (PEA).[7] The Commission, as state lead agency, retained outside consultants to prepare a supplemental EIR for the proposed project pursuant to the California Environmental Quality Act (CEQA),[8] and to examine alternatives, including the "No-Project" alternative. The WAPA undertook an environmental review process for the Path 15 Expansion under the National Environmental Policy Act, resulting in an August 2001 Supplement Analysis that determined no supplemental EIS was required. A Record of Decision was issued by WAPA on December 20, 2001.

As described below, the Commission staff held public scoping meetings in July 2001. The Commission issued its Draft Supplemental EIR (DSEIR) in October 2001. The Administrative Law Judge (ALJ) presided over public participation hearings in September 2001. In February 2002, the Commission issued its FSEIR.[9] The FSEIR considered each timely comment letter in reaching its conclusions. The FSEIR identifies the environmentally superior "build" alignments and an overall environmentally superior project taking the "No-Project" analysis into consideration. This decision deals only with whether

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[7] PG&E's PEA consisted of the documents comprising the EIR and Environmental Impact Statement (EIS) adopted by the Transmission Agency of Northern California in 1988, when Path 15 was first considered.

[8] The CEQA statute appears at Cal. Pub. Res. Code § 21000 *et seq.*

[9] We do not reproduce the FSEIR in its entirety in this decision. However, the FSEIR was identified as Exhibits A and B and is part of the record of this proceeding. The FSEIR is also available on the Commission's website at http://www.cpuc.ca.gov.

the Commission should certify the FSEIR and does not determine whether PG&E should be granted a CPCN or if so, what alignment for the project should be adopted. Certification of the FSEIR does not prejudge final selection of a route for the project; nor does it impose mitigation measures on Path 15 project participants.

2.2.1 Notice and Public Participation

The process of preparing the FSEIR included the steps described below, which offered numerous opportunities for public involvement and were designed to maximize agency and public input for the Path 15 Expansion environmental review process. The scoping process for the Path 15 Expansion EIR consisted of four elements:

1. Publication of a Notice of Preparation (NOP) of an EIR and Notice of Public Scoping Meetings soliciting comments from affected public agencies, as required by CEQA, as well as from the public;
2. Public scoping meetings;
3. Review of scoping comments; and
4. Establishment of an Internet web site, electronic mail address, a telephone hotline, and local EIR Information Repositories.

The Commission issued the NOP on July 10, 2001 and distributed it to the State Clearinghouse and city, county, state and federal agencies, affected state and federal legislators, and local elected officials. Interested parties received 30 days to submit comments regarding the content of the EIR. Approximately 200 copies were distributed.

Scoping meetings are held prior to selection of alternatives to be studied in order to receive input from the public regarding the proper scope and content of the EIR. The scoping process is also used to identify alternatives and mitigation measures that should be considered in the analysis. Two public

scoping meetings were conducted as part of the EIR scoping process. The dates, times and locations of the two scoping meetings were included in the NOP mailed to affected agencies and parties to this proceeding, about two weeks in advance of the meetings. This information was also posted on the Commission's project website and on the project hotline. On July 18, 2001, advertisements were published in the Hanford Sentinel, Fresno Bee, and Merced Sun Star, three newspapers in the project area. Both scoping meetings were held July 24, 2001.

A Notice of Release of the DSEIR was mailed in October 2001 to property owners on or adjacent to the proposed project and alternatives. The DSEIR was released on October 5, 2001. A newspaper notice was also published in the Hanford Sentinel, Fresno Bee, and Merced Sun Star during the week of October 15, 2001 to announce the release of the DSEIR. A 45-day public review period for the DSEIR was established, ending on November 19, 2001.

We have described the public participation and notice process in detail. CEQA requires that a notice of availability for a DSEIR must be issued to the county clerk, all responsible and trustee agencies, and any person or organization requesting, or who previously requested, a copy. In addition, CEQA requires that notice be issued in one of the following three manners: publication in a newspaper of general circulation; posting on and off the project site; and direct mailing to owners and occupants of contiguous property. Rule 17.1 of the Commission's Rules of Practice and Procedure requires two notices in newspapers. Consistent with these requirements, notices of availability were published in the Hanford Sentinel, Fresno Bee, and Merced Sun Star during the week of October 15, 2001. Thus, the notification procedures employed for this project meet the requirements of CEQA.

2.2.2 Adequacy and Certification of the FEIR

The FSEIR must be certified by the lead agency under CEQA before a project may be approved. Certification consists of two steps. First, the agency must conclude that the document has been completed in compliance with CEQA, and second, the agency must have reviewed and considered the FSEIR prior to approving the project. Additionally, the lead agency must find that the FSEIR reflects its independent judgment (Pub. Res. Code § 21082.1(c)(3).)

A. Adequacy of the FSEIR

The FSEIR must contain specific information according to the CEQA Guidelines, Sections 15120 through 1532 (CEQA Guidelines).[10] The various elements of the FSEIR satisfy these CEQA requirements. THE FSEIR consists of the DSEIR, with revisions in response to comments and other information received. Section A of the FSEIR contains the comments received on the DSEIR; individual responses to these comments appear in the same section of the FSEIR.[11]

B. Certification of the FSEIR

The Commission must conclude that the FSEIR is in compliance with CEQA before finally addressing PG&E's request for a certificate of public convenience and necessity. The basic purpose is to insure that the environmental document is a comprehensive, accurate, and unbiased tool to be used by the lead agency and other decisionmakers in addressing the merits of the project. The document should embody "an interdisciplinary approach that will

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[10] Ca. Admin. Code §§ 15122-131.

[11] CEQA Guidelines, § 15132.

ensure the integrated use of the natural and social sciences and the consideration of qualitative as well as quantitative factors."[12] It must be prepared in a clear format and in plain language.[13] It must be analytical rather than encyclopedic, and emphasize alternatives over unnecessary description of the project.[14] Most importantly, it must be "organized and written on such a manner that [it] will be meaningful and useful to decisionmakers and the public."[15]

3. Project Description

Path 15 is a transmission interface located in the southern portion of PG&E's service area that is in the middle of the ISO control area. It is comprised of two 500 kilovolt (kV), four 230 kV and several 70 kV lines and stretches for approximately 90 miles between the Los Banos and Gates substations in the San Joaquin Valley. The majority of the flow of power from southern California to northern California and to the Pacific Northwest flows through Path 15; the remaining small percentage (loop flow) goes through Arizona, Nevada, Utah and Idaho. Path 15 currently has the capacity to transfer 3950 MW from south to north on its existing lines. It is currently constrained to a lower transfer limit than the rest of the 500 kV system in northern California because there are just two 500 kV lines in this area.

Historically, during periods of low hydroelectric generation availability, PG&E draws on resources from southern California to meet customer demand in

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[12] *Id.*, § 15142

[13] *Id.*, §§ 15006 (q) and (r), 15120, 15140.

[14] *Id.*, §§ 15006, 15141; Pub. Res. Code § 21003(c).

[15] Pub. Res. Code § 21003(b).

its service territory. At certain times, and due to a number of factors, the transfer capability of Path 15 between the zone south of Path 15 (SP15) and the zone north of Path 15 (NP15) reaches its limit before all available electrical resources can be moved between the zones. Congestion occurs, causing power shortages, increased prices, or both in the PG&E control area. During the later part of 2000, congestion on this path began to occur more frequently. The problem escalated further in the first part of 2001 as a shortage of generation in Northern California and reduced imports from the Northwest led to two days of rotating outages of firm customer load and numerous days of threatened outages.

In its application, PG&E identifies the following plan of service to upgrade Path 15:[16]

- Construct an uncompensated, single circuit 500 kV transmission line between Los Banos and Gates substations.
- Convert the Gates 500 kV bus from a ring bus arrangement to a breaker-and-a-half arrangement.
- Install 250 MVAR of 500 kV of shunt capacitors at both Gates and Los Banos
- Upgrade the Gates-Midway 230 kV line by either reconductoring portions of this line or by applying a temperature adjusted rating.

We refer to this plan of service as the Path 15 "upgrades" or "the project" throughout this decision. The project would add 1500 MW of power transfer capability to Path 15, increasing the total capability to approximately 5400 MW.

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[16] PG&E's power system study that evaluated this plan of service, along with alternatives, is described in Exhibit (Exh.) 214, Section 6.

In its application, PG&E projects that construction could be completed by summer 2004, if the CPCN were approved by early 2002.

4. Estimated Project Costs

PG&E estimates the cost of Path 15 upgrades along its preferred route at $323.1 million, including reconductoring of the Gates-Midway 230 kV line.[17] The annual revenue requirement associated with this cost would be between $48 million and $58 million/year depending on what factor (15% to 18%) is used to levelize costs.

5. Position of the Parties

PG&E presents no independent position concerning the economic benefits or cost-effectiveness of the Path 15 upgrades in this proceeding, stating that "…the ISO has undertaken to demonstrate that a Path 15 transmission capacity upgrade is needed to promote economic efficiency. PG&E, therefore, defers to the ISO's assessment of such economic benefit."[18]

In the ISO's view, the record strongly supports proceeding with the Path 15 upgrade.[19] By reducing the ability of suppliers to exercise market power, the ISO argues that the upgrade would "easily pay for itself within one drought hydro year and three normal years, and would in fact pay for itself within four

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[17] Exh. 214, Section 6, p. 11.

[18] PG&E Opening Brief, pp. 1-2.

[19] Our understanding from the record in this proceeding is that the ISO staff has taken a position, but not yet the ISO Governing Board, regarding the economic need of the project. (See RT at 533.) Therefore, our reference to the position of the ISO refers only to the staff position, as reflected in their testimony and during evidentiary hearings.

normal years, even applying a 25% plus or minus factor."[20] Moreover, the ISO contends that the upgrade provides a cost-effective hedge against significant consumer harm in less likely, but still plausible worst-case scenarios.

More generally, the ISO views the Path 15 upgrades as part of a larger vision of transmission "backbone" of 500 kV transmission lines crossing the state:

> "In particular, the CA ISO has begun developing a vision of an adequate 500 kV backbone transmission system for the state. Several key projects have been identified and Path 15 has been determined to be one of the highest priority projects. There are also plans to increase the transmission capability between Southern California Edison Company and PG&E transmission systems on Path 26, and to increase transmission capability between the San Diego area and the rest of the state."[21]

According to the ISO, it is the lack of this type of backbone transmission that gives rise to the exercise of market power and the need for broad market-wide mitigation measures. Correcting this deficiency through transmission upgrades would, according to the ISO, be more prudent than relying on ongoing regulatory intervention.[22]

ORA, on the other hand, contends that the only way in which the Path 15 upgrade can be justified is to make extremely pessimistic forecasts for the future. In particular, ORA argues that "the Commission would have to perceive a high risk that the wholesale electric market in 2005 *and subsequent years* will be as

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[20] ISO Opening Brief, p. 34.

[21] Exh. 200, p. 9.

[22] Exh. 202, p.5.

unbridled as California experienced in the winter and spring of 1999/2000."[23] Moreover, ORA argues that the ISO's market power modeling is seriously flawed. As an insurance policy, ORA contends that the investment in Path 15 upgrades requires a high premium ($50 million per year) for very limited coverage.[24] Finally, ORA argues that the MOU arrangements may or may not provide a better deal for ratepayers depending in large part on how Trans-Elect would operate its majority share of the project. In ORA's view, any final conclusions concerning project cost-effectiveness cannot be made without this further information.

In its comments on the Proposed Decision of the Administrative Law Judge and Commissioner Lynch on March 27, 2003, PG&E renewed its argument that it should be allowed to withdraw its application for a CPCN.

The ORA stated in its reply comments that if it is the desire of the Commission to have the Path 15 project proceed, then it should adopt PG&E's approach with modifications. Specifically, the ORA argues that PG&E should not have:

- a unilateral right to withdraw A.01-04-012,
- what amounts to a pre-approval of work under General Order 131-D, and
- generic findings about the applicability of federal law regarding the Path 15 project.

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[23] ORA Opening Brief, pp. 39-40.

[24] *Ibid.*, p. 43.

On April 18, 2003, PG&E filed a request for an expedited decision by the full Commission reversing Assigned Commissioner Lynch's ruling that denied PG&E's withdrawal of A.01-04-012.

6. Discussion

There are three issues that we need to determine in this decision. First, should PG&E be allowed to withdraw A.01-04-012 unilaterally? Second, does PG&E require a CPCN or a PTC to contract with WAPA to interconnect WAPA's new 500 kV transmission line? Third, assuming there is approval in a more limited manner of PG&E's request, should the Commission certify CEQA work performed in this proceeding?

6.1 Withdrawal of A.01-04-012

By ruling dated November 30, 2001, the Assigned Commissioner denied PG&E's motion to withdraw it's a.01-04-012. In light of actions taken by the United States Secretary of Energy, the Path 15 project will proceed under federal authority.[25] PG&E's participation is limited to substation work on the Path 15 project. The principal project partners are WAPA and Trans-Elect.

We do not take interlocutory appeals of Commissioner ruling lightly. In this instance, it is appropriate. It is about eighteen months since PG&E filed its motion to withdraw. We are just now making a decision in this proceeding. Even if we were to approve this case on its merits, there would still be extensive amount of time required of us to decide CEQA issues**.** In the meantime, project owners are proceeding apace under the MOU. We need not

[25] See the Secretary of Energy's announcement of a Memorandum of Understanding on October 18, 2001 (served on the Commission on November 7, 2001)

be obstructionists. PG&E's motion to withdraw should be granted, but not before we address the issue of certifying the Final Supplemental Environmental Impact Report. (See Section 6.3 below.)

PG&E in its motion, briefs, and comments argues that it has the right to unilaterally withdraw its application. ORA argues in opposition to PG&E's right to mandatory withdrawal. We agree with ORA, and consider PG&E's motion under our discretionary powers. As detailed herein, requiring PG&E to file its Application in spring of 2001 was reasonable. However, under current circumstances it serves no discernable public purpose. Therefore, we grant PG&E's motion to withdraw its Application 01-04-012.

6.2 Interconnection Requirements for Path 15

PG&E, under the MOU, needs to upgrade facilities at the Gates and the Midway substations and possibly undertake some reconductoring of a 230 kV transmission line. It argues that it does not need a CPCN or a PTC for this work. We agree that the substation work as currently described by PG&E falls within the General Order 131-D definition of substation modifications and is therefore exempt from a CPCN or PTC requirement pursuant to General Order 131-D Section III.B. and III.C. Similarly, the possible reconductoring work as currently described appears to fall within the General Order 131-D exemption under Section III.B.1.(e). If PG&E however, performs work beyond the scope of the construction agreement under the MOU, then PG&E should file an advice letter to advise the Commission of the change in scope and then possibly file either an application for a permit to construct or an application for a CPCN if warranted.

6.3 Environmental Impact Report Certification

We believe that the FSEIR meets these tests. It is a comprehensive, detailed, and complete document that clearly discusses the advantages and disadvantages of the environmentally superior routes, PG&E's proposed route, and various alternatives. We find that the FSEIR is the competent and comprehensive informational tool that CEQA requires it to be. The quality of the information therein is such that we are confident of its accuracy.

Notwithstanding the granting of PG&E's emergency motion, it is appropriate for the Commission to certify the FSEIR.

7. Comments on Proposed Alternate Decision

The proposed decision of ALJ Gottstein in this matter was mailed to the parties in accordance with Public Utilities Code Section 311(d) and Rule 77.1 of the Rules of Practice and Procedure. Comments were filed on March 27, 2003 by PG&E, ORA and ISO, and reply comments were filed on April 1, 2003 by PG&E and ORA.

The proposed alternate decision of Commissioner Peevey in this matter was mailed to the parties in accordance with the Rules of Practice and Procedure. ORA filed comments on May 13, 2003. ORA raised neither legal nor technical issues.

8. Assignment of Proceeding

Loretta Lynch is the Assigned Commissioner and Meg Gottstein is the assigned ALJ in this proceeding.

Findings of Fact

1. The Letter Agreement between PG&E, WAPA, and Trans-Elect delineates the parties' rights and obligations with respect to the Path 15 Upgrade Project.

2. Under the Letter Agreement, PG&E will perform work necessary to interconnect a new 500 kV line owned and constructed by WAPA to PG&E's existing Los Banos and Gates substations.

3. The Commission is the lead agency under CEQA with respect to the environmental review of the project and preparation of the FSEIR.

4. The Commission has conducted an environmental review of the project pursuant to CEQA.

5. The FSEIR consists of the DSEIR, revised to incorporate comments received by the Commission from the proponent, agencies, and the public, and the responses to comments.

6. The FSEIR has been completed in accordance with CEQA Guidelines, Sections 15120 through 15132.

Conclusions of Law

1. PG&E's motion to withdraw its Application 01-04-012 is reasonable, and appropriate for consideration under out discretional authority.

2. This proceeding on PG&E's conditional Application should be closed.

3. The notification procedures employed for this project meet the requirements of CEQA.

4. The processing of the DSEIR, and the FSEIR, in this proceeding comply with the requirements of CEQA.

5. The contents of the FSEIR comply with the requirements of CEQA and represent the Commission's independent judgment.

6. The FSEIR should be certified for the project in accordance with CEQA.

7. The issue of whether or not to construct Path 15 should be excluded from I.00-11-001.

ORDER

IT IS ORDERED that:

1. The Final Supplemental Environmental Impact Report is certified as the Environmental Impact Report for the project which is the subject of this application and is certified for use by other agencies in considering subsequent approvals for the project, or for portions thereof.

2. Pacific Gas and Electric Company's Motion to Withdraw Application 01-04-012 is granted.

3. The issue of whether or not to construct Path 15 is excluded from any further action in I.00-11-001.

4. Application 01-04-012 is closed.

This order is effective today.

Dated _____, at San Francisco, California.

ATTACHMENT 1

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A0104012

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(END OF ATTACHMENT 1)

ATTACHMENT 2

LIST OF ACRONYMS AND ABBREVIATIONS

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LIST OF ACRONYMS AND ABBREVIATIONS

A.	Application
ALJ	Administrative Law Judge
CEC	California Energy Commission
CDWR	California Department of Water Resources
CPCN	Certificate of Public Convenience
D.	Decision
DWR	Department of Water Resources
Exh.	Exhibit
ETCs	existing transmission contracts
FERC	Federal Energy Regulatory Commission
I.	Investigation
ISO	Independent System Operator
kV	kilovolt
LADWP	Los Angeles Department of Water and Power
MSCG	Morgan Stanley Capital Group
MW	Megawatt
MOU	Memorandum of Understanding
NP15	north of Path 15
ORA	Office of Ratepayer Advocates
PG&E	Pacific Gas and Electric Company
PHC	prehearing conference
RT	Reporter's Transcript
RSI	Residual Supply Index
SCE	Southern California Edison
SP15	South of Path 15 zone
TANC	Transmission Agency of Northern California
Trans-Elect	Trans-Elect, Inc.
WAPA	Western Area Power Administration
ZP26	Zone south of Path 15, but north of Path 26

(END OF ATTACHMENT 2)