



Keith T. Sampson  
Attorney at Law

*Mailing Address*  
P.O. Box 7442  
San Francisco, CA 94120

*Street/Courier Address*  
Law Department  
77 Beale Street  
San Francisco, CA 94105

(415) 973-5443  
Fax: (415) 973-5520  
E-mail: KTS1@pge.com

December 24, 2013

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

**Re: Notice of Termination of Small Generator Interconnection Agreement for  
El Peco Energy, LLC, Service Agreement No. 218 under  
PG&E's FERC Electric Tariff Volume No. 5**

Dear Ms. Bose:

In accordance with Section 205(d) of the Federal Power Act, 16 USC § 824d(d), Section 35.15 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") rules and regulations, 18 CFR § 35.15, and FERC Order No. 2001,<sup>1</sup> Pacific Gas and Electric Company ("PG&E") submits for filing and acceptance a Notice of Termination of Small Generator Interconnection Agreement ("SGIA") among PG&E, El Peco Energy, LLC ("El Peco Energy") and the California Independent System Operator Corporation ("CAISO") (collectively, "Parties"). The agreement is designated as Service Agreement No. 218 under PG&E's Transmission Owner Tariff, FERC Electric Tariff Volume No. 5.

**BACKGROUND AND DESCRIPTION OF FILING**

The SGIA among PG&E, CAISO and El Peco Energy for El Peco Energy's solar PV generating facility in Merced County, California was included in PG&E's Electric Quarterly Report ("EQR") for the fourth quarter 2012. On August 16, 2013, PG&E notified El Peco Energy that its solar PV generating project was in default under Section 7.6 (Default) of its SGIA because El Peco Energy had failed to provide the financial securities needed to move forward with the construction and operation of the generating facility. El Peco Energy was notified by PG&E that it had sixty days to cure the default condition pursuant to Section 7.6.1 of the SGIA.

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<sup>1</sup> 99 FERC ¶ 61, 107

Ms. Kimberly D. Bose  
December 24, 2013  
Page 2

El Peco disputed PG&E's request for financial securities, and no financial securities were provided by El Peco Energy during the sixty-day cure period. Consequently, by letter dated December 23, 2013, PG&E notified El Peco Energy that El Peco Energy's SGIA for the generating facility project would be terminated. Section 3.3.2 of the SGIA permits either party to terminate the SGIA after a default pursuant to Section 7.6.

Because El Peco Energy has not consented to the subject termination, PG&E makes this SGIA termination filing on a unilateral basis in accordance with the terms of the SGIA and, as described below, FERC Order No. 2001.

### **EFFECTIVE DATE AND TERM**

PG&E requests that the Commission grant an effective date of February 24, 2014 for PG&E's Notice of Termination of the El Peco Energy SGIA for its generating facility project, Service Agreement No. 218 under FERC Electric Tariff Volume No. 5.

### **REQUEST FOR WAIVERS**

PG&E respectfully requests that the Commission grant any waivers of the Commission's rules and regulations necessary for acceptance of this filing under the Federal Power Act.

### **NO IMPROPER EXPENSES OR COSTS**

No expenses or costs associated with this filing have been alleged or judged, in any judicial or administrative proceeding, to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

### **TERMINATION OF PRO FORMA AGREEMENT WITHOUT CUSTOMER CONSENT**

Because PG&E did not obtain customer consent to terminate the pro forma SGIA, the Commission requires that such termination be filed with the Commission, rather than simply entering the actual termination date in PG&E's subsequent EQR and removing the agreement from the EQR the quarter after it terminates.<sup>2</sup>

In addition, because the SGIA was solely reported on PG&E's EQR and not originally filed with the Commission, there are no eTariff records to terminate *via* an eTariff filing. As such, PG&E is following the Commission's guidelines for a Notice of Termination for a service agreement that is only in paper format and submitting this filing *via* eFiling v7.0.

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<sup>2</sup> 99 FERC ¶ 61, 107, p. 249.

Ms. Kimberly D. Bose  
December 24, 2013  
Page 3

## ENCLOSURES

1. Certificate of Service; and
2. Notice of Termination of Service Agreement No. 218 under PG&E FERC Electric Tariff Volume No. 5.

## SERVICE

Copies of this filing have been served upon El Peco Energy, California Independent System Operator Corporation, and California Public Utilities Commission. In addition, copies of this filing are available for public inspection in a convenient form and place during normal business hours at PG&E's General Office, located at 77 Beale Street in San Francisco, California.

## CORRESPONDENCE

PG&E requests that all notices, correspondence, pleadings, and other communications concerning this filing be served upon the following:

Keith T. Sampson\*  
Attorney  
Pacific Gas and Electric Company  
Law Department  
Post Office Box 7442  
San Francisco, California 94120  
kts1@pge.com

PG&E also requests an additional copy of any correspondence and orders be sent to:

Robert J. Doran  
Manager, FERC Rates and Regulation  
Electric Transmission Rates Department  
Pacific Gas and Electric Company  
77 Beale Street, Room 1345, MC B13L  
Post Office Box 770000  
San Francisco, California 94177  
rjda@pge.com

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\* Person designated for official service pursuant to Rule 2010.

Ms. Kimberly D. Bose  
December 24, 2013  
Page 4

and

Pacific Gas and Electric Company  
Regulatory File Room  
77 Beale Street, Room 3120, B30A  
San Francisco, California 94105  
LawFercCases@pge.com

## CONCLUSION

For the foregoing reasons, PG&E respectfully requests that the Commission accept the Notice of Termination for the El Peco Energy SGIA and grant the proposed effective date of February 24, 2014.

Respectfully submitted,

KEITH T. SAMPSON

Attorney for  
Pacific Gas and Electric Company

By: /s/ Keith T. Sampson  
Keith T. Sampson

Attachments and Enclosures

### CERTIFICATE OF SERVICE

I hereby certify that I have on this day caused a copy of the foregoing document to be served upon all affected parties in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure and the following:

NAME	ORGANIZATION/ADDRESS	E-MAIL ADDRESS
Harvey Y. Morris Assistant General Counsel	California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102	<a href="mailto:hym@cpuc.ca.gov">hym@cpuc.ca.gov</a>
Anthony Ivancovich Assistant General Counsel	California Independent System Operator Corporation 250 Outcropping Way Folsom, CA 95630	<a href="mailto:aivancovich@caiso.com">aivancovich@caiso.com</a>
Dennis Lenahan.	El Peco Energy, LLC 10442 Road 21 Madera, CA 93637	<a href="mailto:dlenahan@elpecoenergy.com">dlenahan@elpecoenergy.com</a>

Dated at San Francisco, California, this 24<sup>th</sup> day of December, 2013.

/s/ Joanne M. Myers  
 Joanne M. Myers  
 PACIFIC GAS AND ELECTRIC COMPANY  
 77 Beale Street, B13L, Room 1335  
 San Francisco, CA 94105  
 (415) 973-3397  
 JMMf@pge.com

Effective Date: February 24, 2014

**NOTICE OF TERMINATION**

Notice is hereby given that effective the 24<sup>th</sup> day of February, 2014, or the date termination is permitted by the Federal Energy Regulatory Commission (“Commission” or “FERC”), the following Service Agreement, comprised of the SMALL GENERATOR INTERCONNECTION AGREEMENT AMONG EL PECO ENERGY, LLC, PACIFIC GAS AND ELECTRIC COMPANY AND CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION is to be terminated:

**Service Agreement No. 218 under PG&E FERC Electric Tariff Volume No. 5**

Notice of the proposed termination has been served upon the following: El Peco Energy, LLC, the California Independent System Operator Corporation, and the California Public Utilities Commission.

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Keith T. Sampson

Keith T. Sampson

Attorney at Law

Dated at San Francisco, California, this 24<sup>th</sup> day of December, 2013.

Document Content(s)

El Peco Energy Termination - Transmittal Letterv2.PDF.....1-6