

## **Appendix I: LOAD OPERATING AGREEMENT**

### ***Purpose***

The following agreement establishes operating responsibilities and associated procedures for communications between a Load Entity and PG&E. In addition, the agreement obligates the Load Entity to operate its facility in a safe and prudent manner and establishes procedures for safe work practices on electric systems. This agreement shall be executed by PG&E and the Load Entity prior to interconnecting facilities and commencing any parallel operation.

### ***Applicability***

All the requirements of this agreement apply to all loads connected to PG&E's electric system. The PG&E agreement may not include certain provisions, such as energy reporting, or other provisions of the ISO, and will be covered under separate agreements between these entities and the Load Entity.

### **Attachment:**

Electric Sample Form 79-847, "Transmission Load Operating Agreement"



**Electric Sample Form No. 79-847**  
Transmission Load Operating Agreement

**Please Refer to Attached  
Sample Form**

Advice Letter No: 2467-E  
Decision No.  
1C2

Issued by  
**Karen A. Tomcala**  
Vice President  
Regulatory Relations

Date Filed January 30, 2004  
Effective March 10, 2004  
Resolution No. \_\_\_\_\_



**Pacific Gas & Electric Company**

**TRANSMISSION LOAD OPERATING AGREEMENT**

THIS LOAD OPERATING AGREEMENT (the "Agreement") is effective as of the date last executed by the parties hereto by and between PACIFIC GAS AND ELECTRIC COMPANY ("PG&E"), a California corporation, and \_\_\_\_\_ ("Load Entity") a \_\_\_\_\_. PG&E and the Load Entity are sometimes referred to collectively as the "parties" and individually as the "party."

**RECITALS**

A. PG&E and the Load Entity have made arrangements under PG&E's tariffs for an interconnection and power deliveries between the PG&E Transmission System and the Load Entity's substation facility, \_\_\_\_\_, located at \_\_\_\_\_ (the "Interconnection Facility.")

B. Among other things, this Load Operating Agreement obligates the Load Entity to operate its Substation in a safe and prudent manner.

C. As part of this obligation, it is important that the Load Entity stay in close contact with PG&E system operators.

D. This Agreement sets up operating responsibilities and associated procedures for communications between the Load Entity and PG&E system operators. The Agreement also establishes procedures for safe work on electric systems and routine test procedures.

## AGREEMENT

THEREFORE, in consideration of the rights and responsibilities set forth herein, the parties agree as follows:

### 1. DEFINITIONS

When underlined, the following terms shall have the following meanings:

“Clearance Point” -- The points that isolate equipment from possible sources of energy.

“Designated PG&E Switching Center” -- The PG&E location identified in Paragraph 9 of this Agreement, with operational jurisdiction over the Load Entity’s Substation. The Designated PG&E Switching Center is staffed 24 hours a day.

“Emergency” -- An abnormal condition or situation that adversely affects, or potentially may adversely affect, PG&E’s Electric System Integrity.

“Interconnection Facilities” -- All apparatus installed to interconnect and deliver power between the PG & E system and the Load Entity’s substation. Interconnection Facilities include, but are not limited to, connection, transformation, switching, metering, and communications equipment, as well as any necessary additions, modifications and reinforcements to the PG&E system necessitated as a result of interconnecting the Load Entity’s Facility to the PG&E system. Interconnection Facilities also include control and safety equipment to protect (1) the PG&E system and its customers from faults occurring at the Load Entity’s Facility and substation, and (2) the Load Entity’s Facility and substation from faults occurring on the PG&E system or on the system of others to which the PG&E system is directly or indirectly connected.

“Non-Test” -- A procedure used in connection with work on a live line or near an energized circuit. In a Non-Test, PG&E will require that the Load Entity contact the Designated PG&E Switching Center before re-energizing a circuit following an automatic trip.

“PG&E Electric System Integrity” -- The state of operation of PG&E’s electric system in a manner that is deemed to minimize the risk of injury to persons and/or property and enable PG&E to provide adequate and reliable electric service to its customers.

## **2. TERM OF AGREEMENT**

This Agreement shall be binding upon execution by both parties. It shall terminate thirty days after the date on which the Load Entity’s substation facility ceases to be interconnected to the PG&E electric system. This Agreement may also be terminated by mutual written consent of the parties.

## **3. RESPONSIBILITY AND AUTHORITY**

- 3.1 The Load Entity understands and agrees that it must satisfy the applicable interconnection requirements described in the PG&E Interconnection Handbook (or its successor) before the Load Entity’s Substation can operate in parallel with the PG&E system.
- 3.2 It is the responsibility of the Load Entity to implement the operating guidelines contained in this Agreement. The Load Entity shall ensure that its operating personnel are familiar with the procedures and guidelines in this Agreement.
- 3.3 The Designated PG&E Switching Center is authorized to disconnect the Load Entity from the PG&E electric system if the Load Entity fails to meet the requirements set forth in this Agreement. Prior to PG&E disconnecting the Load Entity, PG&E shall provide written notice to the Load Entity detailing the Load Entity’s failure to adhere to such requirements and provide the Load Entity thirty (30) days to correct

such deficiency. PG&E reserves the right to immediately disconnect the Load Entity should such deficiencies, as determined by PG&E, cause immediate or imminent hazards to the safety of the Public or PG&E's employees.

- 3.4 The Load Entity understands that the voltage of PG&E's electric transmission system is not regulated and may vary widely. The voltage levels will fluctuate depending on system operation and system conditions. In accordance with the PG&E Interconnection Handbook, the Load Entity shall install and maintain the necessary equipment to maintain proper power factor and voltage at the point of interconnection.
- 3.5 Power factor correction is the responsibility of the Load Entity. When the Load Entity is receiving power from the PG&E system, metered power factors outside acceptable ranges may result in additional charges, as specified in PG&E's tariffs and operating standards.
- 3.6 If PG&E provides assistance in the operation or maintenance of the Load Entity's Substation without a written agreement, PG&E assumes no liability for any loss or damage, direct, indirect or consequential, arising from or related to any services PG&E may provide. PG&E reserves the right to charge the Load Entity for all such services.

#### 4. **OPERATION OF INTERCONNECTION FACILITIES AND SUBSTATION**

- 4.1 The Load Entity shall maintain operating communications with the Designated PG&E Switching Center. The operating communications shall include, but not be limited to, system paralleling or separation, scheduled and unscheduled shutdowns, and equipment clearances.
- 4.2 All oral operating communications shall be conducted through the Designated PG&E Switching Center. The Load Entity agrees to maintain direct phone service so that PG&E can give instructions to the Load Entity or its designated operator.

- 4.3 The Load Entity agrees to notify the Designated PG&E Switching Center of the following:
- a. The current names and 24 -hour phone numbers of the personnel responsible for operating and maintaining the Load Entity's Substation.
  - b. Any Emergency situation, or any request that PG&E de -energize a portion of the system under its control.
  - c. Any changes in the mechanical or electric condition of the Load Entity's Substation that may affect the reliability of the Load Entity's service or the PG&E electric system.
  - d. Immediately upon discovery, any miss operation or inoperable condition of a PG&E-required interconnection relay, circuit breaker, or other protective device.
  - e. Immediately upon discovery, any operation of a PG&E -required interconnection relay, circuit breaker, or other protective device. Relay targets that caused the circuit breaker or protective device to operate.
  - f. Plans to manually parallel or separate from the PG&E system and the times of actual manual parallels and separations. Emergency separations shall be reported as soon as conditions permit.
- 4.4 Under normal conditions, the Load Entity shall give as much advance notice as possible (a minimum of 168 hours if connected to 230 kV or 120 hours if connected to 115 kV or below is requested) to the Designated PG&E Switching Center when planning to perform work that may affect PG&E's electric system. At a minimum, the notice shall include:
- a. Nature of the work to be performed.
  - b. Date and time work will begin.
  - c. Date and time work will be completed.
  - d. Apparatus to be cleared and the Clearance Points required.

- e. Name and telephone number of the person in charge of the work.
  - f. Whether or not protective grounds will be installed.
- 4.5 If the Load Entity wishes to perform work on its own facilities which would normally be energized by PG&E-controlled source(s) of energy, the Load Entity may request that PG&E open, lock and tag PG&E's associated disconnect device to isolate the Load Entity's facilities from PG&E source(s) of energy. PG&E will also establish the disconnect device(s) as an open Clearance Point(s) and install "Man on Line" tags (see PG&E's General Operating Instructions)
- 4.6 PG&E assumes no responsibility for equipment energized by the Load Entity's substation or by any other means. The Load Entity agrees that any work it performs is at its own risk. The Load Entity shall take all necessary steps to ensure that work is conducted in compliance with all applicable federal, state and local laws and regulations and in a manner that does not endanger the safety of persons or equipment.
- 4.7 The Load Entity must open its interconnection disconnect switch if PG&E requests a Clearance Point. A qualified PG&E employee will observe that the switch is open, lock it open with a PG&E lock, and attach a filled-out "Man-on-Line" tag to indicate it is a Clearance Point.
- 4.8 In an Emergency, the Load Entity agrees to expeditiously open the interconnection disconnect switch upon notification from the PG&E Designated Switching Center.
- 4.9 Under normal conditions, PG&E will give advance notice of plans to perform work, which will affect the Load Entity's access to the PG&E system. PG&E reserves the right to charge the Load Entity the additional cost for work performed during times other than normal business hours (Non-Holidays, Monday through Friday, 8:00 A.M. to 5:00 P.M.) when the schedule of such work is negotiable, as determined by PG&E. PG&E will provide the Load Entity with an estimate of the additional cost and if the Load Entity still desires the



work to be performed during non-normal business hours and PG&E does perform the work, PG&E shall charge the Load Entity the actual costs of the work, the amount of which shall not exceed the cost estimate.

- 4.10 Under Emergency conditions, the Designated PG&E Switching Center may without notice and at anytime interrupt service to the Load Entity's Facility if a situation exists which may adversely affect PG&E Electric System Integrity or upon any emergency request that PG&E de-energize a portion of the system under its control.

**5. MAINTENANCE OF INTERCONNECTION EQUIPMENT OWNED BY THE LOAD ENTITY**

- 5.1 The Load Entity agrees to maintain all PG&E -required Interconnection Facilities' devices in service, with relay settings as recorded on PG&E's "Relay Test Report". Proposed changes in relay settings must be submitted in writing to PG&E for approval. Any modification of the existing interconnection or protection scheme requires PG&E's prior written approval.
- 5.2 PG&E required Interconnection Facilities owned by the Load Entity shall be periodically tested and maintained at the manufacturer's accepted specifications, but at least every four years, by qualified personnel. Copies of equipment test reports shall be forwarded to PG&E for review.

**6. EQUIPMENT OWNED BY THE LOAD ENTITY FOR RELIABILITY, OPERABILITY OR PARALLEL OPERATION.**

This provision applies where the Load Entity is interconnected to the PG&E transmission system.

In the interest of safety, all customers must notify PG&E before operating ANY generation sources capable of parallel operation, or operating equipment that maintains current reliability or operability of

Page 7 of 12  
Form 79-847  
Tariffs and Compliance  
Revised January 29, 2004  
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Advice 2467-E

PG&E's electrical system, which are interconnected to the Load Entity's substation, the Load Entity's electrical system, or the PG&E electrical system. The Load Entity agrees to comply with the requirements identified in the PG&E Interconnection Handbook for all such equipment and generation sources capable of parallel operation with PG&E's electrical system.

Standby Generator

Please check the appropriate line:

- \_\_\_\_\_ The Load Entity has installed a standby generator.
- \_\_\_\_\_ The Load Entity does not have and does not plan to install a standby generator.
- \_\_\_\_\_ While the Load Entity does not currently have a standby generator installed, it plans to install a standby generator in the future. The Load Entity will notify the Designated PG&E Switching Center before operating this generator in parallel with the PG&E system.

Line Selector Switches

Unlike the PG&E electric distribution system, the PG&E transmission system does not have multiple feeds. If the line serving the Load Entity's substation is out of service due to line outages or planned maintenance, then service to the Load Entity may also be interrupted. Please refer to Electric Rule 14, Shortage of Supply and Interruption of Delivery. Where PG&E or the Load Entity has installed line selector switches for reliability, maintenance or operability they will be operated in compliance Sections 3 and 4 in this Agreement.

Please check the appropriate line:

- \_\_\_\_\_ PG&E has installed transmission line selector switches.
- \_\_\_\_\_ The Load Entity installed transmission line switches.
- \_\_\_\_\_ The Load Entity has NOT installed transmission line switches, and does not plan on installing line selector switches

Should PG&E, in the future, determine that transmission line selector switches are required, to be installed on the PG&E transmission system to which the tap serving the Load Entity's facility is connected, in order to maintain current reliability or operability of PG&E's transmission system, the material and installation cost of the switches shall be at PG&E's expense.

Should PG&E, in the future, determine that the switches are NOT required, and the Load Entity chooses to request the switches to be installed on PG &E's Transmission System, and that such switches would solely benefit the Load Entity's service reliability, ability to restore service or prevent service interruption to the Load Entity, PG&E will install them as a Special Facility.

## 7. REFERENCES

The following reference materials are available for use by the Load Entity and its operating personnel. Copies may be requested from the Designated PG&E Switching Center:

- 7.1 **PG&E Standard Practice No. S1466**-- A booklet listing all the standard operating orders followed by PG&E system operators.

- 7.2 **PG&E Standard Practice No. S1403** -- A document describing approved PG&E clearance procedures and instructions for obtaining clearances.
- 7.3 **PG&E Interconnection Handbook**
- 7.4 **Electric Rules 2, and 14**

**8. GENERAL PROVISIONS**

- 8.1 Choice of Laws: This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding any choice of law rules that direct the application of the laws of another jurisdiction.
- 8.2 Modification: This Agreement may be amended or modified only by a written instrument signed by the authorized representatives of both the parties.
- 8.3 Captions: Captions are included herein for ease of reference only. The captions are not intended to affect the meaning of the contents or scope of this Agreement.
- 8.4 Non-waiver: Failure by either party to enforce any right or obligation with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to that matter or any other matter.
- 8.5 Interpretation: This Agreement is not intended to modify any PG&E or ISO tariff or rule filed with the California Public Utilities Commission or Federal Energy Regulatory Commission. In case of conflict between this Agreement and any PG&E or ISO tariff or rule, the tariff or rule shall govern. This agreement represents the entire understanding between the parties hereto relating to the operation of the Load Entity's substation, and supersedes any and all prior proposals or agreements, whether written or oral, that may exist between the parties. Where there is conflict or inconsistency with the express terms in this Agreement and any documents referenced by this Agreement

excluding the above referenced PG&E and ISO tariffs, the terms of this Agreement shall supersede such conflicting terms.

**8.6 DISPUTE RESOLUTION: IF A DISPUTE ARISES OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH THEREOF, AND IF SAID DISPUTE CANNOT BE SETTLED THROUGH DIRECT DISCUSSIONS, THE PARTIES AGREE TO THE FIRST ENDEAVOR IN GOOD FAITH TO SETTLE THE DISPUTE IN AN AMICABLE MANNER WITHIN THIRTY (30) DAYS OF SUBMISSION TO MEDIATION UNDER THE MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION BEFORE SEEKING RECOURSE IN A JUDICIAL FORUM. THE MEDIATION SHALL BE INITIATED BY THE WRITTEN REQUEST OF EITHER PARTY AND SHALL BE COMMENCED WITHIN FIFTEEN (15) DAYS OF RECEIPT OF SUCH NOTICE. THE PARTIES SHALL SHARE EQUALLY IN ANY EXPENSES INCURRED AS A RESULT OF THE MEDIATION.**

**9. NAME AND ADDRESS OF KEY PERSONNEL:**

The Transmission Load Entity: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

Designated PG&E  
Switching Center: \_\_\_\_\_ Switching Center  
(Address)  
Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_

A party may change or supplement the addresses above by written notice to the other party. The Load Entity agrees to keep the Designated PG&E Switching Center informed of any change in its notice address.

**10. CPUC AUTHORITY**

This Agreement shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction.

**11. SIGNATURES**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives, and it is effective as of the last date set forth below.

\_\_\_\_\_  
The Transmission Load Entity

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

PACIFIC GAS AND ELECTRIC COMPANY

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_