

134 FERC ¶ 61,026  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

January 14, 2011

In Reply Refer To:  
Sierra Pacific Power Company  
Docket No. ER11-2129-000

NV Energy, Inc.  
6226 West Sahara Avenue  
Las Vegas, Nevada 89146

Attention: Christopher A. Hilten  
Attorney for Sierra Pacific Power Company

Reference: Cancellation of Electric Service Agreement with  
Pacific Gas and Electric Company

Dear Mr. Hilten:

1. On November 15, 2010, Sierra Pacific Power Company (Sierra), an operating subsidiary of NV Energy, Inc., submitted a Notice of Cancellation of its electric service agreement (Service Agreement) with Pacific Gas and Electric Company (PG&E). Sierra states that it is currently providing electric service to PG&E for distribution and resale under Sierra's Schedule R-1 Resale Service Rate pursuant to the terms of the Service Agreement.

2. Sierra states that on July 2, 2010, it filed various applications with the Commission in order to transfer its California distribution service territory to California Pacific Electric Company (CalPeco).<sup>1</sup> Sierra also states that once its sale to CalPeco is completed, Sierra will no longer own facilities to serve PG&E. Accordingly, Sierra is seeking to cancel the Service Agreement.

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<sup>1</sup> See Sierra Pacific Power Company, Docket Nos. ER10-1709-000, ER10-1712-000 and EC10-78-000.

3. Sierra requests waiver of the Commission's sixty day prior notice requirements<sup>2</sup> to allow the cancellation of the Service Agreement to become effective upon the acquisition closing date of Sierra's sale of its distribution system to CalPeco (closing date). The parties anticipate the closing date to be on or around January 1, 2011. Sierra states that it will provide notification to the Commission of the closing date within ten days of closing.

4. Notice of Sierra's filing was published in the *Federal Register*, 75 Fed. Reg. 74,034 (2010), with comments, protests and interventions due on or before December 6, 2010. On December 7, 2010, PG&E filed a late motion to intervene and comments. Pursuant to Rule 214(d) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214(d) (2010), we will grant PG&E's motion to intervene out of time given its interest in this proceeding, the early stage of this proceeding, and the absence of any undue prejudice or delay.

5. PG&E states that it is concerned that any gap in the timing of the termination of the Service Agreement and the sale of facilities to CalPeco and the commencement of a replacement service agreement between CalPeco and PG&E may jeopardize service to PG&E's customers now being served by Sierra. PG&E requests that service to its customers not be interrupted by a delay between the Commission's approval of Sierra's notice of termination and its approval of the replacement service agreement with CalPeco. PG&E comments that disruption of service can be avoided by either delaying the effective date of Sierra's termination to correspond to the effective date of the replacement agreement or by expediting approval of CalPeco's filing of the replacement service agreement, or some combination of the two. PG&E simply requests that its customers suffer no interruption of service.

6. We will accept Sierra's Notice of Cancellation of its Service Agreement with PG&E, and grant waiver of the sixty day notice requirement, 18 C.F.R. § 35.11 (2010),<sup>3</sup> to allow the Notice of Cancellation to be effective upon the closing date of the transaction. The instant effective date of the transaction will coincide with the corresponding effective date of CalPeco's proposed electric service agreement being issued concurrently with this letter order.<sup>4</sup> As a result, PG&E will have no lapse in

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<sup>2</sup> 18 C.F.R. § 35.11 (2010).

<sup>3</sup> *Central Hudson Gas & Electric Corp.* 60 FERC ¶ 61,106 at 61,338, *reh'g denied*, 61 FERC ¶ 61,089 (1992) (finding waiver of notice generally appropriate when it is consistent with a tariff on file with the Commission).

<sup>4</sup> *See California Pacific Electric Company*, 134 FERC ¶ 61,024 (2011).

service with its customers. Sierra is directed to submit a compliance filing in this docket within ten (10) days of the closing date which will designate the actual closing date as the effective date for the cancellation of the Service Agreement.

By direction of the Commission. Chairman Wellinghoff is not participating.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.