

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 2, 2004

In Reply Refer To:
Southern California Edison Company
Docket Nos. ER04-724-000 and ER04-724-001

Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, CA 91770

Attention: James A. Cuillier
Manager of FERC Rates and Regulation

Reference: Service Agreement No. 109 and Service Agreement No. 110, to FERC
Electric Tariff, First Revised Volume No. 5

Dear Mr. Cuillier:

1. On April 9, 2004, Southern California Edison Company, (SoCal Edison) submitted an Interconnection Facilities Agreement (Interconnection Agreement) and a Service Agreement for Wholesale Distribution Service (Service Agreement), between SoCal Edison and FPL Energy Green Power Wind, LLC (FPLE Green Power), under SoCal Edison's Wholesale Distribution Access Tariff (WDAT).¹ On June 4, 2004, the Commission issued a letter (June 4 Letter) requesting additional information to assist the Commission in its review of this docket. On July 6, 2004, SoCal Edison filed supplemental information to comply with the June 4 Letter. The Interconnection Agreement and Service Agreement are conditionally accepted for filing, as discussed below.

¹ The "wholesale distribution" facilities here are not "local distribution" facilities exempt from Commission jurisdiction, but rather facilities outside of the California Independent System Operator's control that nevertheless are subject to Commission jurisdiction because they are used to transmit electric energy in interstate commerce or to deliver sales of electric energy at wholesale in interstate commerce. 16 U.S.C. § 824 (2000).

2. The Service Agreement sets forth SoCal Edison's agreement to provide distribution service for up to 18.48 MW of power produced by FPLE Green Power to the California Independent System Operator Controlled Grid at SoCal Edison's Garnet Substation. The Interconnection Agreement specifies the terms and conditions, pursuant to which SoCal Edison will engineer, design, construct, install, own, operate, and maintain the interconnection facilities and distribution system facilities to interconnect the FPLE Green Power project to SoCal Edison's distribution system and pursuant to which FPLE Green Power will pay for such facilities.

3. Section 11 of the Service Agreement specifies four charges for Distribution Services: (1) customer charge; (2) demand charge; (3) facilities charge; and (4) system impact and/or facilities study charge. The Service Agreement identifies no charges for items (1), (2) and (4) above. On the other hand, for item (3) above, the Service Agreement indicates that the facilities charge would comprise "the applicable charge under the Interconnection Facilities Agreement between Distribution Provider and Distribution Customer".²

4. We note, however, that section 21.2.2 of SoCal Edison's WDAT specifically provides for a facilities charge for distribution service for generation based on a traditional revenue requirement and a customer charge based on the annual revenue requirement for customer accounting expenses attributable to the distribution customer. Yet, as described above, instead of establishing a facilities charge in the Service Agreement, SoCal Edison proposes to assess a facilities charge under the terms set forth in the Interconnection Agreement with FPLE Green Power. Likewise, SoCal Edison has not proposed a Customer Charge as specified in its WDAT.

5. SoCal Edison has not adequately explained why it is departing from the specific requirements set forth in its WDAT. Accordingly, SoCal Edison is directed to revise its Service Agreement with FPLE Green Power to include a customer charge calculated as set forth in section 21.2.2 of its WDAT. In addition, the Service Agreement should establish a specific facilities charge calculated as set forth in section 21.2.2 of the WDAT rather than referencing a rate set forth in the Interconnection Agreement. SoCal Edison is directed to revise its Service Agreement and Interconnection Agreement, as discussed above, within 30 days of the date of this order.

6. Notice of SoCal Edison's April 9, 2004 filing was published in the *Federal Register*, 69 Fed. Reg. 21,828 (2004), with comments, protests or motions to intervene due on or before April 30, 2004. Notice of SoCal Edison's July 6, 2004 filing was published in the *Federal Register*, 69 Fed. Reg. 43,574 (2004), with comments, protests or motions to intervene due on or before July 27, 2004. None was filed.

² Original Sheet No. 7.

7. We grant waiver of our prior notice requirements to permit an effective date of April 10, 2004, as requested.³

By direction of the Commission.

Magalie R. Salas,
Secretary.

³ See, *Central Hudson Gas & Electric Corp., et al.*, 60 FERC ¶ 61,106, reh'g denied, 61 FERC ¶ 61,089 (1992).