

130 FERC ¶ 61,094
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

February 5, 2010

In Reply Refer To:
City of Riverside, California
Docket Nos. EL09-52-000 and
EL09-52-001

Bonnie S. Blair, Esq.
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Dear Ms. Blair:

1. On December 14, 2009, you filed an Offer of Settlement and Settlement Agreement (Settlement) in the above-captioned proceedings as attorney for the City of Riverside (Riverside). The Settlement resolves all issues set for hearing by the Commission's August 28, 2009 order¹ involving Riverside's revised Transmission Revenue Requirement (TRR) for purposes of its participation in the California Independent System Operator Corporation (CAISO) as a participating transmission owner. The Settlement also resolves all issues involving Riverside's method for recovering its costs under Existing Transmission Contracts (ETCs) between Riverside and the Southern California Edison Company (SCE).
2. Comments in support of the Settlement were filed by the Commission's Trial Staff on December 22, 2009. No reply comments were filed. On December 23, 2009, the Chief Administrative Law Judge certified the Settlement to the Commission as uncontested.² A brief description of the chief elements of the Settlement follows.
3. Paragraph 1 of the Settlement sets forth Riverside's TRR to be used by the CAISO to develop the CAISO's high voltage access charge and wheeling access charge.

¹ *City of Riverside, Cal.*, 128 FERC ¶ 61,207 (2009).

² *City of Riverside, Cal.*, 129 FERC ¶ 63,026 (2009).

Paragraph 2 of the Settlement states that Riverside will continue to submit an annual filing to revise its transmission revenue balancing account adjustment.

4. Paragraph 3 of the Settlement states that Riverside shall recover the actual costs of its ETCs with SCE through Riverside's ETC pass-through clause. Paragraph 3 explains that Riverside will annually update its ETC costs in the form of a petition for declaratory order requesting Commission approval of its projected ETC costs for the next year and a true-up of actual ETC costs for the preceding year. In addition, Paragraph 3 of the Settlement provides that the ETC pass-through clause will terminate on December 31, 2011 unless Riverside requests and obtains Commission approval for continuation of the clause.

5. Paragraphs 6 and 7 of the Settlement provide the methodology by which Riverside will calculate and make the refunds to the CAISO necessary to reflect the rates provided in the Settlement.

6. Paragraph 8 states that Riverside will submit a new, comprehensive TRR filing by December 31, 2011 with full cost support proposing either to maintain or to change the Base TRR, including the costs of its ETCs with SCE.

7. Paragraph 16 of the Settlement provides that the standard of review for modifications to the Settlement shall be the just and reasonable standard.

8. The Settlement is fair and reasonable and in the public interest, and is hereby approved. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The Commission also accepts for filing Riverside's annual update of its ETC costs. In addition, the rate schedules submitted as part of the Settlement are in compliance with Order No. 614³ and are accepted for filing as designated.

³ *Designation of Electric Rate Schedule Sheets*, Order No. 614, FERC Stats. & Regs. ¶ 31,096 (2000).

9. This letter terminates Docket Nos. EL09-52-000 and EL09-52-001.

By direction of the Commission

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All Parties