

140 FERC ¶ 61,153
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 28, 2012

In Reply Refer To:
San Diego Gas & Electric Company
Docket No. ER12-2172-000

San Diego Gas & Electric Company
101 Ash Street, HQ12B
San Diego, CA 92101

Attention: E. Gregory Barnes, Attorney

Reference: TACBAA Rate Revisions

Dear Mr. Barnes:

1. On June 29, 2012, San Diego Gas & Electric Company (SDG&E) submitted revised tariff sheets proposing an “out-of-cycle” update to its transmission access charge balancing account adjustment (TACBAA). SDG&E contends these revisions have been proposed to avoid a retail rate spike resulting from placing the costs associated with the Sunrise Powerlink high voltage transmission project (Sunrise) into the formula rates under SDG&E’s Transmission Owner tariff. SDG&E explains that its Transmission Owner tariff provides for annual updates to the TACBAA rate effective each January 1; thus, SDG&E requests, to the extent necessary, a waiver of the relevant tariff provisions to permit an out-of-cycle adjustment. SDG&E also requests a waiver of the Commission’s 60-day prior notice requirements, as contained in Part 35 of the Commission’s regulations, 18 C.F.R. Part 35 (2012), to permit the proposed tariff revisions to become effective on September 1, 2012.

2. The TACBAA is the mechanism the California Independent System Operator Corporation (CAISO) uses to allocate the costs of CAISO transmission grid additions to all end users of the grid. The annual TACBAA adjustment normally occurs on January 1 of each year. SDG&E is proposing an out-of-cycle adjustment that will be in effect from September 1, 2012 to December 31, 2012. SDG&E explains that without the out-of-cycle TACBAA modification, the \$1.735 billion Sunrise project costs will be reflected in rates paid by SDG&E retail customers as of September 1, 2012, until the annual TACBAA adjustment takes effect on January 1, 2013. SDG&E asserts that other CAISO

customers will be indifferent to the proposed TACBAA because the rate applies only to SDG&E retail customers.

3. Additionally, SDG&E explains that because this filing is being made out of cycle, some of the information normally used to derive the annual TACBAA update is not yet available. SDG&E asserts that the use of its most current available information in its cost analysis is reasonable because it is the best available estimate. SDG&E contends that customers will not be harmed by using these estimates because any difference between the estimates and actual revenue data will be adjusted by normal operation of the TACBAA as a balancing account. Moreover, SDG&E notes that its transmission revenue requirement, which is used by CAISO for the derivation of the CAISO transmission access charge, was approved by the Commission in other dockets.¹

4. Notice of SDG&E's Filing was published in the *Federal Register*, 77 Fed. Reg. 41,177 (2012), with protests or interventions due on or before July 20, 2012. Timely motions to intervene were filed by Trans Bay Cable LLC and jointly by the City of Santa Clara, California and the M-S-R Power Agency. A notice of intervention and comments in support of SDG&E's proposed out-of-cycle TACBAA adjustment were filed by the Public Utilities Commission of the State of California.

5. We grant SDG&E's requested waiver of the tariff provisions that provide for annual TACBAA updates on January 1 of each year, and find good cause to allow this out-of-cycle adjustment. We find that SDG&E's requested rate revision is just and reasonable because it will prevent SDG&E's retail customers from experiencing a substantial increase in rates between September 1, 2012 and December 31, 2012, and it will not have an adverse impact on other CAISO transmission owners. Further, we grant waiver of the 60-day prior notice requirement and find good cause to allow the TACBAA adjustment to become effective on September 1, 2012.² We note that no party protested SDG&E's proposed tariff revision or request for waivers. SDG&E's TACBAA out-of-cycle rate revision is accepted, to become effective September 1, 2012.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

¹ *San Diego Gas & Elec. Co.*, Docket No. ER12-660-000 (Feb. 16, 2012) (delegated letter order).

² *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).