

145 FERC ¶ 61,103
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

November 5, 2013

In Reply Refer To:
Southern California Edison Company
Docket Nos. ER11-3697-000
ER11-3697-001
ER11-3697-003
ER11-3697-005

Southern California Edison Company
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Steptoe & Johnson LLP
Attn: Gary A. Morgans, Esq.
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Dear Ms. Valdborg and Mr. Morgans:

1. On August 26, 2013, as corrected on October 9, 2013, Southern California Edison Company, (SoCal Edison) filed an Offer of Settlement (Settlement) in the above-captioned proceedings.¹ The Settlement resolves all issues set for hearing in the August 2, 2011 Commission Order Accepting and Suspending Proposed Formula Rate Filing and Establishing Hearing and Settlement Judge Procedures in Docket No. ER11-3697-000,² the related compliance filing in Docket No. ER11-3697-001,³ as well as

¹ The Settlement was filed through eTariff and assigned Docket No. ER11-3697-005.

² *Southern California Edison Co.*, 136 FERC ¶ 61,074 (2011).

³ The compliance filing in Docket No. ER11-3697-001 was accepted by order dated November 30, 2011. *Southern California Edison Co.*, 137 FERC ¶ 61,173 (2011), subject to the outcome of these settlement proceedings.

SoCal Edison's September, 2012 Informational Filing submitted in compliance with the formula rate in Docket No. ER11-3697-003.⁴ Specifically, the Settlement revises SoCal Edison's proposed formula rate, establishes a sunset date of December 31, 2017 for use of the formula rate,⁵ and establishes a base return on common equity of 9.30 percent.⁶ It also includes non-rate terms that make the formula rate calculations more transparent. Comments filed concerning the Settlement either supported or did not oppose it. On October 1, 2013, the Settlement Judge certified the uncontested Settlement to the Commission.

2. On August 26, 2013, SoCal Edison filed an Unopposed Motion for Implementation of Interim Settlement Rates and Waiver of Tariff Provisions and Request for Expedited Consideration and Shortened Answer Period. On August 30, 2013, the Chief Judge granted the motion.⁷

3. Section 7.5 of the Settlement provides that the just and reasonable standard of review will apply to any changes to the Settlement proposed by the Commission or a non-Party.⁸

⁴ The Informational Filing was dated and filed on September 14, 2012.

⁵ The Settlement references provisions in the tariff's formula rate protocols for proposing rates after December 31, 2017.

⁶ The 9.30 percent return on common equity does not include the Commission's previously-approved 50 basis point adder for ISO/RTO participation, nor does it include the Commission's previously-approved return on common equity incentive adders for certain transmission projects.

⁷ On October 9, 2013, SoCal Edison filed an Unopposed Motion for Implementation of Corrected Interim Settlement Rates and Waiver of Tariff Provisions and Request for Expedited Consideration and Shortened Answer Period. On October 11, 2013, the Chief Judge granted the motion.

⁸ The Settlement also provides:

The standard for review of any changes to Sections 1.4 [the return on common equity used in the formula rate spreadsheet] and 1.5 [the depreciation rates used in the formula rate spreadsheet] of this Settlement and to the [Transmission Owners] TO Tariff provisions attached to this Settlement that are proposed by any Party and that are permitted under the TO Tariff shall be the just and reasonable test, and the standard of review for any changes to

(continued...)

4. The Settlement, as filed on August 26, 2013 and corrected on October 9, 2013, appears to be fair, 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.

5. The revised tariff records attached to the Offer of Settlement comply with *Electronic Tariff Filings*, Order No. 714, FERC Stats. & Regs. ¶ 31,276 (2008) and are accepted, to be effective on the dates requested.⁹

6. Refunds and adjustments shall be made pursuant to the Settlement.¹⁰

7. This letter order terminates Docket Nos. ER11-3697-000, ER11-3697-001, ER13-3697-003, and ER13-3697-005.

By the direction of the Commission.

Kimberly D. Bose,
Secretary.

cc: All parties of record

this Settlement (not including Sections 1.4 and 1.5 of this Settlement and the TO Tariff provisions attached to this Settlement) that are proposed by any Party shall be the "public interest" test.

⁹ The tariff record reflecting the revised formula rate protocols (Attachment 1, Appendix IX to SoCal Edison's TO Tariff) is effective on the date of this letter order. The tariff record reflecting the formula rate header is effective January 1, 2012, and the tariff records reflecting the formula rate spreadsheets (Attachment 2, Appendix IX to SoCal Edison's TO Tariff) are effective January 1, 2012, April 1, 2013 and January 1, 2014, respectively.

¹⁰ Any refund report submitted in eTariff should use the following coding: Type of Filing Code 1130 – Refund Report.