

147 FERC ¶ 61,246
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 24, 2014

In Reply Refer To:
San Diego Gas & Electric Company
Docket No. ER12-2704-000

San Diego Gas & Electric Company
Attn: Georgetta J. Baker, Esq. and James F. Walsh, Esq.
Attorneys for San Diego Gas & Electric Company
101 Ash Street HQ 12
San Diego, CA 92101

Dear Ms. Baker and Mr. Walsh:

1. On April 11, 2014, you filed an Offer of Settlement and Settlement Agreement (Settlement) in the above-referenced proceeding on behalf of San Diego Gas & Electric Company (SDG&E), California Department of Water Resources State Water Project, California Public Utilities Commission, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California, Southern California Edison Company, the City of Santa Clara, California, and M-S-R-Public Power Agency (collectively, Settling Parties). This Settlement resolves all issues set for hearing. On May 1, 2014, Commission Trial Staff filed comments in support of the Settlement. No other comments were received. On May 15, 2014, the Settlement Judge certified the Settlement to the Commission as uncontested.¹

2. The Settlement resolves all issues among the Settling Parties concerning the abandonment cost recovery for a cancelled 69 kV transmission line between SDG&E's Sycamore Canyon and Miramar substations and related upgrades (Sycamore Project). The Settlement provides at article 3.8 that changes to its provisions shall be governed by the following standards of review:

Any proposal to modify the terms of the Settlement shall be subject to the public interest standard as set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956); *Fed. Power Comm'n v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956); *Morgan Stanley Capital Group, Inc. v. Pub. Util. Dist. No. 1*

¹ *San Diego Gas & Electric Co.*, 146 FERC ¶ 61,066 (2014).

of Snohomish County, 554 U.S. 527 (2008); and *NRG Power Mktg., LLC v. Maine Pub. Utilities Comm'n*, 558 U.S. 165 (2010); provided, that the standard for review of any such modification that is proposed by an entity that is not a party to this proceeding, or adopted by the Commission acting *sua sponte*, shall be the just and reasonable standard.

3. The Settlement Agreement appears to be fair and reasonable and in the public interest, and is hereby approved.
4. The Commission's approval of this Settlement Agreement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
5. This letter order terminates Docket No. ER12-2704-000.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.