

148 FERC ¶ 61,062
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

July 24, 2014

In Reply Refer To:
Citizens Sunrise Transmission LLC
Docket No. ER14-2049-000

Duncan & Allen
1575 I Street
Suite 300
Washington, DC 20005

Attention: Donald R. Allen

Dear Mr. Allen:

1. On May 28, 2014, Citizens Sunrise Transmission LLC (Citizens Sunrise) submitted its annual true-up filing containing revisions to the cost inputs flowed through the formula rate found in Appendix III of its Transmission Owner Tariff, which governs costs associated with Citizens Sunrise's share of the Sunrise Powerlink Transmission Line, to update the transmission revenue requirement. Citizens also asked for waiver of the Commission's prior notice requirements. In this order, we accept Citizens Sunrise's filing, effective June 1, 2014, as requested.
2. Citizens Sunrise and San Diego Gas and Electric Company (SDG&E) are parties to a Transfer Capability Lease Agreement, which provides Citizens Sunrise with a transfer capability entitlement in the Border East Line of SDG&E's Sunrise Powerlink Transmission Line (Border East Line). Citizens Sunrise states that, under the Transfer Capability Lease Agreement, SDG&E bills Citizens Sunrise for its share of the costs to operate and maintain this line. Citizens Sunrise states that Appendix X of SDG&E's Transmission Owner Tariff contains a formula by which the operating costs billed by SDG&E to Citizens Sunrise are trued-up to actual costs each year.¹ Also, according to Citizens Sunrise, pursuant to Appendix III of its Transmission Owner Tariff, its share of the Border East Line operations and maintenance costs is reflected in Citizens Sunrise's

¹ Citizens Sunrise May 28, 2014 Filing at 2-3 (Filing).

transmission revenue requirement, which is annually trued-up, effective June 1 of each year.²

3. Citizens Sunrise states that its revised Transmission Revenue Requirement, to become effective June 1, 2014, has increased to \$14,745,742. Citizens Sunrise states that this increase is entirely the result of the increase in SDG&E's operating costs to \$4,690,000, from the prior amount of \$1,328,727.³ Citizens Sunrise notes that its other operating costs have declined slightly. Citizens Sunrise adds that SDG&E intends to submit, in a separate proceeding, a filing supporting the Project's revised operations and maintenance costs.⁴

4. Notice of Citizens Sunrise's filing was published in the *Federal Register*, 79 Fed. Reg. 32,269 (2014), with comments due on or before June 18, 2014. Timely unopposed motions to intervene were filed by the City of Santa Clara, California; Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, Six Cities); Modesto Irrigation District; M-S-R Public Power Agency; Southern California Edison Company; California Department of Water Resources State Water Project; and Trans Bay Cable LLC. On June 18, 2014, Six Cities filed comments. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. On July 9, 2014, Citizens Sunrise filed an Answer to Six Cities' comments.

5. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2013), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept Citizens Sunrise's Answer because it has provided information that assisted us in our decision-making process.

6. In its comments, Six Cities states that, in the proceeding to address the annual update to SDG&E's formula rate for the same charges, it identified several minor corrections to SDG&E's operating costs that should be addressed to ensure that the charges that then flow from SDG&E's formula rate to Citizens Sunrise's transmission

² *Citizens Sunrise Transmission LLC*, 138 FERC ¶ 61,129 (2012).

³ Citizens Sunrise states that the primary reasons for the increase in the SDG&E operating cost figure are: (1) the prior figure was for the first six months of operation rather than a full year; and (2) SDG&E wildfire damages costs for 2013 were substantially higher than for 2012. Filing at 3.

⁴ On May 28, 2014, SDG&E filed the Third Annual Informational Filing under the Appendix X of its Transmission Owner Tariff in Docket No. ER14-2057-000. That filing is pending before the Commission.

revenue requirement are accurate.⁵ According to Six Cities, SDG&E proposes that any over- or under-collected costs resulting from the correction of these errors should be reflected in SDG&E's subsequent informational filing with the Commission.⁶ Six Cities states that it does not object to the implementation of the Citizens Sunrise's transmission revenue requirement increase, provided that any corrections made by SDG&E will be flowed through to transmission customers in the next future true-up filing by Citizens Sunrise.⁷ In its Answer, Citizens Sunrise reiterates the purposes of its filing, summarizes Six Cities' comments, and states that the transmission revenue requirement in Appendix III will be updated to reflect all necessary changes and corrections that result from SDG&E's future Appendix X filing.⁸

7. We accept Citizens Sunrise's filing, including its revised transmission revenue requirement. We find that Citizens Sunrise's proposed revisions to Appendix III are consistent with its Transmission Owner Tariff requirement that Citizens Sunrise update Appendix III to reflect its share of the operations and maintenance costs associated with the Border East Line. As stated above, Citizens Sunrise's Transmission Owner Tariff provides that its revised Transmission Revenue Requirement is to become effective June 1 of each year. Therefore, waiver of the Commission's prior notice requirement pursuant to section 35.11 of the Commission's regulations (18 C.F.R. § 35.11) is granted, and Citizens Sunrise's filing is accepted for filing, effective June 1, 2014, as requested.⁹ In response to Six Cities' comments, we note that, pursuant to Appendix III of its Transmission Owner Tariff, Citizens Sunrise is required to submit a filing annually to revise its transmission revenue requirement. However, in the event that SDG&E files to adjust the costs billed to Citizens Sunrise under Appendix X of the SDG&E Transmission

⁵ We note that in Docket No. ER14-2057-000, Six Cities filed comments describing the discrepancies, which Six Cities state result in an over-collection of between \$200,000 to \$250,000. Six Cities' Comment, Docket No. ER14-2057-000, at 2-3 (filed June 18, 2014).

⁶ In its Answer to Six Cities in Docket No. ER14-2057-000, SDG&E concurred with Six Cities' findings and stated it would make a separate filing as soon as practicable to modify Appendix X to conform it to the TO4 Formula and those conforming changes will result in refunds and credits to Citizens, which will be reflected in the relevant Appendix X informational filings. SDG&E Answer, Docket No. ER14-2057-000, at 2-3 (filed July 2, 2014).

⁷ Six Cities Comments June 18, 2014 at 2.

⁸ Citizens Sunrise July 9, 2014 Answer at 2.

⁹ *Central Hudson Gas and Electric Corp.*, 60 FERC ¶ 61,106, *order on reh'g*, 61 FERC ¶ 61,089, at 61,338 (1992).

Owner Tariff prior to the next annual update to Appendix III to Citizens Sunrise's TO Tariff, we expect Citizens Sunrise to submit a filing with the Commission to reflect any resulting adjustment to Appendix III, within 30 days of the date of the Commission's order on SDG&E's proposed adjustment.

By direction of the Commission.

Kimberly D. Bose,
Secretary.