

152 FERC ¶ 61,072  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

San Diego Gas & Electric Company

Docket No. ER15-1144-001

ORDER ACCEPTING FILING

(Issued July 27, 2015)

1. In this order, we accept San Diego Gas & Electric Company's (SDG&E) proposed revisions to its transmission owner tariff and interconnection agreements to decrease the Fixed Charge Rate for operation and maintenance (O&M) services provided by SDG&E to nine identified generators that have ownership interests in interconnection facilities located on property owned and/or operated by SDG&E. In addition, we grant SDG&E's request for waiver of the Commission's 60-day prior notice requirement and accept the filing effective March 1, 2015, as requested.

**I. Background**

2. On February 27, 2015, as supplemented on the same date, and amended on May 28, 2015, SDG&E filed to reduce the Fixed Charge Rate that it uses to bill certain generator interconnection customers for transmission O&M services. According to SDG&E, it provides O&M services to 22 wholesale generators for operating and maintaining interconnection facilities wherein these generators have retained an ownership interest. SDG&E notes that it provides O&M services to certain customers based upon bilateral contracts on file with the Commission, as well as other customers pursuant to *pro forma* three-party contracts between SDG&E and CAISO.

3. SDG&E states that the Commission last reviewed SDG&E's Fixed Charge Rate for nine interconnection customers in Docket No. ER09-601-000, which was accepted by delegated letter order dated March 24, 2009.<sup>1</sup> The currently effective Fixed Charge Rate of 6.17 percent per year (0.51417 percent per month) is based upon SDG&E's recorded data from its Transmission Owner Formula 3 (TO3) second annual filing (Cycle 2) rate application that used 2007 data. According to SDG&E, updating the Fixed Charge Rate using 2013 data from the Transmission Owner Formula 4 (TO4) Cycle 2 filing yields a

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<sup>1</sup> SDG&E February 27, 2015 Transmittal Letter at 2.

rate of 5.35 percent per year (0.44618 percent per month), which is a 13.22 percent reduction from the currently effective rate.<sup>2</sup> SDG&E proposes to replace the stated rate in each interconnection customer's contract with a reference to the proposed Appendix XI to SDG&E's Transmission Owner (TO) Tariff, which, in turn, would state the Fixed Charge Rate, thereby reducing the administrative burden to revise multiple generation interconnection contracts every time the Fixed Charge Rate needs updating. Instead, future updates to the Fixed Charge Rate could be effectuated through a single tariff change to Appendix XI.

4. SDG&E requests waiver of the Commission's 60-day prior notice requirement to permit an effective date of March 1, 2015 for the proposed tariff revisions and interconnection agreement changes.<sup>3</sup> According to SDG&E, good cause exists to grant the waiver as the instant filing results in lower rates for customers.

## **II. Notice of Filings and Responsive Pleadings**

5. Notice of SDG&E's February 27, 2015 filing was published in the *Federal Register*, 80 Fed. Reg. 12,167 (2015), with interventions and protests due on or before March 20, 2015. The California Public Utilities Commission filed a timely notice of intervention and the California Department of Water Resources State Water Project (CDWR) filed a timely motion to intervene and protest.

6. CDWR does not contest SDG&E's calculation of the Fixed Charge Rate; however, CDWR takes exception to SDG&E's request for waiver of the 60-day prior notice requirement. According to CDWR, the proposed change to the Fixed Charge Rate will increase charges to customers that pay CAISO's Transmission Access Charge.<sup>4</sup> CDWR explains that SDG&E credits the revenues that it receives from the O&M charge to SDG&E's annual transmission revenue requirement. Therefore, CDWR explains, a reduction in O&M revenues means that less money is available to offset SDG&E's annual transmission revenue requirement, which results in an increase in that revenue requirement and higher charges for customers that pay SDG&E's transmission rates.<sup>5</sup> According to CDWR, the reduced O&M Fixed Charge Rate amounts to an annual increase of \$340,138 to SDG&E's transmission revenue requirement.<sup>6</sup> CDWR requests

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<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> CDWR Protest at 4.

<sup>5</sup> *Id.* at 5.

<sup>6</sup> *Id.* n 5.

that SDG&E's Fixed Charge Rate go into effect no earlier than April 28, 2015, i.e., 60 days from the date of the filing.

7. On April 28, 2015, Commission staff issued a letter indicating that SDG&E's February 27 Filing was deficient and requesting further information.<sup>7</sup> SDG&E submitted its response to the deficiency letter on May 28, 2015. Notice of SDG&E's May 28, 2015 response was published in the *Federal Register*, 80 Fed. Reg. 31,901 (2015), with interventions and protests due on or before June 18, 2015. None were filed.

### **III. Discussion**

#### **A. Procedural Matters**

8. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the notice of intervention and timely, unopposed motions to intervene and protest serve to make the entities that filed them parties to this proceeding.

#### **B. Commission Determination**

9. We accept SDG&E's tariff revisions and revised interconnection agreements, effective March 1, 2015, as requested. We find that good cause exists to grant SDG&E's request to waive the 60-day prior notice requirement, as the change to the Fixed Rate Charge in the tariff and interconnection agreements will result in a rate decrease of approximately 13 percent for the affected customers.<sup>8</sup>

10. We expect that any decrease in the amount of O&M revenue credits that will be used to offset SDG&E's proposed \$809.3 million transmission revenue requirement will have a relatively small impact on customers, including CDWR, that pay SDG&E's transmission rates, compared to the direct impact the rate reduction will have on SDG&E's interconnection customers. Accordingly, we reject CDWR's argument and grant waiver of the prior notice requirement.

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<sup>7</sup> See *San Diego Gas & Elec. Co.*, Docket No. ER15-1144-000 (Apr. 28, 2015) (Deficiency Letter).

<sup>8</sup> *Central Hudson Gas and Elec. Corp.*, 60 FERC ¶ 61,106, at 61,338 (1992) (stating that the Commission will grant waiver of notice for filings that reduce rates and charges – such as rate decreases), *order on reh'g*, 61 FERC ¶ 61,089 (1992).

The Commission orders:

SDG&E's filing to decrease the Fixed Charge Rate is hereby accepted, effective March 1, 2015, as discussed in the body of this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.