

154 FERC ¶ 61,175
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

DATC Path 15, LLC

Docket Nos. ER16-205-000
ER16-205-001

ORDER ACCEPTING PROPOSED TARIFF REVISIONS

(Issued March 7, 2016)

1. On October 30, 2015, as amended on January 7, 2016, DATC Path 15, LLC (DATC Path 15) submitted its proposed Transmission Revenue Balancing Account Adjustment (TRBAA), which is recalculated annually and made effective on January 1 of each year, pursuant to the California Independent System Operator Corporation (CAISO) tariff and the DATC Path 15 Transmission Owner Tariff (TO Tariff). The annual update submitted by DATC Path 15 reflects a TRBAA credit of \$517,176. In this order, we accept DATC Path 15's proposed TRBAA update, effective January 1, 2016, as discussed below.

I. Background

2. The TRBAA is a ratemaking mechanism for ensuring that transmission revenue credits in the Transmission Revenue Balancing Account flow through to transmission service customers. A Transmission Revenue Balancing Account is included in the tariffs of all transmission owners that participate in the CAISO markets. The Transmission Revenue Balancing Account also accounts for any over-recoveries or under-recoveries associated with the non-load-serving participating transmission owner's Transmission Revenue Requirement (TRR) for the prior year ending September 30.¹ Transmission access charges are established by using the TRBAA to increase or decrease the participating transmission owner's base TRR.

¹ See DATC Path 15 TO Tariff, Sections 3.14 and 5.2.

3. DATC Path 15 is a Delaware limited liability company and an indirect, wholly-owned subsidiary of Duke-American Transmission Co. DATC Path 15 was formed to, among other things, hold and manage the contractual entitlements to a portion of the transmission service rights associated with the transmission line upgrade in the Path 15 transmission corridor located in California.²

4. On October 30, 2015, DATC Path 15 submitted an annual update of its TRBAA for year 2015. In its October 30, 2015 filing, DATC Path 15 states that the 2016 revised TRBAA amount of negative \$517,176, which represents a credit, reflects the sum of the actual principal balance of \$2,456,911 in the Transmission Revenue Balancing Account as of September 30, 2015, and the projected Transmission Revenue Balancing Account under-collection for the remainder of 2015 of negative \$1,939,736.³ In addition, DATC Path 15 explains that the revised TRBAA incorporates refunded amounts resulting from an adjustment in its TRR due to a 2015 Offer of Settlement (TRR Settlement).⁴ DATC Path 15 requests the effective date of January 1, 2016 for the proposed TRBAA update.

5. On December 8, 2015, the Commission issued a deficiency letter (Deficiency Letter) directing DATC Path 15 to clarify whether or not DATC Path 15 received a portion of the forfeited funds distributed by CAISO, and if DATC Path 15 received forfeited funds from CAISO, to clarify if these funds were included in the Transmission Revenue Balancing Account as a credit to ratepayers. If not included in the Transmission Revenue Balancing Account, DATC Path 15 was directed to explain why this is appropriate treatment of such funds.

6. On January 7, 2016, DATC Path 15 submitted a response to the Deficiency Letter, explaining that DATC Path 15 received a portion of the forfeited funds distributed by CAISO in the amount of \$1,251, which were included in the Transmission Revenue Balancing Account as a credit to ratepayers.

II. Notice of Filing and Responsive Pleadings

7. Notice of DATC Path 15's October 30, 2015 filing in Docket No. ER16-205-000 was published in the *Federal Register*, 80 Fed. Reg. 68,528 (2015), with interventions and protests due on or before November 20, 2015. Timely motions to intervene were filed by Pacific Gas and Electric Company, the California Department of Water Resources State Water Project, Trans Bay Cable LLC, the City of Santa Clara, California

² DATC Path 15 October 30 Filing, Transmittal Letter at 1-2.

³ DATC Path 15 October 30 Filing, Hodgson Testimony, Ex. DAT-1 at 8-9.

⁴ *Id.* at 9-10.

and the M-S-R Public Power Agency. The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, Six Cities) filed a timely motions to intervene and comments.⁵ On December 7, 2015, DATC Path 15 filed a motion for leave to answer and answer to Six Cities comments.

8. In their comments, Six Cities state that they have identified a potential omission from the TRBAA calculation of forfeited funds that may have been received by DATC Path 15 and should be treated as a credit to ratepayers. Six Cities request that DATC Path 15 clarify the treatment of any forfeited funds that it received.

9. In its answer, DATC Path 15 confirms its receipt of certain forfeited funds and explains that those funds had been properly accounted for in the TRBAA as a credit in favor of ratepayers.⁶ In addition, DATC Path 15 states that in future annual updates to the TRBAA, DATC Path 15 commits to separately delineate the non-refundable deposits that have been received and flowed back to transmission customers.⁷

10. Notice of DATC Path 15's response to the Deficiency Letter submitted in Docket No. ER16-205-001 was published in the *Federal Register*, 80 Fed. Reg. 1624-01 (2016), with interventions and protests due on or before January 28, 2016. None were filed.

III. Discussion

A. Procedural Matters

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2015), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2015), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept DATC Path 15's answer because it has provided information that assisted us in our decision-making process.

⁵ Six Cities' pleading shall be treated as a protest despite being styled as comments. *See, e.g., California Independent System Operator Corp.*, 128 FERC ¶ 61,247 at P 5 (2009) (treating comments as protests).

⁶ DATC Path 15 Answer at 3, and DATC Path 15 Amended Filing at 2-3.

⁷ *Id.*

B. Commission Determination

13. As discussed above, DATC Path 15 submitted a response to the Deficiency Letter, which sought clarification of the treatment of forfeited funds distributed by CAISO. The Commission has reviewed DATC Path 15's proposed treatment of forfeited funds and finds that those funds were properly accounted for in the proposed TRBAA and results in a just and reasonable credit to ratepayers. We therefore accept DATC Path 15's proposed TRBAA⁸ for filing effective January 1, 2016, as requested.

The Commission orders:

DATC Path 15's TRBAA update is hereby accepted for filing, effective January 1, 2016, as requested.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

⁸ DATC Path 15, LLC, FERC FPA Electric Tariff, Appendix I, Baseline Tariff, 11.0.0.