

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;  
Nora Mead Brownell, Joseph T. Kelliher,  
and Suedeen G. Kelly.

California Independent System Operator                      Docket No. ER05-416-004

ORDER ON INFORMATIONAL FILING

(Issued June 10, 2005)

1. On April 12, 2005, the California Independent System Operator Corporation (CAISO) submitted an informational filing that adjusts the CAISO's Transmission Access Charge (Access Charge) to be effective on January 1, 2005. The Transmission Access Charge is determined through a formula rate based on the combined Transmission Revenue Requirements of the CAISO's Participating Transmission Owners. This informational filing adjusts Transmission Revenue Requirement and the Transmission Revenue Balancing Account (Balancing Account) for San Diego Gas & Electric Company (SDG&E).<sup>1</sup>

2. Notice of the CAISO's April 12, 2005 Filing was published in the *Federal Register*, 70 Fed. Reg. 22,020 (2005), with comments, protests or interventions due on or before May 3, 2005. Southern California Edison Company (SoCal Edison) filed a timely motion to intervene and comments. On May 18, 2005, the CAISO filed an answer to SoCal Edison's comments. On June 3, 2005, SDG&E filed an answer to SoCal Edison's comments.

**Discussion**

3. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2004), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2004),

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<sup>1</sup> The adjustment in this informational filing responds to unpublished delegated letter orders issued on October 26, 2004 in Docket No. ER04-1163-000, on March 25, 2005 in Docket No. ER04-1126-001, and on April 4, 2005 in Docket No. ER05-411-001.

prohibits answer to a protest unless otherwise ordered by the decisional authority. We will accept the CAISO's and SDG&E's answers because they have provided information that assisted us in our decision-making process.

4. SoCal Edison requests that the Commission not approve the CAISO's revised Transmission Access Charges for SDG&E in this informational filing because the Transmission Revenue Requirement used by the CAISO for SDG&E in this filing does not match the Transmission Revenue Requirement for SDG&E currently on file at the Commission.<sup>2</sup> According to SoCal Edison, the Transmission Revenue Requirement used by the CAISO in this filing was never filed at the Commission.<sup>3</sup> SoCal Edison argues that the CAISO cannot use SDG&E's Transmission Revenue Requirement because there is no way to verify that the Transmission Revenue Requirement filed by the CAISO in this informational filing is correct. SoCal Edison argues further that, if the CAISO is permitted to use the Transmission Revenue Requirement for SDG&E in this filing, then the Commission must direct SDG&E to submit that figure in an informational filing.

5. In its answer, the CAISO states that it contacted SDG&E regarding this discrepancy. SDG&E points out in its answer that the Commission approved the revised Transmission Revenue Requirement rate reflected in the CAISO filing in this proceeding on October 26, 2005.<sup>4</sup> According to the CAISO and SDG&E, however, SDG&E did not make a compliance filing of the Commission-approved Transmission Revenue Requirement because the Commission's October 26 Order did not direct SDG&E to make such a compliance or informational filing. The CAISO and SDG&E state further that the Transmission Revenue Requirement figure used by the CAISO for SDG&E in this filing represents a rate decrease of approximately \$2 million. According to the CAISO, SDG&E informed the CAISO that, within 10 business days, it would file the Transmission Revenue Requirement update and an accompanying statement in this docket.

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<sup>2</sup> SoCal Edison points out that SDG&E's most recent informational filing updating the High Voltage Transmission Revenue Requirement was accepted by the Commission on March 25, 2005 in Docket No. ER04-1126-001.

<sup>3</sup> Appendix F, Schedule 3, Section 9.1 of the CAISO Tariff requires that a Participating Transmission Owner file at the Commission to establish its Transmission Revenue Requirements, including but not limited to, a statement of the High Voltage Transmission Revenue Requirement and other information required by the Commission to support the CAISO Transmission Access Charge.

<sup>4</sup> The filing was accepted by the Commission in an unpublished letter order on October 26, 2005 in Docket No. ER04-1163-000 (October 26 Order).

6. In its June 3, 2005 answer, SDG&E provides an explanation of the changes resulting in reduction of its Transmission Revenue Requirement and the workpapers to support the Transmission Revenue Requirement figure used by the CAISO for SDG&E in this proceeding.

7. We reject SoCal Edison's request. As discussed below, the Commission will accept the CAISO's informational filing in this docket subject to SDG&E submitting an informational filing showing the workpapers and the impact of the approved revisions to its Transmission Revenue Requirements in a separate individual proceeding to reflect the figure relied upon by the CAISO in this proceeding.<sup>5</sup>

8. The underlying formula is the rate on file, as approved by the Commission and the CAISO's informational filing simply reflects the current inputs under that formula rate.<sup>6</sup> As the Commission recognized in Opinion No. 478, issues regarding the individual Transmission Revenue Requirements of the Participating Transmission Owners that are put in the Transmission Access Charges formula rate should be decided in their individual Transmission Revenue Requirements proceedings.<sup>7</sup> Transmission Revenue Requirements are adjusted through Balancing Account filings in order to reflect certain credits to the Transmission Revenue Requirements associated with the transmission rights turned over to the CAISO's operational control. Consistent with Opinion No. 478, the Commission need not delay action on the CAISO's filing, pending the outcome of the individual Transmission Revenue Requirement Balancing Account proceedings, as the CAISO will implement the revised Transmission Revenue Requirements when the individual proceedings are completed by further updating the formula rate.

9. To the extent that SoCal Edison has an issue with SDG&E's individual Transmission Revenue Requirement figure, that issue can be addressed in SDG&E's compliance filing. In addition, if the figure relied upon by the CAISO in this proceeding is modified or changed in SDG&E's compliance filing proceeding, the CAISO will submit an informational filing revising the Transmission Revenue Requirement for SDG&E when SDG&E's individual compliance proceeding is completed.

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<sup>5</sup> In addition, we also direct SDG&E in the future to make whatever compliance or informational filing is necessary each time the Commission issues an order accepting its revised Transmission Revenue Requirement whether or not the Commission order specifically directs such a filing.

<sup>6</sup> See *California Independent System Operator Corporation*, Opinion No. 478, 109 FERC ¶ 61,301 (2004), *reh'g pending*.

<sup>7</sup> *Id.* at P 88.

The Commission orders:

The CAISO's amended informational filing is accepted as filed, as discussed in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.