

137 FERC ¶ 61,249
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 30, 2011

In Reply Refer To:
Southern California Edison Company
Docket No. ER12-236-000

Julie Miller
Senior Attorney
Southern California Edison Company
P.O. Box 800
2244 Walnut Grove Avenue
Rosemead, California 91770

Reference: Annual Revision to Transmission Revenue Balancing Account Adjustment

Dear Ms. Miller:

1. On October 28, 2011, Southern California Edison (SoCal Edison) proposed revisions to rate sheets in its Transmission Owner Tariff (TO Tariff) to reflect the annual update of the Transmission Revenue Balancing Account Adjustment (TRBAA), which results in a decrease to SoCal Edison's Transmission Revenue Requirement and associated transmission rates. We grant the request for privileged treatment for Statement BD pursuant to sections 388.107 and 388.112 of the Commission's regulations.¹

2. The TRBAA is a ratemaking mechanism designed to ensure that all Transmission Revenue Credits are flowed-through to transmission customers. Specifically, the revised TRBAA applicable to retail service is negative \$60,801,298, a \$38,752,693 decrease from the currently-effective level of negative \$22,048,605. The proposed wholesale TRBAA is negative \$60,654,041, a decrease of \$38,658,836 from the currently-effective level of negative \$21,995,205. SoCal Edison states that the decrease in the TRBAA is due to the increase over the last twelve months in the over-collected balance in the Transmission Revenue Balancing Account (TRBA) and Transmission Revenue Credits.

¹ 18 C.F.R. § 388.107 and § 388.112 (2011).

3. Notice of SoCal Edison's filing was published in the *Federal Register*, 74 Fed. Reg. 1670 (2011), with comments due on or before November 14, 2011. Timely, unopposed motions to intervene were filed by the City of Los Angeles Department of Water and Power, the Modesto Irrigation District and the City of Santa Clara, California, the City of Redding, California and the M-S-R Public Power Agency, the Cities of Anaheim, Azusa, Banning Colton, Pasadena, and Riverside, California, and the Northern California Power Agency. Timely comments were filed by the California Department of Resources State Water Project (State Water Project). On December 5, 2011, SoCal Edison filed an answer to the State Water Project's comments.

4. State Water Project states that SoCal Edison has a pending request in Docket No. ER12-239-000 to recover costs associated with the abandonment of the Arizona segment of the Devers-Palo Verde II transmission project (DPV2 Project). State Water Project offers that because the recovery mechanism proposed by SoCal Edison in Docket No. ER12-239-000 is subject to dispute, SoCal Edison should be required to include in its TRBA tariff revisions an optional mechanism to recover abandoned plant costs through the TRBA if the Commission approves of such recovery in Docket No. ER12-239-000. In addition, State Water Project reiterates its contention that SoCal Edison should be required to recover abandoned plant costs in a single year instead of over a five-year period through the TRBA. State Water Project notes that Pacific Gas & Electric Company (PG&E) recently proposed a single year recovery period in its 2012 TRBA.²

5. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,³ 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,⁴ prohibits an answer to a protest or answer unless otherwise ordered by the decisional authority. We are not persuaded to accept the answer filed by SoCal Edison and will, therefore, reject it

6. We find SoCal Edison's proposed tariff sheets just and reasonable, and not unduly discriminatory or preferential. Moreover, we note that SoCal Edison's formula rate allows for the inclusion of the one-year amortized abandoned plant costs as an expense without additional filings or changes to its base TRR. Therefore, we find that SWP's request for optional language which would be designed to implement the decision issued

² See Docket No. ER12-76-000.

³ 18 C.F.R. § 385.214 (2011).

⁴ 18 C.F.R. § 385.213(a)(2) (2011).

in Docket No. ER12-239-000 is unnecessary. Therefore, the revised rate sheets are accepted, effective January 1, 2012, as requested.

7. SoCal Edison's proposed tariff sheets are hereby accepted as discussed above.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.