141 FERC ¶ 61,259
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Philip D. Moeller, John R. Norris,
Cheryl A. LaFleur, and Tony T. Clark.

Atlantic Path 15, LLC Docket No. ER13-303-000

ORDER ACCEPTING REVISED TRANSMISSION REVENUE BALANCING ACCOUNT ADJUSTMENT

(Issued December 28, 2012)

1. On November 1, 2012, Atlantic Path 15, LLC (Atlantic) submitted its Transmission Revenue Balancing Account Adjustment (TRBAA),[1] which is recalculated annually and made effective on January 1 of each year, pursuant to the California Independent System Operator Corporation (CAISO) tariff[2] and Atlantic's Transmission Owner (TO) Tariff.[3] The annual update reflects a TRBAA credit of $626,188. We accept Atlantic's revised TRBAA update, effective January 1, 2013, as discussed below.

I. Background and Atlantic's Filing

2. The Path 15 Upgrade is an 83-mile, 500-kilovolt (kV) transmission line built along the existing Path 15 corridor in California to relieve a seriously constrained congestion point. The upgraded Path 15 transmission line went into operation on December 22, 2004, and it added roughly 1,500 megawatts (MW) to the existing 5,400 MW of transmission capacity from southern to northern California, and increased transmission capacity from north to south by about 1,100 MW. The upgrade has substantially reduced congestion and associated costs in the Path 15 corridor. On November 20, 2006, the

[1] *See* Atlantic Path 15, LLC, FERC Electric Tariff No. 1, Appendix I (Appendix I).

[2] California Independent System Operator Corporation, FERC Electric Tariff, Fifth Replacement, Appendix F, Schedule 3, section 8.1.

[3] Atlantic Path 15, LLC FERC Electric Tariff No. 1, section 3.15.

Commission found Atlantic's proposed Transmission Revenue Requirement (TRR) and TO tariff to be just and reasonable, following certain modifications.[4]

3. The TRBAA relates to the Transmission Revenue Balancing Account (TRBA) in Atlantic's TO Tariff. A TRBA is included in the tariffs of all transmission owners that participate in the CAISO. The TRBA accounts for revenues that the transmission owner receives from the CAISO for wheeling service, usage charges and from auctions of firm transmission rights as well as any over or under recoveries associated with a Non-Load Serving Participating TO's Transmission Revenue Requirement (TRR) for the prior year ending September 30th. Together, these revenues are referred to as Transmission Revenue Credits. The TRBAA is a mechanism for ensuring that amounts in the TRBA are flowed through to transmission service customers. The TRBAA for a given calendar year is to reflect the balance in the TRBA on September 30 of the previous year plus the TO's projected revenues from Transmission Revenue Credits for the calendar year in question. Transmission access charges are established by using the TRBAA to increase or decrease the transmission owners' base revenue requirement.

4. In general, Atlantic's TRBAA filing reflects the actual principal balance in Atlantic's TRBA as of September 1, 2012, a forecast of Transmission Revenue Credits for 2013, and the interest balance in the TRBA.[5] In addition, for non-load serving TOs, such as Atlantic, the TRBA is also used to reconcile differences between the TO's

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[4] *Trans-Elect NTD Path 15, LLC,* 117 FERC ¶ 61,214 (2006), *reh'g denied* 119 FERC ¶ 61,093 (2007). Trans-Elect changed it name to Atlantic Path 15, LLC, in 2006 and on October 16, 2006, Atlantic submitted, in Docket No. ER07-42, a Notice of Succession to Trans-Elect's tariff and revised tariff sheets reflecting the name change.

[5] According to section 5.2 of Atlantic's TO Tariff, the TRBAA shall be equal to the sum of (1) the balance representing the prior period difference between the projected Transmission Revenue Credits and actual credits, (2) forecast of Transmission Revenue Credits for the following calendar year, and (3) the interest balance for the TRBA. Interest shall be calculated using the interest rate prescribed in section 35.19(a) of the Commission's regulations under the Federal Power Act, and interest shall be calculated based on the average TRBA principal balance each month, compounded quarterly. In addition, pursuant to Appendix F, Schedule 3, Articles 6 and 6.1(b) of the CAISO tariff, a Non-Load Serving Participating TO is required to include any over or under recovery of its annual TRR in its TRBA.

authorized TRR and its collected revenues to ensure that there are no over or under-collections in any year.[6]

II. Notice of Filing and Responsive Pleadings

5. Notice of Atlantic's filing was published in the *Federal Register*, 77 Fed. Reg. 67,641 (2012), with interventions, comments, and protests due on or before November 23, 2012. Timely motions to intervene raising no substantive issues were filed by: Southern California Edison Company; California Department of Water Resources State Water Project; Trans Bay Cable, LLC; and the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities). A timely motion to intervene and comments was filed by: Pacific Gas and Electric Company (PG&E). Atlantic submitted an answer to PG&E's comments on December 3, 2012.

6. In its comments, PG&E contends that the work papers provided by Atlantic to support Atlantic's filing do not adequately demonstrate the calculation of the monthly TRBA balance and resulting interest. PG&E claims that it cannot determine from Atlantic's work papers whether Atlantic calculated interest on the amount over-collected on its TRR. Thus, PG&E requests the Commission set Altantic's filing for hearing and settlement.[7]

7. In its answer, Atlantic contends that the direct testimony of Alan R. Lovinger describes the interest calculation[8] and Exhibit No. ATL-3 shows the actual interest included in the credit.[9] Atlantic asserts that in light of this presentation, PG&E's request for a hearing should be rejected.[10]

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[6] Specifically, pursuant to the CAISO Tariff, revenues are allocated to load-serving entities in proportion to their actual Gross Load. Because no-load TOs do not have Gross Load, the CAISO allows no-load TOs to recover their TRR based on the ratio of no-load TOs TRR to the sum of all Participating TOs' TRR.

[7] PG&E November 23, 2012 Motion to Intervene and Comments at 2-3.

[8] Atlantic Motion for Leave to File Answer and Answer at 3, (citing Exhibit ATL-1 at page 5, lines 7-9 and page 6, lines 7-8).

[9] *Id*. (citing Exhibit ATL-3 at lines 2, 17-19).

[10] *Id.* at 3.

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 (2011), the timely, unopposed motions to intervene serve to make the entities that filed them parties to the proceeding.

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

B. Substantive Matters

10. The Commission has reviewed Atlantic's proposed TRBA update, as amended, and finds that it was properly computed and results in a just and reasonable credit. Our review indicates that Atlantic's calculation of its TRBA credit, including the interest calculation of $17,565, is correct. With regard to PG&E's objections, we find that Atlantic supported the update in its work pages and adequately followed the CAISO Tariff and Atlantic TO Tariff guidelines. Therefore, we deny PG&E's request for a hearing. The Commission hereby accepts Atlantic's proposed revisions to Appendix I of Atlantic's TO Tariff, reflecting its revised TRBAA, effective January 1, 2013.

The Commission orders:

Atlantic's TRBAA update is hereby accepted, effective January 1, 2013, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.