

146 FERC ¶ 61,002
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Startrans IO, LLC

Docket No. ER14-355-000

ORDER ACCEPTING REVISED TRANSMISSION REVENUE BALANCING
ACCOUNT ADJUSTMENT

(Issued January 6, 2014)

1. On November 8, 2013, Startrans IO, LLC (Startrans) 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) tariff² and Startrans' Transmission Owner (TO) Tariff.³ The annual update reflects a TRBAA credit of \$67,165. We accept Startrans' revised TRBAA update, effective January 1, 2014, as discussed below.

I. Background and Startrans' Filing

2. Startrans acquired ownership interests in the Mead-Adelanto Project (MAP) and the Mead-Phoenix Project (MPP, collectively, Mead Transmission Interests) in March of 2008. The MAP is a 1,296 MW transmission line extending 202 miles from the Marketplace Switching Station in southern Nevada to the Adelanto Switching Station in southern California. The MPP is a 1,300 MW transmission line extending 256 miles from the Perkins Switchyard near Sun City, Arizona to the Marketplace Switching Station. Subsequent to the acquisition, Startrans transferred operational control of the Mead Transmission Interests to CAISO and is a non-load-serving Participating Transmission Owner (PTO).

¹ See Startrans IO, LLC, FERC Electric Tariff, Appendix I (Appendix I).

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

³ Startrans IO, LLC FERC Electric Tariff, sections 3.2. and 5.2.

3. On July 31, 2013, Startrans filed an Offer of Settlement that concerned a proposed reduction in its Transmission Revenue Requirement (TRR).⁴ Under the terms of the July 31 Settlement, Startrans' TRR was reduced to \$3,695,000 from the filed-for level of \$4,355,881, effective January 11, 2013. The Commission accepted the uncontested settlement on October 7, 2013.⁵

4. The TRBAA relates to the Transmission Revenue Balancing Account (TRBA) in Startrans' TO Tariff. A TRBA is included in the tariffs of all transmission owners that participate in CAISO. The TRBA accounts for revenues that the transmission owner receives from CAISO for wheeling service, usage charges, and auctions of firm transmission rights as well as any over or under recoveries associated with non-load-serving PTO's TRR for the prior year ending September 30. 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.

5. In general, Startrans' TRBAA filing reflects the actual principal balance in Startrans' TRBA as of September 30, 2013, a forecast of Transmission Revenue Credits for 2013, and the interest balance in the TRBA.⁶ Startrans incorporates the refunded amount resulting from the July 31 Settlement TRR in its TRBAA, beginning with the projected trade months of November 2013 and December 2013. Startrans requests waiver of the 60-day notice period to allow the TRBAA to become effective January 1, 2014. Startrans states granting this waiver is appropriate because the Startrans TO Tariff and the CAISO Tariff specify that Startrans will update its TRBAA effective January 1 of each year.

⁴ Startrans IO, LLC, Offer of Settlement, Docket Nos. ER13-272-000, EL13-26-000 (filed July 31, 2013). Startrans' July 31, 2013 Offer of Settlement was submitted through the Commission's eTariff system incorrectly utilizing Type of Filing Code (TOFC) 10 – Rate Schedule Changes other than Rate Increases, for its proposed settlement sheets. As a result, Startrans' submittal generated a new docket number (ER13-2072-000) for the Offer of Settlement. On August 7, 2013, Startrans re-filed the Offer of Settlement in Docket Nos. ER13-272-000 and EL13-26-000.

⁵ *Startrans IO, LLC*, 145 FERC ¶ 61,020 (2013).

⁶ See Startrans TO Tariff section 5.2 and CAISO Tariff section 6.1 and 6.1(b), Appendix 3.

II. Notice of Filing and Responsive Pleadings

6. Notice of Startrans' filing was published in the *Federal Register*, 77 Fed. Reg. 69,406 (2013), with interventions, comments, and protests due on or before November 29, 2013. Timely motions to intervene raising no substantive issue were filed by: California Department of Water Resources State Water Project (SWP), Trans Bay Cable LLC, and the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (Six Cities). Timely motions to intervene and comments were filed by Southern California Edison (SoCal Edison) and Pacific Gas and Electric Company (PG&E). On December 12, 2013, Startrans filed a motion to leave and file answer to SoCal Edison's and PG&E's comments. SoCal Edison filed an answer to the Startrans answer on December 20, 2013, and Startrans responded on December 31, 2013.

7. In its comments, SoCal Edison contends that Startrans' 2014 revised TRBAA does not accurately reflect the refunds due to CAISO and Startrans' Tariff transmission customers pursuant to Startrans' July 31 Settlement TRR, approved by the Commission on October 7, 2013 and effective as of January 11, 2013. Specifically, SoCal Edison contends that the refund resulting from the July 31 Settlement TRR should be reflected in Startrans' TRBAA filing from the month of January 2013 until the month of October 2013, rather than beginning in November 2013. SoCal Edison argues that by accounting for the difference between Startrans' actual revenue collections and the July 31 Settlement TRR for the period of January 11, 2013 to October 31, 2013, the correct 2014 TRBAA calculation should be a credit of \$489,042 rather than \$67,164 as proposed by Startrans. Therefore, SoCal Edison requests that the Commission order Startrans to amend its 2014 TRBAA filing to reflect SoCal Edison's abovementioned contentions. In its comments, PG&E notes that it has reviewed SoCal Edison's protest and calculations and concurs with SoCal Edison's arguments.

8. In its answer, Startrans contends that its 2014 TRBAA filing is consistent with the terms of the July 31 Offer of Settlement and with information that it has received from the CAISO regarding the payment schedule for the refunds due to transmission customers. Startrans states that its TRBAA filing reflects the July 31 Settlement TRR in the months of November and December 2013, when CAISO will begin invoicing Startrans for the refunds for the period of January 11, 2013 to October 31, 2013. Startrans also states that CAISO will continue invoicing Startrans for the refunds on a monthly basis until September 2014, in accordance with CAISO's payment schedule. Startrans further notes that SoCal Edison does not claim that Startrans' proposal results in refunds not being made, rather Startrans contends that its filing reflects true cash flows under the TRBAA mechanism and the manner in which CAISO will implement refunds. Startrans also notes that its 2015 TRBAA filing will effectively restate the 2013 and 2014 adjustments to accurately capture the way in which refunds have been processed pursuant to the July 31 Offer of Settlement. Thus, Startrans requests that the Commission reject SoCal Edison's request to order Startrans to amend its 2014 revised TRBAA filing.

9. In its answer, SoCal Edison states that the Startrans answer adequately addresses how the revised 2014 TRBAA filing will ensure that Startrans does not ultimately collect more or less than the July 31 Settlement TRR. However, SoCal Edison contends that Startrans 2014 TRBAA filing does not include an interest calculation for its TRR over-collections for the period of October 2012 to September 2013. In Startrans' response, it states that CAISO's invoices include interest.

III. Discussion

A. Procedural Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2013), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

11. 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 Startrans answer, the SoCal Edison answer to the Startrans answer, and Startrans' response because they provided information that assisted us in our decision-making process.

B. Substantive Matters

12. The Commission has reviewed Startrans' proposed 2014 revised TRBAA and finds that it was properly computed and results in a just and reasonable credit. Our review indicates that Startrans' calculation of its TRBAA and treatment of refunds due to transmission customers is consistent with of the terms of the July 31 Settlement approved by the Commission.⁷ The revised TRBAA also reflects the way in which CAISO will implement the refunds in accordance with CAISO's payment schedule. Furthermore, we agree Startrans' treatment of these refunds in its 2014 TRBAA helps to avoid significant swings in the TRBAA from year-to-year by reflecting the refunds over 2013 and 2014 rate periods. Avoiding such swings in the TRBAA provides greater consistency in rates for customers by avoiding substantial over or under-collection adjustments of wheeling revenues through the TRBAA mechanism in future periods. We note that, pursuant to section 35.19(a)(2) of the Commission's regulations, 18 C.F.R. § 35.19(a)(2), Startrans' refund payments are subject to interest which shall be computed from the date of collection until the date refunds are made. As a result, we expect that the refund payments invoiced by CAISO to Startrans on a monthly basis will include the appropriate prorated interest sum. Therefore, we deny SoCal Edison's and PG&E's requests to direct Startrans to amend its 2014 revised TRBAA filing.

⁷ Startrans IO, LLC, Offer of Settlement, Docket Nos. ER13-272-000, EL13-26-000, at ¶ 2.1 (filed July 31, 2013).

13. Further, we grant Startrans' requested waiver of the 60-day notice requirement and find good cause to allow the TRBAA tariff revisions to become effective January 1, 2014. This will allow Startrans to comply with the terms of its tariff and the CAISO tariff. We note that no party has contested Startrans' waiver request. The Commission hereby accepts Startrans' proposed revisions to Appendix I of Startrans' TO Tariff, reflecting its revised TRBAA, effective January 1, 2014.

The Commission orders:

Startrans' TRBAA update is hereby accepted, effective January 1, 2014, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.