

170 FERC ¶ 61,085
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 5, 2020

In Reply Refer To:
Arizona Public Service Company
Docket No. ER20-634-000

Pinnacle West Capital Corp.
Law Department
Mail Station 8695
P.O. Box 53999
Phoenix, AZ 85072-3999

Attention: Jennifer Spina

Dear Ms. Spina:

1. On December 18, 2019, Arizona Public Service Company (APS) filed with the Commission a unilateral Offer of Settlement (Settlement) intended to resolve all outstanding issues related to: (1) its notice of cancellation of Rate Schedule 38, known as the Edison-Arizona Transmission Agreement;¹ and (2) the payments APS made to Southern California Edison Company (SoCal Edison) under the related Expiration Agreement.²

¹ APS filed the Edison-Arizona Transmission Agreement with the Federal Power Commission on June 30, 1967, which was accepted by the Federal Power Commission on September 29, 1967. On April 16, 2016, APS filed a notice of cancellation which was accepted by the Commission effective July 6, 2016. *See Ariz. Pub. Serv. Co.*, 156 FERC ¶ 61,006 (2016).

² *Agreement Concerning Expiration of the Edison-Arizona Transmission Agreement by and between Southern California Edison Company and Arizona Public Service Company* dated December 22, 2015, filed November 3, 2017 in Docket No. ER18-246-000. *See also* Southern California Edison, Motion for Clarification or, in the Alternative, Request for Rehearing, Docket No. ER16-1342-000, at Appendix A, (filed Aug. 1, 2016) (Motion for Clarification).

2. Notice of the filing was published in the *Federal Register*, 84 Fed. Reg. 71,402 (2019), with comments due on or before January 8, 2020. None was filed.

3. The Settlement provides that APS will not recover in rates any portion of any payment it made to SoCal Edison under the Expiration Agreement.³ Further, APS commits that, consistent with the Settlement and the April 5, 2018 order issued in Docket No. AC18-13-000,⁴ APS has recorded the total amount of its payment to SoCal Edison under the Expiration Agreement in Account 426.5, Other Deductions. Finally, APS commits that, upon acceptance of the Settlement, it will withdraw the Expiration Agreement.⁵

4. APS also requests waivers of all rules necessary to effectuate the Settlement, particularly Rule 602(c)(1)(ii) of the Commission's Rules of Practice and Procedure,⁶ which requires that the Settlement include a separate explanatory statement. The Commission hereby grants the requested waiver.

5. The Settlement resolves all issues in Docket Nos. ER20-634-000, ER16-1342-000, ER16-1342-001, ER16-1342-002, and ER18-246-000.

6. The Settlement appears to be fair and reasonable and in the public interest and it is hereby approved. Pursuant to the terms of the Settlement, the Commission hereby closes Docket Nos. ER20-634-000, ER16-1342-000, and ER16-1342-001 and will close Docket No. ER18-246-000 following APS's withdrawal of its filing in that docket. The

³ Motion for Clarification at 1, 5-7 & Appendix A, sec. 3.1(b).

⁴ *Ariz. Pub. Serv. Co.*, Docket No. AC18-13-000 (April 5, 2018) (delegated order).

⁵ APS filed the Expiration Agreement in compliance with the Commission's orders issued July 1, 2016 and October 5, 2017 in Docket No. ER16-1342-000. *Ariz. Pub. Serv. Co.*, 156 FERC ¶ 61,006, at P 32 (2016); *Ariz. Pub. Serv. Co.*, 161 FERC ¶ 61,022, at PP 24-28 (2017).

⁶ 18 C.F.R. § 602(c)(1)(ii) (2019).

Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in these proceedings.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.