

143 FERC ¶ 61,121  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Southern California Edison Company

Docket No. ER13-1133-000

ORDER ACCEPTING REVISED AGREEMENTS

(Issued May 16, 2013)

1. On March 20, 2013, Southern California Edison Company (SoCal Edison) filed revised facilities charges for four Commission-jurisdictional agreements (Agreements).<sup>1</sup> SoCal Edison also requests waiver of the prior notice requirements in order to make the facilities charges effective as of January 1, 2013. In this order, we accept for filing the revised Agreements and grant SoCal Edison's request for waiver of the prior notice requirements for good cause shown.

**I. SoCal Edison's Filing**

2. SoCal Edison filed revisions to its Agreements with the Cities of Azusa and Vernon and Golden State. SoCal Edison explains that each of these Agreements includes a monthly facilities charge to recover the revenue requirement for constructed facilities provided by SoCal Edison. The facilities charge is computed by multiplying the related facilities costs by the monthly rates for added facilities (monthly rates). Under the Agreements, the monthly rates are the rates most recently adopted by the California Public Utilities Commission (CPUC) for application to SoCal Edison's retail electric customers for added facilities. SoCal Edison states that, pursuant to CPUC decisions dated November 29, 2012 and December 20, 2012, the monthly rates applicable to retail customers were modified effective January 1, 2013. Therefore, SoCal Edison states that the purpose of this filing is to revise the Agreements to reflect the applicable revised monthly rates authorized by the CPUC.

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<sup>1</sup> The four agreements are a Transmission Substation Facilities Agreement with the City of Azusa, an Interconnection Service Agreement with the City of Vernon, an Added Facilities Agreement with Golden State Water Company (Golden State) and a Distribution System Facilities Agreement, also with Golden State.

3. SoCal Edison provides the monthly revenue impact related to the revised monthly rates for each of the Agreements. According to SoCal Edison, the City of Azusa's monthly payment will decrease by \$1,508.75. The City of Vernon's monthly payment will increase by \$19.20. Golden State's monthly payments associated with its Added Facilities Agreement and the Distribution System Facilities Agreement will increase by \$113.56 and \$2.94, respectively.

4. SoCal Edison requests, pursuant to Section 35.11 of the Commission's Regulations, waiver of the Commission's 60-day notice requirements to allow an effective date of January 1, 2013 to the rate change for each of the Agreements.<sup>2</sup> The CPUC granted the January 1, 2013, effective date in the proceeding establishing the revised monthly rates. SoCal Edison states that such waiver would be consistent with the Commission's policy that waiver of the 60-day prior notice requirement generally will be appropriate for filings that increase rates when the rate change and its effective date are prescribed by an agreement on file with the Commission.<sup>3</sup>

## **II. Notice of Filing and Responsive Pleadings**

5. Notice of SoCal Edison's filing was published in the *Federal Register*, 78 Fed. Reg. 18,580 (2013), with interventions and comments due on or before April 10, 2013. A timely motion to intervene and protest was filed by Golden State. SoCal Edison filed a motion for leave to respond and an answer to the protest.

## **III. Protest and Answer**

6. Golden State argues that the effective date for the revised Agreements should be May 19, 2013, not January 1, 2013.<sup>4</sup> Specifically, Golden State argues that neither of its Agreements with SoCal Edison provides for its monthly rates to automatically change on the effective date of the applicable retail rate change. Instead, Golden State argues that because the Agreements' rates are stated rates, they can be changed only by SoCal Edison filing under section 205 of the Federal Power Act (FPA) or a Commission order under section 206. Golden State, therefore, argues that because section 205(d) of the FPA requires 60 days' notice for rate changes, the rate changes in this proceeding should become effective 60 days after filing, or on May 19, 2013.

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<sup>2</sup> 18 C.F.R. § 35.11 (2012).

<sup>3</sup> SoCal Edison Transmittal Letter at 3 (citing *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106; *reh'g denied*, 61 FERC ¶ 61,089 (1992) (*Central Hudson*)).

<sup>4</sup> Golden State Protest at 3.

7. In its answer, SoCal Edison disagrees with Golden State's argument that the effective date must be 60 days after SoCal Edison's filing. SoCal Edison explains that each Agreement provides that the rates in effect are those established pursuant to the most recent CPUC decision.<sup>5</sup> In November and December 2012, the CPUC issued orders revising SoCal Edison's monthly rates as of January 1, 2013. Further, SoCal Edison argues that the Commission will grant a prior notice waiver when good cause is shown, e.g., when the rate change is prescribed by contract. SoCal Edison argues that January 1, 2013 is the effective date prescribed by the most recent CPUC orders.<sup>6</sup>

8. SoCal Edison also disagrees with Golden State's argument that the effective date of the monthly rates should be determined independent of the date of the CPUC's decision setting the rates. SoCal Edison states that the Commission-approved Agreements contain a contractual commitment for FERC-jurisdictional customers to pay the same rate as SoCal Edison's retail customer for similar service.<sup>7</sup>

9. Further, SoCal Edison argues that the timeline of its filing is consistent with prior filings. SoCal Edison explains that when the CPUC revises monthly rates, SoCal Edison is required to update all related agreements that are filed at the Commission. SoCal Edison states that historically, this process takes two months, causing SoCal Edison to routinely request an effective date that precedes the filing date of its proposed rate revision.<sup>8</sup> According to SoCal Edison, the last such revision to the monthly rates occurred in 2009, absent a protest from any party, including Golden State. Additionally, SoCal Edison explains that the revision process was prolonged this year because many agreements had to be reconfigured to conform to the Commission's eTariff system for the first time, including the Agreements at issue herein.<sup>9</sup>

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<sup>5</sup> SoCal Edison Answer at 2.

<sup>6</sup> *Id.* at 6.

<sup>7</sup> *Id.*

<sup>8</sup> Based on the most recent CPUC decision deciding facilities charges, SoCal Edison is required to update several hundred FERC-jurisdictional agreements. *Id.* at 2.

<sup>9</sup> *Id.* at 3.

#### IV. Discussion

##### A. Procedural Matters

10. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the timely, unopposed motion to intervene serves to make the entity that filed it a party 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) (2012), prohibits an answer to a protest unless otherwise ordered by the decisional authority. We will accept SoCal Edison's answer because it has provided information that assisted us in our decision-making process.

##### B. Commission Determination

12. When revisions to the monthly rates are authorized by the CPUC, the Agreements provide that the monthly rate be revised to reflect the CPUC-approved rate.<sup>10</sup> In this way, SoCal Edison assesses wholesale customers the same rate as retail customers for similar services. Thus, when the CPUC revised these monthly rates in its orders issued November and December 2012, to be effective January 1, 2013, SoCal Edison reflected the CPUC revised rates in the Agreements submitted herein. Additionally, the Commission is required to determine whether the revised rates are just and reasonable. Based on our review of the proposed monthly rates, we find them to be just and reasonable. Accordingly, we accept the proposed revised Agreements.

13. Also, we will grant SoCal Edison's request for waiver of the 60-day prior notice requirement to allow the revised Agreements to become effective January 1, 2013. Consistent with *Central Hudson*, we will grant waiver of the 60-day prior notice requirement for good cause shown, e.g., for filings that increase rates when the rate change and the effective date are prescribed by contract in order to implement a contract requirement.<sup>11</sup> To prescribe an effective date, the contract provision may explicitly state the effective date, or it may state a specific event that will set the effective date.<sup>12</sup> The

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<sup>10</sup> The Agreements define the monthly rates as "the rate most recently adopted by the CPUC for application to (SoCal Edison's) retail electric customers." SoCal Edison, Second Revised FERC Rate Schedule No. 466 - Added Facilities Agreement at § 5.14 and 5.26; and First Revised FERC Rate Schedule No. 468 - Distribution System Facilities Agreement at § 4.13.

<sup>11</sup> *Central Hudson*, 60 FERC ¶ 61,106 at 61,338, *reh'g denied*, 61 FERC ¶ 61,089.

<sup>12</sup> *See Duke Energy Carolinas, LLC*, 130 FERC ¶ 61,079, at P 19 (2010).

Commission also has the discretion to waive the 60-day prior notice requirement for good cause shown when prompt implementation would facilitate the appropriate allocation of costs.<sup>13</sup> In this instance, the Agreements prescribe the effective date by stating that the monthly rate should be the rate most recently adopted by the CPUC. As noted above, in late 2012, the CPUC issued two decisions revising the monthly rates and specifying the effective date of January 1, 2013.<sup>14</sup> Further, granting the 60-day prior notice waiver will implement the contractual commitment that Commission-jurisdictional customers pay the same rate as SoCal Edison's retail customers for similar services. For these reasons, we conclude SoCal Edison has demonstrated good cause for waiver of the 60-day notice requirement and, therefore, we are not persuaded by Golden State's argument that the Agreements must include a provision stating that the monthly rates will automatically change on the effective date of the applicable retail rate change.

14. Because we find the proposed monthly rates are just and reasonable, and that SoCal Edison has shown good cause for waiver of the 60-day notice requirement, we accept SoCal Edison's proposed revised Agreements, effective January 1, 2013.

The Commission orders:

(A) SoCal Edison's revised Agreements are hereby accepted for filing, to become effective January 1, 2013, as discussed in this order.

By the Commission.

( S E A L )

Kimberly D. Bose,  
Secretary.

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<sup>13</sup> *Northeast Utilities Service Co.*, 123 FERC ¶ 61,324, at P 10 (2008).

<sup>14</sup> SoCal Edison Transmittal Letter at 1-2, citing to CPUC Decision 12-11-051, dated November 29, 2012; and CPUC Decision 12-12-034, dated December 20, 2012.