

October XX, 2024

VIA ELECTRONIC FILING

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NW
Washington, DC 20426

Re: Citizens Sunrise Transmission LLC
Annual Operating Cost True-Up Adjustment Informational
Filing Docket No. ER25-____-000

Dear Secretary Bose:

Citizens Sunrise Transmission LLC (“Citizens Sunrise”), submits for filing revisions to its California Independent System Operator (“CAISO”) Transmission Owner Tariff (“TO Tariff”), Appendix III¹, to reflect the annual operating cost true-up as required under the terms of the Citizens Sunrise Transmission filed TO Tariff.

Through this filing, Citizens Sunrise formally requests that the changes contained herein (this “Informational Filing”) become effective on

¹ In Docket No. ER12-686-001, the Commission, in Docket ER12-686-001, accepted the Citizens Sunrise TO Tariff, including Appendix III which contains the Citizens Sunrise Transmission Revenue Requirement (“TRR”) and the formulaic terms of the tariff, effective July 3, 2013. (*Citizens Sunrise Transmission LLC*, 138 FERC ¶ 61,129 (2012)). The Commission’s October 26, 2012 *Letter Order* approved Citizens Sunrise’s August 12, 2012 compliance filing. The Commission’s December 23, 2020 *Letter Order* in Docket ER21-220-000 accepted, effective January 1, 2021, tariff revisions that effectuated a change in the rate year from one beginning June 1 each year to one beginning January 1 each year and also revised Appendix III to incorporate new Formula Rate Protocols.

January 1, 2025 (the “Effective Date”) and that any appropriate waivers be granted.

I. BACKGROUND

On July 3, 2012 Citizens Sunrise Transmission and San Diego Gas and Electric Company (“SDG&E”) closed the Transfer Capability Lease Agreement which effectuated the Citizens Sunrise transfer capability entitlement in the Border East Line of the Sunrise Powerlink Project. July 3, 2012 is the commercial operation date for Citizens Sunrise’s interest in the transfer capability entitlement in the Border East Line and the date that Citizens Sunrise turned over operational control of its interest to the CAISO. In Docket No. ER12-686-001 the Commission accepted the Citizens Sunrise TO Tariff, including Appendix III which contains the Citizens Sunrise Transmission Revenue Requirement (“TRR”) and the formulaic terms of the tariff, effective July 3, 2012. In a Letter Order December 23, 2020 in Docket ER21-220-000, the Commission accepted, effective January 1, 2021, tariff revisions that effectuated a change in the rate year from one beginning June 1 each year to one beginning January 1 each year and also revised Appendix III to incorporate new Formula Rate Protocols.

An annual operating cost true-up is required under the terms of the Citizens Sunrise Transmission TO Tariff, as specified in Appendix III (A clean version of Appendix III is included in this filing as attachment A; A redlined version, marked against Citizens Sunrise’s currently effective Appendix III is included as Attachment B.). The true-up procedure is specified in paragraphs four through eight of Appendix III. The true-up mechanism essentially trues up the operating cost component of the TRR to reflect the actual operating costs of the prior calendar year.

The specific mechanism to accomplish the Citizens Sunrise annual true-up is specified in paragraphs four through seven of Appendix III to the Citizens Sunrise TO Tariff. In addition, paragraph eight of appendix III specifically includes the following provision:

Citizens Sunrise Transmission shall submit to FERC on or before October 31 of each year an Informational Filing showing Citizens Sunrise Transmission’s Transmission Operating Cost Revenue Requirement to be in effect for the Period January 1 through December 31 of the subsequent year (the “Informational Filing”). The Informational Filing shall not subject the Formula set forth in this Appendix III to modification. The

Informational Filing shall only be contestable with respect to the prudence of the Citizens Sunrise Transmission costs and expenditures included for recovery, the accuracy of the data and the consistency with the Formula of the changes in data shown in the Informational Filing. In the event of a challenge to any of the costs reflected in the Transmission Operating Cost Revenue Requirement derived under this Appendix III, Citizens Sunrise Transmission shall, except with respect to the SDG&E costs and expenditures as provided in Appendix X to the SDG&E Transmission Owner Tariff, bear the burden of demonstrating that such costs and expenditures included for recovery were prudently incurred, accurate and consistent with the Formula. Any revisions to the Transmission Revenue Requirement resulting from a FERC Order will be provided to the CAISO for its use in the calculation of the refunds due under the Transmission Access Charge methodology in accordance with the CAISO Tariff.

A portion of the operating costs are those billed by SDG&E to Citizens Sunrise for the Citizens Sunrise share of the costs associated with operation and maintenance of the project. Pursuant to Appendix X to the SDG&E TO Tariff, as accepted by the Commission in Docket ER12-1417-001 (and amended per filings in Docket No. ER15-1410 and Docket No. ER21-243), SDG&E bills Citizens Sunrise for the Citizens Sunrise share of operating costs of the Sunrise Powerlink project. The SDG&E Appendix X contains a formula by which the operating costs billed by SDG&E to Citizens Sunrise are trueed-up to actual costs each year. The SDG&E Appendix X specifies that the new trueed-up amount is to be effective on January 1 of each year. The Citizens Sunrise TO Tariff Appendix III also specifies that the Citizens Sunrise revised TRR will be effective January 1 each year.

The amount for the SDG&E operating costs to be billed by SDG&E to Citizens Sunrise effective January 1, 2025 is incorporated in the true-up calculations presented in this filing. The SDG&E filing supporting the amount for the operating costs billed by SDG&E effective January 1, 2025 is to be filed approximately concurrent with this filing.

II. DESCRIPTION OF THIS FILING

This filing contains clean and redlined versions of Appendix III to the Citizens Sunrise Transmission TO Tariff, Attachments A and B, respectively, with revised TRR amounts to reflect the true-up adjustment required by the tariff. Also included are the Prepared Direct Testimony and Exhibits of John

Simpson explaining and showing the calculations of the true-up adjustment and the revised TRR amounts. Exhibit CST-1 is the Prepared Direct Testimony, and Exhibit CST-2 and Exhibit CST-3 shows the detailed calculations.

The Citizens Sunrise TRR to be effective January 1, 2025 is \$14,956,045 as shown on Exhibit CST-2 and described in Exhibit CST-1. That amount is also shown in paragraph 1 to Appendix III to the Citizens Sunrise TO Tariff, which is Attachment A in this filing in clean version, and Attachment B in redline version. The TRR in effect prior to this filing, including the TRBAA to be effective January 1, 2024 pursuant to the Citizens Sunrise filing in Docket ER24-149-000 is \$15,002,684 as shown in Attachment B. Thus, the true-up as required by the formula specified in Appendix III results in a decrease to the TRR of \$46,639 or 0.31%.

III. REQUESTED EFFECTIVE DATE AND ANY NECESSARY WAIVERS

Citizens Sunrise requests an effective date for the revised Appendix III of January 1, 2025 in accordance with the specifications of the true-up procedure in Appendix III as described above.

Citizens Sunrise believes that the information contained in this filing provides a sufficient basis upon which to accept this filing. However, to the extent necessary, Citizens Sunrise further requests that the Commission waive its filing requirements contained in Part 35 of its regulations to the extent necessary in order to allow the revised Appendix III to become effective on January 1, 2025.

IV. DOCUMENTS BEING SUBMITTED WITH THIS FILING

The following listed documents are submitted with this filing:

1. Transmittal Letter
2. Appendix III to the Citizens Sunrise Transmission TO Tariff, as revised (Clean)
3. Appendix III to the Citizens Sunrise Transmission TO Tariff, as revised (Redline, marked against the Appendix III as filed in Docket ER24-149-000)

4. Prepared Direct Testimony and Exhibits of John Simpsen
5. List of Recipients

V. SERVICE

Copies of this filing have been served on the California Independent System Operator Corporation, and the other Participating Transmission Owners as shown on the attached list of recipients.

VI. COMMUNICATIONS AND CORRESPONDENCE

Communications and correspondence with respect to this filing should be directed to:

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VII. MISCELLANEOUS

No agreement is required by contract for the filing of this rate filing. There are no costs included in this filing that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense or cost been demonstrated to be the product of discriminatory or employment practices, within the meaning of Section 35.13(d)(3).

VIII. CONCLUSION

Citizens Sunrise respectfully requests that the Commission accept the revised Appendix III to the Citizens Sunrise Transmission TO Tariff reflecting the revised TRR amounts as described herein to be effective on January 1, 2025.

Respectfully submitted,

/s/ Ashley M. Bond

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Enclosures