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The Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: San Diego Gas & Electric Company, 2021 Annual TACBAA Rate Revision,
Docket No. ER21-___-000**

Dear Secretary Bose:

Pursuant to Section 35.13 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations,¹ San Diego Gas & Electric Company ("SDG&E") submits rate and revenue requirement adjustments under its Transmission Owner Tariff ("TO Tariff"), FERC Electric Tariff Volume No. 11. This adjustment, made pursuant to SDG&E's TO Tariff, is SDG&E's annual update to the Transmission Access Charge Balancing Account Adjustment ("TACBAA").²

This filing updates the TACBAA rate for retail End-Use customers. The requested effective date for this adjustment is January 1, 2021.³

I. DESCRIPTION OF TACBAA REVISION

The TACBAA is a ratemaking mechanism designed to ensure that the difference in the costs billed to SDG&E as a load-serving entity and the revenues paid to SDG&E as a Participating Transmission Owner ("PTO") under the CAISO Tariff is recovered from or returned to SDG&E's retail End-Use customers. Section 5.6 of SDG&E's TO Tariff identifies

¹ 18 C.F.R. §35.13.

² Unless otherwise indicated, words with initial capitalization are used as defined in SDG&E's TO Tariff or in the CAISO's FERC tariff.

³ SDG&E's most recent annual TACBAA update filing was accepted by the Commission effective January 1, 2020, in Docket No. ER20-556-000, by delegated letter order dated February 6, 2020.

the items subject to the TACBAA and sets forth the procedure for revising the TACBAA rate annually. This annual revision is based on:

- The projected balance of the TACBAA as of December 31, 2020;
- An annual forecast of the Net Access Charge Billings in the following year; and
- Franchise Fees/Uncollectibles.

The following is a summary of the TACBAA and the primary reason(s) for the change.

TACBAA Projected Balance @ December 31, 2020	\$18,590,999
Forecasted Net Access Charge Billings	(\$292,991,511)
Franchise Fees/Uncollectibles	<u>(\$3,283,202)</u>
Total TACBAA	<u>(\$277,683,714)</u>

The calculation of total TACBAA is reflected in Statement BK. Statement BL reflects the TACBAA Rate/kWh. The final 2021 TACBAA is a credit to End-Use customers of \$277.7 million. This is \$12.7 million less than the 2020 TACBAA credit to End-Use customers of \$290.4 million. The difference is primarily attributable to the following:

- 1) In the 2020 TACBAA rate filing, the estimated December 31, 2019 balance was an over-collection of approximately \$11.0 million. As noted, the estimated December 31, 2020 balance is an under-collection of approximately \$18.6 million, a difference of \$29.6 million. This difference is the result of the actual revenue credits received through October 2020 from the CAISO plus the remaining 2020 forecast being less than the forecasted amount in the 2020 TACBAA rate filing.
- 2) The 2021 Net Access Charge Billings estimate is approximately \$17.0 million higher than the 2020 forecast of 2021 High Voltage Transmission Revenue Requirements from each of the CAISO Participating Transmission Owners.

To pass through this credit, SDG&E is proposing a 2021 TACBAA rate of (\$0.01553) per kWh, compared to the current rate of (\$0.01611) per kWh.

II. REVISED TO TARIFF

The updated TACBAA Rate applicable to End-Users is reflected in the revised Appendix III⁴ to SDG&E's TO Tariff submitted in this filing.

⁴ SDG&E's recent TRBAA filing included a revised Appendix III that, while correctly showing the updated TRBAA rate information, included the wrong currently effective TACBAA rate (\$0.01427, rather than the current 2020 rate of \$0.01611). See SDG&E TRBAA Filing, ER21-301-000 (Nov. 2,

III. EFFECTIVE DATE

Pursuant to Section 35.11 of the Commission's regulations,⁵ SDG&E respectfully requests waiver of the 60-day notice requirement in Section 35.3 and the Commission to approve the tariff revisions effective January 1, 2021. The terms of Section 5.6 of the TO Tariff require SDG&E to update its TACBAA each January. Because a waiver will not affect SDG&E's other rate schedules, a waiver of the 60-day prior notice requirement is appropriate.⁶ This waiver will permit SDG&E to revise the TACBAA rate based on the most recent BTRR submitted to the Commission and Access Charge data from CAISO market participants, while keeping same effective date of January 1, 2021 for rate changes made pursuant to the TO Tariff.⁷

IV. OTHER MATTERS

No expenses or costs included in the rates have been alleged or judged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

SDG&E believes that the submitted information provides a sufficient basis upon which to accept this filing, and that the filing conforms to any and all rules of general applicability and to any Commission order. SDG&E further requests that the Commission waive its filing requirements contained in Part 35 of its regulations to the extent necessary to permit this filing to be made effective as requested.

V. DOCUMENTS SUBMITTED

The documents submitted with this electronic filing are the transmittal letter and the following attachments:

- A. Revised TO Tariff section
- B. Revised TO Tariff section in redline
- C. TACBAA Cost Statements and Related Work Papers

2020). The 2020 rate is correctly included in this TACBAA filing's Appendix III redline, as the current rate that is being superseded by 2021 proposed rate.

⁵ 18 C.F.R. § 35.11

⁶ See *Central Hudson Gas & Electric Corporation, et al.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992), and *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, *clarified*, 65 FERC ¶ 61,081 (1993).

⁷ In addition to the rate changes requested with this filing and the annual TRBAA filing, other annual SDG&E TO Tariff rate changes take effect on January 1 each year pursuant to (1) the approved formula rate, and for (2) the reliability services balancing account.

VI. SERVICE

Electronic copies are being served on the Docket No. ER19-221 service list. Electronic copies are also being served on the California Public Utilities Commission and the CAISO.

VII. CORRESPONDENCE

SDG&E requests that all correspondence, pleadings and other communications concerning this filing be served upon the following individuals:

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VIII. CONCLUSION

SDG&E respectfully requests that the Commission accept and approve SDG&E's proposed TACBAA and TACBAA rate changes, effective January 1, 2021.

Respectfully submitted,

/s/ Ross R. Fulton

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Attorney For
SAN DIEGO GAS & ELECTRIC COMPANY