

140 FERC ¶ 61,117  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

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

Southern California Edison Company	Docket Nos. ER12-1302-000
California Independent System Operator Corporation	ER12-1305-000
	(consolidated)
	ER12-1312-000

ORDER ACCEPTING AND SUSPENDING NOTICE OF TERMINATION AND  
AGREEMENT, CONSOLIDATING PROCEEDINGS, AND ESTABLISHING  
HEARING AND SETTLEMENT JUDGE PROCEDURES

(Issued August 8, 2012)

1. This proceeding involves three filings, all made on March 21, 2012, and subsequently amended on June 11, 2012.<sup>1</sup> Southern California Edison Company (SoCal Edison) filed an unexecuted Large Generator Interconnection Agreement (LGIA) between the Nevada Hydro Company, Inc. (Nevada Hydro), the California Independent System Operator Corporation (CAISO), and SoCal Edison (SoCal Edison LGIA). CAISO filed the identical LGIA as a service agreement under its tariff. CAISO also filed a Notice of Termination of a separate LGIA among Nevada Hydro, CAISO, and San Diego Gas and Electric Company (SDG&E) (SDG&E LGIA).<sup>2</sup> As discussed below, we accept the proposed CAISO and SoCal Edison LGIAs and the Notice of Termination for filing, suspend them for a nominal period to become effective August 11, 2012, subject to refund, and establish hearing and settlement judge procedures. Additionally, we consolidate these filings for purposes of hearing and settlement judge procedures.

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<sup>1</sup> SoCal Edison and CAISO amended their filings in response to the Commission staff's deficiency letter.

<sup>2</sup> SoCal Edison LGIA submitted by SoCal Edison, Docket No. ER12-1302-000; SoCal Edison LGIA submitted by CAISO, Docket No. ER12-1305-000; CAISO Notice of Termination, Docket No. ER12-1312-000.

## I. Background

2. Nevada Hydro seeks to develop a two-part project: the Lake Elsinore Advanced Pumped Storage facility (LEAPS) which is a pumped hydro storage facility with an installed generating capacity of 500 MW, and the Talega-Escondido/Valley-Serrano Interconnect Project (TE/VS), which is a 32-mile, 500 kV transmission line with a nominal design capacity of 1,500 MW. The TE/VS line will run north/south between SDG&E's transmission system and SoCal Edison's transmission system, and a separate line will generally run east/west and connect LEAPS to the TE/VS near its midpoint. Once complete, the TE/VS line could carry power from LEAPS to SoCal Edison and SDG&E or allow third parties to sell power from SoCal Edison to SDG&E or vice versa.

3. In 2004 Elsinore Valley Municipal Water District (Elsinore Valley) and Nevada Hydro applied jointly to the Commission for a license to construct and operate LEAPS. This Commission dismissed the license application, in part citing the parties' divergent development objectives, as Elsinore Valley was only interested in the LEAPS project as proposed with primary transmission lines and Nevada Hydro was pursuing TE/VS as a stand-alone transmission line.<sup>3</sup> Nevada Hydro has since terminated its agreement with Elsinore Valley and filed a new Commission application for a preliminary permit.<sup>4</sup> Nevada Hydro also applied for a certificate of public convenience and necessity with the California Public Utilities Commission (CPUC) for the TE/VS line. The CPUC dismissed the TE/VS application without prejudice on two separate occasions.<sup>5</sup> Nevada Hydro has stated that it will reapply to the CPUC once it has met the three conditions for reapplying outlined by the CPUC.<sup>6</sup>

4. Citing these regulatory dismissals, CAISO filed its Notice of Termination seeking to terminate the SDG&E LGIA. According to CAISO, the SDG&E LGIA has been subject to four Commission orders since 2008.<sup>7</sup> The Commission's first order allowed

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<sup>3</sup> *Lake Elsinore Advanced Pumped Storage Project*, 136 FERC ¶ 62,033, *reh'g denied*, 137 FERC ¶ 61,133, at P 5 (2011).

<sup>4</sup> *See* Project No. 14227.

<sup>5</sup> *See* California Public Utilities Decision, decision issued May 24, 2012, *available at*: [http://docs.cpuc.ca.gov/PUBLISHED/AGENDA\\_DECISION/166313.htm#P54\\_974](http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/166313.htm#P54_974)

<sup>6</sup> Nevada Hydro July 2, 2012 Protest at 11.

<sup>7</sup> *Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶ 61,140 (2008), *order on reh'g*, 126 FERC ¶ 61,078, *order on compliance*, 129 FERC ¶ 61,098 (2009), *reh'g denied*, 131 FERC ¶ 61,124 (2010).

Nevada Hydro to use a nonconforming in-service date to allow the TE/VS line to have an earlier effective date than LEAPS. Despite protests that the TE/VS line was presented as part of the transmission infrastructure necessary to interconnect LEAPS, the Commission found the circumstances to be unique, as the transmission line would offer third party access, and separately, the pumped hydro facility would offer generating capacity. The Commission pointed out that its determinations were not an opinion on the relative merits of TE/VS or competing transmission projects, as those decisions rest with the CPUC and CAISO.<sup>8</sup>

5. On rehearing and compliance, the Commission found SDG&E's proposed backdated milestones unreasonable, and directed it either to agree with Nevada Hydro's milestones or allow Nevada Hydro to self-build.<sup>9</sup> In the subsequent compliance order, the Commission accepted an in-service date six months later than previously proposed, moving the LEAPS operation date three years beyond the date in Nevada Hydro's interconnection request. The Commission dismissed as speculative CAISO's arguments that the extension required additional interconnection studies. Regarding a rehearing request to an order that granted Nevada Hydro a transmission rate incentive, the Commission reminded the parties that the incentives order focused on reliability benefits, and the Commission did not endorse Nevada Hydro's proposal over any other proposal.<sup>10</sup>

6. In the final order in this series, the Commission dismissed a request for rehearing from Elsinore, declining to address further the potential of TE/VS as a stand-alone project or to address how TE/VS as a stand-alone project would be inconsistent with the LEAPS project licensing application.<sup>11</sup>

## **II. CAISO's Notice of Termination of the SDG&E LGIA in Docket No. ER12-1312-000**

7. In support of its Notice of Termination, CAISO argues that Nevada Hydro has breached the terms of the SDG&E LGIA by failing to meet the LGIA milestones. CAISO notes that Nevada Hydro has not yet met the first milestone date, which is the written authorization to proceed, and that this delay alone pushes the commercial

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<sup>8</sup> *Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶ 61,140 at PP 12-14.

<sup>9</sup> *Cal. Indep. Sys. Operator Corp.*, 126 FERC ¶ 61,078 at P 13, P 15.

<sup>10</sup> *Cal. Indep. Sys. Operator Corp.*, 129 FERC ¶ 61,098, at PP 19, 25 n.33 (citing *Nev. Hydro Co., Inc.*, 122 FERC ¶ 61,272, at n.42 (2008), *reh'g denied*, 133 FERC ¶ 61,155 (2010).

<sup>11</sup> *Cal. Indep. Sys. Operator Corp.*, 131 FERC ¶ 61,124 at P 25.

operation date for LEAPS back by the two-year timeframe SDG&E needs to construct the reliability upgrades. According to CAISO, the missed milestones is significant because the milestones are to be achieved in sequence, and because Nevada Hydro has not yet met any of the milestones, it is not feasible for it to achieve an in-service date of April 26, 2015. CAISO states that this 2015 deadline stems from section 3.5.1 of its Large Generator Interconnection Procedures (LGIP), which provides that an in-service date may succeed the date of the interconnection request for ten years, or longer upon agreement of all parties, such agreement not to be unreasonably withheld.<sup>12</sup> CAISO indicates that it received the initial interconnection request seven years ago, and considering the regulatory dismissals, Nevada Hydro now clearly faces a significant number of years delay before it achieves an in-service date. CAISO concludes that it is reasonable to decline agreement to an extension, as LEAPS should be pursued under a new and separate interconnection request and interconnection study set. For these reasons, CAISO asserts that it is authorized to terminate the LGIA, subject to the Commission's acceptance. SDG&E supports the Notice of Termination.<sup>13</sup>

8. In response to the Commission staff's deficiency letter inquiry regarding the impact on other interconnection customers in the interconnection queue if the SDG&E LGIA is not terminated, CAISO explains that the instant dispute is not the typical situation in which the cost of network upgrades will be transferred to later-queued customers that need the upgrades in order to interconnect. According to CAISO, in the typical situation, network upgrades embedded in the earlier-queued interconnection configuration form the basis for the later-queued interconnection customer configuration, and extending the milestones with respect to the earlier-queued customer requires the later-queued customer to pick up the upgrades to maintain the commercial operation date.<sup>14</sup> In the instant situation, however, later-queued customers may incur additional interconnection study costs resulting from the need for CAISO and the participating transmission owners to maintain two sets of reliability and deliverability studies for alternative scenarios, one with LEAPS and TE/VS, and one without.<sup>15</sup> CAISO explains that cost consequences will stem from the uncertainty factor that will attach to the "net qualifying capacity" of the generating facilities of the later-queued customers. CAISO also discusses the CPUC's May 2012 dismissal of the TE/VS certificate application. CAISO explains that, under its revised transmission planning process, transmission

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<sup>12</sup> CAISO March 21, 2012 Filing at 5-6.

<sup>13</sup> SDG&E April 11, 2012 Comments.

<sup>14</sup> CAISO June 11, 2012 Response at 6.

<sup>15</sup> *Id.* at 7.

projects that are approved in its transmission plan are placed into an open solicitation process in which all interested parties, not just the party originally submitting the project, have an opportunity to propose to construct and own the transmission facilities. Thus, according to CAISO, it does not automatically follow that, if Nevada Hydro re-submits the TE/Vs line into the CAISO transmission planning process, Nevada Hydro will be the entity chosen to construct and own the facilities.

### **III. The Newly Filed SoCal Edison LGIA in Docket Nos. ER12-1302-000 and ER12-1305-000**

9. Concurrently with CAISO's Notice of Termination, SoCal Edison and CAISO submitted identical unexecuted standard LGIAs, the SoCal Edison LGIA among SoCal Edison, CAISO, and Nevada Hydro. The SoCal Edison LGIA specifies the terms and conditions pursuant to which SoCal Edison and CAISO will provide interconnection service to interconnect the LEAPS project to SoCal Edison's system. The SoCal Edison LGIA will also govern SoCal Edison's development, operation, and maintenance of interconnection facilities and upgrades. SoCal Edison states that the parties negotiated the LGIA for over five years, and that CAISO and SoCal Edison are willing to execute the LGIA but Nevada Hydro is not. CAISO states that Nevada Hydro requested that CAISO file the SoCal Edison LGIA in unexecuted form.<sup>16</sup>

10. SoCal Edison asserts that, as a result of extensive interconnection studies and negotiations with Nevada Hydro, SoCal Edison and CAISO determined that the proposed method of service would be to terminate the LEAPS generation-tie line into SoCal Edison's Alberhill Substation. SoCal Edison explains that this determination was based on the need "to eliminate any redundancy and to minimize transmission ratepayer exposure."<sup>17</sup> SoCal Edison further contends that it needs a load-serving substation, and that the Alberhill Substation is in a much more suitable site than Nevada Hydro's originally proposed Lake Substation site, because the Lake Substation suffers from environmental problems and is not large enough.<sup>18</sup> SoCal Edison's proposal would require Nevada Hydro to fund approximately \$51 million for network upgrades.<sup>19</sup> SoCal Edison states that it refuses to include Nevada Hydro's Lake Substation in the LGIA, as Nevada Hydro wishes, because that substation is associated with the TE/Vs development as a stand-alone transmission line, which SoCal Edison will not include in this LGIA.

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<sup>16</sup> CAISO March 21 2012 Filing at 2.

<sup>17</sup> SoCal Edison March 21, 2012 Filing at 2.

<sup>18</sup> *Id.* SoCal Edison May 14, 2012 Answer at 3, 13.

<sup>19</sup> SoCal Edison March 21, 2012 Filing at 2-4.

SoCal Edison explains the parties also disagree over SoCal Edison's proposed language specifying that the LGIA applies only to a primary line, and not to any networked stand-alone transmission facilities, as well as the LGIA's effective date, milestone dates, and security schedule.<sup>20</sup>

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

11. Notice of SoCal Edison's Filing of the SoCal Edison LGIA was published in the *Federal Register*, 77 Fed. Reg. 19,660 (2012). Notice of CAISO's Filing of the SoCal Edison LGIA and of the Notice of Termination were published in the *Federal Register*, 77 Fed. Reg. 19,658 (2012). For these filings, interventions and protests were due on or before April 11, 2012. Notice of CAISO's and SoCal Edison's response to the Commission staff's deficiency letter was published in the *Federal Register*, 77 Fed. Reg. 37,393 (2012) with comments due on or before July 2, 2012.

12. Regarding the Notice of Termination, timely motions to intervene were filed by the Cities of Anaheim, Azusa, Banning, Colton and Riverside and the City of Santa Clara, California and M-S-R Power Agency. SDG&E filed a timely motion to intervene and supporting comments. Nevada Hydro filed a timely motion to intervene and a protest. CAISO filed an answer.

13. Regarding the SoCal Edison LGIA, timely motions to intervene were filed by the City of Santa Clara, California and M-S-R Power Agency, the California Department of Water Resources State Water Project; and the Cities of Anaheim, Azusa, Banning, Colton and Riverside, California, and SDG&E, and a notice of intervention was filed by the California Public Utilities Commission. Nevada Hydro filed a timely motion to intervene and protests. SoCal Edison, CAISO, and Nevada Hydro filed answers.

#### **V. Protest and Answers to CAISO's Notice of Termination**

14. Nevada Hydro disagrees with CAISO's argument that failure to meet the "notice to proceed" milestone deadline constitutes a breach or grounds for termination of the SDG&E LGIA. Nevada Hydro argues that this milestone is not tied to a specific date, and that it has express authority to change the milestone dates. Nevada Hydro cites the Commission's previous orders on the SDG&E LGIA, discussed above, where the Commission found that Nevada Hydro has the right to propose its own milestones, and that the LGIA could reflect the start date of the TE/VS instead of LEAPS.<sup>21</sup> Nevada Hydro also contends that CAISO's preemptive attempt to terminate the LGIA not only

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<sup>20</sup> *Id.* at 5-7.

<sup>21</sup> Nevada Hydro April 11, 2012 Protest at 1, 11.

wrongly denies Nevada Hydro the opportunity to achieve its in-service date, but it also denies Nevada Hydro the chance to request an extension beyond that time.<sup>22</sup> Nevada Hydro claims that any potential breach cannot constitute a default of the LGIA, because CAISO and SDG&E have directly contributed to Nevada Hydro's delays by initially treating LEAPS as a singular project with a single scope of work to be developed jointly between SDG&E, SoCal Edison and Nevada Hydro, but then bifurcating the interconnection requests into two separate proceedings. Finally, Nevada Hydro asserts that the project can help alleviate critical reliability issues in southern California.

15. Addressing CAISO's response to the Commission staff's deficiency letter, Nevada Hydro challenges as unfounded CAISO's contention that there is some special uncertainty attributable to Nevada Hydro's projects that will affect the commercial viability of later queued projects. Nevada Hydro reasons that the uncertainty it creates in the queue is no different from the uncertainty CAISO faces in planning for all 369 projects in the queue.<sup>23</sup> Nevada Hydro states that it should not be singled out by CAISO before it has had a chance to demonstrate its potential benefits to the CPUC and this Commission, particularly when there are other, older projects in CAISO's interconnection queue. Specifically, Nevada Hydro notes that there are about 16 projects that have been in CAISO's queue longer than the LEAPS project, some of which have current on-line dates that are nine or ten years following their original posted on-line dates; yet the SDG&E LGIA has been singled out for termination. Finally, Nevada Hydro states that it has complied with the CPUC's conditions, as it has posted the \$550,000 bond, secured a new location for its southern terminus, and has hired a firm to conduct a required workshop, after which Nevada Hydro will reapply to the CPUC.<sup>24</sup>

16. CAISO responds that it has never argued that Nevada Hydro's failure to meet specific milestones provides the sole basis for termination. Rather, CAISO contends that because Nevada Hydro has not yet met any of the milestones, it is not feasible for Nevada Hydro to achieve an in-service date in accordance with the requirements of the LGIP and LGIA. CAISO also requests the Commission to reject Nevada Hydro's attempt to substitute the in-service date of the TE/VS line for the LEAPS project. CAISO argues

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<sup>22</sup> Nevada Hydro April 11, 2012 Protest at 10, Attachment 1 (correspondence between SDG&E, CAISO and Nevada Hydro indicating the parties disagree about whether an extension of the commercial operation date of LEAPS beyond three years from the December 31, 2008 date provided in the original interconnection request would result in a material modification).

<sup>23</sup> Nevada Hydro July 2, 2012 Protest at 6.

<sup>24</sup> *Id.* at 11.

that because the LEAPS project is subject to the generator interconnection request, the LEAPS project must comply with the relevant in-service requirements.<sup>25</sup> Additionally, CAISO states that given the April 3, 2012 proposed decision by the CPUC rejecting Nevada Hydro's application, there can be no assurance that the TE/VS line will achieve an in-service date in the foreseeable future.<sup>26</sup>

## **VI. Protest and Answers to SoCal Edison's LGIA**

17. Nevada Hydro asserts that the SoCal Edison LGIA should provide for the interconnection of LEAPS through the TE/VS line. Nevada Hydro explains that much of the dispute over this LGIA arises from the dual function of the TE/VS Interconnect as a means both to connect LEAPS to the grid, and to provide transmission services between the SDG&E and SoCal Edison grids to third parties. Rather than being required to re-litigate issues that have already been decided upon by the Commission (i.e., the SDG&E LGIA), Nevada Hydro seeks to link Commission orders related to the SDG&E LGIA into the SoCal Edison LGIA, reasoning that the two LGIAs must be viewed and implemented as an integrated whole.<sup>27</sup> Nevada Hydro also states that studies for the two LGIAs did not look at the potential effects of a direct connection linking the SoCal Edison and SDG&E systems, and Nevada Hydro seeks to reconcile the conflicting provisions.<sup>28</sup>

18. Nevada Hydro attaches to its protest proposed substitute LGIA language, referred to as "version 53," because neither SoCal Edison nor CAISO would confirm the versions of the LGIAs they filed with the Commission.<sup>29</sup> Nevada Hydro explains that it protests the location of the interconnection at the Alberhill Substation because Nevada Hydro based its environmental review documents on the assumption that the point of interconnection would be at the Lake Substation. Nevada Hydro also argues that the SoCal Edison LGIA denies it access to the site, and that SoCal Edison and CAISO have not acknowledged Nevada Hydro's request for blackstart facilities adjacent to Alberhill.<sup>30</sup> Finally, Nevada Hydro protests the milestone dates and posting of security in the SoCal

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<sup>25</sup> CAISO April 26, 2012 Answer at 7.

<sup>26</sup> *Id.* at 9.

<sup>27</sup> Nevada Hydro April 11, 2012 Protest, Docket Nos. ER12-1302-000, *et al.* at 10.

<sup>28</sup> *Id.* at 18.

<sup>29</sup> *Id.* at 2 n.3.

<sup>30</sup> *Id.* at 13.



Edison LGIA, arguing that the milestone dates should be keyed off of its notice to proceed, instead of an effective date triggered by the Commission's approval of the LGIA in this order. It asserts that the Commission's previous orders require SoCal Edison to include a nonconforming schedule with in-service dates and milestones based on the expected completion date of the TE/VS.<sup>31</sup>

19. SoCal Edison responds that Nevada Hydro began the process to interconnect a generation tie-line, and that the SoCal Edison LGIA cannot be expanded to interconnect a stand-alone transmission line.<sup>32</sup> It states that it is willing to adjust the payment and security schedules, within certain conditions and with the dates remaining tied to the effective date of the LGIA.<sup>33</sup> SoCal Edison asks the Commission to set this LGIA for hearing.

20. CAISO responds to Nevada Hydro's protest by stating that it filed the unexecuted LGIA at the request of Nevada Hydro pursuant to the terms of its tariff. CAISO asks the Commission to reiterate that TE/VS cannot use the LGIA process to bypass its transmission planning process, and it urges the Commission to reject Nevada Hydro's proposed revisions, and accept the LGIA effective May 21, 2012, as proposed.<sup>34</sup>

## **VII. Commission Determination**

### **A. Procedural Matters**

21. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2012), the notice of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding. 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 the answers filed by Nevada Hydro, SoCal Edison, and CAISO because they provided information that assisted us in our decision-making process.

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<sup>31</sup> *Id.* at 14-18.

<sup>32</sup> SoCal Edison May 14, 2012 Answer at 11-12.

<sup>33</sup> *Id.* at 16-17.

<sup>34</sup> CAISO April 26, 2012 Answer at 5.

**B. Substantive Matters**

22. Our preliminary analysis indicates that CAISO's proposed Notice of Termination and SoCal Edison's proposed LGIA have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. While Nevada Hydro has raised concerns about these filings, we find that the appropriateness of CAISO's and SoCal Edison's Filings are best addressed in the ordered hearing.

23. SoCal Edison's and CAISO's Filings raise issues of material fact that cannot be resolved based on the record before us, and are more appropriately addressed in the hearing and settlement judge procedures ordered below. For example, regarding the Notice of Termination, it is unclear from the record before us whether other customers in the interconnection queue would be harmed if the Notice of Termination is not granted. Also, it is not clear from the record whether there are other projects that are similarly situated to Nevada Hydro's with respect to time in the queue but are either being allowed to remain in the queue or not subject to termination for failure to meet milestones. Regarding the proposed SoCal Edison LGIA, further information is needed as to why this LGIA assumes only an interconnection to SoCal Edison when the parties have indicated that interconnection to both SoCal Edison and SDG&E were adopted as the base assumption for system impact studies by CAISO, SDG&E, SoCal Edison, and Nevada Hydro. Additionally, there appears to be an inconsistency with proposing an LGIA among SoCal Edison, CAISO, and Nevada Hydro to interconnect the LEAPS project, yet proposing to terminate the LGIA among SDG&E, CAISO, and Nevada Hydro based upon the allegation that LEAPS is unlikely to be built. Therefore, we are setting the proposed Notice of Termination of the existing SDG&E LGIA and the proposed new SoCal Edison LGIA for a trial-type evidentiary hearing. Accordingly, we will accept SoCal Edison's and CAISO's Filings, suspend them for a nominal period, to become effective August 11, 2012, which is after sixty days from the date they filed responses to the Commission staff's deficiency letter, subject to refund, and set all issues for hearing and settlement judge procedures.

24. In addition, because the issues in the three dockets are closely related, we will consolidate the instant filings for purposes of hearing and decision, as well as settlement judge procedures.

25. While we are setting these matters for a trial-type evidentiary hearing, we encourage the parties to make every effort to settle their disputes before hearing procedures are commenced. To aid the parties in their settlement efforts, we will hold the hearing in abeyance and direct that a settlement judge be appointed, pursuant to Rule 603

of the Commission's Rules of Practice and Procedure.<sup>35</sup> If the parties desire, they may, by mutual agreement, request a specific judge as the settlement judge in the proceeding; otherwise, the Chief Judge will select a judge for this purpose.<sup>36</sup>

26. The settlement judge shall report to the Chief Judge and the Commission within 30 days of the appointment of the settlement judge concerning the status of settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions or provide for commencement of a hearing by assigning the case to a presiding judge.

The Commission orders:

(A) CAISO's notice of termination is hereby accepted for filing, suspended for a nominal period, to become effective on August 11, 2012, subject to refund, as discussed in the body of this order.

(B) CAISO's and SoCal Edison's proposed LGIA are hereby accepted for filing and suspended for a nominal period, to become effective August 11, 2012, subject to refund, as discussed in the body of this order. CAISO's notice of termination and CAISO's and SoCal Edison's proposed LGIA are hereby consolidated for the purpose of hearing and decision and settlement judge procedures, as discussed in the body of this order.

(C) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by section 402(a) of the Department of Energy Organization Act and by the Federal Power Act, particularly sections 205 and 206 thereof, and pursuant to the Commission's Rules of Practice and Procedure and the regulations under the Federal Power Act (18 C.F.R., Chapter I), a public hearing shall be held concerning SoCal Edison's proposed LGIA and CAISO's Notice of termination. However, the hearing shall be held in abeyance to provide time for settlement judge procedures, as discussed in Ordering Paragraphs (D) and (E) below.

(D) Pursuant to Rule 603 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.603 (2012), the Chief Administrative Law Judge is hereby directed to

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<sup>35</sup> 18 C.F.R. § 385.603 (2012).

<sup>36</sup> If the parties decide to request a specific judge, they must make their joint request to the Chief Judge by telephone at (202) 502-8500 within five days of this order. The Commission's website contains a list of Commission judges and a summary of their background and experience ([www.ferc.gov](http://www.ferc.gov) – click on Office of Administrative Law Judges).

appoint a settlement judge in this proceeding within fifteen (15) days of the date of this order. Such settlement judge shall have all powers and duties enumerated in Rule 603 and shall convene a settlement conference as soon as practicable after the Chief Judge designates the settlement judge. If the parties decide to request a specific judge, they must make their request to the Chief Judge within five (5) days of the date of this order.

(E) Within thirty (30) days of the appointment of the settlement judge, the settlement judge shall file a report with the Commission and the Chief Judge on the status of the settlement discussions. Based on this report, the Chief Judge shall provide the parties with additional time to continue their settlement discussions, if appropriate, or assign this case to a presiding judge for a trial-type evidentiary hearing, if appropriate. If settlement discussions continue, the settlement judge shall file a report at least every sixty (60) days thereafter, informing the Commission and the Chief Judge of the parties' progress toward settlement.

(F) If settlement judge procedures fail and a trial-type evidentiary hearing is to be held, a presiding judge, to be designated by the Chief Judge, shall, within fifteen (15) days of the date of the presiding judge's designation, convene a prehearing conference in these proceedings in a hearing room of the Commission, 888 First Street, NE, Washington, DC 20426. Such a conference shall be held for the purpose of establishing a procedural schedule. The presiding judge is authorized to establish procedural dates and to rule on all motions (except motions to dismiss) as provided in the Commission's Rules of Practice and Procedure.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.