

UNITED STATES OF AMERICA 81 ferc ¶ 62, 209  
FEDERAL ENERGY REGULATORY COMMISSION

Southern California Edison )  
Company )

Docket No. EC98-14-000

ORDER AUTHORIZING ASSIGNMENT OF  
JURISDICTIONAL MUST-RUN AGREEMENTS

(Issued December 17, 1997)

On October 31, 1997, as completed on December 3, 1997, Southern California Edison Company (Edison) filed an application pursuant to section 203 of the Federal Power Act (FPA) 1/ for Commission authorization to assign six jurisdictional power sales agreements (Must-Run Agreements) to the purchasers of its generating stations that have been designated as reliability must-run units by the California Independent System Operator Corporation (ISO). 1/ Edison states that the instant application is related closely to the pending proceedings before the Commission in Docket Nos. EC96-19-000, et al. 1/ As noted in those proceedings, Edison has committed to divest all its oil and gas fired generation, including the six generating stations that will provide must-run generation services to the ISO.

On December 3, 1997, Edison identified the purchasers of the generating stations as follows:

Purchaser

Generating Stations

The AES Corporation

Alamitos, Huntington Beach

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1/ 16 U.S.C. § 824b (1994).

2/ Edison concurrently filed the Must-Run Agreements pursuant to section 205 of the FPA in Docket No. ER98-441-000. The Commission will issue a separate order in that proceeding.

3/ See, Pacific Gas and Electric Company, et al., Order Conditionally Authorizing Establishment Of An Independent System Operator and Power Exchange, Conditionally Authorizing Transfer Of Facilities To An Independent System Operator And Providing Guidance, 77 FERC ¶ 61,204 (1996) and Order Conditionally Authorizing Limited Operation Of An Independent System Operator And Power Exchange, Conditionally Authorizing Transfer Of Control Of Facilities On An Interim Basis To An Independent System Operator, Granting Reconsideration, Addressing Rehearings, Establishing Procedures And Providing Guidance, 81 FERC ¶ 61,122 (1997).

and Redondo

Houston Industries Incorporated

Etiwanda and Mandalay

Purchaser

Generating Station

A consortium consisting of:  
NRG Energy, Inc. and  
Destec Energy, Inc.

El Segundo

In addition, Edison requested that the purchasers join in the instant application to obtain Commission authorization to accept the assignment of the Must-Run Agreements.

On December 4, 1997, Ocean Vista Power Generation, L.L.C. and Mountain Vista Power Generation, L.L.C., which are subsidiaries of Houston Industries Power Generation, Inc., filed to join the application in order to accept the assignment of the Etiwanda and Mandalay generating station Must-Run Agreements.

On December 4, 1997, El Segundo Power, L.L.C., which is jointly owned by NRG Energy, Inc, and Destec Energy, Inc., filed to join the application in order to accept the assignment of the El Segundo generating station Must-Run Agreement.

On December 9, 1997, AES Alamitos, L.L.C., AES Huntington Beach, L.L.C. and AES Redondo Beach, L.L.C., which are subsidiaries of The AES Corporation, filed to join the application in order to accept the assignment of the Alamitos, Huntington Beach and Redondo generating station Must-Run Agreements.

Notice of the filing was published in the Federal Register with comments due on or before December 15, 1997. On December 3, 1997, the Public Utilities Commission of the State of California (California Commission) filed a notice of intervention. Timely motions to intervene were filed by the Los Angeles Department of Water and Power, the California Manufacturers Association and the California Large Energy Consumers Association, Energy Producers and Users Coalition, Electric Clearinghouse, Inc., Amoco Production Company and Amoco Energy Trading Corporation, Texaco Natural Gas Inc., Cogeneration Association of California and the Independent Energy Producers Association (collectively, Intervenors). The timely motions to intervene and notice of intervention do not raise any substantive issues.

Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 1/ Intervenors' timely unopposed motions to intervene and California Commission's notice of intervention serves to make them parties to this proceeding.

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4/ 18 C.F.R. § 385.214(a)(2)and (c)(1) (1997).

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After consideration, it is concluded that the proposed transfer of Edison's jurisdictional Must-Run Agreements to the identified new owners of the generating stations is consistent with the public interest and is authorized subject to the following conditions:

- (1) The proposed transaction is authorized upon the terms and conditions and for the purposes set forth in the application;
- (2) The foregoing authorization is without prejudice to the authority of the Commission or any other regulatory body with respect to rates, service, accounts, valuation, estimates or determinations of cost or any other matter whatsoever now pending or which may come before the Commission;
- (3) Nothing in this order shall be construed to imply acquiescence in any estimate or determination of cost or any valuation of property claimed or asserted; and
- (4) The Commission expressly reserves the right, pursuant to sections 203(b) and 309 of the Federal Power Act, to place further conditions on the transfer for good cause shown.

Authority to act on this matter is delegated to the Director, Division of Opinions and Corporate Applications, pursuant to 18 C.F.R. § 375.308. This order constitutes final agency action. Requests for rehearing by the Commission may be filed within thirty (30) days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Robert E. Cackowski  
Director, Division of Opinions  
and Corporate Applications