



December 15, 2021

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

Re: *Horizon West Transmission, LLC Docket No. ER22-____-000*

Dear Secretary Bose:

Pursuant to Section 35.13 of the Federal Energy Regulatory Commission's ("FERC" or the "Commission") regulations under the Federal Power Act, 18 C.F.R. § 35.13 (2021), Horizon West Transmission, LLC ("Horizon West") submits for filing revisions to its Transmission Owner Tariff ("TO Tariff"), FERC Electric Tariff No. 1, Appendix I, to reflect the annual update of the Transmission Revenue Balancing Account Adjustment ("TRBAA"). Horizon West respectfully requests that the Commission accept the proposed revisions to the TO Tariff for filing to become effective on January 1, 2022 and grant any appropriate waivers.

In addition to this transmittal letter, included with this filing are: 1) clean and redlined copies of Appendix I of Horizon West's revised TO Tariff, reflecting (i) the Transmission Revenue Requirement ("TRR") for 2022 of \$20,720,421¹ that was determined in accordance with Horizon West's formula rate (the "2022 TRR"); and (ii) the calculated TRBAA of negative \$105,126, based on Horizon West's 2021 effective TRR of \$11,948,342² (the "2021 TRR"); and 2) the prepared Direct Testimony and Exhibits of Carly Weinstein.

I. BACKGROUND

The TRBAA is a mechanism set forth in Section 5.4 of Horizon West's TO Tariff that ensures each participating transmission owner ("TO") that all transmission revenue credits ("TRC") and adjustments for any over- or under-recovery of its annual TRR, specified in Section 6 and 8 of Appendix F, Schedule 3 of the California Independent System Operator Corporation ("CAISO") Tariff, flow through to transmission customers.³ TRCs are defined in Horizon West's currently effective TO Tariff as the proceeds received from the CAISO (other than for the recovery of Horizon West's TRR through the

¹ See FERC Docket No. ER22-646.

² See FERC Docket No. ER21-328.

³ See Horizon West's TO Tariff, Section 5.4

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Transmission Access Charges) and charges imposed by the CAISO that are received and paid by Horizon West in its role as a Participating TO, as defined in the CAISO Tariff.⁴

The TRBAA is provided to the CAISO along with Horizon West's TRR to develop appropriate charges under the CAISO Tariff. The TRBAA is recalculated annually consistent with the CAISO Tariff.⁵ Appendix F, Schedule 3, Section 8.1 of the CAISO Tariff provides that the revised TRBAA shall be effective January 1 of each year based on the balance in the Transmission Revenue Balancing Account ("TRBA") as of September 30 of the prior year and a forecast of the TRCs for the next year.

II. CONTENTS OF FILING

In support of this motion, Horizon West has attached the following documents:

- Clean and marked versions of Appendix I of Horizon West's TO Tariff, which reflect the 2022 TRR and the 2022 TRBAA described in this filing based on the 2021 TRR.
- Prepared Direct Testimony of Carly Weinstein on behalf of Horizon West Transmission, setting forth the development and explanation of Horizon West's 2022 TRBAA.
- Exhibit CW-1, which contains Horizon West's 2021 TRR.
- Exhibit CW-2, which contains Horizon West's calculation of its 2022 Transmission Access Charge TRBAA based on its 2021 TRR.

III. REQUESTED EFFECTIVE DATE

To the extent required, Horizon West requests a waiver of the sixty (60) day notice requirement, and any other waivers, as necessary to allow the TRBAA to become effective January 1, 2021. Granting this waiver is appropriate because the currently effective Horizon West Tariff and CAISO Tariff specify that Horizon West will update its TRBAA effective January 1 of each year. Accordingly, a waiver is consistent with Commission policy.⁶

⁴ See Trans Bay's TO Tariff, Section 3.90

⁵ See *id.* at Fourth Revised Sheet No. 16, Appendix I

⁶ See *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992); see also *San Diego Gas & Elec. Co.*, 122 FERC ¶ 61,230 (2008) (granting waiver of prior notice requirements for San Diego Gas & Electric Company's 2008 TRBAA revision); *City of Vernon, Cal.*, Letter Order, Docket No. EL09-15 (2009) (granting waiver of prior notice requirements for City of Vernon's 2009 TRBAA revision).

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IV. COMMUNICATIONS

Horizon West requests that all correspondence and communications with respect to this filing be sent to, and the Secretary include on the official service list, the following:

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V. CONCLUSION

Horizon West respectfully requests that the Commission accept the revised TRBAA to be effective on January 1, 2022.

Respectfully submitted,

/s/ Gregory D. Jones

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*Counsel for
Horizon West Transmission, LLC.*

Attachments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served a copy of the foregoing document via electronic mail to the California Independent System Operator Corporation (“CAISO”) and the Participating Transmission Owners, who are parties to the CAISO’s Transmission Control Agreement.

DATED this 15th day of December 2021.

/S/ Carly Weinstein

Carly Weinstein

Prepared Direct Testimony of Carly Weinstein

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Horizon West Transmission, LLC

Docket No. ER22-___-000

**Prepared Direct Testimony
of Carly Weinstein**

INTRODUCTION

Q. Please state your name and business address.

A. My name is Carly Weinstein and my business address is 700 Universe Blvd, Juno Beach, FL 33408.

Q. By whom are you employed and in what capacity?

A. I am currently employed by NextEra Energy Transmission, LLC as Director of Business Management.

Q. Please briefly describe your education and prior employment.

A. I am a Certified Public Accountant registered in the State of Florida. I hold a Bachelor of Science degree in Accounting from Florida State University, and a Master of Accounting degree for Florida Atlantic University. I have approximately ten years of finance and accounting experience in various roles within NextEra Energy and its subsidiaries.

Q. Please describe your responsibilities for Horizon West Transmission, LLC.

A. My responsibilities include oversight of financial reporting, management and accounting for the company.

BACKGROUND

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide the annual accounting of Horizon West Transmission LLC's ("Horizon West" or "HWT" or the "Company") Transmission Revenue Balancing Account Adjustment ("TRBAA"). The TRBAA is required to be filed with the Federal Energy Regulatory Commission ("FERC" or the "Commission") on an annual basis to become effective on January 1, 2022.

Q. Have you testified on these matters before?

A. Yes, in relation to Horizon West's 2021 TRBAA filing in Docket No. ER21-796-000.

Q. Please explain the purpose of the TRBAA.

A. The TRBAA is a mechanism set forth in Section 5.4 of Horizon West's Transmission Owner's Tariff ("TO Tariff") that ensures Participating Transmission Owners ("PTOs") that all Transmission Revenue Credits ("TRC") and adjustments for any over- or under-recovery of its annual Transmission Revenue Requirement ("TRR"), specified in Section 6 and 8 of Appendix F, Schedule 3 of the California Independent System Operator Corporation ("CAISO") Tariff flows through to transmission customers.¹ TRCs are defined in Horizon West's currently-effective TO Tariff as 1) the proceeds received from the CAISO, other than for the recovery of Horizon West's

¹ See Horizon West's TO Tariff, Section 5.4

TRR through the Transmission Access Charge and 2) charges imposed by the CAISO that are received and paid by Horizon West in its role as PTO, as defined in the CAISO Tariff.² As discussed below, Horizon West has not received any TRCs, nor does it expect to for the period October 1, 2021 through December 31, 2021.

Q. How does the TRBAA mechanism operate?

A. As stated above, the TRBAA is to be recalculated annually, consistent with the CAISO Tariff. Horizon West's TRBAA is derived from the sum of its TRBAA for the Transmission Access Charge. Pursuant to Section 8.1 of Schedule 3, Appendix F of the CAISO Tariff, the revised TRBAA is to be made effective on January 1 of each year the TO Tariff is in effect. Thus, on January 1 of each year, Horizon West is obligated to adjust the TRBAA based on the principal balance in the Transmission Revenue Balancing Account ("TRBA") as of September 30 of the prior year and provide a forecast of TRCs for the next year. Horizon West's TRBAA shall be equal to:

$$\text{TRBAA} = \text{Cr} + \text{Cf} + \text{I}$$

where:

² See Horizon West's TO Tariff, Section 3.90

Cr= The principal balance of the Transmission Revenue Balancing Account (“TRBA”) recorded in FERC Account No. 254 as of September 30 of the year prior to the January billing cycle which balance reflects the previous unamortized TRBA balance in addition to the difference in revenues from TRCs and over- or under-recovery of the annual TRR and the amount such revenues that have been refunded to customers through the operation of the TRBAA.

Cf= represents the forecast of TRCs for the following calendar year.

I= equals the interest for the TRBA, the rate calculated pursuant to 18 CFR 35.19(a), based on the average TRBA balance each month compounded quarterly.³

Q. How is the TRBAA assessed to transmission customers?

A. The TRBAA is provided to the CAISO along with Horizon West’s TRR for use in developing appropriate charges under the CAISO Tariff.

CALCULATION OF THE 2022 TRBAA

Q. Please describe Horizon West’s TRR as reflected on Exhibit CW-1.

A. Exhibit CW-1 shows Horizon West’s TRR of \$11,948,342 which was effective for

³ See Horizon West’s TO Tariff, Section 5.4

2021 (the “2021 TRR”) pursuant to the filing in Docket ER21-328.

Q. Please describe the calculation of Horizon West’s TRBAA to be effective January 1, 2022 as reflected on Exhibit CW-2.

A. Exhibit CW-2 is a spreadsheet showing the calculation of Horizon West’s TRBAA based on its 2021 TRR. Line 1 represents the number of days in the month (“Trade Month”). Line 2 reflects the monthly FERC interest rate in effect during the month. Line 3 shows the TRR in effect during the identified Trade Month.

Together, Lines 4 through 9 show the derivation of the TRBAA calculation. Line 4 reflects the annual TRR in effect during the identified Trade Month, prorated by the number of days in that Trade Month. Line 5 reflects the payment received from the CAISO before interest and settlement charges. Line 6 shows the interest received (paid) from/to the CAISO. The monthly settlement charges (paid) to the CAISO for collection and billing of Horizon West’s Transmission Access Charge is reflected in Line 7. Line 8 equals the total net payment, which is the sum of Lines 5 through 7. Finally, Line 9 represents the total over- or under-collection as the difference between the prorated TRR received monthly (Line 4) and the total net payment received (Line 8).

Lines 10 through 12 calculate the monthly interest and quarterly compounding of interest. Line 10 shows the average monthly balance of the TRBA. Line 11 reflects the annual interest rate in Line 2 (adjusted to a monthly rate) multiplied with the average monthly balance of the TRBA in Line 10. Line 12 reflects the quarterly compounding of the interest.

The TRBA monthly balance is shown in Lines 13 through 16. Line 13 reflects the beginning balance of the TRBA for each month. Line 14 equals the over- or under-

collection amounts shown in Line 9, and Line 15 adds in the quarterly compounding interest reflected in Line 12. Line 16 represents the total TRBA balance, at the end of each month as the sum of Lines 13 through 15. Line 17 represents the compounding interest related to the July, August, and September 2021 Trade Months from Line 11 that was not accounted for in Line 15 as interest is compounded quarterly.

The above calculation methodology is consistent with Section 5.4 of the TO Tariff, and results in a final TRBAA of negative \$105,126. Therefore, the TRBAA to be effective January 1, 2022 is negative \$105,126.

Q. How have you treated the forecast of TRCs for the purpose of determining Horizon West's TRBAA to be effective January 1, 2022?

A. Under Section 5.4 of the TO Tariff, TRCs are comprised of all revenue received from the CAISO not including revenue received through Horizon West's Transmission Access Charge. Horizon West has not received any TRC revenue from CAISO in the period under consideration. Horizon West forecasts a TRC revenue totaling zero through the end of 2021, so TRC revenue was not a factor in the calculation of the total TRBAA.

Q. What is Horizon West's TRBAA to be effective January 1, 2022 as reflected in Exhibit CW-2?

A. Horizon West's TRBAA to be effective January 1, 2022 is negative \$105,126.

Q. Did Horizon West receive any forfeited funds or penalty payments from the CAISO during 2021?

A. Yes. Horizon West received a Generator Interconnection Process Forfeited Deposit

Allocations (“GIPFDA”) from the CAISO in the amount \$34,720.97 in September 2021. Horizon West has reflected this payment in its TRBAA as a credit in favor of ratepayers. Referencing Exhibit CW-2, the payment amount is included in the amount on Line 5 “Payment (Before Interest & Settlement Charges), in the column headed “August September 2021” (for the September 2021 GIPFDA payment). This amount was included in Line 9 of Exhibit CW-2 and which represents the total over- or under-collection as the difference between the prorated TRR revenue received monthly and the total net payment received.

Q. Does that conclude your direct testimony in this proceeding?

A. Yes.

Exhibits

Horizon West Transmission
Transmission Revenue Requirement

2021 TRR*			
	HVAC	<u>\$ 11,948,342</u>	100.00%
	Total TRR	\$ 11,948,342	100.00%

*See Docket ER21-328

Horizon West Transmission, LLC
Transmission Revenue Balancing Account (HVAC)

October 1st, 2020 - September 30th, 2021

Trade Month	October	November	December	January	February	March	April	May	June	July	August	September	Total	
Calendar Month	November	December	January	February	March	April	May	June	July	August	September	October		
Year	2020	2020	2020	2021	2021	2021	2021	2021	2021	2021	2021	2021		
Line														
1 Days in Month (Trade Month)	31	30	31	31	28	31	30	31	30	31	31	30	365	
2 Interest Rate (Note 1)	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%		
3 HVAC Effective TRR	\$ 5,751,076	\$ 5,751,076	\$ 5,751,076	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342	\$ 11,948,342		
Base TRBA Calculation														
4 Prorated Current TRR Revenue	\$ 582,625	\$ 563,831	\$ 582,625	\$ 1,014,791	\$ 916,585	\$ 1,014,791	\$ 982,056	\$ 1,014,791	\$ 982,056	\$ 1,014,791	\$ 1,014,791	\$ 982,056	\$ 10,665,789	
5 Payment (Before Interest & Settlement)	\$ 507,699	431,224	\$ 457,622	\$ 449,048	\$ 401,951	\$ 946,043	\$ 1,452,819	\$ 1,488,487	\$ 1,233,527	\$ 1,393,267	\$ 1,402,418	\$ 1,222,911	\$ 11,387,016	
6 Interest Received (Paid)	\$ 19	\$ 72	\$ -	\$ 15	\$ (52)	\$ (39)	\$ -	\$ 4,341	\$ 3,834	\$ 559	\$ 419	\$ 408	\$ 9,575	
7 Settlement Charges (Paid)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (1,500)	\$ (16,500)	
8 Net Payment	\$ 506,719	\$ 430,297	\$ 456,622	\$ 447,563	\$ 400,399	\$ 944,504	\$ 1,451,319	\$ 1,491,327	\$ 1,235,861	\$ 1,392,325	\$ 1,401,337	\$ 1,221,818	\$ 11,380,091	
9 (Over) Under Collection	\$ 75,906	\$ 133,534	\$ 126,003	\$ 567,228	\$ 516,186	\$ 70,287	\$ (469,263)	\$ (476,536)	\$ (253,805)	\$ (377,534)	\$ (386,546)	\$ (239,762)	\$ (714,302)	
Interest Calculation														
10 Average Balances	\$ 611,063	\$ 718,209	\$ 847,977	\$ 1,197,541	\$ 1,742,197	\$ 2,035,434	\$ 1,842,683	\$ 1,376,520	\$ 1,011,350	\$ 701,409	\$ 325,097	\$ 11,943	\$ 1,035,119	
11 Interest	\$ 1,655	\$ 1,945	\$ 2,297	\$ 3,243	\$ 4,718	\$ 5,513	\$ 4,991	\$ 3,728	\$ 2,739	\$ 1,900	\$ 880	\$ 32	\$ 33,641	
12 Quarterly Compounding			\$ 5,897			\$ 13,474			\$ 11,458			\$ 2,812		
TRBA HVAC Monthly Balance														
13 Beginning TRBA Balance	\$ 570,685	\$ 651,441	\$ 784,976	\$ 910,979	\$ 1,484,104	\$ 2,000,290	\$ 2,070,577	\$ 1,614,789	\$ 1,138,252	\$ 884,447	\$ 518,370	\$ 131,825	\$ 570,685	
14 (Over) Under Collection	\$ 75,906	\$ 133,534	\$ 126,003	\$ 567,228	\$ 516,186	\$ 70,287	\$ (469,263)	\$ (476,536)	\$ (253,805)	\$ (377,534)	\$ (386,546)	\$ (239,762)	\$ (714,302)	
15 Compounding Interest	\$ 4,850	\$ -	\$ -	\$ 5,897	\$ -	\$ -	\$ 13,474	\$ -	\$ -	\$ 11,458	\$ -	\$ -	\$ 35,679	
16 TRBA Balance (Principal & Interest)	\$ 651,441	\$ 784,976	\$ 910,979	\$ 1,484,104	\$ 2,000,290	\$ 2,070,577	\$ 1,614,789	\$ 1,138,252	\$ 884,447	\$ 518,370	\$ 131,825	\$ (107,938)	\$ (107,938)	
17 Final Quarterly Compound													\$ 2,812	
														TRBAA
														\$ (105,126)

Note 1: 18 CFR Section 35.19(a)

Redline Tariff Appendix I

APPENDIX I

Transmission Revenue Requirement and TRBAA

The Horizon West Transmission Revenue Requirement shall be determined pursuant to the formula rate in Appendix III of this TO Tariff. The Regional Transmission Revenue Requirement and the Local Transmission Revenue Requirement shall be determined annually on Lines 10 and 11, respectively, of Appendix III, Attachment 4 of this TO Tariff, and provided to the CAISO.

1. The Regional Transmission Revenue Requirement is \$~~20,720,421~~~~11,948,342~~, and the Local Transmission Revenue requirement is \$0 for the twelve month period effective January 1, 202~~2~~~~1~~, as computed in accordance with the formula rate in Appendix III of this TO Tariff.
2. The Regional TRBAA is ~~negative \$105,126~~~~positive \$575,535~~, and the Local TRBAA is \$0 for the twelve month period effective January 1, 202~~2~~~~1~~, as computed in accordance with Section 5.4 of this TO Tariff and the CAISO Tariff.
3. The Regional TRBAA and Local TRBAA will be recalculated annually consistent with the CAISO Tariff, approved by the FERC, and provided to the CAISO.

Clean Tariff

APPENDIX I

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1. The Regional Transmission Revenue Requirement is \$20,720,421, and the Local Transmission Revenue requirement is \$0 for the twelve month period effective January 1, 2022, as computed in accordance with the formula rate in Appendix III of this TO Tariff.
2. The Regional TRBAA is negative \$105,126, and the Local TRBAA is \$0 for the twelve month period effective January 1, 2022, as computed in accordance with Section 5.4 of this TO Tariff and the CAISO Tariff.
3. The Regional TRBAA and Local TRBAA will be recalculated annually consistent with the CAISO Tariff, approved by the FERC, and provided to the CAISO.

FERC rendition of the electronically filed tariff records in Docket No. ER22-00650-000

Filing Data:

CID: C004881

Filing Title: HWT Revisions to TO Tariff Appendix I TRBAA Annual Update

Company Filing Identifier: 1387

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title: Transmission Owner Tariff

Tariff ID: 336

Payment Confirmation:

Suspension Motion: N

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Appendix I,, Transmission Revenue Requirement and TRBAA, 2.0.0, A

Record Narrative Name:

Tariff Record ID: 2611

Tariff Record Collation Value: 2147479552 Tariff Record Parent Identifier: 0

Proposed Date: 2022-01-01

Priority Order: 700

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

APPENDIX I

Transmission Revenue Requirement and TRBAA

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1. The Regional Transmission Revenue Requirement is \$20,720,421, and the Local Transmission Revenue requirement is \$0 for the twelve month period effective January 1, 2022, as computed in accordance with the formula rate in Appendix III of this TO Tariff.
2. The Regional TRBAA is negative \$105,126, and the Local TRBAA is \$0 for the twelve month period effective January 1, 2022, as computed in accordance with Section 5.4 of this TO Tariff and the CAISO Tariff.
3. The Regional TRBAA and Local TRBAA will be recalculated annually consistent with the CAISO Tariff, approved by the FERC, and provided to the CAISO.

Document Content(s)

HWT TRBAA Transmittal Letter-12.15.21-FINAL.pdf.....1
HWT TRBAA Weinstein Testimony Exhibits-2022.pdf.....5
HWT TRBAA 2022 Appendix I - Redline.pdf.....16
HWT TRBAA 2022 Appendix I - Clean.pdf.....18
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