

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

Citizens Sycamore-Penasquitos Transmission LLC) Docket No. ER21-XXX-000

**Citizens Sycamore-Penasquitos Transmission LLC’s Response to the
California Public Utilities Commission’s First Set of Data Requests**

Regarding the draft Informational Filing:

CPUC D.S1.001

Please provide a copy of the FERC Form 1 Report for 2019Q4 as referenced in Exhibit CSP-3. Please provide any updates or corrections to that report.

Response

A copy of the requested Form 1 is attached. There are no corrections or updates.

CPUC D.S1.002

Regarding Exhibit CSP-3:

- a. Please break down the operating expenses listed in Exhibit CSP-3 in a separate work paper.
- b. Account 923 expenses make up approximately 78% of the requested Operation Cost True-Up total. Which outside service are one-time expenses and which expenses will be recurring?
- c. Please explain if Citizens expects any of the recurring expenses to increase, and if so why.

Response

- a. Please see the attached worksheet titled “Worksheet CPUC D.S1.002a”.
- b. Account 923 reflects \$146,656 of costs. Citizens Sycamore-Penasquitos Transmission LLC (“Citizens Sycamore”) has reviewed these costs and estimates that approximately \$94,802 of these costs reflect one-time expenses. These expenses are included in the costs associated with Duncan & Allen’s provision of legal services, Dave Helsby & Associates’ and Eldon A. Cotton’s provision of consulting services, and the costs associated with First American Title Insurance Co. These one-time expenses reflect the legal and regulatory work and costs required to close the transaction, prepare Citizens Sycamore to comply with its obligations under its Tariff, work to align the deadlines contained in its Formula

Rate Protocols to those included in SDG&E's Appendix XII, and comply with various FERC requirements to make post-closing filings. The remaining \$51,853 reflect expenses that are likely recurring.

- c. The recurring expenses are largely labor expenses, and as such are likely to increase over the 30-year term of this project due to inflation. Aside from this understanding, Citizens Sycamore has not formed an expectation of whether or not these recurring expenses will increase. This is the first year of operation of this project so Citizens Sycamore is still gaining an understanding of the costs associated with complying with its TO Tariff and associated regulatory requirements. In particular, this is the first project that any Citizens Energy Corporation subsidiary has been involved with that includes Formula Rate Protocols. Finally, it is unclear how changes in regulatory or legal landscapes might impact Citizens Sycamore's obligations under its Tariff over the next 30 years.

CPUC D.S1.003

For the recurring costs detailed in question 2 above:

Has Citizens analyzed whether these functions can be performed internally as opposed to using outside services? If so, what was the result of that analysis?

Response:

No. Neither Citizens Sycamore nor its parent Citizens Energy Corporation has the requisite FERC legal or rate-making experience to handle these tasks internally, nor does either entity believe that the work requirement would support hiring employees to perform these functions internally.

CPUC D.S1.004

Please provide a work paper, with references, detailing the increase of Transmission Operating Cost Revenue Requirement from \$1,095,210 to \$1,639,093 as shown in Appendix III, Attachment B, p.1.

Response:

Please see the attached work paper titled "Workpaper CPUC D.S1.004".