

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Implement  
Electric Utility Wildfire Mitigation Plans  
Pursuant to Senate Bill 901 (2018).

Rulemaking 18-10-007

**REPLY COMMENTS ON WILDFIRE MITIGATION PLANS OF  
HORIZON WEST TRANSMISSION, LLC (FORMERLY KNOWN AS  
NEXTERA ENERGY TRANSMISSION WEST, LLC) (U 222-E)**

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West, LLC*

March 22, 2019

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Pursuant to the Assigned Commissioner’s Scoping Memo and Ruling dated December 7, 2018, Horizon West Transmission, LLC (formerly known as NextEra Energy Transmission West, LLC) (U 222-E) (“Horizon West”)<sup>1</sup> provides these reply comments on the Wildfire Mitigation Plans (“WMPs”) filed pursuant to Senate Bill 901, as codified in Public Utilities Code Section 8386 (“Section 8386”).

These reply comments focus on the meaning of plan approval as applied to Horizon West in light of Horizon West’s status as a transmission-only public utility whose rates and cost recovery are regulated exclusively by the Federal Energy Regulatory Commission (“FERC”). These reply comments follow the common outline agreed to by the parties in this proceeding. Horizon West does not address other topics in the outline, but has included all topic headings in accordance with the Administrative Law Judges’ instruction at the prehearing conference.<sup>2</sup>

**1. Meaning of Plan Approval**

As explained in previous filings, Horizon West is a transmission-only public utility that is building its first project, the Suncrest Reactive Power Support Project (“Suncrest SVC Project”). Once completed, the Suncrest SVC Project will be placed under the operational control of the California Independent System Operator Corporation (“CAISO”). Horizon West will operate and maintain the Suncrest SVC Project as a Participating Transmission Owner under the CAISO Tariff. Horizon West does not have a service territory, does not serve customers directly, and

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<sup>1</sup> NextEra Energy Transmission West, LLC is changing its name to Horizon West Transmission, LLC. This is a change in name only. Horizon West submitted a notice of name change in this proceeding on March 21, 2019.

<sup>2</sup> The intervenor comments filed on March 13, 2019 do not address Horizon West’s WMP.

will not own or operate any distribution facilities. Horizon West's rates are regulated by FERC pursuant to FERC's exclusive authority under the Federal Power Act over the rates for transmission in interstate commerce. FERC has accepted Horizon West's transmission owner tariff, including its formula transmission rate, and granted its requests for recovery of certain transmission rate incentives.<sup>3</sup>

Section 8386(b) specifies that each electrical corporation shall annually prepare and submit a WMP to the California Public Utilities Commission ("Commission") for review and approval, and states that the Commission may require modifications of the WMPs prior to approval. Section 8386(b) further specifies that, following approval, the Commission shall oversee compliance with the WMPs pursuant to Section 8386(h). Section 8386(h) specifies that the Commission shall conduct an annual review of each electrical corporation's compliance with its WMP according to a specified schedule and with input from an independent evaluator. Other subparts of Section 8386 address cost recovery for utilities whose rates are regulated by the Commission, but do not apply to Horizon West or other transmission-only utilities whose rates are regulated exclusively by FERC.

Commission approval of Horizon West's WMP will mean that Horizon West's WMP satisfies the statutory requirements in Section 8386. Because FERC regulates Horizon West's rates, all ratemaking and cost recovery issues for Horizon West will be decided by FERC rather than by the Commission. Thus, Horizon West's rate proceedings before FERC will determine how Horizon West will recover its costs incurred to implement and comply with its WMP.

For the same reasons, future recovery of any costs that Horizon West might incur as a result of a wildfire also would be decided in Horizon West's rate proceedings before FERC. In any such proceeding, evidence of substantial compliance with a Commission-approved WMP would be a relevant consideration and would help demonstrate that Horizon West acted reasonably and prudently in operating and maintaining its facilities. Horizon West therefore generally agrees with the position articulated by the large utilities that substantial compliance with the objective metrics in a Commission-approved WMP will demonstrate that the utility

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<sup>3</sup> *NextEra Energy Transmission West, LLC*, 154 FERC ¶ 61,009 (2016), *order accepting settlement agreement*, 157 FERC ¶ 61,110 (2016).

prudently operated its system.<sup>4</sup> The significant distinction for Horizon West is that any issues regarding prudence and reasonableness for cost recovery purposes will be addressed and decided in the applicable FERC ratemaking proceeding. As a result, any determinations in this proceeding regarding cost recoverability will not apply to Horizon West.

- 2. Overall Objectives and Strategies**
- 3. Risk Analysis and Risk Drivers**
- 4. Wildfire Prevention Strategy and Programs**
- 5. Emergency Preparedness, Outreach and Response**
- 6. Performance Metrics and Monitoring**
- 7. Recommendations for Future WMPs**
- 8. Other Issues**

March 22, 2019

Respectfully submitted,

/s/ Lisa A. Cottle

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known as NextEra Energy Transmission West, LLC*

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<sup>4</sup> See e.g., Southern California Edison Company WMP at 7.