

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



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Application of Southern California Edison Company for Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2012, And to Reflect That Increase In Rates.

A.10-11-015

**MOTION OF EXXON MOBIL
CORPORATION FOR LEAVE
TO BECOME A PARTY**

In accordance with Rules 1.4(a)(4) and 1.4(b) of the Commission's Rules, Exxon Mobil Corporation ("Exxon Mobil") files this motion for leave to become a party in the above-referenced proceeding. Exxon Mobil has a direct interest in the Commission's disposition of issues related to the "added facilities" charge. These issues were raised by Southern California Edison Company ("SCE") in the prepared direct testimony submitted with its application. Exxon Mobil requests leave to intervene as a party in order to respond to this testimony and to propose an alternative approach with respect to the added facilities charge for SCE-financed facilities.

In support of its motion, Exxon Mobil states the following:

I.

**EXXON MOBIL'S INTEREST
IN THIS PROCEEDING**

A. Exxon Mobil Facilities Served by SCE

Exxon Mobil is a producer of oil and natural gas in the Santa Ynez Unit ("SYU") offshore Santa Barbara, California. Exxon Mobil also owns and operates a petroleum refinery in Torrance, California. Exxon Mobil owns and operates a cogeneration facility that serves its SYU facilities, as well as a cogeneration facility that serves Exxon Mobil's Torrance refinery. Exxon Mobil's SYU production and processing facilities and cogeneration facility, as well as its Torrance refinery and cogeneration facility, are located in SCE's service territory.

Exxon Mobil's 49 MW cogeneration facility that serves its SYU oil and gas production and processing facilities is interconnected with SCE's transmission system in the vicinity of the Las Flores Canyon substation in Santa Barbara County. Exxon Mobil and SCE entered into a power purchase agreement ("PPA") on March 29, 1989 through which SCE sells power to Exxon Mobil and SCE purchases excess power from the cogeneration facility. Pursuant to the terms of an Interconnection Facilities Agreement ("IFA") dated February 2, 1989, SCE financed the construction of the interconnection facilities, substation facilities (including the Las Flores Canyon substation) and line extension facilities necessary to connect Exxon Mobil's cogeneration facility to SCE's system.

As a part of the IFA, Exxon Mobil agreed to pay a monthly "added facilities" charge to SCE to cover the cost of the facilities financed by SCE, plus operation and maintenance expenses for these facilities. Exxon Mobil has paid the monthly added facilities charge since 1989 in accordance with the IFA and pursuant to the terms of SCE Rule 2(H). The IFA has been amended twice and the monthly added facilities charge in Rule 2(H) has been modified since the original IFA was executed.

Over the 22-year period since the IFA was executed, Exxon Mobil's monthly added facilities payments have far exceeded the cost of the facilities that were financed by SCE. The "installed cost" component of the added facilities charge under Rule 2(H) has not been adjusted downward to account for Exxon Mobil's payments or depreciation of the original facility costs.

Exxon Mobil's 42 MW cogeneration facility that serves its Torrance refinery interconnects with the SCE system at the Torrance refinery substation. Exxon Mobil and SCE entered into a PPA on December 2, 1987 through which SCE sells power to Exxon Mobil and SCE purchase excess power from the cogeneration facility. Pursuant to an IFA dated June 12, 1987, SCE financed the construction of the interconnection facilities and related facilities necessary to connect Exxon Mobil's cogeneration facility to SCE's system.

As a part of the Torrance IFA, Exxon Mobil agreed to pay a monthly added facilities charge to SCE to cover the cost of the facilities financed by SCE, plus operation and maintenance expenses for these facilities. Numerous other added facilities agreements have been executed between Exxon Mobil and SCE over the years (beginning in June 1966) to address facilities necessary to maintain and improve the interconnection facilities between SCE and the Torrance refinery and/or the cogeneration facility. Exxon Mobil bears an added facilities charge in conjunction with each added facility that has been installed pursuant to these agreements. Exxon Mobil's total monthly added facilities payments have far exceeded the installed cost of the facilities that were financed by SCE.

B. SCE Testimony Regarding the Added Facilities Charge

SCE's prepared testimony in this proceeding addresses the added facilities service provided by SCE under Rule 2(H).¹ SCE's testimony also proposes added facilities charges for the 2012 test period. As a customer that bears added facilities charges in connection with its SYU facilities and its

¹ See SCE-03, Vol. 4, Part 7 (Trainor); SCE-10, Vol. 1 (Snow).

Torrance refinery facilities, Exxon Mobil has a direct interest in the Commission's disposition of the added facilities charge issue raised by SCE.

II.

CONTACT INFORMATION

Exxon Mobil requests that all correspondence, pleadings, notices, orders, rulings, and other communications concerning this proceeding be addressed to the following representatives of Exxon Mobil:

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The undersigned counsel should be listed as the “party” representative on the official service list. Mr. Johnson may be listed on the information-only service list.

III.

NATURE OF EXXON MOBIL'S ANTICIPATED PARTICIPATION IN THE PROCEEDING

If its motion for leave to become a party is granted, Exxon Mobil intends to participate actively in this proceeding to address a limited issue: the application and calculation of the “added facilities” charge under SCE Rule 2(H). Exxon Mobil will address and challenge, as necessary, the

prepared testimony submitted by SCE on the added facilities issue. Exxon Mobil intends to propound discovery requests, submit prepared testimony, participate in hearings, submit post-hearing briefs, and participate in settlement discussions (if any).

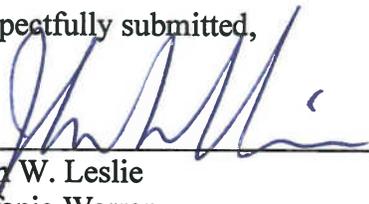
Exxon Mobil accepts the record as established prior to Exxon Mobil's participation in the case. Exxon Mobil does not seek to expand or modify the scope of issues set forth in the "Scoping Memo and Ruling" that was issued by the Assigned Commissioner in this proceeding on March 1, 2011. Based upon SCE's prepared testimony addressing the added facilities charge, Exxon Mobil's limited participation in this proceeding is within the scope of the issues to be addressed in Phase I of this proceeding.

IV.

CONCLUSION

For the foregoing reasons, Exxon Mobil respectfully requests leave to become a party in SCE's general rate case. Exxon Mobil requests that it be granted full rights of a party in this proceeding.

Respectfully submitted,



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