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Decision No. 50132

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN CALIFORNIA EDISON COMPANY )  
for a Certificate that Present and )  
Future Public Convenience and )  
Necessity require or will require )  
the construction and operation by )  
Applicant of a new Steam Electric )  
Generating Station to be known as )  
the El Segundo Steam Station, to- )  
gether with the transmission lines )  
and other appurtenances to be used )  
in connection with said Station. )

Application No. 35152

Bruce Renwick, Rollin E. Woodbury, and  
Harry W. Sturges, Jr., for applicant.  
Leonard S. Patterson, for the Commission  
staff.

O P I N I O N

Southern California Edison Company by the above-entitled application filed February 15, 1954, requests a certificate that present and future public convenience and necessity require or will require the construction and operation of a new steam electric generating station with auxiliaries, transmission lines and appurtenant facilities, and the acquisition of all necessary or convenient lands, rights of way, easements, permits, and other rights required for such purpose.

A public hearing in this proceeding was held in Los Angeles on April 28, 1954, before Examiner C. E. Crenshaw, at which no objection to the granting of the certificate was entered.

The proposed plant is to be known as El Segundo Steam Station and is to be located upon a site being acquired by applicant adjacent to the refinery of the Standard Oil Company of California in the City of El Segundo, California.

Applicant plans the initial installation of the first unit, consisting principally of steam electric generator and related

structures, equipment and facilities, with an anticipated effective operating capacity of approximately 156,000 kilowatts. The site will provide space for the future installation of a second similar unit. Sea water will be used for cooling purposes and two cooling water conduits are being constructed, one approximately 2,600 feet in length and the other approximately 2,000 feet in length.

The fuel to be used will be a high viscosity petroleum tar, pitches, and fuel oil, all of which are obtainable directly from the adjacent refinery. Energy generated at the plant would be transmitted over a double circuit 220 kv transmission line approximately 7 miles in length and the necessary transformers and switches will be provided for the transmission of the electric energy generated at the station to make connection at applicant's La Fresa Substation with its interconnected 220 kv transmission system.

According to the record the addition of the proposed generating station to applicant's production facilities is or will be required by public convenience and necessity because of the actual and anticipated load growth in applicant's territory.

In Exhibit No. 3 applicant presented a chart showing the generating capacity, gross peak demand, and net peak demand over a period of years commencing with 1920 and extending through 1953. From the year 1953 through 1957 an estimate has been made of the net peak demands and the required generating capacity.

About the middle of 1953, according to the chart, the generating capacity and the net peak demand were about the same. However, the addition of the two units at the new Etiwanda Steam Plant, the completion of Unit No. 5 in Redondo Steam Plant No. 2 in October, 1954, and the retirement of Units 1, 2 and 3 in Long Beach No. 1 Steam Plant will give a generating capacity of approximately 2,190,000 kilowatts to take care of an estimated net peak demand of approximately 2,000,000 kilowatts as of the end of 1954.

As to the construction and operation of Redondo Steam Plant No. 2, applicant has applied for a certificate from this Commission in Application No. 35132. The first unit, designated as Unit No. 5, to be completed in 1954, will have a capacity of approximately 156,000 kilowatts. As stated above, the addition of this unit will bring the estimated generating capacity of applicant's system to approximately 2,190,000 kilowatts. The first unit of the El Segundo Plant of 156,000 kilowatts is expected to be completed and in operation by July, 1955. This would bring the total estimated generating capacity on applicant's system to approximately 2,346,000 kilowatts.

It is estimated by applicant that in 1955 the net peak demand will reach approximately 2,130,000 kilowatts; in 1956, 2,260,000; and in 1957, 2,380,000 kilowatts.

In its Exhibit No. 4 applicant submitted a chart showing that for the year 1953 approximately 4 billion kilowatt hours were generated by hydro plants, approximately 600 million kilowatt hours were purchased, and about 5 billion 700 million kilowatt hours were obtained from steam electric plant generation, resulting in a total of 10 billion 300 million kilowatt hours for the year 1953. It is estimated by applicant that 13 billion 200 million kilowatt hours would be required in the year 1957.

In Exhibit No. 1 applicant presented estimates of the cost of the El Segundo Plant and Steam Generating Unit No. 1, including the connecting transmission line, which indicated

a cost of \$28,595,300, of which \$1,603,800 was for the El Segundo-La Fresa 220 kv transmission line. A segregation of the above costs is as follows:

<u>Account</u>	<u>Contract Authorization</u>
310 Land and Land Rights	\$ 209,500
311 Structures and Improvements	1,161,300
312 Boiler Plant Equipment	8,789,700
314 Turbo-Generator Equipment	10,953,200
315 Accessory Electric Equipment	1,664,300
316 Miscellaneous Power Plant Equipment	668,600
343 Substation Equipment	1,670,800
374 Store Equipment	2,600
378 Communication Equipment	75,000
Applicant's Direct Costs	405,000
Subtotal	<u>\$25,600,000</u>
Applicant's Overhead and Other Costs	1,391,500
El Segundo-La Fresa 220 kv Transmission Line	1,603,800
Total	<u>\$28,595,300</u>

Applicant proposes to finance the construction of the initial development from available funds and from funds obtained or to be obtained through the issuance of bonds and stocks. It appears that applicant can provide the financial means for the construction, operation, and maintenance of the proposed plant.

According to the record the growth of load in applicant's service area substantiates the need for increased generating facilities. The provision for such increase by construction of a steam electric generating station in El Segundo and the construction of connecting transmission lines with applicant's La Fresa Substation is desirable from the standpoint of reliability of service to its customers. It appears that the proposed construction will not compete with other public utilities. A certificate of public convenience and necessity will be granted.

The certificate of public convenience and necessity herein granted is subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the state as

a consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

The above-entitled application having been file, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that the present or future public convenience and necessity require or will require the construction, operation, and maintenance by Southern California Edison Company of a steam electric generating station at El Segundo, as described above, with an initial installation of one unit and with auxiliaries, transmission lines, and appurtenant facilities and the acquisition by Southern California Edison Company of all necessary or convenient lands, rights of way, easements, and permits and other rights required for said purposes; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted Southern California Edison Company to construct, operate, and maintain said steam electric generating station, transmission Lines and appurtenances, and to acquire such lands, permits and rights as are necessary or convenient for said purpose.

The effective date of this order shall be twenty days after the date hereof.

Dated at South San Francisco, California, this 7th day of June, 1954.

Robert E. Mitchell  
President  
Justus S. Calver  
Harriette Potter  
Orlando Duggins

Commissioners