

IS

Decision No. 82351

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN CALIFORNIA EDISON COMPANY )  
for authority to increase rates )  
charged by it for electric service. )

Application No. 53488  
(Filed August 1, 1972)

ORDER DENYING REHEARING

The Sierra Club (Petitioner), an intervenor in the above-referenced proceeding, filed a petition for rehearing of our Decision No. 81919, which authorized a rate increase for the applicant herein. The petition contains several allegations of error, one of which is discussed further below.

The Commission's position on the legal issue of whether an Environmental Impact Report (EIR) is required in rate proceedings under the provisions of the California Environmental Quality Act (the CEQA) has been set forth not only in the subject decision, but also in those which adopted and established its environmental procedures.<sup>1/</sup> We do not believe it necessary, therefore, to repeat that process in the context of the present order; however, it is noteworthy that regardless of one's views regarding the general issue, it seems clear that the instant case would be a particularly inappropriate situation in which to require an EIR.

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<sup>1/</sup> Decision Nos. 81237 and 81484, issued April 2, 1973, and June 19, 1973, respectively (Order Instituting Investigation on the Commission's Own Motion into Methods of Compliance with the Environmental Quality Act of 1970, Case No. 9452).

Petitioner has simply failed to indicate to us how the rates involved in this proceeding -- either those applied for or those ultimately approved -- could be said in any way to have a significant effect - i.e., "substantial adverse impact"<sup>2/</sup> - on the environment. Such an effect must be at least within the realm of possibility before an EIR may reasonably be required, and yet the evidence in this case is, without exception, to the contrary and we have so found.<sup>3/</sup> Whatever impact may exist could only be beneficial, according to Petitioner's own thesis and the evidence of record, because to the extent demand may be elastic for given classes of customers, consumption would tend to be discouraged by increases in rates. Thus, even if we accepted Petitioner's position for purposes of argument that this case or some part of it somehow falls within the CEQA definition of "project", we would be constrained to find with reasonable certainty<sup>4/</sup> that neither the final result of the case nor any of the proposals considered therein could have a significant effect on the environment, as that term is used in the CEQA. Thus, in no event would an EIR be required in this case.

Accordingly, having considered this allegation and the others contained in the petition for rehearing filed by Petitioner, the Commission is of the opinion that good cause for rehearing has not been shown.

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<sup>2/</sup> Administrative Code, Title 14, Division 6, Chapter 3, Section 15040. (Emphasis added.)

<sup>3/</sup> See Finding No. 9 (p. 105) and discussion at pages 71-84 of Decision No. 81919.

<sup>4/</sup> Rule 17.1(a)(2), Commission Rules of Practice and Procedure.

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IT IS ORDERED that rehearing of Decision No. 81919 is hereby denied.

Dated at San Francisco, California, this 15<sup>th</sup> day of JANUARY, 1974.

Vernon L. Stenger  
President  
William J. Squares  
William J. Squares  
William J. Squares  
William J. Squares  
Commissioners