

Decision 82 02 039

FEB 17 1982

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC POWER & LIGHT COMPANY for an)
 order exempting it from regulation)
 pursuant to Public Utilities Code,)
 Section 1001, as interpreted by the)
 Commission in Decision No. 88005,)
 dated October 18, 1977.)

Application 61089
 (Filed November 30, 1981)

O P I N I O N

Pacific Power & Light Company (PP&L) applied on November 30, 1981 for an exemption from the requirements of Public Utilities Code (PU) Code § 1001 for all construction commenced outside the State of California after June 14, 1981. PP&L previously requested such an exemption in Application (A.) 57760 and by Decision (D.) 88831 was granted an exemption from PU Code § 1001 with respect to all lines, plants, or systems which it might construct outside the State of California to which § 1001 would otherwise be deemed to apply. The exemption was for a period of three years and it expired on June 15, 1981.

In support of its application, PP&L alleges that for the year ended December 31, 1980 only 3.8% of its retail sales are made in California, 5.1% of its average number of customers and 3.1% of its net electric plant investment are in California. These figures are substantially the same as those shown in A.57760 which resulted in the 3-year exemption from PU Code § 1001 granted in D.88831. PP&L has no thermal electric generation plant in California but it does have steam plants under construction or in the siting stage, jointly with other utilities, in Oregon, Montana, Washington, and Wyoming.

In decisions subsequent to D.88831,¹ we have denied requests for blanket exemptions from PU Code § 1001 for all out-of-state projects, on the ground that the factors which form the basis for granting an exemption are constantly changing and are best evaluated as the need for a particular project arises. We are not persuaded that PP&L should be granted a continuing blanket exemption when we have denied it to other utilities with limited operations in California.

PP&L may apply for exemption from PU Code § 1001 for facilities constructed outside California on a case-by-case basis. Such application shall include the following information, as well as any other information required by the Commission or its staff:

1. A description of the project, including a discussion of technical and cost aspects as well as the project location.
2. The area to be served by and to benefit from the project, specifying how and the extent to which the project will be used for California service.
3. The economic and operating costs and benefits to California service both of having and of not having the project built.
4. Any known or potential environmental impacts on California.

¹ D. 91117, 91801, and 92294 for Southwest Gas Corporation and D.89853 for Sierra Pacific Power Company.

5. A description of any related projects, such as transmission lines, and their potential impacts on California.
6. Current and projected amounts and percentages of utility customers' kWh and dollar sales, net plant investment, and net generating capability in California.
7. An evaluation of the project's future impact on the average cost of electricity to California customers.

Findings of Fact

1. In D.98005 the Commission concluded that utilities whose primary service area is outside California may apply for exemption from the certificate requirement of PU Code § 1001.

2. No formal rules governing the applicability of this conclusion have been published.

3. Many factors must be considered in determining whether a given project should fall within the scope of this conclusion.

Conclusion of Law

A blanket exemption from the requirements of PU Code § 1001 is not appropriate. Exemptions should only be considered on a project-by-project basis, giving consideration to the relevant circumstances in each case.

O R D E R

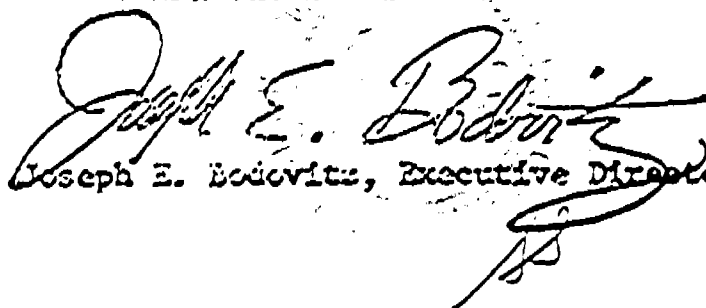
IT IS ORDERED that the application of Pacific Power & Light Company for a continuing blanket exemption to the provisions of PU Code § 1001 for all lines, plants, or systems constructed outside California is denied.

This order becomes effective 30 days from today.

Dated FEB 17 1982, at San Francisco,
California.

JOHN E. BRYSON
President
RICHARD D. CRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. CREW
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director