

ORIGINAL

Decision No. 90700

AUG 28 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's )  
own motion into the revision of )  
General Order No. 131-A in order )  
to establish the procedures and )  
rules for the processing of )  
applications filed by electric )  
utilities for certificates of )  
public convenience and necessity )  
for electric generating and )  
transmission facilities, and for )  
the annual filing of information )  
regarding the financing of new )  
electric generating and trans- )  
mission facilities. )

OII No. 36  
(Filed February 14, 1979)

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at Law, for Southern California Edison  
Company; Gordon Pearce, C. Edward Gibson,  
and Vincent Master, Attorneys at Law, for  
San Diego Gas and Electric Company; and  
Mrs. Susan L. Oldham, Attorney at Law, and  
Graham & James, by Boris H. Lakusta,  
David J. Marchant, and Thomas J. MacBride, Jr.,  
Attorneys at Law, for Sierra Pacific Power  
Company; respondents.  
Daniel Kirshner and David Roe, Attorneys at Law,  
for Environmental Defense Fund, interested  
party.  
Mary Carlos, Attorney at Law, for the Commission  
staff.

O P I N I O N

By Decision No. 77301 dated June 3, 1970 in Case No. 9015, the Commission adopted General Order No. 131 which prescribed rules requiring electric utilities to file certain reports respecting electric loads, resources, and transmission facilities, as well as establishing procedures, in combination with the Commission's Rule of Procedure 18(1), for the filing of applications for certificates of public convenience and necessity for electric generating and certain transmission facilities.

By Decision No. 85446 dated February 10, 1976, General Order No. 131 was amended to reflect the transfer of primary jurisdiction over electric utility load and resources forecasting to the California Energy Commission (CEC) by enactment of the Warren-Alquist Energy Resources Conservation and Development Act in the Public Resources Code, and was redesignated as General Order No. 131-A.<sup>1/</sup>

In addition, the Warren-Alquist Act provides that the Commission shall not issue any certificate of public convenience and necessity for an electric generating facility unless the utility has obtained a certificate for such power plant from the CEC.

(Public Resources Code Section 25518.) However, a utility may file

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<sup>1/</sup> In accordance with Decision No. 88005 dated October 18, 1977 in Application No. 56050 (In the Matter of the Participation of Southern California Edison Company and San Diego Gas & Electric Company in the proposed Kaiparowits Electric Generating Plant), in which the Commission held that its certification jurisdiction also applied to power plant projects located outside California, General Order No. 131-A was revised by Resolution No. L-192 dated November 3, 1977 to delete the language limiting its application to power plant projects located within the State, and to provide that this revision would be applied prospectively.

its application with the Commission concurrently with its filing before the CEC. (Public Resources Code Section 25518.5.) Because the CEC had completed the initial phase of the 30-month power plant siting process established in the Warren-Alquist Act, as amended (referred to as the Notice of Intent phase), for a power plant to be constructed by Pacific Gas and Electric Company (PG&E), the Commission staff circulated for comment on August 10, 1978 a revised draft of General Order No. 131-A, designated as proposed General Order No. 131-B.

Proposed General Order No. 131-B provides for the establishment of procedures under which the Commission would concurrently review and approve certificate applications for electric generating and related facilities subject to the certification jurisdiction of the CEC so as to comply with Public Resources Code Sections 25518 and 25518.5 and to allow review and issuance of this Commission's certificate as soon after the issuance of the CEC's certificate as possible.

The proposed General Order provides that with respect to power plant projects under the CEC's jurisdiction the electric utility shall file its application for a certificate with this Commission no later than 30 days after it has filed an application to construct an electric generating facility with the CEC. The Commission would issue its decision on this application no later than 30 days after the CEC has issued its decision approving the power plant project. It sets out the data requirements for filing such applications and the procedure under which they will be reviewed by the Commission. Furthermore, it provides that certain financial data respecting utility future power plant construction plans be filed on an annual basis.

On February 14, 1979 we issued Order Instituting Investigation 36 (OII 36) for the purpose of amending General Order No. 131-A

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as proposed in the draft General Order No. 131-B attached to the OII. The OII provided that respondents and interested parties that desire to comment may do so in writing not later than 10 days prior to the date set for hearing, which was March 29, 1979.<sup>2/</sup> Written comments were received from PG&E, San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (Edison), The Environmental Defense Fund (EDF), and California Indian Legal Services (CILS).

The duly noticed public hearing was held before Administrative Law Judge Mallory at San Francisco on March 29, 1979, and the matter was submitted upon receipt of further written comments from parties of record on or before April 18, 1979. Additional written comments were received from SDG&E and Edison.

The staff introduced at the hearing its revised proposed General Order No. 131-B in which were incorporated changes to the proposal transmitted with the OII based on the written comments of respondents and interested parties. ✓

At the hearing Edison and SDG&E indicated their concern that violations of the Federal Securities and Exchange Commission (SEC) rules and the Securities and Exchange Act of 1934, dealing with partial financial disclosures may result from the requirements of proposed Appendix A (information to be included in the annual utility report regarding financing of new electric generating capacity and transmission line projects). Proposed Section I of Appendix A

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<sup>2/</sup> CP National Corporation (CP National), PG&E, Pacific Power and Light Company (Pacific Power and Light), SDG&E, Sierra Pacific Power Company (Sierra Pacific), and Edison are respondents to this proceeding.

requires that electrical utilities file a statement detailing the economic assumptions used to project all construction expenditures and annual operating costs, including the methodology, assumptions, and sources and authorities associated therewith for a 12-year period commencing with the year in which the report is filed, for the following (among others):

- G. Net Income
- H. Preferred Dividend Requirement
- I. Earnings Available for Common Stock
- J. Average Number of Shares of Common Stock Outstanding (Thousands)
- K. Earnings Per Share of Common Stock
- L. Dividends Per Share of Common Stock
  - 1. Declared Basis
  - 2. Paid Basis

As a means of resolving the SEC anti-disclosure problem, the staff proposed the following addition to Rule I of Appendix A:

"The following assumptions will be provided by the staff of the Public Utilities Commission for use by the utility in generating items G through L below:

- a. the return on common equity
- b. the dividend yield
- c. the market to book ratio
- d. the cost of long term debt and preferred stock

"These assumptions will be furnished \_\_\_\_\_ days before the annual utility report is due and will be developed by the staff based on its expertise."

In its written response dated April 12, 1979, Edison advised that the staff recommendation, as outlined in the language suggested by staff counsel, will constitute a satisfactory resolution of the SEC disclosure problem outlined in its letter to the Commission of March 15, 1979. Edison suggests that the staff be required to furnish the assumptions 60 days before the date the financial forecast is due. The staff proposal, modified as suggested by Edison, will be adopted.

EDF raised the issue as to whether the suggested 12-year reporting period in Section IV of Appendix A should be 20 years in order that we may make an effective critique of long-range electric supply planning of the State's major utilities. EDF stated that in its experience a 20-year period is essential in order to make judgments in time to correct possible errors in utility investment policies. It is EDF's contention that for the largest plant investments irrevocable financial commitments are made 15 or more years in advance of commencement of construction.

EDF asserts that in connection with PG&E's last general rate proceeding (A.57284 and A.57285) testimony by PG&E's witness indicated an appropriate period for it to maintain forecasting and planning data was 15 years. EDF urges that there would be no additional burden on major electric utilities in maintaining 20-year data. EDF also recommends the reporting requirements be changed to 20 years for the following sections of proposed Appendix A:

- II. Capital Requirements.
- III. Capital Balances, etc.
- V. Gross revenues, expenses, etc., for other departments.

EDF urges that such data are essential in forming a common ground on which comparisons of energy source alternatives can be made. If its proposals are adopted, EDF would exempt Sierra Pacific, CP National, and Pacific Power and Light from the extended reporting period.

The staff and other parties oppose the recommendation of EDF concerning 20-year reporting on the grounds that annual projections 20 years in the future are meaningless because of the

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many unknown or changed factors that cannot be given adequate consideration in formulating the projections. They also point out that a great deal of additional time and effort must be expended in preparing projections for the eight added yearly periods.

Annual projections are currently being made for 15-year periods, and such projections are meaningful. Sections II, III, and IV of proposed Appendix A should be amended to require annual projections for 15-year periods. Such amendments will accomplish the purposes sought by EDF without causing substantial additional effort by the reporting utilities. Those changes are reasonable and will be adopted.

EDF also requests that the following items be added to the reporting requirements (perhaps in Section III):

1. Dividend payout ratio,
2. Annual equivalent rate used to compute the Allowance for Funds Used During Construction, and
3. Internal-to-total financing ratio.

No objection was made to the inclusion of item 2 above. It is reasonable and will be adopted. The information that would be available if EDF's proposed items 1 and 3 are adopted is available as a result of the application of the staff's proposed requirements, and need not be adopted.

Proposed Section V relates to procedures to be followed in connection with proposals to construct electric generating and related transmission facilities which are subject to the power plant siting jurisdiction of CEC. Subsection D of Section V sets forth the data that shall be included in application to this Commission for certificates of public convenience and necessity. Some of the data included in the staff proposal is the same as that incorporated in filings with CEC. PG&E suggests that such duplicative material not be included in the certificate application, but that it be incorporated by reference. That subsection and Subsection E will be amended as proposed by PG&E in order to simplify the certificate application filing procedures.

Edison suggests that if a public hearing is held on a certificate application pursuant to the provisions of Subsection G of Section V, that a decision be issued within 60 or 90 days following conclusion of the hearing in order to comply with the intent of Section 25514.3 of the Warren-Alquist Act. We will provide in Subsection G that it will be the intent of the Commission to issue a final order within 90 days after conclusion of a hearing held pursuant to that subsection.

Edison pointed out that General Order No. 131-A does not now apply to undergrounding of transmission lines, while the staff proposal would cover such undergrounding. Edison states that undergrounding of existing transmission lines should be excluded because the same considerations are not applicable to such construction as are applicable to new construction. That request is reasonable and will be adopted.

In addition, Edison asks that construction of any underground transmission lines involving short distances should not be subject to General Order No. 131-B. Edison suggests that underground construction of 200 kV lines less than 10 miles in length be exempted from the provision of General Order No. 131-B. No requests have yet been made for authority to underground new transmission lines of 200 kV or greater. No need appears for an exemption as proposed by Edison at this time.

CILS asks that preliminary site or environmental investigations be subject to General Order No. 131-B and be submitted in advance to the Commission so as to ensure such investigation will not destroy or damage Indian cultural, spiritual, or historical resources. CILS also asks that the transmission line planning forecasts prepared pursuant to General Order No. 131-B



identify Indian Reservations involved in the corridor route. Those requests do not involve matters which are addressed in the proposed General Order and, therefore, are not appropriate for inclusion therein. CILS also requested that reservation governing bodies should be included among the governmental agencies whose positions must be solicited in connection with applications for certificates for new transmission line facilities (Section VII, paragraph A(7)).<sup>3/</sup> That proposal is reasonable and will be adopted. We will provide in General Order No. 131-B that notice shall be made upon the Native American Heritage Commission, 1400 Tenth Street, Sacramento, California, 95814, which shall serve as notification to reservation governing bodies.

Findings of Fact

1. General Order No. 131-A (GO 131-A) prescribes rules requiring that electric utilities file reports concerning electric loads, resources, and transmission facilities; and establishes procedures, in combination with Rule 18(1) of the Commission's Rules of Practice and Procedure, for the filing of applications for certificates of public convenience and necessity for electricity generating facilities and for high-voltage transmission lines.

2. It appearing that recent amendments to the Warren-Alquist Energy Resources Conservation and Development Act require amendment to GO 131-A to bring that General Order into conformity with said Act, and it appearing that other amendments may be required in said General Order, OII 36 was issued.

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<sup>3/</sup> According to the holding in Santa Rosa Band of Indians v Kings County (1976) 532 F 2d 655, a reservation government possesses powers substantially equivalent to a county or municipality, both of which are required to be served pursuant to General Order No. 131-B.

3. OII 36 contained, as Appendix A thereto, proposed GO 131-B which would supersede GO 131-A on its adoption.

4. OII 36 directed that comments in writing should be furnished by respondents and interested parties with respect to the proposed General Order.

5. Comments were received from several interested parties and respondents, which were reviewed by our staff. It appearing to the staff that it could not resolve informally the differences between it and other parties, OII 36 was scheduled for hearing.

6. At the public hearing no testimony was taken. The several parties to the proceeding presented their views and their arguments in support thereof.

7. All parties agreed that GO 131-A is in need of revision and that the framework and general content of proposed GO 131-B is an appropriate basis for that revision.

8. The principal contested issues are those described in the preceding opinion. All positions and arguments presented to the Commission have been considered. Based on that consideration, proposed GO 131-B (as appended to OII 36) should be revised as indicated in the following findings.

9. In order to avoid possible violations by reporting utilities of the SEC rules dealing with partial financial disclosures, GO 131-B should be revised to include the following rule in Appendix A thereto:

"VI. The following variables will be provided by the staff of the Public Utilities Commission for use by the utility in generating certain financial information required by Appendix A:

A. Return on Common Equity

- B. Dividend Yield
- C. Market to Book Ratio
- D. Cost of Long-Term Debt (including incremental cost)
- E. Cost of Preferred Stock (including incremental cost)
- F. Common Stock Price

These variables will be furnished 60 days before the annual utility report is due and will be developed by the staff based on its independent expertise."

10. The 12-year reporting period in Section IV of Appendix A to proposed GO 131-B is insufficient to make meaningful judgment as to the need for and the financial viability of potential power plant and transmission line construction. A 15-year reporting period is sufficient to provide meaningful information, and such reporting period would not burden the reporting utilities. ✓

11. Section III of Appendix A to GO 131-B should be amended to indicate the annual equivalent rate to compute Allowance for Funds Used During Construction (AFUDC), in order to clearly show the plant costs of potential new construction.

12. Duplicative material contained in CEC applications seeking approval of new electric generating and related transmission facilities should not also be incorporated in applications for certificates of public convenience and necessity filed with this Commission. Proposed GO 131-B should be revised to provide that such material may be incorporated by reference in applications filed with this Commission.

13. The staff, respondents, and interested parties agreed that GO 131-B should apply only to facilities to be located within California, and that a new general order should be promulgated to govern power plant and related transmission line facilities to be located outside California.

14. In order to ensure prompt disposition of certificate applications for facilities that have had prior CEC approval, GO 131-B should be amended to provide that it is the intent of this Commission to issue a final order within 90 days after conclusion of the hearing in our proceeding.

15. Undergrounding of high voltage transmission lines is not subject to GO 131-A. Different financial, environmental, and other circumstances are involved in the construction of underground high-voltage transmission lines than are involved in construction of similar overhead lines. No applications for the undergrounding of new high-voltage transmission lines are on file with this Commission. It is necessary and it is required in the public interest that the rules and provisions of GO 131-B apply to the undergrounding of new electric transmission lines of 200 kV or greater in order to determine the need and cost/benefit relationship of all new transmission lines, whether such lines are overhead or underground lines.

16. Indian Reservation governing bodies have the same standing under law as counties and municipalities. Affected counties and municipalities are served under the notification provisions of GO 131-B. Reservation governments have similar interests as counties and municipalities in proceedings governed by GO 131-B. Notification of Reservation governments should be accorded under provisions of GO 131-B. Such notice reasonably can be accomplished by a requirement that notification, when required under the provisions of GO 131-B, shall be made upon the Native American Heritage Commission.

17. The 15-year financial reporting requirements of GO 131-B are not necessary and should not be required of any electric utility which does not intend to construct new electric generating facilities within California within such period.

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18. Other minor revisions should be made in GO 131-B for clarity and consistency with the revisions adopted above, and the comments made by interested parties.

19. All comments not discussed nor adopted herein have been carefully considered and have been found not to be required in the public interest or to be necessary for the purposes of GO 131-B.

20. After consideration of proposed GO 131-B, together with the replies and comments of respondents, interested parties, and our staff, we find that the proposed rules distributed with OII 36 as revised herein are the rules and provisions reasonably required to govern the planning and construction of electric generating and transmission facilities located in California.

21. Pursuant to Government Code Sections 11380, 11423(b), and 11445(b), the Assistant Executive Director of the Commission transmitted on July 26, 1979 five copies of the order and attachments to the Speaker of the Assembly and five copies to the Chairman of the Senate Committee on Rules. No comments or objections to the adoption of the revised General Order have been received.

#### Conclusions of Law

1. The proposed rules should be adopted as provided in the order which follows.
2. OII 36 should be discontinued.
3. Since it is important for the revised rules to be implemented as soon as possible, the following order should be effective on the date of signing.

O R D E R

IT IS ORDERED that:

1. General Order No. 131-B, containing rules governing the planning and construction of electric generating and transmission facilities in the State of California, attached hereto and made a part hereof, shall become effective on August 28, 1979, and on its effective date shall supersede General Order No. 131-A.

2. General Order No. 131-A is canceled on the effective date of General Order No. 131-B.

3. OII No. 36 is discontinued.

4. Copies of this order and attachments thereto shall be served upon all respondents, and all interested parties upon whom service of OII No. 36 was made.

The effective date of this order is the date hereof.

Dated AUG 28 1979, at San Francisco, California.

John E. Byron  
President

Deborah L. Stojanovich

Claire T. Dedrick

Leonard M. Gaur

Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.

GENERAL ORDER NO. 131-B  
(Supersedes General Order No. 131-A)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

RULES RELATING TO THE PLANNING AND CONSTRUCTION  
OF ELECTRIC GENERATION AND TRANSMISSION FACILITIES  
LOCATED IN CALIFORNIA

Adopted AUG 28 1979, effective AUG 28 1979  
(Decision No. 90200 in OII No. 36)

SECTION I. GENERAL

Pursuant to the provisions of Sections 451, 701, 702, 761, 762, 768, 770, and 1001 of the Public Utilities Code:

IT IS HEREBY ORDERED that no electric public utility, now subject, or which hereafter may become subject, to the jurisdiction of this Commission, shall begin construction in this state of any new electric generating plant having in aggregate a net capacity available at the busbar in excess of 50 megawatts (MW), or of the modification, alteration, or addition to an existing electric generating plant that results in a 50 MW or more net increase in the electric generating capacity available at the busbar of the existing plant, or of major electric transmission line facilities which are designed for immediate or eventual operation at any voltage in excess of 200 kilovolts (kV) (except for the replacement or minor relocation of existing transmission line facilities with equivalent facilities, the conversion of existing overhead lines to underground or the placing of new or additional conductors, insulators, or their accessories on or replacement of supporting structures already built) without this Commission's having first found that said facilities are necessary to promote the safety, health, comfort, and convenience of the public, and that they are required by the public convenience and necessity.

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IT IS FURTHER ORDERED that construction of facilities subject to this General Order shall not commence without a final Environmental Impact Report (EIR) or Negative Declaration. Where this Commission is the lead agency for a project under California Environmental Quality Act (CEQA), Applicants shall comply with Rule 17.1 of our Rules of Procedure: Special Procedure for Implementation of the CEQA of 1970 (Preparation of EIRs). This latter requirement does not apply to applications covering generating and related transmission facilities for which a certificate authorizing construction of the facilities has been or will also be issued by the California Energy Commission (CEC). For purposes of this General Order, construction does not include any installation of environmental monitoring equipment, or any soil or geological investigation, or work to determine feasibility of the use of the particular site for the proposed facilities.

SECTION II. UTILITY REPORT OF LOADS AND RESOURCES

Every electric public utility required to submit a report of loads and resources to the CEC in accordance with Section 25300 et seq. of the Public Resources Code shall also furnish six copies of its report to the Public Utilities Commission.

SECTION III. UTILITY REPORT OF PLANNED TRANSMISSION FACILITIES

Every electric public utility shall annually, on or before March 1, furnish to the Commission for its review a fifteen-year (15) forecast of planned transmission facilities of 200 kv or greater.

The report shall include:

- A. A list of transmission lines, arranged in chronological order by the planned service date, for which certification has been received, but which have not yet been placed in service.
- B. A list of planned transmission lines of 200 kv or greater or corridors, arranged in chronological order by the planned service date, on which proposed route or corridor reviews are being undertaken with governmental agencies or for which certificate applications have already been filed.



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- C. A list of other transmission lines of 200 kV or greater or planning corridors, arranged in chronological order by the planned service date, on which planning corridor or route reviews have not started, which will be needed during the forecast period.

For each transmission line route or corridor included in the above lists, the following information, if available, shall be included in the report:

1. Planned operating date.
2. Transmission line name.
3. The terminal points (substation name and location).
4. Number of circuits.
5. Voltage - kV.
6. Normal and emergency continuous operating ratings - MVA.
7. Length in miles.
8. Estimated cost in dollars as of the year the report is filed.
9. Cities and counties involved.
10. Other comments.

SECTION IV. ANNUAL UTILITY REPORT OF INFORMATION REGARDING FINANCING OF NEW ELECTRIC GENERATING AND TRANSMISSION CAPACITY

Every electric public utility shall annually, on or before October 1, furnish a report to the Commission of the financial information designated in Appendix A hereto; provided however, that no public utility shall be required to submit such financial information if such utility does not plan for a fifteen-year (15) ✓ period commencing with the year in which the financial information is to be filed to (1) construct within the State of California any new electric generating plant having in the aggregate a net capacity in excess of 50 MW, or (2) modify, alter, or add to any existing electric generating plant that results in a 50 MW, or more, net increase in the electric generating capacity of an existing plant within the State of California, or (3) construct

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in California any electric transmission line facilities which are designed for immediate or eventual operation at any voltage in excess of 200 kV (except for the replacement or minor relocation of existing transmission line facilities, or the placing of additional conductors, insulators or their accessories on, or replacement of, supporting structures already built.)

SECTION V. ELECTRIC GENERATING AND RELATED TRANSMISSION FACILITIES  
SUBJECT TO THE WARREN-ALQUIST ENERGY RESOURCES CONSER-  
VATION AND DEVELOPMENT ACT

If an electric public utility proposes to construct electric generating and related transmission facilities which are subject to the power plant siting jurisdiction of the CEC as set forth in Section 25500 et seq. of the Public Resources Code, it shall comply with the following procedure:

- A. In accordance with Public Resources Code Section 25519(c) and Public Utilities Code Section 1001, the CEQA and this Commission's Rules of Procedure No. 17.1 do not apply to any application filed pursuant to this section.
- B. Upon acceptance of an electric utility's Notice of Intent (NOI) filing by the CEC, the utility shall mail six copies of the NOI to the Executive Director of this Commission.
- C. When an electric utility files with the CEC an application for a certificate to construct (AFC) an electric generating facility pursuant to Section 25519 of the Public Resources Code and any AFC regulations of the CEC, it shall mail six copies of the AFC, including six copies of the CEC's Final Report in the NOI proceeding for the facility, to the Executive Director of this Commission.
- D. No later than 30 days after acceptance for filing of the AFC referred to above in Subsection C, the utility shall file with this Commission an application for a certificate of public convenience and necessity. The application shall comply with this Commission's Rules of Procedure, specifically Rules Nos. 2 through 8, 15, and 16, and shall include the data and information set forth in Appendix B hereto. In complying with this

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provision, the utility may include portions of the CEC's Final Report in its NOI proceeding by attaching such portions as an appendix to its application filed with this Commission. The utility may also include portions of the AFC filed with the CEC by reference. A copy of the application shall be mailed to the CEC and to every person, corporation, organization, or public agency that has intervened in the CEC's AFC proceeding.

- E. No later than 30 days after the filing of the application, the Commission staff shall review it and notify the utility in writing of any deficiencies in the information and data submitted in the application. The utility shall correct any deficiencies within 60 days thereafter, or explain in writing to the Commission staff why it is unable to do so. It shall include in any such letter an estimate of when it will be able to correct the deficiencies. Upon correction of any deficiencies in the application, any public hearings which are necessary may be held on the application while the utility's AFC application is under process before the CEC. The Commission may issue an interim decision on the application before the issuance by the CEC of a final decision in the AFC proceeding. However, any such interim decision shall not be final and shall be subject to review after the CEC issues its final decision in the AFC proceeding as prescribed in Public Resources Code Sections 25522 and 25530.
- F. No later than 30 days after issuance of a certificate by the CEC in a final decision in the utility's AFC proceeding in accordance with Public Resources Code Sections 25209, 25522 and 25530 the Commission shall issue a decision on the application for a certificate of public convenience and necessity from this Commission, unless a later date for issuance of the decision is mutually agreed to by the Commission and the applicant, or is necessitated by conditions under Paragraph G.
- G. In the event that the CEC's certificate in the AFC proceedings sets forth requirements or conditions for the construction of the proposed electric generating facility which were not adequately considered in the proceeding before the Commission, and

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which will have a significant impact on the economic and financial feasibility of the project, or the rates of the utility, or on utility system reliability, the utility, or Commission staff, or any party, may request that the Commission hold a public hearing on such implications. Any such hearing, if granted, shall be initiated no later than 30 days after the filing of any such request. It is the intent of this Commission that a final decision shall be issued within 90 days after conclusion of the hearing, if held.

- E. In the event that judicial review of the CEC's issuance of a certificate in the AFC proceeding is sought in any court, the utility shall immediately notify this Commission and include a copy of the court filing.

SECTION VI. ELECTRIC GENERATING FACILITIES NOT SUBJECT TO THE WARREN-ALQUIST ENERGY RESOURCES CONSERVATION AND DEVELOPMENT ACT

An electric public utility proposing to construct in this state new generation facilities in excess of 50 MW net capacity, available at the busbar or proposing to modify an existing generation facility in this state in order to increase the total generating capacity of the facility by 50 MW or more net capacity available at the busbar, shall file for a certificate of public convenience and necessity not less than twelve months prior to the date of a required decision by the Commission unless the Commission authorizes a shorter period for exceptional circumstances.

- A. An application for a certificate of public convenience and necessity shall comply with this Commission's Rules of Procedure, specifically Rules Nos. 2 through 8, 15, and 16. In addition, it shall include or have attached to it the following:
  - 1. The information and data set forth in Appendix B.
  - 2. A statement of the reasons why and facts showing that the completion and operation of the proposed facility is necessary to promote the safety, health, comfort, and convenience of the public.

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3. Safety and reliability information, including planned provisions for emergency operations and shutdowns.
  4. A schedule showing the program for design, material acquisition, construction, and testing and operating dates.
  5. Available site information, including maps and description, present, proposed, and ultimate development; and, as appropriate, geological, aesthetic, ecological, tsunami, seismic, water supply, population, and load center data, locations and comparative availability of alternate sites, and justification for adoption of the site selected.
  6. Design information, including description of facilities, plan efficiencies, electrical connections to system, and description of control systems, including air quality control systems.
  7. A Proponent's Environmental Assessment (PEA) on the environmental impact of the proposed facility and its operation so as to permit compliance with the requirements of the CEQA and this Commission's Rules of Procedure Nos. 17.1 and 17.3. The PEA may include the data described in Items 1 through 6, above.
- B. No later than 30 days after the filing of the application, the Commission staff shall review it and notify the utility of any deficiencies in the information and data submitted in the application. The utility shall correct any deficiencies within 60 days thereafter or explain in writing to the Commission staff why it is unable to do so. It shall include in any such letter an estimate of when it will be able to correct the deficiencies. Upon correction of any deficiencies in the application, any public hearings which are necessary may be held on the application. The Commission shall issue a decision no later than one year after the filing date of the application, or at such later time as is mutually agreed by the Commission and the applicant, or as provided in Sec. 15054.2(b)(4) of Title 14, Division 6, California Administrative Code (CEQA Guidelines).

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## SECTION VII. TRANSMISSION LINE FACILITIES

An electric public utility desiring to build transmission line facilities in this state for immediate or eventual operation in excess of 200 kV shall file for a certificate of public convenience and necessity not less than twelve months prior to the date of a required decision by the Commission unless the Commission authorizes a shorter period because of exceptional circumstances.

- A. An application for a certificate of public convenience and necessity shall comply with this Commission's Rules of Procedure Nos. 2 through 8, 15, and 16 and shall also include the following:
1. A detailed description of the proposed transmission facilities, including the proposed transmission line route and alternate routes, if any; proposed transmission equipment; such as tower design and appearance, heights, conductor sizes, voltages, capacities, substations, switchyards, etc.; and a proposed schedule for certification, construction, and commencement of operation of the facilities.
  2. A map of suitable scale of the proposed routing showing details of the right-of-way in the vicinity of settled areas, parks, recreational areas, scenic areas, and existing electrical transmission lines within one mile of the proposed route.
  3. A statement of facts and reasons why the public convenience and necessity require the construction and operation of the proposed transmission facilities.
  4. A detailed statement of the estimated cost of the proposed facilities.
  5. Reasons for adoption of the route selected, including comparison with alternative routes, including the advantages and disadvantages of each.
  6. A schedule showing the program of right-of-way acquisition and construction.
  7. A listing of the governmental agencies with which proposed route reviews have been undertaken, including a written agency response to applicant's written request for a brief position statement by that agency. (Such listing shall include The Native

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American Heritage Commission, 1400 Tenth Street, Sacramento, CA 95814, which shall constitute notice on California Indian Reservation Tribal governments.) In the absence of a written agency position statement, the utility may submit a statement of its understanding of the position of such agencies.

8. A PEA or equivalent information on the environmental impact of the project in accordance with the provisions of the CEQA and this Commission's Rules of Procedure Nos. 17.1 and 17.3. If a PEA is filed, it may include the data described in Items 1 through 7 above.

B. No later than 30 days after the filing of the application the Commission staff shall review it and notify the utility in writing of any deficiencies in the information and data submitted in the application. The utility shall correct any deficiencies within 60 days thereafter, or explain in writing to the Commission staff why it is unable to do so. It shall include in any such letter an estimate of when it will be able to correct the deficiencies. Upon correction of any deficiencies in the application, any public hearings which are necessary may be held on the application. The Commission shall issue a decision no later than one year after the filing date of the application, or at such later time as is mutually agreed by the Commission and the applicant.

SECTION VIII. NOTICE

Notice of the filing of each application for a certificate of public convenience and necessity for facilities subject to the provisions of Sections V and VI of this General Order shall be given by the electric public utility to the county and municipal planning commissions and the county and municipal legislative bodies for each county or city in which the proposed facility will be located, the State Department of Transportation, other interested parties having requested such notification; and, in addition, in the case of electric generation facilities, to: the Secretary of the Resources Agency, representing the Departments of Conservation, Water Resources, Parks and Recreation, Fish and Game, and Navigation and Ocean Development, to the Department of

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Public Health, to the Water Resources Control Board, to the California Regional Water Quality Control Board, to the Air Resources Board, to the Air Pollution Control District, if any, in whose jurisdiction the proposed facility will be located, to the Department of Public Works, Division of Aeronautics, and to the State Lands Commission. Said notices shall be given by regular mail not more than ten days after the filing of the application and the utility shall file a Declaration of Mailing with the Commission. Notice shall also be given to the general public by advertisement, not less than once a week, two weeks successively in a newspaper or newspapers of general circulation in the county or counties in which the proposed facility will be located, the first publication to be no later than ten days after filing of the application. Three copies of each application for electric generation facilities shall be served on the Executive Director of the Energy Commission. If applicable, three copies shall be served on the Executive Director of the Coastal Commission. If applicable three copies shall be served on the Executive Director of the S.F. Bay Conservation and Development Commission. Upon request by any public agency, the applicant shall provide at least one copy of its application to said public agency. A copy of the application shall be kept available for public inspection at the utility's office(s) in the county or counties in which the proposed facility will be located.

## SECTION IX. REQUEST FOR PUBLIC HEARINGS

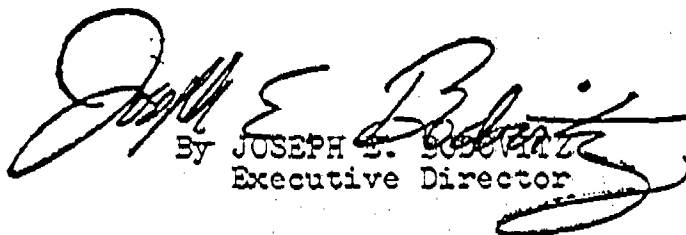
Those to whom notice has been sent under Section VIII hereof and any other person entitled under the Commission's Rules of Procedure to participate in a proceeding for a certificate of public convenience and necessity may, within thirty days after the notice was mailed and published, request that the Commission hold hearings



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on the application. Any such request should include the reasons therefor. If the Commission, as the result of its preliminary investigation after such requests, determines that public hearings should be held, notice shall be sent to each person who is entitled to notice or who has requested a hearing.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

  
By JOSEPH E. BOBERTZ  
Executive Director

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INFORMATION TO BE INCLUDED IN THE ANNUAL UTILITY REPORT  
REGARDING FINANCING OF NEW ELECTRIC GENERATING CAPACITY  
AND TRANSMISSION LINE PROJECTS

- I. A statement, detailing the economic assumptions used to project all construction expenditures and annual operating costs, including the methodology, assumptions, and sources and authorities associated therewith for a fifteen-year (15) period commencing with the year in which the report is filed, for each of the following:
  - A. Operating Revenues
    1. Electric
    2. Gas, if applicable
    3. Miscellaneous
    4. Total
  - B. Operating Expenses
    1. Cost of Electric Energy
    2. Cost of Gas sold, if applicable
    3. Transmission and Distribution
    4. Maintenance
    5. Depreciation
    6. Taxes on Income
    7. Property and Other Taxes
    8. Other
    9. Total
  - C. Operating Income

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- D. Other Income and Deductions
  - 1. Allowance for Equity Funds Used During Construction
  - 2. Gains on Bonds Purchased for Sinking Fund
  - 3. Subsidiary Income
  - 4. Other - Net
  - 5. Total
- E. Income Before Interest Charges
- F. Interest Charges
  - 1. Short-term
  - 2. Long-term
  - 3. Less Allowance for Borrowed Funds Used During Construction
  - 4. Total
- G. Net Income
- H. Preferred Dividend Requirement
- I. Earnings Available for Common Stock
- J. Average Number of Shares of Common Stock Outstanding (Thousands)
- K. Earnings Per Share of Common Stock
- L. Dividends Per Share of Common Stock
  - 1. Declared Basis
  - 2. Paid Basis

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II. An estimate for each of the following capital requirements items for each year for a fifteen-year period commencing with the year in which the report is filed: ✓

- A. Construction expenditures by year broken down by:
  - 1. Generation projects over \$100 million, including those, if any, located out-of-state
    - 1. Busbar, including switchyard, expenditures
  - 2. All other generation projects, including those, if any, located out-of-state
    - 1. Busbar, including switchyard, expenditures
    - 2. Associated transmission expenditures
  - 3. Non-generation transmission expenditures
  - 4. Distribution expenditures
  - 5. Other expenditures

Breakdown of each item in 1 above into the following cost elements:

<u>Directs (M&amp;S + Labor)</u>	<u>Indirects</u>	<u>AFDC</u>	<u>Total</u>
\$	\$	\$	\$

- B. Bond retirements, sinking fund retirements, etc.
- C. Investments in subsidiary companies

III. An estimate for each of the following items for each year for a fifteen-year period commencing with the year in which the report is filed: ✓

- A. Capital balances as of January 1
- B. Capital ratios as of January 1
- C. Imbedded costs of debt and preferred stock
- D. Debt, preferred and common stock issues:
  - 1. Amount (\$ and shares)
  - 2. Yield and cost of each issue

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- E. Income tax information
    - 1. Tax operating expense
    - 2. State tax depreciation
    - 3. Federal tax depreciation
    - 4. ITC or other credits available and used
  - F. Short-term debt balances
  - G. Annual equivalent rate used to compute the Allowance for Funds Used During Construction
- IV. Data showing the estimated Results of Operation for electric utility operations for each year for a fifteen-year (15) period, commencing with the year in which the report is filed, in the format set forth below:
- A. Kilowatt-hour Sales
    - 1. Total
    - 2. Residential
  - B. Average Price ( $\$/kWh$ )
  - C. Number of Residential Customers
  - D. Gross Revenue-Total
    - 1. Base Rates
    - 2. ECAC Rates
    - 3. ECAC Rate Increases
    - 4. Non-ECAC Rate Increases
    - 5. Misc. Operating Revenues
  - E. Operating Expenses - Total
    - 1. Production - Fuel and Purchased Power - Total
      - a. Oil
      - b. Gas
      - c. Nuclear
      - d. Coal
      - e. Geothermal
      - f. Combined Cycle
      - g. Purchased Power
      - h. Other (explain)

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2. Production O&M (non-fuel)
  3. Transmission
  4. Distribution
  5. Customer Accounts
  6. A&G
  7. Depreciation & Amortization
  8. Taxes - Total
    - a. State Income
    - b. Federal Income
    - c. Ad Valorem
    - d. Other
  9. Other (explain)
  - F. Net Operating Income
  - G. Rate Base (Weighted Average)
  - H. Rate of Return
  - I. Net-to-Gross Multiplier
- V. For those electric utilities which also operate other public utility departments, such as natural gas, steam, and water service, an estimate of the following financial information by department for each year for a fifteen-year (15) period, commencing with the year in which the report is filed. Any separate utility operation that contributes to less than one (1) percent of the utility's total gross operating revenues may be excluded.
- A. Gross Revenue
  - B. Operating Expenses
  - C. Net Operating Income
  - D. Rate Base (Weighted Average)
  - E. Rate of Return

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VI. The following variables will be provided by the staff of the Public Utilities Commission for use by the utility in generating certain financial information required by Appendix A:

- A. Return on Common Equity
- B. Dividend Yield
- C. Market to Book Ratio
- D. Cost of Long-Term Debt (including incremental cost)
- E. Cost of Preferred Stock (including incremental cost)
- F. Common Stock Price
- G. Annual equivalent rate used to compute the Allowance for Funds Used During Construction

These variables will be furnished 60 days before the annual utility report is due and will be developed by the staff based on its independent expertise.

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INFORMATION TO BE INCLUDED IN AN APPLICATION FOR A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY FOR ELECTRIC GENERATING FACILITIES

- I. A detailed description of the proposed generating facility and related facilities and the manner in which the same will be constructed, including the type, size, fuel capabilities, and capacity of the generating facilities.
- II. A map of suitable scale showing the location of the proposed power plant and related facilities, and a description of the location of the proposed power plant and related facilities.
- III. A listing of federal, state, regional, county, district, or municipal agencies from which approvals either have been obtained or will be required covering various aspects of the proposed facility, including any franchises and health and safety permits, and the planned scheduled for obtaining those approvals not yet received.
- IV. Load and resource data setting forth recorded and estimated loads (energy and demands), available capacity and energy, and margins for 5 years actual and 20 years estimated on the same basis, as reported to the CEC including a statement of the compatibility of the proposed generating facility with the most recent biennial report issued by the CEC pursuant to Section 25309 of the Public Resources Code.
- V. Existing rated and effective operating capacity of generating plants and the planned additions for a ten-year (10) period.



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- VI. Estimated cost information, including plant costs by accounts, all expenses by categories, including fuel costs, plant service life, capacity factor, total generating cost per kWh (1) at plant, and (2) including related transmission, levelized for the economic life of the plant, year by year for the 12 years commencing with the date of commercial operation of the plant, and comparative costs of other alternatives considered on a levelized or year-by-year basis depending upon availability of data. Estimated capital and operating costs of power to be generated by the proposed plant for all competitive fuels which may be lawfully used in the proposed plant. When substantially the same data are prepared for utility planning purposes they may be used to satisfy all or any portion of these requirements.
- VII. For any nuclear plant a statement indicating that the requisite safety and other license approvals have been obtained or will be applied for.
- VIII. Such additional information and data as may be necessary for a full understanding and evaluation of the proposal.