

Decision 96-02-054 February 23, 1996

FEB 26 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of Southern California Edison Company)
(U-338-H) for Authority to Sell)
Certain Electrical Facilities to the)
Trustees of the California State)
University.)

ORIGINAL
Application 95-11-016
(Filed December 7, 1995)

OPINION

Summary

We will approve the sale by Southern California Edison Company (applicant) of certain electrical facilities to the Trustees of the California State University (Trustees), subject to applicant's assumption of risk concerning contingencies that may arise with respect to possible future environmental remediation that could be required if contamination were found to exist.

Procedural Background

Applicant is a public utility subject to the jurisdiction of the Commission. Applicant filed an application on December 7, 1995 for authority to transfer a portion of an existing substation (Facilities) used to provide service to California State University, Long Beach (the Campus) to the Trustees. Notice of the application was given in the Daily Calendar on December 13, 1995. No protests were filed.

Discussion

No public utility may transfer its property that is necessary or useful in the performance of its duties to the public without first having secured the Commission's authorization. (Public Utilities (PU) Code § 851.) The Facilities are presently used to provide electrical service to the Campus. Therefore, the Facilities are useful, and PU Code Section 851 applies.

According to applicant, the Trustees wish to purchase the Facilities to reduce the Campus's total cost of electric service. Applicant has agreed to sell the Facilities to the Trustees for \$548,000.¹ The sale is subject to the approval of the Commission and to execution of an agreement for a new interconnection facility to serve the Campus at the interface between applicant's system and the Facilities.

The Facilities include both fixtures and equipment. No real property is included. The equipment includes batteries. Applicant has not represented that it has made any agreement with the Trustees concerning the allocation of responsibilities for environmental remediation between them should contamination associated with the Facilities be discovered.

The transfer of the Facilities does not involve any new construction except with respect to new relay and protection devices to protect applicant's source lines in connection with the required interconnection facility.

Findings of Fact

1. Applicant is an electric utility subject to the jurisdiction of the Commission.
2. Applicant has agreed to sell the Facilities to the Trustees.
3. The Facilities are presently used only to provide electrical service to the Campus.
4. If the Facilities are transferred to the Trustees, a minor alteration of existing facility used to convey electric power will be required.

¹Applicant's book value, as of September 30, 1995, for the Facilities is \$364,788, and applicant anticipates that it will realize a gain of approximately \$183,000 before taxes, which applicant believes should be shared between applicant and ratepayers based on the amount of time the Facilities were included in rate base.

Conclusions of Law

1. Sale of the Facilities is subject to PU Code Section 851.
2. Sale of the Facilities should be approved.
3. The new interconnection facilities are categorically exempt from the environmental impact report requirements of the California Environmental Quality Act pursuant to Rule of Practice and Procedure 17.1(h)(1)(A)(2).
4. Because it has not bargained with the Trustees to allocate their respective responsibilities, applicant should hold ratepayers harmless from any expense associated with future proceedings involving the Facilities and environmental remediation if applicant and the Trustees are potentially responsible parties.

ORDER

IT IS ORDERED that:

1. Southern California Edison Company (applicant) may transfer to the Trustees of the California State University the facilities described in the application.
2. Applicant shall not record in balancing accounts, recover in rates, nor include in cost allocation forecasts, expenses, if any, resulting from any investigation, proceeding, order, judgment, or other action by which applicant is bound in which it and the Trustees are potentially responsible parties for any discharge of a contaminant from the Facilities:
3. The authority granted hereby expires if not exercised within one year of the date of this order.

4. Application 95-12-016 is closed.

This order is effective today.

Dated February 23, 1996, at San Francisco, California.

DANIEL Wm. FESSLER
President

P. GREGORY CONLON

JESSIE J. KNIGHT, Jr.

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners