

Decision 98-02-019 February 4, 1998

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In The Matter of the Joint Application of Southern California Edison Company (U 338-E), And Southern California Water Company (U 133-E), For An Order Modifying The Boundary Line Separating Their Respective Service Areas.

Application 97-05-010
(Filed May 2, 1997)

ORIGINAL

OPINION

Southern California Edison Company (Edison) and Southern California Water Company (SCWC) jointly request the issuance of an order effectuating three minor realignments to the boundary between the electric service areas of Edison and SCWC in the County of San Bernardino, California. The application states that realignment of the boundary line will serve to (i) minimize any confusion three customers located in a geographically-remote area may have regarding the identity of their electric distribution service provider, and (ii) maximize the economic efficiency of serving one of these customers.

Notice of the filing of the application appeared in the Daily Calendar on May 9, 1997. No protests have been received. The three customers affected by the proposed realignment have been notified and have no objection to it, according to the application.

I. Background

Edison is a utility engaged in the business of generating and transmitting electric energy in the States of Arizona, California, Nevada, and New Mexico and is presently directly interconnected, pursuant to interconnection agreements, with certain utilities in the Western United States. Edison is further engaged in the business of distributing electric energy in the central and southern portions of the State of California, including the County of San Bernardino, in accordance with the Commission's rules and regulations.

SCWC owns and operates an electric distribution system, Bear Valley Electric, which serves the electric load in a portion of the County of San Bernardino surrounding Big Bear Lake. Federal lands in this remote mountain region are administered by the National Forest Service and the Bureau of Land Management. SCWC presently purchases electric capacity from Edison pursuant to a partial requirements tariff which is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). SCWC purchases electric energy through supply contracts with different firms under a brokerage arrangement. SCWC resells this power to those customers located within Bear Valley Electric's service territory in accordance with the Commission's rules and regulations.

Edison currently provides wholesale service to SCWC through two 33 kV transmission lines, the Cushenberry and Doble lines, both of which originate at Edison's Cottonwood Substation (Cottonwood), located in the Lucerne Valley, and following separate rights-of-way, terminate at Edison's Goldhill Substation (Goldhill). A third 33 kV line also provides service to SCWC from the Redlands area to SCWC's Harnish Substation (Harnish).

In 1991, Edison and SCWC executed an agreement which, among other things, provided that Edison would construct new 115 kV facilities to serve SCWC and that Harnish would be eliminated as a delivery point. In 1996, prior to the commencement of construction of the new 115 kV facilities, the 1991 agreement was superseded by several new agreements executed by Edison and SCWC. One of these agreements provides the terms and conditions pursuant to which Edison will construct, own, operate, and maintain certain 115 kV and 33 kV facilities to serve SCWC and for the elimination of Harnish as a delivery point after the new facilities are operational. These agreements were accepted for filing by the FERC.

As currently contemplated, Edison's proposed 115 kV transmission line will originate at Cottonwood and terminate at Goldhill, or at a substation to be constructed in a location deemed more appropriate by the National Forest Service. Transformation facilities necessary to convert power from the 155 kV transmission voltage to the 33 kV delivery voltage will also be constructed. These new facilities are more fully described

in Edison's Application (A.) 96-06-033 for a Permit to Construct. The proposed 115 kV transmission line will entirely replace the Cushenberry 33 kV line. Further, as an environmental mitigation measure, most of the Doble line will be removed.

The other agreements entered into in 1996 set forth the terms and conditions of a new service arrangement between Edison and SCWC and replace the full requirements service agreements and tariffs under which Edison had previously provided service to SCWC. Under the new service arrangement, which became effective June 1, 1996, SCWC is able to import energy from third parties to offset its energy requirements which would otherwise be purchased from Edison. SCWC will continue to purchase all of its capacity requirements from Edison through 2001. Thereafter, Edison may cease being SCWC's power supplier.

II. Need for Service Area Boundary Line Realignment

Edison and SCWC jointly filed A.47855, on August 31, 1965, requesting an order establishing a service area boundary line between their respective service areas. The Commission established the boundary separating the service territories of Edison and SCWC in Decision (D.) 70100, dated December 21, 1965.

As part of the negotiation of the new service arrangement, Edison and SCWC reviewed the services currently being provided to each other to ensure consistency with the new service arrangement. The three service territory boundary realignments described below resolve the inconsistencies identified during the review. A legal description of the service territory boundary line between Edison and SCWC, revised in accordance with the following proposed realignments, is attached to the application. A map showing the existing and new service territory boundary realignment, the locations of the affected customers, and the location of certain facilities is also attached to the application.

A. The Landfill Realignment

At the present time, Edison serves only one active retail customer, the Norcal Landfill, from a 33 kV tap on the Cushenberry line near the Goldhill. The entrance to the landfill is located approximately 15 feet to the north of Goldhill, and the

25 kV transformer which serves this customer is located about 1,300 feet from the SCWC service territory boundary. Since this area is rugged, mountainous terrain, no new customers can reasonably be anticipated to locate in this area.

After the new 115 kV transmission facilities are constructed and operational, and the Cushenberry line is dismantled, Edison will no longer have any 33 kV distribution facilities in the area from which to provide service to the landfill. Rather, the most cost-effective method of providing service to this customer will be from SCWC's 33 kV distribution facilities. Moving the SCWC service territory boundary northward from Goldhill to encompass the landfill would be in the customer's best interest since electric service will be provided by the same utility that renders the billing for such service. Any potential confusion regarding the identity of this customer's electric service provider would be mitigated. The landfill will not be responsible for any costs associated with any new service connection.

B. The Camp Oaks Realignment

Edison currently serves a retail customer, the Long Beach YMCA's Camp Oaks, from a tap into SCWC's distribution facilities near SCWC's eastern service territory boundary. The camp is located in Edison's service territory just alongside SCWC's service territory to the north of Highway 38. The nearest Edison-owned distribution facilities which could be used to serve this customer are approximately 9 miles away. No new customers have located in this area of Edison's service territory since the arrangement to serve Camp Oaks was made with SCWC in the 1960s. Because SCWC already delivers the power to serve Camp Oaks, moving SCWC's service territory boundary eastward to encompass the camp would be in the customer's best interest by mitigating any potential confusion regarding the identity of its electric service provider.

C. The Camp Redford Realignment

In 1991, Edison began providing service on an emergency basis to SCWC's customer, Camp Radford, from a tap into Edison's line serving Harnish after a storm destroyed SCWC's facilities. Camp Radford is located in the southernmost area of

SCWC's service territory. This service is being provided pursuant to a Letter Agreement, on file with the FERC, which terminated on March 4, 1997. To avoid an interruption in service to the camp, SCWC must rebuild those facilities formerly serving the camp; however, SCWC could avoid these reconstruction costs if Camp Radford became a retail customer of Edison. Moving SCWC's southernmost service territory boundary northward so that Camp Radford would then be located within Edison's service territory would save SCWC approximately \$23,100. Since Edison would maintain the existing service connection, this change would also mitigate any potential confusion regarding the identity of this customer's electric service provider.

Due to the time required to finalize these boundary realignments, Edison and SCWC have agreed to extend the Letter Agreement termination date to the later of: (1) the date the Commission makes the boundary change effective; or (2) 30 days following the effective date of a Commission order denying the requested boundary change.

Findings of Fact

1. The boundary line separating the service territories of Edison and SCWC in a portion of the County of San Bernardino surrounding Big Bear Lake was established in D.70100, December 21, 1965.
2. New service arrangements filed with FERC in 1996 necessitate minor realignment of service territory boundaries.
3. Realignment of the boundary line will serve to (i) minimize any confusion three customers located in a geographically-remote area may have regarding the identity of their electric distribution service provider, and (ii) maximize the economic efficiency of serving one of these customers.
4. A public hearing is not required.
5. Because the public interest would best be served by having the sale and transfer take place expeditiously, the ensuing order should be made effective on the date of issuance.

Conclusion of Law

The application should be approved.

O R D E R

IT IS ORDERED that:

1. The realignment of service territory boundaries between Southern California Edison Company (Edison) and Southern California Water Company (SCWC) described in the application is approved.
2. Within 90 days after the effective date of this order, Edison and SCWC shall file with the Commission revised tariff schedules and revised tariff service area maps in accordance with the requirements of General Order 96-A. Such revised schedules and maps shall become effective on the date filed.
3. Application 97-05-010 is closed.

This order is effective today.

Dated February 4, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners