

Decision 00-05-008 May 4, 200

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338-E) for Authority Under Public Utilities Code Section 851 to Sell Transmission Facilities or for an Order Confirming that the Commission Lacks Jurisdiction Under Section 851 and Dismissing this Application.

Application 99-12-013
(Filed December 8, 1999)

OPINION

Summary

Southern California Edison Company (Edison) seeks Commission approval, pursuant to Pub. Util. Code § 851,¹ to sell to the City of Anaheim (Anaheim) certain electrical metering and metering-related facilities. In the alternative, Edison requests an Order from this Commission that the filing of this Application is unnecessary because the facilities at issue are purely Federal Energy Regulatory Commission (FERC)-jurisdictional. Since we grant Edison's application, it is unnecessary to rule on the jurisdictional issue.

Categorization and Waiver of Review Period

In Resolution ALJ 176-3029, dated December 16, 1999, the Commission preliminarily categorized this proceeding as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determination.

¹ All references are to the California Public Utilities Code unless otherwise noted.

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

Procedural Background

On August 10, 1999, Edison filed a proposed amendment to its Interconnection Agreement with Anaheim at the FERC (Docket No. ER99-4039-000) along with an application under § 203 of the Federal Power Act (FPA) for authorization to sell and convey certain electrical metering and metering-related transmission facilities to Anaheim (Docket No. EC99-105-000). FERC approved the transfer on October 4, 1999, in Southern California Edison Company, 89 FERC ¶ 61,009 (1999). In that order, FERC stated that its authorization of the transfer "in no way affect[s] the issue pending before the California Commission. Our actions do not affect other proceedings or constitute a consummation of the transaction to the extent other regulatory approval is pending."

Edison is a public utility subject to the jurisdiction of this Commission. Therefore, on August 9, 1999, Edison filed a related Petition for Declaratory Order with the Commission asking for a determination that it did not need to file an application pursuant to § 851 for authority to sell the metering facilities to Anaheim. On October 21, 1999, in Decision (D.) 99-10-066, we denied Edison's petition on the grounds that it was overly broad and did not present us with any extraordinary circumstances that would support our issuance of an advisory opinion.²

On December 8, 1999, Edison filed an Application with the Commission for authorization to sell and convey the same electrical metering and metering-

² D.99-10-066, mimeo., at p. 6.

related transmission facilities to Anaheim. Notice of the Application appeared in the Daily Calendar on December 21, 1999. No protests or responses were filed.

No public utility may transfer any property that is necessary or useful in the performance of its duties to the public without first having secured the Commission's authorization. (§ 851.) Edison proposes to sell six current transformers, six potential transformers, two disconnect switches, and two pull boxes to Anaheim. These facilities are located at the Edison-Anaheim Interconnection at the Edison-Anaheim Lewis Substation, situated at 826 East Cerritos Avenue in Anaheim, California. Currently, Anaheim pays Edison's costs of owning, operating, and maintaining those facilities. Pursuant to the Bill of Sale executed by Edison and Anaheim, these facilities will continue to be used by Anaheim to meter the Edison-Anaheim Interconnection. (A copy of the Bill of Sale is attached to the Application as Attachment B.)

Anaheim has entered into a Utility Distribution Company Agreement (Agreement) with the Independent System Operator (ISO) and according to the terms of that agreement, Anaheim agreed to replace the existing meters with meters meeting ISO standards. The sale and transfer of the metering facilities from Edison to Anaheim will facilitate Anaheim's installation of the ISO approved meters.

Proposed Ratemaking Treatment

Edison posits that the transfer of ownership will have no effect on transmission rates or operating costs to Edison's other transmission customers. The costs of the disconnect switches will be removed from the rate base in Edison's next rate proceeding for transmission rates. The Office of Ratepayer Advocates (ORA) did not file a protest or response to Edison's Application.

Gain On Sale

Edison's Application does not discuss the treatment of the gain on sale from the sale of the electrical metering and metering-related facilities. As a condition of the Commission's approval of Edison's Application, the Commission orders Edison to file an advice letter with the Commission within 60 days of the completion of the sale. The advice letter shall contain a detailed accounting of the assets sold, cost information, and any proposed ratemaking adjustments for the gain on sale.

No Environmental Impact

The Commission's review of this transfer is exempt from the procedures of the California Environmental Quality Act (CEQA) because we previously stated: "The subject matter of his application embraces the operation of existing facilities used to convey electric power. As such, the approval is categorically exempt from the environmental impact report procedures of CEQA. (Rule of Practice and Procedure 17.1(h)(A)(2))."³

Conclusion

The Application is in order. We conclude that the proposed transaction is in the public interest. The sale of the electrical metering and metering-related facilities to Anaheim will facilitate Anaheim's installation of meters that meet ISO standards. Since the facilities are currently used to meter the Edison-Anaheim Interconnection, no other entity will be affected by the sale. In addition, Edison alleges that this sale will not have any effect on any contract for the purchase, sale, or interchange of electric energy; it will not affect competition in the overall transmission market; and will have no effect on transmission rates

³ In re Pacific Gas & Electric Co., et al., D.98-01-053, *mimeo.*, at p. 6.

or operating costs to Edison's other transmission customers. Accordingly, we grant the relief requested pursuant to § 851. In light of our approval of the transfer, the jurisdictional issue is moot.

Findings of Fact

1. Edison is an electric utility subject to the jurisdiction of the Commission.
2. Notice of the filing of the application appeared in the Daily Calendar on December 21, 1999. No protests or responses were filed.
3. Edison is seeking authorization to sell certain electrical metering and metering-related facilities to Anaheim.
4. Edison received FERC approval for the disposition of the metering facilities in Southern California Edison Company, 89 FERC ¶ 61,009 (1999).
5. The FERC order expressly stated that FERC authorization did not affect this Commission's proceedings.
6. Edison represents that the transfer of ownership will have no effect on transmission rates or operating costs to Edison's other transmission customers.

Conclusions of Law

1. No public hearing is necessary.
2. The sale and transfer of certain electrical metering and metering-related facilities is subject to Pub. Util. Code § 851.
3. The sale and transfer of the metering facilities is exempt from the environmental impact procedures of CEQA.
4. The sale and transfer of the metering facilities should be approved.
5. This order should be made effective immediately in order that the transactions can be implemented promptly.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company (Edison) is authorized, pursuant to Pub. Util. Code § 851, to sell and transfer to the City of Anaheim certain electrical metering and metering-related facilities, identified as six current transformers, six potential transformers, two disconnect switches, and two pull boxes.

2. Within 60 days of the completion of the sale, Edison is to file an advice letter with the Commission. The advice letter shall contain a detailed accounting of the assets sold, cost information, and any proposed ratemaking adjustments for the gain on sale.

3. Application 99-12-013 is closed.

This order is effective today.

Dated May 4, 2000, at San Francisco, California.

LORETTA M. LYNCH
President

HENRY M. DUQUE
JOSIAH L. NEEPER
RICHARD A. BILAS
CARL W. WOOD

Commissioners