

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Service and Safety Branch

RESOLUTION NO. E-3107
October, 14, 1988

R E S O L U T I O N

RESOLUTION E-3107, ORDER ESTABLISHING 1988
UNDERGROUND CONVERSION BUDGET FOR SAN DIEGO GAS
AND ELECTRIC COMPANY

SUMMARY

1. San Diego Gas and Electric Company (SDG&E) has requested approval of its 1988 electric underground conversion budget by its compliance letter dated January, 11, 1988. This request conforms to the requirements of Ordering Paragraph No. 6 of Decision 73078 in Case 8209, dated September 19, 1967, which requires each respondent electric utility to file its annual conversion budget with the Commission.

2. SDG&E has requested the approval of an allocation of \$19,833,000 budget for replacement of existing overhead with underground electric facilities in 1988. The Commission Advisory and Compliance Division (CACD) staff reviewed SDG&E's budget and found it to be reasonable.

BACKGROUND

1. The City of San Diego and the counties in SDG&E service area have satisfactorily negotiated a plan with SDG&E for the overhead to underground conversion budget funds for 1988. Under the plan, SDG&E adopted a 5-year budget to allow planning by the cities and counties. The present five-year underground plan applies from 1985 through 1989. The cities/counties expect to receive the planned allocations unless unforeseen circumstances develop. However, the Commission must review and approve each annual underground budget allocation.

2. SDG&E's Tariff Rule No. 20, Replacement of Overhead with Underground Facilities, is for the existing overhead line replacement program as specified in Decisions 85497, 85788, and 82-01-018. Tariff Rule No. 20.A.2 specifies the method of allocating the conversion budget. The rule states:

"The utility's total annual budgeted amount for undergrounding within any city or the unincorporated area of any county, shall be allocated in the same ratio that the number of overhead meters in such city or unincorporated area of any county bears to the total system overhead meters. The amounts so allocated may be exceeded where the utility establishes that additional participation on a project is warranted. Such allocated amounts may be carried over as provided below. In order to qualify as a community with an active undergrounding program, the governing body must have adopted an ordinance or ordinances creating underground district and/or districts as set forth in Section A.1.b. of this rule. Where there is a carry-over, the utility has the right to set, as determined by its capability, reasonable limits on the rate of performance of the work to be financed by the funds carried over. Where amounts budgeted for any calendar year are not expended in that calendar year or the next two succeeding calendar years following the budgeting thereof because of forces beyond the control of the utility, then in that event and that event only, the utility may reallocate the unexpended amounts of money in its discretion, to communities with active undergrounding programs, or with the approval of the Commission for any other lawful purpose."

DISCUSSION

1. The Service and Safety Branch has reviewed SDG&E's proposed underground conversion budget of \$19,833,000 for 1988. The request is an increase of approximately 9.0%, or \$1,638,000 over the 1987 budget. The budget conforms with the allocation plan. The proposed expenditures are reasonable and are recommended for approval.
2. The present five-year underground conversion allocation plan will be completed in 1989. At the conclusion of the five-year period, an additional adjustment will be made to the total allocations based on recorded SDG&E revenues and the number of overhead services.
3. SDG&E will allocate the conversion budget in accordance with its Tariff Rule 20.A.2 as stated above. The funds for the conversion projects will be financed by the share owners of SDG&E. After the projects are completed, the amount spent on the conversion projects will go into the rate base of SDG&E.
4. For the year ending 1987 approximately 33% of SDG&E's lines are underground and the balance are overhead. Underground lines increased by approximately 281 miles in 1987, whereas overhead lines increased by approximately 9 miles only during the same period.

5. In compliance with Ordering Paragraph No. 1 of Decision No. 82-01-018, SDG&E has properly allocated its budget to the ratios of overhead served meters in each city and in the unincorporated area of each county to its system's total overhead served meters.

FINDINGS

1. There is a continuing need for conversion of overhead electric facilities to underground.
2. An appropriate overhead to underground conversion budget has been negotiated between SDG&E and the cities and counties for the year 1988.
3. SDG&E has made a satisfactory effort in undergrounding its new electric facilities.
4. Since costs for underground conversion are substantial, SDG&E should ensure that customers requesting overhead to underground conversion are fully informed about their options to perform this work privately and to obtain competitive bids for such work.

IT IS ORDERED THAT:

1. San Diego Gas and Electric Company's proposed budget of \$19,833,000 for its 1988 underground conversion program is approved.

This order is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on October 14, 1988. The following Commissioner(s) approved it.

STANLEY W. HULETT
President
DONALD VIAL
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners


Executive Director