

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Service and Safety Branch

RESOLUTION NO. E-3113
November 9, 1988

R E S O L U T I O N

RESOLUTION E-3113, ORDER ESTABLISHING 1988
UNDERGROUND CONVERSION BUDGET FOR SOUTHERN
CALIFORNIA EDISON COMPANY

SUMMARY

1. Southern California Edison Company (SCE) has requested approval of its 1988 electric underground conversion budget by its compliance letter dated April 8, 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. SCE has requested the approval of an allocation of \$31,500,000 budget for replacement of existing overhead with underground electric facilities in 1988. The Service and Safety Branch (staff) reviewed SCE's budget and found it to be reasonable.

BACKGROUND

1. The League of California Cities and SCE have satisfactorily negotiated a plan for the overhead to underground conversion budget funds for 1988. Under the plan, SCE adopted a 5-year budget to allow planning by the cities and counties. The present five-year underground plan applies from 1988 through 1992. 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. SCE'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.

DISCUSSION

1. The staff has reviewed SCE's proposed underground conversion budget of \$31,500,000 for 1988. The request is an increase of approximately 5.0%, or \$1,500,000 over the 1987 budget. The budget conforms with the allocation plan. SCE reported that the primary factors in developing the underground conversion (Rule 20.A) budget are available capital resources and anticipated demand for future funds as indicated by conversion projects approved and under study. The proposed expenditures for 1988 are reasonable and are recommended for approval.
2. SCE will allocate the conversion budget in accordance with its Tariff Rule 20.A.2 as stated above. In compliance with Ordering Paragraph No. 1 of Decision No. 82-01-018, SCE 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.
3. For the year ending 1987 approximately 25% of SCE's lines are underground and the balance are overhead. Underground lines increased by approximately 857 miles in 1987, whereas overhead lines increased by approximately 202 miles during the same period.
4. SCE has indicated to the League of California Cities that the \$31,500,000 budget will be maintained through 1992, under its five year plan. The staff recommends that SCE should modify its present five-year plan. The staff believes that to encourage underground conversion program, SCE should increase its budget every year by at least an inflationary rate for the years 1989 through 1992. At the conclusion of five-year period, an additional adjustment may be made to the total allocations based on recorded SCE revenues and the number of overhead services.

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 SCE and the cities and counties for the year 1988.
3. SCE should modify its present five year plan by including an inflationary factor in its underground budget for the year 1989 through 1992.
4. SCE has made a satisfactory effort in undergrounding its new electric facilities.

IT IS ORDERED THAT:

1. Southern California Edison Company's proposed budget of \$31,500,000 for its 1988 underground conversion program is approved.
2. SCE will modify its present five year plan to include an appropriate inflationary factor in developing its underground budget for the year 1989 through 1992, to ensure a budget of \$31,500,000 per year in constant dollars.

This order is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on November 9, 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