

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

In the Matter of the Application of SOUTHERN
CALIFORNIA EDISON COMPANY (U 338-E)
for a Permit to Construct Electrical Facilities:
Eldorado-Lugo-Mohave Series Capacitor Project.

Application No. 18-05-007
(Filed May 2, 2018)

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338-E)
REPLY TO OFFICE OF RATEPAYER ADVOCATES' PROTEST**

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I.

INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, Southern California Edison Company (SCE) responds to the Protest of the Office of Ratepayer Advocates (ORA) regarding the Application of SCE for a Permit to Construct the Eldorado Lugo Mohave Series Capacitor Project (ELM, or ELM Project).

II.

BACKGROUND

SCE filed its Application for a Permit to Construct (PTC) the ELM Project (Application) on May 2, 2018. As described in greater detail in the Application and associated appendices and attachments, the ELM Project would consist of the following major components:¹

- 1) The construction of two new 500 kilo-volt (kV) mid-line series capacitors (the Newberry Springs Series Capacitor and the Ludlow Series Capacitor);

¹ A complete list of project components can be found in SCE’s Proponent’s Environmental Assessment (PEA) at 1-1 through 1-3.

- 2) The relocation, replacement or modification of existing transmission, subtransmission and distribution facilities at approximately 12 locations;
- 3) The installation of approximately 235 miles of optical ground wire (OPGW); and
- 4) The installation of overhead and underground telecommunication facilities from existing transmission structures to connect to the new, proposed, mid-line series capacitors.

SCE received ORA's Protest on June 1, 2018. In general, ORA's Protest argues that 1) SCE's Application for the ELM Project fails to comply with the Commission's General Order 131-D (G.O. 131-D), Section IX.A; and that 2) SCE's Application is incomplete because it fails to contain sufficient demonstration of cost and need. SCE responds to these arguments below.

III.

DISCUSSION

A. SCE's Application For The ELM Project Complies With GO 131-D.

In its Protest, ORA argues that under G.O. 131-D, the ELM Project PTC Application should have been filed as a request for a Certificate of Public Convenience and Necessity (CPCN) so that ORA and the Commission may review the need and costs for the ELM Project.

However, a CPCN is not warranted for the ELM Project because 1) the series capacitors are simply the functional equivalent of substation facilities that are to be constructed in the transmission line right-of-way (ROW); 2) there is no new construction of transmission line facilities; and 3) the ELM Project consists solely of the replacement of equivalent structures and facilities plus minor relocations. Accordingly, ORA's concerns regarding need and cost review of the ELM Project are misplaced and no such review is warranted.

1. **The facilities proposed are simply the functional equivalent of substation facilities that will be located within existing transmission line ROWs and existing substation perimeters.**

Under G.O. 131-D, a public utility may not begin construction of “major electric transmission line facilities which are designed for immediate or eventual operation at 200 kV or more (except for ... the minor relocation of existing power line facilities...)” without an approved CPCN. See G.O. 131-D, Section III (A). Relying on this language, ORA argues that the ELM Project should require a CPCN, rather than a PTC because the series capacitors are “major” electric transmission line facilities. While GO 131-D does not explicitly define what constitutes a “major” transmission line facility, prior Commission decisions have made clear that it is important to look at the facility in the context of the overall project, and that facilities such as transmission loop-in-lines; that span only a relatively short length, are not “major” facilities requiring a CPCN.² Similarly, here, the series capacitors are not “major” electric transmission line facilities, but rather the functional equivalent of substation facilities that will be constructed within the existing transmission ROW or inside the existing substation perimeter.³ Accordingly, based on Commission precedent, SCE properly filed an application for a PTC for the ELM Project pursuant to G.O. 131-D, Section III (B) which provides that no utility shall construct “power line facilities or substations which are designed for immediate or eventual operation at any voltage between 50 kV or 200 kV or new or upgraded substations with high side voltage exceeding 50 kV” without obtaining a PTC.

2. There is no new construction of communication line facilities.⁴

In its Protest, ORA argues that the ELM Project contemplates the construction of approximately 235 miles of brand new communication line facilities. However, this assertion is

² See A. 10-11-012, *In the Matter of the Application of Southern California Edison Company (U338E) for a Permit to Construct Electrical Facilities: Red Bluff Substation Project*, Assigned Commissioner’s Scoping Memo and Ruling at p. 6.

³ The locations of the new series capacitors are described in the PEA, at Volume 5, Appendix E. Specifically, the Ludlow Series Capacitor is on Detailed Road Map 103 and the Newberry Springs Capacitor is on Detailed Maps 104 and 105.

⁴ This section pertains solely to the 235 miles of OPGW that will replace the existing overhead ground wire. As detailed in the PEA at section 3.5.1.3, there will be new fiber optic cable installed overhead on distribution poles and underground.

factually inaccurate. As indicated in the PEA, the ELM Project does not involve the construction of any new communication line facilities, but rather SCE is simply proposing to replace the existing overhead ground wire (OHGW) with OPGW.⁵

Despite ORA's claim, the replacement of existing power line facilities with equivalent facilities does not require a CPCN. As cited above, GO 131-D requires utilities to obtain a CPCN for "major" electric transmission line facilities. The simple replacement of existing ground wire with another type of ground wire, such as OPGW, can by no means rise to the level of requiring a CPCN, particularly given that the existing 500 kV transmission lines are neither being replaced nor relocated.

3. The ELM Project only contemplates the replacement of equivalent structures and minor relocations.

Because SCE is only proposing to either replace equivalent structures or to make minor relocations, a CPCN is not required. Pursuant to GO 131-D, exceptions to the CPCN requirement are made for: 1) "the replacement of existing power line facilities or supporting structures with equivalent facilities"; and 2) "the placing of new or additional conductors, insulators, or their accessories on or replacement of supporting structures already built."⁶ The replacement of OHGW with OPGW clearly falls within the first exception as the groundwire at issue is a like-for-like replacement. Moreover, this scope of work also falls under the second exception, as the replacement of OHGW with OPGW is on supporting structures already built.

ORA also argues that because the ELM Project includes the vertical raising of several 500 kV towers, a CPCN should be required. However, transmission line relocations commonly occur, whether horizontal or vertical, and GO 131-D does not limit minor transmission line

⁵ PEA, at 2-2 ("[R]emoval of an existing overhead ground wire, modification of existing towers to support optical ground wire (OPGW), and the installation of approximately 235 miles of overhead OPGW (173 miles on the Lugo-Mohave 500 kV Transmission Line, approximately 59 miles on the Eldorado-Mohave 500 kV Transmission Line and approximately 3 miles of underground telecommunication facilities in the vicinity of the Mohave Substation.")

⁶ GO 131-D, Section III.A at 2.

relocations to one direction or another, but rather allows all minor relocations to fall within the exemption from CPCNs.⁷

B. SCE Is Not Obligated To Provide Details Regarding Cost And Need In This PTC Proceeding.

In its Protest, ORA argues that the Application is also incomplete because it fails to provide sufficient justification of cost and need for the ELM Project.⁸ As set forth above, the Application is for a PTC, not a CPCN. GO 131-D specifically states that applicants need not to include such details when applying for a PTC:

“[A]n application for a permit to construct need not include either a detailed analysis of purpose and necessity, a detailed estimate of cost and economic analysis, a detailed schedule or a detailed description of construction methods beyond that required for CEQA compliance.”

(GO 131-D, § IX.B.1, e.)

Further, D.94-06-014, the Commission Decision issuing GO 131-D, states that “[t]he permit to construct is meant strictly for environmental review, not economic or ‘needs’ review.”⁹ Per the Commission, “[e]videntiary hearings will generally be limited to matters, other than the

⁷ *Id.*

⁸ More specifically, ORA contends that SCE’s Application should provide evidence as to how the ELM Project will integrate renewable energy and relieve area deliverability constraints. (ORA Protest at 6.) As discussed in detail in the PEA, the ELM Project is a policy driven project that was recommended by the California Independent System Operator (CAISO) and subsequently approved through the CAISO Transmission Planning Process for purpose of meeting Renewables Portfolio Standard (RPS) goals. (PEA, p. 2-4 through 2-9.) The Commission and the California Energy Commission (CEC) directed the CAISO to integrate renewable portfolios in the annual transmission studies specifically for the purpose of determining what projects would be beneficial for the proper integration of energy. Here, the ELM project will make feasible the delivery of this renewable power into the Los Angeles Basin for the purpose of serving retail load as required by the RPS goals. (PEA, p. 2-9.)

⁹ D. 94-06-014, p. 22.

environmental issues addressed in the CEQA process...”¹⁰ As such, purpose and need and cost would not be properly included as issues in an evidentiary hearing for a PTC. To the extent ORA’s Protest relates to the CEQA process or topics, ORA’s comments would be properly included in the public comment period on the draft environmental document for the ELM Project during the parallel CEQA environmental review process.

IV.

CONCLUSION

For the reasons stated above, the ELM Project was properly filed as an application for a PTC and ORA’s Protest should be rejected in its entirety.

Respectfully submitted,

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/s/ Tammy Jones

By: Tammy Jones

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¹⁰ Commission Step-by-step Guide to CPCN Application Process, which also references PTCs, available at: http://www.cpuc.ca.gov/NR/rdonlyres/8B0617C4-786B-4755-9320-C999F61EDE31/0/EIRStepbyStep_August_2008.pdf.

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CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of **SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338-E) REPLY TO OFFICE OF RATEPAYER ADVOCATES' PROTEST**, on all parties identified on the attached service list(s) for **A.18-05-007**.

- Transmitting the copies via e-mail to all parties who have provided an e-mail address.
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by U.S. Mail to the offices of the Commissioner(s) or other addressee(s).

ALJ Jason Jungreis
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Executed this **June 11, 2018**, at Rosemead, California.

/s/ Mildred King _____

Mildred King

Legal Administrative Assistant

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