

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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In the Matter of the Application of
Southern California Edison Company
(U 338-E) for a Certificate of Public
Convenience and Necessity Concerning the
Devers-Palo Verde No. 2 Transmission
Line Project.

Application 05-04-015
(April 11, 2005)

**RESPONSE OF THE DIVISION OF RATEPAYER ADVOCATES
TO SOUTHERN CALIFORNIA EDISON COMPANY'S
PETITION FOR MODIFICATION OF DECISION 07-01-040**

CONNIE CHEN
Division of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-2168
E-mail: cc5@cpuc.ca.gov

MARION PELEO
Legal Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Phone: (415) 703-2130
E-mail: map@cpuc.ca.gov

October 5, 2012

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I. INTRODUCTION

In accordance with Rule 16.4(f) of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), the Division of Ratepayer Advocates (DRA) hereby submits its response to the petition for modification (PFM or Petition) of Decision (D.) 07-01-040 filed by Southern California Edison Company (SCE) on September 5, 2012.

DRA recommends that the Commission direct SCE to supplement its PFM with cost information associated with the modifications SCE is making to the Devers-Palo Verde No. 2 Transmission Line Project (DPV2 or Project).

II. DISCUSSION

Because the proposed mitigation measures required by the Federal Aviation Administration (FAA) for DPV2 have not been previously analyzed in this proceeding, the Commission directed SCE to submit a PFM for the proposed modifications, to ensure any proposed change is subject to rigorous standards.¹ Concurrent with its PFM filing, SCE submitted a Project Modification Report (PMR) describing the proposed project modifications, consisting of the installation of marker balls on certain transmission line spans and lighting on

¹ See Attachment A to PFM.

certain transmission structures and the potential environmental effects.² However, SCE in its Petition provides no information regarding the costs associated with the modifications that the Commission should have when it considers the Petition.

The Commission determined a maximum cost of \$545,285,000 in 2005 dollars to be reasonable and prudent for the approved DPV2 project.³ In D.09-11-007,⁴ the Commission granted modifications to D.07-01-040 to authorize the construction of the California-only portion of DPV2. The decision also grants SCE's request to retain the advice letter process to seek an increase in the approved maximum cost set forth in D.07-01-040 when construction cost estimates are finalized,⁵ "in lieu of modifying the maximum costs at this time."⁶ However, the Commission noted in D.09-11-007 that "SCE's current showing of the costs for the California-only Project raises several concerns which we expect SCE to fully address in its advice letter filing."⁷ Given these concerns and the absence of finalized construction costs or an advice letter filing from SCE, it is reasonable to request that SCE provide cost estimates associated with the proposed project component modifications required by the FAA.

Therefore, DRA recommends that the Commission direct SCE to provide the necessary cost information as part of its justification for the PFM. The supplemental cost information should include: (a) an identification of which portion of the original SCE project cost estimate was associated with compliance with the FAA requirements; (b) a quantification of any new costs related to meeting the FAA requirements that SCE has identified and believes should be included in project costs; and (c) an explanation of why these costs were not included in the original, adopted cost estimate.

² See Attachment D to PFM.

³ See D.07-01-040, Decision Granting a Certificate of Public Convenience and Necessity for the Devers-Palo Verde No. 2 Transmission Line Project, Jan. 25, 2007, pp. 4-5.

⁴ See D.09-11-007, Decision Modifying Decision 07-01-040 Granting a Certificate of Public Convenience and Necessity, Nov. 20, 2009.

⁵ See D.07-01-040, pp. 115-116.

⁶ See D.09-11-007, pp. 24-25.

⁷ See D.09-11-007, pp. 25.

III. CONCLUSION

For the reasons discussed above, DRA recommends that the Commission direct SCE to provide cost information regarding the modifications to DPV2 that are the subject of SCE's PFM, so that the Commission has a complete record upon which to grant or deny the petition to modify D.07-01-040.

Respectfully submitted,

/s/ MARION PELEO

Marion Peleo

Attorney for the Division of Ratepayer Advocates

California Public Utilities Commission

505 Van Ness Avenue

San Francisco, CA 94102

Phone: (415) 703-2130

Fax: (415) 703-2262

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