

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4252

June 18, 2009

R E S O L U T I O N

Resolution E-4252 Pacific Gas and Electric (PG&E). This resolution approves PG&E's Advice Letter 3371E seeking authority under Public Utilities Code Section 851 to sell certain electric facilities and associated appurtenances to St. Joseph's Hospital of Eureka (St. Joseph's).

By Advice Letter 3371E. Filed on December 1, 2008.

SUMMARY

This Resolution approves PG&E's Advice Letter 3371E seeking authority under Public Utilities (PU) Code Section 851 to sell certain electric facilities and associated appurtenances to St. Joseph's on the terms and conditions specified in the Purchase and Sale Agreement dated November 24, 2008 between PG&E and St. Joseph's. Advice Letter 3371E was processed pursuant to Resolution ALJ-202. This Resolution is effective immediately.

BACKGROUND

Utilities proposing to sell, lease, dispose of, or otherwise encumber property must comply with PU Code Section 851. Ordinarily, such a proposal would entail a full Application to the Commission, including a review pursuant to CEQA or a demonstration that such a review is not necessary. The Commission on August 25, 2005, initiated a 24-month pilot program per Resolution ALJ-186 that provides for an expedited process for certain transactions meeting criteria specified in the Resolution. On August 23, 2007, the Commission approved Resolution ALJ-202, which extends the pilot program an additional 36 months. Resolution ALJ-202 provides for an expedited process for certain transactions meeting criteria specified in the ALJ Resolution. For proposals that meet the requirements, an Advice Letter may be filed demonstrating the applicability of the pilot program to the utility's proposal and requesting an expedited review of the Advice Letter, resulting in a Resolution confirming that the proposal meets

the requirements of Resolution ALJ-202 and granting approval to the proposed project.

On December 1, 2008, PG&E filed Advice Letter 3371E pursuant to the pilot program requesting approval of a proposed sale of certain electric facilities and associated appurtenances to St. Joseph's Hospital of Eureka. Protests or comments were due to the Commission on December 22, 2008. No protests or comments were filed.

St. Joseph Hospital is located at 2700 Dolbeer Street in the City of Eureka, Humboldt County, California. The approval of the sale of certain electric distribution facilities will allow St. Joseph to install additional circuit protection to comply with PG&E's current standards for delivery of primary-voltage service at the twelve (12) thousand volt level.

The facilities proposed for sale consist of depreciable assets used for electric distribution and dedicated to the sole use of St. Joseph. PG&E currently owns two transformers, secondary conductors and other associated appurtenances ("Facilities") necessary for the distribution of electric service at the site. PG&E will retire the two transformers and remove them from service after the completion of the sale. St. Joseph will purchase its own transformer in addition to purchasing PG&E's secondary conductors and associated appurtenances. The new system will provide secondary voltage electric service at the four hundred and eighty (480) volt level to St. Joseph.

St. Joseph's has offered to pay PG&E a purchase price of \$28,974, which is equal to the Reproduction Cost New Less Depreciation for the Facilities. The proposed sale will not have an adverse effect on the public interest because it will not interfere in any way with the operation of PG&E's remaining facilities or service to PG&E's customers and the public. The facilities proposed for sale have been owned, operated, and maintained by PG&E solely to provide utility service to the proposed purchaser.

The proposed facilities sale constitutes a change in ownership and no non-exempt direct or indirect significant environmental impacts will occur as a result of the sale of these specific facilities. This transaction satisfies ALJ-202, section II, item no. 9, involving a transfer or change in ownership of facilities currently used in a regulated utility operations, where the transaction will not result in a

significant physical or operational change in the facility other than in the normal course of business.

This transaction, including replacement of transformer, is exempt from environmental review under Section 15302 of the California Environmental Quality Act (CEQA) Guidelines which covers “replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure to be replaced and will have substantially the same purpose and capacity as the structure replaced.”

NOTICE

Notice of Advice Letter 3371E was made by publication in the Commission’s Daily Calendar.

PROTESTS

No protests or comments to Advice Letter 3371E were filed.

DISCUSSION

The Energy Division has reviewed PG&E’s Advice Letter 3371E and finds that it satisfies the criteria for inclusion in the pilot program specified in Resolution ALJ-202. Additionally, AL 3371E satisfies the filing requirements specified in Appendix A Section IV. 1-13 of Resolution ALJ-202.

The Energy Division has independently reviewed the CEQA Guidelines Rule 2.4 adopted in the Commission Rules of Practice and the California Code of Regulations (title 14 Section 154300) and determined that the project is exempt from CEQA for the Commission’s decision-making purposes.

The Energy Division finds that expedited treatment pursuant to Section II of Resolution ALJ-202 is appropriate for AL 3371 and that no reason to deny the approval of Advice Letter 3371 exists pursuant to Section VII. A. 3 of Resolution ALJ-202.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), and Rule 14.6 (c) (2) of the

Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. On December 1, 2008, Pacific Gas and Electric filed Advice Letter 3371E seeking authority under Public Utilities Code Section 851 to sell certain electric facilities and associated appurtenances to St. Joseph's Hospital of Eureka.
2. PG&E filed AL 3371E pursuant to a pilot program specified in Resolution ALJ-202.
3. No protests or comments were received by the Commission.
4. St. Joseph Hospital is located at 2700 Dolbeer Street in the City of Eureka, Humboldt County, California.
5. PG&E currently owns two transformers, secondary conductors and other associated appurtenances necessary for the distribution of electric service at the site. PG&E will retire the two transformers and remove them from service after the completion of the sale.
6. St. Joseph will purchase its own transformer and PG&E's secondary conductors and associated appurtenances to provide secondary voltage electric service at the four hundred and eighty (480) volt level to St. Joseph.
7. St. Joseph's has offered to pay PG&E a purchase price of \$28,974
8. The Commission is acting as the lead agency pursuant to CEQA for this transaction.
9. The Energy Division has found the project to be Categorically Exempt from the California Environmental Quality Act in accordance with section 15302 of the CEQA Guidelines.
10. The Energy Division has reviewed PG&E's Advice Letter 3371E and finds that it satisfies the criteria for inclusion in the pilot program specified in Resolution ALJ-202.
11. PG&E's Advice Letter 3371E satisfies the filing requirements specified in Section IV, 1-13 of Resolution ALJ-202 and includes all of the information necessary to provide a satisfactory review of this proposed transaction.
12. The Energy Division finds that expedited treatment pursuant to Section II of ALJ-202 is appropriate for AL 3371E and that no reason to deny the approval of Advice Letter 3371E exists.
13. This is an uncontested matter in which the resolution grants the relief requested.

THEREFORE IT IS ORDERED THAT:

1. The request of PG&E for authority to sell certain electric facilities and associated appurtenances to St. Joseph's Hospital in the City of Eureka, Humboldt County is granted.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on June 18, 2009 the following Commissioners voting favorably thereon:

/s/ Paul Clanon

Paul Clanon
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners