MAILED: 12/24/07

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION E-4142**
December 20, 2007

R E S O L U T I O N

Resolution E-4142. San Diego Gas & Electric (SDG&E). This resolution approves SDG&E's Advice Letter 1921-E seeking authority under Public Utilities Code Section 851 to sell a portion of its distribution facilities on the University of San Diego Campus to the University. This resolution has been prepared pursuant to Resolution ALJ-202 granting expedited treatment to utility proposals meeting certain requirements.

By Advice Letter 1921-E. Filed on August 17, 2007.

SUMMARY

This Resolution approves SDG&E's Advice Letter 1921-E seeking authority under Public Utilities (PU) Code Section 851 to sell a portion of its electrical distribution facilities located on the University of San Diego (USD) campus to the University. Recently USD approached SDG&E to request the purchase of certain SDG&E electrical infrastructure facilities currently serving their on-campus Mission housing. Advice Letter 1921-E 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 the California Environmental Quality Act (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 August 17, 2007, SDG&E filed Advice Letter 1921-E requesting authority to sell a portion of its electrical distribution facilities located on the USD campus to USD. Protests or comments were due to the Commission on September 6, 2007. No protests or comments were filed.

Recently, USD approached SDG&E to request the purchase of certain SDG&E electrical infrastructure facilities currently serving their on-campus Mission Housing. The facilities are in operational condition and are currently providing electrical service to student dormitories on campus. USD currently owns electrical infrastructure and operates an internal campus grid serving most of its campus. However, electrical service to one section of student housing is currently provided by SDG&E-owned distribution system and facilities. USD would like to purchase the facilities and connect it to their internal grid. This will increase reliability of the USD campus system by enabling USD to serve their entire load on their emergency backup generator in case of an outage to the campus proper.

The property consists of a primary and secondary voltage electric system that is fed from a primary metering facility mounted on a pole, which transitions to underground from the cable pole to a fuse cabinet. The primary system USD would like to purchase consists of four three-phase transformers and secondary voltage services. The size and type of transformers are: 75kVA HZB, 150kVA HZR, 300kVA HAL, and a 300kVA HAP. The distribution facilities include a total of 1065 feet of 600-V secondary cable, 1576 feet pf 15kV primary cable, four three-phase transformers and associated transformer pads, a three-phase terminator and pad, and a three phase fuse cabinet and pad.

USD will operate and continue to use the distribution facilities to provide electricity to the USD campus. The change in ownership will not result in significant physical or operational changes in the facility other than in the normal course of business. Upon approval of the transaction, SDG&E will release the distribution easements and associated access easements to USD because they are on USD's private property, serve no other customers, and were originally provided to SDG&E at no cost.

The contract sales price of $186,613.00 is to be paid in advance of transfer of ownership upon CPUC approval of the transaction. The sales price includes the replacement cost new, less depreciation fair market value of $171,613 and an administrative fee of $15,000. SDG&E requests that the CPUC allocate the financial proceeds in accordance with D.06-12-043, which determines SDG&E's process for allocating gain and losses on the sale of certain utility assets formerly used to serve utility customers.

Because the change in ownership of the facilities will not result in significant physical or operational changes and neither SDG&E nor USD seeks authority to change its use, no CEQA review is required for the sale.

The Energy Division has reviewed the SDG&E's proposal to sell the electrical facilities to USD and finds with certainty, that there is no possibility that the proposed transaction will have a significant effect on the environment. The transaction qualifies as categorically exempt from CEQA review under CEQA Guidelines: Section 15301- Existing Facilities; Section 15302- Replacement or Reconstruction; and Section 15304-Minor Alterations to Land. As such, the Energy Division finds that the proposed transaction is exempt from CEQA review.

NOTICE

Notice of Advice Letter 1921-E was made by publication in the Commission's Daily Calendar.

PROTESTS

No protests or comments to Advice Letter 1921-E were filed.

DISCUSSION

The Energy Division has reviewed SDG&E's Advice Letter 1921-E and finds that it satisfies the criteria for treatment under the program specified in Resolution ALJ-202. Additionally, AL 1921-E satisfies the filing requirements specified in Resolution ALJ-202 .

The Energy Division finds that expedited treatment pursuant to Resolution ALJ-202 is appropriate for AL 1921-E and that no reason to deny the approval of Advice Letter 1921-E exists pursuant to 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 August 17, 2007, SDG&E filed Advice Letter 1921-E seeking authority under Public Utilities Code Section 851 to sell to the University of San Diego a portion of its electrical distribution facilities located on campus providing service to their student Mission Housing.
2. USD currently owns and operates an internal campus electrical grid serving most of its campus. However, electrical service to one section of the university's student housing is currently provided by SDG&E-owned distribution system and facilities. USD would like to purchase the facilities and connect it to their internal grid.
3. SDG&E filed AL 1921-E pursuant to the program specified in Resolution ALJ-202.
4. No protests or comments were received by the Commission
5. The property consists of a primary and secondary voltage electric system that is fed from a primary metering facility mounted on a pole, which transitions to underground from the cable pole to a fuse cabinet. The primary system consists of four three-phase transformers and secondary voltage services. The distribution facilities include a total of 1065 feet of 600-V secondary cable, 1576 feet of 15kV primary cable, four three-phase transformers and associated transformer pads, a three-phase terminator and pad, and a three phase fuse cabinet and pad.
6. USD does not plan any physical changes to the facilities. USD will operate and continue to use the distribution facilities to provide electricity to the USD campus.
7. The proposed transaction will not have an adverse effect on the public interest because it will not interfere in any way with SDG&E's facilities, or provision of service to customers.

8. The sales price of $186,613.00 will be paid by USD to SDG&E . The sales price includes the replacement cost new, less depreciation fair market value of $171,613 and an administrative fee of $15,000.
9. The Commission is acting as the lead agency pursuant to CEQA.
10. The Energy Division has reviewed SDG&E's Advice Letter 1921-E and finds that it satisfies the criteria for inclusion in the pilot program specified in Resolution ALJ-202.
11. The Energy Division has independently reviewed the proposed transaction and finds that there is no substantial evidence of any change to the environment and that no CEQA review is required. The transaction qualifies as categorically exempt under CEQA Guidelines: Section 15301- Existing Facilities; Section 15302- Replacement or Reconstruction; and Section 15304- Minor Alterations to Land.
12. The Energy Division finds that expedited treatment pursuant to ALJ-202 is appropriate for AL 1921-E and that no reason to deny the approval of Advice Letter 1921-E exists.
13. This is an uncontested matter in which the resolution grants the relief requested.

THEREFORE IT IS ORDERED THAT:

1. The Commission has reviewed Advice Letter 1921-E, and finds that the electrical facilities will be used in the same manner and neither SDG&E nor the University of San Diego seeks authority from the Commission for a change in the existing use, and that there is no substantial evidence that the transaction will result in any change to the environment.
2. The request of SDG&E for authorization to sell a portion of its on-campus electrical distribution facilities to the University of San Diego is approved.

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 December 20, 2007 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