

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

Agenda ID# 19154
RESOLUTION E-5094
February 11, 2021

R E S O L U T I O N

Resolution E-5094. Southern California Edison Company Request for Easements to Sun Life Assurance and San Bernardino County Pursuant to Advice Letter 4207-E.

PROPOSED OUTCOME:

- This Resolution approves Southern California Edison Company's (SCE) Advice Letter (AL) 4207-E with an effective date of today. SCE proposes to grant three easements to Sun Life Assurance (Sun Life) and one easement to the County of San Bernardino (Easements).

SAFETY CONSIDERATIONS:

- There are no specific safety concerns with this transaction.

ESTIMATED COST:

- A request for authority to enter into transactions pursuant to General Order (GO) 173 requires the filing of cost information. SCE will receive \$261,468 payment from Sun Life for this transaction.

By Advice Letter 4207-E, filed on May 6, 2020.

SUMMARY

This Resolution approves SCE's AL 4207-E, with an effective date of today. On May 6, 2020, SCE filed Advice Letter 4207-E requesting approval under GO 173 and Public Utilities Code Section 851 to enter into an easement with Sun Life Assurance. The easement will allow Sun Life to construct an adjacent development (Project) on fee land owned by SCE in the County of San Bernardino. SCE has reviewed Sun Life's plans and has determined that the Project will neither impede SCE's ability to access, maintain, repair, and replace

its facilities within SCE property; nor will they interfere with SCE's safe and reliable operations.

BACKGROUND

SCE filed Advice Letter 4207-E on May 6, 2020, requesting approval for an three easements with Sun Life Assurance and one easement with the County of San Bernardino. Sun Life is seeking an easement on SCE fee property in order to construct an adjacent commercial development project.

Sun Life's project consists of the development of a 190,086 square foot warehouse and distribution center known as the Redlands Commerce Center (Project) on the vacant land to the north of the SCE fee "Sun Life" Property (Property). When SCE purchased the Property in 1968, the sellers, who also owned the Sun Life Property, expressly reserved the right to place two private roadways across the Property. Sun Life will be building those driveways on the Property as part of its development.

The County has conditioned Sun Life's development of the Project with the acquisition of the County Easement, which will be used to expand the existing San Bernardino Avenue, and the Landscape Easement, which will beautify the expanded San Bernardino Avenue. The Utility and Drainage Easements will benefit the Sun Life Project.

The County Easement is 17,337 square feet (0.39 acres). It is 25.25 feet wide and runs east/west along the southern side of the Property, adjacent to the existing San Bernardino Avenue. The Landscape Easement is adjacent to the County Easement. It consists of multiple strips which collectively total 22,842 square feet (.52 acres). The Utility Easement consists of two 2,540 square feet strips that are underneath the private roadways being built on the Property. The Drainage Easement is 613 square feet and is sited along the western boundary of the Property.

SCE owns land, buildings and other facilities in connection with its provision of electric services to its customers in southern and central California. The fee parcels that SCE owns include the Sun Life Property. Portions of SCE's Mentone-San Bernardino 115 kV and San Bernardino-Highland 66 kV subtransmission lines are sited on the Sun Life Property. The parcel is 1.26 acres. It is long and narrow, 685.02 feet long and 80 feet wide. It is used as a utility corridor and is developed with SCE's facilities.

SCE operations at the Property are compatible with the construction and use of the improvements and roadway permitted by the Easements, which will not affect any existing SCE facilities. The Easements are being granted subject to SCE's right to construct its utility facilities on the easement areas, should that be necessary in the future, as long as such installations do not unreasonably interfere with the rights Sun Life or the County are being granted in such easement.

The County of San Bernardino reviewed the Project and prepared a Mitigated Negative Declaration (MND) for the project (P201700142) pursuant to CEQA Guidelines. The County adopted the Final MND on August 9, 2018, and a Notice of Determination was filed with the County Clerk for San Bernardino County.

An appraisal of the fair market value of the Easements, dated October 31, 2018, was completed by CBRE. The appraisal used a sales comparison approach to establish the fair market value of the Easements. Sun Life will pay SCE \$261,468 for the Easements. The County Easement was valued at \$150,380 and the Drainage Easement was valued at \$4,598. The Landscape Easement was valued at \$93,790 and the Utility Easement was valued at \$12,700. Each grantee will pay all special assessments or fees, if any, levied against its improvements located on the Easements.

Pursuant to D.99-09-070 (affirmed in Resolution E-3639), this easement is considered passive revenue: according to the adopted Gross Revenue Sharing Mechanism for certain Other Operating Revenue for non-tariffed products and services, the gross revenue of the easement paid by Sun Life is allocated 70 percent to shareholders and 30 percent to ratepayers.

NOTICE

Notice of AL 4207-E was made by publication in the Commission's Daily Calendar. SCE states that AL 4207-E was filed in accordance with the noticing requirements of both General Order 173 and General Order 96-B.

PROTESTS

There were no protests to SCE Advice Letter 4207-E.

DISCUSSION

The Commission has reviewed SCE AL 4207-E and the attached materials relating to the CEQA process as prepared by the County of San Bernardino. The Commission has determined that the documents comply with the requirements of the California Environmental Quality Act. The Commission finds that SCE's AL 4207-E request for approval was made in accordance with the streamlined procedure adopted by the Commission in General Order 173 and Public Utilities Code Section 851. The Commission finds that the relief requested in AL 4207-E is not adverse to the public interest and should be granted.

Public Utilities Code Section 854.2 defines "change of control" events and statutory requirements that are triggered when a "change of control" event occurs. Section 854.2(b)(1)(A) defines "change of control" as an "event that triggers the application of Section 851 or 854." SCE requests approval in this Advice Letter under Section 851 and General Order 173 which would typically trigger the "change of control provisions" of Section 854.2. Section 853(b) states "[t]he commission may...exempt any public utility...from this article if it finds that the application thereof with respect to the public utility...is not necessary in the public interest." Accordingly, the Commission exempts this application from the change of control requirements contained in Section 854.2.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. On May 6, 2020, SCE filed Advice Letter 4207-E pursuant to General Order 173 and Public Utilities Code Section 851 to enter into three easements with Sun Life Assurance and one easement with the County of San Bernardino.
2. Sun Life requires the easements with SCE to construct an adjacent development project; the County of San Bernardino has conditioned the Project on the three Sun Life easements plus an additional easement for the County.

3. SCE states that it has reviewed the project and has determined that it will not interfere with SCE's operations or SCE's ability to provide safe and reliable utility services to its customers. Approval of this transaction will not impair SCE's provision of utility service.
4. There are no specific safety concerns with this transaction.
5. SCE will receive \$261,468 in payment from Sun Life Assurance for this transaction.
6. The proceeds from this easement are considered passive Other Operating Revenue: the gross revenue is therefore allocated 70 percent to shareholders and 30 percent to ratepayers.
7. The County of San Bernardino reviewed the Project and prepared a Mitigated Negative Declaration (MND) for the project (P201700142) pursuant to CEQA Guidelines.
8. The County adopted the Final MND on August 9, 2018, and a Notice of Determination was filed with the County Clerk for San Bernardino County.
9. The Commission has reviewed SCE AL 4207-E and the associated documentation filed with the AL and has determined that the documents comply with the requirements of the California Environmental Quality Act.
10. Pursuant to Section 853(b) of the Public Utilities Code the Commission exempts these Advice Letters from the change of control requirements contained in Section 854.2.
11. SCE Advice Letter 4207-E complies with the streamlined procedures adopted by the Commission in General Order 173.
12. The Commission finds that the relief requested in AL 4207-E is not adverse to the public interest and should be granted.

THEREFORE IT IS ORDERED THAT:

1. The request of Southern California Edison Company in AL 4207-E for approval to enter into three easements with Sun Life Assurance and one easement with the County of San Bernardino 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 February 11, 2021; the following Commissioners voting favorably thereon:

S _____
RACHEL PETERSON