

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

In the Matter of the Application of SOUTHERN) Application No. 07-02-_____
CALIFORNIA EDISON COMPANY (U 338-E)) (Filed February 16, 2007)
for a Permit to Construct Electrical Facilities)
With Voltages Between 50 kV and 200 kV:)
El Casco System Project)
_____)

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR A
PERMIT TO CONSTRUCT ELECTRICAL FACILITIES WITH VOLTAGES
BETWEEN 50 KV AND 200 KV:
EL CASCO SYSTEM PROJECT**

I.

INTRODUCTION

Pursuant to California Public Utilities Commission (Commission or CPUC), General Order 131D (GO 131D), Southern California Edison Company (SCE) respectfully submits this application (Application) for a permit to construct (PTC) authorizing SCE to construct the proposed project known as the El Casco System Project (Project) (formerly known as the Oak Valley System Project). The Project consists of (i) construction of a 220/115/12 kilovolt (kV) substation (El Casco Substation), associated 220 kV and 115 kV interconnections, and new 12 kV line getaways on an approximately 28 acre site located within the Norton Younglove Reserve in the County of Riverside; (ii) replacement of approximately 13 miles of existing single-circuit 115 kV subtransmission lines with new, higher capacity double-circuit 115 kV subtransmission lines and replacement of support structures within existing SCE rights-of-way in the Cities of Banning and Beaumont and unincorporated Riverside County; (iii) replacement of approximately 1.9 miles of existing single-circuit 115 kV subtransmission lines with new, higher capacity

single-circuit 115 kV subtransmission lines and replacement of support structures within existing SCE rights-of-way in the City of Beaumont and unincorporated Riverside County; (iv) replacement of approximately 0.5 miles of existing single-circuit 115 kV subtransmission lines with new, higher capacity single-circuit 115 kV subtransmission lines on existing support structures within existing SCE rights-of-way in the City of Beaumont and unincorporated Riverside County; (v) rebuilding of 115 kV switchracks within SCE's existing Zanja and Banning Substations in the Cities of Yucaipa and Banning, respectively; (vi) installation of microwave telecommunications equipment at the proposed El Casco Substation and at SCE's existing Mill Creek Communications Site; and (vii) installation of fiber optic cables within public streets and on or through existing overhead and underground structures and conduits between the Cities of Redlands and Banning.

II.

BACKGROUND AND SUMMARY OF REQUEST

Northern Riverside County's electrical needs are currently served from SCE's main electrical grid via the 220/115 kV Vista Substation and connecting transmission, subtransmission and distribution facilities (Vista System) and the 500/220/115 kV Devers Substation and connecting transmission, subtransmission and distribution facilities (Devers System). The Vista System serves approximately 150,000 metered customers and is bounded to the north by the San Bernardino National Forest, to the south and west by SCE's service territory, and to the east by the City of Banning's municipal utility service territory. The Vista 220/115 kV Substation provides electrical energy to fifteen 115 kV substations within the Vista System, which include: Maraschino, Mentone, Crafton Hills, and Zanja Substations. The Devers System serves approximately 160,000 metered customers and is bounded to the north, south, and east by SCE's service territory and to the west by the City of Banning's municipal utility service territory. The Devers 500/220/115 kV Substation provides electrical energy to twelve 115 kV substations within the Devers System, which include Banning Substation.

Maraschino Substation, located within the eastern portion of the Vista System, and Banning Substation, located within the western portion of the Devers System, have become heavily loaded due to the rapidly growing development in these areas. Projected peak demand in northern Riverside County will exceed the operating limits of the 220/115 kV transformers that currently serve the Vista System by 2008 and the 115/12 kV transformers at Maraschino Substation during Summer 2007.

Construction of the Project will ensure that safe and reliable electric service is available to meet customer electrical demand without overloading the existing electric facilities that supply northern Riverside County by: (1) providing load relief to the Vista and Devers Systems through the transfer of the Banning, Crafton Hills, Maraschino, Mentone, and Zanja Substations to the newly created El Casco System; (2) providing load relief to the 115/12 kV Maraschino Substation; and (3) allowing load transfers between the Devers, El Casco, and Vista Systems under both normal and abnormal conditions.

A Proponent's Environmental Assessment (PEA) prepared for the Project is attached to this Application. The PEA will be referenced in this Application, where appropriate, as the source of the information required in an Application for a PTC^{1/} pursuant to GO 131D, Section IX.B. A complete project description is located in Section 2 of the PEA. A statement of purpose and need is located in Section 1 of the PEA.

The Project is planned to be constructed in two phases (Phase 1 and Phase 2) from approximately June 2008 to June 2010, and would be operational in two phases. The first stage would be operational by June 2009 and includes the following elements:

- Construct the 115/12 kV portion of the new El Casco Substation ("El Casco B-Bank").

^{1/} Other required information for a PTC application (e.g., Balance Sheet, Articles of Incorporation, etc.) is contained in this Application or its appendices.

- Construct approximately 900 feet of new double-circuit 115 kV line to interconnect the El Casco Substation to an existing 115 kV subtransmission line.
- Install microwave telecommunications equipment at the El Casco Substation and the Mill Creek Communications Site.

The second stage would be operational by June 2010 and includes the following elements:

- Construct the 220/115 kV portion of the El Casco Substation ("El Casco A-Bank").
- Replace approximately 13 miles of existing single-circuit 115 kV subtransmission lines with new, higher capacity double-circuit 115 kV subtransmission lines and replace support structures.
- Replace approximately 1.9 miles of existing single-circuit 115 kV subtransmission lines with new, higher capacity single-circuit 115 kV subtransmission lines and replace support structures.
- Replace approximately 0.5 miles of existing single-circuit 115 kV subtransmission lines with new, higher capacity single-circuit 115 kV subtransmission lines on existing support structures.
- Rebuild 115 kV switchracks within Banning and Zanja Substations.
- Loop in fiber optic cables to the El Casco Substation.
- Install new fiber optic cables within public streets and on/within existing SCE structures between the Cities of Redlands and Banning.

A schedule for the Project is included in this Application as Appendix C.

The Project includes design features that would avoid and/or minimize potential environmental impacts arising from the Project. In addition, SCE has developed mitigation measures to reduce potential Project impacts to the greatest extent possible. These mitigation measures are discussed in Section 3 of the PEA.

Upon completion of its review of this Application and preparation of the initial study, SCE requests that the Commission issue and certify an appropriate environmental document and issue a PTC authorizing SCE to construct the Project set forth in this Application and the attached PEA within the timelines set forth in Section III.H. of this Application.

III.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. Applicant

The applicant is Southern California Edison Company, an electric public utility company organized and existing under the laws of the State of California. SCE's principal place of business is 2244 Walnut Grove Avenue, Post Office Box 800, Rosemead, California 91770. Please address correspondence or communications in regard to this Application to:

Linda Anabtawi
Attorney
Southern California Edison Company
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Rosemead, California 91770
Phone: (626) 302-6832
Fax: (626) 302-1926

With a copy to:

Case Administration
Southern California Edison Company
2244 Walnut Grove Avenue
Post Office Box 800
Rosemead, California 91770
Phone: (626) 302-3101
Fax: (626) 302-3119

B. Articles Of Incorporation

A copy of SCE's Restated Articles of Incorporation, as amended through June 1, 1993, and as presently in effect, certified by the California Secretary of State, was filed with the Commission on June 15, 1993, in connection with Application No. 93-06-022^{2/} and is incorporated herein by reference pursuant to Rule 16 of the Commission's Rules of Practice and Procedure.

C. Balance Sheet And Statement Of Income

Appendix A to this Application contains copies of SCE's balance sheet as of September 30, 2006, and the statement of income for the period ending September 30, 2006. The balance sheet reflects SCE's utility plant at original cost, less accumulated depreciation.

Since 1954, pursuant to Commission Decision No. 49665 dated February 16, 1954, in Application No. 33952, as modified by Decision No. 91799 in 1980, SCE has utilized straight-line remaining life depreciation for computing depreciation expense for accounting and ratemaking purposes in connection with its operations.

Pursuant to Commission Decision No. 59926, dated April 12, 1960, SCE uses accelerated depreciation for income tax purposes and "flows through" reductions in income tax to customers within the Commission's jurisdiction for property placed in service prior to 1981. Pursuant to Decision No. 93848 in OII-24, SCE uses the Accelerated Cost Recovery System (ACRS) for federal income tax purposes and "normalizes" reductions in income tax to customers for property placed in service after 1980 in compliance with the Economic Recovery Tax Act of 1981, and also in compliance with the Tax Reform Act of 1986. Pursuant to Decision No. 88-01-061, dated January 28, 1988, SCE uses a gross of tax interest rate in calculating the AFUDC Rate, and income tax normalization to account for the increased income tax expense occasioned by the Tax

^{2/} Application No. 93-06-022, filed June 15, 1993, regarding approval of a Self-Generation Deferral Agreement between Mobil Oil Corporation Torrance Refinery and Southern California Edison.

Reform Act of 1986 provisions requiring capitalization of interest during construction for income tax purposes.

D. Description of Southern California Edison Company

SCE is an investor-owned public utility engaged in the business of generating, transmitting, and distributing electric energy in portions of Central and Southern California. In addition to its properties in California, it owns, in some cases jointly with others, facilities in Nevada, Arizona, and New Mexico, its share of which produces power and energy for the use of its customers in California. In conducting such business, SCE operates an interconnected and integrated electric utility system.

E. Service Territory

SCE's service territory is located in fifteen counties in Central and Southern California, consisting of Fresno, Imperial, Inyo, Kern, Kings, Los Angeles, Madera, Mono, Orange, Riverside, San Bernardino, Santa Barbara, Tulare, Tuolumne,³ and Ventura Counties, and includes approximately 179 incorporated communities as well as outlying rural territories. A list of the counties and municipalities served by SCE is attached hereto as Appendix B. SCE also supplies electricity to certain customers for resale under tariffs filed with the Federal Energy Regulatory Commission.

F. Location Of Items Required In A Permit To Construct Pursuant To GO 131D, Section IX.B

Almost all of the information required to be included in a PTC application pursuant to GO 131D, Section IX.B is found in the PEA.

³ SCE provides electric service to a small number of customer accounts in Tuolumne County and is not subject to franchise requirements.

Required PTC application information has been cross-referenced to the PEA in the following text. The PTC application requirements of GO 131D, Section IX.B are in italics, and the PEA references follow in plain text.

- a. A description of the proposed power line or substation facilities, including the proposed power line route; proposed power line equipment, such as tower design and appearance, heights, conductor sizes, voltages, capacities, substations, switchyards, etc.; and a proposed schedule for authorization, construction, and commencement of operation of the facilities.*
- Descriptions of the Project are found in the Executive Summary, Section 1, Section 2, and throughout Section 3.
- The substation site is described and illustrated in Section 1, Subsection 1.5.3 and Figure 1-8. The alternative substation site is described and illustrated in Section 1, Subsection 1.5.4 and Figure 1-8. The 115 kV subtransmission line route and alternative are described and illustrated in Subsection 1.4.2 and Figures 1-5, 1-6, and 13.2-1 and throughout Section 3.0.
- Proposed modifications at Banning and Zanja Substations are described in Section 2, Subsections 2.4.2 and 2.4.3.
- The physical characteristics of the substation and equipment are described and illustrated in Section 2, Subsection 2.4.1 (including Figure 2-2). The physical characteristics of the 220 kV transmission line loop in, the 115 kV subtransmission line work, and the 12 kV distribution line getaways are described and illustrated in Section 2, Subsections 2.5 through 2.7 and Figures 2-1 and 2-2.
- The telecommunications improvements are described and illustrated in Section 2, Subsection 2.8 and Figures 2-3.1 through 2-3.4.
- The Project Schedule is attached to this Application as Appendix C.

- b. *A map of the proposed power line routing or substation location showing populated areas, parks, recreational areas, scenic areas, and existing electrical transmission or power lines within 300 feet of the proposed route or substation*
- Regional (Figure 1-1) and Project area (Figures 1-8 and 2-1) maps are provided in Section 1, Section 2, and throughout Section 3.
 - Maps of current land use including designation of parks, recreational and scenic areas are provided as Figures 3.9-2 through 3.9-5, 3.1-15, and 3.14-1.
 - A map of the power line route showing its proximity to existing electrical transmission and power lines is provided as Figures 1-8, 2-1, and 2-2, and throughout Section 3.
- c. *Reasons for adoption of the power line route or substation location selected, including comparison with alternative routes or locations, including the advantages and disadvantages of each.*
- Reasons for adoption of the proposed substation site are discussed in Subsections 1.5.3 and 1.5.4 and reasons for the adoption of the 115 kV subtransmission line route are discussed in Subsection 1.4.3.
- d. *A listing of the governmental agencies with which proposed power line route or substation location reviews have been undertaken, including a written agency response to applicant's written request for a brief position statement by that agency. In the absence of a written agency position statement, the utility may submit a statement of its understanding of the position of such agencies.*
- A written statement from the City of Banning, dated January 25, 2007, is attached to the PEA in Appendix E.
 - A written statement from the City of Beaumont, dated January 23, 2007, is attached to the PEA in Appendix E.
 - A written statement from the County of Riverside, dated January 30, 2007, is attached to the PEA in Appendix E.

- A written statement from the City of Yucaipa, dated January 22, 2007, is attached to the PEA in Appendix E.
- A written statement from the County of San Bernardino, dated January 23, 2007, is attached to the PEA in Appendix E.
- A letter notifying the Native American Heritage Commission (NAHC) of the Project was sent on April 20, 2006. The Commission responded on May 18, 2006, stating that a search of the Sacred Lands File failed to indicate the presence of Native American cultural resources in the immediate Project area. A list of Native American individuals and organizations who may have knowledge of cultural resources in the Project area was enclosed in the response from NAHC. SCE will contact these individuals and organizations if, during archaeological monitoring, human remains are encountered. Copies of SCE's letter to the NAHC and the NAHC's response letter are attached to the PEA in Appendix E.
- e. *A PEA or equivalent information on the environmental impact of the project in accordance with the provisions of CEQA and this Commission's Rules of Practice and Procedure 17.1 and 17.3. If a PEA is filed, it may include the data described in Items a. through d. above.*
- A PEA is included with this Application.

G. Compliance With GO 131D, Section X

GO 131D, Section X, requires applications for a PTC to describe measures taken to reduce potential exposure to electric and magnetic fields (EMF) generated by the proposed facilities. A complete description of EMF-related issues is contained in SCE's EMF Field Management Plan for this Project attached to this Application as Appendix F. Based on its evaluation of the proposed Project, SCE has concluded that magnetic fields will be reduced utilizing low- or no-cost measures, which include using taller poles; using a double-circuit pole-head configuration for the double circuit design and "triangular" type pole-head configuration for the single circuit design; phasing the proposed 115 kV subtransmission line with respect to the existing 115 kV subtransmission lines optimally; placing major substation electric equipment (such as transformers, capacitor banks, switchracks, etc) away from the substation property lines; and optimally phasing 220 kV transmission lines to into the proposed substation.

H. Compliance With Rule 2.1(c)

In compliance with Rule 2.1(c) of the Commission's Rules of Practice and Procedure (California Code of Regulations, Title 20), SCE is required to state in this Application "the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule." SCE proposes to categorize this Application as a rate setting proceeding. SCE anticipates that hearings will not be necessary. This proceeding involves the Commission's (i) environmental review of the proposed Project in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code § 21000 et seq.) and the Commission's GO 131D, and (ii) issuance of a PTC authorizing SCE to construct the Project

SCE suggests the following proposed schedule for this Application. The schedule assumes the Commission will approve the appropriate CEQA document for the Project at the first Commission Meeting following the expiration of the one year period following the Commission's acceptance of a complete application as required by Public Resources Code § 21100.2.

February 16, 2007	Application filed
March 19, 2007	Protests due; Application accepted as complete
March 2007	Initial Study issued
September 2007	Draft CEQA document (Negative Declaration, Mitigated Negative Declaration or EIR) issued for comment
December 2007	Draft decision issued
January 2008	Final Commission decision; Final CEQA document approved

I. Statutory Authority

This Application is made pursuant to the provisions of CEQA, GO 131D, the Commission's Rules of Practice and Procedure, and prior orders and resolutions of the Commission.

J. Public Notice

Pursuant to GO 131D, Section XI.A, notice of this Application shall be given: (1) to certain public agencies and legislative bodies; (2) to owners of property located on or within 300 feet of the Project area; (3) by advertisement in a newspaper or newspapers of general circulation; and (4) by posting a notice on-site and off-site at the Project location.

SCE has given, or will give, proper notice within the time limits prescribed in GO 131D. A copy of the Notice of Application for a Permit to Construct and a list of newspapers which will

publish the notice are contained in Appendix D. A copy of the Proof of Service for the Notice of Application for a Permit to Construct and a service list are contained in Appendix E.

K. Supporting Appendices And Attachment

Appendices A through E and the PEA are made a part of this Application as listed below:

- Appendix A: Balance Sheet and Statement of Income as of September 30, 2006.
- Appendix B: List of Counties and Municipalities served by SCE.
- Appendix C: El Casco System Project Schedule.
- Appendix D: Notice of Application for a Permit to Construct.
- Appendix E: Proof of Service of Notice of Application for a Permit to Construct.
- Appendix F: EMF Field Management Plan.
- Proponent's Environmental Assessment: El Casco System Project

L. Compliance With Rule 2.5

In accordance with Rule 2.5 of the Commission's Rules of Practice and Procedure, SCE is enclosing a deposit to be applied to the costs the Commission incurs to prepare a negative declaration or an environmental impact report for this Project.

M. Request For Ex Parte Relief

SCE requests that the relief requested in this Application be provided ex parte as provided for in GO 131D, Section IX.B.6.

N. Request For Timely Relief

SCE requests the Commission to issue a decision within the time limits prescribed by Government Code Section 65920 et seq. (the Permit Streamlining Act) as provided for in GO 131D, Section IX.B.6.

Moreover, as also addressed in Section IX.B.6 of GO 131D, SCE requests that the Commission refrain from assigning an ALJ to this proceeding, unless a valid protest is received by the Commission, and in the absence of any valid protests allow the Energy Division to process this Application.^{4/}

^{4/} D.95-08-038, Appendix A, p. 25.

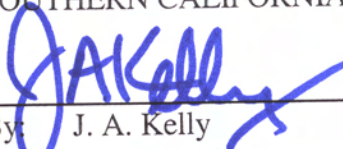
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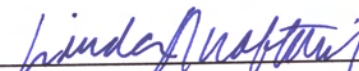
CONCLUSION

SCE respectfully requests the Commission to issue a PTC authorizing SCE to construct the El Casco System Project described in this Application and the attached PEA. SCE further requests that the relief be provided ex parte and within the time limits prescribed by the Permit Streamlining Act.

Respectfully submitted,

SOUTHERN CALIFORNIA EDISON COMPANY


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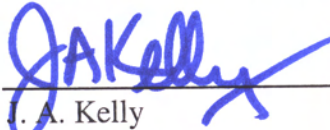
Dated: February 16, 2007

VERIFICATION

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 16th day of February, 2007, at Rosemead, California.



J. A. Kelly

Vice President

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