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Media Contact: [Media Relations](#), (626) 302-2255

Tehachapi Project Testimony Estimates Undergrounding Could Cost \$XXX

ROSEMEAD, Calif., Feb. 28, 2013 — Southern California Edison (SCE) estimates that if a critical portion of high-voltage transmission lines in Chino Hills are built underground, the costs could be as much as **\$XXX**, which is **\$XXX** more than the \$172 million estimated cost of the approved overhead route.

SCE submitted its testimony today with the California Public Utilities Commission in response to the commission's request for additional information about undergrounding as it reconsiders whether to change the previously approved overhead option to an underground option for a 3.5-mile portion of the Tehachapi Renewable Transmission Project in Chino Hills.

The Tehachapi project will play a critical role in California's progress towards its aggressive renewable electricity goals, currently at 33 percent. A requirement that high-voltage transmission lines be placed underground in Chino Hills, with the additional costs spread across all customer groups, will significantly impact SCE's customers.

(Following copy will be revised if CPUC does not vote or does not vote to approve) The California Public Utilities Commission also approved today SCE's recovery of costs associated with pre-construction activities necessary to support the timely completion of segment 8A in Chino Hills if undergrounding is ordered. The decision supports the goal of beginning commercial operation of the Tehachapi project in late 2015 or early 2016.

SCE's testimony today provided the commission with technical information about underground options that would ultimately match the capacity of the approved overhead project in Chino Hills. Today's filing follows testimony submitted by the company in 2012, which described transmission planning and construction implications required to complete undergrounding of segment 8A in Chino Hills.

In 2009, the commission, after a thorough evaluation focusing largely on concerns about the project's use of the existing right-of-way in Chino Hills, decided that the Tehachapi project route through Chino Hills was in the best interest of California. SCE supports the commission's original finding and should be able to rely on that decision to construct the transmission necessary to connect critical renewable generation to California's transmission grid.