

RESOLUTION NUMBER R-274786

ADOPTED ON NOVEMBER 30, 1989

A RESOLUTION OF THE CITY COUNCIL EXPRESSING ITS FORMAL OPPOSITION TO THE PROPOSED MERGER OF SAN DIEGO GAS & ELECTRIC COMPANY WITH AND INTO SOUTHERN CALIFORNIA EDISON COMPANY AND REQUESTING THE CITY ATTORNEY TO TAKE THE NECESSARY ACTION TO OPPOSE THE PROPOSED MERGER BEFORE THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND THE FEDERAL ENERGY REGULATORY COMMISSION AND TO STRICTLY ENFORCE THE TERMS OF THE FRANCHISES HERETOFORE GRANTED TO SAN DIEGO GAS & ELECTRIC COMPANY.

WHEREAS, San Diego Gas & Electric Company ("SDG&E") and Southern California Edison Company ("SCE") announced November 30, 1988 their agreement and intention to merge SDG&E with and into SCE, and subsequently applied to the Federal Energy Regulatory Commission and the California Public Utilities Commission for permission to do so; and

WHEREAS, The City of San Diego has granted certain gas, electric and steam franchises to SDG&E by Ordinance No. 10466 (New Series); Ordinance No. 10465 (New Series); and Ordinance No. 11342 (New Series); and

WHEREAS, in the opinion of the City Attorney the franchise ordinances referred to above require City Council approval of this proposed merger; and

WHEREAS, SDG&E and SCE have publicly indicated their disagreement with the aforementioned City Attorney opinion, and

they have not applied to the City Council for approval of a transfer of the franchises; and

WHEREAS, the Committee of the Whole of the City Council held open meetings on September 14, October 12, October 18, November 2, November 15 and November 30, 1989, to consider oral and written information regarding the proposed merger; and

WHEREAS, certain prepared testimony submitted to the Federal Energy Regulatory Commission and the California Public Utilities Commission was by incorporation entered into the record of the Committee of the Whole meetings; and

WHEREAS, the Committee of the Whole has considered the written and oral information contained in the record of the meetings; and

WHEREAS, there has been credible testimony that:

1. The environmentally adverse consequences of the proposed merger have yet to be completely examined and reported upon;
2. Rate reductions promised by SCE and SDG&E as a result of the proposed merger will not occur;
3. There may be a negative impact on the City's bond rating caused by the potential loss of nontaxable status for the Industrial Development Bonds issued by the City on behalf of SDG&E;
4. San Diego's future energy needs will be provided by a corporation headquartered in a remote city if the proposed merger is consummated;

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5. There will be a loss of San Diego-based jobs within the proposed new corporation because of the proposed merger;

6. There will be a loss of business given to local vendors because of the proposed merger;

7. There are unresolved questions about the purchase of power by SCE from its own subsidiary, Mission Energy, and the effect that noncompetitive purchasing and pricing may eventually have on consumer rates because of the proposed merger;

8. The proposed merger will be anticompetitive and may violate the antitrust laws of the United States; and

WHEREAS, this Council finds that the proposed merger is not in the best interests of the citizens, taxpayers and ratepayers of the City of San Diego; NOW, THEREFORE,

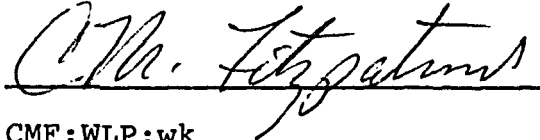
BE IT HEREBY RESOLVED, by the Council of The City of San Diego, as follows:

1. That this City Council does hereby formally record its opposition to the proposed merger of San Diego Gas & Electric Company into Southern California Edison Company and the City Attorney is hereby requested to express such opposition to the appropriate state and federal regulatory, judicial and legislative bodies and to represent the City accordingly in the proceedings before the California Public Utilities Commission and the Federal Energy Regulatory Commission;

2. That the City Attorney is requested to take the appropriate legal action to fully determine the City's rights

under the SDG&E franchises and enforce the provisions of the franchise ordinances in accordance with their terms and this resolution.

APPROVED: John W. Witt, City Attorney



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Passed and adopted by the Council of The City of San Diego on....., by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Wes Pratt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Bruce Henderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR  
Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR  
City Clerk of The City of San Diego, California.

By *Ellen Roward*, Deputy.

Office of the City Clerk, San Diego, California

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