

/hjh

Decision No. 76961

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY for an order authorizing it to carry out the terms of a special electric extension and service agreement with Dorado Estates, Incorporated for its Wild Horse Mesa Recreation Development west of Red Bluff.  
(Electric)

APPLICATION NO. 51625  
(Filed January 14, 1970)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) requests Commission authorization to carry out the terms of a special electric extension and service agreement dated November 5, 1969 with the Dorado Estates, Incorporated (Dorado) in which Pacific agrees to extend its electric distribution facilities to furnish electric service to Dorado's Wild Horse Mesa recreation development west of Red Bluff. A copy of the agreement is attached to the application marked Exhibit A.

The application is made pursuant to Section 532 of the Public Utilities Code, Section X of General Order No. 96-A and Section E-7, Exceptional Cases, of Pacific's Electric Rule 15.

Pacific states that to provide this electric service, it will be necessary to furnish and install an extension consisting of a pole line approximately 15,757 feet in length, plus transformers, meters, service wires, and other miscellaneous equipment at an estimated cost to Pacific of approximately \$35,058.

Pacific will construct the line extension to a primary metering point and Dorado Estates will construct facilities inside trailer subdivision.

Dorado agrees to pay Pacific for all energy which shall be required for operation of the recreation development, in accordance with Pacific's General Service Schedule No. A-6, polyphase service, or any other applicable rate schedule as shall be established from time to time.

Pacific estimates that it will receive an annual gross revenue of \$2,393 from this sale of electric energy to Dorado.

The application states the line extension to Dorado's recreation development will be located in a remote area where there is little prospect of additional customers being served. Because of this fact and the high cost-to-revenue-ratio of approximately 15 to 1, Pacific believes it reasonable to invoke Section E-7, Exceptional Cases, of its Electric Rule 15 to protect it against inequitable expenditures for the extension.

In accordance with the agreement, Dorado agrees to pay an advance to Pacific of \$23,093, which is the difference between the estimated cost of furnishing and installing the facilities and five times the amount of the estimated annual gross revenue from the sale of the electric energy to Dorado at this location. This sum is subject to refund without interest, as provided in the agreement.

Dorado also agrees to pay Pacific a monthly cost of ownership charge of \$173.20 commencing with the date Pacific is ready to supply service from the facilities and continuing for a period of ten years, which monthly cost of ownership charge is 3/4 percent of the \$23,093 advanced, and is subject to reduction as refunds are made, as provided in the agreement.

Subject to Commission authorization, the terms of the agreement shall commence on the date thereof (November 5, 1969) and shall continue for an initial term of ten years from and after either

- (a) the date service is first established thereunder, or
- (b) six months subsequent to the date Pacific is ready to supply

service from the facilities, whichever date is earlier, and thereafter for successive terms of one year each until terminated by either party as provided in the agreement.

The agreement provides that it shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, direct in the exercise of its jurisdiction.

Pacific is placed on notice that if it should appear in a future proceeding that the revenue derived from this agreement is not compensatory, such revenue inadequacy is not to be imposed on Pacific's other electric customers.

The Commission finds that the proposed agreement is not adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to carry out the terms and conditions of the written agreement dated November 5, 1969 with Dorado Estates, Incorporated, a copy of which is attached to the application as Exhibit A.

2. Applicant shall file with this Commission within thirty days after the effective date of this order, four certified copies of the agreement as executed, together with a statement of the date on which said agreement is deemed to have become effective.

3. Applicant shall notify the Commission, in writing, of the date of termination of the agreement within thirty days after date of termination.

4. Applicant shall file with this Commission within thirty days after the effective date of this order and in conformity with

General Order No. 96-A, the summary required by that general order, listing all contracts and deviations, including the agreement herein authorized. Such list shall become effective upon statutory notice (30 days) to the Commission and to the public after filing as hereinabove provided.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 17<sup>th</sup> day of MARCH, 1970.

William Sproull, Jr.  
President

August

Richard J.

Sam

Leon L. Steyer  
Commissioners