

Decision No. S0100**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 HERITAGE RANCH AND CATTLE COMPANY,  
 a corporation, for exception to  
 Rule 15.1 of Pacific Gas & Electric  
 Company regarding undergrounding  
 electric lines in San Luis Obispo  
 County.

Application No. 53186  
 (Filed March 2, 1972;  
 Amended April 3, 1972)

Adams, Duque & Hazeltine, by Charles Griffin  
 Cale, Attorney at Law, for Heritage Ranch  
 and Cattle Company, applicant.  
 John C. Morrissey, Malcolm H. Furbush and  
J. Bradley Bunnin, Attorneys at Law, for  
 Pacific Gas and Electric Company, interested  
 party.  
Timothy E. Treacy, Attorney at Law, for the  
 Commission staff.

OPINION AND ORDER

Applicant requests permission for Pacific Gas and Electric Company (PG&E) to deviate from its filed Rule 15.1 in certain areas of applicant's planned 9,350 acre development in San Luis Obispo County.

Public hearing was held at San Francisco on April 3, 1972 before Examiner Gillanders. Evidence was adduced from applicant and PG&E. The matter was submitted on April 13, 1972 upon receipt of briefs filed by applicant and by the staff.

Applicant's Request

The subject of the application in this matter is an overall development of some 9,350 acres which will include a number of separate subdivisions developed over a six-year period. The project is to be developed for recreational use and retirement homes. There is provision for private residences, condominium developments, mobile home and recreational vehicle use and commercial developments.

Pursuant to the provisions of Rule 15.1 (or Rule 15.2 if it should be applicable) and county requirements, all distribution systems within the various subdivisions will be installed underground. However, applicant requests that the portions of the distribution facilities between the various subdivisions and, specifically, that portion which will be used to serve a development of 20-acre parcels and two extensions to a water well and sewage treatment facility be exempted from the mandatory underground requirements of Rule 15.1. The basis for this request is that such overhead facilities would not be generally visible to the public and undergrounding is hence unwarranted in view of the excess cost.

Applicant's Testimony

Applicant gave a very rough estimate of \$400,000 as the excess cost of undergrounding the facilities for which it seeks an exemption. This estimate was developed by applying unit cost figures to an estimated lineal footage. However, no specific plan indicating the development of the estimated footage was available. Furthermore, applicant admitted that this footage estimate did not take into consideration PG&E's existing overhead lines within the development from which PG&E plans to provide service.

Applicant's project is a multi-million dollar development. Applicant will install roads and a water and sewer system as well as providing an electric distribution system. Rough cost estimates of the water, sewer and electric systems are in the neighborhood of \$3,000,000 each.

Applicant's Argument

As indicated in the application and established by the testimony of PG&E's witness, PG&E adheres to the position that the extensions to which the application makes reference are required by Rule 15.1 to be underground, unless an exception is granted by the Commission. Applicant suggests, however, that nothing contained in that Rule, in Decision No. 76394 or Decision No. 77187, or in any other applicable decision, order or ruling compels the determination that Rule 15.1 requires the line extensions here in question to be placed underground.

Specifically, Rule 15.1 which is entitled "Underground Extensions Within New Residential Subdivisions and Residential Developments" does require that extensions within new subdivisions and developments must be underground in accordance with the Rule, other than as exempted by special ruling of the Commission. The facts adduced at the hearing indicated that the line extensions in issue are not extensions within any subdivision or development as those terms are defined in the introductory provisions of the Rule, or as defined by any other applicable California authority. Nor, according to applicant, is the Ranch as a whole within the definition of subdivision or development and thus subject in its entirety to the imposition of Rule 15.1's undergrounding requirement. In this connection, it is clear that the Ranch is a ranch within which there will be a series of subdivisions; and the testimony of Heritage's president also established that the Ranch is composed of more than 20 parcels and thus cannot be categorized as a development as defined in Rule 15.1.

PG&E's Position

From considerable colloquy at the hearing, it was firmly established that with respect to the line extensions in question, PG&E relies upon Rule 15.1 alone as the basis for requiring undergrounding of the subject line extension.

Staff's Argument

After lengthy statewide hearings and various decisions (D.76394 in C.8209, 11-4-69; D.77187 in C.8993, 5-5-70; and D.78294 in C.8993, 2-9-71), the Commission has determined that all electric communications lines to serve new residential subdivisions be installed underground. Individuals, developers and other interested parties fully participated in these hearings, the decisions are final, and the mandatory requirements should not be lightly disregarded, or exceptions granted without a showing of good cause therefor. The staff argues that applicant has not demonstrated any grounds for an exception to the mandatory requirements of PG&E's Rule 15.1, the applicable rule under which an electric extension would be made to the property in question.

The staff believes that this application is premature. An assessment of applicant's claim of excess cost of undergrounding can only be made if specific estimates of overhead and underground are available. Applicant bears the burden of providing such estimates. Applicant has neither developed its own precise figures, nor obtained from PG&E estimates of overhead and underground costs for the distribution lines for which exemptions from undergrounding are sought. Indeed, the distribution systems have not been designed as yet.

Exhibit 9 is the general plan for the development of the Nacimiento/San Antonio areas in which applicant's project lies. This plan has been adopted by the affected counties and other local agencies. It recommends: "In general, electrical distribution utilities should be underground." It also recommends; "Give all roads scenic treatment." The evidence discloses that Lake Nacimiento Drive, the principal road through applicant's project, has been designated a scenic highway by the responsible local agency, one of the few so designated in California.

In spite of the foregoing, PG&E plans to provide service to applicant from an existing overhead 12 kv line and, indeed, expand its capacity to provide additional service. This overhead line runs the north-south length of applicant's development, as well as east-west for a portion thereof. It is visible from Lake Nacimiento Drive at the north end of applicant's development and runs along the same road at the south end of the development.

The existence and use of this overhead line, not to mention its expansion for greater capacity, is contrary to the spirit of the aesthetic and environmental considerations underlying the development of this area, if not to the letter of Rule 15.1.

According to the staff, PG&E should be ordered to remove and underground this line as well as undergrounding all distribution lines in applicant's development in conformity with the County of San Luis Obispo's plan that all distribution lines in this area be underground, as set forth in Exhibit 9, page 25. The basis for such an order is found in PG&E Rule 15.D 1.a., as adopted in Decision No. 78500 in Case No. 8993 dated March 3, 1971, and is certainly within the spirit of this Commission's policy regarding undergrounding as set forth in the various decisions in Cases Nos. 8209 and 8993.

A less satisfactory alternative would be an order that PG&E give the highest priority to undergrounding the 12 kv overhead lines, working with the County of San Luis Obispo, if necessary, to utilize Rule 20 conversion funds. In the meanwhile, PG&E should be ordered not to expand the capacity of these lines in any manner to serve any portion of applicant's development, or any individual customer therein, pending the undergrounding of such 12 kv lines.

#### Findings

1. The subject of this application is a development of some 9,350 acres which will include in excess of five separate subdivisions and related facilities developed on a coordinated basis over a six-year period.
2. The mandatory underground provisions of PG&E's Electric Rule 15.1 are applicable to all electric extensions in this development whether the overall development is treated as one development or as a series of subdivisions or developments, since Rule 15.1 requires that extensions within new subdivisions and developments must be underground and Rule 15.1 B (3) provides that those portions of an extension to a subdivision or development from PG&E's existing supply facilities outside the boundaries of the subdivision or development will be placed underground in accordance with PG&E Electric Rule 15.

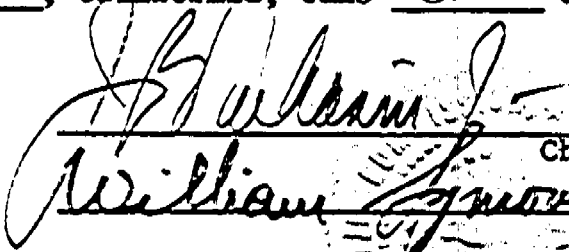
3. No specific estimates of underground or overhead costs for electric distribution systems in the development were presented by applicant. Applicant has not obtained such estimates from PG&E and the electric distribution system for the development has not as yet been designed.

Conclusion

The Commission concludes that the application is therefore premature in seeking relief from the mandatory undergrounding requirements of Rule 15.1 and should be dismissed.

IT IS HEREBY ORDERED that Application No. 53186 is dismissed.

Dated at San Francisco, California, this 31<sup>st</sup> day  
of MAY 4, 1972.

  
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Chairman

  
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Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.