

Decision No. 80666

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of M. R. S. ENTERPRISES,  
a partnership, for a deviation from  
the mandatory undergrounding require-  
ments of Rule 15.1 for fifteen  
twenty-acre parcels of land above  
Forest Ranch, on State Highway No. 32,  
approximately 18 miles North East of  
Chico, Butte County, California.

Application No. 53283  
(Filed April 21, 1972)

Mario Bertone, for applicant.  
Daniel E. Gibson, Attorney at Law, for  
Pacific Gas and Electric Company,  
interested party.  
James J. Cherry, Attorney at Law, and  
E. R. Davidson, for the Commission staff.

O P I N I O N

Applicant M. R. S. Enterprises, a partnership, seeks exemption from the mandatory undergrounding provisions of the line extension rules of Pacific Gas and Electric Company (PG&E) or, if that is not granted, an extension of time to enter into an agreement with PG&E for overhead line extensions.

Public hearing was held before Examiner Catey at Oroville on August 29, 1972. One of applicant's partners testified on behalf of applicant. An engineer for PG&E testified regarding a description of the area and presented alternative costs and methods of construction of overhead and underground line extensions to serve applicant's subdivision. Notice of hearing had been sent to officials of Butte County but the County did not take any position on this application. The application was submitted after closing statements by counsel for applicant, PG&E and the Commission staff. The transcript has been filed and the matter is ready for decision.

Decision No. 77187, dated May 5, 1970, in Case No. 8993, required electric and communication utilities to revise their overhead line extension rules to make them inapplicable to new residential subdivisions.

Applicant's subdivision is a 310-acre tract known as Forest Ranch Pines,<sup>1/</sup> consisting of fifteen 20-acre lots. It is located adjacent to Highway 32, about 18 miles northeast of Chico, in Butte County. The terrain is gently sloping to moderately steep and is heavily covered with pine trees and other foliage. There are some lava rock outcrops along the roadways in the tract. Some lot purchasers may split their 20-acre parcels into smaller lots, none of which will be smaller than 2-1/2 acres.

Applicant does not plan to provide water, sewer or gas lines. Each lot purchaser will develop his own private well and install a septic tank with leach lines. Roads within the subdivision are private. No provision has been made for paving the roads.

Electric service to serve Forest Ranch Pines would be extended from overhead lines along Highway 32 adjacent to the subdivision. Heavy tree cover would shield an overhead extension from view along any public roads except for the short distance from existing overhead lines to the beginning of the heavily wooded subdivision.

The "Final Subdivision Public Report" (Exhibit No. 6) issued by the Department of Real Estate shows that Forest Ranch Pines is not a subdivision under County jurisdiction and thus does not require County approval of such features as lot design, drainage and roads. Forest Ranch Pines does, however, fall within the definition of a "subdivision" in PG&E tariffs, in that a map showing the fifteen 20-acre parcels was filed with, and approved by, the Butte County Planning Commission.

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<sup>1/</sup> "Forest Ranch Pines" is the name shown on the Final Subdivision Public Report. The tract also has been referred to as "Forest Pine Estates".

Exhibit No. 6 confirms applicant's allegations that potential lot purchasers have been placed on notice that it is not the responsibility of the developer to provide such amenities as paved roads, a centralized sewage disposal system or water system, or electric and telephone service. It thus appears that applicant is involved in this proceeding only to the extent that it wishes to assist lot purchasers in obtaining electric service. None of the nine individuals who have already purchased lots, nor any potential purchasers of the six unsold lots participated in this proceeding. This does not, however, preclude consideration of the relief requested by applicant on behalf of the present and future lot owners.

If most or all of the lot purchasers planned to build homes in the near future, it might be economically feasible for them to pool their resources and finance a complete underground electric distribution system. PG&E estimates that an advance of about \$3,000 per 20-acre lot would be required, exclusive of cost of service lines, if "plough-in" techniques rather than trenching can be utilized. Although this is a large sum per lot, it might not result in an unreasonable percentage increase in the combined cost of lot, water well, septic tank and house, especially when refunds are made to the group of lot owners as bona fide customers are served, pursuant to PG&E's tariffs.

Inasmuch as most of the lot purchasers apparently do not plan to build homes soon, portions of the distribution system will not be needed for many years. High "set-up" costs for the plough-in technique make short piecemeal extensions uneconomic. If conventional trenching methods must be used, this would increase the average unit cost per lot by at least 50 percent and possibly much more. Further, unless homes happen to be built in a sequence starting with lots nearest the existing power lines, an individual applicant for an incremental extension might be required to advance the cost of lines extending past several vacant lots. Applicant contends that, under these circumstances, the lot purchasers will be forced to forego electric utility service and install individual gasoline-powered generators with attendant noise and exhaust emissions.

Under the circumstances described herein, granting exemption from the mandatory undergrounding would not, in itself, necessarily avoid the individual electric generators. Even with the lower cost of about two dollars per foot of overhead extension, if the most remote lot were served first, an advance of almost \$30,000 would be required to obtain electric utility service. This far exceeds the purchase price of any of the lots.

The situation is not as hopeless as the foregoing paragraphs might indicate. The alternative relief requested by applicant, if total exemption from undergrounding is not granted, is an extension of time to enter into a master plan agreement with PG&E for the orderly installation of overhead distribution lines. Applicant is willing to contact the owners of the nine lots that have been sold and determine if they, along with applicant as owner of the six unsold lots, could obtain cash advances or commitments therefor which would support the overall cost of overhead lines to all lots. With the greater flexibility of installation of overhead lines, they would be installed in increments as needed, but in such manner and location as to fit the master plan. Applicant's general partner who testified at the hearing stated that he was very confident that he would be able to make such arrangements.

The extension of time requested as an alternative form of relief is very similar to the request granted by Decision No. 80017, dated May 2, 1972, in Application No. 53251, in that:

1. A map had been filed with local authorities prior to the May 5, 1970 deadline for an automatic exemption from undergrounding requirements.
2. If an overhead line extension agreement had been entered into prior to May 5, 1972, no Commission authorization would have been required.
3. The application for an extension of time was filed prior to the May 5, 1972 deadline for entering into an agreement, but the details of the agreement had not yet been worked out.

A master plan for overhead extensions to the fifteen lots would be preferable to no plan at all. If, however, applicant is unable to make the necessary financial arrangements with other lot owners within a reasonable time, the entire application should be denied. Both the mandatory undergrounding rule and the techniques used in undergrounding are relatively new. By the time one of the individual lot owners needs electric service, there could be modifications in either the rule or the technology which we may wish to consider in the absence of a reasonable master plan.

The Commission finds that:

1. Prohibiting overhead electric line extensions in Forest Ranch Pines would probably force the installation of individual engine-driven generators by some owners of the fifteen 20-acre lots in the subdivision.
2. Excluding Forest Ranch Pines from the mandatory undergrounding provisions of PG&E's tariffs without making provision for the financing of overhead line extensions in an orderly manner will not necessarily avoid the economic necessity for individual engine-driven generators.
3. Granting an extension of time for applicant to enter into a master plan overhead line extension agreement with PG&E would permit the utility, rather than the individual lot owners, to provide electric service.

The Commission concludes that applicant's request for complete exemption from the mandatory undergrounding provisions of PG&E's tariffs should be denied but that the extension of time requested as alternative relief should be granted.

O R D E R

IT IS ORDERED that:

1. The May 5, 1972 deadline in Rule 15 of Pacific Gas and Electric Company (PG&E) for entering into an overhead line extension agreement is extended to December 31, 1972 insofar as it relates to Forest Ranch Pines, in Butte County.

2. Late-filed Exhibit No. 7 is reserved for a copy of the overhead line extension agreement to be negotiated pursuant to the foregoing paragraph 1. The exhibit shall be filed jointly by applicant M. R. S. Enterprises and PG&E on or before January 12, 1973.

3. Except for the extension of time hereinabove authorized, Application No. 53283 is denied.

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

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

Vernon L. Sturgeon  
President  
William L. Sturgeon  
William L. Sturgeon  
William L. Sturgeon  
William L. Sturgeon  
Commissioners

*I dissent.*

Thom Moran Commissioner