

Decision No. 85832

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JESUS NAME APOSTOLIC TEMPLE OF TRUTH
RANCH, INC.,

Complainant,

vs.

PACIFIC GAS AND ELECTRIC COMPANY,
a corporation,

Defendant.

Case No. 10000
(Filed November 7, 1975)

Reverend Vernon V. Robinson, for
complainant.

Malcolm Furbush and Kathy Graham, for
Pacific Gas and Electric Company,
defendant.

O P I N I O N

The Jesus Name Apostolic Temple of Truth Ranch, Inc.
(complainant) seeks an order requiring the Pacific Gas and Electric
Company (PG&E) to furnish a more "desirable" cost figure for a service
line extension to its ranch in Solano County.

Copies of the complaint, answer, and notice of hearing were
served in accordance with the Commission's Rules of Practice and
Procedure. Hearing was held at San Francisco on March 10, 1976 at
which time the matter was submitted.

Complainant is a religious corporation operating its ranch in Solano County for the benefit of children and the elderly of Richmond. The complaint alleges that \$16,934 quoted by PG&E for an 8,150-foot line extension is out of reason, that complainant's group has helped pay for extension of lines for others for the past thirty years and that because of the cost for any extension the line extension should not be owned by PG&E. The complaint prays for a "more desirable" cost figure or in the alternative have PG&E donate its costs to complainant.

In its answer PG&E admits to having quoted \$16,934 as the approximate cost; that in December 1974 a procedure enabling complainant to obtain electric service under the Exceptional Cases Section (E.7) of Electric Rule 15 had been applied with Commission approval to similar extensions; that a \$7,942 cost of ownership fund is necessary to support the continuing cost of operating and maintaining the extension after construction; that the estimated annual revenue of \$1,500 does not cover the estimated cost of ownership; that complainant improperly applied Section E.7 of Electric Rule 15 and that the complaint is fatally defective with respect to the fundamental requirement of Rule 9 of the Commission's Rules of Practice and Procedure - fails to state "...any act or thing done or omitted to be done by any public utility, ...in violation, or claimed to be in violation, of any provision of law or of any order or rule of the Commission."; and prays that the complaint be dismissed.

At the hearing Reverend Vernon V. Robinson testified on behalf of complainant. Reverend Robinson's testimony was substantially as alleged in the complaint, that the estimates of PG&E were too high and unrealistic. In addition he stated that the extension could be paid for from defendant's advertising budget since it is a monopoly and advertising expenditures were unnecessary.

PG&E's Supervisor of Customer Services in the Commercial Department of Commercial Operations testified for PG&E. He stated that when a request for an excessively long line extension to provide electric service is received, a preliminary survey is made to find the estimated length and cost and thereby determine whether the capital and fixed annual costs could be supported by the estimated new revenue. Preliminary estimates in this case showed that it would require approximately 8,150 feet of line at a cost of approximately \$18,000. He stated that if PG&E were to construct the 8,150 feet at its own expense, its fixed annual costs of ownership would be approximately 21 percent of the \$18,000 construction cost, or \$3,780. On the basis of the electrical load indicated by complainant the annual revenue would be \$1,500 or \$2,280 less than the fixed annual costs of ownership.

Mr. Crews also testified that PG&E offered complainant service under Section B.1 of its Rule 15 (Exhibit 1). Based on the load that complainant indicated would be installed, this section would authorize a free footage allowance of 5,025 feet. The complainant would be required to advance \$6,406.25 to cover the 3,125 feet of excess extension beyond the free footage allowance.^{1/} If PG&E were to construct the extension under these provisions of Rule 15, the utility's initial investment would be approximately \$11,500 (\$18,000 construction cost less \$6,406.25 advance). The fixed annual costs of ownership would be \$3,195 or \$1,695 in excess of the estimated gross revenue.

^{1/} Section B.3.a.(1) provides that line extensions of greater length than the extension will be made provided the applicant for service advances to the utility \$2.05 for each foot of line in excess of the free length.

PG&E also offered to provide service under the exceptional cases section of Rule 15 (E.7). It was pointed out that this procedure was established in 1974 and has been used by other applicants requesting excessively long line extensions. Under this type of proposal an agreement is negotiated to avoid extension costs being disproportionate to the revenue involved. PG&E proposed to contribute six (6) times the estimated annual revenue or \$9,000 with the balance of the construction cost advanced by complainant. The complainant would also advance approximately \$8,000 as a cost of ownership fund. The cost of ownership fund would cover PG&E's continuing costs of owning and maintaining the facilities which would not be supported from revenue for a period of 10 years after which PG&E would assume all ownership costs in excess of revenue.

Mr. Crews sponsored Exhibit 2 as illustrative of the types of contracts entered into with customers seeking excessively long extensions.

PG&E's Tariff Rule 15 governs line extensions. Prior to 1974 when a request for an excessively long extension was received, it was PG&E's policy to advise the customer that it would not be economically feasible to provide service at all and that the extension would be postponed until such time that the area developed to the point where the extension could be supported by new revenue. In order to establish a means whereby persons who wish electric service but are beyond the free footage allowance specified in Section B of Rule 15, PG&E by Advice Letter No. 462-E amended Rule 15 to provide that overhead line extensions of greater length than the free extension will be made provided that the applicant advance the utility \$2.05 for each foot in excess of the free footage length. (Revised Cal. PUC Sheet No. 5788E.)

PG&E's tariffs do not require it to provide service at its expense to all customers in its service area. The record herein is clear that PG&E has consistently applied its extension rule so as to receive the estimated cost of providing the service. To require that PG&E provide service to complainant at its expense would, in our opinion, be discriminatory.

The complaint on its face shows that PG&E has acted in compliance with its tariff rule. Therefore the relief requested must be denied.

Findings

1. It would require approximately 8,150 feet of line at a cost of approximately \$18,000 to serve complainant.
2. The fixed annual cost to PG&E of this line, if constructed at PG&E's expense, would be about \$3,780.
3. The estimated annual revenue from complainant is about \$1,500.
4. PG&E has offered to construct the line if complainant would either pay a free footage allowance or provide an ownership fund and advance some costs.
5. PG&E's proposals under its Rule 15 are reasonable.
6. It would be a burden on other ratepayers and discriminatory for PG&E to contribute plant to complainant's uneconomic line extension.

The Commission concludes that the relief requested should be denied.

O R D E R

IT IS ORDERED that the relief requested is denied.

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

Dated at San Francisco, California, this 18th
day of MAY, 1976.

William Agnew Jr. President
Richard L. Stanger
Alon
Robert Bateman Commissioners