

Decision No. 86127

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PLUMAS-EUREKA ESTATES,  
a limited partnership,

Complainant,

v.

PLUMAS-SIERRA RURAL  
ELECTRIC COOPERATIVE,  
INC., a corporation,

Defendant.

Case No. 10036  
(Filed January 19, 1976;  
amended May 3, 1976)

Warren A. Palmer, Attorney at Law, for complainant.  
Martin McDonough, Attorney at Law, for defendant.

INTERIM OPINION

This complaint involves a dispute concerning the application of defendant's electric line extension rule to a real estate subdivision in Plumas County, known as Plumas-Eureka Estates. The amount in dispute is substantial, involving over \$100,000.

Defendant installed electric distribution lines in easements which bisect the rear of back-to-back lots (trench footage). In 1974 a dispute arose between complainant and defendant as to whether trench footage or front footage (as defined in defendant's Advance for Construction Rule 15) should be the measure of the advances. "Front footage" in paragraph C.1 of defendant's Rule 15.1 is stated to be "the total footage of property fronting on streets within the subdivision." The amount of advances required because of the difference in interpretation is \$7,228.77.

In addition, in new Unit No. 2 defendant demands \$27,599.17 in refundable advances before installing electric distribution lines and an advance of approximately \$100,000 to finance the cost of a 69 kv overhead transmission line and substation. Complainant asserts that all these demands are unlawful and that complainant should be required to advance not more than \$27,599.17, depending on the interpretation of "front footage" in defendant's Rule 15. Defendant refuses to go forward with electric line construction in Unit No. 2 until the advances are paid.

Three days of hearing were held at Portola on May 11, 12, and 13, 1976 before Examiner Gillanders. Complainant presented the testimony of six witnesses and 33 exhibits. As it became obvious that several more days of hearing would be required, the parties agreed that if the Commission would approve a proposed agreement providing for advance payments of approximately \$22,500 subject to refund to install underground extensions and services, all subject to modification by the Commission, service could be extended to Unit No. 2 and thus lots could be sold during the coming selling season - spring and summer, 1976. It was agreed to continue the hearing to a date to be set.

#### Finding and Conclusion


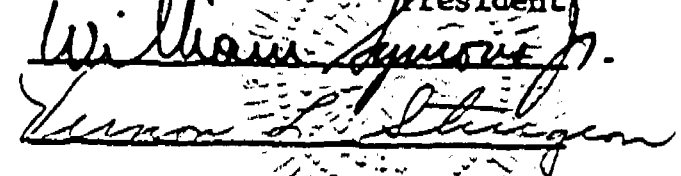
It appears that in the public interest approval of the agreement set forth in Appendix A of this decision should be authorized. Such approval is given only in order that complainant may sell its lots during the coming selling season.

INTERIM ORDER

IT IS ORDERED that Plumas-Sierra Rural Electric Cooperative, Inc., on or after the effective date hereof, is authorized to file in conformance with the requirement of General Order No. 96-A, Section X, the agreement attached hereto as Appendix A.

As time is of the essence, the effective date of this order is the date hereof.

Dated at San Francisco, California, this 19<sup>th</sup> day of JULY, 1976.

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
\_\_\_\_\_  
Commissioners

Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Robert Batinevich, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A  
Page 1 of 4

UNDERGROUND LINE EXTENSION AGREEMENT

This agreement dated this 11th day of May, 1976, by and between Plumas-Sierra Rural Electric Cooperative, a non-profit corporation, herein called Cooperative, and Plumas-Eureka Estates, a limited partnership, herein called Partnership, witnesseth:

WHEREAS, Partnership has filed a complaint and an amendment to complaint in Case No. 10036, before the California Public Utilities Commission, which is now pending; and

WHEREAS, one of the issues in the above proceeding is whether the Cooperative may require a deposit of the cost of improving the back-up supply facilities before it agrees with the Partnership to supply electric service to Partnership's Plumas-Eureka Estates Unit No. 2; and

WHEREAS, the parties hereto desire to provide for service to Unit No. 2 on terms to be hereafter fixed in this proceeding, in order to eliminate the risk of injury to the Partnership due to the passage of time during the pendency of this proceeding; now therefore the parties hereto agree as follows:

1. If Partnership shall within 30 days from the date of approval hereafter provided for pay to the Cooperative an amount equal to \$4.05 per trench foot of line required to be installed in Unit No. 2, fixed herein as 5556 feet, then Cooperative will undertake the obligation to serve Unit No. 2 and will give the usual assurances thereof to the California Department of Real Estate. Cooperative will proceed to install underground extensions and services within Unit No. 2, and upon conclusion of the work will bill or refund the Partnership to adjust the deposit to the Cooperative's actual cost.

APPENDIX A  
Page 2 of 4

Cooperative agrees to refund advance payments to Partnership under the following conditions:

Refunds will be predicated on connection of separately metered permanent load/or consumers;\* will be made without interest; and will be made within ninety (90) days of the date on which the refund can first be computed.

The Cooperative will refund an amount equal to five (5) times the annual revenue billed to any consumer permanently connected on any lot within Unit No. 2 for a period up to ten years following the date when service is first made available to Unit No. 2.

No refunds will be made by the Cooperative in excess of the amount advanced by Partnership, nor after a period of ten (10) years after the date the Cooperative is first ready to render service in the Unit, and any unrefunded amount remaining at the end of the ten (10) years will become the property of the Cooperative.

Where a consumer may be served directly with service cable from the underground feeder, refunds will be made to Applicant the same as stated above.

In the event that any portion of an advance has not qualified for refund at the end of 12 months after completion of the underground extension, the developer will pay to the Cooperative its ownership costs on that portion of the advance for which no refunds have been made or are eligible to be made. The ownership costs shall

---

\*On the following basis:

Year Round - All Electric Residence	\$25.00/mo.
Year Round - All Gas Heated Residence	7.50/mo.
Seasonal - All Electric Residence	11.40/mo.
Seasonal - All Gas Heated Residence	6.00/mo.

APPENDIX A  
Page 3 of 4

be equal to  $3/4$  percent per month of the difference between the total amount advanced and any refunds made or eligible to be made to the developer.

Payment of such ownership costs will normally be made by deduction from the developer's advance, but such deduction will not reduce the amount on which the cost of ownership charge is based.

2. Cooperative shall not be obliged by the Partnership to make any changes, including relocations, in its back-up supply facilities to any unit of Plumas-Eureka Estates, or to serve any units of Plumas-Eureka Estates other than 1, 2, 3, and 4, until after final decision of the Commission in this proceeding, including any proceedings on review in the California Supreme Court.

3. The parties agree that the action to be taken by the Cooperative and the Partnership under paragraph 1 is without any prejudice to their contentions in Case No. 10036, and that they will ask that those contentions shall be decided by the Commission without regard to the provisions of paragraph 1, provided, however, that the Partnership's requests for relief in paragraphs 1 and 4 of its "Amendment to Complaint" are withdrawn upon approval of this agreement, as provided hereafter.

4. This contract shall not become effective until authorization of the Public Utilities Commission of the State of California is first obtained. Such authorization shall constitute the approval referred to in sections 1 and 3 hereof. This contract

APPENDIX A  
Page 4 of 4

shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction.

In witness whereof the parties have executed this Agreement on the date above.

PLUMAS-SIERRA RURAL ELECTRIC  
COOPERATIVE

By \_\_\_\_\_  
Manager

PLUMAS-EUREKA ESTATES

By \_\_\_\_\_  
General Partner