

Decision 90 11 024 NOV 09 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

MELVIN BERTI, Mayor, City of Fortuna, )  
 PATRICIA MORANDA, Mayor, City of Rio )  
 Dell, WESLEY CHESBRO, Chairman, )  
 Humboldt County Board of )  
 Supervisors, ROBERT R. BROWN, City )  
 Manager, City of Fortuna, KAY )  
 GILLILAND, Mayor, City of Ferndale, )  
 DENNIS HIDER, President, Fortuna )  
 Chamber of Commerce, DARLENE FEACK, )  
 President Rio Dell Chamber of )  
 Commerce, CARLOS E. BENEMANN, )  
 President, Ferndale Chamber of )  
 Commerce, )

**ORIGINAL**

Case 89-12-021  
(Filed December 14, 1989)

Complainants,

vs.

Pacific Gas and Electric Company,  
 Defendant.

O P I N I O N

Summary of Decision

The decision denies the complaint of Melvin Berti, Patricia Moranda, Wesley Chesbro, Robert R. Brown, Kay Gilliland, Dennis Hider, Darlene Feack, and Carlos E. Benemann (complainants) against Pacific Gas and Electric Company (PG&E).

Background

This complaint concerns the consolidation of the functions of PG&E's Fortuna Service Center with the Eureka Service Center located approximately 20 miles north of Fortuna.

Before PG&E implemented the consolidation, it maintained a customer service office (Fortuna Office) in downtown Fortuna located at 753 10th Street for the Humboldt Division and a service

center (Fortuna Service Center) located at 2755 Rohnerville Road in Fortuna.

The Fortuna Office had ten employees consisting of service representatives, two meter readers, one credit representative/meter reader, one new business representative, and three clerks. The office provided various customer services such as bill payments, bill inquiries, service requests, meter reading, and other assistance to customers. In addition, the office handled customer phone calls and administered customer credits and records.

The Fortuna Service Center had 17 employees consisting of a general foreman, one clerk, two gas construction employees (one crew), nine electric construction employees (three crews), two electric troublemen, one satellite electric troubleman (located in Bridgeville), and one gas serviceman. The Fortuna Service Center was used to store equipment and materials and to provide an office for the general foreman. The center was also used as an assembly area for construction crews.

The consolidation consists of the following:

- o Closure of the Fortuna Service Center.
- o Transfer of employees at the Fortuna Service Center to either the Eureka Service Center or the Fortuna Office. Specifically, transfer of all construction personnel to the Eureka Service Center. Transfer of the two electric troublemen and one gas serviceman to the Fortuna Office.
- o Transfer of all equipment and repair functions from the Fortuna Service Center to the Eureka Service Center.
- o Transfer of telephone inquiry, record, and credit administration function, along with the appropriate personnel, from the Fortuna Office to PG&E's Eureka Office.

PG&E began the consolidation in January 1990. PG&E plans to accomplish the consolidation in three phases. The first phase,

which entailed relocating construction crew personnel to Eureka, was completed on January 29, 1990. The second phase is to relocate two troublemen and one gas serviceman from the Fortuna Service Center to the Fortuna Office. This relocation is scheduled to be completed by August 1990. The third phase, which consists of the relocation of three clerical employees from the Fortuna Office to the Eureka Office along with the transfer of telephone inquiries and record and credit administration, is scheduled to be completed by September 1990.

In the fall of 1989, PG&E prepared a report on the impact of its proposed consolidation. According to the report (Consolidation Report), PG&E will receive a one-time saving of \$478,500 due to the consolidation and thereafter a saving of \$225,500 annually.

On November 16, 1989, PG&E informed complainants, all officials of the local communities served by the Fortuna Service Center, about the proposed consolidation and invited them to a public meeting on November 28, 1989 to seek community input on the issue.

Complainants met with PG&E in an effort to dissuade PG&E from implementing the proposed consolidation. After unsatisfactory negotiations with PG&E, complainants, on December 14, 1989, filed this complaint seeking the Commission's intercession on behalf of the communities affected. The primary relief sought by the complaints was to have the Commission (1) at a minimum, order hearings on the matter to evaluate the reasonableness of the consolidation and resulting service to the area and (2) order PG&E to delay implementation of the consolidation at least until after the hearings were held.

While the Commission did order hearings, it did not order PG&E to delay implementation of the consolidation and Phase I was completed on January 29, 1990. Hearings were held on April 4, 1990 and May 16 and 17, 1990 before Administrative Law Judge Garde. The

matter was submitted upon receipt of concurrent briefs on June 22, 1990.

Function of Employees

In order to understand the impact of the consolidation, it is important to consider the function performed by various PG&E employees. Accordingly, following is a description of the functions of the key employees at the Fortuna Service Center.

- o An electric troubleman installs, maintains, and repairs certain electric facilities. The troubleman is the first person called to respond to electric outages or voltage fluctuations. When an outage occurs, the troubleman alone restores service, if possible, by various means, including replacing fuses, re-routing electric flow (switching), removing the cause of the outage (e.g. tree branch), isolating the trouble spot from the remainder of the system, and replacing damaged wire. In the event it is not possible for the troubleman to restore service, he assesses what repairs are needed and what equipment and additional personnel are required to restore service. If PG&E facilities are damaged and pose a threat to safety, the troubleman makes the area safe by de-energizing downed or low-hanging wires and taking other necessary precautions.
- o The electric construction crew installs, maintains, and repairs overhead and underground electric transmission and distribution facilities.
- o The job of a gas serviceman consists of adjusting customer gas appliances to insure their safe and efficient operation, re-lighting pilot lights, turning gas services on and off, and responding to reports of gas leaks. In the event of gas leaks, the gas serviceman locates the leak, fixes minor leaks or disconnects faulty appliances, determines if a gas construction crew is required, shuts off gas to the residence (if necessary), makes temporary repairs pending arrival of the crew (if necessary) and, if

necessary, keeps the public away from the area.

- o The gas construction crew installs, maintains, and repairs gas mains and other gas distribution facilities.

#### Complainants' Position

According to complainants, while PG&E contends that it "sought community input" at the public meeting, it is apparent that (1) PG&E had obviously made the decision to consolidate long before the community representatives were contacted for "input," (2) that PG&E had developed a detailed plan for consolidation before contracting any members of the community, (3) that the primary purpose of the community meetings seemed to be to "sell" the idea to the members of the community, and (4) that PG&E seemed inflexible and unreceptive to suggestions of alternatives which might have a less drastic impact upon the communities than the complete removal of all repair personnel and equipment from the area.

Complainants believe that PG&E's consolidation will affect adequacy of service in the Fortuna area and will diminish PG&E's capabilities to respond to emergencies. Complainants contend that PG&E underestimates the negative impact of the consolidation on the business and other customers previously served by the Fortuna Service Center.

According to complainants, much of the testimony presented by PG&E focused on the satisfactory service provided by PG&E before the consolidation. Complainants insist that they are not raising issue with the service in the past, but are raising issues regarding the probable serious reduction in the future service due to consolidation. Complainants believe that the adverse effects of the consolidation have not been apparent in the short time it has been in effect because the weather has been exceptionally mild. However, complainants maintain that PG&E's

response time in emergency situations will be increased significantly due to the added travel time from Eureka to Fortuna.

Complainants take issue with PG&E's claim that the consolidation will allow PG&E to make more efficient use of its manpower. According to complainants, the mixing-up of crews has resulted in sending workmen on emergency calls who are not familiar with the area and thus perform less efficiently. Complainants maintain that this situation is likely to continue because very few former Fortuna crew members have signed up to be on call for emergency. The main reason for this lack of sign ups is the extra travel time.

Complainants claim that PG&E's consolidation report vastly overestimates the cost savings that would result from the consolidation. Complainants opine that the computed savings are based on wrong assumptions regarding the estimated number of trips between Eureka and Fortuna, the time of use of the equipment, and other significant factors. The most significant drawback for the study, according to complainants, is the assumption that PG&E's equipment will travel at an average speed of 55 miles per hour between Eureka and Fortuna.

As a compromise to the consolidation as proposed by PG&E, complainants request that PG&E be required to maintain one line truck and store emergency materials in the Fortuna area as well as retain a Fortuna emergency crew on call for after hours. According to complainants, this would ensure that during a natural disaster resulting in the Fortuna area being isolated from Eureka, some relief will be available to the residents of the Fortuna area. Complainants suggest that PG&E could use the line truck which it now considers to be surplus as the stand-by-truck in Fortuna.

#### PG&E's Position

PG&E contends that it undertook the consolidation to improve productivity and reduce cost with minimal impact on service to customers. Specifically, PG&E believes that the consolidation

of construction employees enables it to effectively size the construction crews to meet the changing requirements of new connections and reconstruction work.

PG&E asserts that by consolidating the work force to serve the combined Eureka/Fortuna area it managed to eliminate eight employee positions. PG&E points out that after the transfer of three line trucks from the Fortuna Service Center to Eureka, there will be 11 line trucks available at the Eureka Service Center. However, PG&E estimates that only ten electric construction crews will be needed to serve the combined Fortuna/Eureka service area. Therefore, PG&E claims it can make one line truck available to some other service area.

As to the reliability of service, PG&E asserts that the service reliability in the Fortuna area, compared to other similar areas of PG&E's service territory, has been relatively good. PG&E insists that the service reliability will continue to be good after the consolidation. PG&E points out that the same troublemen who served the Fortuna area prior to the consolidation will remain headquartered in the Fortuna area. Therefore, for those outages where service can be restored by a troubleman, there will be no effect on the duration of electric outages in the Fortuna area. However, PG&E concedes that after the consolidation, outages that cannot be restored by an electric troubleman have the potential of adversely affecting service reliability in the Fortuna area. According to PG&E, historically, the troublemen have been able to remedy the vast majority of outages in the Fortuna area without the assistance of construction crews. Therefore, PG&E asserts that the consolidation should have no effect on the duration of the majority of outages. Additionally, during normal working hours, construction crew personnel will still be in the Fortuna area, as they were prior to the consolidation. Thus, PG&E opines that the consolidation should have little effect on outage time during

normal working hours, even those outages requiring the assistance of a construction crew.

As to the after hour outages which cannot be remedied by the troubleman alone, PG&E concedes that construction crews will have to travel to the outage from the Eureka Service Center instead of from the Fortuna Service Center. This would entail additional travel time of approximately 30 minutes. However, PG&E insists that such increased travel time does not directly convert to increased outage time, since the consolidation has resulted in time savings in forming a crew after hours and the troubleman may be restoring service to as many customers as possible while the crew is in transit. Moreover, when a major storm causes numerous outages which typically entail construction crews working around the clock to restore service, the effect of additional travel for crews has a minimal effect on service restoration time.

Finally, PG&E maintains that service reliability in the Fortuna area has improved since the consolidation. In support of its contention PG&E cites that the average electrical outage time in the Fortuna area for the first quarter of 1990 was only 37 minutes compared to the 104 minutes average outage time for the first quarters of the previous five years (1985-1989).

#### Discussion

The key issue we need to address is whether the consolidation will significantly diminish the quality of PG&E service in the Fortuna area. While complainants do not dispute PG&E's ability to provide normal service to its customers in the Fortuna area, they express concern about PG&E's ability to respond to emergency situations, such as electrical outages. Complainants are particularly concerned about the increase in the duration to respond to outages that occur after the normal working hours.

Let us consider the main changes resulting from the consolidation. The consolidation involves the movement of a portion of PG&E's staff and most of its equipment from Fortuna to



Eureka, a distance of approximately 20 miles. Estimates of travel time between Eureka and Fortuna vary from 25 minutes to 45 minutes depending on the type of equipment being driven. Complainants contend that this additional travel time will impair PG&E's ability to respond to emergency outages.

Next, we will examine the effect of the increased travel time during working hours and after working hours. The duration of electric outages is dependent on whether the outages can be remedied by a troubleman and, if not, the time it takes for a construction crew to repair the problem. Since the number of troublemen in the Fortuna area will remain the same after the consolidation, we will consider only the outages which require the use of a construction crew. During working hours, construction crews and line trucks are out in the field. If an emergency arises, the most conveniently located construction crew could be radio-dispatched to the emergency site. This would be the case regardless of whether the crew is based at the Fortuna Service Center or the Eureka Service Center. So during working hours there will be practically no impact on PG&E's ability to respond to emergencies.

Turning to emergencies that occur after working hours, complainants and PG&E agree that response time to emergencies in the Fortuna area would be increased. However, PG&E believes that the consolidation will streamline the process of forming crews after hours which will offset the additional time required to travel to the site of an outage. While PG&E may save some time by its ability to speed up the process of forming crews, it may not necessarily offset the entire additional travel time. So the response time to outages in the Fortuna area during after hours may be increased by as much as 30 minutes.

It is important to consider whether this increased response time to outages after working hours is significant enough to offset the benefits of consolidation. The record shows that

during the last three years (1987, 1988, and 1989) the average number of after hour outages per year which required the services of a construction crew in the Fortuna area was less than 30. There is no reason to believe that the same outage pattern will not continue in the future. Assuming that the same outage pattern will continue in the future, the total increase in the duration of outages due the additional travel time will be less than 15 hours for the entire year. We believe that the increase of 15 hours in the duration of after hours outage for the entire year is not significant enough to offset the benefits of consolidation.

As to complainants' contention that PG&E's estimates of cost savings from the consolidation are inflated, we believe that it is possible that the computation of the savings is not precise and savings may be less than estimated. However, it is clear that the consolidation will allow PG&E to reduce its work force by eight employees and render some of its equipment surplus. Thus, PG&E will be able to operate more efficiently due to the consolidation.

While we have considered the impact of the consolidation on time of response for isolated outages, it is important to consider outages caused by a major storm. When a major storm causes numerous outages, PG&E's crews work around the clock to restore service. The effect of the additional travel time in such instances will be insignificant.

Finally, we will consider complainants' compromise proposal that PG&E be required to maintain a line truck and store emergency equipment at the Fortuna Office. The benefit of this arrangement will be significant if the highway between Fortuna and Eureka is closed and Fortuna is isolated. While we see considerable merit in this proposal, we are reluctant to order PG&E to do so because we do not want to manage PG&E's day-to-day operations. However, we urge PG&E to give serious consideration to this proposal.

We will deny complainants' request.

Findings of Fact

1. PG&E has implemented the consolidation of its Fortuna Service Center with its Eureka Service Center.
2. Before PG&E implemented the consolidation it maintained two facilities in the Fortuna area, the Fortuna Office and the Fortuna Service Center.
3. The consolidation consists of the following:
  - o Closure of the Fortuna Service Center.
  - o Transfer of employees at the Fortuna Service Center to either the Eureka Service Center or the Fortuna Office. Specifically, transfer of all construction personnel to the Eureka Service Center. Transfer of the two electric troublemen and one gas serviceman to the Fortuna Office.
  - o Transfer of all equipment and repair functions from the Fortuna Service Center to the Eureka Service Center.
  - o Transfer of telephone inquiry, record, and credit administration function, along with the appropriate personnel, from the Fortuna Office to PG&E's Eureka Office.
4. PG&E began the consolidation in January 1990 and plans to complete it in September 1990.
5. PG&E contends that consolidation will streamline its operation and will result in a one-time saving of \$478,500 and thereafter a saving of \$225,000 annually.
6. Complainants contend that the consolidation will affect adequacy of service in the Fortuna area and will diminish PG&E's capability to respond to emergencies.
7. Complainants contend that PG&E has overstated the benefits of the consolidation.
8. Complainants had originally requested that the Commission (1) at a minimum, order hearings on the matter to evaluate the reasonableness of the consolidation and resulting service to the

area and (2) order the defendant to delay implementation of the consolidation at least until after the hearings were held.

9. While the Commission did order hearings, it did not order PG&E to delay implementation of the consolidation.

10. As a compromise to the consolidation as proposed by PG&E, complainants now request that PG&E be required to maintain one line truck and store emergency material in the Fortuna area as well as retain a Fortuna emergency crew on call for after hours.

11. The consolidation will not impair PG&E's ability to provide normal service.

12. During working hours, the consolidation will have practically no impact on PG&E's ability to respond to emergencies. After working hours, the consolidation will increase by as much as 30 minutes the time it would take PG&E to respond to emergencies which require the use of a construction crew.

13. During the last three years, the average number of after hour outages which required the services of a construction crew was less than 30.

14. There is no reason to believe that the same outage pattern will not continue in the future.

15. The additional travel time due to the consolidation will increase the duration of after hour outages by less than 15 hours for the entire year.

16. The consolidation will allow PG&E to reduce its work force by eight employees and render some of its equipment surplus.

17. Complainants' compromise proposal contained in Findings of Fact 10 will yield significant benefit if Fortuna were to be isolated from Eureka due to road closure.

18. Ordering PG&E to comply with complainants' compromise proposal would entail management of PG&E's day-to-day operations.

#### Conclusions of Law

1. The benefits of consolidation outweigh the possible 15 hours per year of increase in duration of electric outages.

2. Complainants' request should be denied.
3. The complaint should be denied.

O R D E R

IT IS ORDERED that:

1. The complaint of Melvin Berti, Patricia Moranda, Wesley Chesbro, Robert R. Brown, Kay Gilliland, Dennis Hider, Darlene Feack, and Carlos E. Benemann, against Pacific Gas and Electric Company is denied.

2. Case 89-12-021 is closed.

This order is effective today.

Dated NOV 09 1990, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

Commissioner Stanley W. Hulett,  
being necessarily absent, did  
not participate.

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

*[Handwritten Signature]*  
NEAL J. [unclear], Executive Director