

JUL 22 1992

Decision 92-07-050 July 22, 1992

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Howard Kaplan,

Complainant,

vs.

Southern California Edison Co.,

Defendant.

ORIGINAL

Case 91-10-003
(Filed October 2, 1991)

Peter W. Osborn, Attorney at Law, for
Howard Kaplan, complainant.

Tanya E. Oubre, Attorney at Law, for Southern
California Edison Company, defendant.

O P I N I O N

Summary

This decision finds that defendant Southern California Edison Company (Edison) failed to properly respond to complainant Howard Kaplan's request for an estimate of the cost to underground the new electrical service to his house located at 33264 Encaro Court in Aqua Dulce. Because of lack of accurate information, Kaplan believed the cost to underground was prohibitive. Shortly after, overhead electrical service was installed to serve Kaplan's neighbor Flo Brock; the service severely obstructs Kaplan's view. This service will also serve Kaplan. Edison is ordered to underground the last span of the overhead service at a cost to Kaplan of \$2,297.38.

Positions of Parties

Complainant

At the hearing in Santa Clarita on March 9, 1992, Kaplan explained that he is building a house on a large view parcel on a hill in Aqua Dulce. Although not ready for electric service at the

time, he contacted Edison in October 1990 to make sure Edison was aware of his plans, and to avoid delays or problems later. In all conversations with Edison employees, and in particular with service planner Doug Apple, Kaplan indicated that he paid a premium price for his parcel because of the view and desired underground utility service to avoid having overhead service obstruct it.

Apple furnished Kaplan with a Residential Customer Information Package, and indicated that he needed information on Kaplan's service needs. Kaplan furnished the information, after which he and Apple again met at the site. Apple explained Edison's procedure in calculating the cost to the customer for underground service, and made a rough estimate of the cost to Kaplan of \$20,000.

Upon learning from Kaplan that his neighbor Brock had a home nearly complete, Apple contacted Brock, indicating that the service to both houses would be above ground, unless undergrounding were requested at additional cost to the customers. Apple indicated that the cost for undergrounding would be \$3,400.

Kaplan then contacted Apple's supervisor, Ronald Marchbanks, a customer service senior planner, who indicated the undergrounding cost would not be \$3,400 but rather about \$6,500, based on a similar job Edison had recently done.

Based on the cost estimates of \$6,500 to \$20,000, Kaplan reluctantly concluded that the costs were prohibitive, and he resigned himself to overhead service.

Meanwhile, Edison installed overhead service to Brock; one of the three poles was located directly in front of Kaplan's building pad. Upon contacting another of Apple's supervisors, Mr. Phillips, Kaplan was advised that he could have the last pole and span undergrounded at a cost of \$3297.38 for undergrounding and \$1371.43 to remove the pole. He was further advised that Edison could not have served Brock with one overhead span and the other

underground, but after installing three overhead poles, it could remove one and replace it with underground service.

Kaplan called an Edison office in Lancaster and asked if he could have service provided by one overhead span and then go underground. He was advised that Edison would do anything a customer wanted as long as he paid the costs not covered by Edison.

Kaplan discovered that other property owners in the Aqua Dulce area also had difficulties in dealing with Apple, and presented copies of eight letters of neighbors who had difficulty in dealing with Apple. In many cases they felt compelled to go to Apple's supervisor to get proper action. Since the persons writing the letters were not present to testify, they will be accorded minimal weight; however, we suggest that Edison take these letters seriously and investigate whether the allegations are accurate. If so, corrective measures such as further training in dealing with customers may be needed.

Kaplan is not seeking free undergrounding; rather, he requests that the Edison be ordered to remove the third pole and underground the second span from the second pole. Kaplan is willing to pay the cost he would have been required to pay if he had been properly informed by Edison, or approximately \$3,400.

Brock testified that it was her initial understanding from Apple that the cost for undergrounding would be \$20,000. At the time of initial discussions, she was willing to contribute \$1,000 toward the undergrounding if Kaplan elected to order it.

Edison

Edison responded that the \$20,000 figure for undergrounding was an illustrative example of Edison's cost to underground, that the cost to a customer is 3/4 of the difference in cost between overhead and underground (Edison Tariff Rule 15.D.2.a). In Kaplan's case, it was approximately \$3,400.

Despite several meetings on site, Kaplan requested only "ballpark estimates," never detailed underground estimates. Edison

has operated in compliance with its tariffs and is now willing to underground the third pole at the cost estimates provided to him.

At the hearing, Edison presented the testimony of Apple, Marchbanks, Craig Keene, a senior regulatory specialist, and Roger Krenkler, planning manager for the Valencia District.

Apple testified that when he meets with a new service customer, he provides an information package, including a form to be filled out by the customer indicating the size house, plot plan, and load requirements. Once the load is known, Edison can determine whether a customer can be served overhead at no cost, as in Kaplan's case. With regard to underground costs, Apple has an illustrative example for customers that indicates a cost to Edison of \$20,000.

Apple states that he indicated an illustrative example of how the undergrounding costs are calculated, and also provided Kaplan an estimated cost of undergrounding of \$3,400. He further states that Kaplan never asked for an "exact" estimate or "actual" cost estimate, only a rough estimate. That is why no exact estimate was ever developed or provided until Kaplan asked to have the third pole undergrounded. Kaplan filled out the form without checking whether he required overhead or underground service.

In providing permanent service to Brock, the pole line was staked on Kaplan's property, paralleling his driveway. When Kaplan objected to poles on his property, the line was relocated slightly so that it was on Brock's property and an easement would not be required from Kaplan. The pole locations were also changed to lower the elevation of the poles and line.

Apple defends the pole locations as not interfering with Kaplan's view, since the top of the pole in his view is at approximately the same elevation as the building pad. Therefore, in Apple's opinion, it does not affect the view.

After the line was installed to serve Brock, Kaplan asked for an actual estimate of the cost of removing the facilities and

undergrounding them. Kaplan was told that he would have to pay for removing the overhead facilities, in addition to the undergrounding cost. For removing only the last pole, which has the most visual impact, Kaplan would be charged about \$1,400, in addition to about \$3,300 for undergrounding the span from the second pole. When Kaplan asked for an estimate of the cost if the poles were not already installed, he was told by Edison that this is a second request for a cost estimate, and thus would require an engineering advance of 10% of the estimated cost. Although it is discretionary, Edison frequently charges customers for estimates after the first one.

Keene testified about the applicable tariffs, Rule 15 for new service and Rule 20 for undergrounding of existing service.

Marchbanks testified about contacts with Kaplan.

Marchbanks believes, as does Apple, that since the pole tops are only slightly higher than the building pad, they do not obstruct Kaplan's view. Marchbanks further indicated to Kaplan that there are other objectionable items in the view, such as tanks, trailers, and other poles that had been there for years. In time, the poles would probably be less obtrusive, and if Kaplan sold the property, the next owner would probably not be concerned at all since the poles would have been there when they purchased the property. Marchbanks acknowledges that he is not an expert on property values.

Marchbanks indicated that because Brock requested service, Edison had an obligation to serve her in a timely manner, and that she had requested overhead service. If Kaplan wanted underground, he would have to either pay the cost or ask Brock to share the cost.

Krenkler testified that his involvement in this matter began after the overhead service was installed. By fine-tuning the estimate, he reduced the cost for undergrounding the last span by

\$527.23, but Kaplan was still concerned that he would have to pay \$1,371.43 for removing the overhead facilities.

Discussion

The first issue is, was Edison responsive to Kaplan's request for information on underground service? We are troubled by Edison's position that it never developed a site-specific estimate because Kaplan did not request it. Both Apple and Marchbanks acknowledge that they were fully aware that Kaplan desired underground service; he indicated this desire at every meeting with them. He did not indicate his choice on the form because he did not know the cost of undergrounding at that time, and therefore could not make a decision.

We observe that Edison uses varying terms to characterize a site-specific estimate: formal, exact, or actual estimate. Apple and Marchbanks defend Edison's not providing such an estimate because Kaplan did not request it. Apparently, in their view, Kaplan should have said at least one of those three words in asking the cost of undergrounding. This appears to be a type of word game. Two of the three words are used improperly for Edison's intended meaning; an estimate implies lack of precision, or an educated guess. The Random House College Dictionary definitions of "estimate" include, "... calculate approximately....a statement of the approximate charge for work to be done, submitted by a person ready to undertake the work." Clearly an estimate is an approximation; it is neither exact nor actual. The actual cost cannot be known until the work is completed. Yet according to Apple and Marchbanks, Kaplan should have known that he would not get an estimate specific to his service unless he asked for a formal, exact, or actual estimate.

Kaplan diligently sought out Edison in advance of his need for service to avoid delays or problems later. It was Kaplan who alerted Edison to the construction of Brock's house. Apple, Krenkler and Brock agree that Kaplan was very much interested in

underground service, and needed to know the cost. Yet, unbelievably, the only cost information he received from Edison was illustrative, and demonstrative of the calculation methods. The example was also confusing to Kaplan. Not surprisingly, both Kaplan and Brock understood the amount Apple discussed in the illustrative example, \$20,000, to be the approximate cost for underground service. When Brock was later told \$3,400, Marchbanks refuted that estimate by indicating to Kaplan that the cost would be \$6,500, based on a recent similar underground service.

Apple further testified that Kaplan's service was not a priority since the house was not yet under construction. In contrast, Brock's house was nearing completion. Although Brock indicated she was not in a hurry for electrical service, Edison was concerned that once the house was complete, she could need service in a hurry, which could cause planning problems. This may be a valid concern, but it does not excuse Edison from properly answering Kaplan's request for information, especially considering that Brock's service crosses Kaplan's view.

When information given to a customer is not clear, complete and responsive to the customer's request and needs, we must side with the customer. The utility has employees who deal with these issues on a daily basis; the customer does not. In many cases, the customer may deal with new service only one time. He cannot reasonably be expected to play a word game in order to get basic, responsive and reliable information. The customer cannot be expected to understand confusing "illustrative examples."

Next we address the issue of Kaplan's view and whether the poles obstruct it. Apple and Marchbanks rely on the fact that the tops of the poles are only slightly above the building pad elevation, and therefore are not a problem, in their opinion. Marchbanks further argues that the poles are no worse in obstructing the view than the various items of debris in the area.

We find these arguments to be hollow and unconvincing. First, a person who desires a view and locates on a hill wishes to enjoy the view primarily by looking down across the valley. In doing so, the poles are an obvious visual obstruction. The only time the relation of the elevation of the poles to the building pad would be relevant is when the customer would be looking upward at the sky; in that case, he would have little need for a location on a hill.

The existence of items of debris is irrelevant. Debris can be removed readily, and Kaplan had not yet completed the house or moved in, so it would be reasonable to assume that he would not be concerned with debris at this time. Since construction could add to the debris, Kaplan would likely not remove debris until the house is finished. However, in contrast to debris, the poles would remain in place for many years, and he would have no means of correcting the problem short of paying to remove the poles and underground the service.

We are disturbed that Edison puts itself in the position of deciding what is objectionable to Kaplan and what will affect subsequent potential owners. Marchbanks acknowledges that he is not an expert in this area; we accord no weight to his opinion on the impact of overhead service on Kaplan's view and property value.

We are further concerned with the apparent inconsistencies between the various Edison field offices regarding new service. The Valencia office told Kaplan that Edison could not underground just one pole of the three, while the Lancaster office told him that Edison would install any combination of overhead/underground service the customer desires as long as he paid his share of the cost.

Kaplan asks that Edison be ordered to underground the third pole and the span from the second pole. He asks that he be required to pay the same cost he would have been charged before the overhead service was installed to Brock. Brock testified that she

had been willing to contribute \$1,000 toward the cost of undergrounding. Whether she is still willing to do so is irrelevant, since we have no authority to order her to contribute. But since Kaplan would have benefitted by that contribution earlier, he should not be penalized now by Edison's actions, and we will not require him to pay that amount now. Rather, we will order Edison to underground the pole and span and charge Kaplan the \$3,297.38 estimated amount less \$1,000, or a net charge of \$2,297.38.

Findings of Fact

1. Kaplan requested cost information from Edison for underground service to his new house under construction, in advance of Edison contacting Brock about service.

2. Edison understood Kaplan's desire for underground service.

3. Edison provided Kaplan only unresponsive illustrative examples of the cost of underground service.

4. Brock offered to contribute \$1,000 toward the cost of underground service if Kaplan selected it.

5. Kaplan understood that underground service would cost \$20,000 to \$6,500.

6. Edison provided overhead service to Brock, with a pole line that obstructs Kaplan's view.

7. Edison offers to underground the last span of Brock's service to alleviate the impact on Kaplan's view, if Kaplan pays both the cost of undergrounding and the cost of removal of that portion of overhead service.

Conclusions of Law

1. Edison did not provide a precise response to Kaplan's request for information on underground service.

2. Edison should be ordered to underground the last span of overhead service to Brock.

3. Kaplan should be required to pay Edison the same net cost for this undergrounding that he would have been required to pay before the overhead service was installed.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company (Edison) shall underground the last span of overhead service near Howard Kaplan's property, within 45 days of the effective date of this order.

2. Edison shall charge, and Kaplan shall pay, a total of \$2,297.38 for the undergrounding. Edison shall allow Kaplan to pay this amount in up to and including 12 equal monthly installments, without interest.

3. Except to the extent granted, the complaint in Case 91-10-003 is denied.

This order is effective today.

Dated July 22, 1992, at San Francisco, California.

DANIEL Wm. FESSLER
President

JOHN B. OHANIAN

PATRICIA M. ECKERT

NORMAN D. SHUMWAY
Commissioners

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


NEAL J. SHULMAN, Executive Director