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# JUL 2 0 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of KACOR DEVELOPMENT CO. to deviate ) from mandatory requirements for underground utility extensions in bringing electric power to its ) commercial and industrial develop-} ment, known as Mesa Rim Industrial Park.

Application 83-04-15 (Filed April 7, 1983)

# <u>O P I N I O N</u>

#### Introduction

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Since at least 1969 it has been the Commission's policy that undergrounding of electric and telephone service "should be the standard" in extending service to new residential, commercial, and industrial developments. $\frac{1}{2}$  Electric utility companies under our jurisdiction have adopted essentially identical line extension tariff rules reflecting this policy as refined by a succession of Commission decisions  $\frac{Z}{2}$ 

Applicant Kacor Development Co. (Kacor) is developing a commercial and industrial site known as Mesa Rim Industrial Park in the electrical service area of San Diego Gas & Electric Company (SDG&E). Kacor has requested that this Commission find that unusual circumstances make application of SDG&E's line extension

1/ See generally Decision 76394 (1969) 70 CPUC 339.

2/ (1969) 70 CPUC 339, (1970) 71 CPUC 134, and (1971) 71 CPUC 803. See also the related matter in (1972) 74 CPUC 454.

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rule undergrounding requirements impractical and unjust as to Kacor and SDG&E and that we issue an order permitting SDG&E to deviate from its line extension rules as to Kacor's Mesa Rim Industrial Park.

Specifically, Kacor requests that SDG&E be permitted to "underbuild" an existing transmission pole line (i.e., add another line) from the electric source for 6,000 feet along an existing SDG&E transmission corridor to a point 2,000 feet from the Mesa Rim development. From that point Kacor proposes undergrounding the remainder of the extension as well as the development's interior distribution system.

SDG&E's tariff Rule 15 is its general line extension rule and Rule 15.2 specifically addresses extensions for new commercial or industrial developments. Pollowing are the parts of those rules which pertain to this application.

Rule 15D.1.a. states:

"... All line extensions to serve new commercial and industrial developments shall be made underground in accordance with Rules 15 and 15.2 unless exempted by the exceptional case provision of Section E.7. of Rule 15 or Section D.3. of Rule 15.2. ..."

Rule 15E.7. states:

"Exceptional Cases. In unusual circumstances, when the application of these rules appears impractical or unjust to either party..., the utility or the /customer seeking electric service/ shall refer the matter to the Public Utilities Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction."

Rule 15.2 sets forth various rights and obligations of SDG&E and the developer requesting electrical service. Rule 15.2.D.3. includes the following paraphrase of Rule 15E.7.: "Exceptional Cases

> "In unusual circumstances, when the application of this rule appears impractical or unjust to either party, the utility or the developer may refer the matter to the Public Utilities Commission for special ruling, or for the approval of special conditions which may be mutually agreed upon prior to commencing construction."

Xacor claims that the unique circumstances of the Mesa Rim Industrial Park make it an "exceptional case" as that term is defined in Rules15E.7. and 15.2.D.3. It says it is exceptional because there is no practical or feasible way to underground a line extension for the entire distance between the electrical source and the development.

Our staff has reviewed Kacor's application, made an on-site inspection, and interviewed the concerned parties. Based on this work it has submitted a report which supports Kacor's application. The report is received as Exhibit 1.

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Kacor has requested ex parte treatment of this application. Since no protests were received and since the issues are fully developed in applicant's pleadings and the staff report, we conclude that there is no necessity for a public hearing in this matter.

In order to illustrate the infeasibility of undergrounding, Kacor and staff have listed every possible means of undergrounding and explained why they cannot be accomplished. In order to help understand these proposals we have included Appendix A at the end of this order. It is a copy of an aerial photograph submitted as a part of Kacor's application. It shows the development and surrounding areas. Superimposed on the photograph are labels and markings indicating the various points or areas of importance to this application.

The photograph shows that the transmission line providing the power source runs roughly east-west and is located to the south of the Mesa Rim development. Running north-south parallel to the development on its east side is an existing SDG&E transmission corridor which is about 200 feet wide and contains in its westerly portion a 69-kilovolt (KV) wooden pole line and in its easterly portion a 230-kV "lattice-work" line. The pole line is about 1,200 feet east of the development. Kacor wishes to add another 12-kV line to this pole line running for about 6,000 feet from the source to a point near Mira Mesa Boulevard where an underground extension would commence and continue into the development.

The underground alternatives considered and rejected by the parties and staff are:

> 1. An extension from a source southwest of the development, paralleling an existing sever alignment, and northeast up a canyon to the development. SDG&E finds this alternative unacceptable due to flash flooding prospects and resultant maintenance problems. In fact, our staff engineer observed a stormdamaged sever line and telephone cable in the canyon during his investigation.

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- 2. An extension from a source directly south of the Mesa Rim project running north directly to it. This easterly underground extension goes through a cemetery and the property of a building materials company. It also crosses the canyon described in alternative 1 and a second canyon with similar terrain. This alternative was rejected because of the canyon flooding problems and because neither property owner will grant easements for the utility extension.
- 3. An underground extension along the existing transmission corridor--the same route which Kacor proposes for an overhead extension. The parties and staff agree that this alternative would require Kacor to build a permanent access road along the right-ofway for maintenance. The terrain has been described as hilly and brush-covered, with the right-of-way crossing streambeds and ravines. This route traverses both canyons mentioned above with their concomitant flood potential; thus it has also been rejected.
- An extension from a source in the Lusk 4. Industrial Park to the west continuing east about one mile to the Mesa Rim development. Mira Mesa Boulevard runs between these two points and there is a public utility easement alongside the roadway. However, staff points out that there is no development yet between these two points and the undergrounding could not be done in the easement because it is unimproved and irregular and the grading desires of future developers of these parcels are not known. Further, it would be unfairly burdensome to SDG&E since it would be necessary for SDG&E to anticipate future customer needs between these two existing developments and install facilities now sufficient to accommodate such future customer needs.

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These are the only alternatives as there are no other sources of electricity available for serving the Mesa Rim development.

We note that our staff engineer was informed by a customer extension planner for SDG&E that the utility would eventually have to build a 12-kV line such as that proposed by Kacor anyway as the area develops in order to provide an "alternate feed" or backup for future development of the area.

We also note that this development is more than  $1\frac{1}{2}$  miles from any highway. Thus, the provisions of Public Utilities Code Section  $320^{3/2}$  do not apply.

### Discussion

We agree with Kacor, SDG&E, and our staff that the problems described in this application constitute an "exceptional case" as that term is used in Rules15E.7. and 15.2.D.3. The terrain described is unsuitable for undergrounding as witnessed by our staff engineer. Maintenance would be extremely impractical. Purthermore, the visual impact of adding one further line to an already existing pole is so slight when weighed against the burden of undergrounding that it would be unjust for the parties to have to do so.

3/ Section 320 requires undergrounding of distribution facilities (with certain exceptions) whenever they are in proximity to any highway designated a State scenic highway. In (1972) 74 CPUC 454 we defined "in proximity to" as within 1,000 feet.

Since it is practical to underground this proposed service commencing at the boundary of the Mesa Rim development, we agree with Kacor that extensions within the development boundaries should be undergrounded.

Finally, Kacor included in its application a statement substantially in compliance with the Commission's Rules of Practice and Procedure governing the content of Proponents' Environmental Assessments (Rule 17.1(d)(l)). We concur with Kacor's statement that there is no possibility that the proposed extension could have any significant impact upon the environment.

### Findings of Fact

1. Kacor requests this Commission to grant SDG&E the right to deviate from the undergrounding requirements of its line extension rule as to Kacor's Mesa Rim Industrial Park.

2. There is an existing SDG&E transmission corridor running parallel to the Mesa Rim development's eastern boundary. The corridor contains a 69-kV wooden pole line and a 230-kV latticework line. The pole line is about 1,200 feet from the boundary of the Mesa Rim development.

3. Kacor wishes SDG&E to be permitted to supply Kacor with electricity by adding another line to the pole line instead of undergrounding between the source of electricity to the south of the development and a point about 6,000 feet north along the pole line.

4. Kacor proposes to underground from a point near the intersection of the pole line and Mira Mesa Boulevard, continuing the undergrounding into the development.

5. There are four possible locations for service undergrounding from a source of electricity to the development. Three require traversing undeveloped, flood-prone canyons. The fourth would have to be built under a roadway adjacent to a public utility easement because the easement is unimproved pending future development.

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6. SDG&E's tariff Rules15 and 15.2 require line extensions to new commercial and industrial developments to be undergrounded unless this Commission finds unusual circumstances make undergrounding impractical or unjust to either the utility or the customer seeking the line extension and approves an alternative to undergrounding.

7. It can be seen with certainty that there is no possibility that the proposed underbuilding of an existing pole line may have a significant effect on the environment.

8. To allow development to begin expeditiously, this order should be effective on the date it is signed.

#### Conclusions of Law

1. There is no practical means of undergrounding a line extension from the source of electricity to Kacor's Mesa Rim Industrial Park.

2. The circumstances of Kacor's development make it appropriate for SDG&E to deviate from its line extension rule undergrounding requirements.

3. It is practical to underground a portion of a line extension from a point along SDG&E's transmission corridor near the intersection with Mira Mesa Boulevard into the Mesa Rim Industrial Park; so the undergrounding requirements should be followed as to that part of the development.

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### ORDER

IT IS ORDERED that Kacor Development Co.'s (Kacor) application to allow San Diego Gas & Electric Company to deviate from the undergrounding requirements of its tariff Rules 15 and 15.2 in supplying a line extension to Kacor's Mesa Rim Industrial Park is granted to the extent that SDG&E is permitted to extend service to this development by underbuilding its existing 69-kV wooden pole line along the existing transmission corridor on the east of the Mesa Rim Industrial Park from the electrical source to the south of the development running north for up to 6,000 feet. The remainder of the line extension shall be undergrounded.

This order is effective today.
Dated \_\_\_\_\_JUL 2 0 1983 \_\_\_\_\_, at San Francisco, California.

LEOMARD M. GRIMES, JR. Prosident VICTOR CALVO PRISCILLA C. GREW DONALD VIAL WILLIAM T. BAGLEY Commissioners

I CERTREY THAT THIS DECISION WAS APPROVED BY THE ABOVE COMMISSIONERS TODAY. Koeph E. Bodovicz, Exceptive <u>Di</u> -9-

APPENDIX A

