

Decision No. 87225

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Dynasonics Corporation to deviate from mandatory requirements for underground utility extensions in Mountain Valley Estates subdivision, Kern County, California.

Application No. 56924
(Filed December 9, 1976)

O P I N I O N

Applicant, Dynasonics Corporation, seeks authority to deviate from mandatory undergrounding requirements of the tariff Rules 15 of the Southern California Edison Company (Edison) and The Pacific Telephone and Telegraph Company (Pacific Telephone) as they may be applied to property owned by Applicant in the development known as Mountain Valley Estates, Kern County, California. Applicant also makes this application on behalf of all owners of lots in Mountain Valley Estates. Applicant requests that this application be processed on an ex parte basis for the reason that it does not involve matters which would necessitate a public hearing, stating that any delays in the processing hereof increase the hardship to Applicant and other property owners.

The deviation is requested for Mountain Valley Estates, Kern County, California, Tract 3312, located in a sparsely populated, semi-mountainous canyon region in the foothills of the Sierra-Nevada mountains about seven miles northeast of Tehachapi. The tract consists of 206 residential lots, varying in size from 2.5 to 5.74 acres and 2 lots that exceed 14 acres each. Selling price of residential lots ranges from \$1,633 to \$10,900. Tract 3312 is recorded in Kern County Book of Maps No. 18 on Page No. 31.

A Commission staff engineer prepared a report, dated December 23, 1976, setting forth his conclusions and recommendations on the matter. This report states that after a review of the application and an on-site inspection of the subdivision the staff engineer recommends an ex parte grant of the requested deviations to the mandatory undergrounding requirements of Edison and Pacific Telephone.

There are no designated scenic highways, state or national parks, or other areas of unusual scenic interest in the vicinity of Mountain View Estates.

Residences in the adjoining tract (#3242) to the south as well as other houses lower in the canyon are all served from overhead utility lines. Seven lots in Tract 3312 can be served from an existing pole line which is partially within the tract. These houses, including the tract office are, in fact, receiving service from this line. Three other houses are complete and in need of service, six more are under construction, and at least nine other lot owners are contemplating construction within the immediate future.

There is a significant amount of surface and subsurface rock that varies throughout the tract. In many areas there appears to be very shallow topsoil or only a few feet of soil overlying the rock. Regions in which various degrees of difficulty in trenching are expected are color coded on the tract map accompanying the application.

Applicant is the owner of approximately 109 lots in the development, having acquired the unsold lots in the development approximately two years ago by foreclosure of a deed of trust securing an obligation of the developer of the tract to Applicant. Applicant is not engaged in the business of constructing homes or

developing real property except for the purpose of selling its lots in the development. The original developer did not install or agree to install electrical or telephone lines. Applicant does not plan to install utilities except to serve its model homes. Applicant states that there is no owner's entity available or willing to undertake the project of installing either overhead or underground utilities to all of the development. However, as a result of a homeowner's meeting in September, 1976, the Applicant was authorized to file for authorization to deviate from mandatory undergrounding rules on behalf of all individual property owners of Mountain View Estates.

The following are summaries of letters attached to the application as filed from parties or agencies having involvement in the providing of or approval of electrical and/or telephone services to Tract 3312:

- (1) The Planning Director of Kern County in a letter to attorneys for the Applicant dated October 21, 1976, stated, in part, that "Kern County has no policy with respect to undergrounding of facilities."
- (2) Pacific Telephone, in a letter to attorneys for the Applicant, dated October 18, 1976, stated that "Pacific Telephone has no objection to a deviation from the undergrounding rule within this subdivision."
- (3) Based on a letter to Applicant, dated September 23, 1976, from Mr. J. R. Smeed, a general contractor, estimated trenching and backfill costs for the tract are \$326,384 or \$1,584 per lot.
- (4) Edison, in a letter to attorneys for the Applicant, dated November 8, 1976, compared the cost of an overhead system to serve 18 of the 206 lots, \$16,017 (all of which eventually could be refunded), to the advance of \$32,546.25 required for an underground system (\$6,370 of which is not refundable). Edison estimates that costs to serve the 18 lots for which Applicant initially requires service are representative of the costs at present prices to serve the entire tract on a cost per lot basis.

Based on the above, the estimated cost of an underground electric system is approximately \$3,400 per lot as compared to \$890 per lot for an overhead system. Simultaneous undergrounding of the telephone system would be an added cost. Even a conservative estimate of \$3,500 per lot for undergrounding of utilities represents an unexpected and unjust financial burden on individual lot owners.

Findings

1. Kern County Tract 3312, known as Mountain Valley Estates, is located in an unincorporated, sparsely populated semi-mountainous area about seven miles northeast of Tehachapi and about five miles from a major highway.

2. There are no designated scenic highways, state or national parks, or other areas of unusual scenic interest in the vicinity of Mountain Valley Estates. Consequently, restrictions of D. 80864 do not apply.

3. The final map for Tract 3312 was filed in 1970 and recorded in the office of the Kern County Recorder on Page 31 of Kern County Book of Maps No. 18.

4. At the time this application was submitted Kern County had no policy regarding undergrounding of facilities.

5. The original developer of Tract 3312 and adjoining Tract 3242 did not install or agree to install electric or telephone service. The Applicant, present owner of unsold lots in Tract 3312, plans to provide only that utility service necessary to serve its model homes.

6. All electric and telephone service in adjoining and nearby tracts is provided from overhead lines. These are not conspicuous due to the hilly characteristics of the terrain.

7. Trenching costs and advanced payments for undergrounding of utilities for 18 lots would be around \$57,000, of which about \$27,000 could eventually be refunded. Costs per lot would exceed \$3,500 for undergrounding as compared to \$890 for overhead service. The latter would be entirely refundable.

8. The expenses associated with undergrounding in the prevalent rock structure of this tract would impose an intolerable financial burden on the Applicant as well as the individual owners of other lots in the tract.

9. Neither Edison nor Pacific Telephone objects to providing overhead utilities' service.

10. In this project, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

11. Edison and Pacific Telephone should be authorized to deviate from their respective mandatory undergrounding requirements of their line extension rules and to provide overhead electric and telephone service in Tract 3312, Mountain Valley Estates, Kern County, California.

Conclusions

1. A public hearing is not required.
2. The Commission concludes that the application should be granted as provided in the order that follows.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company is authorized to deviate from the mandatory undergrounding requirement of its electric line extension rule of its tariff in order to provide overhead electric service to Mountain Valley Estates Subdivision, Tract No. 3312, in Kern County.

2. Pacific Telephone is authorized to deviate from the mandatory undergrounding requirement of its telephone line extension rule of its tariff in order to provide overhead telephone service to Mountain Valley Estates Subdivision, Tract No. 3312, in Kern County.

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

Dated at San Francisco California, this 19th day of APRIL, 1977.

William J. Quinn President
Vernon L. Stutzgen

Richard D. Howell
Commissioners

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