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ORIGINALDecision No. 90922 OCT 23 1979

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of John H. Pedrazzi
and O. E. Campbell to deviate
from the mandatory requirements
for underground utility extensions
in Tract No. 1081, Shasta County,
California.

Application No. 58925
(Filed June 11, 1979)

O P I N I O N

Applicants, John H. Pedrazzi and O. E. Campbell, have petitioned the Commission for a deviation from Pacific Gas and Electric Company's (PG&E) Rule No. 15.D, requiring underground construction of electric line extensions to their properties, located in Hirz Bay Tract No. 1081, adjacent to Gilman Road, north of Shasta Lake in Shasta County.

PG&E's Tariff Rule No. 15, Section D, provides as follows:

D. Underground Extensions1. General

- a. All line extensions to serve new residential subdivisions and developments shall be made underground in accordance with Rules Nos. 15 and 15.1 unless exempted by Section C of Rule No. 15 or by the exceptional case provision of Section E.7. of Rule No. 15 or Section E.4. of Rule No. 15.1. All line extensions to serve new commercial and industrial developments shall be made underground in accordance with Rules Nos. 15 and 15.2 unless exempted by the exceptional case provision of Section E.7. of Rule No. 15, or Section D.3. of Rule No. 15.2. Underground line extensions to serve individuals will be made only where mutually agreed upon by the utility and the applicant, except in those areas where the utility maintains or desires to maintain underground distribution facilities for its operating convenience or in compliance with applicable laws, ordinances, or similar requirements of public authorities.

Applicants claim exemption from the above rule by pointing to PG&E's Tariff Rule No. 15, Section E.7., which provides as follows:

E.7. Exceptional Cases

In unusual circumstances, when the application of these rules appears impractical or unjust to either party, or in the case of the extension of lines of a higher voltage, the utility or the applicant 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.

Applicants allege that application of PG&E's Tariff Rule No. 15.D. is impractical because trenching in the very steep terrain, required for underground service, will eventually result in erosion of the backfill and the adjacent terrain. In addition to the initial cost of the trenching, estimated at \$68,000, additional costs may be incurred because of repairs of erosion damage following the annual rainy period.

Tract No. 1081 measures approximately 31 acres and contains individually owned lots ranging from 2.17 to 8.14 acres in size. The terrain is hilly with grades as high as 85%. The conclusions in the staff exhibit, after field investigation, are that it would not be possible to install underground utility extensions without risking slides due to erosions.

Shasta County has designated the applicants' area as "conservation variable". This designation, among other things, provides that residential lots should be no smaller than 2.5 acres; this means that no existing lot can be split to less than 2.5 acres for building purposes.

The total cost to PG&E for an underground extension is estimated to be \$68,000, while the cost of an overhead extension is estimated to be \$22,000. The applicants would have to contribute \$34,000 in the case of an underground extension, but an

overhead extension can be constructed at no cost to them. The following tabulation details these costs.

Cost of Extensions

<u>Underground Extension Costs</u>	
Trenching and Backfilling	\$28,000
Cable	16,000
Substructures	15,000
Miscellaneous	<u>9,000</u>
Total Underground	68,000
Overhead Extension Costs	22,000
Difference between Underground and Overhead Costs	46,000
Nonrefundable Cost to the Applicants (75% of the Difference between Underground and Overhead Costs)	34,500

The average price of the lots in this area is approximately \$1,000/acre.

The total length of the extensions will be approximately 2,500 feet, of which 1,275 feet will be on the property of Mrs. Margaret Kardell. Mrs. Kardell is opposed to underground construction on her property because of the erosion problems. She has not yet granted an easement for a line extension. The shortest alternate route, in case the easement over Mrs. Kardell's property is not secured, is from the west on Gilman Road. Such alternate extension would be 20,000 feet long and, accordingly, more costly.

PG&E advised the Commission staff that it would not be good engineering practice to install the utility extensions underground due to the impact on the environment and the unusually high costs related to it. Residents in the area report that ground cover disturbed on the steepest areas seldom returns to its original state because of erosion in the rainy season.

Although some measures can be taken to minimize the erosion problem, the trenched area will represent a continuing erosion problem in the form of slides which will have an irreversible adverse impact on the environment.

The Department of Public Works of the County of Shasta agrees with PG&E that underground facilities in this area would not be appropriate, for the same reasons stated by PG&E.

Overhead telephone lines exist on the northwestern border of the subdivision. No other utilities are available in the area. If overhead lines are installed, they will not be visible from most of the area including Gilman Road. The overhead lines would be concealed by the trees in this hilly terrain.

Findings of Fact

The Commission finds:

1. Erosion and possible slides would result from installation of underground extensions to the applicants' lots.
2. The cost of underground installation, approximately \$28 per foot, is unusually high.
3. Steep terrain and a large number of trees would tend to conceal overhead lines.
4. Applicants' neighbor, Mrs. Margaret Kardell, and the Department of Public Works of the County of Shasta are opposed to underground construction.
5. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

Conclusions of Law

1. A public hearing is not necessary in this matter.
2. It would be unreasonable to require underground construction due to exceptional circumstances in this case.
3. The application should be granted.

O R D E R

IT IS ORDERED that Pacific Gas and Electric Company is authorized to deviate from the mandatory underground requirements of Electric Line Extension Rules Nos. 15 and 15.1 in order to serve lots in Tract No. 1081, in the Hirz Bay Subdivision located north of Shasta Lake in Shasta County.

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

Dated OCT 23 1979, at San Francisco, California.

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

John E. Simpson
President

Richard D. Howell
Paul J. Adams
Thomas M. Jones
Commissioners