

ORIGINAL

Decision No. 92520 DEC 16 1980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Woody Development Co., Inc., for authorization to construct overhead utility (power and telephone) service in place of the required underground facilities and for exemption from that requirement.)	
)	
)	Application No. 59060
)	(Filed August 10, 1979;
)	amended June 26, 1980)

O P I N I O N

By Application No. 59060 filed August 10, 1979, Woody Development Co., Inc. (Woody) requests Commission authority to construct and install overhead electric and telephone facilities in a residential subdivision in the townsite of Woody in Kern County, in place of the otherwise required underground facilities.

By letter dated October 10, 1979, the assigned Administrative Law Judge (ALJ) wrote to Woody requesting additional information regarding its application. A second letter from the ALJ elicited an amended application dated June 26, 1980.

In support of its amended application Woody alleges:

"The area of applicant's subdivision is not classified as a scenic area. The area is primarily rock, brush, and oak trees. The oak trees are located such that the overhead lines proposed by applicant would be partially, if not completely, hidden from general view."

"Further, the cost of locating the utilities underground, due to the exceptionally rocky nature of the terrain, would be virtually prohibitive. Further, this high cost would be difficult to

pass on to prospective purchasers, since such an increase would make the property prohibitively expensive."

Attached to the application are various exhibits, including letters from Southern California Edison Company (Edison) and Continental Telephone Company of California (Continental).

The size of the proposed development is 28.26 acres, divided as follows:

4 1-acre parcels
113 50' x 150' parcels
18 100' x 150' parcels

The estimated costs of underground and overhead are stated as follows:

Underground

Edison

Advance \$31,290
Refundable 28,270

Continental

Advance \$19,463
Refundable 15,163

Minimum of \$500 per 100 feet of trench.

Overhead

Edison \$13,000
Continental 5,576

Based on shared Edison poles.

The cost information was furnished in 1978 (Edison) and 1979 (Continental).

In its letter to Woody, Edison states:

"It is the Southern California Edison Company's position in this matter that there is no reason to deviate from P.U.C. Rule 15.1 requiring all facilities that serve residential subdivisions to be underground. We feel this enhances the environment and from a maintenance standpoint, is practically trouble free."

Based on our review of the application, and a staff memorandum dated November 21, 1980, we agree with Edison. The allegations in the application, if proven, are not sufficient to support an exemption from the undergrounding requirement.

The original application understated the cost of overhead construction by omitting a \$4300 charge for relocation of an existing telephone line required for either case. This deficiency was noted in the letter from the ALJ to Woody and not cured in the subsequent amendment.

The major cost difference between overhead and underground is the cost of trenching. In the staff memorandum the cost is stated as \$32,400, based on 5,400 feet at \$6.00 per foot. Using an adjusted number of lots (116), the average cost per lot is about \$280. When weighed against the benefits of undergrounding as cited by Edison, we find that an exemption is not justified, particularly since there is no information regarding the value of the property to support the proposition that the cost of undergrounding "would make the property prohibitively expensive." The denial of this application is without prejudice.

Findings of Fact

1. By A.59060 Woody seeks authority to construct and install overhead electric telephone facilities in Kern County.

2. The size of the proposed development is 28.26 acres, to be divided as follows:

4 1-acre parcels
113 50' x 150' parcels
18 100' x 150' parcels

3. The estimated costs of undergrounding are:

Edison

Advance	\$31,290
Refundable	28,270

Continental

Advance	\$19,463
Refundable	15,163

and \$32,400 for trenching (5,400 feet).

4. The estimated costs of overhead are:

Edison	\$13,000
Continental	5,576

based on shared Edison poles.

5. Continental's \$4,300 charge for relocation of existing facilities is required for aerial or buried facilities.

6. The estimated cost of trenching does not appear prohibitively expensive in relation to development of the subdivision.

7. Underground facilities are more beneficial to the environment and require less maintenance than overhead facilities.

Conclusion of Law

The application does not allege sufficient grounds for an exemption from the undergrounding requirement.

O R D E R

IT IS ORDERED that Application No. 59060 is hereby denied.

The effective date of this order shall be thirty days after the date hereof. DEC 16 1988

Dated _____, at San Francisco, California.

John E. Bryan
President

Richard W. Howell

Charles J. DeBrie

Commissioners

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

Commissioner Leonard M. Grimes, Jr., being necessarily absent, did not participate.