

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION AND COMPLIANCE DIVISION
Energy BranchRESOLUTION E-3008
October 1, 1986

RESOLUTION

ORDER AUTHORIZING SOUTHERN CALIFORNIA EDISON COMPANY (SCE)
TO IMPLEMENT AN AGREEMENT WITH SUGARLOAF MOUNTAIN RANCH
COMPANY PROVIDING FOR THE EXTENSION OF ELECTRIC SERVICE TO
A RESIDENTIAL ELECTRIC LOAD IN TEHACHAPI, CALIFORNIA.

By Advice Letter 739-E, filed July 28, 1986, Southern California Edison Company (SCE), requests authorization to implement an Agreement dated April 4, 1986, with Sugarloaf Mountain Ranch Company (Applicant) providing for the extension of electric service to residential electric load in Tehachapi, California, located in the County of Kern. The facts are as follows:

1. The Agreement as listed below deviates from SCE's filed tariffs to include an advance payment by Applicant of the total cost of the facilities and the provisions for refunds based on five times the estimated annual base revenues from load to be connected to the facilities and by the payment of a lump sum amount to create a fund covering SCE's cost-of-ownership as follows:

<u>Total Cost of Extension</u>	<u>Lump Sum Payment to Cover Cost-of-Ownership</u>	<u>Total Payment By Applicant</u>
\$23,363.00	\$12,557.00	\$35,920.00

2. The cost-of-ownership is based on the present worth value of the monthly cost-of-ownership charge for a period of ten years using an annual rate of 12.39 percent which was SCE's authorized rate of return when the Agreement was negotiated.

3. SCE will refund to Applicant in accordance with Paragraph No. Three of the Agreement, an amount equal to five times the estimated annual base rate revenue for up to ten years from the date SCE is ready to render service from the extension.

4. Inasmuch as there is only minimal estimated annual base rate revenue from this extension, SCE believes the above provisions are just and nondiscriminatory. They enable the line extension to be installed under conditions acceptable to the Applicant and prevent the installation from being a burden on SCE's other ratepayers.

5. This request by SCE is similar to those of previous line extension advice letter filings that have been approved by this Commission.

6. This filing has been reviewed by the Staff of the Service and Safety and the Energy Branches of the Evaluation and Compliance Division. The Staff recommends authorization and the filing is presented herewith to the Commission for its approval.

7. We find that this Agreement is just and reasonable, has been reached by mutual consent of both parties, is consistent with established criteria, and enables the Applicant to obtain needed service under conditions which are acceptable and which prevent the cost of such service from becoming a burden on other ratepayers.

THEREFORE:

1. Southern California Edison Company is authorized by Sections 454 and 532 of the Public Utilities Code and by Section X.A. of General Order 96-A to place the above Agreement into effect today.

2. Advice Letter No. 739-E and the accompanying Agreement shall be marked to show that they were approved for filing by Commission Resolution E-3008. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 1, 1986. The following Commissioners approved it:



Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
STANLEY W. HULETT
Commissioners