

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
ENERGY BRANCH

RESOLUTION E-3098  
June 17, 1988

**R E S O L U T I O N**

PACIFIC GAS AND ELECTRIC COMPANY (PG&E). ORDER AUTHORIZING AGREEMENT BETWEEN PG&E AND AT&T COMMUNICATIONS, INCORPORATED (AT&T) FOR AN UNECONOMIC LINE EXTENSION, BY ADVICE LETTER 1207-E, FILED MAY 16, 1988.

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**SUMMARY**

1. By Advice Letter 1207-E, filed May 16, 1988, PG&E requests authorization to enter into an Agreement with AT&T. The Agreement, entitled "Pacific Gas and Electric Company Special Electric Extension and Service Agreement" is to provide an uneconomic line extension to AT&T's regeneration station located near Fish Rock Road and Highway 128, Yorkville, Mendocino County, California.
2. PG&E is authorized by this Resolution to enter into said Agreement as requested.

**DISCUSSION**

1. PG&E requests authorization to install this line extension under the "Exceptional Cases" provision of Electric Rule 15.E.7 due to its being uneconomic in nature. The line extension includes approximately 2,140 feet of 12kV distribution facilities.
2. The cost of the extension is estimated to be \$14,341. The total advance payment required from AT&T is \$16,165 which includes AT&T's portion of the line extension costs plus the Contribution-In-Aid-of-Construction (CIAC) tax on the advance, a rearrangement charge of \$439, and a state highway permit cost of \$333. In addition, AT&T will pay an equivalent one-time ownership charge of \$8,316 (Equivalent One-Time Cost of Ownership Payment) and a Rule 16 charge of \$52 for service risers. Attachment 1 lists a break-down of the costs associated with this line extension.
3. PG&E's cost to install this line extension and associated facilities (facilities) is substantially in excess of that which

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PG&E would install at its own expense under the standard provisions of its Electric Rule 15, Electric Line Extensions.

4. The terms of the Agreement are consistent with the Company's established policy for such uneconomic line extensions. Such terms enable the line extension to be installed under conditions acceptable to AT&T and prevents the service from becoming a burden to other ratepayers, as would occur if the cost of ownership charges were not made on the excess portion of the line extension facilities.

5. The conditions of this agreement are consistent with other uneconomic line extensions made by PG&E and other utilities, and approved by the Commission.

6. This filing will not increase any rate or charge, cause withdrawal of service, or conflict with any rate schedule or rule.

7. In accordance with Section III, Paragraph G, of General Order 96-A, PG&E has mailed copies of this filing to AT&T and to all utilities and parties requesting notification of advice filings.

PROTESTS

1. No protests were received regarding Advice Letter 1207-E.

FINDINGS

1. We find that the rates, charges and conditions of service as proposed by this Agreement are just and reasonable; therefore,

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized by Section X.A of General Order 96-A to enter into said Agreement with AT&T Communications, Incorporated.
2. Advice Letter 1207-E and accompanying Agreement shall be marked to show that they were approved for filing by Commission Resolution E-3098.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 17, 1988. The following Commissioners approved it:

STANLEY W. HULETT  
President

DONALD VIAL  
FREDERICK R. DUDA  
C. MITCHELL WILK  
JOHN B. OHANIAN  
Commissioners



Executive Director

Attachment

Attachment 1

Estimated Cost of Furnishing and Installing Facilities.....	\$ 14, 341
Less: 5 Times Estimated Annual Net Revenue (5 x \$463).....	\$ 2, 315
Advance .....	\$ 12, 026
Plus: Contributions-In-Aid of Construction Tax (0.28 x \$12,026).....	\$ 3, 367
Plus: Rearrangement Charge including CIAC Taxes.....	\$ 439
Plus: State Highway Permit including CIAC Taxes.....	\$ 333
Total Payment Due Prior to Start of Construction.....	\$ 16, 165
Plus: Equivalent One-Time Cost of Ownership Payment..	\$ 8, 316
Plus: Rule 16 Service Charges.....	\$ 52
Total Payment by AT&T.....	\$ 24, 533