

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION R-3446  
March 13, 1996

R E S O L U T I O N

RESOLUTION R-3446. PACIFIC GAS AND ELECTRIC COMPANY REQUESTS APPROVAL OF AN EXCEPTIONAL CASE FACILITIES AGREEMENT WITH RUSSELL J. AND A. MARIE JACKSON.

BY ADVICE LETTER 1507-E, FILED ON APRIL 24, 1995.

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SUMMARY

1. By Advice Letter 1507-E, filed April 24, 1995, Pacific Gas and Electric Company (PG&E) requests authorization of an Exceptional Case Facilities Agreement (Agreement) between PG&E and Russell J. and A. Marie Jackson (Applicants), dated April 19, 1995. PG&E has agreed to build a 5,744 foot electric line extension to Applicant's property on North Vasco Road in Livermore, Alameda County. In return, Applicants agree to pay PG&E \$39,303. This amount covers construction costs, taxes, and continuing costs of ownership.
2. Under the standard provisions of PG&E's electric line extension rule, PG&E could charge \$26,615 for the extension, while the cost is approximately \$35,900. Exceptional case filings are considered when extensions are beyond the applicant's free footage allowance; there are unusual site or load characteristics; the overall cost exceeds \$10,000; and the utility demonstrates that it has provided appropriate allowances to the applicant.
3. No protests were made to Advice Letter 1507-E.
4. This Resolution approves PG&E's request.

BACKGROUND

1. Applicants' new home is located in a remote and isolated area of Livermore. To serve Applicants with electricity, PG&E will have to build a 5,744 foot overhead distribution line extension.
2. On April 24, 1995, PG&E submitted the Agreement for a 5,744 foot overhead electric distribution line extension to applicant's property, North Vasco Road in the City of Livermore, Alameda County. The Jacksons have agreed to pay \$39,303 to cover construction costs, Contributions In Aid of Construction

(CIAC) tax, and a one time cost of ownership charge. The Agreement was signed on April 19, 1995.

3. PG&E's Electric Line Extension Tariff Rule provides for extensions under exceptional circumstances (Section E - Special Conditions, Subsection 7 - Exceptional Cases. The provision states:

"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, PG&E 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."

3. The criteria for exceptional case consideration were established in Commission Resolution E-3341, dated October 20, 1993, as follows:

- A. The extension is beyond the applicant's free footage allowance; and
- B. The construction of the proposed extension departs from utility "optimal" construction conditions as described in Note 1 (not included) and has one or more of the following characteristics:
  - The extension is speculative in nature; or
  - The extension involves unusual service requirements, or
  - has unusual local site characteristics; or
  - The extension is in an isolated location; or
  - The connected load is small, intermittent or nonexistent (e.g. sprinkler controls) and
- C. The total estimated cost of the job is greater of than \$10,000; and
- D. PG&E has provided the applicant with the greater of either
  - a revenue based allowance or
  - a free footage allowance equivalent to \$10,000.

4. Applicant's free footage allowance is 2,620 feet. The required extension is 5,744 feet, exceeding the applicable free footage allowance by 3,124 feet.

5. The extension departs from optimal construction conditions and is located in a remote and isolated area. PG&E indicates that the possibility of additional service requests is unlikely.

6. The estimated project cost is approximately \$39,000.

7. PG&E has calculated a revenue based allowance of \$10,375, which it will apply as a credit towards the extension.

#### PROTESTS

1. No party filed a protest of Advice Letter 1507-E.

#### DISCUSSION

1. The Agreement provides for the Applicant to pay PG&E its unsupported capital contribution costs, a one-time cost-of-ownership payment, and applicable taxes as set forth in Exhibit A of the Agreement. PG&E estimates that the Base Annual Revenue from Applicants would amount to \$1,900. This revenue would not support PG&E's investment and would therefore place an unfair economic burden on PG&E's other customers.
2. PG&E claims that the Agreement ensures that the unsupported costs of the extension and ongoing costs-of-ownership are not transferred to other ratepayers.
3. The Commission Advisory and Compliance Division (CACD) has reviewed the Agreement. CACD believes that this extension and the Agreement meet the criteria for exceptional case treatment established by Resolution E-3441. The agreement was negotiated under PG&E's extension rules in effect prior to July 1, 1995. CACD recommends approval of the Advice Letter.

#### FINDINGS

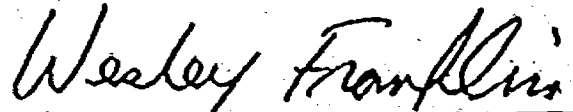
1. Pacific Gas and Electric Company (PG&E) filed Advice letter 1507-E on April 24, 1995 for approval of an Exceptional Case Facilities Agreement (Agreement). The Agreement between PG&E and Russell J. and A. Marie Jackson (Applicants) provides that PG&E will install a 5,744 foot electric line extension and the Jacksons will pay PG&E \$39,303.
2. The Commission Advisory and Compliance Division (CACD) has reviewed the Agreement and believes that it complies with the requirements for such filings. CACD recommends approval of the Advice Letter.
3. Acceptance of this Agreement should relate to this specific extension and should not be regarded as a precedent or endorsement for other filings. Each exceptional case filing should be treated on an individual basis.

March 13, 1996

THEREFORE, IT IS ORDERED that:

1. Pacific Gas and Electric Company's Advice Letter 1507-E is approved.
2. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on March 13, 1996. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

DANIEL Wm. FESSLER  
President  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners