

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION  
ENERGY BRANCH

RESOLUTION E-3457\*\*  
JUNE 19, 1996

R E S O L U T I O N

RESOLUTION G-3457. REQUEST OF THOMAS JAMES YORK FOR A RULING UNDER THE EXCEPTIONAL CASES PROVISION OF TARIFF RULE 15 TO ORDER PACIFIC GAS AND ELECTRIC COMPANY TO PROVIDE ELECTRIC SERVICE UNDER EXTENSION RULES IN EFFECT PRIOR TO JULY 1, 1995

BY LETTER, DATED FEBRUARY 13, 1996.

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SUMMARY

1. Thomas James York (YORK or Applicant) requests a special ruling from the Commission directing Pacific Gas and Electric Company (PG&E) to extend service to his property in Forest Ranch, northeast of Chico under the line extension rules in effect prior to July 1, 1995. YORK acquired the property and the existing residential structure on September 5, 1995.
2. PG&E protested YORK's request. PG&E cites the request for exceptional case treatment by Barry A. and Maline L. Hazle (HAZLE). In HAZLE, the Commission granted exceptional case treatment by Resolution E-3436. PG&E believes that the grounds for the HAZLE request and others which it has acceded to involved contact with the utility prior to the line extension tariff rule change on July 1, 1995. PG&E does not feel that the YORK request meets this requirement and therefore would decline to extend service under the rules in effect prior to July 1, 1995.
3. In HAZLE, Finding 9 determined that "PG&E did not notify HAZLE of the impending rule change while it did notify builders and developers." CACD is quoted in the Resolution on its position. "CACD supports the request by HAZLE on the basis that PG&E had a responsibility not only to the builders and developers who would be affected by the change in the rules, but also to potential applicants for service. In particular this duty applies to potential applicants for service who the utility had records of and who, if they had been notified of the rule change, could have adjusted their building process to take advantage of the previous rules." In YORK's case, the previous owner of the Forest Ranch property, Jim Scott (SCOTT), contacted the utility prior to July 1, 1995 and was responsible for the utility establishing a record for the property. It is reasonable to grant exceptional case treatment to YORK on the grounds that YORK diligently sought electric service and could have taken such service within a reasonable period after the July 1, 1995 line extension tariff rule change.

4. YORK's request is granted and PG&E's protest is denied.

BACKGROUND

1. On February 13, 1996 YORK requested a special ruling by the Commission under the Exceptional Cases provisions of PG&E's Electric Line Extension Tariff Rules. The Exceptional Cases provisions allow PG&E or an Applicant to refer a matter to the Commission for special ruling when unusual circumstances are involved, and the application of the extension rules appears impractical or unjust.
2. YORK believes that PG&E's application of Tariff Rules 15 and 16 is impractical and unjust with regard to the installation of an electric extension. Applicant relied upon information provided by PG&E prior to his purchase of the Forest Ranch property. This information was provided in mid-August, 1995, according to PG&E's records. The line extension rules in effect prior to July 1, 1995 would have been more advantageous to YORK than the current rules. When YORK initially inquired about the cost of electric service in mid-August, he was apparently quoted costs based upon the application of the line extension rules in effect prior to July 1, 1995. YORK purchased the property on September 5, 1995. When YORK subsequently applied for electric service in December, the quoted price for an extension had increased from approximately \$4,000 to a price of \$11,500 for underground service and \$14,500 for overhead service.
3. In addition to the information provided to YORK, the previous owner of the property, Jim Scott (SCOTT), made an inquiry to PG&E about the cost of an extension in September or October of 1993. Therefore, PG&E had this location on file and could have provided information to SCOTT about the change to the line extension rule.
4. As a consequence of the Commission's Rulemaking (R) 92-03-050 to consider electric and gas line extension rules, Decision (D) 94-12-036 was issued on December 7, 1994. That decision ordered PG&E and California's other investor owned utilities to implement the new rules for gas and electric line extensions. The decision ordered the new rules to go into effect on July 1, 1995. This effective date was elaborated on by correspondence from the Commission Advisory and Compliance Division (CACD). Part of that correspondence states "... any customer application for an extension, mailed on or before June 30, 1995, initiates an extension process with the utility under the extension rules previously in effect." (Letter dated June 5, 1995 to respondent utilities in R. 92-03-050 by John Dutcher, Supervisor).

5. YORK asserts that PG&E's position is impractical and unjust under these circumstances with regard to their property at 5655 Schott Road in Forest Ranch. YORK believes that the utility is unnecessarily preventing Applicant from receiving service under the previously effective rules. YORK submits his request under the Exceptional Cases provisions of Electric Rule 15, Distribution Line Extensions, Section H.3. and Electric Rule 16, Service Extensions, Section G. These sections provide that:

When the application of this rule appears impractical or unjust to either party, or ratepayers, PG&E or Applicant may refer the matter to the Commission for a special ruling...

5. PG&E and the other respondent utilities to R.92-03-050 engaged in a program of disseminating information to builders and developers after D.94-12-026 was issued. They jointly funded the development of a brochure and engaged in outreach efforts to alert builders and developers to the impending change in the extension rules.

#### NOTICE

1. Notice of this letter was provided by publication in the Commission Calendar and by notification to PG&E.

#### PROTESTS

1. PG&E protested YORK's letter on February 27, 1996. In its protest the utility cites previous requests, such as that of HAZLE. In those requests, the utility points out that there had been contact by the applicant to the utility prior to July 1, 1995. The YORK request is distinguished by the lack of contact by YORK prior to the change in the line extension rules on July 1, 1995.

#### DISCUSSION

1. The history and substance of YORK's request for electric service with PG&E is outlined in the Background section of this Resolution. Essentially, YORK relied upon information that was subsequently changed by Commission Decision 94-12-026, issued in December of 1994.

2. PG&E indicates that it has been lenient in granting exemptions to applicants that had contacted PG&E after December 7, 1994 but before the new rules went into effect on July 1, 1995, who were not made aware of the impending rules changes. PG&E feels that the YORK request for an exceptional case ruling falls outside the parameters of these exemptions.

3. Has YORK demonstrated diligence and effort in obtaining electric service for his Forest Ranch property? In response to a data request, PG&E has confirmed that Mr. Chadbourne, a PG&E employee, met with YORK and discussed electric service to the

Forest Ranch property. The meetings and correspondence took place after July 1, 1995. Applicants for electric service are provided the option of filing with the Commission for a special ruling where they feel that the application of the other portions of the line extension tariffs are impractical or unjust. YORK meets the criteria for bringing his concerns to the Commission and receiving consideration as provided in the tariff line extension rules.

4. Did SCOTT, prior owner, of the Forest Ranch property contact PG&E regarding electric service? According to PG&E's response to a data request, PG&E's records indicate that SCOTT submitted an application for electric service on July 6, 1993. PG&E indicates that SCOTT subsequently cancelled the project on the grounds that he did not have the funds to pay for the electric line extension. The rough estimate of the cost of an extension at that time was \$5,000. This estimate was developed under the provisions of the line extension rule in effect prior to July 1, 1995. PG&E has demonstrated that it had records and knowledge of interest in an electric service extension to the Forest Ranch property prior to July 1, 1995.

5. Did PG&E provide information to developers and builders about the changes to the tariff line extension rules? PG&E indicates that it participated in the development of a videotape and brochure to communicate changes to the line extension rules. Copies of the videotape and 17,000 brochures were sent to PG&E's local offices. The local offices were then to send the brochures to local builders, developers, and contractors. From the response by PG&E, there was no indication that the utility distinguished between vintages of builders. In other words, a new builder to the area would have received this information as readily as an established builder.

6. Could SCOTT or YORK have acted to receive service within a reasonable period after the July 1, 1995 transition date? As indicated by PG&E, SCOTT contacted PG&E as early as 1993 concerning electric service for an existing residence. It is reasonable to assume that YORK could have and desired to have electric service to the Forest Ranch property within a reasonable period after the July 1, 1995 change in the tariff rule.

7. If SCOTT had retained ownership of the Forest Ranch property, would the circumstances for a request for special ruling be the same as established in Resolution E-3436 for the HAZLE? In Resolution E-3436, the Commission granted a request by HAZLE for a special ruling under the exceptional case provision of the line extension rule. The Commission directed PG&E to provide service under the provisions of the line extension rules in effect prior to July 1, 1995. In HAZLE, Finding 9 determined that "PG&E did not notify HAZLE of the impending rule change while it did notify builders and developers." CACD is quoted in the Resolution on its position. "CACD supports the request by HAZLE on the basis that PG&E had a responsibility not only to the builders and developers who would be affected by the change in the rules, but also to

potential applicants for service. In particular this duty applies to potential applicants for service who the utility had records of and who, if they had been notified of the rule change, could have adjusted their building process to take advantage of the previous rules." SCOTT would clearly have met these requirements.

8. Does the change of ownership from SCOTT to YORK extinguish PG&E's responsibility to applicants for service as set forth in HAZLE? PG&E adopted two different approaches to the issue of providing information to parties who might be interested in the change in the line extension rules. For builders and developers, the utility took a proactive stance and attempted to provide information on a timely basis to all potentially interested builders. For applicants for service, even when the utility had knowledge that there was potential interest and financial impact, PG&E's posture was that it informed applicants only when they inquired about a possible line extension. Thus, PG&E would not have known about the change of ownership, since it made no effort to inform potentially affected applicants for service about the impending change in the line extension rule. By analogy, PG&E attempted to inform all builders and developers, whether established or new. The utility should extend the same provision to new and older applicants for service who meet the circumstances in HAZLE.

9. CACD notes that the correspondence cited by PG&E was issued to safeguard applicants for service who were being required to comply with the revised rules prior to the effective date. The YORK request for special ruling falls outside of such correspondence. CACD supports the request by YORK on the basis that PG&E had a responsibility not only to the builders and developers who would be affected by the change in the rules, but also to potential applicants for service. In particular this duty applies to potential applicants for service who the utility have records of and who, if they had been notified of the rule change, could have taken advantage of the previous rules. Records should include the person's name, the specific identification of the property's location, a means of contacting the person by phone or mail, arise from a contact after January 1, 1993, and pertain to customers ready to accept service before December 31, 1995.

10. YORK's letter indicates that the previous owners, SCOTT, was in contact with PG&E about an extension in September/October of 1993. Clearly the utility could have notified YORK of the effect of the rule change so that YORK would have been aware of the increased cost that might have been a factor in the purchase of the property. Since YORK attempted to determine the circumstances about a line extension from PG&E, accurate and timely information would have allowed YORK to factor in the cost effect of the new rules. Either PG&E could have provided the information to YORK directly or it could have notified SCOTT. SCOTT could then have provided the information to YORK. PG&E apparently made no attempt to provide this information to SCOTT, while it was making an effort to inform builders and developers in its service area.

11. CACD finds no procedural defect in YORK's letter request.
12. CACD recommends that YORK be granted the opportunity to take service from PG&E under the extension rules in effect prior to July 1, 1995.

FINDINGS

1. Thomas James YORK (YORK) requested by letter on February 13, 1996 a special ruling by the Commission to order Pacific Gas & Electric Company (PG&E) to provide service under the line extension rules in effect prior to July 1, 1995.
2. YORK filed its request under the Exceptional Cases provisions of Electric Rule 15, Distribution Line Extensions, Section H.3. and Electric Rule 16, Service Extensions, Section G.
3. YORK asserts that the application of Tariff Rules 15 and 16 is impractical and unjust with regard to YORK's request.
4. PG&E protested the YORK request by letter dated February 27, 1996.
5. A decision was issued on December 7, 1994 (Decision (D) 94-12-036) which ordered PG&E and California's other investor owned utilities to implement the new rules for gas and electric extensions. The decision ordered the new rules to go into effect on July 1, 1995.
6. PG&E and other respondent utilities made efforts to educate builders and developers as to the impending effect of the new rules.
7. PG&E did not notify the previous owners of the Forest Ranch property nor YORK of the impending rule change while it did notify builders and developers.
8. There is no procedural defect in YORK's letter request.
9. PG&E should be instructed to offer service to YORK under the line extension rules in effect prior to July 1, 1995.
10. CACD should monitor the provision of this service to YORK and other, similarly situated, applicants for service.

June 19, 1996

THEREFORE, IT IS ORDERED that:

1. Thomas James YORK's (YORK) letter request of February 13, 1996, requesting the opportunity to take service under the electric extension rules in effect prior to July 1, 1995 is granted.
2. Pacific Gas and Electric Company's (PG&E) protest is denied.
3. The Commission Advisory and Compliance Division (CACD) shall monitor the implementation of this Resolution.
4. PG&E shall provide CACD with a copy of the agreement for service negotiated with YORK.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 19, 1996. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

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

I abstain.

/s/ JOSIAH L. NEEPER  
Commissioner