

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-3567
OCTOBER 8, 1998**

RESOLUTION

RESOLUTION E-3567. PACIFIC GAS AND ELECTRIC COMPANY (PG&E) REQUESTS A DEVIATION FROM THE UNDERGROUNDING REQUIREMENTS OF PUBLIC UTILITIES CODE SECTION 320. THE PROPOSED SITE IS ALONG STATE HIGHWAY 12 IN SONOMA COUNTY NEAR COHN WINERY. APPROVED.

BY LETTER DATED OCTOBER 28, 1997, FROM PG&E

SUMMARY

1. On October 28, 1997, PG&E filed a letter with the Energy Division concerning relocation of a portion of the 12 kilovolt (kV) distribution pole line facilities along California State Scenic Highway 12 in Sonoma County. Pacific Bell communication lines and PG&E power distribution lines share the poles which are owned by PG&E.
2. Cohn Winery requests PG&E to relocate five poles of the line to accommodate a new turn lane required in connection with expansion of the winery. The area around the electrical facilities is agricultural.
3. PG&E requests a deviation from Public Utilities Code (P.U. Code) Section 320 which requires existing overhead conductors to be placed underground if relocated. If the cost of undergrounding makes a project impractical, however, then a deviation may be granted.
4. No protests were received.
5. The County of Sonoma recommends that the Commission grant a deviation from the undergrounding requirement.
6. Energy Division staff recommend the deviation be granted since the cost of undergrounding is estimated to be 3 to 4 times the cost of relocating the poles and conductors.
7. This Resolution approves the request for pole relocation on Highway 12 near Cohn Winery in the County of Sonoma.

BACKGROUND

1. Public Utilities Code (P.U. Code) Section 320 was enacted in 1971, Chapter 1697, and reads in part, as follows:

The legislature hereby declares that it is the policy of this state to achieve, whenever feasible and not inconsistent with sound environmental planning, the undergrounding of all future electric and communication distribution facilities which are proposed to be erected in proximity to any highway designated a state scenic highway pursuant to Article 2.5 (commencing with Section 260) of Chapter 2 of Division 1 of the Streets and Highways Code and which would be visible from such scenic highways if erected above ground.

2. The Commission is responsible for the administration of P.U. Code Section 320. After hearings conducted in Case 9364, Decision (D.) 80864, dated December 19, 1972, implemented the State Legislation. D. 80864 states that:

In order to facilitate administration, letter requests for deviations will be accepted, reviewed by the Commission staff and, where appropriate, approved by Commission resolution. (74 CPUC 457)

Commission Decision 80864 stipulates that no communication or electric utility shall install overhead distribution facilities "in proximity to" and "visible from" any prescribed corridor on a designated scenic highway in California unless a showing is made before the Commission and a finding made by the Commission that undergrounding would not be feasible or would be inconsistent with sound environmental planning. The Decision also defines "in proximity to" as being within 1,000 feet from each edge of the right-of-way of designated state Scenic Highways.

3. By letter dated and filed on October 28, 1997, PG&E requested a deviation from the legislative undergrounding requirements. The five poles that will be relocated are adjacent to Cohn Winery located on 15000 Sonoma Highway (Highway 12) in Glen Ellen, Sonoma County.
4. Documents received indicate that Cohn's current plans for expansion include construction of a new entrance driveway, parking lot, and tasting room. As a permit condition for Cohn's new driveway, the County of Sonoma required Cohn to construct a new left-turn lane on Highway 12 to improve traffic safety. The resulting highway realignment would cause five existing utility poles to be moved. P.U. Code Section 320 requires the utility lines to be placed underground if they were relocated, since the project was within 1,000

feet of a Scenic Highway. Cohn would bear all costs of relocating the utility lines since this was not a utility-initiated project. Costs were estimated at \$220,000 if underground vs. \$44,000 if overhead, according to the County. Sonoma required Cohn to construct a new left-turn lane on Highway 12 to at \$220,000 if underground vs. \$44,000 if overhead, according to the County.

5. On September 12, 1997, Cohn received a letter from the Sonoma County Planning Department supporting its request to relocate the lines overhead instead of underground:

...we agree that to underground utility lines in conjunction with the construction of your left-turn lane is economically impractical. This department recommends that the Commission grant a deviation from the undergrounding requirement. While undergrounding of utility lines is occurring within urban areas of Sonoma Valley, undergrounding utility lines in the rural and agricultural areas has not been undertaken or required to date. Had the cost of undergrounding the lines not been so much higher than relocating them and/or the total cost not been so high, we may not have been able to support your request.

6. In a January 21, 1998 letter to Commission staff Cohn stated that installing the power lines underground creates an impossible situation for B.R. Cohn Winery in terms of construction cost because:

PG&E has indicated that this will cost approximately five (5) times the cost of relocating the power poles (\$220,000 vs. \$44,000). This additional cost will severely impact the project construction budget to the point where the winery will not be able to afford the cost of the left-turn lane improvements...

7. In a February 12, 1998 letter to Commission staff, PG&E estimated costs totaling \$226,000 for undergrounding compared to \$45,000 for the original overhead line relocation proposal, not including telephone relocation costs that may be incurred.

8. On March 24, 1998, members of the Energy Division visited the site of this proposed relocation and recommended that conductors cross the highway perpendicularly if relocated. Staff's proposal would minimize the remaining visual impact of the project if the Commission did not require undergrounding.

9. At this location, Pacific Bell leases space for its telephone lines on the poles owned by PG&E. In its letter of April 14, 1998, Pacific Bell estimated a total cost of some \$20,000 for PG&E's original pole relocation, and \$27,000 for the perpendicular crossing.

10. On May 4, 1998 a PG&E letter to Commission staff strongly encouraged that PG&E's original pole relocation be recommended to the Commission, rather than staff's proposal for a perpendicular crossing.

11. On July 29, 1998 PG&E wrote to Commission staff to report that agreements had been secured concerning easements necessary for the perpendicular crossing.

12. On August 27, 1998 a PG&E letter confirmed that PG&E and Pacific Bell would make the highway overhead crossing as nearly perpendicular as possible and that the relocated lines would not cross the highway diagonally.

NOTICE

1. Notice of PG&E's letter was made by publication in the Commission's Calendar on October 30, 1997.

PROTEST

1. No protests were received for this deviation request.

DISCUSSION

1. In previous Commission Decisions, where the cost of undergrounding substantially exceeds the cost of relocating overhead facilities, the Commission has usually granted deviations on the basis of excessive costs. On this portion of Highway 12, the cost of undergrounding exceeds the cost of relocating the overhead facilities. The following table shows that the cost of undergrounding for this project is 3 to 4 times the cost of relocating conductors overhead on poles:

Underground vs. Overhead
Range of Estimated Costs
(Dollars in Thousands)

	<u>PG&E/Summitt</u>	<u>PacBell</u>	<u>Total</u>
Underground	\$220-\$226	\$ 20-\$ 27	\$240-\$253
Overhead	\$ 44-\$ 45	\$ 20-\$ 27	\$ 64-\$ 72

Ratio of Underground to Overhead Costs:

Minimum	\$240:\$72 or 3.3. to 1
Maximum	\$253:\$64 or 4.0 to 1

2. The disproportionate costs provide reason for deviation from the undergrounding requirements of P.U. Code Section 320 and Commission Decision 80864. In the past, the Commission has approved an overhead line deviation for Scenic Highway 320 projects where the undergrounding cost was only two times as much as the cost to install an overhead system. The 3:1 or 4:1 cost disparity in this case renders the underground alternative impractical.
3. Cohn Winery would be solely responsible for assuming all costs and asserts it could not afford to pay for undergrounding.
4. Undergrounding would improve some or all of the aesthetics, safety, and reliability of the utility facilities, but at a cost that would be economically impractical and unreasonable.
5. There will be an improvement in the aesthetics in the area around the entrance to Cohn Winery because of the re-configuration of the poles, and an improvement in traffic safety and flow due to the new left-turn lane.
6. The Energy Division recommends that PG&E and Cohn Winery be exempted from undergrounding this project.

FINDINGS

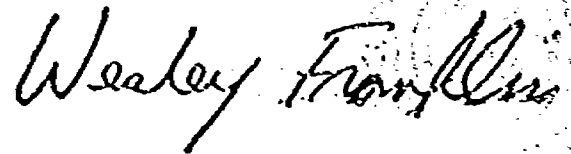
1. Pacific Gas and Electric Company requested a deviation from the undergrounding requirement of California Public Utilities Code Section 320 by letter dated October 28, 1997. The reason for the deviation request is a road-widening project along Scenic Highway 12 near Glen Ellen. Pacific Bell communication lines and PG&E power distribution lines share the poles which are owned by PG&E.
2. Both the telephone and electric facilities are currently visible from the highway. After their re-configuration, the lines across the highway would be realigned so as not to cross the highway diagonally. This would make the area more aesthetically pleasing.
3. The ratio of total costs of at least 3:1 renders the underground alternative feasibly uneconomic.
4. If the deviation is not granted, traffic flow and safety would not be improved because the left turn lane will not be built in absence of improvements at Cohn winery.
5. The deviation request is reasonable, consistent with prior Commission action, and should be approved.

October 8, 1998

THEREFORE, IT IS ORDERED THAT:

1. Pacific Gas and Electric Company's letter request to relocate existing overhead facilities in order to accommodate a new turn lane adjacent to a portion of Scenic Highway 12 in Sonoma County near Cohn Winery is approved.
2. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on October 8, 1998.



Wesley M. Franklin

WESLEY M. FRANKLIN
Executive Director

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
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