

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2854  
Date: February 8, 1989

R E S O L U T I O N

RESOLUTION G-2854. PACIFIC GAS AND ELECTRIC COMPANY (PG&E) AUTHORIZED TO ENTER INTO A GAS MAIN EXTENSION AGREEMENT (AGREEMENT) WITH MENDOTA BIOMASS POWER, LTD. (MENDOTA).

BY ADVICE LETTER 1510-G, FILED ON NOVEMBER 28, 1988.

SUMMARY

1. By Advice Letter 1510-G, filed November 28, 1988, PG&E requests authorization to enter into an Agreement with Mendota. This Agreement provides for the reinforcement of existing gas transmission facilities so that service may be provided to Mendota.
2. This Resolution approves PG&E's request to enter into the Agreement.

BACKGROUND

1. PG&E's gas Rule 15 contains provisions for transmission taps. It does not cover reinforcement of common transmission facilities.
2. Section E.7 of Rule 15, "Exceptional Cases" contains provisions on the extension rule so that reinforcement of these common transmission facilities may be treated in the same manner as distribution facilities under Section D of gas Rule 15.
3. Section D states that extensions of distribution mains and/or enlargements of existing distribution main capacities to furnish service other than Priority Pl service will be installed, owned, and maintained by the utility provided the cost of such extensions and/or enlargements does not exceed one times the estimated annual revenue from the new service as determined by the utility.

February 8, 1989

### DISCUSSION

1. PG&E requests to reinforce existing gas transmission facilities in order to provide service to Mendota. By reinforcement, PG&E would install a parallel pipe to transmit additional gas. This procedure includes the installation of 10,620 feet of 10-inch steel transmission pipeline, and 9,102 feet of four-inch steel distribution feeder main. The new pipe is sized only to serve this customer.
2. The cost of the transmission reinforcement is estimated to be \$626,795. Mendota is given a free-extension credit of \$257,810, the amount of revenue which PG&E estimates it will receive from Mendota during the first year of service under this agreement. The total advance payment of \$472,300 is required from Mendota, which includes Mendota's portion of the line extension costs plus the Contribution in Aid of Construction tax of 28%.
3. The Commission Advisory and Compliance Division (CACD) has reviewed this filing and recommends its approval because it follows previous guidelines and filings for similar requests.
4. This filing will not increase any rate or charge, conflict with other schedules or rules, or cause withdrawal of service.
5. PG&E has mailed copies of this filing to Mendota and all utilities and interested parties requesting notification of advice filings.

### PROTESTS

1. No protests regarding this Advice Letter have been received by CACD.

### FINDINGS

1. We find PG&E's request by Advice Letter 1510-G to enter into Agreement with Mendota Biomass Power Ltd., and the rates, charges, and conditions of service as proposed by this agreement to be 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 the proposed Agreement with Mendota Biomass Power Ltd.

Resolution G-2854  
FG&E/AL 1510G/EDS

-3-

February 8, 1989

2. Advice Letter 1510-G and accompanying tariff sheets shall be marked to show that they were approved by Commission Resolution G-2854.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 8, 1989. The following Commissioners approved it:

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. CHANLAN  
Commissioners



---

Executive Director