

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION G-2929
February 6, 1991

R E S O L U T I O N

RESOLUTION G-2929. PACIFIC GAS AND ELECTRIC COMPANY (PG&E). REQUEST FOR AUTHORIZATION OF AN UNECONOMIC EXTENSION TO PROVIDE GAS SERVICE TO A SINGLE FAMILY RESIDENCE IN EUREKA, HUMBOLDT COUNTY.

BY ADVICE LETTER 1615-G, FILED OCTOBER 9, 1990.

SUMMARY

1. By Advice Letter 1615-G, filed October 9, 1990, PG&E requests authorization to enter into an Uneconomic Extension Agreement with Mr. Frank Mendes (Customer). The Agreement provides for a gas distribution line extension to serve the customer's single family residence at 260 Stump Lane in Eureka, Humboldt County.
2. By this resolution, PG&E is authorized to enter into this Agreement.

BACKGROUND

1. Extending service to the customer requires the installation of 687 feet of gas main. PG&E estimates that this extension will cost \$5,133.
2. The customer is expected to use 1,270 therms per year. The base rate revenue from this level of sales is \$381. This base revenue would justify a capital investment of not more than \$1,307.
3. Because the anticipated revenues do not support the investment of \$5,133, PG&E has requested authority to use the "Exceptional Cases" provision of its Line Extension Rule No. 15 resulting in a cost to the customer of \$9,545 for the extension.
4. The derivation of the charge to the customer is based on the unsupported cost of the extension, the Contributions in Aid of Construction tax on the unsupported cost (CIAC), and a Cost-of-Ownership charge (CO). The unsupported cost is \$3,826 (\$5,133 - 1,307). The CIAC tax on the unsupported cost is \$1,071. Finally, the CO is \$4,648. The sum of these items is \$9,545.

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5. A service line to connect the customer's residence to the gas main is also required. The length of the service line will be 276 feet. The customer will receive 78 feet of free footage allowance and will pay approximately \$1,330 for the remaining 198 feet under the standard provisions of PG&E's service extension rule (Rule 16.A.3.a.). This makes a total of \$10,874 that PG&E seeks from the customer.

6. Were PG&E to install both the gas main and the gas service extensions under the standard provisions of the applicable extension rules (Gas Tariff Rules 15 & 16), the total cost to the customer would be \$7,213. This is based on excess footage costs of \$1,330 for the service extension, and \$5,883 cost for the gas main extension (687 feet less 202 feet of free footage times the tariff rate of \$12.13 per foot).

7. The terms of the Agreement are consistent with PG&E's established policy for such uneconomic line extensions and are the same as those in similar agreements approved by the Commission. Such terms prevent the service addition from becoming a burden on other ratepayers as would occur if CO charges were not made on the excess portion of the line extension facilities.

NOTICE

1. Public notification of this filing has been made by placing it on the Commission calendar for October 17, 1990 and by mailing copies of the filing to other utilities, governmental agencies and to all interested parties who requested such notification.

2. Workpapers supporting this filing were mailed to all of the above parties and are available to other parties upon request.

PROTESTS

1. No one protested Advice Letter 1615-G.

DISCUSSION

1. The cost of the excess footage of the distribution portion of this line extension is higher than PG&E would be able to recover in rates under the standard provisions of its Gas Tariff Rule 15, "Gas Line Extensions". For this reason, PG&E seeks to file this agreement under the provisions of the Exceptional Case clause of Rule 15.E.7. of the filed tariff schedules.

2. If additional customers are served from this line, the customer may receive refunds under the provisions of the extension rules.
3. The Agreement was reached by consent of both parties and will provide service to the customer under conditions which will not create a burden on PG&E's other ratepayers.
4. This Agreement will not increase any rate or charge, cause the withdrawal of service, nor conflict with other rate schedules or rules.

FINDINGS

1. The Agreement will provide service to the customer under terms that will not produce a burden on PG&E's other ratepayers.
2. The rates, charges and conditions of service as proposed by the Agreement between PG&E and the customer are just and reasonable and the Agreement should be accepted for filing.

THEREFORE, IT IS ORDERED that:

1. Pacific Gas & Electric Company is authorized to enter into the Agreement with Frank Mendes as filed by Advice Letter 1615-G.
2. Advice Letter 1615-G and accompanying Uneconomic Extension Agreement shall all be marked to show that they were accepted for filing by Resolution G-2829 of the California Public Utilities Commission.
3. Pacific Gas & Electric Company shall revise its List of Contracts and Deviations to include the Agreement listed above and shall file such revised tariff sheets with the Commission within sixty (60) days of the effective date of this resolution.
4. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 6, 1991. The following Commissioners approved it:

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. CHANIAN
Commissioners


Neal J. Shulman
Executive Director