

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. E-1723

Orig. and Copy
to Executive Director

R E S O L U T I O N

UTILITIES DIVISION
BRANCH/SECTION: Electric
DATE: November 22, 1977

Director

Numerical File

Alphabetical File

Accounting Officer

SUBJECT: Order authorizing contract between Wm. Lyon Development Company, Inc. (Lyon) and Pacific Gas and Electric Company for an overhead electric line extension and an assignment with McBob Inc. (McBob).

WHEREAS: PACIFIC GAS AND ELECTRIC COMPANY (PG&E) by Advice Letter No. 625-E filed October 7, 1977, requests authority in accordance with Section X.A. of General Order No. 96-A to execute a special agreement dated June 15, 1971, and an assignment dated July 31, 1973, with McBob Inc. covering the installation of an overhead electric line extension and distribution system within a subdivision known as Rancho Tehama Reserve near Corning, Tehama County.

PG&E will construct only the portion of the distribution system necessary to provide service to permanent customers who are ready to receive service. Additional portions of the system will be constructed when permanent applicants are ready for service within six months.

Lyon has paid an advance of \$175,320 representing the difference between the estimated construction cost of \$183,489 and \$8,169 credit for permanent customer loads. Of the advance \$165,828 is subject to refund in accordance with PG&E's tariff Rule No. 15. The remaining \$9,492 of the advance is non-refundable and represents the additional cost to be incurred by PG&E to underground two segments of the system at each end of an airfield. Overhead extensions to serve 80 homes have already been made. To date \$16,710 has been refunded and the remaining \$149,118 is available for refund to McBob.

PG&E will charge McBob an annual ownership charge of 9% on the amount expended for the distribution system constructed less any refunds for permanent customer load. This charge will begin at the end of the second service year, except that it will not be made during any service year in which the gross electric revenue actually received exceeds 20% of PG&E's total installed cost of the distribution system then constructed.

McBob will pay PG&E prior to construction, the estimated cost of any future additional construction for the distribution system less refunds for permanent customer load, estimated in accordance with PG&E's tariff Rule No. 15.

This subdivision qualifies for overhead service because an agreement for service was executed with PG&E prior to May 5, 1972, and a tentative subdivision map was filed with the Tehama County Planning Commission prior to May 5, 1970, thereby satisfying PG&E's Rule No. 15, Section C.l.a.(2).