

Copy for:

RESOLUTION NO. E-1933

Orig. and Copy

to Executive Director

UTILITIES DIVISION

BRANCH/SECTION: Electric

DATE: August 18, 1981

## R E S O L U T I O N

Director

Numerical File

RETURN TO ELECTRIC BRANCH

Alphabetical File

TARIFF UNIT

Accounting Officer

**SUBJECT:** Order Authorizing Contract Between Pacific Gas and Electric Company and Six Corporation for Electric Underground Distribution System

PACIFIC GAS AND ELECTRIC COMPANY (PG&E), by Advice Letter No. 870-E, filed July 7, 1981, requests authority in accordance with Section X.A of General Order No. 96-A to carry out the terms and conditions of an agreement dated May 28, 1981 with Six Corporation (Subdivider) covering the installation of underground electric distribution facilities within Tract 693 of Heritage Ranch, located near Paso Robles.

This agreement is generally consistent with the standard provisions of Electric Rule No. 15.1 and with PGandE's standard form extension agreement on file with the Commission. However, because land project subdivisions develop at a much slower rate than home production subdivisions located close to urban areas, certain provisions have been added to prevent annual costs associated with partly or wholly idle facilities from becoming a burden on other rate payers, while taking advantage of savings available by construction ahead of street work.

Subdivider will pay PGandE in advance of construction the amount of \$50,512.41 which is the estimated cost of the Distribution System exclusive of transformers, meters and services. The total amount of the Advance will be refundable under the provisions of Rule 15.1 as customers become connected to the system.

PG&E initially will construct only the portion of the Distribution System necessary to construct in conjunction with road improvements. Additions to the Distribution System will be constructed only as necessary to provide permanent service to applicants ready to use such service.

PGandE will charge Subdivider an annual cost-of-ownership charge of 12% of the unrefunded portion of the total estimated cost of the Distribution System then constructed, including the cost of transformers, meters and services, less any amounts eligible for refund. This charge will be payable at the end of the first service year and continue until the end of the tenth service year, or until the total amount of the refundable Advance becomes eligible for refund, whichever occurs first.

At the end of each service year, the interest on refunds retained by PGandE and the amount eligible for refund will be applied first against any amounts due PGandE and second against the cost-of-ownership charge for the current service year. At Subdivider's option, excess will be refunded to Subdivider or retained on deposit by PGandE to offset excess cost-of-ownership charges and thereafter be refunded to Subdivider at the end of the tenth service year with interest at the rate of 10.3% annually for each service year so retained.

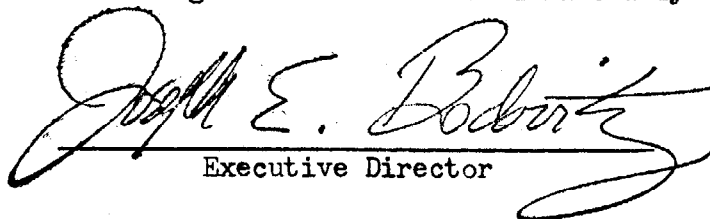
The agreement, reached by mutual agreement, is fair and equitable in all respects and continues PGandE's policy established for uneconomic line extension within residential subdivisions in which the Subdivider is selling lots only and treats this Subdivider in the same manner as others under comparable circumstances.

It is found that the provisions of this contract will not result in a burden on other ratepayers and are not discriminatory; therefore, good cause appearing,

IT IS ORDERED that authority is granted to PGandE under Section 532 of the Public Utilities Code to carry out the terms and conditions of said agreement effective August 18, 1981. The effective date of this resolution is the date hereof.

I certify that this Resolution was introduced, approved and adopted at a regular conference of the Public Utilities Commission of the State of California on August 18, 1981. The following Commissioners voted favorably:

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
Commissioners

  
Executive Director