

Copy for:

RESOLUTION NO. E-1936

Orig. and Copy  
to Executive DirectorUTILITIES DIVISION  
BRANCH/SECTION: Electric  
DATE: September 1, 1981

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

Director

Numerical File

Alphabetical File

Accounting Officer

RETURN TO ELECTRIC BRANCH  
TARIFF UNIT

**SUBJECT:** Order Authorizing Contract Between SDG&E and Edward and Constance Gray (Applicant) for an Uneconomic Electric Overhead Line Extension and Service

SAN DIEGO GAS AND ELECTRIC COMPANY (SDG&E), by Advice Letter No. 547-E filed July 29, 1981, requests authority pursuant to Section X.A. of General Order No. 96-A to carry out the terms and conditions of a Contract for Non-Economic Electric Extension dated April 24, 1981 with Applicant covering an overhead electric line extension to supply electric service to Applicant's 40 hp well pump in northern San Diego County.

This is an uneconomic extension and in excess of that which SDG&E would normally install at its expense. The estimated ratio of annual revenue to installed cost of the facilities fall significantly short of that normally realized with the majority of customers.

The estimated construction costs of \$11,171 are first reduced by \$7,000. The latter amount is five times the estimated annual revenue, and represents the portion of the capital cost that can be supported by the annual revenue. This is based on the fact that the annual costs, including return, taxes, and operating and maintenance expenses on a distribution investment are approximately 20% of the capital costs.

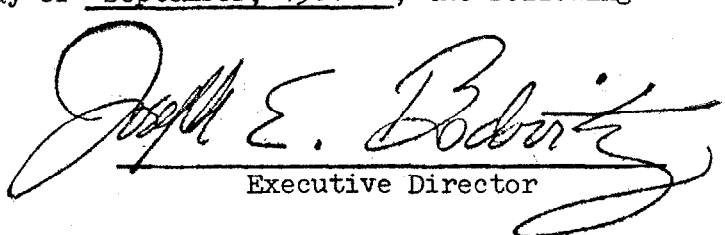
The remaining amount of \$4,171 (the difference between \$11,171 and \$7,000) is multiplied by the monthly factor of 2.07 percent, in accordance with SDG&E's Rule No. 2, Section I.1.b., to produce a monthly charge of \$86.34 in addition to regular charges for service. The additional monthly charge is subject to revision by addition of service to other customers supplied by or through the extension or by annual review of the cost-to-revenue ratio of said extension.

It is found that the provisions of this agreement are in accordance with SDG&E's established policy, are not discriminatory, do not result in an unreasonable burden on other ratepayers and are hereby found to be just and reasonable; therefore, good cause appearing:

IT IS ORDERED that authority is granted to SDG&E under Section 532 of the Public Utilities Code to carry out the terms and conditions of said special agreement effective September 1, 1981. The effective date of this Resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 1st day of September, 1981, the following Commissioners voting favorably thereon:

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

  
Executive Director