

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION E-1995

UTILITIES DIVISION

BRANCH: Rate Design and Economic

DATE: January 19, 1984

R E S O L U T I O NAUTHORIZATION FOR PACIFIC GAS & ELECTRIC COMPANY (PG&E)
TO FILE A SAMPLE CONTRACT FORM FOR ELECTRIC LINE EXTENSIONS
TO SPECULATIVE RESIDENTIAL DEVELOPMENTS

By Advice Letter 986-E, filed December 1, 1983 and Advice Letter 986-E Supplemental, filed December 15, 1983, PG&E requests authorization to file a Sample Contract Form for electric distribution systems, as set forth on Cal. P.U.C. Sheets Nos. 8327-E to 8331-E, inclusive. The facts are as follows:

1. The purpose of this filing is to submit, for Commission approval, Sample Contract Form No. 62-3380 (Agreement for Underground Electric Line Extension To And/Or Within a Residential Land Project Subdivision Or Development). A copy of this sample form is shown as Attachment A to this resolution.
2. PG&E has received numerous requests from developers of residential subdivisions to install underground electric distribution systems in their project before actual users of electric service or loads that they might place on the system are known.
3. The purpose of such installations is to help developers by enhancing the saleability of the development. Presently a special agreement is negotiated under Section E.4. of Rule 15.1 (Exceptional Cases).
4. Such special arrangements are required because 15.1 was not established in contemplation of utility installation of electric facilities with no immediate prospect for sales of energy.
5. To require PG&E to make such installations without requiring the developer to pay for the facilities and the costs of ownership of the idle facilities would place a burden on all ratepayers.
6. The special agreements have become fairly standardized, with the developer paying the installation costs of the facilities. Sections C.2. and C.3. of Rule 15.1 allocates these costs between a non-refundable advance and a refundable advance.
7. The sample contract form will require the developers to perform any necessary trenching and backfilling and pay a cost-of-ownership charge equal to a specified percentage of the total cost of the facilities.
8. The cost-of-ownership charge may be paid on either a monthly or an annual basis or by means of one-time payment which represents the present worth of the annual costs for 10 years at an interest rate equal to PG&E's authorized rate of return.

9. The staffs of both the Energy Service and Safety and the Rate Design and Economics Branches have reviewed this filing and believe that the approval of Sample Contract Form No. 62-3380 is in the public interest and will expedite the handling of requests for installation of electric facilities to speculative residential developments.

10. Public notification of this filing has been made by mailing copies of this Advice Letter to other utilities, governmental agencies, and to interested parties who requested notification. No protests have been received in this matter.

11. We find that this filing is just and reasonable, and will result in special agreements that are compensatory, nondiscriminatory and will provide service to residential developments in such a manner as to not place a burden on other ratepayers.

THEREFORE:

1. Pacific Gas and Electric Company is ordered under Sections 451, 454, and 532 of the Public Utilities Code to place the above tariff sheets into effect today in accordance with General Order 96-A.

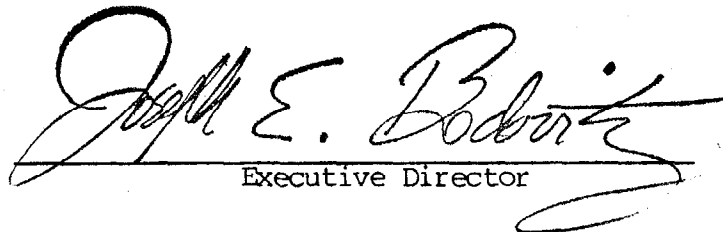
2. All future special agreements for underground electric facilities to residential land project subdivisions or developments shall be filed on this new contract form and further authorization shall not be required.

3. The above tariff sheets shall be marked to show that they were approved for filing by Commission Resolution E-1995. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular conference on January 19, 1984. This following Commissioners approved it:

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners


Executive Director

DISTRIBUTION

- Subdivider
- Division
- District
- Customer Accounting
- Commercial Department
- Construction Accounting

REFERENCE

Estimate No. _____

PACIFIC GAS AND ELECTRIC COMPANY
 AGREEMENT FOR UNDERGROUND ELECTRIC LINE EXTENSION TO AND/OR
 WITHIN A RESIDENTIAL LAND PROJECT SUBDIVISION OR DEVELOPMENT

_____ (Subdivider) has requested PACIFIC GAS AND ELECTRIC COMPANY (PGandE) to make electric service available to residential subdivision lots or residential development units by installing underground electric distribution facilities (Electric Distribution System) extending from PGandE's existing electric system, along routes delineated on the sketch marked Exhibit "A" attached and made a part hereof, to and/or within a land project subdivision or development known as _____ (Subdivision) located near _____, County of _____, State of California, which Subdivider owns and intends to subdivide or develop for purposes of sale.

1. Subject to the terms and conditions of this agreement and in accordance with Section E.4 of PGandE's attached Electric Rule 15.1 (Extension Rule), PGandE is willing to comply with Subdivider's request and will construct the Electric Distribution System provided Subdivider (a) satisfies its obligations under Section 2, (b) pays to PGandE any monies due under Sections 4 and 6, and (c) conveys to PGandE any required facilities to be installed by Subdivider hereunder free and clear of all liens and encumbrances by good and sufficient deed or deeds.

2. Subdivider will, in accordance with PGandE's plans and specifications:

- (a) Perform (or arrange for the performance of) all necessary trenching, excavating and backfilling, including furnishing of any imported backfill material required.
- (b) Furnish and install (or arrange for the installation of) any required conduit and other substructures.
- (c) Furnish and install any barriers, retaining walls, or other mechanical means necessary to protect transformers or other equipment from damage.

3. PGandE will be required to install initially only that portion of the Electric Distribution System that, in PGandE's judgment, is necessary in conjunction with road improvements. Additions to the initial portion of the Electric Distribution System shall be installed only as necessary to provide electric service to permanent and bona fide applicants.

4. (a) Subdivider shall pay to PGandE, on demand and in advance of any construction by PGandE, the estimated total cost of the Electric Distribution System including transformers, meters and services, of \$ _____ (Electric Advance). As tabulated on the appendix, the total cost is equal to the sum of the Nonrefundable Amount of \$ _____ and the Refundable Advance of \$ _____.

(b) The Nonrefundable Amount, determined as provided in Sections C.2 and C.3 of the Extension Rule, is equal to the excess footage, _____ feet, as defined in (c) below, times \$ _____ per foot for a subdivision or \$ _____ per foot for a development.

(c) Excess footage shall be: In subdivisions - the total footage of property fronting on streets within the subdivision less the sum of 125 feet times the number of residential lots within a subdivision and 25 feet times the number of separately-metered dwelling units in excess

of two in each multi-family building. In developments - the total footage of distribution circuits less the product of 75 feet times the number of dwelling units.

(d) The Refundable Advance is equal to the difference between the estimated total cost of the Electric Distribution System and the Nonrefundable Amount. Any portion of the Refundable Advance paid to PGandE shall be subject to refund to Subdivider, without interest, for a period of ten (10) years from the date PGandE is ready to supply service from the Electric Distribution System.

5. Subject to Section D.3 of the Extension Rule, an amount equal to the Refundable Advance, as described in Section 4, divided by the total number of lots within a subdivision, or by the total number of dwelling units in a development, shall be eligible for refund to Subdivider for each lot in a subdivision on which a structure has been completed and electric service established to a permanent customer, or for each permanently occupied dwelling unit in a development. Amounts eligible for refund to Subdivider will be accumulated during each service year, as defined in Section 7, and refunded, without interest, to Subdivider within ninety (90) days after the end of that service year.

6. Subdivider shall also pay to PGandE, in addition to the payments under Section 4 and in addition to the monthly rates and charges for service, at the option of PGandE, either:

(a) A monthly charge of \$ _____
 (Monthly Cost of Ownership Charge) representing the continuing
 ownership costs of the Electric Distribution System (_____ % per month)

as determined in accordance with the applicable percentage rate established in the Special Facilities section of PGandE's applicable electric Rule 2, copy attached. The Monthly Cost of Ownership Charges herein shall automatically increase or decrease without formal amendment to this agreement if the California Public Utilities Commission (Commission) should subsequently authorize a higher or lower percentage rate for monthly costs of ownership, effective with the date of such authorization. Or, alternatively,

(b) \$_____ (Equivalent One-Time Payment) which is the present worth of the monthly costs to PGandE to own, operate, and maintain the Electric Distribution System for a period of ten years. This payment is calculated as follows: Total cost of the Electric Distribution System (\$_____) times the annual cost of ownership rate (____%) times the present worth factor (____) based on _____% interest for a period of ten years. Such interest rate is equal to PGandE's authorized rate of return on the date of this agreement. In the calculation of refunds and adjustments, interest at the rate of _____% annually will be added to the unamortized balance of the Equivalent One-Time Payment before the cost of ownership charges have been deducted.

Cost of ownership charges shall continue to be applicable until the entire amount of the refundable advance shall have become eligible for refund or until the end of the ten (10) year period during which the refundable advance is subject to refund, whichever occurs first.

7. In the event that PGandE shall make refunds or adjustments of the Refundable Advance as provided in Section 5 hereof, PGandE shall also adjust the Monthly Cost of Ownership Charge. Refunds and adjustments of the Electric Advance and the ownership charge will be made annually

within 90 days of the anniversary of the date that PGandE is first ready to supply electric service from any portion of the Electric Distribution System as shown on Exhibit "A". PGandE shall notify the Subdivider of this date in writing. Any unused balance of the Equivalent One-Time Payment will be refunded to Subdivider upon complete refund of the Refundable Advance or at the end of the ten-year period; provided, however, that no refunds shall be due Subdivider after any termination of this agreement.

8. Subdivider hereby grants to PGandE all necessary rights of way and easements to install, operate, maintain, replace, and remove the Electric Distribution System on property of Subdivider along the routes shown on Exhibit "A". Subdivider shall execute such other grants, deeds, or documents as PGandE may require to enable it to record such rights of way or easements. If any part of the Electric Distribution System is to be installed on property owned by other than Subdivider, Subdivider shall, if PGandE is unable to do so without cost to it, first obtain from the owners thereof, in the name of PGandE, all necessary permanent rights of way and easements for the construction, operation, maintenance, and replacement of the Electric Distribution System upon such property in a form satisfactory to PGandE and without cost to it.

9. PGandE shall not be responsible for any delay in either the performance of Subdivider's obligations under this agreement or completion of the Electric Distribution System by PGandE resulting from shortage of labor or materials, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgments of any court or commission, delay in obtaining necessary rights of way, act of

God, or any cause or condition beyond the control of PGandE. PGandE shall have the right, in the event it is unable to obtain supplies, material or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers, and delay in construction hereunder resulting from such allocation shall be deemed a cause beyond PGandE's control.

10. (a) In the event that the Electric Distribution System is not adequate to provide electric service to the loads of future applicants within the Subdivision, or if PGandE is precluded from completing the Electric Distribution System for reasons beyond its control within twelve (12) months following the date of this agreement, PGandE shall have the right to terminate and/or supersede this agreement upon thirty (30) days written notice to Subdivider and adjust any amounts paid or required to be paid by Subdivider hereunder that may be due based on that portion of the Electric Distribution System then completed, if any, utilizing the estimated costs developed by PGandE for this agreement. Such a superseding agreement, if any, shall be in substantially the same form as this agreement, be executed by both parties hereto and shall provide that costs be allocated to the portion of the Electric Distribution System then completed, if any, consistent with those costs estimated by PGandE for this agreement.

(b) If this agreement is terminated as set forth in Section (a), Subdivider further agrees to reimburse PGandE for construction, if any, or for any engineering, surveying, right of way acquisition and other associated expenses incurred by PGandE for that portion of the Electric Distribution System not installed or, in PGandE's judgment, not useful in supplying service to customers.

11. All electric facilities installed hereunder shall at all times be and remain the sole property of PGandE.

12. Subdivider may assign this agreement, in whole or in part, if PGandE consents thereto in writing and the assignee agrees to perform the obligations of Subdivider hereunder.

13. Subdivider shall indemnify PGandE, its officers, agents and employees, against all loss, damage, expense and liability resulting from injury to or death of person, including, but not limited to, employees of PGandE or Subdivider, or injury to property, including, but not limited to, property of PGandE or Subdivider, arising out of or in any way connected with the performance of this agreement, excepting only such loss, damage, expense or liability or may be caused by the sole negligence or willful misconduct of PGandE.

14. This agreement does not provide for the installation of any electric facilities by PGandE other than as provided on the attached Exhibit "A". Service installations other than as shown on the attached Exhibit "A" are not included in this agreement and will be constructed and maintained under PGandE's applicable extension rule, service connection rule, or street and highway lighting rate schedule, as appropriate.

15. This agreement shall become effective on the date hereof and shall remain in force for an initial term of ten (10) years commencing on the date that PGandE is first ready to provide electric service from the Electric Distribution System, subject, however, to the termination provision of Section 10.

16. This contract shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction. Such changes or modifications may include, but are not limited to, the following: authorization of a higher or lower percentage rate for monthly cost of ownership (as described in Paragraph 6 herein); changes in extension rules; modifications in the calculation of refunds; changes or modifications in rate schedules.

Executed this _____ day of _____, 19__.

PACIFIC GAS AND ELECTRIC COMPANY

BY: _____

BY: _____

(type or print name)

(type or print name)

TITLE: _____

Manager, _____ Division

Attachments:

- Appendix
- Exhibit "A"
- Rule 15.1
- Rule 15
- Rule 2

APPENDIX

(RESIDENTIAL SUBDIVISIONS)

A. Nonrefundable Amount-Distribution System

Total footage of property fronting on streets..... _____ feet

Less

1) 125 feet times _____ single and/or multi-family lots _____ feet

2) 25 feet times _____ separately-metered dwelling units (in excess of 2 per multi-family bldg.) _____ feet _____ feet

Excess Footage..... _____ feet

Nonrefundable Amount (excess footage times \$ _____ per foot)..... \$ _____

B. Refundable Advance

Estimated total cost of Electric Distribution System..... \$ _____

Less nonrefundable amount (from A above)..... \$ _____

Total Refundable Advance..... \$ _____

C. Equivalent One-Time Payment (Paragraph 7.b)

\$ _____ x _____ x _____ \$ _____

Where \$ _____ = Electric Advance (from Section 3)

_____ = _____ annual ownership cost factor

_____ = Present worth factor based on _____ % interest

D. Initial Payment by Developer

Nonrefundable Amount-Distribution System..... \$ _____

Initial Refundable Advance..... \$ _____

Cost of Ownership Fund..... \$ _____

E. Refund Amount Per Lot

Total Refundable Advance (from B above)..... \$ _____

Total Number of Lots..... _____

Refund Per Lot..... \$ _____

F. Monthly Cost of Ownership (Paragraph 7.a)

\$ _____ x _____ \$ _____ /mo.

Where \$ _____ = Estimated total cost of Electric Distribution System

APPENDIX
(RESIDENTIAL DEVELOPMENTS)

A. Nonrefundable Amount-Distribution System

Total footage of distribution circuits within the development..... _____ feet
 Less _____ feet times the number of dwelling units..... _____ feet
 Excess footage, if any..... _____ feet
 Nonrefundable Amount (excess footage times \$ _____ per foot)..... \$ _____

B. Refundable Advance

Estimated total cost of Electric Distribution System..... \$ _____
 Less nonrefundable amount (from A above)..... \$ _____
 Total Refundable Advance..... \$ _____

C. Equivalent One-Time Payment (Paragraph 7.b)

\$ _____ x _____ x _____ \$ _____

Where \$ _____ = Electric Advance (from Section 3)
 _____ = _____ annual ownership cost factor
 _____ = Present worth factor based on _____ % interest

D. Initial Payment by Developer

Nonrefundable Amount-Distribution System..... \$ _____
 Initial Refundable Advance..... \$ _____
 Cost of Ownership Fund..... \$ _____

E. Refund Amount Per Lot

Total Refundable Advance (from B above)..... \$ _____
 Total Number of Dwelling Units..... _____
 Refund Per Unit..... \$ _____

F. Monthly Cost of Ownership (Paragraph 7.a)

\$ _____ x _____ \$ _____ /mo.

Where \$ _____ = Estimated total cost of Electric
 Distribution System
 _____ = annual ownership cost factor