

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Accounting Officer

RESOLUTION E-1998

UTILITIES DIVISION

BRANCH: Rate Design and Economics

DATED: March 7, 1984

R E S O L U T I O N

AUTHORIZATION FOR PACIFIC GAS & ELECTRIC COMPANY (PG&E)
TO FILE A SAMPLE FORM CONTRACT FOR ELECTRIC LINE EXTENSIONS
TO COMMERCIAL AND INDUSTRIAL DEVELOPMENTS AND TO IMPLEMENT
THIRTY SEVEN CONTRACTS FOR THE INSTALLATION OF SPECIAL
FACILITIES FOR ELECTRIC SERVICE TO COMMERCIAL AND INDUSTRIAL
DEVELOPMENTS UNDER CONDITIONS WHICH DEVIATE FROM FILED
TARIFFS

By Advice Letter 997-E, filed January 17, 1984, PG&E requests authorization to file Sample Contract Form for electric distribution systems, as set forth on Cal. P.U.C. Sheets Nos 8398-E to 8400-E, inclusive. By advice letters, listed in Attachment A to this resolution, PG&E also requests authority under Sections X.A. and X.B. of General Order 96-A, to file 37 separate special facility contracts for electric service to commercial and industrial developments. The facts, as filed by 24 separate advice letters, are as follows:

1. The purpose of Advice Letter 997-E is to submit for Commission approval, Sample Contract Form No. 79-701. A copy of this sample form is shown as Attachment B to this resolution.
2. PG&E has received numerous requests from developers of commercial and industrial developments 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 installation is to help the developer by enhancing the saleability of the development. Presently a special agreement is negotiated under Section E.4. of Electric Rule 15.1 (Exceptional Cases). A list of such special contracts currently awaiting Commission approval are detailed on Attachment A of this resolution.
4. Such special agreements are required because Rule 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 other ratepayers and make them unwilling partners in speculative ventures.

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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 allocate these costs between a non-refundable and a refundable advance.

7. The sample contract form will require the developers to perform any necessary trenching and backfilling and to pay a Cost-of-Ownership charge equal to a specific percentage of the total cost of facilities.

8. The Cost-of-Ownership charge may be paid on either a monthly or an annual basis or by means of a one-time payment which represents the present worth of the annual costs for a specified period of time at an interest rate equal to PG&E's authorized rate of return.

9. The agreements, as listed in Attachment A, were all signed prior to the filing of Sample Form No. 79-701 and will therefore require Commission approval. The deviations from filed tariffs are explained in the attachment.

10. These agreements, reached by mutual consent of the parties, continue the established policy for special facilities, enabling applicants to obtain a needed service under conditions which are acceptable and which prevent the cost of such service from becoming a burden to other ratepayers.

11. All such future contracts will be entered on Sample Form No. 79-701, if approved, and will therefore not require further Commission authorization.

12. Public notification of these filings have been made by mailing copies of these advice letters to other utilities, to each of the applicants involved, to governmental agencies, and to interested parties who requested such notification. Only one protest was filed as noted in Paragraph 13 below. All other contracts have been submitted without protest.

13. The staffs of the Rate Design and Economics and the Energy Service and Safety Branches have reviewed these filings and believe that these special contracts are necessary in order to provide service to applicants involved in speculative ventures, and that the approval of Sample Form No. 79-701 is in the public interest and will expedite the handling of requests for the installation of electric facilities to commercial and industrial developments. Approval is therefore recommended in each case with the one exception of the contract with La Hacienda, Inc., as filed by Advice Letter 939-E, and which has been protested by the customer.

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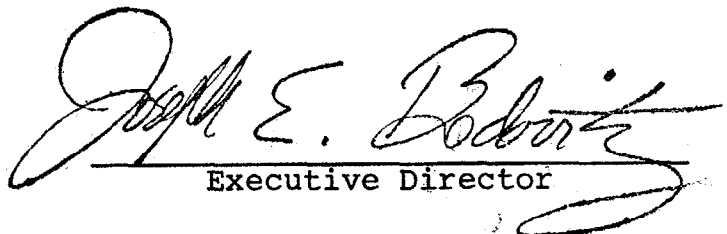
14. We find that these filings, with the one exception noted above, are just, reasonable, and compensatory and will provide service to the applicants in such a manner as to not create a burden on other ratepayers.

THEREFORE:

1. Authority is granted under Sections 451, 454 and 532 of the Public Utilities Code for Pacific Gas & Electric Company to place Advice Letter 997-E and accompanying tariff sheets into effect today in accordance with General Order 96-A.
2. Authority is also granted under the above sections of the Public Utilities Code and under Sections X.A. and X.B. of General Order 96-A for Pacific Gas & Electric Company to place the special facility contracts listed in Attachment A of this resolution, with the one exception noted above, into effect today.
3. The contract with La Hacienda, Inc., as presented by Advice Letter 939-E is rejected.
4. All other such future special agreements for electric facilities to commercial and industrial developments shall be filed on Sample Form No. 79-701 and further Commission authorization shall not be required.
5. The above advice letter, accompanying tariff sheets, and contracts shall all be marked to show that each of them were approved for filing by Commission Resolution E-1998. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular conference on March 7, 1984. The following Commissioners approved it:

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


Executive Director

SPECIAL FACILITY CONTRACTS FOR ELECTRIC COMMERCIAL & INDUSTRIAL DEVELOPMENTS

: LETTER	: DATE FILED:	: CUSTOMER	: LOCATION	: DATE	: ADVANCE 1/	: NON- 2/ : REFUNDABLE	: REFUNDABLE	: COST-OF- : OWNERSHIP	: CHARGE	: REMARKS:
899-E	6-12-82	Northwest Equity Corp.	Hayward	5-31-81	\$ 63,724	\$ 6,102	7/	3/	6/	
918-E	12- 3-82	Northwest Equity Corp.	Hayward	2- 2-82	10,619	8,260		3/	6/	
921-E	12-15-82	City of Fremont 9/ & Keeneland Associates	Fremont	8-12-81	72,543	2,900		3/	6/	
922-E	12-15-82	" "	Fremont	8-21-81	5,020	2,454		\$ 74.74/Mo 3/	6/	
935-E	1-31-83	Sacramento Municipal Utility District (SMUD)	San Joaquin County	8-24-82	6,092	1,350		\$ 5,001 5/		
939-E	2-24-83	La Hacienda, Inc.	Bakersfield	3- 8-83	277,773	10,248	7/	186,663 5/	6/ 10/	
"	"	Haywind Realty & Devel- opment Company	Hayward	12- 3-81	48,107	48,394	7/8/	83.64/Mo 3/	6/	
"	"	City of Gilroy	Gilroy	10-14-82	---	94,393		1423/Mo 3/	9/	
"	"	Carl N. Swensen	San Jose	9-29-82	8,400	68,591	8/	3/	6/	
"	"	Ryan Ranch Associates	Monterey	1- 7-83	4,000	51,793		3/		
940-E	2-28-83	Arvada Fremont Developers	Fremont	6-10-81	1,368	17,813		3/	6/	
"	"	CPS & Associates	Pleasanton	6-23-82	75,599	19,606	7/8/	70.96/Mo 3/	6/	
"	"	City of Morgan Hill	Morgan Hill	11- 6-81	66,088	3,771		3/	6/ 9/	
"	"	City of Davis	Davis	7- 1-81	---	55,052		3/	9/	
"	"	City of Livermore	Livermore	3-18-81	19,967	44,751	7/	3/	6/ 9/	
"	"	City of Vallejo	Vallejo	4-27-82	17,788	10,891	7/	138.66/Mo 3/	9/	
"	"	Granada Sales	San Ramon	5-12-82	242,939	215,152		1022/Mo 3/	6/	
"	"	Granada Sales	San Ramon	10- 5-81	136,285	4,284		3/	6/	
941-E	3-18-83	Livermore Industrial Park	Livermore	1-10-83	35,773	834		55.38/Mo 3/	6/	
"	"	City of Fremont	Fremont	5- 4-82	53,013	586		3/	6/ 9/	
943-E	3-21-83	Sutter Hills Ltd.	Fremont	1-26-83	---	114,139		1769/Mo 3/	6/	
944-E & 944 Suppl.	3-21-83 9-16-83	Meyer Properties, Inc.	Pleasanton	1-26-83	96,002	19,617	7/	206/Mo 3/	6/	

SPECIAL FACILITY CONTRACTS FOR ELECTRIC COMMERCIAL & INDUSTRIAL DEVELOPMENTS

Attachment

Sheet 2 of 5

: LETTER	: DATE FILED:	: CUSTOMER	: LOCATION	: DATE	: ADVANCE	: NON- <u>2/</u> : REFUNDABLE: : REFUNDABLE	: CONTRIBUTION	: COST-OF- : OWNERSHIP : CHARGE	: REMARKS:
945-E	3-21-83	Gilroy Industrial Enterprises	Gilroy	1-28-83	\$ 20,116	\$ 1,779	\$311.79/Mo	<u>3/</u>	
947-E	4- 5-83	Vorelco of California	Pleasanton	12-17-82	19,009	---	294.64/Mo	<u>3/</u>	<u>6/</u>
"	"	Frank Auf Der Maur	Pleasanton	6-14-82	14,008	7,087	210.95/Mo	<u>3/</u>	<u>6/</u>
"	"	Semco Development	Fremont	8-23-82	5,017	5,801	77.76/Mo	<u>3/</u>	<u>6/</u>
"	"	Prudential Insurance Co.	Milpitas	9-27-82	50,338	394	780.24/Mo	<u>3/</u>	<u>6/</u>
959-E & 959 Suppl.	6-14-83 10-25-83	City of Livermore <u>9/</u> & Roger L. Shaheen	Livermore	12-27-82	5,586	484	37.74/Mo	<u>3/</u>	<u>6/</u>
"	"	Riverview Estates Part- ners & Butte County <u>9/</u>	Lakeridge Village	12-21-82	44,239	64,087	45,531	<u>7/8/</u>	<u>4/</u>
"	"	Bedford Properties	Hayward	6- 4-82	39,355	74,279		<u>3/</u>	<u>6/</u>
"	"	Delta Properties & the City of Pleasanton <u>9/</u>	Pleasanton	12-13-82	122,255	29,183	1376/Mo	<u>7/</u>	<u>3/</u>
967-E & 967 Suppl. 2nd Suppl.	7-29-83 10-11-83 1-17-84	Prudential Insurance Co.	Pleasanton	6-14-83 10-17-83	374,255 27,318	30,000 18,626	8350/Mo 723.54/Mo	<u>3/</u>	<u>6/</u>
969-E	8-19-83	Standard Oil Company of California	San Ramon	5- 6-83	1,335,598	1,341	20,702/Mo	<u>3/</u>	<u>6/</u>
971-E	8-15-83	Northwest Equity Corp.	Hayward	6- 2-83	1,137	2,523	56.73/Mo	<u>3/</u>	<u>6/</u>
978-E & 978 Suppl.	8-30-83 12- 1-83	City of San Jose <u>9/</u> & Oakmead - San Jose	San Jose	4-27-83	49,347	538	764.88/Mo	<u>3/</u>	<u>6/</u>
991-E	1-12-84	Shapell Industries of Northern California, Inc.	Hayward	11- 3-83	10,970	4,366	237.71/Mo	<u>3/</u>	
1001-E	1-26-84	Dixon Landing Business Park	Milpitas	11-20-83	6,358	2,175	132.26/Mo	<u>3/</u>	

Footnotes:

- 1/ Cost of distribution system facilities subject to partial or full refund and may include amounts refunded or credited to the developer.
- 2/ This amount includes, but is not limited to, charges for street light facilities, engineering fees, relocation of overhead facilities, conduits, joint trenching, excess footage, excess service conductors, and inspection fees. It may reflect the value of the facilities constructed by developer.

SPECIAL FACILITY CONTRACTS FOR COMMERCIAL & INDUSTRIAL DEVELOPMENTS (continued)Footnotes: (continued)

- 3/ Cost of ownership fees set at 1% of installed cost of facilities owned by PG&E or are shown as 18.6% annually or 1.55% monthly pursuant to Rule 2 in accordance with the provisions of Resolution E-1949 dated 7-7-83.
- 4/ Payment of Cost-of-Ownership fund equal to the present worth of PG&E's annual ownership costs in perpetuity.
- 5/ Payment of Cost-of-Ownership fund equal to the present worth of PG&E's annual ownership costs for 10 years.
- 6/ On-site inspection made by Commission staff.
- 7/ Includes street lighting.
- 8/ Includes trenching and backfilling.
- 9/ Contract filed under Section X.B. of Public Utilities Code. (Submitted for information purposes only.)
- 10/ Contract with La Hacienda protested by customer. Settlement agreement tentatively reached. New filing to be submitted when signed. Contract not acceptable in present form.

_____ Division
 _____ Developer
 _____ Control Bureau
 _____ District
 _____ Commercial Department

Attachment B
 Sheet 1 of 8

PACIFIC GAS AND ELECTRIC COMPANY
 AGREEMENT FOR UNDERGROUND LINE EXTENSION WITHIN
A SPECULATIVE COMMERCIAL OR INDUSTRIAL DEVELOPMENT

1. _____ (Developer)

has requested PACIFIC GAS AND ELECTRIC COMPANY (PGandE), in accordance with Section D.3 of PGandE's Rule 15.2 (Underground Extension Rule) on file with the California Public Utilities Commission (Commission), a copy of which Underground Extension Rule is attached and made a part hereof, to make electric service available within that certain parcel or tract of land which Developer has or intends to improve or subdivide and which is situated in _____, County of _____, State of California, known as _____ the Development by means of an underground electric distribution system and related facilities, including any required extension up to but not exceeding 200 feet in length outside the boundaries of the parcel or tract of land (Distribution System), as delineated on PGandE's plans and specifications marked Exhibit "A" attached and made a part hereof.

2. PGandE will, at its expense, subject to the terms and conditions of this agreement and in accordance with Section B.2 of the Underground Extension Rule, complete the Distribution System as required to serve permanently installed electric equipment within the Development.

3. Developer will, as provided in Section B.1 of the Underground Extension Rule, and in accordance with PGandE's plans and specifications:

- (a) Perform (or arrange for the performance of) all necessary excavating and backfilling, including furnishing any imported backfill material required.
- (b) Furnish and install (or arrange for the installation of) any conduit and other substructures, including but not limited to transformer pads, vaults or enclosures.
- (c) Convey to PGandE such conduit and other substructures installed hereunder by the Developer, except those that are on, within or a part of a building or structure, free and clear of all liens and incumbrances by good and sufficient deed or deeds.
- (d) Pay PGandE prior to any construction by PGandE \$ _____ (Reimbursement) which is PGandE's estimate of the installed cost of conduit and other substructures, if any, installed at PGandE's expense in conjunction with a previous extension in anticipation of Developer's current request for an extension.

4. PGandE will pay the Developer \$ _____ which is PGandE's estimate of the installed cost of that portion of the conduit and other substructures installed by Developer hereunder, if any, required by PGandE in anticipation of future extensions. In the event the Developer arranges for the installation by PGandE of the conduit and other substructures required hereunder and PGandE also installs certain conduit or other substructures in anticipation of future extensions, the Developer will not be charged for any conduit or other substructures installed by PGandE in anticipation of future extensions.

5. As provided in Section C of the Underground Extension Rule, the amount of \$ _____ (Refundable Amount) will be subject to refund for a period of three (3) years from the date PGandE is first ready to provide service from the Distribution System, as such date is established in PGandE's records. The Refundable Amount is the total of (a) the Reimbursement and (b) PGandE's estimate of the installed cost of the conduit and other substructures to be installed and deeded to PGandE in accordance with Section 3 hereof, exclusive of the cost of values or enclosures designed to accommodate transformers that will supply three-phase service and conduit or other sub structures installed in anticipation of future extensions. PGandE will notify the Developer of the date PGandE is first ready to provide service within the Development.

6. PGandE will make refund payments to the Developer, without interest, as follows:

- (a) At the end of the first 12-months billing period following the date PGandE is first ready to provide service from the Distribution System, the total charges billed to customers for electric service furnished directly from the Distribution System, as established in PGandE's records, will be computed as a percentage of the total estimated cost of the Distribution System then installed. The amount of refund payment to the Developer will be that same percentage of the Refundable Amount.
- (b) If the entire Refundable Amount is not eligible for a refund payment at the end of the first 12-month billing period, the same computation will be made again at the end of the second 12-month billing period and a refund payment will be made based upon the amount by which the total refund payment then due exceeds the amount already refunded.

- (c) If necessary, the same percentage calculation will be made for the third 12-month billing period and a final refund payment will be made, based upon the amount by which the total refund payment then due exceeds the amount already refunded.

In no event, however, will a refund payment be made on the basis of charges billed to customers for electric service furnished after the end of the third 12-month billing period, nor will any refund payments be made for any 12-month billing period in which the total of such charges is less than 25 percent of the total estimated cost of the Distribution System facilities then owned by PGandE at the end of each 12-month billing period excluding the cost of transformers, meters, services and Developer's cost of excavating and backfilling.

7. Developer shall also pay to PGandE, in addition to the payment under Section 3 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 Distribution System (Refundable Amount times _____ % 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 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 Cost of Ownership Payment) which is the present worth of the monthly cost to PGandE to own, operate and maintain the Distribution System for a period of ten years. This payment is calculated as follows: Refundable (\$ _____) 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 Cost of Ownership Payment before the cost to Ownership charges have been deducted.

Cost of ownership charges shall continue to be applicable until the entire Refundable Amount shall have become eligible for refund or until the end of the ten (10) year period following the date service is first available within the Development, whichever occurs first.

8. In the event that PGandE shall make refunds or adjustments of the Refundable Amount as provided in Section 6 hereof, PGandE shall also adjust the Monthly Cost of Ownership Charge. Refunds and adjustments of the Refundable Amount and the Monthly Cost of 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 Distribution System within the Development as shown on Exhibit "A". Any unused balance of the Equivalent One-Time Cost of Ownership Payment will be refunded to Developer upon complete refund of the Refundable Amount, or at the end of the ten-year period defined in Section 7; provided, however, that no refunds shall be due Developer after any termination of this agreement.

9. As provided in Section B.3 of the Underground Extension Rule, in the event that an extension is required in excess of 200 feet in length to reach the boundaries of the parcel or tract of land, Developer shall execute concurrently with its execution of this agreement, PGandE's applicable agreement, in the form on file with the Commission, relating to underground extensions under PGandE's Rule No. 15.

10. Developer hereby grants to PGandE all necessary rights of way and easements to install, operate, maintain, replace and remove the Distribution System on property of Developer along the routes shown upon the attached plans and specifications. Developer 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 Distribution System is to be installed on property owned by other than Developer, Developer 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 Distribution System upon such property in a form satisfactory to PGandE and without cost to it.

11. PGandE shall not be responsible for any delay in either the performance of Developer's obligations under this agreement or completion of the 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 of 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.

12. All facilities and equipment installed by Developer shall remain the property of Developer until conveyed to PGandE by good and sufficient deed, and PGandE shall not be required to accept a conveyance thereof unless and until such facilities are in a condition satisfactory to PGandE.

13. All facilities installed hereunder by PGandE shall, at all times, be the sole property of PGandE.

14. This agreement does not provide for the installation of any facilities by PGandE other than as provided in the attached plans and specifications. The obligations of both Developer and PGandE under PGandE's Rule No. 16 on file with the Commission, relating to service installations, are not included in this agreement.

15. Developer 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 Developer, or injury to property, including, but not limited to, property of PGandE or Developer, arising out of or in any way connected with the performance of this agreement, excepting only such loss, damage, expense or liability as may be caused by the sole negligence or willful misconduct of PGandE.

16. PGandE will furnish electric service to individual applicants in the Development in accordance with PGandE's applicable electric rates and rules on file with Commission.

17. Developer may, with PGandE's written consent, assign this agreement, in whole or in part, if the assignee thereof agrees, in writing, to perform Developer's obligations hereunder. Such assignment, unless otherwise provided therein, shall be deemed to include Developer's right to any refund payments then unpaid or which may thereafter become payable.

18. This agreement shall at all times be subject to such changes or modifications by the Commission as the 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 7 herein); changes in extension rules; modifications in the calculation of refunds; changes or modifications in rate schedules.

Dated: _____, 19__.

BY: _____ BY: _____
PACIFIC GAS AND ELECTRIC COMPANY
(type or print name) (type or print name)
TITLE: _____ FOR: Manager, _____
Division

Mailing Address: