

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION E-2010

UTILITIES DIVISION

BRANCH: Rate Design and Economics

DATE: June 6, 1984

RETURN TO:

RATE DESIGN & ECONOMICS BRANCH

ROOM 5188

R E S O L U T I O N

AUTHORIZATION FOR PACIFIC GAS & ELECTRIC COMPANY (PG&E) TO IMPLEMENT THREE REVISED SPECIAL AGREEMENTS WITH LA HACIENDA, INC., FOR THE INSTALLATION OF SPECIAL FACILITIES FOR ELECTRIC SERVICE TO SPECULATIVE RESIDENTIAL AND COMMERCIAL DEVELOPMENTS UNDER CONDITIONS WHICH DEVIATE FROM FILED TARIFFS

By Advice Letter 1017-E, filed April 10, 1984, PG&E requests authority to file three special agreements, all dated March 14, 1984, with La Hacienda, Inc., providing for the installation of electric facilities to commercial and speculative residential developments located near Bakersfield, Kern County. The facts are as follows:

1. The three agreements cover installation of electric facilities in two separate, but adjoining, residential subdivisions and for the commercial facilities at an adjacent golf course.
2. The two residential agreements were originally submitted by Advice Letter 920-E on December 23, 1982 and the commercial agreement for the golf course was submitted as a part of Advice Letter 939-E on March 8, 1983.
3. Subsequent to the filings, the customer protested the provisions of the contracts and the filings were held pending the outcome of additional negotiations between the utility and the customer.
4. The negotiations between PG&E and La Hacienda, Inc. have been completed and the three contracts submitted by Advice Letter 1017-E supercede and replace those filed by Advice Letters 920-E and 939-E. Details of these revised agreements are shown on Attachment A to this resolution.
5. The agreements are all similar to the original agreements except that the provisions for the cost-of-ownership fund has been replaced by a monthly cost-of-ownership arrangement.
6. On February 21, 1984, PG&E refunded to La Hacienda, Inc., through their attorneys, Graham & James, the amount of \$394,701.12, which represented a refund of the cost-of-ownership funds paid, plus 12.2% annual interest calculated from date of payment to February 21, 1984, minus the monthly cost-of-ownership payments due to PG&E as of February 21, 1984.
7. In return, Graham & James agreed to withdraw the protest to the Commission from La Hacienda, Inc., concerning the three agreements and agreed they would support PG&E's filing of the revised contracts. The letter agreement between PG&E and Graham & James is shown as Attachment B to this resolution.

8. Even though the three revised agreements are similar in content to Standard Contract Forms 62-3380 and 79-701, they are not filed on the standard forms due to the fact that the original contracts were signed prior to the adoption of these standard forms and the re-negotiations only produced a revision in the cost-of-ownership fund. Therefore, Commission approval is required for these revised contracts to become effective.

9. The three revised contracts deviate from PG&E's filed tariffs 1) by the advance payments of refundable and non-refundable amounts to cover the cost-of-ownership, and 2) by the payment of monthly cost-of-ownership charges as shown below:

<u>Location</u>	<u>Non Refundable Amount</u>	<u>Refundable Amount</u>	<u>Non-Refundable Contribution</u>	<u>Monthly Cost-of-Ownership</u>
Tract 4442	\$1,159	\$ 87,350	\$10,384	\$1,437.21
Tract 4443	---	56,410	4,642	896.16
Golf Course	---	277,773	10,248	4,305.48
	<u>\$1,159</u>	<u>\$421,533</u>	<u>\$25,274</u>	<u>\$6,638.85</u>

The detailed breakdown of these costs are shown as Attachment C to this resolution.

10. The Commission staff made a field investigation of these sites, along with several others in the Bakersfield area, in November of 1983. At that time the club house to the golf course had been built but was not yet operational and there were only one or two homes under construction. All of the requested electrical facilities were in place.

11. Public notification of this filing is not considered necessary due to the fact that there are no adjacent or competing utilities, no interested parties have requested notice of this filing and it does not adversely affect any present or potential customer. The utility has, however, provided La Hacienda, Inc. with a copy of this advice letter filing and no protests have been received in this matter.

12. We find that these revised contracts are just and reasonable and, having been reached by mutual consent of both parties, continue the established policy for special facilities, enabling applicants to obtain needed service under conditions which are acceptable and which prevent the cost of such service from becoming a burden to other ratepayers.

THEREFORE:

1. Pacific Gas & Electric Company is authorized by Sections 454 and 532 of the Public Utilities Code and by Section XA of General Order 96-A to place the three revised special agreements with La Hacienda, Inc., into effect today.
2. Advice Letter 1017-E and accompanying contracts shall be marked to show that they were approved for filing by Commission Resolution E-2010. This resolution is effective today.

I certify that this resolution was adopted by the Public Utilities Commission at its regular meeting on June 6, 1984. The following Commissioners approved it:

LEONARD M. GRIMES, JR.

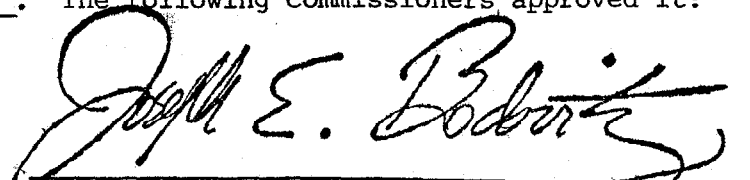
President

VICTOR CALVO

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners



Executive Director

LA HACIENDA, INC.

BAKERSFIELD REVISED AGREEMENTS

The following revised agreements with La Hacienda, Inc., all dated March 14, 1984 are being filed:

<u>MLX</u>	<u>Location</u>	<u>Cancels and Supersedes Agreements dated:</u>
TC 2042	Golf Course	July 7, 1982
TC 2127	Tract 4443	September 2, 1982
TC 2136	Tract 4442	September 14, 1982

The revised agreements are similar to the original agreements except that in Section 9 the provision for the cost of ownership fund is replaced by a monthly cost of ownership arrangement.

As provided in a letter agreement with Graham and James, dated February 21, 1984, copy attached, La Hacienda, Inc., will withdraw its informal complaint to the California Public Utilities Commission concerning the superseded agreements. Further, La Hacienda, Inc., will not oppose the Company's filing of the revised agreements with the CPUC.

The cost of ownership funds were refunded to La Hacienda, Inc., less the monthly cost of ownership amounts due through February 21, 1984.