

RETURN TO ENERGY BRANCH
ROOM 3102

E-3

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
ENERGY BRANCH

RESOLUTION E-3063
December 9, 1987

R E S O L U T I O N

PACIFIC GAS AND ELECTRIC COMPANY (PG&E). ORDER AUTHORIZING PG&E TO ENTER INTO AN AGREEMENT WITH THE ARMY CORPS OF ENGINEERS FOR AN UNECONOMICAL LINE EXTENSION TO THE BUZZARD ROCK CAMPGROUND AT LAKE SONOMA, CALIFORNIA. (Advice Letter 1174-E, Filed October 15, 1987).

SUMMARY

1. By Advice Letter 1174-E, filed October 15, 1987, PG&E requests authorization to enter into an Agreement with the Army Corps of Engineers (Corps). The Agreement, entitled "Pacific Gas and Electric Company - Special Electric Extension and Service Agreement" is to provide an uneconomical line extension to the Buzzard Rock Campground at Lake Sonoma, California.
2. The cost of the extension is estimated to be \$96,416. The total advance payment required from the Corps is \$128,450 which includes the Corps' portion of the line extension costs plus the contribution-in-aid of construction tax. In addition, the Corp will pay a monthly cost-of-ownership charge of \$753.78. Attachment 1 lists a break-down of the costs associated with this line extension.
3. PG&E is authorized by this Resolution to enter into said Agreement as requested.

PROTESTS

4. No protests were received regarding Advice Letter 1174-E.

DISCUSSION

5. PG&E requests to install this line extension under the "Exceptional Cases" provision of Electric Rule 15.E.7 due to its being uneconomical in nature. The line extension includes 2,048 feet of underground and 14,970 feet of overhead three-phase 12-kilovolt distribution lines.

6. PG&E's cost to install this line extension and associated facilities (facilities) is substantially in excess of that which PG&E would install at its own expense under the provisions of Electric Rule 15, Electric Line Extensions. The total installed cost of the facilities is estimated at \$96,416, and PG&E's annual cost of service is estimated at \$9,600. PG&E's annual net revenue from the sale of electric energy to the Corps resulting from this line extension is estimated at \$3,900. This estimate is based on the Corps selected rate schedule, Schedule A-1 -- General Service.

7. The agreement provides that the Corps shall pay, in advance, the difference between PG&E's cost of installing the facilities and five times the estimated annual net revenue to be collected from service at the location(s) plus 67 percent for contributions-in-aid of constructions taxes. This advance is subject to refund for a ten year period following the date service is made available at this location based on (1) any new loads served directly from these facilities which are separately metered and permanent, (2) subsequent extensions from these facilities, or (3) adjustments to the actual revenues received from the Corps at this facility.

8. In addition, the Corps will pay a monthly cost-of-ownership charge of \$753.78. This monthly cost-of-ownership charge is provided for under Section I.3.b of Electric Rule 2 and covers the cost of special facilities which the utility would not install at its own expense. PG&E is allowed to charge 0.98 percent of the amount advanced before taxes for special facilities financed by the customer. The cost-of-ownership charge will continue to be applicable until the entire amount of the advance becomes eligible for refund or until the end of the ten year refund period.

9. The terms of the Agreement are consistent with the Company's established policy for such uneconomical line extensions. Such terms enable the line extension to be installed under conditions acceptable to the Corps and prevents the service from becoming a burden to other ratepayers, as would occur if the cost-of-ownership charges were not made on the excess portion of the line extension facilities.

10. The conditions of this agreement are consistent with other uneconomical line extensions made by PG&E and other utilities, and approved by the Commission.

11. This filing will not increase any rate or charge, cause withdrawal of service, or conflict with any rate schedule or rule.

12. In accordance with Section III, Paragraph G, of General Order 96-A, PG&E has mailed copies of this filing to the Corps

and to all utilities and parties requesting notification of advice filings.

FINDINGS

1. We find that the rates, charges and conditions of service as proposed by this Agreement are just and reasonable; therefore,

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized by Sections 454 and 532 of the Public Utilities Code and By Section X.B of General Order 96-A to enter into said Agreement with the Army Corps of Engineers.
2. Advice Letter 1174-E and accompanying Agreement shall be marked to show that they were approved for filing by commission Resolution E-3063.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 9, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President

DONALD VIAL
FREDERICK R. DUDA
JOHN B. OHANIAN
Commissioners



Executive Director

Commissioner G. Mitchell Wilk
being temporarily absent, did
not participate.

Attachment 1

Estimated Cost of Furnishing and Installing Facilities.....	\$ 96,416
Less: Five Times Estimated Annual Net Revenue (5 x \$3,900).....	<u>\$ 19,500</u>
Advance.....	\$ 76,916
Plus: Contributions-In-Aid of Construction Tax (0.67 x \$76,916).....	<u>\$ 51,534</u>
Total Payment Due Prior to Start of Construction....	\$ 128,450
Plus: Monthly Cost-Of-Ownership Charge (0.0098 x \$76,916).....	\$ 753.78