

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Energy Branch

RESOLUTION NO. E-3075  
February 10, 1988

RESOLUTION

ORDER AUTHORIZING PACIFIC POWER & LIGHT COMPANY  
TO ENTER INTO A CONTRACT WITH BOISE CASCADE  
RECREATIONAL COMMUNITIES CORPORATION

Advice letter No. 203-E, filed October 30, 1987

SUMMARY

By Advice Letter No. 203-E, Pacific Power & Light Company (PP&L) requests CPUC approval of a contract with Boise Cascade Recreational Communities Corporation (Boise) extending an existing contract with Boise for a term of ten years. The contract is for an uneconomic line extension. Its purpose is to prevent any burden upon ratepayers of PP&L.

The original contract between PP&L AND Boise was signed March 16, 1972 and was approved by the Commission in Resolution No. E-1330 dated August 31, 1972.

This agreement, to extend the contract, was entered into by PP&L and Boise on September 1, 1982. However, through an oversight PP&L failed to seek CPUC approval of this contract extension.

DISCUSSION

1. PP&L's distribution facilities, which are the subject of the contract, serve a recreational development.
2. The developer of the recreational development, Boise, had requested that PP&L extend its electric distribution facilities to serve each lot within the subdivision being developed.
3. Boise has sold, and continues to sell, recreational lots within the subdivision development where the electric distribution facilities, which are the subject of this contract, are installed. Many of the lot purchasers have not built residences upon the lots and therefore have not become customers of PP&L at this location.
4. PP&L's revenues from customers in the subdivision do not compensate PP&L for the cost of ownership of the distribution facilities installed to serve the subdivision.

5. To avoid having the costs of owning the facilities become a burden on PP&L's ratepayers, the original contract, requiring the payment from Boise, was entered into.

6. As the lots in the recreational subdivision are still not being built upon when purchased, extending the agreement for an additional ten years protects PP&L's ratepayers from a financial burden.

7. Copies of this Advice Letter were mailed, by PP&L, on October 29, 1987 to its standard mailing list.

8. No protests to this Advice Letter have been received.

#### FINDINGS

1. The failure of PP&L to request Commission approval of this contract was inadvertent.

2. If this contract is not approved the unreimbursed cost of ownership of PP&L's facilities in Boise's development may place a financial burden upon ratepayers of PP&L.

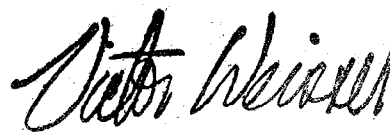
3. We find that PP&L's request to extend this contract for ten years is just and reasonable.

#### THEREFORE IT IS ORDERED that:

1. The September 1, 1982 agreement between Pacific Power & Light Company and Boise Cascade Recreation Communities Corporation is approved.
2. Pacific Power & Light Company is placed on notice that the Commission does not condone, delayed requests for contract approvals.
3. This resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 10, 1988. The following Commissioners approved it:

STANLEY W. HULETT  
President  
DONALD VIAL  
FREDERICK R. DUDA  
G. MITCHELL WILK  
Commissioners

  
Executive Director