

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-3205  
November 9, 1990

R E S O L U T I O N

RESOLUTION E-3205. PACIFIC GAS AND ELECTRIC COMPANY (PG&E) REQUEST FOR AUTHORIZATION OF AN UNECONOMIC EXTENSION AGREEMENT BETWEEN PG&E AND KELLY PACIFIC CONSTRUCTION COMPANY.

BY ADVICE LETTER 1318-E, FILED SEPTEMBER 25, 1990.

SUMMARY

1. By Advice Letter 1318-E, filed September 25, 1990, PG&E requests authorization to file an Uneconomic Extension Agreement (Agreement) with the Kelly Pacific Construction Company (Kelly), dated September 20, 1990. PG&E requests authorization of the Agreement to serve Kelly's single family residence construction project at 70 Irwin Street in San Rafael, Marin County. The Agreement is submitted under the exceptional cases provision in PG&E's Electric Line Extension Rule.
2. By this resolution, PG&E is authorized to enter into the Agreement.

BACKGROUND

1. The electric line extension includes approximately 475 feet of 22 kV underground distribution line plus transformers, meters and related appurtenance. PG&E estimates the cost of the extension to be \$22,473 and declares it to be uneconomic. PG&E requests authorization to install the extension under the provisions of Electric Tariff Rule 15 - Line Extensions, Section E.7. - Exceptional Cases.
2. The annual base revenue anticipated from this project is estimated at \$741. Such revenue would support a capital investment of \$3,549. The estimated cost of the installed facilities is \$22,473. Therefore, the unsupported cost is \$18,924. The Contributions-in-Aid of Construction tax on the unsupported contribution (CIAC) charge is \$5,299. The Cost-of-Ownership (CO) charge is \$19,468. The sum of the unsupported cost, CIAC, and CO results in a one-time payment for the electric line extension by the applicant of \$43,691.

3. The terms of the Agreement are consistent with PG&E's established policy for such uneconomic line extensions and are the same as those in similar agreements approved by the Commission. Such terms prevent the service addition from becoming a burden on other ratepayers as would occur if Cost-of-Ownership charges were not made on the excess portion of the line extension facilities.

#### NOTICE

1. Public notification of this filing has been made by placing it on the Commission calendar for November 9, 1990, and by mailing copies of the filing to other utilities, governmental agencies and to all interested parties who requested such notification.

2. Workpapers supporting this filing have been mailed to all of the above parties and are also available to other parties upon request.

#### PROTESTS

1. No parties protested Advice Letter 1318-E.

#### DISCUSSION

1. PG&E's estimated cost to install this line extension and associated facilities exceeds what the utility typically expends under the standard provisions of its Electric Tariff Rule 15, "Electric Line Extensions." The excess cost is the reason for filing the Agreement under the Exceptional Case provision of Rule 15.

2. Kelly will take service from PG&E under rate schedule E-1 of PG&E's filed tariff rates.

3. In the event additional customers may ultimately be served from this line, the cost of this service extension shall be subject to refund to Kelly under the provisions of Electric Tariff Rule 15 of PG&E's filed tariff schedules.

4. The Agreement was reached by mutual consent. The terms are consistent with PG&E's established policy for such uneconomic line extensions and are the same as those in similar agreements approved by the Commission. Such terms prevent the service addition from becoming a burden to other ratepayers as would occur if Cost-of-Ownership charges were not made on the excess portion of the line extension facilities.

5. This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with other rate schedules or rules.

FINDINGS

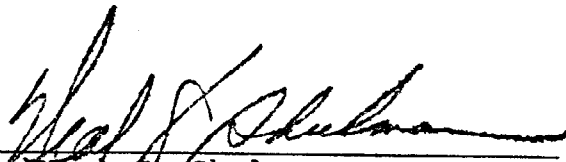
1. No protests have been received in this matter. The Agreement was reached under conditions acceptable to both parties.
2. The Agreement will provide service to Kelly under terms that will not produce a burden on PG&E's other ratepayers.
3. The rates, charges and conditions of service as proposed by the Agreement between PG&E and Kelly are reasonable and, therefore, the Agreement should be accepted for filing.

THEREFORE, IT IS ORDERED that:

1. Pacific Gas & Electric Company is authorized to enter into the Agreement with the Kelly Pacific Construction Company as filed by Advice Letter 1318-E.
2. Advice Letter 1318-E and the accompanying Agreement shall be marked to show that they were accepted for filing by Resolution E-3205 of the California Public Utilities Commission.
3. Pacific Gas & Electric Company shall revise its List of Contracts and Deviations to include the Agreement detailed above and shall file such revised tariff sheets with the Commission within sixty (60) days of the effective date of this resolution.
4. The resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on November 9, 1990. The following Commissioners approved it:

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

  
Neal J. Shulman  
Executive Director

Commissioner Stanley W. Hulett,  
being necessarily absent, did  
not participate.