

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND
COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3242
OCTOBER 11, 1991

R E S O L U T I O N

RESOLUTION E-3242. SAN DIEGO GAS AND ELECTRIC COMPANY REQUESTS COMMISSION APPROVAL OF A CONTRACT WITH THE UNITED STATES POSTAL SERVICE TO DEVIATE FROM THE STANDARD TERMS OF THE CONTRACT FOR SPECIAL ELECTRIC FACILITIES.

BY ADVICE LETTER 819-E, FILED ON JULY 3, 1991.

SUMMARY

1. San Diego Gas and Electric Company (SDG&E) requests approval of a contract to deviate from the terms of its standard contract for special electric facilities, Form 106-42140 "AGREEMENT FOR EXTENSION AND CONSTRUCTION OF _____" (Original Cal. P.U.C. Sheet No. 5546-E). The deviation would consist of including a cost ceiling for the facilities to be constructed, and to permit Applicant, United States Postal Service (Postal Service), to make the payment in monthly installments upon completion of the installation instead of paying the estimated cost in advance.
2. This Resolution grants the requests.

BACKGROUND

1. SDG&E's contract form for the extension and construction of facilities to serve customers, Form 106-42140 (Form), became effective December 10, 1985. The Form requires an applicant to advance to SDG&E the estimated cost of construction of the facilities, with a refund of any over excess over the estimated cost.

NOTICE

1. Public notice of this filing has been made by publication in the Commission's Calendar on July 10, 1991, and by mailing copies of the Advice Letter to other utilities, interested parties, and California Energy Commission, City of San Diego, Department of General Services, Naval Facilities Engineering Command, Poway Unified School District and University of California - Berkeley.

PROTESTS

1. The Commission Advisory and Compliance Division (CACD) has received no protests to this Advice Letter.

DISCUSSION

1. SDG&E Form 106-42140 was approved for filing in the utility tariffs because it was believed reasonable that a utility should not construct or extend its facilities using utility funds to serve customers who may not provide the utility with revenues sufficient to pay for the constructed facilities within a reasonable period.

2. The filed Form requires an applicant for construction of additional facilities or extension of a utility distribution system to pay to the utility the cost of the construction or extension and receive refunds based upon sales of energy from the construction or extension if these sales exceed a certain threshold value. This provision ensures that other ratepayers of a utility are not at risk of having to pay through rates for utility plant constructed to serve speculative or non-profitable customers.

3. This request is for approval of a contract for special facilities deviating from the requirement of advance payment. Postal Service is an agency of the United States Government. Instead of paying the construction cost in advance as required in the standard contract this deviation provides that Postal Service will make monthly payments starting upon completion of construction.

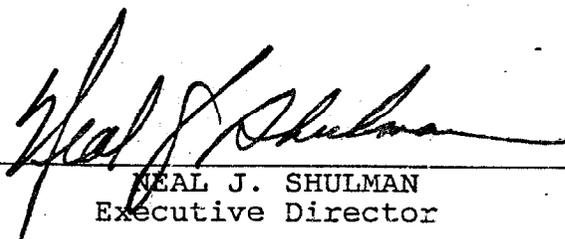
FINDINGS

1. Approval of this deviation contract should result in no risk of other ratepayers having to bear part of the cost of the construction.

THEREFORE, IT IS ORDERED that:

1. The contract between San Diego Gas and Electric Company and United States Postal Service is approved.
2. Advice Letter 819-E shall be marked to show that it was approved by Commission Resolution E-3242.
3. San Diego Gas and Electric Company shall file revised tariff sheets which shall include this contract in its list of Contracts and Deviations.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 11, 1991. The following Commissioners approved it:



NEAL J. SHULMAN
Executive Director

JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

Commissioner Patricia M. Eckert,
being necessarily absent, did
not participate.