

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3257
February 20, 1992

R E S O L U T I O N

RESOLUTION E-3257. SOUTHERN CALIFORNIA WATER COMPANY
REQUEST FOR AUTHORIZATION TO EXTEND ELECTRIC SERVICE TO
BIG BEAR SHORES IN BEAR VALLEY UNDER THE EXCEPTIONAL CASE
PROVISION OF THE UTILITY'S LINE EXTENSION RULE.

BY ADVICE LETTER 142-E, FILED ON NOVEMBER 12, 1991.

SUMMARY

1. By Advice Letter 142-E, filed November 12, 1991, Southern California Water Company (SCW) requests authorization of an Exceptional Case Uneconomic Facilities Agreement (Agreement) with Big Bear Shores (Big Bear) to install electric distribution facilities to six lots in Big Bear Shores residential subdivision (Shores) located in Bear Valley. In SCW's opinion, Shores is a speculative venture because the lots within the subdivision are to be sold individually for use by recreational vehicles. The Agreement would require Big Bear to advance the extension cost, plus a contribution in aid of construction tax, and a cost of ownership charge. Under the Agreement, SCW would install its electric facilities prior to individual applications for service, and Big Bear would pay \$355,825 to SCW.
2. This Resolution authorizes the Agreement.

BACKGROUND

1. The Agreement provides that Big Bear will pay to SCW capital costs of \$240,712, Contribution in Aid of Construction tax of \$48,836, and cost of ownership charges \$104,468, for a total of \$355,825; \$157,304 would be subject to refund.
2. SCW would obligate itself under the Agreement to install an underground distribution system to serve Shores.

3. SCW seeks Commission authorization of the Agreement under the Exceptional Cases section (Section E.7) of its Electric Extension Rule (Tariff Rule 15) because it feels that Big Bear's project does not fit into the provisions of its electric extension rules. That provision is as follows:

EXCEPTIONAL CASES

In unusual circumstances, when the application of these rules appears impractical or unjust to either party, ... the Utility or the applicant shall refer the matter to the Public Utilities Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

NOTICE

1. Public notification of this filing has been made by placing it on the Commission calendar for November 12, 1991 and by mailing copies of the filing to other utilities, governmental agencies and to all interested parties who requested such notification.

PROTESTS

1. No one has protested this Advice Letter filing.

DISCUSSION

1. SCW believes that this agreement qualifies as an "Exceptional Case" under the provisions of Section E.7. of SCW's Electric Tariff Rule 15 because the residential subdivision is a speculative venture.

2. The Commission Advisory and Compliance Division agrees with SCW that Shores is speculative and that use of the Exceptional Cases tariff provision is reasonable.

3. In addition to filing the Agreement, SCW requests that it be authorized to delete a contract from its List of Contracts and Deviations because the contract has expired. Filing an advice letter to delete expired contracts and deviations is a compliance filing in accordance with Section II.C.3 of General Order 96A and requires no further Commission authorization.

FINDINGS

1. The Agreement covers SCW's installation of electric distribution facilities prior to receiving any applications for service.

2. Such construction constitutes a speculative venture and should be considered an "Exceptional Case" under the provisions of Section E.7 of SCW's Electric Tariff Rule 15.

3. Payment of \$355,825 by Big Bear will prevent SCW's cost of construction and ownership of these facilities from becoming a burden on other ratepayers.

4. Acceptance of this Agreement is for this specific case only. It is not a precedent nor an endorsement of SCW's practices concerning uneconomic line extensions. All future "Exceptional Case" agreements must be considered by the Commission on a case-by-case basis.

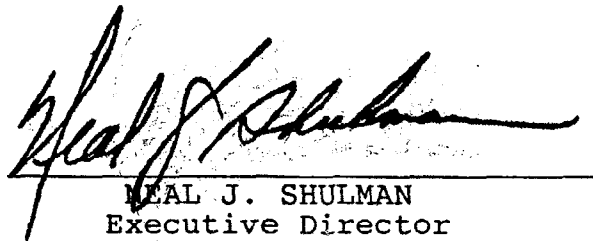
THEREFORE, IT IS ORDERED that:

1. Advice Letter 142-E and the accompanying Agreement shall all be marked to show that they were accepted for filing by Resolution E-3257 of the California Public Utilities Commission.

2. Southern California Water Company shall revise its List of Contracts and Deviations to include the Revised Agreement ordered above, shall delete expired contracts, and shall file such revised tariff sheets with the Commission within sixty (60) days of the effective date of this Resolution.

3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 20, 1992. The following Commissioners approved it:


NEAL J. SHULMAN
Executive Director

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

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