

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND  
COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-3390  
September 15, 1994

**R E S O L U T I O N**

RESOLUTION E-3390. REQUEST OF SAN DIEGO GAS AND ELECTRIC COMPANY (SDG&E) TO REVISE ITS TARIFF SCHEDULES APPLICABLE TO ITS ELECTRIC DEPARTMENT AND FOR APPROVAL OF SPECIAL FACILITIES CONTRACT 274, DATED JUNE 20, 1994 BETWEEN SDG&E AND THE CITY OF SAN DIEGO.

BY ADVICE LETTER 921-E, FILED ON JULY 22, 1994.

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**SUMMARY**

1. San Diego Gas and Electric Company (SDG&E) requests authority to revise its tariff schedules applicable to its Electric Department in connection with a temporary Contract for Special Electric Facilities (Agreement), dated June 20, 1994, between SDG&E and the City of San Diego (Applicant), identified as Special Contract 274.
2. The proposed Agreement deviates from SDG&E's Rule 2 - Description of Service, Section I.1b (1) in that the Applicant has agreed to pay SDG&E \$196,123 in advance, a one-time charge for the facilities costs necessary to make service available instead of a tariffed monthly cost-of-ownership charge. In addition, the Applicant has also agreed to pay SDG&E a non-tariffed monthly operating and maintenance (O&M) charge not to exceed \$817.00 on the date the special facilities are ready for service until 30 days after termination notice is given and removal requested by Applicant.
3. The above deviations are just and reasonable because they would allow SDG&E to recover its costs.
4. The filing proposes to add the Agreement to SDG&E's List of Contracts and Deviations.
5. No protests were received against Advice Letter 921-E.
6. This Resolution grants SDG&E's request because the proposed deviations from Rule 2 are reasonable.

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BACKGROUND

1. Special facilities are facilities installed as an accommodation to a specific customer that exceed the standards of the facilities usually installed to provide service. Cost-of-ownership charges compensate the utility for the costs of owning, maintaining, and removing special facilities after their use terminates. These charges would allow the utility to recover its costs from the customer responsible for the special facilities so that other ratepayers are not burdened.

2. The Agreement between the Applicant and SDG&E provides for a temporary electric service to Applicant's Fiesta Island Sludge Bed Processing Facility, located at Fiesta Island and Mission Bay in the City of San Diego. SDG&E will meter at TOU (Time of Use), secondary service rates.

3. This Advice Letter filing is necessary because the terms of Special Contract 274 deviate from SDG&E's Section I.1b (1) of Electric Rule 2, which requires customers to pay a monthly cost-of-ownership charge for special facilities. This charge depends on a monthly percentage as per tariff applicable to the type of facility being installed for service. However, the Applicant agrees to pay SDG&E \$196,123 in advance, as a one-time-charge for the cost of required cable, including any excess charges for minimum order requirements; total cost of installation; cost of future removal, and all other facilities costs required to make the service available. In addition to the above payment, the Applicant has also agreed to pay SDG&E a monthly operating and maintenance (O&M) charge not to exceed \$817.00. The payment will begin on the date the special facilities are ready for service to Applicant until 30 days after the Applicant gives SDG&E written notice of its desire to terminate their use and requests removal. The operation and maintenance (O&M) charge is in addition to any other charges for service in accordance with SDG&E's applicable rate schedules.

4. SDG&E will in addition to its standard facilities, construct, own, operate, and maintain the following special facilities for Applicant: approximately 2,800 feet of submersible cable, fuse cabinet, primary service handholes and connectors, and eel grass mitigation for the service life, estimated at five years. The eel grass (where eels live) is to be maintained and restored back to its original environmental condition during the service life and after the facilities are removed. Construction is anticipated to begin in early September.

5. The Agreement provides that Applicant shall give 30 days written notice of its termination of use of the Special Facilities and that Applicant shall terminate use within 30 days after providing such notice. If Applicant provides termination notice at any time after execution of the Agreement, all incurred costs are non refundable.

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**NOTICE**

1. Public notice of this filing has been made by publication in the Commission's calendar and by mailing copies to interested parties specified by General Order 96A including the City of San Diego.

**PROTESTS**

1. CACD has received no protest to Advice Letter 921-E.

**DISCUSSION**

1. The one-time charge and the monthly O&M charge that the Applicant has agreed to pay SDG&E deviate from the monthly cost-of-ownership charge required by SDG&E's Electric Rule 2, Section I.1b (1). This was one of the options provided by SDG&E to the Applicant as how it might pay for the Special Facilities needed for service. The Applicant chose the one-time charge option for its own budgetary convenience. Commission Advisory and Compliance Division (CACD) does not find this option to be unreasonable because it still protects ratepayers from subsidizing the service to Applicant.

2. On June 20, 1994, the San Diego City Council adopted Resolution 284062. That resolution authorized and empowered the City Manager to enter into an agreement with SDG&E to provide a temporary electrical service to the City of San Diego's Fiesta Island Sludge Dewatering Facility at a cost not to exceed \$196,123. This is the same amount the Applicant has agreed to pay in advance as a one-time charge to SDG&E. The O&M charge was not included in the City's Council resolution because it will be paid monthly as billed out of operating budget unlike the one-time charge, which SDG&E said was included in the existing capital budget of the City.

3. This Agreement will protect ratepayers from subsidizing the cost of providing the special facilities to Applicant and its approval will not cause the withdrawal of service.

4. CACD has reviewed the Agreement between the Applicant and SDG&E and other supporting documents. CACD recommends approval because the proposed deviations from SDG&E's Rule 2 are reasonable and will not raise rates, withdraw service, or create more restrictive service conditions, and allow SDG&E to recover its Costs.

**FINDINGS**

1. SDG&E filed Advice Letter 921-E requesting authority to revise its tariff schedules applicable to its Electric Department in connection with a temporary Contract with the City of San Diego.

2. The proposed Agreement will enable SDG&E to provide special facilities for a temporary electric service to the Applicant's

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Fiesta Island Sludge Bed Dewatering Facility, located at Fiesta Island and Mission Bay, in the City of San Diego.

3. The Agreement will not cause an increase in rates, withdraw service, or create restrictive service conditions.

4. The Agreement's deviation from SDG&E's Rule 2 is just and reasonable.

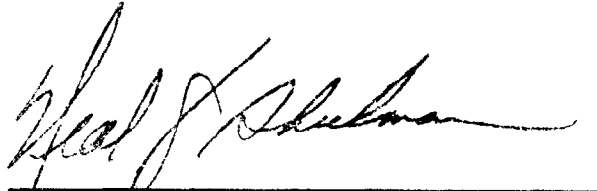
**THEREFORE, IT IS ORDERED that:**

1. San Diego Gas and Electric Company is authorized to revise its tariff schedules in connection with a Contract for Special Electric Facilities with the City of San Diego as proposed in Advice Letter 921-E.

2. Advice Letter 921-E and the accompanying tariff sheets shall be marked to show that they were approved by Commission Resolution E-3390.

3. This resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September, 15, 1994. The following Commissioners approved it:



NEAL J. SHULMAN  
Executive Director

DANIEL Wm. FESSLER  
President  
PATRICIA M. ECKERT  
NORMAN D. SHUMWAY  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
Commissioners