

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION *

**RESOLUTION E-3627
NOVEMBER 4, 1999**

RESOLUTION

**Metropolitan Education District Requests a Deviation From
Pacific Gas and Electric Company's Tariff Schedule E-19 and
Rules 2.D.3.f. and 16. Approved.**

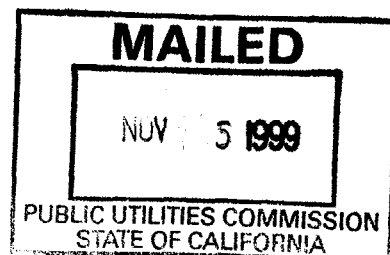
By Letter Dated February 23, 1999.

SUMMARY

The Metropolitan Education District (MED) requests a deviation from Pacific Gas and Electric Company's (PG&E) Tariff Schedule E-19 and Tariff Rules 2.D.3.f. and 16 requiring a customer to pay for the transformer (transformation) necessary to continue to receive service at primary voltage rates.

This resolution provides relief for MED whose supply voltage has been upgraded and orders PG&E to continue to serve MED at primary voltage rates and to pay for any necessary transformation to serve MED.

This resolution also requires that PG&E locate the new transformer so as to avoid both obstruction of motorists' vision when exiting MED's driveway and an unsightly appearance.



BACKGROUND

MED is a regional vocational and adult education center that serves 60,000 high school and adult students, mostly economically disadvantaged, in Santa Clara County.

PG&E received a request to provide service to 800 homes in South San Jose and on the same circuit as MED. The capacity on the 12 kv circuit is inadequate to serve anticipated load growth.

PG&E evaluated several alternatives for serving the load growth. The most cost-effective alternative is to upgrade from a 12 kv to a 21 kv circuit.

PG&E informed MED that PG&E must upgrade the distribution voltage on MED's circuit from 12 kv to 21 kv to serve new customers. MED currently receives a discount for taking service at the primary voltage of 12 kv.

On October 21, 1998, PG&E sent copies of Electric Tariff Rule 2 and Rate Schedule E-19 to MED.

On November 2, 1998, PG&E discussed MED's objections to installation of a transformer on MED's property line. PG&E would require MED to rearrange its facilities to accommodate the installation of the new transformer, and to provide space on its property for the new transformer. MED informed PG&E¹ that placing a 9 foot x 9 foot x 6 foot high transformer at MED's exit driveway is unacceptable as it would be unsightly, a magnet for graffiti, and would obstruct motorists' vision when exiting MED's one-way driveway onto the city street. PG&E's order of magnitude estimate for moving the transformer back from the street was \$6,000 just for the additional cable. On March 25, 1999, Belden, Inc., MED's consultant, objected to the additional cost for extending service beyond MED's property line. In a response dated August 20, 1999, PG&E informed the Energy Division that it has not been able to finalize the estimate for locating the transformer since MED has not informed PG&E of MED's preferred service arrangement.

By communication dated February 23, 1999, MED requested that the Commission ease the financial burden resulting from PG&E's voltage

¹ Conference on November 2, 1998.

upgrade. MED informed the Commission that PG&E offered the following options:

- PG&E can install a transformer at PG&E's cost, but MED would lose its primary discount. The future cost to MED would be \$26,000 annually.
- MED could purchase a transformer at a cost of \$120,000 and preserve its primary discount.

MED said that such expenses would have severe financial consequences for MED and wanted to know what steps the district can take to protest PG&E's action and/or access hardship money.

MED also stated, "[t]he District does not want to make this change nor does it need the additional power for its needs and believes this change is due to arbitrary policy and business decisions over which PG&E has control."

At the request of the Energy Division, PG&E wrote a letter dated March 5, 1999, responding to MED's concerns. PG&E says that MED's options are as follows:

Under Rule 2.D.3.f.,² MED has three options for electric service at 21 kv:

1. Accept service at the new voltage and install a new transformer at MED's expense to protect MED's customer discount for receiving service directly from PG&E's 21 kv distribution line.
2. Accept service at the secondary side of an additional stage of transformation that PG&E would provide. Since PG&E would pay for the transformer, MED would lose its primary discount.
3. Contract with PG&E for an additional stage of transformation to be installed as a special facility.³ MED would accept service at the primary side of the additional stage of transformation and would keep its discount.

² Appendix A of this Resolution.

³ Appendix B of this Resolution.

The tariffs dealing with changes in line voltage go back to 1942. Advice Letter 300, effective December 1, 1942, Schedule C-1, Special Condition (d) states: “[t]he Company retains the right to change its line voltage at any time, after reasonable advance notice to any customer receiving a discount hereunder and affected by such change, and such customer then has the option to change his system so as to receive service at the new line voltage or to accept service (without voltage discount) through transformers to be supplied by Company.”

Decision 70489, dated March 29, 1966,⁴ allowed construction of 21 kilovolt (kv) circuits in PG&E’s distribution system.

Resolution (Res.) E-1853, dated September 12, 1979, revised Tariff Rule 2 to include Section I.⁵, tariff for Special Facilities.

In December 1988, three customers⁶ (Petitioners) jointly filed Application (A.) 88-12-042 to revise Resolution E-1853. Petitioners requested that Tariff Rule 2.D.3.f. be revised to require the sharing of costs of additional transformation required by the upgrade of distribution lines from 12 kv to 21 kv, to include additional costs of transformation in rate base, and to allocate such costs to then existing E-20 customers in cost allocations used in setting rates. The stated purpose of petitioners was: A) to eliminate inequities to E-20 customers, when PG&E determined that it was necessary to upgrade a distribution line to a higher voltage to accommodate new load growth on that line; B) to provide for more equitable sharing by all Schedule E-20 customers that continued to receive service following an upgrading of the line from which they took service.

Advice Letter 1264-E, effective November 13, 1989, revised Tariff Rule 2.D.3.f. to offer customers a third option⁷ of paying for necessary transformation equipment as Special Facilities under the terms and conditions of Section I. of Tariff Rule 2. Tariff Rule 2.I. requires both the customer and PG&E to pay monthly for new transformation. PG&E explained that those modifications ameliorated the situation identified by the three customers without detrimental financial impact on PG&E, its

⁴ Amended by (D.) 71094, dated August 9, 1966.

⁵ Appendix B of this Resolution.

⁶ FMC Corporation, Leslie Salt Company, and Morton Thiokol.

⁷ Appendix B of this Resolution.

ratepayers, or customers subject to voltage upgrades in the future. PG&E submits that the revisions approved gave the customers a lower cost option while leaving ratepayers indifferent.

Decision 91-04-001 dismissed A. 88-12-042 at the request of the applicant.

PG&E proposed in A.99-03-014⁸, to reduce the rate advantage of accepting service at primary levels. If the Commission approves PG&E's proposal, MED would experience a proportionately greater reduction in cost of secondary service that may obviate the need to spend funds to remain on primary service. PG&E cited a target date of June 2000 for a decision on the 1999 Rate Case.

In a meeting on April 9, 1999, MED informed PG&E that MED wants to install its own transformer to continue receiving the voltage discount.

In a response dated May 12, 1999, PG&E further explained that under Option 3 it would install the transformer and related facilities under the provisions of Tariff Rule 2.I. and would offer the customer the option to pay either a one-time charge to cover the cost of the installation and on-going maintenance, or a monthly charge for the installation and maintenance. PG&E's order of magnitude estimate, on a special facilities basis of \$100,000, is \$1,330 monthly.

In that same response, PG&E explained that if MED chooses Option 3, then terminates the special facility agreement at the end of the rate freeze,⁹ and accepts service at 12 kv, PG&E may levy a minimal termination charge. The transformer would be left in place to serve MED at 12 kv. The termination charge would be limited to any unpaid cost of rearranging the facilities necessary to accommodate the change in service voltage.

PG&E, in its response dated June 29, 1999, declined to offer service to MED under General Order 96-A, section X.B.¹⁰ As support for this response PG&E pointed to Tariff Rule 2 section D.3.f.: "Where a customer is

⁸PG&E's 1999 General Rate Case Phase 2 filed March 5, 1999.

⁹No later than March 31, 2002.

¹⁰Section X.B. reads: "...a public utility of a class specified herein, except telecommunications utilities may, if it so desires, furnish service at free or reduced rates or under conditions otherwise departing from its filed tariff schedules to the United States and to its departments and to the State of California and its political subdivisions and municipal corporations, including departments thereof..."

receiving service at the voltage being changed, the customer then has the option to: (3) contract with PG&E for an additional stage of transformation to be installed as special facilities, whereby the customer will be considered as accepting service at the primary side of the additional stage of transformation." PG&E says that this tariff option offers a reasonable service alternative for MED, without detrimental service impact on PG&E or its ratepayers.

In a response dated July 21, 1999, PG&E stated that there are no other similarly situated customers on the same circuit as MED.

By communication dated August 27, 1999, MED, responding to a request dated April 14, 1999, informed the Energy Division that MED went out to bid in April and the lowest bid for a transformer was \$147,000, exclusive of the cost of locating the transformer away from MED's driveway exit.

PG&E informed MED of its proposed cutover date of September 1999. MED responded that it could not purchase and install a transformer before a December 1999 cutover.

MED pointed to a single new customer, Kaufman and Broad, as the cause of capacity needs that exceed current levels. MED reaffirmed its intention to oppose by any means at its disposal any attempt to force MED to pay for anything to retain its primary voltage discount.

On September 14, 1999, PG&E informed the Energy Division that PG&E will proceed with MED's voltage upgrade since there is no tariff violation.

NOTICE

Notice of MED's request appeared on the Commission's Daily Calendar.

PROTESTS

PG&E responded to MED's request on March 5, 1999, and subsequent correspondence noted in the Background Section.

DISCUSSION

The addition of 800 customers to PG&E's system would require MED to pay either for a transformer estimated to cost \$147,000 or for substantially higher distribution rates, costing an additional \$26,000 per year. No benefit would accrue to MED from such expenditure. PG&E alone decided to upgrade the voltage.

MED originally installed and paid for transformation from the existing 12 kv to plant voltage. PG&E is now asking MED to pay for additional step-down transformation from 21 kv to 12 kv due to new customer load on PG&E's system.

We desire to ease the impact on MED that arises when, 1) PG&E upgrades the voltage in a distribution line to accommodate new growth on that line, and 2) PG&E requires an existing customer to bear the cost of additional transformation that allows the customer to continue receiving service at the primary voltage.

This resolution requires PG&E to keep MED on Schedule E-19P, thereby retaining MED's primary voltage discount. PG&E should also pay for any transformation necessary to serve MED at the new 21 kv voltage and for the additional cost of locating the new 9 foot by 9 foot by 6 foot high transformer so as to avoid obstructing motorist's vision of vehicles exiting MED's driveway or an unsightly arrangement, such as locating the transformer near the curb of the city street.

PG&E can include the cost of the additional transformation cost in PG&E's rate base subject to review in the next appropriate proceeding before this Commission.

COMMENTS

The proposed resolution of the Energy Division in this matter was mailed to the parties in accordance with PU Code 311(g). Comments were filed by MED and PG&E on October 15, 1999.

MED points to PG&E's failure to notify MED of General Order 96-A section X.B. and sets forth MED's qualifications for service at free or

reduced rates. PG&E explains that providing service at free or reduced rates under Section X.B. would have been a violation of PG&E's filed tariffs and PU Code 453(a).¹¹ Res. E-3627 will provide the necessary financial relief to MED.

MED also cited a warning from PG&E to elect one of the three options allowed by Rule 2, or PG&E would terminate service to MED. We would not permit termination of service to a customer based on an unresolved issue before this Commission.

In a letter to PG&E dated January 11, 1999, MED stated that forced shutdown periods would cause further economic damage to the school. MED indicated operating hours from 7:00 a.m. to 10:30 p.m. We will require that PG&E limit interruption of service to no more than necessary to switch over to the new transformer and to plan the interruption outside of normal operating hours, either after 10:30 p.m. or during school holidays. Granted.

PG&E requested that the requirement for "no interruption in service" be deleted from Ordering Paragraph (OP) 5 since switch over to the new transformer necessitates an interruption in service. We will clarify OP 5, now OP 6, to minimize the service interruption to the interval necessary to make the switch over. Granted.

MED submits that PG&E has the option of serving the 800 new homes from another route, possibly a nearby substation. This resolution should provide PG&E with appropriate incentive to consider another more advantageous option, if available. Denied.

MED reports that PG&E estimated a discount value of \$13,000 per year accruing to MED even after deregulation in March 2002. PG&E said the draft is silent on the value of the discount. PG&E will determine the value of the discount through its regular billing process according to PG&E's tariffs as revised in proceedings before this Commission. The normal billing procedure will determine the value of the discount.

¹¹ No public utility shall, as to rates, charges, service, facilities, or in any other respect, make or grant any preference to any corporation or person or subject any corporation or person to any prejudice or disadvantage.

PG&E requests that Res. E-3627 grant deviations from Schedule E-19, section 4.b.¹², Rule 16.C.1.¹³, Rule 16.F.1.b.¹⁴, Rule 16.D.1.¹⁵ as well as Rule 2.D.3.f. Since this resolution deviates from such Tariff Schedule and Rules we grant these deviations. Granted.

In its comments PG&E informs the Commission that MED will not grant permission for PG&E to enter MED's property to upgrade the voltage. Therefore, according to MED, a Commission order should include the proviso that PG&E can gain the necessary access. We will condition approval of the requested deviation on PG&E's success in obtaining the necessary access to MED's property. Granted.

To minimize costs PG&E requests that the Commission mandate MED to allow PG&E to use MED's existing conduit for the installation of the new electric service, if the conduit meets PG&E's construction standards for the installation of underground high voltage conductor. The Commission has no jurisdiction over MED and cannot mandate such permission. PG&E can close an agreement with MED for use of its duct. Also, we expect that PG&E will make every attempt to minimize costs while satisfying the requirements of this decision. Denied.

To the extent that the Commission requires PG&E to perform any additional trenching and substructure installation at the expense of other ratepayers, PG&E requests that Res. E-3627 specify that ownership of the service trench and related substructures and the transformer pad shall vest in MED. PG&E said that ratepayers would then be spared the costs to own and maintain facilities, normally the responsibility of the customer. Under Rule 16.D.2.a.1) PG&E will own and maintain the cable connecting the distribution line with the new transformer. Also, PG&E since found that it

¹² Definition of Primary: This is the voltage class if the customer is served from a "single customer substation" or without transformation from PG&E's serving distribution system at one of the standard primary voltages specified in PG&E's Electric Rule 2, Section B.1.

¹³ The location of the Service Extension facilities shall extend from the point of connection at the Distribution Line to Applicant's nearest property line abutting upon any street, highway, road, or right-of-way, along which it already has, or will install distribution facilities...

¹⁴ When PG&E determines that existing Applicant-owned Service Facilities (installed under a prior rule) require replacement, such replacement or reinforcement shall be accomplished under the provisions for a new Service Extension installation, except that if PG&E determines that any portion of Applicant's existing service conductors can be utilized by PG&E, Applicant will convey any such useable part to PG&E and an appropriate credit by PG&E may be allowed to Applicant.

¹⁵ ...Applicant is responsible for all necessary trenching, backfilling, and other digging as required including permit fees....

could pull the necessary cable through an existing duct owned by MED. Since MED owns and/or controls the property where substructure and pad will be located, MED should own and maintain the trench, duct, and the new transformer pad. Granted.

PG&E also proposed that the Commission avoid requiring ratepayers to subsidize replacement landscaping. Replacement landscaping is the direct result solely of construction necessary to accommodate PG&E's voltage upgrade. We will order PG&E to pay for replacement landscaping for reasons given in our discussion of this resolution. Denied.

PG&E recommends that the Final Resolution clarify that it does not intend to modify existing tariffs and has no ramifications beyond the provision of service to MED. This Resolution grants a deviation of the tariff only. Granted.

PG&E said that the draft resolution is silent on the following:

- The additional installed cost of conductor to terminate service at a point other than the closest practical point, as required under Ordering Paragraph 3. PG&E will pay for any additional installed cost of such conductor as we implied in our discussion above.
- The cost of site improvements which are normally the customer's responsibility under the provisions of Rule 16 (e.g. trenching, substructures, and transformer pad, and splice boxes) and which the Draft Resolution implies will be installed by PG&E at ratepayer expense. PG&E will also pay for the cost of such site improvements as we implied in our discussion above.

PG&E requests that the Commission remove all references to inequitable and unreasonable treatment of MED under PG&E's tariffs since PG&E "does not believe that the proper application of the tariff with respect to MED's service is inequitable." PG&E adds: "the proposed deviation from the tariff for MED creates inequities between the level of service being offered to MED and the level of service to which other, similarly-situated customers are entitled under the tariff. Although PG&E recognizes that MED service upgrade does have unique circumstances, PG&E said that it is

for this reason that PG&E chose not to request a deviation for service to MED under section X.B. of General Order 96-A.”

We agree that the MED service upgrade has unique circumstances. Those circumstances cause the inequity to MED as a result of applying PG&E’s tariffs. This resolution addresses the resulting inequities. We will remove any references to the inequities of the tariffs themselves. To do otherwise could be construed as possibly prejudging an issue that we may wish to revisit in the future. Granted.

In its concluding comments PG&E said that these decisions (listed in the Background), which are the foundation for the current tariff language, generally recognize that the cost to serve an individual customer should be borne by the customer. We see the cost of MED’s upgrade differently. Rather than the cost to serve MED, we see such cost as a consequence of PG&E’s upgrade which in turn is caused by PG&E’s need to serve 800 new customers. Denied.

PG&E requested that the Commission remove any reference to an unsightly arrangement of the transformer since the term unsightly is subjective. We will accommodate this request, but PG&E should make every attempt to locate the transformer in a location agreeable to MED. Granted.

FINDINGS

1. Since December 1, 1942, PG&E has reserved the right to change its line voltage at any time, after reasonable advance notice to any customer receiving a discount and affected by such change. When PG&E exercises this right, it offers such customer the option to change their system so as to receive service at the new line voltage or to accept service (without voltage discount) through transformers to be supplied by Company.
2. Decision 70489, dated March 29, 1966, allowed construction of 21 kv circuits in PG&E’s distribution system.
3. Res. E-1853, dated September 12, 1979, added terms and charges for installation of special facilities.

4. The only experience with a customer complaint resulting from an upgrade from 12 kv to 21 kv that PG&E could provide is A.88-12-042, dated December 22, 1988, in which three primary service customers, proposed revisions to Rule 2.D.3.f.
5. Advice Letter 1264-E, effective November 13, 1989, revised PG&E tariffs to offer such customers a third option for financing additional transformation equipment, specifically, joint payments by the customer and PG&E.
6. Decision 91-04-001, dated April 2, 1991, dismissed A.88-12-042 at the request of the applicant.
7. MED is a regional vocational and adult education center that serves 60,000 high school and adult students, mostly economically disadvantaged, in Santa Clara County.
8. To serve 800 new homes in South San Jose on the same circuit as MED PG&E must upgrade the circuit voltage from 12 kv to 21 kv necessitating additional transformation.
9. MED would not benefit from any expenditure for additional, required transformation.
10. By letter dated February 23, 1999, MED contacted the Commission asking what steps the district can take to protest PG&E's action and/or access hardship money.
11. PG&E declined to offer service to MED at free or reduced rates since PG&E believes Tariff Rule 2.D.3.f. Option 3 offers a reasonable alternative for MED, without detrimental impact on PG&E or its ratepayers.
12. PG&E previously informed MED that the transformer would cost \$120,000. If PG&E installed the transformer at its expense, MED would lose its discount estimated at \$26,000 per year.
13. The lowest bid MED obtained in April 1999 for installing the necessary transformation is \$147,000.

14. PG&E explained the three options of Rule 2.D.3.f. and provided an estimate of \$1,330 per month to finance the installation and maintenance of a transformer as a special facility. PG&E also estimated \$6,000 for additional cable required for moving the transformer away from MED's driveway exit.
15. In A. 99-03-014, PG&E's general rate case, PG&E proposed to reduce the rate advantage of taking service at primary voltage.
16. PG&E should continue serving MED at its current level of service and allow MED to keep its discount for taking service at primary voltage.
17. PG&E should determine the value of MED's discount through application of PG&E's tariff as revised by proceedings before this Commission.
18. It is reasonable to require PG&E to pay for additional transformation for MED necessitated by system growth on MED's circuit. Such transformation costs should include the costs of trenching, underground duct as necessary, cable, splice boxes, and transformer pad as well as the transformer.
19. It is reasonable to grant PG&E deviations from Schedule E-19, section 4.b., Rule 16. Sections C.1, D.1, and F.1.b. as well as Rule 2.D.3.f.
20. PG&E informed MED of its proposed switchover date of September. MED informed PG&E that it could not be prepared before December 1999.
21. It is reasonable to require PG&E to coordinate its switchover date with MED's schedule to effect a smooth transition from 12 kv to 21 kv voltage supply with minimal interruption of service.
22. PG&E should plan any service interruption outside of MED's normal operating hours, either after hours or during school holidays.
23. PG&E stated that there are no other similarly situated customers on the same circuit as MED.

24. PG&E's proposal to locate the new transformer at a driveway where it would obstruct the vision of motorist's exiting MED's driveway would create a traffic hazard.
25. PG&E should pay any additional costs of locating the new transformer so as to avoid obstructing motorist's vision of vehicles exiting MED's driveway, providing MED allows access to its premises.
26. PG&E should include the cost of any additional transformation, including the transformer, splice boxes, trenching, duct, transformer pad, cable, and replacement landscaping necessitated by the voltage upgrade in its rate base subject to review in the next appropriate Commission proceeding
27. Ownership of the trench, underground duct, splice boxes, and new transformer pad should be vested in MED.
28. PG&E should make every attempt to minimize costs to the ratepayer while satisfying the requirements of this resolution.
29. This resolution neither revises PG&E's tariffs or Rules nor does it have any ramifications beyond the impact of PG&E's voltage upgrade on MED.

THEREFORE IT IS ORDERED that:

1. PG&E shall continue serving MED at its current level of service and allow MED to keep its discount for taking service at primary voltage.
2. The value of the discount shall be determined by PG&E's tariff as revised by proceedings before this Commission.
3. PG&E shall pay for any additional transformation, including the transformer, splice boxes, any construction work for the trench, duct, transformer pad, cable, and replacement landscaping necessitated by the voltage upgrade, providing MED allows access to its premises.
4. PG&E shall also pay for the additional cost of locating the new transformer so as to avoid obstructing motorist's vision of vehicles exiting MED's driveway, providing MED allows access to its premises.
5. PG&E shall allow MED to own and be responsible for maintenance of the trench, underground duct, splice boxes, and the new transformer pad.
6. PG&E shall include all the costs of additional transformation, including the transformer, splice boxes, any construction work for the trench, duct, transformer pad, cable, and replacement landscaping of additional transformation in its rate base subject to review in the next appropriate Commission proceeding.
7. PG&E shall coordinate its cutover date with MED so as to provide for a smooth transition from the 12 kv to 21 kv voltage supply with minimal interruption of service as discussed herein. PG&E shall plan any service outages outside MED's normal operating hours, either after hours or during school holidays.
8. PG&E is granted deviations from Tariff Schedule E-19, section 4.b., Rule 16.sections C.1, D.1, and F.1.b. as well as Rule 2.D.3.f.
9. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on November 4, 1999; the following Commissioners voted favorably thereon:



WESLEY M. FRANKLIN
Executive Director

RICHARD A. BILAS
President

HENRY M. DUQUE
JOSIAH L. NEEPER
JOEL Z. HYATT
CARL W. WOOD
Commissioners

APPENDIX A
Rule 2.D.3.f.¹⁶

PG&E reserves the right to change its distribution or transmission voltage to another standard service voltage when, in its judgement, it is necessary or advisable for economic reasons or for proper service to its customers. Where a customer is receiving service at the voltage being changed, the customer then has the option to: (1) accept service at the new voltage, (2) accept service at the secondary side of an additional stage of transformation to be supplied by PG&E at a location on the customer's premises in accordance with PG&E's requirements, or (3) contract with PG&E for an additional stage of transformation to be installed as special facilities (including any applicable Contributions in Aid of Construction taxes) under the provisions of Section I, below, whereby the customer will be considered as accepting service at the primary side of the additional stage of transformation. Metering not relocated to the primary side of the additional stage of transformation will be subject to a transformer loss adjustment in accordance with Section B.4 of this Rule. The option to contract with PG&E for an additional stage of transformation (option 3 above) is available only once in conjunction with a change in standard voltage by PG&E.

¹⁶ A.L. 1330-E effective April 1, 1991

APPENDIX B
Sheet 1 of 2
Rule 2.I. Special Facilities¹⁷

1. PG&E normally installs only those standard facilities which it deems are necessary to provide regular service in accordance with the tariff schedules. Where the applicant requests PG&E to install special facilities and PG&E agrees to make such an installation, the additional costs thereof shall be borne by the applicant, including such continuing ownership costs as may be applicable.
2. Special facilities are (a) facilities requested by an applicant which are in addition to or in substitution for standard facilities which PG&E would normally provide for delivery of service at one point, through one meter, at one voltage class under its tariff schedules, or (b) a pro rata portion of the facilities requested by an applicant, allocated for the sole use of such applicant, which would not normally be allocated for such sole use. Unless otherwise provided by PG&E's filed tariff schedules, special facilities will be installed, owned and maintained or allocated by PG&E as an accommodation to the applicant only if acceptable for operation by PG&E and the reliability of service to PG&E's other customers is not impaired.
3. Special facilities will be installed under the terms and conditions of a contract in the form on file with the Commission. Such contract will include, but is not limited to, the following terms and conditions:
 - (a) Where new facilities are to be installed for applicant's use as special facilities, the applicant shall advance to PG&E the estimated additional installed cost of the special facilities over the estimated cost of standard facilities. At PG&E's option, PG&E may finance the new facilities.
 - (b) A monthly cost-of-ownership charge shall be paid by applicant for the special facilities:

¹⁷ A.L. 1264-E effective November 13, 1989

APPENDIX B
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TYPE OF FACILITY	FINANCING	MONTHLY CHARGE
Transmission (60kv and over)	Customer	0.31% of the amount advanced
	PG&E	1.14% of the additional cost
Distribution	Customer	0.46% of the amount advanced
	PG&E	1.33% of the additional cost

- (c) Where existing facilities are allocated for applicant's use as special facilities, the applicant shall pay a monthly charge. This monthly charge shall be based on the estimated installed cost of that portion of the existing facilities which is allocated to the customer.
- (d) Where PG&E determines the collection of continuing monthly ownership charges is not practicable, the applicant will be required to make an equivalent one-time payment in lieu of the monthly cost of ownership charges.
- (e) All monthly ownership charges shall be reviewed and re-filed with the Commission when changes occur in PG&E's cost of providing such service.