

Copy for:

RESOLUTION NO. G-2035

Orig. and Copy

.....to Acting Executive Director

R E S O L U T I O N

UTILITIES DIVISION

BRANCH/SECTION: Gas

DATE: March 1, 1977

.....Director

.....Numerical File

.....Alphabetical File

.....Accounting Officer

SUBJECT: Order Authorizing Acceptance of Special Contract Under  
Conditions Deviating From Filed Tariffs

WHEREAS: PACIFIC GAS & ELECTRIC COMPANY, by Advice Letter No. 866-G, filed January 24, 1977, having requested authorization under Sections 454 and 532 of the Public Utilities Code to carry out the terms and conditions of a special contract with the City of Sunnyvale (City) and Sequoia Pacific Realco (Sequoia) covering a gas main extension and the construction of a gas distribution system under conditions that deviate from filed tariffs, and resulting in the following:

1. The agreement deviates from filed tariffs in that the cost of construction, exclusive of trenching and backfill and meters and service regulators, will be borne by the City in the amount of \$17,756 without allowing one year's estimated revenue to be deducted from the advance as provided by Rule No. 15.

2. The reasons for this deviation is that the construction is for a residential subdivision with no known gas loads at this time and the fact that sales of gas in this subdivision will result in no additional revenue to the utility under present supply conditions.

3. The agreement further deviates from filed tariffs in that an annual cost-of-ownership charge equal to 12% of any nonrefunded portion of the advance will be assessed to the City commencing after the second service year and continuing to the tenth service year or until the entire refundable advance becomes eligible for refund, whichever occurs first.

4. Refunds will be made in accordance with the provisions of Rule No. 15 except that such refunds will be accumulated to the end of each service year and will be used to cover the cost-of-ownership charge and any other amounts due to the utility.

5. The Commission has previously approved similar contracts of this nature by resolutions, including, but not exclusive to, Commission Resolution No. G-1798, dated August 26, 1975.

6. This agreement is found to be compensatory and nondiscriminatory and provides for service to the City and to the subdivider under conditions acceptable to both and fair to potential customers without placing a burden on other rate-payers; therefore, good cause appearing,

IT IS ORDERED that: <sup>1</sup> Authority be granted under Sections 454, 491 and 532 of the Public Utilities Code for PG&E to place this agreement with the City of Sunnyvale and Sequoia Pacific Realco into effect on March 1, 1977.

<sup>2</sup> The above advice letter and agreement be marked to show that they were accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2035. The effective date of this Resolution is the date hereof

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 1st day of March, 1977, the following Commissioners voting favorably thereon: