

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. G-2112

..... Orig. and Copy
..... to Executive Director

UTILITIES DIVISION
BRANCH/SECTION: Gas
DATE: July 12, 1977

RESOLUTION

..... Director
..... Numerical File
..... Alphabetical File
..... Accounting Officer

SUBJECT: Order Authorizing Reconsideration of Prior Commission Order and Acceptance of Special Contract Under Conditions Deviating from Filed Tariffs

WHEREAS: PACIFIC GAS & ELECTRIC COMPANY, by Advice Letter No. 917-G, filed June 16, 1977, seeks to resubmit, for Commission approval, a special contract with Southern Pacific Industrial Development Company, Inc., (Applicant) covering a gas main extension and special facilities to applicant's industrial park in Fairfield, Solano County, under conditions deviating from filed tariffs due to:

1. The agreement deviates from filed tariffs in that applicant will pay, in advance of construction, \$16,954, which is the total cost of facilities for future development of the project; and in that applicant is required to pay a monthly cost-of-ownership charge equal to \$169.54, or 1%, of the advance.

2. This agreement was originally filed by Advice Letter No. 867-G on January 24, 1977 and was authorized by Commission Resolution No. G-2036, dated March 1, 1977, subject to renegotiation of the agreement to limit the monthly cost-of-ownership charge to a period not to exceed sixty months.

3. The utility contends that the basic concept of limiting such monthly charges to five years is that sufficient depreciation would have been applied to the facilities in that time so that subsequent interest earned on the advance together with gas sales would cover such cost-of-ownership; however, such is not the case in this instance in that the industrial park is speculative in nature and thus no future revenues can be guaranteed.

4. In the event that future loads are added, refunds will be made in accordance with Rule No. 15 and the monthly cost-of-ownership charge adjusted accordingly and will be reduced to zero if the facilities are fully utilized.

5. We find that this agreement is compensatory and provides for service to applicant without placing a burden on other ratepayers, and that the utility's request for reconsideration of Resolution No. G-2036 is reasonable; therefore, good cause appearing,

IT IS ORDERED that:

1. Commission Resolution No. G-2036 be rescinded and that authority be granted under Sections 454, 491, 532 and 1708 of the Public Utilities Code to place the above special contract into effect on the date hereof.

2. The above advice letter and contract be marked to show that they were accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2112. 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 12th day of July, 1977, the following Commissioners voting favorably thereon: