

* PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. G-2319
 UTILITIES DIVISION
 BRANCH/SECTION: Gas
 DATE: November 6, 1979

RESOLUTION

SUBJECT: Order Authorizing Acceptance of Special Contracts Under Conditions Deviating from Filed Tariffs

WHEREAS: PACIFIC GAS & ELECTRIC COMPANY (PG&E), by Advice Letters Nos. 1054-G, 1055-G and 1056-G, all filed October 18, 1989, has requested authorization to carry out the terms and conditions of special contracts with the following applicants: Genie Development Company (Genie), Advance Drainage Systems (Advance), and Palmer Development Company (Palmer), covering gas mains extensions and service stubs to provide natural gas services to each of the applicants' commercial and industrial developments under conditions deviating from filed tariffs and resulting in the following:

1. The agreements each deviate from filed tariffs in that each applicant will pay in advance of construction an estimated total cost of construction less specific credits to each applicant and will also pay a cost-of-ownership charge either as a lump sum payment or a monthly charge as listed below:

<u>Applicant</u>	<u>Location</u>	<u>Total Cost of Facility</u>	<u>Less Credit to Applicant</u>	<u>Advance to PG&E</u>	<u>Cost-of-Ownership</u>
Genie	Lodi	\$7,350	-----	\$7,350	\$73.50/mo.
Advance	Madera	6,805	\$ 641	6,164	5,193*
Palmer	Lodi	5,113	1,666	3,447	2,515*

* Lump Sum Cost-of-Ownership Payment

2. The computation of credit to applicants and cost-of-ownership charges are as follows:

<u>Applicant</u>	<u>Credit</u>	<u>Cost-of-Ownership</u>	
		<u>Monthly Charge</u>	<u>Lump Sum Charge</u>
Genie	None	1%/mo. of Total Cost	-----
Advance	3½ x Est. Ann. Rev.	-----	P.W. of 12% of Advance for 10 yrs. @ 7% int.
Palmer	Cost of Trenching	-----	P.W. of 12% of Advance for 5 yrs. @ 7% int.

3. All applicants are constructing industrial parks (developments), and all applicants want gas facilities in advance of requests for utility service in order to aid sales of their properties.

4. None of the applicants are the ultimate consumers of gas service to be provided, and since not all of the ultimate consumers have been determined at this time, exercising the Exceptional Case clause of Rule No. 15 is appropriate in these cases.

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5. In all cases, the monthly cost-of-ownership charge or the lump sum cost-of-ownership payment will be adjusted accordingly if refunds are made.

6. Installing facilities prior to paving will result in lower costs to all parties, and the utility and all applicants have agreed to modify the contract agreements consistent with the Commission's findings in Case No. 10260.

7. All agreements are basically similar in content to the agreements filed by PG&E Advice Letters Nos. 1027-G through 1034-G, inclusive, authorized by Commission Resolution No. G-2270 on April 10, 1979 and by PG&E Advice Letters Nos. 1013-G through 1016-G, inclusive, authorized by Commission Resolution No. G-2253 on November 28, 1978, and

WHEREAS: We find that these agreements are compensatory and nondiscriminatory and will provide service to Applicants in such a manner as not to place a burden on other rate payers; therefore, good cause appearing,

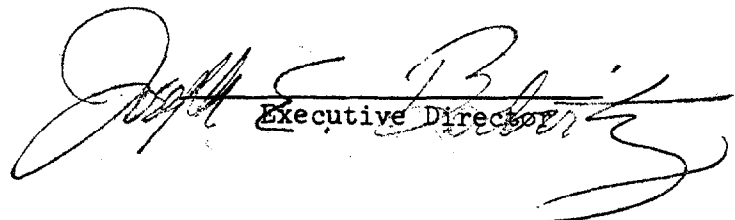
IT IS ORDERED that:

1. Authority is granted under Section XA of General Order No. 96-A and under Sections 454 and 532 of the Public Utilities Code to place all of the above contracts into effect on November 17, 1979, which constitutes regular statutory notice.

2. The above advice letters and contracts be marked to show that they were accepted for filing under Resolution No. G-2319 of the Public Utilities Commission of the State of California. 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 6th day of November, 1979, the following Commissioners voting favorably thereon:

JOHN E. BRYSON
President
VERNON L. STURGEON
R. HARVEY GRAVELLE
CLAIRE T. D'ORSICK
LEONARD J. [unclear], JR.
Commissioners


Executive Director