RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes ___ No X)

Resolution supporting Regional Council of Rural Counties' (RCRC) request for a "stay" on the Public Utility Commission's (PUC) Line Extension Order.

RCRC's letter to the PUC is attached and urges a rehearing of the utility line extension rates scheduled to go into effect on July 1, 1995.

This request was received after the agenda was prepared for June 27th and the regulations are scheduled to go into effect prior to the next regularly scheduled Board meeting. The regulations would impose significant new costs on development in rural areas, and will have far-reaching implications for land use planning in these counties. A much more open consideration and debate on such monumental impacts is essential.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

This matter was brought to the Board's attention on May 16, 1995, by the President of the Mariposa County Board of Realtors, and the Board provided direction to request RCRC's assistance.

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
1) Adopt this resolution and support RCRC's position.
2) Take no action and accept the potential impact the regulations will have on the County.
3) Provide alternative direction.

COSTS:

(x) Not Applicable

A. Budgeted current FY
B. Total anticipated costs
C. Required additional funding
D. Internal transfers

SOURCE:

($) 4/5ths Vote Required
A. Unanticipated revenues
B. Reserve for contingencies
C. Source description:
Balance in Reserve for Contingencies, if approved:

SPECIAL INSTRUCTIONS:

List the attachments and number the pages consecutively:

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:
   Recommended
   Not Recommended
   For Policy Determination
   Submitted with Comment
   Returned for Further Action

Comment:

A.O. Initials:

Action Form Revised 5/92
June 27, 1995

Mr. Neal J. Schulman, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA  94102-3298

Subject: Request for Stay of Utility Law Extension Order

Dear Mr. Schulman,

At its meeting of this date, the Mariposa County Board of Supervisors took action to support Regional Council of Rural Counties' letter of request to you dated June 19, 1995, urging a rehearing of the utility line extension rules which are scheduled to go into effect on July 1, 1995.

The regulations would impose significant new costs on development in rural areas, and will have far-reaching implications for land use planning in these counties. A much more open consideration and debate on such monumental impacts is essential.

We would appreciate being kept informed of any action taken with regards to this matter.

Thank you for your consideration of our request.

Sincerely,

GARRY R. PARKER
Chairman

GRP: mw

Enclosure: RCRC Letter of June 19, 1995

cc: The Honorable Pete Wilson, Governor
    The Honorable Bill Reid, President, RCRC
    The Honorable Mike Thompson, Chair, Senate Rural Caucus
    The Honorable Cruz Bustamante, Chair, Assembly Rural Caucus
    The Honorable George House, Assemblyman (25th District)
    The Honorable Dick Monteith, Senator (12ths District)
    California State Association of Counties
MEMORANDUM

TO: RCRC Delegates

FROM: Les H. Cohen

RE: Attached request for a "Stay" on the PUC Line Extension Order

DATE: June 19, 1995

The attached RCRC letter to the Public Utilities Commission is self-explanatory.

It is **important** that your County send a letter to the PUC right away in support of our efforts for a rehearing on the Utility Line Extension, with a copy to RCRC.

We must show widespread interest by the rural areas because our request is at the "11th" hour.

Thank you.

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June 19, 1995

Mr. Neal J. Schulman, Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298
RE: Request For Stay of Utility Law Extension Order

Dear Mr. Schulman:

At their Board of Directors meeting in Sacramento on Thursday, June 15, the Supervisors from the Regional Council of Rural Counties (RCRC) directed us to submit this letter as a formal petition to the Public Utilities Commission (PUC) urging a rehearing of the utility line extension rules scheduled to go into effect on July 1, 1995.

RCRC is a quasi-public federation representing 25 - member rural counties formed to protect the livelihood of its more than 2 million population. More often than not, rural counties have felt both politically and geographically isolated - even disenfranchised - if you will. All too frequently statewide regulatory decisions mandated by state agencies fail to properly consider rural input as to their socio-economic burden on the small rural communities of the state.

Summary Reasons For Request

1. RCRC respectfully requests that the utility line extension order be “stayed” pending a formal rehearing of the new regulations to allow representatives from the public and private sectors the widest opportunity to fully participate in the decision which will affect lumber, farming, recreation, agriculture, land-use and housing, which rural jurisdictions depend upon for economic strength.

2. The Legislature previously declared in its Findings when enacting Chapter 1229, Statutes of 1983, section (e) - “the impact of the proposed rules is especially severe with respect to agricultural and other rural customers who frequently require utility service at points distant from existing utility systems.”

3. To the best of our knowledge, no member County of RCRC, individually or collectively, received Notice of the PUC proceedings prior to late May 1995 when a Mariposa County Supervisor brought the matter to our Board’s attention. Also, we have never received nor are we now aware of specific written findings on the seven (7) issues required by Section 783 of the Public Utilities Code - a prerequisite to issuing new rules, amendments or decisions.
RCRC urges the PUC to delay the implementation date of the utility line extension Order. We believe that based upon our previous involvement in a similar experience in 1981-82, the lack of public notice and due process participation by the rural jurisdictions, and non-receipt of required written findings, the new regulation will cause tremendous economic hardship throughout rural California.

May we suggest that the matter be scheduled for rehearing so that the PUC might find compelling evidence to reconsider and analyze the costs and benefits in terms of rural California's current socio-economic status. We believe that you may find confirmation that your Order's benefit will outweigh its social and economic cost.

At the very least, may we request that the PUC consider holding a public hearing prior to deciding to approve or deny this petition. We trust that this request is reasonably consistent with the authority and the rules of procedure of the PUC so as to recognize your flexibility to "stay" and/or rehear the utility line extension order.

Thank you very much for your prompt consideration of this petition.

Warm personal regards

Les H. Cohen
Legislative Advocate

LHC/vj
cc: The Honorable Bill Reid, President, RCRC
    RCRC Delegates
    The Honorable Mike Thompson, Chair, Senate Rural Caucus
    The Honorable Cruz Bustamante, Chair, Assembly Rural Caucus
    Ms. Carol Whiteside, Director, Governor's Office of Intergovernmental Affairs