

ORIGINAL

Decision No. ✓

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 2863

Hester Looby, R. G. Trezise,
E. Lee Morse, S. A. Cobean,
Joseph Cunel, and W. R. Edwards,

Complainants,

vs.

Case No. 815.

San Diego Consolidated Gas
and Electric Company,

Defendant.

W. R. Edwards for Complainants.
Frederic W. Stearns for San Diego Con-
solidated Gas and Electric Company.

BY THE COMMISSION.

O P I N I O N.

This action is brought by certain residents of an outlying portion of Chula Vista, California, to compel the defendant, San Diego Consolidated Gas and Electric Company, a corporation, to serve complainants with electricity at rates prevalent in Chula Vista for similar service.

The answer of the defendant corporation alleges that complainants do not live in the territory served or occupied by defendant, that no part of defendant's system of facilities reaches any of the complainants, and that in order to make the extension necessary to serve complainants, or any of them, the expenditure of a sum upon which no adequate return could be had would be necessary.

Upon the issues raised by the pleadings the matter came on regularly for hearing at San Diego, California, on August 27, 1915.

The material facts brought out in the evidence are in substance as follows:

Complainants (five in number) are residents of Marlborough Heights, a subdivision of Chula Vista, California, the part of which subdivision occupied by complainants being approximately 2,000 feet distant from the existing line of the Electric Company. To extend the service sought by the complainants would require the expenditure of approximately Nine Hundred (\$900.) Dollars by the defendant corporation. The number of consumers who would be served by the proposed extension are five, and it is admitted by complainants that little or no increase to that number may be anticipated. Complainant Edwards testified that one other consumer was contemplating building, contingent, however, on the proposed extension of electric light service, and that beyond that party he knew of none, nor had any reason to anticipate any building on the line of the proposed extension. He, in fact, stipulated that for the purposes of the case, no buildings other than those existing at present would be constructed, or need be considered.

No testimony was offered bearing upon the question of the general profit with which the defendant company operates in the community.

The income from such an extension would probably be not to exceed \$1.50 per month per house, or an aggregate from the extension of Ninety (\$90.) Dollars per year, or at most One Hundred and Eight (\$108.) Dollars per year if the sixth possible consumer be considered.

The matter was argued by briefs of counsel and submitted, and the question now presented for decision is whether or not complainants are entitled to the relief prayed for, and, if not, upon what condition this Commission will order the extension sought.

The Commission has recently laid down rules covering the question of extensions of public utility service. Rule 15 as laid down in that decision and the authorities upon which it is based are applicable to the present case. The rule is as follows:

"A water, gas, electric or telephone utility which operates under a general franchise authorizing the occupancy of all the streets of a municipality shall make, at its own expense, such street extensions as may be necessary to serve applicants; provided, that in any case in which the construction of an extension at the utility's sole cost will in its opinion work an undue hardship upon the utility or its existing consumers, the matter may be submitted to the Commission as provided by section 36 of the Public Utilities Act, unless satisfactorily adjusted by an informal application to the Commission." (In the Matter of the practise of water, gas, electric and telephone utilities requiring deposits before rendering service, Case 683, California Railroad Commission, decided August 12, 1915.)

The revenue to be obtained from the five prospective consumers in this case was estimated at Ninety (\$90.) Dollars per year. The interest, depreciation and maintenance on the local investment of Nine Hundred (\$900.) Dollars will equal approximately twelve per cent, or One Hundred and Eight (\$108.) Dollars per year. It follows that the proposed extension, if made, would not pay the local fixed charges. The proposed extension will not, under the testimony, ever be self-supporting.

While it does not follow that each extension ordered by this Commission must be self-supporting, we find on the facts of this case, that if complainants desire service they should be willing to guarantee a revenue in excess of that estimated to be derived from the extension under existing rates.

We have before us a computation prepared by the Commission's engineering department of the estimated cost of the local extension, the probable revenue and other cost to the company incident to the extension, from which it appears that a minimum charge of \$2.50 per month would be reasonable to be charged by the company to the consumers served if the desired extension be made.

O R D E R.

Complainants having applied to this Commission for an order directing the defendant, San Diego Consolidated Gas and Electric Company, a corporation, to extend its service lines so as to serve complainants with electric current for lighting purposes,

And the Commission, after a public hearing in relation thereto, having fully considered the facts from the proofs adduced, and all and singular being advised in the premises, NOW THEREFORE,

IT IS HEREBY ORDERED that defendant, San Diego Consolidated Gas and Electric Company, a corporation, extend its service lines and connections in such manner as may be necessary to provide electric current for lighting purposes to the residences of the complainants in Marlborough Heights, Chula Vista, California, subject, however, to the following conditions:

(1) Before such extension be made, as hereinabove ordered, the complainants herein, or other consumers, shall execute in favor of the defendant company a good and sufficient undertaking or guarantee to said defendant company, guaranteeing that at least five consumers will use the electricity for lighting or other purposes, and pay therefor a minimum charge of Two and 50/100 (\$2.50) Dollars per month each for a period of three years.

(2) The Commission reserves the right to make such further orders in this proceeding relative to the amount of the above named minimum charge and the manner of guaranteeing the same as it may deem necessary and to further modify this order in such manner as may be advisable in the premises.

Dated at San Francisco, California, this 3rd day of October, 1915.

Max Thelen
H. S. Woodland
W. J. Don

Frank P. DeWitt
Commissioners.