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ORIGINAL

Decision No. 5590

RAILROAD COMMISSION OF THE STATE
OF CALIFORNIA.

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Town of Corte Madera,
Complainant.

-vs-

Pacific Gas and Electric Com-
pany.
Defendant.

Case No. 1099.

John J. Mazza, Attorney for Town
of Corte Madera
C. P. Cutten, for Defendant.

BY THE COMMISSION:

O P I N I O N

This is a complaint filed by the Town of Corte Madera against the Pacific Gas and Electric Company requesting that defendant be ordered to extend its gas mains to serve said Town.

Defendant, in its answer, alleges, in effect, that to extend gas service to the Town of Corte Madera, as requested in the complaint, would entail a capital expenditure of approximately \$14,000.00. Defendant further alleges that the annual revenue from the extension would not exceed \$2,700.00, which it is alleged would be insufficient to pay

a fair or reasonable return to defendant for its investment.

A hearing was held in this matter before Examiner Excell in Corte Madera, at which time testimony and evidence were taken and the matter submitted.

From evidence submitted by complainant, it seems probable that something over 100 consumers could be obtained from within a limited area.

Defendant submitted an exhibit from which it attempted to show that the revenue from 100 consumers would amount to \$2,165.00 per year, and the expenses, including depreciation at 4.58%, \$2,364.61, leaving a deficit of \$199.61. Defendant, also submitted an exhibit in which it estimated that the cost of the necessary extension would be \$14,646.94.

Although we cannot subscribe to some of the items in defendant's exhibits, particularly those items having to do with the estimates of expenses, and depreciation annuity, we do believe that it is apparent from the evidence submitted that a fair return could not be expected from this extension for a considerable period in the future.

This matter has been held in abeyance for several months with the hope that economic conditions would improve to such an extent that we could feel justified in ordering defendant to make the necessary investment. However, conditions have rapidly become more tense, until at present it is not only very difficult for defendant to obtain pipe, except for use in the most urgent cases, but other serious problems have arisen such as financing, wage increases and

a rapidly rising oil cost. The Commission's Decision No. 5439 issued May 28th, 1918 increasing the gas rates will compensate for certain increases, but the earning capacity of this extension would be altered but little thereby.

We believe in this case that during the present war emergency, the making of the extension should be postponed until such a time as material, labor and finances can be more readily obtained, in order that labor, materials and also the financial status of the utilities may be conserved for use in supplying the essential war requirements which are taxing the utilities' ability to serve.

ORDER

Hearing having been held, the matter having been submitted, and being now ready for decision, the RAILROAD COMMISSION OF THE STATE OF CALIFORNIA finds as a fact that, during the present war emergency, it is not reasonable to require that the Pacific Gas and Electric Company construct gas mains to serve the inhabitants of Corte Madera.

Basing its Order on the foregoing finding of fact,
and upon other findings of fact which precedes this Order:

IT IS HEREBY ORDERED that the complaint in this matter
be, and the same is hereby dismissed without prejudice.

Dated at San Francisco, California, this 17th day
of July, 1918.

Edwin C. Edgerton
H. H. ...
...

Commissioners