

Decision No. 28307

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
THE SOUTHERN SIERRAS POWER COMPANY, )  
an electrical corporation, for Permission ) Application No. 20202  
to Undertake a Rural Electrification )  
Experiment in Imperial Valley, California )  
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BY THE COMMISSION:

OPINION

**ORIGINAL**

This is an application by Southern Sierras Power Company, an electrical corporation, legally operating a public utility business in the State of California, and particularly in the Counties of Mono, Inyo, Kern, San Bernardino, Riverside and Imperial, for an order of the Commission authorizing applicant to construct its distribution lines and extend its facilities in certain rural portions of Imperial Valley on an experimental basis more liberal to consumers than that provided under its present Extension Rule Number 20.

Applicant alleges that no certificate of Public Convenience and Necessity is required in this undertaking, for the reason that applicant is now and for some time past has been legally engaged in supplying electric service in the rural portions of Imperial Valley adjacent and contiguous to the territory here involved, and has already constructed therein some 236 miles of rural distribution lines serving in excess of 900 consumers, all in accordance with its regular extension rules on file with the Commission.

Applicant further alleges that it is willing and desires to undertake the rural electrification program set forth in the

application as an experiment only and as a means of determining the feasibility of such rural service in general, with the idea in view of more generally extending rural service under similar conditions to other portions of its system, providing the necessary rights-of-way can be satisfactorily secured and the undertaking herein involved proves successful.

Applicant also alleges that it has made an extensive and detailed survey of the possibilities of rural electric service in Imperial Valley, and if authorized so to do, will construct approximately 235 miles of distribution lines and necessary substations, transformers, meters and services substantially as indicated on a map marked Exhibit "A", attached to and made a part of the application.

The project as contemplated will be undertaken on a wholesale construction basis without the regular prerequisite of signed contracts for service and purchase of appliances by consumers.

Applicant alleges that this method of construction will result in substantial savings in construction costs. It estimates that these construction costs will amount to approximately \$300,000.00 and that estimated annual revenues to be secured from the consumers connected will approximate \$50,000.00, resulting in a ratio of investment and revenue of six to one. Applicant also estimates that annual operating expenses incident to this service on an increment basis only will be \$30,381.00, resulting in a rate of return on the bare investment of 6.5%.

After giving careful consideration to this application, the Commission is of the opinion that it should be granted subject to certain conditions, and that a public hearing in the

matter is not necessary.

### O R D E R

Southern Sierras Power Company having applied for an order authorizing it to deviate from its Extension Rule No. 20 in order to construct its distribution lines and extend its facilities in certain rural portions of Imperial Valley on an experimental basis more liberal to consumers than that provided under its present Extension Rule No. 20, the matter having been given careful consideration and good cause appearing therefor,

Southern Sierras Power Company is hereby authorized to deviate from its Extension Rule No. 20 in order to proceed with the construction project, all as described in the foregoing Opinion and as set forth in the application here involved, subject, however, to the following conditions and not otherwise:

1. That the authorization herein granted applies only to the specific experimental project as outlined in the application and as delineated on the map marked Exhibit "A" attached thereto and made a part thereof.
2. That applicant furnish this Commission with the following information as soon as possible after the completion of this project:
  - (a) Dates of starting and completion of project.
  - (b) Location of lines constructed.
  - (c) Number and location of consumers connected.
  - (d) Cost of construction by accounts.
  - (e) Monthly revenue by classifications of consumers until further notice.
3. That any losses or deficits which may result from the construction and operation of this project shall be charged to surplus and not become a burden upon the other consumers.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

The effective date of this Order shall be the date hereof.

Dated at San Francisco, California, this 20th day of October, 1935.

Leon Whitney

W. B. Davis

William H. Davis

Commissioners.

I dissent from above Order for  
the reason that I believe a hearing  
should be had on the application

Frank P. DeWitt  
Commissioner

W. J. Carr  
Commissioner