

Decision No. 22527

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
PACIFIC GAS AND ELECTRIC COMPANY, a  
corporation, for an order of the Rail-  
road Commission of the State of Cali-  
fornia, granting to applicant a certi-  
ficate of public convenience and neces-  
sity to construct, operate and maintain  
in portions of the Counties of Tehama,  
Glenn, and Colusa, the electric lines  
and facilities herein described; author-  
izing the construction and installation  
of said electric lines in accordance  
with so-called substandard construc-  
tion; and approving the establishment  
of a special rate area embracing the  
territory in which said electric lines  
are to be located.

Application No. 22527

ORIGINAL

BY THE COMMISSION:

FIFTH SUPPLEMENTAL OPINION AND ORDER

The Pacific Gas and Electric Company on October 10, 1940, filed an application requesting authority to construct an electric line extension, referred to as the Bear Valley extension, to the existing system serving its Paskenta-Elk Creek-Stonyford Rural Extension Rate Area; to deviate from the provisions of its filed Rule and Regulation No. 20 governing line extensions, and from the provisions of this Commission's General Order No. 64-A; to enlarge Zone A of the present Paskenta-Elk Creek-Stonyford Rate Area, and charge the rates now applicable in said rate area to all electric customers situated in the proposed enlarged Zone A of said rate area.

The construction of the lines now proposed to be built was given consideration during the year 1939, when

the original Paskenta-Elk Creek-Stonyford project was under consideration. At that time the available load to be served and the resulting revenue were not sufficient to warrant the capital expenditure for this extension.

Conditions have now changed and Exhibit "A" of this Supplemental Application shows that nine applicants desire service, from whom a total annual revenue of \$786.00 will be derived (without the addition of the full amount of revenue to be expected from the application of a surcharge) and that the cost of constructing the necessary nine miles of line, including transformers, services and meters, will be approximately \$6,864.00. The Opinion and Order in Decision No. 31907 anticipated that extensions would be sought to the lines to be built as the original project and in discussing this matter stated that "such additional extensions made during the first two years, dating from the beginning of the original project, should be constructed on the same investment-revenue basis as is shown by the original project ---." It now appears that the reasonably expected annual revenue will justify the building of this so-called Bear Valley extension since the cost-revenue ratio will conform closely to that in the original extension.

The matters of line cost and revenues, and their relationship, were gone into carefully at the time of the original application and such matters were found to justify the inclusion of a 33-1/3 per cent rate surcharge. It is clear that a similar surcharge, under the same condition of application, is warranted in this supplemental extension.

It is to be expected that the Company shall employ reasonable means to insure itself and its existing

customers, that the prospective customers in the Bear Valley region shall take and use the service for which they shall be required to sign, because penalty to existing customers in the Paskenta-Elk Creek-Stonyford Rate Area and general system customers will otherwise ensue.

Under the foregoing circumstances, it appears reasonable to view the construction and operation of the extension described in Exhibit "A" of this Supplemental Application as justifiable and it does not appear that public hearing in the matter is necessary; therefore, good cause appearing,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be authorized to construct an extension of its electric distribution system in the Paskenta-Elk Creek-Stonyford Rate Area as proposed in the afore-described Supplemental Application.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company be authorized in the construction of the foregoing extension to deviate from the provisions of its filed Rule and Regulation No. 20 and General Order No. 64-A. As to the latter, any construction deviations shall be in accordance with revisions set forth in Exhibit "C" attached to the original application in so far as they are applicable to the particular type of construction to be employed.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company be authorized to enlarge the present Paskenta-Elk Creek-Stonyford Rural Extension Rate Area to embrace in Zone A the territory in which the extension project herein authorized is to be located.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company be authorized to charge for service rendered in the aforesaid enlarged special rate area the rates contained in its schedules L-41, L-42, D-41, DA-41, E-41, F-41, F-42 and P-43 (now on file with the Commission), which rates, however, include a temporary surcharge of 33-1/3 per cent.

The foregoing authorizations are subject to the following conditions and not otherwise:

That Pacific Gas and Electric Company shall, within sixty (60) days from the date of this Order, file the rate schedules herein authorized and in a manner satisfactory to the Railroad Commission, and with such filing shall submit a map setting forth the special rate area herein authorized, together with a "Preliminary Statement" suitably defining the boundary of the enlarged rate area.

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

Dated at San Francisco, California, this 22<sup>nd</sup> day of October, 1940.

Paul J. Kelley  
Frank H. Williams  
Robert W. Schilling  
Justin J. Casner  
Commissioners