

Decision No. 34734

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY, a cor-
 poration, for an order of the Railroad
 Commission of the State of California,
 granting to applicant a certificate of
 public convenience and necessity to con-
 struct, operate and maintain in portions
 of the Counties of Tehama, Glenn, and
 Colusa, the electric lines and facilities
 herein described; authorizing the construc-
 tion and installation of said electric lines
 in accordance with so-called substandard
 construction; and approving the establish-
 ment of a special rate area embracing the
 territory in which said electric lines are
 to be located.

ORIGINAL

Application No. 22527

BY THE COMMISSION:

SIXTH SUPPLEMENTAL OPINION AND ORDER

The Pacific Gas and Electric Company, on October 7, 1941, filed an application requesting authority to construct three electric line extensions; to deviate from the provisions of its filed Rule and Regulation Number 20 in the construction of these extensions; to deviate from the provisions of this Commission's General Order Number 64-A in the construction of these extensions; to enlarge Zone B of the Paskenta Rural Extension Rate Area; to establish a new Zone C of the Paskenta Rural Extension Rate Area adjoining the existing Zone B on the north and west; and to charge the rates now applicable in the Paskenta Rural Extension Rate Area for service rendered to all customers within the proposed Zone C and Zone B as enlarged. The three proposed extensions are, an extension of approximately 30.1 miles of line from the vicinity of Weaverville through Douglas City to Hayfork, all in Trinity County; an extension for a distance of approximately 7 miles from the vicinity of French Gulch to Schilling, all in Shasta County; and, an extension for a distance of about 11 miles in the Pine Creek, Reeds Creek and Red Bank Creek areas west and south of Red Bluff, all in Tehama County.

Exhibit A attached to the above described application shows that the extension to Hayfork and vicinity will serve 112 applicants with a combined annual revenue, under the proposed rates, estimated to be \$7,484 while the estimated total cost of extension is \$60,374. These figures result in a ratio of investment to annual revenue of approximately 8.1 to 1. This resulting ratio is approximately the same as the corresponding ratio considered in the original application, No. 22527, and this Commission's Decision No. 31907 relative thereto, for the extension of lines into the Paskenta-Elk Creek-Stonyford Area. The customer density on the Hayfork extension being 3.7 customers per mile of line is, however, somewhat better than the customer density on the Paskenta project.

Exhibit B attached to the application shows that the extension to Schilling will serve 46 customers with an estimated combined annual revenue of \$1,983. The proposed extension will consist of approximately 30,000 feet of 11,000-volt distribution line on poles of a 60,000-volt transmission line which runs from Keswick to Weaverville. This portion of the transmission line was constructed prior to 1919 with 35-foot and 40-foot native poles, a number of which have been replaced during the past four years. The cost of replacing the remaining native poles with new poles and the necessary reconstruction of the 60,000-volt line is estimated to be \$9,205. The cost of extension of the distribution facilities, including the necessary 11,000-volt line on the 60,000-volt poles, as well as the lines, transformers, services and meters necessary to serve the applicants, is estimated to be \$7,944. The ratio of investment in distribution facilities to the annual revenue on this extension is, therefore, approximately 4 to 1. However, the ratio of the total investment, including the cost of reconstruction of the 60,000-volt line, to the annual revenue is approximately 8.7 to 1.

Exhibit C attached to the application shows that the extension in the Pine Creek, Reeds Creek and Red Bank Creek areas will serve 23 applicants with an estimated combined annual revenue of \$2,226. Total

cost of this extension is estimated to be \$15,230 and the ratio of investment to annual revenue is, therefore, approximately 6.9 to 1.

Many of the conditions surrounding these proposed extensions are similar to the conditions involved in the original Paskenta project. Since the figures quoted above for annual revenues are predicated upon the rates charged in the Paskenta Area, with the proscribed surcharge of 33-1/3%, it is apparent that the extensions here contemplated would not be economically feasible under the rates normally applicable in unincorporated areas on the Pacific Gas and Electric Company's system. It appears reasonable, therefore, to extend the Paskenta Rural Extension Rate Area to cover the territory which will be served by these extensions.

Exhibit A attached to the application contains a description of the boundaries of a proposed Zone C of the Paskenta Rate Area. This proposed Zone C covers all of the portion of Trinity County which lies between the southern boundary line of township 29 north, Mt. Diablo B. & M., with the parallel south boundary line of township 1 south, Humboldt B. & M., and the northern boundary line of township 32 north, Mt. Diablo B. & M., with the parallel northern boundary line of township 3 north, Humboldt B. & M. The description given in Exhibit A attached to the application also includes within the proposed Zone C portions of township 32 north, range 6 west, and of township 32 north, range 7 west, M.D.B. & M., which are in Shasta County. It appears, however, that the extension to the community of Schilling which is included within these two townships is more closely associated with extensions southwest of Redding to Igo and One and to other extensions within Shasta County than to the proposed extension to Hayfork in Trinity County. Accordingly, it appears desirable that Zone C in townships 32 north, M.D.B. & M., be limited to Trinity County, and the section in those townships in Shasta County, including the town of Schilling, should be made a part of Zone B of the Paskenta Area by extending the boundaries of that Zone.

A proposed extension of Zone B of the Paskenta Rate Area is described in Exhibit C attached to the application. This extension of Zone B is a minor enlargement, in the vicinity of Red Bluff, in order to include within the special rate area all customers to be supplied from the portions of the Reeds Creek electric line extension which lies within the rate area.

The extension of electric lines as described in the application will bring central station electric service to areas where such service is not now available. In full consideration of the advantages of such service to residents within the areas and in view of the investment to revenue relationships previously expressed, it appears reasonable to authorize the construction of these extensions with the enlargement of the special rate area and the application of Paskenta rates. Because of the present limitations on the supply of materials, occasioned by the needs of national defense, it is desirable that materials now held by the Pacific Company for maintenance purposes should not be diverted to new construction but should be held to assure the continuance of adequate service to existing customers. Accordingly, the supplies necessary for the construction of the proposed extensions should be obtained by application for an assignment of project priority ratings.

One of the conditions imposed by this Commission in Decision Number 31907 in the original application was,

"That until otherwise ordered by the Railroad Commission, Pacific Gas and Electric Company shall file with the Commission semi-annual statements showing by accounts, under the system of accounts prescribed by the Commission, the investment in said distribution system at the close of the semi-annual period covered by said statement and the operating revenues for the semi-annual period in the special rate district herein authorized."

It is the opinion of this Commission that such statements should be prepared showing the investments and revenues associated with the extensions proposed in the Sixth Supplemental Application. Because of the considerable extent of the Paskenta Rate Area as enlarged by the establishment

of Zone C and the enlargement of Zone B it appears that the revenues and investments should not be grouped as a single unit but should be segregated by zones.

Looking to the future, there appears to be a possibility of the construction of subsequent extensions as additions to the extensions described in Exhibits A, B and C attached to the application. It is the opinion of the Commission that such additional extensions made during the first three years after the date of this Order should be constructed without charge to the applicants provided the investment to revenue ratio does not exceed 8 to 1, and that subsequent extensions constructed after such a three-year period should be constructed in accordance with the then existing general extension policy.

Under the circumstances described in the foregoing, the construction and operation of the extensions and the authorizations requested by the Pacific Gas and Electric Company in the Sixth Supplemental Application appear to be reasonable and justified 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 the extensions of its electric distribution system described in Exhibits A, B and C attached to the Sixth Supplemental Application.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company be authorized, in the construction of the extensions authorized by the foregoing, to deviate from the provisions of its filed Rule and Regulation No. 20, and from the requirements of General Order 64-A in accordance with the modifications set forth in Exhibit C attached to the original application in so far as such modifications are applicable to the type of construction to be employed.

IT IS HEREBY FURTHER ORDERED that the Pacific Gas and Electric Company be authorized to increase the present Paskenta Rural Extension Rate Area,

- (a) By the establishment of Zone C thereof, being: That certain area bounded by a line which begins at the northeast corner of section 1, township 28 north, range 10 west, M.D.B. & M., and extends thence westerly along the township line common to township 28 north and township 29 north, M.D.B. & M., to the southwest corner of section 31, township 29 north, range 12 west, M.D.B. & M.; thence northerly along the range line common to range 12, M.D.B. & M. and range 8 E.B. & M. to the northeast corner of section 4, township 2 south, range 8 east, E.B. & M.; thence westerly along the township line common to township 2 south and township 1 south, E.B. & M., to the westerly boundary of Trinity County; thence northerly along the westerly boundary of Trinity County to its intersection with the southerly section line of section 31, township 4 north, range 6 east, E.B. & M.; thence easterly along the township line common to township 3 north and township 4 north, E.B. & M., to the northeast corner of section 4, township 3 north, range 8 east, E.B. & M.; thence southerly along the range line common to range 8 east E.B. & M. and range 12 west M.D.B. & M. to the southwesterly corner of section 31, township 33 north, range 12 west, M.D. B. & M.; thence easterly along the township line common to township 32 north and township 33 north, M.D.B. & M., to the westerly boundary of Shasta County; thence southerly and southwesterly along the westerly boundary line of Shasta County to the intersection of the westerly boundary line of Shasta County with the westerly boundary line of section 3, township 30 north, range 9 west, M.D. B. & M., which point lies on the easterly boundary line of Trinity National Forest; thence southerly along the easterly boundary line of Trinity National Forest so as to include Trinity National Forest within said area to the point of beginning at the northeast corner of section 1, township 28 north, range 10 west, M.D.B. & M.; and,
- (b) By the enlargement of Zone B of said area, to be: That certain area bounded by a line which begins at the northwest corner of section 4, township 24 north, range 7 west, M.D.B. & M., and runs thence successively northerly and westerly along the easterly boundary line, and northerly boundary line respectively, of Mendocino National Forest, to the southwest corner of section 35, township 26 north, range 8 west, M.D.B. & M.; thence along the boundary line of Trinity National Forest so as to exclude Trinity National Forest from said area, to the intersection of the westerly boundary line of section 3, township 30 north, range 9 west, M.D.B. & M., with the westerly boundary line of Shasta County; thence northerly, along the westerly boundary line of Shasta County to the intersection thereof

with the southerly boundary line of section 11, township 32 north, range 8 west, M.D.B. & M.; thence easterly along the section line common to section 11 and section 14, township 32 north, range 8 west, M.D.B. & M., to the southeast corner of section 10, township 32 north, range 7 west, M.D.B. & M.; thence northerly along the section line common to section 10 and section 11, township 32 north, range 7 west, M.D.B. & M., to the terminus of Pacific Gas and Electric Company's electric pole line (as existing on August 26, 1941) at the southwest corner of section 35, township 33 north, range 7 west, M.D.B. & M.; thence easterly along the township line common to township 32 north and township 33 north, M.D.B. & M., to the northeast corner of section 3, township 32 north, range 6 west, M.D.B. & M.; thence southerly along the section line common to section 2 and section 3, township 32 north, range 6 west, M.D.B. & M., to the southwest corner of section 35, township 32 north, range 6 west, M.D.B. & M.; thence easterly along the township line common to township 31 north and township 32 north, M.D.B. & M., to a point in the westerly boundary line of Rancho San Buenaventura; thence southerly, along the westerly boundary line of said rancho, to a point in the township line common to township 31 north and township 30 north, M.D.B. & M.; thence westerly, along the last mentioned township line, to the northwest corner of section 6, township 30 north, range 5 west, M.D.B. & M.; thence southerly direct to the westerly terminus of Pacific Gas and Electric Company's electric pole line (as existing on September 30, 1940) in the southwest quarter of the southwest quarter of said section 6; thence southeasterly direct to the westerly terminus of Pacific Gas and Electric Company's electric pole line (as existing on September 30, 1940) in the northwest quarter of the southwest quarter of section 17, township 29 north, range 4 west, M.D.B. & M.; thence southeasterly direct to the northeast corner of section 3, township 28 north, range 4 west, M.D.B. & M.; thence southerly direct to the northeast corner of section 3, township 27 north, range 4 west, M.D.B. & M.; thence easterly along the township line common to township 27 north and township 28 north to the northeast corner of section 2, township 27 north, range 4 west, M.D.B. & M.; thence southerly along the section line directly to the southeast corner of section 35, township 26 north, range 4 west, M.D.B. & M.; thence westerly along the township line common to township 25 north and township 26 north, M.D.B. & M., to the northwest corner of section 6, township 25 north, range 4 west, M.D.B. & M.; thence southerly, along the range line common to range 4 west and range 5 west, M.D.B. & M., to a point in the township line common to township 25 north and township 24 north, M.D.B. & M.; thence westerly along the last mentioned township line to the point of beginning.

IT IS HEREBY FURTHER ORDERED that the 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 D-41, DA-41, H-41, L-41, L-42, P-41, P-42, and P-43 (now on file with the

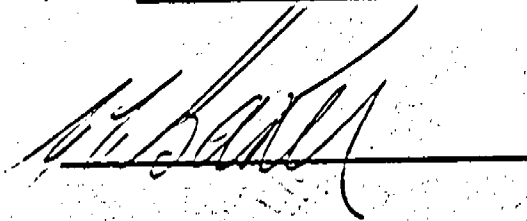
Commission), which rates include a temporary surcharge of 33-1/3%.

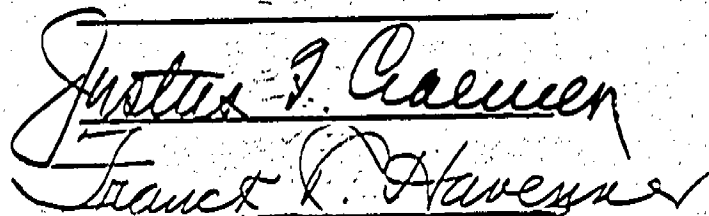
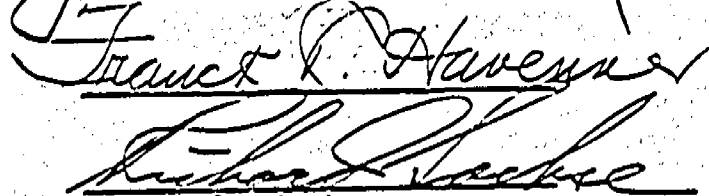

The foregoing authorizations are granted subject to the following conditions and not otherwise:

- (1) That Pacific Gas and Electric Company shall, within sixty (60) days from the date of this Order, file the rate schedules herein authorized applicable in the enlarged special rate area in a manner satisfactory to the Railroad Commission and with such filing shall refile the portion of its preliminary statement describing the Paskenta Rural Extension Rate Area (Revised Sheet C.R.C. No. 972-E), so as to include the new Zone C and the enlarged Zone B, and shall refile the map setting forth the special rate area (Revised Sheet C.R.C. No. 971-E) so as to set forth the enlarged special rate area.
- (2) That until otherwise ordered by the Railroad Commission, the Pacific Gas and Electric Company shall file with the Commission semi-annual statements showing by accounts and segregated by zones, under the system of accounts prescribed by the Commission, the investment in distribution system in the special rate area at the close of the semi-annual period covered by said statement and the operating revenues in the special rate area for the semi-annual period.

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

Dated San Francisco, California, this 4th day
of November 1941.






Commissioners