

Decision No. 36657**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Southwest Gas Corporation, Ltd., for permission to enter into a written agreement with the Lakewood Crest Company.

Application No. 25809

BY THE COMMISSION:

OPINION AND ORDER

In this application Southwest Gas Corporation, Ltd., seeks authority to enter into an agreement with Lakewood Crest Company, providing for the extension of distribution facilities to furnish gas to a defense housing project now being built by the latter company in the City of Barstow. A copy of this agreement is attached to the application and marked Exhibit A.

The project will consist of a number of individual dwelling units, covering an area of several city blocks, and service is to be supplied directly to each dwelling under filed tariffs.

Because of the relative magnitude of the undertaking and the necessity of having gas available throughout the entire project without reference to the time or order in which the dwellings become occupied, the agreement provides that Lakewood Crest Company shall advance \$2,500 toward the cost of the required additional facilities. It further provides that the amount advanced shall be subject to refund over a period of not more than 10 years from the date of completion at the rate of 25% of the gross annual revenue collected from the customers in the area embraced by the project. This refund provision is in lieu of the refund provision of the utility's filed extension rule which is inadequate to meet the conditions imposed by a project of this nature, but cannot become effective without authorization from this Commission pursuant to Paragraph A of Section X of General Order No. 96.

The agreement contains the required provision that it shall, at all times, be subject to such changes or modifications as this Commission may from time to time direct in the exercise of its jurisdiction, and also a provision that it shall not become effective until approved by this Commission.

The Commission has considered this application, and is of the opinion that it should be granted and that a public hearing thereon is not necessary, and good cause appearing therefor,

IT IS HEREBY FOUND AS A FACT that Southwest Gas Corporation, Ltd., is justified in deviating from the refund provisions of its filed extension rule to the extent proposed, and

IT IS HEREBY ORDERED that Southwest Gas Corporation, Ltd., be and it hereby is authorized to enter into that certain proposed agreement with Lakewood Crest Company, a copy of which is attached to the application herein and marked Exhibit A .

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

Dated at San Francisco, California, this 19th day of October, 1943.

Francis A. Havenue
J. H. M.
Justin F. Cooper
Richard H. H. H.
Commissioners