

Decision No. 41188

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
SOUTHERN CALIFORNIA GAS COMPANY, a
corporation, for an order authoriz-
ing it to construct and operate an
extension of its system to supply
gas service to the community of Wal-
nut Estates, California

Application No. 28847

T. J. Reynolds, L. T. Rice and Milford Springer,
by Milford Springer for applicant.

O P I N I O N

In this application Southern California Gas Company requests authority to construct the necessary gas main extensions to provide natural gas service in the community of Walnut Estates, Los Angeles County, under conditions not wholly in accord with applicant's filed gas main extension Rule and Regulation No. 20.

A public hearing on this application was held in Los Angeles by Examiner Crenshaw, at which time applicant was the only appearance.

According to evidence introduced by applicant, Walnut Estates is a residential area in the City of Los Angeles, in San Fernando Valley, and was originally opened as a subdivision in the year 1927 and closed in 1929. It remained dormant until the early part of World War II when some building activity was again resumed, but due to the War Production Board Limitation Orders, plus material shortages, applicant was unable to install gas mains on a subdivision basis prior to the general sale of lots. Late in 1945 the streets were paved, water mains installed, and some homes were constructed throughout the area.

This subdivision consists of 1,550 lots, all of which have been sold and, consequently, extensions therein would normally be made under agreements with the individual owners, and not with the subdivider. Although there is considerable home-building activity in this subdivision, the houses are as yet widely scattered

and applicant thus far has been unable to undertake construction of the extension on the basis of the number of applications currently obtainable.

Applicant estimates that there are 247 potential customers who will be connected during the first year gas service is available, and while the estimated revenue from their service will not wholly justify the building of the extension, the record indicates that additional prospective customers may be counted upon later to make up the revenue shortage. Applicant believes not only that this extension will become justified at an early date, but also that within a reasonable period of time a sufficient number of homes to warrant the installation of gas mains for the entire community of Walnut Estates will be built. Therefore, applicant requests that it be authorized initially to extend gas service to the estimated 247 or more potential customers by means of a gas main extension installed on a community basis free from the limitations of its Extension Rule and Regulation No. 20^(a); and thereafter to make additional extensions similarly free from the limitations of said extension rule when, in its opinion, such deviation appears justified.

Applicant possesses the necessary certificate of public convenience and necessity to enable it to serve in this subdivision and has adequate transmission mains passing through, or along its borders. The rendering of the desired service will require only the construction of distribution facilities.

Applicant proposes to install as soon as possible approximately 55,700 feet of gas main at an estimated cost of \$74,784. This initial installation will make natural gas service available to all of the homes now completed or under construction, and to the major portion of the community of Walnut Estates, as shown on the map introduced as applicant's Exhibit No. 1, defining the limits of the subdivision.

(a) Rule and Regulation No. 20, Gas Main Extensions, provides for extensions (1) to individual domestic customers, (2) into real estate subdivisions, and (3) to serve Commercial, Gas Engine and Industrial Equipment. The rule provides bases for determination of the free length of main; and when the length of the main extension is in excess of the free length the customer is required to advance to the utility the difference in costs of the main extension and the free extension allowance. The rule provides conditions under which the customer's advance may be subject to refund.

In order to serve substantially the entire subdivision, applicant estimates it would be necessary to install 85,893 feet of gas main. This is 30,193 feet in excess of the initial installation. Applicant has made no survey to determine how much of this additional footage could be installed in accordance with its Rule and Regulation No. 20 and how much would possibly require deviations therefrom. Since the initial installation will make natural gas available to the major portion of Walnut Estates subdivision, it is only reasonable to assume that subsequent extensions generally can be made without deviation. Whether or not substantially all of the outlying area can be so served will depend upon the manner of its development. According to the record, subsequent extensions requiring a deviation will be made only when in the judgment of applicant such extensions appear economically justified.

Because of the enforced delay in the installation of gas facilities in this subdivision until all lots had been sold, an unusual situation has been created. The only logical solution appears to be the immediate extension of facilities to supply the needs of the major portion thereof free from the limitations of applicant's extension rule and the subsequent building of minor extensions in other parts of the subdivision free from the same limitations when economically justified. In view of this situation, it appears that applicant's request should be granted. However, the period of time during which extensions can be so installed should be limited, and the order following will so provide.

O R D E R

Public hearing having been had in the above entitled application, and based upon the evidence received and upon the conclusions and findings set forth in the preceding opinion,

IT IS HEREBY ORDERED:

1. That authority is hereby granted to Southern California Gas Company to deviate from its Rule and Regulation No. 20, Gas Main Extensions, and to construct and install said proposed gas

main extensions, together with related distribution facilities, in the community of Walnut Estates, located in the City of Los Angeles, as substantially set forth in applicant's Exhibits Nos. 1, 2 and 4.

2. That the authority herein granted to Southern California Gas Company to deviate from its Rule and Regulation No. 20 in making gas extensions in the community of Walnut Estates will terminate five (5) years from and after the date of this decision.

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 3rd day of February, 1948.

R. F. Johnson
Justice J. Galloway
Wesley K. Russell
Harold P. Huls
Samuel J. Potter
Commissioners