

ORIGINALDecision No. 57429

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA GAS COMPANY, a)
 corporation, for an order of the)
 Commission authorizing applicant to)
 deviate from its Rule and Regulation) Application No. 40289
 No. 20, Gas Main Extensions, and to)
 construct and operate an extension)
 of its system to supply natural gas)
 service to the community of Terra)
 Bella, California.)

OPINION AND ORDER

In this application, Southern California Gas Company requests authority to extend its system to supply natural gas service to the community of Terra Bella, located in Tulare County within Township 23S, Range 27E, M.D.B. & M., under conditions at variance with applicant's filed Rule and Regulation No. 20 covering gas main extensions.

Applicant's Position

The application states that for several years the unincorporated community of Terra Bella has been desirous of obtaining natural gas service from applicant. A customer survey conducted in the latter part of 1957 by applicant in the community of Terra Bella and areas adjacent thereto, indicated that there are approximately 345 prospective customers within the area in question. Of this number, 283 have indicated that they will take gas service. Applicant has obtained signed appliance and equipment agreements from 268 prospective customers who have indicated that they will use gas for cooking, water heating, refrigeration or other continuous use. In addition, there are 15 prospective customers who will use gas for heating only.

In order to furnish service to these customers, applicant states that it is necessary to construct a 4-inch trunk line approximately $7\frac{1}{2}$ miles in length and approximately 4 miles of 4- and 2-inch distribution mains. Exhibit B of the application shows that the estimated cost of the feeder main and distribution mains based on the unit cost of \$1.64 per foot is \$102,106.40.

Main Extension Rule and Rate Proposal

Rule and Regulation No. 20 of applicant provides that for each bona fide applicant who will use gas service for other than space heating only, the utility will install at its own expense 150 feet of main or length of main equivalent in cost to three and one-half times the first year's billings, whichever provides the greater free allowance, as estimated by the company.

Applicant has selected a free allowance of 150 feet per customer in calculating the total free allowance of \$66,639.76 and advance of \$35,466.64 from prospective customers. Applicant alleges that it would not be feasible to collect such an advance in one lump sum from the prospective customers and proposes that a monthly facility charge of \$1.42 per customer be added to the monthly gas bills for a period of ten years, subject to annual reviews and adjustments.

Applicant states that it will be necessary to establish a special rate area for customers served from this extension and proposes a new rate area to be known as Terra Bella with boundaries as described in Exhibit C. The company proposes to supply domestic and commercial gas service to the Terra Bella rate area under its Schedule No. G-6.

A portion of the proposed Terra Bella rate area is now included in the G-6 Rate Area No. 451-B, Porterville Supply District, and G-4 Rate Area 402-B, Porterville. There are no customers involved in that portion of these existing rate areas which applicant proposes to modify and include in the G-6 Terra Bella Rate Area.

Findings and Conclusions

The Commission, after investigation of this matter and in consideration of estimates of revenues based on average company revenues from the San Joaquin Valley Division for the class of customer indicated and considering the tariff provision of main allowance of three and one half times the first year's billing, finds that a facility charge of \$1.05 per customer per month in lieu of \$1.42 would be appropriate.

We are of the opinion that gas service should be provided to the residents of the Terra Bella area as soon as possible and in accordance with the applicable tariffs, and find that the proposed facility charge as modified herein is just and reasonable.

The Commission having considered the request of applicant and being of the opinion that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that:

1. Applicant is authorized to extend its system to supply natural gas service to the community of Terra Bella.
2. Applicant is authorized to file in accordance with General Order No. 96 revised rate schedules for service in Terra Bella in accordance with Exhibit C attached to the application modified to provide a facility charge in the amount of \$1.05 and to make such schedules effective after the effective date of this order and upon five days' notice to this Commission and to the public.

3. Applicant shall review the facility charge annually and make adjustments based on the actual number of customers served.

4. Applicant shall notify the Commission when service is furnished to Terra Bella and within sixty days after one year therefrom shall report to the Commission the number of customers served, total first year's revenues received and the actual construction cost of the extension authorized herein.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 7th day of October, 1958.

S. L. Fox
President
Carl J. [unclear]
Carl J. [unclear]
Michael [unclear]
Theodore [unclear]
Commissioners