

**ORIGINAL**Decision No. 57568

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation of natural gas and electric )  
 extension rules of the California-Oregon )  
 Power Company, California-Pacific Utili- )  
 ties Company, California Electric Power )  
 Company, Pacific Gas and Electric Company, ) Case No. 5945  
 San Diego Gas & Electric Company, Sierra )  
 Pacific Power Company, Southern California )  
 Edison Company, Southern California Gas )  
 Company, Southern Counties Gas Company of )  
 California and Southwest Gas Corporation. )

(Appearances are listed in Appendix A)

THIRD INTERIM OPINION AND ORDERInterim Request

At the hearing held on September 10, 1958, in the above-entitled investigation, the San Diego Gas & Electric Company made a motion that increases in the amount of advance required per foot of extension beyond the free length be authorized because of the fact that present-day costs to construct gas and electric lines are greater than contained in the present gas main extension rule which became effective April 1, 1937, and the present electric line extension rule which became effective August 30, 1948.

Utility's Position

The San Diego Gas & Electric Company anticipates that several months will elapse before a final decision may be issued in this investigation and suggests that in this interim period the advance for gas main extension beyond the free length be increased from the present charge of 60 cents per foot to \$1.68 per foot; and for electric line extension beyond the free length be increased from the present charge of 35 cents per foot of single phase line to \$1.00 per foot, from 40 cents per foot of three phase line to

\$1.30 per foot, and from 5 cents per foot of third phase wire to 30 cents per foot. San Diego presented Exhibit No. 97 in support of its proposed increased charges, showing that such charges are the actual unit cost of gas main and electric line extensions experienced in 1956, based on a sampling of 1956 additions. San Diego states that if these charges had been in effect for the calendar year 1957, the amount of advances collected with respect to excess footages of line extensions would have been approximately \$123,000 instead of \$39,000 for electric extensions and approximately \$85,000 instead of \$30,000 for gas extensions. San Diego represents that even with such increased advances the longer extensions upon which such advances are taken will remain marginal unless and until additional business is developed on those extensions.

Positions of Certain Parties

The California Farm Bureau Federation opposed an interim order that would give the utility all to which it claims to be entitled. The Farm Bureau sought an explanation of why the San Diego Company's costs are as high as they are and why certain marginal lines are built. However, the Farm Bureau recognized that the present advance charges are unreasonably low as of today and had no objection to partial relief in an amount the Commission might determine to be reasonable.

The Commission staff, after studying the evidence presented, had no objection to San Diego's request. Reference was made to the Second Interim Opinion and Order herein, Decision No. 57091, wherein The California-Oregon Power Company had requested authority to decrease its free footage allowances and to increase its advances

beyond the free length. In that order the request to decrease free footage allowances was denied, but authority was granted to increase the advances from 40 cents and 50 cents per foot of single and three phase line, respectively, to \$1.00 per foot for either single or three phase line.

Findings and Conclusions

After considering the evidence of record the Commission finds and concludes that:

1. Costs of construction have advanced sufficiently since the gas main extension rule was adopted in 1937 and the electric line extension rule was adopted in 1948 to warrant increases in the advance for extensions beyond the free length on an interim basis;

2. In view of the position taken by the California Farm Bureau Federation, the advances should be set at approximately 80 per cent of San Diego's request for the interim period; and

3. The increases in rates, rules and charges authorized herein are justified and that the present rates, rules and charges, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; therefore,

IT IS ORDERED that the San Diego Gas & Electric Company is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, revised rules with changes in rates, terms and conditions as set forth below, and to make said rules effective upon not less than five days' notice to this Commission and to the public.

(1) Gas Rule and Regulation No. 20:

Section B-1. Delete "60¢" and insert "\$1.35".

(2) Electric Rule and Regulation No. 20:

Section B-1 (a). For single phase line extension. Delete "35¢ per foot" and insert in place thereof "80¢ per foot".

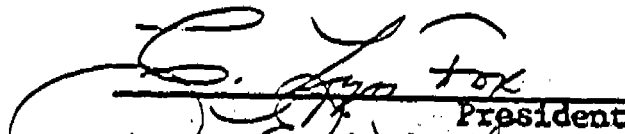

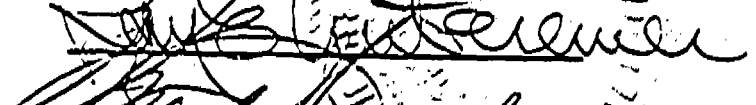

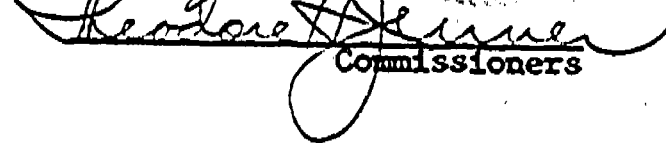
Section B-1 (b). For three phase line extension. Delete "40¢ per foot" and insert in place thereof "\$1.05 per foot".

Section B-1 (c). For third phase wire or series circuit only. Delete "5¢ per foot" and insert in place thereof "25¢ per foot."

In all other respects the gas and electric Rule and Regulation No. 20 shall remain unchanged.

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

Dated at San Francisco, California, this 3<sup>rd</sup> day of November, 1958.

  
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President  
  
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Commissioners

APPENDIX A

LIST OF APPEARANCES

Respondents: T. J. Reynolds, H. P. Letton, Jr., and Reginald L. Vaughan, for Southern California Gas Company; Milford Springer and Reginald L. Vaughan, for Southern Counties Gas Company of California, Brobeck, Phleger & Harrison by Robert N. Lowry, for The California Oregon Power Company; Rollin E. Woodbury and C. Robert Simpson, for Southern California Edison Company; F. T. Searls and John Carroll Morrissey by John Carroll Morrissey and John S. Cooper, for Pacific Gas and Electric Company; Chickering & Gregory by C. Hayden Ames and Frank R. Porath, for San Diego Gas & Electric Company, C. H. McCrea, for Southwest Gas Corporation; W. W. Miller, for California Electric Power Co.

Interested Parties: Harold Gold, Reuben Lozner and Gerald Jones, for Department of Defense and other executive agencies of the United States Government; William W. Evers, for California Manufacturers Association; J. J. Deuel, for California Farm Bureau Federation; David Don, for Public Utilities Commission of Oregon; P. A. Erickson and T. M. Chubb, for City of Los Angeles; Wyman C. Knapp of Gordon, Knapp, Gill and Hibbert, for J. I. Gillespie, Inc., Basin Builders Corporation, Venice; Sycamore Land Co., Inc., Los Angeles; George Alexander Co., Los Angeles; The Capri, Fullerton; Tietz Construction Co., Garden Grove; Joe Engle and Abe Vickter, North Hollywood; Weiss Construction Corpn., Los Angeles, Inland Empire Builders, Inc., Riverside; Craign Development Corp., Tustin; Triangle Subdivisions, Sherman Oaks; G & K Construction Co., Sherman Oaks; C & M Homes, Azusa, California; Meeker Development Company, Arcadia; H. Cedric Roberts & Sons, Anaheim; Henry C. Cox, Garden Grove; Claremont Highlands, Inc., Claremont; Surety Development Company, Van Nuys; Julian Weinstock Construction Co., Inc., Sherman Oaks; Morley Construction Company, Los Angeles; Gangi & Gangi, Glendale; Burt Huff, Santa Ana; Yoder & Greenwald, Tustin; Homer Toberman, Hollywood; Tamarack Construction Corpn., Van Nuys; The Sturtevant Corporation, Santa Ana; Moss Building Corp., Beverly Hills; Dike & Colegrove, Inc., Costa Mesa; Lomita Square Corporation, Pasadena; Murray-Sanders Co., Santa Ana; Marjan Development Co., Anaheim.

Commission Staff: Mary Moran Pajalich, James S. Eddy, Clarence Unnevehr, and Louis W. Mendonsa.