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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 BESSIE L. CUNNINGHAM for authority)
 to abandon and discontinue electric)
 service and certificate for the)
 resort area commonly known as)
 "Central Camp".)

Application No. 40946

Crossland, Crossland & Richardson, by Robert C. Crossland, for applicant.
Central Camp Association, by Floyd S. Nelson;
Pacific Gas and Electric Company, by John S. Cooper, interested parties.
A. S. Hecht, for the Commission staff.

O P I N I O N

By this application, filed March 16, 1959, Bessie L. Cunningham seeks to be relieved of her duties and obligations as an electric utility. She seeks authority to discontinue rendering electric service in an area commonly known as Central Camp in Madera County and to dispose of the physical plant.

After due notice, public hearing in the matter was held before Examiner F. Everett Emerson on June 17, 1959 at Madera. The matter was submitted on such date and is now ready for decision. Approximately 25 of Mrs. Cunningham's customers were in attendance at the hearing.

Mrs. Cunningham and her former husband, J. E. Norby, now deceased, were the owners of a 640-acre parcel of land in the Sierra Nevada in Madera County. Approximately 15 acres of the parcel have been sold off and have been developed as sites for summer homes. At the present time, approximately 38 summer homes and 1 small store are in the area. In 1939, J. E. Norby was certificated as an electric

utility.^{1/} Upon his death in 1944, his wife, the present Bessie L. Cunningham, succeeded to the properties and has ever since supplied Central Camp with electricity.

Central Camp is an isolated area about 61 miles north-easterly from Madera. It is inaccessible during the winter months, its normal seasonal usage being only during the months of May through October. Transients reach the area infrequently. Owners of summer homes, however, spend much time there during each summer season.

The evidence indicates that when first developed into summer home sites, during the 1920's, much of the watershed lands had been denuded by logging operations and the stream through the area received a plentiful supply of water, sufficient, in fact, to permit full operation of a 17 kw hydroelectric plant which requires not less than one cubic foot of water per second, at the available static head of 244 feet, for its operation. As the land cover regrew, however, greater and greater amounts of water were retained by the soil and the stream flow became less constant and less dependable until during the last 15 years stream flow has been insufficient to develop an adequate supply of electrical energy through the season. In some years, and the present one has all indications of being one of them, the supply of water has been sufficient to develop electricity for only a minor portion of the summer season. The residents of the area are and have long been fully aware of the difficulties and, in fact, by cooperative community effort purchased a gasoline engine in 1948 which, when the hydro plant could not meet the electric demands, was on occasion connected to the electric generator. Operation of the gasoline engine is costly and is uneconomical except as a

^{1/} Certificate of public convenience and necessity issued by this Commission's Decision No. 32173 in Application No. 22654, dated July 18, 1939.

standby or emergency source and it requires constant attendance while in use. The possibility of obtaining a greater supply of water has been investigated by applicant but a new concrete dam at a greater elevation upstream and in a location where there now exists no road would be required, a situation demanding finances far beyond the means of Mrs. Cunningham and, in any event, requiring earnings greater than the present electric system could reasonably be expected to develop.

The system produces about \$420 of gross revenues per year. Operating expenses, although recorded as only \$100 per year, have for many years actually exceeded revenues. Mrs. Cunningham's son, through his logging business, has provided the system's operating and maintenance labor without charge. In some years, due to heavy damage from winter snow storms, the value of these donated services has been many times that of the revenues collected. Authority to increase rates for electric service has not been sought because the value of the limited service rendered would not warrant it, according to the evidence.

Mrs. Cunningham has reached an age at which most persons retire. The electric utility system, however, requires her constant attention and she finds it increasingly difficult to run the system.

It is fundamental in law that no public utility may be forced to operate at a loss. Under the circumstances revealed by the record in this proceeding, the conclusion is inescapable that this utility operation is actually conducted at a loss and that such loss cannot be halted by any practicable means. Further, the electric supply available is dependent upon a wasting natural resource over which the utility has no control and has no practicable means of augmenting. The evidence is ample and convincing that authority to discontinue electric operations should be granted and the Commission finds the fact so to be. The record contains no indication that Mrs.

Cunningham is unwilling to continue operations, to the limit of available water, during the balance of the present season. The authority to discontinue operations, therefore, will become effective at the end of the present season.

The present summer home owners at Central Camp, of course, are desirous of having an adequate supply of electrical energy and are of the opinion that the area could be further developed, to the benefit of all, if central station power could be brought into the area. In this proceeding, a witness for Pacific Gas and Electric Company outlined the means and procedures by which such may be possible. In brief, fully adequate electric service on a seasonal basis might be brought into the area, from existing facilities of this utility about 5-1/2 miles away, and rendered at its regularly-filed zone 6 rate schedules, if the prospective users collectively were to enter into an agreement under a modification of the utility's line extension rule (Rule 15) whereby the free footage allowance contemplated by such rule would be computed on a basis proportional to the period of summer home occupancy per season. While such a proposal is beyond the issues before the Commission in this proceeding and necessarily is dependent upon facts not yet determined, it is appropriate to urge that this possibility be fully explored by both the persons desiring further electric service in Central Camp and by Pacific Gas and Electric Company.

O R D E R

Based upon the evidence and the findings and conclusions contained in the foregoing opinion,

IT IS ORDERED that Bessie L. Cunningham is authorized to abandon and discontinue electric service in Central Camp, Madera County, as of October 31, 1959 and the tariffs on file for such electric service shall be deemed cancelled on such date.

IT IS FURTHER ORDERED that Bessie L. Cunningham shall stand relieved of all further electric public utility duties and obligations in connection with the operation of the electric system herein authorized to be discontinued, as of October 31, 1959 and thereafter may sell, lease or otherwise dispose of the physical properties theretofore devoted to electric utility purposes without the necessity of any further permission or order of this Commission.

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

Dated at San Francisco, California, this 14th day of July, 1959.

[Signature]
 President

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 Commissioners