

Decision No. 59011**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation of natural gas and electric  
extension rules of California-Oregon  
Power Company, California-Pacific Utilities  
Company, California Electric Power Company,  
Pacific Gas and Electric Company, 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.

Case No. 5945

In the Matter of the Application of  
SOUTHERN CALIFORNIA GAS COMPANY for author-  
ity to file and place in effect, in  
accordance with General Order 96, revised  
tariff sheets covering the rules and regu-  
lations relating to gas main and gas  
service extensions.

Application No. 37604

In the Matter of the Application of  
SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA  
for authority to file and place in effect,  
in accordance with General Order 96,  
revised tariff sheets covering the rules  
and regulations relating to gas main and  
gas service extensions.

Application No. 37605

(Appearances and Witnesses are listed in Appendix F)

O P I N I O NScope of Proceeding

The above-entitled Case No. 5945 was initiated by the Commission on its own motion by order dated May 21, 1957, as a result of the request of Southern California Gas Company and Southern Counties Gas Company of California for rehearing of Decision No. 54762 in the above listed Applications Nos. 37604 and 37605. Such decision provided, among other things, for revised natural gas main and service extension rules for applicants. Rehearing was granted in the two application matters concurrently with the issuance of the order of investigation under Case No. 5945, and all were consolidated for hearing.

The reasons given for the investigation in the Commission's order are: that the rapid growth of the State's population during the last decade, coupled with change in economic conditions, requires a fundamental appraisal of the extension rules; that there may be need for the development of uniform principles in such rules; and that conditions may require the establishment of revised rules pertaining to the extension of natural gas and electric service, and the modification or cancellation of existing rules.

The order required investigation into the propriety and reasonableness of the extension rules of the ten utilities made respondents in Case No. 5945 and required each of them to file information as to:

1. The length of free footage allowances of gas main and service or electric line extensions deemed appropriate for different types or combinations of appliances or usages, based on cost studies of the justifiable investment in such extensions, assuming average load conditions and present rates;
2. The actual system-wide average unit costs for gas main and service or electric line extensions for the year 1956;
3. Recommendations as to tariff provisions relating to refunds under gas main and service or electric line extension rules; and
4. Such other information as respondents deem pertinent to this investigation.

#### Public Hearing

After due notice, 11 days of public hearings were held upon this investigation and rehearing on these applications before Examiner Manley W. Edwards<sup>1/</sup> during the period February 11, 1958 to September 11, 1958, inclusive, in San Francisco and Los Angeles. Submission of the matter for an examiner's report was taken after the filing of briefs and summary statements. An examiner's proposed report was issued on December 22, 1958; exceptions and replies have been received; the matter was argued before the Commission in bank on April 6, 1959 and now is ready for decision. Additional days of hearing have been held

---

<sup>1/</sup> Commissioner Ray E. Untereiner presided at the opening hearing on February 11, 1958 and certain other hearings on specific issues on which interim orders heretofore have been issued.

upon the subject of how to distinguish as between permanent and temporary service, and on the subject of definition of premises, and a supplemental order will be issued on such subjects.

In the course of this proceeding, up through September 11, 1958, 105 exhibits were received in evidence and the reporter's transcript of the investigation proceeding consists of approximately 1488 pages. In addition, the original record made under the applications consists of 539 pages of transcript and 23 exhibits. During the course of this proceeding the Commission has issued three interim decisions.

#### Interim Decisions

The first interim decision, issued on May 6, 1958 (Decision No. 56627), required that Southern California Gas Company and Southern Counties Gas Company of California cease and desist from collecting a \$55 advance charge for each two-use gas home from subdivider-builders or tract developers in tracts of 10 or more homes; that future extension advances from such builders be determined by rate of return studies; and that as to advances collected prior to the interim order, when adjusting the amount of advances for gas appliances actually installed, such adjustments shall be made on the basis of a rate of return study or the \$55 charge for each two-use gas customer, whichever is the lesser.

The second interim decision, issued on August 5, 1958 (Decision No. 57091), authorized The California-Oregon Power Company to increase the advance for extensions beyond the free length from 40 cents per foot in the case of single-phase lines and 50 cents per foot in the case of three-phase lines to \$1 per foot for single or three-phase lines, but denied California-Oregon's request to reduce the free footage allowances.

The third interim decision, issued on November 3, 1958 (Decision No. 57568), authorized the San Diego Gas & Electric Company to increase the advance for extensions beyond the free length for gas main from 60 cents to \$1.35 per foot, for single-phase electric line from 35 cents to 80 cents per foot, for three-phase electric line from 40 cents to \$1.05 per foot, and for the addition of third-phase wire from 5 cents to 25 cents per foot.

Exceptions to filings required by the first interim decision were filed on July 21, 1958 by the subdivider-builders and on July 9, 1958 by the Southern California Edison Company. The subdivider-builders suggest a further order implementing the first interim decision spelling out in detail the precise type of filings which the gas companies be required to submit and thereafter observe. The Southern California Edison Company, on September 10, 1958, made a motion that the Commission suspend the rules filed by the gas companies pursuant to the first interim decision until the Commission had a full chance to review and consider Edison's exceptions and comments. Edison disagreed with the rules filed in response to the first interim order by the gas companies and suggested that they be replaced by the type of rule presently being utilized by other gas and electric utilities under the Commission's jurisdiction.

Edison's motion deals particularly with the form of the tariff filed to comply with the Commission's interim decision. Since Edison did not seek rehearing on the interim decision and since these tariffs will be revised as a result of the order herein, Edison's motion is denied.

#### Existing Electric Extension Rules

Electric utilities in the State, both private and public, presently have divergent rules governing extension of their lines

to serve individual residential and commercial customers, subdivisions and housing projects. Rules of the seven respondent companies<sup>2/</sup> serving electricity in general, provide that up to the following length of extensions will be made at the utility's expense to serve new individual customers.

	<u>Range of Allowances</u>	
Lighting and Small Appliances .....	200 to	400 feet
Refrigerator .....	100 to	300 feet
Range .....	400 to	1,300 feet
Water Heater .....	300 to	600 feet
Heating (space and air) per kw .....	30 to	150 feet

Allowances are additive so that for a customer having lighting, refrigerator and range, the free allowance would range from 700 feet for the utility having the lowest allowance to 2,000 feet for the utility having the highest allowance.

Some utilities have free allowances for loads other than domestic; they vary from 25 to 200 feet per kw of lighting load, from 100 to 200 feet per hp of power load, from 35 to 75 feet per kw of heating load, and from 35 to 75 feet per kw of cooking load.

Certain of the municipal or publicly-owned utilities, as in the case of the private utilities, have electric extension rules providing for free footage allowances based on loads and appliances. These utilities are not subject to Commission jurisdiction and some of them provide dollar allowances in lieu of footage allowances. For example, the Department of Water and Power of the City of Los Angeles provides for allowance credits as follows:

---

<sup>2/</sup> California Electric Power Company; The California-Oregon Power Company; California-Pacific Utilities Company; Pacific Gas and Electric Company; San Diego Gas & Electric Company; Sierra Pacific Power Company; and Southern California Edison Company.

Lighting and Small Appliance Load .....	\$ 50
Electric Refrigerator .....	50
Electric Range .....	50
Water Heater .....	50

Also, Los Angeles gives alternative allowance credits higher than the sum of the individual credits for certain combinations of load, such as:

Lighting, Refrigerator, Range and Water Heater .....	\$250
Lighting and Water Heater plus a convenience outlet for Refrigerator ..	150

This is the only existing combination allowance offered in the State which was brought to the Commission's attention.

For the privately owned utilities, if the total length of the extension exceeds the "free footage" allowance in general, the applicant for service is required to advance an amount which varies from 25 cents per foot to \$1.05 per foot depending upon the particular utility. The money so advanced is subject to refund. Most of the utilities for individual customers refund on a footage basis. Some utilities for all classes of customers and some utilities for certain classes of customers provide refunds on the basis of a percentage of gross revenue received from the applicant over a period of 10 years or upon certain specified amounts based on additional permanent installations made during the first 10 years.

Line extensions to real estate subdivisions generally are handled on a similar basis where service is requested after the houses are built, but on a different basis where the subdivider requests service in advance of applications by individuals. In the latter cases, generally, the rules require that the entire estimated cost of the extension (exclusive of transformers, meters, and services) be advanced to the utility. Refunds are made as permanent installations are connected to the extension.

#### Existing Gas Extension Rules

Gas utilities in the State also have divergent rules governing extension of mains and services. Rules of the combination

companies<sup>3/</sup> serving gas, in general, provide that extensions to serve new permanent individual customers will be made at the utility's expense when the total length of extension from existing facilities does not exceed the following footages:

	<u>Range of Allowances</u>
Water Heater .....	25 to 100 feet
Range .....	15 to 75 feet
Space Heating (per thousand Btu) ....	1 to 2.5 feet

The remaining three companies<sup>4/</sup> are strictly gas companies (not combination gas and electric) and now provide for free extension allowances in the range of 100 to 175 feet per individual domestic customer, except that no gas main will be installed at the expense of these strictly gas utilities where gas is to be used only for space heating.

As in the electric rules, advances are required from applicants for service when the total length of the extension exceeds the "free footage". The advance for excess footage varies from 60 cents to \$1.54 per foot for the three combination companies and varies between \$1.21 and \$1.82 per foot for the three strictly gas companies. The money so advanced is subject to refund.

For extensions to real estate subdivisions, the combination companies have rules similar to their electric rules, and the entire estimated cost of the extension must be advanced to the utility. The Southern California Gas Company requires an advance equal to the difference between the estimated cost of all mains to be installed and the sum of the free extension allowances for appliances installed with solid pipe connections or appliances which the applicant agrees to have so installed. The Southern Counties Gas Company of

---

<sup>3/</sup> California-Pacific Utilities Company; Pacific Gas and Electric Company; and San Diego Gas & Electric Company.

<sup>4/</sup> Southern California Gas Company; Southern Counties Gas Company of California; and Southwest Gas Corporation.

California accords the individual free allowances and requires an advance for excess footage based on the estimated cost of all of the mains, regardless of size or character, necessary to render service to the subdivision. The Southwest Gas Corporation provides that extensions to supply gas within real estate subdivisions will be installed, owned and maintained by the company under special contracts, but the applicant (subdivider) may be required to advance the estimated cost of the extension inclusive of superintendence and overhead.

All of the gas main extension rules provide for refunds on subdivider's advances, but on different bases. Generally, they are predicated on the number of customers and appliances connected within the first ten years of life of the extension.

Southern California and Southern Counties Gas Companies have restrictive rules for extensions to serve multiple dwelling projects or housing developments where the applicant will install cooking or water heating appliances using a fuel other than gas. In such cases, the allowance will be determined and made by these companies upon the basis of the character of the service to be rendered, the rate to be paid for the gas furnished and the estimated revenue to be derived by the companies from the sale of gas. The Southwest Gas Corporation does not have a similar restriction on other fuel for cooking or water heating appliances but uses the same basis for determining allowances, that is: character of service, rates and revenue.

The gas rules, generally, contain restrictions as to the length of free service pipe, whereas the electric utilities, generally, furnish free services without restrictions as to length.



The free length of gas service varies from 40 feet to 75 feet in the various rules and advances are required for excess footage.

Changed Conditions Since Rules Were Established

During the past decade, and since the time that most of the extension rules were established, we have witnessed marked changes in service and economic conditions. Some of the rules have not been revised to reflect present-day conditions.

(a) Unit Cost Changes. Of particular significance is the fact that the unit cost of building electric lines today usually is two or three times the unit cost prevailing in the period 1930 to 1940. For example, the Pacific Gas and Electric Company reports that its average cost of electric line extensions in 1956 was \$1.39 per foot; but it requires an advance of only 60 cents per foot for excess lengths of extension. Likewise the Southern California Edison Company reports the same average cost of \$1.39 but requires an advance of only 45 cents per foot. During the course of this proceeding two of the electric utilities pointed out this disparity of cost and advance so they requested and were granted increases in their excess footage advance rates as indicated by the second and third interim orders herein.

In general the gas utilities have kept their unit advances in line with present-day unit costs by inserting provisions in their rules providing for use of the previous year's average unit cost for mains of the same character and size installed during such preceding year. While these requirements appear reasonable at first glance, the average unit price of all extensions of the previous year may be higher than might be experienced in an extension in fringe or rural areas where installation unit costs may be less. For the purpose of the initial filings, the latest available average gas

main costs and average electric line costs will be used.

In the future, respondents shall determine the unit costs based on the average costs to serve individual customers of the type from whom advances were required.

(b) Revenue Changes. The free extension length that may be granted depends in large part upon the future revenue to be received from the extension. During the past ten years or so, while it is reported that the unit costs of building extensions roughly have doubled, the free footage allowances generally have remained at the same level. This condition now would be appropriate if the revenue had doubled but, in general, such has not been the case. During this period the Commission has granted rate increases to practically all of the respondent utilities, yet there are few increases that would measure up to or exceed 50 percent in the aggregate. There are some offsetting factors, however. Revenues required do not necessarily double if the plant is doubled. Use per customer changes. For example, some new appliances and uses are: television sets, built-in ranges and ovens, dryers, room coolers, air conditioning installations, swimming pool heaters and circulating systems.

Where free allowances are specified by particular appliances, it would appear that some downward revision is now justified, particularly in the higher allowances at the upper end of the range of allowances. If the new appliances are listed, however, the total free footage per customer may not be much changed because of the larger number of appliances.

(c) Real Estate Subdivision Changes. Since 1940 marked changes have occurred in the category of what the present rules list as real estate subdivisions. Large tracts or subdivisions with

built-in kitchen ranges and ovens have come into being only during the period since the second world war. No specific reference is made to them in the utilities' extension rules. The subdivider-builder usually makes the choice as to the type of fuel that will be used in the range and oven. This choice is of prime importance to the individual gas company or to the individual electric company, but it may not be so important to the combination gas and electric utility which usually gets the business, the only competition being from some other type of fuel, such as oil or liquefied petroleum gas (LPG), and which is rather limited, or from a municipal electric system.

The Southern California and Southern Counties gas systems assert that approximately 90 percent of their customers use gas for cooking. One subdivider-builder testified that 85 percent of the families which purchase new tract homes prefer electric ranges. There is evidence that buyers are strongly inclined to order either gas or electric ranges, depending on which is shown in the subdivider's model homes. The present free extension allowances of these two gas companies are predicated on the basis of three uses of gas (cooking, water heating and space heating) and it is apparent that with the changes which have occurred in real estate subdivisions the gas companies are not sure that they will obtain these three uses in each extension in the future. This fact, coupled with new appliances and usages, points to need for revision in the gas companies' rules; but sufficient latitude should be allowed the gas utilities to enable them to compete with the unregulated electric utilities for the cooking load in areas where such competition exists, and vice versa for electric utilities with unregulated gas competition.

Extension Rule Principles Advocated by Staff

The Commission staff, by Exhibit No. 5945-7, recommended that certain principles be used as a guide, that they be adhered to wherever possible in developing an electric and gas extension rule, and that in the final analysis the provisions of the rule are judgment determinations and should take into account such factors as:

- (a) Cost of Service
- (b) Value of Service
- (c) Revenue
- (d) Competition
- (e) History.

The staff's recommendations were stated under four categories:

- (1) General
- (2) Free Extensions
- (3) Advances
- (4) Refunds.

The staff's recommendations will be briefly stated and comments made as to their reasonableness.

General Principles

The general principles recommended by the staff concern: (1) uniform format; (2) simplicity; (3) uniform listing of appliances; (4) uniform "exceptional cases" clause; (5) conditions where contract is required; (6) definitions as part of tariffs, and (7) explicitness as to transmission or distribution facilities. All of these seven general principles appear reasonable except for Number 3 which calls for a uniform listing of appliances and usages. This suggestion elicited different views from the various utility representatives. Some appliances are used in one utility's territory and not in that of another. For example, desert coolers provide a large load on the California Electric Power Company system, but practically no load on the California-Oregon Power Company system;

and appliances as between gas and electric systems are not the same. Also, there was question as to uniform allowances as between the utilities because of different service and competitive situations. The most equitable basis on which to handle this suggestion appears to be to provide required and optional listings of appliances with specified initial allowances. Changes in allowances thereafter will require a showing by the utilities and formal approval of the Commission where changes might result in increases in rates.

#### Free Extension Principles

The free extension principles recommended by the staff concern: (8) footage basis of allowances; (9) uniform free footage allowances where practicable; (10) free footage allowances the same regardless of facilities required; (11) free allowances should be liberal enough to encourage load, but not so liberal as to burden existing customers; (12) reduced free footages for seasonal customers; and (13) underground system free footages limited to cost based on overhead system free footages. In general these principles appear reasonable. Load and revenue variations are such as to warrant some small differences in free footage allowances. This problem was discussed above somewhat under principle Number 3, and permitting each utility to select among the optional appliances specified in the order herein should provide a reasonable adaptation of this principle.

#### Advances Principles

The advances principles recommended by the staff concern: (14) advances stated on a footage basis; (15) real estate subdivider to advance estimated cost (exclusive of transformers, meters, electric services and gas regulators) where extension is required in advance of applications for service; and (16) except for real estate

subdivisions, the unit cost of advances should be based on average costs of extensions, independent of the type of facilities required. The first two principles appear reasonable but Number 16 would penalize the rural or fringe area customer because of an average lesser unit cost to extend service in such fringe areas. The use of the previous year's average cost for extensions only for the initial filings would appear reasonable.

#### Refunds Principles

The refunds principles recommended by the staff concern: (17) refunds stated on a footage basis; (18) refund provisions same for individual customer and real estate subdivider; (19) refunds based on additional load and length of new extension; (20) amount of refund should not exceed the advance; (21) refund period not to exceed 10 years; and (22) no interest on advances. These principles appear to be reasonable for adoption in the rules.

#### Proposed Rule and Position of the California-Oregon Power Company

The California-Oregon Power Company proposes that it be permitted to switch from a "footage" type of extension rule to a revenue-to-investment type under which free line extensions would be provided where the cost does not exceed six times the estimated annual revenue from the load to be served. This respondent does not urge that this type of rule be adopted by other utilities in California, but states that it operates under such a rule in Oregon and would prefer such a rule within its service area in California.

This respondent disagreed with the staff's proposal for uniformity over the State and preferred to have uniformity within the service area of a single company. About four-fifths of the respondent's operations are in Oregon and because of the substantial nature of the operations, it takes the position that special

circumstances exist which warrant the change in form of rule. It represents that staff arguments based on uniformity and simplicity are substantially outweighed by the intrinsic fairness of its proposed rule in relating free investment directly to the revenue to be produced, and that the Farm Bureau's criticism of the investment-to-revenue rule is based largely upon conditions which no longer exist or upon utility practices which the proposed rule guards against.

Proposed Rule and Position of California-Pacific Utilities Company

California-Pacific Utilities Company listed the following free footage allowances based on cost studies of the justifiable investment:

Lighting .....	70 feet
Cooking .....	80 feet
Water Heating .....	200 feet
Refrigerator .....	70 feet
For each kw of heating load .....	100 feet
For each hp of motor load .....	100 feet

Respondent states that its actual system-wide, average unit costs for electric line extensions for the year 1956 was \$0.51 per foot. Respondent recommends the use of the "percent of gross revenue" basis for making refunds.

With regard to gas extensions, the following free footages were listed:

Cooking .....	40 feet
Water Heating .....	80 feet
Space Heating .....	100 feet

Respondent states that its actual system-wide average unit costs for gas main and service extensions for the year 1956 was \$1.62 per foot for mains and \$104.25 per service. It recommends no change for its service extension rule which now provides for the utility to furnish free the in-street portion of the service and for the customer to pay for the cost of the service from the property line into the customer's connection.

Proposed Rule and Position of California Electric Power Company

The California Electric Power Company expresses the view that the free footage allowances in its present rule are satisfactory. These allowances for permanent domestic service are:

For each lighting applicant .....	200 feet
For each refrigerator installation .....	200 feet
For each electric range, 6 kw or more .....	400 feet
For each automatic electric storage- type water heater per kw .....	100 feet
For each kw of permanently installed heating equipment, per kw .....	35 feet
For each permanently installed air cooling installation of less than 1 hp .....	50 feet
For individual motors of 1 hp or more, per hp .....	50 feet

Respondent also expresses the view that the present charge for extensions beyond the free length should be increased from 35 cents to 70 cents per foot for two-wire extensions and from 50 cents to 85 cents per foot for three-wire extensions. Respondent disagrees with the staff's principle regarding uniformity of footage allowances as between the various utilities. California Electric pointed out that most of its territory is desert in character, that the density is thin, that the cost to annual revenue ratio is high, and that deposits may be beyond the means of the prospective customer, so a special exceptional cases clause is needed.

Proposed Rule and Position of Pacific Gas and Electric Company

The Pacific Gas and Electric Company presented its proposed electric extension rule by Exhibit No. 5945-94 and its proposed gas main extension rule by Exhibit No. 5945-95. Both proposed rules are of the footage allowance type and are in substantial concurrence with the staff's principles. In these proposed rules the respondent did not include any precise footage allowances, but rather confined itself to establishing the formats in which definite footage allowances might later be inserted. It supplied



data on footages based on cost criteria; however, such figures do not take into consideration all of the sales and promotional factors which might affect the lengths which it would recommend for a final rule.

Respondent represents that uniform listings of appliances and uniform allowances are impractical and unfair, and would produce inequitable results. Respondent states that it would be difficult for all utilities to arrive at an agreement as to which appliances should be included in a uniform listing, because the revenue produced by a given appliance in the case of one utility might be inconsequential while in the case of another utility it might be sufficient to warrant the granting of a free footage allowance; that the costs associated with the construction of extensions vary considerably between utilities; that the Commission has never sought to apply uniform rates to the utilities; and that there is no more reason to have uniformity in footage allowances than in rates. When the format of the rule has been established, respondent states it will present what it considers to be the proper footage allowances. Respondent desires that the rules provide a method of compensating it for costs of ownership until load develops, but not for more than ten years. It states the present practice of absorbing the costs of ownership over extended periods on facilities installed beyond the free footage allowance is not equitable as it amounts to about 9 percent per year. It proposes to reduce the refund allowance by 9 percent of the difference between the amount of the original advance and the amount of any refunds.

Proposed Rule and Position of Sierra Pacific Power Company

The Sierra Pacific Power Company proposed revisions in its free footage allowances to the following quantities:

For each lighting customer .....	400 feet
For each refrigerator or freezer .....	150 feet
For each standard range .....	400 feet
For each kw of connected cooking load other than standard range .....	100 feet
For each water heater .....	800 feet
For each kw of permanently installed space heating equipment .....	100 feet
For each domestic water pump of one hp or less .....	100 feet
For each added kw of connected motor load .....	100 feet

Respondent pointed out that a considerable portion of its load results from seasonal users around Lake Tahoe which exhibit below normal load factor characteristics; that its average system costs of \$0.55 per foot to construct lines in 1956 is considerably below the costs of \$1.00 to \$2.70 per foot experienced in the Lake Tahoe area; and that because of the short summer resort business, which averages only 4 to 5 months' usage in respondent's California Service Area, a free footage allowance is very unsatisfactory. Respondent recommends a change to the cost-to-revenue basis of six-to-one for determining free extension lengths; and that if a footage allowance for electric extensions be maintained the present 75 percent allowance for seasonal business be reduced to 50 percent in order for the footage basis to compare more favorably with the revenue basis.

#### Proposed Rule and Position of San Diego Gas & Electric Company

The San Diego Gas & Electric Company presented its proposed gas and electric extension rules by Exhibit No. 5945-97. Both proposed rules are of the footage allowance type and contain the following residential use-function free allowances:

<u>Usage Function</u>	<u>Gas Rule</u>	<u>Electric Rule</u>
(a) Each applicant .....	15 feet	250 feet
Plus, for each applicant using service for:		
(b) Cooking .....	15 feet	150 feet
(c) Water heating of household water .....	30 feet	300 feet
(d) Water heating for a swimming pool .....	30 feet	N.L.
(e) Food refrigeration .....	15 feet	100 feet
(f) Laundry drying .....	10 feet	N.L.
(g) Air conditioning, or house heat- ing, per Mbtu of capacity ....	0.6 feet	N.L.

(N.L. - not listed)

The proposed gas rule also contains an allowance of 15 feet for each \$10 of estimated annual revenue from other firm services and the proposed electric rule has various stated allowances for other electric services.

San Diego expresses the view that there is no need for uniform extension allowances throughout the State and that the many variable factors involved in the various service areas make it impossible to arrive at uniform allowances that would be fair to the customers of all of the utilities of the State. Respondent stated that based on cost studies, the extension lengths which would be fully supported by revenues were but a small fraction of the allowances offered by the present rules, and that the recommended free footage allowances were chosen as reasonable in light of all of the other important factors affecting extension rule allowances.

This respondent recommends that for excess length of extensions the unit costs be based on the weighted average costs of the preceding calendar year; that conditions should be inserted in the rules to prevent a burden being placed on other customers when a long, costly extension is built; and that its refund provisions, which generally follow the staff's principles, be adopted.

Proposed Rule and Position of Southern California Edison Company

The present extension rule of the Southern California Edison Company was revised about two years ago and this respondent considers that its present free footage allowances are appropriate. These allowances are:

(a) Domestic Service:

For each lighting customer.....	225 feet
For each electric refrigerator..	150 feet
For each electric range customer.	750 feet
For each electric water heater customer.....	375 feet
For motors of 1 hp, or more, per hp.....	75 feet

(b) Other Service:

For each kw of connected lighting load.....	100 feet
For each kw of connected cooking or heating load.....	75 feet
For each hp of connected motor load.....	175 feet

Respondent in general agrees with many of the staff principles; however, it states the free extension allowance should be uniform insofar as practical, giving weight to the differences in rates, revenue and costs to serve. In view of the differences which do exist as to these matters between utilities, respondent suggests that the determination of any specific allowance is, in the final analysis, a judgment determination in which the proposals of the several utilities in this proceeding should be given weight.

Respondent does not approve of combination allowances greater than the sum of the individual allowances, and does not advocate the use of rate of return analyses because they may be used to distort a rule into a tool for competitive advantage.

With regard to advances, respondent states the cost per foot should be determined as a matter of judgment, giving consideration to: the utility's average cost of extensions for its system; the utility's average cost of extensions in remote areas; and the cost of extensions derived from the utility's estimating units.

Respondent realizes that there are certain matters unique to an electric utility operation and to a gas utility operation and that complete uniformity as between gas and electric rules is not possible. If any competitive advantage is placed in one utility's rules compared to another's rules, then respondent takes the position that the utility placed at a competitive disadvantage should be permitted to modify its extension rule in any way necessary to overcome such disadvantage and thus to give the utilities' customers an uninhibited choice of appliances, and if the competition is limited to a certain service area, then the utility should be authorized to put into effect an additional extension rule designed to meet that competition in that limited area.

Proposed Rules and Positions of Southern California Gas Company and Southern Counties Gas Company of California

The Southern California Gas Company and the Southern Counties Gas Company of California presented their latest proposed gas main extension rule by Exhibit No. 5945-98 and gas service extension rule by Exhibit No. 5945-99. Both proposed rules are of the footage allowance type and contain the following use-function free allowances:

<u>Usage Function</u>	<u>Gas Main Allowance</u>	<u>Service Allowance</u>
1. <u>Residential</u>		
(a) Space Heating .....	30 feet	5 feet
(b) Cooking .....	70 feet	15 feet
(c) Water Heating .....	80 feet	20 feet
(d) Space Heating and Cooking .....	120 feet	25 feet
(e) Space Heating and Water Heating ...	130 feet	30 feet
(f) Water Heating and Cooking .....	170 feet	75 feet
(g) Space Heating, Water Heating and Cooking .....	200 feet	95 feet
(h) Refrigerator .....	15 feet	5 feet
(i) Clothes Dryer .....	15 feet	5 feet
(j) Incinerator .....	15 feet	5 feet
(k) Swimming Pool Heater .....	60 feet	20 feet
(l) Gas-Fired Summer Air Conditioner, per ton of Refrigeration .....	60 feet	20 feet
(m) Pipe and Space for Gas Refrigerator .....	5 feet	2 feet
(n) Pipe and Space for Gas Clothes Dryer .....	5 feet	2 feet

<u>Usage Function</u>	<u>Gas Main Allowance</u>	<u>Service Allowance</u>
2. <u>Nonresidential</u>		
(a) Space Heating only .....	30 feet	5 feet
(b) At least one major usage other than space heating .....	130 feet	30 feet

Respondents suggest that the free footage allowances be applied to all types of residential and nonresidential extensions, respectively, except that for multiple dwelling projects of five or more units the footage allowances for four units will apply unless a rate of return analysis justifies a greater allowance. Respondents' reason for this exception is that the average use per dwelling unit in multiple dwelling projects generally is lower than in single-family dwellings and unlimited application of the footage allowances is not justified.

For nonresidential extensions, if the estimated annual revenue from the establishment to be served exceeds \$100, a greater allowance will be made if justified by a rate of return analysis.

Respondents' general position is that the proposed allowances are in excess of those which would be justified initially, based solely on revenues or rates of return. However, their experience indicates that, as additional customers connect to mains extended in fringe areas, the average footage of main per customer will, in a relatively short time, be brought back close to the system average. They state that they have been guided by the footage allowances prescribed by the Commission in April 1957 by Decision No. 54762 in Applications Nos. 37604 and 37605, and by the staff principles in Exhibit No. 5945-7. They further assert that the combined allowances give recognition to the economies realized when the fixed costs identified with the necessary investment in facilities to bring gas to a home can be utilized for several uses

of gas, that such allowances will improve load factor, and will place them in position to compete with the combined allowances of the City of Los Angeles, Department of Water and Power, in a substantial portion of their service areas in which much of the new growth is taking place.

Respondents propose that advances be based upon the company-wide average unit costs of main and service, except in those few instances where unusually large pipe is required. Their other proposals are in general accord with the staff's principles, except for the principle of uniformity of free footage allowances between utilities, which they state is not reasonable nor in the public interest.

Proposed Rule and Position of Southwest Gas Corporation

The Southwest Gas Corporation states that sufficient data has not been derived from its operations to determine a reliable normal pattern; so it cannot make a reasoned recommendation on free footage allowances. For 1956 the average unit cost for gas main extensions was \$1.21 per foot and for service extension was \$0.72 per foot. However, respondent recommends that consideration should be given to the adoption of a uniform form of rule among the various utilities in the State of California. Such rule should vary from company to company only as the cost of service and revenue may vary according to areas and for rate zones. Consideration should be given to the appliance load connected or to be connected in determining free allowances of main and service extensions, and more liberal allowances should be authorized in cases of built-in or permanent appliances. In tract or subdivision developments, sufficient latitude should be allowed the utility to enable it to obtain new business in competitive situations.

Examiner's Proposed Report

An examiner's proposed report in this matter was issued on December 22, 1958. Exceptions to the examiner's report were filed on or before January 31, 1959 and replies to exceptions were filed on or before February 16, 1959 by many of the appearances in Case No. 5945. The exceptions and replies have been considered by the Commission and where, in the Commission's opinion, changes or revisions appear warranted in the examiner's report, such changes or revisions have been incorporated in this decision. However, certain of the exceptions and replies appear deserving of special comment and ruling at this point.

Of prime importance is the question of jurisdiction raised by the Southern California Gas Company and Southern Counties Gas Company of California, and by the California-Oregon Power Company suggesting that the Commission does not have the power to prescribe the rules, but that the public utility is to make the rules subject mainly to the provisions of the California Public Utilities Code Section 451 that they be "just and reasonable". However, the utilities' attention is invited to Section 761 of the Code which provides that when the Commission, after a hearing, finds the rules of the utilities are unjust and unreasonable, as we do in the findings and conclusions in this decision, the Commission shall prescribe the rules. Also, Section 729 of the Code provides for investigation and establishment of new rules by the Commission.

Some of the appearances contend that uniform rules should not be prescribed for gas and electric services as the Commission has done for telephone and water services because three types of utilities are involved in this case; namely, (a) straight natural gas utilities,



(b) straight electric utilities, and (c) combination natural gas and electric utilities. Also, some disagreed as to uniformity of allowances as between utility systems over the State, suggesting that only a uniform format of setting up the rules should be required like the provisions of General Order No. 96. The power of prescribing uniform rules is granted to the Commission by Section 770(a) of the Public Utilities Code which reads as follows:

"770. The commission may after hearing:

(a) Ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed by all electrical, gas, water, and heat corporations."

The Commission is concerned over the competition between the straight gas utilities and the straight electric utilities for the cooking and water heater load in new subdivisions and tract homes and desires that the extension rules not be made a tool of competitive advantage. The City of Los Angeles points out that the objective sought is the welfare of consumers of gas and electricity; that this objective can best be obtained by providing that the customer may have an opportunity to select gas or electric appliances, unrestricted by unnecessary and expensive economic considerations imposed by extension rules devised to create economic compulsion unrelated to the customer's free choice; that the gas companies' exceptions are designed to defeat the main objective and to provide the same competitive effect that would have been produced by the rules that the gas companies originally proposed; that if rules are adopted which comply with this main objective it is the intention of the department to adopt similar rules and, on the other hand, if rules are provided which do not provide a free economic choice to the customer, then the department will be obliged to adopt appropriate competitive rules; and that the examiner's proposal substantially achieves the desired freedom of choice by the customer.

After considering the matter it is the Commission's conclusion that this question of competitive advantage most equitably can be resolved by treating the electric and gas utilities as only two types, whether services are performed by straight electric, straight natural gas, or combination electric and gas utilities, and by exercising the power granted to the Commission by Section 770(a) of the Code and requiring reasonably uniform service extension rules for all electrical utilities and for all gas utilities.

Oral Argument

The oral arguments presented on April 6, 1959, while largely a reiteration of the more important points brought out in the exceptions to the examiner's report, did serve to point out the importance of extension rules and were an aid to the Commission in its understanding of this complex subject. The following additional conclusions appear warranted:

1. The suggestions of the California Farm Bureau Federation that rules should be changed from time to time to keep them in line with changes in construction costs, use, and revenue; that the footage basis should be used; and that proper allowances be made for rural loads, are reasonable principles to adopt. To accomplish this separate studies of extensions where advances are required shall be made at such times as revisions are proposed.

2. That additional allowances to subdividers, either directly or indirectly, which may be classed as sales promotion expenses, in addition to the refunds provided in the extension rules for subdivisions, are improper and should not be permitted; provided, however, that this prohibition shall not be effective for sales promotion expenses which in the judgment of the Commission are reasonable.

3. The suggestion of the Department of Water and Power of the City of Los Angeles that there be a middle ground approach which will

give the new consumer ample opportunity for choice between gas and electricity and also produce a minimum of burden on existing customers, is a reasonable principle to follow.

4. That the suggestions of the U.S. Government (which appears in this proceeding simply as a customer of each of these utilities) and other parties, for the Commission to insert a provision in the rules regarding a refund where an advance is required for an extension to interruptible gas service, is reasonable and will be adopted.

5. That the public interest can best be served and discrimination and competition, minimized, if the Commission selects the initial allowances and advances for the principal items and prescribes reasonably uniform rules.

#### Findings and Conclusions

After considering the evidence of record, the following findings and conclusions are made: (1) revisions in the rules and in certain of the free allowances are advisable in order to bring them into line with present-day costs; (2) each utility should review annually the costs of extensions constructed in the previous year, segregating them into two components: (a) costs of free extensions, and (b) costs of extensions with advances involved, and where more than 10 percent change from current tariff is indicated it should propose revisions in unit costs of advances beyond the free length to reflect what in its judgment are proper and up-to-date costs; however, for the initial filing the latest year's average costs should be used; (3) in developing allowances there are other factors to consider than merely cost and revenue, such as value of service, competition, history, public requirements, and burden on existing customers; (4) the rules should be set up substantially in a uniform

format but with sufficient variation in subjects to account for inherent differences as between gas and electric services; (5) that the extension rules should continue on a "footage" basis and the requests of California-Oregon Power Company and others for a change in the principal basic allowances to a revenue-to-investment type of rule is not warranted from the standpoints of simplicity, uniformity and history in this State; (6) extensions to provide service for individual customers should be based on the same free allowances, advances and refunds whether the ultimate individual customer is located in a subdivision, suburban or rural area; (7) subdividers who require extensions ahead of the time individual users are ready for service should be required to advance the entire cost of the extension; however, in anticipation that the individual users will be connected within six months such advance may be waived where the subdivider posts bond guaranteeing payment of the total advance or such advance as may remain due at the end of six months; (8) provision for refunds shall be made only as the individual customers are connected in the subdivision and the refund shall be based upon the individual appliance allowance as set forth in the tariff without any combination of use or flat dollar amount of refunds; (9) there being certain gas-serving areas and certain electric-serving areas in the State supplied by publicly-owned utilities not subject to this Commission's jurisdiction, a period of 180 days should be allowed during which these publicly-owned utility managements may consider the principles outlined herein with the possibility of amending their rules to be in harmony therewith; and if this does not eventuate the privately-owned utilities may deviate from the rules prescribed herein upon adequate showing and substitute special rules to be applicable in the serving area involved in order that the ultimate customer may have equal opportunity to select gas or electric

appliances; (10) in a housing project or multiple dwelling the usage and revenue per appliance is different than for an individual residential customer, so some modification of advances and refunds may be warranted; (11) that precise uniformity of allowances as between various utilities is impractical and the utilities should be given some latitude and allowed to select the optional appliances, but these should include combination allowances, only if the utility is faced with unregulated competition; (12) that changes in allowances and advances after the utility has experience under those first filed may be made in accordance with General Order No. 96; (13) that a transition period is warranted where negotiations have been started, as evidenced by written application for service or other documentary evidence, but not completed prior to the effective date of the rules authorized herein. In such case, the lesser of two amounts determined from the old or the new rules should be applied; however, after the effective date of the revised rules, all new business, except that just previously mentioned, should be handled under the new rules; (14) that definitions of terms not commonly understood should be provided but preferably should be included in the tariffs of the utilities in Rule No. 1; (15) that the proposal of Pacific Gas and Electric Company to include a 9 percent cost of ownership charge on advances by small customers would, in the Commission's judgment, complicate accounting and delay refunds or offset them altogether and therefore is not compatible with the basic past practice of requiring refundable advances rather than advances that probably will become donations from such customers; (16) that in unusual cases, when the application of the new rules appears impractical or unjust to either party, the matter should be referred to the Commission under the

exceptional cases provision of the rules. The Commission will require that where the extension involves more than a \$20,000 investment, any free allowances by the utility in excess of a 5-to-1 investment-to-revenue ratio be reported to the Commission annually in a summary report; (17) that the rules being authorized herein apply to service of a permanent nature and the question as to how to distinguish between a temporary and a permanent customer will be the subject of a supplemental order; and (18) that the increases and/or decreases in rates, charges and conditions which might result from the revision of extension rules as authorized herein are justified; that present rules insofar as they differ from those herein prescribed, are, for the future, unjust and unreasonable; and that an order should be issued authorizing and directing changes in extension rules.

O R D E R

Investigation of gas and electric extension rules having been conducted under Case No. 5945 and public hearing having been held and at the same time rehearing on Applications Nos. 37604 and 37605 having been held, the matters having been submitted, an Examiner's Report having been issued, exceptions and replies having been filed, oral argument before the Commission in bank having been held, and the matters now being ready for decision; therefore,

IT IS ORDERED that:

1. Each respondent providing electric service shall, within thirty days from the effective date of this order, in accordance with the procedure prescribed by General Order No. 96, file with this Commission the rules substantially as set forth in Appendix A attached

to this decision with figures inserted in the blank spaces which are specified in Appendix B. Such rules shall become effective on not less than five days' notice to the Commission and to the public and shall cancel and supersede the corresponding existing rules respecting extension of electric lines.

2. Each respondent providing gas service shall, within thirty days from the effective date of this order, in accordance with the procedure prescribed by General Order No. 96, file with this Commission the rules substantially as set forth in Appendix C attached to this decision with figures inserted in the blank spaces which are specified in Appendix D. Such rules shall become effective on not less than five days' notice to the Commission and to the public and shall cancel and supersede the corresponding existing rules respecting extension of gas mains and services.

3. Each respondent shall include, within its definitions of tariff terms (preferably in Rule No. 1), the appropriate list of definitions contained in Appendix E, attached hereto, by suitable filing in accordance with General Order No. 96, to be effective coincident with the filings prescribed by ordering paragraphs 1 and/or 2 above.

4. Future revisions of extension rules, in order to keep them up to date as to footage allowances and unit costs, may be accomplished by appropriate filing in conformity with General Order No. 96.

5. Each respondent shall file a summary report annually following the effective date of this order, of expenditures, after deducting customers' advances, for line and for main extensions in excess of five times the estimated annual revenue from such extensions.

Extensions covered by these reports shall be limited to those constructed in the previous year involving a total expenditure in excess of \$20,000.

6. The problem of how to distinguish between a temporary and permanent customer and the definition of premises will be the subject of a supplemental decision.

7. Decision No. 54762 in Applications Nos. 37604 and 37605, dated April 2, 1957, be and it is set aside and vacated.

8. The rules prescribed herein are exclusive and mandatory and shall apply to all line, main and/or service extensions as defined in Appendix E; except that a privately-owned utility may after 180 days file revised rules applicable to an area serviced by a publicly-owned utility (pursuant to finding (9) in the opinion herein) not providing rules in harmony herewith.

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

Dated at San Francisco, California, this 15<sup>th</sup> day of September, 1959.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners

Commissioner Theodore H. Jenner, being necessarily absent, did not participate in the disposition of this proceeding.



APPENDIX A  
Page 1 of 10

## RULE NO. 15\*\*

## LINE EXTENSIONS

Extensions of distribution lines of standard voltages (  \*   kv or less) necessary to furnish permanent electric service to applicants will be made by the utility in accordance with the following provisions:

## A. General

The utility will construct, own, operate and maintain lines only along public streets, roads and highways which the utility has the legal right to occupy, and on public lands and private property across which rights of way satisfactory to the utility may be obtained without cost or condemnation by the utility.

## B. Overhead Extensions to Individual Applicants for Service

## 1. Free Footage Allowances

Overhead line extensions will be made by the utility at its own expense provided the length of line required does not exceed the free length as determined from the following allowances.

## a. Domestic Service:

## (Required Listing)

For lighting and appliances, each customer	<u>  *</u>	feet
For each electric refrigerator customer	<u>  *</u>	feet
For each electric range customer	<u>  *</u>	feet
For each 30 gallon or larger storage type electric water heater customer	<u>  *</u>	feet
For each electric clothes dryer customer	<u>  *</u>	feet
For permanently installed heating equipment of at least 1.5 kw, per kw	<u>  *</u>	feet
For motors of 1 hp or more, per hp connected	<u>  *</u>	feet

## (Optional Listing)

For each home freezer customer	<u>  *</u>	feet
For each automatic dishwasher customer	<u>  *</u>	feet
For each permanently installed air cooling installation of less than 1 hp	<u>  *</u>	feet
For each domestic water system of 1 hp or less	<u>  *</u>	feet
For each furnace blower motor	<u>  *</u>	feet
For each heat pump customer	<u>  *</u>	feet
For air conditioning load, room or central unit, per hp connected	<u>  *</u>	feet

\* See Appendix B for specified amounts authorized at this time.

\*\* Rule No. 20 may be used pending revision of rules.

APPENDIX A  
Page 2 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

B. Overhead Extensions to Individual Applicants for Service--Contd.

1. Free Footage Allowances--Contd.

b. Other Service:

(Required Listing)

For lighting load, per kw connected	* feet
For permanently installed cooking or heating load, per kw	* feet
For motors of 1 hp or more, per hp connected	* feet

(Optional Listing)

For air conditioning load, room or central unit, per hp connected	* feet
For agricultural heating of at least 1 kw, per kw	* feet
For dairy water heaters, of at least 1 kw, per kw	* feet
For street lighting requiring circuits only, per 1,000 lumens	* feet
For street lighting requiring pole line extensions, per 1,000 lumens	* feet

Except for those instances where the customer requests special facilities, the utility will install, own and maintain the necessary transformers, meters and service wires in accordance with Rule No. \*\* at its own expense.

2. Conditions

a. Seasonal, Intermittent and Standby Service

When an applicant will use electric service in establishments occupied seasonally or intermittently, as in seasonal resorts, cottages or other part-year establishments, one half of the allowance provided above will apply. No allowance will be made for equipment used for standby or emergency purposes only.

b. Length and Location of Line

The length of line required for an extension will be considered as the distance along the shortest practical route, as determined by the utility, from the utility's nearest permanent distribution line pole to the pole from which the service connection is to be installed.

c. Special Facilities

Under this rule the utility shall install only those facilities which it deems are necessary to render service

\* See Appendix B for specified amounts authorized at this time.

\*\* Utility to insert appropriate rule number.

APPENDIX A  
Page 3 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

B. Overhead Extensions to Individual Applicants for Service--Contd.

2. Conditions--Contd.

in accordance with the tariff schedules. Where the applicant requests facilities which are in addition to, or in substitution for, the standard facilities which the utility normally would install, the extra cost thereof shall be paid by the applicant.

Advances made under this section for service to three-phase motors of less than \* hp shall be subject to refund in the event that the person making the advance increases his load so as to include service to three-phase motors of more than \* hp.

d. Conversion of Existing Single-Phase Lines to Three-Phase Lines

Line extensions will be either single phase or three phase as determined by the utility in accordance with the tariff schedules.

Where it is necessary to convert an existing line from single phase to three phase in order to furnish three-phase service to an applicant, the estimated cost of converting the existing line to three phase will be determined by the utility. Such estimated cost will be divided by the advance per foot specified in Section B.3.a.(1) hereof in order to determine an equivalent length of line extension. Applicant's allowance, as determined under Section B.1 hereof shall then be applied against the length of equivalent line and any unused free extension allowance will be applied to the line extension, if any, required to serve the applicant. Advances made under this section shall be subject to refund as specified in Section B.3.b. for such additional permanent three-phase installations as may be supplied by means of the line which has been converted to three-phase line.

e. Transmission Underbuilds

Where all or a portion of the distribution line extension is to be constructed on existing transmission poles of the utility, the estimated cost of the extension on such existing poles will be determined by the utility. Such estimated cost will be divided by the advance per foot specified in Section B.3.a.(1) hereof in order to determine an equivalent length of line extension, which will be treated in the same manner as any other extension under Section B hereof.

f. For the purpose of determining the allowable free length of line for domestic service, each single-family dwelling is considered a "customer"; an electric range customer is one who uses an electric range or equivalent electric appliance exclusively for all regular cooking; a water heater customer is one who uses an electric water heater exclusively for all regular water heating.

\* See Appendix B for specified amounts authorized at this time.

APPENDIX A  
Page 4 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

B. Overhead Extensions to Individual Applicants for Service--Contd.

2. Conditions--Contd.

- g. For the application of Section B.1, connected loads will be determined to the nearest 1/10 hp or 1/10 kw.

3. Extensions Beyond the Free Length

a. Advances

- (1) Overhead line extensions of greater length than the free extension will be made provided the applicant for service advances to the utility \$ \* for each foot of line in excess of the free length. Such extensions will be owned, operated and maintained by the utility.
- (2) When more than one applicant is to be served from the same extension, the total free length will be the sum of the free allowances for each applicant as computed under Section B hereof. The total advance required from the group of applicants will be apportioned among the members of the group in such manner as they may mutually agree upon.

b. Method of Refund

The amount advanced in accordance with Section B.3.a. hereof will be subject to refund as follows:

- (1) Refunds of an advance will be predicated on connection of separately metered permanent load and/or customers; will be made without interest; and will be made within 90 days after date of first service to such load and/or customer, except that refunds may be cumulated to \$25 minimum or the total refundable balance if less than \$25 before each refunding.
- (2) For such load and/or customer the utility will refund an amount based on the footage that the allowable free length under Section B exceeds the length of line (if any) required to serve, multiplied by the unit cost per foot applicable at the time the extension was originally constructed.
- (3) Refunds also will be made for the appliances and load specified in Section B.1. permanently installed in excess of the load contracted for originally when added within one year of first taking service. Such refunds will be made within ninety days after the utility receives notice of the addition by the customer.

\* See Appendix B for specified amounts authorized at this time.

APPENDIX A  
Page 5 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

B. Overhead Extensions to Individual Applicants for Service--Contd.

3. Extensions Beyond the Free Length--Contd.

b. Method of Refund--Contd.

- (4) Where there are a series of extensions, on any of which an advance is still refundable, and the utility makes succeeding free extensions with excess allowances or where additional load or customers connect to succeeding extensions, refunds will be made to repay in turn each of such advances which remain refundable beginning with the first in series from the original point of supply.
- (5) When two or more parties make a joint advance on the same extension, refundable amounts will be distributed to these parties in the same proportion as their individual advances bear to the total joint advance.
- (6) No payment will be made by the utility in excess of the amount advanced by the applicant or applicants nor after a period of 10 years from the date the utility is first ready to render service from the extension, and any unrefunded amount remaining at the end of the 10-year period will become the property of the utility.

C. Overhead Extensions to Serve Subdivisions or Tracts, Housing Projects and Multi-Family Dwellings

1. Advances

- a. Overhead line extensions to and/or in subdivisions, housing projects and multi-family dwellings will be constructed, owned and maintained by the utility in advance of applications for service by ultimate users when the entire estimated cost of such extensions as determined by the utility (exclusive of transformers, meters and services) is advanced to the utility; however, the payment of such advance may be delayed six months where a bond is posted guaranteeing payment of the total advance or such advance as may remain due six months following start of construction of the line extension.

2. Method of Refund

The amount advanced in accordance with Section C.1.a. hereof will be subject to refund as follows:

- a. Refunds of an advance will be predicated on connection of separately metered permanent load and/or customers; will be made without interest; and will be made within 90 days after date of first service to such load and/or customer, except that refunds may be cumulated to \$25 minimum or the total refundable balance if less than \$25 before each refunding.

APPENDIX A  
Page 6 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

C. Overhead Extensions to Serve Subdivisions or Tracts, Housing Projects and Multi-Family Dwellings

2. Method of Refund--Contd.

- b. For such load and/or customer the utility will refund an amount based on the footage that the allowable free length under Section B exceeds the length of line (if any) required to serve, multiplied by the unit cost per foot applicable at the time the extension was originally constructed.
- c. Refunds also will be made for the appliances and the load specified in Section B.1. permanently installed in excess of the load installed originally when added within one year of first taking service. Such refunds will be made within 90 days after the utility receives notice of the addition by the customer.
- d. Where there are a series of extensions, on any of which an advance is still refundable, and the utility makes succeeding free extensions with excess allowances or where additional load or customers connect to succeeding extensions, refunds will be made to repay in turn each of such advances which remain refundable beginning with the first in series from the original point of supply.
- e. When two or more parties make a joint advance on the same extension, refundable amounts will be distributed to such parties in the same proportion as their individual advances bear to the total joint advance.
- f. No payment will be made by the utility in excess of the amount advanced by the applicant or applicants nor after a period of 10 years from the date the utility is first ready to render service from the extension, and any unrefunded amount remaining at the end of the 10-year period will become the property of the utility.

3. Extensions to Serve Individuals

- a. Extensions to serve individual applicants for service in real estate subdivisions will be made in accordance with Section B hereof.

D. Underground Extensions (\*)

1. General

- a. Underground line extensions will be made only where mutually agreed upon by the utility and the applicant, except in those areas where the utility maintains or desires to maintain underground distribution facilities for its operating convenience or in compliance with applicable laws, ordinances, or similar requirements of public authorities.

(\*) These are the minimum provisions that each utility must file, but the utility may augment these rules in accordance with existing rules where existing underground extension rules are more detailed.

APPENDIX A  
Page 7 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

D. Underground Extensions--Contd.

2. Utility Installed Extensions to Service Individuals

- a. Normally underground extensions will be installed, owned and maintained by the utility provided the applicant pays in advance a nonrefundable sum equal to the estimated difference between the cost, exclusive of transformers, meters and services, of the underground extension and an equivalent overhead extension.
- b. In addition to the nonrefundable sum, applicant shall advance an amount, if any, which shall be determined, as provided in Section B.3, from the difference in length of equivalent overhead extension required and the free allowance.
- c. The amount advanced in accordance with Section D.2.b. will be subject to refund in accordance with Section b.3.b.
- d. Underground services will be installed and maintained as provided in Rule No. 16.\*

3. Applicant-Installed Extensions to Serve Individuals

- a. Where mutually agreed upon by the utility and the applicant, all or a portion of an underground extension may be installed by the applicant in accordance with the utility's specifications. Upon acceptance by the utility, applicant will transfer ownership of such facilities to the utility.
- b. Any additional underground facilities necessary to complete the extension, exclusive of transformers, meters, and services, shall be installed by the utility at applicant's expense.
- c. Upon meeting the requirements of Sections D.3.a. and D.3.b. by applicant, the utility shall refund an amount equal to the estimated cost of the equivalent overhead extension necessary to serve the applicant; provided, however, that the length of equivalent line on which such refund is based shall not be greater than the free footage allowance set forth in Section B.
- d. Underground services will be installed and maintained as provided in Rule 16.\*

4. Extensions To and/or Within Real Estate Subdivisions, Tracts, etc., in Advance of Receipt of Applications for Service.

- a. Underground line extensions will be installed, owned and maintained by the utility provided the subdivider or other applicant requesting the extension pays before start of construction a nonrefundable sum equal to the estimated difference between the cost, exclusive of transformers, meters and services, of the underground extension and an equivalent overhead extension. The applicant

\* Rule No. 21 may be used pending revision of rules.

APPENDIX A  
Page 8 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

D. Underground Extensions--Contd.

4. Extensions To and/or Within Real Estate Subdivisions, Tracts, etc., in Advance of Receipt of Applications for Service

requesting the extension shall advance to the utility, in addition to the nonrefundable sum, an amount equal to the estimated cost, exclusive of transformers, meters and services, of the equivalent overhead line; however, the payment of such advance may be delayed six months where a bond is posted guaranteeing payment of the total advance or such advance as may remain due six months following start of construction of the line extension.

b. Where mutually agreed upon by the utility and applicant, all or a portion of an underground extension may be installed by the applicant in accordance with the utility's specifications. Upon acceptance by the utility, applicant will transfer ownership of such facilities to the utility. Any additional underground facilities necessary to complete the extension shall be installed by the utility at applicant's expense.

c. Upon meeting the requirements of Section D.4.a. or D.4.b. by the applicant, the utility will make refunds in accordance with Section C.2, provided, however, that the total amount refunded will not exceed the estimated cost of an equivalent overhead extension.

d. Underground services will be installed and maintained as provided in Rule No. 16.\*

5. Replacement of Overhead with Underground Distribution Facilities

a. Where mutually agreed upon by the utility and a customer or applicant, overhead distribution facilities may be replaced with underground facilities, provided the customer or applicant requesting the change pays, in advance, a nonrefundable sum equal to the estimated cost of the underground facilities less the estimated net salvage value of the replaced overhead facilities.

E. Special Conditions

1. Contracts

Each applicant for service and persons requesting an extension in advance of applications for service will be required to execute contracts covering the terms under which the utility will install lines at its own expense or contracts covering line extensions for which advance deposits will be made or a bond posted prior to the time the line extension is started. Such contracts shall be in the form on file with the Public Utilities Commission as part of the utility's effective tariff schedules.

\* Rule No. 21 may be used pending revision of rules.



APPENDIX A  
Page 9 of 10

## RULE NO. 15, LINE EXTENSIONS--Contd.

## E. Special Conditions--Contd.

## 1. Contracts--Contd.

These contracts will provide, among other things, that applicant will install, commence using in a bona fide manner within 90 days after the date of the completion of the line extension and continue to so use for a period of three years, those appliances and items on which the utility's allowances are based. An additional 90 days may be granted at the utility's option. Such contract will also provide that if any applicant fails to take service or fails to install one or more of the appliances or items contracted for, the utility may calculate and bill the customer and the customer shall pay an amount according to the utility's line extension rule in effect at the time the extension was made as though service had been requested on the basis of the actual appliances and equipment installed and utilized.

## 2. Periodic Review

The utility will review its costs of construction of line extensions annually and shall prepare a contemplated tariff revision when such costs have changed by more than 10 per cent since the last revision of the charge for excess footage as used in Section 3.3. Contemplated revisions shall be submitted to the Commission for review in proposed form when prepared and not less than 30 days prior to any contemplated filing date.

## 3. Alternative Routes

Where applicable laws or regulations prevent the utilization of what otherwise would be the shortest practicable route for an overhead line extension, for the purpose of delivering electric service to the applicant, the applicant shall, subject to the provisions of the line extension rule, provide the utility an alternative longer right of way satisfactory to it. If the applicant chooses to request underground delivery over what would otherwise be the shortest practicable route, the utility will, where feasible in accordance with rules on underground extensions, provide such underground delivery.

## 4. Amounts advanced under the conditions established by a rule previously in effect will be refunded in accordance with the requirements of such rule.

## 5. Extensions for temporary service or for operations of a speculative character or questionable permanency will not be made under this rule, but will be made in accordance with the rules pertaining to temporary service.

APPENDIX A  
Page 10 of 10

RULE NO. 15, LINE EXTENSIONS--Contd.

E. Special Conditions--Contd.

6. Service from Transmission Facilities

This rule does not apply to the extension of transmission facilities unless the utility desires to extend such facilities for its operating convenience.

7. Exceptional Cases

In unusual circumstances, when the application of these rules appears impractical or unjust to either party, or in the case of the extension of lines of a higher voltage, the utility or the applicant shall refer the matter to the Public Utilities Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

AUTHORIZED ALLOWANCES, ADVANCES AND  
OTHER RULE PROVISIONS

Item No.	Unit	Calif. Elec. Pr.Co.	Calif.- Oregon Pr.Co.	Calif.- Pacific Util.Co.	Pacific Gas & Elec.Co.	San Diego G&E Co.	Sierra Pacific Pr. Co.	So.Cal. Edison Company
-------------	------	---------------------------	-----------------------------	--------------------------------	------------------------------	-------------------------	------------------------------	------------------------------

Section B.1.a. Allowances for Domestic Service  
(Required Listing)

1	For lighting and appliances, each customer: feet	300	200	300	300	300	200	300
2	For each electric refrigerator customer: feet	75	75	75	75	75	75	75
3	For each electric range customer: feet	200	150	200	150	200	150	150
4	For each storage type electric water heater customer: feet	275	275	275	275	275	275	275
5	For each electric clothes dryer customer: feet	40	40	40	40	40	40	40
6	For permanently installed heating equipment of at least 1.5 kw, per kw: feet	35	50	50	30	20	50	30
7	For motors of 1 hp or more, per hp connected: feet	50	50	50	50	50	50	50

## (Optional Listing)

8	For each home freezer customer: feet	50	50	50	50	50	50	50
9	For each automatic dishwasher customer: feet	20	20	20	20	20	20	20
10	For each permanently installed air cooling installation of less than 1 hp: feet	50	-	-	-	-	-	-
11	For each domestic water system of 1 hp or less: feet	-	-	-	30	-	-	-
12	For each furnace blower motor: feet	10	10	10	10	10	10	10
13	For each heat pump customer: feet	800	800	800	800	800	800	800
14	For air conditioning load, room or central unit, per hp connected: feet	75	50	75	50	75	50	50

APPENDIX B  
Page 2 of 2

AUTHORIZED ALLOWANCES, ADVANCES  
AND OTHER RULE PROVISIONS--Contd.

Item No.	Unit	Calif. Elec. Pr.Co.	Calif.- Oregon Pr. Co.	Calif.- Pacific Util.Co.	Pacific Gas & Elec.Co.	San Diego G&E Co.	Sierra Pacific Pr. Co.	So.Cal. Edison Company
-------------	------	---------------------------	------------------------------	--------------------------------	------------------------------	-------------------------	------------------------------	------------------------------

Section B.1.b. Allowances for Other Service  
(Required Listing)

15	For lighting load, per kw connected: feet	125	100	125	125	125	100	125
16	For permanently installed cooking or heating load, per kw: feet	50	75	75	75	50	50	75
17	For motors of 1 hp or more, per hp connected: feet	150	125	175	175	150	125	175

(Optional Listing)

18	For air conditioning load, room or central unit, per hp connected: feet	75	50	75	50	75	50	50
19	For agricultural heating of at least 1 kw, per kw: feet	35	25	35	35	35	25	35
20	For dairy water heaters of at least 60 gal. capacity: feet	-	-	-	800	-	-	-
21	For street lighting requiring circuits only, per 1,000 lumens: feet	-	-	-	-	60	-	-
22	For street lighting requiring pole line extensions, per 1,000 lumens: feet	-	-	-	-	25	-	-

Section B.2.c. Special Facilities

23	Three-phase motors of less than hp	5	7½	5	5	5	5	3
24	Three-phase motors of more than hp	5	7½	5	5	5	5	3

Section b.3.a.(1) Advances:

25	Advances to the utility, per each foot of line \$	1.30	1.00	.70	1.40	1.40	1.60	1.45
26	Maximum voltage of distribution lines to which Extension Rules apply: kv	33	21	12	22	12	15	16.5

## RULE NO. 15\*\*

## GAS MAIN EXTENSIONS

Extensions of gas distribution mains necessary to furnish permanent gas service to applicants will be made by the utility in accordance with the following provisions:

## A. General

The utility will construct, own, operate and maintain gas distribution main extensions only along public streets, roads and highways which the utility has the legal right to occupy, and on public lands and private property across which rights of way satisfactory to the utility may be obtained without cost or condemnation by the utility.

## B. Free Extensions to Individual Applicants for Service

## 1. Free Footage Allowances

Gas main extensions will be made by the utility at its own expense provided the length of main required does not exceed the free length as determined from the following allowances:

## General or Firm Service:

## a. Residential Use

## (Required Listing)

## For space heating equipment:

For the first 10,000 Btu per hr. input capacity	<u>*</u>	feet
Additional, per 10,000 Btu per hr. input "	<u>*</u>	feet
For each gas range customer	<u>*</u>	feet
For each automatic storage type gas water heater customer	<u>*</u>	feet
For each gas refrigerator customer	<u>*</u>	feet
For each gas clothes dryer customer	<u>*</u>	feet
For air conditioning equipment of 10,000 Btu per hr. input capacity or more, per 10,000 Btu per hr. input capacity	<u>*</u>	feet

## (Optional Listing)

For each garbage incinerator customer	<u>*</u>	feet
For each swimming pool heater customer	<u>*</u>	feet

\* See Appendix D for specified amounts authorized at this time.

\*\* Rule No. 20 may be used pending revision of rules.

APPENDIX C  
Page 2 of 10

RULE NO. 15, GAS MAIN EXTENSIONS--Contd.

B. Free Extensions to Individual Applicants for Service--Contd.

1. Free Footage Allowances--Contd.

- b. Use Other than Residential, Firm  
Industrial, or Gas Engine

(Required Listing)

For space heating equipment:

For the first 10,000 Btu per hr. input capacity	* feet
Additional, per 10,000 Btu per hr. input	<u>* feet</u>
For cooking, per 10,000 Btu per hr. input	<u>* feet</u>
For incidental domestic water heater or refrigerator on commercial premises the allowances of B.l.a. apply.	
For all other equipment of 10,000 Btu per hr. input capacity or more, per 10,000 Btu per hr. input capacity	<u>* feet</u>

2. Conditions

a. Seasonal, Intermittent and Standby Service

When an applicant will use gas service in establishments occupied seasonally or intermittently, as in seasonal resorts, cottages or other part-year establishments, one half of the allowance provided above will apply. No allowance will be made for equipment used for standby or emergency purposes only.

b. Length and Location

The length of main required for an extension will be considered as the distance along the shortest practical route, as determined by the utility, from the utility's nearest distribution main.

3. Main Extensions Beyond the Free Length

a. Advances

- (1) Extensions of mains beyond the free length will be made by the utility provided applicants for such extensions advance to the utility \$ \* for each foot of main in excess of the free length. Such extensions will be owned, operated and maintained by the utility.

\* See Appendix D for specified amounts authorized at this time.

APPENDIX C  
Page 3 of 10

RULE NO. 15, GAS MAIN EXTENSIONS--Contd.

B. Free Extensions to Individual Applicants for Service--Contd.

3. Main Extensions Beyond the Free Length--Contd.

a. Advances--Contd.

- (2) In cases where more than one applicant is to be served from the same extension, the total free length thereof will be considered to be the sum of the individual allowances made to each applicant as computed in accordance with Section B.1. The amount to be advanced by the members of the group shall be apportioned among them in such manner as they shall mutually agree upon.

b. Method of Refund

The amount advanced in accordance with Section B.3.a. hereof will be subject to refund as follows:

- (1) Refunds of an advance will be predicated on connection of separately metered permanent general or firm service load and/or customers; will be made without interest; and will be made within ninety days after date of first service to such load and/or customer, except that refunds may be cumulated to \$25.00 minimum or the total refundable balance if less than \$25.00 before each refunding.
- (2) For such load and/or customer the utility will refund an amount based on the footage that the allowable free length under Section B exceeds the length of main (if any) required to serve, multiplied by the unit cost per foot applicable at the time the extension was originally constructed.
- (3) Refunds also will be made for the appliances and the load specified in Section B-1 permanently installed in excess of the load contracted for originally, when added within one year of first taking service. Such refund will be made within ninety days after the utility receives notice of the addition by the customer.
- (4) Where there are a series of extensions, on any of which an advance is still refundable, and the utility makes succeeding free extensions with excess allowances or where additional load or customers connect to succeeding extensions, refunds will be made to repay in turn each of such advances which remain refundable beginning with the first in series from the original point of supply.
- (5) When two or more parties make a joint advance on the same extension, refundable amounts will be distributed to these parties in the same proportion as their individual advances bear to the total joint advance.

APPENDIX C  
Page 4 of 10

RULE NO. 15, GAS MAIN EXTENSIONS--Contd.

B. Free Extensions to Individual Applicants for Service--Contd.

3. Main Extensions Beyond the Free Length--Contd.

b. Method of Refund--Contd.

- (6) No payment will be made by the utility in excess of the amount advanced by the applicant or applicants nor after a period of ten years from the date the utility is first ready to render service from the extension, and any unrefunded amount remaining at the end of the ten-year period will become the property of the utility.

C. Main Extensions to Serve Subdivisions, Tracts, Housing Projects and Multi-Family Dwellings.

1. Advances

- a. Gas distribution main extensions to and/or in subdivisions, housing projects, and multi-family dwellings will be constructed, owned, and maintained by the utility in advance of applications for service by ultimate users only when the entire estimated cost, as determined by the utility, is advanced to the utility; however, the payment of such advance may be delayed six months where a bond is posted guaranteeing payment of the total advance or such advance as may remain due six months following start of construction of the main extension.

2. Method of Refund

The amount advanced in accordance with Sections C-1 hereof will be subject to refund as follows:

- a. Refunds of an advance will be predicated on connection of separately metered permanent general or firm service load and/or customers; will be made without interest; and will be made within ninety days after date of first service to such load and/or customer, except that refunds may be cumulated to \$25.00 minimum or the total refundable balance if less than \$25.00 before each refunding.
- b. For such load and/or customer the utility will refund an amount based on the footage that the allowable free length under Section B exceeds the length of main (if any) required to serve, multiplied by the unit cost per foot applicable at the time the extension was originally constructed.
- c. Refunds also will be made for the appliances and the load specified in Section B-1 permanently installed in excess of the load installed originally when added within one year of first taking service. Such refunds will be made within ninety days after the utility receives notice of the addition by the customer.



APPENDIX C  
Page 5 of 10

RULE NO. 15, GAS MAIN EXTENSIONS--Contd.

C. Main Extensions to Serve Subdivisions, Tracts, Housing Projects and Multi-Family Dwellings--Contd.

2. Method of Refund--Contd.

- d. Where there are a series of extensions, on any of which an advance is still refundable, and the utility makes succeeding free extensions with excess allowances or where additional load or customers connect to succeeding extensions, refunds will be made to repay in turn each of such advances which remain refundable beginning with the first in series from the original point of supply.
- e. When two or more parties make a joint advance on the same extension, refundable amounts will be distributed to such parties in the same proportion as their individual advances bear to the total joint advance.
- f. No payment will be made by the utility in excess of the amount advanced by the applicant or applicants nor after a period of ten years from the date the utility is first ready to render service from the extension, and any unre-funded amount remaining at the end of the ten-year period will become the property of the utility.

3. Extensions to Serve Individuals

- a. Extensions to serve individual applicants for service in real estate subdivisions will be made in accordance with Section B hereof.

D. Main Extensions to Other than General or Firm Service Rate Schedule Applicants and Those Covered in Section C Above.

ø 1. Firm Industrial and Gas Engine

The utility will, at its own expense, install, own and maintain a length of gas distribution main, the cost of which shall not exceed \* times the estimated annual revenue as determined by the utility. Any additional extension required will be installed, owned, and maintained by the utility provided the applicant pays to the utility an amount of money equal to the estimated cost of that portion of such extension necessary to supply the applicant's load in excess of that installed at the utility's expense. The amount so paid will be subject to refund in accordance with Section B.3.b. herein and for any unused free allowance for subsequent firm industrial or gas engine customer extensions. The utility will require each applicant to execute an appropriate contract in the form which is on file with the Public Utilities Commission as part of the utility's effective tariff schedules. The utility will install, own, and maintain the necessary service regulators, meters, and services all in accordance with the provisions of Rule No. 16.

2. Interruptible

Extensions of distribution mains and/or enlargements of existing distribution main capacities to furnish interruptible service will be installed, owned, and maintained by the utility provided: (1) in the utility's opinion, adequate supplies of gas are, and will continue to be available for firm

\* See Appendix D for specified amounts authorized at this time.

ø Those utilities not having firm industrial and/or gas engine schedules shall apply this provision to those customers who might be so classified.

APPENDIX C  
Page 6 of 10

RULE NO. 15, GAS MAIN EXTENSIONS--Contd.

D. Main Extensions to Other than General or Firm Service Rate  
Schedule Applicants and Those Covered in Section C Above--Contd.

2. Interruptible--Contd.

service, and (2) the cost of such extension and/or enlargement does not exceed \* times the estimated annual revenue as determined by the utility. Any additional extension and/or enlargement required will be installed, owned, and maintained by the utility provided the applicant pays to the utility an amount of money equal to the estimated cost of that portion of such extension or enlargement necessary to supply the applicant's load in excess of that installed at the utility's expense. The amount so paid will be subject to refund in accordance with Section B.3.b. herein and for any unused free allowance for subsequent firm industrial or gas engine customer extension. The utility will require each applicant to execute an appropriate contract in the form which is on file with the Public Utilities Commission as part of the utility's effective tariff schedules. The utility will install, own, and maintain the necessary service regulators, meters, and services all in accordance with the provisions of Rule No. 16.

E. Special Conditions

1. Contracts

Each applicant for service and persons requesting an extension in advance of applications for service will be required to execute contracts covering the terms under which the utility will install mains at its own expense or contracts covering main extensions for which advance deposits will be made or a bond posted prior to the time the main extension is started. Such contracts shall be in the form on file with the Public Utilities Commission as part of the utility's effective tariff schedules.

These contracts will provide, among other things, that applicant will install, commence using in a bona fide manner within ninety days after the date of the completion of the main extension and continue to so use for a period of three years, those appliances and items on which the utility's allowances are based. An additional ninety days may be granted at the utility's option. Such contract will also provide that if any applicant fails to take service or fails to install one or more of the appliances or items contracted for, the utility may calculate and bill the customer and the customer shall pay an amount according to the utility's main extension rule in effect at the time the extension was made as though service had been requested on the basis of the actual appliances and equipment installed and utilized.

2. Periodic Review

The utility will review its costs of construction of main extensions annually and shall prepare a contemplated tariff revision when such costs have changed by more than ten per cent since the last revision of the charge for excess footage as used in Section B.3. Contemplated revisions shall be submitted to the Commission for review in proposed form when prepared and not less than thirty days prior to any contemplated filing date.

\* See Appendix D for specified amounts authorized at this time.

APPENDIX C  
Page 7 of 10

RULE NO. 15, # GAS MAIN EXTENSIONS--Contd.

E. Special Conditions--Contd.

3. Alternative Routes

Where applicable laws or regulations prevent the utilization of what otherwise would be the shortest practicable route for main extensions for the purpose of delivering gas service to the applicant, the applicant shall, subject to the provisions of this rule, provide the utility an alternative right of way satisfactory to it.

4. Amounts advanced under the conditions established by a rule previously in effect will be refunded in accordance with the requirements of such rule.

5. Extensions for temporary service or for operations of a speculative character or of a questionable permanency will not be made under this rule, but will be made in accordance with the rule pertaining to temporary service.

6. Service from High Pressure Transmission Mains

The utility will not tap a gas transmission main except at its option when conditions in its opinion justify such a tap. Where such taps are made, extensions of distribution mains supplied thereby will be made in accordance with the provisions of this rule.

7. Exceptional Cases

In unusual circumstances, when the application of this rule appears impractical or unjust to either party, the utility or the applicant shall refer the matter to the Public Utilities Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

# Southern California Gas Company will cancel Rule No. 32, and Southern Counties Gas Company of California will cancel Rule No. 31.

APPENDIX C  
Page 8 of 10

RULE NO. 16,\*\* GAS SERVICE EXTENSIONS

Extensions of gas distribution services necessary to furnish permanent gas service to applicants will be made by the utility in accordance with the following rules:

A. Service Connections for General or Firm Service

1. Upon application for firm gas service, the utility at its own expense, will furnish and install a service pipe of suitable capacity from its gas main to the property line of property abutting upon any public street, highway, alley, lane or road along which it already has or will install street mains, and will install, at its own expense, a further extension on the private property or as much of such extension as may be necessary based on 15 feet per customer for space heating gas use, 20 feet per customer for water heating gas use, and 15 feet per customer for gas range use. For all other equipment of 10,000 Btu per hour input capacity or more, for each 10,000 Btu per hour input capacity or fraction thereof, an additional 5 feet will be installed at its own expense. The utility will install that portion of each service in excess of the portion installed at utility expense inside of the property line, subject to an advance to be paid by the applicant as set forth below.
2. In cases where the applicant's building is located a considerable distance from the main, or where service is taken off a high pressure transmission main, or where a hazard or obstruction such as plowed land between the gas main and the applicant's building prevents the utility from prudently installing a service pipe, the utility may, at its discretion, waive the above. In such cases the meter may be located at or near the applicant's property line, as close as practical to the utility's main at a location agreed upon by the customer. Where these conditions exist, the utility will install, at its own expense, service pipe only to the meter location.
3. Service Connections Beyond the Free Length
  - a. When the length of service connection on the applicant's premises, necessary to reach the approved meter location, exceeds the free allowance as stated above, the applicant shall pay to the utility the cost of excess length at \$ \* per foot of service pipe 2 inches in diameter or smaller.
  - b. The cost per foot for service pipe will be based upon the systemwide average unit cost of installing service pipe up to 2 inches in diameter during the preceding calendar year and will be revised and become effective in accordance with Section E below.

\* See Appendix D for specified amounts authorized at this time.

\*\* Rule No. 21 may be used pending revision of rules. Also, where the existing rule contains items other than service extensions as set forth in General Order No. 96, these items if not in conflict with the rule set forth herein shall be refiled as a separate rule(s).

APPENDIX C  
Page 9 of 10

RULE NO. 16, GAS SERVICE EXTENSIONS--Contd.

A. Service Connections for General or Firm Service--Contd.

3. Service Connections Beyond the Free Length--Contd.

- c. For service pipe larger than 2 inches in diameter, the utility will charge the actual cost per foot, less the cost for a 1-inch service for a distance equal to the allowed free footage.
- d. If, based upon the appliances or equipment found installed, there is a lesser allowance than that originally granted and an advance is required, additional to any prior advance made by the applicant, such additional advance shall be paid by the applicant.
- e. If, based upon the appliances or equipment found installed, there is a greater allowance than that originally granted and the applicant has made an advance, an appropriate refund will be made within 90 days after notice to the company of such added appliances, providing these are added within one year of commencing service.

B. Service Connection for Firm Industrial,  
Gas Engine and Interruptible Service

- 1. The entire cost of a service connection for firm industrial, gas engine and interruptible service shall be included in the determination of required investment for mains and services and treated in accordance with the rule governing main extensions to these classes of customer.

C. One Service for a Single Premises

- 1. The utility will not install more than one service pipe to supply a single premises, unless it is for the convenience of the utility or an applicant requests an additional service and, in the opinion of the utility, an unreasonable burden would be placed on the applicant if the additional service were denied. When an additional service is installed under these conditions at the applicant's request, the applicant shall pay for the entire length of said additional service at the price per foot stated above in Section A.3.
- 2. When a service extension is made to a meter location upon private property which is subsequently subdivided into separate premises, with ownership of portions thereof divested to other than the applicant or the customer, the company shall have the right, upon written notice, to discontinue service without obligation or liability. Gas service, as required by said applicant or customer, will be re-established in accordance with the applicable provisions of the company's rules.

D. Branch Service

- 1. For additional dwelling units on the same or adjoining premises, the utility will install a branch service at the option of the utility, and will grant allowances on private property under the conditions as set forth in Sections A and B.

APPENDIX C  
Page 10 of 10

RULE NO. 16, GAS SERVICE EXTENSIONS--Contd.

E. Relocation of Services

1. When in the judgment of the utility the relocation of a service, including metering facilities, is necessary and is due either to the maintenance of adequate service or operating convenience of the utility, the utility normally shall perform such work at its own expense.
2. If relocation of service pipe is due solely to meet the convenience of the applicant or the customer, such relocation, including metering facilities, shall be performed by the utility at the expense of the applicant or the customer.

F. Seasonal, Intermittent or Standby Service

1. When an applicant will use gas service in establishments occupied seasonally or intermittently, such as seasonal resorts and cottages or other part-time establishments, one-half of the allowance provided in Section A will apply. No allowance will be made for equipment used for standby or company purposes only.

G. Other Types of Service Connections

1. Where an applicant or customer requests another type of service connection such as stub services, curb meters and vaults, or service from transmission mains, the utility will consider each such request and will grant such reasonable allowances as it may determine.

H. Periodic Review

1. The utility will review its costs of construction of services annually and shall prepare a contemplated tariff revision when such costs have changed by more than 10 per cent since the last revision of the charge for excess footage as used in Section A.3. Contemplated revisions shall be submitted to the Commission for review in proposed form when prepared and not less than thirty days prior to any contemplated filing date.

I. Exceptional Cases

1. In unusual circumstances, when the application of this rule appears impractical or unjust to either party, the utility or the applicant shall refer the matter to the Public Utilities Commission for special ruling or for the approval of special conditions which may be mutually agreed upon, prior to commencing construction.

AUTHORIZED ALLOWANCES,  
ADVANCES AND OTHER RULE PROVISIONS

Item No.	Unit	Calif.- Pacific Util. Co.	Pacific Gas and Elec.Co.	San Diego G&E Co.	So.Cal. Gas Company	So.Cos. Gas Co. of Calif.	South- west Gas Corp.
-------------	------	---------------------------------	--------------------------------	-------------------------	---------------------------	---------------------------------	-----------------------------

Section B.1.a. Residential Use  
(Required Listing)

For space heating equipment							
1	For the first 10,000 Btu per hour input capacity:						
	feet	10	7	7	7	7	10
2	Additional, per 10,000 Btu per hour input capacity:						
	feet	7	5	5	5	5	7
3	For each gas range customer:						
	feet	80	50	50	50	50	80
4	For each storage type gas water heater customer:						
	feet	100	80	80	80	80	100
5	For each gas refrigerator customer:						
	feet	10	10	10	10	10	10
6	For each gas clothes dryer customer:						
	feet	10	10	10	10	10	10
7.	For air conditioning equipment of 10,000 Btu per hr. input capacity or more, per 10,000 Btu per hr. input capacity:						
	feet	20	20	20	20	20	20

## (Optional Listing)

8	For each garbage incinerator customer:						
	feet	-	-	-	5	5	-
9	For each swimming pool heater customer:						
	feet	-	-	20	20	20	-

Section B.1.b. Use Other than Residential  
Large Industrial or Gas Engine Service  
(Required Listing)

For space heating equipment							
10	For the first 10,000 Btu per hour input capacity:						
	feet	10	7	7	7	7	10
11	Additional, per 10,000 Btu per hour input capacity:						
	feet	7	5	5	5	5	7
12	For cooking, per 10,000 Btu per hour input capacity:						
	feet	9	7	7	7	7	9
13	For all other equipment of 10,000 Btu per hour input capacity or more, per 10,000 Btu per hour input capacity:						
	feet	20	20	20	20	20	20

AUTHORIZED ALLOWANCES, ADVANCES  
AND OTHER RULE PROVISIONS--Contd.

Item		Calif.-	Pacific	San	So. Cal.	So. Cos.	South-
No.	Unit	Pacific	Gas and	Diego	Gas	Gas Co.	west
		Util.Co.	Elec.Co.	G&E Co.	Company	of Calif.	Gas Corp.

## Section B.3.a. Advances

14	For each foot of main in excess of free length:						
	\$	1.55	1.80	1.60	1.70	1.40	1.15

Section D.1. Firm Industrial  
and Gas Engine Service

15	Cost to estimated annual revenue:						
	times	1½	1½	1½	1½	1½	1½

## Section D.2. Interruptible Service

16	Cost to estimated annual revenue:						
	times	1	1	1	1	1	1

Rule No. 16, Section A.3.a. Service Connection  
Beyond Free Length

17	For the cost of excess length over free footage, per foot:						
	\$	1.00	1.20	1.05	1.19	.90	.80



APPENDIX E  
Page 1 of 4

DEFINITIONS  
(For Electric Utilities)

**Applicant:** A person or agency requesting the utility to supply electric service.

**Application:** A written request to the utility for electric service as distinguished from an inquiry as to the availability or charges for such service.

**Company:** (See Utility)

**Company's Operating Convenience:** The term refers to the utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the over-all efficiency of the utility's operations; it does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities.

**Distribution Lines:** Overhead pole lines and/or underground facilities consisting of conduit and cable which are operated at nominal distribution voltages.

**Domestic Service:** Service for residential use at a dwelling premises. Any service for other than residential use at a dwelling premises may be served through the domestic service meter only where such nondomestic connected load does not exceed 300 watts for lighting or 2 hp for power.

**Housing Project:** A building or group of buildings located on a single premises and containing residential dwelling units for which master metering of electric service at one location has been requested.

**Intermittent Service:** Service which, in the opinion of the utility, is subject to discontinuance for a time or at intervals.

**Line Extension:** All facilities, excluding transformer, service connection and meter required to extend electric service from the utility's existing permanent facilities to the point of delivery to the customer.

**Permanent Service:** Service which, in the opinion of the utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

**Public Utilities Commission:** The Public Utilities Commission of the State of California.

**Rules:** Tariff sheets which set forth the application of all rates, charges, and service when such applicability is not set forth in and as a part of the rate schedules.

**Seasonal Service:** Service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages or other part-time establishments.

APPENDIX E  
Page 2 of 4

DEFINITIONS--Contd.  
(For Electric Utilities)

**Service Wires or Connection:** The group of conductors, whether overhead or underground, necessary to connect the service entrance conductors of the customer to the utility's supply line, regardless of the location of the utility's meters or transformers. An overhead service connection, sometimes referred to as a "service drop", is the group of conductors between the customer's building or other permanent support and the utility's adjacent pole.

**Service Extension:** Consists of the service wires or connections as above defined. Normally the "service drop" is furnished at the utility's expense.

**Single-Family Dwelling or Accommodation:** A house, an apartment, a flat, or any other residential unit which contains cooking facilities (not necessarily electric) and which is used as a residence by a single family.

**Tariff Schedules:** The entire body of effective rates, rentals, charges, and rules collectively of the utility, as set forth herein, and including title page, preliminary statement, rate schedules, rules, and sample forms.

**Tariff Sheet:** An individual sheet of the tariff schedules.

**Tract or Subdivision:** An area for family dwellings which may be identified by filed subdivision plans or as an area in which a group of dwellings may be constructed about the same time, either by a large scale builder or by several builders working on a coordinated basis.

**Utility:** (Insert name of the utility)

(The foregoing are definitions of the principal terms used in the extension rules only and are not to be construed as a complete list of definitions of the terms used in the tariff schedules.)

APPENDIX E  
Page 3 of 4

DEFINITIONS  
(For Gas Utilities)

**Applicant:** A person or agency requesting the utility to supply gas service.

**Application:** A written request to the utility for gas service as distinguished from an inquiry as to the availability or charges for such service.

**Branch Service:** A service that is not connected to a gas main and has as its source of supply another service.

**Company:** (See utility)

**Company's Operating Convenience:** The term refers to the utilization, under certain circumstances, of facilities or practices not ordinarily employed which contribute to the over-all efficiency of the utility's operations; it does not refer to customer convenience nor to the use of facilities or adoption of practices required to comply with applicable laws, ordinances, rules or regulations, or similar requirements of public authorities.

**Family Dwelling Unit:** A group of rooms; such as a house, a flat, or an apartment which provides complete family living facilities in which the occupant normally cooks meals, eats, sleeps, and carries on the household operations incident to domestic life.

**Firm Industrial (Non-Residential) Gas Service:** Gas service to industrial customers for all purposes except directly for the cooking of meals, and normally not subject to curtailment.

**Housing Project:** A building or group of buildings located on a single premises and containing residential dwelling units for which master metering of gas service at one location has been requested.

**Intermittent Service:** Service which, in the opinion of the utility, is subject to discontinuance for a time or at intervals.

**Interruptible Gas Service:** Industrial service subject to interruption or curtailment at times of shortage of gas.

**Main Extension:** The length of main and its related facilities required to transport gas from the existing facilities to the point of connection with the service piping.

**Permanent Service:** Service which, in the opinion of the utility, is of a permanent and established character. This may be continuous, intermittent, or seasonal in nature.

APPENDIX E  
Page 4 of 4

DEFINITIONS--Contd.  
(For Gas Utilities)

Public Utilities Commission: The Public Utilities Commission of the State of California.

Residential Use: Gas service for use at family dwelling premises.

Rules: Tariff sheets which set forth the application of all rates, charges, and service when such applicability is not set forth in and as a part of the rate schedules.

Seasonal Service: Gas service to establishments which are occupied seasonally or intermittently, such as seasonal resorts, cottages or other part-time establishments.

Service: All pipe, valves, and fittings from and including the connection at the main up to and including the stop-cock on the riser.

Service Extension: Consists of the service as above defined when provided for a new customer at a premises not heretofore served in accordance with the service extension rule.

Stub Service: A lateral pipe, including valves and fittings, from and including the connection at the main to a dead end near the curb or property line of the street in which the main is located.

Tariff Schedules: The entire body of effective rates, rentals, charges, and rules, collectively, of the utility, as set forth herein, and including title page, preliminary statement, rate schedules, rules and sample forms.

Tariff Sheet: An individual sheet of the tariff schedule.

Tract or Subdivision: An area for family dwellings which may be identified by filed subdivision plans or as an area in which a group of dwellings may be constructed about the same time, either by a large scale builder or by several builders working on a coordinated basis.

Utility: (Insert name of utility)

(The foregoing are definitions of the principal terms used in the extension rules only and are not to be construed as a complete list of definitions of the terms used in the tariff schedules.)

APPENDIX F  
Page 1 of 2

LIST OF APPEARANCES

For Applicants under A. 37604 and A. 37605: Southern California Gas Company, by T. J. Reynolds and Harry P. Letton, Jr.; Southern Counties Gas Company of California, by Milford Springer and Frederick Dutton.

For Respondents under Case No. 5945: 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 and Gordon E. Davis, 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, Frank R. Porath and Angus G. MacDonell, for San Diego Gas & Electric Company; C. H. McCrea, for Southwest Gas Corporation; and W. W. Miller and Arthur D. Baldwin, for California Electric Power Company.

Protestants: Tamarack Construction Corporation, by George L. Dobson; Gustave W. Frank in propria persona.

Interested Parties: City of Pasadena, by Frank L. Kostlan; 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, T. M. Chubb, R. W. Russell and M. Kroman, 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 Corporation, Los Angeles; Inland Empire Builders, Inc., Riverside; Craigh Development Corporation, 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 Huss, Santa Ana; Yoder & Greenwald, Tustin; Homer Toberman, Hollywood; Tamarack Construction Corporation, Van Nuys; The Sturtevant Corporation, Santa Ana; Moss Building Corporation, 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.

APPENDIX F  
Page 2 of 2

LIST OF WITNESSES

Evidence was presented on behalf of the applicants and respondents by: Frank M. Foster, C. R. Rikel, Carlton E. Brown, M. A. Seeley, A. T. Fagergren, W. C. Drewry, J. H. Mead, Robert P. O'Brien, C. L. Ashley, W. J. Herrman, G. C. Delvaille, Harry Olsen, R. W. Joyce, J. C. Russell, Jr., John E. Woy, C. Robert Simpson, Jr., Charles W. Mors and Frank R. Porath.

Evidence was presented on behalf of protestants and interested parties by: Henry Cox, Harry Rinker, Marvin Wilson, Sidney Stamler, Lee Reise, J. J. Deuel, Roger S. Erickson, Joseph Rosman, Gordon G. Mitchell, Frederick W. Atkinson, Robert G. Rogo, Paul M. Sapp, John D. McLaughlin, Herbert C. Jung and Joseph Ellis Armstrong.

Evidence was presented on behalf of the Commission staff by: Harold T. Sipe, Robert W. Laughead, Clarence Unnevehr and Robert O. Randall.