

ORIGINAL

Decision No. 60714

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

Application No. 42463

OPINION AND ORDER

By the above-entitled application filed on July 12, 1960, Southern California Gas Company requests authority to extend its system to supply natural gas service to the community of Stratford, located in Kings County, within Township 20 S., Range 20 E., M.D.B. & M., under conditions at variance with applicant's filed Rule No. 20 covering gas main extensions.

The verified application reveals that for several years the unincorporated community of Stratford has been desirous of obtaining natural gas service; that applicant has received written requests for such service from the Stratford Public Utility District and from representatives of a group planning to develop 46 lots in Stratford; that a preliminary survey of the area made by applicant indicates there are 251 potential customers, many of whom now use liquid propane gas; and that a total of 193 customers are estimated to be served in the first year of operation, 181 of whom are expected to use gas for several purposes while 12 are expected to use gas for space heating only.

In order to furnish service to these Stratford customers applicant states that it is necessary to construct a 3-inch trunk line approximately 5-1/2 miles in length and approximately 3-1/2 miles of 4-, 3-, and 2-inch distribution mains. The estimated installed cost of the facilities required to serve Stratford as shown in Exhibit C of the application totals \$108,219, of which \$76,837 is applicable to the feeder main and the distribution mains.

Applicant's present main and service extension rules became effective April 20, 1960. The Commission, in Decision No. 59801 issued March 22, 1960, ordered in Paragraph 4 that "Where investigations have been started for gas main or service extensions, as evidenced by written applications for service or other documentary evidence, but not completed prior to the effective date of the rules prescribed, the lesser of two amounts determined from the old or the new rules shall be applied."

It is shown in the application that residents of Stratford as early as February 25, 1960 filed written applications for natural gas service. Accordingly, applicant has computed the permissible allowances under its Rule 20 in effect prior to April 20, 1960, as well as under present Rule 20. Based upon the number of customers applicant estimates will use gas service and the number and types of appliances and equipment contemplated to be used by them, a free allowance of 34,171 feet is developed utilizing applicant's Rule 20 in effect prior to April 20, 1960 as compared to a free allowance of 31,547 feet under the presently effective Rule 20.

In calculating the monetary free allowance of \$64,583.19 and the required advance of \$26,180.28 under Rule 20 in effect prior to April 20, 1960, applicant has estimated the free allowance on the

basis of 150 feet of main per customer as well as on the basis of the length of main equivalent in cost to three and one-half times the first year's billings and has applied in each instance the estimate which resulted in the greater free allowance.^{1/}

Applicant alleges that it would not be feasible to collect such an advance in one lump sum from the prospective customers and proposes that a monthly facility charge of \$1.54 per customer be added to the monthly gas bills for a period of ten years, subject to annual reviews and adjustments. Such a plan is similar to previously approved plans by this Commission for the communities of Laton, Cherry Valley and Terra Bella.^{2/}

Applicant states that it will be necessary to establish a special rate area for customers served from this extension and proposes a new rate area to be known as Stratford, with boundaries as described in Exhibit "D". The Company proposes to supply domestic and commercial gas service to the Stratford Rate Area under its Schedule G-6, street and outdoor lighting service under Schedule G-15, gas engine gas service under its Schedule G-45, and interruptible industrial service under its Schedule G-50. A portion of the proposed Stratford Rate Area is now included in the G-6 Rate Area No. 452-C, Hanford-Visalia Supply District. There are no customers involved in that portion of this existing rate area which applicant proposes to modify and include in the G-6 Stratford

^{1/} See Exhibit C attached to the application.

^{2/} Decision No. 47621, dated August 26, 1952, Decision No. 55995, dated December 16, 1957, and Decision No. 57429, dated October 7, 1958.

Rate Area. It is intended that the facility charge be applicable also to rate Schedules G-15, G-45 and G-50 which will likewise be available in this rate area.

Findings and Conclusions

The Commission, after review of this matter and in consideration of estimates of revenues from the San Joaquin Valley Division for the class of customer indicated, finds that a facility charge of \$1.54 per customer per month as proposed by applicant would be appropriate, and that such increased rates or charges in this particular area as may result from the revisions in the tariffs herein authorized are justified.

We are of the opinion that natural gas service should be provided to the residents of the Stratford area as soon as possible and in accordance with the applicable tariffs including the proposed facility charge which we find to be just and reasonable.

The Commission having considered the request of applicant and being of the opinion that a public hearing is not necessary and that the application should be granted as herein provided; therefore,

IT IS HEREBY ORDERED that:

1. Applicant is authorized to extend its system to supply natural gas service to the community of Stratford.
2. Applicant is authorized to file in accordance with General Order No. 96 revised rate schedules for service to Stratford in accordance with Exhibit "D" attached to the application and to make such schedules effective after the effective date of this order and upon five days' notice to this Commission and to the public coincident with the initial furnishing of natural gas service to the community of Stratford.

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

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

5. The authority herein granted will expire unless exercised on or before December 31, 1961.

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

Dated at San Francisco, California, this 13th day of SEPTEMBER, 1960.

Ernest A. King

 President

W. L. Mitchell

S. J. ...

 Commissioners