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ORIGINAL

Decision No. 68641

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

HAL HYLTON, BESSIE HYLTON, JAMES STEVENSON, MARIE STEVENSON, ERNIE FINK, JOHN SCHLEICHER, MARIE SCHLEICHER, HAROLD LINKINS, CLARENCE EPPERLY, ELSIE EPPERLY, WES ANDERSON, HAZEL ANDERSON, CHARLES NEARY, MARGARET NEARY, ELWIN HUCK, FRANK MANONI, MARIE MANONI, WILLIAM J. BELL, ELLEN BELL, JOAQUIN H. GREEN, HELEN GREEN, CLIF HILDEBRAND, LITA HILDEBRAND, RUBY HAWKINS, CARL FINK, EARL RUMSTICH, JERALDINE RUMSTICH, VERNON BRUHN, JOE GOMEZ, MARIE GOMEZ, ADA ALBERT, WALTER ALBERT, HELGA ALBERT, HERB REIMCHE, MIKE FINK, JACK MICHAEL, ORY J. BOUDREAUX, and BARBARA BOUDREAUX, CALVIN BACCALA, VICTOR BACCALA,

Complainants,

vs.

PACIFIC GAS AND ELECTRIC COMPANY,
 a corporation,

Defendant.

Case No. 7678
 (Filed July 30, 1963)

Clifton Hildebrand, for self and various complainants, complainant.
F. T. Searls, John C. Morrissey, and Ross Workman, for Pacific Gas and Electric Company, defendant.
W. E. Waldrup, for the Commission staff.

O P I N I O N

After due notice, public hearing on this complaint was held before Examiner Coffey on March 5, 1964, in Red Bluff. The matter was submitted for decision on September 30, 1964, excluding two of complainants' proposed exhibits which were not filed prior to September 30, 1964, the due date therefor.

Complainants are residents and/or property owners in Tehama County between Childs Meadow and the Plumas-Tehama county boundary, on State Highway 36. The area is approximately 15 miles in length and is not served with electricity by any public utility.

The complaint alleges that:

1. The complainants number in excess of 25 persons;
2. There are at least three businesses within said area which cannot expand or improve operations without adequate electric service;
3. Many residences in said area are wired for electric service and equipped with electric appliances which cannot be used since they are without electric service;
4. Said area is one in which new residences are being constructed and in which more new residences will be constructed; and
5. Some residences are without adequate water and sanitary service because of lack of electric service.

Complainants request that defendant be ordered to furnish electric service to the residences and/or places of business of complainants and throughout said area not now being served with electricity.

Defendant in its answer stated:

1. Complainants and other individuals have over a period of ten years repeatedly requested defendant to supply electric service in said area;
2. Defendant has at all times been, and is now, ready and willing to provide electric service under its electric line

extension tariff filed with this Commission, Rule No. 15,^{1/} and has so advised those making such requests;

3. In the past a refundable cash advance of \$53,945 would have been required from potential customers under Rule No. 15 for a line extension. Such customers have not offered to make such an advance, and for this reason alone the extension has not been built and the electric service provided;

4. A revised estimate of said area's potential electric load indicates that defendant may now be able to build the line extension under Rule No. 15 without requiring any cash advance due to plans of the United States Forest Service to build a watch-tower and three homes and of two complainants to build a 56-home subdivision in the area; and

5. Defendant is prepared to solicit electric service contracts as the basis for an extension under Rule No. 15 as soon as said complainants obtain the approval of the Tehama County Planning Commission for said subdivision.

Defendant requested that it be found ready and willing to serve the complainants with electric service under Rule No. 15 and that it be required to serve the complainants only in compliance with Rule No. 15.

^{1/} Rule No. 15 generally provides that extensions of overhead distribution lines, the voltage of which is 22 or less kilovolts (kv), will be made to individual applicants for service at defendant's expense, provided the length of the line required does not exceed the sum of specified "free footage" amounts for specified types of electric loads installed by each customer. Overhead line extensions of greater length than the free extension are made upon the receipt by the utility from the potential customer of an amount equal to \$1.40 multiplied by the number of feet by which the length of the line extension exceeds the "free footage." The total advance is apportioned among a group of potential customers in such manner as they may mutually agree. Rule No. 15 further provides that amounts advanced will be refunded, with interest, for specified additions of load and customers during a period of ten years.

Inasmuch as approval of the subdivision had not been obtained, the hearing was held to receive evidence.

Witness for complainants testified that the size of the subdivision had been reduced from 56 to 34 lots due to water supply limitations, that problems had arisen relative to highway access and obtaining planning commission approval, but that it was the opinion of the witness that the subdivision would be developed. Complainants offered to supply for the record a copy of the revised subdivision map. Exhibit 2, reserved for late-filing of a copy of the revised subdivision map as filed with the planning commission, has not been delivered by complainants and has not been received.

Complainants presented testimony on the characteristics of the area, on the need for electric service, that all of the 19 homes in the area are represented by complainants, that the area is located near recreation areas and that the area has a large potential for subdivision development.

Defendant presented testimony that for 15 miles along State Highway 36 in Tehama County electric lines presently have not been extended, and that defendant's electric lines which are nearest the said area terminate in the vicinity of Childs Meadow and Mill Creek (12-kv), to the east of said area, and at Chester (60-kv) and Almanor Inn (12-kv) on Lake Almanor, to the west of said area.

Defendant's witness testified that during the past ten years defendant had made several surveys in response to service inquiries from said area. These surveys all indicated that a substantial construction advance would be required for a 12-mile line extension (12-kv) from the vicinity of Chester to serve less than 25 customers desiring service. Further, three informal complaints

have been made to the Commission, the first in 1952, the second in 1957 and the third in 1962. The latest complete survey made in January, 1963, Exhibit 3, disclosed that 25 customers along State Highway 36 in Tehama County were interested in receiving electric service, that 30,071 feet of line would be installed free of charge of the total 68,603 feet of line^{2/} required, and that a construction advance of \$53,945 would be required. Defendant's witness testified that some of the prospective customers indicated unwillingness to share in making an advance and stated they would withdraw their request for service if any advance were required. The witness indicated that some of these customers had their own generating plants and are self-sufficient as to their immediate electric needs. Defendant's witness roughly estimated that the addition of a 34-unit subdivision and other planned installations would reduce the required construction advance to approximately \$14,000, subject to revision on the receipt of the revised subdivision map. Defendant's witness testified that he knew of no instance since 1940 in which defendant had installed an extension without a customer advance when such an advance was required and that it was defendant's policy to make line extensions in accordance with Rule No. 15. Witness for defendant indicated that it was not certain that the subdivision would be installed as planned and that to install the extension without a construction advance under the special condition clause of Rule No. 15 would be discriminatory to defendant's existing customers.

In reply to inquiry by complainants, defendant by a late-filed exhibit demonstrated that the total "free footage" allowance

^{2/} Witness estimated the total construction cost of the line extension to be \$132,164, or \$1.93 per foot.

of the electric line extension from Forest Ranch to Butte Meadows and Jonesville, Butte County, exceeded the length of the line and therefore the line was constructed without a construction advance.

Exhibit 5, reserved for complainants to late file a document setting forth the action of the planning commission on the 34-unit subdivision, has not been delivered by complainants and is not received.

Defendant argued that the evidence shows that the complainants would benefit significantly through sales profits resulting from the introduction of electric service and contrarily defendant would not greatly profit because a long line, expensive to build and maintain, is required to serve few customers in a difficult area. Further, defendant argued that revenues generated by the line presently proposed would be less than required to support the capital investment and that defendant has not asked for a deviation to build the proposed line since it does not know of a basis on which to justify the request.

Complainants argued that growth and progress in Northern California require that the public utility provide power ahead of development, that it is not right for a few landowners to do all the pioneering, and that defendant has enough assets to do such pioneering.

The staff participated in cross-examination questions but did not take a position or make recommendations.

The issues in this proceeding are:

1. Will service to complainants create an unreasonable burden on defendant or defendant's customers?
2. Is service to complainants justified by any special conditions?

Rule No. 15 was filed by defendant as ordered by Decision No. 59801, dated March 22, 1960, in Case No. 5945, of this Commission after its extensive investigation of the conditions of making electric line extensions. A primary purpose of this rule is to limit the burden on defendant's customers of uneconomic electric line extensions to individuals and subdivisions.

Noting that complainants have not supplied the revised subdivision map which was to be filed with the Tehama County Planning Commission and complainants have not filed any information on action by said Commission concerning said subdivision, we cannot find that the development of said subdivision should be included at this time in load estimates of the line extension to serve complainants.

The Commission further finds that:

1. A reasonable construction advance to serve complainants is \$53,945.

2. The waiving of the required construction advance of \$53,945 would create an unreasonable burden on defendant and/or defendant's customers.

3. It is unreasonable to require defendant or defendant's customers to assume the risks of pioneer development of territory for the profit of private individuals.

4. Complainants have presented no convincing evidence of special conditions which would justify deviation from defendant's Rule No. 15.

5. Defendant is ready and willing to serve complainants with electric service under its Rule No. 15.

We conclude that the complaint in Case No. 7678 should be dismissed.

ORDER

IT IS ORDERED that the complaint in Case No. 7678 is dismissed.

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

Dated at San Francisco, California, this 24th day of February, 1965.

Frederick B. Hallock
President

Paul S. Mitchell

George C. Hoover

Augustus

William A. Bennett
Commissioners