

Decision No. 20210.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the suspension of  
 certain proposed rates of and the  
 investigation upon the Commission's  
 own motion into the rates for elec-  
 tric energy service of Los Angeles  
 Gas and Electric Corporation.

Case No. 2506.

Paul Overton, for Los Angeles Gas and  
 Electric Corporation,  
 Jess E. Stephens, City Attorney, George  
 Warren and James L. Romnow, Deputies,  
 for City of Los Angeles,  
 James Garrison, in propria persona.

DECOTO, COMMISSIONER:

PRELIMINARY OPINION AND ORDER

Los Angeles Gas and Electric Corporation, on February 15, 1928, tendered for filing a schedule reducing by 25 per cent its rates for electricity furnished for ornamental street lighting, but proposed no change in its rates for other classes of electric service. This proposed reduction for a single class of its business was of such a striking nature that the Commission felt impelled to order an investigation of the entire rate structure of the Company. In the investigation thus ordered public hearings have been held and the matter has now been submitted.

While most of the testimony adduced had to do with the rates proper for ornamental street lighting, this class of the Company's business is of relatively little importance to either the Company or its consumers, the total revenue from ornamental street lighting being less than one per cent of its entire electric revenue. A 25 per cent reduction in its ornamental street

lighting rate would effect a saving to its consumers of but \$8,000.00 a year.

A consideration of the evidence bearing upon ornamental street lighting rates indicates that the schedule, which is authorized in the order, represents a reasonable rate and one which would require this type of service to bear its fair proportionate share of the cost of operation of the entire system. It represents a substantial reduction from the old rate but in form is more equitable than a straight K.W.H. rate, which was what the company proposed.

As to the other rates involved in the proceeding, the evidence tends to show that the Company, in its electrical business, is in a prosperous condition (2) and that its other rates are possibly out of line and should be reduced as well as its rates for ornamental street lighting. The evidence before the Commission is not, however, sufficiently complete to justify a final determination in these respects.

Under all the circumstances it seems appropriate to dispose of the matter of ornamental street lighting rates at this time but to reserve jurisdiction in this proceeding respecting the general earning position of the Company and respecting the reasonableness of its other rates. It may be that the Company will see fit to tender a reduction in some or all of its schedules. (2) If it does not do so within a reasonable time the Commission will be

---

(1) The Company's exhibits showed a return in 1927 of 7.56%. The decisions and records of the Commission indicate that other large power corporations have voluntarily reduced rates to the point where their earnings were below this level. It should be pointed out that the Company's figures have not been checked. If they were its return might appear higher than thus indicated.

(2) While the reduction proposed by the Company was somewhat spectacular in nature, it meant very little to the Company's consumers. On the other hand, a reduction in its commercial or domestic lighting schedules would benefit a large number of its consumers.

in a position to reopen this proceeding, take additional evidence and proceed to a final determination respecting these other rates without the necessity of ordering a new proceeding therefor.

I recommend the following form of order:

PRELIMINARY ORDER

Public hearings having been held in the above entitled matter, the same being submitted by agreement of the parties involved, and being now ready for decision,

IT IS HEREBY ORDERED that Los Angeles Gas and Electric Corporation shall file with the Railroad Commission the rates for ornamental street lighting service set forth in Exhibit "A", attached to this order and made a part hereof, such rates to be effective for such service rendered on and after October 1, 1928.

IT IS HEREBY FURTHER ORDERED that for all other purposes this case remain open for such further action as may be meted in the premises.

For all other purposes the effective date of this order shall be ten (10) days from and after the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 11<sup>th</sup> day of September, 1928.

Leon A. Whately

Chas. J. Seaver

Wm. J. ...

John D. ...

Commissioners.

EXHIBIT "A"

ORNAMENTAL STREET LIGHTING SERVICE

Flat rate for ornamental post lighting, including energy and maintenance:

				<u>Per Light, Per Year</u>	
				<u>All Night</u>	<u>Until Midnight</u>
10 Watt Multiple Lamp,	.....			\$ 1.50	\$ 1.00
25 " " "	.....			3.60	2.40
40 " " "	.....			5.80	3.60
60 " " "	.....			8.60	5.40
75 " " "	.....			10.80	6.80
100 " " "	.....			13.80	9.00
200 " " "	.....			24.00	16.80
300 " " "	.....			36.00	24.00
500 " " "	.....			60.00	42.00
600 Lumen Series Lamp,	.....			9.00	7.80
800 " " "	.....			10.20	8.40
1000 " " "	.....			12.00	9.00
2500 " " "	.....			24.00	15.00
4000 " " "	.....			31.80	21.00
6000 " " "	.....			40.20	27.00
10000 " " "	.....			60.00	40.80

The above ornamental post lighting rates are based on an all night lighting schedule of approximately 3900 hours per year and a midnight schedule of approximately 2060 hours per year. Rates for lights operating on schedules which call for extinguishing at hours between midnight and dawn shall be prorated between the above established midnight and all night rates.