

Decision No. 20808.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

ORIGINAL

In the Matter of the Investigation upon the Commission's own motion into the rates, charges, classifications, rules, regulations, practices and contracts of Southern California Gas Company, a public utility corporation, in its Eastern Division.

Case No. 2640.

T. J. Reynolds, for
Southern California Gas Company.

CARR, COMMISSIONER:

O P I N I O N

On December 26, 1928, the Commission ordered an investigation of the rates of Southern California Gas Company in its Eastern Division, it appearing from the records of the Commission that this portion of the Company's operations was producing an unreasonably large return upon its property devoted to the public service.

On February 5, 1929, a public hearing was held, at which the engineers of the Commission presented certain preliminary testimony which indicated that the Company, during the last two or three years, in this particular Division was, and during the years immediately to come would be, on an earning basis of approximately 10.2%.

At the conclusion of this presentation, the Company, through its representatives, stated that it recognized its rates were too high and that a reduction should be made, and that it was willing to stipulate that the proceeding be submitted upon

the evidence produced, provided any order making a reduction did not provide for a reduction of more than 10% in its domestic and commercial schedules. A 10% reduction in the rates of the Company would place it approximately upon a 7% earning basis for the year 1929. The Company, in connection with its stipulation, stated that its gas engine and industrial schedules were subject to control by competitive conditions, with non-regulated competitive industries (which is true), and that it expected and intended to make substantial reductions in its gas engine and industrial schedules, but in view of the competitive conditions which had to be met, it desired a short time to work these out.

(While not of record in the formal proceeding, it may be permissible to note that the Company has already tendered a revised schedule for its gas engine service, effecting a reduction in that of something more than 10%.)

Under the circumstances, it seems clear that it is to the interest of the consumers to accept the Company's stipulation and to immediately order a reduction in the domestic and commercial schedules which will effect a reduction in the revenue under these schedules, in an aggregate of 10%. The Company's revenue from this source represents between 80 and 85% of its total, there being a slight variation from year to year.

For those classes of business which are in direct competition with an unregulated commodity, it is desirable that the company be permitted to make further study and submit their proposed reductions for the Commission's approval.

In the attached order some rearrangement of schedules is made so that the reduction will not apply uniformly to all sections and to all consumers. All consumers, however, will benefit, and the schedules are, it is believed, in better form and will be more satisfactory than the present schedules of the Company and will result in a more equitable incidence of rates.

I recommend the following form of order:

O R D E R

The Railroad Commission having instituted an investigation, upon its own motion, into the rates and charges of Southern California Gas Company in its Eastern Division, public hearings having been held, the matter being submitted and now being ready for decision,


The Railroad Commission of the State of California hereby finds as a fact that the rates and charges of Southern California Gas Company are unjust, unreasonable and discriminatory, in so far as they differ from the rates and charges set forth herein, which rates and charges are declared to be just and reasonable, and


IT IS HEREBY ORDERED that Southern California Gas Company charge and collect for gas service now supplied under filed schedules in its Eastern Division the rates set forth in Exhibit "A," attached hereto and made a part hereof, such rates to be filed with this Commission on or before March, 4th, 1929, and to become effective with bills based on regular periodic meter readings taken on and after March, 4th, 1929.


For all other purposes, the effective date of this order shall be twenty (20) 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 20th day of February, 1929.









Commissioners.

EXHIBIT "A"

SCHEDULE NO. C-1.

(Superseding Schedule No. C-1)

EASTERN DIVISION

General Service:

Applicable to domestic and commercial service for lighting, heating and cooking.

Territory:

Applicable to Districts Nos. 20 and 21, including San Bernardino, Riverside and Colton.

Rate:

First	800	cu. ft.	or less	per meter	per mo.	\$1.00				
Next	2,200	"	"	per meter	per month	12.0¢	per	100	cu.ft.	
Next	7,000	"	"	"	"	10.0¢	"	"	"	"
Next	10,000	"	"	"	"	7.5¢	"	"	"	"
All Over	20,000	"	"	"	"	5.0¢	"	"	"	"

Special Conditions:

Consumers served under this schedule have priority in the use of gas over consumers served under Schedules Nos. C-4, C-6 and C-7, at times when there may be an insufficiency of gas to supply the demands of all consumers.

SCHEDULE NO. C-2.

(Superseding Schedules Nos. C-3, C-8, C-9)

EASTERN DIVISION

General Service:

Applicable for domestic and commercial service for lighting, heating and cooking.

Territory:

Applicable to Districts Nos. 22, 23 and 24, including Redlands, Corona, Highlands, Cucamonga, Fontana, Rialto and La-Sierra.

Rate:

First	700	cu.ft.	or less	per meter	per month	\$1.00				
Next	2,300	"	"	per meter	per month	13¢	per	100	cu.ft.	
Next	7,000	"	"	"	"	11¢	"	"	"	"
Next	10,000	"	"	"	"	8¢	"	"	"	"
All Over	20,000	"	"	"	"	5¢	"	"	"	"

Special Conditions:

Consumers served under this schedule have priority in the use of gas over consumers served under Schedules Nos. C-4, C-6 and C-7 at times when there may be an insufficiency of gas to supply the demands of all consumers.

SCHEDULE NO. C-3.

(Superseding Schedules No. C-8-1)

EASTERN DIVISION

General Service:

Applicable to domestic and commercial lighting,
heating and cooking service:

Territory:

Applicable to District No. 25, including Yucaipa,
Perris, Alberhill and territory adjacent thereto.

Rate:

First	600	cu.ft.	or less	per meter	per month	\$1.00				
Next	2,400	"	"	per meter	per month	16.0¢	per	100	cu.ft.	
Next	7,000	"	"	"	"	12.5¢	"	"	"	"
Next	10,000	"	"	"	"	9.0¢	"	"	"	"
All Over	20,000	"	"	"	"	6.5¢	"	"	"	"

Special Conditions:

Consumers served under this schedule have priority in
the use of gas over consumers served under Schedules No. C-4,
C-6 and C-7 at times when there may be an insufficiency of gas
to supply the demands of all consumers.

SCHEDULE NO. C-4

(Superseding Schedules Nos. C-4, C-5, C-10, C-11 and C-12)

EASTERN DIVISION

Commercial and Industrial Service:

Applicable to hotels, restaurants, bakeries, hospitals, etc., and for steam boilers and furnaces for heating buildings and for industrial purposes. (Optional with Schedules Nos. C-1, C-2 and C-3).

Territory:

All territory within the Eastern Division including San Bernardino and Riverside Counties.

Rate:

First	50,000	cu.ft.	per	meter	per	mo.	6.5¢	per	100	cu.ft.
Next	150,000	"	"	"	"	"	4.5¢	"	"	"
Next	300,000	"	"	"	"	"	3.0¢	"	"	"
All Over	500,000	"	"	"	"	"	2.75¢	"	"	"

Minimum Charge:

\$32.50 per meter per month.

Special Conditions:

A contract for a period of one year will be required as a condition precedent to service under this schedule.

Consumers served under this schedule have priority in the use of gas over consumers served under Schedules Nos. C-6 and C-7 at times when there may be an insufficiency of gas to supply the demands of all consumers.

Consumers served under this schedule are subject to shut-off in favor of consumers served under Schedules Nos. C-1, C-2 and C-3 at times when there may be an insufficiency of gas to supply the demand of all consumers.