

Decision No. 21845

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Investigation  
upon the Commission's own motion into  
the rates, charges, classifications,  
rules, regulations, practices and  
contracts of SOUTHERN COUNTIES GAS  
COMPANY OF CALIFORNIA.

ORIGINAL  
Case No. 2749.

LeRoy M. Edwards, for respondent.  
Joseph M. Berkley, for City of Santa Monica.  
Erwin P. Werner, City Attorney of Los Angeles,  
by Thurmond Clarke, Deputy City Attorney.  
J. O. Marsh and F. F. Ball, for Board of Public  
Utilities and Transportation of the City  
of Los Angeles.  
J. J. Deuel, for California Farm Bureau  
Federation.

CARR, COMMISSIONER:

INTERLOCUTORY OPINION

When this proceeding was called on November 19, 1929, Southern Counties Gas Company of California stated that it was agreeable to the Commission's ordering and fixing new schedules of rates which would reduce its gross revenue for the year 1930 by approximately \$200,000. The Company pointed out that its 1928 report indicated an earning position higher than that usually deemed reasonable by the Commission but explained that this report did not give a true indication of its earning position, due to certain changes in its methods of accounting, whereby thirteen months of industrial sales revenue were included within the twelve months' period, and because certain federal income tax charges by reason of refinancing accounting were subnormal for that year and because the 1928 report did not reflect the reduction in earnings which would follow rate reductions ordered by this Commission in

Ventura and Santa Barbara Counties, which reductions became effective the latter part of 1928, and that with allowance for these items and a reduction in the amount suggested, the Company's earning position would be on a reasonable and normal basis. Representatives of the City of Santa Monica urged that the proposal of the Company be accepted and no objection was advanced to accepting it.

If the proceeding is disposed of by accepting the Company's proposal its consumers will enjoy the benefit of reduced rates from the first of the year. Under all the circumstances it seems that the proposal should be accepted.

Because the effectuation of the stipulated reduction in revenue may be accomplished by varying types of rates, it seems appropriate that the consumers concerned should be given some opportunity to be heard upon the rates to be put into effect. To accomplish this end, the qualified submission of this proceeding should be set aside and it should be re-instated on the calendar for Friday, December 13, 1929 at 9:00 a.m., at Los Angeles, at which time engineers of the Commission and representatives of the Company should be prepared to suggest schedules the establishment of which will effect a reduction in the 1930 revenue of the Company of approximately \$200,000.00.

#### O R D E R

Good cause appearing therefor and to carry out the conclusions contained in the foregoing opinion,

IT IS HEREBY ORDERED:

1. That the qualified submission of this proceeding heretofore had be set aside and the proceeding be placed upon the calendar for Friday, December 13, 1929 at 9:00 a.m., in the Court Room of the Commission, 810 Associated Realty Building, Los Angeles, California, before Commissioner Carr.

2. That at said date the engineers of the Railroad Commission and the Company be required to submit proposed schedules of rates which, if put into effect, would reduce the gross revenue of the Company approximately \$200,000 for the year.

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

Dated at San Francisco, California, this 2<sup>nd</sup> day of December, 1929.

Thos. D. Lister  
Ch. James  
George H. Cook  
Leon Whittell  
M. J. Carr  
Commissioners,