

Decision No. 21971.

ORIGINAL

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.

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:

O P I N I O N

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. Thereafter, by interlocutory order, the Commission indicated that it was willing that the proceeding should thus be disposed of, but in order to give consumers the greatest possible voice in the spread of the reduction and in the character of rates to be established, it directed that the matter be placed on the calendar and that engineers of the Commission and representatives of the Company should suggest proposed schedules effecting such a reduction.

The procedure thus contemplated was, in effect, carried out and considerable testimony was adduced bearing upon the question of spread of the reduction and character of rates.

The spread of the reduction as suggested by the Company is subject to some objection, in that it contemplates that 25 per cent of the \$200,000. be absorbed by suggested reductions in rates for surplus industrial gas. The evidence regarding industrial revenue for 1930 is indefinite. It appears that the Company may be nearly as well off under the industrial rates proposed by it as it would be under a continuation of those now in effect.

After careful consideration, it is my opinion that a spread of the \$200,000. reduction substantially as follows is equitable:

Western District (Santa Monica and vicinity):

Domestic and Commercial Class A.,.....	\$131,200.
Commercial Class A A,.....	17,200.
Commercial and Industrial Class C,.....	500.
<u>Laguna District:</u> Domestic,.....	2,000.
<u>Ojai-Camarillo:</u> Domestic,.....	10,600.
<u>Santa Barbara:</u> Domestic,.....	15,200.
System Gas Engine,.....	8,900.
Surplus Industrial,.....	14,400.

The principal question as to form of rate applies to the Western District domestic schedule. At the hearings referred to, the Company suggested that the reduction in this rate might take three forms, to-wit: a reduction in the present block rate, a modified two-part rate similar to that prevailing in Los Angeles, and a pure two-part rate, such as prevails in the Ventura and Santa Barbara districts. The first form of rate would extend the reduction in the Western District rather

uniformly over all domestic consumers. The modified two-part rate would have the effect of increasing some of the so-called "convenience consumers" and giving the reduction to the more substantial users of gas. The pure two-part rate would further accentuate this tendency.

The governing body of the City of Santa Monica, by formal resolution filed with the Commission, expressed its preference in favor of the modified two-part form of rate, doubtless upon the theory that the benefits of the reduction should go largely to the permanent residents of that section rather than to the occasional residents, whose usage of gas is small. When each form of rate finds justification, I think it entirely proper to give weight to the preference of the representatives of the bulk of the consumers as expressed here.

As to the rates for surplus industrial gas, the particular form they should take is controlled, to a considerable extent at least, by competitive conditions, the probable effect of which can best be determined by the Company itself. Hence, the order here made fixes definite rates which will effect the reductions above specified except for surplus industrial schedules. As to this, the Company will be expected to file within thirty (30) days from the date of this order suggested schedules which will reduce their 1930 revenue from this source by not less than \$14,400. which, when approved by a supplemental order of the Commission, will be deemed to finally dispose of this particular proceeding.

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 the Southern Counties Gas Company, public hearings having been held,

the matter being submitted and now ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that the rates set forth in Exhibit A., attached to this order and made a part hereof, are the just and reasonable rates to be charged by Southern Counties Gas Company of California in the territory to which they apply; and

IT IS HEREBY ORDERED that,

(1) Effective with bills based on regular meter readings taken on and after January 16, 1930, Southern Counties Gas Company of California charge and collect for gas service now supplied under corresponding schedules the rates set forth in Exhibit A., attached hereto and made a part hereof.

(2) Southern Counties Gas Company of California file such rates with this Commission on or before January 16, 1930.

(3) Southern Counties Gas Company of California file within thirty (30) days from the date of this order rate schedules for Surplus Industrial service which will reduce its 1930 revenue from this source by not less than \$14,400.

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 31st day of December, 1929.

~~Thos J. Larkin~~
~~Chas. S. ...~~
~~Leon ...~~
~~M. ...~~

Commissioners.

EXHIBIT "A"

SCHEDULE NO. S-B - ENTIRE SYSTEMGAS ENGINE SERVICE:

Applicable to service for internal combustion engines only.

TERRITORY:

Applicable to all territory served in Los Angeles, Orange, San Bernardino, Ventura and Santa Barbara Counties.

RATE "X":

First	100,000	cu.ft.per consumer per month	\$.45 per M.c.f.
Next	400,000	cu.ft.per consumer per month	.40 per M.c.f.
Next	500,000	cu.ft.per consumer per month	.35 per M.c.f.
Over	1,000,000	cu.ft.per consumer per month	.30 per M.c.f.

MINIMUM CHARGE: \$3.00 per consumer per month

For continuous yearly service, accumulative annual minimum of \$36.00 per consumer. This minimum applies only to consumers served under Rate "X".

OPTIONAL RATE "Y" EFFECTIVE APRIL 1 to NOVEMBER 30, Inc.

Y-1	35¢	per M.c.f. with an annual guarantee of 5,000 M.c.f.
Y-2	30¢	per M.c.f. with an annual guarantee of 10,000 M.c.f.
Y-3	28¢	per M.c.f. with an annual guarantee of 15,000 M.c.f.
Y-4	25¢	per M.c.f. with an annual guarantee of 20,000 M.c.f.

OPTIONAL RATE "Z"

First	500,000	cu.ft.per consumer per month	\$.38 per M.c.f.
Next	200,000	cu.ft.per consumer per month	.275 per M.c.f.
Next	700,000	cu.ft.per consumer per month	.25 per M.c.f.
Next	700,000	cu.ft.per consumer per month	.23 per M.c.f.
Over	2,100,000	cu.ft.per consumer per month	.20 per M.c.f.

Guaranteed annual consumption - 3,500 M.c.f.

Effective Dec. 1 to March 31, inc., consumers served under optional rates "Y" and "Z" will pay rates as quoted under Rate "X". Gas consumed during this period will apply on the annual guarantee shown above.

All gas consumed during the entire year, at all meter locations, by consumers served under Rates "Y" and "Z" will be aggregated. In addition to the rates quoted above, an annual meter charge of \$25.00 will be made for each meter installation in excess of one.

A contract for a period of two years will be required as a condition precedent to service under Rates "Y" and "Z" of this schedule.

SPECIAL CONDITIONS:

Consumers served under this schedule shall have priority in the use of gas over consumers served under Schedules C, D, E, F and G, at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 1-A-1EASTERN DISTRICTGENERAL SERVICE:

Applicable to domestic and commercial service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitarium, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to all territory in Orange County south of the present City limits of Newport Beach, served by the Laguna Beach line.

RATE:

CONSUMER CHARGE: \$1.25 per meter per month

COMMODITY RATE: (To be added to Service Charge)

First 2,000 cu.ft. per meter per month 9¢ per 100 cu.ft.
Over 2,000 cu.ft. per meter per month 7.5¢ per 100 cu.ft.

MINIMUM CHARGE: The consumer charge set forth above constitutes the minimum charge.

SPECIAL CONDITIONS:

Consumers served under this schedule have priority in the use of gas over consumers served under Schedules Nos. S-B, 1-C, 1-D, 1-E and 1-F, at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 3-AWESTERN DISTRICTGENERAL SERVICE:

Applicable to Domestic and Commercial Service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitarium, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to Western District including Santa Monica, Palms, Venice, Ocean Park, Culver City, Sawtelle and adjacent territory.

RATE:

First 300 cu.ft. or less per meter per month \$1.00
 For all use in excess of 300 cu.ft. per
 meter per month 7.7¢ per 100 cu.ft.

SPECIAL CONDITIONS:

(1) Consumers served under this schedule have priority in the use of gas over consumers served under Schedules Nos. S-B, 3-D, 3-E and 3-F, at times when there is insufficient gas to supply the demands of all consumers.

(2) Opening and closing bills for a fraction of a month shall be calculated as follows:

For the first 10 cu.ft. or less per day of usage	3.3¢ per day
For all usage in excess of 10 cu.ft. per day	7.7¢ per 100 cu.ft.

except that when the total period of service is less than one month the charge of \$1.00 for 300 cu.ft. or less may apply.

SCHEDULE NO. 3-A-AWESTERN DISTRICTSURPLUS COMMERCIAL SERVICE:

Applicable to commercial service for space and water heating and general use in apartments, hotels, restaurants, business buildings, bakeries, packing houses, metal working plants, preserving and canning establishments, fruit and vegetable dryers, etc.

TERRITORY:

Applicable to Western District, including Santa Monica, Palms, Venice, Ocean Park, Culver City, Sawtelle and adjacent territory.

RATE:

First	10,000 cu.ft.per consumer per month	8.5¢ per 100 cu.ft.
Next	90,000 cu.ft.per consumer per month	6.0¢ per 100 cu.ft.
Over	100,000 cu.ft.per consumer per month	5.5¢ per 100 cu.ft.

MINIMUM CHARGE:

\$10.00 per consumer per month.

SPECIAL CONDITIONS:

Consumers served under this Schedule have priority in the use of gas over consumers served under Schedules No. S-B, 3-D, 3-E and 3-F, but are subject to the prior use of consumers served under Schedule 3-A, at times when the supply is insufficient for the demand of all consumers.

SCHEDULE NO. 3-A-DWESTERN DISTRICTOPTIONAL RATE FOR GENERAL SERVICE:

Applicable to domestic and commercial service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitariums, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to Western District, including Santa Monica, Palms, Venice, Ocean Park, Culver City, Sawtelle and adjacent territory.

RATE:

Demand Charge - \$48.00 per year per 100 cu.ft. of maximum hourly demand.
 Commodity Charge - Base Rate - .05 per "C" cubic feet.
 Min. Rate - .04 per "C" cubic feet.
 Max. Rate - .055 per "C" cubic feet.
 Minimum Demand Charge - \$240.00 per year, payable monthly.

Subject to a change of 1/6 of one cent per thousand cubic feet for each change of 1 cent in the price of fuel oil above or below \$1.60 per barrel, as quoted by the Standard Oil Company, a California corporation.

SPECIAL CONDITIONS:

The maximum hourly demand will be the rated hourly capacity of consumer's appliances, unless consumer specifies a greater or lesser demand. The Company may mechanically limit the supply of gas in accordance with the demand applicable.

Consumers served under this schedule shall have priority in the use of gas over consumers served under Schedules Nos. S-B, 3-D, 3-E, 3-F and 3-G, at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 4-A-0VENTURA DISTRICTGENERAL SERVICE:

Applicable to domestic and commercial service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitariums, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to Camarillo, Ojai, territory between Ventura and Ojai served by the Ojai line, Thousand Oaks, and contiguous territory.

RATE:

Service Charge - \$1.25 per consumer per month.

Consumption Charge - (To be added to Service Charge).
First 2,000 cu.ft. per consumer per month,
9¢ per 100 cu. ft.

Over 2,000 cu.ft. per consumer per month,
7.5¢ per 100 cu.ft.

MINIMUM CHARGE:

The service charge set forth above constitutes the minimum charge.

SPECIAL CONDITIONS:

Consumers served under this schedule shall have priority in the use of gas over consumers served under Schedules Nos. S-B, 4-C, 4-D, 4-E, 4-E-V and 4-F, at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 4-A-DVENTURA DISTRICTOPTIONAL RATE FOR GENERAL SERVICE:

Applicable to domestic and commercial service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitariums, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to entire Ventura District.

RATE:

Demand Charge - \$36.00 per year per 100 cu. ft. maximum hourly demand.

Commodity Charge - Base Rate - .05 per "C" cubic feet.

Min. Rate - .04 per "C" cubic feet.

Max. Rate - .055 per "C" cubic feet.

Minimum Demand Charge - \$180.00 per year, payable monthly.

Subject to a change of 1/6 of one cent per thousand cubic feet for each change of 1 cent in the price of fuel oil above or below \$1.60 per barrel, as quoted by the Standard Oil Company, a California corporation.

SPECIAL CONDITIONS:

The maximum hourly demand will be the rated hourly capacity of consumer's appliances, unless consumer specifies a greater or lesser demand. The company may mechanically limit the supply of gas in accordance with the demand applicable.

Consumers served under this schedule shall have priority in the use of gas over consumers served under Schedules Nos. S-B, 4-C, 4-D, 4-E, 4-E-V, and 4-F, at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 4-CVENTURA DISTRICTCOMMERCIAL AND INDUSTRIAL SERVICE:

Applicable to commercial and industrial service such as bakeries, packing houses, metal working plants, preserving and canning establishments, fruit and vegetable dryers and other consumers whose demands for gas are not dependent upon atmospheric temperature or upon the preparation of meals and whose times of maximum demand, if any, do not coincide with that of consumers served under Schedules Nos. 4-A, 4-A-D and 4-A-O.

TERRITORY:

Applicable to Ventura District, including Ventura, Oxnard, Santa Paula, Fillmore and adjacent territory.

RATE:

First	50,000 cu. ft. per consumer per month	\$.60 per M.c.f.
Next	150,000 cu.ft. per consumer per month	.50perM.c.f.
Over	200,000 cu.ft. per consumer per month	.45perM.c.f.

MINIMUM CHARGE:

\$15.00 per consumer per month.
For continuous yearly service accumulative annual minimum of \$180.00 per consumer.

SPECIAL CONDITIONS:

Consumers served under this schedule have priority in the use of gas over consumers served under Schedules Nos. 4-D, 4-E, 4-E-V and 4-F at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 5-ASANTA BARBARA DISTRICTGENERAL SERVICE:

Applicable to domestic and commercial service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitarium, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to Santa Barbara District, including Santa Barbara, Montecito, Summerland, Carpinteria and all adjacent territory.

RATE:

Service Charge	\$1.00 per meter per month
Consumption Charge (To be added to Service charge)	8.1¢ per 100 cu. ft.

MINIMUM CHARGE:

The service charge set forth above constitutes the minimum charge.

SPECIAL CONDITIONS:

Consumers served under this schedule shall have priority in the use of gas over consumers served under Schedules 5-A-D, S-B, 5-D, 5-E and 5-F at times when there is insufficient gas to supply the demands of all consumers.

SCHEDULE NO. 5-A-DSANTA BARBARA DISTRICTOPTIONAL RATE FOR GENERAL SERVICE:

Applicable to domestic and commercial service for lighting, heating and cooking, including restaurants, apartment houses, hotels, hospitals, sanitarium, business buildings of all kinds, schools and churches.

TERRITORY:

Applicable to Santa Barbara District including Santa Barbara, Montecito, Summerland, Carpinteria and all adjacent territory.

RATE:

Demand Charge - \$48.00 per year per 100 cu.-ft. maximum hourly demand.
 Commodity Charge - Base Rate - .05 per "C" cu. ft.
 Min. Rate - .04 per "C" cu. ft.
 Max. Rate - .055 per "C" cu. ft.
 Minimum Demand Charge - \$240.00 per year, payable monthly.

Subject to a change of 1/6 of one cent per thousand cubic feet for each change of one cent in the price of fuel oil above or below \$1.60 per bbl. as quoted by the Standard Oil Company, a California corporation.

SPECIAL CONDITIONS:

The maximum hourly demand will be the rated hourly capacity of consumer's appliances, unless consumer specifies a greater or lesser demand. The Company may mechanically limit the supply of gas in accordance with the demand applicable.

Consumers served under this schedule shall have priority in the use of gas over consumers served under Schedules Nos. S-B, 5-D, 5-E and 5-F at times when there is insufficient gas to supply the demand of all consumers.