

Decision No. 22032.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, for an order of the Railroad Commission of the State of California granting to applicant a certificate of public convenience and necessity to construct the gas transmission lines and system herein described; authorizing the withdrawal and cancellation of certain schedules of rates for, and regulations governing, gas service, and the filing and placing in effect of new, revised, and/or superseding schedules of gas rates and regulation, all as herein in this application particularly set forth; etc.

City of Palo Alto,

Complainant.

- vs -

Pacific Gas and Electric Company, a corporation,

Defendant.

ORIGINAL

Application No. 15602.

Case No. 2734.

C. P. Cutten, for Applicant.  
 John J. O'Toole, City Attorney, and  
 Dion R. Holm, Special Counsel, for the City  
 and County of San Francisco.  
 Preston Higgins, City Attorney, for City of  
 Oakland.  
 E. J. Sinclair, City Attorney, for City of  
 Berkeley.  
 C. W. White, City Attorney, for City of  
 Hayward.  
 Norman E. Malcolm, City Attorney, for City  
 of Palo Alto.  
 Archer Bowden, City Attorney, for City of  
 San Jose.  
 D. T. Jenkins, City Attorney, for City of  
 Los Gatos.  
 J. E. McCurdy, City Attorney, for Cities of  
 San Mateo and Daly City.  
 William J. Locke, City Attorney, for City of  
 Alameda.  
 T. M. Carlson, City Attorney, for City of  
 Richmond.  
 L. D. Bohnett, for City of Willow Glen.

SEAVEY, COMMISSIONER:

O P I N I O N

In Application No. 15602, Pacific Gas and Electric Company, applicant, asks that the Railroad Commission of the State of California grant to it a certificate of public convenience and necessity covering the construction and operation of a natural gas transmission system, therein described, and further, that the Commission authorize applicant to withdraw and cancel certain rate schedules, rules and regulations, under which it has heretofore been furnishing oil gas of 530 to 550 B T U quality, generated and manufactured at its gas plants situate in the Cities of San Francisco, Oakland and San Jose, namely - Schedules G-1, G-2, G-4, G-8, and G-12, and to file and make effective in lieu thereof certain schedules of rates for the service of 700 B T U mixed gas.

In its Decision No. 21311, dated July 1, 1929, the Commission did grant to applicant a certificate of public convenience and necessity covering the construction and operation of the natural gas transmission system referred to above, namely - "a natural gas transmission line project and its appurtenances from Buttonwillow Fields in Kern County to Milpitas in Santa Clara County, branch lines from Milpitas to applicant's gas generating and manufacturing plants in the City of Oakland, Alameda County, and in the City and County of San Francisco, and branch lines from the main line to the City of San Jose and other small communities adjacent to said main line, for the transmission of natural gas and the exercise of all permits, easements, and franchises and/or useful in connection therewith," such authorization being subject

to certain conditions. The question of rates was held open for further hearing and consideration.

Upon the completion of the above mentioned transmission line project, the question of rates being still unsettled, applicant, with the consent of the Commission, during the month of September, 1929, replaced the service of 550 B T U manufactured oil gas with that of straight natural gas in its San Jose Division, to the City of Palo Alto and as far north as San Francisco on the peninsula and as far north as Hayward on the East Bay side.

Subsequent to this change and in the month of November, 1929, applicant, with the consent of and upon the order of the Commission, replaced the service of 550 B T U manufactured oil gas in the remainder of its San Francisco and East Bay area with the service of 625 B T U mixed gas.

Applicant has continued to serve both the straight natural gas and the mixed gas under the same schedules of rates as have been applied to the service of manufactured oil gas.

Further hearings were held at San Francisco in connection with Application No. 15602 and Case No. 2734 on the following dates: August 24th, September 11th, October 9th, October 23rd, November 15th, November 22nd and December 6th.

During these hearings, testimony and exhibits were introduced bearing upon the subject of rates for the service of straight natural gas.

After careful consideration and study of the evidence submitted and the proposals made, it is recommended that upon the completion of the second or "Valley" line by Pacific Gas and

Electric Company, the following action should be taken:

1. That the following present schedules of rates for the service of manufactured oil gas by applicant should be withdrawn and cancelled:

Schedule	G-1	Revised Sheet	C.R.C. No.	297-G.	
"	G-2	"	"	"	137-G.
"	G-4	"	"	"	317-G.
"	G-9	"	"	"	304-G.
"	G-12	"	"	"	306-G.

Rule and Regulation No. 2.

2. And, that applicant should file with the Commission, in lieu thereof, the schedules of rates for the service of straight natural gas as set forth in the following order, together with a revision of Rule and Regulation No. 2.

I recommend the following form of order.

#### ORDER

Pacific Gas and Electric Company, having applied to the Railroad Commission of the State of California for authority to withdraw and cancel those certain schedules of rates for gas service above mentioned and to file and make effective in lieu thereof other schedules of rates for the service of gas of higher heating value,

Public hearings having been held, the matter of interim or initial rates to be applied when natural gas is distributed, being submitted and now ready for decision,

The Railroad Commission of the State of California hereby orders that Pacific Gas and Electric Company, upon the completion and putting into service of its second or so-called "Valley Line," institute the service of straight natural gas in

its San Francisco and East Bay Divisions, and that when such service has been instituted, said company shall withdraw and cancel its present schedules G-1, G-2, G-4, G-9, and G-12, and its present Rule and Regulation No. 2, and that it then file with this Commission in lieu thereof the following schedules of rates covering the service of straight natural gas and an appropriate revision of Rule and Regulation No. 2, said schedules to be applied to all meter readings taken on or after fifteen days after the filing of said schedules:

SCHEDULE NO. G-1

(Superseding Present Schedule G-1)

Character of Service:

Natural gas for light, heat and power service will be supplied, of a heating value as specified and under conditions provided for in Rules and Regulations filed with the Railroad Commission of the State of California.

Territory:

This rate applies to the following cities and incorporated towns:

San Francisco Division -

San Francisco.

East Bay Division -

Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, and contiguous suburbs.

RATE:

Service charge per meter per month.....	\$0.60
Commodity Charge -	
First 5,000 Cu. Ft. per meter per month,	\$0.85 per M Cu.Ft.
Next 25,000 " " " " " "	.75 " " " "
Next 170,000 " " " " " "	.60 " " " "
All Over 200,000 " " " " " "	.50 " " " "

SCHEDULE NO. G-2.

(Superseding present Schedules G-4, G-9, and G-12)

Character of Service:

Natural gas for light, heat and power service will be supplied, of a heating value as specified and under conditions provided in Rules and Regulations filed with the Railroad Commission of the State of California.

Territory:

This rate applies to the following localities:

- (1) East Bay Division outside of G-1 territory.
- (2) San Jose Division.

Rate:

Service charge per meter per month:

Incorporated territory.....\$0.70.  
Unincorporated territory..... 1.00

Commodity Charge:

First	5,000 cu. ft.	per meter per month,	\$0.90	per M Cu.ft.
Next	25,000 "	" " " " "	.75	" " " "
Next	170,000 "	" " " " "	.60	" " " "
All Over	200,000 "	" " " " "	.50	" " " "

SCHEDULE NO. G-19

(Superseding present schedule G-2)

Character of Service:

Wholesale natural gas service of a heating value as specified and under conditions provided in Rules and Regulations filed with the Railroad Commission of the State of California.

Territory:

This rate applies only to natural gas sold at wholesale to the City of Palo Alto.

SCHEDULE NO. G-19 (Continued)

Rate:

Demand Charge: \$3.30 per month per M.C.F. of maximum day demand plus.

Commodity Charge: 18¢ per M.C.F. for all gas taken.

Special Conditions:

(a) The maximum day demand to be used in computing the service charge for any month will be the greatest number of cu. ft. of gas taken by the City in any 24-hour period during that month or the preceding eleven months, considering, however, only the months of November to February, inclusive. During all other months the maximum demand will be the highest established during the preceding months of November to February, inclusive.

(b) The gas will be delivered to the City at the present meter station near the intersection of Middlefield Road and Embarcadero Road in Palo Alto at such pressure as is available in the Company's transmission main serving adjacent territory but not less than 12 lbs. per square inch. Actual meter registration will be adjusted to standard pressure and temperature (14.73 lb. per square inch absolute and 60° F.)

The effective date of this order shall be twenty (20) days 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 15<sup>th</sup> day of January 1930.

C. Leaver  
Edward West  
Leon Quirk  
Wm. D. Smith  
M. J. Linn  
Commissioners.