

Decision No. 09874.

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, granting to applicant all necessary authority to file and place in effect for natural gas service proposed rates contained in schedules submitted herewith, namely: Schedule G-6-N (applicable to the City of Vallejo and contiguous suburbs supplied from Vallejo distribution system), Schedule G-7-N (applicable to cities and towns of San Rafael, San Anselmo, Corte Madera, Fairfax, Ross, Kentfield, Larkspur, San Quentin, Sausalito, Mill Valley, Cotati, Penn Grove, Novato, Petaluma, Sebastopol, Santa Rosa, and all contiguous suburbs of each community supplied from the distribution system in each community, also all consumers supplied from San Rafael-Santa Rosa and San Rafael-Sausalito transmission lines; City of Napa and contiguous suburbs supplied from Napa distribution system, also all consumers supplied from Vallejo-Napa transmission line; and Schedule G-8-N (applicable to City of Benicia and contiguous suburbs supplied from Benicia distribution system, also all consumers supplied from Vallejo-Benicia transmission line east from end of present 3" Vallejo distribution line); and to withdraw and cancel present schedules G-5, G-6 and C-13.

Application No. 16394.

C. P. Cutten, for the Applicant.  
 Roy E. Lochman, City Attorney, for the  
 City of Napa.  
 Henry G. Boke, for a group of taxpayers.  
 Arthur C. Shepherd, for Fresno County.  
 Glen Devore, District Attorney, of  
 Fresno County.  
 Claude L. Rowe, City Attorney of  
 Fresno.

SEAVEY, COMMISSIONER:

O P I N I O N

In this application, Pacific Gas and Electric Company asks that the Railroad Commission of the State of California make its order and decision authorizing applicant:

"(1) To file and make effective the rates and charges set forth in Exhibits "A", "B" and "C" of this petition;

"(2) Upon the filing and making effective of said schedules marked Exhibits "A", "B" and "C", to withdraw and cancel applicant's filed schedules G-5 (Revised Sheet C.R.C. No. 200-G), G-6 (Revised Sheet C.R.C. 301-G), and G-13 (Revised Sheet C.R.C. 307-G); and

"(3) To amortize and write off such unusual and extraordinary expenses as shall be incurred in the substitution of natural gas service for the present artificial gas service during a three year period, commencing with the second year of natural gas service in the territory involved in this petition."

Applicant alleges in this application that the territory covered by the various rates set forth, is as follows:

Exhibit "A" - Present Schedule G-5, Proposed Schedule G-6-N - City of Vallejo and Suburbs.

Exhibit "B" - Present Schedules G-6 and G-13, Proposed Schedule G-7-N - Cities and Towns of San Rafael, San Anselmo, Corte Madera, Fairfax, Ross, Kentfield, Larkspur, San Quentin, Sausalito, Mill Valley, Cotati, Penngrove, Novato, Petaluma, Sebastopol, Santa Rosa, Napa and contiguous territory.

Exhibit "C" - No present schedule - Proposed Schedule G-8-N - City of Benicia and contiguous suburbs.

At public hearings held on this application, testimony and evidence was introduced setting forth estimates of operating

revenues, expenses and rate of return for the first three years of natural gas service in this territory. Testimony was also introduced by applicant setting forth the fact that applicant has been and is now constructing natural gas transmission lines for the purpose of transporting natural gas to these communities; that these lines will very shortly be completed and when so completed natural gas will be available for distribution in said communities.

Such being the case, it is my opinion that interim gas rates should be established in these communities at once.

As to the form of interim rates to be adopted, it is my opinion that the so-called service charge form of rate is the most equitable and just form of rate, in that it more properly allocates the costs of service among consumers than does the so-called minimum or block form of rate. Under the service charge form of rate, a portion of the consumer costs of the service is charged directly to each consumer who uses the service and under it each such consumer pays at least a portion of the cost of his being a consumer. The payment of this portion of the cost of service as a service charge by the convenience consumer relieves the necessity of the payment of his deficiency by the other consumers who use gas in substantial quantities in maintaining their homes. It is further obvious that the payment by each consumer of his portion of the consumer costs makes possible a lower unit rate for the gas itself, thereby encouraging further use of gas.

While the record in this case indicates that the service charge form of rate is the most equitable, the representatives of the cities involved in this application have opposed this form of rate on the ground that the people of such

communities did not wish it. In order to give more time for the consideration of the form of rates and solely for the purpose of the establishment of interim rates, the minimum charge form of rates indicated in the following order will be established. In this connection, however, it definitely should be stated that unless the record is substantially changed, I shall deem it my duty to recommend, in the fixing of permanent rates in this matter, principally for the protection of the interests of the family consumer who uses gas in substantial quantities, that the service charge form of rate be established.

I recommend the following form of Order:

O R D E R

Pacific Gas and Electric Company having asked the Railroad Commission of the State of California to make its order and decision authorizing applicant to file and make effective for natural gas service certain schedules, and upon the filing and making effective of same, the withdrawal and cancellation of certain filed schedules all as set forth in the above Opinion, and to amortize and write off such unusual and extraordinary expenses incurred in the substitution of natural gas service for artificial gas service in the manner set forth in the above Opinion, public hearings having been held, the matter in so far as interim rates being submitted and now ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY ORDERS that Pacific Gas and Electric Company institute at the earliest possible time the service of straight natural gas at the following schedules of rates in lieu of the artificial gas service now being served in the territory

involved, provided that no consumer shall be rendered a monthly bill at the natural gas rate unless he has had at least fifteen (15) days of natural gas service.

THE COMMISSION HEREBY FURTHER ORDERS that upon the completion of the substitution of natural gas service in the communities involved and upon the filing and making effective of said schedules of rates for natural gas service, Pacific Gas and Electric Company is hereby authorized to withdraw and cancel its present Schedules G-5, G-6 and G-13.

The Commission hereby further authorizes Pacific Gas and Electric Company to amortize and write off such unusual and extraordinary expenses as shall be incurred in the substitution of natural gas service for the present artificial gas service during a three year period, commencing with the second year of natural gas service in the territory involved in the petition.

The authorization herein granted except as otherwise specifically provided shall be from and after the date of this order.

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 5<sup>th</sup> day of July, 1930.

Cl. Scavely

Thos. J. L. L...

M. A. L...  
Commissioners.

SCHEDULE G-6-N

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 localities:

City of Vallejo and contiguous suburbs  
supplied from Vallejo distribution system.

RATE:

First 200 cubic feet or less per meter per month	
Incorporated territory . . . . .	\$ .90
Unincorporated territory . . . . .	1.20
Next 4800 cubic feet per meter	
per month . . . . .	11.0¢ per 100 cu.ft.
Next 25000 cubic feet per meter	
per month . . . . .	8.0¢ per 100 cu.ft.
Next 170000 cubic feet per meter	
per month . . . . .	6.5¢ per 100 cu.ft.
All	
over 200000 cubic feet per meter	
per month . . . . .	5.5¢ per 100 cu.ft.

Note:

This schedule will become effective, in substitution of Schedule G-5, as and when, the present manufactured gas service has been entirely superseded by straight natural gas service.

SCHEDULE G-7-NCHARACTER 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 localities:

## North Bay Division:

Cities and towns of San Rafael, San Anselmo, Corte Madera, Fairfax, Ross, Kentfield, Larkspur, San Quentin, Sausalito, Mill Valley, Cotati, Penn Grove, Novato, Petaluma, Sebastopol, Santa Rosa, and all contiguous suburbs of each community supplied from the distribution system in each community, also all consumers supplied from the San Rafael-Santa Rosa and San Rafael-Sausalito transmission lines.

City of Napa and contiguous suburbs supplied from Napa distribution system, also all consumers supplied from Vallejo-Napa transmission line.

RATE:

First 200 cubic feet or less per meter per month	
Incorporated territory . . . . .	\$1.10
Unincorporated territory . . . . .	\$1.35
Next 4800 cubic feet per meter	
per month . . . . .	12.0¢ per 100 cu.ft.
Next 25000 cubic feet per meter	
per month . . . . .	8.5¢ per 100 cu.ft.
Next 170000 cubic feet per meter	
per month . . . . .	7.0¢ per 100 cu.ft.
All	
over 200000 cubic feet per meter	
per month . . . . .	6.0¢ per 100 cu.ft.

## Note:

This schedule will become effective in each community, in substitution of Schedules G-6 and G-13, as and when, the present manufactured gas service has been entirely superseded by straight natural gas service in each community.

SCHEDULE G-8-NCHARACTER 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 localities:

City of Benicia and contiguous suburbs supplied from Benicia distribution system, also all consumers supplied from Vallejo-Benicia transmission line east from end of present 3" Vallejo distribution line.

RATE:

First 200 cubic feet or less per meter per month:	
Incorporated territory . . . . .	\$1.20
Unincorporated territory . . . . .	1.40
Next 4800 cubic feet per meter	
per month . . . . .	12.0¢ per 100 cu.ft.
Next 35000 cubic feet per meter	
per month . . . . .	9.0¢ per 100 cu.ft.
Next 170000 cubic feet per meter	
per month . . . . .	7.0¢ per 100 cu.ft.
All	
over 200000 cubic feet per meter	
per month . . . . .	6.0¢ per 100 cu.ft.