

Decision No. 23674

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN JOAQUIN LIGHT AND POWER CORPORATION
and PACIFIC GAS AND ELECTRIC COMPANY, a
corporation, for an order of the Rail-
road Commission authorizing applicants
to enter into an indenture of lease and
authorizing San Joaquin Light and Power
Corporation to file and make effective
rates for natural gas service and rules
and regulations, etc.)

ORIGINAL

Application No. 17320

C. P. Cutten for Pacific Gas and Electric
Company.
Chaffee E. Hall for San Joaquin Light and
Power Corporation.
J. J. Coghlan, City Attorney, for City of
Madera.

BY THE COMMISSION:

O P I N I O N

Pacific Gas and Electric Company asks permission to lease to San Joaquin Light and Power Corporation, until July 31, 1940, the gas manufacturing plant and distribution system in and about the City of Madera, County of Madera, under the terms and conditions set forth in the lease filed on April 23, 1931 in this proceeding as Exhibit No. 1.

San Joaquin Light and Power Corporation asks permission and authority to file and make effective for natural gas service to be furnished and supplied to consumers in the City of Madera and contiguous suburbs the rates and charges set forth in Exhibit No. 2 filed in this proceeding; to make effective in the territory involved its rules and regulations governing the furnishing and supplying of

gas service and upon the filing and making effective of the rates and charges set forth in Exhibit No. 2 and its rules and regulations to withdraw and cancel Madera Gas Company's filed Schedule A (Revised Sheet C.R.C. No. 96-G), A-1 (Revised Sheet C.R.C. No. 91-G), B (Revised Sheet C.R.C. No. 97-G) and B-1 (Original Sheet C.R.C. No. 89-G) and to withdraw and cancel the filed rules and regulations of Madera Gas Company governing the furnishing and supplying of gas service.

By its decision in Application No. 17307, the Commission authorized Southern California Gas Company to sell its gas manufacturing and distribution plant and properties in and about the City of Madera to Pacific Gas and Electric Company. Pacific Gas and Electric Company through stock ownership controls San Joaquin Light and Power Corporation. The latter corporation now furnishes electric service in and about the City of Madera. It is believed that by leasing the gas properties to San Joaquin Light and Power Corporation certain economies can be effected in the operation of such properties.

As rental for the leased property, San Joaquin Light and Power Corporation shall annually pay or credit to Pacific Gas and Electric Company all of the net earnings derived each year from the operation and use of the leased properties during the term of the lease, the same to be payable or credited, as follows, namely: On or before the close of business on the twentieth day of each and every calendar month during the term of the lease, the lessee shall pay or credit to the lessor the estimated net earnings for the preceding calendar month, and on the twentieth day of January of each year during the term of the lease pay or credit to the lessor such additional sum, if any, which, when added to the total of the monthly payments or credits for the preceding calendar year, shall aggregate

the total net earnings derived from the operation of the leased properties during such preceding calendar year. In computing the rental, the term "net earnings" shall mean that portion of the gross earnings which shall remain after lessee shall have deducted therefrom and paid out thereof all costs and expenses incurred, and expenditures and appropriations made, by it pursuant to the provisions of the lease in maintaining and operating the leased property during the calendar year in which such earnings shall be received. It appears that the lease is substantially in the same form as the lease under which Pacific Gas and Electric Company has leased its gas properties in the City of Fresno and vicinity to San Joaquin Light and Power Corporation.

Until recently residents of the City of Madera have been supplied with artificial gas having a heat content of approximately 540 B.T.U. From about April 18th natural gas with a heat content of approximately 1150 B.T.U. has been distributed. Because of the changing from artificial to natural gas, it is proposed to cancel the rates which are now on file with the Commission under which gas service is being furnished and to place into effect the following rates for natural gas:

Service Charge: Per meter per month.

Incorporated Territory.....	\$1.00
Unincorporated Territory.....	1.30

Commodity Charge:

First 5,000 cu.ft.	per meter per month	- 12.0%	per 100 cu.ft.
Next 25,000 "	" " " " " "	- 8.0%	" " " "
Next 170,000 "	" " " " " "	- 7.0%	" " " "
All Over 200,000 "	" " " " " "	- 6.0%	" " " "

It appears from the evidence that the service of the 1150 B.T.U. natural gas under the rates proposed will effect a

substantial reduction in the consumers' gas bills, as compared with bills for an equivalent amount of heat in the service of 540 B.T.U. gas at the present rate. The single exception is the charge to a consumer who uses only the small amount of 235 cubic feet of natural gas per month. The monthly bill to such a consumer would be increased from \$1.25 to \$1.28, or 2.4 percent. Reductions to other consumers vary from \$.02 to \$10.30 per month, or from 1.6 percent to 80.9 percent, for monthly consumptions up to 5,000 cubic feet of natural gas.

No one appeared at the hearing had before Examiner Fankhauser on May Sixth to protest the granting of this application.

ORDER

The Commission having been asked to enter its order, as indicated in the foregoing opinion, it having considered the evidence submitted and being of the opinion that applicants should be permitted to execute the lease referred to herein and that San Joaquin Light and Power Corporation should be permitted to withdraw the aforementioned schedule of rates and to make effective the rates, rules and regulations referred to in this order, which rates, rules and regulations the Commission hereby finds to be reasonable, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company and San Joaquin Light and Power Corporation be, and they are hereby, from and after the date hereof, authorized to execute a lease substantially in the same form as the lease filed in this proceeding as Exhibit No. 1.

IT IS HEREBY FURTHER ORDERED that within thirty (30)

days after the execution of the aforesaid lease, San Joaquin Light and Power Corporation shall file with the Commission a certified copy of such lease.

IT IS HEREBY FURTHER ORDERED that San Joaquin Light and Power Corporation shall:

(1) File with this Commission within ten (10) days from and after the date of this order, the schedule of gas rates and charges set forth in Exhibit "A" of this decision.

(2) Make effective the schedule of gas rates set forth in Exhibit "A" for all billing on meter readings taken on and after the date of this order.

(3) File with this Commission and make effective within ten (10) days from and after the date of this order San Joaquin Light and Power Corporation's filed rules and regulations governing the furnishing and supplying of natural gas service in Madera.

(4) Upon the filing and making effective of the rates and charges set forth in Exhibit "A", withdraw and cancel Madera Gas Company's filed gas rates:

Schedule No.	1-A	(Revised Sheet	C.R.C.No.	91-G)
"	"	B-1	(Original	" " " 89-G)
"	"	A	(Revised	" " " 96-G)
"	"	B	(Revised	" " " 97-G)

(5) Upon the filing and making effective the rules and regulations of San Joaquin Light and Power Corporation, withdraw and cancel the filed rules and regulations of Madera Gas Company governing the furnishing and supplying of gas service.

The effective date of this order, except as otherwise specifically provided, shall be twenty (20) days from and after the date hereof.

DATED at San Francisco, California, this 11th day of May, 1931.

O. C. Seaver

M. A. ...

W. B. Harris

Fred G. Stewart

Commissioners.

EXHIBIT NO. "A"

SAN JOAQUIN LIGHT AND POWER CORPORATION

SCHEDULE E

General Service - Natural Gas:

Applicable to Domestic, Commercial and Firm Industrial
Natural Gas Service.

Territory:

Applicable to the City of Madera and contiguous suburbs
supplied from Madera distribution system.

Rate:

Service Charge: Per meter per month

Incorporated territory.....\$1.00

Unincorporated territory.....\$1.30

Commodity Charge:

First	5,000	cu.ft.	per	meter	per	month..	12.0¢	per	100	cu.ft.
Next	25,000	"	"	"	"	"	..	8.0¢	"	"
Next	170,000	"	"	"	"	"	..	7.0¢	"	"
<u>All</u>										
Over	200,000	"	"	"	"	"	..	6.0¢	"	"