

Decision No. 25505.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

THE CITY OF SAN DIEGO, a municipal corporation,

Complainant,

vs.

SAN DIEGO CONSOLIDATED GAS AND ELECTRIC COMPANY, a corporation,

Defendant.

Case No. 3152.

ORIGINAL

In the Matter of the Investigation on the Commission's own motion into the rates, rules, regulations, charges, classifications, contracts, practices, operations and service, or any of them, etc., of SAN DIEGO CONSOLIDATED GAS AND ELECTRIC COMPANY, engaged in furnishing gas, electric and steam heating service in the City of San Diego and/or other points within the State of California.

Case No. 3153.

- C. L. Byers, City Attorney, for the City of San Diego.
Stearns, Luce & Forward, by Edgar A. Luce and Chickering & Gregory, by Evan Williams and Walter C. Fox, Jr., for San Diego Consolidated Gas and Electric Company.
O. C. Ludwig, City Attorney, for the City of Chula Vista.
A. B. Fry, Mayor pro tem of the City of Coronado, for the City of Coronado.
J. C. Hizar, City Attorney, for the City of Oceanside.
J. A. Isaacson, City Attorney, for the City of La Jolla.
J. J. Deuel, for California Farm Bureau Federation.
Edgar B. Hervey, for M. W. Wright.
John D. Reavis, for City Taxpayers' Auditing Association.
J. A. Isaacson, City Attorney, for National City.
Gilmore Tillman, Assistant City Attorney, for the City of San Diego.
Thomas Wheelan, Assistant District Attorney, for the Board of Supervisors, County of San Diego.

STEVENOT, COMMISSIONER:

FIRST SUPPLEMENTAL OPINION

In its Decision No. 24478, dated February 15, 1932, in the above entitled matters, this Commission fixed interim gas and electric rates "to remain in effect only during the pendency of these proceedings and until further order herein," said decision providing separate schedules of gas and electric rates to apply in case the utility elected to continue the service of manufactured gas or to institute the service of natural gas and, further, stating that

"If the Company elects not to introduce natural gas these cases may, on the application of any party, be restored to the calendar for further hearings at any time after August.

"If, on the other hand, the Company decides to introduce natural gas the promotional rates therefor should be given a reasonable trial and further hearings should be deferred for at least a year or longer."

Subsequent to the date of said decision and within the time specified in same, this utility elected to, and did, in September, 1932, institute the service of natural gas in its territory, except Escondido, and did file and make applicable the rates prescribed in said decision.

Under date of December 1, 1932, the City of San Diego filed a complaint and a petition to reopen the above entitled matters, alleging that widespread dissatisfaction exists on

the part of the people of San Diego with the charges for natural gas service, particularly among the small or convenience users, which has resulted in complaints against the increased minimum charges applicable to service rendered to said small users, and praying for an order of the Commission reducing said minimum charges and shifting a portion of same to those consumers who use gas.

A public hearing was held in this matter on December 28, 1932, at San Diego, California, at which time testimony and evidence were introduced, none of which, however, would alter the record made thus far or cause the Commission to change its findings.

Witness for the City of San Diego introduced suggested schedules for natural gas service, reducing the minimum charges and increasing the charges in the subsequent blocks. He testified that while these suggested schedules would reduce the bills of the small consumers they would increase the bills of consumers who use substantial quantities of gas and, therefore, were less promotional in nature than the schedules prescribed by this Commission in Decision No. 24478.

He further testified that, contrary to the erroneous impression of many of the people in San Diego, the consumers of this utility would enjoy the full amount of reductions set forth in this Commission's Decision No. 24478.

Witnesses for the utility testified that the small or convenience users are not the poorer class of consumers and showed that the working class which maintains families and homes are substantial users of gas.

In Decision No. 24478 the Commission says: "Each of the proposed natural gas schedules would slightly increase bills

of the so-called convenience users but would work varying reductions in cost to consumers who use gas to any considerable extent. For a family using natural gas for cooking and heating, the reduction in cost over the present cost of manufactured gas would be substantial."

After careful consideration of all of the evidence and testimony introduced at said hearing, together with the very complete record of previous hearings therein, and recognizing that if this utility is to build up its natural gas sales within the period estimated and to a point where further reduction in rates is possible, it will be essential that uninterrupted service be rendered under the promotional type of rates prescribed in Decision No. 24478. It is my opinion that the testimony and evidence introduced at this hearing and the experience of the utility under natural gas service is insufficient to warrant any change at this time in the schedules prescribed in Decision No. 24478. It is my further opinion that the rates set forth in said decision should remain effective for a year or more in order that a fair and reasonable test may be had of them.

I, therefore, recommend the following form of Order:

FIRST SUPPLEMENTAL ORDER

The City of San Diego, having petitioned that the Commission re-open the proceedings in connection with Cases Nos. 3152 and 3153, Decision No. 24478, and revise the interim rates of San Diego Consolidated Gas and Electric Company for natural gas service as prescribed in said decision so as to "reduce the increased burden which has been placed upon the users of small quantities of gas," public hearing having been held and the matter being submitted and now ready for decision,

The Railroad Commission of the State of California now finds as a fact that the interim rates charged by San Diego Consolidated Gas and Electric Company now in effect, and as set forth in Decision No. 24478, are just and reasonable for the purpose and period therein set forth.

Based upon the foregoing finding of fact,

IT IS HEREBY ORDERED that the complaint of the City of San Diego be and it is hereby dismissed.

The effective date of this order shall be 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, 1932.

C. C. Deane
Leon Whitney
W. A. Lee
W. B. Hayes
Fred G. Stewart
Commissioners.