

Decision No. 11092

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Investigation  
by the Commission, on its own motion,  
into the reasonableness of the gas  
rates of San Joaquin Light and Power  
Corporation in the cities of Selma  
and Merced.

Case No. 1803.

Murray Bourne and Lloyd Henley, for San Joaquin  
Light and Power Corporation.

BY THE COMMISSION:

O P I N I O N

This is an investigation by the Commission, on its own motion, into the rates charged for gas service by San Joaquin Light and Power Corporation in the cities of Selma and Merced. The investigation was instituted by reason of a material decrease in the cost of fuel oil to San Joaquin Light and Power Corporation. Public hearing were held before Examiner Sattorwhite in Selma on September 28th and in Merced on September 27th, 1922, and the matter submitted.

Following a report made to it by its engineering department, the Commission submitted revised gas schedules to the company accompanied by an order to show cause why these schedules should not be made effective. At the hearings the company's representative stated that he considered the revised schedules to be just and reasonable.

The schedules set forth in the following order are designed to yield a fair return upon the rate base for each plant.

The cost of oil is a large item of expense and the price of oil is subject to frequent and sudden changes. In order that San Joaquin Light and Power Corporation and the people of Selma and Merced may continue at all times to enjoy just and reasonable gas rates without the necessity of frequent proceedings before the Commission, the schedules hereinafter set forth are designed to vary with the price of oil. The basic schedules are predicated upon an oil cost of \$2.00 per barrel F.O.B. Merced and \$ 1.97

per barrel F.O.B. Selma and these schedules then reduced to agree with the present prices of \$1.30 per barrel at Merced and \$1.27 per barrel at Selma.

### O R D E R

This Commission having instituted an investigation into the gas rates of San Joaquin Light and Power Corporation in Selma and Merced, an investigation having been made, hearings having been held and the matter submitted:

The Railroad Commission hereby finds as a fact that the rates heretofore fixed in its Decisions No. 8042 and No. 8016, for Selma and Merced respectively, should be modified to conform with the schedules herein set forth, and that the rates herein set forth are just and reasonable rates to be charged for gas service by San Joaquin Light and Power Corporation in Selma and Merced.

Basing its order on the foregoing findings of fact and the findings of fact contained in the Opinion which precedes this order:

IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation file with the Commission, within ten (10) days of the date of this order, the following basic schedules of rates which are to be charged and collected for gas service rendered by it in the City of Selma and vicinity when the price paid for oil is \$1.97 per barrel or over, F.O.B.Selma, and in the City of Merced and vicinity when the price paid for oil is \$2.00 per barrel or over F.O.B.Merced:

#### SCHEDULE A.

General Service (Artificial Gas)  
Applicable to Domestic and Commercial Service.

Territory  
Applicable in cities of Selma and Merced.

SCHEDULE A (Continued)

Rate

First	500	cu. ft. or less per meter per month	\$1.20
Next	2500	cu. ft. per meter per month per M cu. ft.	2.00
Next	5000	cu. ft. " " " " " " " "	1.70
Next	7000	cu. ft. " " " " " " " "	1.55
Over	15000	cu. ft. " " " " " " " "	1.35

The above rates are subject to decrease upon order of the Railroad Commission of the State of California on the basis of 3 cents per 1,000 cu. ft. for each 10¢ decrease in the cost of oil below the price of \$1.97 per barrel F.O.B. Selma and \$2.00 per barrel F.O.B. Merced. The charge to be to the nearest one cent per 1,000 cubic feet.

SCHEDULE C.

Hotel, Restaurant, and Industrial Service (Artificial Gas)  
 Applicable to Hotel, Restaurant and Industrial Service.

Territory

Applicable in cities of Selma and Merced.

Rate

First	20,000	cu. ft. per meter per month per M cu.ft.	\$1.40
All	over 20,000	" " " " " " " "	1.20
Minimum Bill \$25.00 per meter per month.			

The above rates are subject to decrease upon order of the Railroad Commission of the State of California on the basis of 3 cents per 1,000 cu. ft. for each 10¢ decrease in the cost of oil below the price of \$1.97 per barrel F.O.B. Selma and \$2.00 per barrel F.O.B. Merced. The charge to be to the nearest one cent per 1,000 cubic feet.

IT IS HEREBY ORDERED, that-

1. - The schedules above, designated as Schedule A. and Schedule C. are hereby reduced 21 cents per 1,000 cubic feet effective for all regular meter readings taken on and after the fifteenth day of October, 1922.

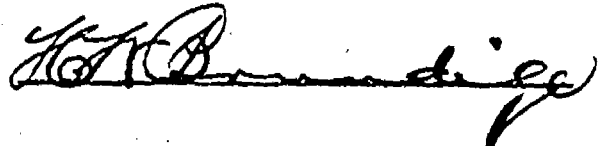
2. In case of a reduction in the price paid for oil, San Joaquin Light and Power Corporation shall file within ten (10) days thereafter an affidavit setting forth the new price paid for oil and shall thereafter, upon supplemental order of the Commission in this proceeding, charge the reduced rates as determined under the schedules herein set forth.

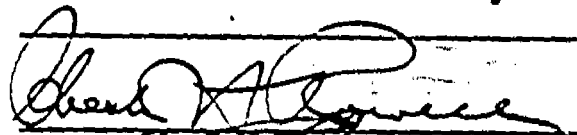
3. Should at any time an increase in the price paid for

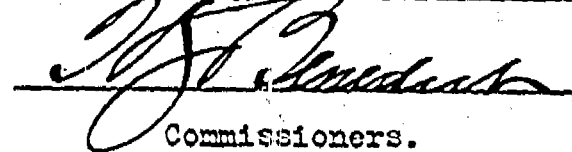
oil occur, San Joaquin Light and Power Corporation may, after filing affidavit of such increase and receiving a supplemental order from this Commission so authorizing, charge the increased rates as determined under the schedules herein set forth.

4. San Joaquin Light and Power Corporation shall, within ten (10) days of the date of this order, file with the Commission schedules of rates to comply with Section 1 of this order.

Dated at San Francisco, California, this 9<sup>th</sup> day of October, 1922.





  
Commissioners.