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Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 3455

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

In the matter of the application  
of W. F. BOARDMAN and CHAS. F.  
LEEGE as operating owners of gas  
system in the cities of Hunting-  
ton Beach and Newport Beach to  
increase rates or discontinue  
operations.

Application

No. 2329.

Sanborn & Roehl for Applicant.  
A. F. Nelson for City of Hunting-  
ton Beach.  
Clyde Bishop for City of Newport  
Beach.

BY THE COMMISSION.

O P I N I O N

This is an application of the owners of  
the former West Coast Gas Company to increase rates  
charged for artificial and natural gas within the  
cities of Huntington Beach and Newport Beach.

The rates now in effect in those cities  
are as follows:

Rates for Artificial and Natural Gas:

For the first 1000 cubic feet ...	\$1.00
For the next 1000 cubic feet ...	.95
For the next 1000 cubic feet ...	.90
For the next 1000 cubic feet ...	.85
For the next 1000 cubic feet ...	.80
For the next 1000 cubic feet ...	.75
For all in excess .....	.75
Minimum monthly bill .....	.75

The rates which petitioners desire to charge and collect were the rates in effect prior to March 1, 1916, at which time applicants voluntarily reduced their rates to those hereinabove set forth. The rates now sought to be charged are as follows:

For the first 5000 cu. ft. ...	\$1.50 per 1000 cu. ft.
For the next 5000 cu. ft. ...	1.40 per 1000 cu. ft.
For the next 5000 cu. ft. ...	1.30 per 1000 cu. ft.
For the next 5000 cu. ft. ...	1.20 per 1000 cu. ft.
All over 20000 cu. ft. ...	1.00 per 1000 cu. ft.
Minimum monthly bill .....	1.00

It will not be necessary to consider at this time the difficulties which have surrounded this utility property during the past two or three years, as the Commission reviewed those facts in detail in its opinion in Application No. 2075, which was the application of Southern Counties Gas Company for a certificate of public convenience and necessity to furnish natural gas to municipally owned distributing systems which are in process of building in the two municipalities in question.

The applicant introduced evidence at the hearing which was held in Huntington Beach on June

12, 1916, which showed that the company's gross receipts from the sale of gas in the two municipalities is at the present time the sum of Five Hundred Seventy-nine and 01/100 (\$579.01) Dollars per month and that the actual operating expenses necessary to produce that revenue are Nine Hundred Ninety-three and 64/100 (\$993.64) Dollars per month. The rate sought by applicant will not meet this deficit, to say nothing of providing any return upon the investment.

The city attorneys of the two municipalities appeared at the hearing and both stated that the municipalities made no opposition to the requested increase in rates.

#### O R D E R

Applicant having filed with this Commission its petition praying this Commission to make its order authorizing a change in the rates charged by it for natural and artificial gas in the cities of Huntington Beach and Newport Beach, California, or to discontinue service therein,

And a public hearing having been held thereupon and the case having been submitted and being now ready for decision;

The Railroad Commission of California hereby finds as a fact that the rates charged by W. F. Boardman and Chas. F. Leege for artificial gas in the cities of Huntington Beach and Newport Beach are unjust and unreasonable in so far as they differ from the rates herein established.

Basing its order on the foregoing finding of fact, IT IS HEREBY ORDERED that W. F. Boardman and Chas. F. Leege establish and file with this Commission within twenty (20) days from the date of this order and thereafter charge and collect for gas service supplied by them in the cities of Huntington Beach and Newport Beach the following rates:

For the first 5000 cu. ft. ...	\$1.50 per 1000 cu. ft.
For the next 5000 cu. ft. ...	1.40 per 1000 cu. ft.
For the next 5000 cu. ft. ...	1.30 per 1000 cu. ft.
For the next 5000 cu. ft. ...	1.20 per 1000 cu. ft.
All over 20000 cu. ft. ...	1.00 per 1000 cu. ft.
Minimum monthly bill .....	1.00

Dated at San Francisco, California, this 23rd day of June, 1916.

Max Thelen  
H. S. Leonard  
W. G. ...  
Edwin O. Edgerton

Commissioners.