

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Decision No. 2835

CITY OF PORTERVILLE, a
municipal corporation,
Complainant

vs

Case No. 966

CENTRAL CALIFORNIA GAS
COMPANY, a corporation,
Defendant

George Murray, for the City of Porterville,
Lester G. Burnett, and C. S. S. Forney,
for Defendant.

LOVELAND, Commissioner.

O P I N I O N

The complaint in this case is directed against the rates charged by Central California Gas Company for artificial gas distributed and sold by it to the City of Porterville and to the inhabitants thereof, which rates

complainant alleges are excessive and unreasonable. Complainant further alleges that the gas supplied by defendant in Porterville is of inferior quality, and that by reason of said inferiority in quality the inhabitants of the City of Porterville are required to pay more for gas supplied by defendant than they should pay if said gas was of standard quality. It is further alleged in the complaint, although the purpose of the allegation is not apparent, that defendant has ceased to manufacture gas in the local plant which it acquired from the Home Gas Company of Porterville. The complaint further sets forth the fact that the gas supplied by defendant in the City of Porterville is manufactured in defendant's plant in the City of Visalia and is transmitted to Porterville, a distance of approximately 32 miles, at high pressure. The complaint alleges that by reason of said high pressure the consumers of defendant in Porterville are required to pay for large quantities of air as well as gas.

The Commission is asked to direct that defendant be required to furnish a better quality of gas in the City of Porterville, that the Commission regulate the high pressure used by defendant and that the Commission fix the rates to be charged by defendant for gas supplied by it in said city.

Central California Gas Company in its answer to the complaint, herein denies each and every

allegation constituting a cause of complaint and asks for dismissal of said complaint.

A public hearing was held in this proceeding at Porterville on September 18, 1916, at which time City Attorney Guy Knapp, who signed the complaint, was not present and Mr. George Murray, Deputy City Attorney, although he was not familiar with the case, appeared for the City.

The gas system of Central California Gas Company, insofar as it is involved in this proceeding, consists of an oil gas generating plant located in the City of Visalia, a transmission pipe line approximately 32 miles in length from the Visalia plant to the City of Porterville, and a distribution system in the last named municipality.

The present rates charged by defendant for artificial gas supplied by it in the City of Porterville, which rates are uniformly enforced over the entire territory served by defendant, are as follows:

TABLE I.

GAS RATES

<u>Amount</u>	<u>Rate</u>	<u>Discount</u>	<u>Net Rate</u>
Minimum	\$1.00	\$.25	\$.75
First 1 000 Cu.-Ft.	1.75	.25	1.50
2nd 1 000 Cu.-Ft.	1.50	.25	1.25
3rd 1 000 Cu.-Ft.	1.40	.25	1.15
4th 1 000 Cu.-Ft.	1.20	.20	1.00
5th 1 000 Cu.-Ft.	.85		.85
6th to 20th 1,000 Cu.-Ft. each	.85		.85
21st to 40th 1,000 Cu.-Ft. each	.75		.75
41st to 60th 1,000 Cu.-Ft. each	.60		.60
Each additional 1,000 Cu.-Ft.			.50

Discounts are made only if the preceding months bill is paid on or before the 10th of the current month.

No evidence was introduced by complainant which could reasonably be assumed to either establish or support the contention of the City of Porterville that the rates of defendant are unreasonable and excessive, or that the service in general is not adequate and proper, and, inasmuch as an investigation made by engineers of the Commission has developed the fact that defendant's business is economically and efficiently handled, and that the average rate per thousand cubic feet of gas sold by defendant

is less than that of any other gas system in the State similarly situated, there is no reason or justification for the assumption at this time that the rates of defendant are either excessive or unreasonable.

Complainant is apparently laboring under the misapprehension that the transmission and distribution of high pressure gas necessarily involves the introduction of air in the gas mains of the utility. This, obviously, is not the case, and, while it is possible that air may enter the pipe lines of a gas company at the works or in connection with the construction and repair of street mains, it is exceedingly unusual to find an instance where the quantity of air in a gas system is sufficient to be noticeable except upon analysis. Tests which have been made at the Commission's laboratory of gas produced in the Visalia plant do not justify the contention of complainant that air has been introduced in material quantities at the works, and there is nothing in the evidence which would indicate that air is introduced after it leaves the works.

While the complaint alleges and defendant admits that gas manufacture has been discontinued in the Porterville plant, the result of this change in operating conditions has been of distinct advantage to the gas consumers in the City of Porterville. It is obvious that the greatest economy under conditions existing

in the territory supplied by defendant can be obtained through the operation of one central plant so situated that it can serve several communities with a consequent reduction of operating costs and fixed charges, and Central California Gas Company is entitled to credit for having reduced the average cost of gas in Porterville from about \$1.40 per thousand cubic feet to a trifle less than \$1.13 per thousand cubic feet within a period of less than four years.

For the reasons which I have already indicated, I recommend that the complaint be dismissed and submit the following form of order:

O R D E R

A public hearing having been held in the above entitled proceeding and the same having been submitted and being now ready for decision,

IT IS HEREBY ORDERED that the complaint herein be and the same is hereby dismissed.

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 2nd day of November 1916.

Max Shelton
Howard
Francis R. Decker
COMMISSIONERS

