

ORIGINAL

Decision No. 5158

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of SAN DIEGO CONSOLIDATED GAS AND ELECTRIC COMPANY for an order authorizing an increase in the rates charged for gas.) Application No. 3294.

Sweet, Stearns and Forward, by Frederic W. Stearns, and Chickering and Gregory, by Allen Chickering, for San Diego Consolidated Gas and Electric Company. T. B. Cosgrove, City Attorney, for City of San Diego. Ray M. Harris, City Attorney, for City of National City. F. B. Andrews, City Attorney, for City of Chula Vista. A. M. Thompson, City Attorney, for City of Escondido. J. W. Puterbaugh, Assistant City Attorney, for City of Coronado.

REBLEN, Commissioner.

O P I N I O N

San Diego Consolidated Gas and Electric Company, hereinafter at times referred to as the Gas Company, asks authority to increase its rates for artificial gas in the entire territory served by it. This territory so served includes the cities or towns of San Diego, National City, Coronado, Chula Vista, East San Diego and La Mesa, all served from the gas plant in San Diego, and the city of Escondido served from an entirely

separate gas plant located in Escondido.

The Gas Company asks authority to increase its rates to reimburse it for increased operating expenses due to the following causes:

- (1) Increased cost of oil.
- (2) Increased cost of labor.
- (3) Increased taxes.

Although the Gas Company is also paying increased costs for other items of operating expenses, such as materials and supplies, its request for increased rates is specifically limited to the foregoing three items, of which the increased cost of oil constitutes by far the largest single item.

A public hearing herein was held in San Diego on January 7, 1918. It was stipulated that L. S. Ready, acting gas and electrical engineer of the Railroad Commission, should prepare a report, a copy whereof should then be transmitted to each party of record herein. This report has been prepared and filed and a copy mailed to all parties. It appearing that no party desires a further hearing, this proceeding has been submitted and is now ready for decision.

The following documents filed subsequent to the hearing have been given exhibit numbers as indicated and constitute part of the record:

Exh. No. 3 of Gas Company - Copy oil agreement dated October 4, 1917 between Union Oil Company of California and San Diego Consolidated Gas and Electric Company.

Exh. No. 4 of Gas Company - Copy of notice dated January 12, 1918 from Union Oil Company of California to San Diego Consolidated Gas and Electric Company suspending contract of October 4, 1917.

Exh. No. 5 of Gas Company - Schedule of Proposed Rates.

Exh. No. 6 of Gas Company - Cost of gas service to Coronado Tent City in 1915.

Exh. No. 1 of Railroad Commission - Report of Mr. L. S. Ready.

Both the gas and the electric business of the Gas Company were reviewed in detail by this Commission in Decision No. 3859 made on November 3, 1916, in Application No. 1925 and Case No. 874 (Vol. 11, Opinions and Orders of the Railroad Commission of California, p. 735), to which decision reference is hereby made. The Railroad Commission in said proceeding established the entire schedule of rates to be charged by the Gas Company for both gas and electric energy. The Railroad Commission found that the rates for gas were yielding a return of approximately 6 per cent on a fair rate base. With the concurrence of the Gas Company, the gas rates then being charged were permitted to remain effective.

In this opinion the discussion will first be confined to the Gas Company's Southern District, which includes all the territory served with gas except Escondido. The Escondido situation will then be separately considered.

The subject matter of this opinion will now be discussed under the following heads:

1. Rate Base.
2. Depreciation Annuity.
3. Maintenance and Operating Expenses.
4. Electric Department Earnings.
5. Rates.
6. Escondido Situation.

1. Rate Base.

Table No. I. shows the operative gas capital as of December 31, 1915, as shown by Table No. VIII in said Decision No. 3839, with the additions and betterments subsequent thereto, including estimated additions and betterments to July 1, 1918.

TABLE NO. I.

Operative Gas Capital, December 31, 1915
to July 1, 1918, San Diego Consolidated Gas
and Electric Company.

	Capital as of 12-31-15 See Dec. 3639 Table VIII	Additions and Betterments 1916	Capital as of 12-31-16	Additions and Betterments First 11 mos. 1917	Capital as of 11-30-17	Estimated Additions and Betterments to 7-1-18
Production Capital	\$ 711,908.00	\$ 55,961.50	\$ 767,869.50	\$ 26,457.50	\$ 794,327.00	\$14,000.00
Transmission and Distribution	1,758,863.00	68,608.00	1,827,471.00	66,008.00	1,893,479.00	35,000.00
General	155,071.00	41,078.00	196,149.00	17,300.00	213,449.00	10,000.00
Total	\$2,625,842.00	\$165,647.50	\$2,791,489.50	\$111,765.50	\$2,903,255.00	\$59,000.00
			Additions and Betterments given to nearest 50¢			

The foregoing table does not include the additional investment made by the Gas Company to serve gas to Camp Kearney. This investment is reported to have been \$126,628.80 to November 30, 1917. The uncertainty with reference to the Camp Kearney situation is such that in so far as possible, it is being eliminated herein.

Table No. I also does not include the Escondido gas investment, which will be separately considered hereinafter.

Table No. II shows the average operative gas capital for the years 1915, 1916 and 1917 with an estimate for 1918 and includes appropriate allowances for materials and supplies and working capital and estimated depreciation annuities.

TABLE II

OPERATIVE GAS CAPITAL - ESTIMATED AVERAGE
FOR 1915, 1916, 1917 and 1918 - DEPRECIATION
ANNUITIES - SAN DIEGO CONSOLIDATED GAS AND
ELECTRIC COMPANY.

	Average Capital 1915	Average Capital 1916	Average Capital 1917	Estimated Average Capital 1918
Production Capital	\$ 700,064.00	\$ 739,889.00	\$ 781,098.00	\$ 808,327.00
Transmission and Distribution	1,727,253.00	1,793,167.00	1,661,475.00	1,930,479.00
General	160,925.00	175,601.00	204,799.00	223,449.00
Sub Total	\$ 2,568,252.00	\$ 2,708,657.00	\$ 2,647,372.00	\$ 2,962,255.00
Materials and Supplies	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 50,000.00
Working Cash Capital	60,000.00	60,000.00	60,000.00	90,000.00
	\$ 2,663,252.00	\$ 2,803,657.00	\$ 2,942,372.00	\$ 3,102,255.00
Estimated Depreciation Annuity	\$ 48,900.00	\$ 51,600.00	\$ 54,350.00	\$ 56,600.00

The sum of \$3,102,255.00 shown in the last column of Table No. II is a just and reasonable rate base for the purpose of this proceeding.

2. Depreciation Annuity.

The sum of \$56,600.00 shown in the last column of Table No. II is a just and reasonable amount to be allowed herein as depreciation annuity. It is computed on the 6 per cent sinking fund basis, which basis was agreed upon by the Gas Company and the Railroad Company's engineers in said Application No. 1925 and Case No. 874.

3. Maintenance and Operating Expenses.

Table No. III shows the Gas Company's revenues and expenses from its gas business in 1915, 1916 and the twelve months ending November 30, 1917, together with the Gas Company's estimate of expenses for 1918 as shown in Gas Company's Exhibit No. 2, and also the percent of return earned on a fair rate base in 1915, 1916 and the twelve months ending November 30, 1917.

TABLE NO. III

Operating Revenue and Expense - Gas Department -
San Diego Consolidated Gas and Electric Company.

	1915	1916	12 Mos. End. 11-30-17	Company's Est. 1918
Production Expense:				
Other than Oil and Electricity	\$ 59,920.65	\$ 65,012.99	\$ 68,871.96	\$ 82,855.00
Oil	127,883.66	120,566.05	128,762.01	299,292.00
Electricity	7,020.97	6,639.00	11,819.27	16,652.00
Total	\$ 194,825.48	\$ 192,220.04	\$ 209,453.24	\$ 398,799.00
Distribution Expense	\$ 75,016.13	\$ 58,802.72	\$ 66,243.93	\$ 75,290.00
Commercial	27,734.67	27,623.98	29,081.69	35,515.00
General	77,999.96	67,223.81	68,101.69	66,704.00
Total	\$ 378,575.14	\$ 345,870.55	\$ 372,860.75	\$ 672,508.00
Taxes	\$ 35,252.74	\$ 37,183.00	\$ 42,129.68	\$ 49,110.00
Uncollectible Bills	2,451.59	2,500.00*	2,356.62	3,000.00
Total	\$ 411,279.47	\$ 385,553.55	\$ 417,367.25	\$ 624,418.00
Gross Revenue	\$ 625,476.05	\$ 620,519.69	\$ 658,740.41	\$ - -
Net for Interest and Depreciation	\$ 214,196.58	\$ 234,766.34	\$ 241,373.16	
Depreciation	48,900.00	51,600.00	54,350.00	
Total	\$ 165,296.58	\$ 183,166.34	\$ 187,023.16	
Return on Estimated Rate Base	6.20%	6.53%	6.22%	

*Estimate
+Includes Camp Kearney

In Table No. III, the returns for the twelve months ending November 30, 1917 include the Camp Kearney business. The Gas Company's estimate for 1918 also includes items of estimated increased expense in addition to fuel, labor and taxes. The table is inserted for comparative purposes. It will be observed that for the 12 months ending November 30, 1917, including the Camp Kearney business, the gas department earned a return of 6.22 percent on a fair rate base.

Table No. IV shows the revenue from the principal classes of gas business and statistics as to amount of oil used, the sendout and sales of gas, the gas unaccounted for, the average number of consumers, the sales per consumer and the total duty of oil in 1915 and 1916 and for the twelve months ending November 30, 1917 both including and excluding the Camp Kearney business.

TABLE NO. IV
Revenues and Operating Statistics - Gas
Departments - San Diego Consolidated Gas and
Electric Company.

	1915	1916	Total 12 Mos. End. 11-30-17	12 Mos. End. 11-30-17 Excluding Camp Kearney
Revenues:				
Municipal Street Lighting	\$ 184.50	\$ 182.00	\$ 162.00	\$ 162.00
Domestic and Commercial heat, light and power	614,228.14	606,657.00	641,454.92	623,364.23
Prepaid Gas	9,061.60	7,591.82	6,990.04	6,990.04
Total Operative	\$ 623,474.24	\$ 614,210.82	\$ 648,605.96	\$ 630,516.27
Misc. Other Revenue	2,001.81	6,109.07	10,135.45	10,135.45
	\$ 625,476.05	\$ 620,319.89	\$ 658,740.41	\$ 640,649.72
Revenue per 1,000 Cu. ft. Sold (Not Including Misc.)	95¢	90.8¢	88.2¢	90.1¢
Statistics:				
Oil Used (Bbls.)				
For Gas	145,167	157,006	174,544	
For Steam	28,771	23,616	24,682	
	173,938	180,622	199,226	190,176
Total Sendout - M cu. ft.	783,709	823,362.00	889,642.0	849,422
Total Sales - M. cu. ft.	655,902.4	677,582.30	734,958.0	700,522
Unaccounted for	127,606.6	145,779.70	154,684.0	148,900
% Unaccounted for	16.3%	17.7%	17.4%	17.4%
Average Number of Consumers	21,596	21,585	21,780	21,730
Sales per Consumer - Cu. ft.	30,400	31,400	35,700	32,250
Total Duty of Oil	9,823	9,214	9,403	9,403

Table No. IV shows that for the twelve months ending November 30, 1917 the revenue derived by the Gas Company from each 1000 cubic feet of gas sold, not including miscellaneous revenue, was 88.2¢ including Camp Kearney business and 90.1¢ excluding Camp Kearney business.

The total sales of gas during these 12 months excluding the Camp Kearney business, were 700,522,000 cubic feet.

I shall now consider the estimated increased operating expenses for 1918 for

- (a) Oil;
- (b) Labor; and
- (c) Taxes.

(a) Increased Cost of Oil.

For oil the Gas Company paid in 1916 and 1917 75¢ per barrel delivered at San Diego, under a contract which expired on December 31, 1917. On October 4, 1917, Union Oil Company of California entered into a new contract with the Gas Company under which the latter company is obligated to pay \$1.60 per barrel for oil purchased during 1918. On January 12, 1918, the Union Oil Company served notice on the Gas Company, increasing the cost to \$1.62 per barrel.

If the 1918 price of oil had been in effect in 1917 and the unaccounted for gas had been 16.5 per cent the Gas Company would have paid for this item alone the additional sum of \$144,300.00, being 20.6¢ for each thousand cubic feet of gas sold, more than it paid ⁱⁿ/1917. An additional item of \$6,380.00 represents the increased cost, due to oil, of the electricity used in the gas department.

(b) Increased Cost of Labor.

While the Gas Company has increased the wages paid to its employees, it has dispensed with a number of employees, so that the payrolls have not materially increased. Further increases in wages, however, may not unreasonably be expected, especially among the lower paid employees. I shall recommend an additional allowance of \$7,500.00 under this head.

(c) Increased Taxes.

The Gas Company now pays to the state a tax of 5.6 percent of its gross revenue, as contrasted with 5.25 percent paid prior to the Act of May 11, 1917 (St. 1917, p. 336). The total increased payment for state taxes in 1917, if the present rate had then been effective, would have been approximately \$10,500.00, or 1.15¢ per thousand cubic feet of gas sold.

The increased cost of oil, labor and state taxes in 1917 if 1918 prices had been effective would have been as follows:

Increased cost of oil - 700,522 M. cu. ft. at		
\$.2060.	\$144,308.	
Increased cost of electricity at .0091 -	6,380.	
" " " labor " .0107 -	7,500.	
" " " taxes " <u>.015</u> -	<u>10,499.</u>	
Total increase .2408	\$168,687.	

If the sales of gas in 1918, exclusive of Camp Kearney, increase 6 percent over the sales of 1917, the increased revenue will exceed the increased cost for the additional gas approximately \$11,298.00, thus reducing the total increased cost for 1918 to \$157,389.00, being 21.2¢ per thousand cubic feet sold. Adding this increased cost to the average revenue of 90.1¢ per thousand cubic feet in 1917 would give an average necessary revenue for 1918 of \$1.113 per thousand cubic feet sold.

If the sales of gas in 1918, exclusive of Camp Kearney, increase 10 percent over the sales of 1917, as seems more likely, the increased revenue will exceed the increased cost for the additional gas approximately \$27,530.00, thus reducing the total increased cost for 1918 to \$141,157.00, being 18.3¢ per thousand cubic feet sold. Adding this increased cost to the average revenue of 90.1¢ per thousand cubic feet in 1917 would give an average necessary revenue for 1918 of \$1.084 per thousand cubic feet sold.

The foregoing costs assume a return of approximately 6 percent on the fair value of the Gas Company's operative gas property.

4. Electric Department

Earnings.

At the hearing herein, inquiry was made as to whether the earnings from the Gas Company's electric department in 1918 might not be sufficient to take care of a portion of the anticipated deficit from the gas department.

Without at this time examining the electric situation in detail, attention should be directed to the fact that at \$1.62 per barrel of oil in 1918 as contrasted with 75¢ in 1917, the increased cost of the oil alone used in the electric department in 1917 would be \$115,000. This one item alone would have reduced the 1917 return on the fair value of the property used and useful in the electric department to slightly less than 8 per cent.

5. Rates.

The present general rates of the Gas Company for gas sold in its San Diego District are as follows:

First 25,000 cubic feet per month,	\$1.00	per	thousand	Cu.Ft.
Next 25,000 " " " "	.90	"	"	"
Next 25,000 " " " "	.80	"	"	"
All over 75,000 " " " "	.70	"	"	"

A discount of 10¢ per thousand cubic feet is allowed for prompt payment.

Minimum bill, 50¢ per meter per month.

At Tent City, Coronado, where prepay meters are installed, the rate is \$1.50 per thousand cubic feet of gas. When the service has been used 12 consecutive months, the company will refund to the customer the difference between the amount paid and the amount which would have been paid under the general rates next hereinbefore set forth.

The Gas Company filed herein as Gas Company's Exhibit No. 5 a proposed schedule of new rates, including general gas service, Coronado Tent City and Municipal Arcs. These proposed rates are set forth in Table No. V.

Table No. V.

New Gas Rates Proposed by San Diego
Consolidated Gas and Electric Company.

1. General Gas Rates,
San Diego District.

CHARACTER OF SERVICE:

This rate covers all service furnished and all classes of customers.

RATES:

				<u>Gross</u>	<u>Net</u>			
First 500 cu.ft. or less per month				\$.80	\$.75			
Next 4500 "	"	"	"	1.20	1.10	per thousand cu.ft.		
" 10000 "	"	"	"	1.10	1.00	"	"	"
" 15000 "	"	"	"	1.00	.90	"	"	"
" 20000 "	"	"	"	.90	.80	"	"	"
" 25000 "	"	"	"	.80	.70	"	"	"
All over 75000 "	"	"	"	.70	.60	"	"	"

PROMPT PAYMENT DISCOUNT:

All bills are rendered at the gross rate shown above. A discount reducing the bill to the net rate above shown is made for prompt payment in case bills are paid on or before date due as shown on bill rendered.

MINIMUM CHARGES:

The minimum charge is seventy-five cents per meter per month for each meter set.

TERM:

Application for service only required. No definite contract period.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

Table No. V, (continued).

2. Coronado Tent City,

Special Rate.

CHARACTER OF SERVICE:

This rate applies only to meters set at Coronado Tent City. The additional charge being made to offset the cost of installing and removing meters used for a period of less than twelve months during the year. If meters are used for a period of twelve consecutive months, then at the expiration of the twelve months the Company will refund to the customer the difference between the amount paid and the regular schedule of rates for gas for San Diego and vicinity.

RATES:

All gas furnished per meter per month $\frac{\text{Gross}}{\$2.35}$ $\frac{\text{Net}}{\$2.25}$ per thousand cu.ft. After service has been used twelve consecutive months, then at the expiration of the twelve months the Company will refund to the customer the difference between the amount paid and the following rates:

	<u>Gross</u>	<u>Net</u>			
First 500 cu.ft. or less per month	\$.80	\$.75			
Next 4500 " " "	1.20	1.10	per	thousand	cu.ft.
" 10000 " " "	1.10	1.00	"	"	"
" 15000 " " "	1.00	.90	"	"	"
" 20000 " " "	.90	.80	"	"	"
" 25000 " " "	.80	.70	"	"	"
All over 75000 cu.ft. per month	.70	.60	"	"	"

PROMPT PAYMENT DISCOUNT:

All bills are rendered at the gross rate shown above. A discount reducing the bill to the net rate above shown is made for prompt payment in case bills are paid on or before date due as shown on bill rendered.

MINIMUM CHARGES:

The minimum charge is seventy-five cents per meter per month for each meter set.

TERM:

Application for service only required. No definite contract period.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

Table No. V (continued).

3. Municipal Arcs,
San Diego District.

CHARACTER OF SERVICE:

This service applies to three municipal gas arcs located in La Jolla. The lamps burn all night every night, the Company turning lamps on and off. These lamps are the Humphrey Gas Arcs of the outdoor type.

LAMP SERVICE:

The Company renews all lamps, globes, and mantles.

RATE:

The rate is \$4.50 per lamp per month.

TERM:

Term of contract, one year or until cancelled.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

The general gas rates proposed by the Gas Company for the San Diego district would yield an average rate, including forfeited discounts of \$1.16 per thousand cubic feet of gas, a rate about .06¢ in excess of the return which should be allowed.

The rates which I find to be just and reasonable are set forth in the order herein. The general rates for the San Diego District differ from those proposed by the Company as follows:

(a) The rate for 500 cubic feet or less per month is reduced from 80¢ gross and 75¢ net to 70¢ gross and 60¢ net.

(b) Discounts for prompt payment are eliminated on those portions of monthly bills which run over 15,000 cubic feet per month.

The rates for Coronado Tent City set forth in the order herein differ from those proposed by the company in that the rate established is \$1.60 gross and \$1.50 net per thousand cubic feet for all gas furnished instead of \$2.35 gross and \$2.25 net as proposed. The rate proposed seems too high to hold the business.

6. Escondido Situation.

The Gas Company purchased the Escondido gas plant from Escondido Utilities Company in 1917. The plant supplies only 220 consumers.

The Gas Company reports an investment of \$18,437.00 in this property.

The Company's estimate of operating expenses alone for 1918 is \$8,309.40. The average cost per thousand cubic feet of gas sold, exclusive of interest, depreciation and head office charges, is estimated for 1918 at \$1.335 per thousand cubic feet. The revenue under existing rates has been \$1.21 per thousand cubic feet. In other words, the present rates will not even yield operating expenses in 1918, to say nothing of a return on the investment and a depreciation annuity.

The gas rates now in effect in Escondido are as follows:

50 cents per customer per month plus
 First 10,000 cubic feet per month, \$1.00 per thousand cubic ft.
 All over 10,000 cubic feet per month .80 " " " "

The Gas Company has suggested in Gas Company's Exhibit No. 5 the following new rate:

First 300 cubic feet or less per month	\$1.25
Next 9700 " " " "	1.35 per M cu.ft.
All over 10,000 " " " "	1.10 " " "

Discount of 25¢ on the first 300 cubic feet or less per month and 10¢ per thousand cubic feet on all additional gas

consumed per month, for prompt payment.

Minimum bill, \$1.00 per meter per month.

It is evident that it will be impossible for the Gas Company to derive from its Escondido plant a revenue sufficient to pay a return on its investment.

I find that the following revision of the rate schedule proposed by the Gas Company is, under all the circumstances, just and reasonable for gas sold in the Escondido district:

	<u>Gross</u>	<u>Net</u>
First 500 cubic feet or less per meter per month	\$1.10	\$1.00
Next 4500 cubic feet per meter per month	1.50	1.40
Next 5000 cubic feet per meter per month	1.35	1.25
All over 10000 cubic feet per meter per month		1.00

The net rate is for prompt payment on or before the date due as shown on bill rendered.

This schedule will net the Gas Company, as reported by Mr. Ready, approximately an average rate of \$1.55 per thousand cubic feet per month, or a total revenue of approximately \$8,400.00 in 1918, being sufficient to cover operating expenses and part of the depreciation annuity.

I submit herewith the following form of order:

O R D E R.

San Diego Consolidated Gas and Electric Company having filed its application for authority to increase the rates charged by it for gas sold to its patrons in San Diego County, California, a public hearing having been held, this proceeding having been submitted, and being now ready for decision,

THE RAILROAD COMMISSION HEREBY FINDS AS A FACT that the

rates charged by San Diego Consolidated Gas and Electric Company for gas are unreasonable in so far as they differ from the rates herein established and that the rates herein established are just and reasonable rates.

Basing its order on the foregoing findings of fact and on the other findings which are contained in the opinion which precedes this order,

The Railroad Commission hereby authorizes San Diego Consolidated Gas and Electric Company to file with this Commission, effective on all regular meter readings on and after February 28, 1918, and thereafter to charge the following rates for gas sold by it of the quality heretofore specified in its rate schedules:

SCHEDULE "A"
General Gas Service

San Diego District

CHARACTER OF SERVICE:

This rate covers all service furnished and all classes of customers and rates.

RATES:

	<u>Gross</u>	<u>Net</u>	
First 500 cu.ft. or less per month	\$.70	\$.60	
Next 4500 cu.ft. per month	1.20	1.10	per thousand cu.ft.
Next 10000 cu.ft. per month	1.10	1.00	per thousand cu.ft.
Next 15000 cu.ft. per month		.90	per thousand cu.ft.
Next 20000 cu.ft. per month		.80	per thousand cu.ft.
Next 25000 cu.ft. per month		.70	per thousand cu.ft.
All over 75000 cu. ft. per month		.60	per thousand cu.ft.

PROMPT PAYMENT DISCOUNT:

All bills are rendered at the gross rate shown above. A discount reducing the bill to the net rate above shown is made for prompt payment in case bills are paid on or before date due as shown on bill rendered.

TERM:

Application for service only required. No definite contract period.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

SCHEDULE "B"

Coronado Tent City - Special Rates

San Diego District.

CHARACTER OF SERVICE:

This rate applies only to meters set at Coronado Tent City. The additional charge is made to offset the cost of installing and removing meters used for a period of less than twelve months during the year. If meters are used for a period of twelve consecutive months, then at the expiration of the twelve months the Company will refund to the customer the difference between the amount paid and the regular schedule of rates for gas for San Diego and vicinity.

RATES:

	<u>Gross</u>	<u>Net</u>
All gas furnished per meter per thousand cubic feet per month	\$1.60	\$1.50

PROMPT PAYMENT DISCOUNT:

All bills are rendered at the gross rate shown above. A discount reducing the bill to the net rate above shown is made for prompt payment in case bills are paid on or before date due as shown on bill rendered.

MINIMUM CHARGES:

The minimum charge is \$1.10 per month or portion thereof, subject to 10% discount for prompt payment.

TERM:

Application for service only required. No definite contract period.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

SCHEDULE "C".

General Gas Service - Escondido.

CHARACTER OF SERVICE:

This rate covers all service furnished and all classes of customers.

RATES:

		<u>Gross</u>	<u>Net</u>
First	500 cu. ft. or less per meter per month	\$1.10	\$1.00
Next	4500 cu. ft. per meter per month	1.50	1.40
Next	5000 cu. ft. per meter per month	1.35	1.25
All over	10000 cu. ft. per meter per month		1.00

PROMPT PAYMENT DISCOUNT:

All bills are rendered at the gross rate shown above. A discount reducing the bill to the net rate shown above is made for prompt payment in case bills are paid on or before date due as shown on bill rendered.

TERMS:

Application for service only required. No definite contract period.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

SCHEDULE "D"

Municipal Arcs - Special Rates

San Diego District.

CHARACTER OF SERVICE:

This service applies to three municipal gas arcs located in La Jolla. The lamps burn all night every night, the Company turning lamps on and off. These lamps are the Humphrey Gas Arcs of the outdoor type.

LAMP SERVICE:

The Company renews all lamps, globes and mantles.

RATE:

The rate is \$4.50 per lamp per month.

TERM:

Term of contract, one year or until cancelled.

TERMS AND CONDITIONS:

See Rules and Regulations C.R.C. Sheet No. 28-G to C.R.C. Sheet No. 55-G.

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 25th day of February, 1918.

Max Thelen
H. D. Loveland
Alex. G. ...
Edwin O. Edgerton
Frank ...
Commissioners.