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ORIGINAL

Decision No. 6138

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of	)	
SOUTHERN CALIFORNIA GAS COMPANY for	)	
an increase in rates charged for	)	
815 B.T.U. gas for domestic and com-	)	Application No. 4027.
mercial service for lighting, cook-	)	
ing, heating, etc., within the limits	)	
of the City of Los Angeles.	)	

Jared How for Southern California Gas Co.  
Albert Lee Stephens and F. D. Howell for  
the City of Los Angeles.

DEVLIN, Commissioner.

O P I N I O N

In this application Southern California Gas Company, hereafter referred to as applicant, requests that in the event this Commission shall authorize the Los Angeles Gas and Electric Corporation an increase in its rates to be charged by it for service of 815 B.T.U. gas within the City of Los Angeles that the Commission authorize applicant a like increase for the same service within the City of Los Angeles.

A hearing in this application was held before Commissioner Loveland, acting for myself, in Los Angeles on October 8th and 9th, 1918, at which time it was stipulated that evidence introduced in Application No. 4009,

being application of Los Angeles Gas and Electric Corporation for increase in rates, which was heard in conjunction with this application, in so far as the same was applicable, might be considered as evidence in this proceeding. Further hearing in this application was postponed from time to time owing to the continuation of the epidemic of influenza, and finally the matter was submitted by stipulation of all attorneys of record in the proceeding without further hearing.

The rates now being charged by Southern California Gas Company in the City of Los Angeles were fixed by this Commission in its Decision No. 4559, issued August 21, 1917, as amended by Decision No. 4853, issued November 19, 1917. In the former decision, No. 4559, this Commission held that because of the competitive conditions existing between applicant and Los Angeles Gas and Electric Corporation, it would be impossible for applicant to conduct its business with success if higher rates were fixed for its service of mixed gas in the City of Los Angeles than had been fixed for the service of gas by Los Angeles Gas and Electric Corporation in this Commission's Decision No. 4558 in Application No. 1830, dated August 21, 1917, and that therefore the rates of applicant for its service of mixed gas in the City of Los Angeles should be made the same as those fixed for the competing company, Los Angeles Gas and Electric Corporation; that it was true that such rates would not yield to applicant the same rate of return upon its investment as identical rates would yield on the investment of Los Angeles Gas

and Electric Corporation; and that applicant had not previously made an adequate return upon its investment. The Commission found that the estimated net earnings of applicant under the rates set out in the order and thereby prescribed to be charged by applicant, would be slightly in excess of six per cent (6%) of the investment; whereas the estimated earnings of said Los Angeles Gas and Electric Corporation under the same rates would be eight per cent (8%) of its investment.

Southern California Gas Company competes directly with Los Angeles Gas and Electric Corporation throughout practically the entire territory in the City of Los Angeles which it serves with 815 B.T.U. gas. Applicant also serves mixed gas of 815 B.T.U. per cu. ft. content in a number of the adjacent towns and in the unincorporated territory intervening, and also serves natural gas in certain districts, which in general are non-competitive. In this application it asks only that its rates be kept the same as Los Angeles Gas and Electric Corporation in the City of Los Angeles.

It appears at this time, as set forth in Decision No. 6139 in Application No. 4009, this day issued, that Los Angeles Gas and Electric Corporation's expenses have increased, and to cover such expenses this Commission has authorized that company to increase its rates to be charged for gas service delivered to its consumers.

Southern California Gas Company's expenses have also increased, though due to certain economies which it

has put in effect these expenses have not increased as much as those of Los Angeles Gas and Electric Corporation. It appears at this time, however, that the rates which are authorized for Los Angeles Gas and Electric Corporation for the sale of gas in the City of Los Angeles, if applied to the sales of Southern California Gas Company will not result in an excessive return to applicant.

Applicant should be authorized to increase its rates for the delivery of gas having an average heat content of 815 B.T.U. per cubic foot in the City of Los Angeles so that its rates therein will be the same as charged by Los Angeles Gas and Electric Corporation.

I recommend the following form of order:

O R D E R .

SOUTHERN CALIFORNIA GAS COMPANY having applied for authority to increase its rates for gas having an average heat content of 815 B.T.U. per cubic foot, within the city limits of Los Angeles, a public hearing having been held and the matter having been submitted and now ready for decision,

IT IS HEREBY ORDERED that Southern California Gas Company be and the same is hereby authorized to charge and collect within the City of Los Angeles, as hereafter designated, for service of gas having an average heat content of 815 B.T.U. per cubic foot, the following rates, to be applicable to all bills rendered based upon meter readings taken on and after March 1, 1919:

GAS RATE SCHEDULE NO. 1.

Territory

This schedule applies to Rate District No. 1,  
which includes the following territory:

That portion of the City of Los Angeles designated  
as follows:

- (a) Original city as incorporated in 1850.
- (b) Extension of June 1, 1869.
- (c) City of Hollywood Addition.
- (d) East Hollywood Addition.
- (e) Colegrove Addition.
- (f) Western Addition.
- (g) University Addition.
- (h) Palms Addition east of N. and S. section  
line extended, between Sec. No. 16 and  
Sec. No. 17, Twp. 1 S., R. 14 W.,  
S.B.B. and M.
- (i) Southern Addition.
- (j) Shoestring Addition north of northern  
section line of Secs. 31, 32 and 33,  
Twp. 2 S., R. 13 W., and Secs. 35 and  
36, Twp. 2 S., R. 14 W., S.B.B. and M.
- (k) Bairdstown Addition.
- (l) Highland Park Addition.
- (m) Gervanza Addition.
- (n) Arroyo Seco Addition.
- (o) Occidental Addition.

Character of Service

This schedule applies to sale of "815 B.F.U"  
gas for domestic and commercial service including lighting,  
cooking, heating, etc.

Rate

First	5,000	cu.ft.	per	meter	per	month.....	75¢	per	M	cu.ft.
Next	5,000	"	"	"	"	"	70¢	"	"	"
"	15,000	"	"	"	"	"	65¢	"	"	"
"	25,000	"	"	"	"	"	60¢	"	"	"
All over	50,000	"	"	"	"	"	55¢	"	"	"

Minimum Charge

Minimum bill, for flats and apartments where four (4)  
or more meters are served in one location and on  
one service ..... 35 cents per meter per month.

Minimum bill, for domestic and commercial service other  
than above ..... 50 cents per meter per month.

IT IS FURTHER ORDERED that Southern California  
Gas Company file with the Railroad Commission said rates  
herein established within ten (10) days from the date of  
this order.

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 21st  
day of February, 1919.

Edwin O. Edgerton  
W. H. Howard  
James R. Weston  
Ed. P. Dundige  
Erving M. M. M.  
Commissioners.