

Decision No. 6281

ORIGINAL

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

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In the Matter of the Application)
of the SAN DIEGO CONSOLIDATED GAS) Application
AND ELECTRIC COMPANY for an Order)
Revising and Increasing its Gas) No. 4052
and Electric Rates.)

Sweet, Stearns & Forward, by Fred W. Stearns,
and Chickering & Gregory, by Allen L. Chick-
ering, for Applicant.

T. B. Cosgrove for the City of San Diego.

Johnson W. Puterbaugh for the City of Coronado.

Ray M. Harris for the City of National City.

F. B. Andrews for the City of Chula Vista.

James E. O'Keefe for the City of La Mesa.

P. M. Andrews for the City of East San Diego.

H. J. Bischoff, John Gillons and J. D. Graham

for the Chamber of Commerce of San Diego.

Frank E. Atwood in Propria Persona, and for
5240 consumers.

LOVELAND, Commissioner.

O P I N I O N

In this proceeding San Diego Consolidated Gas and
Electric Company, hereinafter referred to as applicant, asks
for an order of the Commission authorizing it to increase

its rates and charges for gas and electricity. Hearings were held at San Diego, the matter submitted and is now ready for decision.

Applicant is a California corporation engaged in the manufacture and distribution of gas and in the generation and distribution of electricity in the City and County of San Diego and in certain portions of the County of Orange, State of California. The major portion of its business, however, is concentrated in the immediate vicinity of the City of San Diego.

Applicant operates gas generating plants in San Diego and Escondido, California, a large plant for generation of electricity by steam from fuel oil in the City of San Diego, and also purchases electricity at wholesale from the Southern California Edison Company at Capistrano, which energy is carried into San Diego over a high tension transmission line.

Applicant's rates for gas and electricity were first reviewed and passed upon by this Commission in Decision No. 3839, dated November 3rd, 1916 (Vol. 11, Opinions and Orders of the Railroad Commission, Page 735), and again in considering Application No. 3294, as a result of which applicant's rates for gas were increased by Decision No. 5158, dated February 25th, 1918 (Vol. 15, Opinions and Orders of the Railroad Commission, Page 293).

Applicant's operating expenses in both its gas and electric departments have materially increased owing to the conditions obtaining prior to and during the war emergency, which conditions applicant alleges are still in effect to a marked degree and will so continue. These

increases are reflected in applicant's costs of oil, in both its gas and electric departments, and in labor and materials incidental to the operation of its entire business.

Up to and including the year ending December 31st, 1917, the returns from applicant's business as a whole have been very remunerative, although the rate of return in applicant's gas business has always been lower than that earned by its electric department. The increase in applicant's gas rates authorized by this Commission in Decision No. 5158 (supra) was for the purpose of offsetting the increases in oil and other operating costs of its gas department. The rate of return previously earned in its gas department was not thereby increased. It has not been found advisable to establish gas rates on applicant's system that would yield a higher rate of return than 6 per cent upon its gas capital. In the past the rate of return earned by applicant's electric department has generally been 10 per cent of its electric department capital and in many years has exceeded this percentage.

During the years 1917 and 1918, due to unusual concentration of military and naval activities in the vicinity of San Diego, the business of applicant was substantially increased in both its gas and electric departments. This was due not only to the extensive use of gas and electricity by the military and naval establishments themselves, but also due to the increase in civilian population with a consequent growth in the number of consumers and quantities of gas and electricity sold. Applicant herein bases its

estimates of business for the year 1919 in both its gas and electric departments upon a reduction of its consumers and sales, due not only to the loss of Government business itself, but to a reduced use of gas and electricity by its regular consumers. Protestants for the City of San Diego take exception to this position of applicant and have endeavored to show that little if any curtailment in the use of gas and electricity will occur during the year 1919. I am satisfied that the amount of business to be enjoyed by applicant during the year 1919 will be somewhat problematical. Up to the time of the submission of this proceeding, little, if any, definite knowledge of the future of Government activities in and about San Diego was available. It is evident, however, that the business resulting from military and naval activities and the consequent additional civil population will be gradually reduced and may be subject to very sudden abandonment. It will be manifestly unfair to applicant to base its rates at this time upon the conditions reflected in its abnormally increased business of the year 1918, and it would be similarly unfair to its consumers to base rates upon too pessimistic an outlook. From a review of the evidence herein, I believe that applicant's estimates of its probable sales of gas and electricity and revenue to be obtained therefrom for the year 1919, affords a reasonable basis for rate fixing at this time. While it is true that applicant's figures for 1919 show a substantial reduction over the year 1918, if we go back a year or two preceding the war emergency to compare applicant's present estimates, I am satisfied that these reflect what may be termed a normal growth.

I shall proceed to a consideration of the three portions of applicant's business into which this proceeding is naturally divided.

1. Gas Department - Southern District, which includes San Diego and Vicinity.
2. Gas Department - Escondido.
3. Electric Department - Entire System.

The Southern District of the Gas Department, which includes high and low pressure gas service in the City of San Diego, National City, La Mesa, Coronado, East San Diego, Chula Vista and several smaller unincorporated districts and the intervening territory, and Camp Kearny, is supplied with gas generated at the San Diego plant. The City of San Diego is served largely through a low pressure system and the outlying sections by high pressure lines. For the year 1919 applicant's estimates show service to 22,425 consumers, including service to Camp Kearny, sales of gas aggregating 826,736,859 cubic feet, total gas manufactured to supply this business 962,707,780 cubic feet, and the revenue to be derived therefrom \$865,299.00, which revenue is based upon rates now in effect and authorized in Decision No. 5158 (supra). Applicant reports that its gas capital for the year 1919 will be the sum of \$3,446,118.00, which includes certain estimates of material and supplies and working cash capital, as shown in its exhibits. The value of the physical properties of applicant included in this figure is based upon this Commission's findings as of July 1st, 1917, set forth in Decision No. 3839 (supra), to

which has been added the additions and betterments from its accounts. Applicant further shows that after the deduction of operating expenses of \$737,156.00 and a depreciation allowance of \$59,672.00 for the year 1919, that the net income resulting from its business for this period will be \$68,471.00, which is 1.98 per cent net return on applicant's figures of capital.

I shall accept applicant's estimate of sales, consumers and revenue for the reasons previously set forth. For the purpose of this proceeding, however, I have reduced applicant's capital to \$3,387,664.00, which includes a corrected amount for material and supplies and working cash capital properly chargeable to operation, and for which items applicant's estimates exceed what has been found as reasonable by this Commission. I have increased the revenue to be derived by applicant from its gas business by the addition of \$4,000.00 of other revenue than from the sale of gas, which the evidence herein indicates will accrue to applicant from the disposal of by-products and from merchandising and jobbing.

Applicant's estimate of operating expenses are in excess of what they should be considering the changes which may reasonably be expected with the coming of peace. The estimate of expenses, including depreciation, submitted by applicant has been reduced from the sum of \$796,828.00 to \$743,000.00, which latter figure, from a consideration of all the evidence in this proceeding, appears reasonable for the operation of the applicant's Gas Department-Southern District for the year 1919. Some proportionate reduction in expenses from those of 1918

should arise from the loss of business contemplated. In thus deducting from the figures submitted by applicant I am mindful of the method of compilation of the estimates by applicant and also the fact that with the reduced business of applicant it must further economize. Only one-half of applicant's estimate of increased wages has been allowed. Applicant should curtail its expenses to offset any additional increase and also curtail in matters of its general expense.

I have reduced applicant's item of Taxes from \$66,317.00 to \$51,819.00, the difference being the amount of Federal Income and other taxes which should properly be borne by its stockholders and not by its consumers in the form of rates. The amount which has been allowed herein for taxes is intended to cover the state taxes, local taxes and all normal pre-war income and other federal taxes. This Commission's position with reference to war taxes imposed upon utilities has been sufficiently set forth in earlier decisions and does not require repetition herein.

On the basis of revenue from present rates and reasonable expenses deduced above, the net income of applicant's Gas Department-Southern District for the year 1919, after deducting depreciation, amounts to \$126,298, which is 3.73 per cent of the capital in applicant's Gas Department-Southern District. It is obvious, therefore, that applicant's rates for gas will require some increase if it is to obtain anything like a reasonable return upon its investment.

To continue the same rate of return in the future as heretofore judged reasonable will necessitate an

increase in applicant's rates of 10 cents per thousand cubic feet, and I recommend that this be granted. This increase will result in an additional gross revenue of \$82,674.00 based on a full year's operations. Applicant's net, after deducting taxes chargeable to operation, and a reasonable allowance for depreciation, will be \$204,012.00 and will yield a return of 6 per cent on its capital.

In authorizing an increase of 10 cents per thousand cubic feet of gas, the rate structure itself will be modified to this extent. The present costs of oil, labor and materials used in applicant's operations appear sufficiently stable to warrant such change, rather than to add a surcharge which implies a temporary abnormal condition.

Referring now to the service of gas at Escondido: If depreciation be included with other operating expenses the present rates now in effect at Escondido will yield little or no return. Increases have also occurred in the price of fuel oil, labor and supplies, for which some relief should be afforded. The rates are already high and cannot, in fairness to consumers, be increased to give applicant anything like a full return on its investment.

Applicant purchased the Escondido property in 1917 knowing full well the difficulties of making the property remunerative and it cannot expect at this time to make much in excess of operating expenses and depreciation. The rates herein authorized will increase the average gas rate for Escondido somewhat in excess of 15 cents per thousand cubic feet and will yield

a return of approximately 4 per cent on capital.

Applicant's electric business, as evidenced by its estimates for the year 1919, calls for revenue of \$962,710.00 to be derived on the basis of existing rates from the sale of 23,429,293 kilowatt hours. Applicant reports its expenses for the year 1919, including depreciation, as \$723,821.00, which does not include, however, the surcharge of 1.2 mills per kilowatt hour, which it is required to pay upon the energy it purchases from Southern California Edison Company in accordance with this Commission's Decision No. 6000 dated December 21st, 1918, authorizing an increase in the electric rates of Edison Company. Making allowance for this item, the expenses reported by applicant would be increased to \$759,874.00, which leaves a return of 4.31 per cent upon applicant's reported capital of \$4,709,598.00. The earnings of the electric business of applicant has been at least 10 per cent net prior to 1917 and a drop to as low a return as 4.31 per cent in less than 2 years does not seem reasonable, in spite of the substantially increased operating costs, and particularly when consideration is given to the fact that applicant now purchases at wholesale more than 80 per cent of its energy in lieu of its production by fuel oil.

An examination of the figures submitted by applicant shows that, although the output of its San Diego steam plant will be but 10 per cent of that for the year 1917, its expense of such operation, exclusive of oil, will be as much for this standby service as under former conditions of full operation. I question seriously the

correctness of such an estimate. In addition to this, applicant shows the additional heavy investment and upkeep for a long transmission line from Capistrano to San Diego, which two factors explain to a large extent the enormous increase in the cost of its energy. That applicant has entered into a contract with the Southern California Edison Company for the purchase of this energy supply and has expended some \$360,000.00 for a transmission line to carry the same, and still finds it necessary to operate as standby a steam generating plant of sufficient capacity to handle its entire load, and at an expense, exclusive of fuel, that is as great as for full operations, appears to me to result in unnecessary duplication of expense, for which its consumers should not be required to pay. Under present conditions, with a surcharge of 1.2 mills per kilowatt hour upon the energy obtained from the Edison Company, and with the fixed charges and operating costs incidental to this long transmission line, it will appear from a very simple analysis that the San Diego Consolidated Gas and Electric Company can produce in its steam generating plant at San Diego all of the energy necessary to supply its requirements and render as good service at a cost far less than under the present method of operation, even though it is required to pay as much as \$1.72 per barrel for fuel oil. Considering only the costs involved in the purchase and transmission of this energy under present conditions including fixed charges on the transmission investment and the cost of generating by steam at its plant all of the energy required by applicant, it appears that the present method of operation will cost applicant at least \$70,000.00 per annum in excess of the cost of producing

its energy requirements entirely by steam in a plant thus fully equipped for such and in which the investment is already made and must otherwise be maintained. Based upon the amount of energy to be used it appears that energy generated entirely by steam in applicant's plant would cost at least 2.3 mills per kilowatt hour less than under the scheme now used. The present contractual arrangement with Southern California Edison Company and the cost of delivering energy to San Diego under these arrangements is clearly contrary to the interests of applicant's consumers, if applicant herein were to be granted rates that would permit it to charge its consumers at least \$70,000.00 per annum in excess of the cost of producing its own energy. I do not question the good faith on the part of applicant in entering into the contract with Southern California/Edison Company as a provision for the future growth of its business and the possible conservation of fuel oil, but I do desire to point out the fact that at the present time the exercise of this contract results in conditions and burdens which I cannot feel justified in assessing against its electric consumers. No doubt at some later date, as applicant's business increases, this contract will prove remunerative but at the present time I believe that applicant should be required to carry the loss incidental to this arrangement until such time as it can show that the exercise of this contract and the investment in this transmission line is warranted and results in the delivery of energy to San

Diego at a cost at least not greater than it can be there produced by steam.

The estimate of cost of electric service used herein to determine the reasonableness of rates, will, therefore, be based on steam plant operation. I am proceeding wholly upon the principle that the people of San Diego County are entitled to the least expensive service available, particularly when they are already paying a return upon the facilities necessary for that service, and will reject all increased costs not necessary for such service.

I am mindful of the urgent desire that conservation of oil be reasonably observed. I doubt, however, that the people of San Diego should be called upon to pay an increase amounting to 8 per cent on their electric bills so that a slight reduction in use of oil may result. Purchase of energy from Southern California Edison Company at this time does not necessarily imply an equivalent saving of oil, for a substantial portion of the Edison Company's energy is produced by steam.

I do not propose that applicant generate all of its energy by steam in San Diego, but I do take the position that in determining reasonable expenses incidental to the production of electricity in this proceeding that the present arrangement creates a burden which cannot rightfully be assessed to applicant's consumers. Therefore, in determining reasonable operating expenses for the Electric Department of applicant's business for the year 1919, I shall ascertain the excess cost resulting from the present arrangement and deduct the same in order to arrive

at the cost incidental to supplying the present year's requirements of electricity as if entirely supplied from steam generation at San Diego. As the capital upon which applicant's return is to be based, I shall adopt the figure of \$4,625,786.00 in lieu of the amount submitted by applicant. This includes the new transmission line and revised amounts for material and supplies and working cash capital.

I shall add to applicant's estimated revenues the sum of \$8,000.00, not included by it but which represents other operating revenue than from the sale of electricity, including merchandising and jobbing. The total revenue which I thus estimate will accrue to applicant for the year 1919 under present rates for electricity is the sum of \$970,710.00. On the basis of producing energy entirely by steam, except for small amount purchased from the Escondido Mutual Water Company, I find that the sum of \$676,767.00 represents a reasonable estimate of applicant's operating expenses, including the proper amount for taxes assessable to its consumers, and a reasonable depreciation allowance upon the capital above set forth.

In arriving at this amount I have deducted applicant's estimate of flood damage expense. Applicant's former earnings have been sufficient to have absorbed this item and leave more than a fair return on its investment. Applicant's other estimates of expenses have been reduced slightly. Applicant has enjoyed a very remunera-

tive return from its electric business in the past, and if, according to applicant's testimony, the prosperity of San Diego and its adjoining territory is to suffer materially due to cessation of the war, applicant must now curtail expenses wherever practicable and expect to bear part of the resulting losses along with other industries and the public.

Under these conditions, the net income that would accrue from existing rates is the sum of \$293,943, which corresponds to a return of 6.90 per cent of capital exclusive of the transmission line, or 6.35 per cent if transmission capital is included.

In general, a return of 8 per cent net has been considered reasonable, and our endeavor herein will be to establish rates which will produce at least this return after the deduction of the reasonable expenses set forth above.

The electric rates of San Diego Consolidated Gas and Electric Company have never been definitely established by this Commission. They are an outgrowth of conditions that existed prior to regulation and in many instances do not fairly and evenly divide the charges between the various classes of consumers, or between consumers of any one class. A surcharge form of increase applied to the present schedules would only serve to perpetuate existing inequalities, and it appears proper at this time that an adjustment of applicant's rate schedules be first made and any necessary surcharge to care for present abnormal conditions be thereafter added. I therefore propose that the electric rates of applicant be first revised as set forth in the order

herein, which rates are to be considered as normal rates, and that the surcharges hereinafter set forth be added to such normal rates to cover present increased costs.

Applicant's schedule rates for power service are, in general, too low for large consumers with small consumption or low load factor as compared with similar sized installations of high load factor. Its rates for large power installations are relatively low when compared with rates for smaller power installations. There are further a number of special contracts for light and power, the rates of which are clearly discriminatory. It is both desirable and proper that the discriminations which now exist in applicant's present rate schedules and contracts be removed, and all consumers be placed upon a uniform basis. The rates set forth in the order herein, which I find to be just and reasonable, will remove these discrepancies and will equitably divide the charges for service between the various consumers and classes. The effect of these rates will be to increase the charges to consumers whose installations operate at a low load factor. In many cases they will represent a substantial increase, while in others some reduction in the charge for electricity will result. On the whole, however, I believe these rates to equitably apportion applicant's costs to its several classes of business.

Practically all of applicant's present rates for both light and power grant discounts for prompt payment amounting to 10 per cent of the bill. This type of rate encourages prompt payment of consumers' outstanding accounts and to this extent is assumed to reduce the utility's costs of collection. I can see real justifi-

cation for a discount where the amount of such discount does not exceed the actual additional cost of collecting the bills, but it is very apparent that for bills of any magnitude a discount of 10 per cent is far in excess of the cost of collection, and is in reality an unreasonable penalty for failure to pay a bill within a prescribed period. In fact large power and lighting consumers actually obtain a discount for prompt payment in excess of \$100.00 per month. I urge that the discount type of rate for power bills be eliminated and that on lighting service the discount for prompt payment be limited to small bills where the amount of the discount is comparable with the cost of collection.

To the normal rates hereinafter established, I deem it proper at this time to add the following surcharges based on monthly consumption:

For energy sold for lighting service, including domestic, commercial, municipal and metered service,	1¢ per k.w.h. on the first 500 k.w.h. 5 mills per k.w.h. on all over 500 k.w.h.
For energy sold for power service,	2 mills per k.w.h. on the first 5,000 k.w.h. 1 mill per k.w.h. on all over 5,000 k.w.h.
For energy sold for heating, cooking and battery charging,	5 mills per k.w.h.
For flat rate commercial lighting service,	10% of monthly bills.
For municipal and public outdoor street lighting service	5% of monthly bills.

With the rates as established and surcharges here-

inafter authorized for electric service in effect for one year, applicant's gross revenue, based upon the probable sales of electricity for 1919, will be increased to \$1,060,710, which will produce a net income, after deducting the reasonable cost of service set forth above, of \$378,543, netting a return of 8.2 per cent on applicant's electric capital.

I submit the following form of Order:

O R D E R

San Diego Consolidated Gas and Electric Company having applied to the Railroad Commission for authority to increase its rates for gas and electricity, hearings having been held, the matter submitted and being now ready for decision, the Railroad Commission of the State of California hereby finds as a fact that the rates and charges for gas of San Diego Consolidated Gas and Electric Company are not just, fair or reasonable rates, and that the rates and charges for electricity of San Diego Consolidated Gas and Electric Company, as set forth in its schedules of rates and contracts on file with the Railroad Commission, are not just, fair and reasonable rates for electricity in so far as they differ from the rates hereinafter established, and it hereby further finds as a fact that the rates and charges for gas and electricity as established hereinafter are just, fair and reasonable rates, and that the rates for electricity set forth in the order herein, when modified by the addition of the surcharges authorized herein, are, under present conditions, just, fair and reasonable rates for electricity.

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

IT IS HEREBY ORDERED that San Diego Consolidated Gas and Electric Company charge and collect for gas the rates set forth in the following schedules, which rates shall apply to the service and in the territory designated in said schedules, for all regular meter readings taken on and after the 1st day of May 1919.

GAS SCHEDULE NO. 1

General Gas Service

Applicable to domestic and commercial service of gas for lighting, heating and cooking.

TERRITORY:

Applicable to San Diego District, including San Diego, East San Diego, National City, Chula Vista, La Mesa and Coronado.

RATE:

					Gross	Net			
First	500 cu.ft.	or less	per mo.		\$.75	\$.65			
Next	4,500	"	per month,		1.30	1.20	per M	cu.ft	
"	10,000	"	"	"	1.20	1.10	"	"	"
"	15,000	"	"	"		1.00	"	"	"
"	20,000	"	"	"		.90	"	"	"
"	25,000	"	"	"		.80	"	"	"
All over	75,000	"	"	"		.70	"	"	"

PROMPT PAYMENT DISCOUNT:

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

SPECIAL CONDITIONS:

In case of prepayment meters the rate charged shall be \$1.30 per thousand cubic feet for all gas consumed, subject to a minimum charge of 65 cents per meter per month.

GAS SCHEDULE NO. 2

Special Gas Service

TERRITORY:

Applicable to service in Tent City, Coronado.

RATE:

	<u>Gross</u>	<u>Net</u>
All gas furnished	\$1.60	\$1.50 per M cu.ft.

MINIMUM CHARGE:

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

PROMPT PAYMENT DISCOUNT:

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

GAS SCHEDULE NO. 3

General Gas Service

This schedule is applicable to domestic and commercial service for lighting, heating and cooking.

GAS SCHEDULE NO. 3 (Cont'd)

TERRITORY:

Applicable in the City of Escondido.

RATE:

							<u>Gross</u>	<u>Net</u>			
First	500	cu.ft	or less	per meter	per mo.		\$1.10	\$1.00			
Next	4,500	cu.ft.		per meter	per mo.		1.70	1.60	per	M	cu.ft
"	5,000	"	"	"	"	"	1.50	1.40	"	"	"
"	10,000	"	"	"	"	"		1.20	"	"	"
All over	20,000	"	"	"	"	"		1.10	"	"	"

PROMPT PAYMENT DISCOUNT:

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

GAS SCHEDULE NO. 4

Special Municipal Arc Service

TERRITORY:

Applicable to service of three municipal gas arcs located in La Jolla.

RATE:

\$4.50 per lamp per month.

SPECIAL CONDITIONS:

Under this rate the lamps burn all night every night, the Company turning the lamps on and off, and renewing all lamps, globes and mantles.

IT IS HEREBY FURTHER ORDERED that San Diego Consolidated Gas and Electric Company charge for electricity the rates and charges set forth in the following schedules, which rates shall apply to the classes of service and in the territories respectively set forth in the said schedules, for all regular meter readings taken on and after the 1st day of May 1919:

ELECTRIC SCHEDULE NO. 1

GENERAL RESIDENCE AND COMMERCIAL LIGHTING

This schedule applies to all classes of alternating current for lighting service, also for electric energy used by electric lamp socket appliances, small motor installations operating to serve lighting appliances, X-ray machines and other services used directly or indirectly for the production of light.

Territory:

Applicable in the San Diego District.

Rate:

		<u>Rate per K.w.h.</u>	
		<u>Gross</u>	<u>Net</u>
First	100 k.w.h. per meter per month,	8¢	7¢
Next	200 k.w.h. per meter per month,		7¢
Next	200 k.w.h. per meter per month,		6¢
Next	1 500 k.w.h. per meter per month,		4½¢
Next	2 000 k.w.h. per meter per month,		3½¢
All over	4 000 k.w.h. per meter per month,		2½¢

ELECTRIC SCHEDULE NO. 1

(Cont'd.)

Minimum Charge:

The minimum is 85¢ gross or 75¢ net per meter per month for lighting. In case power is used the minimum charge is \$1.00 per month per horsepower connected.

Prompt Payment Discount:

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

ELECTRIC SCHEDULE NO. 2

GENERAL RESIDENCE AND COMMERCIAL LIGHTING SERVICE

This schedule applies to all classes of alternating current for lighting service, also for electric energy used by electric lamp socket appliances, small motor installations operating to serve lighting appliances, X-ray machines and other services used directly or indirectly for the production of light.

Territory:

Applicable to the Northern District, including Del Mar, Oceanside, Escondido, Holbrook, Capistrano and intervening territory.

Rate:

		Rate per K.w.h.	
		Gross	Net
First	30 k.w.h. per meter per month.	10¢	9¢
Next	70 k.w.h. per meter per month.	8¢	7¢
Next	200 k.w.h. per meter per month.		7¢
Next	200 k.w.h. per meter per month.		6¢
Next	1 500 k.w.h. per meter per month.		4½¢
Next	2 000 k.w.h. per meter per month.		3½¢
All over	4 000 k.w.h. per meter per month.		2½¢

ELECTRIC SCHEDULE NO. 2 (Cont'd.)

Minimum Charge:-

The minimum charge will be \$1.10 gross or \$1.00 net per meter per month for lighting. In case power is used the minimum charge is \$1.00 per month per horsepower connected.

Prompt Payment Discount:

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

ELECTRIC SCHEDULE NO. 3

SIGN DISPLAY AND OUTLINE LIGHTING

The rates and charges set forth in Schedule No. 3, C.R.C. Sheets No. 122-E and No. 123-E of San Diego Consolidated Gas and Electric Company issued May 18th, 1917, and now on file with this Commission.

ELECTRIC SCHEDULE NO. 4

DIRECT CURRENT POWER SERVICE

Applicable to 500 volt direct current power service for elevators and variable speed motors to which 3 phase alternating current is not easily adapted.

ELECTRIC SCHEDULE NO. 4 (Cont'd.)

Territory:

Applicable to the central business district of San Diego.

Rates:

First	100 k.w.h. per meter per month,	7¢ per k.w.h.
Next	100 k.w.h. per meter per month,	6¢ per k.w.h.
Next	100 k.w.h. per meter per month,	5¢ per k.w.h.
Next	200 k.w.h. per meter per month,	4¢ per k.w.h.
Next	500 k.w.h. per meter per month,	3¢ per k.w.h.
All over 1 000	k.w.h. per meter per month,	2¢ per k.w.h.

Minimum Charge:

\$1.00 per horsepower of connected load per month.

ELECTRIC SCHEDULE NO. 5

GENERAL POWER SERVICE

Applicable to all alternating current energy furnished either 3 phase or single phase at 220 volts, 440 volts or 2,200 volts, 60 cycle frequency.

Territory:

Applicable throughout the entire territory served.

Rate:

Monthly Consumption per Horsepower	Rate per K.w.h. For Connected Loads or Maximum Demands of					
	1 h.p. to 4 h.p.	5 h.p. to 9 h.p.	10 h.p. to 24 h.p.	25 h.p. to 49 h.p.	50 h.p. to 99 h.p.	100 h.p. and Over
First 50 k.w.h.	6¢	5¢	4¢	3¢	2.5¢	2.25¢
Next 100 k.w.h.	3¢	2.75¢	2.5¢	2.25¢	2 ¢	1.75¢
All over 150 k.w.h.	2¢	1.75¢	1.5¢	1.5¢	1.25¢	1 ¢

ELECTRIC SCHEDULE NO. 5 (Cont'd)

Minimum Charge:

\$1.00 per month horsepower of connected load or maximum demand but not less than \$1.00 per month.

Special Conditions:

1. Any installation may obtain the rates for the larger size installation by guaranteeing the rates and minimum charge of said larger installation.
2. Rate on maximum demand basis is only applicable where 2 or more motors are installed.
3. The maximum demand as herein referred to is the highest average load in horsepower determined for a period of 20 minutes during the month or the 11 months immediately preceding.
4. Where consumer takes service on the basis of maximum demand rather than connected load, an additional service charge to cover maintenance and fixed charges upon maximum demand motor of \$7.50 per year, payable in advance, will be made.

ELECTRIC SCHEDULE NO. 6.

Optional Industrial Power Rate.

This schedule covers all alternating current energy furnished either 3 phase or single phase at 220 volts, 440 volts or 2,800 volts, 60 cycle frequency.

ELECTRIC SCHEDULE NO. 6 (CONT'D)

Territory:

Applicable throughout the entire territory served.

Rate:

1. Readiness to Serve Charge:

First	5 h. p. or less of connected load or maximum demand,	\$5.00 per month
All over	5 h. p. of connected load or maximum demand,	1.00 per h.p. per month

Plus

2. Energy Charge:

First	500 k.w.h. per meter per month.	2¢ per k.w.h.
Next	1 500 k.w.h. per meter per month.	1½¢ per k.w.h.
Next	8 000 k.w.h. per meter per month.	1.2¢ per k.w.h.
Next	20 000 k.w.h. per meter per month.	1¢ per k.w.h.
All over	30 000 k.w.h. per meter per month.	.9¢ per k.w.h.

Special Conditions

1. Rate on maximum demand basis is only applicable where 2 or more motors are installed.
2. The maximum demand as herein referred to is the highest average load in horsepower determined for a period of 20 minutes during the month or the 11 months immediately preceding.
3. Where consumer takes service on the basis of maximum demand rather than connected load, an additional service charge to cover maintenance and fixed charges upon maximum demand meter of \$7.50 per year, payable in advance, will be made.

ELECTRIC SCHEDULE NO. 7

AGRICULTURAL POWER SERVICE .

This schedule applies to energy used for agricultural power service and municipal or water company pumping plants. Standard single phase or three phase service is rendered at 220, 440 or 2,200 volts, 60 cycle frequency.

TERRITORY:

Applicable to the entire territory served by the Company.

RATE:

Annual Consumption per Horsepower	Rate per k. w. h. for connected loads on max. demands of			
	2 h.p. to 9 h.p.	10 h.p. to 24 h.p.	25 h.p. to 99 h.p.	100 h.p. and Over.
First 400 k.w.h.	3.5¢	3¢	2.5¢	2.25¢
All over 400 "	2 ¢	2¢	2 ¢	1.75¢

MINIMUM CHARGE:

\$12.00 per horsepower of connected load or maximum demand per year, but not less than \$24.00 per year.

SPECIAL CONDITIONS:

1. The customer is allowed to connect 120 watts in lighting on his side of the meter for each 50 horsepower or less of installed load capacity. These lights are restricted to within or attached to the building in which the motor is installed.
2. The customer, where 2 motors are installed on the same service, may, by application, have his rate based upon the maximum demand.
3. The maximum demand as herein referred to is the highest average load in horsepower determined for a period of 20 minutes during the month or the 11 months immediately preceding.
4. Any installation may obtain the rate for the larger size installation by guaranteeing the rates and minimum charge of the larger installation.
5. Where consumer takes service on the basis of maximum demand rather than connected load, an additional service charge to cover maintenance and fixed charges upon maximum demand meter of \$7.50 per year, payable in advance, will be made.

ELECTRIC SCHEDULE NO. 8

OPTIONAL AGRICULTURAL POWER SERVICE

This schedule applies to energy used for agricultural power service and municipal or water company pumping plants. Standard single phase or three phase service is rendered at 220, 440 or 2,200 volts, 60 cycle frequency.

TERRITORY:

Applicable to the entire territory served by the Company.

RATE:

1. Readiness to Serve Charge:

First	5 h.p. or less of connected load or maximum demand	\$50.00 per year
All over 5 h.p. of connected load or maximum demand		8.00 per h.p. per year.

PLUS

2. Energy Charge:

First	4,000 k.w.h. per meter per yr.	1 1/2¢ per k.w.h.
Next	6,000 " " " " "	1.25¢ " "
All over 10,000	" " " " "	1 ¢ " "

SPECIAL CONDITIONS:

1. The customer is allowed to connect 120 watts in lighting on his side of the meter for each 50 horsepower or less of installed load capacity. These lights are restricted to within or attached to the building in which the motor is installed.
2. The customer, where two motors are installed on the same service, may, by application, have his rate based upon the maximum demand.
3. The maximum demand as herein referred to is the highest average load in horsepower determined for a period of 20 minutes during the month or the 11 months immediately preceding.
4. Where consumer takes service on the basis of maximum demand rather than connected load, an additional service charge to cover maintenance and fixed charges upon maximum demand meter of \$7.50 per year, payable in advance, will be made.

ELECTRIC SCHEDULE NO. 9

Series Municipal Street Lighting

Bracket Arm Service

The rates and charges set forth in Schedule No. 9, C.R.C. Sheets Nos. 129-E and 130-E of San Diego Consolidated Gas and Electric Company, issued May 18th, 1917 and now on file with this Commission.

ELECTRIC SCHEDULE NO. 10

Series Municipal Street Lighting

Ornamental Post Service

The rates and charges set forth in Schedule No. 10, C.R.C. Sheet No. 131-E of San Diego Consolidated Gas and Electric Company, issued May 18th, 1917 and now on file with this Commission.

ELECTRIC SCHEDULE NO. 11

Miscellaneous Street Lighting Service

The rates and charges set forth in Schedule No. 11, C.R.C. Sheet No. 132-E of San Diego Consolidated Gas and Electric Company, issued May 18th, 1917 and now on file with this Commission.

ELECTRIC SCHEDULE NO. 12

Ornamental Multiple Block Lighting

The rates and charges set forth in Schedule No. 12, C.R.C. Sheet No. 134-E of San Diego Consolidated Gas and Electric Company, issued May 18th, 1917 and now on file with this Commission.

ELECTRIC SCHEDULE NO. 13

Auto Charging, Heating and Cooking

This rate applies to energy for small motors, domestic and commercial heating and cooking, laundries for ironing, and special heating service and small 3 phase motor generator sets or rectifiers used for charging batteries or automobiles.

TERRITORY:

Applicable to the entire territory served.

RATE:

First	200 k.w.h.	per meter	per month,	3¢	per k.w.h.
Next	300	"	"	2 ¹ / ₂ ¢	"
All over	500	"	"	2¢	"

MINIMUM CHARGE:

1. Heating and Cooking:

6 k.w. or less of connected load per mo. \$3.00
All over 6 k.w. of connected load per mo. .75 per k.w.

2. Storage Battery Charging, Rectifiers, Etc.:

First 3 h.p. or less of connected load
per month, \$3.00
All over 3 h.p. of connected load,
per month, 1.00 per h.p.

ELECTRIC SCHEDULE NO. 13 (Cont'd)

SPECIAL CONDITIONS:

1. Service under this schedule is granted in first instance for not less than 12 months.
2. In cases of seasonal service the minimum bill may be made cumulative on a 12 months basis.

ELECTRIC SCHEDULE NO. 14

Optional Industrial Power Service

Load Factor Schedule

This schedule is applicable to energy supplied for all power purposes when the connected load in motors is 100 horsepower or greater, and where the maximum demand each month shall not be less than 50 % of the total connected load. Energy to be delivered and measured at a potential of 2,100 volts, consumer supplying necessary transformers.

TERRITORY:

Applicable throughout the entire territory.

RATE:

1. Readiness to Serve Charge:

\$1.50 per month per k.w. of maximum demand

plus

2. Energy Charge:

1¢ per k.w.h.

MINIMUM CHARGE:

The minimum charge will be at least \$24.00 per connected horsepower per year.

ELECTRIC SCHEDULE NO. 14 (Cont'd)

SPECIAL CONDITIONS:

1. The total charge for any one month is the sum of the demand and energy charges.
2. Maximum Demand: The maximum demand is to be determined by approved maximum demand meters as the average maximum demand for at least 20 minutes, and the maximum demand used shall be the highest maximum demand registered during the month in which energy is billed.

IT IS HEREBY FURTHER ORDERED that San Diego Consolidated Gas and Electric Company be and it is hereby authorized to charge and collect for electric service, in addition to the rates and charges set forth in the preceding section of this Order, the following surcharges, to-wit:

For energy sold for lighting service, including domestic, commercial, municipal and metered service,	1¢ per k.w.h. on the first 500 k.w.h. 5 mills per k.w.h. on all over 500 k.w.h.
For energy sold for power service,	2 mills per k.w.h. on the first 5,000 k.w.h. 1 mill per k.w.h. on all over 5,000 k.w.h.
For energy sold for heating, cooking and battery charging,	5 mills per k.w.h.
For flat rate commercial lighting service,	10% of monthly bills.
For municipal and public outdoor street lighting service	5% of monthly bills.

which surcharges shall apply on all regular meter readings

taken on and after the 1st day of May 1919, and which surcharges shall continue in effect until May 1st, 1920 unless ordered otherwise by this Commission prior to May 1st, 1920,

PROVIDED, San Diego Consolidated Gas and Electric Company shall, within ten (10) days of the date of this order, file with the Railroad Commission of the State of California, the schedules of gas and electric rates and electric surcharges herein authorized, and further provided that San Diego Consolidated Gas and Electric Company shall designate separately on bills rendered its consumers for electricity the surcharges herein authorized.

IT IS FURTHER ORDERED that San Diego Consolidated Gas and Electric Company shall file with the Railroad Commission on or before the 20th day of each calendar month a statement of its gas and electric revenue, operating expense and capital expenditure for the preceding month, and such other information as the Railroad Commission shall hereafter request.

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 23rd day of April 1919.

Edwin O. Edgerton
H. S. [unclear]
Frank P. [unclear]
H. K. [unclear]
James [unclear]
Commissioners.