

Decision No. 6411

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA

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In the matter of the application of )  
SOUTHERN COUNTIES GAS COMPANY OF )  
CALIFORNIA for authority to increase )  
its rates for natural gas supplied )  
to the towns of Ontario and Upland )  
and contiguous unincorporated terri- )  
tory. )

Application

No. 4557

Hunsaker, Britt & LeRoy M. Edwards  
for Applicant.  
Mr. Isaac Jones for City of Ontario.  
Mr. J. H. Williams for San Antonio  
Growers Association.

LOVELAND, Commissioner.

O P I N I O N

Southern Counties Gas Company requests the Com-  
mission to determine and fix just and reasonable rates  
for gas service supplied in the towns of Ontario and Up-  
land and contiguous territory and urges that the rates  
now in effect in Southern Counties Gas Company's Eastern

District are fair and reasonable rates and should be made effective in the towns of Ontario and Upland.

The rates now in effect for natural gas service in the towns of Ontario and Upland and contiguous territory were filed by Southern Counties Gas Company in the Fall of 1917 upon the taking over the operation of the Ontario-Upland Gas Company's property by applicant and the introduction of natural gas.

In this Commission's Decision No. 5539 in Application 3434, issued on July 3rd, 1918, (Opinions and Orders of the Railroad Commission of the State of California, Vol. 15, Page 928), the Commission fixed and established rates for natural gas service for domestic, commercial and industrial purposes to be charged by Southern Counties Gas Company in its Eastern District, which district included service in Orange County, also in Pomona, Chino, Lordsburg, Claremont and contiguous territory. These rates applicant requests be made effective for the Ontario-Upland gas properties, which were finally purchased by applicant in December 1918 and are now a part of its general system.

The evidence shows that the conditions of service in Ontario and Upland are similar to those in the Eastern District of applicant. Analysis of the sales of applicant in the Ontario-Upland District for the year ending April 30th, 1919 shows that the application of the Eastern District rates for domestic and commercial service will result in a net reduction of revenue of approximately \$3,350. The proposed rate calls for a minimum of \$1.00 per meter per month, which was found to be reasonable by the Commission, while the existing rate requires

a minimum of 50 cents. The application of this higher minimum will increase the bills of approximately one-fourth of the domestic consumers an average amount of approximately 25 cents. The proposed rates, however, for consumptions in excess of the minimum bill is less than the existing rates. The net result will be an average reduction in the rate of approximately 7 cents per thousand cubic feet. In the case of a consumer using 1,000 cubic feet a 25 cents per thousand reduction will occur.

The industrial rates fixed by the Commission in its Decision No. 5539 (supra), are, in general, higher than those which are now in effect in the Ontario-Upland District. The rates now in effect were fixed in 1917, prior to the general increase in cost of operation, and are based in general on pre-war conditions rather than on conditions as they at present exist. If the industrial consumers are placed upon schedules fixed by the Commission for the Eastern District there will be an increase in rate of from 12 to 18 per cent. These rates will, however, result in a cost for fuel less than the comparative cost of oil. The increase in revenue from industrial consumers resulting from the application of these rates would equal approximately \$2,000 per annum and the net result of applying the proposed schedules to applicant's entire gas business in Ontario and Upland would be a net loss in gross revenue of approximately \$1,300. Applicant is of the belief that the new schedules, although resulting in a slight decrease in revenue at the start, will make possible the further development of business which will offset the reduction of revenue at this time.

Considering the conditions of cost of service in the Ontario-Upland District as compared with those of the Eastern District, where the Commission found the proposed rates to be just and reasonable, it is my opinion that applicant's request should be granted and I recommend the following form of order:

O R D E R

Southern Counties Gas Company having applied to the Commission for the fixing of just and reasonable rates for natural gas service in the towns of Ontario and Upland and contiguous territory, a hearing having been held, and it appearing that the rates fixed by the Commission in its Decision 5539, rendered July 3rd, 1918, (Opinions and Orders of the Railroad Commission of the State of California, Vol. 15, Page 928), are just and reasonable rates when applied to the service of gas in Ontario and Upland and contiguous territory,

IT IS HEREBY ORDERED that Southern Counties Gas Company be and the same is hereby ordered to withdraw and cancel its Schedules "S" and "X", as set forth in its rate file C.R.C. Sheets Nos. 76-G and 77-G respectively, applicable for gas service in Ontario and Upland and adjacent territory, to become effective on the 20th day of June 1919.

IT IS HEREBY FURTHER ORDERED that Southern Counties Gas Company be and the same is hereby ordered to file and make effective its Schedules No. 1-A, No. 1-B, No. 1-C and No. 1-D, as set forth in its rates schedules now on file with the Commission and shown on C.R.C. Sheets Nos. 61-G, 62-G, 63-G and 64-G respectively, the same to be applicable to all regular meter readings taken on and after the 20th day of June 1919.

IT IS HEREBY FURTHER ORDERED that Southern Counties Gas Company shall, on or before June 20th, 1919, file with the Commission revised rate sheets to comply with the order herein.

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

17<sup>th</sup> day of June, 1919.

E. W. Edgerton

H. D. Lawrence

H. W. Brundage

Dwight M. Austin

Commissioners.