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Decision No. 2968

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

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In the Matter of the Application)
of A. SORENSEN & COMPANY, an elec-)
tric utility, for an order author-)
izing an increase in electric)
rates.)

Application No. 5932

A. Sorensen for Applicant.

MARTIN, Commissioner:

O P I N I O N

A. Sorensen & Company, applicant herein, operating a small electric distribution system in the City of Oakland, Alameda County, and serving approximately 100 residences with electricity for lighting and domestic service, requests the Commission to authorize it to increase its rates for service from the present rates, which are as follows:

First 20 k.w.h. per meter per month ... 6¢ per k.w.h.
All over 20 " " " " " " ... 3¢ " "

Minimum Charge \$1.00 per Meter per Month.

to-the following rates:

First 30 k.w.h. per meter per month ... 8¢ per k.w.h.
All over 30 " " " " " " ... 3¢ " "

Minimum Charge \$1.00 per Meter per Month.

Applicant purchases its electric power from Great Western Power Company at the regular schedules in effect on that system, using part of the power for the operation of the pumping plant and the remainder for distribution to consumers. Applicant's revenue from electric service during 1919 was \$1,440 and its operating expenses approximately \$1,270, leaving a net of \$170 to cover interest and depreciation upon an investment of slightly in excess of \$2,000.

The Commission in its decision in Application No. 5585, Decision No. 7824, dated June 30th, 1920, authorized a modification in the electric power schedules of Great Western Power Company and an additional increase of 15 percent to be added as a surcharge upon those schedules. The result of this increase as authorized, when applied to the service delivered to the applicant herein, is to increase its operating expenses by approximately \$50 per month, of which \$40 is chargeable to the electric service. An investigation of the Commission's engineers shows that this increase will result in applicant's business being operated at a loss unless further increase in rates is granted.

The basic rates for electric service charged by Pacific Gas and Electric Company and Great Western Power Company in adjacent territory are approximately the same as those applied for in this proceeding but the rates are subject to an additional 15 percent surcharge effective until April 1921.

The increase in rates herein applied for will not result in an unreasonable return to applicant nor in rates as great as those charged in the same district by the larger utilities.

I recommend the following form of Order:

O R D E R

A. Sorensen & Company having applied to this Commission for authority to increase electric rates, hearing having been held and the matter being submitted and now ready for decision,

The Railroad Commission hereby finds as a fact that the rates for electric service heretofore charged by applicant are unjust and unreasonable and that the rates hereinafter set forth are just and reasonable rates to be charged.

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

IT IS HEREBY ORDERED that A. Sorensen & Company be and it is hereby authorized to charge and collect for electric service rendered, based upon regular meter readings taken on and after the 15th day of August 1920, the following rates:

Residence and Domestic Service:

First	30	k.w.h.	per	meter	per	month	...	8¢	per	k.w.h.
All over	30	"	"	"	"	"	...	3¢	"	"

Minimum Charge \$1.00 per meter per month.

IT IS HEREBY FURTHER ORDERED that A. Sorensen & Company shall file the above schedule, in accordance with the

regular practice of the Commission, on or before August 15th, 1920.

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

10th day of August, 1920.

Edwin O. Edgerton

John R. DeWitt

James Martin

Commissioners.