

Decision No. 28787

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of SAN JOAQUIN LIGHT AND POWER CORPORA- TION to Charge and Collect Certain Rates for Electric Energy.	}	Application No. 19294.
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BY THE COMMISSION:

OPINION AND ORDER

San Joaquin Light and Power Corporation, in an effort, as recited in its application, to stimulate the use of electric service by general lighting, combination domestic, and agricultural power consumers and to decrease the unit cost thereof without serious impairment of revenue, has submitted for approval two groups of schedules, the first being temporary revisions of its Schedules S-L-2, S-L-3, S-D-2, S-D-3 and S-P-3, to become effective for the billing periods of April and May, 1934, the second comprising permanent revisions thereof and a new special combination domestic schedule, to become effective June 1, 1934, or thereafter, as specifically provided in the particular schedule.

Applicant also requests authority to extend to Midland Counties Public Service Corporation throughout the duration of a period of similar concession by that utility to its consumers an adjustment of charges for the added demand and energy requirements resulting therefrom based upon costs incurred by applicant, these adjustments to be submitted to this Commission for approval.

Briefly summarizing the proposal of the Company in non-technical language, the following advantages to its consumers will

be made available:

1. During the months of April and May, 1934, general lighting and combination domestic consumers may make unlimited use of energy for a monthly charge not to exceed the amount of the preceding March billing, and are given certain additional benefits consequent upon increased usage.

2. During the months of April and May, 1934, any energy used by agricultural consumers in excess of the amount used during the corresponding months of 1933 will be billed at one-half the regular rate, and in the event the usage less the increased usage for these months amounts to 4000 kilowatt hours per horsepower or more during the current agricultural year the billing at the half rate above mentioned will be refunded entirely.

The application is meritorious and should be granted. Due in large part to a falling off in consumption, the power industry in this State finds itself with production facilities substantially in excess of present demands. The now existing power surpluses will be augmented with the coming in of power from Boulder Dam and perhaps from other sources. Either the industry must absorb and put to use these present and prospective surpluses or an examination into capital structures will become necessary, since existing consumers may hardly, in justice, be expected or required to pay indefinitely a full return upon excess facilities, even though such facilities were provided initially in good faith. The first alternative being the preferable one, the management of this Company is to be commended for thus seriously approaching the problem by

submitting these experimental rates.⁽¹⁾ While it is true that temporary and experimental rates are not without objection, the seriousness of the situation facing the power industry and the uncertainty as to the best route to be followed to accomplish the absorption of surpluses fully justify experiments of the nature here proposed.

Therefore, good cause appearing,

IT IS HEREBY ORDERED that the San Joaquin Light and Power Corporation be authorized:

1. To file the several proposed schedules as set forth in the application herein and make the same effective for and at the times specified in said application.
2. To adjust the charges made to Midland Counties Public Service Corporation throughout the duration of a period in which that utility shall extend to its consumers concessions similar to those proposed herein, to cover increased demands and energy requirements resulting therefrom based upon costs incurred by applicant, said adjustments to be submitted to this Commission from

1. Other power utilities have been evidencing some realization of the situation confronting the industry and have been doing something in the way of offering schedules and instituting policies directed towards increasing usage. Thus, the Southern California Edison Company has made various reductions in its schedules, some of which are of a promotional nature, and is now engaged in a rather intensive campaign to increase consumer usage. The Southern Sierras Power Company has filed, effective on March 4, 1934, a promotional rate whereby many of its lighting consumers upon increasing their usage over that of 1933 will be billed upon a lower schedule. Pacific Gas and Electric Company has recently filed certain reductions for water heating. Midland Counties Public Service Corporation is making the same proposal as the applicant here.

time to time for approval and confirmed by appropriate supplemental orders.

Dated at San Francisco, California, this 12th 8
day of February, 1934.

C. S. Seawright
M. A. C.
M. B. Harris
Commissioners.