

Decision No. 28677

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
GAS FUEL SERVICE COMPANY, for per-
mission:

1. To temporarily discontinue service
in Kings County.
2. To revise its Gas Engine Service
Schedule within the territory, and
3. To file with the Commission its
schedule for Domestic Service
within the territory.

ORIGINAL

Application No. 21581.

W. Martin Lathrop, for Applicant.

BY THE COMMISSION:

O P I N I O N

The Gas Fuel Service Company asks permission -

1. To temporarily discontinue gas service in Kings County;
2. To revise and increase its Gas Engine Service Schedule No. 1;
3. To file an original General Service Schedule No. 3.

Schedules No. 1 and No. 3 are attached to the application as
Exhibits "C" and "D," respectively.

Public hearing was held before Examiner C. C. Brown
at Stratford, California, on December 1, 1937.

In its Decision No. 26297, dated August 28, 1933,
the Commission granted a certificate of public convenience
and necessity to applicant, authorizing the exercise of the
rights and privileges under franchises granted to it by
Ordinance No. 151 of the County of Kings and Ordinance No. 290
of the County of Fresno.

Applicant then laid certain gas lines in Kings County
and, on July 5, 1934, filed its original Schedules No. 1 and
No. 2 covering the service of natural gas for internal combustion

engine and agricultural use in Kings County at a flat rate of 16¢ per M.c.f., and in Fresno County at a rate of 17¢ per M.c.f., respectively. These two schedules are still in effect and constitute applicant's only filed rates. Applicant serves some ten consumers, all located in Kings County.

The record shows that in June, 1936, applicant's gas supply at Dudley Ridge, Kings County, gave out and that applicant at that time entered into a contract with Southern California Gas Company for the purpose of its supply of gas; that during the month of October, 1937, its purchases from this source amounted to 2,614,000 cubic feet, while its sales to consumers totaled 422,341 cubic feet, the difference being attributable to line losses; that on November 10, 1937, applicant temporarily ceased rendering the service of gas to its consumers.

Attached to the application as Exhibit "A" is a consolidated operating statement for the period January 1, 1937, to October 31, 1937, which lists income as \$1,153.31, expenses as \$5,029.54, and net operating loss as \$3,876.23.

Applicant introduced evidence which establishes the fact that even with a normal ten per cent line loss the revenue received from sales under its present Schedule No. 1 - Gas Engine Service at a rate of 16¢ per M.c.f. will be inadequate to meet operating expenses and that this rate should be increased to 20¢ per M.c.f. This increase will be granted.

The tremendous line loss pointed out above is entirely inexcusable and indicates gross inefficiency on the part of applicant in the maintenance of its facilities. This inefficiency has resulted in the rendering of inferior service to its consumers and unduly high operating costs, particularly in the cost of gas purchased. This condition can not be allowed to continue and must be remedied at once.

Applicant estimates that it will take from sixty to one hundred twenty days to repair these lines and that it will cost approximately two thousand dollars (\$2,000.00).

Applicant alleges that it has negotiated a contract with C. C. Friend for an adequate and permanent supply of natural gas at a price of 5¢ per M.c.f.

Applicant requests permission to revise and increase the rate for gas engine service in its Schedule No. 1 from 16¢ to 20¢ per M.c.f. Several consumers testified that they did not protest this increase provided they were rendered continuous and adequate service.

Applicant requests further permission to file and make effective a Schedule No. 3, covering the service of natural gas for general domestic and commercial use at the following rates:

First 1,000 cu.ft. or less per meter per month	\$1.00
Over 1,000 " per meter per month at	.60/M.c.f.
Monthly minimum charge	\$1.00

It appears that applicant has been serving a number of consumers under this unfiled schedule in violation of the Public Utilities Act and the rules and regulations of this Commission. The practice of serving consumers under other than filed rates or agreements must cease at once and not be repeated in the future.

O R D E R

It is found as a fact that applicant's present Schedule No. 1 - Gas Engine Service is too low and that same should be increased from 16¢ to 20¢ per M.c.f., and

IT IS HEREBY ORDERED that applicant, Gas Fuel Service Company,

1. Proceed at once to repair its lines and facilities, and to put them in good operating condition for the rendering of adequate and continuous gas service to its consumers.

2. Expedite and complete this work and resume gas service to its consumers at the earliest possible date.
3. Render a progress report, in writing, to the Commission at the end of each thirty (30) day period after the date of this order, outlining the status of the above work until same is completed.
4. File with the Commission at once its suggested amended Schedule No. 1 - Gas Engine Service and Schedule No. 3 - General Service, attached to the application as Exhibits "C" and "D," respectively, same to become effective within thirty (30) days after filing.

This order shall be effective immediately.

Dated San Francisco, California, January, 3, 1938.

William H. Hall
Leon A. Kelley
James R. Blum
Kaufman & Faber
Paul L. Riley
Commissioners.