

Decision No. 32106.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of PACIFIC GAS AND ELECTRIC COMPANY,
a corporation, for an order of the
Railroad Commission of the State of
California granting and conferring
upon applicant all necessary
permission and authority to publish
and establish, effective July 1,
1939, the schedules of electric rates
and charges referred to herein, and to
withdraw and cancel as of July 1,
1939, the within mentioned schedules
of electric rates and charges of
Pacific Gas and Electric Company,
San Joaquin Light and Power Corpor-
ation, and Midland Counties Public
Service Corporation.

ORIGINAL

Application No. 22825.

BY THE COMMISSION:

O P I N I O N

In accordance with public announcement heretofore made, following investigations by the staff of the Railroad Commission, and conferences with officers of applicant and of cities and other interested organizations, a general rate reduction in a major number of electric schedules has been agreed upon totaling \$1,925,000 reduction in gross revenue a year to be effective July 1, 1939. Additional studies are being made as to reductions in certain unincorporated territories. The tariffs affected are shown in Exhibit "A" attached to the application.

The reduction of \$1,925,000 annually has been allocated

as follows:

Domestic	\$ 723,000
Commercial Lighting and Power	904,000
Power	101,000
Agricultural Power	86,000
Street Lighting	<u>111,000</u>
Total	\$1,925,000

Additional reductions in unincorporated territory having urban characteristics are being studied to become effective August 1, 1939. These reductions, totaling about \$250,000, will accord a somewhat lower rate to the more densely populated unincorporated territory.

The reductions in power schedules have been made in the combination lighting and power schedules. Savings include, however, reductions to customers on other power schedules who will benefit through transfer to the combination schedule. These customers will be notified by the utility. Agricultural power schedules in Northern California, which are higher than the San Joaquin schedules, have been reduced.

Pacific Gas and Electric Company, hereinafter sometimes referred to as applicant, has filed a formal application for an Order of the Railroad Commission granting the necessary permission and authority to publish and establish the new schedule of electric rates and charges, effective July 1, 1939, as set forth in Exhibit "A" attached and made a part of the application, and to withdraw and cancel certain other schedules of electric rates and charges as of the same date and as set forth in the application.

On January 1, 1939, pursuant to authorization of this Commission, the Pacific Gas and Electric Company acquired the

properties of San Joaquin Light and Power Corporation and Midland Counties Public Service Corporation.

In the rearrangement of the tariffs, looking towards simplification, the schedules for service in the territory formerly served by San Joaquin and Midlands have, in some instances, been consolidated with the schedules for similar service in the Northern California area served by Pacific prior to the merger. In working out such consolidated tariffs the Company has, by letter, made the commitment:

"In making the consolidation of schedules which we propose, we will not hereafter urge before the Railroad Commission that such consolidation shall in itself be a reason for not separating such schedules in the future."

There are certain instances in the proposed rate filing which result in rate increases, either at the present time, or under certain circumstances, in the future. Perhaps the most important is an increase in the second block of 850 kilowatt-hours per month in the combination heating and cooking schedule from 1.3 cents to 1.5 cents in Coalinga, San Luis Obispo, Santa Maria and Paso Robles. These communities are being accorded a substantially lower lighting schedule and since the rate of 1.5 cents is effective in practically all other territory, it seems reasonable to authorize this adjustment. Since these customers also take lighting service, only about ten per cent will experience an actual increase in billing.

The remaining actual increases include readjustment of minimum charges in present Schedules S-C-1 and M-C-1; increase of one cent in the City of Eureka to certain domestic and commercial users under certain circumstances; increase to one present customer in substituting proposed Schedule DA-2 for San Joaquin

Schedule S-D-4; increase to one present customer through substitution of Schedule DA-3 for San Joaquin Schedule S-D-5; and an increase of one cent in the street lighting Schedule L-4 for seventy-five watt lamps served on a midnight schedule.

There are also certain tariffs of the former San Joaquin and Midland companies which Pacific does not propose to refile and certain others which Pacific proposes to refile in a different form; all of these are stated in the application.

The Commission desires to call particular attention to Paragraph "c," on Page 13 of the application, dealing with the present Midland Schedule M-P-6, and to Paragraph "h," on Page 14 of the same application, dealing with the present San Joaquin Schedule S-P-6. It is not to be understood that the Commission at this time, in permitting the Applicant to withdraw Midland's Schedule M-P-6, for resale service, and not file a similar schedule, and to reword San Joaquin's Schedule S-P-6, is in any way withdrawing such right as exists for municipalities or others to request and receive electrical energy for resale purposes from Pacific Gas and Electric Company. As stated by Applicant in Applications Nos. 22156 and 22157, which requested authority to merge Midland Counties Public Service Corporation and San Joaquin Light and Power Corporation, respectively, with Applicant, the latter assumed all obligations of the other two companies.

In connection with the increases in rates, the Commission is of the opinion that the proposed increases are not unreasonable when taken in conjunction with the rate reductions which will flow from the application of the tariffs proposed in Exhibit "A." The proposed increase will remove inequalities that now exist.

This application relates essentially to matters concerning rates. Temporarily, Applicant proposes to maintain in effect the existing Rules and Regulations of San Joaquin Light and Power Corporation and Midland Counties Public Service Corporation and, in the near future, will ask authority to refile its own rules and regulations, with some modifications, which will be applicable throughout its entire system. The Commission will withhold consideration of the revised rules and regulations awaiting the filing of the supplemental application.

O R D E R

It appearing that public hearing in the above matter is unnecessary, and good cause appearing, it is hereby found as a fact that the proposed rate increases referred to in the above Opinion are justified and IT IS ORDERED as follows:

1. Pacific Gas and Electric Company is hereby authorized to withdraw and cancel, as of July 1, 1939, all electric rate schedules on file with this Commission in the names of San Joaquin Light and Power Corporation and Midland Counties Public Service Corporation, together with all electric rate schedules (including the first page and preliminary statement) of Pacific Gas and Electric Company listed in Paragraph III of the application herein.

2. Pacific Gas and Electric Company is hereby authorized to file and establish the proposed electric rate schedules contained in Exhibit "A" to the application herein. Such schedules, and the rates set forth therein, shall become effective as to all meter readings taken on and after July 1, 1939.

The authority herein granted to cancel or withdraw any existing rate schedule shall not be construed as a finding authorizing the abandonment of service or as affecting in any manner the obligation of applicant to render electric utility service.

This Order shall become effective immediately.

Dated at San Francisco, California, this 27th day of June, 1939.

Paul W. [unclear]
James P. [unclear]
Carl H. [unclear]
M. [unclear]
Justus J. [unclear]
Commissioners.