

Decision No. 35681

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, for an order authorizing applicant to file and make effective electric and gas rules and regulations to be designated Emergency Rules and Regulations A-2 and A-3, respectively, in words and figures as written in the form therefor shown in Exhibits "A" and "B" hereof.

Application No. 25185

BY THE COMMISSION:

OPINION AND ORDER

In this application Pacific Gas and Electric Company requests an order authorizing Applicant to file and make effective electric and gas rules and regulations to be designated "Emergency Rules and Regulations A-2 and A-3, respectively. Copies of said Emergency Rules and Regulations are made a part of the application as Exhibits "A" and "B."

Very briefly it may be said that Applicant's proposed Emergency Rules and Regulations would bring about a change in the present practice and requirement that gas and electric meters be normally read monthly. Under the proposed plan, among other things, meters in rural sections would, in general, be read every two months. The exact proposal of Applicant is as follows:

"Emergency Rule and Regulation A-2  
(Electric)(1)  
B1-Monthly Meter Reading and Billing

"In order to conserve rubber tires and man-power during the war emergency, the special rules set forth below on this sheet are established, and any other rule or regulation, rate, or contract, of this Company on file with the Railroad

(1) The provisions for gas, Emergency Rule and Regulation A-3, are identical except for Item (1), which reads as follows:

"1. For all customers served by the Company in rural territory, except customers for whom orifice type meters are used and any customers whose bills for gas service normally exceed \$100.00 a month, gas meters may, at the option of the Company, be normally read at intervals of approximately two months instead of one month."

"Commission and inconsistent herewith shall be taken as suspended or modified to the extent necessary to remove such inconsistency.

"1. For all customers served by the Company in rural territory, except customers for whom demand meters are used, electric meters may, at the option of the Company, be normally read at intervals of approximately two months instead of one month.

"2. The charge for service rendered in each two-month period will be computed at the applicable filed rate schedule by doubling the monthly service charge, demand charge, or minimum charge, and the number of kilowatt-hours to which each block rate is applicable on a monthly basis.

"3. Bills for service supplied during each such two-month period shall be rendered promptly after the close of such period and shall be payable in the same manner as monthly bills heretofore rendered.

"4. The Company may at its option, at the end of the first month of any such two-month period, render its bill for service supplied during that month estimated from records of the customer's prior usage and from other available information; and if such estimated bill is rendered, then the bill for the second month of the two-month period shall be the charge for the two-month period computed in accordance with rule (2) above less the amount of the estimated bill for the first month. Both such bills shall be due and payable in the same manner as regular monthly bills heretofore rendered.

"5. Where bi-monthly meter reading is established, opening and closing bills and bills for irregular periods will be computed in accordance with Rule and Regulation No. 14, except that periods of 54 to 66 days, both inclusive, will be considered as two months."

In justification for this proposed change, Applicant points out that it is brought about through the necessity to conserve in both men and materials in order to meet the emergency brought on by the present war necessities. In this respect Applicant states that the reading of meters in rural territory now requires the operation and maintenance of a large number of automobiles and the annual travel of approximately one million automobile miles; that if bi-monthly meter reading should be adopted, a very substantial saving in this mileage would result, with a corresponding reduction and saving in the use of critical rubber tires. It is also pointed out that Applicant is facing a shortage of skilled help, as more than 1100 of its employees have entered the armed forces of our Country. This program would assist in meeting this labor problem.

The Commission is of the opinion that every effort should be made by all utilities to save, wherever consistent with reasonably sound practice, and certainly it would appear that a saving in so critical an item as rubber, as well as labor, was most advantageous to our Country's war effort. There naturally are certain disadvantages to lengthening the meter reading period. From one point of view

the change may be said to be in favor of Applicant's customers, inasmuch as payments for service are deferred with a resulting loss to Applicant in the form of working cash and the interest thereon. Uncollectibles, too, may have a tendency to increase. On the other hand, bi-monthly billings may result in very slight increases in the actual billings. (2)

Under Item (4) of the proposed emergency rules, Applicant would have the option, at the end of the first month of any two-month period, to render an estimated bill, thus keeping in effect monthly billing for service rendered. While this procedure would have the advantage of monthly billing, yet it would have the disadvantage of making monthly estimates. It would appear that such a procedure would be somewhat costly to perform and, more important, it is believed many disputes between Applicant and its customers would arise, which would be most undesirable. It may be that at a later time and under more urgent national restrictions, estimated billings may become necessary. At the present time the Commission is of the opinion that the practice of estimated billing should not be used except in isolated cases and as now used.

A public hearing being deemed unnecessary and good cause appearing:

It is hereby found as a fact that public interest requires a change in the meter reading practice in rural areas of the Pacific Gas and Electric Company and as hereinbefore presented and any incidental increases in billing, which may result therefrom, are hereby found reasonable and justified; therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company file Emergency Rules and Regulations A-2, for electric service, and A-3, for gas service, in accordance with Exhibits "A" and "B" of the application, except that paragraph No. 4 shall be deleted and paragraph No. 5 renumbered No. 4.

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(2) Such increases would be limited to a few cents in special cases where customer usage might vary sharply as between months and if in sufficient amount and in right proportion, the average effect under bi-monthly billings might make part of the consumption fall in higher rate blocks of the tariff.

The effective date shall be the date hereof.

Dated at San Francisco, California, this 11<sup>th</sup> day of August, 1942.

Justus J. Coe

A. J. Baker

Francis K. Havenner

Richard K. ...

Commissioners