

Decision No. 36373**ORIGINAL**

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY LTD., a corporation, under General Order No. 96, Paragraph X, for an Order of the Railroad Commission of the State of California, authorizing Applicant to furnish electric public utility service at rates or under conditions other than the rates and conditions contained in its Tariff Schedules

Zone A, PCM-1 - C.R.C. Sheet No. 1277-E,  
 Zone B, PCM-1 - C.R.C. Sheet No. 1278-E,  
 Zone C, PCM-1 - C.R.C. Sheet No. 1279-E,  
 and special contracts containing fuel oil clause.

Application No. 25613

BY THE COMMISSION:

OPINION AND ORDER

In this application Southern California Edison Company Ltd., hereinafter referred to as Applicant, seeks an order of the Railroad Commission to defer any increase in their electric rates or charges resulting from or required by the provisions of certain tariff schedules or special contracts as a result of an increase in the posted price of fuel oil effective April 1, 1943, or such other increases as may hereafter be made.

Applicant states that it has previously filed with this Commission certain rate schedules which are now in effect and containing the following "fuel clause:"

"This schedule in any billing month is subject to an additional charge of 3¢ per 1000 Kwh for each one cent that the average cost of fuel, expressed in cents per barrel of equivalent fuel oil, is above \$0.75 per barrel at the steam plants of the Company for the calendar month next preceding the month in which the meter is read."

The rate schedules, containing the above "fuel clause" are designated as follows:

Zone A, PCM-1 - C.R.C. Sheet No. 1277-E  
 Zone B, PCM-1 - C.R.C. Sheet No. 1278-E  
 Zone C, PCM-1 - C.R.C. Sheet No. 1279-E

Applicant further states that it has entered into contracts for electric service with certain of its consumers, which contracts have been authorized by this Commission and are now in effect, containing a provision substantially in the form of the "fuel clause" set forth above.

The Applicant received notification that effective on April 1, 1943 the price to Applicant for fuel oil was increased twenty-five cents (25¢) per barrel, making the price one dollar and ten cents (\$1.10) per barrel delivered at the Applicant's steam plants. Said increase was authorized on March 24, 1943 by the United States, acting through the Office of Price Administration, which office issued Amendment 87 to Revised Price Schedule 88. Further, on April 1, 1943 the United States, acting through its Office of Price Administration, issued Amendment 88 to Revised Price Schedule 88, restricting any increase in the price of dry gas.

Applicant further states that under the circumstances and the unusual conditions existing at this time, it desires to postpone, subject to the authorization of this Commission, for the time being, the billing of its consumers as provided under said schedules and contracts for an additional charge on account of increased fuel oil prices; provided that Applicant bill and consumers under such schedules and contracts pay such additional charges, commencing at such time in the future when the Applicant shall deem that conditions justify such action.

This Commission has recently had for formal consideration Applications No. 25579, 25580, 25581, and 25583 filed by the Southern Counties Gas Company of California, Southern California Gas Company, Pacific Gas and Electric Company, and Coast Counties Gas and Electric Company, respectively. The aforementioned applications were similar to the instant application in that the several applicants sought an order to defer the effective increase in their rates or charges for gas, electric and steam heating service as a result of an increase in the posted price of fuel oil effective April 1, 1943. Authority to so do was granted by this Commission in Decision No. 36323 dated April 27, 1943. However, as in

the instance of Pacific Gas and Electric Company, the twenty-five cent (25¢) increase in fuel oil permitted by the Office of Price Administration will actually bring about an increase in the generating costs of applicant's utility and this, coupled with the deferment in the automatic rate increase provided for in the rate tariffs, will result in an actual reduction in earnings in so far as the same is related to this action.

Applicant's request that deferment of the rate increase should be limited to such a time in the future as it may determine feasible in our opinion should only be granted subject to the provision that the necessary authorization from this Commission be first obtained after a proper showing. Likewise, deferment that the order will grant will be limited to the rate changes resulting from the present increase of oil as of April 1, 1943. In the opinion of the Commission it is believed very desirable that a maximum deferment period be established and such period shall not be longer than thirty days after the termination of the Office of Price Administration's Revised Price Schedule No. 88.

The Commission being of the opinion that a public hearing in the above entitled matter is not required and good cause appearing,

IT IS ORDERED that Southern California Edison Company Ltd. is authorized to defer any adjustment or increase in electric charges resulting from or required by the provisions of the Applicant's filed tariff schedules or special contracts that are affected as the result of the twenty-five cents (25¢) per barrel increase in the posted price of fuel oil which became effective April 1, 1943, provided that such period of deferment shall not be longer than thirty (30) days after the termination of the time that Section 1340.159 (d) (2) (i) of the Office of Price Administration's Revised Price Schedule No. 88, as revised April 1, 1943, shall remain legally in force and effect, and provided further, that this Commission may, by appropriate order, change or modify the authorization herein made as future conditions may dictate and require.

The effective date of this Order shall be the date hereof.

Dated at Los Angeles, California, this 25<sup>th</sup> day of May, 1943.

Francis D. Havens

Justus D. Casper  
Richard Backus  
Francis D. Davis

(Commissioners)