

Decision No. 38944

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the investigation upon the Commission's own motion into the reasonableness of the rates, etc., of SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA covering gas service.

ORIGINAL

Case No. 4716

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

On March 26, 1946 this Commission issued its Decision No. 38786 providing for the establishment of a Rate Adjustment Plan on the Southern Counties Gas Company of California.

Under date of April 4, 1946 this Commission received a written communication from the utility requesting that General Service customers receiving service under its so-called Class "B" rates be allowed no further rate reduction that might in the future result through the operation of the Rate Adjustment Plan.

In support of this request it is pointed out that such customers "use gas during the winter periods only" for heating purposes and do not use gas for cooking and water heating, and that, further, such customers constitute about one per cent of its total General Service customers, and that their average annual billing is about 1/4 of 1% of the total of this class. Because of this seasonal and low use of gas it is represented that such service is rendered at rates that are substantially below cost to serve, and accordingly no further reduction is justified.

It is also represented that, while these customers are few in number, yet whenever there is a rate change the mechanics in the preparation

of rate charts for billing purposes are such that it is necessary to expend approximately 40% of the required total man-hours on the charts for this group of customers.

The Commission is of the opinion that the request made by the Southern Counties Gas Company of California is not unreasonable and that a public hearing is not required; therefore

IT IS HEREBY ORDERED that in applying the Rate Adjustment Plan set forth in Decision No. 38786 no further increases in the discount rates need be applied to customers taking gas service under the "B" rates of the General Service Schedules.

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

Dated at San Francisco, California, this 7th day of May,

1946.

David Anderson
Justus F. Casassa
Francis D. Conroy
Walter H. Dwyer
Samuel J. Kula
Commissioners.