

ORIGINAL

Decision No. 45926

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 COAST COUNTIES GAS AND ELECTRIC COMPANY,)
 a corporation, for an order of the Public)
 Utilities Commission of the State of)
 California authorizing applicant to)
 increase the rates charged by it for)
 natural gas; to withdraw and cancel all)
 of its filed and effective rate schedules)
 applicable to natural gas service and to)
 file and make effective in lieu thereof)
 natural gas rate schedules in accordance)
 with this petition.)

Application No. 31614
 (Amended)

J. K. Horton, W. E. Johns, Bert B. Snyder,
Tinning and DeLap, and Pillsbury, Madison &
Sutro, by Noel Dyer, for applicant; J. J. Deuel,
Edson Abel, and Eldon Dye, for California Farm
 Bureau Federation; Brobeck, Phleger & Harrison,
 by George D. Rives, for California Manufacturers
 Association; Major John W. Rood, Clifford G.
Trott, and Lewis A. Todd of Sixth Army, for the
 United States and all of its Executive Agencies;
W. D. MacKay, for Gentry, Inc. and Mission Linen
 Supply; Freyman Coleman, C. T. Mess, and Boris H.
Lakusta, for the Commission's staff.

O P I N I O N

Coast Counties Gas and Electric Company, a California corporation, applicant in this proceeding, by the above-entitled application filed July 25, 1950, and as amended January 5 and June 25, 1951, requests an order of the Commission authorizing an increase in natural gas rates to customers located within its service area in the counties of Contra Costa, Santa Cruz, Santa Clara, San Benito, Monterey, Kern, Fresno, Kings, and Merced. Public hearings were held on the amended application before Commissioner Huls and Examiner Edwards during nine days in

January and February, 1951. During the course of these hearings, applicant requested interim rate relief pending the final outcome of the proceeding.

On May 8, 1951, by Decision No. 45653, the request for interim relief was denied. The applicant's affiliated companies, Pacific Public Service Company, Coast Industrial Gas Company, Coast Natural Gas Company, Gas Lines, Inc., Natural Gas Corporation of California, and Standard Pacific Gas Line, Incorporated, were involved in the production, purchase, and transmission of applicant's supply of natural gas. At that time, in view of the indicated earnings of the affiliates and because applicant's probable net revenue was in excess of that estimated by the company, in that decision the Commission considered that an emergency did not exist that justified interim relief.

Thereafter, to permit complete analysis by our staff of the intercorporate relationships and, furthermore, to investigate a possible revision of the corporate structure, several conferences were held between the staff and the company representatives. All of the parties to this proceeding were advised of these discussions and all but one participated in the concluding conference. Subsequent to such conferences, applicant arranged to purchase certain gas pipe lines and properties from its affiliates so as to place the transmission facilities under its control. Accordingly, it filed Application No. 32492 with this Commission for authority to consummate this arrangement. This latter application was consolidated with the rate increase application for hearing on a common record. Separate orders are being issued.

Concurrent decision in Application No. 32492, dated today, authorized Coast Counties Gas and Electric Company to issue \$2,712,000 par value of its common capital stock in payment for all facilities used or useful in the transportation of natural gas and presently owned by Pacific Public Service Company, Coast Industrial Gas Company, and Gas Lines, Inc., and granted it a certificate of public convenience and necessity to maintain and operate such facilities as part of its public utility gas system. The amount of \$2,712,000 also covers the purchase of 5/14 of the outstanding shares of stock of Standard Pacific Gas Line, Incorporated, hereinafter referred to as Stanpac, the owner of a gas pipe line running from the Kettleman Hills field in Kings County to the City of Richmond in Contra Costa County. The ownership of such stock will permit the use of 5/14 of the capacity of the gas transmission facilities of Stanpac by the applicant. The properties and the natural gas purchase contracts of the Coast Natural Gas Company are being purchased by applicant through the issue of a short term note for \$215,000. Natural Gas Corporation will remain unchanged as an exploration and producing company.

Included in this transfer are the gas pipe-line facilities extending from the Rio Vista, Kirby Hill, and Suisun Bay area gas fields to an interconnection with the facilities of Stanpac in Contra Costa County.

The principal economic benefit to applicant will arise from the fact that it can purchase gas directly from producers at a substantial saving which was a principal reason for a reduction of \$406,000 in applicant's requested rate increase.

A public hearing on the consolidated record on Application No. 32492, and the final day of hearing on Application No. 31614, was held on June 25, 1951.

The applicant asked at the June 25 hearing that its petition for rate relief be based on the experienced results for the 12 months ended April 30, 1951, on a pro forma basis as indicated by Exhibit No. 37.

Applicant's Operations

The Coast Counties Gas and Electric Company is engaged in the business of furnishing electric, gas, and water utility service in certain areas, towns, and cities in the central portion of the State of California. Electric service is rendered to some 42,000 customers in the cities of Santa Cruz, Watsonville, Capitola, Gilroy, Morgan Hill, Hollister, and San Juan, and in adjacent territory in Santa Cruz, Monterey, San Benito, and Santa Clara counties, respectively. Gas service is rendered to some 72,000 customers, nearly one-half of which are located in the areas where electric service is rendered. The remainder are located in Contra Costa County, in the San Joaquin Valley in and near Los Banos, and in the communities of Avenal, Taft, Kettleman City, Maricopa, and Fellows. Water service is rendered only in the town of Avenal.

Under the authority of decision in Application No. 32492, applicant now will purchase its natural gas directly from producers. The principal sources are the Rio Vista and Kettleman Hills fields. Most of applicant's gas will be transported through the Stanpac line, in which

it will own a 5/14 interest. The company does not have a transmission line between the Contra Costa region and the coastal region, but will utilize the facilities of the Pacific Gas and Electric Company for this purpose on an exchange basis. Gas will be delivered at Tracy Junction on the Stanpac Line to Pacific Gas and Electric Company in return for a like quantity of gas from that company's Bay Line near Gilroy, Hollister and Tres Pinos on a straight Mcf exchange basis with no dollar payments involved.

Company's Position

This is the first request by the Coast Counties Gas and Electric Company in almost 30 years for an increase in gas rates. The company now claims that it is in the same position as almost all other major utilities in the state, some of which have been before the Commission more than once since the end of World War II for rate increases in this postwar period of rising prices and costs.

Applicant claims that labor costs have increased sharply during the past two years and its average wage rates are now 112% greater than in 1941. It indicates that during this period food prices have increased 117%, clothing approximately 80%, and the average price of other family necessities over 70%, but that its rates for natural gas, are substantially below the 1941 level. Even at the increased rates proposed in its application, applicant claims its gas rates still will be below the 1941 level due to substantial rate reductions in 1942, 1944, and 1947.

In the original application, a total increase of \$1,244,000 annually was requested primarily due to an increase of approximately \$1,300,000 in the cost of gas effective January 1, 1951. Between July 25, 1950 and January 5, 1951, increases occurred in the price of fuel oil, income tax rates, and wage levels. In the amended application filed January 5, 1951, the total requested increase was raised to \$1,556,000. At the hearing on June 25, 1951, following the changes in ownership of gas transmission facilities and elimination of affiliates' handling charges in the cost of gas, the request was reduced by \$406,000 annually to a figure of \$1,150,000. Applicant's request is equivalent to an average increase of approximately 11% in gas revenues.

At this point, we desire to observe that the price charged this utility by gas producers is not fixed by this Commission or other state authority. Thus, the utility buys in an unregulated field and sells in a regulated field. Unlike several other states, this state does not, by law, fix the price of gas charged by producers.

Evidence on Earnings

Applicant's Exhibit No. 1 showed that the Gas Department on a temperature adjusted basis earned a 6.94% rate of return in 1949, and Exhibit No. 28-A showed 6.74% in 1950. Exhibit No. 1 also contained an estimate that the Gas Department would show a return

of only 0.93% in 1951. These showings were made prior to and give no effect to any advantage resulting from the acquisition by applicant of the transmission pipe lines. On June 25, 1951, applicant introduced Exhibit No. 37, which showed that the Gas Department return for the 12 months ended April 30, 1951, on a pro forma, temperature adjusted basis, was 3.50% after giving effect to the acquisition of the transmission pipe lines and facilities previously referred to. The results for the Electric and Water Departments also were shown in this exhibit and are summarized below:

PRO FORMA SUMMARY OF EARNINGS - 12 MONTHS ENDED APRIL 30, 1951

<u>Item</u>	<u>Gas Department</u>	<u>Electric Department</u>	<u>Water Department</u>	<u>Total Company</u>
Revenues	\$10,869,820	\$ 3,929,118	\$ 66,236	\$14,865,174
<u>Expenses</u>				
Operation & Maint.	9,515,194	2,470,011	36,411	12,021,616
Depreciation Annuity	162,448	171,438	1,719	335,605
Taxes	542,654	634,736	11,735	1,189,125
Total Expenses	10,220,296	3,276,185	49,865	13,546,346
Net Revenue	649,524	652,933	16,371	1,318,828
Rate Base (Undepr.)	18,571,352	11,385,243	199,430	30,156,025
Rate of Return	3.50%	5.73%	8.21%	4.37%

The purpose of using a pro forma basis as the yardstick for near future operations was to obtain test year results under present-day wage, tax, fuel oil and gas costs on known operating relationships. Since gas sales are affected to some extent by temperature variation, it is common practice to adjust past actual revenues to reflect 10-year average weather conditions. Such an adjustment is reflected in the foregoing figures.

For the above tabulation, the applicant used a 47% federal income tax rate but requested that consideration be given to a 52% tax rate now under consideration by the Congress of the United States.

If a 52% tax rate were effective, the rate of return would be lowered to 3.42% in the Gas Department, 5.44% in the Electric Department, 7.76% in the Water Department, and to 4.21% for the company as a whole.

Depreciated Rate Base

The Commission's staff made an analysis of the applicant's pro forma showing for the 12 months ended April 30, 1951 using a depreciated rate base instead of the undepreciated base shown by applicant in Exhibit No. 37. The results of this analysis, as set forth in Exhibit No. 41 introduced by the staff, are:

PRO FORMA SUMMARY OF EARNINGS BY 4% MODIFIED
SINKING FUND METHOD

	<u>Gas Department</u>	<u>Electric Department</u>	<u>Water Department</u>	<u>Total Company</u>
Net Revenue	\$ 459,304	\$ 519,941	\$ 13,205	\$ 992,450
Rate Base (Depreciated)	13,815,857	8,060,436	120,281	21,996,574
Rate of Return	3.32%	6.45%	10.98%	4.51%

When a depreciated rate base is used the interest on the depreciation reserve is not excluded as an operating expense. The depreciation reserve as of April 30, 1950 was deducted from applicant's undepreciated rate base to arrive at the lower rate base figures shown above.

Conclusion as to Earnings and Rate of Return

If allowed, applicant's requested gas rate increase of \$1,150,000 would increase the indicated net revenue sufficiently to result in an approximate rate of return of 6.65% on the Gas Department undepreciated rate base of \$18,571,352 for the 12 months ended April 30, 1951.

Allowance of any additional amount of increased revenue on the assumption that the federal income tax rate shortly will be increased from 47% to 52% is not justified. Under present-day transitory world conditions, it is impractical to predict the precise degree or trend of tax, wage, or cost of money changes.

Upon consideration of the facts of record in this proceeding, an increase of \$950,000 in gross revenues from gas rates is justified and will be authorized. This amount is equivalent to a return of 6.1% on the undepreciated rate base of \$18,571,352 and a return of 6.8% on a depreciated rate base of \$13,815,157, which returns, using either of these bases, we find to be fair and reasonable. Tested against the financial requirements, we find that the \$950,000 increase in gross revenues is justified by the evidence and will enable the applicant to service the outstanding securities of the company, including the payment of reasonable dividends on the enlarged amount of common stock outstanding as a result of the transfer of the pipe-line facilities.

Authorized Rates

Applicant's proposed changes in rate zoning and levels were in part based on a functional cost analysis which it presented in Exhibits Nos. 30 and 30-A. Such cost-of-service studies are helpful to the Commission and are given weight as one of the more important factors to be considered in the making of rates.

The "General Service" rates are being classified into six basic zones. The new G-1 schedule will apply to the incorporated cities of Martinez, Pittsburg, Antioch, Pinole, Concord, Hercules, Walnut Creek, and Brentwood, and certain built-up unincorporated communities formerly served on Schedule G-1C. The new G-2 schedule will apply to the incorporated cities of Santa Cruz, Watsonville, Capitola, Gilroy, Morgan Hill, Hollister, San Juan Batista, and certain built-up unincorporated communities formerly served on Schedule G-1. The new G-3 schedule will apply to the incorporated cities of Los Banos, Gustine, Dos Palos, Firebaugh, and Mendota, formerly served on Schedules G-1V and G-1VC. The new G-4 schedule will apply to the towns of Avenal and Kettleman City, formerly

served on Schedules WS-2 and WS-3. The new schedule G-5 will apply to Taft, Fellows, Maricopa and vicinity, formerly served on Schedules WS-1T and WS-1M. The new schedules will provide for a series numbered G-6.1, G-6.2 and G-6.3 for customers located in unincorporated territory not provided for in other schedules, which generally include those located outside of incorporated cities and those outside of certain designated built-up communities as named in the Description of Special Rate Areas in Exhibit No. 39.

A comparison of the present, proposed, and authorized rates for the more important general service schedules follows:

Rate Comparison - Selected General Service Schedules

<u>Blocking</u>	<u>Rate</u>	<u>Blocking</u>	<u>Proposed Rate</u>	<u>Auth. Rate</u>
<u>Present Schedule G-1C</u>		<u>New Schedule G-1(1050 Btu)</u>		
First 400 cu. ft. or less		First 200 cu. ft.		
Incorporated	\$.80	or less		
Unincorporated	1.00	Incorporated	\$.90	\$.90
Next 2,000 cu. ft.	5.50¢	Unincorporated	1.05	1.05
Next 7,600 cu. ft.	4.20¢	Next 2,200 cu. ft.	5.95¢	5.82¢
Next 90,000 cu. ft.	3.70¢	Next 7,600 cu. ft.	4.90¢	4.61¢
Over 100,000 cu. ft.	3.68¢	Next 90,000 cu. ft.	4.42¢	4.27¢
		Next 900,000 cu. ft.	4.32¢	4.17¢
		Next 9,000,000 cu. ft.	4.22¢	4.07¢
		Over 10,000,000 cu. ft.	4.03¢	3.88¢
<u>Present Schedule G-1</u>		<u>New Schedule G-2(1100 Btu)</u>		
First 400 cu. ft. or less		First 200 cu. ft.		
Incorporated	\$.80	or less		
Unincorporated	1.00	Incorporated	\$.90	\$.90
Next 2,000 cu. ft.	6.10¢	Unincorporated	1.05	1.05
Next 7,600 cu. ft.	4.75¢	Next 2,200 cu. ft.	6.50¢	6.40¢
Over 10,000 cu. ft.	3.95¢	Next 7,600 cu. ft.	5.40¢	5.15¢
		Next 90,000 cu. ft.	4.80¢	4.65¢
		Next 900,000 cu. ft.	4.60¢	4.45¢
		Next 9,000,000 cu. ft.	4.40¢	4.25¢
		Over 10,000,000 cu. ft.	4.20¢	4.05¢
<u>Present Schedule G-1C</u> (For Unincorporated)		<u>New Schedule G-6.1(1050 Btu)</u>		
First 400 cu. ft. or less		First 200 cu. ft.		
Unincorporated	\$1.00	or less		
Next 2,000 cu. ft.	5.50¢	Unincorporated	\$1.25	\$1.25
Next 7,600 cu. ft.	4.20¢	Next 2,200 cu. ft.	7.08¢	6.50¢
Next 90,000 cu. ft.	3.70¢	Next 7,600 cu. ft.	5.72¢	5.20¢
Over 100,000 cu. ft.	3.68¢	Next 90,000 cu. ft.	5.04¢	5.04¢
		Next 900,000 cu. ft.	4.61¢	4.61¢
		Next 9,000,000 cu. ft.	4.27¢	4.07¢
		Over 10,000,000 cu. ft.	4.07¢	3.88¢

Note: Except for initial block, rates shown are the effective rates per 100 cubic feet.

A new Schedule G-7 is provided for resale natural gas service to the City of Coalinga, which supersedes the contract between Gas Lines, Inc. and City of Coalinga dated May 9, 1946 and amended May 16, 1950.

The firm industrial schedules are being redesignated as follows: new Schedule G-41 replaces G-10C, G-42 replaces G-10, and G-43 replaces G-10V. The next tabulation is a comparison of the present, proposed, and authorized firm industrial rates in Contra Costa County.

Firm Industrial Rate Comparison

<u>Present</u> <u>Schedule G-10C</u>		<u>New Schedule G-41</u>		<u>Auth.</u>
		<u>Blocking</u>	<u>Proposed</u> <u>Rate</u>	<u>Rate</u>
First	50 Mcf @ 51.8¢	First	100 Mcf	48.0¢
Next	50 Mcf @ 43.8¢	Next	900 Mcf	38.0¢
Next	100 Mcf @ 37.8¢	Over	1,000 Mcf	35.0¢
Next	300 Mcf @ 33.8¢			48.0¢
Next	500 Mcf @ 31.8¢			36.0¢
Over	1,000 Mcf @ 29.8¢			33.0¢

Present Schedule No. G-10D covering dehydrator service is being redesignated No. G-42-D and changed as follows:

Dehydrator Rate Comparison

<u>Present</u> <u>Schedule G-10D</u>		<u>New Schedule G-42-D</u>		<u>Auth.</u>
		<u>Blocking</u>	<u>Proposed</u> <u>Rate</u>	<u>Rate</u>
Summer Months:		Summer Months:		
First	250 Mcf @ 39.8¢	First	250 Mcf	48.0¢
Over	250 Mcf @ 29.8¢	Over	250 Mcf	34.0¢
				45.0¢
				33.0¢
Winter Months:		Winter Months:		
First	250 Mcf @ 45.8¢	First	250 Mcf	56.0¢
Over	250 Mcf @ 35.8¢	Over	250 Mcf	42.0¢
				53.5¢
				40.5¢

The interruptible natural gas service rates are being redesignated and changed as follows: new Schedule G-51 replaces G-11C, G-52 replaces G-11, G-53 replaces G-11V and in addition covers Fresno County, G-54 replaces WS-4, and G-54 replaces WS-5.

Comparison of the present, proposed, and authorized interruptible natural gas rates in Contra Costa County follows:

Interruptible Gas Rate Comparison

Present Schedule No. G-11C		New Schedule G-51			
		Blocking	Proposed Rate	Auth. Rate	
First	50 Mcf @ 53.3¢	First	50 Mcf	54.3¢	54.3¢
Next	200 Mcf @ 42.3¢	Next	200 Mcf	43.3¢	43.3¢
Next	750 Mcf @ 35.3¢	Next	750 Mcf	36.3¢	36.3¢
Next	1,000 Mcf @ 31.1¢	Next	1,000 Mcf	32.1¢	32.1¢
Over	2,000 Mcf @ 28.1¢	Over	2,000 Mcf	29.1¢	29.1¢

Rate changes in other areas besides Contra Costa County in general follow the same changes as authorized in Contra Costa County.

Applicant's present Rule and Regulation No. 2 provides for adjustment of rates for variation in heating value of gas at the ratio of 4% for each 50 Btu change from the base figure of 1100 Btu. This rule is being changed to a 3% ratio on General Service Schedules down to and including 850 Btu and 2% below 850 Btu for each 50 Btu step, and to 2% per 50 Btu step on the industrial schedules.

ORDER

Coast Counties Gas and Electric Company having applied to this Commission for an order authorizing increases in rates, public hearings having been held and the matter having been submitted for decision,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges authorized herein are justified and that present rates, in so far as they differ from those herein prescribed, are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED that applicant is authorized to file in quadruplicate with this Commission, after the effective

date of this order, in conformity with the Commission's General Order No. 96, the schedule of rates, rules, and conditions set forth in Exhibit No. 39 in this proceeding, as modified by Exhibit "A" attached hereto, and, after not less than five (5) days' notice to the Commission and the public, to make said rates, rules, and conditions effective for service rendered on and after August 1, 1951.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 3rd day of July, 1951.

R. T. Dutton
Justus J. Cooney
Harold P. Hill
Samuel R. Bell
John E. McNeil
Commissioners.

EXHIBIT A
Page 1 of 6

The presently effective rates, conditions, descriptions of special rate areas, and rules and regulations are changed as set forth in Exhibit No. 39 with rate levels and schedules modified as follows:

Schedule No. G-1

RATES

	Per Meter Per Month	
	Base Rates	Effective Rates
	B	
	1100 BTU	1050 BTU
First 200 cu.ft. or less		
Incorporated territory	\$.90	\$.90
Unincorporated territory	\$ 1.05	\$ 1.05
Next 2,200 cu. ft., per 100 cu. ft.	6.00¢	5.82¢
Next 7,600 cu. ft., per 100 cu. ft.	4.75¢	4.61¢
Next 90,000 cu. ft., per 100 cu. ft.	4.40¢	4.27¢
Next 900,000 cu. ft., per 100 cu. ft.	4.30¢	4.17¢
Next 9,000,000 cu. ft., per 100 cu. ft.	4.20¢	4.07¢
Over 10,000,000 cu. ft., per 100 cu. ft.	4.00¢	3.88¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

Schedule No. G-2

RATES

	Per Meter Per Month	
	Base Rates	Effective Rates
	A	
	1100 BTU	1100 BTU
First 200 cu. ft. or less		
Incorporated territory	\$.90	\$.90
Unincorporated territory	\$ 1.05	\$ 1.05
Next 2,200 cu. ft., per 100 cu. ft.	6.40¢	6.40¢
Next 7,600 cu. ft., per 100 cu. ft.	5.15¢	5.15¢
Next 90,000 cu. ft., per 100 cu. ft.	4.65¢	4.65¢
Next 900,000 cu. ft., per 100 cu. ft.	4.45¢	4.45¢
Next 9,000,000 cu. ft., per 100 cu. ft.	4.25¢	4.25¢
Over 10,000,000 cu. ft., per 100 cu. ft.	4.05¢	4.05¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

EXHIBIT A
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Schedule No. G-3

RATES

		Per Meter Per Month		
		Base Rates	Effective Rates	
			A	D
		1100 BTU	1100 BTU	950 BTU
First	200 cu. ft. or less	\$.90	\$.90	\$.90
Next	2,200 cu. ft., per 100 cu. ft.	6.40¢	6.40¢	5.82¢
Next	7,600 cu. ft., per 100 cu. ft.	5.15¢	5.15¢	4.69¢
Next	90,000 cu. ft., per 100 cu. ft.	4.65¢	4.65¢	4.23¢
Next	900,000 cu. ft., per 100 cu. ft.	4.45¢	4.45¢	4.05¢
Next	9,000,000 cu. ft., per 100 cu. ft.	4.25¢	4.25¢	3.87¢
Over	10,000,000 cu. ft., per 100 cu. ft.	4.05¢	4.05¢	3.69¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

Schedule No. G-6 - Delete and replace with Schedules G-6.1, G-6.2, and G-6.3, as follows:

Schedule No. G-6.1
GENERAL NATURAL GAS SERVICE

APPLICABILITY

This schedule is applicable to natural gas, supplied to domestic and general service customers, under conditions provided for in rules and regulations filed with the California Public Utilities Commission.

TERRITORY

Within the unincorporated territory not provided for in other rate schedules, as follows:

B - (1050 BTU)

Company's gas service area within Contra Costa County.

RATES

		Per Meter Per Month	
		Base Rates	Effective Rates
			B
		1100 BTU	1050 BTU
First	200 cu. ft. or less	\$ 1.25	\$ 1.25
Next	2,200 cu. ft., per 100 cu. ft.	6.70¢	6.50¢
Next	7,600 cu. ft., per 100 cu. ft.	5.36¢	5.20¢
Next	90,000 cu. ft., per 100 cu. ft.	5.20¢	5.04¢
Next	900,000 cu. ft., per 100 cu. ft.	4.75¢	4.61¢
Next	9,000,000 cu. ft., per 100 cu. ft.	4.20¢	4.07¢
Over	10,000,000 cu. ft., per 100 cu. ft.	4.00¢	3.88¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

SPECIAL CONDITION

Gas engines may be served on this rate under a one year service agreement when sufficient capacity is available from existing mains. When connected load of gas engines is 10 horsepower or over, the minimum will be increased 25¢ per horsepower, but not less than \$5.00 per month for the period April to October, inclusive.

EXHIBIT A
Page 3 of 6Schedule No. G-6.2
GENERAL NATURAL GAS SERVICEAPPLICABILITY

This schedule is applicable to natural gas, supplied to domestic and general service customers, under conditions provided for in rules and regulations filed with the California Public Utilities Commission.

TERRITORY

Within the unincorporated territory not provided for in other rate schedules, as follows:

A - (1100 BTU)

Company's gas service area within Santa Cruz, Santa Clara, San Benito and Monterey Counties.

RATES

		Per Meter Per Month	
		Base Rates	Effective Rates
		A	
		1100 BTU	1100 BTU
First	200 cu. ft., or less	\$ 1.25	\$ 1.25
Next	2,200 cu. ft., per 100 cu. ft.	7.30¢	7.30¢
Next	7,600 cu. ft., per 100 cu. ft.	5.90¢	5.90¢
Next	90,000 cu. ft., per 100 cu. ft.	5.20¢	5.20¢
Next	900,000 cu. ft., per 100 cu. ft.	4.75¢	4.75¢
Next	9,000,000 cu. ft., per 100 cu. ft.	4.25¢	4.25¢
Over	10,000,000 cu. ft., per 100 cu. ft.	4.05¢	4.05¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

SPECIAL CONDITION

Gas engines may be served on this rate under a one year service agreement when sufficient capacity is available from existing mains. When connected load of gas engines is 10 horsepower or over, the minimum will be increased 25¢ per horsepower, but not less than \$5.00 per month for the period April to October, inclusive.

EXHIBIT A
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Schedule No. G-6.3

GENERAL NATURAL GAS SERVICEAPPLICABILITY

This schedule is applicable to natural gas, supplied to domestic and general service customers, under conditions provided for in rules and regulations filed with the California Public Utilities Commission.

TERRITORY

Within the unincorporated territory not provided for in other rate schedules, as follows:

- A - (1100 Btu)
Company's gas service area within Merced County.
- D - (950 Btu)
Company's Firebaugh and Mendota gas service area.

RATES

		Per Meter Per Month		
		Base Rates	Effective Rates	
			A	D
		1100 Btu	950 Btu	
First	200 cu.ft. or less	\$1.25	\$1.25	\$1.25
Next	2,200 cu.ft. per 100 cu.ft.	7.30¢	7.30¢	6.64¢
Next	7,600 cu.ft. per 100 cu.ft.	5.90¢	5.90¢	5.37¢
Next	90,000 cu.ft. per 100 cu.ft.	5.20¢	5.20¢	4.73¢
Next	900,000 cu.ft. per 100 cu.ft.	4.75¢	4.75¢	4.32¢
Next	9,000,000 cu.ft. per 100 cu.ft.	4.25¢	4.25¢	3.87¢
Over	10,000,000 cu.ft. per 100 cu.ft.	4.05¢	4.05¢	3.69¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

SPECIAL CONDITION

Gas engines may be served on this rate under a one year service agreement when sufficient capacity is available from existing mains. When connected load of gas engines is 10 horsepower or over, the minimum will be increased 25¢ per horsepower, but not less than \$5 per month for the period April to October, inclusive.

EXHIBIT A
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Schedule No. G-41

RATES

		<u>Per Meter Per Month</u>	
		<u>Base Rates</u>	<u>Effective Rates</u>
		B	
		<u>1100 BTU</u>	<u>1050 BTU</u>
Commodity Charge:			
First	100 Mcf per Mcf	49.0¢	48.0¢
Next	900 Mcf per Mcf	36.7¢	36.0¢
Over	1,000 Mcf per Mcf	33.7¢	33.0¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2 (C).

Minimum Charge:

\$4.80 per year, payable \$40 a month, cumulative basis.

EXHIBIT A
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Schedule No. G-42

RATES

		Per Meter Per Month	
		Base Rates	Effective Rates A
		1100 BTU	1100 BTU
Commodity Charge:			
First	100 Mcf per Mcf	49.5¢	49.5¢
Next	900 Mcf per Mcf	37.5¢	37.5¢
Over	1,000 Mcf per Mcf	35.5¢	35.5¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2(C).

Minimum Charge:
\$480 per year, payable \$40 monthly, cumulative basis.

Schedule No. G-42-D

RATES

	Per Meter Per Month			
	May to October Inclusive		November to April Inclusive	
	Base Rates 1100 BTU	Eff. Rates A 1100 BTU	Base Rates 1100 BTU	Eff. Rates A 1100 BTU
Commodity Charge:				
First	250 Mcf per Mcf	45.0¢	45.0¢	53.5¢
Over	250 Mcf per Mcf	33.0¢	33.0¢	40.5¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2(C).

Minimum Charge:
\$300 per year, payable \$25 a month, cumulative basis.

Schedule No. G-43

RATES

		Per Meter Per Month		
		Base Rates	Effective Rates A	Effective Rates D
		1100 BTU	1100 BTU	950 BTU
Commodity Charge:				
First	100 Mcf per Mcf	49.5¢	49.5¢	46.5¢
Next	900 Mcf per Mcf	37.5¢	37.5¢	35.2¢
Over	1,000 Mcf per Mcf	35.5¢	35.5¢	33.4¢

The above effective rates are based on the average monthly heating value per cubic foot indicated and as set forth in Rule and Regulation No. 2(C).

Minimum Charge:
\$480 per year, payable \$40 a month, cumulative basis.