

ORIGINAL

Decision No. 46949

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
PACIFIC GAS AND ELECTRIC COMPANY for)
an order of the Public Utilities)
Commission of the State of California) Application No. 32589
under Section 63 (a) of the Public)
Utilities Act authorizing applicant)
to increase its electric rates and)
charges in the manner and to the)
extent herein stated.)

A list of appearances is appended
hereto as Attachment 1.

INTERIM OPINION AND ORDER DENYING MOTION OF APPLICANT
FOR AN INTERIM INCREASE OF ELECTRIC RATES.

In the course of the public hearings on the request of the Pacific Gas and Electric Company for a permanent increase in electric rates of approximately 18% in the above-entitled application, the applicant on November 16, 1951, made a motion seeking an interim increase in electric rates pending the completion of the proceeding. On February 6, 1952, the representative of the City of Oakland, made a motion that the Commission deny in total the said motion of the Pacific Gas and Electric Company. General objection was also voiced by representatives of San Francisco, Stockton, Bakersfield, and many other cities, California Farm Bureau Federation, California State Grange, customer representatives, various organizations and other interested parties. After careful consideration, we are denying at this time, the motion of the applicant for an interim increase of rates for the following reasons:

1. Applicant's monthly earnings per common share for total company operations recently have shown an improvement. Applicant stipulated to its monthly reports being made a part of the record up to final submission of the case.
2. The applicant has not yet presented a remaining life depreciation study. It now plans to present its study on or before May 21, 1952.
3. While an improvement of net earnings may be due to temporary conditions, the increased revenues and certain lessened production expense may offset extraordinary storm expense to date. The ultimate effect, based on actual as well as average conditions, will require further evidence.

Opposition was made to the granting of any rate increase because the record did not contain evidence of earnings in support of the variation in the amount of increases proposed for certain areas and divisions. Applicant is preparing a cost of service analysis for its electric department. In order that information may be available to the Commission in passing upon the proposed rezoning of rate areas, the cost of service study should include rates of return by each division and, in addition, rates of return for the Fort Bragg, Santa Maria, and San Luis Obispo areas.

After considering the current improved earning position of the company as a whole, as reflected by its reports to the Commission, it is not apparent that emergency conditions exist to the extent justifying an interim increase of rates at this time.

However, we must keep in mind that the expansion and development required of this and other California utilities to meet demands for additional and improved service, mean unceasing requirements for new moneys.

After presentation in evidence by the applicant of the cost of service study and depreciation study, and a showing in substantiation of its request for interim relief if in its opinion an emergency condition exists at that time, applicant will be afforded ~~a~~ further opportunity to renew its motion for interim relief.

Pacific Gas and Electric Company, having applied to this Commission for an order authorizing certain increases in rates and charges and for a grant of interim rate relief pending final determination of the proceeding, public hearings having been held and argument having been heard on the motion for an interim increase, and a motion having been made by the City of Oakland that such interim increase be denied,

IT IS ORDERED that applicant's motion for an interim increase of electric rates be and the same is hereby denied without prejudice.

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

Dated at San Francisco, California, this 8th day of April, 1952.

A. J. Morrison

President

Justus F. O'Connell

Harold P. Huls

Frederick Patten

John E. Mitchell

Commissioners.

ATTACHMENT I

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LIST OF APPEARANCES

For Applicant: Robert H. Gerdes, Ralph W. DuVal and Frederick T. Searls.

Protestants: California Farm Bureau Federation by Edson Abel, Harold Neeland and J. J. Deuel; City and County of San Francisco by Dion R. Holm and Paul Beck; City of Berkeley by Fred C. Hutchinson and Robert T. Anderson; Ames Aeronautical Laboratory of the National Advisory Committee for Aeronautics, by A. G. Buck; Sacramento Municipal Utility District by Stephen W. Downey, Martin McDonough and Frank L. Sprague; City of Oakland by John W. Collier and Loren W. East; County of Kern by Roy Gargano and Clayton T. Cochran; City of Roseville by William E. Finger, J. E. Riley and L. DeWitt Spark; City of Richmond by Thomas M. Carlson, and Grant G. Calhour; City of San Jose by Eugene L. Rendler; City of Sunnyvale by Charles H. McDonald; County of Santa Clara by Donald K. Currllin; Cities of Healdsburg and Cloverdale by J. A. Ratchford; City of Lodi by H. D. Weller; Farm Research and Legislative Committee by Ernest Schallinger and Joe C. Lewis; City of Palo Alto by Jerry Keithley, Arnold Rumwell and C. G. Smith; City of Alameda by James P. Clark and Glenn Baxter; the heirs of Mary R. Runyan and Sycamore Ranch and J. W. Chrafta by Simpson Finnell; Santa Clara County Coordinating Committee by John Thorne and Grace McDonald; Producers Market Milk Association by O. E. Hobson; Sierra Pacific Power Company by W. R. Orrick of Orrick, Dahlquist, Neff, and Herrington; San Mateo Consumers by Helen Negrin; Cities of Alameda, Biggs, Gridley, Lodi, Palo Alto, Roseville and Santa Clara and the Plumas-Sierra Rural Electric Cooperative by David I. Wendel representing Glickman, Orr and Heurling; Tehama County Granges, Orange Grange of Glenn County and Pomona Grange of Tehama County by Clair Forbes; California State Grange by O. M. Davis; Mrs. Irene Kwas for I.L.W.U. No. 6; Pomona Grange, Sonoma County, by Edith Pfalzgraf; S. F. Council of Women Shoppers by Francis Shaskan; Hammond Lumber Company by G. H. Trautman of McCutcheon, Thomas, Matthew, Griffiths & Green; City of San Leandro by Arthur Carden; Greater Alameda County CIO Council by R. J. Hanna; City of Hayward by G. P. Oakes; Counties of El Dorado, Kern, Santa Clara, Merced, Sonoma and Amador and Cities of Clovis, Sonora, Davis, Sunnyvale, Vacaville, Ripon, Oakdale, Hollister, Benicia, Dixon, Fresno, Selma, Newman, Bakersfield, Kerman, Pismo Beach, Soledad, Yuba City, Patterson, Orland, Tracy, Williams, Martinez, Gonzales, Merced, Arroyo Grande, Brentwood, Fairfield, Taft, Pacific Grove, Shafter, Los Banos, Santa Rosa, Carmel, Petaluma, Reedley, San Bruno, Eureka, San Jose, Willows, Woodland, Dinuba, Napa, Sanger, Salinas, Morgan Hill, Watsonville, Gustine, Jackson and Stockton by Bill Dozier and Bruce McKnight.

ATTACHMENT I
Page 2 of 2LIST OF APPEARANCES
(Continued)

Interested Parties: United States Government by Maxwell H. Elliott, Clarence W. Hull and James K. MacIntosh; General Services Administration of U. S. Government by W. J. Shaughnessy; California Manufacturers Association by George D. Rives and Joseph J. Pileckas of Brobeck, Phleger and Harrison; Coast Counties Gas and Electric Company by W. E. Johns and J. E. Sheeks; City of Santa Clara by Robley E. Morran; Indian Valley Light and Power Company by Cecil McIntyre; United States Bureau of Reclamation, Region II, Sacramento, by Oliver O. Rands; Michael V. DiSalle, Director, Office of Price Stabilization by John B. Harman and Reed Crites for Regional Counsel; Challenge Creamery and Butter Association by W. D. MacKay; City of Albany by Edward A. Plotner; International Brotherhood of Electrical Workers, A. F. of L. by O. A. Rioman and by R. J. Weakley and Edwin B. White for Local 1245; A. D. Edmondston, State Engineer by Fred J. Groat; Pinole Light and Power Company by E. O. Hoke; City of Redding by Daniel S. Carlton and Phillip Storm; Clement Lewis for CIO of the Workers representing Pacific Gas and Electric Employees; Parkmead Improvement Association by John Warner; League of Lower Living Costs of East Bay by Adele Wegman; Harold Doyle in propria persona;

Other Appearances: J. T. Phelps, Freyman Coleman, and C. T. Mess for the Commission staff.