

**ORIGINAL**

Decision No. 47223

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 authority to increase ) Application No. 33014  
rates applicable to electric service )  
furnished within the State of California.)

Appearances for Applicant: W. E. Johns and Pillsbury,  
Madison & Sutro by Noel Dyer.

Protestants: Santa Clara County, Cities of Hollister and  
Morgan Hill, and Co-ordinating Committee to oppose the  
Coast Counties electric rate increase by Bruce McKnight.

Interested Parties: California Farm Bureau Federation,  
The Santa Cruz, San Benito, Contra Costa and Santa Clara  
County Farm Bureaus by Edson Abel; Office of Price  
Stabilization by John B. Harman; San Lorenzo Valley  
Business and Professional Women's Club by Mrs. Alice Earl  
Wilder; Santa Clara County Co-ordinating Committee by  
Mrs. Grace McDonald.

Other Appearances: Walter B. Wessells, John F. Donovan  
and Boris H. Lakusta for the Commission's staff.

INTERIM OPINION AND ORDER  
DENYING MOTION TO DISMISS

Coast Counties Gas and Electric Company, operating gas  
and electric systems in various places in central and northern  
California, filed the above-entitled application on December 26,  
1951 for authority to increase electric rates by \$622,000 annually,  
or by 14.34%. After due notice public hearings were held on this  
application before Commissioner Peter E. Mitchell and Examiner  
M. W. Edwards on April 16, 17 and 18, 1952, at Santa Cruz.

Near the close of the hearing on April 18, 1952, the  
representative for the protestants made a motion that the portion  
of this application involving the basic \$336,500 of the proposed

increase be forthwith denied as totally unwarranted in the light of past performances or foreseeable future operations. He further moved that the portion of the increase, \$286,000, which is contingent upon a possible increase in cost of power purchased from the Pacific Gas and Electric Company be denied on the basis that the request is untimely. In arriving at his conclusion that the request was unwarranted in light of past performances, the representative relied mainly on some computations that he had made which showed a rate of return of 6.2% for 1951 operations on a depreciated rate base.

In a reply brief, filed on May 23, 1952, applicant avers, among other things, that the depreciated rate base used by protestants' representative was \$368,258 less than that contained in the record and that the depreciation allowance used by protestants' representative had been computed under a method which is at variance with that contained in the record when a depreciated rate base was used. Applicant further contended that the protestants had offered no evidence to support their argument and that until such evidence is placed in the record the showing made by applicant should be given full weight.

With regard to the second motion, the applicant's position was that its request was not untimely and it cited cases wherein this Commission had recognized the possibility of subsequent increases in the wholesale price of gas and electricity in arriving at its decision.

After reviewing the record in this matter it is our conclusion that the protestants' representative based his first motion, <sup>in part</sup>, in part, on figures, assumptions and computations that did not appear in the record which has been made so far in this proceeding and <sup>do not</sup> have little or no evidentiary value. Therefore, it is our opinion that the first motion should be denied. The second motion by the protestants appears timely. The action by

the Commission in cases cited by the applicant in recognizing possible future changes in costs of utility service was to deny such increased costs without prejudice, subject to later filing of supplemental applications for the increases subsequently granted. Good cause appearing, therefore,

IT IS HEREBY ORDERED that the first motion made by representative for the protestant in this matter be and the same is hereby denied and that the second motion is granted without prejudice to the right of applicant to file an appropriate supplemental application and present supplementary evidence regarding any increased cost of resale power if and when the cost to it of such power should be increased.

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

Dated at Los Angeles California, this 5<sup>th</sup> day of June, 1952.

[Signature]  
President  
Justice F. Casper  
Harold H. Hill  
Samuel H. Potter  
W. L. Mitchell  
Commissioners