Decision No. 47832 **ORIGINAL**

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 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.	Application No. 32589

A list of appearances is appended hereto as Attachment 1.

FINAL OPINION AND ORDER

Pacific Gas and Electric Company, on July 18, 1951, filed the above-entitled application for authority to increase electric rates by $37,650,000 annually based on estimated operations for the calendar year 1952. On October 5, 1951, applicant filed a supplement to its application, which, as required by the rules of procedure, contained the proposed changes and increases in rates, schedule by schedule, and also requested authority to change or increase rates in electric service contracts between the applicant and its customers. During the course of the hearings on this application, applicant revised its requested increase upward. Moreover, on August 15, 1952, applicant late-filed Exhibits Nos. 99 and 100 requesting additional increases to offset the following: (1) an estimated annual increase in income tax of $1,856,000 because of a reduction in the depreciation allowance for federal income tax, and (2) a general wage increase of $2,626,000 based on agreements reached with union management. The latter are subject to union ratification and in some instances to approval by the Wage Stabilization Board. Applicant's total requested increase now stands at $45,704,000 on an annual basis as determined from the record.

Interim Orders

After due notice, public hearings on this application as supplemented, began on November 7, 1951, and a motion for interim relief, pending final determination of the application, was submitted for Commission decision on February 7, 1952. On April 8, 1952, the Commission rendered its first interim opinion and order, Decision No. 46949, denying an interim increase on the grounds that applicant's earnings showed an unexpected improvement during the winter months and that a depreciation study on a remaining life basis had not been completed. The second interim opinion and order, Decision No. 47361, was rendered on June 30, 1952, for the purpose of approving the memorandum of understanding regarding depreciation practices. The effect of the understanding with regard to adoption of a remaining life basis for depreciation was to reduce applicant's electric gross revenue requirements by approximately $4,000,000.

This opinion and order will make final disposition of the application. It is not deemed necessary to review all of the detail contained in the interim orders. Copies thereof were served on all parties of record in this proceeding.

Public Hearings

A total of 36 days of public hearings were held at San Francisco before Commissioner Harold P. Huls and Examiner M. W. Edwards during the period November 7, 1951 to July 25, 1952. The Commission's staff and other parties, after analysis of applicant's presentation during the first part of this period, cross-examined applicant's witnesses. Statements by certain public witnesses and the positions of certain interested parties, contract customers, and protestants were placed in the record prior to the date of submission of the request for interim relief.

Since denial of applicant's request for interim relief, the Commission's staff completed its analysis of the utility's operations, using the lower depreciation allowance reflected by the change to a remaining life basis of depreciation as specified by the second interim order and placed its study in the record. The applicant revised its first earnings study to account for the lower depreciation allowance and latest operating experience and submitted it as Exhibit No. 98, a new exhibit, during the closing days of hearing. Additional cross-examination then was engaged in and the presentations by contract customers, interested parties, and protestants were received. The applicant was allotted two days for rebuttal testimony which was followed by argument on July 25, 1952, on which date the matter was submitted for Commission decision. Exhibits Nos. 99 and 100 were late-filed on August 15, 1952 covering the items of additional income taxes and 1952 wage increases. No objections were filed as to these two exhibits. A total of 102 exhibits were received and the transcript record encompassed over 4,450 pages.

Applicant's Operations

Pacific Gas and Electric Company is the largest public utility operating entirely within the State of California. The company furnishes electric, gas, water and steam heat service. Its service area, which comprises the major portion of northern and central California, extends into 46 of the state's 58 counties. The territory includes the metropolitan industrial and residential areas around San Francisco Bay, the agricultural areas of the Sacramento, San Joaquin and coastal valleys, and the lumbering and mining regions of the Coast Range and the Sierra Nevada Mountains. The territory served is divided into 13 operating divisions to facilitate operations and integrate them with the main office located in San Francisco.

Electric service is furnished in all 46 counties, gas is distributed in 32 of the 46 counties, water is sold in 17 cities and towns as well as in certain rural areas, and steam heat service is furnished only in downtown San Francisco and Oakland. Within this general area other entities furnish certain utility services, some being privately owned utilities and some being municipally or governmentally owned utilities. Many of these other utilities purchase power at resale rates from the applicant to serve their entire requirements. The population in the general area served is in excess of 5,000,000 persons. As of December 31, 1951, the company served 1,402,675 electric customers, 1,097,749 gas customers, 19,052 water customers and 722 steam heat customers.

As of December 31, 1951, the company's capital stock outstanding consisted of 11,356,498 shares of common stock and 11,370,839 shares of preferred stock. Par value of both classes of stock is $25 and both classes have equal voting power. The shares are widely owned by California residents, comprising 66% of the total stockholders and 51% of the outstanding stock at the end of 1951. The largest single stockholder owns less than 3% of the outstanding shares. Applicant is not owned or controlled by any other company but has three subsidiaries, namely, Vallejo Electric Light and Power Company, which is engaged in the business of distributing and selling electric energy in the City of Vallejo, Valley Electrical Supply Company, which sells electrical appliances in the San Joaquin Valley, and Arlington Properties Company, Limited, which owns certain nonoperative properties. In addition, the company owns 50% of the capital stock of Standard Pacific Gas Line, Incorporated, which is engaged in the transmission of natural gas from Kettleman Hills and Rio Vista gas fields to the San Francisco Bay area through the "Stanpac" gas line. This 50% stock ownership entitles Pacific Gas and Electric Company to half of the gas carrying capacity of the Stanpac line.

Pacific Gas and Electric Company, exclusive of subsidiaries, had an average of 17,366 employees during 1951 engaged in both operation and construction work. The total pay roll for the year 1951 amounted to $77,002,000, of which approximately $46,383,000, or 60%, was charged to operation. Such pay roll reflects general wage increases in the latter part of 1950 and the early part of 1951.

The applicant company was incorporated under the laws of the State of California on October 10, 1905, as a consolidation of San Francisco Gas and Electric Company and California Gas and Electric Corporation. The earliest predecessor of the San Francisco Gas and Electric Company was the San Francisco Gas Company organized in 1852. The California Gas and Electric Corporation was the culmination of a series of combinations and mergers of a large number of gas and electric companies. Some of the latter had their beginnings as early as 1850 in water and mining enterprises which had pioneered in the construction of hydroelectric plants on the Sierra streams. As a result of various consolidations and mergers, which have continued up to the present time, Pacific Gas and Electric Company, as presently constituted, represents a combination of many smaller companies.

System Growth

Electric service in the territory served by the applicant began in 1879. By 1920 there was a considerable network of electric transmission lines between the Sierra Nevada mountain hydro plants and the centers of population in the San Joaquin and Sacramento Valleys and the San Francisco Bay area. Most of the energy was supplied from hydroelectric plants but was supported by steam generating plants located near major load centers. A total of 331,000 customers was being served by Pacific Gas and Electric Company and the other companies later merged with it. The total output for the year 1920 was over 2,200,000,000 kilowatt-hours.

In the period 1920 to 1930 growth was rapid and the number of customers increased to 729,000 in 1930. The output of the company's plants plus purchased power reached 4,600,000,000 kwhr in that year, with the company's hydroelectric plants still supplying by far the greater part of this energy.

During most of the years from 1930 to 1940, in spite of the depression, there was a continued growth in number of customers and in energy produced. By 1940 there were 930,000 electric customers and the output of energy had increased to 6,100,000,000 kwhr. The major part of this output came from company-owned hydro plants, with some increases in purchased power and in power from company-owned steam generating plants.

The period from 1940 to 1950 witnessed the great expansion of industry and business caused by World War II and its aftermath, including the present Korean conflict. The tremendous population growth in the territory served by the company during this decade was reflected in the company's electric business. Customers increased to 1,334,000 in 1950 and the annual output of energy increased to 14,000,000,000 kwhr. This was an increase of nearly 50% in number of customers over 1940 and of more than 100% in the production of electric power. Of major significance during this period was the increasing proportion of power generated in the company's steam-operated plants, and an increase in purchased power, principally from the Shasta Dam power plant of the United States Bureau of Reclamation, Central Valley Project.

The increasing expansion of steam generating plant since the end of World War II has been an important development. For example, during the six-year period from 1946 through 1951, five hydroelectric plants with capacity of approximately 312,000 kw were constructed; during this same period steam generating capacity of about 1,104,000 kw was added. The need for a continually increasing steam to hydro ratio for future generating plant construction to meet the growing load has been recognized.

Postwar Increases

During the period since the end of World War II in 1945 through 1951 the cost of the items necessary to provide electric utility service has shown general sharp unit price increases. For example, by Exhibit No. 1 the applicant shows that the average hourly wage rates (base rates) of weekly and daily employees have increased by approximately 61%, that the cost trend of electric light and power construction in the Pacific area 1/ has increased by approximately 68%, and that the cost of living index for moderate income families in San Francisco up to the third quarter of 1951 has increased by approximately 44%. During the years 1946 through 1950 the capital invested in electric plant increased by 92%. Along with these increases there has been an increase in electric consumption per residential customer from approximately 1,350 kwhr in 1945 to more than 2,200 kwhr in 1952, which tends somewhat to offset the unit effect of these other increases for rate making purposes.

Applicant's Position

The applicant avers that with the increase in price levels following World War II the trend of the earnings of the electric department has been downward since 1946. The record shows that the applicant did not seek an increase in its electric rates as soon as its rate of return started declining. On October 19, 1949, the applicant filed Application No. 30717 with this Commission seeking rate relief at the earliest possible date by an increase of 6% in practically all of the applicant's then current electric rates and such further increase as the Commission might find reasonable. However, before the hearings started the request was revised so as to

1/ Exhibit No. 1 - Pacific Division (Handy) limit it to a general 6% increase, except as to certain contract customers. The record shows that at that time the company did not predicate the amount of increase on the basis of providing a fair and reasonable rate of return for its electric department. Its stated reason was to secure promptly the minimum increase in gross and net revenues then urgently needed to support its credit position and facilitate the sale of securities to obtain funds for necessary capital additions.

By Decision No. 43972, dated March 21, 1950, the Commission granted the 6% increase, effective with service rendered on and after April 15, 1950. According to applicant, it was hoped that inflation would be sufficiently arrested to make unnecessary a further increase in rates. The Korean War started in mid-1950 and since that time commodity costs and wage rates have continued upward and there have been very large increases in taxes, including federal income taxes. For example, the federal income tax rate in 1949 was 38%, in 1950 was 42%, in 1951 was 50-3/4%, and in 1952 is 52%. In a similar manner, the average property tax rate paid on the assessed value of the company's properties in 1946 amounted to $4.30 per $100 of assessed value; in 1950 the rate had risen to $5.34.

Applicant's evidence shows that in addition to the increased costs of operation, the rate of growth of demand for electric service has been greater than anticipated several years ago. In 1951 and 1952 increased national defense activities, greater industrial expansion and continued population growth have resulted in greater than expected demands. As a result new additions to plant and properties are becoming a larger portion of total investment. More replacements of older properties have been necessary. Many changes also involving higher costs have been required to make way for newer improved streets, highways and freeways. Many other changes have resulted from rapid and extensive population growth. The additional plant facilities which applicant must provide to meet this unexpected growth are obtained at prices considerably above unit costs prevailing before World War II. Such additions, unless offset by other factors, tend to increase costs of service and likewise cause a down trend in the rate of return.

For the next two years applicant anticipates that costs will continue at high levels and it does not see an end to the rapid construction program. An additional expenditure of $450,000,000 for the years 1952, 1953 and 1954 is contemplated. Under present economic conditions it anticipates that operating costs and taxes will continue high and consequently urges that the level of rates charged customers for service be raised materially.

Applicant's financial witness testified that an increase in rates of the magnitude requested is essential if the applicant is to maintain a sound financial condition necessary to adequately meet customer demands, to effectively provide the stockholders with a fair return upon their investment, and to attract large amounts of additional capital necessary to finance its construction program. The witness further testified that a substantial proportion of this new capital must be obtained from the sale of equity securities in order to maintain a favorable balance in its capital structure. He anticipated that new financing will become increasingly difficult and costly because no scarcity value will attach to new capital offerings in view of the large volume of financing undertaken in recent years and because the change in pattern of interest rates will result in a higher cost for capital than that which has prevailed for the past several years.

Applicant's original position was that it should be permitted to charge rates that will result in a rate of return of 5.8%

on an undepreciated rate base or about 6.0% on a depreciated rate base. It proposed a definitive set of rates which it calculated would result in a 5.61% rate of return on an undepreciated rate base prior to the 1952 wage adjustment and income tax adjustment.

Applicant's position at the close of the hearings was that it required a rate of return of 6% on a depreciated base. Including the depreciation, wage and federal income tax changes, an increase in gross revenues of $45,704,000, or about 22%, would be required on applicant's basis. The definitive rates submitted in the proceeding, after adjustment for the rezoning proposed by applicant, would result in added revenues of $36,766,000 according to applicant's testimony.

Customer Representation

Customers and their representatives were present at the public hearings and several presented statements in opposition to the proposed rate increase. In addition, the Commission received communications protesting the requested increases. Careful consideration has been given by the Commission to all matters brought to its attention by the communications in protest and the testimony of customers and their representatives.

Certain protested items warrant mention herein. Several protests were received regarding the level of advertising and sales promotion expenditures by the company with especial criticism directed at the cost of the utility's publication entitled "P. G. and E. Progress", which is sent monthly to all customers. The company's answer to this complaint was that the cost of this publication is not claimed as an expense in any rate proceedings before the Commission. The evidence shows this to be so. Similar complaint was lodged against so-called lobbying expenses. Within this class of expenses are dues and donations to certain nationwide organizations concerned with promoting the use of and increasing the sales of gas and electricity by and to the public. It is the Commission's practice in arriving at expenses to be allowed for rate-making purposes to exclude dues to social clubs, expenditures for political purposes, and, in part, donations to charitable organizations. Thus such expenditures, to the extent indicated, come out of the stockholders' portion of the earnings and are not a burden on the ratepayers. The Commission's staff in its study of the applicant's operations deducted $91,000 from expenses for this purpose, and no part of an additional $547,000 was claimed by the applicant as operating expense.

Another common form of complaint was that the top officials' salaries are too high and that the company does not operate efficiently and economically. A staff witness, under whose supervision the study of administrative and general expenses was made, testified under cross-examination that he personally had not observed any instances of inefficiency. For the year 1952 there was allowed $533,000 in the electric department expenses to cover the salaries of all of the general officers and executives of the utility. Such allowance represents about 0.62% of the estimated operating expenses of the electric department. In our opinion an allowance of 0.62% for management is not excessive and it is obvious that, should the amount be disallowed in its entirety, such fact would not obviate the need for a rate increase, as some protestants appeared to believe.

Over-all Cost to Serve

For the purpose of determining whether or not the applicant is entitled to a rate increase, the Commission considers, among other things, the relationship of the revenues to the over-all cost of rendering the utility service. Such costs include production, transmission, distribution, customer accounting, sales promotion, general and depreciation expenses, city, county, state and federal taxes, and compensation for the use of capital necessary to provide plant facilities for the public service.

The Office of Price Stabilization introduced evidence and urged the Commission in considering income taxes as part of the cost of doing business to exclude that portion of increased income taxes which is attributable to increases in tax rates since the start of the Korean War in 1950. Its showing was based primarily upon an analysis of earning trends prior to computation of taxes. This method may be appropriate for an unregulated industry which may enjoy such a large profit margin that increased taxes can be absorbed without impairing the credit rating of the industry. However, regulated utilities render service at cost plus a reasonable return on the property devoted to public service. Every increase in income tax rates lowers the return[2]. Unless the return were substantially above a minimum reasonable level before such tax rate increase, the increase in taxes would render the return inadequate. After paying fixed interest obligations on bonds, the balance remaining for dividends on preferred stock and earnings on common stock is reduced by an income tax increase.

It is the rule established by the Supreme Court of the United States that income taxes, both state and federal, are a proper charge to operating expense. (Galveston Electric Company v. City of Galveston - decided in 1922 - 258 U.S. 388, 399, 66 L. ed. 678, 684; Georgia Railway and Power Company v. Railroad Commission - decided in 1923 - 262 U.S. 625, 632-633, 67 L. ed. 1144, 1148.) The tax involved in the two cases cited was the then current federal income tax levied at a rate of 10%. The court

2/ The presently effective federal corporate income tax rate of 52% thus compels the collection by this utility of one dollar of additional gross revenue to yield 46 cents in earned net operating income after applying state and federal income taxes.

stated unequivocally that income taxes are a proper charge to operating expense and that it is error not to allow such charge. In the circumstances, we are of the opinion that this Commission is bound by the rule laid down by the Supreme Court of the United States concerning the subject in question. The income taxes levied against this applicant applicable to its utility operations will be allowed as a proper charge to its operating expense.

There was no contention in this record that the price control provisions of the Defense Production Act or any other federal price control applies to rates charged by a public utility. The federal law merely makes it mandatory upon a public utility to give notice to the President or his duly authorized agent so as to enable federal authority to intervene in a rate proceeding before such utility may increase resale rates. The Office of Price Stabilization did intervene and introduced evidence in this proceeding. It did not attend the latter portion of the hearings nor participate in argument at the conclusion of the hearing.

Such right to intervene has no application to retail utility rates. In view of the fact that effective price control has been imposed upon utility rates for many years by duly constituted regulatory authorities, it is logical that the federal authority saw no need for subjecting such rates to additional price control. No possible justification for such additional regulation could find support in either logic or equity.

Evidence of Earnings

The applicant and the Commission's staff presented evidence on revenues, expenses, rate base and rate of return under assumed average or "normal" conditions for the year 1952. Applicant's first estimate of 1952 operations was prepared at a time when the results of the first eight months' operations in 1951 were available; thus its estimate was for 16 months in advance. Such estimate is summarized in Exhibit No. 2 and showed the earnings trend as reflected by the rate of return upon an undepreciated rate base for the years 1950, 1951 and 1952 as follows:

Electric Department Rate of Return - Applicant's Exhibit No. 2

Year 1950 (Recorded)	4.85%
Year 1951 (8 Mo. Recorded, 4 Mo. Estimated)	4.36
Year 1951 (Estimated on Average Basis)	4.32
Year 1952 (Estimated on Average Basis)	4.21

Applicant estimated such earnings to result from present rates after payment of all production, transmission, distribution, general, depreciation and tax expenses for the periods shown.

Equivalent rates of return on a depreciated base were 4.23% for 1951 (8 Mo. Rec. and 4 Mo. Est.), 4.17% for 1951 (Average) and 4.04% for 1952 (Estimated).

Applicant's final estimate for 1952 was submitted as Exhibit No. 98 at which time the actual experience for the first five months of 1952 was available. The staff's study of earnings for 1952, Exhibit No. 92, was made after the final results for the year 1951 and the first three months of 1952 were available. Its estimate may be summarized and compared with the applicant's estimate in the manner following:

Comparative Earnings Estimates for 1952 - Electric Department
Present Rates Using Depreciated Rate Base

Item	Applicant's Exhibit No. 98	Staff's Exhibit No. 92	Difference
Operating Revenues	$206,347,000	$207,484,000	$1,137,000
Expenses:			
Operating	86,803,000	86,501,000	(302,000)
Depreciation and Amortization	25,120,000	25,152,000	32,000
Taxes	50,742,000	51,439,000	697,000
Total Expenses	162,665,000	163,092,000	427,000
Net Revenue	43,682,000	44,392,000	710,000
Rate Base (Depreciated)	996,139,000	975,117,000	(21,022,000)
Rate of Return (4% Mod.S.F.)	4.39%	4.55%	0.16%

( ) Denotes applicant exceeds staff.

The company took particular exception to the staff's estimates in respect to the level of revenues from agricultural sales, the level of production expenses under the general title of operating expenses, and the allowance for working cash under the item of rate base.

Operating Revenues

The record shows that applicant's operating revenues have grown from $82,429,256 in 1941 to $189,700,619 in 1951. As shown in the foregoing table, the applicant expects this up trend in revenues to continue in 1952 to the extent of $16,646,381 or 8.8%. The two estimates of operating revenues for 1952 differ by $1,137,000 or approximately 0.55%. A more detailed comparison of the two estimates by classes of service follows:

Comparative Revenue Estimates for 1952

Classes of Service	Applicant's Exhibit No.98	Staff's Exhibit No.92	Difference
Domestic Service	$61,762,000	$61,393,000	$(369,000)
Commercial and Industrial	96,046,000	96,575,000	529,000
Agricultural	29,100,000	30,226,000	1,126,000
Street Lighting	2,526,000	2,540,000	14,000
Resale	10,768,000	10,433,000	(335,000)
Railway	332,000	346,000	14,000
Interdepartmental	454,000	492,000	38,000
Miscellaneous	5,359,000	5,479,000	120,000
Total Operating Revenues	206,347,000	207,484,000	1,137,000

(____) Denotes applicant exceeds staff.

A review of the above tabulation shows that the largest difference occurs in the agricultural sales estimate and that the differences in the other classes are largely offsetting in the total.

Applicant's estimate of revenues was prepared on an average year basis; however, where five month's recorded figures were included in the amounts shown for the entire year, the recorded portions of the total were adjusted to reflect average conditions. Such average conditions contemplate average temperature and precipitation conditions throughout the year. So far in 1952 above normal snowfall and precipitation and winter temperatures below normal have been experienced. Moreover, applicant adjusted upward the estimated revenues to be received from the Dow Chemical Company, the Hercules Powder Company and the Shell Chemical Company to reflect the full year effect of higher rate special contracts with them which became effective subsequent to January 1, 1952.

The staff estimate likewise was based on average conditions but also was adjusted to reflect a posted price for fuel oil of $1.80 per barrel in tank car lots, f.o.b. Richmond, or a $1.75 price for pipe-line delivery to the oil refineries. The staff adjusted domestic and resale sales for temperature, agricultural power sales for precipitation, commercial and industrial sales for fuel oil price, new chemical company rates and for the exclusion of sales to customers for whom the company was expected to wheel energy in 1952, and miscellaneous revenues for the addition of wheeling customers for a full year and for fuel oil price on steam sales.

Applicant's position was that the staff's estimate of agricultural revenue was high by at least $1,000,000. Applicant did not estimate any increase in kwhr usage per hp in 1952 over 1951 because of the fact that the increase in cotton acreage over the system is tapering off. For 1952 it estimates the increase in cotton acreage for the system as a whole at 75,000 acres and in the San Joaquin Valley at only 7,000 acres. The staff witness noted that the August and September agricultural sales had shown a growth of 7.7% per year during the years 1945 to 1951 and estimated that this upward trend would continue to the extent of 4.8% during each month in 1952 compared to the same months in 1951. The applicant took exception to applying the August-September rate of increase to each and every month in the year and to any growth rate whatsoever for 1952.

After reviewing the evidence presented by both the applicant's and the staff's witnesses and cross-examination thereof, we are of the opinion that there will be some agricultural growth on an average year basis in 1952 but that it will not be as great as estimated by the staff. For the purpose of this order we will adopt a figure midway between the staff's and the applicant's estimates of agricultural sales for 1952; therefore, we find that the staff's estimate for 1952 should be reduced by 55,000,000 kwhr and its revenue estimate by $563,000. No other revenue adjustments will be made.

Based upon the evidence of record, we will adopt $206,921,000 as total operating revenue for the purpose of this decision.

Operating Expenses

The record shows that the total electric department operating expenses, exlusive of taxes and depreciation, were $63,506,091 in 1950 and $74,148,176 in 1951. Applicant expects the 1951 expenses to increase by $12,654,824 in 1952 or 17.1%. The estimates of operating expense for 1952 made by the applicant and the staff differ by $302,000 or approximately 0.35%. They are compared in more detail in the following table:

Comparative Operating Expense Estimates for 1952

Item	Applicant's Exhibit No.98	Staff's Exhibit No.92	Difference
Maintenance	$11,309,000	$11,004,000	$(305,000)
Production			
Purchased Power	6,873,000	7,428,000	555,000
Fuel	32,120,000	31,822,000	(298,000)
Water for Power	560,000	558,000	(2,000)
Other	7,364,000	7,491,000	127,000
Transmission	1,856,000	1,827,000	(29,000)
Distribution	10,862,000	10,552,000	(310,000)
Customers' Accounting and Collecting	7,288,000	7,297,000	9,000
Sales Promotion	1,646,000	1,650,000	4,000
Administrative and General	4,454,000	4,285,000	(169,000)
Pensions, Ins., Inj. & Damages	2,208,000	2,336,000	128,000
Uncollectibles	263,000	251,000	(12,000)
Total	86,803,000	86,501,000	(302,000)

(____) Denotes applicant exceeds staff.

In making the above estimate applicant used a base oil price of $1.80 per barrel f.o.b. tank cars, Richmond, less quantity discounts, and a price for gas in accordance with the rate prescribed for interruptible gas by this Commission in Decision No. 46501[3]. It estimated a total fuel requirement equivalent to 19,771,600 barrels of oil, of which it estimated 10,641,100 equivalent barrels would be natural gas or 61,583,000 Mcf of gas at an average price of 27.53 cents per Mcf. The staff estimated the total fuel requirement to be 19,543,219 barrels in 1952 of which 11,610,400 equivalent barrels would be obtained from gas. As a result, the staff's estimate of fuel expense was $298,000 lower than that of the applicant.

The applicant's position was that the staff's estimate of generation by fuel plants was on the low side because the staff estimated the quantity of power to be purchased from the Shasta and Keswick dams of the Central Valley Project as 212,300,000 kwhr greater than that which would be available in an average year and could be integrated and used under the present-day load curves of the Pacific Gas and Electric system. The applicant based the water supply for all of its 59 hydroelectric plants and for the various other agencies supplied, including the Central Valley Project, on the basis of the flows for the year 1935, the normal water year, whereas the staff had used the year 1928 as the average year for Central Valley Project available energy. Applicant's witness testified that it is not practical to integrate its hydroelectric power supply and that of the other agencies by using different water supply years, that 1928 generally was better than a 1935 type of

3/ This decision, rendered under Application No. 31466, a gas rate increase case, provided for a rate for natural gas on a volumetric basis of 4 cents less than the terminal base rate for industrial interruptible gas coupled with a fixed charge of $20,500 monthly.

water supply year, and that because of a variation in monthly availability an unusually large volume of two-mill energy was assumed by the staff in certain months which resulted in an understatement of the cost of Central Valley Project energy.

There also were some differences between the two estimates in project pumping uses and in the power to be supplied to Mare Island and to other wheeling customers. Applicant estimated some 240,000,000 kwhr energy usage by the Tracy Pumping Plants compared to 161,500,000 by the staff. The applicant's witness testified that its estimates were obtained in collaboration with the Bureau of Reclamation personnel, whereas the staff witness assumed a 50% plant factor of operation. Applicant's witness stated that the loss at time of full load, assumed by the staff to be 6% throughout the day, was 4% below the loss during heavy load periods, that the staff failed to consider operation of the Tracy pumps as synchronous condensers and did not conform with the contractual obligations of energy deliveries to the applicant or understated the expected increase in loads to wheeling customers of the Bureau of Reclamation.

The main concern of applicant's witness was that the 212,300,000 kwhr would have to be generated by steam plants of less than average efficiency with fuel costs higher than the purchased power cost. The applicant estimated that the extra production cost would be approximately $400,000 for 1952.

Assuming the applicant's analysis to be correct there is one further adjustment to be made, that is, for the lesser sales of energy for agricultural pumping to the extent of 55,000,000 kwhr previously mentioned. Assuming a loss of 20% in delivering this energy, the staff's production requirement would be reduced by approximately 69,000,000 kwhr. At a fuel cost of 4.35 mills per kwhr a saving of $300,000 is indicated. Therefore, for the purpose of this order an increase of $100,000 in the staff's fuel expense will be allowed.

The applicant did not contest particularly the other items of operating expenses as estimated by the staff. Some items were higher than those estimated by the applicant and others were lower, the net result being that the staff estimate was $302,000 lower. Assuming an upward adjustment of $100,000 in the staff's estimate the final over-all difference is $202,000 or less than one-fourth of one per cent of the applicant's estimate.

Wage Levels

In making the estimates for 1952 both the applicant and the staff made estimates based on the level of wages effective as of April 1, 1951. The applicant advised that before a decision is entered in this case it might be able to furnish the Commission with the amount of any 1952 wage increase that will become effective resulting from the negotiations between the company and the union, together with any general increases that may have been or will have to be made to employees not covered by union negotiations. Applicant's witness did not desire to jeopardize the company's position by placing in the record, on July 23, 1952, any figures in respect to the offer made by the company which up to that date had been rejected by the union with a strike threat possible at any time after August 31, 1952. Applicant requested and obtained permission to late-file prior to final determination an exhibit containing such data, to be received as Exhibit No. 100 in this proceeding, subject to objection to the proposed exhibit within five days by any of the parties.

It is the policy of the Commission not to recognize increased wages prior to the date authorized by the company or prior to Wage Stabilization Board approval if required. On August 15, 1952, the applicant filed Exhibit No. 100 showing that of a total 1952 wage increase of $6,254,000, company wide, the electric department operating and maintenance expense prorata increase is $2,626,000 on an annual basis. Necessary Wage Stabilization Board approval now has been obtained and the entire increase is now in effect, retroactively, in part, to April 1, July 1, and September 1, 1952, respectively.

Depreciation

On June 30, 1952, by Decision No. 47361, the Commission approved the use of the "remaining life" method of computing depreciation allowances for the electric department of the Pacific Gas and Electric Company with interest to be figured at the rate of 4% on the reserve for depreciation. The annual depreciation allowance consists of two components:

1. 4% sinking fund annuity.
2. 4% interest on depreciation reserve.

Formerly, the company had been using a 5% sinking fund method on a "whole-life" basis for computing depreciation expense. The effect of the change in methods was to reduce the depreciation allowance on the basis of the 1951 level of operations from $23,519,452 to $21,805,584.

The trend of depreciation expense for the years 1950-1952 under the two methods as computed by the staff in Exhibit No. 92 follows:

Electric Department Depreciation Expense

	Annuity	Interest	Total
5% Sinking Fund Whole Life Method			
Year 1950 Recorded	$11,874,946	$9,095,596	$20,970,542
Year 1951 Recorded	13,594,947	9,924,505	23,519,452
4% Sinking Fund Remaining Life Method			
Year 1951 Adjusted	13,872,161	7,933,423	21,805,584
Year 1952 Estimated	15,591,353	8,628,885	24,220,238

In addition to the depreciation allowance as above set forth, an amount of $932,000 for 1952 will be allowed to cover amortization of plant acquisition adjustments. Such amount is recognized and allowed as an operating revenue deduction for rate-making purposes (see Decision No. 46268 in Application No. 31466 and Exhibit No. 41 in that proceeding). When this amount is added to the above depreciation allowances there results the figure of $25,152,000 heretofore shown as depreciation and amortization expense. There was a difference of $32,000 between the applicant's and the staff's estimates of depreciation and amortization expense due to some delay in new plant completion occurring between the time of the staff's report and applicant's revised showing.

Taxes

While most tax rates have shown increases during the past year, there was one reduction, the elimination by the last Congress of the 3-1/3% electrical energy tax, effective November 1, 1951. This tax totaled $3,001,000 in 1950, the last full year of its effectiveness. However, even after this elimination the total taxes still show an upward trend in 1952 at present rate levels.

There was no disagreement between the staff and the applicant as to the level of taxes. The difference in 1952 estimates at present rates is accounted for largely by the difference in taxable income on which income tax payments are computed. The total annual taxes under the authorized rates will amount to more than twice the amount of increase which will be allowed by this order. Over one-half of the increase being granted at this time is for taxes. Under the authorized rates there is hidden in the average customer's electric bill an amount for taxes exceeding one-fourth of the total bill.

Applicant asked and received permission to late-file an exhibit, Exhibit No. 99, with regard to a possible change in income tax payments because of a reduction in the allowance of depreciation for income tax purposes. The staff's estimate and the applicant's latest estimate were prepared on the basis that the Engineer Revenue Agent of the Bureau of Internal Revenue would reduce the company's depreciation allowance by 5.0%. Based on the latest negotiations between the company and the agent, a reduction of approximately 13.0% is being recommended by the agent for approval by the Engineering and Valuation Section of the Bureau. By Exhibit No. 99, filed August 15, 1952, applicant estimates that the effect of such recommendation is to increase income tax expense for the year 1952 by $1,856,000, in accordance with "Memorandum of Understanding Regarding Income Tax Depreciation Allowance of Pacific Gas and Electric Company" approved by Decision No. 46501, Application No. 31466, dated December 4, 1951.

The representative of the City of Oakland asked that, in considering the subject of income taxes, a fair and reasonable policy be adopted with respect to the determination of earnings in relation to the quick amortization of capital, claimed as defense capital, fully considering the income tax savings accruing during the next five years. While the utility may save something in taxes for the next five years, yet for the years of life of the equipment following the first five years there will be no depreciation allowance for income tax purposes on such equipment and the tax will be greater. This matter is not of great importance in the estimates for the year 1952 used herein but may become important for 1953 and later years. The applicant should prepare and maintain basic data on this subject for consideration in any appropriate proceeding.

Appropriate allowance for change in taxes and other expenses that vary with net income or gross revenue will be made by applying a multiplier of 2.182 in determining the amount of increase in gross revenue authorized later herein. In other words, for each $1,000 increase in net revenue the utility must collect $2,182 increased gross revenue.

Standby Steam-Electric Generating Plants

The applicant contends that three old retired steam-electric generating plants should be included in the rate base at an estimated figure equal to one-half of the original cost of the plant in so far as depreciable property is concerned. There is no difference of opinion as to inclusion of the lands upon which the plants are constructed. These lands are included in both applicant's and the staff's rate base. Some years ago the company decided that the plants were inoperative and charged the cost of the plants off to the depreciation reserve. Subsequently, it has determined to maintain the plants as standby steam plants. At the time that it was determined that the plants were inoperative the company charged out the entire depreciable investment to the depreciation reserve. The reserve was accrued on a group basis without an individual separate reserve for each steam plant. Upon the establishment of these particular plants as standby installations the company did not re-enter the cost of the plants in its plant accounts and recredit the depreciation reserve with the amount of the total investment. Rather, it has continued to consider the plants as written off in so far as its bookkeeping is concerned. but seeks herein to establish a separate allowance in the rate base at about one-half of the original cost of the depreciable investment in the plants. As a test, it might be pointed out that the applicant in its judgment could determine that some other plant now in this group account had come to the end of its useful life and, thereupon, charge the entire amount of such plant to the group depreciation reserve, yet rehabilitate the plant by charges to operating expense, and retain it in service, and thus, under the applicant's theory, raise the rate base by an amount equivalent to one-half the investment in said plant. Obviously, a repetition of such procedure would lead to a situation not in the public interest. It is, therefore, our conclusion that the treatment accorded these standby plants by the staff engineer by an inclusion equal to the cost of the non-depreciable property is reasonable and equitable.

Such treatment of the plants is in accord with the position taken by the representative for the City of San Francisco. His position was that no allowance should be made for these retired steam plants on the theory that if these plants had not been retired they would be in the plant accounts, the depreciation reserve would have offset this investment in plants and consequently the rate base would be the same as that obtained by the staff.

Rate Base

The rate base is composed of capital invested in plant plus working capital items consisting of materials and supplies and working cash, less such items as depreciation reserve, customers' advances for construction, contributions in aid of construction and motor vehicle depreciation. Applicant preferred to use an undepreciated rate base in determining rates of return. Various parties suggested that the Commission use a depreciated rate base for the electric department such as was used for the gas department of applicant in the 1951 order granting increased gas rates. (Decision No. 46268 of Application No. 31466, dated October 2, 1951). In final argument applicant agreed to the use of a depreciated base for this proceeding only. For the reasons stated in Decision No. 46268 under the subject of depreciated rate base, the depreciated base will be employed in this order.

The rate base for the year 1952 as estimated by applicant is compared to the staff's estimate and is set forth in more detail below:

Estimated Rate Base for 1952

	Applicant's Exhibit No.98	Staff's Exhibit No.92	Difference
Plant Capital:	$1,177,485,000	$1,177,709,000	$ 224,000
Working Capital:			
Materials and Supplies	14,613,000	14,293,000	(320,000)
Working Cash	24,500,000	-	(24,500,000)
Adjustments:			
Contributions in Aid of Construction	(4,613,000)	(4,858,000)	(245,000)
Customers' Advances for Construction	(2,077,000)	(2,147,000)	(70,000)
Motor Vehicle Deprec.	(1,153,000)	-	1,153,000
Ret'd.Steam-Elec.Plants	1,712,000	241,000	(1,471,000)
Retirements, Removal Costs and Salvage in Progress	-	5,859,000	5,859,000
Interest During Constr.	-	(258,000)	(258,000)
Total Adjustments	(6,131,000)	(1,163,000)	4,968,000
Total Capital and Adjustments	1,210,467,000	1,190,839,000	(19,628,000)
Deduction for Deprec.	214,328,000	215,722,000	1,394,000
Rate Base (Depreciated)	996,139,000	975,117,000	21,022,000

(____) Denotes applicant exceeds staff.

It will be noted that the difference between the two rate base estimates primarily is accounted for by the difference in the working cash allowance. Applicant claimed an amount of $24,500,000 for this item, whereas the staff made no allowance for working cash capital.

The deduction for motor vehicle depreciation is separately shown by applicant, but combined with all other depreciation in the staff's showing. The applicant did not take into account retirements, removal costs and salvage in progress in the amount of $5,859,000 which the staff included as a proper adjustment to a depreciated rate base. Applicant's showing was on an undepreciated rate base in which the latter item is not appropriately included.

Working Cash

Applicant estimated working cash capital requirements for the total company, to cover both operation and construction, based primarily on its average book balances of cash and United States Government securities for the 12 months ended September 30, 1951, with an adjustment for interest earned on such securities and a partial adjustment for taxes accrued in advance of payment. The requirement for operation was computed for the company as a whole on the formula basis of one month's purchased power, gas and fuel costs, plus two months' other operating expenses exclusive of taxes and depreciation, less the partial adjustment for taxes accrued in advance of payment, plus a computed minimum bank balance requirement. Both the total requirement and the amount for operation were allocated approximately 69% to the electric department on a gross revenue basis. The requirement for construction was derived by subtraction. The electric department total requirement for the year 1952 is estimated to be $24,500,000, of which $14,000,000 is for operation and $10,500,000 for construction.

The Commission's staff made a study to determine from applicant's records the average amount of working cash capital supplied by investors. Its study was based upon the average 1951 monthly balances of certain balance sheet items which are indicative of working cash capital and upon an analysis of the relative lags experienced by the applicant in its electric department in collecting revenues and paying expenses and taxes and the amounts thereof.

The staff determined gross working cash from the book balances of cash, temporary cash investments, and certain other balance sheet accounts. Using an allocation factor of 64%, it found $26,833,000 to be applicable to the electric department. From this gross amount the staff deducted amounts not supplied by investors comprising (a) amounts withheld from employees and certain other minor items, accrued bond interest, and the reserves for insurance and injuries and damages, in the amount of $4,734,000, and (b) the sum of $22,835,000 representing the average amount available as a result of collecting revenues in advance of paying the corresponding expenses and taxes. As a result of these computations the staff concluded that the average amount available for working cash in the normal course of the applicant's operations was $736,000 in excess of the gross requirements and that therefore no additional amounts of capital were supplied by investors for this purpose.

In Decision No. 46268, in Application No. 31466, involving applicant's gas department, the Commission, in considering working cash capital, pointed out that while studies presented in that record were helpful, "there is a need for more complete factual analyses of working cash requirements before recommending a specific method for the future." In reviewing this record we find that the Commission's staff has endeavored to make such a comprehensive analysis, presenting its study in such manner that the requirement for operating working cash capital or a combined operations and construction requirement could be determined.

Counsel for applicant cross-examined the staff witness extensively regarding his method and estimate. Counsel contended that if average daily balances of cash and temporary cash investments were substituted for average month-end balances, to which procedure the staff witness assented, the electric department requirement would be increased by approximately $970,000. He also contended that the deduction of amounts withheld from employees constituted a duplication, that bond interest accruals represent investor funds, and that the funds represented by the reserves for insurance and injuries and damages cannot be considered as available for working cash.

The staff witness had not allowed for the full time lag in payment of amounts withheld from employees and in lieu thereof deducted the average amount of this balance sheet item. Such treatment does not constitute a duplication, in our opinion. The funds represented by the reserves for injuries and damages are part of the regular expenses of operation paid by the ratepayers and do not represent monies advanced by the investors. After consideration, the Commission concludes that the only further adjustment should be to the staff's deduction of bond interest so as to allow for the 40½-day lag in the collection of revenues. After the above adjustments the staff's allowance for working cash for the electric department will be approximately $1,810,000 for both construction and operation.

In the decision referred to, the Commission quoted from an earlier decision that "Any construction cash capital needed is an element of the cost of capital and is not includible in rate base," and added "In our opinion, the capitalization of the cost of funds held for major construction purposes may properly be accomplished through the charges for interest during construction." Applicant contends that this conclusion is in violation of the accounting provisions regarding interest during construction.

No study has been made of applicant's interest charged construction since 1944. The Commission staff pointed out that it is the company's practice to charge 5% interest, compounded monthly, on large construction projects. In view of our treatment of funds held for construction this interest rate now may be too high. For the purpose of this decision, the Commission will adopt the revised staff allowance of $1,810,000, covering both operation and construction, and will require applicant to submit a report on its practices with respect to and requirements for interest during construction.

The staff's depreciated rate base, adjusted for working cash capital, amounting to $976,927,000, is adopted for the purpose of this decision.

Summary of Adopted Operating Results

A summary of adjusted operating results for the estimated year 1952, constructed in accordance with the foregoing review, which includes the wage and tax increases, hereby adopted for the purposes of this decision, follows:

Adjusted 1952 Rate of Return - Present Rates

Operating Revenues	$206,921,000
Expenses:	
Operation	86,601,000
1952 Wage Increase	2,626,000
Depreciation and Amortization	25,120,000
Taxes	49,664,000
Tax Depreciation Adjustment	1,856,000
Total Expense	165,867,000
Net Revenues for Return	41,054,000
Rate Base (Depreciated)	976,927,000
Rate of Return	4.20%

Trend of Rate of Return

The staff's study, Exhibit No. 92, shows a declining trend in rate of return between 1950 and 1952 on a depreciated rate base. The 1951 adjusted year and 1952 estimated year reflect applicant's present electric rates, comparable levels of wage rates, tax rates and fuel oil prices and average temperature and precipitation conditions. A decline in rate of return of 0.14% between 1951 and 1952 is shown. The applicant contends that this decline in rate of return is due to adding capital currently at unit prices which are above the system average unit prices. It anticipates that this decline will continue in the future so long as inflationary prices prevail in our economy. It calculated that at a rate of return of 6% the decline would be greater by 0.04% than the 0.14% shown at the present level of rate of return. The applicant requests that in determining a rate of return for the future the Commission allow for this decline in rate of return. An appropriate allowance for such decline is included in the rate of return fixed herein.

Rate of Return

In making this application for increases in rates, applicant takes the position that the rate of return for its electric department appropriate for use in association with a depreciated rate base is 6.0%, coupled with an additive allowance of 0.18% on the 1952 rate base in fixing rates for the future because of the declining trend of earnings.

A representative of the group of cities and counties appearing as protestants urged a return of 5.43% and a witness called on behalf of the General Services Administration of the United States Government concluded that a return of 5.5% is fair and reasonable for the electric department, utilizing a depreciated rate base. Counsel for the California Farm Bureau Federation in his argument suggested a return of 5.75%.

The return suggested by the applicant, according to the calculations of its witness, is based on an allowance of 3.27% for bond money, 5.54% for preferred stock money, and 10.75% for common stock equity applied to an objective capital structure which included an equity position of 32.5% of the total. In support of its allowance of 10.75% for equity capital, applicant relied on experienced earnings of 37 electric utilities in the country during the years 1946 to 1950, inclusive[5]. In its Exhibit No. 25 it presented factual data showing, among other things, the capital ratios and recorded earnings of these companies. While the exhibit shows a wide range in such earnings for all the companies listed, it does indicate that the average earnings associated with an equity position of 32.5% range from approximately 10.25% to 12%, depending on the companies considered.

[5] The companies selected by applicant include all those having total assets of over $100,000,000, deriving at least 80% of their gross operating revenue from sales of electricity outside of California and having a quoted market for their shares of common stock.

The witnesses called on behalf of the protestants based their conclusions, for the most part, on the use of dividend-price ratios and earnings-price ratios, resulting in allowances by them for equity capital in the amount of 9% in one exhibit and 9.11% in another, the showing made being primarily historical in its nature. Exception was taken to the use by the applicant of comparative statements showing returns to the equity owners in other utilities and particularly with respect to some of the utilities listed by the applicant. Protestants assert that only 20 of the utilities selected by applicant operate under rates regulated in the manner employed by this Commission.

In this connection, however, applicant presented in its Exhibit No. 101 a statement showing the returns earned by the equity owners of the 20 utilities referred to by protestants, which indicates that during 1951 the majority of those having an equity position comparable with that suggested by applicant earned from 9% to 11% on the average amount of equity capital. If these percentages are applied to applicant's objective capital structure, including its suggested rates for bond and preferred stock money, the over-all cost thus developed for all classes of securities would range from 5.56% to 6.24%.

Thus it is apparent that the determination by this Commission of the rate of return must represent the exercise of informed judgment, keeping in mind the lawful interests of both the ratepayer and the utility, rather than the application of a mathematical formula. In addition to a consideration of the terms and conditions associated with the company's securities outstanding and proposed to be issued, attention must be directed to numerous other factors including, among other things, reasonable construction requirements, prevailing interest rates and other economic conditions, the trend of the rate of return, and past financing success and future outlook for the utility. The record shows that during the years 1946 to 1951 the applicant's capital expenditures amounted to approximately $812,000,000, that during the years 1952 to 1954, inclusive, it is faced with additional capital expenditures aggregating approximately $450,000,000, the largest construction program by any electric utility in the United States, that the company has been faced with increasing unit costs for labor and materials and that interest rates not only on applicant's issues of bonds but also on other forms of indebtedness have been increasing.

In giving weight to the various matters affecting the rate of return, the dividend- and earnings-price ratios are useful in presenting background financial information. In themselves, however, they are not conclusive in the determination of the rate of return to be allowed and serve primarily in testing the rate finally determined.The Commission on numerous occasions has stated that it will not regard dividends paid on common stock as measuring the cost of money or the rate of return. With respect to earnings-price ratios, such calculations are influenced by general market conditions and merely reflect the investors' appraisal of the market value of the stock at any given time. They are not indicative of the amounts the applicant is required to earn with respect to capital already committed to the enterprise.

Conclusion on Rate of Return for the Electric Department

Upon a careful consideration of the evidence before us we find that a net revenue equivalent to 5.75% on a depreciated rate base of $976,927,000, based on the estimated level of business for 1952, is sufficient to allow applicant a rate of return for the future of at least 5.55% on a depreciated rate base, which rate of return we hereby find to be fair and reasonable. Based upon the evidence of record before the Commission and as indicated in the preceding paragraphs, it clearly appears that, when tested against the applicant's financial structure and requirements, such a return should be adequate to service the outstanding bonds and preferred stock and to provide earnings on the equity capital in a reasonable amount.

When a rate of return of 5.75% is applied to the depreciated rate base of $976,927,000 an over-all increase in gross revenues of $32,990,000 is indicated. Applicant and other parties have requested certain zoning changes which, if authorized, would require the over-all increase after rezoning to be somewhat higher than this indicated amount. On the other hand, applicant has presented cost analyses which may enable the Commission to determine the burden being created by certain special contracts that should be carried by the stockholders, which would lower the amount of the increase required from other classes of service. The effect of the rezoning and contract rates will be determined after reviewing applicant's cost of service analyses.

Rate of Return on Combined Operations

The record does not contain the combined rate bases for all of this utility's operating departments. However, applicant presented testimony showing the experienced return on its total invested capital, that is, its capital structure as represented by its bonds, preferred and common stock and retained earnings, for the years 1946 to 1950, for 1951 partially estimated, and for 1952 estimated under present rates as follows:

1946	6.03%
1947	5.06
1948	4.58
1949	4.03
1950	4.72
1951 (Partially estimated)	4.17
1952 (Estimated)	
At present rates	4.37
At proposed rates	5.73

The above figures for 1952, of course, contemplate the increased revenues from the gas department brought about by Decision No. 46268. No figures are in the record as to the over-all return on the rate base of the entire company; but assuming the return herein authorized for its electric operations were realized, it is apparent that the combined return would exceed the 5.55% found reasonable for the electric department. It would be helpful to have before us more definite figures indicating the return for the total operations. In future proceedings involving rates of utilities having more than one department, we will expect the utility to adduce evidence showing the rates of return, experienced and estimated, with respect to the total properties.

Cost-to-Serve by Classes

Applicant's first cost analysis was prepared for the purpose of determining costs of rendering electric service by classes and was submitted as Exhibit No. 85 in this proceeding. The cost study was predicated on the forecast year 1952 using the applicant's estimates of sales, customers, revenues, plant and loads which were available from Exhibits Nos. 1 to 61, inclusive. In making the cost analysis the operating expenses and 5.61% interest or return on investment were assigned to the three functions of "demand", "commodity", and "customers".

To "demand" were assigned those fixed and variable costs which arise because of the demand imposed by customer equipment and are influenced more by the rate of use rather than the volume of use. To "commodity" were assigned those fixed and variable costs which go to produce and which are more or less dependent upon the kilowatt-hours used by the customer in his equipment. To "customer" were assigned those fixed and variable costs which are essentially dependent upon the number and location of customers and more or less independent of the rate and volume of the customers' use.

The segregation as between demand and commodity was made through the load factor concept, that is, if the system load factor was 62%, then 62% would be assigned to the commodity column and the remaining 38% to the demand column. By such means there is sufficient capacity assigned to the commodity column to produce the system energy requirement when operating at 100% load factor. Such method is equivalent to assigning the "average" demand into the commodity column and leaving the "excess" demand for assignment under the demand column.

The customer cost covered the cost of services directly performed for customers, such as customer accounting and meter reading and investment and operating costs associated with the minimum size of facilities sufficient to deliver voltage to customers compared to the sizes in actual use. A part of such customer assignment is due to the location and density of customers, the greater the density the less the pro rata of equipment per customer being necessary for minimum transformer, pole, and secondary and primary wire sizes. Because certain classes of customers require demand meters or other customer services greater than does a regular domestic or small commercial customer, the customer costs were segregated as between customer classes based on an equivalent number of customers rather than the actual number of customers.

The results of the cost analysis by classes is summarized below:

Class	Indicated 1952 Cost Per Kwhr	Estimated 1952 Revenue Per Kwhr At Applicants' Proposed Rates
Domestic	2.8183¢	2.9243¢
Small Light and Power	2.0493	3.1915
Large Light and Power:		
(a) Transmission Delivery	.9305	.9865
(b) Distribution Delivery	1.2715	1.2610
Agricultural Power	1.8227	1.2625
Resale:		
(a) Transmission Delivery	1.0501	.6984
(b) Distribution Delivery	1.1166	.7145
Railway	2.2956	1.4453
Street Lighting	3.9216	4.0838
Interdepartmental	1.6270	2.1967

Counsel for the California Manufacturers Association disagreed with the cost study and argued that it should be based on different principles. He suggested a minimum to maximum load basis for assignment to the commodity column and used an example of 30% assignment rather than a 62% assignment. He also suggested a non-coincident basis of demand assignment in contrast to the average of summer and winter peaks adopted by applicant. While raising these basic questions no substantial objection was voiced to the use of the figures as representative of costs, to the extent cost is employed as an element in the determination of reasonable rates.

In this order we are not passing on the methods employed; however, after reviewing the cost analysis by classes of service, the varied conditions under which service is rendered and the contentions of the various parties, it is our opinion that the results of this cost study reasonably portray the relative level of costs by classes on applicant's system and they will be considered along with other factors in pointing the direction of rate schedule changes.

Cost-to-Serve by Areas

Applicant's second cost analysis was entitled "Rate of Return by Divisions - Forecast Year 1952 Under Proposed Rates" and submitted as Exhibit No. 86 in this proceeding. This study was required by the second interim order herein (Decision No. 46949-April 8, 1952) for the purpose of providing the Commission with information regarding the reasonableness of the proposed rezoning of rate areas and proposed lowering of rates in the Humboldt Division and the Fort Bragg, Santa Maria and San Luis Obispo Districts.

The results of the study, expressed as rates of return after providing for all operating expenses, depreciation, and taxes under applicant's proposed schedules are as follows:

Division	Rate of Return
Coast Valleys	6.38%
Colgate	5.08
De Sabla	4.57
Drum	3.13
East Bay	6.22
Humboldt	4.42
North Bay	5.13
Fort Bragg	4.82
Balance	5.14
Sacramento	3.63
San Francisco	6.09
San Joaquin	5.91
San Luis Obispo and Santa Maria	6.40
Balance	5.87
San Jose	6.37
Shasta	3.71
Stockton	5.42
System	5.61%

The staff questioned the results shown by the study in view of the long transmission lines into the Humboldt Division, the Santa Maria and San Luis Obispo areas, and the Fort Bragg area, as well as the locally used generation plant in the Humboldt Division. A system-wide allocation of production and transmission plant had been used except for specific assignment of certain transmission facilities to the service of Sierra Pacific Power Company. Applicant's witness stated that the indicated rate of return for Humboldt Division would have been reduced substantially if he had made direct assignment of production and transmission expenses to the Humboldt Division. Also, he stated that direct allocation reasonably could be made of transmission expenses associated with the Fort Bragg area and with the combined area of Santa Maria and San Luis Obispo Districts.

It is the Commission's opinion that a uniform production and transmission cost per kwhr does not exist in all divisions and areas of the expanse of territory covered by the Pacific Gas and Electric Company's electric system. Such uniform cost reasonably may be assumed to exist on transmission lines which tie major production sources together and to the system load center but not on other transmission lines or in areas which are deficient in low cost production facilities.

The rates of return shown, on the basis of allocation used in the study, indicate a considerably better earning position in the combined San Luis Obispo and Santa Maria Districts than in the two other areas served by long transmission lines. It appears that application of general system rates in the San Luis Obispo and Santa Maria districts will not result in unreasonably low earnings even under direct allocation of the transmission costs properly associated with the service to those districts.

General Rate Problem

The applicant proposed consolidation of many rates and regrouping of customers in order to simplify the schedules. Certain changes proposed appear desirable and have been incorporated in this decision. Further changes as to numbering, applicability, zoning, fuel clause, special conditions and schedule arrangement appear desirable.

It should be noted that the proposed rates of applicant (Exhibits Nos. 26-D, 61-A, and 98) produce an over-all increase of $36,375,300, whereas the applicant's final request including increased wages and taxes totals $45,704,000 or about 4% more than the total revenue of $243,736,000 which applicant states the proposed rates will produce. With an authorized rate increase of $32,990,000 it is apparent that little room is left below applicant's proposed rate levels in which to effectuate the changes indicated as desirable by the cost analysis. In general, all rates, except for the small light and power class under commercial and general power and the Humboldt and Fort Bragg area rates, will be set at the approximate level proposed by applicant.

In establishment of the new rates, the complexity of applicant's operations has been kept in view. Geographically much of the inhabited area of northern and central California is served, including urban and rural, valley and mountain. By classification the more than 1,300,000 customers and the energy sales in 1951 were divided as follows:

Pacific Gas and Electric Company - Electric Department

Customers and Kwhr Sales for Year 1951

Classification	Average Customers	Energy Sales Thousand Kwhr	Kwhr Per Customer
Residential or Domestic	1,085,223	2,270,809	2,092
Commercial and General Power	226,430	6,273,344	27,705
Agricultural Power	57,072	2,429,183	42,563
Street Lighting	687	68,557	99,792
Resale	34	1,552,990	45,676,176
Railway	6	28,827	4,804,500
Subtotal	1,369,452	12,623,710	9,218
Interdepartmental	-	26,014	
Total	1,369,452	12,649,724	

The same general data except for year-end customers instead of average customers by operating divisions of applicant were:

Pacific Gas and Electric Company - Electric Department

Customers and Sales by Operating Divisions - Year 1951

Division	Year-End Customers	Sales in Thousand Kwhr	Kwhr Per Customer
Coast Valleys	41,152	319,932	7,774
Colgate	36,011	270,886	7,522
De Sabla	24,103	236,001	9,791
Drum	18,134	328,593	18,120
East Bay	305,718	2,855,704	9,341
Humboldt	25,591	157,847	6,168
North Bay	112,517	658,902	5,856
Sacramento	33,869	942,336	27,823
San Francisco	279,797	1,420,267	5,076
San Joaquin	254,607	3,323,558	13,053
San Jose	158,325	1,195,736	7,552
Shasta	19,648	222,200	11,309
Stockton	93,203	717,762	7,701
Total	1,402,675	12,649,724	9,018

The San Francisco, East Bay, San Jose and North Bay Divisions encompass the industrial and residential areas around San Francisco Bay. The Humboldt, Colgate, De Sabla and Shasta Divisions contain considerable mountain area with lumbering and mining as the principal industries of the area. The other divisions more or less encompass the agricultural areas of the territory.

Basic Schedules

Applicant has submitted a general plan of tariff rearrangement, retaining the present basic residential or domestic structure with certain consolidations. The present combination light and power schedules, "C" Series, are proposed to be divided so as to separate the small power customers from the larger customers that utilize demand meters, the smaller customers being combined with the present lighting schedules and the demand meter customers being transferred to new schedules. A number of consolidations of power schedules are proposed.

In general, the Commission approves the rearrangements submitted by applicant; however, some revision in terminology appears warranted at this time.

Schedule Terminology

Applicant now uses the "C" series of numbers for combination light and power service, "D" series for domestic service, "H" series for heating and cooking service, "L" series for lighting service and "P" series for power service. With the growth and absorption of many companies and areas over the years, the number of rate schedules has grown to the point now where the "L" series is numbered L-1 to L-54 and the "P" series similarly increases to Schedule P-53. Not all numbers are used in the series, there being many blank spaces. With the consolidation of certain schedules and reduction in number, it is possible in certain instances to change the schedule terminology to letters more indicative of the type of schedule and reduce the number of schedules in each series. For example, standby service now furnished under Schedules P-7 and P-18 will be redesignated S-1 and S-2; resale service under P-6, P-6-S, and P-31 will be redesignated Schedule R; and street light service under L-24 through L-36 will be redesignated by an LS series of numbers starting with LS-1. The "L" designation for lighting and small power schedules will be changed to "A" and this type of service will be re-titled as general service in the future.

The revised letter designation for schedules follows:

Class of Service	Series Letter Designation
General Service	A
Domestic Service - Single Family	D
Domestic Service - Apartment House	DA
Domestic Service - Multi-Family	DM
Domestic Service - Employees	DE
Heating and Cooking	H
Street and Highway Lighting	LS
Power - General	P
Power - Agricultural, Irrigation and Reclamation	PA
Power - Railway	PR
Resale Service	R
Standby Service	S

Rate Zoning Proposal

The applicant proposed an extensive rezoning of areas to place system-wide rates in effect in all parts of the service area. At present the rates in the Humboldt Division and Fort Bragg, Santa Maria and San Luis Obispo areas are in general higher than for the remainder of the system. The cost studies presented by applicant, in the Commission's opinion, did not show that applicant's request for Humboldt and Fort Bragg is warranted at this time. Future growth and development in time may warrant such complete change but for the present some differential will be maintained in these areas. The system-wide rates will be extended to the Santa Maria and San Luis Obispo areas.

The applicant also proposed to transfer certain cities to the next lower rate zone, to establish 54 new special rate areas, to enlarge 32 existing special rate areas and to reclassify certain existing and enlarged special rate areas from rate Zone 5 to rate

Zones 1 to 4. Applicant estimated that the total reduction in annual revenue at present rates due to its proposed rezoning would amount to $2,491,900 as shown in Exhibit No. 61-A.

Rezoning

The basic Zones 1 to 6 will be retained but territories will be regrouped. The Santa Maria-San Luis Obispo area now served under Zones 8 and 9 will be included in the six basic zones. The Humboldt area now served under Zones 10, 11 and 12 will be retained in these zones at rate levels which approximately maintain the present relative differential in rates. The Fort Bragg rates now are considerably above system average and for the future will be brought down to the Humboldt Division level and placed in Zones 11 and 12, but not down to the basic six-zone level as proposed by applicant. The cost study indicates that such higher rate levels in Humboldt and Fort Bragg are justified.

In the past, cities in general were zoned more or less on the basis of population, that is, the largest cities such as San Francisco and Oakland were placed in Zone 1, the next smaller size in Zone 2, the next smaller size in Zone 3 and the smallest sizes of cities in Zone 4.

With the rapid growth in the state it is impossible to obtain up-to-date population statistics for each community; thus it is imperative that some other general rule be adopted. Statistics of number of customers and density (customers per mile of pole line) are available from time to time and can be substituted as a guide to zoning of cities and contiguous populated and built-up areas. Applicant will be requested to propose minimum requirements as to size and density which it will recognize by transfer of built-up communities to lower rate zones.

With this decision we are doing away with incorporation of a city as a reason for being placed in a lower rate zone than No. 6. In the future for a city to improve its position, certain density and population standards must be met in such area and such usage characteristics as the Commission may determine to warrant such improved zoning. Certain cities now in Zone 4 probably should be moved up to Zone 5 in the future based on size and density considerations. Certain built-up unincorporated areas should be lowered. In other words, the Commission is eliminating the requirements of incorporation and the city boundary line as major factors in zoning. Likewise, the proposed differential in service charge within and outside of an incorporated city is eliminated. In the future applicant may or may not use the city boundary as the boundary of a rate zone. The boundary line should be drawn where the built-up area stops. Rate boundaries based on city lines will be frozen as of November 10, 1952 and shall not necessarily be moved when incorporated limits are expanded to include territory having a density less than the minimum requirements.

Built-Up Areas

During the pendency of this rate proceeding applicant surveyed some 54 new areas in which growth is such that the areas now have urban characteristics, and where the number of customers in the group and group density are such as to warrant rate levels lower than the rural rate. It proposed enlargement of 32 special rate areas and, where special rate areas are adjacent to cities, to place such special rate areas on the city rate levels, except for the service charge.

A representative of the Parkmead Improvement Association appeared on behalf of the newly built-up area south of Walnut Creek and west of the Contra Costa Highway to request rezoning of this area from Zone 6 to Zone 4. Likewise, a representative from the Orinda area west of Walnut Creek requested rezoning of that area. These two areas have been surveyed by the applicant and it proposes rezoning of the one first mentioned but considered only a part of the Orinda area qualified for special rate zoning.

Applicant's basis of qualification or the minimum requirements for the establishment of special rate areas is: "Any unincorporated area either adjoining an incorporated community or isolated, which is so built-up as to be urban in character having regular streets and city blocks, comprising not less than one-half square mile in area, containing not less than 200 electric customers for fringe areas adjoining incorporated communities, or 300 electric customers for isolated well developed, built-up communities, and with an electric customer density of not less than 50 per mile of pole line."

With regard to Orinda, applicant submitted Exhibit No. 94 and concluded that none of the five areas designated by the representative for survey purposes complied with the above minimum requirements of 50 customers per mile of pole line and some did not meet the requirements of 300 customers in a group. However, by rearrangement of the boundaries of the areas and adding certain other territory the applicant formed an area containing 852 customers at a density of 52 customers per mile of pole line which it designated the Orinda Rate Area.

A representative of the cities of Richmond and Hayward presented testimony and a study, Exhibit No. 83, which in his opinion warranted a change in rate zones for these two cities. He suggested that Hayward be lowered from Zone 3 to Zone 1 and Richmond from Zone 2 to Zone 1. His position was that the East Bay area now is sufficiently built-up from Richmond on the north to

Hayward on the south to be combined into one large rate area. Presently the cities of Oakland, Berkeley, Albany, Piedmont, Emeryville and San Leandro are consolidated and placed in Zone 1 for rate purposes. A statistical analysis of density based on an equivalent pole miles figure was used; underground system miles were multiplied by 10 to be comparable on an investment basis with pole line miles. The figures following were taken from page 3 of Exhibit No. 83 and were summarized as shown below:

City	Equivalent Pole Miles	Total Customers	Customers Per Mile
Hayward	60.94	5,327	87.4
Richmond	213.39	17,120	80.2
Subtotal	274.33	22,447	81.8
Albany	38.04	4,779	125.3
Berkeley	268.16	35,338	131.8
Emeryville	26.3	1,229	49.4
Oakland	1,408.6	121,203	86.0
Piedmont	66.8	3,179	47.6
San Leandro	85.13	9,079	106.6
Subtotal	1,893.03	174,807	92.2
Total	2,167.36	197,254	91.0

While we do not necessarily agree with the representative's method of computing equivalent miles of pole line, even on such basis it is not apparent that the inclusion of Hayward and Richmond in Zone 1 will improve the density characteristics of the six cities now zoned as No. 1 but in fact will lower the over-all density. For this reason no change will be made in the applicant's proposed zoning for these cities but further study of this problem will be required of applicant. Study also will be required for certain other fast expanding areas like the Marin Peninsula, San Francisco Peninsula and Contra Costa County. Pending the results of the San Francisco Peninsula Study the City of San Mateo will be retained in Zone 3, Campbell in Zone 4, and no fringe area on the system will be placed in a zone lower than No. 4 and no isolated community will be placed in a zone lower than No. 5.

Special Schedule Changes

Applicant is proposing a special increase of rates in the Modesto area outside the Modesto Irrigation District boundaries to bring these schedules in line with the general level of rates on the system. These rates are below system levels because of the special competitive area conditions with the said district at the time of their making. In our opinion these customers should pay rates at the same levels as other similar classes of customers on the system, and such increases will be permitted.

Applicant asked exemption from this special increase for the 23 public schools served in this area on Schedule C-24 because of the excessively large increases involved. Schedule C-24 will be increased by approximately 40% and redesignated A-16 rather than to increase such rate to system rate levels, or the schools may be billed on the regular tariffs if they prefer.

The applicant is requesting authorization to increase the level of rates to a special group of large agricultural power customers located in the San Joaquin Valley on Schedule P-12-S to the level of Schedule P-3, transfer the customers to Schedule P-3 and eliminate Schedule P-12-S. There are 32 customers presently on Schedule P-12-S. It appears to be an appropriate step which should be made effective by this order; however, the new rate schedule will be designated PA-1.

Domestic Schedules

The following table compares the present, proposed and authorized monthly domestic service rates for the six basic zones:

	Zones 1	2	3	4	5	6
A. Present Rates						
Service Charge per Mo.	42. ¢	53. ¢	53. ¢	53 ¢	58. ¢	64. ¢
First 40 Kwhr per Kwhr	3.07	3.07	3.39	3.71	3.92	4.66
Next 60 Kwhr per Kwhr	2.23	2.33	2.44	2.54	2.65	3.18
Next 100 Kwhr per Kwhr	1.80	1.91	2.01	2.12	2.12	2.44
Over 200 Kwhr per Kwhr:						
Summer Months	1.06	1.06	1.06	1.06	1.06	1.17
Winter Months	1.06	1.06	1.06	1.06	1.06	.95
B. Applicant's Proposed Rates						
Service Charge per Mo.:						
Incorporated Territory	50.	60.	65.	70.	-	-
Unincorporated Territory	60.	70.	75.	75.	75.	85.
First 40 Kwhr per Kwhr	3.8	4.0	4.2	4.4	4.6	5.6
Next 60 Kwhr per Kwhr	2.7	2.8	3.0	3.1	3.2	3.9
Next 100 Kwhr per Kwhr	2.2	2.3	2.4	2.5	2.6	2.9
Over 200 Kwhr per Kwhr	1.3	1.3	1.3	1.3	1.3	1.3
C. Authorized Rates						
Service Charge per Mo.	50.	60.	65.	70.	75.	85.
First 40 Kwhr per Kwhr	3.8	4.0	4.2	4.4	4.6	5.6
Next 60 Kwhr per Kwhr	2.7	2.8	3.0	3.1	3.2	3.9
Next 100 Kwhr per Kwhr	2.2	2.3	2.4	2.5	2.6	2.9
Over 200 Kwhr per Kwhr	1.2	1.2	1.2	1.2	1.2	1.2

In placing the Santa Maria and San Luis Obispo areas on the basic rates the cities of Santa Maria and San Luis Obispo are being lowered from Zone 4 to Zone 3, the smaller cities are being placed in Zone 4 and the rural customers in Zone 6. Such treatment represents an approximate one-step advantage for these cities and a 3-mill saving per kwhr in the first block for the customers formerly on Schedule D-9. This change will result in a lesser percentage increase for these areas.

The domestic rate for Eureka, Schedule D-10, is now approximately 2 mills per kwhr greater than Schedule D-3 for the first 200 kwhr. Such a 2-mill differential will be maintained by this order.

Present Schedule D-11 is 0 to 2 mills higher than Schedule D-5 for the first 200 kwhr. The new rate for Schedule D-11 will be set at a level 1 mill higher than the new D-5 rate.

Present Schedule D-12 is approximately 4 mills higher than Schedule D-6 for the first 40 kwhr. A 3-mill differential will be established in the new rates. Schedule D-11 will be opened to any built-up communities in the Humboldt area that now exceed 300 customers and 50 density.

The City of Fort Bragg will be placed on the authorized D-11 rate and the unincorporated territory around Fort Bragg now served on Schedule D-51 will be placed on Schedule D-12. The present level of rates in the Fort Bragg area is quite high and this treatment should result in only minor over-all increase in this area.

Domestic Service - Apartment House

Applicant proposes one system-wide apartment house rate "DA" for service inside incorporated cities to supersede Schedules DA-1, 2, 3, 4, and 8. This schedule is of rather limited use as it contains a requirement of 2 kw of heating or cooking capacity per each apartment. Such apartment houses are not found in the rural areas or small cities in as great a number as in the larger cities. Most apartment houses in the cities have individual meters for each apartment and those that cannot qualify for the DA rate will buy energy on general service schedules.

Because of the limited application of this schedule applicant's proposal is questioned. There is need for a multiple family rate that does not contain minimum requirements as to type of load and number of apartments. Such load requirement was dropped from the regular single family domestic rates many years ago. In lieu of applicant's proposal an approximate 20% increase will be authorized in the existing DA series of rates and the company will be required to study and report on the establishment of new multi-family rates.

Domestic Service - Multi-Family

Applicant proposes one system-wide rate "DM" to apply outside of incorporated cities to lighting, heating, cooking, and single-phase power service to multi-family dwellings, country estates, farms, and similar premises where living quarters for more than one family are served through the same meter. Such rate is to replace Schedules DA-6, DA-9, and DA-12. Pending the study of the multi-family rate problem, above outlined, present rates DA-6 and DA-12 will be renumbered and increased by approximately 20%. Schedules DA-8 and DA-9 will be done away with in the rezoning of the Santa Maria-San Luis Obispo areas and the business placed on the regular DA-3 to DA-6 series of rates. No DA schedules are now available in Zones 10 and 11. Schedules DA-6, DA-9 and DA-12 presently cover the entire unincorporated territory. Pending results of the study, Schedules DM-1 and DM-2 will be applicable in the unincorporated areas even after present rezoning changes.

Street Lighting Rates

The cost of serving street lighting load in most rate schedules contemplates maintenance and operation in addition to energy costs. Applicant's proposed rate schedules represent an approximate 20% increase in this class of revenue. The cost study, Exhibit No. 85, showed that street lighting as a class would yield about 4% more revenue per kwhr than indicated cost on the assumptions made in the cost study. Since that study was made the added factors of 1952 wage and tax increases warrant the conclusion that applicant's proposed approximate 20% increase in this class of business is fully justified.

General Service Schedules

Present Schedules L-1 to L-6, inclusive, covering lighting and small power, will be redesignated as Schedules A-1 to A-6 and will be opened to the customers on present C-1 to C-6 schedules covering general light and power. The larger customers presently on the C-1 to C-6 series of rates having demand meters will be placed upon one rate designated A-13 which will be system-wide in application except for the Humboldt and Fort Bragg areas.

Schedules C-8, C-9, L-8 and L-9 will be eliminated by transferring the business to Schedules A-3 to A-6 and A-13. Schedules L-10 to L-12 will be replaced by A-10 to A-12 to cover the smaller general service customers in the Humboldt and Fort Bragg areas and Schedule A-14 established for the larger general service customers in these areas.

A lesser increase than proposed by applicant for Schedules L-1 to L-12 will be established for Schedules A-1 to A-12 on the basis of the results of the showing in the cost study for the small light and power class.

Heating and Cooking

Applicant proposes one system-wide cooking and heating rate to replace Schedules H-1, H-2, H-21, and H-50 and WH-53. Applicant proposes limiting the new schedule to those establishments presently served under the superseded schedules. This rate is generally on the low-side compared to other rate forms. It has only two commodity blocks which give inadequate reflection of the demand component in view of the wide varieties of load to which the schedule is applicable. Applicant's proposal appears reasonable and in the future this type of load will be served under the general service schedules alone or in combination with other service for the same customer.

General Power Service

A system-wide general power rate for billing on a connected load basis is proposed to be designated as Schedule P-1. Applicant suggests that it replace present P-1, P-2, P-21, P-23, P-50, P-1-E and P-1-M. Applicant's proposal appears sound except for P-50 and P-1-E. These schedules apply in the Humboldt and Fort Bragg areas where slightly higher rates should be maintained. A lesser increase than proposed will be placed in Schedule P-1, and P-2 will be placed at the level proposed by the applicant for P-1.

Another system-wide general power rate for billing on a maximum demand basis is proposed to be designated as Schedule P-15. This schedule would largely replace present P-15, P-15-M, P-15-E and P-53, the balance of the business on these schedules being transferred to the new "A" schedules. In the Commission's opinion two maximum demand power schedules are needed so as to provide a rate that is slightly higher in the Humboldt and Fort Bragg areas in keeping with the present zoning scheme. Such rates will be renumbered P-3 and P-4, respectively.

Primary Power

Applicant proposes to cancel primary voltage power rates P-5, P-5-M, P-5-S, P-11 and P-30 and place the customers on the general light and power Schedule P-2. Applicant's proposal appears reasonable except that the new schedule will be designated Schedule A-13 and will be entitled "General Service".

Agricultural Power

Applicant proposes one system-wide agricultural Schedule P-3 to replace present Schedules P-3, P-3-E, P-3-M, P-12-S, P-13, P-13-E, P-13-M, P-13-S and P-22. Here, as before, two levels of rates will be authorized instead of one and will be redesignated as Schedules PA-1 and PA-2.

Reclamation Power

Applicant proposes to increase the rates and to retain the designation of P-4 and P-4-P for two reclamation pumping schedules. This procedure appears reasonable except that the designations will be changed to PA-3 and PA-4, respectively.

Irrigation Power

Schedule P-14, covering temporary irrigation power, will be raised in accordance with applicant's request but will be redesignated as Schedule PA-5.

Railway Power

Applicant proposes to increase railway power rates by approximately 20%. While this rate of increase is slightly higher than the approximate 18% over-all increase first sought, it is the Commission's opinion that the cost study fully justifies an increase in this rate of 20%. Applicant's proposed level for the railway service rate, Schedule P-9, will be adopted but the tariff will be redesignated as Schedule PR.

Resale Schedules

Applicant has on file three schedules for resale power service Schedules P-6, P-6-S and P-31. Applicant proposes to replace these schedules with Schedules P-6 and P-31. Proposed P-6 is to apply to the entire territory served except the San Joaquin, Humboldt and Coast Valleys Divisions, North Bay Division north of Santa Rosa and Shasta Division north of Montgomery Creek. Proposed P-31 is to apply to practically the same territory except the territory formerly supplied by the Red River Lumber Company.

Present Schedule P-6 is applicable to electric service supplied at standard voltages of 2,200 volts or over, to other electric utilities and to municipalities for distribution and resale where such utilities or municipalities take their entire electric supply from the applicant. Present Schedule P-31 is optional with Schedule P-6 and is available only on contracts for periods of five years. The level of Schedule P-31 is roughly 10% below P-6 before the application of the rural discount allowed on Schedule P-6.

Applicant requests that increases be made in its filed tariffs P-6 and P-31 of approximately 18% on the average but also requests exemption from any increase whatsoever for one resale customer, the City of Redding, operating under a special contract. Applicant's reason for requesting exemption for this customer is to meet the competition from government power produced at the nearby Shasta Dam. It is also requesting authority to increase the rates to 15 public resale customers taking service under contracts that contain rates, charges and conditions that are in general lower than or differ from the filed tariffs P-6 and P-31.

Most of the resale customers had representatives at the hearings and argued that they were in the same competitive position as the City of Redding, notwithstanding the fact that they were located at a much greater distance from the source of power and transmission facilities of the government. They contended that they were entitled to the same exemption from any rate increase and argued that, through the so-called "Wheeling Agreement" between the government and the applicant, government power is available to them.

It is clear from the record that the applicant believes the threat of competition by the government is much greater within the City of Redding than elsewhere in its service area at this time. In the past it has sought and obtained approval of these resale contracts at rates less than the filed tariff rates to meet this potential competition and hold the business. On many occasions the Commission has recognized the effect of competition in establishing the levels of rates, stating in each case that the maintenance of competitive rate levels could not be permitted to burden other customers.

Each competitive situation must be viewed in the light of the peculiar conditions existing. In any case the fundamental question is whether or not the continuance or discontinuance of service to customers in the competitive area will support or burden the company's operations and its service to customers in other areas. This is a complex problem and one in which the extent of burden has not been exactly determinable in the past for lack of a cost study. We now have a cost study that shows that applicant's proposed resale revenues are roughly 35% below the indicated 1952 cost of rendering the service.

It is the Commission's opinion that the present resale Schedules P-6 and P-31 would create unreasonable burdens upon other customers if continued in the future at present rate levels. Applicant proposes an approximate 18% increase in these schedules; however, in the case of the lower P-31 schedule a further increase appears to be justified. The most logical method to treat the resale schedules appears to be to consolidate the proposed P-6 and P-31 schedules into one resale schedule, redesignate it Schedule "R" and set it at a level to give approximately the same total annual revenue from customers on the filed tariffs as proposed by applicant. In order to bring the new resale schedule more in line with indicated costs, the former 10% rural development discount in Schedule P-6 will be eliminated. The requirement of a five-year contract in Schedule P-31 will be removed in favor of an initial three-year contract period for new customers only.

In connection with the rezoning being undertaken it appears reasonable to extend the territory covered by this new resale schedule to all territory served except the Humboldt Division.

and the Fort Bragg area. No resale rate need be drawn to apply to resale service in Humboldt and Fort Bragg because presently there are no resale customers in these areas.

Special Resale Contracts

Among the special resale contracts which applicant seeks to alter in this proceeding is one involving the sale of electric energy at wholesale to Sierra Pacific Power Company at the Sierra summit. The present contract, dated March 4, 1948, was approved by this Commission in Decision No. 41537. This agreement was a renegotiation of prior contracts extending as far back as 1923 covering this point of delivery. The contract covered, in addition to rate structure, other features of delivery including building of additional lines on the part of both parties and the establishment of a contract term of 15 years to provide protection to both parties. This contract was concluded after negotiations extending over about a year's time. The protestant, Sierra Pacific Power Company, makes the point that if conditions are shown to justify a change in the rate, which conditions it denies have been shown, then the contract rates might be altered but that such alteration should be made by agreement of the parties and submitted as previous contracts have been for approval by this Commission.

The Sacramento Municipal Utility District objects to the alteration of the resale contract existing between it and applicant, pointing out that the rate provisions of the contract are part and parcel of many considerations involving the approval of two contracts between applicant and the District in April, 1946. In one of these contracts, the electric distribution system of the applicant within the District was transferred to the District and in turn the District bound itself to purchase power from the applicant for a period of 7½ years. Protestant points out that this contract does not contain the usual jurisdictional clause. The cities of Alameda, Palo Alto, Lodi, Lompoc, Roseville, Santa Clara, Healdsburg, Ukiah, Biggs and Gridley and the Plumas-Sierra Rural Electric Cooperative all have resale special contracts with applicant. Each of these customers signed contracts whereby they agreed to purchase their electric energy from applicant for a five-year period. Counsel for these parties represented that it would be grossly unfair to alter the terms of these contracts without affording the customers an opportunity to negotiate such changes with the applicant and, in support, pointed out that the contract with the City of Alameda was entered into as late as June 26, 1951. On that date the City of Alameda committed itself to purchase power for a five-year period from applicant rather than seek an alternative source of power. It is alleged that no mention was made to the City by applicant of a proposed rate increase at that time but that applicant did file the present application 22 days later and the protestant stressed the injustice of the City's being bound by contractual relations for a five-year period if the rate portion is to be altered without the City having the opportunity to negotiate such a change.

The company's witness testified that the company did not state when the contracts were first entered into that there would never be a change in rate during the life of the contract and that a jurisdictional clause in general is required in each contract[5/].

5/ The clause specified by General Order No. 96 of this Commission is: "This contract shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction."

The cities of Lompoc, Healdsburg and Ukiah in the past have been at higher rate levels than the other contract customers. In the future these cities will be eligible to the regular resale rate level with the change in territory zoning.

The Commission, in considering these special contracts, is of the opinion that an opportunity should be afforded the parties to renegotiate these contracts, should they so determine. It is obvious that underlying costs have increased since these contracts were negotiated. Since by this decision a new basic resale schedule is being adopted, opportunity should be afforded for renegotiation of these contracts in the light of the new basic resale schedule. The revenues from these services will be computed at the new resale schedule for the purpose of determining applicant's over-all revenue requirements only, but the rates for such resale contract customers will not now be increased. By this method no burden will be placed on the other classes of customers but any burden will fall on the stockholders' portion of the earnings until such time as the contracts may have been renegotiated and have been authorized by the Commission. No special exemption from this method of treatment will be made for the City of Redding resale contract.

In connection with these special contracts, we point out that the applicant, in order to forestall alleged government competition, requested authority from this Commission to enter into said contracts with the clear understanding that its stockholders must bear any burden which the applicant might sustain as a result of the operation of any such contracts. Therefore, equity calls for the treatment which we have accorded to these special contracts.

Interruptible Rates

The applicant is seeking to exempt the recent interruptible rate contracts with Hercules Powder Company, July 12, 1951, The Dow Chemical Company, September 4, 1951, and the Shell Chemical Corporation, April 11, 1952, from any increase in rates because of an approximate 40% increase in the level of the prior contract rates. These three customers have agreed to these increases under such contracts. Orders authorizing these increased contract rates have been issued by the Commission under Decisions Nos. 46947, 46946, and 47346, respectively. In view of the recent increase in the level of rates to these three customers no further increase will be authorized at this time.

Other Contract Customers

The applicant is seeking to exempt from any increase the contracts for services at the oil refinery plants of Tide Water Associated Oil Company, Shell Oil Company, Union Oil Company, and with the Hammond Lumber Company at Eureka. All of these contracts involve the local production of electricity from by-products fuels and the sale of electricity and steam for industry processes. We are of the opinion that applicant's request is justified and no increase will be authorized for these four customers.

Applicant also asks exemption for recently executed contracts with the Byron-Bethany Irrigation District, West Stanislaus Irrigation District, Banta-Carbona Irrigation District, East Contra Costa Irrigation District, Patterson Water Company and Southern San Joaquin Municipal Utility District in order to meet government competition. In accordance with our treatment herein of the resale contracts, we are not authorizing any increase in the contract rates of the purchasers mentioned in this paragraph but will allow opportunity for renegotiation of these contracts and pending such renegotiation will compute the revenue from this service on the basis of the applicable tariffs for rate making purposes.

The other exemptions sought were for the contract dated March 14, 1945 with the City and County of San Francisco, except for Section 8 (a) pertaining to charges for street lighting services other than energy, the "Wheeling" contract dated April 2, 1951, the "Purchase" contract dated October 3, 1951 with the United States of America, and the "Interchange" agreement with the Southern California Edison Company. These contracts involve special considerations such as interchange, purchase, sale or transmission of energy unlike the normal furnishing of utility service to customers. For these reasons no increase will be ordered for these customers.

Other Contract and Non-Schedule Rates

Applicant requests that a group of customers operating under contracts or under rates not in accordance with filed tariffs either be placed under filed tariffs or increased as provided for by Sections 2 and 3 of Exhibit No. 26. The effect of such proposal is to increase the special rates by 15% to 20%, except where the requirement is such that the service be placed on the filed tariff in which case the percentage increase may be more or less than 15% to 20%.

A representative on behalf of Mary Runyan Wheeler and the Sycamore Ranch protested applicant's proposal to terminate the special rates or concessions made for rights of way. During the hearings applicant stated it would negotiate with this representative further; however, to our knowledge no settlement was reached prior to the date of submission. The Commission prefers that compensation for rights of way not be made by grant of discount on utility service. Full opportunity will be afforded these parties to renegotiate the contracts should they desire to do so.

The Ames Aeronautical Laboratory of the National Advisory Committee for Aeronautics opposed a change in the rates provided in their special contract. Similar opportunity will be accorded this customer for renegotiation.

With the exception of any special contracts, applicant will be authorized to increase its non-schedule rates in the manner and to the extent proposed in Section 3 of Exhibit No. 26 as supplemented by Exhibit No. 26-B.

The applicant may renegotiate the special contracts, other than resale, listed in Sections 2 and 3 of Exhibit No. 26, wherever possible placing the business on a filed tariff or effecting the increases proposed. Pending such renegotiation these special contracts will be figured at the rate level proposed by applicant in order that no burden will be thrown on other classes of customers by reason of these special services at non-filed rates.

Fuel Clauses

Fuel oil clauses were included in Schedule P-30 to meet competition from other sources of energy. They are also included in a few other power schedules. In the pending proceeding applicant originally proposed to extend such clauses to other power schedules and to special contracts. The California Manufacturers Association opposed the applicant's proposal and took the position that such clauses, if included in any schedules, should be included in all, or at least all except for the very smallest domestic use. The association presented proposals for a fuel cost clause as distinguished from the fuel oil clause. The applicant thereupon presented a modification of its first proposal in evidence. Under these plans cost of all types of fuel would be calculated quarterly and the tariff charges changed by a filing of a special tariff sheet each quarter. In considering this matter, it is noted that this clause has some elements of a so-called "Automatic Rate Adjustment" plan which might raise controversies as to basic calculations each three months.

For example, in certain schedules the proposed change is to the nearest one-hundredth of a cent and in others to the nearest one-thousandth of a cent. The hydro-steam ratio is involved in this computation. While it is difficult to estimate what effect a change of 10 cents in the price of fuel oil might make, it probably would be sufficient to cause a refiling of all tariffs.

However, a 5-cent change in oil may affect only certain power schedules. One apparent difficulty is that the hydro ratio might change and thereupon the cost of fuel might change, requiring a change in the rate levels of the tariffs without any change whatsoever in the price of fuel oil.

From a tariff viewpoint under the proposal the basic tariffs would not be changed to show the effective rates quarterly and calculations would be necessary from two different tariff sheets each time a rate was to be quoted. If this disadvantage were to be avoided an entirely new set of all tariffs containing such clause would have to be prepared, filed, and checked each quarter and, if increases were involved, a finding of justification made by the Commission. Entirely aside from these problems, however, it would appear that the proposal involves a fundamental shift from the competitive fuel oil clause of P-30, to the use of a fuel cost clause as an equalization of earnings. As competitive conditions have now changed somewhat we are of the opinion that the objection to the fuel oil clause proposed in applicant's original filing of proposed rates herein best may be resolved by leaving out the fuel oil clauses entirely in the basic schedules found reasonable herein. Should competitive conditions arise in the future or should the cost of fuel per kwhr sold undergo a sizable change in the future, the applicant may present the problem by appropriate application for further consideration by the Commission.

Other Special Conditions

Applicant proposes a reduction in the power factor discount and penalty allowance on its proposed Schedule P-2. In view of the developments in recent years of low cost power factor correction equipment such change appears reasonable.

Applicant also proposes a discount for a ten year contract on Schedule P-2 where demand is expected to exceed 400 kw. The Commission prefers that service be rendered under filed tariffs without contracts except under very unusual circumstances. We fail to see the need for this special condition in the new A-13 and A-14 general service schedules and it will not be adopted.

Summary of Rate Changes

The following table shows the increase authorized by the order herein based on the 1952 estimated sales as adjusted herein:

Summary of Increases
Based on 1952 Sales Level

Item	Sales Million Kwhr	Revenue at Present Rates	Revenue Increase	Per Cent Incr.	Revenue per Kwhr after Increase
Domestic Service	2,560	$61,393,000	$10,957,000	17.8	2.83¢
Commercial and Industrial Service	6,759	96,575,000	13,450,000	13.9	1.63
Agricultural Power	2,785	29,663,000	5,385,000	18.2	1.26
Street Lighting	77	2,540,000	505,000	19.9	3.95
Resale Service	1,806	10,433,000	2,431,000	23.3	.71
Railway Power	28	346,000	69,000	19.9	1.48
Subtotal	14,015	200,950,000	32,797,000	16.3	1.67
Interdepartmental	29	492,000	93,000	18.9	2.02
Miscellaneous	-	5,479,000	100,000	1.8	-
Total*	14,044	206,921,000	32,990,000	15.9	1.71

* Included in these totals are 1,525 million kwhr and approximately $9,660,000 of revenue, with calculated increase of about $2,348,000 on contracts for which rate changes are not being authorized herein pending renegotiation.

In the above tabulation the effects of the authorized changes in zoning have been reflected in the classes affected. The small light and power group of commercial and industrial service has been given a lesser percentage increase, 13.9%, than the increase of 20.0% proposed by the applicant.

Conclusion

After reviewing all of the evidence of record and the statements by protestants and interested parties and giving full weight to the declining trend in rate of return, it is our conclusion that an order should be issued increasing the rates in the over-all amount of $32,990,000, of which $30,642,000 will be realized from customers on filed rate tariffs and $2,348,000 is subject to renegotiation, in the manner outlined herein and to the extent set forth in Exhibit "A" following the order.

Nearly 30 years ago 6/ the Commission stated that the fixing of rates and the equitable division of charges on a system as extensive as that of applicant is a problem in the solution of which no exact rule or formula can be used. One of the elements listed as important in that determination was cost of service. Such views still obtain. Here for the first time in recent years in a formal rate case the Commission has before it functional cost computations to aid in the determination of proper rate levels. Inasmuch as the applicant did not file revised rates following the introduction of the cost studies and the late-filed wage and tax increase exhibits, it has been necessary for the Commission to revise the rate proposal and to require applicant to make additional studies to meet the conditions brought about by such data, by the growth in the territory and by changing domestic, commercial and industrial conditions.

All motions inconsistent with the findings of this opinion and order are denied.

6/ Decision No. 11457, Application No. 5567, December 30, 1922.

O R D E R

Pacific Gas and Electric Company having applied to this Commission for an order authorizing increases in electric rates and charges, public hearings having been held, the matter having been submitted and being ready 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 for the future are unjust and unreasonable; therefore,

IT IS ORDERED AS FOLLOWS:

1. Applicant is authorized and directed to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, revised schedules with changes in rates, terms and conditions as set forth in Exhibit "A" attached hereto, and after not less than five (5) days' notice to this Commission and to the public to make said rates effective for service rendered on and after November 10, 1952.

2. At the time of making effective the rates authorized by Section 1 hereof, applicant may withdraw and cancel all present schedules and transfer the customers on such schedules to the appropriate new schedules generally applicable in the areas and for the type of service involved.

3. Applicant is not authorized to increase the rates prescribed by the following contracts but may effect increases through renegotiation of the contracts, either by placing the business on applicable filed tariff rates wherever possible, or by submitting the renegotiated contracts for approval by this Commission in the manner specified by General Order No. 96:

Contract	Dated
City of Alameda	(June 26, 1951 (August 11, 1949
City of Palo Alto	August 17, 1949
City of Redding	(July 5, 1949 (December 5, 1949
City of Lodi	September 21, 1949
City of Gridley	July 21, 1949
City of Santa Clara	August 16, 1949
City of Roseville	September 6, 1950
City of Biggs	August 5, 1949
Plumas-Sierra Rural Elec. Coop. Inc.	October 26, 1949
City of Healdsburg	September 6, 1949
City of Ukiah	September 6, 1949
City of Lompoc	September 12, 1949
Sacramento Municipal Util. District	(April 9, 1946 (November 6, 1950
Sierra Pacific Power Company	March 4, 1948
Turlock Irrigation District	January 7, 1942
U. S. Dept. of Interior, Yosemite National Park	September 11, 1944
Byron Bethany Irrigation District	December 12, 1950
West Stanislaus Irrigation District	December 28, 1950
Banta-Carbona Irrigation District	May 14, 1951
East Contra Costa Irrigation District	July 10, 1951
Patterson Water Company	June 20, 1951
Southern San Joaquin Mun. Util. Dist.	July 3, 1951
City and County of San Francisco	
(Street Lighting Service	March 14, 1945
(Supplemental Power and Energy)	April 18, 1945
Fruit Growers Supply Company	December 27, 1944
Eureka Redwood Lumber Company	April 12, 1951
Ames Aeronautical Laboratory	October 1, 1945
Hammond Lumber Company	October 19, 1931
California Oregon Power Company, The	October 4, 1950
Mare Island Navy Yard	July 1, 1949

No rate increases are authorized in applicant's contract with The California Oregon Power Company, dated October 4, 1950, pending renegotiation, except in so far as changes to applicant's Schedule P-31 herein authorized may affect rates or charges under said contract.

4. The contract with the City and County of San Francisco dated March 14, 1945, except for that portion of Section 8(a) pertaining to charges for street lighting services, is exempt from any rate increase as requested by applicant. Also, exemption from any increase is granted as to the following contracts:

Contract	Dated
Tide Water Associated Oil Company	(August 30, 1937 (December 8, 1944
Shell Oil Company	February 15, 1938
Union Oil Company	(June 2, 1938 (April 1, 1942 (April 9, 1951
Hammond Lumber Company, Eureka	April 15, 1942
Hercules Powder Company	July 12, 1951
The Dow Chemical Company	September 4, 1951
Shell Union Oil Corporation (Shell Chemical Division)	April 11, 1952
United States of America (Bureau of Reclamation)	(April 2, 1951 (October 3, 1951
Southern California Edison Company (Interchange)	(December 31, 1947 (April 10, 1951 (May 9, 1951

5. Applicant is authorized to increase its non-schedule rates in the manner and to the extent proposed in Section 3 of Exhibit No. 26 as supplemented by Exhibit No. 26-B, except for any service therein subject to special contracts (not subject to 30 days' cancellation). Such special contracts shall be subject to renegotiation in the manner extended herein to special resale contracts.

6. Applicant shall prepare a study and submit a report within 180 days after the effective date of this order regarding the feasibility of establishing the following:

   a. East Bay Inner and Outer Rate Areas.

   b. San Francisco Peninsula Rate Area.

   c. Marin Peninsula Rate Area.

   d. Concord-Walnut Creek Rate Area or Contra Costa County Rate Area.

   e. Minimum customer and density criteria for establishing rate zones.

   f. Minimum customer and density criteria for rezoning of fringe areas and built-up communities.

   g. Segregation of general power schedules into 12 zones.

   h. Other improvements in rate design.

7. Applicant shall prepare a study and submit a report within 90 days after the effective date of this order showing its practices with respect to, and requirements for, interest during construction, expressed in cost of money and applicable interest rates.

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

Dated at San Francisco, California, this 15th day of October, 1952.

President.

Commissioners.

APPLICATION NO. 32589

EXHIBIT A

AUTHORIZED REVISION

OF

ELECTRIC TARIFFS

OF

PACIFIC GAS AND ELECTRIC COMPANY

A-32589*

Item 1: SCHEDULES A-1, -2, -3, -4, -5, -6, -10, -11 and -12

[Title, Description, and Conditions to appear on each schedule.]

GENERAL SERVICE

Description of Service:

This schedule is applicable to all single-phase or polyphase alternating current service, provided that all polyphase service to any customer on the same premises shall be supplied through one meter. Service to each of two or more separate areas, but not in the same building, and which do not overlap within the same premises may be individually metered. At the customer's option, single-phase and polyphase service may be combined.

Special Conditions:

(a) Voltage: Service on this schedule will be supplied at the secondary voltage available. Where polyphase power is to be combined with single-phase, a 4-wire service will be supplied, either 120-240-volt or 120-208-volt, whichever is provided; provided, however, that where a customer has made application for such a 4-wire service but the Company is not in position to supply the same at that location economically, then, temporarily until the Company is ready, a single-phase and a polyphase service will be supplied and metered separately, the meter readings being combined for the purpose of computing charges on this schedule.

SCHEDULE A-1

Territory:

Within the incorporated limits, as they existed November 10,1952, of Albany, Berkeley, Daly City, Emeryville, Oakland, Piedmont, San Francisco and San Leandro.

Rate:

Single-Phase Service:

Service Charge: per meter per month..................50¢

Energy Charge (to be added to Service Charge):

First 50	kwhr per meter per month................	3.8¢ per kwhr
Next 150	kwhr per meter per month................	3.5¢ per kwhr
Next 800	kwhr per meter per month................	2.9¢ per kwhr
Next 2,000	kwhr per meter per month................	2.6¢ per kwhr
Next 3,000	kwhr per meter per month................	2.2¢ per kwhr
All excess	kwhr per meter per month................	2.1¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

SCHEDULE A-2

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Bakersfield, El Cerrito, Fresno, Richmond, San Jose and Stockton.

Rate:

Single-Phase Service:

Service Charge: per meter per month .... 60¢

Energy Charge (to be added to Service Charge):

First 50 kwhr per meter per month	....	4.0¢ per kwhr
Next 150 kwhr per meter per month	....	3.5¢ per kwhr
Next 800 kwhr per meter per month	....	2.9¢ per kwhr
Next 2,000 kwhr per meter per month	....	2.6¢ per kwhr
Next 3,000 kwhr per meter per month	....	2.2¢ per kwhr
All excess kwhr per meter per month	....	2.1¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

SCHEDULE A-3

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Antioch, Burlingame, Carmel, Chico, Grass Valley, Hayward, Madera, Martinez, Marysville, Menlo Park, Merced, Mill Valley, Monterey, Napa, Oroville, Pacific Grove, Petaluma, Pittsburg, Redwood City, Salinas, San Anselmo, San Bruno, San Carlos, San Luis Obispo, San Mateo, San Pablo, San Rafael, Santa Maria, Santa Rosa, Selma, South San Francisco, Sunnyvale, Tracy, Woodland and Yuba City.

Rate:

Single-Phase Service:

Service Charge: per meter per month .... 65¢

Energy Charge (to be added to Service Charge):

First 50 kwhr per meter per month	....	4.2¢ per kwhr
Next 150 kwhr per meter per month	....	3.9¢ per kwhr
Next 800 kwhr per meter per month	....	3.2¢ per kwhr
Next 2,000 kwhr per meter per month	....	2.8¢ per kwhr
Next 3,000 kwhr per meter per month	....	2.2¢ per kwhr
All excess kwhr per meter per month	....	2.1¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

SCHEDULE A-4

Territory:

Within the incorporated limits, as they existed November 10, 1952, of:

Alviso, Amador City, Angels, Arroyo Grande, Atherton, Atwater, Auburn, Belmont, Belvedere, Benicia, Brentwood, Campbell, Calistoga, Chowchilla, Cloverdale, Clovis, Coalinga, Colfax, Colma, Colusa, Concord, Corcoran, Corning, Corte Madera, Davis, Dinuba, Dixon, Dos Palos, Fairfax, Fairfield, Firebaugh, Folsom, Fowler, Gonzales, Greenfield, Guadalupe, Gustine, Hillsborough, Huron, Isleton, Jackson, Kerman, King City, Kingsburg, Lakeport, Larkspur, Lemoore, Lincoln, Live Oak, Livermore, Livingston, Los Banos, Los Gatos, Manteca, Maricopa, Mendota, Millbrae, Mountain View, Nevada City, Newman, Oakdale, Orange Cove, Orland, Parlier, Paso Robles, Patterson, Pismo Beach, Placerville, Pleasanton, Plymouth, Point Arena, Red Bluff, Reedley, Rio Vista, Ripon, Riverbank, Rocklin, Ross, San Joaquin, Sanger, Sausalito, Sebastopol, Shafter, Soledad, Sonoma, Sonora, St. Helena, Suisun, Sutter Creek, Taft, Tehama, Vacaville, Walnut Creek, Wasco, Wheatland, Williams, Willits, Willows, Winters

Also, within the following built-up areas as more fully described under the reference numbers in the Description of Special Rate Areas:

Alisal(1)
Arroyo Grande Suburban, Grover(88)
Atherton Suburban(5)
Atwater Suburban, Castle Gardens(89)
Bakersfield Suburban(7)
Bayshore(9)
Calwa(14)
Carmel Suburban(16)
Chico Suburban(18)
Concord Suburban(19)
Daly City Suburban(84)
East Oroville(96)
East San Jose(22)
East Vallejo(23)
Ford City(26)
Fresno Suburban(27)
Grass Valley-Nevada City Suburban(103)
Healdsburg Suburban(105)
Kensington Park(34)
Kentfield(35)
Lomita Park(39)
Los Altos-Barron Park-Mountain View Suburban(109)
Martinez Suburban(40)
Marysville Suburban, Linda-Olivehurst(74)
Menlo Park Suburban(113)
Merced Suburban East Area(41)
Mill Valley Suburban(114)
Napa Suburban North Area(44)
Napa Suburban Southwest Area(116)
North Palo Alto(47)
Petaluma Suburban(120)
Pismo Beach Suburban, Shell Beach(123)
Redding Suburban(124)
Redwood City Suburban South Area(51)
Richmond Annex Addition(52)
Salinas Suburban North Area(55)
San Jose Suburban Southwest Area(57)
San Leandro-Hayward Suburban(60)
San Pablo Suburban(61)
San Rafael Suburban(128)
Santa Clara Suburban(129)
Santa Maria Suburban(130)
Santa Rosa Suburban(62)
Saranap(81)
Saratoga(82)
Saratoga-Campbell and Los Gatos Suburban(131)
Seaside(64)
Sebastopol Suburban(132)
Sonoma Suburban(135)
South Hayward Suburban(65)
South Oroville(66)
South Taft-Taft Heights Area(67)
Stockton Suburban(68)
Vallejo Suburban North Area(72)
Walnut Creek-Concord Suburban(136)
Willows Suburban(137)

Rate:

Single-Phase Service:

Service Charge: per meter per month .... 70¢

Energy Charge (to be added to Service Charge):

First	50 kwhr per meter per month	4.4¢ per kwhr
Next	150 kwhr per meter per month	4.1¢ per kwhr
Next	800 kwhr per meter per month	3.5¢ per kwhr
Next	2,000 kwhr per meter per month	3.0¢ per kwhr
Next	3,000 kwhr per meter per month	2.2¢ per kwhr
All excess	kwhr per meter per month	2.1¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:
65¢ per month per horsepower of polyphase connected motor load.

SCHEDULE A-5

Territory:

Within the boundaries of the following towns and suburban communities as more fully described under the reference numbers in the Description of Special Rate Areas:

Coast Valleys Division
Bay View Park (90)
Castroville (91)

Colgate Division
Arbuckle (3)

DeSabla Division
Durham (95)
East Quincy (97)
Paradise (80)
Quincy (50)

East Bay Division
Alvarado (86)
Ambrose (2)
Centerville (17)
Crockett (20)
Decoto (21)
Irvington (107)
Lafayette (36)
Newark (45)
Niles (46)
Oakley (79)
Orinda (119)

North Bay Division
Alto-Strawberry Point (85)
Ignacio (106)
Novato (117)
Tiburon (75)

Sacramento Division
Broderick (12)
Bryte (13)
Fairfield Gardens (99)
Mather Field Heights (111)

San Francisco Division
Brisbane (11)
Sharp Park-Edgemar-
Pacific Manor (133)

San Joaquin Division
Arvin (4)
Avenal (6)
Cayucos (92)
Cutler (94)
Mariposa (110)
Lamont (37)
McFarland (112)
Morro Bay (115)
Orcutt (118)
Pinedale (121)
Planada (122)
Riverdale (126)
San Miguel (127)
Solvang (134)
Winton (138)

San Jose Division
Cupertino (93)
Half Moon Bay (104)
Monte Vista (78)

Shasta Division
Anderson (76)
Burney (77)
Central Valley-Summit
City (73)
Fall River Mills (100)

Stockton Division
Escalon (24)
Ione (32)
Jamestown (33)
Lockeford (108)
San Andreas (56)
Tuolumne (83)
Woodbridge (139)

Rate:

Single-Phase Service:

Service Charge: per meter per month .... 75¢

Energy Charge (to be added to Service Charge):

First	50 kwhr per meter per month	4.6¢ per kwhr
Next	150 kwhr per meter per month	4.3¢ per kwhr
Next	800 kwhr per meter per month	3.9¢ per kwhr
Next	2,000 kwhr per meter per month	3.2¢ per kwhr
Next	3,000 kwhr per meter per month	2.2¢ per kwhr
All	excess kwhr per meter per month	2.1¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

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SCHEDULE A-6

Territory:

The entire territory served outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns and outside of—

The Humboldt Division,

The entire territory served in the Fort Bragg Area, and

The unincorporated towns and built-up suburban areas to which Schedules A-4 and A-5 are applicable.

Rate:

Single-Phase Service:

Service Charge: per meter per month .... 85¢

Energy Charge (to be added to Service Charge):

First	50 kwhr per meter per month	5.6¢ per kwhr
Next	150 kwhr per meter per month	5.3¢ per kwhr
Next	800 kwhr per meter per month	4.4¢ per kwhr
Next	2,000 kwhr per meter per month	3.2¢ per kwhr
Next	3,000 kwhr per meter per month	2.2¢ per kwhr
All excess	kwhr per meter per month	2.1¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

Special Conditions:

(b) Seasonal Use: For seasonal customers and others who regularly take service for only part of the year, this schedule is applicable only on annual contract.

SCHEDULE A-10

Territory:

Within the incorporated limits of Eureka as they existed November 10, 1952.

Rate:

Single-Phase Service:

Service Charge: per meter per month ....65¢

Energy Charge (to be added to Service Charge):

First	50 kwhr per meter per month	4.4¢ per kwhr
Next	150 kwhr per meter per month	4.1¢ per kwhr
Next	800 kwhr per meter per month	3.4¢ per kwhr
Next	2,000 kwhr per meter per month	3.0¢ per kwhr
Next	3,000 kwhr per meter per month	2.3¢ per kwhr
All excess	kwhr per meter per month	2.2¢ per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

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SCHEDULE A-11

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Arcata, Blue Lake, Ferndale, Fort Bragg, Fortuna and Trinidad.

Also, within the built-up unincorporated areas of Arcata Suburban (87), Eureka Suburban (98), Fortuna Suburban (101), Garberville (102) and Rio Dell (125) as more fully described under the reference numbers in Description of Special Rate Areas.

Rate:

Single-Phase Service:

Service Charge: per meter per month ....75¢

Energy Charge (to be added to Service Charge):

First	50 kwhr per meter per month	4.7¢	per kwhr
Next	150 kwhr per meter per month	4.4¢	per kwhr
Next	800 kwhr per meter per month	3.9¢	per kwhr
Next	2,000 kwhr per meter per month	3.2¢	per kwhr
Next	3,000 kwhr per meter per month	2.3¢	per kwhr
All excess	kwhr per meter per month	2.2¢	per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

SCHEDULE A-12

Territory:

The entire territory served in Humboldt Division and the Fort Bragg Area outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns, and outside of the built-up areas to which Schedule A-11 is applicable.

Rate:

Single-Phase Service:

Service Charge: per meter per month .... 85¢

Energy Charge (to be added to Service Charge):

First	50 kwhr per meter per month	5.9¢	per kwhr
Next	150 kwhr per meter per month	5.6¢	per kwhr
Next	800 kwhr per meter per month	4.8¢	per kwhr
Next	2,000 kwhr per meter per month	3.4¢	per kwhr
Next	3,000 kwhr per meter per month	2.3¢	per kwhr
All excess	kwhr per meter per month	2.2¢	per kwhr

Polyphase Service:

The single-phase rate plus $1.00 per meter per month.

Minimum Charge:

65¢ per month per horsepower of polyphase connected motor load.

Special Condition:

(b) For seasonal customers and others who regularly take service for only part of the year, this schedule is applicable only on annual contract.

Item 2: SCHEDULES A-13 AND A-14

GENERAL SERVICE - DEMAND METERED

[Title, Description, and Conditions to appear on each schedule.]

Description of Service:

This schedule is applicable to alternating current lighting and, at the customer's option, to alternating current for heating, cooking, power or any combination thereof (either single-phase or polyphase) alone or combined with lighting, provided all polyphase power service to any customer on the same premises shall be supplied through one meter. Service to each of two or more separate areas, but not in the same building, and which do not overlap within the same premises may be individually metered.

Special Conditions:

(a) Maximum Demand: The maximum demand in any month will be the maximum average power taken during any 15-minute interval in the month, provided, however, that whenever such monthly maximum demand has exceeded 400 kw for three consecutive months and thereafter until it has fallen below 300 kw for 12 consecutive months, a 30-minute interval will be used; provided further, that in cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used. A thermal type of demand meter which does not reset after a definite time interval may be used.

(b) Billing Demand: The billing demand to be used in computing charges under the above schedule will be the mean of the actual maximum demand as determined under (a) for the current month and the highest such demand occurring in the year ending with the current month.

(c) Off-peak Demand: Any customer whose billing demand has exceeded 400 kw for 3 consecutive months and thereafter until it has fallen below 300 kw for 12 consecutive months may, upon request, and under a contract for service for a period of 5 years, have demands occurring between 10:30 p.m. and 6:30 a.m. of the following day and on Sundays and legal holidays ignored in determining the billing demand.

(d) Voltage: Service on this schedule will be supplied at the secondary voltage available or, at the option of the customer, at the primary voltage available. Where secondary voltage is desired and polyphase power is to be combined with single-phase, a 4-wire service will be supplied, either 120-240-volt or 120-208-volt, whichever is available; provided, however, that where a customer has made application for such a 4-wire service but the Company is not in position to supply the same at that location economically, then, temporarily, until the Company is ready, such single-phase and polyphase service will be supplied and metered separately, the meter readings being combined for the purpose of computing charges on this schedule.

(e) Primary Voltage Discount: When delivery hereunder is made at the same voltage as that of the line from which the service is supplied a discount of 4% for 11 kv or higher available line voltages and 3% for available line voltages of from 2 kv to 10 kv will be allowed, provided, however, the Company is not required to supply service at a particular line voltage where it has (or will install) ample facilities for supplying at another voltage equally or better suited to the customer's electrical requirements. The Company retains the right to change its line voltage at any time, after reasonable advance notice to any customer receiving a discount hereunder and affected by such change, and such customer then has the option to change his system so as to receive service at the new line voltage or to accept service (without voltage discount) through transformers to be supplied by the Company.

SCHEDULES A-13 AND A-14 (Continued

Special Conditions: (Continued)

(f) Power Factor: When the billing demand has exceeded 400 kw for three consecutive months and thereafter until it has fallen below 300 kw for twelve consecutive months, bills will be adjusted for weighted monthly average power factor as follows:

The total charge (except the minimum charge) for any month as computed on the above rates will be decreased or increased, respectively, by 0.1% for each 1% that the average power factor of customer's load in that month was greater or less than 85%, such average power factor to be computed (to the nearest whole per cent) from the ratio of lagging kilovolt-ampere-hours to kilowatt-hours consumed in the month, provided, however, that no power factor correction will be made for any month when customer's maximum demand was less than 10% of the highest such demand in the preceding eleven months. (New installations of power factor metering equipment required hereunder may be subject to delay due to shortage of labor and materials.)

SCHEDULE A-13

Territory:

The entire territory served except the Humboldt Division and the Fort Bragg Area.

Rate:

Energy Charge:

First 6,000 kwhr or less per month $150.00

For all excess over 6,000 kwhr per month:
First 50 kwhr per kw of billing demand................ 2.10¢ per kwhr
Next 150 kwhr per kw of billing demand:
First 100,000 kwhr .... 1.20¢ per kwhr
Balance .... 0.85¢ per kwhr
Next 100 kwhr per kw of billing demand .... 0.85¢ per kwhr
All excess .... 0.60¢ per kwhr

Minimum Charge, per month:
$150.00 but not less than 90¢ per kw of billing demand.

SCHEDULE A-14

Territory:

The entire territory served in the Humboldt Division and in the Fort Bragg Area.

Rate:

Energy Charge:

First 6,000 kwhr or less per month $165.00

For all excess over 6,000 kwhr per month:
First 50 kwhr per kw of billing demand .... 2.20¢ per kwhr
Next 150 kwhr per kw of billing demand:
First 100,000 kwhr.................................. 1.30¢ per kwhr
Balance .... 0.95¢ per kwhr
Next 100 kwhr per kw of billing demand .... 0.95¢ per kwhr
All excess .... 0.70¢ per kwhr

Minimum Charge, per month:
$165.00 but not less than 90¢ per kw of billing demand.

Item 3

SCHEDULE A-15

GENERAL SERVICE - DIRECT CURRENT

Description of Service:

This schedule is applicable to direct current lighting service, including lamp socket appliances and, at the customer's option, to direct current service for power and heating alone or combined with lighting on the same meter.

Territory:

Certain downtown areas of San Francisco.

Rate:

Service Charge: per meter per month ....50¢

Energy Charge: (to be added to Service Charge)

First	50	kwhr per meter per month	5.3¢ per kwhr
Next	150	kwhr per meter per month	4.8¢ per kwhr
Next	800	kwhr per meter per month	4.2¢ per kwhr
Next	2,000	kwhr per meter per month	3.7¢ per kwhr
Next	12,000	kwhr per meter per month	3.0¢ per kwhr

All over 15,000 kwhr per meter per month:

First	50 kwhr per kw of maximum demand	2.5¢ per kwhr
Next	150 kwhr per kw of maximum demand	1.9¢ per kwhr
All excess	kwhr per kw of maximum demand	1.3¢ per kwhr

Minimum Charge: The Service Charge constitutes the Minimum Charge, except where motors (exclusive of lamp socket appliances) aggregating more than 5 hp are connected, in which case the total minimum charge will be $1.15 per month per hp of motor load connected.

Special Conditions:

(a) The Company has the option of refusing D.C. service where both A.C. and D.C. are available. D.C. service will be furnished at new locations only with the approval of the Public Utilities Commission.

(b) The maximum demand in any month will be the average kw delivery of the 15-minute interval in which such delivery is greater than in any other 15-minute interval in the month. The maximum demand to be used in computing charges under the above schedule will be the mean of the actual maximum so determined for the current month and the highest such demand occurring in the year ending with the current month.

Item 4.

SCHEDULE A-16

GENERAL SERVICE - PUBLIC SCHOOL - LIMITED

Description of Service:

Applicable to all public schools for lighting, heating, cooking and power service.

Territory:

Applicable to entire territory served by the Company in the Stockton Division within the following boundaries: Beginning at the intersection of the Stanislaus County line and the Tuolumne River in Section 16, Township 3 South, Range 14 East, the boundary line shall extend northwest along the Stanislaus County line to the intersection of this county line with the Stanislaus River; thence westward along the Stanislaus River to the Northeast corner of Section 18, Township 2 South, Range 10 East; thence West to the Northwest corner of Section 18, Township 2 South, Range 10 East; thence North to the Northeast corner of Section 13, Township 2 South, Range 9 East; thence West to the Northeast corner of Section 18, Township 2 South, Range 7 East; thence in a straight line Southwest to the line of the Southern Pacific Railroad at its intersection with the South line of Section 6, Township 3 South, Range 6 East; thence Southeast along the Southern Pacific Railroad to the South line of Section 13, Township 5 South, Range 7 East; thence East on the section line to the San Joaquin River; thence North along the San Joaquin River to the mouth of the Tuolumne River and finally eastward along the Tuolumne River to the point of commencement.

Rate:

First	150 kwhr per meter per month	4.5¢ per kwhr
Next	150 kwhr per meter per month	2.6¢ per kwhr
All over	300 kwhr per meter per month	2.0¢ per kwhr

Minimum Charge:

(a) Lighting only, per meter per month $1.45

(b) Lighting, cooking and power, per meter per month ... 1.45
Plus, for all connected loads in excess of 3 kw of heating and cooking or 3 hp of power, per kw or per hp 0.75

(c) Power only, per meter per month 1.45
Plus, for all connected loads in excess of 2 hp, per hp 0.75

Special Conditions:

(a) Three-phase power may be supplied provided a separate meter is installed.

Item 5. SCHEDULES D-1, -2, -3, -4, -5, -6, -10, -11 and -12

[Title and Description to appear on each schedule.]

DOMESTIC SERVICE

Description of Service:

This schedule is applicable to domestic lighting, heating, cooking and single-phase domestic power service in single family dwellings and in flats and apartments separately metered by the Company; also to all single-phase farm service on the premises operated by the person whose residence is supplied through the same meter.

[There will be no special conditions on these schedules except as shown for Schedules D-6 and D-12.]

SCHEDULE D-1

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Albany, Berkeley, Daly City, Emeryville, Oakland, Piedmont, San Francisco and San Leandro.

Rate:

Service Charge: per meter per month .... 50¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	3.8¢ per kwhr
Next 60 kwhr per meter per month	2.7¢ per kwhr
Next 100 kwhr per meter per month	2.2¢ per kwhr
All excess kwhr per meter per month	1.2¢ per kwhr

SCHEDULE D-2

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Bakersfield, El Cerrito, Fresno, Richmond, San Jose and Stockton.

Rate:

Service Charge: per meter per month .... 60¢

Energy Charge: (to be added to Service Charge):

First 40 kwhr per meter per month	4.0¢ per kwhr
Next 60 kwhr per meter per month	2.8¢ per kwhr
Next 100 kwhr per meter per month	2.3¢ per kwhr
All excess kwhr per meter per month	1.2¢ per kwhr

SCHEDULE D-3

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Antioch, Burlingame, Carmel, Chico, Grass Valley, Hayward, Madera, Martinez, Marysville, Menlo Park, Merced, Mill Valley, Monterey, Napa, Oroville, Pacific Grove, Petaluma, Pittsburg, Redwood City, Salinas, San Anselmo, San Bruno, San Carlos, San Luis Obispo, San Mateo, San Pablo, San Rafael, Santa Maria, Santa Rosa, Selma, South San Francisco, Sunnyvale, Tracy, Woodland and Yuba City.

Rate:

Service Charge: per meter per month .... 65¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	4.2¢ per kwhr
Next 60 kwhr per meter per month	3.0¢ per kwhr
Next 100 kwhr per meter per month	2.4¢ per kwhr
All excess kwhr per meter per month	1.2¢ per kwhr

SCHEDULE D-4

Territory:

Within the incorporated limits, as they existed November 10, 1952, of:

Alviso
Amador City
Angels
Arroyo Grande
Atherton
Atwater
Auburn
Belmont
Belvedere
Benicia
Brentwood
Campbell
Calistoga
Chowchilla
Cloverdale
Clovis
Coalinga
Colfax
Colma
Colusa
Concord
Corcoran
Corning
Corte Madera
Davis
Dinuba
Dixon
Dos Palos
Fairfax
Fairfield
Firebaugh
Folsom
Fowler
Gonzales
Greenfield
Guadalupe
Gustine
Hillsborough
Huron
Isleton
Jackson
Kerman
King City
Kingsburg
Lakeport
Larkspur
Lemoore
Lincoln
Live Oak
Livermore
Livingston
Los Banos
Los Gatos
Manteca
Maricopa
Mendota
Millbrae
Mountain View
Nevada City
Newman
Oakdale
Orange Cove
Orland
Parlier
Paso Robles
Patterson
Pismo Beach
Placerville
Pleasanton
Plymouth
Point Arena
Red Bluff
Reedley
Rio Vista
Ripon
Riverbank
Rocklin
Ross
San Joaquin
Sanger
Sausalito
Sebastopol
Shafter
Soledad
Sonoma
Sonora
St. Helena
Suisun
Sutter Creek
Taft
Tehama
Vacaville
Walnut Creek
Wasco
Wheatland
Williams
Willits
Willows
Winters

Also, within the following built-up areas as more fully described under the reference numbers in the Description of Special Rate Areas:

Alisal (1)
Arroyo Grande, Suburban Grover (88)
Atherton Suburban (5)
Atwater Suburban, Castle Gardens (89)
Bakersfield Suburban (7)
Bayshore (9)
Calwa (14)
Carmel Suburban (16)
Chico Suburban (18)
Concord Suburban (19)
Daly City Suburban (84)
East Oroville (96)
East San Jose (22)
East Vallejo (23)
Ford City (26)
Fresno Suburban (27)
Grass Valley-Nevada City Suburban (103)
Healdsburg Suburban (105)
Kensington Park (34)
Kentfield (35)
Lomita Park (39)
Los Altos-Barron Park-Mountain View Suburban (109)
Martinez Suburban (40)
Marysville Suburban, Linda-Olivehurst (74)
Menlo Park Suburban (113)
Merced Suburban East Area (41)
Mill Valley Suburban (114)
Napa Suburban North Area (44)
Napa Suburban Southwest Area (116)
North Palo Alto (47)
Petaluma Suburban (120)
Pismo Beach Suburban, Shell Beach (123)
Redding Suburban (124)
Redwood City Suburban South Area (51)
Richmond Annex Addition (52)
Salinas Suburban North Area (55)
San Jose Suburban Southwest Area (57)
San Leandro-Hayward Suburban (60)
San Pablo Suburban (61)
San Rafael Suburban (128)
Santa Clara Suburban (129)
Santa Maria Suburban (130)
Santa Rosa Suburban (62)
Saranap (81)
Saratoga (82)
Saratoga-Campbell and Los Gatos Suburban (131)
Seaside (64)
Sebastopol Suburban (132)
Sonoma Suburban (135)
South Hayward Suburban (65)
South Oroville (66)
South Taft-Taft Heights Area (67)
Stockton Suburban (68)
Vallejo Suburban North Area (72)
Walnut Creek-Concord Suburban (136)
Willows Suburban (137)

Rate:

Service Charge: per meter per month ....70¢

Energy Charge (to be added to Service Charge):

First	40 kwhr per meter per month	4.4¢ per kwhr
Next	60 kwhr per meter per month	3.1¢ per kwhr
Next	100 kwhr per meter per month	2.5¢ per kwhr
All excess kwhr per meter per month	....	1.2¢ per kwhr

SCHEDULE D-5

Territory:

Within the boundaries of the following towns and suburban communities, as more fully described under the reference numbers in the Description of Special Rate Areas:

Coast Valleys Division
- Bay View Park (90)
- Castroville (91)

Colgate Division
- Arbuckle (3)

DeSabla Division
- Durham (95)
- East Quincy (97)
- Paradise (80)
- Quincy (50)

East Bay Division
- Alvarado (86)
- Ambrose (2)
- Centerville (17)
- Crockett (20)
- Decoto (21)
- Irvington (107)
- Lafayette (36)
- Newark (45)
- Niles (46)
- Oakley (79)
- Orinda (119)

North Bay Division
- Alto-Strawberry Point (85)
- Ignacio (106)
- Novato (117)
- Tiburon (75)

Sacramento Division
- Broderick (12)
- Bryte (13)
- Fairfield Gardens (99)
- Mather Field Heights (111)

San Francisco Division
- Brisbane (11)
- Sharp Park-Edgemar-Pacific Manor (133)

San Joaquin Division
- Arvin (4)
- Avenal (6)
- Cayucos (92)
- Cutler (94)
- Mariposa (110)
- Lamont (37)
- McFarland (112)
- Morro Bay (115)
- Orcutt (118)
- Pinedale (121)
- Planada (122)
- Riverdale (126)
- San Miguel (127)
- Solvang (134)
- Winton (138)

San Jose Division
- Cupertino (93)
- Half Moon Bay (104)
- Monte Vista (78)

Shasta Division
- Anderson (76)
- Burney (77)
- Central Valley-Summit City (73)
- Fall River Mills (100)

Stockton Division
- Escalon (24)
- Ione (32)
- Jamestown (33)
- Lockeford (108)
- San Andreas (56)
- Tuolumne (83)
- Woodbridge (139)

Rate:

Service Charge: per meter per month .... 75¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	....	4.6¢ per kwhr
Next 60 kwhr per meter per month	....	3.2¢ per kwhr
Next 100 kwhr per meter per month	....	2.6¢ per kwhr
All excess kwhr per meter per month	....	1.2¢ per kwhr

SCHEDULE D-6

Territory:

The entire territory served outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns and outside of—

The Humboldt Division,

The entire territory served in the Fort Bragg Area, and

The unincorporated towns and built-up suburban areas to which Schedules D-4 and D-5 are applicable.

Rate:

Service Charge: per meter per month .... 85¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	....	5.6¢ per kwhr
Next 60 kwhr per meter per month	....	3.9¢ per kwhr
Next 100 kwhr per meter per month	....	2.9¢ per kwhr
All excess kwhr per meter per month	....	1.2¢ per kwhr

Special Condition:

(a) For summer cottage customers and others who regularly take service for only part of the year, this schedule is applicable only on annual contract.

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SCHEDULE D-10

Territory:

Within the incorporated limits of Eureka as they existed November 10, 1952.

Rate:

Service Charge: per meter per month ....65¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	...............4.4¢	per kwhr
Next 60 kwhr per meter per month	...............3.2¢	per kwhr
Next 100 kwhr per meter per month	...............2.6¢	per kwhr
All excess kwhr per meter per month	...............1.2¢	per kwhr

SCHEDULE D-11

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Arcata, Blue Lake, Ferndale, Fort Bragg, Fortuna and Trinidad.

Also, within the built-up unincorporated areas of Arcata Suburban (87), Eureka Suburban (98), Fortuna Suburban (101), Garberville (102) and Rio Dell (125) as more fully described under the reference numbers in Description of Special Rate Areas.

Rate:

Service Charge: per meter per month ....75¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	..............4.7¢	per kwhr
Next 60 kwhr per meter per month	..............3.3¢	per kwhr
Next 100 kwhr per meter per month	..............2.7¢	per kwhr
All excess kwhr per meter per month	..............1.2¢	per kwhr

SCHEDULE D-12

Territory:

The entire territory served in Humboldt Division and the Fort Bragg Area outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns, and outside of the built-up areas to which Schedule D-11 is applicable.

Rate:

Service Charge: per meter per month ....85¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per meter per month	..............5.9¢	per kwhr
Next 60 kwhr per meter per month	..............3.9¢	per kwhr
Next 100 kwhr per meter per month	..............2.9¢	per kwhr
All excess kwhr per meter per month	..............1.2¢	per kwhr

Special Condition:

(a) For summer cottage customers and others who regularly take service for only part of the year, this schedule is applicable only on annual contract.

Item 6: SCHEDULES DA-1, -2, -3 and -4

[Title and Description to appear on each schedule.]

DOMESTIC SERVICE - APARTMENT HOUSE

Description of Service:

This schedule is applicable to domestic service, including lighting, heating, cooking and single-phase power service in apartment houses where four or more apartments in the same building are served through a single meter and each apartment included has permanently installed heating and cooking equipment of at least 2 kw capacity.

[There will be no special conditions on these schedules.]

SCHEDULE DA-1

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Albany, Berkeley, Daly City, Emeryville, Oakland, Piedmont, San Francisco and San Leandro.

Rate:

Service Charge: per meter per month ....50¢

Energy Charge (to be added to Service Charge):
First 40 kwhr per apartment per month ....3.7¢ per kwhr
Next 500 kwhr per month ....2.7¢ per kwhr
All excess kwhr per month ....1.3¢ per kwhr

SCHEDULE DA-2

Territory:

Within the incorporated limits as they existed November 10, 1952, of Bakersfield, El Cerrito, Fresno, Richmond, San Jose and Stockton.

Rate:

Service Charge: per meter per month ....60¢

Energy Charge (to be added to Service Charge):
First 40 kwhr per apartment per month ....3.8¢ per kwhr
Next 500 kwhr per month ....2.7¢ per kwhr
All excess kwhr per month ....1.3¢ per kwhr

SCHEDULE DA-3

Territory:

Within the incorporated limits, as they existed November 10, 1952, of Antioch, Burlingame, Carmel, Chico, Grass Valley, Hayward, Madera, Martinez, Marysville, Menlo Park, Merced, Mill Valley, Monterey, Napa, Oroville, Pacific Grove, Petaluma, Pittsburg, Redwood City, Salinas, San Anselmo, San Bruno, San Carlos, San Luis Obispo, San Mateo, San Pablo, San Rafael, Santa Maria, Santa Rosa, Selma, South San Francisco, Sunnyvale, Tracy, Woodland and Yuba City.

Rate:

Service Charge: per meter per month ....65¢
Energy Charge (to be added to Service Charge):
First 40 kwhr per apartment per month ....4.0¢ per kwhr
Next 400 kwhr per month ....3.0¢ per kwhr
All excess kwhr per month ....1.3¢ per kwhr

SCHEDULE DA-4

Territory:

Within the incorporated limits, as they existed November 10, 1952, of:

Alviso	Concord	Jackson	Oakdale	Sausalito
Amador City	Corcoran	Kerman	Orange Cove	Sebastopol
Angels	Corning	King City	Orland	Shafter
Arroyo Grande	Corte Madera	Kingsburg	Parlier	Soledad
Atherton	Davis	Lakeport	Paso Robles	Sonoma
Atwater	Dinuba	Larkspur	Patterson	Sonora
Auburn	Dixon	Lemoore	Pismo Beach	St. Helena
Belmont	Dos Palos	Lincoln	Placerville	Suisun
Belvedere	Fairfax	Live Oak	Pleasanton	Sutter Creek
Benicia	Fairfield	Livermore	Plymouth	Taft
Brentwood	Firebaugh	Livingston	Point Arena	Tehama
Campbell	Folsom	Los Banos	Red Bluff	Vacaville
Calistoga	Fowler	Los Gatos	Reedley	Walnut Creek
Chowchilla	Gonzales	Manteca	Rio Vista	Wasco
Cloverdale	Greenfield	Maricopa	Ripon	Wheatland
Clovis	Guadalupe	Mendota	Riverbank	Williams
Coalinga	Gustine	Millbrae	Rocklin	Willits
Colfax	Hillsborough	Mountain View	Ross	Willows
Colma	Huron	Nevada City	San Joaquin	Winters
Colusa	Isleton	Newman	Sanger	

Also, within the following built-up areas as more fully described under the reference numbers in the Description of Special Rate Areas:

Alisal(1)
Arroyo Grande Suburban, Grover(88)
Atherton Suburban(5)
Atwater Suburban, Castle Gardens(89)
Bakersfield Suburban(7)
Bayshore(9)
Calwa(14)
Carmel Suburban(16)
Chico Suburban(18)
Concord Suburban(19)
Daly City Suburban(84)
East Oroville(96)
East San Jose (22)
East Vallejo(23)
Ford City(26)
Fresno Suburban(27)
Grass Valley-Nevada City Suburban(103)
Healdsburg Suburban(105)
Kensington Park(34)
Kentfield(35)
Lomita Park(39)
Los Altos-Barron Park-Mountain View Suburban(109)
Martinez Suburban(40)
Marysville Suburban, Linda-Olivehurst(74)
Menlo Park Suburban(113)
Merced Suburban East Area(41)
Mill Valley Suburban(114)
Napa Suburban North Area(44)
Napa Suburban Southwest Area(116)
North Palo Alto(47)
Petaluma Suburban(120)
Pismo Beach Suburban, Shell Beach(123)
Redding Suburban(124)
Redwood City Suburban South Area(51)
Richmond Annex Addition(52)
Salinas Suburban North Area(55)
San Jose Suburban Southwest Area(57)
San Leandro-Hayward Suburban(60)
San Pablo Suburban(61)
San Rafael Suburban(128)
Santa Clara Suburban(129)
Santa Maria Suburban(130)
Santa Rosa Suburban(62)
Saranap(81)
Saratoga(82)
Saratoga-Campbell and Los Gatos Suburban(131)
Seaside(64)
Sebastopol Suburban(132)
Sonoma Suburban(135)
South Hayward Suburban(65)
South Oroville(66)
South Taft-Taft Heights Area(67)
Stockton Suburban(68)
Vallejo Suburban North Area(72)
Walnut Creek-Concord Suburban(136)
Willows Suburban(137)

Rate:

Service Charge: per meter per month ....70¢

Energy Charge (to be added to Service Charge):

First 40 kwhr per apartment per month	..........4.4¢	per kwhr
Next 360 kwhr per month	......................3.0¢	per kwhr
All excess kwhr per month	......................1.3¢	per kwhr

Item 7: SCHEDULES DM-1 and DM-2

[Title, Description and Condition to appear on each schedule.]

DOMESTIC SERVICE--MULTI-FAMILY

Description of Service:

This schedule is applicable to domestic service, including lighting, heating, cooking, and single-phase power service to multi-family dwellings, country estates, farms, and similar premises, where living quarters for more than one family are served through the same meter.

Special Condition:

(a) For customers who regularly take service for only part of the year, this schedule is applicable only on annual contract.

SCHEDULE DM-1

Territory:

The entire territory served outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns and outside of—

The Humboldt Division and
The Fort Bragg Area.

Rate:

Service Charge: Per meter per month ....85¢

Energy Charge (to be added to the Service Charge):
First 40 kwhr per unit* per month ....5.6¢ per kwhr
Next 300 kwhr per month ....3.8¢ per kwhr
All excess kwhr per month ....1.3¢ per kwhr

* For estates, farms, etc., each single family dwelling or other building containing living quarters will be counted as one unit.

SCHEDULE DM-2

Territory:

The entire territory served in Humboldt Division and the Fort Bragg Area outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns.

Rate:

Service Charge: per meter per month..................85¢

Energy Charge (to be added to Service Charge):
First 40 kwhr per unit* per month ....5.9¢ per kwhr
Next 300 kwhr per month..........................3.9¢ per kwhr
All excess kwhr per month..........................1.3¢ per kwhr

* For estates, farms, etc., each single family dwelling or other building containing living quarters will be counted as one unit.

Item 8: SCHEDULE DE

SERVICE TO COMPANY EMPLOYEES

Electricity for domestic purposes is available, upon application, under this schedule to regular and pensioned employees of the Company, (married or unmarried) provided they reside in their own home (single family dwelling, separately-metered flat or apartment) and are supplied directly by the Company.

This rate applies to employees living with and constituting the support of a mother and/or father or other relatives.

The service must be billed to and paid by the employee.

A regular employee is defined, for the purpose of this schedule, as one who has been continuously employed by the Company for more than six months and is paid on a weekly or monthly basis.

This schedule is not applicable to probationary, casual or temporary employees.

Territory:

This schedule is applicable within the entire territory served by the Company.

Rate:

The regular filed domestic service rate schedule applicable in the territory where service is supplied, less 25% discount.

Item 9: SCHEDULE H-1

HEATING AND COOKING

Description of Service:

This schedule is applicable to commercial heating and cooking service, and to single phase power service, 7½ hp or less, when combined on the same meter with heating and cooking service of at least 2 kw capacity; provided that when the total horsepower rating in motors exceeds 5 hp, such horsepower rating must not exceed the total kilowatt rating of heating and cooking apparatus.

Territory:

The entire territory served by the Company.

Rate:

First 150 kwhr per meter per month	5.0¢ per kwhr
Next 850 kwhr per meter per month	1.9¢ per kwhr
All excess kwhr per meter per month	1.3¢ per kwhr

Minimum Charge - Monthly Basis:

$3.75 per month for the first 7 kw or less of the connected load plus 30¢ per kw per month for any additional connected load; provided, however, that space heating appliances shall not be considered as active connected load in computing bills on meter readings subsequent to May 1 and prior to November 1.

Optional Annual Minimum Charge

Upon application by the customer, the Company will put the minimum charge on an annual basis of $45.00 per annum for the first 7 kw or less of connected load, plus $3.75 per annum for each additional kilowatt; provided the customer signs a contract for service for a period of not less than one (1) year. The Company reserves the right to bill the annual minimum charge proportionately throughout the year.

Special Conditions:

(a) Service will normally be 120/240 volt three-wire alternating current.

(b) Connected load will be taken as the name plate rating of all apparatus which may be connected at any one time computed to the nearest one-tenth of a kw, a rating in kva or in volts and amperes or in horsepower being converted to kw at one kva or one hp per kw.

Note:

This schedule is applicable only to those establishments which were being served under Schedules H-1, H-2, H-21, H-50, and WH-53 on the effective date of this schedule.

Item 10: SCHEDULES LS-1 AND LS-2

[Title, Description and Conditions to appear on each schedule]

STREET AND HIGHWAY LIGHTING

Description of Service:

This schedule is applicable to service to street, highway and other public outdoor lighting installations, using incandescent filament or mercury vapor lamps with bracket, mast arm, or center suspension construction, and supplied from overhead lines, where the Company owns and maintains the entire equipment.

Special Conditions:

(a) Company reserves the right to supply either "series" or "multiple" service.

(b) The above rates apply to lamps which will be turned on and off once each night in accordance with a regular burning schedule agreeable to the customer but not exceeding 4,100 hours per year for all-night service and 2,050 hours per year for midnight service.

(c) Rates for regular operating schedules other than full all-night but not midnight will be the midnight rates plus or minus, respectively, for each half-hour per night more or less than midnight service, one-eleventh of the difference between the midnight and the all-night rate, computed to the nearest whole cent. This adjustment will apply only to lamps on regular operating schedules which do not exceed 4,500 hours per year.

(d) The foregoing rates apply to installations of ten lamps or more. When service is supplied for less than ten lamps, the above rates increased by 10 per cent will apply except in those cases where the customer supplies the switching service. Such increase in rates will be based upon the total number of lamps controlled from one switching point and not upon the total number of lamps billed to any one customer if controlled through more than one switching point.

(e) Where the Company has furnished an ornamental bracket and lighting unit for lamps of 4,000 lumens or larger and the average spacing between lamps on the same burning schedule exceeds 200 feet, as measured along the center line of the street, counting lamps on both sides, an extra charge of 30¢ per lamp per month is made. Ornamental brackets will not be furnished for new installations on this schedule after the effective date hereof.

(f) The above rates are applicable to street lighting equipment mounted on wood poles except when, at the customer's request, metal poles are installed for the support of street light equipment and conductors only. In such cases an additional monthly charge of $2.00 shall be made for each such metal pole installed, unless the customer elects to pay the additional cost to the Company of providing and installing a metal pole.

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SCHEDULES LS-1 AND LS-2 (Continued)

SCHEDULE LS-1

Territory:

The entire territory served inside the incorporated limits, as they existed November 10, 1952, of all cities and town.

Rate:

	Lamp Rating	Rate per Lamp per Month All-Night Service	Rate per Lamp per Month Midnight Service
Incandescent Lamps	600 lumens or less	$1.70	$1.50
	1,000 lumens	1.90	1.65
	2,500 lumens	2.95	2.55
	4,000 lumens	3.55	3.00
	6,000 lumens	4.25	3.55
	10,000 lumens	5.80	4.75
	15,000 lumens	7.50	6.00
	25,000 lumens	11.00	8.50
Mercury Vapor Lamps	11,000 lumens	6.90	5.80
	15,000 lumens	7.80	6.65
	20,000 lumens	8.40	6.95

SCHEDULE LS-2

Territory:

The entire territory served outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns.

Rate:

	Lamp Rating	Rate per Lamp per Month All-Night Service	Rate per Lamp per Month Midnight Service
Incandescent Lamps	600 lumens or less	$1.90	$1.60
	1,000 lumens	2.25	1.95
	2,500 lumens	3.45	3.00
	4,000 lumens	4.20	3.65
	6,000 lumens	4.95	4.15
	10,000 lumens	6.50	5.30
	15,000 lumens	8.35	6.65
	25,000 lumens	12.25	9.45
Mercury Vapor Lamps	11,000 lumens	7.60	6.40
	15,000 lumens	8.60	7.30
	20,000 lumens	9.20	7.70

Item 11: SCHEDULES LS-3 AND LS-4

/Title, Description and Special Conditions to appear on each schedule./

STREET AND HIGHWAY LIGHTING
(Customer Owned)

Description of Service:

This schedule is applicable to service to street, highway, and other public outdoor lighting installations using incandescent filament or mercury vapor lamps where the customer usually owns the lighting fixtures, supports and interconnecting circuits but the Company furnishes energy at one or more central points.

Special Conditions:

(a) This schedule is applicable to series street lighting systems where the Company furnishes the constant current regulating transformers, and to multiple street lighting systems where the Company delivers current at secondary voltage. Unless otherwise agreed, series current will be delivered at 6.6 amperes and multiple current at 120/240 volts, three-wire, single-phase. All currents and voltages stated herein are nominal, reasonable variations being permitted.

(b) Delivery will be made to the customer's system at a point or at points mutually agreed upon. The Company will furnish the service connection to one post of each group of lamps, provided the customer has arranged his system for the least practicable number of points of delivery, and provided further, that the Company shall not be required under this schedule to make an underground service connection at its expense to any group of less than 10 posts and in no event less than 3 kw connected load.

(c) This schedule contemplates switching by the Company (on the Company's side of points of delivery) and no extra charge will be made for switching provided there are at least 10 kilowatts of lamp load on each circuit separately switched, including all lamps on the circuit whether served under this schedule or not; otherwise an extra charge of $2.50 per month will be made for each circuit separately switched unless such switching installation is made for Company convenience or the customer furnishes the switching facilities and, if installed on Company equipment, reimburses the Company for installing and maintaining them.

(d) The above rates apply to lamps which will be turned on and off once each night in accordance with a regular burning schedule agreeable to the customer but not exceeding 4,100 hours per year for all-night service and 2,050 hours per year for midnight service.

(e) The rates under Classes B and C include all labor necessary for replacement of lamps and glassware and for inspection and cleaning of the same. Maintenance of glassware by the Company is limited to standard glassware such as is commonly used and manufactured in reasonably large quantities. A suitable extra charge will be made for maintenance of glassware of a type entailing unusual expense. Under Class C, the rates include maintenance of circuits between lamp posts and of circuits and equipment in and on the posts, provided these are all of good standard construction; otherwise the Company may decline to grant Class C rates. Class C rates also include painting of posts with one coat of good ordinary paint as required to maintain good appearance, but do not include replacement of posts broken by traffic accidents or otherwise.

(f) The above charges are made on a per-lamp basis. For posts supporting one or more lamps, where the lamps are less than 9 feet apart, the above charges for Classes B and C will be reduced by 6%, computed to the nearest whole cent, for all lamps other than the first one.

SCHEDULES LS-3 AND LS-4 (Continued)

Special Conditions: (Continued)

(g) Rates for regular operating schedules other than full all-night but not midnight will be the midnight rates plus or minus, respectively, for each half hour per night more or less than midnight service, one-eleventh of the difference between the midnight and the all-night rate, computed to the nearest whole cent. This adjustment will apply only to lamps on regular operating schedules which do not exceed 4500 hours per year.

(h) The rates for incandescent lamps under Class A are applicable for service to regular street lamps only and must be increased by 6%, computed to the nearest whole cent, for service to group replacement street lamps. The rates under Classes B and C are applicable to both regular and group replacement street lamps.

(i) The rate for continuous 24-hour operation under Class A service will be twice the all-night rate.

(j) Where, at customer's request, Company installs, owns and maintains any portion of the lighting fixtures, supports and/or interconnecting circuits an extra monthly charge of 1¼% of the Company's estimate of additional investment shall be made.

SCHEDULE LS-3

Territory:

The entire territory served inside the incorporated limits as they existed November 10, 1952, of all cities and towns.

Rate:

Class	Rate Per Lamp Per Month A Company supplies energy and switching service only.		B Company supplies energy and switching service and maintains lamps and glassware.		C Company supplies energy and switching service and maintains entire system including lamps and glassware.	
Burning Schedule	All-Night	Midnight	All-Night	Midnight	All-Night	Midnight
Lamp Rating:						
Incandescent Lamps:						
1,000 lumens or less	$ .48	$ .40	$ .92	$ .70	$1.10	$ .89
2,500 lumens	1.05	.83	1.60	1.20	1.80	1.40
4,000 lumens	1.55	1.20	2.15	1.65	2.35	1.80
6,000 lumens	2.20	1.70	2.90	2.20	3.10	2.35
10,000 lumens	3.50	2.70	4.30	3.25	4.50	3.45
15,000 lumens	4.95	3.80	6.00	4.50	6.20	4.70
25,000 lumens	7.65	5.75	9.35	6.90	9.55	7.10
Mercury Vapor Lamps:						
11,000 lumens	2.20	1.75	4.00	2.90	4.20	3.10
15,000 lumens	3.20	2.50	4.60	3.50	4.80	3.70
20,000 lumens	3.20	2.50	5.20	3.80	5.40	4.00

SCHEDULE LS-4

Territory:

The entire territory served outside the incorporated limits, as they existed November 10, 1952, of all cities and towns.

Rate:

	Rate Per Lamp Per Month					
Class......	A		B		C	
	Company supplies energy and switching service only.		Company supplies energy and switching service and maintains lamps and glassware.		Company supplies energy and switching service and maintains entire system including lamps and glassware.	
Burning Schedule......	All Night	Midnight	All Night	Midnight	All Night	Midnight
Lamp Rating:						
Incandescent Lamps:						
1,000 lumens or less	$0.52	$0.41	$1.10	$0.80	$1.30	$1.00
2,500 lumens	1.15	0.89	1.75	1.30	2.00	1.55
4,000 lumens	1.60	1.25	2.30	1.75	2.50	1.95
6,000 lumens	2.30	1.80	3.10	2.35	3.35	2.55
10,000 lumens	3.65	2.80	4.65	3.45	4.90	3.70
15,000 lumens	5.15	3.90	6.40	4.75	6.65	5.05
25,000 lumens	7.90	5.90	9.60	7.05	9.95	7.40
Mercury Vapor Lamps:						
11,000 lumens	2.30	1.80	4.25	3.10	4.55	3.35
15,000 lumens	3.30	2.65	4.90	3.75	5.20	4.00
20,000 lumens	3.30	2.65	5.45	4.00	5.75	4.30

Item 12: SCHEDULES LS-5 AND LS-6

[Title, Description and Special Conditions to appear on each schedule.]

ELECTROLIER METER RATE

Description of Service:

Applicable to service to electrolier lighting systems where the customer owns the lighting fixtures and interconnecting circuits, and the Company furnishes energy at one or more central points.

Special Conditions:

(a) Series System:

This schedule is applicable to alternating current series street lighting service delivered to the customer's system but metered on the primary side of constant current transformers. Unless otherwise agreed, 6.6 ampere current will be supplied. Constant current transformers will be located at the nearest convenient points back from the points of delivery, or, at the option of the Company, in the Company's substation. Two or more circuits may be combined on a single transformer. Meters will be located at the nearest convenient point back of constant current transformers. In case of more than one transformer, the service may be metered at more than one point, or, at the option of the Company, any two or more transformers may be served through a single meter located at the nearest convenient point back on the line or at the substation.

(b) Multiple System:

This schedule is applicable to alternating current multiple street lighting service delivered to the customer's system at 120/240 volts and metered at delivery voltage at nearest convenient points back from points of delivery. In case of more than one point of delivery, the service may be metered at more than one point, or, at the option of the Company, two or more deliveries may be combined on one meter located at the nearest convenient point back on the line.

(c) General:

The connected load will be determined by taking the rated wattage of all lamps connected to the metered system after dividing each by the rated efficiency of its individual transformer if one is used. Delivery will be made at a point or points mutually agreeable to both parties, the Company connecting to the customer's system at the base of first electrolier in each group. All currents and voltages stated herein are nominal, reasonable variations being permitted.

(d) Switching:

This schedule contemplates switching by the Company (on the Company side of points of delivery) in accordance with the standard burning schedule. In case switching by the Company is not desired, the service charge will be $1.25 per month per point of delivery instead of $3.75.

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SCHEDULE LS-5

Territory:

The entire territory served inside the incorporated limits, as they existed November 10, 1952, of all cities and towns.

Rate:

Energy Charge:
For the first 20 kw or less of connected load:
3.7¢ per kwhr for first 150 kwhr per month per kw connected
0.8¢ per kwhr for all in excess

For all connected load in excess of the first 20 kw:
3.0¢ per kwhr for first 150 kwhr per month per kw connected
0.8¢ per kwhr for all in excess

Service Charge (to be added to Energy Charge):
$3.75 per month for each service connection to a separate circuit of the customer.

Note:

This schedule is applicable only to those street lighting systems and such units as may be added thereto which were served on Schedule L-34 prior to the effective date of this schedule.

SCHEDULE LS-6

Territory:

The entire territory served outside of the incorporated limits, as they existed November 10, 1952, of all cities and towns.

Rate:

Energy Charge:
For the first 20 kw or less of connected load:
4.3¢ per kwhr for first 150 kwhr per month per kw connected.
0.9¢ per kwhr for all in excess

For all connected load in excess of the first 20 kw:
3.2¢ per kwhr for first 150 kwhr per month per kw connected
0.9¢ per kwhr for all in excess

Service Charge (to be added to Energy Charge):
$3.75 per month for each service connection to a separate circuit of the customer.

Note:
This schedule is applicable only to those street lighting systems and such units as may be added thereto which were served on Schedule L-35 prior to the effective date of this schedule.

Item 13:

SCHEDULE LS-7

SODIUM VAPOR STREET AND HIGHWAY LIGHTING

Description of Service:

This schedule is applicable to service to street, highway and other public outdoor lighting installations using sodium vapor lamps. Three classes of service will be supplied as follows:

A. The Company supplies energy and switching only.
B. The Company supplies energy and switching service and maintains the entire system including lamps and glassware.
C. The Company owns and maintains the entire equipment. Under this classification the lamps will be supported by bracket or mast arm and supplied from overhead lines.

Territory:

The entire territory served by the Company.

Rate (1):

Applicable to 10,000-lumen sodium vapor lamps.

	Rate per Lamp per Month			
Class of Service................	A	B		C
Operating Schedule..............	All Night Service	All Night Service	11 PM* Service	All Night Service
Incorporated cities and towns...	$1.55	$4.30	$2.60	$6.65
Unincorporated areas............	1.75			7.20

Additional operating time:
Class A rates for regular operating schedules in excess of full all night service shall be the all night rates plus 6 cents for each hour per night in excess of the regular all night schedules.

* Pacific Standard Time.

Rate (2):

Applicable only to 195-watt, 10,000-lumen series sodium vapor lamps where there are 50 or more lamps controlled from one switching point.

$1.40 per lamp per month for energy and switching only, for annual operation of 4,100 hours or less.

Special Conditions:

(a) The rates under Class A apply to installations of 10 lamps or more. When service under Class A is supplied for less than 10 lamps, the above rates increased by 10 per cent will apply except in those cases where the customer supplies the switching service. Such increase in rates will be based upon the total number of lamps controlled by one switching point and not upon the number of lamps billed to a separate customer.

(b) The above charges are made on a per-lamp basis. For posts supporting one or more lamps, where the lamps are less than 9 feet apart, the above charges for Classes B and C will be reduced by 6%, computed to the nearest whole cent, for all lamps other than the first one.

(c) Lamps served under this rate schedule will be required to operate at not less than 90 per cent power factor.

(d) Lamps on Rate 1 will be turned on and off once each night in accordance with a standard burning schedule prescribed by the customer but not exceeding 4,100 hours per year for all night service and 1,685 hours per year for 11 PM service.

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Item 14:

SCEDULES P-1 AND P-2

(Title, Description, Note and Special Conditions to appear on each schedule.)

GENERAL POWER - CONNECTED LOAD BASIS - ALTERNATING CURRENT

Description of Service:

This schedule is applicable to alternating current used in motors, heating and cooking devices, and rectifiers for battery charging; but is not applicable to current used for lighting, either directly or through transforming or converting equipment.

Note:

The Minimum Charge in Rate (A) and the Demand Charge in Rate (B) shall be based on a connected load of at least 2 hp for single-phase service and at least 3 hp for three-phase service.

Special Conditions:

(a) Voltage: Any standard distribution voltage, single or polyphase, at the customer's choice, but not more than one, (except where 120/208-volt four-wire star or 120/240-volt four-wire delta service is available) will be supplied on this schedule, subject to the Company's rules and regulations on file with the Public Utilities Commission.

(b) Connected Load, for the purpose of this schedule, is the sum of the rated capacities of all of the customer's equipment that may be connected to the Company's lines at the same time, computed to the nearest one-tenth of a horsepower. Motors will be counted at their name plate ratings in horsepower and other devices at their name plate ratings converted to horsepower at 1 kva per hp. Where such equipment includes a transformer used to supply other devices, the rating of such transformer will be used in lieu of the devices supplied by it. Where the original name plate of any motor or device has been removed or altered, the manufacturer's catalogue rating will be used, or the capacity may be determined by test.

(c) Guarantee Load: Any customer under Rate (A) may obtain the rates and conditions of service for a connected load larger than his actual connected load by guaranteeing the charges (including the minimum charge) applicable to such larger connected load. Such a guarantee load may not be changed more than once per year.

(d) Adjustment of Bills: At the end of each year's service period a customer operating under Rate (B) and whose total charges for service for the past year would have amounted to less under Rate (A), will have the charges for this service adjusted to the lower charges.

SCHEDULE P-1

Territory:

The entire territory served except the Humboldt Division and the Fort Bragg Area.

Rate (A) - Monthly Basis:

Energy Charge:

Hp of Connected Load	Rate per kwhr for Monthly Consumption of First 50 Kwhr Per Hp	Next 50 Kwhr Per Hp	Next 150 Kwhr Per Hp	All Over 250 Kwhr Per Hp
2 - 9.9 hp	4.7¢	2.5¢	1.4¢	1.1¢
10 - 24.9 hp	4.2	2.4	1.3	1.1
25 hp and over	3.5	2.2	1.2	1.0

Minimum Charge:

	Per Hp Per Month
First 50 hp of connected load	$1.25
All over 50 hp of connected load	.85

When the primary use of power is seasonal or intermittent, the minimum charge may, at the option of the customer, be made accumulative over a 12-month period.

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SCHEDULE P-1 (Continued)

Rate (B) - Annual Basis:

Demand Charge:

	Per Hp Per Year
First 10 hp of connected load	$7.50
All over 10 hp of connected load	5.25

The demand charge is payable in five equal monthly installments

Energy Charge (to be added to Demand Charge):
The energy rates applicable to Rate (A) above.

SCHEDULE P-2

Territory:

The entire territory served in the Humboldt Division and in the Fort Bragg Area.

Rate (A) - Monthly Basis:

Energy Charge:

HP of Connected Load	First 50 Kwhr Per Hp	Next 50 Kwhr Per Hp	Next 150 Kwhr Per Hp	All Over 250 Kwhr Per Hp
	Rate per Kwhr for Monthly Consumption of			
2 - 9.9 hp	5.0¢	2.8¢	1.6¢	1.2¢
10 - 24.9 hp	4.5	2.7	1.5	1.2
25 hp and over	3.8	2.5	1.4	1.1

Minimum Charge:

	Per Hp Per Month
First 50 hp of connected load	$1.25
All over 50 hp of connected load	.85

When the primary use of power is seasonal or intermittent, the minimum charge may, at the option of the customer, be made accumulative over a 12-month period.

Rate (B) - Annual Basis:

Demand Charge:

	Per Hp Per Year
First 10 hp of connected load	$7.50
All over 10 hp of connected load	5.25

The demand charge is payable in five equal monthly installments.

Energy Charge (to be added to Demand Charge):

The energy rates applicable to Rate (A) above.

Item 15: SCHEDULES P-3 AND P-4

(Title, Description and Conditions to appear on each schedule.)

GENERAL POWER - MAXIMUM DEMAND BASIS - ALTERNATING CURRENT

Description of Service:

This schedule is applicable to alternating current used in motors, heating and cooking devices, and rectifiers for battery charging; but is not applicable to current used for lighting, either directly or through transforming or converting equipment, except incidental lighting (as defined in Special Conditions (c) below) combined with power on the same meter.

Special Conditions:

(a) Billing Demand for the purpose of this schedule is the maximum demand made by the customer's equipment for electrical power during the month for which bill is rendered but not less than 50% of the highest such demand in the preceding eleven months. The maximum demand in any month will be the maximum average power taken during any 15-minute interval in the month; provided, that in cases where the use of energy is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

(b) Guaranteed Load: Any customer may obtain the rates and conditions of service for a billing demand greater than his actual demand by guaranteeing the charges (including the minimum charge) applicable to such greater demand. Such guaranteed demand may not be changed more than once per year.

(c) Incidental Lighting, for the purpose of this schedule, is any lighting on the premises of an industrial (as distinguished from commercial) plant operated by power supplied on this schedule, except lighting in dwellings or in buildings used primarily for trade or for any purpose not essential to the operation of such plant.

(d) Voltage: Any standard distribution voltage, single or polyphase, at the customer's choice, but not more than one, (except where 120/208-volt four-wire star of 120/240-volt four-wire delta service is available) will be supplied on this schedule, subject to the Company's rules and regulations on file with the Public Utilities Commission.

SCHEDULE P-3

Territory:

The entire territory served except the Humboldt Division and the Fort Bragg Area.

Rate:

Billing Demand (Kw)	Rate per Kwhr for Monthly Consumption Per Kw of the Billing Demand: First 100 Kwhr Per Kw	Next 100 Kwhr Per Kw	Next 100 Kwhr Per Kw.	All Over 300 Kwhr Per Kw
0-18	3.4¢	1.8¢	1.3¢	1.1¢
19-37	3.1	1.5	1.1	1.0
38-74	2.8	1.3	1.1	0.9
75 and over	2.4	1.2	1.0	0.8

Minimum Charge:

$50.00 per month for the first 40 kw or less of the billing demand plus 90¢ per kw for any excess, accumulative annually.

SCHEDULE P-4

Territory:

The entire territory served in the Humboldt Division and in the Fort Bragg Area.

Rate:

Billing Demand (Kw)	Rate per Kwhr for Monthly Consumption Per Kw of the Billing Demand: First 100 Kwhr Per Kw	Next 100 Kwhr Per Kw.	Next 100 Kwhr Per Kw	All over 300 Kwhr Per Kw
0-18	3.6¢	1.9¢	1.4¢	1.1¢
19-37	3.3	1.6	1.2	1.0
38-74	3.0	1.4	1.2	0.9
75 and over	2.6	1.3	1.1	0.8

Minimum Charge:

$50.00 per month for the first 40 kw or less of the billing demand plus 90¢ per kw for any excess, accumulative annually.

Item 16:

SCHEDULE P-5

GENERAL POWER - DIRECT CURRENT

Description of Service:

This schedule is applicable to direct current used in motors, heating and cooking devices, and for charging storage batteries; but is not applicable to current used for lighting either directly or through motor generators, except incidental lighting (as defined in Special Condition (d) below) combined with power on the same meter.

Territory:

Certain limited areas in San Francisco, Oakland, Berkeley, Stockton and San Jose where direct current is available.

Rate:

Hp of Connected Load	Rate per Kwhr for Monthly Consumption of: First 50 Kwhr Per Hp	Next 50 Kwhr Per Hp	Next 150 Kwhr Per Hp	All Over 250 Kwhr Per Hp
2-9.9 hp	5.7¢	3.1¢	1.8¢	1.3¢
10-24.9 hp	5.0	2.9	1.6	1.3
25-49.9 hp	4.2	2.8	1.5	1.2
50-99.9 hp	3.6	2.5	1.5	1.1
100-249.9 hp	3.2	2.2	1.3	1.0
250-499.9 hp	2.9	1.9	1.2	0.9
500 hp and over	2.8	1.8	1.2	0.9

Minimum Charge: $3.00 per month for the first 2 hp plus $1.50 per hp per month for the next 48 hp plus $0.95 per hp per month for excess; provided, however, that when the primary use of power is seasonal or intermittent, the minimum charge may at the option of the customer be made accumulative over a 12-month period.

Special Conditions:

(a) Voltage: Direct current service will be furnished at new locations only with the approval of the Public Utilities Commission. Service on this schedule is supplied only at the voltage available in each city, as follows:

San Francisco............110-220
Oakland..................275-550
Berkeley.................275-550
San Jose.............550
Stockton.............550

(b) Connected Load, for the purpose of this schedule, will be the sum of the rated capacities of all of the customer's equipment that may be connected to the Company's lines at the same time, computed to the nearest one-tenth of a horsepower. Motors will be counted at their nameplate ratings in horsepower, and other devices at their nameplate ratings converted to horsepower at 1 kw per hp. Where the original nameplate of any motor or device has been removed or altered, the manufacturer's catalogue rating will be used or the capacity may be determined by test.

(c) Guarantee Load: Any customer may obtain the rates and conditions of service for a connected load larger than his actual connected load by guaranteeing the charges (including the minimum charge) applicable to such larger connected load. Such a guarantee load may not be changed more than once per year.

(d) Incidental Lighting, for the purpose of this schedule, is any lighting on the premises of an industrial (as distinguished from commercial) plant operated by power supplied on this schedule and having connected load exclusive of lighting of at least 50 horsepower, except lighting in dwellings or in buildings used primarily for trade or for any purpose not essential to the operation of such plant.

SCHEDULE P-5 (Continued)

Special Conditions: (Continued)

(c) Measured Maximum Demand: Customers may have rates and minimum charges based on measured maximum demand, in which case the horsepower of demand upon which rates and minimum charges will be based will not be less than the lower of either (a) 40 per cent of the connected load or (b) the highest maximum demand recorded in the preceding 11 months, and the minimum charge will not be less than $75.00 per month.

The maximum demand in any month will be the average horsepower input (746 watts equivalent) occurring in the 15-minute interval in which the consumption of electric energy is greater than in any other 15-minute interval in the month for installations of 750 horsepower or less, and a 30-minute interval for installations of larger size; such average input to be measured by indicating or recording instruments supplied and maintained by the Company or by test at the option of the Company.

In the case of hoists, elevators, welding machines, furnaces and other installations where the energy demand is intermittent or subject to violent fluctuations, the Company may base the customer's maximum demand upon a 5-minute interval instead of a 15- or 30-minute interval.

Item 17:

SCHEDULE P-6

X-RAY APPARATUS

Description of Service:

This schedule is applicable to electric service supplied for the operation of X-Ray apparatus.

Territory:

The entire territory served by the Company.

Rate:

Where X-Ray apparatus is separately served it shall be classed as power equipment and service will be rendered in accordance with the rates for general power service applying in the various territories; except that the horsepower (or kilowatt) minimum provision of any such rate shall be modified as provided below.

At the customer's option, service to X-Ray apparatus may be rendered at the general service rate, in which case it may be combined (where physically practicable) on the same meter with other general service; provided that the minimum provisions specified below will apply in all cases.

Minimum Charge:

Where the Company finds it necessary to install any special equipment, other than the customary meter and service, in order to render service to an X-Ray apparatus, the minimum monthly charge shall be $0.65 per kilowatt of X-Ray capacity, or $0.65 per kilowatt of special transformer capacity required to serve same.

Where service to an X-Ray apparatus does not require the installation of any special equipment, no horsepower (or kilowatt) minimum shall apply, and only the minimum specified by the schedule used need be considered.

Item 18: SCHEDULE P-7

OIL FIELD POWER

Description of Service:

This schedule is applicable to all power service supplied to equipment used for pumping oil wells, operating gathering pumps, leased line pumps and dehydrating plants, in connection with the production of oil.

Territory:

The entire territory served in the San Joaquin Division.

Rate:

Hp of Connected Load	Rate Per Kwhr Per Month
2- 9 hp	1.65¢ per kwhr
10-24 hp	
First 350 kwhr per hp	1.65¢ per kwhr
All over 350 kwhr per hp	1.20¢ per kwhr
25-49 hp	
First 300 kwhr per hp	1.65¢ per kwhr
All over 300 kwhr per hp	1.10¢ per kwhr
50-99 hp	
First 250 kwhr per hp	1.65¢ per kwhr
All over 250 kwhr per hp	1.00¢ per kwhr
100 hp or more	
First 200 kwhr per hp	1.65¢ per kwhr
All over 200 kwhr per hp	.90¢ per kwhr

Monthly Minimum Charge:

(a) Where installation consists entirely of standard constant speed induction motors: $1.30 per hp, but not less than $2.60 per month.

(b) Where installation consists in whole or in part of double rated variable speed motors: $1.65 per hp, but not less than $16.50 per month.

When dehydrators are used the minimum charge for this load together with any other load will be at the rate of $1.30 per kw of maximum demand but not less than $1.30 per kw of necessary transformer capacity required.

SCHEDULE P-7 (Continued)

Special Conditions:

(a) Service under this schedule will be supplied at 120, 240 or 480 volts under provisions of Rule and Regulation No. 2, at the option of the customer. All necessary transformers to obtain such voltage will be supplied, owned and maintained by the Company.

(b) Any customer may obtain the rate applicable to a larger installation by guaranteeing the charges applicable to such larger installation.

(c) Incidental lighting aggregating 500 watts may be permitted in combination with power service supplied at each electrified well pumping unit, gathering pump or line pump installation. Such transformers as may be required to supply the incidental lighting shall be furnished by the customer.

(d) The foregoing rate and minimum charge may be based on horsepower of measured maximum demand instead of horsepower of connected load provided the customer installs at his own expense, if necessary, power factor corrective equipment adequate to maintain a power factor of not less than 80 per cent. In no case, however, shall these charges be based upon less than 50 per cent of the horsepower of connected load nor less than 25 horsepower. The maximum demand in any month will be the average horsepower delivery of the 15-minute interval in which the consumption of electric energy is greater than in any other 15-minute interval in the month. For the purpose of determining connected load where double rated variable speed motors are involved the lower rating of the motors will be used.

Note:

This schedule is closed to new customers subsequent to its effective date.

Item 19: SCHEDULES PA-1 AND PA-2

/Title, Description and Conditions to appear on each schedule./

AGRICULTURAL POWER

Description of Service:

This schedule is applicable to general agricultural and reclamation service, including pumping, feed choppers, milking machines, heating for incubators, brooders, incidental farm lighting and other farm use, but excluding residential and commercial service.

Special Conditions:

(a) Agricultural Year: Meters on all agricultural services will be read by the Company in April (on regular reading day) of each year and the above energy rates will apply to the yearly periods between such successive readings.

(b) Payment of Service Charges: Service Charges will be payable in six equal monthly installments beginning with the bill based on the regular May meter reading.

(c) Guaranteeing Rates for Larger Size Installation: Any customer may obtain the rate for a larger installation by guaranteeing the rates and service charge of that larger installation.

(d) Voltage: When the Company installs, owns and maintains the transformers the above rate applies to service rendered at 120, 240 or 480 volts (120/208-volt four-wire star or 120/240-volt four-wire delta service will be supplied when available) under provisions of Rule and Regulation No. 2, at the option of the customer and the energy will be metered on the secondary (low) side of the transformer.

The company will also supply service at 2300 volts for installations of 150 hp. or over provided the customer furnishes a suitable enclosure for indoor type instrument transformers and meter.

When the customer owns the transformers, service will be rendered at the distribution line voltage available and the service will be measured on the primary (high) side of the transformer.

(e) Contracts: The Company may require a contract for service under this schedule for a period not to exceed three years when service is first rendered and thereafter from year to year.

(f) Credit for Ownership of Transformer by Customer: Customers operating installations having a connected load of 50 hp. or over and owning the transformers supplying such installations will be allowed the following credits:

Size of Installation	Annual Credit per hp. of Connected Load
50-99 hp	$0.90 per hp
100-249 hp	.80 per hp
250-499 hp........................	.80 per hp
500-999 hp........................	.70 per hp
1000-2499 hp	.60 per hp
2500 hp. and over........................	.50 per hp

In those cases where the customer's motor operates at the voltage at which the service is metered, no credit for customer ownership of transformers will be allowed on the connected load of such motor.

SCHEDULES PA-1 AND PA-2 (Continued)

Special Conditions: (Continued)

(g) Connected Load, for the purpose of this schedule, is the sum of the rated capacities of all of the customer's equipment that may be connected to the Company's lines at the same time, computed to the nearest one-tenth of a horsepower. Motors will be counted at their name plate ratings in horsepower and other devices at their name plate ratings converted to horsepower at 1 kva per hp. Where such equipment includes a transformer used to supply other devices, the rating of such transformer will be used in lieu of the devices supplied by it. Where the original name plate of any motor or device has been removed or altered, the manufacturer's catalogue rating will be used, or the capacity may be determined by test.

(h) Change in Connected Load: Customers permanently increasing or decreasing their connected load during the period in which service charges are payable will have their bills adjusted as provided in Special Condition (i) following, original load being considered as discontinuing service and the increased or decreased load as commencing service. Small motors of 3 hp or less when added to or removed from an existing agricultural customer's total connected load of 15 hp or more, will be ignored for billing purposes until the beginning of the next agricultural year.

(i) Service to New or Permanently Discontinued Installations: The following adjustments apply only when electric service is initially established to an agricultural installation or permanently discontinued. The service charge will be prorated at the rate of one-sixth of the annual charge for each regular billing period in which service is rendered between the April meter reading date and the October meter reading date. The size of the blocks of energy charge will be multiplied by the factor in the following table corresponding to the month during which service is begun or discontinued:

Month in Which Service Commences or is Discontinued	Factor: New Service	Factor: Discontinued Service
April (After regular meter reading date)........	1.0	.1
May..	.9	.1
June.......................................	.8	.2
July.......................................	.7	.3
August.....................................	.6	.4
September..................................	.5	.5
October....................................	.4	.6
November...................................	.3	.7
December...................................	.2	.8
January....................................	.1	.9
February...................................	.1	.9
March......................................	.1	.9
April (prior to regular meter reading date).....	.1	1.0

Customers who resume service within twelve months after service has been discontinued will be required to pay all charges which would have been billed during the shut-down period.

(j) Motor Overload: Whenever, upon test, any motor is found to be delivering more than 125% of its full load capacity, as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the actual output as calculated from test. Any motor which is billed on a basis in excess of its nameplate rating in accordance with this special condition shall be tested at intervals to be determined by the Company or upon notification by the customer of a permanent change in operating conditions.

SCHEDULE PA-1

Territory:

The entire territory served except the Humboldt Division and the Fort Bragg area.

Rate:

Connected Load	Annual Service charge per hp.	Energy Charge in addition to the Service Charge Rate per kwh. for Consumptions per hp per year of: First 1000 kwh	Next 1000 kwh	All over 2000 kwh
*2-4.9 hp........	$8.40	1.75¢	.85¢	.60¢
5-14.9 hp........	7.10	1.50	.85	.60
15-49.9 hp........	6.40	1.40	.85	.60
50-99.9 hp........	5.70	1.30	.85	.55
100-249.9 hp........	5.00	1.25	.85	.55
250-499.9 hp........	5.00	1.20	.85	.55
500-999.9 hp........	4.80	1.15	.85	.55
1000-2499.9 hp........	4.50	1.15	.85	.55
2500 hp. and over....	4.00	1.15	.85	.55

* In no case will the total annual service charge nor the energy charge be based on less than 2 hp for single-phase service, nor less than 3 hp for three-phase service.

SCHEDULE PA-2

Territory:

The entire territory served in the Humboldt Division and in the Fort Bragg Area.

Rate:

Connected Load	Annual Service charge per hp	Energy Charge in addition to the Service Charge Rate per kwh. for Consumptions per hp. per year of: First 1000 kwh	Next 1000 kwh	All over 2000 kwh
*2-4.9 hp.......	$8.70	1.85¢	.90¢	.80¢
5-14.9 hp.......	7.40	1.60	.90	.80
15-49.9 hp.......	6.70	1.40	.90	.80
50-99.9 hp.......	6.00	1.30	.90	.80
100-249.9 hp.......	5.20	1.25	.90	.80
250-499.9 hp.......	5.00	1.20	.90	.80
500-999.9 hp.......	4.80	1.15	.90	.80
1000-2499.9 hp.......	4.50	1.15	.90	.80
2500 hp. and over....	4.00	1.15	.90	.80

* In no case will the total annual service charge nor the energy charge be based on less than 2 hp for single-phase service, nor less than 3 hp for three-phase service.

Item 20:

SCHEDULE PA-3

RECLAMATION POWER
(Optional with Schedule PA-1)

Description of Service:

This schedule is applicable to general reclamation service.

Territory:

The entire territory served except the San Joaquin and Humboldt Divisions and the Fort Bragg area.

Rate (A):

Rates applicable to that portion not less than 30 per cent of the connected load operated.

Size of Total Installation	Annual Service Charge per hp. Company owns Transformers	Customer owns Transformers	Energy Charge in Addition to the Service Charge Rate per kwh for Consumptions per hp per yr. of First 1000 kwh.	Next 1000 kwh	All over 2000 kwh
50-99.9 hp.......	$6.00	$5.10	1.35¢	.95¢	.85¢
100-249.9 hp.......	5.25	4.45	1.35	.95	.85
250-499.9 hp.......	5.00	4.20	1.25	.95	.85
500-999.9 hp.......	4.80	4.10	1.20	.95	.85
1000-2499.9 hp.......	4.50	3.90	1.20	.95	.85
2500 hp. and over.....	4.00	3.50	1.20	.95	.85

Rate (B):

Rates applicable to that portion not exceeding 70 per cent of the connected load held only as a standby, but not actually operated.

Size of Total Installation	Annual Service Charge per hp Company owns Transformers	Customer owns Transformers
50-99.9 hp..........	$2.45	$1.55
100-249.9 hp..........	2.25	1.45
250-499.9 hp..........	2.15	1.35
500-999.9 hp..........	2.10	1.30
1000-2499.9 hp..........	1.85	1.25
2500 hp and over.......	1.75	1.25

If this additional installation is operated and any energy used, then the full service and energy rates of Rate (A) will apply to this load for the 12 months' period ending on the following regular January meter reading.

Rate (A) will apply to not less than 30 per cent of the connected load and Rate (B) to not more than 70 per cent of the connected load.

Special Conditions:

(a) Service Year: Meters on all reclamation services will be read by the Company in January (on regular reading day) of each year and the above energy rates will apply to the yearly periods between such successive readings.

(b) Payment of Service Charges: Service charges will be payable in twelve equal monthly installments beginning with the bill based on the regular February meter reading.

(c) Guaranteeing Rates for Larger Size Installations: Any customer may obtain the rate for a larger installation by guaranteeing the rate and service charge of that larger installation.

(d) Measurement of Service: When the Company owns the transformers the energy will be measured on the secondary (low) side of the transformers.

When the customer owns the transformer the energy will be measured on the primary (high) side of the transformers.

SCHEDULE PA-3 (Continued)

Special Conditions: (Continued)

(e) Voltage: When the Company installs, owns and maintains the transformers, the above rates apply to service rendered at 120, 240 or 480 volts under the provisions of Rule and Regulation No. 2 at the option of the customer.

When the customer owns the transformer, service will be rendered at the distribution line voltage available.

(f) Contracts: The Company may require a contract for service under this schedule for a period not to exceed three years when service is first rendered or when the connected load as defined hereafter is increased, and, from year to year after the expiration of such initial contract.

(g) Disconnecting Switch: The above rates contemplate that the service will be disconnected from the main line by the customer during periods when the installation is not in operation provided the Company installs a suitable disconnecting switch on the primary (high) side of the transformer for such purpose.

Such a disconnecting switch will be owned, maintained and installed by the Company together with necessary means and protection for its operation.

(h) Connected Load: The term "connected load" as used in this schedule means the maximum load that may be connected to the Company's lines at any one time, computed to the nearest one-tenth of a horsepower. The total name plate rating of all motors installed will be used, unless the arrangement of wiring, piping, shafting or conditions of operation are such as to show that all motors cannot be operated sumiltaneously under load, in which case the maximum load capable of simultaneous operation will be used.

(i) Increase or Decrease of Load: Customers permanently increasing or decreasing their connected load will have their rates for the increased or decreased load adjusted in accordance with Special Condition (j). Discontinued service is limited to installations permanently quitting and does not apply to installations shutting down for a few months or for the balance of the season at the end of which time service will again be desired.

(j) Service to New or Permanently Discontinued Installations: Any customer whose service begins (or is discontinued) at a later date than the regular January meter reading of any year will be billed in accordance with the above rates modified as follows:

(1) The service charges of Rates (A) and (B) are applicable only during that period from date service is first taken to the following regular January meter reading at the rate of one-twelfth of the annual service charge per month.

(2) The sizes of the energy blocks of Rate (A) are to be determined by multiplying the sizes of the blocks given in Rate (A) by the following factor according to the month in which service commences or is discontinued.

Month in which service commences or is discontinued	Factor: New Service	Factor: Discontinued Service
January (after regular meter reading date)	1.0	.1
February	.9	.2
March	.8	.3
April	.7	.4
May	.6	.5
June	.5	.6
July	.4	.7
August	.3	.8
September	.2	.9
October	.1	1.0
November	.1	1.0
December	.1	1.0

(k) Motor Overload: Whenever, upon test, any motor is found to be delivering more than 125% of its full load capacity, as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the actual output as calculated from test. Any motor which is billed on a basis in excess of its nameplate rating in accordance with this special condition shall be tested at intervals to be determined by the Company or upon notification by the customer of a permanent change in operating conditions.

Item 21: SCHEDULE PA-4

PRIMARY RECLAMATION POWER

Description of Service:

This schedule is applicable, on contracts for periods of five years, to general reclamation service customers supplied at a standard voltage of 2,200 volts or more, where drainage pumping normally constitutes the major portion of the load.

Territory:

The entire territory served except the San Joaquin and Humboldt Divisions and the Fort Bragg Area.

Rate:

Demand Charge per Month:	Rate (A)	Rate (B)
Based on the billing demand as defined below:		
First 200 kw or less of demand	$315.00	$300.00
Next 300 kw of demand	1.45 per kw	1.40 per kw
Next 500 kw of demand	1.30 per kw	1.25 per kw
Next 1,000 kw of demand	1.20 per kw	1.15 per kw
All over 2,000 kw of demand	1.10 per kw	1.05 per kw

Energy Charge (to be added to the Demand Charge):	Rates Per Kwhr	Rates Per Kwhr
First 150 kwhr per kw per month	.74¢	.71¢
Next 150 kwhr per kw per month	.68¢	.65¢
All over 300 kwhr per kw per month	.63¢	.60¢

Minimum Charge: Not less than that set forth under the first block of the Demand Charge.

Special Conditions:

(a) Voltage: Service under Rate (A) will be supplied by the Company at standard voltages of 2,200 volts or more up to and including 25,000 volts as requested by the customer, provided however, that for service at new locations (subsequent to October 1,1941) the voltage for Rate (A) will be the primary distribution line voltage available at that location. Service under Rate (B) will be supplied by the Company at standard line voltages above 25,000 volts as available.

(b) Demand: The maximum demand in any calendar month will be the average kilowatt delivery of the 30-minute interval in which the consumption of electric energy is greater than in any other 30-minute interval.

(c) Billing Demand: The monthly billing demand will be equal to either the actual calendar month maximum demand as recorded or the previous highest maximum demand during the service year, whichever is the greater; except, during the months of January through May, the monthly billing demand shall be equal to either the recorded calendar month maximum demand or the mean of the recorded calendar month maximum demand and the highest previous calendar month maximum demand whichever is the greater. Recorded maximum demands less than 200 kw will be taken as 200 kw for the purpose of computing bills.

(d) Off Peak Demand: Any customer served on this schedule may, upon request, have his demands occurring between 10:30 p.m. and 6:30 a.m. of the following day and on Sundays and legal holidays in excess of 200 kw ignored in determining the maximum demand used for computing charges.

(e) Service Year: The service year will commence on June 1 and end on May 31, of the following calendar year. All demands will be dropped at the end of May and not carried over into the next service year.

(f) Power Factor: The total charge for any month as computed on the above rates will be decreased or increased, respectively, by 0.1% for each 1% that the average power factor of customer's load in that month was greater or less than 85%, such average power factor to be computed (to the nearest whole per cent) from the ratio of lagging kilovolt-ampere-hours to kilowatt-hours consumed in the month. In no case shall the total charge, after adjustment for power factor, be less than the minimum charge.

Item 22:

SCHEDULE PA-5

IRRIGATION PUMPING SERVICE

(Temporary Schedule: Optional with Schedule PA-1)

Description of Service:

This schedule is applicable at the customer's option and upon application for service to irrigation pumping plants for which service is now and for the last three years has been established, and where the customer does not intend to operate said plant for the irrigation of land normally supplied with irrigation water from this plant, but wishes to retain service for the purpose of domestic water supply and other minor farm purposes.

Territory:

Within the boundary of any irrigation or other district distributing water from the Friant-Kern or Madera Canals, San Joaquin Division.

Rate:

Fixed Charge:

12¢ per hp per month of actual connected load.

Energy Charge (to be added to Fixed Charge):

First	150 kwhr per meter per month.................	4.9¢ per kwhr
Next	150 kwhr per meter per month.................	2.6¢ per kwhr
Next	450 kwhr per meter per month.................	1.5¢ per kwhr
All over	750 kwhr per meter per month.................	1.1¢ per kwhr

Minimum Charge: The Fixed Charge plus $3.75 per month.

Special Conditions:

(a) This schedule is applicable during the agricultural year 1952-1953 only and will expire March 31, 1953.

(b) A customer who has begun the agricultural year 1952-1953 on Schedule PA-1 may transfer to this schedule only if his use of energy in that year has not exceeded 1000 kwh. in any month. If so transferred, the account will be adjusted to this schedule from the beginning of the agricultural year.

(c) If the use in any one month exceeds 1000 kwh., the account will be transferred to Schedule PA-1 from the start of the agricultural year and charges adjusted accordingly.

(d) If at the end of the agricultural year it would have been more advantageous for the customer to have been billed on regular agricultural Schedule PA-1, the account will be adjusted to that schedule from the start of the agricultural year.

(e) Connected load, for the purpose of this schedule, is the sum of the rated capacities of all of the customer's equipment that may be connected to the Company's lines at the same time, computed to the nearest one-tenth of a horsepower. Motors will be counted at their name plate ratings in horsepower and other devices at their name plate ratings converted to horsepower at 1 kva. per hp. Where such equipment includes a transformer used to supply other devices, the rating of such transformer will be used in lieu of the devices supplied by it. Where the original name plate of any motor or device has been removed or altered, the manufacturer's catalogue rating will be used, or the capacity may be determined by test.

Item 23:

SCHEDULE PR

RAILWAY SERVICE

Description of Service:

This schedule is applicable to electrical energy used for motive power and lighting incidental to railway operation.

Territory:

The entire territory served by the Company.

Rate (A):

Quantity rate applicable only to customers receiving service as of the effective date of this schedule, and only as long as they continue to receive service under Rate (A).

	Alternating Current	Direct Current
First 300 kwhr per month per kw of maximum demand	1.08¢ per kwhr	1.46¢ per kwhr
All over 300 kwhr per month per kw of maximum demand	0.95¢ per kwhr	1.27¢ per kwhr
Monthly Minimum Charge:		
Per kw of maximum demand	$2.20	$3.20

Rate (B):

Load factor type of rate applicable to all service other than that rendered under Rate (A).

	Alternating Current
Demand Charge:	
First 200 kw of maximum demand	$1.90 per kw
Next 300 kw of maximum demand	1.60 per kw
All over 500 kw of maximum demand	1.40 per kw
Energy Charge (to be added to Demand Charge):	
First 150 kwhr per kw per month	.70¢ per kwhr
Next 150 kwhr per kw per month	.60¢ per kwhr
All over 300 kwhr per kw per month	.55¢ per kwhr

Special Conditions:

(a) Availability of Service: This schedule applies to direct current at trolley voltage delivered to railway feeders (Rate A) or to alternating current at distribution or transmission line voltage delivered to railway substations and used principally for the propulsion of cars and trains, (Rates A & B). Energy delivered at such voltages and points may also be used for lighting and power purposes incidental to railway operations, but energy delivered at separate points for shops, stations, etc., will be billed at the regular rates applicable to such uses. This schedule also applies to service to cable street railways and trolley coach operation.

(b) Maximum Demand: "Maximum Demand," as used in this schedule, means the average load for the 30-minute interval in which the consumption of energy is greater than in any other 30-minute interval during the month, but demands created on Sundays, legal holidays, afternoon on Saturdays, between 11 o'clock any evening and 6 o'clock the following morning, or as the result of interruptions in the power Company's service, will not be considered.

(c) Points of Delivery: When service is supplied at more than one point of delivery the maximum simultaneous demand will be used; when both alternating and direct current are supplied, the charges for direct current service will be based on the maximum simultaneous direct current demand and the charges for alternating current will be based on the difference between maximum simultaneous direct current demand and the maximum simultaneous combined direct and alternating current demand.

(d) Extensions for New Service: No new extensions to existing customers served under Rate (A) will be made for A.C. service except as to territory now served. No extensions will be made for D.C. service except where such are of a minor nature and can be served from existing substations. Extensions will be made for A.C. service under Rate (B) for new customers and extensions into new service areas. In unusual circumstances when the application of this provision appears unjust to either party, either or both may submit the matter to the Public Utilities Commission for special ruling.

Item 24:

SCHEDULE R

RESALE SERVICE

Description of Service:

This schedule is applicable, on contract for a period of 3 years when service is first rendered to a new customer, for electric energy supplied at standard voltages of 2,200 volts or over to other electric utilities and to municipalities for distribution and resale where such utilities or municipalities take their entire electric energy supply from the Company.

Territory:

The entire territory served except the Humboldt Division and the Fort Bragg Area.

Rate (A):

Service at 2,200 volts up to and including 25,000 volts.

Demand Charge:

First 50 kw or less of maximum demand	$90.00 per month
Next 150 kw of maximum demand	$1.80 per kw per month
Next 300 kw of maximum demand	1.20 per kw per month
Next 500 kw of maximum demand	.90 per kw per month
Next 1000 kw of maximum demand	.75 per kw per month
All excess kw of maximum demand	.50 per kw per month

Energy Charge (to be added to the Demand Charge):

First 150 kwhr per kw per month	.88¢ per kwhr
Next 150 kwhr per kw per month	.63¢ per kwhr
All over 300 kwhr per kw per month	.50¢ per kwhr

Except that for all energy furnished in excess of 8,000,000 kwh per month, the above energy rates shall be reduced by 0.5 mill per kwh.

Minimum Charge:

Applicable when the maximum demand in the current month or in the preceding 11 months has exceeded 25,000 kw: $1.40 per month per kw of such maximum demand.

Rate (B):

Service at line voltages in excess of 25,000 volts.
The rate is the same as that set forth under Rate (A) above with the demand charge decreased by 15% and the energy charge decreased by 3%, and the minimum charge decreased by 10¢ per kw.

Special Conditions:

(a) Voltage: Service under Rate (A) will be supplied by the Company at standard voltages of 2,200 volts or more up to and including 25,000 volts, as requested by the customer.

Service under Rate (B) will be supplied by the Company at standard line voltages above 25,000 volts as available.

(b) Demand: The maximum demand in any month will be the average kw delivery of the 30-minute interval in which such delivery is greater than in any other 30-minute interval in the month; provided, that if the load is intermittent or subject to violent fluctuations a 5-minute interval may be used. The maximum demand to be used in computing charges under the above rates will be the mean of the actual maximum so determined for the current month and the highest such demand occurring in the year ending with the current month.

(c) Off Peak Demand: Any customer served on this schedule may, upon request, have his demands occurring between 10:30 p.m. and 6:30 a.m. of the following day and on Sundays and legal holidays ignored in determining the billing demand.

(d) Power Factor: The total charge for any month as computed on the above rates will be decreased or increased, respectively, by 0.1% for each 1% that the average power factor of customer's load in that month was greater or less than 85%, such average power factor to be computed (to the nearest whole per cent) from the ratio of lagging kilovolt-ampere-hours to kilowatt-hours consumed in the month, provided, however, that no power factor correction will be made for any month when customer's maximum demand was less than 10% of the highest in the preceding eleven months.

Item 25: SCHEDULE S-1

STAND-BY SERVICE

Description of Service:

This schedule is applicable to stand-by or breakdown service to customers whose premises are regularly supplied, in whole or in part, with light or power from a privately-owned source of supply; to auxiliary service to customers who at times take service (by means of a double-throw switch) from another public service company; and to other electric service where the Company must stand ready at all times to supply electricity for light or power, but where the use of electric service is not of a usual, regular or continuous character. The maximum load served under this schedule is 5,000 kva.

Territory:

The entire territory served by the Company.

Rate:

Stand-by Charge:

To be based upon the rating of the customer's generating plant or the capacity available from any source other than the Company's system.

First 25 kva	$ 2.00 per kva per month
Next 100 kva	1.50 per kva per month
All over 125 kva	1.20 per kva per month
Minimum Stand-by Charge	25.00 per month

Demand and Energy Charges: (In addition to the Stand-by Charge)

The regular schedules applicable, including the minimum charges and all other provisions of said schedules.

Except That:

A. When the Company's service is used only as a stand-by or during times of shut down or failure of customer's plant or other source and the maximum demand on the Company's system at no time exceeds the stand-by capacity contracted for, the total charge will be only the charges on regular schedule applicable, but not less than the stand-by charge as above set forth plus a charge at the following rates for all energy supplied by the Company:

First 5,000 kwhr per month	1.20¢ per kwhr
Next 20,000 kwhr per month	1.00¢ per kwhr
Next 100,000 kwhr per month	.75¢ per kwhr
All excess	.60¢ per kwhr

B. When the Company's service is used for stand-by combined with peak load or other regular load through the same meter, and customer has contracted for stand-by service of at least 300 kva, and submits to the Company, records showing to the satisfaction of the Company what part of the load on Company's system was due to shut down or failure of customer's plant or other source for which stand-by service is being paid, then, for the purpose of determining the maximum demand to be used in computing charges on the regular schedule applicable, the Company will eliminate that part of the customer's demand on the Company's system caused by such shut down or failure.

Special Conditions:

(a) When customer's plant (or other source) is operated in parallel with the Company's system the meter used to measure the energy supplied hereunder will be ratcheted to prevent reversal.

(b) This schedule is applicable only on a 3-year contract when stand-by service is first rendered in any instance and year-by-year thereafter.

(c) Where the capacity of customer's plant (or other source) exceeds 1,000 kva and a circuit breaker is used to limit the maximum load upon the Company's system, the capacity used in computing the stand-by charge hereunder may be based upon the setting of such circuit breaker, in which case it will be 80% of the load in kva at which the circuit breaker will open instantaneously but in no case less than 300 kva. Such circuit breaker setting will not be reduced during the contract period, but may be increased upon request of the customer and the signing of a new 3-year contract.

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Item 26:

SCHEDULE S-2

STAND-BY AUXILIARY SERVICE

Description of Service:

This schedule is applicable to stand-by or breakdown service to customers whose premises are regularly supplied with light or power from a privately owned source of supply and to other electric service where the Company must stand ready at all times to supply electricity for light or power, but where the use of electric service is not of a usual, regular or continuous character. The maximum load served under this schedule is 1000 kilowatts.

Territory:

The entire territory served by the Company.

Minimum Charge:

For stand-by or auxiliary service rendered under this schedule the minimum charge per kilowatt of maximum load which the Company agrees to stand ready to supply to the customer will be:

First	20 kw	of maximum load.........	$2.50 per kw per month
Next	80 kw	of maximum load.........	1.85 per kw per month
All over	100 kw	of maximum load.........	1.50 per kw per month

In no case, however, will the minimum charge be less than $25.00 per month per service.

In case the customer desires the Company to stand ready to supply the entire connected load of the customer's plant, or an isolated part thereof, then such maximum load will be estimated by the Company, based on tests and other information available. In case the customer desires the Company to stand ready to supply a number of kilowatts less than the maximum demand of the entire customer's plant, or an isolated part thereof, then the customer shall at his own expense furnish and install a suitable circuit breaker enclosed in a steel box equipped with lock, all to be approved by and under the sole control of the Company and the adjustment and operation of said circuit breaker to be in no way interfered with by the customer. This circuit breaker shall be set to break the connection with the Company's service in case the customer's maximum demand shall at any time materially exceed the number of kilowatts which the Company is obligated to stand ready to supply. If said circuit breaker should open, due to excess of customer's demand above the number of kilowatts agreed on, the Company will renew the connection upon due notice.

This schedule will be used in connection with such other rate schedules applicable to the class of business, if continuously supplied, as the customer may select. The minimum charge specified herein will, except as provided below, replace the minimum charge specified in such appropriate schedule, but the kilowatt-hour charge, Demand Charge, and all other conditions specified in said rate schedule (except non-applicability to stand-by service) will remain unchanged.

Where the rate schedule applicable carries a higher minimum charge than the minimum specified herein, the former will be substituted for that provided herein.

Metering and billing for stand-by service will be kept separate and distinct from the metering and billing for regular exclusive service supplied at the same location.

This schedule will only apply where the customer will sign a contract for at least one year.

This schedule is closed to new customers after January 1, 1936.

Item 27:

RATE SCHEDULES

SPECIAL INFORMATION

(A) Service in Cities and Towns Not Generally Served by the Company

In those instances where the Company supplies electric service to customers situated within the limits of an incorporated city or town not generally supplied with electric service by the Company, the service will be billed in accordance with the provisions of one or more of the following schedules, applicability clauses appearing on such schedules notwithstanding:

Schedule A-4, A-13, D-4, DA-4, H-1, LS-1, LS-2, P-1, P-3, PA-1.

The incorporated cities or towns within which one or more of the above listed tariffs are applicable to service presently rendered are:

Gridley, Healdsburg, Hercules, Lodi, Palo Alto, Redding, Santa Clara, Ukiah and Vallejo.

Item 28:

DESCRIPTION OF SPECIAL RATE AREAS

/Tariff sheets showing a description of each special rate area, or a map showing the delineated boundary of each such area, are to be a part of this tariff filing. These special rate areas are to include those of applicant's present electric tariffs, together with the enlargements and additions covered by the statistics given in applicant's Exhibit No. 30-B in Application No. 32589. The tariff sheets showing descriptions of special rate areas are to be arranged for inclusion at the end of applicant's book of tariff schedules, following the Rules and Regulations. A description is to be included of the Fort Bragg Area covering substantially the area in which applicant's Schedules D-50 and D-51 are applicable at present./

ATTACHMENT 1
Page 1 of 3

LIST OF APPEARANCES

For Applicant: Robert H. Gordes, 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, Albert J. Hamilton, 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, John Ormassa and Grant G. Calhoun; City of San Jose by Eugene L. Rendler; City of Sunnyvale by Charles H. McDonald; County of Santa Clara by Donald K. Currlin; 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, Ukiah, Healdsburg, 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 McCutchen, Thomas, Matthew, Griffiths & Greene; 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 Atwater, 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, Custine, Jackson and Stockton by Bill Dozier and Bruce McKnight; Orinda Association by Peter A. Veitch.

LIST 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. Morgan; Indian Valley Light and Power Company by Cecil McIntyre; United States Bureau of Reclamation, Region II, Sacramento, by Oliver O. Rands, and W. B. Bruere; 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. Rieman and by R. J. Weakley and Edwin B. White for Local 1245; A. D. Edmondston, State Engineer by Fred J. Groat and Lucien J. Meyers; 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 Wagner; League of Lower Living Costs of East Bay by Adele Waxman; Harold Doyle in propria persona; Utility Workers Union of America CIO by Harold J. Straub.

Other Appearances: J. T. Phelps, Freyman Coleman, Walter B. Wessells, R. B. Cassidy, and C. T. Mess for the Commission's staff.

LIST OF WITNESSES

Evidence was presented on behalf of applicant by: J. S. Moulton (maps, charts, summary of results, rezoning data), R. Jenny (development, present operations, zoning and rate schedules), G. M. Thomas (tangible plant cost, working capital, depreciation annuity, summary, income statement), L. N. Knapp (material and supplies), K. C. Christensen (working cash, income taxes), B. R. Devlin (wage rates, construction costs), J. W. Ellis (customers, sales, revenues, loads, cost of fuel), I. W. Collins (production resources, cost of power, demands), S. B. Barton (maintenance of electric properties, other production expenses, transmission expenses), H. H. Blasdale (distribution expenses, customers' accounting and collecting expenses, sales promotion expenses), E. W. Hodges (administrative and general expenses, uncollectibles, interest during construction), E. J. Lage (city and county taxes), T. R. Salm (cost of money), E. J. Beckett (rate of return), J. F. Roberts (rate schedules, graphs, fuel clause), J. F. Brennan (curve and deviation computations, correlation), Harry McGann (billing procedure), Roy A. Wehe (cost of service by classes and divisions).

Evidence was presented on behalf of the protestants and interested parties by: Charles Grunsky, J. W. Chrafta, Albert Hamilton, A. G. Buck, H. D. Weller, Francis Shaskan, O. M. Davis, Clement J. Lewis, Edith Pfalzgraf, Joe C. Lewis, Stanley K. Crook, William L. Campfield, H. D. Weller, Glenn A. Baxter, George E. Conant, Ralph E. Oliver, C. G. Smith, Myron C. Forbes, John E. Thorne, Helen Negrin, Frank Tracy, Edwin Fleischmann, Roderick E. MacIvor, James K. MacIntosh, Clarence A. Winder, Peter A. Voitch, Loren W. East, Bruce McKnight.

Evidence was presented on behalf of the Commission's staff by: Charles W. Mors (depreciation agreement, introduction, history, present operations, summary of earnings, working cash capital), F. Coleman (balance sheet, income statement, clearing accounts), Leo A. Blom (operating revenues, customers' accounting and collecting expenses), R. W. Beardslee (production expenses), Harold H. Heidrick (transmission, distribution and sales promotion expenses), Stewart Weber (administrative and general expenses, taxes), Clarence Unnevehr (depreciation reserve and expense), Richard T. Perry (fixed capital, rate base).