

Southern California Edison Company

(Application 33952)

INDEX TO DECISION NO. 50449 DATED 8-17-54

OPINION

| | |
|--------------------------------------------------------------------|----|
| Nature of Business - - - - - | 1 |
| Public Hearings - - - - - | 2 |
| Applicant's Position - - - - - | 2 |
| Nature of Evidence - - - - - | 4 |
| Inflation - - - - - | 5 |
| Rate of Return - - - - - | 7 |
| Earnings Results - - - - - | 11 |
| Operating Revenues - - - - - | 13 |
| Production Expense - - - - - | 16 |
| Transmission and Distribution Expenses - - - - - | 18 |
| Customer Accounting and Collecting Expense - - - - - | 18 |
| Sales Promotion Expense - - - - - | 18 |
| Administrative and General Expense - - - - - | 19 |
| Right-of-Way Charges - - - - - | 19 |
| Legal Services - - - - - | 19 |
| Group Insurance - - - - - | 20 |
| Supplemental Pension Costs - - - - - | 21 |
| Microwave Communication Expenses - - - - - | 22 |
| Miscellaneous Items - Administrative and General Expense - - - - - | 22 |
| Wage Adjustment - - - - - | 23 |
| Adopted Administrative and General Expense - - - - - | 24 |
| Depreciation and Amortization - - - - - | 24 |
| Taxes - - - - - | 26 |
| Rate Base - - - - - | 28 |
| Fixed Capital - - - - - | 28 |
| Plant Acquisition Adjustments - - - - - | 30 |
| Working Capital - Materials and Supplies - - - - - | 31 |
| Prepayments on Fuel Oil - - - - - | 32 |
| Working Cash - - - - - | 33 |
| Adjustments - - - - - | 34 |
| Depreciation Reserve - - - - - | 35 |
| Adopted Operating Results - - - - - | 36 |
| Trend of Rate of Return - - - - - | 38 |
| Revenue Increase - - - - - | 38 |
| Rate Factors - - - - - | 38 |
| Cost of Service - - - - - | 39 |
| Rate Zoning - - - - - | 42 |
| Applicant's Zoning System - - - - - | 43 |
| Proposed Seven Zones - - - - - | 43 |
| Zoning Contentions By Parties - - - - - | 44 |
| Rezoning by Commission - - - - - | 46 |
| Additional Areas - - - - - | 50 |
| Conclusion on Zoning - - - - - | 51 |
| Rate Spread - - - - - | 52 |
| Schedule Terminology - - - - - | 52 |
| Domestic Service - Single Family - - - - - | 53 |
| Domestic - Multifamily Service - - - - - | 55 |
| General Service - Single Phase - - - - - | 56 |
| General Service - Three Phase - - - - - | 57 |
| Conclusion as to Rate Level - - - - - | 60 |
| Special Conditions - - - - - | 63 |
| Voltage of Service and Voltage Discount - - - - - | 63 |
| Demand Ratchet - - - - - | 64 |
| Demand Interval - - - - - | 65 |
| Fuel Clause - - - - - | 65 |
| Power Factor Adjustment - - - - - | 66 |

INDEX TO DECISION NO. 50449

| | |
|-----------------------------------------------|----|
| Off-Peak Operation | 67 |
| Contracts | 68 |
| Resale Service | 69 |
| Street Lighting | 71 |
| General Power | 72 |
| Agricultural Power | 72 |
| Heating and Power | 76 |
| Municipal Pumping | 77 |
| Oil Field Power and Light | 78 |
| Standby Service | 78 |
| Vernon Rates | 79 |
| Railway Service | 80 |
| Special Service | 80 |
| Exempt Contracts | 81 |
| Rulings - Motions - Regulations | 81 |
| Conclusions | 83 |
| Order | 85 |
| Appendix A - Rates, Rules and Regulations | |
| Appendix B - Zoning Alphabetical List | |
| Appendix C - Appearances and Witnesses | |
| Appendix D - Tariff Schedules to be Cancelled | |

Decision No. 50449

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------|
| In the matter of the application of SOUTHERN CALIFORNIA EDISON COMPANY for an order of the Public Utilities Commission of the State of California authorizing applicant to increase rates charged by it for electric service. |)))))) | Application No. 33952 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------|

Appearances and list of witnesses
are set forth in Appendix C.

O P I N I O N

Southern California Edison Company, a California corporation, hereinafter referred to as applicant, filed the above-entitled application on December 16, 1952 for authority to raise electric rates designed to increase gross annual revenues by approximately \$16,000,000 or 12.6 per cent at its 1952 level of sales under average rate year conditions. Because of growth such requested increase would be equivalent to \$17,452,000 for 1953 and \$18,627,000 for 1954. This application is Edison's first general rate increase request in over 30 years, the last one being granted in 1921.

Nature of Business

Applicant is engaged in the business of generating, transmitting, and distributing electric energy in portions of central and southern California in the Counties of Fresno, Kern, Kings, Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, Tulare and Ventura. Applicant owns and operates 24 hydroelectric plants, and five steam electric plants and operates one diesel generating plant under lease. Power from Hoover Dam also is available to applicant

over its high voltage transmission system which interconnects these many production resources. As of December 31, 1953 applicant served 1,288,755 meters by means of 4,886.2 circuit miles of transmission line and 22,029 miles of distribution line. The population in applicant's service area is in excess of 3,000,000 persons.

Public Hearings

After due notice a total of 54 days of public hearing were held on this application before Commissioners Harold P. Huls^{1/} and Kenneth Potter and Examiner M. W. Edwards during the period June 10, 1953 to May 4, 1954. Applicant, the Commission staff and other interested parties and protestants presented 71 witnesses who introduced 95 main exhibits and nearly as many subexhibits and whose testimony covered 8,124 pages of transcript.

All days of hearing were held in Los Angeles except on July 15, 1953 a day of hearing was held in Visalia for the purpose of receiving evidence from applicant's customers residing in the San Joaquin Valley area.

Applicant's Position

In justification of its need for rate increases applicant claims that the present rates are insufficient to provide a fair, just and reasonable return on properties devoted to the public service, and must be augmented in order to maintain its financial integrity, to preserve its credit standing and to attract, on an economical basis, funds necessary to build the plant additions

^{1/} On the appointment of Commissioner Huls as a judge of the Superior Court, Los Angeles County, on October 1, 1953, this matter was reassigned to Commissioner Potter as Presiding Commissioner.

required to continue satisfactory electrical service to present customers and to meet requirements of new customers. Applicant asserts that it is feeling the effect of inflation in the currency, and with current dollars of a purchasing power of about one half of the 1939 dollar it claims that its rate of return is declining with the increasing unit cost of new plant additions. It states that its recorded unit cost of total plant averaged \$542 per meter as of January 1, 1946 and \$656 added meter during the years 1946 through 1951 inclusive and approximately \$1,000 per added meter estimated for the years 1952 and 1953.

Applicant also claims that operating costs are increasing and refers to the asserted fact that in 1945 charges for operation, maintenance, depreciation and amortization were 39.6 per cent of gross operating revenue and by 1951 had risen to 51.4 per cent of gross operating revenue. In addition, during the same period tax rates increased. Applicant contends that it will continue to be affected in the future by the effects of rising prices, spiraling wages and certain other economic developments over which it has no control.

Applicant's problem in part stems from rapid growth in its territory, increasing from 654,969 customers served at the end of 1945 to 1,022,488 at the end of 1951, or by 56 per cent. During the same period the net peak load grew from 879,000 kw to 1,532,600 kw, or 74 per cent and the kWhrs transmitted from 5.7 to 9.0 billions, or 58 per cent. The population and demand for service in southern California have far outstripped the availability of additional hydro resources. Assertedly, all of the more economic hydro sites in the state available to applicant have been developed. As a result applicant must rely to an increasing extent on steam generating plants involving relatively

higher operating costs. Such rapid growth required approximately \$74,000,000 addition to plant in 1952 and \$76,000,000 in 1953.

Applicant states that increased customer density, increased use per customer, improvements in efficiency and advances in the art of manufacturing and constructing electric facilities are factors which in the aggregate have assisted to some degree in deferring rate increases, but that further developments of this kind will be insufficient to reverse the downward trend of earnings. Applicant contends that the inflationary forces and governmental policies have introduced a rigidity into its increasing costs and an inherent uncertainty in the future volume of demand for service, and that in fixing rates for the future, recognition must be given to these factors which are beyond its control.

Nature of Evidence

Evidence was offered by witnesses for the applicant, by members of the Commission staff, by representatives for certain interested parties and protestants, public bodies, and interested citizens. In addition, the Commission received communications from the public, some protesting and some approving the proposed increase. Careful consideration has been given to all matters brought to the Commission's attention by the communications and the many witnesses.

Comparatively few were of the view that the applicant should have no increase whatsoever. The main objection was to the applicant's proposed spread of the increase among the various classes of customers. Applicant would assess considerably larger increases percentagewise to agricultural, industrial and public authorities classes of customers than to the domestic and commercial classes. Such proposal elicited extended testimony and exhibits from those classes with the proposed higher percentage increases. If applicant had sought a uniform percentagewise increase by classes, undoubtedly the length and extent of this proceeding would have been considerably shortened.

Inflation

Several of applicant's witnesses testified as to the effect of inflation on applicant's business due in large part to the fact that currently the dollar has about one half of the purchasing value of the prewar dollar. One witness introduced Exhibit No. 15, entitled "Real Historical Cost Earnings, Average Year 1952", for the purpose of showing that on a "constant" 1939 dollar basis the proposed rates would show a rate of return of only 4.05 per cent compared to 5.84 per cent on a "nominal" dollar basis and using a straight-line depreciation allowance. One of applicant's conclusions was that the real rate of return is in all cases appreciably lower than the "nominal" rate of return. Another conclusion was that rates of return on a "nominal" dollar basis must contain a substantial differential adjustment above the computed "nominal" cost of money to make adequate allowance for inflation.

Applicant further presented testimony by a consulting engineer on the present value of its properties based on such evidence of value as the nominal historical cost, reproduction cost, real historical cost using 1951 dollars, earning value, and stock and debt value.

Contrary testimony to that given by these two witnesses for applicant was presented by the staff. A consulting engineer with long regulatory experience, called by the staff, testified to the stability and advantages of the original cost method of determining rate base which has been consistently followed by the Commission in regulation of utilities. Such method has been consistently followed during periods of deflation as well as inflation.

The law contemplates that buyers of securities do so with the knowledge that certain risks will be attached to their ownership and that one of the risks is the possibility of the decline in purchasing power of the dollar. Certainly the investing

public has not felt the same way about its holdings in utility stock as do the applicant and its witnesses. At the time applicant filed its application the outlook was for a sharply increasing cost of debt capital and one of applicant's witnesses testified that until recently money was the one commodity of major importance which the company was able to hire at fairly reasonable prices. After pointing out that materials, supplies, equipment and labor costs have increased rapidly and that taxes are at their highest level in history, this witness stated, "but money costs have been relatively unaffected, on the upside, by inflation if we disregard the fact that it has been necessary to hire more inflated dollars to do the work done by a lesser number in the preinflation period."

Such statement was made on June 19, 1953 and shortly thereafter a downtrend started in the cost of money. During the first quarter of 1954 the advance in the stock market had carried to a new high for several years and applicant experienced one of its most successful common stock offerings. By the time of submission of this matter for decision the outlook was for lower or stabilized cost of money which one protestant characterized during final argument as "a climate of cheap money".

No one can deny that there has been a serious inflationary trend since 1941 and particularly since the close of the war. However, it is significant to note that so far as the applicant is concerned a large portion of the total plant has been installed during this inflationary period since 1945. For example, Exhibit No. 10 shows that the total electric plant in service was \$363,650,046 on December 31, 1945 and \$653,195,182 on December 31, 1952. After allowing for the sharp rate of plant growth in 1953 and so far in 1954 we find that over one half of applicant's present plant has been installed with inflated dollars.

The record shows that applicant has been able to finance itself under reasonable terms during the inflationary period, the market has absorbed the additional and substantial flotations of applicant's stock since 1945, and the current relatively high price of such stock on the market bespeaks confidence of the investing public in the applicant's operations under the methods of regulation used by this Commission in the past. The claim here made by the applicant is not unlike the claim for reproduction cost. Depreciation accruals will enable applicant to recover its investment regardless of the value of the dollar.

While there is currently emphasis in testimony on the subject of inflation, we find no reason to depart from our long-established and stable method of computing rate base on the basis of the actual dollars in plant, unadjusted up or down for changes in the purchasing power of the dollar, and allowing expenses at the full current rate adjusted for foreseeable near-future conditions. Applicant's inflation testimony is designed to support its request for extensive increases in rates, which would result in considerably higher earnings and dividends on the common stock, compared to the Commission's traditional allowance for an electric utility of equivalent stature. Such action would protect only one class of security holder, the common stockholder, against the risk of loss of purchasing power and not benefit the bondholder or preferred stockholder. It would penalize the ratepayer without a concomitant consideration. We will proceed to analyze applicant's operations in the traditional manner.

Rate of Return

It is applicant's contention that rates should be prescribed to produce earnings, based on the average year 1952, of

\$34,877,000, an amount which would be equivalent to a return of 6.29 per cent on a depreciated book cost rate base of \$554,883,000.^{2/}

In arriving at the estimated required earnings, applicant takes into account the annual cost of bond and preferred stock monies and an allowance for equity capital based upon comparisons with other enterprises. The witness called on behalf of applicant took the position that the company should earn 11.5 per cent on the common stock equity.

The record shows that applicant's capital structure, including its 1954 equity financing, consisted of bonds in the amount of 46.36 per cent of the total, preferred and convertible preference stock 19.36 per cent, and common stock equity 34.28 per cent. Applicant introduced testimony showing that in 1951 the average earnings on equity capital of seventeen other utilities, with equity positions comparable in percentage with applicant's, amounted to 11.24 per cent and in 1952, 11.65 per cent. Of the seventeen companies, applicant's witness selected for comparison five which he considered most similar from the investor's viewpoint and he presented testimony showing that the average earnings on equity capital for these five companies amounted to 10.55 per cent in 1951 and 11.57 per cent in 1952. The range of the five companies in the earlier of these two years was from 8.95 per cent to 11.70 per cent and during the second year from 10.53 per cent to 13.78 per cent.

Witnesses for other parties urged rates of return ranging from 5 per cent to 5½ per cent, applied to a depreciated original cost rate base. One of the witnesses developed his conclusions by

^{2/} Such earnings would be equivalent to a return of 5.05 per cent on applicant's estimated fair value rate base of \$690,000,000 and to a return of 4.26 percent on applicant's so-called real historical cost rate base of \$819,606,000.

considering an allowance for equity capital based on earnings-price ratios of eight selected utilities for the period 1947 to 1952, adjusted for an assumed pay-out ratio and for premium and flotation costs and applied to an objective capital structure. Another witness developed an over-all cost of capital to applicant of 4.955 per cent, including in the calculation an allowance of 8 per cent for common stock money, the rate at which the company has been paying annual dividends.

The ultimate determination of the rate of return to be allowed in this proceeding, in the final analysis, must represent the exercise of judgment by the Commission. The testimony and the exhibits presented by each of the witnesses are of value in our consideration of the subject but it is clear that the position of each, standing alone, is not conclusive. On the one hand, it appears that differences exist between applicant's operations and the operations of those corporations designated by applicant's witness as most comparable and it does not follow because certain other utilities on the average have been enjoying a return of 11.5 per cent on equity capital that applicant should have the same return. On the other hand, earnings-price ratios merely reflect the prospective investors' appraisal of the market value of stock and, as such, are influenced by prevailing market and economic conditions and the individual requirements of the purchasers. While it is true that such ratios may indicate the terms under which a new investor might devote his money to the business, it does not mean that they should measure the return the applicant is entitled to receive on its investment in its properties. Certainly, the dividend rate the management has elected to establish for its common shares should not be used in arriving at the return the consumer should pay on the rate base.

In making our determination in this matter numerous factors must be taken into consideration. Among other things, applicant's financing and operating record, its plant characteristics, its service area, current interest and economic conditions and applicant's

past and prospective capital requirements and growth experience enter into our analysis of the subject. Exhibit 32-B shows, among other things, that applicant's reported investment in electric plant has increased from \$369,558,000 at the beginning of 1946 to \$769,214,000 at the close of 1953; its number of electric meters has increased from 670,463 to 1,188,755; its total plant capacity has increased from 1,226,450 kw to 2,064,420 kw, largely in steam plants, and its outstanding securities have increased in total amount from approximately \$284,185,000 to approximately \$572,877,000.

Information filed with the Commission shows that applicant must continue with the extension of its plant facilities. In Application No. 35133 filed in our office on February 8, 1954, applicant reported estimated expenditures during 1954 in the amount of \$76,504,999 and during 1955 of \$48,274,067 on a construction program which includes, among other things, the completion of a new steam electric generating plant at Redondo Beach which is planned to include two generating units, each with an effective operating capacity of 156,000 kw, and a steam electric generating station at El Segundo which also will have two generating units, each with an expected effective operating capacity of 156,000 kw. Under authorization granted in that proceeding, applicant issued and sold 600,000 shares of its common stock at \$39.45 per share and it reported that it would be required to obtain approximately \$29,000,000 later in the year from the sale of additional securities.

The record shows that applicant has found it necessary to enter the market on numerous occasions to obtain capital funds to expand its production and other facilities in order to take care of the increasing number of customers coming on to its lines and it is clear that if applicant is to continue to provide adequate service in the future it will be required to make additional public offerings of its bonds and stock. In our opinion it is in the public

interest for applicant to proceed with its plant development and for it to be placed in a position where it can dispose of additional securities to finance such development under prevailing market conditions at advantageous terms. Upon a careful consideration of the evidence before us we are of the opinion that applicant's revenues, based on the estimated year 1954, should be increased to provide a return of 5.90 per cent on a depreciated historical cost rate base. We find such a return to be fair and reasonable. In our opinion it is a return which should permit applicant to maintain its credit and attract capital, improve its capital structure, finance the expansion of facilities reasonably necessary to render adequate service to present and prospective consumers and fully perform its public duty.

Earnings Results

The applicant and the Commission's staff presented evidence on revenues, expenses, rate base and rate of return. The applicant's study covered the years 1949 through 1954 and in Exhibit No.2 showed the following trend of earnings adjusted to average conditions as reflected in a rate of return on a depreciated rate base, assuming 5 per cent sinking fund depreciation allowance.

| <u>Applicant's Exhibit No. 2</u> | <u>Rate of Return</u> |
|-----------------------------------------|-----------------------|
| Year 1949 Recorded-Adjusted Basis | 6.43% |
| Year 1950 Recorded-Adjusted Basis..... | 5.81 |
| Year 1951 Recorded-Adjusted Basis | 5.19 |
| Year 1952 Recorded-Adjusted Basis | 4.95 |
| Year 1953 Estimated-Average Basis | 4.96 |
| Year 1954 Estimated-Average Basis | 4.91 |

The staff's study was confined to the years 1952, 1953 and 1954; on a similar basis of sinking fund depreciation for 1952 and adjusted to a basis of remaining life straight-line depreciation for 1953 and 1954, showed the following results:

| <u>Staff's Exhibit No. 77</u> | <u>Rate of Return</u> |
|-----------------------------------------|-----------------------|
| Year 1952 Recorded Basis | 5.79% |
| Year 1953 Estimated-Average Basis | 5.24 |
| Year 1954 Estimated-Average Basis | 5.31 |

The two studies for the estimated year 1954 may be compared in more detail as shown by Table No. 1.

TABLE NO. 1

Estimated 1954 Results of Operation - at Present Rates
and 52 Per Cent Federal Income Tax Rate

| | <u>Applicant's</u> <u>Exhs. Nos. 2-10</u> | <u>Staff's</u> <u>Exh. No. 77</u> | <u>Difference</u> |
|---------------------------------------|----------------------------------------------|--------------------------------------|---------------------|
| <u>Operating Revenues</u> | | | |
| Domestic | \$ 55,000,000 | \$ 56,456,000 | \$ 1,456,000 |
| Agricultural | 11,800,000 | 10,909,000 | (891,000) |
| Commercial | 31,100,000 | 32,006,000 | 906,000 |
| Industrial | 37,007,000 | 37,843,000 | 836,000 |
| Public Authorities | 9,400,000 | 9,830,000 | 430,000 |
| Railways | 700,000 | 852,000 | 152,000 |
| Electric Utilities - Muni. | 1,600,000 | 1,771,000 | 171,000 |
| Electric Utilities - Other | 100,000 | 340,000 | 240,000 |
| Other Electric Revenue | 700,000 | 725,000 | 25,000 |
| Total Oper. Revenue | <u>147,407,000</u> | <u>150,732,000</u> | <u>3,325,000</u> |
| <u>Operating Expenses</u> | | | |
| Production | 28,953,000 | 27,994,000 | (959,000) |
| Transmission | 3,771,000 | 4,116,000 | 345,000 |
| Distribution | 11,005,000 | 10,597,000 | (408,000) |
| Customer Acctg. & Coll. | 7,232,000 | 7,277,000 | 45,000 |
| Sales Promotion | 1,700,000 | 1,662,000 | (38,000) |
| Admin. & General | 8,010,000 | 7,147,000 | (863,000) |
| Adjustment to Jan. 1954 Wage Level | - | 877,000 | 877,000 |
| Depreciation | 16,294,000 | 16,537,000 | 243,000 |
| Taxes | 38,252,000 | 40,651,000 | 2,399,000 |
| Total Oper. Exps. | <u>115,217,000</u> | <u>116,858,000</u> | <u>1,641,000</u> |
| <u>Net Revenue</u> * | 32,190,000 | 33,874,000 | 1,684,000 |
| <u>Rate Base</u> | | | |
| Electric Plant Fixed Capital | | | |
| Plant in Service | 764,312,000 | 770,720,000 | 6,408,000 |
| Acquisition Adjustment (Bal.) | 491,000 | - | (491,000) |
| Working Capital | | | |
| Materials and Supplies | 14,000,000 | 12,800,000 | (1,200,000) |
| Prepayments on Fuel Oil | 3,000,000 | 2,000,000 | (1,000,000) |
| Working Cash | 6,500,000 | 1,150,000 | (5,350,000) |
| Subtotal | <u>788,303,000</u> | <u>786,670,000</u> | <u>(1,633,000)</u> |
| Adjustments | | | |
| Contributions in Aid of Cons. | - | <u>(4,925,000)</u> | (4,925,000) |
| Customers' Advances for Cons. | <u>(1,000,000)</u> | <u>(1,415,000)</u> | (415,000) |
| Nonoperative Plant (Net) | - | <u>(272,000)</u> | (272,000) |
| Rural Line Extension Costs | <u>(280,000)</u> | <u>(280,000)</u> | - |
| Rights of Way & Land Dept. Costs | - | 750,000 | 750,000 |
| Depreciation | <u>(130,905,000)</u> | <u>(143,007,000)</u> | (12,102,000) |
| Total Adjustments | <u>(132,185,000)</u> | <u>(149,149,000)</u> | <u>(16,964,000)</u> |
| <u>Depreciated Rate Base</u> | 656,118,000 | 637,521,000 | (18,597,000) |
| <u>Rate of Return</u> | 4.91% | 5.31% | 0.40% |

(Red Figure)

(Applicant exceeds staff)

From a review of Table No. 1 it will be observed that there was a sizable difference between the staff and applicant in every major item. These differences will be discussed in the sections following. Both of the above estimates are based on so-called "normal" or "average" conditions and a posted price of fuel oil of \$1.85 per barrel (tank car delivery).

Operating Revenues

The staff's estimate of revenues for 1954 is \$3,325,000, or 2.3 per cent greater than applicant's estimate, due primarily to two factors. First, applicant's estimate was prepared in the early part of 1953 whereas the staff's estimate was made approximately eight months later; thus the staff had more recent experience to shape its estimate. Second, the staff predicated its estimate upon the trends from January 1949 through August 1953 for each class of service whereas the applicant turned these trends down somewhat to reflect what it considered to be a return to more normal conditions.

Applicant states that the staff's study appears to be predicated upon a continuation throughout 1954 of the high level of business activity which has predominated in recent years. Applicant expects a leveling off in the rate of growth in 1954 and did not predicate its estimates upon what it terms a simple projection of continued overstimulated expansion of sales.

Applicant relies on economic analyses of certain groups like the President's Council of Economic Advisors, National Industrial Conference Board, Security First National Bank of Los Angeles and National City Bank of New York. This latter analysis indicated in February 1954 that industrial production is now 10 per cent below its July 1953 peak. The staff's witness had not consulted the first two reports above mentioned but relied mainly on the latter two and others. Applicant, in substance, questions if the staff gave sufficient weight to these reports in making its estimate.

This question in large part can be answered by comparing the detailed estimates for the year 1954 by the applicant and the staff, of customers, sales and sales per customer, and by comparing the trend of the actual and estimated results for the first part of 1954.

Estimated 1954 Sales, Customers and Sales per Customer

| Class | Customers | | Sales | | Average Sales per Customer, | |
|--------------------------|-----------|-----------|---------------|----------------|-----------------------------|------------|
| | Applicant | Staff | Million Kwahr | Appli- cant | Staff | Kwahr |
| Domestic | 988,383 | 991,833 | 1,883 | 1,918 | 1,905 | 1,934 |
| Agricultural | 22,179 | 21,887 | 1,032 | 925 | 46,531 | 42,253 |
| Commercial | 124,883 | 128,190 | 1,344 | 1,351 | 10,762 | 10,541 |
| Industrial | 27,043 | 26,986 | 4,250 | 4,274 | 157,157 | 158,386 |
| Public Authorities | 9,490 | 9,378 | 660 | 698 | 69,547 | 74,463 |
| Railways | 2 | 2 | 97 | 120 | 48,500,000 | 60,000,000 |
| Other Electric Utilities | 8 | 8 | 223 | 248 | 27,875,000 | 31,000,000 |
| Total | 1,171,988 | 1,178,284 | 9,489 | 9,534 | 8,096 | 8,091 |

It is not apparent from the above tabulation that the staff's estimate represents overstimulated sales when compared to applicant's estimate because in total the main difference is due to a slightly greater customer estimate which, in turn, with nearly equal unit sales, results in greater total sales. The distribution of the sales is important; the higher usages in the domestic class (at rates above system average) accounts mainly for the staff's revenue estimate being 2.3 per cent greater.

Looking now at the three classes, domestic, commercial and industrial which probably are affected the least by abnormal weather conditions and yet constitute a sufficient portion of applicant's business to draw reasonable comparisons between estimated and recorded results: for the month of February 1954, the latest month available in the record, for the domestic, commercial and industrial classes applicant estimated 1,120,370 customers compared with a recorded figure of 1,135,139 and estimated revenue of \$10,950,000

compared with a recorded figure of \$11,074,000. Such customer estimate was 1.4 per cent below, and revenue estimate was 1.1 per cent below recorded results. Revenues fluctuate from month to month and a comparison based on 3 months' results might be more accurate. For the three months of December 1953, January 1954 and February 1954 applicant's estimate of revenue for these three classes was 1.7 per cent below the recorded results.

On further analysis of these classes we find that applicant underestimated the number of domestic and commercial customers but overestimated slightly the number of industrial customers. For the 3 months enumerated applicant underestimated the revenue from each of these classes of service, except for the industrial revenue in January 1954 which fell only 1/10 of one per cent below its estimate.

Our review of the staff's work papers indicates that the staff did give consideration to the swing in the business cycle, particularly with reference to the industrial business, but the indication is that the staff's estimate in total may be running about 1/2 of 1 per cent high compared to the above-mentioned recorded results. However, a new sizable industrial load of approximately 15,000 kw, being installed by Brea Chemicals, Inc., is due on the system in 1954 and such added load should bring the actual results closely in line with the staff's estimate.

The results for March, April and May 1954 have become available and have been compared with applicant's estimate for these three classes, showing that for March applicant underestimated revenue by 1.7 per cent, for April underestimated by 3.6 per cent, and for May underestimated by 5.1 per cent.

It is our opinion that the rate of growth that has been experienced in southern California generally will continue in the foreseeable future, though possibly at a somewhat lesser rate, and that national surveys are not truly representative of conditions that can be expected in applicant's service area. It is concluded that the applicant's estimate of revenues for 1954 is too conservative and that the staff's estimate is more appropriate to use under assumed average year conditions. For rate-making purposes an estimate of revenue of \$150,732,000 will be adopted for 1954.

Production Expense

The staff's estimate of production expense for 1954 is \$959,000 below the applicant's estimate. A portion of this difference (\$126,000) applicant claims is due to the failure of the staff to make an appropriate allocation to the year 1954 which is one fifth of the expected future maintenance cost to repair the dams at Huntington Lake. The staff did not include this item because it assumed that the work probably would not start until 1955 after the Vermillion Valley Dam is completed late in 1954. From the record it is apparent that this work is imminent and it is our conclusion that this item should be allowed.

Another portion of this difference (\$742,000) applicant claims is due to an inadequate estimate of line losses by the staff. Applicant used the monthly transmission loss pattern for the years 1950 and 1951 in determining the monthly transmission loss pattern under average year conditions. Total losses were determined by applicant by addition of a straight 4 per cent distribution loss to the transmission loss pattern. The staff used a different approach and derived the total production requirements from the estimated sales and company usage plus losses. Such loss figures were developed from an analysis of historical trend of losses after giving due recognition to the higher losses involved in transmitting energy to the load centers from the more remote hydro plants.

The staff's analysis in Exhibit No. 77 may be summarized as follows:

| Year | Millions of Kilowatt-Hours | | Loss Ratio | Hydro Production Ratio |
|-----------|----------------------------|--------|------------|------------------------|
| | Production | Losses | | |
| 1949 | 7,564 | 1,021 | 13.50% | 54.8% |
| 1950 | 8,029 | 1,138 | 14.18 | 56.4 |
| 1951 | 9,015 | 1,183 | 13.12 | 47.3 |
| 1952 | 9,462 | 1,436 | 15.18 | 66.2 |
| 1953 Est. | 10,287 | 1,341 | 13.04 | 45.3 |
| 1954 Est. | 10,970 | 1,415 | 12.90 | 42.2 |

The comparative analysis by the applicant in Exhibit No. 4 after adjustment to an average year basis follows:

| Year | Millions of Kilowatt-Hours | | Loss Ratio |
|------|----------------------------|------------------|------------|
| | Estimated Transmitted | Estimated Losses | |
| 1949 | 7,488 | 1,017 | 13.59 |
| 1950 | 7,990 | 1,116 | 13.97 |
| 1951 | 9,072 | 1,268 | 13.98 |
| 1952 | 9,584 | 1,337 | 13.97 |
| 1953 | 10,380 | 1,439 | 13.86 |
| 1954 | 11,103 | 1,555 | 14.00 |

It is evident that applicant's estimate for 1954 did not give recognition to the inherent trend toward a larger ratio of steam generation. Furthermore, the location of such steam plants near load centers results in a lower relative loss with growing load. Losses predicated on a 1950-1951 pattern would be too high in 1954. The staff's estimate of 12.90 per cent loss for an average year basis is considerably above the recorded figure of 12.52 per cent for 12 months ended February 28, 1954. While the year 1954 to date has been on the dry side, with hydro ratio below average, it is our conclusion that the staff's figure provides sufficient margin above the latest recorded figure in the record to indicate that it is a reasonable transmission loss figure to adopt for average year conditions for the year 1954.

The remaining difference of \$91,000 between the staff and the applicant in production expenses is within the range of variation inherent in such estimates due to a variation in method of energy production which is properly related to the 1954 estimated sales.

This difference is not appropriate for use in this decision and will be disallowed. The production expense which we find to be reasonable and which we adopt for the estimated average year 1954 is \$28,120,000.

Transmission and Distribution Expenses

The staff's estimate of transmission expense was \$345,000 greater than applicant's and its distribution expense was \$408,000 lower. In total these differences are largely offsetting and applicant took no major exceptions to the staff's analysis. In view of the fact that the staff's estimates were made at a later date it is our opinion that they are more precise and should be adopted for the purpose of this decision.

Customer Accounting and Collecting Expense

The staff's estimate of customer accounting and collecting expense is \$45,000 greater than applicant's estimate. Despite this larger amount, applicant claims it is deficient by \$60,000 because of the current business outlook for uncollectibles. The staff determined uncollectibles by applying 0.16 per cent of the operating revenue estimates after eliminating sales to railways and other utilities. For 1953 this percentage increased to 0.20 per cent. On the assumption that the 0.20 per cent rate will apply to 1954 business the applicant's position appears warranted. However, on the basis of 1,176,000 average customers for 1954 the staff's estimate of \$7,277,000 represents a per customer allowance of \$6.18. This figure appears high and with over a million customers the applicant should be able to show a lower unit cost for customer accounting and collecting expense. Accordingly, the estimate of \$7,232,000 by the applicant will be adopted.

Sales Promotion Expense

The staff's estimate of sales promotion expense is \$1,662,000 or approximately \$1.41 per customer for 1954. The applicant's estimate of \$1,700,000 represents a unit cost of

\$1.44 for 1954. In our opinion the estimate of applicant is reasonable and it will be adopted for the purpose of this decision.

Administrative and General Expense

The staff's estimate of administrative and general expense is \$863,000 below the applicant's estimate, but after allowing for the lump sum wage adjustment it is \$757,000 below. Nevertheless, applicant states that the staff's estimate is \$1,107,000 too low. The several major items of difference between the staff and the applicant are concerned with (1) right-of-way charges, (2) legal services, (3) group insurance, (4) supplemental pension costs, (5) microwave communication expenses and (6) miscellaneous items. These will be discussed in the sections following.

Right-of-Way Charges

The staff's estimate for right-of-way charges was \$494,000 less than applicant's, the amount being considered by the staff as chargeable to plant. Upon the basis of the record as developed, we will accept applicant's estimate in arriving at our decision in this proceeding.

At the same time, it appears that some question exists as to applicant's accounting procedure with respect to this item of expenditure. Applicant should re-examine its practice to determine the reasonableness and propriety of allocating the charges between capital and operation.

Legal Services

Applicant maintains that the staff's failure to recognize the current level of legal expense as representative and its failure to recognize the continuing probability of tax, labor and regulatory litigation has resulted in a deficiency in its level of legal expense of at least \$53,000. The staff's estimate for this item is \$53,000 for 1954 and if the applicant's contention were adopted the staff's allowance would be increased to \$106,000 for 1954. In

Exhibit No. 6 applicant estimated this item at \$53,000 for 1953 and at some higher figure for 1954 but the detailed breakdown for this item was not individually shown for the year 1954. The staff considered certain of these legal expenses abnormal, such as those concerned with the strike in 1953 or with certain tax litigation and adopted the applicant's 1953 level of estimate for its 1954 estimate. After considering this matter it is our opinion that some weight should be given to applicant's contention and an allowance of \$75,000 will be adopted for this item.

Group Insurance

Applicant contends that the staff's failure to give adequate recognition to the effects of recent mortality experience and to costs as affected both by the present law relating to group insurance and by changes in the plan made in 1953 resulted in a deficiency of \$100,000. Under the new law all funds collected from employees must be held for the benefit of the insured. In the past the applicant has applied the group insurance dividend to reduce the total expense under Account No. 800.1, Employees Welfare Expenses. In final argument the staff's counsel stated that this \$100,000 item represents the difference between a \$40,000 credit and a \$60,000 expense and that for a number of years the employee contributions have more than covered the net cost of the group insurance.

The staff's study did not take into account the changes under the new law and accordingly the staff agrees that its estimate for Account No. 800.1 should be increased by \$40,000. The staff claims there is no support for the applicant's contention that another \$60,000 should be added for mortality experience and changes in the plan. It is our understanding that the applicant can revise the rates so that the employees' contributions will fully cover the net cost of the group insurance and the applicant under average

conditions will not be liable for the \$60,000. We will increase the staff's estimate by \$40,000 for the purposes of this decision.

Supplemental Pension Costs

Applicant claims that the staff's method of amortizing the present costs of the 1952 supplemental pension plan fails to give proper recognition to the current and continuing expense involved and is deficient by approximately \$162,000. The staff took the position that the costs of this supplemental plan are not inherently continuing. It stated the purpose of this supplemental plan is to bring an employee's retirement benefits, from all sources including social security, up to 50 per cent of his final average salary or wages and that such supplemental plan affects mainly the pensions of the higher salaried personnel and is intended to provide supplementary provisions for past service of employees not now fully covered by prior plans. In December of 1952 applicant set up this supplemental pension reserve in the amount of \$1,400,000 by a charge to surplus of \$1,196,000 and to expense of \$204,000.

In 1953 an additional provision of \$240,000 was charged to expense to cover increased supplemental pensions resulting from wage increases including the general increase effective January 1, 1953. In view of the fact that by this method applicant has funded its liability for current, prior and future service, there would be no future expense except for wage increases. The staff's method does not anticipate or allow for wage increases prior to their happening. Applicant in its 1953 estimate allowed \$50,000 for the 1952 Supplemental Plan provision and the staff, on the basis of a 10-year amortization, allowed \$38,000. For 1954 applicant did not show a detailed breakdown by accounts of its estimate but the staff again allowed \$38,000.

In considering pension costs it is customary to allow a percentage of payroll that will cover current costs and under certain circumstances cover prior service costs. In view of the lack of sufficient information as to the breakdown of the current service portion of the 1952 supplemental plan, it is necessary to adopt some judgment figure for this purpose. After considering this matter further, it is our opinion that since the staff's lump sum adjustment covered the bulk of the increased pension cost due to the wage increase, an allowance of \$50,000 should cover the added current service portion of the 1952 supplemental pension plan.

Microwave Communication Expenses

Applicant states that the staff failed to allow for maintenance of recently installed microwave communication equipment resulting in a deficiency of about \$28,000. Our conclusion on this subject is that the applicant's contention is reasonable and the staff's estimate should be increased by this amount.

Miscellaneous Items - Administrative and General Expense

Applicant claims that the inconsistent and improper use of differing averages, costs per customer, and application of unqualified opinions resulted in deficient estimates of at least \$270,000 by the staff. Staff counsel in argument stated that both the assertion and conclusion are unwarranted and pointed out that the varied nature of the expenses requires the selection of an appropriate method of estimating in each instance. While applicant would have the Commission believe that an estimate predicated on anything but a simple trend of the past two or three years produces

erroneous results staff counsel points out that applicant's own Exhibit No. 6 reveals that it has estimated items in administrative and general expense on several bases, such as trend, trend adjusted by judgment, budget, and on a two-year average.

In analyzing the material in the record it is difficult to verify applicant's charge because it did not furnish an itemized estimate for 1954 covering the various accounts that it contends make up this difference of \$270,000. However, there is available in the record the applicant's 1953 estimate, subdivided by accounts, which we have been able to compare in arriving at our conclusion on this matter. Apparently the major difference is in Accounts Nos. 791 and 793 regarding general office salaries, supplies and expenses. After accounting for the portion assigned to right-of-way charges, heretofore discussed, a difference of \$227,000 remains for 1953.

A comparison of applicant's estimate for these two accounts with the recorded results for 1953, after adjustment for the strike, shows that the applicant's estimate was approximately \$225,000 too high for 1953. In estimating for the year 1954 the staff adopted the applicant's 1954 operating budget allowance for Account No. 791 and in addition included \$106,000 in the lump sum wage adjustment for general office salaries.

Wage Adjustment

The staff included in its study a lump sum adjustment of \$877,000 to bring its estimate up to the January 1954 wage level. Expenses other than taxes, as developed in the staff's study, reflect

1953 salary and wage levels, so it is appropriate for the staff to add this item separately. Applicant did not show a lump sum adjustment for wages. Since applicant's estimate is on a trend basis, the higher wage levels are embodied in the various items of expenses and need not be set out separately. When comparing the two estimates this difference in method of handling the 1954 wage adjustment should be considered.

Adopted Administrative and General Expense

Applicant's estimate for total administrative and general expense for 1954 is approximately 4 per cent higher than its 1953 estimate. The discrepancy between applicant's estimate and recorded amounts after strike adjustment in 1953, in our opinion, is carried over into its 1954 estimate. Our conclusion on these miscellaneous items is that the staff's estimate is adequate and that the \$270,000 deficiency claimed by applicant cannot be verified. For the purpose of this order we will adopt a figure of \$7,743,000 as the allowance for administrative and general expense for 1954.

Depreciation and Amortization

The staff's estimate of depreciation expense for 1954 is \$243,000 greater than applicant's. The main reason for this difference is due to the fact that the staff used the straight-line remaining life method of computation while the applicant used the 5 per cent modified sinking fund method of computation. However, applicant claimed that the staff's allowance for depreciation is low by \$342,000. During the course of the hearing the staff and the applicant came to an agreement on the method of computing depreciation and an interim order herein was issued, Decision No. 49665, containing the Memorandum of Understanding. When the staff recomputed the depreciation allowance in accordance with the method set forth in the Memorandum of Understanding to reflect the final revised plant balances for the

end of 1953, it testified that its depreciation expense should be increased by \$80,000. Applicant claims the remaining deficiency of \$262,000 is due to the fact that the staff disallowed for amortization of acquisition adjustments.

Applicant states that the treatment regarding acquisition adjustments is inconsistent with the order of the Commission in Decision No. 47382 on the Pacific Gas and Electric Company, although the orders resulting from the reclassification study in the Pacific Gas and Electric Company's case, Decision No. 43826, were substantially identical with the earlier orders in applicant's reclassification proceeding, Decisions Nos. 36150 and 36665. Applicant further states that no justification was given by the staff witness for the exclusion of this expense item other than that it was done because acquisition adjustments had been excluded from the rate base.

Since the year 1942 applicant has been amortizing the acquisition adjustment in the total amount of \$3,925,128.76 over a 15-year period at the annual rate of approximately \$262,000. During the period since 1942 we have not had a rate case wherein this amount was disallowed for rate-making purposes. During this period applicant has reduced its rates and in effect we have had opportunity to consider this item and in effect have allowed it as an expense. While this amortization has only some two more years to run, in our opinion it is proper now to include it in expenses. Before the end of the 15-year period the Commission will have ample opportunity to consider the effect of the termination of this annual allowance. The total allowance for depreciation and amortization being adopted by the Commission for rate-making purposes is \$16,879,000 for the estimated year 1954.

Taxes

The staff's estimate of taxes exceeds the applicant's estimate by \$2,399,000 for the year 1954. The major portion of this difference, \$1,716,000, is accounted for by taxes on income (52 per cent federal income tax rate) primarily because of the higher net income computed by the staff. Another large item is the ad valorem taxes in which the staff exceeded the applicant by \$503,000 due to a larger estimated assessed valuation and use of the 1953-1954 tax rate which was higher than the applicant's assumed tax rate.

Despite the extra allowance on ad valorem taxes of \$503,000 computed by the staff the applicant claimed the staff's figure was \$15,000 low because it rounded down the tax rate to two places rather than four places. Examination of the staff's work papers indicates that the staff used the four places in its computation but only rounded down the tax rate when describing it in Exhibit No. 77. In addition the applicant claimed that the staff should have used an estimated increase in its ad valorem tax rate estimate causing an additional deficiency of \$50,000. The staff witness used the latest actual rate from the 1953-1954 tax billings in making the estimate. In our opinion it is not proper to speculate as to future tax rate increases because there may be decreases with expanding assessed valuation bases or for other reasons. We find no reasonableness in applicant's claim of \$65,000 total deficiency in the staff's estimate of ad valorem taxes when it already is \$503,000 greater than applicant's estimate.

Applicant contends that the staff has underestimated by \$35,000 the expenses relating to state auto license and in lieu tax. Such underestimate is due to failure on the part of the staff to reflect the revised rates effective July 1, 1953. In oral argument counsel for staff conceded this point.

Applicant contends that the staff's treatment of ad valorem taxes is inconsistent with its treatment of state corporation franchise tax in so far as deduction for income tax purposes is concerned and that it should have resulted in a \$459,000 lesser deduction. The staff's position is that the deduction used for ad valorem taxes is the same as the deduction would be on the applicant's regular tax return. State corporation franchise tax has been computed for the net revenue for the test period, rather than for the preceding year, so that for rate-fixing purposes the tax is on a current basis and will correspond to the income for the period under study. After considering this matter it is our opinion that the staff's method is consistent for rate-making purposes and is not contrary to applicant's actual practice in making its tax return. We fail to find any justification in applicant's charge of inconsistency or request for lower deduction for income tax purposes.

No particular question was raised by the applicant regarding the other tax estimates by the staff. The staff's estimate of taxes will be revised to \$40,281,000 because of the revised expenses being adopted by the Commission for certain items. Such a large portion of this item is income taxes that a further explanation appears necessary due to the recent federal tax law increasing the rate from 47 per cent to 52 per cent for the current year.

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 - 285 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 Court 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 the Commission is bound by the rule laid down by the Supreme Court of the United States concerning the subject in question. Therefore the income taxes levied against this applicant at the full 52 per cent rate must be allowed as a proper charge to its operating expense for rate-making purposes.

Rate Base

The rate base is composed of investment in plant in service and working capital less certain adjustments for such items as contributions, customers' advances, nonoperative plant and depreciation reserve. The rate bases for the estimated year 1954 as computed by the applicant and the staff are set forth and compared in the lower half of Table No. 1.

The applicant's estimated rate base for 1954 is \$18,597,000 higher than the staff's. In final argument applicant retreated somewhat from this position and stated that the record in this case demonstrates that the staff's rate base is at least \$15,285,000 deficient. It claimed deficiencies in the staff's estimate of fixed capital of \$3,490,000, in working capital of \$8,350,000, and in adjustments of \$3,887,000, and suggested a revision of \$442,000 in the deduction for depreciation reserve. These various items will be discussed in the sections following.

Fixed Capital

With regard to fixed capital, applicant stated that the staff's plant balances would have been \$500,000 greater had the recorded book figures for plant in service at the end of 1953 been used rather than an estimate of the last four months of the year. In final argument staff counsel conceded this point that

the recorded figures were higher than the estimate prepared by the staff based on recorded figures for the first eight months of 1953. Applicant's position on this point is reasonable and will be recognized by the Commission.

Applicant's second point regarding fixed capital dealt with the method the staff used to compute weighted net additions to plant during the year 1954. Applicant contended that the staff's method was inconsistent with the allowance for interest during construction and that the average plant balances should be increased by \$2,990,000. Applicant's list of additions for 1954 showed completion of the various items on the last day of the respective months, such items to be placed in service on the first day of the succeeding month. The staff consistent with applicant allowed interest during construction to the end of the month shown for completion for the various items.

Applicant created estimated monthly plant balances in 1954 by successively adding net additions as they became operative on the first of each month, and therefrom computed the weighted average plant by taking the average of the sum of the monthly averages of the plant balances. The difference between this weighted average plant and the first-of-year plant would reflect the weighted average net additions during the year. In final argument counsel for the staff characterized applicant's method as a 13-month basis of computing weighted average net additions that has the effect of advancing the operative date of new plant to a date 15 days prior to that which applicant intends. He stated that the applicant quite properly intends the operative

date to be that when interest during construction ceases, and that applicant's work papers show that interest ceases on the last day of the month preceding that during which the plant is placed in service.

The staff method is to multiply the amount of the plant addition by the number of months remaining in the year after interest during construction has ceased and then to divide by twelve. As a practical illustration to demonstrate this point, for an item of plant becoming operative on July 1, 1954, the applicant's treatment would allow six and one half twelfths of the cost. Computations for plant additions for all other months, except for January 1 additions, would show a greater allowance by the applicant's method than the staff's method. Based on this analysis, it is apparent that the applicant's method has the effect of advancing the in-service date by approximately one half month. In our opinion, the staff's method is more precise and the contentions of applicant are not correct for rate-making purposes where first-of-month dates for completion of items are assumed.

Plant Acquisition Adjustments

Applicant included \$491,000 in its rate base which represents the unamortized balance in Account No. 100.5, Plant Acquisition Adjustments. The staff excluded the \$491,000 because it represents an excess of purchase price over original cost for certain property purchased by applicant from another utility. The staff contended that the cost of property when first devoted to public use is the only proper figure in an original cost rate base, and that such principle governs regardless of the fact that the purchaser may have incurred the purchase price actually and fairly in arm's length transaction. As previously noted, the staff also excluded the expense of amortization which we have found to be a proper expense.

Under circumstances which indicate that the acquisition of property of one utility by another clearly was in the public interest, either through the elimination of duplicate facilities, lowered operating costs or economies, it appears to us to be fair and reasonable, in order to make the purchaser whole, to allow the amortization of the excess purchase price as an operating expense for rate-making purposes. In our opinion the \$262,000 amortization item is a proper operating expense for the purposes of the present proceeding. However, we will follow our usual practice and not recognize the unamortized balance of \$491,000 as an element of rate base.

By this treatment we have recognized the fact that applicant did have to pay more than the original cost for the property in question, and we are allowing applicant to recover such extra amount, but for rate-making purposes it is not proper to include any of this extra amount where an original cost rate base is being used.

Working Capital - Materials and Supplies

The staff's allowance for materials and supplies is \$1,200,000 below that of applicant but, nevertheless, applicant claims that the staff's allowance is deficient by \$2,000,000. Applicant states that the staff's allowance represents a reduction in physical inventory below the amount of materials and supplies on hand before the Korean War, despite the growth in its plant. Applicant classes the staff's study as unrealistic and in effect criticizes the staff for not allowing in the materials and supplies portion of the rate base the recorded book figures.

Counsel for the staff contended in final argument that the staff's allowance is not a case of guesswork but results from a

comprehensive study of the applicant's procedure in requisitioning and purchasing and from detailed discussions respecting material balances and usages with applicant's representatives. Based on its study, the staff claimed that many items were stocked in large amounts due to the Korean War and material scarcity. For example, the staff deleted spare parts held for obsolete equipment at the Long Beach steam plant. Also, staff counsel pointed out that prior to the Korean War, in 1950 for instance, the average balance of materials and supplies was \$11,950,000, or \$850,000 below its 1954 estimate.

After considering this matter it appears to the Commission that the staff made a careful study of materials and supplies and derived the figure of \$12,800,000 as representative of average or normal conditions. It represents a 5.4 months' supply for 1954 compared to a 1952 level of 7.6 months' supply based on issues. The staff's allowance appears reasonable for rate-making purposes and will be adopted.

Prepayments on Fuel Oil

Applicant contends that the staff's allowance in rate base for prepayments on fuel oil is deficient by approximately \$1,000,000. The staff assumed a 40 per cent greater supply of gas available for boiler fuel in 1954 compared to 1953 but, in view of the increased oil storage at Etiwanda and Redondo No. 2 steam stations, receded from a 1952 recorded figure of \$3,438,000 and a 1953 estimated figure of \$2,825,000, to a 1954 estimated figure of \$2,000,000. Applicant claims that as a consequence of the greater availability of gas, the inventory of fuel oil contracted and committed for would be increased.

In analyzing this situation it is our view that applicant's contention is worthy of consideration because the availability of such a large quantity of gas, which is on an interruptible basis,

is not a normal or average condition. Furthermore, it is highly important that this utility have an adequate supply of fuel oil on hand inasmuch as steam generating plants are first on the curtailable list under the interruptible gas schedules. In materials and supplies the staff made an upward adjustment of about \$400,000 for 1954 fuel oil on hand to recognize applicant's increased fuel storage capacity required at Redondo No. 2 and Etiwanda steam stations. On such assumption an allowance of \$600,000 over the staff's estimate should provide a reasonable basis for prepayment on fuel oil for rate-making purposes.

Working Cash

With regard to working cash capital applicant used a figure of \$6,500,000 for 1954. Such figure was set up more or less on a judgment basis after making two computations of working cash. The first computation^{3/} was on an arbitrary formula basis of the sum of the average of one month's fuel and purchased power cost plus the average of two months' other expenses, exclusive of taxes and depreciation. For 1952 such method showed a figure of \$6,764,000. The second computation^{4/} was based upon an analysis of certain balance sheet items and the lag in payment of expenses and taxes and the lag in collection of revenues. For 1952 this second computation showed an amount of \$7,243,926.

The staff's working cash study was made for the purpose of determining the amount of capital supplied by investors for this item. The staff's method was similar to applicant's second computation and in substance agreed with the applicant's figures except for the component of revenue that represented return to the investors. Applicant claimed the staff's allowance of \$1,150,000 is deficient by at least \$5,350,000 primarily because of the fact that the staff had not included the return portion of revenue in the amount of some \$31,000,000 for 75-day lag. Applicant contends that the availability

^{3/} Page 29, Exhibit No. 10.
^{4/} Table 8, Exhibit No. 10-D.

of such funds reduces the amount of securities outstanding and to disallow the amount in the rate base constitutes a duplicate credit adjustment.

Counsel for the staff in final argument stated that to put the return component in the working cash computation at zero lag (as applicant did in its second computation) would result in permitting the common stockholders to earn an added return on the entire company return. Staff counsel also stated that to the extent such monies are expended for construction, applicant is compensated either through the inclusion of the plant or construction work in progress in the rate base or through capitalization of interest during construction, and to the extent that the money may be kept in cash or working funds it is included in the staff's working cash allowance.

After considering the subject of working cash, it is our opinion that the lag in payment of bond interest tends to offset the lag in collection of the return portion of revenue, and that for rate-making purposes the staff's method gives a reasonable measure of the capital advanced by investors for working cash purposes. Furthermore, the stockholder is not paid dividends prior to the time the money is collected. The delay in collection of the return portion of revenue is only some 49 days rather than 75 days as stated by applicant. In view of the fact that we have adjusted certain expenses herein, further adjustment in the allowance for working cash is necessary. An allowance of \$1,570,000 for working cash has been computed for 1954 but after allowing for the effects of earlier tax payments in 1955 as provided in the recently revised federal tax bill an allowance of \$2,570,000 will be adopted.

Adjustments

Applicant claimed deficiencies of \$3,887,000 in the various adjustments made by the staff. The principal item was Account No. 265, Contributions in Aid of Construction. The staff deducted this item in its entirety in arriving at rate base. Applicant's

computation^{5/} indicated 20 per cent of this account as being derived from customer advances and in effect did not question their deduction. As to the remaining 80 per cent of the account, which primarily represents donations by the U. S. Government, State, or by political subdivisions in connection with relocation of facilities, applicant argues that it has given a valid consideration other than cash, namely its existing facilities, for such donations and should therefore be allowed to include them in rate base.

It is the staff's contention that contributions which customers have advanced in order to obtain service, which have not been returned and on which they receive no interest, do not represent investment by the applicant and should be deducted from the rate base. Applicant did not show as contributions the total cost of the new facilities; it deducted the unrecovered balance of the cost of the original facilities. By such method applicant still retains in its depreciated rate base plant capital equivalent to the unrecovered balance of the cost of the original facilities. The proposed treatment by the staff appears fair to both the applicant and the rate-payers and will be adopted by the Commission.

Applicant did not contest the deduction by the staff of Account No. 241, Customers' Advances for Construction, of nonoperative plant, and of rural line extension costs.

With regard to the staff's right-of-way rate base adjustment of \$750,000, we have already decided that for the purposes of this decision certain right-of-way costs are chargeable to expense and therefore should be excluded from rate base as requested by applicant.

Depreciation Reserve

Applicant claims that the depreciation reserve as estimated by the staff for 1954 should be increased by approximately \$442,000 after the inclusion of the revised weighted average reserve and the

^{5/} Page 9-B, Outline of Argument by Applicant.

elimination of that portion of the reserve applicable to certain rural lines. The staff's position was that the reserve for the rural lines should not be eliminated in an amount estimated at \$95,000. Thus the staff contends that its depreciation reserve as shown in Exhibit No. 77 should be increased by \$537,000 to allow for revised weighted average of the depreciation reserve for 1954.

The applicant has recovered from the ratepayers part of the cost of these rural lines as represented by the depreciation reserve figure of \$95,000 and it would be unfair to exclude such accumulated reserve in determining a depreciated rate base.

Applicant's estimate of the weighted average deduction for depreciation for the year 1954; namely, \$130,905,000 appearing in Exhibit 10, Table 1, is based on a trend of the recorded average depreciation reserves for the years 1949 through 1952. The staff's estimate of \$143,007,000 reflects the recorded depreciation reserve as of the end of the year 1953, remaining life straight-line accruals during the year 1954, and exclusion of certain nonoperative properties. The applicant's method of estimating assumes that the estimated periods will follow the recorded experience of the prior years. This assumption may be tested by comparing the recorded weighted average year 1953 results with the applicant's estimate which shows the recorded weighted average results to be about \$6,000,000 in excess of the applicant's estimate. Furthermore, the staff's estimate takes into account more recent actual experience in projecting the 1954 experience, and it will be adopted for this decision, after adding \$537,000 to produce ~~at~~ a total of \$143,544,000. *CEM* ✓

Adopted Operating Results

A summary of the adjusted operating results for the estimated year 1954, constructed in accordance with the foregoing review, hereby found reasonable and adopted for the purposes of this decision, is set forth on Table No. 2. For convenience of comparison the operating results presented by the applicant and staff are also included on this table. *J. G. M.*

TABLE NO. 2

Summary of Adopted Operating Results
Estimated Year 1954
 (At Present Rates)

| | Commission | | |
|--------------------------------------|--------------------------|-----------------------------|----------------------|
| | Adopted Oper. Results | Applicant Exhs. No. 2-10 | Staff Exh. No. 77 |
| <u>Operating Revenues</u> | | | |
| Domestic | \$ 56,456,000 | \$ 55,000,000 | \$ 56,456,000 |
| Agricultural | 10,909,000 | 11,800,000 | 10,909,000 |
| Commercial | 32,006,000 | 31,100,000 | 32,006,000 |
| Industrial | 37,843,000 | 37,007,000 | 37,843,000 |
| Public Authorities | 9,830,000 | 9,400,000 | 9,830,000 |
| Railways | 852,000 | 700,000 | 852,000 |
| Electric Utilities - Municipal | 1,771,000 | 1,600,000 | 1,771,000 |
| Electric Utilities - Other | 340,000 | 100,000 | 340,000 |
| Other Electric Revenue | 725,000 | 700,000 | 725,000 |
| Total Operating Revenue | \$150,732,000 | \$147,407,000 | \$150,732,000 |
| <u>Operating Expenses</u> | | | |
| Production | \$ 28,120,000 | \$ 28,953,000 | \$ 27,994,000 |
| Transmission | 4,116,000 | 3,771,000 | 4,116,000 |
| Distribution | 10,597,000 | 11,005,000 | 10,597,000 |
| Customer Accounting & Collecting | 7,232,000 | 7,232,000 | 7,277,000 |
| Sales Promotion | 1,700,000 | 1,700,000 | 1,662,000 |
| Administration & General | 7,743,000 | 8,010,000 | 7,147,000 |
| Adjustment to Jan. 1954 Wage Level | 877,000 | - | 877,000 |
| Depreciation & Amort. of Acq. Adj. | 16,879,000 | 16,294,000 | 16,537,000 |
| Taxes | 40,281,000 | 38,252,000 | 40,651,000 |
| Total Operating Expenses | \$117,545,000 | \$115,217,000 | \$116,858,000 |
| <u>Net Revenue</u> | 33,187,000 | 32,190,000 | 33,874,000 |
| <u>Rate Base</u> | | | |
| Electric Plant Fixed Capital | | | |
| Plant in Service | \$771,220,000 | \$764,312,000 | \$770,720,000 |
| Acquisition Adjustment (Balance) | - | 491,000 | - |
| Working Capital | | | |
| Materials and Supplies | 12,800,000 | 14,000,000 | 12,800,000 |
| Prepayments on Fuel Oil | 2,600,000 | 3,000,000 | 2,000,000 |
| Working Cash | 2,570,000 | 6,500,000 | 1,150,000 |
| Subtotal | \$789,190,000 | \$788,303,000 | \$786,670,000 |
| <u>Adjustments</u> | | | |
| Contribution in Aid of Construction | (4,925,000) | - | (4,925,000) |
| Customers' Advances for Construction | (1,415,000) | (1,000,000) | (1,415,000) |
| Nonoperative Plant (Net) | (272,000) | - | (272,000) |
| Rural Line Extension Costs, | (280,000) | (280,000) | (280,000) |
| Rights of Way & Land Dept. Costs | - | - | 750,000 |
| Depreciation | (143,544,000) | (130,905,000) | (143,007,000) |
| Total Adjustments | \$ (150,436,000) | \$ (132,185,000) | \$ (149,149,000) |
| <u>Depreciated Rate Base</u> | \$ 638,754,000 | \$ 656,118,000 | \$ 637,521,000 |
| <u>Rate of Return</u> | 5.20% | 4.91% | 5.31% |

(Red Figure)

Trend of Rate of Return

During the postwar period of increased prices of labor and materials, utilities generally have been faced with the problem of adding to plant at unit prices which are above the system average unit prices. The result of this process usually is to lower the rate of return unless there are offsetting factors. While applicant's study showed a decline from 6.43 per cent return in 1949 to 4.96 per cent in 1953, the decline from 1953 to 1954 was less than 1/10 of 1 per cent. The staff's study showed a small estimated increase from 5.24 per cent in 1953 to 5.31 per cent in 1954. It is apparent that factors are at work that currently have arrested the sharp decline shown between 1949 and 1953. For the purposes of this decision we find no reason to make an allowance to compensate for a decline in rate of return in the near future.

Revenue Increase

When a rate of return of 5.90 per cent is applied to a depreciated rate base of \$638,754,000 for the test year 1954 after adjustments, a net revenue figure of \$37,686,000 results. Compared with the adopted net revenue of \$33,187,000 for the test year an increase in net revenue of \$4,499,000 is warranted. Under prevailing tax rates (52 per cent federal income tax) a net-to-gross multiplier of 2.186 is indicated, which is equivalent to an increase in gross operating revenues of \$9,835,000. Such increase will be authorized and is estimated to result from the rate changes to be authorized by the order herein.

Rate Factors

Among the factors which the Commission has enumerated in recent decisions^{6/} on other utilities as influencing the rate of return which also might affect the level of rates or of a particular rate are: investment in plant, cost of money, dividend-price and

^{6/} Decisions Nos. 47990 and 48833.

earnings-price ratios, territory, growth factor, comparative rate levels, diversification of revenues, public relations, management, financial policies, reasonable construction requirements, prevailing interest rates and other economic conditions, the trend of rate of return, past financing success, future outlook for the utility, outstanding securities and those proposed to be issued. Additional factors to be considered are adequacy of the service, rate history, customers' acceptance and usage developed under existing rates, value of the service and cost to serve. No one of the above factors is solely determinative of what may constitute reasonableness of earnings, rates, or rate of return.

Cost of Service

Applicant prepared a cost-of-service summary as part of Exhibit No. 13. Cost of service was defined as equal to the sum of expense, income taxes and return on investment. Expenses were allocated to the various classes of customers in part on a judgment basis. Three alternate computations were presented, differing in the manner in which income taxes were allocated to the customer groups. After allocation of investment a rate of return was obtained for each customer grouping for each of the three methods of income tax treatment. Applicant considered the cost of service along with other factors in arriving at what it considered to be an equitable way of distributing the requested revenue increase.

Cost-of-service studies also were prepared by an engineering consultant appearing for the California Portland Cement Company and Erea Chemicals, Inc., and entered into evidence as Exhibits Nos. 53 and 54. Rates of return were computed at present and proposed rates for the two customers concerned and for large power customers on transmission as a group. Alternate calculations were made excluding the effect of the transmission lines from Saugus to Santa Barbara on the assumption

that the general system should not be burdened with the investment and expense associated with these lines.

By the exclusion of the Saugus-Santa Barbara transmission lines and using a somewhat different basis of allocation as between "demand" and "commodity" the consultant found that at applicant's proposed rates the rate of return for service to these two large power customers was higher than the system average, and the rates of return for the two customers at present rates were higher than the Large Power on Transmission group.

A cost analysis also was prepared by the Kaiser Steel Corporation which submitted it as Exhibit No. 55, using in part the basic studies prepared by the engineering consultant for California Portland Cement Company and Brea Chemicals, Inc.. On the basis of this study, Kaiser contends that applicant should not have included investment and expense effects of substations as part of the "Power Pool" in determining cost of service, since this procedure imposes an unfair burden to a customer taking power at the transmission line voltage. Kaiser also claims that consideration should be given to the fact that the Kaiser steel plant is favorably located to receive low-cost power from Hoover Dam.

A somewhat similar cost contention was made by the representative of Monolith Portland Cement Company that the plant is located where it receives power primarily from hydro sources, that it has been a power consumer for over 30 years and should not have to pay for expansion of facilities required for growth in the Los Angeles area.

On December 2, 1953, applicant's witness on cost of service was extensively cross-examined by counsel for California Manufacturers Association. The basis which applicant used to assign investment and costs to the functions of demand, commodity and customers was questioned. Applicant, proceeding on a "load factor"

approach, assigned part of the investment costs to the commodity column whereas the California Manufacturers Association would prefer to assign such costs to the demand column. Such revised method of allocation might show lower costs to serve a high-load factor type of customer. However, under a true load-factor method the 100 per cent load-factor customer would have no separate demand-cost allocation as there would be included in the commodity column an adequate pro-rata of demand.

The cost-of-service studies in the record are briefly summarized in the following tabulation:

Rates of Return at Present Rates
Estimated Average Year 1952

| <u>Customer Group</u> | <u>Applicant's Exhibit No. 13</u> <u>With Income Taxes Allocated on</u> | | | <u>Exhibits</u> <u>Numbers</u> <u>53 and 54</u> |
|--------------------------|----------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------|-------------------------------------------------------|
| | <u>Net Income</u> <u>Basis</u> | <u>Investment</u> <u>Basis</u> | <u>Taxable</u> <u>Income</u> <u>Basis</u> | |
| 1. Domestic | 5.9 | 7.0 | 5.9 | |
| 2. Lighting & Small Pwr. | 7.3 | 14.4 | 9.5 | |
| 3. Large Pwr. on Dist. | 4.0 | 1.1 | 3.1 | |
| 4. Large Pwr. on Transm. | 3.5 | 0.6 | 2.9 | 3.40 |
| 5. Agricultural | 3.9 | 1.0 | 3.1 | |
| 6. Street Lighting | 4.1 | 1.2 | 3.2 | |
| 7. Railways | 3.2 | 0.4 | 2.8 | |
| 8. Municipal Utilities | 5.2 | 3.3 | 4.2 | |
| 9. Vernon | 1.9 | (0.9) | 1.9 | |
| System Total | 4.97 | 4.97 | 4.97 | 4.97 |

(Red Figure)

Exhibit No. 53 indicated that the California Portland Cement's return at present rates is 3.53 per cent and correspondingly Exhibit No. 54 indicated that Brea Chemicals' return is 3.89 per cent. Exhibit No. 55 indicated a return under present rates of 3.96 per cent for Kaiser Steel Co.

Applicant's cost analysis also shows the demand, commodity and customer costs on a unit basis which may be summarized in the manner following:

| <u>Customer Group</u> | <u>Unit Cost Figures - Exhibit No. 13</u> | | |
|----------------------------|-------------------------------------------|---------------------------|--------------------------------|
| | <u>Demand per Kw-Year</u> | <u>Commodity per Kwhr</u> | <u>Customer Annual Average</u> |
| 1. Domestic | \$27.85 | 0.79¢ | \$ 23.74 |
| 2. Lighting and Small Pwr. | 27.80 | 0.79 | 33.90 |
| 3. Large Pwr. on Dist. | 25.29 | 0.72 | 350.17 |
| 4. Large Pwr. on Transm. | 20.30 | 0.51 | 549.99 |
| 5. Agricultural | 26.13 | 0.76 | 82.59 |
| 6. Street Lighting | 22.47 | 0.55 | 2,103.11 |
| 7. Railways | 20.33 | 0.51 | 350.00 |
| 8. Municipal Utilities | 20.57 | 0.51 | 300.00 |
| 9. Vernon | 20.57 | 0.51 | 670.75 |

In the above tabulation the various unit figures include the allocated expenses, income taxes and a 6 per cent return on the allocated investment.

Rate Zoning

The primary purpose of rate zoning is to reflect the variation in cost-to-serve as between built-up and sparsely settled territory. The more important factors are density of load, number of customers, and relative location. In zoning, consideration also is given to historical, competitive or other factors. Where there are a large number of customers involved, as in the domestic and small commercial classes, the unit cost variations occur mainly in the customer component, the demand and commodity components being more or less uniform. Where large commercial, industrial or other types of large loads are concerned, usually the customer component, comparatively, is a small part of the total cost and zoning is not warranted, the rates being so designed as to include a reasonable customer component. Hence the policy of the Commission in general is to limit zoning to the domestic and commercial classes of business and place the other classes of business on system-wide rates. However, on some systems, there are areas so far removed from production sources or the main production-transmission tie system or

conditions are such that special zoning is needed on most or all classes or rates.

Applicant's Zoning System

Applicant proposed a rearrangement and reduction in number of existing rate areas and levels applicable to the domestic and general lighting classes of customers. It proposed reducing the number of levels from 14 to 7 and changing the sequence of numbering. Presently the lowest rates are applied in level No. 6 which it would redesignate as Zone No. 1. The highest rates presently are applied in levels Nos. 1, 11, 21, 31, 41 and 42; these levels it would renumber to Zone 6 for incorporated areas.

Proposed Seven Zones

The proposed seven zones would replace the existing scheme of zoning established in 1940, consisting of area Zones A, B, C and D, with several levels of rates within each area. In substance applicant's proposal is to have system-wide rates but for domestic and lighting service delimited to those areas qualifying in each particular zone. Applicant's proposal would result in reclassifying certain cities to a zone level different than under the present plan.

In Exhibit No. 13 applicant included a statistical summary of cities and communities showing the per-meter revenue and usage rate, meter density data, and revenue and usage per mile of pole line. The proposed number of meters in each zone and the density may be summarized as follows:

| <u>Proposed Zone No.</u> | <u>Number of Meters</u> | <u>Density Meters per Mile</u> |
|------------------------------|-----------------------------|------------------------------------|
| 1 | 99,576 | 151 |
| 2 | 55,790 | 190 |
| 3 | 155,861 | 145 |
| 4 | 375,819 | 97 |
| 5 | 190,507 | 72 |
| 6 | 35,350 | 56 |
| 7 | 198,908 | 16 |
| Total | <u>1,111,811</u> | <u>52</u> |

The above figures are based on statistics for the year 1952.

Zoning Contentions By Parties

A customer residing in Lennox, whose main place of business was in Inglewood, with business and personal interests in Hawthorne, in final argument questioned applicant's proposal to place the City of Hawthorne in Zone No. 4. He stated that Hawthorne's density was higher than the average density of Zone No. 4 as a whole and that certain other per-meter statistics were better than for the City of Long Beach in Zone No. 1. This customer presented Exhibit No. 58 in this proceeding in which he stated: "the transition of southern California from a sparsely settled, agricultural community to a densely populated, highly industrialized community warrants a complete review of the matter of rate zones and a fresh approach to the problem of determining what would be a fair, just and reasonable rate to be applied to any given community." He suggested consolidating proposed Zones 1, 2, 3 and 4 into one group to give recognition to conditions as they exist today in the Los Angeles Metropolitan area.

A customers' representative studied the zoning matter and in final argument indicated that the Los Angeles Metropolitan area has had such a remarkable growth that he proposed special zoning consideration for all cities within 20 miles of the Civic Center of the City of Los Angeles. He objected to the present nine levels of lighting and domestic rates currently in effect in this area, and also objected to applicant's proposed zone differentials in this area. This representative also introduced Exhibit No. 84 in protest to applicant's proposal to place the City of Ontario in Zone No. 5 and the City of Upland in Zone No. 6 and compared such cities to the cities proposed for Zone No. 4.

The recently incorporated City of Lakewood presented testimony and Exhibits Nos. 79, 80 and 81 in substantiation of its request for a parity of rates with those given the City of

Long Beach. Applicant's Exhibit No. 13-M showed the following statistics for 1953 for the area designated Lakewood-Mayfair and may be compared to the City of Long Beach as follows:

| <u>Item</u> | <u>Lakewood-Mayfair</u> | <u>City of Long Beach</u> |
|----------------------------|-------------------------|---------------------------|
| Number of Meters | 20,184 | 111,385 |
| Miles of Line | 191.3 | 765.0 |
| Revenue (Thousand Dollars) | 2,303.0 | 9,414.6 |
| Sales-Kwhr (Thousands) | 148,530 | 579,234 |
| Meters per Mile | 106 | 146 |
| Revenue per Mile | \$12,000 | \$12,000 |
| Kwhr per Mile | 776,000 | 757,000 |
| Revenue per Meter | \$114 | \$85 |
| Kwhr per Meter | 7,400 | 5,200 |

The above statistics of the Lakewood-Mayfair area were compiled prior to the incorporation of the City of Lakewood but the unit figures probably are representative of the present-day statistics for the area included in the City of Lakewood.

A representative from a district known as East Whittier appeared on behalf of the Orchardale Community Association representing 1,000 homes, the Lake Marie Association representing 1,500 homes, the Dow Knolls Association representing 240 homes, and the Whittwood Association representing 250 homes. He protested applicant's proposal to place this area in Zone No. 5 and requested consideration be given to including this area in Zone No. 4.

Counsel for the Cities of Anaheim, Azusa, Colton and Riverside on January 19, 1954 extensively cross-examined applicant's witness on zoning to determine the basis which was used to assign the various cities and areas to the zones. While indicating several factors as an aid to judgment in zoning, the two factors of density and historical consideration were given major attention. In applicant's Exhibit No. 13 the subject of cost variation with density was discussed. Chart I-2 in Exhibit No. 13 indicated that the annual distribution and operating expense drops sharply with an increase in density from roughly \$25 per meter at 20 density to \$8 per meter at 150 density. In addition, the capital cost of distribution

facilities was shown to drop from roughly \$350 per meter at 20 density to \$120 per meter at 150 density. At the close of this cross-examination applicant's witness admitted that in the zoning proposal the historical development was adhered to rather than attempting to make any change as a result of the study on density.

Rezoning by Commission

In view of the contentions of the various interested parties and protestants and applicant's failure to give more weight to the changing density pattern and growth in certain areas, in our opinion it is necessary to revise applicant's zoning proposal. Since the rate levels proposed for Zones Nos. 1 and 2 are relatively close together, Zones Nos. 1 and 2 are being consolidated and applicant's proposed seven zones are being reduced to six zones. The relative levels for certain cities and communities are being changed. Table No. 3, pages Nos. 47, 48, and 49, shows the present zone, applicant's proposed zone and the Commission's adopted zone for the various cities and communities in applicant's service area. In addition statistics as to numbers of meters, indicative of size of load, and number of meters per mile of pole line, indicative of density of load, are included on the table as of December 31, 1953. The name of the city, community or area gives indication as to the general location of the load.

TABLE NO. 3

System Zoning Data - Southern California Edison Company

| <u>Zone Level</u> | | | <u>City-Community-Area</u> | <u>Number of Meters</u> | <u>Density- Meters Per Mile</u> |
|----------------------|-------------------------------|---------------------------------|----------------------------|---------------------------------|-----------------------------------------|
| <u>Pres- ent</u> | <u>Applicant Proposed</u> | <u>Commission Adopted #</u> | | | |
| 1 | 7 | 6 | *Saugus-Malibu Area | 8,215 | 14 |
| 2 | 5 | 3 | El Segundo | 3,896 | 77 |
| 2 | 5 | 3 | Torrance | 14,311 | 75 |
| 2 | 5 | 3 | Palos Verdes | 1,358 | 45 |
| 2 | 5 | 3 | *Avalon Village-Long Beach | 2,184 | 87 |
| 2 | 5 | 3 | *Dominguez-Long Beach | 1,705 | 82 |
| 2 | 5 | 3 | *Lomita | 3,262 | 114 |
| 2 | 5 | 3 | *Duarte | 5,352 | 72 |
| 2 | 5 | 3 | *Monrovia - other | 1,029 | 71 |
| 2 | 5 | 3 | *N. El Monte | 4,960 | 89 |
| 2 | 5 | 3 | *S. El Monte | 8,407 | 85 |
| 2 | 5 | 3 | *Pico | 3,605 | 96 |
| 2 | 5 | 3 | *Rivera | 4,797 | 100 |
| 2 | 5 | 3 | *Whittier - other | 7,756 | 93 |
| 2 | 5 | 3 | *La Crescenta | 6,192 | 85 |
| 2 | 5 | 3 | *Montrose | 2,674 | 98 |
| 2 | 5 | 3 | *LaCanada | 3,605 | 58 |
| 2 | 5 | 3 | *Remainder of Metro Area | 11,146 | 31 |
| 3 | 4 | 3 | Arcadia | 11,798 | 81 |
| 3 | 4 | 2 | Compton | 19,709 | 97 |
| 3 | 4 | 2 | Culver City | 10,752 | 138 |
| 3 | 4 | 3 | El Monte | 3,435 | 99 |
| 3 | 4 | 3 | Gardena | 6,286 | 100 |
| 3 | 4 | 2 | Hawthorne | 7,284 | 131 |
| 3 | 4 | 2 | Hermosa Beach | 5,958 | 174 |
| 3 | 4 | 2 | Lynwood | 10,308 | 123 |
| 3 | 4 | 2 | Manhattan Beach | 9,692 | 110 |
| 3 | 4 | 3 | Monrovia | 9,251 | 101 |
| 3 | 4 | 3 | Montebello | 9,167 | 91 |
| 3 | 4 | 2 | Monterey Park | 9,111 | 107 |
| 3 | 4 | 2 | Redondo Beach | 12,156 | 108 |
| 3 | 4 | 3 | San Fernando | 5,309 | 125 |
| 3 | 4 | 2 | San Gabriel | 7,687 | 118 |
| 3 | 4 | 3 | San Marino | 4,429 | 67 |
| 3 | 4 | 3 | Sierra Madre | 3,163 | 73 |
| 3 | 4 | 3 | *Altadena | 13,573 | 89 |
| 3 | 4 | 3 | *Bell Gardens | 8,031 | 77 |
| 3 | 4 | 2 | *Compton-Lynwood | 15,006 | 97 |
| 3 | 4 | 3 | *Cudahy | 2,050 | 118 |
| 3 | 4 | 3 | *Downey | 30,062 | 94 |
| 3 | 4 | 3 | *East San Gabriel | 29,773 | 95 |
| 3 | 4 | 3 | *Imperial-Lawndale | 22,845 | 94 |
| 3 | 4 | 2 | *Lennox | 8,840 | 141 |
| 3 | 4 | 2 | *Lakewood-Mayfair | 20,184 | 106 |
| 4 | 3 | 2 | Alhambra | 21,639 | 142 |
| 4 | 3 | 1 | Bell | 6,463 | 160 |
| 4 | 3 | 1 | Huntington Park | 14,625 | 187 |
| 4 | 3 | 2 | Inglewood | 20,482 | 133 |

TABLE NO. 3--Contd.

| Pres- ent | Zone Level | | City-Community-Area | Number of Meters | Density- Meters Per Mile |
|--------------|-----------------------|-------------------------|----------------------------|------------------------|--------------------------------|
| | Applicant Proposed | Commission Adopted # | | | |
| 4 | 3 | 1 | Maywood | 5,812 | 177 |
| 4 | 3 | 2 | Signal Hill | 2,174 | 60 |
| 4 | 3 | 1 | South Gate | 20,459 | 172 |
| 4 | 3 | 2 | South Pasadena | 7,916 | 115 |
| 4 | 3 | 2 | *East Los Angeles | 34,607 | 150 |
| 4 | 3 | 2 | *Inglewood Nos. 1 and 2 | 6,753 | 122 |
| 4 | 3 | 1 | *Walnut Park | 19,491 | 167 |
| 5 | 2 | 1 | Beverly Hills | 13,726 | 166 |
| 5 | 2 | 1 | Santa Monica | 30,740 | 187 |
| 5 | 2 | 1 | *West Hollywood | 12,958 | 269 |
| 6 | 1 | 1 | Long Beach | 111,385 | 146 |
| 11 (E) | 6 | 5 | Beaumont | 1,602 | 50 |
| 11 (E) | 6 | 4 | Brea | 1,744 | 86 |
| 11 (E) | 6 | 4 | Buena Park | 2,765 | 76 |
| 11 (E) | 6 | 5 | Chino | 2,265 | 47 |
| 11 (E) | 6 | 4 | Costa Mesa | 4,626 | 70 |
| 11 (E) | 6 | 5 | Fontana | 3,228 | 64 |
| 11 (E) | 6 | 4 | Glendora | 2,306 | 79 |
| 11 (E) | 6 | 5 | Huntington Beach | 2,705 | 59 |
| 11 (E) | 6 | 4 | La Habra | 2,975 | 86 |
| 11 (E) | 6 | 5 | La Verne | 1,622 | 67 |
| 11 (E) | 6 | 4 | Placentia | 658 | 110 |
| 11 (E) | 6 | 4 | Seal Beach | 1,690 | 120 |
| 11 (E) | 6 | 5 | Tustin | 563 | 83 |
| 11 (E) | 6 | 5 | Upland | 4,121 | 45 |
| 11 (E) | 6 | 5 | West Covina | 5,571 | 57 |
| 11 (W) | 6 | 5 | Fillmore | 1,511 | 73 |
| 11 (W) | 6 | 5 | Ojai | 1,321 | 61 |
| 11 (W) | 6 | 5 | Port Heuneme | 1,428 | 81 |
| 11 (E) | 7 | 5 | *Artesia | 3,046 | 70 |
| 11 (E) | 7 | 5 | *Baldwin Park | 8,477 | 75 |
| 11 (E) | 7 | 5 | *Garden Grove | 4,166 | 74 |
| 11 (E) | 7 | 5 | *Hawaiian Gardens | 864 | 84 |
| 11 (E) | 5 | 3 | *Norwalk | 15,460 | 99 |
| 11 (E) | 7 | 5 | *Puente | 3,173 | 42 |
| 11 (E) | 5 | 3 | *Sunshine Acres - Whittier | 2,332 | 67 |
| 11 (E) | 5 | 3 | *Whittier - South | 18,878 | 75 |
| 11 (E) | 7 | 6 | *Eastern Division | 82,827 | 23 |
| 11 (W) | 7 | 5 | *Carpinteria | 1,134 | 64 |
| 11 (W) | 7 | 5 | *North Ventura | 1,357 | 141 |
| 11 (W) | 7 | 6 | *Western Division | 26,287 | 16 |
| 13 | 5 | 4 | Claremont | 2,755 | 64 |
| 13 | 5 | 4 | Covina | 2,929 | 86 |
| 13 | 5 | 4 | Fullerton | 8,068 | 71 |
| 13 | 5 | 4 | Laguna Beach | 4,673 | 107 |
| 13 | 5 | 3 | Newport Beach | 9,822 | 174 |

TABLE NO. 3--Contd.

| Pres- ent | Zone Level | | City-Community-Area | Number of Meters | Density- Meters Per Mile |
|--------------|-----------------------|-------------------------|-----------------------|------------------------|--------------------------------|
| | Applicant Proposed | Commission Adopted # | | | |
| 13 | 5 | 4 | Ontario | 11,492 | 76 |
| 13 | 5 | 4 | Orange | 4,735 | 89 |
| 13 | 5 | 4 | Oxnard | 6,754 | 90 |
| 13 | 5 | 4 | Redlands | 7,301 | 49 |
| 13 | 5 | 4 | Santa Paula | 4,000 | 90 |
| 14 | 4 | 3 | Pomona | 16,630 | 84 |
| 14 | 4 | 3 | San Bernardino | 20,209 | 78 |
| 14 | 4 | 3 | Santa Ana | 21,189 | 122 |
| 14 | 4 | 3 | Santa Barbara | 18,872 | 97 |
| 14 | 4 | 3 | Ventura | 7,602 | 100 |
| 14 | 4 | 3 | Whittier | 11,998 | 104 |
| 21 | 6 | 5 | Woodlake | 860 | 65 |
| 21 | 7 | 6 | *San Joaquin Valley | 41,341 | 11 |
| 23 | 5 | 4 | Delano | 3,231 | 60 |
| 23 | 5 | 4 | Exeter | 1,679 | 87 |
| 23 | 5 | 4 | Hanford | 3,862 | 92 |
| 23 | 5 | 4 | Lindsay | 2,046 | 70 |
| 23 | 5 | 4 | Porterville | 3,184 | 88 |
| 23 | 5 | 4 | Tulare | 4,859 | 84 |
| 23 | 5 | 4 | Visalia | 5,411 | 90 |
| 31 | 6 | 5 | Cities jointly served | 539 | 9 |
| 31 | 6 | 5 | Tehachapi | 690 | 81 |
| 31 | 7 | 6 | *Acton, etc. | 13,865 | 9 |
| 31 | 7 | 5 | *Lancaster | 3,765 | 48 |
| 41 | 7 | 6 | *Zone D | 9,750 | 14 |
| 42 | 7 | 6 | Caliente, etc. | 2,100 | 4 |
| Total System | | | | 1,186,476 | 53 |

* Designates unincorporated community or area.

Commission's 6-zone plan represents one step downward from applicant's proposal, for all zones except No. 1, for equivalent level.

Summary By Adopted Zones

| <u>Adopted Zone No.</u> | <u>No. of Meters</u> | <u>Density Meters/Mile</u> | <u>Miles</u> |
|-----------------------------|--------------------------|--------------------------------|--------------|
| 1 | 235,659 | 163.1 | 1,445.26 |
| 2 | 230,258 | 120.5 | 1,911.03 |
| 3 | 388,423 | 85.7 | 4,534.23 |
| 4 | 93,743 | 77.3 | 1,213.29 |
| 5 | 54,008 | 57.3 | 942.81 |
| 6 | 184,385 | 14.9 | 12,351.16 |
| Total | 1,186,476 | 53.0 | 22,397.78 |

Additional Areas

The Metropolitan Rate Area was established to include the area of greatest domestic and commercial concentration in applicant's service area. Applicant's service area does not include the City of Los Angeles, other than a minor number of fringe-boundary customers. The Metropolitan Rate Area includes certain areas to the south and east of the City of Los Angeles as well as certain areas entirely surrounded by the City of Los Angeles. There has been considerable development beyond and contiguous to this area in the portion of Los Angeles County east of the San Gabriel River and in the northwestern part of Orange County. This development is unusual in that it has taken the form of concentrated subdivisions in scattered locations in the agricultural areas. These subdivisions in many instances have almost filled the areas not set aside for industrial use and therefore represent complete saturation of the available land.

From a zoning standpoint, this presents a complex problem because there is no tapering of customer density as one moves outward from the load center. There are areas of extremely high concentration with abrupt demarcation to either large agricultural or industrially zoned areas. In recognition of this development it appears appropriate that the Metropolitan Rate Area should be extended in an easterly direction to include this growth. Under this situation the areas known as Norwalk, Sunshine Acres and Whittier-South are established in Zone No. 3 compared to applicant's proposed Zone No. 5. Furthermore, to recognize the development beyond the San Gabriel River, south and east of Los Angeles, the Southeastern Rate Area is established, which includes the areas known as Garden Grove, Artesia and Hawaiian Gardens. Similar development east of the San Gabriel River, in the vicinity of West Covina, is recognized by establishment of the North Eastern Rate Area, which includes the areas of Baldwin Park and Puente.

In other places in applicant's service area urban growth has extended beyond city boundary lines and in certain cases isolated communities have developed that warrant special zoning treatment. Applicant proposed Zone No. 7 for the following areas which are being established in Zone No. 5:

East San Bernardino
Hanford Suburban
Porterville Suburban
Visalia Suburban
Tulare Suburban

Palmdale
Farmersville
Carpinteria
North Ventura
Lancaster

Applicant will be required to file appropriate maps showing the rate zones established herein as applied to its service territory.

Conclusion on Zoning

In revising applicant's proposed zoning plan we have given weight to the development in the territory, variation in customer density over the applicant's service area, number of customers, historical and such other factors as appeared pertinent to this problem. With regard to the contention of the various protestants and interested parties we have:

- (1) Placed Hawthorne, Inglewood and Lennox in Zone No. 2 in contrast to applicant's proposed Zones Nos. 3 and 4, but have not seen fit to consolidate Zones Nos. 1, 2, 3 and 4.
- (2) Extended the Metropolitan Rate Area in places beyond the 20-mile belt but have retained three zone levels in the area; have placed Ontario in Zone No. 4 as requested but do not find that the statistical indices warrant a lower zone than No. 5 for Upland.
- (3) Granted Lakewood's request to the extent of lowering applicant's proposed Zone No. 4 to Zone No. 2 but do not find that at present the statistics warrant a No. 1 zone classification.
- (4) Rezoned East Whittier from proposed Zone No. 5 to Zone No. 3, one zone lower than requested.

In developing this zoning plan we have obtained some data from applicant's work papers supplemental to that shown in applicant's Exhibits Nos. 13 and 13-M, in order to establish a complete, up-to-date and comprehensive zoning plan at this time. The presently established zones are not static and will be subject to review from time to time as changing conditions require.

Rate Spread

As previously mentioned applicant's proposal to increase rates of certain classes of customers a greater amount percentagewise than other classes elicited extended testimony from those with proposed larger increases. The extent of the proposed variation by classes is set forth in the following tabulation:

Applicant's Proposed Increases by Classes

| <u>Class of Service</u> | <u>Revenue Present Rates</u> | <u>1953 Estimated Applicant's Proposed Increase</u> | |
|-----------------------------|------------------------------|-----------------------------------------------------|---------------|
| | | <u>Ratio</u> | <u>Amount</u> |
| Domestic | \$ 50,869,900 | 4.9% | \$ 2,504,500 |
| General Lighting | 26,227,600 | 4.4 | 1,147,100 |
| Street Lighting | 2,322,100 | 22.4 | 520,600 |
| General Power | 12,337,700 | 10.9 | 1,344,300 |
| Agricultural Power | 13,308,900 | 17.2 | 2,288,600 |
| Heating and Power | 642,400 | 11.4 | 73,300 |
| Power and Lighting | 20,896,400 | 24.3 | 5,074,400 |
| Municipal Pumping | 530,100 | 15.6 | 82,700 |
| Oil Field Power and Light | 517,100 | 29.2 | 150,800 |
| Standby | 7,100 | 8.1 | 600 |
| Other Utilities - Municipal | 1,500,000 | 16.8 | 251,700 |
| Other Utilities | 800,000 | 13.6 | 109,000 |
| Railways | 800,000 | 36.1 | 288,600 |
| "Specials" | 1,448,500 | 32.4 | 470,000 |
| Vernon | 5,392,200 | 48.3 | 2,605,200 |
| Total | \$137,600,000 | 12.3% | \$16,911,400 |

It will be noted that the above proposed total increase is nearly double the amount being found reasonable herein and gives room for readjustment in the proposed increases sufficient to allow for a revised zoning system and for some weight to the contentions of the various parties without exceeding the range of applicant's proposed rate increases.

Schedule Terminology

Applicant now uses the "L" series of numbers to designate Lighting - General Service schedules. Such rates apply to general lighting service with or without single-phase power service. Due to the growth of appliance and single-phase power load it would appear more appropriate to drop the lighting designation and call this General Service under an "A" series of numbers. For the larger type

of lighting customers, where three-phase service is taken in combination with power, applicant proposes a "PL" designation. This service is not limited to lighting and power and may involve appliance load as well. A general service designation under an "A" number, such as A-7, would appear to be more appropriate here. Applicant's proposed terminology for the remainder of most of the classes appears reasonable and will be adopted. The letter designations being adopted herein for the various classes of service follow:

| <u>Class of Service</u> | <u>Schedule Designations</u> |
|----------------------------------|------------------------------|
| General Service (Single Phase) | A-1 to A-6 |
| General Service (Three Phase) | A-7 |
| Domestic Service - Single Family | D-1 to D-6 |
| Domestic Service - Multifamily | DM |
| Heating and Power | H |
| Lighting - Street and Highway | LS-1, LS-2 |
| Power - General | P-1, P-2 |
| Power - Agricultural and Pumping | PA-1 to PA-4 |
| Power - Municipal Plumbing | PM |
| Power and Light - Oil Field | PO |
| Standby | S |

In addition to the above schedules, applicant now renders resale service under contracts which we will require to be placed under an "R" schedule and railway power service under a "PR" schedule.

Domestic Service - Single Family

Significant changes proposed by the applicant for domestic schedules include the establishment of uniform energy blocking for these schedules, energy blocking for simpler proration, the adoption of the customer charge rather than the minimum charge type of rate, the consolidation of the lighting and "combination" rates, a revised water heating rate to limit the kilowatt-hours at the one-cent rate to a quantity believed adequate for water heating, and elimination of the seldom-used separately metered water heating rate. Of these many proposed changes probably the most radical is the change from a minimum charge form to a customer charge form because of its predominant use in California.

Applicant's present domestic rates for levels 1 to 6 and 21 are compared to its proposed rates and the rates being adopted in the next tabulation:

A. Present Rates

| Schedule Number | D-6 | D-5 | D-4 | D-3 | D-2 | D-1 | D-21 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|
| First 14-17 kwhr per mo. | \$0.85 | \$0.85 | \$0.90 | \$0.90 | \$0.95 | \$0.95 | \$0.95 |
| Next 33-36 kwhr per kwhr | 3.5¢ | 3.6¢ | 4.1¢ | 4.3¢ | 4.4¢ | 4.5¢ | 4.9¢ |
| Next 50 kwhr per kwhr | 2.0¢ | 2.1¢ | 2.2¢ | 2.9¢ | 3.5¢ | 3.8¢ | 3.8¢ |
| Next 100 kwhr per kwhr | 1.9¢ | 1.9¢ | 1.9¢ | 2.1¢ | 2.7¢ | 2.8¢ | 2.8¢ |
| Over 200 kwhr per kwhr | 1.5¢ | 1.5¢ | 1.5¢ | 1.5¢ | 1.5¢ | 1.6¢ | 1.6¢ |

B. Applicant's Proposed Rates

| Schedule Number | D-1 | D-2 | D-3 | D-4 | D-5 | D-6 | D-7 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|
| Customer charge per month | \$0.50 | \$0.55 | \$0.60 | \$0.70 | \$0.80 | \$0.85 | \$0.90 |
| First 45 kwhr per kwhr | 3.4¢ | 3.5¢ | 3.6¢ | 3.9¢ | 4.3¢ | 4.6¢ | 4.7¢ |
| Next 60 kwhr per kwhr | 2.2¢ | 2.2¢ | 2.5¢ | 2.8¢ | 3.1¢ | 3.3¢ | 3.4¢ |
| Next 105 kwhr per kwhr | 1.9¢ | 1.9¢ | 1.9¢ | 2.0¢ | 2.0¢ | 2.1¢ | 2.1¢ |
| Over 210 kwhr per kwhr | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ |

C. Authorized Rates

| Schedule Number | D-1 | D-2 | D-3 | D-4 | D-5 | D-6 |
|---------------------------|--------|--------|--------|--------|--------|--------|
| Customer charge per month | \$0.50 | \$0.60 | \$0.70 | \$0.80 | \$0.85 | \$0.90 |
| First 45 kwhr per kwhr | 3.4¢ | 3.6¢ | 3.9¢ | 4.3¢ | 4.6¢ | 4.7¢ |
| Next 60 kwhr per kwhr | 2.2¢ | 2.5¢ | 2.8¢ | 3.1¢ | 3.3¢ | 3.4¢ |
| Next 105 kwhr per kwhr | 1.9¢ | 1.9¢ | 2.0¢ | 2.0¢ | 2.1¢ | 2.1¢ |
| Over 210 kwhr per kwhr | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ | 1.3¢ |

Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr will be set at 1.0 cents per kwhr. In the above authorized schedules the minimum charge shall be the monthly customer charge and no usage is included in the customer charge. The total billing will be the sum of the customer charge plus the energy charge.

A representative for the California Institute of Social Welfare, appearing in behalf of the recipients of old age assistance residing in the ten southern counties served by the applicant, opposed any rate increase for the applicant.

Domestic - Multifamily Service

Applicant proposed Schedule DM for all domestic service where more than a single-family accommodation is served through a single meter. When applied to a multifamily accommodation, where there are one or more separate structures served through a single meter, the schedule is a "multiplier type" rate adaptation of the single-family domestic schedule applicable to the zone in which the multifamily accommodation is located. However, the rate contains an exception where there is only one structure served through a single meter permitting such structure to be served on applicant's proposed lighting-general service rate.

Under this schedule applicant proposes to apply to all public housing projects the "multiplier type" of rate except for some "transient types" of housing. Such proposal elicited extended testimony and argument from public housing representatives. A witness for the Public Housing Administration of the United States Government presented Exhibit No. 52 to show that applicant's proposal would result in increases all of the way up to 230 per cent compared to existing contract rates. He indicated that the other electric utilities in the State generally serve public housing projects on the lighting or general service rates by means of master meters.

The applicant's position was that a family unit in a housing project should pay approximately the same rate as the single-family dwelling except for the saving in billing and secondary distribution costs, such position being predicated on its understanding of the principles in the Mutual Housing Association of Compton complaint case, Decision No. 46176, Cases Nos. 4698 and 5012, September 4, 1951. The Public Housing Authority witness contended that applicant's proposal to use only one customer charge for a housing project, plus multiplying the length of the kwhr blocks by the number of single-family accommodations on the meter, would not

represent a proper cost saving of distribution for the characteristic density of dwellings in the area surrounding the project. Furthermore, the witness brought to our attention the fact that the Compton decision was meaningless because the Mutual Association had sold its distributing equipment to the applicant during the course of the hearings and each single-family unit now is being individually served and metered by applicant.

After considering the evidence on this subject it is concluded that applicant's proposed DM Schedule should be revised to permit multifamily accommodations of more than one structure the option of taking service on the general service schedules.

General Service - Single Phase

Applicant's present Lighting-General Service schedules are now of a minimum charge form and applicant proposes a change to the customer charge form similar to the domestic schedules. It proposes that the amount of the monthly customer charge and the rate charge for the first energy block be the same as in the domestic schedules for corresponding territory. As in the present schedules applicant proposes two parts, Rate A and Rate B. Rate A is a "block rate" and Rate B is a "demand rate". Rate B is to be available at the customer's option and no special guarantees are required as in the present schedule. For Rate B, as proposed, there is a minimum billing demand of 20 kw and, accordingly, the rate could prove advantageous to the customer only where the monthly use of energy exceeds 3,000 kwhr.

An electrical engineer from a consulting engineering firm appeared on behalf of the Centinela Valley Union High School District and presented Exhibit No. 66 for the purpose of showing the characteristics of school load. He stated that schools operate at high power factors, that peak loads occur during daylight hours and that the ratio of demand to consumption is usually high. He stated that

schools above the elementary level, because of the physical size of their plants, normally find it desirable to purchase energy at a voltage higher than the utilization voltage and to distribute throughout the premises at this higher voltage. Also he stated it is desirable to serve both power and light from the same feeders and requested that consideration be given to making available a schedule that will permit schools to purchase polyphase energy at voltages of 480 or higher for combined power and lighting at reasonable costs.

School loads are somewhat similar to commercial office building loads and belong on the general service rates. Schedules A-1 to A-6 being adopted by the Commission at the rate levels proposed by applicant for Schedules L-1, L-3, L-4, L-5, L-6, and L-7 will give reasonable rates to this low-load factor school load where single-phase service is sufficient for the school's needs. However, where high voltage three-phase service is needed for schools with large combined power and light loads, Schedule A-7, which is a combination of applicant's proposed PL-1 and PL-2 rates, will be available.

General Service - Three Phase

Applicant proposed two power and lighting schedules, PL-1 and PL-2, to apply to the larger general power and lighting customers. For Schedule PL-1 it proposed a \$75 monthly minimum charge allowing 75-kw demand and for Schedule PL-2, a \$1,400 monthly minimum charge allowing 2,000-kw demand. For each schedule it proposed a blocked demand charge plus a blocked energy charge, PL-1 being higher than PL-2. Each schedule contains special conditions relating to voltage, billing demand, fuel clause, high voltage discount, power factor adjustment, and off-peak service. In addition applicant proposed a 5-year contract provision on Schedule PL-2.

These two proposed schedules would replace the following existing schedules:

| <u>Schedule</u> | <u>Designation</u> |
|-----------------|---------------------------------------------------------------|
| PC-1 | Power-Combination Service |
| PC-41 | Power-Combination Service |
| Zone A, PCI-2 | Power-Combination Industrial Service (Now Closed Schedule) |
| PCO-1 (Dem.) | Power-Combination Oil Field Service |
| Zone B, P-3 | Power-General Service (Now Closed Schedule) |

Studies presented by an independent consulting engineer retained by California Portland Cement Company and Brea Chemicals, Inc., indicated that the application of proposed Schedule PL-2 would result in an increase of more than 34 per cent for the Colton cement plant and 33 per cent increase for the new Brea Chemicals plant when compared to the application of the present PC-1 rate. Based on the cost analysis prepared by this consulting engineer, it was his conclusion that the proposed PL-2 rate appears high.

Representatives of the Monolith Portland Cement Company submitted Exhibit No. 65 which shows that proposed Schedule PL-2 would result in an increase of 36 per cent compared to present Schedule PC-1 and that proposed Schedule PL-1 would result in an increase of 40 per cent. The competitive character of the cement industry was pointed out, as well as the competition that Monolith must meet from cement mills having their own generating plants. Monolith's position was that the proposed rates impose too great an increase upon the large power user in comparison with other classes of customers and favor the low-load factor customer at the expense of the high-load factor customer, and that the increase should not exceed the average system increase of 12.3 per cent. It submitted a proposed Schedule PL-3 for large power users for consideration of the Commission.

A representative of the Kaiser Corporation presented Exhibit No. 48 wherein it was shown that the proposed PL-2 rate would

result in an increase from 30 per cent to 45 per cent compared with Schedule PC-1 and that proposed PL-1 would result in an additional increase of approximately 12 per cent. The competitive aspects of the steel industry and the availability of coke gas for local generation of electric power were pointed out. In final argument counsel for Kaiser Steel Corporation stated that this coke gas is now being sold to applicant and is the lowest cost fuel being used by applicant, and that its load of 48,000 kw and high-load factor of 70 per cent makes self generation economically feasible. He concluded that any greater increase than 10 per cent would endanger Kaiser Steel's competitive position and its future expansion.

Bethlehem Pacific Coast Steel Corporation, located in Vernon, opposed applicant's proposal to subject certain classes of customers to moderate percentage increases in rates and to impose on certain other classes of customers what it classed as exceedingly heavy, unjust and unreasonable increases in rates. It introduced Exhibit No. 37 in support of its position.

Another witness for the California Portland Cement Company testified regarding the cost of production of electric energy by a waste heat plant based on a report by the Fluor Corporation. His study for the Colton Cement plant indicated a cost of 4.49 mills per kwhr assuming 95,000,000 per year output. Such cost may be compared with a cost of approximately 5.6 mills per kwhr on present PC-1 Schedule and 7.5 mills per kwhr on proposed Schedule PL-2, but was based on the assumption that the fuel cost was zero.

A representative of the United States Rubber Company presented Exhibit No. 78 which showed that the proposed PL-2 rate would result in a 36.4 per cent increase compared to existing Schedule PC-1. This representative found no fault whatever with the calibre of applicant's service and stated that his company would probably accept without protest a proposal for a nominal increase. He objected, however, to a proposed increase of 36 per cent in contrast to 18.8 per cent for all industrial users as a class and 12.6 per cent for the utility's total service.

The Los Angeles County Fair Association, now operating on Schedule PC-1, paid an average rate of 1.074 cents per kwhr for the period November 30, 1951 to December 1, 1952. By Exhibit No. 30 its representative stated that under the proposed PL-2 Schedule this rate would be 1.802 cents per kwhr, an increase of 68 per cent. The Association's rate is about double that of other customers because it has a high seasonal demand with low annual usage. This representative requested that the present PC-1 rate form be maintained at a higher level rather than changed to applicant's proposed rate form.

A customer's representative objected to applicant's proposal of two levels of rates (PL-1 and PL-2) for industrial accounts and suggested that these two be consolidated into one schedule.

Conclusion as to Rate Level

Applicant's study (Exhibit No. 13) indicates that its present large power rates are considerably below the national average. Applicant interpreted its cost study as justifying a sizable increase in the large power and lighting class of service. For the group "Large Power on Transmission" applicant determined a customer cost of \$45.80 per month, a demand cost of \$1.69 per kw per month

and a commodity cost of 0.51 cents per kwhr. In designing Schedule PL-2 applicant used a basic demand component of \$1.60 per kw and a terminal commodity rate of 0.55 cents per kwhr. For a large, high-load-factor customer it is obvious that applicant's schedule would return more than the cost indicated by its cost study. Moreover, the cost study prepared by the consulting engineer indicated slightly lower costs to serve two large customers than was indicated by applicant's cost analysis.

Existing Schedule PC-1 has a terminal rate of 0.40 cents per kwhr. Applicant's proposed terminal rate of 0.55 cents per kwhr on PL-2 represents an increase of 37.5 per cent. For the larger type of customer, operating at a high load factor, changes in the terminal rate level are most significant. In our opinion, a terminal rate of 0.40 cents is too low and an increase in this rate of roughly 20 per cent to a level of approximately 0.48 cents per kwhr at transmission voltage is warranted.

With regard to the group "Large Power on Distribution", applicant's cost study showed a customer cost of \$29.20 per month, a demand cost of \$2.11 per kw per month and a commodity cost of 0.72 cents per kwhr. Applicant's proposed Schedule PL-1 for a basic load of 200 kw would yield a customer-and-demand cost of this magnitude but contains a terminal rate of 0.60 cents per kwhr. For the "smaller type" of large power and light customer it is obvious that applicant's proposed rate is in line with or below its indicated cost of service. Little change in this proposed Schedule PL-1 appears necessary from a cost standpoint. However, a suggestion has been made that these two proposed schedules be merged into one schedule. In our opinion such proposal has merit and this can be done without unduly lowering the rate to the smaller-load customer or increasing the

larger-load customer beyond applicant's proposal. In fact for the higher load factor type of customer a considerable reduction below applicant's proposal will result from lowering the proposed terminal rate level.

With regard to the factor of competition from local generation, based on the figures and data contained in the record, the present level of Schedule PC-1 is above the indicated cost of the substitute sources of energy. We find no reason for authorizing an unreasonably low power rate because of threatened local generation from waste heat.

The factor of competition within the cement and steel industries is important from the standpoint of value of service. We have considered this factor and are of the opinion that the level of the rate as revised by the Commission gives proper consideration to this factor. The basic rate levels being adopted for Schedule A-7 follow:

Demand Charge:

| | | |
|-------|---------------------|------------------------|
| First | 75 kw or less | \$75.00 per month |
| Next | 125 kw | \$ 0.80 per kw per mo. |
| Next | 1,800 kw | 0.70 per kw per mo. |
| Next | 8,000 kw | 0.60 per kw per mo. |
| Over | 10,000 kw | 0.50 per kw per mo. |

Energy Charge (In Addition to Demand Charge)

| | | |
|-------|---------------------------------|--------------------|
| First | 150 kwhr per kw of demand: | |
| First | 15,000 kwhr per month | 1.7 cents per kwhr |
| Over | 15,000 kwhr per month | 0.9 cents per kwhr |
| Next | 150 kwhr per kw of demand | 0.7 cents per kwhr |
| Over | 300 kwhr per kw of demand | 0.5 cents per kwhr |

The minimum charge will be the demand charge but not less than \$75 per month. In considering the rate levels set forth above attention need be given to the various special conditions pertaining to three-phase general service.

Special Conditions

Changes proposed by applicant in the special conditions under which power and lighting service would be rendered elicited extended discussion from the representatives of the several customers affected thereby. The first special condition deals with voltage of service.

Voltage of Service and Voltage Discount

For Schedule PL-1 there was a different voltage of service provision than for Schedule PL-2. Schedule PL-1 would be available at any one standard voltage but Schedule PL-2 would be limited to service at the available voltages of 10 kv or over. In view of the fact that we are combining the schedules, no limitation as to minimum voltage is necessary.

Applicant proposed a discount of 2 per cent for service delivered and metered at a voltage between 2 kv and 10 kv and 4 per cent for service delivered and metered at a voltage above 10 kv on Schedule PL-1, and a discount of 3 per cent for service delivered and metered at a voltage above 50 kv on Schedule PL-2. Some customers were concerned over the fact that they might have to provide stepdown substations or purchase applicant's serving equipment to qualify for the PL-2 schedule.

A representative of the United States Government, employed by the Eleventh Naval District, introduced Exhibit No. 51 for the purpose of showing that the proposed 2 per cent discount was too small to warrant a customer installing stepdown transformers or a substation to take advantage of the high voltage discount provision. His computation indicated that an 8.6 per cent discount would be necessary to warrant his employer installing a transformer bank with a spare transformer and switching equipment. A 40 per cent load factor of operation was assumed.

Other parties questioned the discount allowance when only one transformation was required to go from transmission voltage level down to a voltage level of 2 kv-10 kv. Their contention was that it did not cost the applicant more to step down to the 2 kv-10 kv range than to the 10 kv-50 kv range where such stepdown involved only one transformation. After giving weight to these contentions and to the fact that a single schedule is being established the following voltage discounts are being provided:

| <u>Discount</u> | <u>Service Voltage Range</u> |
|-----------------|----------------------------------|
| Zero | Below 2 kv |
| 3% | 2 kv - 10 kv |
| 4% | 2 kv - 10 kv (single transforma- |
| 4% | 11 kv - 50 kv (tion) |
| 5% | Over 50 kv |

In Schedule PL-2 applicant proposed the following condition: "The company retains the right to change its line voltage after reasonable advance notice to any customer receiving a discount hereunder and affected by such change. Such customer then has the option of changing his system to receive service at the new line voltage or of accepting service without discount through transformers owned by the company." Such proposed condition was objected to on the ground that it might subject customers to a change-over cost that would be for applicant's convenience and efficiency of operations. In our opinion such a special condition is not necessary to protect the utility and we are certain that a reasonable means of handling this situation could be worked out individually for the few parties affected if applicant found it necessary to change service voltage on any particular lines.

Demand Ratchet

Applicant proposed that the billing demand shall be the kilowatts of measured maximum demand but not less than 60 per cent of the highest billing demand established in the preceding eleven months. At present Schedule PC-1 has a demand ratchet of (1) 40 per cent of

the connected load, or (2) the highest measured maximum demand in the preceding eleven months, whichever is lower. This condition is of concern primarily to a customer having a large seasonal load. In such cases there is diversity in the time of occurrence of demand as between seasonal customers as a class. A demand ratchet of 50 per cent appears more reasonable and will be authorized.

Demand Interval

Applicant proposed a 15-minute interval for measuring demand. Several customers objected claiming that they now enjoy a 30-minute demand interval and that a 15-minute interval would increase the demand billing. After considering this matter it is our opinion that a 15-minute period is reasonable for loads under 400 kw, but for loads larger than 400 kw the 30-minute interval should be retained.

Applicant also proposed that when the demand is intermittent or subject to violent fluctuations the maximum demand may be based on a shorter interval. This provision appears reasonable except that some time interval should be specified. A 5-minute period will be adopted for this purpose.

Fuel Clause

Applicant proposed a fuel clause with a rate change of 0.01 cents per kwhr for each 5-cent change in posted price in Bunker Fuel Oil above or below a base price of \$1.75 per barrel. Such changes in rates are predicated on an efficiency of 500 kwhr per barrel of oil. Applicant's purpose for inserting a fuel clause is to keep the rate competitive with the cost of production of power from local generation by fuel oil or equivalent cost fuel.

On November 6, 1953 counsel for California Manufacturers Association cross-examined applicant's witness on the subject of making the fuel clause applicable to all sales. The witness replied that a different rate structure would have to be considered than the one proposed. A fuel clause on all sales would be equivalent to a

cost adjustment clause rather than a competitive cost clause. If the purpose is to insert the clause in all rates then it would be necessary to give effect to the fact that a sizable part of applicant's supply of energy is produced by hydro power and a part by fuel that does not fluctuate with the market price of fuel oil.

The consultant for California Portland Cement Company and Brea Chemicals, Inc., suggested that the hydro ratio be considered in establishing the fuel clause. Such suggestion would be proper if the purpose of the fuel clause is to reimburse the applicant for the increased or decreased cost of fuel for production. However, the purpose of the fuel clause is to adjust the rates to meet competition from private generation. The record in this case indicates that the major source of competition would be from waste heat plants where a fuel clause would be of no avail in meeting competition. Our general observation is that private generation from fuel oil at posted prices is a comparatively small item and the advantages of central-station energy are such that a fuel oil clause is not necessary. We will not authorize the proposed fuel clause.

Power Factor Adjustment

Applicant proposed a power factor adjustment to decrease the charges by 20 cents per kw of measured maximum demand and increase the charges by 20 cents per kilovar of reactive demand. However, in no case would the number of kilovars be less than one third the number of kilowatts. The effect of such clause is to lower the bill for power factors between approximately 95 per cent and 70 per cent and increase the bill for power factors below 70 per cent. At approximately 70 per cent power factor the kilowatts would equal the kilovars and the increases and decreases would offset each other.

A number of parties were concerned over the effect of the proposed power factor clause claiming that it is less liberal than

the existing power factor clause, that it would not warrant the installation of synchronous motors as corrective equipment and that those customers who had been induced by the present clause to install synchronous motors would not be adequately compensated by the proposed clause.

During recent years low-cost power factor correction equipment has been developed and applicant's present power factor clause is more liberal than necessary to achieve the objective of high power factor of operation. For those customers who have installed synchronous motors, it is our opinion that there are other reasons besides the level of the discount that have influenced to some extent the purchase of such equipment. In our opinion, however, the correction should continue up to approximately 98 per cent. In view of present-day developments in the art of power factor correction, it is concluded that applicant's proposed power factor adjustment clause is reasonable if the kilovar minimum is dropped to one fifth.

Off-Peak

Applicant proposed that recognition be given for off-peak operation, where the load exceeds 500 kw, between the hours of 10:30 p.m. and 6:30 a.m. of the following day. It would not consider the off-peak demands for computing the energy charge but would consider the off-peak demand in computing the demand charge. Such clause is less liberal than the off-peak clause now contained in Schedule PC-1 but Schedule PC-1 did not contain a separate demand charge as such.

Where a customer's off-peak demand materially exceeds his on-peak demand, the off-peak demand would probably be controlling in the design of local serving equipment but not system generating equipment. Under such condition it would be appropriate that the

excess off-peak demand component be recognized in some manner. Applicant's proposal would recognize this excess amount at the full difference in applying the demand charge component. It appears that this charge would be greater than necessary to cover the cost of added serving equipment. Therefore a 50 per cent factor will be authorized in the off-peak demand charge for off-peak demands in excess of the regular demands.

Contracts

On Schedule PL-2 applicant proposed that the schedule be contingent upon a contract for service for a period of five years. The need of a contract for old, established customers was questioned. In addition, Monolith criticised this proposal on the basis that it would be bound by such a contract and could not avail itself of power from any other source during the five-year period or build its own power plant. No contract was proposed for Schedule PL-1.

It is our opinion that applicant is too cautious in proposing more than a three-year contract period and, furthermore, it need only be for an initial period to protect applicant's service investment or for sizable increases in capacity. With a combination of the two proposed schedules, PL-1 and PL-2, it is evident that contracts may be desirable from only those customers with loads larger than 2,000 kva. This provision will be made permissive rather than mandatory so that applicant can use its discretion as to which of the larger customers will be required to sign an initial period contract.

Resale Service

Applicant serves four resale customers: Cities of Anaheim, Azusa, Colton and Riverside. Each of these customers is served under resale contracts. The representatives of these cities presented Exhibits Nos. 71, 72, 73 and 74 to describe the conditions under which service is rendered in each city. Applicant's rate proposal regarding each of these cities is:

Anaheim: Continue in effect present contract, but apply Schedule PL-2 as contract rate and eliminate furnishing substation without charge.

Azusa: Continue in effect present contract, but apply Schedule PL-2 as contract rate and eliminate furnishing substation without charge.

Colton: Continue in effect present contract, but apply Schedule PL-2 as contract rate and add 2 per cent to net bill for 4 kv delivery. Apply applicable schedules to separately metered pumping plants.

Riverside: Continue in effect present contract, but apply Schedule PL-2 as contract rate with 3 per cent discount for 33 kv delivery. Apply applicable schedules to separately metered pumping plants. Eliminate furnishing substation without charge.

An engineering consultant for these four cities introduced Exhibit No. 68 wherein the resale rate history and the effect of applicant's rate proposals were given. The following ratios of increase were shown:

| | |
|-----------------|-------|
| Anaheim | 21.7% |
| Azusa | 17.3 |
| Colton | 24.1 |
| Riverside | 20.6 |

This consultant stated that the applicant's proposal is unsuited to the resale type of customer. His main contention was that industrial customers could obtain the same rate for power from the applicant as the four cities which means that the cities would operate at a serious disadvantage. He stated that the cities could not, under the proposed schedule, compete with areas outside of the cities served by applicant for the business of the large industrial customer. He contended that this situation already exists

under the present rate structure wherein the large power rate is now lower than that charged the four resale cities. This situation he classed as discriminatory, irrational and unfair and suggested that the Commission take this opportunity to correct it.

He suggested a single resale rate schedule for this business which is summarized below:

| Demand Charge | | | | | | |
|--------------------|--------------|---|--------|----------------|-----------|-----|
| First | 200 kw | @ | \$1.25 | per kw | per month | |
| Next | 300 kw | @ | 1.05 | " " | " " | " " |
| Next | 2,500 kw | @ | 0.85 | " " | " " | " " |
| Next | 3,000 kw | @ | 0.80 | " " | " " | " " |
| Next | 5,000 kw | @ | 0.75 | " " | " " | " " |
| Over | 11,000 kw | @ | 0.70 | " " | " " | " " |
| Plus Energy Charge | | | | | | |
| First | 200,000 kwhr | @ | 0.75 | cents per kwhr | | |
| Next | 300,000 kwhr | @ | 0.66 | " " | " " | " " |
| Over | 500,000 kwhr | @ | 0.62 | " " | " " | " " |

Except that all kwhr usage in excess of 400 kwhr per kw of maximum demand 0.55 cents per kwhr

On analyzing this proposed schedule we find that it is lower than the applicant's proposed PL-1 and PL-2 rates and in general is lower than the A-7 rate being adopted herein. In our opinion the resale rate should be set at the level of the three-phase general service rate or possibly a little higher to give recognition to the lesser diversity of resale service compared to industrial service. In other words, we realize that the resale customer would be taking service during the summer morning peak and the winter evening peak, whereas an industrial customer might not be taking service to any large extent during the winter evening peak.

Applicant will be required to file a resale service schedule, Schedule R, that will be equivalent to the level of Schedule A-7. This will enable the cities to offer industry rates as good as applicant's because the industrial customers should improve the cities load factors sufficiently to earn incremental rates lower than the rates being charged the industrial customers.

Similar special conditions to those being provided for Schedule A-7 will be included in this schedule. Applicant's proposal to require that pumping plants outside of the cities be separately metered and billed on pumping rates is reasonable. We fail to see any need for a contract longer than a 3-year initial period which would mainly be useful in arranging for such special serving facilities as may be required by the cities. We estimate that the above resale rate would be competitive or lower than the cost of local power production by the cities from fuel oil and, accordingly, find no need for inclusion of a fuel clause in the resale rates. We will authorize applicant to revise the present rate levels of these resale contracts and negotiate for the other changes requested. However we will compute the revenue effects at the full Schedule R rate level for rate-making purposes.

Street Lighting

Applicant proposes two street lighting rate schedules: Schedule LS-1 for company-owned street lighting systems of the utilitarian type, and the other, Schedule LS-2, for customer-owned street lighting systems. These two schedules are proposed to supersede eight present schedules and, being system-wide in application, will eliminate the present zone arrangement. With regard to company-owned systems, a special condition has been added to provide for the installation of other than the specified standard equipment and a monthly charge is to be applied to certain steel pole installations to bring such installations into conformity at the end of five years with the proposed method of providing other than standard equipment. With regard to customer-owned street lighting systems, applicant proposes to continue supplying energy at either a metered rate or a flat rate. For the metered rate the energy blocking has been revised and the separate charge for the meter has been eliminated.

After considering applicant's proposal regarding street lighting rates, we find it reasonable except that we are reducing the proposed increase. .

General Power

Applicant proposes two general power schedules, P-1 and P-2, to replace ten schedules in effect at the present time. These two schedules are to be applicable on a system-wide basis without zones. Schedule P-1 would be applied on a connected load basis and would be revised from the customary minimum charge form to a service charge plus energy charge form of rate. Schedule P-2 would be applied on a demand basis and likewise would be revised from a minimum charge form to a demand charge plus energy charge form of rate.

We have studied applicant's proposal and note that the change in rate form decreases the bill for certain small-use customers and increases others but not unreasonably so. The energy blocking and rate levels will be revised to keep the proposed rates in proper relationship considering the over-all increase to be effected. After considering this matter, it is our conclusion that applicant's proposal is reasonable except that the increases need not be as great as proposed by applicant.

Agricultural Power

Two basic agricultural schedules, PA-1 and PA-2, are proposed by applicant on a system-wide basis to replace 12 schedules presently in effect and eliminate zoning. Proposed Schedule PA-1 is on an annual basis and is similar in form to the present connected load type of schedule with separate service charges and energy charges. Proposed Schedule PA-2 is on a monthly basis and is similar in type to the proposed general power demand basis schedule, Schedule P-2.

Applicant has extended the applicability of these schedules to include service for general water or sewerage pumping. By this extension applicant would treat all such pumping as a class along with agricultural power, which assertedly is, for the most part, water pumping. Presently there are class rates applicable to three types of water pumping; agricultural, irrigation, and municipal, while all other types are billed on general power schedules.

The California Farm Bureau Federation was concerned over applicant's proposed increase from the standpoint of the farmers' ability to pay. It sponsored several witnesses who introduced six exhibits (Exhibits Nos. 59, 60, 61, 62, 63 and 64). It showed that farm income nationally dropped from \$17.1 billion in 1947 to \$12.7 billion in 1950 and recovered to \$14.3 billion in 1952. Under cross-examination by applicant the fact was brought out that the farm income in 1940 was \$4.3 billion and that the applicant's power rates have not followed this upswing from pre-war levels. Information also was submitted as to the downward price movement of various crops in the past few years.

In proposing to transfer irrigation pumping over to Schedules PA-1 and PA-2, applicant suggested a transition schedule, Schedule PA-3, allowing five years' transition time. Such schedule would supersede existing Schedule PAP-2, which allows for conjunctive billing of several meter installations of a single enterprise. Applicant's proposal to eventually eliminate conjunctive billing and the separate irrigation pumping schedule met with extended opposition from several irrigation districts and mutual water companies.

The California Mutual Water Companies Association, representing several companies,^{7/} introduced Exhibit No. 46 for

| | |
|----------------------------------|-------------------------------------|
| Anaheim Union Water Company | Riverside Highlands Water Company |
| Bear Valley Mutual Water Company | Riverside Water Company |
| Beaumont Irrigation Company | Santa Ana Valley Irrigation Company |
| Covina Irrigating Company | San Antonio Water Company |
| Cucamonga Water Company | San Dimas Water Company |
| Fontana Union Water Company | South Mountain Water Company |
| Francis Mutual Water Company | Temescal Water Company |
| The Gage Canal Company | Yorba Linda Water Company |
| Irrigation Company of Pomona | Yucaipa Water Company No. 1 |
| Redlands Heights Water Company | |

the purpose of showing the extent of the increase that would result from applicant's proposal, the value of the service from the standpoint of ability to pay, the competitive cost of pumping by gas engines and the importance of the irrigation load to the applicant.

The Lindsay-Strathmore Irrigation District took an active part in the proceeding and sponsored testimony by two witnesses who presented Exhibits Nos. 21, 22, 23, 24, and 25. This district took the position that it would be unfair to permit the applicant to increase the rate prescribed by the contract made with the applicant on April 4, 1952 (Application No. 33489, Decision No. 47457, July 15, 1952) during the unexpired term of the contract. It stated that to treat all pumping alike would totally ignore the most elemental facts of common knowledge with reference to the water situation in California, that the development of water is urgent, that it grows more urgent and more expensive each year, and hence more dependent upon public agencies.

Counsel for several irrigation districts^{8/} introduced Exhibit No. 26 and in final argument stated that if an increase is justified it should be spread uniformly percentagewise among all groups of consumers, thus recognizing the long history of existing rates. He urged that the large users of agricultural power, including irrigation districts, which have made extensive investments to design and which have coordinated their systems with existing rates be recognized as a class as at present and continue the present forms or form of schedules, including conjunctive billings, or prepare a new schedule resulting in like costs per kwhr.

^{8/}

Terra Bella Irrigation District
Vandalia Irrigation District
Exeter Irrigation District.

Delano-Earlimart Irrigation District
Saucelito Irrigation District

A representative from the Southern San Joaquin Municipal Utility District submitted Exhibit No. 27 to show that applicant's proposed rates would increase the billing by 23 per cent and the present 7.15 mill-per-kwhr average bill, after increase, would not be competitive with the U. S. Bureau of Reclamation proposed rate to this district of 7.324 mills per kwhr. Part of the area of this district is in the territory served by the Pacific Gas and Electric Company and this representative pointed out that the Commission in the last rate proceeding of Pacific Gas and Electric Company exempted from direct increase the contract with the Southern San Joaquin Municipal Utility District, but provided for renegotiation of such contract.

A representative of the California State Grange appeared and participated in the hearings.

Representatives of the Terra Bella Chamber of Commerce and Terra Bella Farm Bureau Center attended the hearing held in Visalia on July 15, 1953 and gave testimony in opposition to applicant's proposed increase in rates.

The history and existing rate forms and levels should not restrict this rate proceeding to an equal percentage increase for all classes of service. A great many changes have taken place in the many years since this applicant's rates have been before us for a full review. We find no reasons to disregard the cost-of-service factor due to competitive situations. It is our opinion that a five-year transition period is longer than necessary for Schedule PA-3 and this period will be reduced to two years.

Applicant's proposed rate forms are reasonable and with the lesser increase being authorized herein we find the adopted rate levels are fair and reasonable. The approximate two-year transition period should give ample time for the irrigation customers to revise their budgets and arrange for rewiring so as to consolidate delivery points for single metering where practicable.

Heating and Power

Applicant proposes one system-wide heating and power schedule, PH, to replace three existing heating schedules, PH-1, PH-21 and PH-41. It proposes to remove the present limitation on motor load and to discontinue the rate for bakery ovens. This schedule is optional with the general service schedules for this type of service. Applicant further proposes that this schedule be closed to new customers and expire in five years.

A representative of the Perfectaire Manufacturing Company which makes electric heaters introduced Exhibit No. 89 to show the increased costs that would be occasioned by application of the proposed new rate to a doctor's office. He suggested that the Commission give serious consideration to the retention of the present PH-1 schedule and alter it so as to produce the revenues that would be expected generally throughout applicant's territory.

In considering this subject the Commission is aware of the fact that an off-peak heating load is a desirable type of load, but that a space heating load will add to the system winter peak.

However, in the wintertime, due to the fact that the space heating load only comes on the system when temperatures are low, the electric system inherently has greater capacity. Therefore, even the air heating load is a valuable load for the utility and we do not find any reason at this time for closing the heating schedule and eliminating it at the end of five years. Where a customer has a large load, other than heating, it might be more economical for the customer to combine the heating load with the general service load on one meter. However, there may be cases where a separate heating rate is desirable.

A revised heating rate will be adopted that will shorten the length of the first block from 100 kwhr per hp of other power load at 3.2 cents per kwhr, as proposed by applicant, to 50 kwhr per hp. Applicant's proposed 2-cent-per-kwhr terminal rate level will be adopted. The schedule will be redesignated as "H" instead of "PH".

Municipal Pumping

With regard to the transfer of municipal pumping to Schedules PA-1 and PA-2 or to the general service schedules applicant proposes a transition schedule, Schedule PM. Applicant requests that the PM schedule expire in five years. In our opinion a five-year transition period is too long, and inasmuch as we are lowering somewhat the proposed level of the rate we find that a two-year transition period is more reasonable. This period should give ample time for the municipalities to revise their budgets, determine which one of the new schedules best suits the operating conditions of each pumping plant and where water sales are involved adjust the retail water rates.

A representative of the City of Lindsay opposed applicant's proposed increase in municipal pumping rates as well as the other rates which would affect the cost of electrical energy to the city.

He was concerned over the proposal to discontinue the combination of meter readings and indicated that in the Water Department alone the increase will amount to in excess of 3 per cent of the gross returns.

Oil Field Power and Light

Applicant proposed a system-wide schedule, Schedule PO, to consolidate a power and lighting (connected load) schedule, PCO-1, and a connected load power schedule, PO-1, both for oil field service. The proposed schedule includes a two-part rate for the type of service to be provided, and the general service schedules are optional for service under this schedule. Applicant requests that the new schedule be closed to new customers and that it expire in two years. Essentially this is a transition schedule ultimately to place the oil field business on the general service or general power schedules. We will approve applicant's PO form of rate but at a reduced level.

Standby Service

Applicant proposes a standby schedule, Schedule S, for standby or breakdown service where the entire electrical requirements on the customer's premises are not regularly supplied by the applicant. A standby charge is provided equal to \$2.00 per kw per month for the first 20 kw and \$1.50 per kw per month for all over 20 kw of contract demand plus all charges of the applicable regular service schedule designated in the service contract.

With regard to parallel operation the schedule provides that it is not applicable for parallel operation of the customer's plant with the service of the applicant. Counsel for Monolith cross-examined applicant's witness regarding the subject of parallel operation on the assumption that two thirds of the demand might be taken from the applicant at high-load factor and the other third supplied by local generation. He questioned whether such power would be standby or auxiliary power. The witness replied that such power

would be considered as a parallel standby service, but that the applicant has no proposed schedule applicable to parallel operation.

Where the customer could isolate the load on his own generating equipment, so as to avoid physical and electrical inter-connection difficulties, the witness suggested an auxiliary service similar to that at the Firestone Tire and Rubber Company plant. Further cross-examination brought out the point that this matter could be clarified in applicant's rules and regulations. In our opinion applicant's proposed standby service schedule is reasonable and it will be adopted.

Vernon Rates

Applicant serves customers in the City of Vernon under a lease agreement authorized by Decision No. 29749 on May 10, 1937 (40 CRC 486) of this Commission. Under the special conditions involved because of the lease, applicant asserts that it would not now be feasible to increase rates in the City of Vernon, but requests authority to effect increases in such rates when and to the extent that it finds it feasible to do so. In the meantime, applicant is willing that our rate computations assume application of general system rates in Vernon.

The present level of rates in Vernon was questioned as being discriminatory and being burdensome on applicant's other customers because of the indicated low earnings from this business. Applicant's cost analysis, under two of its three bases of allocating income taxes, showed a positive return from the Vernon business. Applicant desires to continue to render service in the City of Vernon. The record in this case indicates that this business is returning something more than the out-of-pocket cost of rendering the service and therefore is of benefit to the system as a whole. Obviously,

the situation pointed out in the following statement from our opinion under Decision No. 29749 still exists:

"... It appears to us that the granting of the application should not adversely affect Edison consumers outside of Vernon. The execution of the agreement obviates the enlargement of the Vernon generating plant and makes it possible for the Edison Company to recover at least some of its investment to serve the Vernon territory. Such recovery should benefit its consumers. In any event, the Commission does not intend that consumers in noncompetitive territory be burdened with any additional cost or charge for service because of lower rates in Vernon."

Applicant will be authorized to apply rates not greater than those applicable in Zone No. 1. For rate-making purposes, the revenue will be computed as though Zone 1 rates were in effect. 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 rates may have been increased as authorized herein.

Railway Service

Applicant proposes that present railway service contracts be terminated and that the present rates be increased by 0.26 cents per kwhr. The present rate levels are 1.34 cents per kwhr for the first 250,000 kwhr per month per delivery point and 0.64 cents for all excess. Applicant will be required to file a railway rate, Schedule PR, containing the above rate structure, but in our opinion an increase of only 0.13 cents or one half applicant's request is warranted.

Special Service

Applicant renders service to some 50 customers, designated as "Specials", at other than filed tariff rates which it proposes to place under regular tariff schedules. These "Specials" include deviations with regard to such items as service classification, applicability, territory, conjunctive billing, load limitation and character of service. These customers are listed on pages 40 and 41 of Exhibit No. 13.

Certain of these special services are performed under contracts and applicant in effect asks the Commission either to terminate the contracts or change special conditions. It is our

opinion that the business on these special contracts should be billed on filed tariff schedules and for the purpose of this decision we will include the full revenue effect of so doing. Applicant may negotiate in an orderly manner to accomplish the other changes requested by it.

For those services at other than filed tariff schedules without special rate contracts applicant will be authorized to eliminate all deviations except for conjunctive billing where practiced, such conjunctive billing feature to be eliminated in two years.

The City of Long Beach, while being concerned over the effect of this decision upon its citizens, was primarily interested in the matter of loss of conjunctive billing and the fact that it would increase the billing by an extra 14 per cent. The order herein will allow two years to correct this situation.

Exempt Contracts

On page 42 of Exhibit No. 13 applicant lists 13 contracts to be exempted from any increase in electric rates and charges. These involve primarily energy interchange or special service to the following utilities and public agencies:

California Electric Power Company
Pacific Gas and Electric Company
San Diego Gas and Electric Company
City of Los Angeles
U. S. Department of Interior, Sequoia
National Park

We have considered this request and find applicant's proposal reasonable. It will be authorized.

Rulings - Motions - Regulations

In a proceeding as extensive as this one, obviously it is not practicable to rule individually in this order on all the various points brought before us for consideration by the many

letters, witnesses and parties. Our objective has been to discuss and rule on those matters which seemed of major importance in deciding the validity of applicant's request. However, broad consideration has been given to all requests though each may not be specifically treated herein. If the parties making individual requests are not satisfied with the broad treatment given herein, and have further cause for dissatisfaction, they should pursue the matter further by appropriate representation or application to this Commission.

Likewise, during the course of the hearing many motions were made. It was possible to rule on most of them at the hearings. Any motions left standing are granted where they are consistent with the findings and conclusions in this opinion and order; those not consistent are denied.

Applicant's rules and regulations are a part of its filed tariffs and to be consistent with certain changes being made by this order it may be necessary to cancel certain rules or amend others. This matter will be handled in one of the ordering paragraphs herein.

The representative of the California Farm Bureau Federation requested that an interpretive letter of the definition of use of terms in the existing domestic schedules be made a part of the rules and regulations or a part of the schedule itself. This letter deals with the definition of domestic farm service and limits the quantity of energy that can be taken through the farm operator's domestic meter where the farm operation is in fact a commercial operation that should be on general service schedules. It could be that the new terminal rate level of 1.3 cents per kwhr will automatically limit this situation and the large farm operator will find it more advantageous to switch over to the general service schedules. If applicant still desires to retain this interpretation regarding the new rates it should file an appropriate rule and regulation.

Summary of Rate Changes

The following table shows the increase authorized by the order herein based on the 1954 estimated sales adopted herein:

| <u>Item</u> | <u>Sales Thousand Kwhr</u> | <u>Revenue at Present Rates</u> | <u>Revenue Increase</u> | <u>In- crease Ratio</u> | <u>Rev. per Kwhr After Increase</u> |
|------------------------|------------------------------------|-----------------------------------------|-----------------------------|---------------------------------|---------------------------------------------|
| Domestic Service | 1,915,773 | \$56,406,700 | \$ 837,000 | 1.48% | 2.99¢ |
| Gen'l. Service(1 Ph) | 1,079,624 | 29,419,200 | 637,000 | 2.17 | 2.78 |
| Gen'l. Service(3 Ph) | 3,039,877 | 22,869,100 | 2,931,000 | 12.82 | 0.85 |
| Street Lighting | 114,123 | 2,552,200 | 294,000 | 11.52 | 2.49 |
| Heating & Power | 30,138 | 640,900 | 61,600 | 9.61 | 2.33 |
| Power - General | 753,659 | 13,303,400 | 1,042,000 | 7.83 | 1.90 |
| Power - Agri. & Pump. | 1,125,759 | 13,433,600 | 1,463,000 | 10.89 | 1.32 |
| Power - Muni. Pump. | 58,523 | 600,000 | 69,000 | 11.50 | 1.14 |
| Pwr. & Light-Oil Field | 41,919 | 541,400 | 98,000 | 18.10 | 1.53 |
| Power - Railway | 120,000 | 852,000 | 157,000 | 18.43 | 0.84 |
| Resale | 240,500 | 1,771,000 | 109,000 | 6.15 | 0.78 |
| Other Utilities | 6,630 | 340,000 | * | * | 5.13 |
| Standby | 60 | 3,800 | 400 | 10.53 | 7.00 |
| "Specials" | 195,063 | 1,609,500 | 221,000 | 13.73 | 0.94 |
| Vernon | 811,820 | 5,664,200 | 1,915,000 | 33.81 | 0.93 |
| Total | 9,533,468 | 150,007,000 | 9,835,000 | 6.56 | 1.68 |

* Sales to other utilities have been exempted in accordance with applicant's request.

In the above tabulation the effects of the authorized changes in zoning have been reflected in the classes affected. This applies mainly to the domestic and general service (single-phase) and primarily accounts for the reduction from applicant's proposed increases to these classes. The differences in class revenues compared to those shown in Table No. 2 are due to shifting of customers and a more detailed segregation.

Conclusions

The State Constitution, the Public Utilities Act and cognate statutes charge this Commission with the duty of regulating and supervising public utilities in such manner as to protect the public interest. In carrying out this responsibility we have carefully analyzed applicant's operations and have adopted estimated operating results for the test year 1954 for rate-making purposes that represent higher revenue figures and lower expense figures, except for

depreciation and taxes, compared to applicant's estimate. With a depreciated rate base 2.6 per cent lower and a net revenue approximately \$1,000,000 higher, the current rate of return found by the Commission is 5.20 per cent or 0.29 per cent greater than applicant's.

After considering all of the evidence of record and the statements by the parties and giving weight to the indicated approximate level trend in rate of return, it is found that a fair and reasonable rate of return for the future is 5.90 per cent and it is our finding and conclusion that an order should be issued increasing the rates of applicant in the over-all amount of \$9,835,000.

The problem of rate level and spread is of major importance. In spreading rates we have considered many factors as heretofore indicated. During the many years since applicant's rates have been before us for a full review many changes in load characteristics and service density have taken place. A complete revision in zoning practice is warranted. Likewise many irregular practices have developed over the years, some of which have been incorporated in contracts. Ultimately these services should be billed on filed rates. Generally the applicant's power rates presently are on the low side and the domestic and lighting rates on the high side. The lower over-all percentage increases being given to the domestic and single-phase general service classes, in our opinion, will tend somewhat to correct this situation. We will not authorize an equal percentage increase by classes as requested by some of the parties. The Commission hereby finds the changes in rates provided by Appendix A herein are just and reasonable.

With regard to recent income tax law revisions, the applicant has advised that it does not presently contemplate the exercise of any of the new optional provisions for calculating depreciation for income tax purposes which are included in the Revenue Code of 1954 and has further advised that "Southern California Edison Company will undertake promptly to advise the Commission if at any time in the future it intends to avail itself of any of the provisions of Sections 167(b)(2), 167(b)(3) or 167(b)(4) of Revenue Code of 1954."

O R D E R

The Southern California Edison Company having applied to this Commission for an order authorizing increases in rates and charges for electric service, 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 and charges, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED as follows:

(1) Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with the Commission's General Order No. 96, revised tariff schedules with rates, charges and conditions as set forth in Appendix A attached hereto, and after not less than five days' notice to this Commission and to the public, to make said tariff schedules effective for service furnished on and after September 13, 1954.

(2) At the time of making effective the rates authorized by Section (1) hereof, applicant may cancel the existing schedules as set forth in Appendix D hereof and transfer the customers to the appropriate new schedules generally applicable in the areas and for the type of service involved.

(3) Applicant is authorized to increase rates applicable to service in the City of Vernon up to but not higher than the level of rates applicable in Zone No. 1 territory, at an appropriate time after the effective date hereof, to be determined by applicant, by means of an advice letter filing in accordance with General Order No. 96.

(4) Applicant shall, at the time of making the new rates effective, amend and/or cancel rules and regulations in conflict with the new schedules or provisions thereof, or those not needed after cancelling the existing schedules listed in Appendix D hereof. In addition, applicant shall reduce to rule form and file its interpretive letter regarding domestic farm service if it finds the same is still warranted. Such filing and cancellation shall be accomplished by the advice letter filing, in accordance with General Order No. 96, containing the revised rates.

(5) On the day of making new rates effective applicant is authorized to increase the rate level of all special contracts, except those exempted herein, to the level of the most nearly applicable filed tariff schedule or schedules, and may negotiate for such other changes as requested in special contracts as set forth on page 40 of Exhibit No. 13, except that where conjunctive billing is practiced, such practice will be terminated on October 1, 1956 unless sooner terminated by negotiation, by the expiration of the contract or by further order of the Commission.

(6) Applicant is authorized, on five days' notice to the affected customers after the effective date hereof, to place the service at other than filed tariff rates shown on page 41 of Exhibit No. 13 on the most nearly applicable filed tariff schedules, except where conjunctive billing is practiced such practice will terminate on October 1, 1956 unless sooner terminated by negotiation with the customers or by further order of the Commission.

(7) Applicant is not authorized to increase rates prescribed by the following contracts:

| <u>Item</u> | <u>C.P.U.C. Authorization or Date Filed</u> |
|-----------------------------------------------------------|-------------------------------------------------|
| (1) U. S. Department of Interior Sequoia National Park | 11-14-52 (File 1314) |
| (2) California Electric Power Company | Dec. 38628 (App. 27120) |
| (3) California Electric Power Company | Dec. 45250 (App. 27120) |
| (4) California Electric Power Company | Dec. 45250 (App. 27120) |
| (5) City of Los Angeles | Dec. 46072 (App. 32609) |
| (6) City of Los Angeles | Dec. 45386 (App. 32020) |
| (7) City of Los Angeles | Res. E-798, 2-17-53 |
| (8) Pacific Gas and Electric Company | Dec. 41276 (App. 29071) |
| (9) Pacific Gas and Electric Company | Dec. 46073 (App. 29071) |
| (10) Pacific Gas and Electric Company | (Fringe - Letter Agreements) |
| (11) Pacific Gas and Electric Company | Res. E-759, 8-7-51 |
| (12) San Diego Gas & Electric Company | Dec. 46461 (App. 32791) |
| (13) San Diego Gas & Electric Company | Res. E-772, 12-4-51 |

(8) Applicant shall revise its zoning method in accordance with the plan heretofore outlined and shall continuously study the zoning system and file changes as soon as development warrants such changes. In order to determine when area or city zoning should be changed applicant shall study and within 180 days after the effective date hereof submit a report showing:

- (a) minimum customer, density and location criteria for establishing rate zones,
- (b) minimum customer, density and location criteria for rezoning of fringe areas and built-up communities, and
- (c) other improvements in zoning ^{rate} design. *of*

(9) Applicant shall file rate maps for use in its tariff schedules showing the zoning as provided herein and as set forth in Table No. 3 and Appendices A and B.

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

Dated at San Francisco, California, this 17th day of August, 1954.

John E. Mitchell

 President
Justin J. Palmer

Stanley L. Potter

Orville DeGroot

Commissioners

APPENDIX A
Page 1 of 44

SCHEDULES A-1, -2, -3, -4, -5, and -6

[Title, Applicability, and reference to Rules and Regulations and Special Conditions to appear on each schedule, except as noted under Schedule A-6.]

GENERAL SERVICE

APPLICABILITY:

This schedule is applicable to single-phase general service including lighting and power.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Under Block Rate A only the standard lighting voltage will be supplied. Under Demand Rate B one standard voltage, lighting or power, will be supplied.
- (b) Rate Selection. Where service is supplied at standard lighting voltage, either Block Rate A or Demand Rate B will apply at the option of the customer.
- (c) Connected Load. Connected power load is the sum of the rated capacities of all of the customer's equipment, other than equipment for lighting, that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 hp. The rated capacity of the customer's equipment will be the rated horsepower output of standard rated motors and the rated kilovolt-ampere input capacity of other equipment, with each kilovolt-ampere of input considered equal to one horsepower. Normally such ratings will be based on the manufacturer's rating as shown on the nameplate or elsewhere but may, at the option of the Company, be based on tests or other reliable information.
- (d) Billing Demand. Billing demand shall be the kilowatts of measured maximum demand but not less than 50% of the highest billing demand established in the preceding eleven months. However, in no case shall the billing demand be less than 20 kw. Billing demand shall be determined to the nearest 1/10 kw.
- (e) Maximum Demand Measurement. The measured maximum demand in any month shall be the maximum average kilowatt input, indicated or recorded by instruments to be supplied by the Company, during any 15-minute metered interval in the month.

SCHEDULE A-1

TERRITORY:

Within the incorporated limits of Bell, Beverly Hills, Huntington Park, Long Beach, Maywood, Santa Monica, and South Gate.

Within the rate areas of Walnut Park, and West Hollywood, as more fully described in the Description of Rate Areas.

APPENDIX A
Page 2 of 44

SCHEDULE A-1 (Continued)

RATE:

(A) BLOCK RATE

| | |
|---------------------------------------------------------|--------------------------------------|
| Customer Charge: per meter per month | 50¢ |
| Energy Charge (to be added to customer charge): | |
| First 100 kwhr per meter per month | 3.4¢ per kwhr |
| Next 400 kwhr per meter per month | 3.1¢ per kwhr |
| Next 1,000 kwhr per meter per month | 2.4¢ per kwhr |
| Next 1,500 kwhr per meter per month | 2.1¢ per kwhr |
| All excess kwhr per meter per month | 2.0¢ per kwhr |
| Minimum Charge: | |
| Lighting and the first 3 hp of connected power load ... | <u>Per Month</u> \$0.50 per meter |
| All over 3 hp of connected power load | 1.00 per hp |

(B) DEMAND RATE

| | |
|-------------------------------------------------------|---------------------------------------|
| Customer and Energy Charges: | |
| First 150 kwhr per month per kw of billing demand .. | Block Rate A |
| Next 150 kwhr per month per kw of billing demand .. | 1.2¢ per kwhr |
| All excess kwhr per month per kw of billing demand .. | 0.8¢ per kwhr |
| Minimum Charge: | |
| First 20 kw of billing demand | <u>Per Month</u> \$40.00 per meter |
| Next 30 kw of billing demand | 2.00 per kw |
| All excess kw of billing demand | 1.50 per kw |

SCHEDULE A-2

TERRITORY:

Within the incorporated limits of Alhambra, Compton, Culver City, Hawthorne, Hermosa Beach, Inglewood, Lakewood, Lynwood, Manhattan Beach, Monterey Park, Redondo Beach, San Gabriel, Signal Hill, and South Pasadena.

Within the rate areas of Baldwin Hills, Compton-Lynwood, East Los Angeles, Lennox, Long Beach-Lakewood, and Monterey Park, as more fully described in Description of Rate Areas.

RATE:

(A) BLOCK RATE

| | |
|---------------------------------------------------------|--------------------------------------|
| Customer Charge: per meter per month | 60¢ |
| Energy Charge (to be added to customer charge): | |
| First 100 kwhr per meter per month | 3.6¢ per kwhr |
| Next 400 kwhr per meter per month | 3.5¢ per kwhr |
| Next 1,000 kwhr per meter per month | 2.8¢ per kwhr |
| Next 1,500 kwhr per meter per month | 2.4¢ per kwhr |
| All excess kwhr per meter per month | 2.1¢ per kwhr |
| Minimum Charge: | |
| Lighting and the first 3 hp of connected power load ... | <u>Per Month</u> \$0.60 per meter |
| All over 3 hp of connected power load | 1.00 per hp |

APPENDIX A
Page 3 of 44

SCHEDULE A-2 (Continued)

RATE: (Continued)

(B) DEMAND RATE

Customer and Energy Charges:

First 150 kwhr per month per kw of billing demand Block Rate A
Next 150 kwhr per month per kw of billing demand 1.2¢ per kwhr
All excess kwhr per month per kw of billing demand 0.8¢ per kwhr

Minimum Charge:

| | <u>Per Month</u> |
|---------------------------------------|-------------------|
| First 20 kw of billing demand | \$40.00 per meter |
| Next 30 kw of billing demand | 2.00 per kw |
| All excess kw of billing demand | 1.50 per kw |

SCHEDULE A-3

TERRITORY:

Within the incorporated limits of Arcadia, El Monte, El Segundo, Gardena, Monrovia, Montebello, Newport Beach, Palos Verdes Estates, Pomona, San Bernardino San Fernando, San Marino, Santa Ana, Santa Barbara, Sierra Madre, Torrance, Ventura, and Whittier.

Within all territory, incorporated and unincorporated, of the Metropolitan rate area, as more fully described in the Description of Rate Areas, in which General Service Rate Schedules A-1 and A-2 are not applicable.

RATE:

(A) BLOCK RATE

Customer Charge: per meter per month 70¢

Energy Charge (to be added to customer charge):

First 100 kwhr per meter per month 3.9¢ per kwhr
Next 400 kwhr per meter per month 3.8¢ per kwhr
Next 1,000 kwhr per meter per month 3.0¢ per kwhr
Next 1,500 kwhr per meter per month 2.6¢ per kwhr
All excess kwhr per meter per month 2.2¢ per kwhr

Minimum Charge:

| | <u>Per Month</u> |
|-------------------------------------------------------|------------------|
| Lighting and the first 3 hp of connected power load.. | \$0.70 per meter |
| All over 3 hp of connected power load | 1.00 per hp |

(B) DEMAND RATE

Customer and Energy Charges:

First 150 kwhr per month per kw of billing demand....Block Rate A
Next 150 kwhr per month per kw of billing demand....1.2¢ per kwhr
All excess kwhr per month per kw of billing demand....0.8¢ per kwhr

Minimum Charge:

| | <u>Per Month</u> |
|---------------------------------------|-------------------|
| First 20 kw of billing demand | \$40.00 per meter |
| Next 30 kw of billing demand | 2.00 per kw |
| All excess kw of billing demand | 1.50 per kw |

APPENDIX A
Page 4 of 44

SCHEDULE A-4

TERRITORY:

Within the incorporated limits of Brea, Buena Park, Claremont, Costa Mesa, Covina, Delano, Exeter, Fullerton, Glendora, Hanford, Laguna Beach, La Habra, Lindsay, Ontario, Orange, Oxnard, Placentia, Porterville, Redlands, Santa Paula, Seal Beach, Tulare, and Visalia.

RATE:

(A) BLOCK RATE

| | |
|-----------------------------------------------------------|-------------------------|
| Customer Charge: per meter per month | 80¢ |
| Energy Charge (to be added to customer charge): | |
| First 100 kwhr per meter per month | 4.3¢ per kwhr |
| Next 400 kwhr per meter per month | 4.0¢ per kwhr |
| Next 1,000 kwhr per meter per month | 3.2¢ per kwhr |
| Next 1,500 kwhr per meter per month | 2.8¢ per kwhr |
| All excess kwhr per meter per month | 2.3¢ per kwhr |
| Minimum Charge: | |
| Lighting and the first 3 hp of connected power load | <u>\$0.80 per meter</u> |
| All over 3 hp of connected power load | 1.00 per hp |

(B) DEMAND RATE

| | |
|--------------------------------------------------------|--------------------------|
| Customer and Energy Charges: | |
| First 150 kwhr per month per kw of billing demand.... | Block Rate A |
| Next 150 kwhr per month per kw of billing demand.... | 1.2¢ per kwhr |
| All excess kwhr per month per kw of billing demand.... | 0.8¢ per kwhr |
| Minimum Charge: | |
| First 20 kw of billing demand | <u>\$40.00 per meter</u> |
| Next 30 kw of billing demand | 2.00 per kw |
| All excess kw of billing demand | 1.50 per kw |

SCHEDULE A-5

TERRITORY:

Within the incorporated limits of Beaumont, Chino, Fontana, Fillmore, Huntington Beach, La Verne, Ojai, Port Hueneme, Tehachapi, Tustin, Upland, West Covina, and Woodlake, and customers served by the company within the incorporated limits of Colton, Corona, Rialto and Riverside.

Within the rate areas of Carpinteria, East San Bernardino, East Tulare, Farmersville, Lancaster, North Hanford, North Ventura, Palmdale, Porterville Suburban, Visalia Suburban, and the Northeastern and Southeastern rate areas excluding those areas in which a lower general service rate schedule applies, as more fully described in the Description of Rate Areas.

APPENDIX A
 Page 5 of 44
SCHEDULE A-5 (Continued)

RATE:

(A) BLOCK RATE

| | |
|---------------------------------------------------------------------|------------------|
| Customer Charge: per meter per month | 85¢ |
| Energy Charge (to be added to customer charge): | |
| First 100 kwhr per meter per month | 4.6¢ per kwhr |
| Next 400 kwhr per meter per month | 4.3¢ per kwhr |
| Next 1,000 kwhr per meter per month | 3.5¢ per kwhr |
| Next 1,500 kwhr per meter per month | 2.9¢ per kwhr |
| All excess kwhr per meter per month | 2.4¢ per kwhr |
| Minimum Charge: <u>Per Month</u> | |
| Lighting and the first 3 hp of connected power load... | \$0.85 per meter |
| All over 3 hp of connected power load | 1.00 per hp |

(B) DEMAND RATE

| | |
|---------------------------------------------------------------------|-------------------|
| Customer and Energy Charges: | |
| First 150 kwhr per month per kw of billing demand.... | Block Rate A |
| Next 150 kwhr per month per kw of billing demand.... | 1.2¢ per kwhr |
| All excess kwhr per month per kw of billing demand.... | 0.8¢ per kwhr |
| Minimum Charge: <u>Per Month</u> | |
| First 20 kw of billing demand | \$10.00 per meter |
| Next 30 kw of billing demand | 2.00 per kw |
| All excess kw of billing demand | 1.50 per kw |

SCHEDULE A-6

TERRITORY:

Within the entire territory served by the Company in which General Service Schedules A-1 to A-5, inclusive, are not applicable.

RATE:

(A) BLOCK RATE

| | |
|---------------------------------------------------------------------|------------------|
| Customer Charge: per meter per month | 90¢ |
| Energy Charge (to be added to customer charge): | |
| First 100 kwhr per meter per month | 4.7¢ per kwhr |
| Next 400 kwhr per meter per month | 4.4¢ per kwhr |
| Next 1,000 kwhr per meter per month | 3.6¢ per kwhr |
| Next 1,500 kwhr per meter per month | 3.0¢ per kwhr |
| All excess kwhr per meter per month | 2.4¢ per kwhr |
| Minimum Charge: <u>Per Month</u> | |
| Lighting and the first 3 hp of connected power load... | \$0.90 per meter |
| All over 3 hp of connected power load | 1.00 per hp |

(B) DEMAND RATE

| | |
|-------------------------------------------------------|---------------|
| Customer and Energy Charges: | |
| First 150 kwhr per month per kw of billing demand .. | Block Rate A |
| Next 150 kwhr per month per kw of billing demand .. | 1.2¢ per kwhr |
| All excess kwhr per month per kw of billing demand .. | 0.8¢ per kwhr |

APPENDIX A
Page 6 of 44

SCHEDULE A-6 (Continued)

RATE: (Continued)

| Minimum Charge: | | <u>Per Month</u> |
|-----------------|---------------------------------------|-------------------|
| First | 20 kw of billing demand | \$40.00 per meter |
| Next | 30 kw of billing demand | 2.00 per kw |
| | All excess kw of billing demand | 1.50 per kw |

[To be added to Special Conditions.]

(f.) Seasonal Service. For customers who normally require service for only part of the year, this schedule is applicable only on annual contract.

APPENDIX A
Page 7 of 44

SCHEDULE A-7

GENERAL SERVICE

APPLICABILITY:

This schedule is applicable to three-phase general service including power and lighting.

TERRITORY:

Within the entire territory served.

RATE:

| Demand Charge: | Per Month |
|---------------------------------------------|-------------------|
| First 75 kw or less of billing demand | \$75.00 per meter |
| Next 125 kw of billing demand | 0.80 per kw |
| Next 1,800 kw of billing demand | 0.70 per kw |
| Next 8,000 kw of billing demand | 0.60 per kw |
| All excess kw of billing demand | 0.50 per kw |

Energy Charge (to be added to demand charge):

| | |
|----------------------------------------------------|----------------|
| First 150 kwhr per month per kw of billing demand: | |
| First 15,000 kwhr per month | 1.7 ¢ per kwhr |
| Balance of kwhr per month | 0.9 ¢ per kwhr |
| Next 150 kwhr per month per kw of billing demand | 0.7 ¢ per kwhr |
| All excess kwhr per month per kw of billing demand | 0.5 ¢ per kwhr |

Minimum Charge:

The monthly minimum charge shall be the monthly demand charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations, and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard voltage. Service will also be supplied under this schedule at 120/208 volts 4-wire wye where: (1) written application is made for such service by the customer; (2) the customer's load is of such size as to require an individual transformer installation of not less than 150 kva of transformer capacity; (3) the customer provides space acceptable to the Company on his premises to accommodate the installation of the Company's facilities; and (4) the customer guarantees not less than 125 kw of billing demand. The foregoing requirements do not apply in areas where the Company maintains an A.C. low voltage network system and where 120 and 208 volts are standard voltages.
- (b) Billing Demand. The billing demand shall be the kilowatts of measured maximum demand but not less than 50% of the highest billing demand established in the preceding 11 months. However, in no case shall the billing demand be less than 75 kw. Billing demand shall be determined to the nearest 1/10 kw.

SCHEDULE A-7. (Continued)SPECIAL CONDITIONS (Continued)

- (c) Maximum Demand Measurement. The measured maximum demand in any month shall be the maximum average kilowatt input, indicated or recorded by instruments to be supplied by the Company, during any 15-minute metered 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. Where the demand is intermittent or subject to violent fluctuations, a 5-minute interval may be used.
- (d) Voltage Discount. The charges before power factor adjustment will be reduced by 3% for service delivered and metered at voltages of from 2 to 10 kv; by 4% for service delivered and metered at voltages of from 11 kv to 50 kv; and by 5% for service delivered and metered at voltages over 50 kv; except that when only one transformation from a transmission voltage level is involved, a customer normally entitled to a 3% discount will be entitled to a 4% discount.
- (e) Power Factor Adjustment. When the billing demand has exceeded 200 kw for three consecutive months, a kilovar-hour meter will be installed as soon as practicable and, thereafter, until the billing demand has been less than 150 kw for 12 consecutive months, the charges will be adjusted each month for the power factor as follows:
- The charges will be decreased by 20 cents per kilowatt of measured maximum demand and will be increased by 20 cents per kilovar of reactive demand. However, in no case shall the kilovars used for the adjustment be less than one-fifth the number of kilowatts.
- The kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest 1/10 (0.1) unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.
- (f) Temporary Discontinuance of Service. Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any customer prior to resuming service within twelve months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.
- (g) Off-Peak Demand. Upon application by the customer, any kilowatts of measured demand in excess of 500 kw occurring between the hours of 10:30 p.m. and 6:30 a.m. Pacific Standard Time, of the following day, and on Sundays and the following holidays, New Years, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas, will not be considered in establishing the billing demand for computing the energy charge, but will be considered in establishing the billing demand for computing the demand charge, by adding one half of the amount that the off-peak demand exceeds the on-peak demand, to the on-peak demand.
- (h) Contracts. An initial three-year contract may be required where applicant requires new or added serving capacity exceeding 2,000 kva.

APPENDIX A
Page 9 of 44

SCHEDULES D-1, -2, -3, -4, -5 and -6

Title, Applicability, and reference to Rules and Regulations to appear on each schedule, except as shown for Schedule D-6.]

DOMESTIC SERVICE

APPLICABILITY:

This schedule is applicable to single-phase domestic service including lighting, heating, cooking, and power or combination thereof in a single-family accommodation; also to single-phase domestic farm service when supplied through the farm operator's domestic meter.

RULES AND REGULATIONS:

This schedule is subject to the Rules and Regulations.

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

SCHEDULE D-1

TERRITORY:

Within the incorporated limits of Bell, Beverly Hills, Huntington Park, Long Beach, Maywood, Santa Monica, and South Gate.

Within the rate areas of Walnut Park and West Hollywood, as more fully described in the Description of Rate Areas.

RATES:

| | | |
|-------------------------------------------------|------------------------------|----------------------|
| Customer Charge: | per meter per month |50¢ |
| Energy Charge (to be added to customer charge): | | |
| First | 45 kwhr per meter per month | 3.4¢ per kwhr |
| Next | 60 kwhr per meter per month | 2.2¢ per kwhr |
| Next | 105 kwhr per meter per month | 1.9¢ per kwhr |
| All excess | kwhr per meter per month | 1.3¢ per kwhr* |

* Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr is 1.0¢ per kwhr.

Minimum Charge:

The monthly minimum charge shall be the monthly customer charge.

SCHEDULE D-2

TERRITORY:

Within the incorporated limits of Alhambra, Compton, Culver City, Hawthorne, Hermosa Beach, Inglewood, Lakewood, Lynwood, Manhattan Beach, Monterey Park, Redondo Beach, San Gabriel, Signal Hill, and South Pasadena.

Within the rate areas of Baldwin Hills, Compton-Lynwood, East Los Angeles, Lennox, Long Beach-Lakewood, and Monterey Park, as more fully described in the Description of Rate Areas.

APPENDIX A

SCHEDULE D-2 (Continued)

RATE:

Customer Charge: per meter per month 60¢

Energy Charge (to be added to customer charge):

| | | |
|-------|-------------------------------------------|----------------|
| First | 45 kwhr per meter per month | 3.6¢ per kwhr |
| Next | 60 kwhr per meter per month | 2.5¢ per kwhr |
| Next | 105 kwhr per meter per month | 1.9¢ per kwhr |
| | All excess kwhr per meter per month | 1.3¢ per kwhr* |

* Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr is 1.0¢ per kwhr.

Minimum Charge:

The monthly minimum charge shall be the monthly customer charge.

SCHEDULE D-3

TERRITORY:

Within the incorporated limits of Arcadia, El Monte, El Segundo, Gardena, Monrovia, Montebello, Newport Beach, Palos Verdes, Estebas, San Bernardino, San Fernando, San Marino, Santa Ana, Santa Barbara, Sierra Madre, Torrance, Ventura, and Whittier.

Within all territory, incorporated and unincorporated, of the Metropolitan rate area as more fully described in the Description of Rate Areas, in which Domestic Rate Schedules D-1 and D-2 are not applicable.

RATES:

Customer Charge: per meter per month 70¢

Energy Charge (to be added to customer charge):

| | | |
|-------|-------------------------------------------|----------------|
| First | 45 kwhr per meter per month | 3.9¢ per kwhr |
| Next | 60 kwhr per meter per month | 2.8¢ per kwhr |
| Next | 105 kwhr per meter per month | 2.0¢ per kwhr |
| | All excess kwhr per meter per month | 1.3¢ per kwhr* |

* Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr is 1.0¢ per kwhr.

Minimum Charge:

The monthly minimum charge shall be the monthly customer charge.

SCHEDULE D-4

TERRITORY:

Within the incorporated limits of Brea, Buena Park, Claremont, Costa Mesa, Covina, Delano, Exeter, Fullerton, Glendora, Hanford, Laguna Beach, La Habra, Lindsay, Ontario, Orange, Oxnard, Placentia, Porterville, Redlands, Santa Paula, Seal Beach, Tulare, and Visalia.

APPENDIX A

SCHEDULE D-4 (Continued)

RATES:

| | | |
|-------------------------------------------------|------------------------------------|----------------|
| Customer Charge: | per meter per month | 80¢ |
| Energy Charge (to be added to customer charge): | | |
| First | 45 kwhr per meter per month | 4.3¢ per kwhr |
| Next | 60 kwhr per meter per month | 3.1¢ per kwhr |
| Next | 105 kwhr per meter per month | 2.0¢ per kwhr |
| All excess | kwhr per meter per month | 1.3¢ per kwhr* |

* Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr is 1.0¢ per kwhr.

Minimum Charge:
The monthly minimum charge shall be the monthly customer charge.

SCHEDULE D-5

TERRITORY:

Within the incorporated limits of Beaumont, Chino, Fontana, Fillmore, Huntington Beach, La Verne, Ojai, Port Hueneme, Tehachapi, Tustin, Upland, West Covina, and Woodlake, and customers served by the company within the incorporated limits of Colton, Corona, Rialto and Riverside.

Within the rate areas of Carpinteria, East San Bernardino, East Tulare, Farmersville, Lancaster, North Hanford, North Ventura, Palmdale, Porterville Suburban, Visalia Suburban, and the Northeastern and Southeastern rate areas excluding those areas in which a lower domestic rate schedule applies, as more fully described in the Description of Rate Areas.

RATES:

| | | |
|-------------------------------------------------|------------------------------------|----------------|
| Customer Charge: | per meter per month | 85¢ |
| Energy Charge (to be added to customer charge): | | |
| First | 45 kwhr per meter per month | 4.6¢ per kwhr |
| Next | 60 kwhr per meter per month | 3.3¢ per kwhr |
| Next | 105 kwhr per meter per month | 2.1¢ per kwhr |
| All excess | kwhr per meter per month | 1.3¢ per kwhr* |

* Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr is 1.0¢ per kwhr.

Minimum Charge:
The monthly minimum charge shall be the monthly customer charge.

SCHEDULE D-6

TERRITORY:

Within the entire territory served by the company in which Domestic Rate Schedules D-1 to D-5, inclusive, are not applicable.

APPENDIX A
Page 12 of 44

SCHEDULE D-6 (Continued)

RATES:

| | | |
|-------------------------------------------------|------------------------------------|----------------|
| Customer Charge: | per meter per month | 90¢ |
| Energy Charge (to be added to customer charge): | | |
| First | 45 kwhr per meter per month | 4.7¢ per kwhr |
| Next | 60 kwhr per meter per month | 3.4¢ per kwhr |
| Next | 105 kwhr per meter per month | 2.1¢ per kwhr |
| All excess | kwhr per meter per month | 1.3¢ per kwhr* |

* Where the customer has an electric water heating installation conforming to Rule and Regulation No. 32, the rate for monthly usage between 210 kwhr and 660 kwhr is 1.0¢ per kwhr.

Minimum Charge:

The monthly minimum charge shall be the monthly customer charge.

RULES AND REGULATIONS, AND SPECIAL CONDITION:

This schedule is subject to the Rules and Regulations and to the Special Condition following:

SPECIAL CONDITION:

- (a) Seasonal Service. For summer cottage customers and others who normally require service for only part of the year, this schedule is applicable only on annual contract.

APPENDIX A
Page 13 of 44

SCHEDULE DM

DOMESTIC SERVICE
MULTI-FAMILY ACCOMMODATION

APPLICABILITY:

This schedule is applicable to domestic service including lighting, heating, cooking, and power use or combination thereof in a multi-family accommodation on a single premises.

TERRITORY:

Within the entire territory served.

RATE:

- (A) Multi-family accommodation where there are one or more separate structures served through a single meter.

The rate of the single-family domestic rate schedule, applicable to the territory in which the multi-family accommodation is located, shall be adjusted as follows:

Customer Charge: No adjustment
Energy Charge (to be added to customer charge):

The kilowatt-hours for all blocks shall be multiplied by the number of single-family accommodations on the meter. Where the water heating rate is applicable, the block of 450 kwhr shall be multiplied by the number of single-family accommodations receiving such service.

Minimum Charge: No adjustment

- (B) Optional rate for multi-family accommodation served through a single meter.

The rate of the general service rate schedules, single-phase or three-phase, applicable to the territory in which the multi-family accommodation is located.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulation and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Seasonal Service. For summer cottage customers and others who normally require service for only part of the year, this schedule is applicable only on annual contract.
- (b) Rate "B". All special conditions of the applicable general service rate schedules are applicable to service under this rate.

APPENDIX A
 Page 14 of 44

SCHEDULE H

HEATING AND POWER

APPLICABILITY:

This schedule is applicable to heating service with or without other power service.

TERRITORY:

Within the entire territory served.

RATE:

Energy Charge:

| | |
|---------------------------------------------------|---------------|
| First 150 kwhr per month, but not less than | |
| 50 kwhr per month per hp of other power load..... | 3.2¢ per kwhr |
| All excess kwhr per month..... | 2.0¢ per kwhr |

Minimum Charge:

| | |
|------------------------------------------------------|------------------|
| | <u>Per Month</u> |
| Per kw of connected heating load..... | \$ 0.45 |
| Per hp of connected other power load..... | 1.00 |
| The total minimum charge shall not be less than..... | 3.50 |

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard power voltage. Normally only single-phase service will be supplied; however three-phase service may be supplied where the customer's resistance heating equipment requires three-phase service.
- (b) Connected Load. Heating load will be the connected load of resistance heating and cooking equipment. Other power load will be the connected load of all other power equipment including inductive heating. Connected load is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 kw for heating load and 1/10 hp for other power load. The rated capacity of the customer's other power equipment will be the rated horsepower output of standard rated motors and the rated kilovolt-ampere input capacity of other equipment, with each kilovolt-ampere of input considered equal to one horsepower. Normally such ratings will be based on the manufacturer's rating as shown on the nameplate or elsewhere but may, at the option of the Company, be based on tests or other reliable information.
- (c) Temporary Reduction of Connected Load. Where the use of energy is seasonal or intermittent, no adjustment will be made for any temporary reduction of connected load. Any customer resuming service on such connected load within twelve months after it was disconnected will be required to pay all charges which would have been billed if the temporary reduction of connected load had not been made.

APPENDIX A
Page 15 of 44

SCHEDULE LS-1

LIGHTING - STREET AND HIGHWAY
COMPANY-OWNED SYSTEM

APPLICABILITY:

This schedule is applicable to street and highway lighting service supplied from overhead lines where the Company owns and maintains the street lighting equipment.

TERRITORY:

Within the entire territory served.

RATE:

| <u>Lamp Size & Type</u> | <u>Rate Per Lamp Per Month</u> |
|-----------------------------|--------------------------------|
| | <u>All Night Service</u> |
| 1,000 Lumen Incandescent | \$1.65 |
| 2,500 Lumen Incandescent | 2.55 |
| 4,000 Lumen Incandescent | 3.15 |
| 6,000 Lumen Incandescent | 3.90 |
| 10,000 Lumen Incandescent | 5.30 |
| 15,000 Lumen Incandescent | 7.50 |
| 10,000 Lumen Sodium Vapor | 6.05 |
| 20,000 Lumen Mercury Vapor | 7.10 |

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Standard Equipment Furnished. Bracket or mast arm construction will be furnished. Where feasible with existing facilities, center suspension construction may be furnished. Enclosed luminaires will be furnished for lamps of 2500 lumens, or larger, and open reflector lighting units will be furnished for lamps of 1000 lumens. Such standard lighting equipment will be attached to wood poles.
- (b) Other Than Standard Equipment. Where the customer requests the installation of other than the standard equipment furnished by the Company and such requested equipment is acceptable to the Company, the Company will install the requested equipment provided the customer agrees to advance the estimated difference in cost installed between such equipment and standard equipment. Advances made for this purpose will not be refunded. Facilities installed in connection with such agreements become and remain the sole property of the Company. For existing installations of steel poles, owned by the Company, where a monthly rental charge has been made, said rental will be continued for a period of 60 months from the date of commencement of each such rental, at a monthly charge of \$1.50 per steel pole per month. At the end of such period such additional charges will be discontinued.

APPENDIX A
Page 16 of 44

SCHEDULE LS-2

LIGHTING - STREET AND HIGHWAY
CUSTOMER-OWNED INSTALLATION

APPLICABILITY:

This schedule is applicable to service for the lighting of streets, highways, and other public thoroughfares where the customer owns the street lighting equipment.

TERRITORY:

Within the entire territory served.

RATE:

(A) Energy Charge:

(1) Metered Rate:

First 150 kwhr per month per kw of lamp load 2.70¢ per kwhr
All excess kwhr per month per kw of lamp load 0.65¢ per kwhr

(2) Flat Rate:

| | | |
|--------------------------|------------------------------|-----------------------------|
| | <u>All Night Service</u> | <u>Midnight Service</u> |
| For each kw of lamp load | \$6.10 per month | \$4.50 per month |

(B) Maintenance Charge - Optional:

In addition to the energy charge

| Lamp Rating Lumens. | Lamp Type | Per Lamp Per Month | | | |
|---------------------------|--------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| | | Series | | Multiple | |
| | | <u>All Night Service</u> | <u>Midnight Service</u> | <u>All Night Service</u> | <u>Midnight Service</u> |
| 1,000 | Incandescent Group Replacement | \$ 0.25 | \$ 0.20 | \$ 0.20 | \$ 0.18 |
| 2,500 | Incandescent Group Replacement | 0.33 | 0.25 | 0.22 | 0.19 |
| 4,000 | Incandescent Group Replacement | 0.37 | 0.27 | 0.31 | 0.24 |
| 6,000 | Incandescent Group Replacement | 0.46 | 0.31 | 0.42 | 0.29 |
| 10,000 | Incandescent Group Replacement | 0.62 | 0.40 | 0.43 | 0.30 |
| 15,000 | Incandescent Group Replacement | 0.70 | 0.44 | 0.94 | 0.56 |
| 10,000 | Sodium Vapor | 2.55 | 2.55 | 2.55 | 2.55 |
| 11,000 | Mercury Vapor | 1.80 | 1.80 | 1.80 | 1.80 |
| 15,000 | Mercury Vapor | 1.20 | 1.20 | 1.20 | 1.20 |
| 20,000 | Mercury Vapor | 1.85 | 1.85 | 1.85 | 1.85 |

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

APPENDIX A

SCHEDULE LS-2 (Continued)

SPECIAL CONDITIONS:

(a) Ownership of Facilities

- (1) For series systems the Company will furnish and maintain constant current regulating transformers and deliver service at the secondary side of such transformers. For multiple systems the Company will deliver service at the standard lighting voltage. Delivery to the customer's system will be at a point or points mutually agreed upon.
- (2) The customer will furnish and maintain all utilization equipment beyond the point of delivery except for maintenance service provided by the Company in accordance with Special Condition (c).
- (3) Meter locations for series systems shall be on the primary supply circuit to the constant current regulating transformers at the Company substation or other central point acceptable to the Company. Meter locations for multiple systems shall be at points mutually agreed upon.

(b) Lamp Load. The lamp load for regular (general purpose) multiple incandescent lamps shall be the manufacturers' lamp rating in watts.

The lamp load in watts for lumen rated street lighting lamps shall be as follows:

| | Lumens: | 600 | 800 | 1,000 | 2,500 | 4,000 | 6,000 | 10,000 | 11,000 | 15,000 | 20,000 | 25,000 |
|----------------------|---------|-----|-----|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| <u>Incandescent</u> | | | | | | | | | | | | |
| <u>Series-</u> | | | | | | | | | | | | |
| Regular | Watts: | 42 | 57 | 62 | 143 | 210 | 310 | 525 | - | 755 | - | 1,275 |
| <u>Series-Group</u> | | | | | | | | | | | | |
| Replacement | " | 44 | - | 65 | 152 | 220 | 325 | 558 | - | 822 | - | - |
| <u>Multiple St.</u> | | | | | | | | | | | | |
| Lighting | " | 55 | - | 85 | 175 | 268 | 370 | 575 | - | 800 | - | - |
| <u>Multiple-</u> | | | | | | | | | | | | |
| Group | | | | | | | | | | | | |
| Replacement | " | 58 | - | 92 | 189 | 295 | 405 | 620 | - | 860 | - | - |
| <u>Mercury Vapor</u> | " | - | - | - | - | - | - | - | 292 | 447 | 447 | - |
| <u>Sodium Vapor</u> | " | - | - | - | - | - | - | 232 | - | - | - | - |

Total lamp load shall be determined to the nearest 1/10 kw.

(c) Maintenance Service. Maintenance service furnished by the Company under Rate (B) for the lamps specified shall include the following:

- (1) Renewal of lamps after the original installation by the customer.
- (2) Regular inspection.
- (3) Periodic cleaning of globes.
- (4) Labor of replacing lamps and globes.

Incandescent lamps furnished under this provision will be group replacement lamps only. Globes for renewal shall be furnished by the customer. Maintenance service will be furnished only where, in the opinion of the Company, no undue hazard or expense will result because of location, mounting height, or other reasons.

(d) Switching Facilities. For all night or midnight service under the Company's standard operating schedules, the Company will furnish, maintain, and operate the necessary switching facilities. For other operating schedules, the customer shall furnish, maintain, and operate switching facilities as specified by the Company and take metered service under Rate (A) (1).

APPENDIX A
Page 18 of 44

SCHEDULE P-1

POWER - GENERAL
CONNECTED LOAD BASIS

APPLICABILITY:

This schedule is applicable to general power service.

TERRITORY:

Within the entire territory served.

RATE:

| Horsepower of Connected Load | <u>Service Charge</u> Per hp per Month | <u>Energy Charge</u> To be Added to the Service Charge | | |
|---------------------------------|-------------------------------------------|-----------------------------------------------------------|------------------------------------------|----------------------------------------------|
| | | <u>First 100 kwhr</u> Per hp per Month | <u>Next 100 kwhr</u> Per hp per Month | <u>All over 200 kwhr</u> Per hp per Month |
| 2 to 4.9 | 0.75 | 2.7 | 1.2 | 0.8 |
| 5 to 9.9 | 0.70 | 2.3 | 1.2 | 0.8 |
| 10 to 24.9 | 0.65 | 2.0 | 1.1 | 0.8 |
| 25 to 49.9 | 0.60 | 1.7 | 1.0 | 0.8 |
| 50 and over | 0.55 | 1.5 | 1.0 | 0.8 |

Minimum Charge:

The monthly minimum charge shall be the monthly service charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard power voltage.
- (b) Connected Load. Connected load is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 hp. In no case will charges be based on less than 2 hp. The rated capacity of the customer's equipment will be the rated horsepower output of standard rated motors and the rated kilovolt-ampere input capacity of other equipment, with each kilovolt-ampere of input considered equal to one horsepower. Normally such ratings will be based on the manufacturer's rating as shown on the nameplate or elsewhere but may, at the option of the Company, be based on tests or other reliable information.
- (c) Overloaded Motors. Whenever, upon test, any motor under normal operating conditions is found to be delivering more than 115 per cent of its capacity as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the 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 each year thereafter or upon notification by the customer of a permanent change in operating conditions.

APPENDIX A
Page 19 of 44

SCHEDULE P-1 (Continued)

SPECIAL CONDITIONS (Continued):

- (d) Guarantee of Larger Connected Load. Any customer may obtain the rates for a larger connected load by guaranteeing the service charges and energy charges applicable to the larger connected load.
- (e) Temporary Reduction of Connected Load. Where the use of energy is seasonal or intermittent, no adjustment will be made for any temporary reduction of connected load. Any customer resuming service on such connected load within twelve months after it was disconnected, will be required to pay all charges which would have been billed if the temporary reduction of connected load had not been made.
- (f) X-ray Installations. Where a medical X-ray installation is served from transformer capacity required to serve other load, the rated capacity of the X-ray installation will be 3 hp. Where the Company installs the transformer capacity requested by a customer to serve separately an X-ray installation, the rated capacity of the X-ray installation will be that of the transformer installed. Each kilovolt-ampere of such transformer capacity will be considered equal to one horsepower.

SCHEDULE P-2

POWER - GENERAL
DEMAND BASIS

APPLICABILITY:

This schedule is applicable to general power service.

TERRITORY:

Within the entire territory served.

RATE:

Demand Charge:

| | <u>Per Month</u> |
|---------------------------------------|-------------------|
| First 25 kw or less of billing demand | \$25.00 per meter |
| All excess kw of billing demand | \$ 0.60 per kw |

Energy Charge (to be added to demand charge):

First 150 kwh per month per kw of billing demand:

| | |
|----------------------------------------------------|----------------|
| First 5,000 kwhr per month | 1.60¢ per kwhr |
| All excess kwhr per month | 1.25¢ per kwhr |
| Next 150 kwhr per month per kw of billing demand | 0.85¢ per kwhr |
| All excess kwhr per month per kw of billing demand | 0.65¢ per kwhr |

Minimum Charge:

The monthly minimum charge shall be the monthly demand charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SCHEDULE P-2 (Continued)

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard power voltage.
- (b) Billing Demand. The billing demand shall be the kilowatts of measured maximum demand but not less than 50% of the highest billing demand established in the preceding eleven months. However, in no case shall the billing demand be less than 25 kw. Billing demand shall be determined to the nearest 1/10 kw.
- (c) Maximum Demand Measurement. The measured maximum demand in any month shall be the maximum average kilowatt input, indicated or recorded by instruments to be supplied by the company, during any 15-minute metered interval in the month. Where demand is intermittent or subject to violent fluctuations, a 5-minute interval may be used.
- (d) Temporary Discontinuance of Service. Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any customer resuming service within twelve months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.

APPENDIX A
Page 21 of 44

SCHEDULE PA-1

POWER-AGRICULTURAL AND PUMPING
CONNECTED LOAD BASIS

APPLICABILITY:

This schedule is applicable to power service for general agricultural purposes or for general water or sewerage pumping.

TERRITORY:

Within the entire territory served.

RATE:

| Horsepower of Connected Load | Service Charge Per hp per Year | Energy Charge To be added to the service charge Cents per kwhr | | |
|---------------------------------|-----------------------------------|----------------------------------------------------------------------|-----------------------------------|---------------------------------------|
| | | First 1000 kwhr Per hp per Year | Next 1000 kwhr Per hp per Year | All over 2000 kwhr Per hp per Year |
| 2 to 4.9 | \$ 8.00 | 1.7 | 0.75 | 0.57 |
| 5 " 14.9 | 7.00 | 1.5 | 0.75 | 0.57 |
| 15 " 49.9 | 6.50 | 1.4 | 0.75 | 0.57 |
| 50 " 99.9 | 6.00 | 1.3 | 0.75 | 0.57 |
| 100 and over | 5.50 | 1.2 | 0.75 | 0.57 |

Minimum Charge:

The annual minimum charge shall be the annual service charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard power voltage.
- (b) Connected Load. Connected load is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 hp. In no case will charges be based on less than 2 hp. The rated capacity of the customer's equipment will be the rated horsepower output of standard rated motors and the rated kilovolt-ampere input capacity of other equipment, with each kilovolt-ampere of input considered equal to one horsepower. Normally such ratings will be based on the manufacturer's rating as shown on the nameplate or elsewhere but may, at the option of the Company, be based on tests or other reliable information.

SCHEDULE PA-1 (Continued)SPECIAL CONDITIONS (Continued)

- (c) Overloaded Motors. Whenever, upon test, any motor under normal operating conditions is found to be delivering more than 115 per cent of its capacity as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the 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 each year thereafter or upon notification by the customer of a permanent change in operating conditions.
- (d) Guarantee of Larger Connected Load. Any customer may obtain the rates for a larger connected load by guaranteeing the service charges and energy charges applicable to the larger connected load.
- (e) Temporary Reduction of Connected Load. Where the use of energy is seasonal or intermittent, no adjustment will be made for any temporary reduction of connected load. Any customer resuming service on such connected load within 12 months after it was disconnected, will be required to pay all charges which would have been billed if the temporary reduction of connected load had not been made.
- (f) Payment of Service Charges. The annual service charge will be payable in six equal monthly installments beginning with the first month of each contract year.
- (g) Contracts. A contract for a period of one year will be required for service under this schedule and will remain in effect from year to year thereafter unless cancelled. When service is first rendered under this schedule, the contract year and billing basis shall commence with the first regular meter reading date after the date service is begun.
- (h) Change of Customer. Any customer taking over service on a premises which has previously been served under this schedule shall have the option of (1) assuming the benefits and liabilities of the former customer's contract by paying all charges which would have accrued for continuous service, in which case the beginning date of the contract year and billing basis shall remain the same as that established in the former customer's contract, or (2) the new customer may elect to have the contract year and billing basis commence with the first regular meter reading date after the date service is changed to his account.
- (i) Change of Connected Load. When there is an increase or decrease in connected load during a contract year, no adjustment in billing to date of change will be made. For the period subsequent to date of change, billing shall be made on the following basis: (1) Any remaining service charge installments shall be based on the new connected load, and (2) energy charge billing will be based on the new connected load using the full annual energy blocks less the adjusted kilowatt-hour use to date of change. The adjusted kilowatt-hour use to date of change is determined by multiplying the kilowatt-hours to date of change by the ratio of the new connected load to the old connected load.

APPENDIX A
Page 23 of 44

SCHEDULE PA-1 (Continued)

SPECIAL CONDITIONS (Continued):

- (j) Change of Contract Year. Any contract may, at the customer's option, be superseded by a new contract beginning with the regular meter reading date in April of any year and covering the balance of the original contract period, in which case the annual service charge and the size of the energy blocks will be prorated according to the proportion that the number of days from date of beginning of the contract year to the April reading date bears to 365 days, and credit for any excess payments will be applied in the new contract year.

APPENDIX A
Page 24 of 44

Item 11

SCHEDULE PA-2

POWER - AGRICULTURAL AND PUMPING
DEMAND BASIS

APPLICABILITY:

This schedule is applicable to power service for general agricultural purposes or for general water or sewerage pumping.

TERRITORY:

Within the entire territory served.

RATE:

Demand Charge per Month:

| | <u>Per Month</u> |
|---------------------------------------|-------------------|
| First 75 kw or less of billing demand | \$55.00 per meter |
| All excess kw of billing demand | \$ 0.60 per kw |

Energy Charge (To be added to demand charge):

| | |
|----------------------------------------------------|----------------|
| First 150 kwhr per month per kw of billing demand: | |
| First 15,000 kwhr per month | 1.35¢ per kwhr |
| All excess kwhr per month | 1.05¢ per kwhr |
| Next 150 kwhr per month per kw of billing demand | 0.75¢ per kwhr |
| All excess kwhr per month per kw of billing demand | 0.57¢ per kwhr |

Minimum Charge:

The monthly minimum charge shall be the monthly demand charge.

APPENDIX A
Page 25 of 44

SCHEDULE PA-2 (Continued)

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions followings: 2

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard power voltage.
- (b) Billing Demand. The billing demand shall be the kilowatts of measured maximum demand but not less than 50% of the highest billing demand established in the preceding eleven months. However, in no case shall the billing demand be less than 75 kw. Billing demand shall be determined to the nearest 1/10 kw.
- (c) Maximum Demand Measurement. The measured maximum demand in any month shall be the maximum average kilowatt input, indicated or recorded by instruments to be supplied by the company, during any 15-minute metered interval in the month, or, at the option of the company, the measured maximum demand may be determined from time to time by tests. Where demand is intermittent or subject to violent fluctuations, a 5-minute interval may be used.
- (d) Power Factor Adjustment. When the billing demand has exceeded 200 kw for three consecutive months, a kilovar-hour meter will be installed as soon as practical, and, thereafter, until the billing demand has been less than 150 kw for twelve consecutive months, the charges will be adjusted each month for power factor, as follows:

The charges will be decreased by 20 cents per kilowatt of measured maximum demand and will be increased by 20 cents per kilovar of reactive demand. However, in no case shall the number of kilovars used for the adjustment be less than one-fifth the number of kilowatts.

The kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest one-tenth (0.1) unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

- (e) Temporary Discontinuance of Service. Where the use of energy is seasonal or intermittent, no adjustments will be made for a temporary discontinuance of service. Any customer resuming service within twelve months after such service was discontinued will be required to pay all charges which would have been billed if service had not been discontinued.

APPENDIX A
Page 26 of 44

SCHEDULE PA-3
POWER - AGRICULTURAL AND PUMPING
(Closed Schedule)

APPLICABILITY:

This schedule is applicable to agricultural power service for irrigation pumping only, where billing for a single enterprise is based on a combination of meter installations and where all pumping plants are regularly operated by the service of the Company. This schedule is closed to new customers and will expire on October 1, 1956. Prior to expiration, the schedule is applicable only to pumping plants receiving such service as of the effective date of this schedule for the period that the account continues in the name of the customer of record as of that date.

TERRITORY:

Within the entire territory served.

RATE:

| Horsepower of Billing Demand | Energy Charge Cents per kwhr | | | |
|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| | First 50 kwhr Per hp per Month | Next 50 kwhr Per hp per Month | Next 100 kwhr Per hp per Month | All Over 200 kwhr Per hp per Month |
| 100 to 249.9 | 2.20 | 1.40 | 0.80 | 0.60 |
| 250 " 499.9 | 2.10 | 1.30 | 0.75 | 0.60 |
| 500 " 999.9 | 2.00 | 1.20 | 0.70 | 0.60 |
| 1000 " 2499.9 | 1.90 | 1.10 | 0.65 | 0.57 |
| 2500 and over | 1.85 | 1.00 | 0.65 | 0.57 |

Minimum Charge:

\$0.90 per hp of billing demand per month

The total minimum charge shall not be less than \$80.00 per month per metering point and in no case less than \$300.00 per month.

The minimum charge will be made accumulative over a twelve-month period and shall be paid monthly as it accumulates

Meter Combination Charge:

In addition to energy and minimum charges, a meter combination charge of \$50.00 per year for each metering point in excess of one shall be paid in five equal monthly installments during the months of May to September, inclusive.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Service at any one metering point will be supplied at one standard power voltage.

APPENDIX A
Page 27 of 44SCHEDULE PA-3 (Continued)SPECIAL CONDITIONS (Continued):

- (b) Single Enterprise Defined. A single enterprise is defined as a property of which the irrigated land is contiguous save for highways, railroads, or water channels and is under the single ownership, or lease and management of the customer, or is defined as a single physically contiguous water system under the operating management of the customer. This schedule is not applicable to associations or combinations of customers.
- (c) Kilowatt-hour Consumption. The total kilowatt-hour consumption of the enterprise in any month shall be the summation of the registrations of all kilowatt-hour meters.
- (d) Billing Demand. The billing demand for the enterprise in any month shall be the summation of the demands for all metering points but not less than 60% of the total connected load for the enterprise. However, in no case shall the billing demand be less than 100 hp.

The demand for any metering point shall be the horsepower of connected load, or, at the option of the customer, where the connected load at the metering point is not less than 100 hp, the demand for that metering point will be the horsepower of measured maximum demand. When no consumption is indicated in a month at a metering point, the demand in the month will be zero for that metering point.

The demand for each metering point and the billing demand for the enterprise shall be determined to the nearest 1/10 hp.

- (e) Connected Load. Connected load for any metering point is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 hp. Connected load for the enterprise shall be the summation of the connected loads for all metering points.
- (f) Overloaded Motors. Whenever, upon test, any motor under normal operating conditions is found to be delivering more than 115 per cent of its capacity as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the 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 each year thereafter or upon notification by the customer of a permanent change in operating conditions.
- (g) Maximum Demand Measurement. The measured maximum demand in any month shall be the maximum average horsepower input (746 watts equivalent), indicated or recorded by instruments to be supplied by the company, during any 15-minute metered interval in the month, or, at the option of the Company, the measured maximum demand may be determined from time to time by tests. Where demand is intermittent or subject to violent fluctuations, a 5-minute interval may be used.
- (h) Guarantee of Larger Billing Demand. Any customer may obtain the rates for a larger billing demand by guaranteeing the rates and minimum charge applicable to the larger billing demand.
- (i) Power Factor Adjustment. When the demand for a metering point has exceeded 250 hp for three consecutive months, a kilovar-hour meter will be installed as soon as practical, and, thereafter, until the demand has been less than 200 hp for twelve consecutive months, the energy charge

APPENDIX A
Page 28 of 44SCHEDULE PA-3 (Continued)SPECIAL CONDITIONS (Continued):

will be adjusted each month for power factor at that metering point, as follows:

The energy charge for the enterprise will be decreased by 20 cents per kilowatt of measured maximum demand for the metering point and will be increased by 20 cents per kilovar of reactive demand for the metering point. However, in no case shall the number of kilovars used for the adjustment be less than one-fifth the number of kilowatts. When the net effect of power factor adjustment for the enterprise is a decrease, the adjustment will be applied only to the amount of energy charge in excess of the minimum charge for that month.

The kilovars of reactive demand for a metering point shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest one-tenth (0.1) unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

- (j) Temporary Reduction of Connected Load. Where the use of energy is seasonal or intermittent, no adjustment will be made for any temporary reduction of connected load. Any customer resuming service on such connected load within twelve months after it was disconnected, will be required to pay all charges which would have been billed if the temporary reduction of connected load had not been made.

APPENDIX A
Page 29 of 44

SCHEDULE PA-4

POWER - IRRIGATION PUMPING PLANT DOMESTIC SERVICE
(Temporary Schedule)

APPLICABILITY:

This schedule is applicable to power service to an irrigation pumping plant for the pumping of water for domestic and other minor farm purposes where the pumping plant is not required for irrigation of the land because of the availability of irrigation water from the Friant-Kern Canal and where service to the plant is now and has been established for at least the last three years. This schedule will expire March 31, 1955.

TERRITORY:

Within the boundaries of any Irrigation District or other District distributing irrigation water from the Friant-Kern Canal.

RATE:

Customer Charge:

\$2.40 per meter per month

Service Charge:

\$0.10 per hp of connected load per month

Energy Charge (To be added to customer and Service Charges):

| | |
|------------------------------------------|----------------|
| First 300 kwhr per meter per month..... | 2.9 ¢ per kwhr |
| Next 300 kwhr per meter per month..... | 1.2 ¢ per kwhr |
| All excess kwhr per meter per month..... | 0.8 ¢ per kwhr |

MINIMUM CHARGE:

The monthly minimum charge shall be the sum of the monthly customer and service charges.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage: Service will be supplied at one standard power voltage.
- (b) Connected Load. Connected load is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 hp.

APPENDIX A
Page 30 of 44SCHEDULE PA-4 (Continued)SPECIAL CONDITIONS (Continued):

- (c) Overloaded Motors. Whenever, upon test, any motor under normal operating conditions is found to be delivering more than 115 per cent of its capacity as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the 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 each year thereafter or upon notification by the customer of a permanent change in operating conditions.
- (d) Transfer to Schedule. A customer may transfer to this schedule at the beginning of the established agricultural contract year.
- (e) Transfer from Schedule. If the use in any month exceeds 1,000 kwhr, the account will be transferred to an applicable schedule selected by the customer and the account will be adjusted to the schedule selected from the start of the established agricultural contract year.
- (f) Billing Adjustment. If, at the end of the established agricultural contract year, it would have been more advantageous for the customer to have been billed on any other applicable schedule, the account will be adjusted to that schedule from the start of the established agricultural contract year.

SCHEDULE PM

POWER - MUNICIPAL PUMPING
(Closed Schedule)

APPLICABILITY:

This schedule is applicable to power service used for water supply or sewerage pumping. This schedule is closed to new installations and will expire on October 1, 1956. Prior to expiration, the schedule is applicable only to installations receiving such service as of the effective date of this schedule which continue to meet the provisions of this schedule.

TERRITORY:

Within the entire territory served.

RATE:

Energy Charge:

| <u>Horsepower of Connected Load</u> | <u>Per Month</u> |
|-----------------------------------------|------------------|
| 0 to 99.7 | 2.10¢ per kwhr |
| 100 to 249.9 | 1.60¢ per kwhr |
| 250 or over | 1.13¢ per kwhr |

Minimum Charge:

- (1) No minimum charge where the entire water supply of the customer is locally produced as distinguished from water transported into the community from watersheds not local to the community.
- (2) The minimum charge for customers not qualifying under (1) above shall be:

| <u>Horsepower of Connected Load</u> | <u>Per Month</u> |
|-----------------------------------------|------------------|
| First 200 .c. | \$ 1.25 per hp |
| Next 300 | 1.00 per hp |
| All excess | 0.75 per hp |

The minimum charge will be made accumulative over a 12-month period and shall be paid monthly as it accumulates.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SCHEDULE PM (Continued)SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at one standard power voltage.
- (b) Connected Load. Connected load is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time.
- (c) Overloaded Motors. Whenever, upon test, any motor under normal operating conditions is found to be delivering more than 115 per cent of its capacity as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the 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 each year thereafter or upon notification by the customer of a permanent change in operating conditions.
- (d) Billing. The sum of the connected loads of all installations of the customer served under this schedule, as of the billing date, will be used to determine the rate.
- (e) Additions to Installations. When the connected load of any installation exceeds the connected load of that installation as of the effective date of this schedule by more than 10% or 5 hp (whichever is greater), this schedule will no longer be applicable to that installation. Each separately metered delivery will be considered an installation.

SCHEDULE PO

POWER AND LIGHTING - OIL FIELD SERVICE
(Closed Schedule)

APPLICABILITY:

This schedule is applicable to lighting and power service for oil field, pipeline, and refinery operations. This schedule is closed to new customers and will expire on October 1, 1956. Prior to expiration, the schedule is applicable only to accounts receiving such service as of the effective date of this schedule, for the period the account continues in the name of the customer of record as of that date.

TERRITORY:

Within the entire territory served.

RATE:

Service Charge:

Per kw of connected lighting load.....\$1.60 per month
Per hp of connected power load..... 1.00 per month
In no case will the total service charge
per month be less than \$10.00

Energy Charge (To be added to service charge):

First 150 kwhr per month per kw of connected lighting load ..2.4¢ per kwhr
Next 100 kwhr per month per hp of connected power load. 1.5¢ per kwhr
All excess kwhr per month 0.7¢ per kwhr

Minimum Charge:

The monthly minimum charge shall be the monthly service charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

(a) Voltage. Service will be supplied at one standard power voltage.

APPENDIX A
Page 34 of 44SCHEDULE PO (Continued)SPECIAL CONDITIONS (Continued):

- (b) Connected Load. Connected load is the sum of the rated capacities of all of the customer's equipment that it is possible to connect to the Company's lines at the same time, determined to the nearest 1/10 kw for lighting load and 1/10 hp for power load. The rated capacity of the customer's power equipment will be the rated horsepower output of standard rated motors (the lower rating of dual-rated motors) and the rated kilovolt-ampere input capacity of other equipment with each kilovolt-ampere of input considered equal to one horsepower. Normally such ratings will be based on the manufacturer's rating as shown on the nameplate or elsewhere but may, at the option of the company, be based on tests or other reliable information.
- (c) Overloaded Motors. Whenever, upon test, any motor under normal operating conditions is found to be delivering more than 115 per cent of its capacity as indicated by its nameplate rating, the Company may disregard the nameplate rating and base its charges upon the 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 each year thereafter or upon notification by the customer of a permanent change in operating conditions.
- (d) Temporary Reduction of Connected Load. Where the use of energy is seasonal or intermittent, no adjustment will be made for any temporary reduction of connected load. Any customer resuming service on such connected load within twelve months after it was disconnected, will be required to pay all charges which would have been billed if the temporary reduction of connected load had not been made.

APPENDIX A
Page 35 of 44

SCHEDULE PR

RAILWAY SERVICE

APPLICABILITY:

Applicable to electrical energy used for motive power and power and lighting incident to railway system and electric transportation system operation, together with the appurtenances connected therewith.

TERRITORY:

Within the entire territory served.

RATE:

First 250,000 kwhr per month per delivery point . . . 1.47¢ per kwhr
All excess kwhr per month per delivery point . . . 0.77¢ per kwhr

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage. Service will be supplied at standard voltages.
- (b) Billing. For the purpose of monthly billing under this schedule, the amounts of electric energy delivered during any one month to more than one delivery point may be combined for Company's convenience, as agreed upon by the Company and the customer.
- (c) Contracts. A service contract for an initial period of two years may be required as a condition precedent to service under this schedule, and for such subsequent two-year periods as the Company may require.

APPENDIX A
Page 36 of 44SCHEDULE ERESALE SERVICEAPPLICABILITY:

This schedule is applicable to electric energy supplied to electric utilities including municipalities for resale.

TERRITORY:

Within the entire territory served.

RATE:

| Demand Charge: | <u>Per Month</u> |
|--------------------------------------------|-------------------|
| First 75 kw or less of billing demand..... | \$75.00 per meter |
| Next 125 kw of billing demand..... | 0.80 per kw |
| Next 1,800 kw of billing demand..... | 0.70 per kw |
| Next 8,000 kw of billing demand..... | 0.60 per kw |
| All excess kw of billing demand | 0.50 per kw |

Energy Charge (to be added to demand charge):

| | |
|---------------------------------------------------------|---------------|
| First 150 kwhr per month per kw of billing demands: | |
| First 15,000 kwhr per month..... | 1.7¢ per kwhr |
| Balance of kwhr per month | 0.9¢ per kwhr |
| Next 150 kwhr per month per kw of billing demand..... | 0.7¢ per kwhr |
| All excess kwhr per month per kw of billing demand..... | 0.5¢ per kwhr |

Minimum Charge:

The monthly minimum charge shall be the monthly demand charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Voltage: Service will be supplied at one standard power voltage.
- (b) Billing Demand: The billing demand shall be the kilowatts of measured maximum demand but not less than 50 per cent of the highest billing demand established in the preceding 11 months. However, in no case shall the billing demand be less than 75 kw. Billing demand shall be determined to the nearest 1/10 kw.
- (c) Maximum Demand Measurement: The measured maximum demand in any month shall be the maximum average kilowatt input, indicated or recorded by instruments to be supplied by the Company, during any 15-minute metered 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. Where the demand is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

APPENDIX A
Page 37 of 44SCHEDULE R (Continued)SPECIAL CONDITIONS (Continued):

- (d) Voltage Discount: The charges before power factor adjustment will be reduced by 3 per cent for service delivered and metered at voltages of from 2 to 10 kv; by 4 per cent for service delivered and metered at voltages of from 11 kv to 50 kv, and by 5 per cent for service delivered and metered at voltages over 50 kv, except that when only one transformation from a transmission voltage level is involved, a customer normally entitled to a 3 per cent discount will be entitled to a 4 per cent discount.
- (e) Power Factor Adjustment: When the billing demand has exceeded 200 kw for three consecutive months, a kilovar-hour meter will be installed as soon as practicable and, thereafter, until the billing demand has been less than 150 kw for 12 consecutive months, the charges will be adjusted each month for the power factor as follows:

The charges will be decreased by 20 cents per kilowatt of measured maximum demand and will be increased by 20 cents per kilovar of reactive demand. However, in no case shall the kilovars used for the adjustment be less than one-fifth the number of kilowatts.

The kilovars of reactive demand shall be calculated by multiplying the kilowatts of measured maximum demand by the ratio of the kilovar-hours to the kilowatt-hours. Demands in kilowatts and kilovars shall be determined to the nearest 1/10 (0.1) unit. A ratchet device will be installed on the kilovar-hour meter to prevent its reverse operation on leading power factors.

- (f) Off-Peak Demand: Upon application by the customer, any kilowatts of measured demand in excess of 500 kw occurring between the hours of 10:30 p.m. and 6:30 a.m. Pacific Standard Time of the following day, and on Sundays and the following holidays, New Years, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas will not be considered in establishing the billing demand for computing the energy charge, but will be considered in establishing the billing demand for computing the demand charge by adding one half of the amount that the off-peak demand exceeds the on-peak demand, to the on-peak demand.
- (g) Contracts: An initial three-year contract may be required where applicant requires new or added serving capacity exceeding 2,000 kva.

APPENDIX A
Page 38 of 44

SCHEDULE S

STANDEY

APPLICABILITY:

This schedule is applicable to standby or breakdown service where the entire electrical requirements on the customer's premises are not regularly supplied by the Company.

TERRITORY:

Within the entire territory served.

RATE:

Standby Charge:

| | <u>Per Month</u> |
|-----------------------------|------------------|
| First 20 of contract demand | \$ 2.00 per kw |
| All excess kw of demand | 1.50 per kw |

The standby charge shall not be less than \$20 00 per month.

Regular Schedule Charges (to be added to standby charge):

All charges of the applicable regular service schedule designated in the service contract.

Minimum Charge:

The monthly minimum charge shall be the standby charge plus the regular schedule minimum charge.

RULES AND REGULATIONS, AND SPECIAL CONDITIONS:

This schedule is subject to the Rules and Regulations and to the Special Conditions following:

SPECIAL CONDITIONS:

- (a) Contract Demand. 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 and the Company shall agree upon the number of kilowatts the Company will stand ready to supply; and the customer shall, at his own expense, furnish and install a

SCHEDULE S (Continued)SPECIAL CONDITIONS (Continued):

- suitable circuit breaker enclosed in a steel box equipped with a lock, all to be approved by and under the sole control of the Company, and 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 when the customer's maximum demand exceeds the number of kilowatts which the Company stands ready to supply, in which case the Company will renew the connection upon due notice.
- (b) Contract. This schedule will apply only where the customer will sign a service contract for at least one year.
 - (c) Parallel Operation. This schedule is not applicable for parallel operation of the customer's plant with the service of the Company.
 - (d) Maximum Load. The Company reserves the right to establish the maximum load served under this schedule.

APPENDIX A
Page 40 of 44

DESCRIPTION OF RATE AREAS

✓ Tariff sheets containing maps, and a description of each rate area, are to be a part of this filing. The tariff sheets containing maps and descriptions of rate areas are to be arranged for inclusion in the applicant's book of tariff schedules, following the Rules and Regulations.✓

The territory to which certain rate schedules are applicable is described in the rate schedules by reference to rate areas. These rate areas are shown on Maps Nos. 1 and 2 and are more fully described below. (When a street is used as a boundary of a rate area, any service rendered within 200 feet of the center line of the street will be included within the lower rate area):

BALDWIN HILLS consists of:

- (1) The unincorporated area bounded on the west by Culver City, the City of Los Angeles and Centinola Avenue; on the north by Culver City and the City of Los Angeles; on the east and south by the City of Los Angeles; and
- (2) The unincorporated area entirely surrounded by Culver City along Jefferson Boulevard.

CARPINTERIA consists of the unincorporated area in Santa Barbara County within the following described boundary: Beginning at the Pacific Ocean and the west boundary of Sandyland Cove Tract; thence north along the tract boundary to Avenue Del Mar; thence east along Avenue Del Mar to Sandyland Cove Road; thence northerly along Sandyland Cove Road to the Southern Pacific Railroad tracks; thence westerly along said tracks to Santa Monica Road; thence northerly along Santa Monica Road to Foothill Road; thence easterly along Foothill Road to Casitas Pass Road; thence southerly along Casitas Pass Road to State Highway; thence easterly along State Highway to its intersection with Carpinteria Creek; thence due south to the Pacific Ocean; and thence west to the point of beginning.

COMPTON-LYNWOOD consists of the unincorporated areas within the following described boundaries: Beginning at the Los Angeles City boundary along Mona Boulevard; thence easterly along the property line north of 107th Place (being the same as the northerly boundary line of Watts Park Tract, as per maps recorded in Book 8, Page 70, of Maps of the Los Angeles County Records), and along the southerly boundary of the City of South Gate to the center line of the Los Angeles River; thence southerly along the Los Angeles River to the northerly boundary of the City of Long Beach; thence westerly along the northerly boundary of the City of Long Beach and the southerly boundary of the City of Compton; thence northerly along the westerly boundary of the City of Compton to Compton Avenue; thence westerly along Compton Avenue to McKinley Avenue; thence northerly along McKinley Avenue to Rosetrans Avenue; thence westerly along Rosetrans Avenue to the boundary of the City of Los Angeles; and thence northerly and easterly along the boundary of the City of Los Angeles to the point of beginning.

EAST LOS ANGELES consists of the unincorporated area bounded on the north by the City of Los Angeles; on the east by the cities of Monterey Park and Montebello; on the south by Anaheim-Telograph Road, the Atchison, Topoka and Santa Fe Railway tracks, and the City of Vernon; and on the west by the cities of Vernon and Los Angeles.

APPENDIX A
Page 41 of 44

DESCRIPTION OF RATE AREAS (Continued)

EAST SAN BERNARDINO consists of the unincorporated area within the following described boundary: Beginning at the San Bernardino city boundary and Cardiff Avenue; thence east along Cardiff Avenue to Tippecanoe Street; thence north along Tippecanoe Street to East 3rd Street; thence easterly along East 3rd Street to Sterling Avenue; thence north along Sterling Avenue to Highland Avenue; thence west along Highland Avenue to San Bernardino city boundary; and thence in a general southerly direction along the city boundary to the point of beginning.

EAST TULARE consists of the unincorporated area within the following described boundary: Beginning at the intersection of Tulare city boundary and the Atchison, Topeka and Santa Fe Railway and extending along said railway in a northeasterly direction to Laspina Avenue; thence south along Laspina Avenue to the Tulare city limits; and thence along said city limits in a general northerly direction to the point of beginning.

FARMERSVILLE consists of the unincorporated area in Tulare County within the following described boundary: Beginning at the intersection of Visalia Road and Ventura Avenue; thence south along Ventura Avenue to Tulare Avenue; thence east along Tulare Avenue to an extension of Orchard Street; thence north along the extension and Orchard Street to Visalia Road; thence east along Visalia Road to Brundage Road; thence north along Brundage Road to the Southern Pacific right of way; thence west along the Southern Pacific right of way to Farmersville Boulevard; thence north along Farmersville Boulevard to Railroad Avenue; thence west along Railroad Avenue to 4th Street; thence south along 4th Street to the Southern Pacific right of way; thence east to 2nd Street; thence southerly along 2nd Street to Visalia Road; and thence west along Visalia Road to the point of beginning.

LANCASTER consists of the unincorporated area bounded on the north by Avenue H 8; on the east by 15th Street East; on the south by Avenue K 8; and on the west by 20th Street West.

LENNOX consists of:

- (1) The unincorporated area bounded on the north and on the east by the City of Inglewood; on the south by the cities of Hawthorne and Los Angeles; on the west by the City of Los Angeles; and
- (2) The unincorporated areas bounded entirely by the City of Inglewood.

LONG BEACH-LAKEWOOD consists of the unincorporated areas, adjacent to the cities of Long Beach or Lakewood, which are east of Atlantic Avenue, south of the Long Beach annexation strip (near Ashworth Street), west of the San Gabriel River, and north of 7th Street.

METROPOLITAN consists of the territory served by the Southern California Edison Company within the following described boundary: Beginning at the intersection of the Pacific Ocean and the Orange-Los Angeles County line and extending along said County line in a northeasterly direction to its intersection with the northern city limits of the Long Beach Annexation Strip; thence west and north along the city boundary to the northeast corner of said annexation strip; thence east to the center line of the San Gabriel River; thence north along said center line to the westerly extension of 166th Street; thence east along said extension and 166th Street to Bloomfield Avenue; thence north along Bloomfield Avenue to Imperial Highway; thence east along Imperial Highway to Holder Avenue; thence north along Holder Avenue to Loffingwell Road; thence northeasterly along Loffingwell Road to the Orange County line; thence north along said County line to the northwest corner of Orange County; thence west along the westerly extension of the Orange County line to Santa Gertrudes Avenue; thence north along Santa Gertrudes Avenue and its southeasterly extension to the extension of La Serna Street; thence northwesterly along said extension and La Serna Street to the

APPENDIX A
Page 42 of 44

DESCRIPTION OF RATE AREAS (Continued)

Whittier city limits; thence northwesterly along said city limits to Workman Mill Road; thence north along Workman Mill Road to Pioneer Boulevard; thence along a line due north to the Union Pacific Railroad; thence southwest along the railroad to Beverly Boulevard; thence westerly along Beverly Boulevard to the center line of the San Gabriel River; thence northeasterly along said center line to the southerly limit of Section 14, T.1 N., R.10.W.; thence west on a line along the southerly limits of Sections 14, 15, 16, 17, 18, T.1 N., R.10.W. to the easterly boundary of Monrovia; thence in a westerly direction along the northerly city limits of Monrovia, Arcadia, and Sierra Madre to the easterly boundary of Section 7, T.1 N., R.11 W.; thence along the east and north boundary of said Section 7 to the northwest corner of said Section 7; thence north to the northeast corner of Section 36, T.2 N., R.12 W.; thence west on a line along the northern boundaries of Sections 36, 35, 34, 33, 32, and 31, T.2 N., R.12 W., to the Pasadena city limits; thence northwesterly along said city limits to the intersection of the west Pasadena city limits and the south boundary of Section 24, T.2 N., R.13 W.; thence west along the southern boundary of said Section 24 and Section 23, T.2 N., R.13 W., to the southwest corner of said Section 23; thence north to the northwest corner of said Section 23; thence west and north along the south and west boundaries of Section 15, T.2 N., R.13 W., to the northwest corner of said Section 15 (which is a point on the Los Angeles city boundary); thence westerly and southerly along the Los Angeles city boundary to its intersection with the Pacific Ocean; and thence southeasterly along the Pacific Ocean to the point of beginning.

MONTEREY PARK consists of:

- (1) The unincorporated area entirely surrounded by the City of Monterey Park.
- (2) The unincorporated area bounded on the north and on the east by the City of Alhambra, on the south and on the west by the City of Monterey Park along Garvey Avenue.
- (3) The unincorporated area entirely surrounded by the City of Alhambra.
- (4) The unincorporated area between the Cities of Alhambra and San Gabriel.

NORTHEASTERN consists of the area within the following described boundary: Beginning at the intersection of the Metropolitan Rate Area with the western extension of the northerly city limits of Azusa; thence east along said extension and the northerly city limits of Azusa to Sierra Madre Avenue; thence east along Sierra Madre Avenue to the city limits of Glendora; thence along the northerly, easterly and southerly Glendora city boundary to Glendora Avenue; thence south along Glendora Avenue to Puente Street; thence west along Puente Street to Rango Avenue; thence south along Rango Avenue to West Covina city limits; thence along the easterly and southerly West Covina city boundary to the intersection of the city boundary with Citrus Street; thence in a straight line in a southwestly direction to the intersection of Pass and Covina Road and Wing Lane; thence south along Pass and Covina Road to Valley Boulevard; thence westerly along Valley Boulevard to 3rd Avenue; thence southerly along 3rd Avenue to Proctor Avenue; thence westerly along Proctor Avenue to 2nd Avenue; thence southerly along 2nd Avenue to Workman Mill Road; thence southerly along Workman Mill Road to Cliota Street; thence east along Cliota Street to the end of Cliota Street; thence on a line directly south to its intersection with the Whittier city limits (Metropolitan Rate Area Boundary); thence westerly and northerly along the Metropolitan Rate Area boundary to the point of beginning.

NORTH HANFORD consists of the unincorporated area bounded on the south by the City of Hanford; on the west by Eleventh Avenue; on the north by the extension of Fairfax Avenue (center line of Section 24, T.18 S., R.21 E.); and on the east by 10½ Avenue and the City of Hanford.

APPENDIX A
Page 43 of 44

DESCRIPTION OF RATE AREAS (Continued)

NORTH VENTURA consists of the unincorporated area bounded on the south by the City of Ventura; on the east by a line parallel to and 1/2 mile east of Ventura Avenue; on the north by Dont Drive and its extension; and on the west by the Ventura River.

PALMDALE consists of the unincorporated area bounded on the north by Avenue P 8; on the west by Division Street; on the south by Avenue R 8; and on the east by 35th Street.

PORTERVILLE SUBURBAN consists of:

- (1) The unincorporated area within the following described boundary: Starting at the intersection of Jill Street and the east Porterville city boundary; thence east along Jill Street to Hillcrest Street; thence south along Hillcrest Street to Clatte Drive; thence east along Clatte Drive to Springville Road; thence south along Springville Road to State Highway 190; thence east along the highway to the east boundary of Section 33, T. 21 S., R. 28 E.; thence south along said boundary and the east boundary of Section 4, T. 22 S., R. 28 E., to the Tule River; thence westerly along the Tule River to the extension of Plano Road; thence south along Plano Road to Oak Avenue; thence west along Oak Avenue to Highway 65; thence north along Highway 65 to the Tule River; thence westerly along the Tule River to the extension of Newcomb Avenue; thence north along the extension and Newcomb Avenue to West Putnam Avenue; thence west along West Putnam Avenue to Salisbury Drive; thence north along Salisbury Drive to Burton Avenue; thence east along Burton Avenue to Newcomb Avenue; thence north along Newcomb Avenue to Little Grand Avenue; thence east along Little Grand Avenue to the city boundary line approximately 300 feet west of Kamar Street; and thence westerly, southerly, easterly and northerly along the city boundary line to the point of beginning.

SOUTHEASTERN consists of the area within the following described boundary: Beginning at the intersection of Garden Grove Avenue and the Metropolitan Rate Area east boundary; thence east along Garden Grove Avenue to Bolsa Chica Road; thence south along Bolsa Chica Road to the Southern Pacific Railroad; thence southeast along the railroad to its junction with the Pacific Electric Railroad; thence south along the railroad to Sugar Avenue; thence east along Sugar Avenue to Nowland Street; thence north along Nowland Street to Westminster Avenue; thence east along Westminster Avenue to Wright Street; thence south along Wright Street to Hazard Avenue; thence east along Hazard Avenue to Ward Street; thence south along Ward Street to Bolsa Avenue; thence east along Bolsa Avenue to Verano Street; thence south along Verano Street to Smeltzer Avenue; thence east along Smeltzer Avenue and its extension to the center line of the Santa Ana River; thence south along the river to the extension of Delhi Road; thence east along said extension and Delhi Road to the Santa Ana city limits; thence in a general northerly direction along the western Santa Ana city boundary to the City of Orange boundary; thence east along the City of Orange boundary to the center line of the Santa Ana River; thence north along the river to the Atchison, Topeka & Santa Fe Railway; thence in a northwesterly direction along the railroad tracks to the City of Anaheim boundary; thence in a general northerly direction along the eastern Anaheim city boundary to Placentia Avenue (north of La Palma Avenue); thence north along Placentia Avenue to the Fullerton city limits; thence in a general northerly direction along the eastern Fullerton city boundary to the Brea city limits; thence north along the eastern Brea city boundary to Central Avenue; thence west along Central Avenue to the La Habra city limits; thence in a general northerly direction along the eastern city boundary of La Habra to Whittier Boulevard; thence north along Fullerton Road to the Los Angeles County boundary; thence west along the County boundary to the east boundary of the Metropolitan Rate Area; thence in a general southwesterly direction along the Metropolitan Rate Area boundary to the point of beginning.

APPENDIX A
Page 44 of 44

DESCRIPTION OF RATE AREAS (Continued)

VISALIA SUBURBAN consists of:

- (1) The unincorporated area bounded on the south by the City of Visalia and West Main Street; on the west by Ranch Road; on the north and east by the City of Visalia.
- (2) The unincorporated area within the following described boundary: Beginning at the intersection of North Giddings Street and the Visalia city boundary; thence north along North Giddings Street to Vine Street; thence east along Vine Street to Conyer Street; thence south along Conyer Street to Prospect Avenue; thence east along Prospect Avenue to State Highway 63; thence north along State Highway 63 to the extension of Babcock Street; thence east along Babcock Street to the Atchison, Topeka & Santa Fe Railway tracks; thence south along these tracks to the city boundary; and thence westerly along the city boundary to the point of beginning.

WALNUT PARK consists of:

- (1) The unincorporated area bounded on the west by the City of Los Angeles; on the north by the cities of Los Angeles and Vernon; on the east by the cities of Huntington Park and South Gate; on the south by the City of Lynwood, by the property line north of 107th Place (being the same as the northerly boundary line of Watts Park Tract, as per map recorded in Book 8, Page 70, of Maps of the Los Angeles County Records), and by the City of Los Angeles; and
- (2) The unincorporated area bounded on the north and on the west by the City of Vernon; on the east and on the south by the City of Huntington Park.

WEST HOLLYWOOD consists of:

- (1) The unincorporated area bounded on the north, on the east, and on the south by the City of Los Angeles; on the west by the cities of Beverly Hills and Los Angeles;
- (2) The unincorporated area bounded entirely by the City of Los Angeles and including Franklin Canyon;
- (3) The unincorporated areas which are bounded entirely by the City of Los Angeles and located east of Fairfax Avenue, south of Beverly Boulevard, west of Gardner Street, and north of Third Street; and
- (4) The National Soldiers Home (Sawtelle) which is the unincorporated area bounded entirely by the City of Los Angeles and located between the cities of Beverly Hills and Santa Monica.

APPENDIX B
Page 1 of 3

Alphabetical List of Zoning Data - Southern California Edison Company

| <u>City - Community - Area</u> | <u>Commission Adopted Zone #</u> | <u>Number of Meters</u> | <u>Density- Meters Per Mile</u> |
|--------------------------------|------------------------------------------|---------------------------------|-----------------------------------------|
| *Acton, etc. | 6 | 13,865 | 9 |
| Alhambra | 2 | 21,639 | 142 |
| *Altadena | 3 | 13,573 | 89 |
| Arcadia | 3 | 11,798 | 81 |
| *Artesia | 5 | 3,046 | 70 |
| *Avalon Village-Long Beach | 3 | 2,184 | 87 |
| *Baldwin Park | 5 | 8,477 | 75 |
| Beaumont | 5 | 1,602 | 50 |
| Bell | 1 | 6,463 | 160 |
| *Bell Gardens | 3 | 8,031 | 77 |
| Beverly Hills | 1 | 13,726 | 166 |
| Brea | 4 | 1,744 | 86 |
| Buena Park | 4 | 2,765 | 76 |
| Caliente, etc. | 6 | 2,100 | 4 |
| *Carpinteria | 5 | 1,134 | 64 |
| Chino | 5 | 2,265 | 47 |
| Claremont | 4 | 2,755 | 64 |
| Compton | 2 | 19,709 | 97 |
| *Compton-Lynwood | 2 | 15,006 | 97 |
| Costa Mesa | 4 | 4,626 | 70 |
| Covina | 4 | 2,929 | 86 |
| *Cudahy | 3 | 2,050 | 118 |
| Culver City | 2 | 10,752 | 138 |
| Delano | 4 | 3,231 | 60 |
| *Dominguez-Long Beach | 3 | 1,705 | 82 |
| *Downey | 3 | 30,062 | 94 |
| *Duarte | 3 | 5,352 | 72 |
| *Eastern Division | 6 | 82,827 | 23 |
| *East Los Angeles | 2 | 34,607 | 150 |
| *East San Gabriel | 3 | 29,773 | 95 |
| El Monte | 3 | 3,435 | 99 |
| *N. El Monte | 3 | 4,980 | 89 |
| *S. El Monte | 3 | 8,407 | 85 |
| El Segundo | 3 | 3,896 | 77 |
| Exeter | 4 | 1,679 | 87 |
| Fillmore | 5 | 1,511 | 73 |
| Fontana | 5 | 3,228 | 64 |
| Fullerton | 4 | 8,068 | 71 |
| Gardena | 3 | 6,286 | 100 |
| *Garden Grove | 5 | 4,166 | 74 |
| Glendora | 4 | 2,306 | 79 |
| Hanford | 4 | 3,862 | 92 |
| *Hawaiian Gardens | 5 | 864 | 84 |
| Hawthorne | 2 | 7,284 | 131 |
| Hermosa Beach | 2 | 5,958 | 174 |
| Huntington Beach | 5 | 2,705 | 59 |
| Huntington Park | 1 | 14,625 | 187 |
| *Imperial-Lawndale | 3 | 22,845 | 94 |
| Inglewood | 2 | 20,482 | 133 |
| *Inglewood Nos. 1 & 2 | 2 | 6,753 | 122 |
| *La Canada | 3 | 3,605 | 58 |
| *La Crescenta | 3 | 6,192 | 85 |
| Laguna Beach | 4 | 4,673 | 107 |
| La Habra | 4 | 2,975 | 86 |
| *Lakewood-Mayfair | 2 | 20,184 | 106 |

APPENDIX B
Page 2 of 3

Alphabetical List of Zoning Data - Southern California Edison Company

| <u>City - Community - Area</u> | <u>Commission Adopted Zone #</u> | <u>Number of Meters</u> | <u>Density- Meters Per Mile</u> |
|--------------------------------|------------------------------------------|---------------------------------|-----------------------------------------|
| *Lancaster | 5 | 3,765 | 48 |
| La Verne | 5 | 1,622 | 67 |
| *Lennox | 2 | 8,840 | 141 |
| Lindsay | 4 | 2,046 | 70 |
| *Lomita | 3 | 3,262 | 114 |
| Long Beach | 1 | 111,385 | 146 |
| Lynwood | 2 | 10,308 | 123 |
| Manhattan Beach | 2 | 9,692 | 110 |
| Maywood | 1 | 5,812 | 177 |
| Monrovia | 3 | 9,251 | 101 |
| *Monrovia-Other | 3 | 1,029 | 71 |
| Montebello | 3 | 9,167 | 91 |
| Monterey Park | 2 | 9,111 | 107 |
| *Montrose | 3 | 2,674 | 98 |
| Newport Beach | 3 | 9,822 | 174 |
| *North Ventura | 5 | 1,357 | 141 |
| *Norwalk | 3 | 15,460 | 99 |
| Ojai | 5 | 1,321 | 61 |
| Ontario | 4 | 11,492 | 76 |
| Orange | 4 | 4,735 | 89 |
| Oxnard | 4 | 6,754 | 90 |
| Palos Verdes Estates | 3 | 1,358 | 45 |
| *Pico | 3 | 3,605 | 96 |
| Placentia | 4 | 658 | 110 |
| Pomona | 3 | 16,630 | 84 |
| Porterville | 4 | 3,184 | 88 |
| Port Hueneme | 5 | 1,428 | 81 |
| *Puente | 5 | 3,173 | 42 |
| Redlands | 4 | 7,301 | 49 |
| Redondo Beach | 2 | 12,156 | 108 |
| *Remainder of Metro Area | 3 | 11,146 | 31 |
| *Riversa | 3 | 4,797 | 100 |
| San Bernardino | 3 | 20,209 | 78 |
| San Fernando | 3 | 5,309 | 125 |
| San Gabriel | 2 | 7,687 | 118 |
| *San Joaquin Valley | 6 | 41,341 | 11 |
| San Marino | 3 | 4,429 | 67 |
| Santa Ana | 3 | 21,189 | 122 |
| Santa Barbara | 3 | 18,872 | 97 |
| Santa Monica | 1 | 30,740 | 187 |
| Santa Paula | 4 | 4,000 | 90 |
| *Saugus-Malibu Area | 6 | 8,215 | 14 |
| Seal Beach | 4 | 1,690 | 120 |
| Sierra Madre | 3 | 3,163 | 73 |
| Signal Hill | 2 | 2,174 | 60 |
| South Gate | 1 | 20,459 | 172 |
| South Pasadena | 2 | 7,916 | 115 |
| *Sunshine Acres-Whittier | 3 | 2,332 | 67 |
| Tehachapi | 5 | 690 | 81 |
| Torrance | 3 | 14,311 | 75 |
| Tulare | 4 | 4,859 | 84 |
| Tustin | 5 | 563 | 83 |

APPENDIX B
Page 3 of 3

Alphabetical List of Zoning Data - Southern California Edison Company

| <u>City - Community - Area</u> | <u>Commission Adopted Zone #</u> | <u>Number of Meters</u> | <u>Density- Meters Per Mile</u> |
|--------------------------------|------------------------------------------|---------------------------------|-----------------------------------------|
| Upland | 5 | 4,121 | 45 |
| Ventura | 3 | 7,602 | 100 |
| Visalia | 4 | 5,411 | 90 |
| *Walnut Park | 1 | 19,491 | 167 |
| West Covina | 5 | 5,572 | 57 |
| *West Hollywood | 1 | 12,958 | 269 |
| *Western Division | 6 | 26,287 | 16 |
| Whittier | 3 | 11,998 | 104 |
| *Whittier-Other | 3 | 7,756 | 93 |
| *Whittier-South | 3 | 18,878 | 75 |
| Woodlake | 5 | 860 | 65 |
| *Zone D | 6 | 9,750 | 14 |
| Cities Jointly Served | 5 | 539 | 9 |
| Total System | | 1,186,476 | 53 |

* Designates unincorporated community or area.

// Commission's 6-zone plan represents one step downward from applicant's proposal, for all zones except No. 1, for equivalent level.

APPENDIX C
Page 1 of 2

LIST OF APPEARANCES

For Applicant: Bruce Renwick, Gail C. Larkin and Rollin E. Woodbury.

Protestants: City of Long Beach, by Henry E. Jordan; Independent Protestants, by Bruce McKnight, Edwin P. Jacobsen and Sam Miller; Housing Authority of Los Angeles, by Ted Scarborough; Housing Authority of City of Oxnard, by Paul M. Sapp and Neil Hiely; Housing Authority of County of San Bernardino, by Paul M. Sapp; Kaiser Steel Company, by Thelen, Marrin, Johnson and Bridges, Samuel S. Gill, R. E. Seaver, and Max Thelen, and by George Scheer; Housing Authority of City of San Buenaventura, by Richard L. Collins; Los Angeles County Fair Association, by Philip D. Sheppard; Pacific Electric Railway Company, by Randolph Karr and R. H. Dugnid; Los Angeles Transit Lines, by Stanley M. Lanham and John C. Curtis; City of El Segundo, by Donald A. Short; Businessmen Property Owners Corporation of the Valley, by Clarence A. Martin; Brea Chemicals, Inc., by Andrew Hauk; City of Torrance, by James M. Hall; California Mutual Water Companies Association, by Donald D. Stark, E. Spurzeon Rothrock and Barry Dibble; Anaheim Union Water Company, by L. A. Peterson; Bear Valley Mutual Water Company, by J. J. Prendergast; Beaumont Irrigation District, by Margaret Olson; Covina Irrigating Company, by E. H. Walters; Cucamonga Water Company, by John H. Klusman; Fontana Union Water Company, by E. A. Wright; Frances Mutual Water Company, by Charles M. Plum; The Gage Canal Company, by John M. Mylne, Jr.; Irrigation Company of Fomona, by J. R. Corrington; Redlands Heights Water Company, by H. H. Ford; Riverside Highland Water Company, by D. S. Bell; Riverside Water Company, by A. A. Webb; Santa Ana Valley Irrigation Company, by Rutan, Tucker, Howell and Tucker, H. Roger Howell and D. C. Hanson; San Antonio Water Company, by Oliver S. Northcote and C. D. Adams; San Dimas Water Company, by William F. Crum; Temescal Water Company, by C. M. Brewer; Yorba Linda Water Company, by M. E. Ford, Jr.; Yucaipa Water Company No. 1, by E. R. Hedman; 32nd District Agricultural Association, by R. M. C. Fullenwider; Lakewood Chamber of Commerce, by Jack Kroul and Lee T. Hollopeter; Terra Bella Irrigation District, Exeter Irrigation District and Vandalia Irrigation District, by Irvin H. Althouse; Lindsay-Strathmore Irrigation District, by James R. McBride and Geo. W. Trauger; Lindmore Irrigation District, by Robert L. Lanning; Centinela Valley Union High School District, by Alvin J. Smith; City of Huntington Park, by Christopher J. Griffin; California Institute of Social Welfare, by George McLain; Southern San Joaquin Municipal Utility District, by James O. Ravis; California State Grange, by Charles O. Busick; Chamber of Commerce of Terra Bella, by Raymond Muller; California Municipal Utilities Association, by John W. Holmes and Clarence A. Winder.

Interested Parties: California Farm Bureau Federation, by J. J. Deuel; Delano-Earlimart Irrigation District and Saucelito Irrigation District, by Irvin H. Althouse; California Manufacturers Association, by Brobeck, Fhleger & Harrison, Joseph J. Pileckas and George D. Rives; City of Los Angeles, by Roger Arnebergh, Alan G. Campbell and Theodore M. Chubb; City of Vernon, by Guthrie, Darling and Shattuck, Frank DeMarco; Executive Agencies of the United States Government, by Charles Goodwin, George Spiegel, C. L. Alliman, James E. McFeely and Henry V. Bazak; Lindmore Irrigation District, Ivanhoe Irrigation District and City of Lindsay, by James R. McBride; Kern County, by Bruce McKnight; Monolith Portland Cement Company, by Joseph T. Enright, Norman Elliott, Waldo A. Gillette and R. D. Dingler; Cities of Riverside, Colton, Anaheim and Azusa, by

APPENDIX C
Page 2 of 2

John W. Holmes, Preston Turner (Anaheim), Henry Dougherty (Riverside), Martin C. Casey (Colton), H. A. Snidow and P. J. Tscharger (Azusa); California Portland Cement Company, by Wallace K. Downey; Perfectaire Manufacturing Company, by Henry E. Walker; City of Santa Monica, by Robert G. Cockins; U. S. Gypsum Company, by Leon Shock; Fred C. Jones, for himself; California-Michigan Land & Water Company and East Pasadena Water Company, by Richard C. Goodspeed; Harry Colmer for himself; Dairymens Cooperative Creamery Association and U. S. Porcelain Enamel Products Company, by W. D. MacKay; City of San Bernardino, by Waldo Willhoft; Johns Manville Products Corporation, by J. E. Waldron; United States Rubber Company, by J. H. Skeen; Department of Water and Power, City of Los Angeles, by John E. Girard; Cities of Compton, Lynwood, Torrance and South Gate, by Clarence A. Winder.

Protestant and Interested Party: Bethlehem Pacific Coast Steel Company, MacDonald B. Pettit and Fred E. Pettit, Jr., by Fred E. Pettit, Jr.

Observers: Kenneth Johanson, City Hall, Inglewood; Charles S. Hatton of Pacific Gas and Electric Company; Frank Porath of San Diego Gas & Electric Company.

For the Commission Staff: Boris H. Lakusta, Freyman Coleman, Charles W. Mors, Lewis R. Knerr, Roderick B. Cassidy and John F. Donovan.

LIST OF WITNESSES

Evidence was presented on behalf of applicant by: C. L. Ashley (rate proposals); A. L. Burke (financial requirements); Smith Davis (financial structure); R. E. Fife (results of operation); H. A. Lott (history, organization); B. A. Morse (cost trends, depreciation); A. G. Mott (value of properties); W. C. Mullendore (need for increased revenue); R. P. O'Brien (effect of inflation on earnings and depreciation); E. R. Peterson (expenses, taxes); C. E. Pichler (revenues); Harold Quinton (Vernon lease, price increases);

Evidence was presented on behalf of the protestants and interested parties by: R. L. Adams, C. L. Alliman, I. H. Althouse, C. C. Brandt, C. M. Brewer, L. C. Clarke, Harry Colmer, Chapman Cottrell, H. W. Crooke, J. C. Curtis, J. J. Deuel, Barry Dibble, E. F. Doratic, W. C. Drewry, W. A. Gillette, Burt Green, D. C. Hansen, L. V. Hendersen, C. H. Holley, H. H. Holley, J. G. Jameson, A. J. Kennedy, D. A. Kosh, W. D. MacKay, A. W. McCall, George McLain, R. R. McLain, J. H. Mead, Raymond Muller, J. M. Mylne, Jr., Bert Oberg, G. F. Oelkers, C. B. Patchen, D. H. Rochlen, P. M. Sapp, G. B. Scheer, P. D. Sheppard, J. H. Skeen, A. J. Smith, V. D. Smith, C. L. Struckman, G. W. Trauger, R. J. Tremblay, H. E. Walker, A. A. Webb, R. A. Wehe, E. E. West, F. R. Wilcox, C. A. Winder.

Evidence was presented on behalf of the Commission staff by: H. G. Butler (historical cost rate base); A. H. Hecht (customer distribution, usage and rates); R. W. Hollis (revenues); K. J. Kindblad (customer accounting and collecting expense and sales promotion expense); D. F. LaHue (history, introduction, revenue required to produce various rates of return); L. S. Patterson (production, transmission and distribution expenses); D. B. Steger (present operations, administrative and general expenses, taxes, summary of earnings); Theodore Stein (balance sheet, income statement and clearing accounts); C. Unnevoehr (depreciation); G. B. Weck (rate base).

APPENDIX D
Page 1 of 2

Tariff Schedules to be Cancelled - Southern California Edison Company

| <u>Schedule No.</u> | <u>Title</u> | <u>Cal. P.U.C. Sheet No.</u> |
|---------------------|-------------------------------------------------------------------|------------------------------|
| D-1 | Domestic Service | 2226-E & 2227-E |
| D-2 | Domestic Service | 2228-E |
| D-3 | Domestic Service | 2486-E |
| D-4 | Domestic Service | 2230-E |
| D-5 | Domestic Service | 2487-E |
| D-6 | Domestic Service | 2232-E |
| D-11 | Domestic Service | 2233-E & 2234-E |
| D-13 | Domestic Service | 2236-E |
| D-14 | Domestic Service | 2237-E |
| D-21 | Domestic Service | 2238-E & 2239-E |
| D-23 | Domestic Service | 2240-E |
| D-31 | Domestic Service | 2241-E & 2242-E |
| D-41 | Domestic Service | 2243-E & 2244-E |
| D-42 | Domestic Service | 2245-E & 2246-E |
| DM-1 | Domestic Service - Multifamily Accommodation | 2247-E & 2248-E |
| L-1 | Lighting - General Service | 2249-E & 2250-E |
| L-2 | Lighting - General Service | 2251-E |
| L-3 | Lighting - General Service | 2488-E |
| L-4 | Lighting - General Service | 2253-E |
| L-5 | Lighting - General Service | 2489-E |
| L-6 | Lighting - General Service | 2255-E |
| L-11 | Lighting - General Service | 2256-E & 2257-E |
| L-13 | Lighting - General Service | 2259-E |
| L-14 | Lighting - General Service | 2260-E |
| L-21 | Lighting - General Service | 2261-E & 2262-E |
| L-23 | Lighting - General Service | 2263-E |
| L-31 | Lighting - General Service | 2264-E & 2265-E |
| L-41 | Lighting - General Service | 2266-E |
| L-42 | Lighting - General Service | 2267-E |
| LAV-1 | Lighting - Aviation Service | 2268-E |
| LB-21 | Lighting - Business Service | 2269-E |
| LS-1 | Lighting - Street and Highway Flat Rate - Complete Service | 2532-E & 2533-E |
| LS-2 | Lighting - Street and Highway Flat Rate Service | 2415-E to 2420 incl. |
| LS-3 | Lighting-Street and Highway Mctered Service | 2421-E to 2424-E incl. |
| LS-4 | Lighting-Street and Highway Flat Rate Complete Service | 2534-E |
| LS-5 | Lighting-Street and Highway Service | 2281-E |
| LS-41 | Lighting-Street and Highway Flat Rate - Complete Service | 2282-E to 2284-E incl. |
| P-1-C | Power - General Service Connected Load Basis | 2285-E & 2286-E |
| P-1-CI | Power General - Intermittent Service Connected Load Basis | 2287-E & 2288-E |
| P-1-D | Power - General Service Demand Basis | 2289-E & 2290-E |
| PA-1 | Power - General Service | 2291-E to 2293-E incl. |
| PA-1 | Power - Agricultural Service | 2294-E |
| PA-21 | Power - Agricultural Service | 2295-E |
| PA-31 | Power - Agricultural Service | 2296-E |
| PA-41 | Power - Agricultural Service | 2297-E |
| PA-1-CI | Power Agricultural - Intermittent Service Connected Load Basis | 2298-E |
| PA-21-CI | Power Agricultural - Intermittent Service Connected Load Basis | 2299-E |
| PAP-1 | Power - Agricultural Service | 2300-E & 2301-E |
| PAP-2 | Power - Agricultural Service | 2302-E to 2304-E incl. |
| PC-1 | Power - Combination Service | 2305-E & 2581-E |
| PC-41 | Power - Combination Service | 2440-E & 2441-E |
| PCY-1 | Power - Combination Manufacturing Service | 2307-E, 2500-E & 2566-E |

APPENDIX D
Page 2 of 2

Tariff Schedules to be Cancelled - Southern California Edison Company

| <u>Schedule No.</u> | <u>Title</u> | <u>Cal. P.U.C. Sheet No.</u> |
|-----------------------------------|------------------------------------------------------|------------------------------|
| FCO-1 | Power - Combination Oil Field Service | 2310-E & 2311-E |
| PH-1 | Power - Heating Service | 2314-E & 2315-E |
| PH-21 | Power - Heating Service | 2316-E |
| PH-41 | Power - Heating Service | 2317-E |
| PMP-1 | Power - Municipal Pumping Service | 2318-E |
| PMP-21 | Power - Municipal Pumping Service | 2319-E |
| PO-1 | Power - Oil Field Service | 2320-E |
| S-1 | Standby - General Service | 2321-E & 2322-E |
| S-2 | Standby - Parallel Service | 2323-E & 2324-E |
| Zone A Limited, D-1 Territory | | |
| No. 1 | Domestic Service | 1606-E |
| Zone A Limited, L-1 Territory | | |
| No. 1 | Lighting - General Service | 1607-E |
| Zone A Limited, LS-1 Territory | | |
| No. 1 | Street Lighting and Traffic Control Service | 1608-E |
| Zone A Limited, P-1 Territory | | |
| No. 1 | Power - General Service | 1609-E & 1643-E |
| Zone A Limited, D-1 Territory | | |
| No. 2 | Domestic Service | 1627-E |
| Zone A Limited, L-1 Territory | | |
| No. 2 | Lighting - General Service | 1628-E |
| Zone A Limited, P-1 Territory | | |
| No. 2 | Power - General Service | 1629-E & 1613-E |
| Zone A PCI-2 | Power - Combination Industrial Service | 1955-E & 1956-E |
| Zone B P-3 | Power - General Service | 928-E |
| Zone B PA-2 | Power - Agricultural Service | 1934-E & 1935-E |
| Zone B PA-3 | Power - Agricultural Service | 1828-E & 1829-E |
| Zone C LCD-1 | Lighting - Combination Domestic Service | 1044-E |
| Zone C PA-3 | Power - Agricultural Service | 1736-E & 1737-E |
| D-1-Riverside | Domestic Service | 2507-E |
| L-1-Riverside | Lighting - General Service | 2508-E |
| P-1-Riverside | Power - General Service | 2509-E & 2510-E |
| PA-1-Riverside | Power - Agricultural Service | 2511-E & 2512-E |
| PT-21 | Power - Irrigation Pumping Plant Domestic Service | 252-E & 2578-E |