

ORIGINAL

Decision No. 51360

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)	
PACIFIC GAS AND ELECTRIC COMPANY for)	
an order of the Commission author-)	
izing applicant to increase its)	Application No. 36635
present rates and charges for natural)	
gas service in the manner and to the)	
extent herein set forth.)	

(Appearances and list of witnesses are set forth in Appendix A.)

O P I N I O N

By application filed in the above-entitled proceeding on January 14, 1955, Pacific Gas and Electric Company, a California corporation, operating public utility electric and gas systems and relatively minor water and steam heat systems in northern and central California, seeks authorization to increase gas rates to produce additional annual gross revenues of \$8,827,000, or 5.4 per cent of present revenues, because of increase in the cost of out-of-state natural gas. Applicant's present rate levels, pursuant to our Decision No. 50744, contain a partial offset amount of out-of-state gas cost increases placed into effect by the El Paso Natural Gas Company on January 1, 1953. These offset increases are subject to refund if the Federal Power Commission does not finally authorize the full out-of-state gas cost being assessed

by El Paso Natural Gas Company and requires El Paso to make refunds to its customers.^{1/}

Public Hearing

After due notice public hearing was held before Commissioner Justus F. Craemer and Examiner Manley W. Edwards on January 31 and March 4, 7, 14, 15 and 16, 1955 in San Francisco.

Applicant's Position and Request

Applicant requests that beginning April 15, 1955 an additional offset charge of 5.2 cents per Mcf be added to its base rates for firm service in order to offset the increase of the monthly demand charge from \$1.62 to \$2.00 per Mcf of billing demand and from 16 to 18 cents per Mcf of purchased out-of-state gas. Applicant alleges that its added cost of gas to be purchased from El Paso during 1955, by reason of the increase in the latter's resale rates from those in effect immediately prior to January 1, 1953, to the proposed rates to become effective April 15, 1955, is \$16,352,129. The present offset charges are estimated to produce approximately \$7,525,000 on the basis of estimated 1955 sales, leaving approximately \$8,827,000 to be provided by additional offset.

^{1/} With regard to the January 1, 1953 increase the Federal Power Commission, on November 26, 1954, issued its Opinion No. 278 fixing rates of El Paso Natural Gas Company in Docket No. G-2018 and ordered certain refunds to customers of El Paso including Pacific Gas and Electric Company. Thereafter on December 13, 1954, El Paso filed an application asking for a stay of Opinion No. 278 and requested a rehearing. On December 22, 1954 the F.P.C. granted a stay and rehearing but no date was set therefor. On October 14, 1954, El Paso filed a further application for increased rate, F.P.C. Docket No. G-4769. The El Paso Natural Gas Company has moved, under Section 4 (e) of the Natural Gas Act, to place these rates in effect, subject to refund, on April 15, 1955. Pursuant to the terms of the Natural Gas Act, it is mandatory that this motion be granted. ✓

In the event that the Federal Power Commission orders El Paso to make refunds, applicant proposes to make refunds to its customers in accordance with a plan contained in Exhibit No. 4 in this proceeding.

Applicant's basic position is that its present level of earning is not sufficient to absorb the increased cost of out-of-state gas without the offset increase requested in this application.

Earning Position

Applicant presented testimony and a summary of its current earning position in Exhibit No. 8 as applied to its gas department. Under the present level of rates it estimates that the rate of return in 1955 will be 4.96 per cent and that the increased rates as proposed would, on a full-year basis, bring this return figure up to 5.79 per cent. The summary also shows that if the proposed rates and higher levels of gas prices, wages and certain other costs had been applied to its 1953 and 1954 operating results on a pro forma basis the returns would have been 6.35 per cent in 1953 and 6.12 per cent in 1954. Applicant stated its summary illustrated the trend of earnings.

The Commission staff analyzed applicant's showing, cross-examined its witnesses and presented in Exhibit No. 19 possible adjustments to applicant's 1955 pro forma estimate. The two estimates for 1955 are set forth below:

	Applicant's 1955 Pro Forma Estimate Exh. No. 8	Applicant's 1955 Pro Forma Est. with Possible Staff Adjustments Exh. No. 19
Operating Revenues	\$173,107,000	\$173,107,000
<u>Operating Expenses</u>		
Expenses other than Administrative & Gen'l, Taxes and Depreciation	110,933,000	110,933,000
Administrative and General	5,751,000	5,751,000
Taxes	25,845,000	25,728,000
Depreciation	<u>9,859,000</u>	<u>9,859,000</u>
Total Operating Expense	152,388,000	152,271,000
Not Revenue	20,719,000	20,836,000
<u>Rate Base</u>		
Weighted Average Fixed Capital:		
Gas Dept. Incl. "Stampac"	429,244,000	430,340,000
Alloc. of Common Util. Plant	<u>22,187,000</u>	<u>20,493,000</u>
Total Wtd. Avg. Fixed Cap.	451,431,000	450,833,000
Adjustments:		
Contributions for Construction	<u>(1,717,000)</u>	<u>(1,717,000)</u>
Customers' Advances	<u>(1,554,000)</u>	<u>(1,554,000)</u>
Motor Vehicle Depreciation	<u>(511,000)</u>	<u>(473,000)</u>
Standby Gas Plants	<u>(4,778,000)</u>	<u>-</u>
Total Adjustments	<u>(8,560,000)</u>	<u>(3,744,000)</u>
Working Capital		
Materials and Supplies	2,155,000	2,155,000
Working Cash	<u>9,758,000</u>	<u>6,892,000</u>
Total Working Capital	11,913,000	9,047,000
Deduction for Depreciation	<u>(96,811,000)</u>	<u>(108,884,000)</u>
Depreciated Rate Base	357,973,000	347,252,000
Rate of Return	5.79%	6.00%

(Red Figure)

The staff did not take exception to applicant's estimate of expenses of production, transmission, cost of gas, distribution, customers' accounting and collecting, and sales promotion, but questioned the pension expense estimate in administrative and general expense. Ad valorem taxes were adjusted downward by \$253,000 by using the latest known tax rate of \$6.39 per hundred dollars of assessed valuation for the 1954-55 fiscal year rather than an estimate of the 1955-56 average tax rate. This required an offsetting increase of

\$136,000 in taxes on income. The staff did not suggest any adjustment to the allowance for depreciation pending conclusion of a joint company-staff study of depreciation rates.

The principal possible adjustments were made in applicant's rate base. Applicant's manufactured gas production plants, used for standby purposes, are fully depreciated on the books but applicant, in its rate base, in effect deducted only one half the related depreciation reserve. The effect of the staff's adjustment is to deduct the full depreciation reserve. This, along with proposed downward adjustments of \$2,866,000 in working cash and \$1,694,000 in allocation of common utility plant, plus other lesser items, resulted in a total downward adjustment of \$10,721,000 in applicant's depreciated rate base. After making these possible adjustments the staff obtained a rate of return of 6.00 per cent for 1955.

Applicant did not challenge extensively the staff's adjustments or go into the correctness of the adjustments, because the end result reached by the staff, in applicant's opinion, shows that it is entitled to the requested increase. Exhibit No. 24, submitted by the staff, shows that without the proposed increase the estimated rate of return for 1955 on a pro forma basis would be 4.84 per cent. This return is in the range which applicant contends is so low as to be confiscatory for its gas department.

Applicant submitted Exhibit No. 9 for the purpose of showing the over-all earnings of the utility including the gas, electric, water and steam heat operations. For 1955, with the gas department revenues at present rate levels, applicant estimates the over-all rate of return at 4.84 per cent and, with the gas department revenues at the proposed rates, it estimates the over-all rate of return at 5.02 per cent.

Rate Increase Proposal

Applicant proposed a 5.2 cents per Mcf increase for all firm service, but did not propose any further increase for the regular interruptible service or the interdepartmental steam-plant interruptible service. Its ascertained reason for not proposing any increase in the rates for interruptible service is that the competitive price of fuel oil, in its opinion, does not permit it. Applicant introduced Exhibit No. 10 and presented testimony to show that the California stocks of residual fuel oil have experienced a substantial increase since the middle of 1952 and compared this situation to the sharp increase in 1948-1949 which witnessed a sharp reduction in the posted price of fuel oil. Applicant states that apparently what has happened this time is that, in place of general reductions in the posted price of fuel oil, there have been a number of instances in which fuel oil has been offered to selected large customers at prices less than the posted price. Applicant's witness cited an instance of a price offer for fuel oil 33 cents below the posted price of \$1.85 for pipeline delivery.

The applicant also introduced Exhibit No. 11 into the record for the purpose of showing that the regular interruptible rate in its service area is higher than similar rates in other areas. Because of the competition for the location of new industry, applicant's witness stated that it would not be desirable to change the present differential in the interruptible rates.

Rate Spread Discussion

In support of applicant's proposal not to increase the interruptible rates, the California Manufacturers Association introduced a cost-of-service study, Exhibit No. 23. By means of this study the association alleges that the general service, gas engine,

and resale rates presently are below indicated costs-to-serve and the firm industrial and interruptible rates presently are above indicated costs-to-serve.

The association opposed the proposed uniform increase per Mcf to firm service and favored a uniform percentage increase method as was used in the previous offset case of this applicant. Counsel for the association, in final argument, stated that it is unfair to spread the costs on a straight cents-per-Mcf basis where the utility's customers do not have the same load factor, and pointed to the fact that the firm industrial class has a better load factor than the general service class.

The City of San Francisco took the position that the small customer was willing to pay his fair share but that the interruptible service could take a small increase because natural gas in certain installations is more efficient than fuel oil and more economical to use where the added oil handling and storing costs are considered. Its representative made a motion that the application be dismissed on the grounds that the applicant's over-all earnings on common stock would be in a zone of reasonableness without this offset increase.

The City of Palo Alto joined in this motion to dismiss on the grounds as stated by San Francisco and on the further grounds that no action should be taken on this application at this time until some action is taken by the Federal Power Commission, in order to make sure that the applicant will exert all of its efforts to protest the increase requested by El Paso to the end that such increase will not be granted by default. The city was of the opinion that the increase should be spread on a percentage basis rather than a commodity basis and that the interruptible class should bear a portion of the increase. Also, the city asked for equalization of the resale rates as among applicant's four resale customers but appreciated that such action might expand the scope of the hearing.

Counsel for the Commission staff in final argument stated that certain objections raised by the applicant in its earlier offset case to a spread of the increase by the cents-per-Mcf basis are no longer applicable. He pointed out that with the exception of the decision of November 4, 1954 on the applicant's prior offset application, the various decisions of the Commission and the various applications now pending before the Commission are all predicated upon a cents-per-Mcf allocation of the proposed increase. He also pointed out that the cents-per-Mcf basis continues the existing dollar-wise spread between the various firm schedules and that it increases the charge to the customer only in relation to his usage and does not result in increasing the fixed charge component of revenues. Finally, staff counsel stated that neither the percentage basis nor the cents-per-Mcf basis can be described as infallible, but contended that the cents-per-Mcf basis does produce the most equitable results to the vast majority of the applicant's customers.

Counsel for applicant in his closing argument referred to the fact that in the previous proceeding one of the representatives for the City of Palo Alto also advocated a cents-per-Mcf basis of spreading the increase. He stated that there has been a change of position in at least some respect on the part of every party to this proceeding and that these changes are dictated by changed circumstances which each party considers appropriate to the present proceeding.

In arriving at a conclusion as to which method is most equitable for spreading any increase we are faced with the fact that this is a limited proceeding, that the only item of increase being considered is in the cost of gas, and that the final amount of increase that will be authorized by the Federal Power Commission is uncertain.

Furthermore, such final increase may involve a change in the relative demand and commodity charges. This uncertainty is brought about by the fact that the Federal Power Commission, in its Opinion No. 278^{2/}, ordered a reduction in El Paso's demand charge from \$1.62 to \$1.10 per Mcf of contracted daily demand and an increase in the commodity charge from 16 cents to 16.94 cents per Mcf. In view of the changed outlook and realizing that the final Federal Power Commission rate might result in a greater commodity rate increase and lesser demand rate increase, or even no increase in the demand rate, the most equitable method of spreading the increase, in our judgment, is by the cents-per-Mcf or volumetric method at this time.

A representative of certain citizens in Santa Cruz opposed the proposed increase on the basis of their limited ability to pay. Also, objection to the proposed increase was voiced in many letters and petitions received from customers, organizations and city and county officials and others. A large number of communications were from Roseville and adjacent areas where applicant had recently begun serving gas of lower heating value. Several months of sustained cold weather resulted in sizeable increases in bills, where gas was used for space heating, compared to previous winters. The Commission dispatched two of its engineers to investigate the complaints and report to the Commission. Their final survey and report was not completed at the time of submission of this proceeding. This matter will be handled directly with the complainants involved.

Applicant testified that its proposal to apply the proposed increase to the base rates rather than to the effective rates, would result in proportionately lesser increases per Mcf.

^{2/} See footnote No. 1

It also showed that most of its system is interconnected and that out-of-state gas is of benefit to this interconnected system. In our opinion it is reasonable that all firm customers on the interconnected system stand a proportionate share of the increased cost of out-of-state gas.

Refund Plan

By Exhibit No. 4 applicant sets forth its proposed refund plan in the event refunds are required. The purpose of applicant's plan is to refund to customers that portion, if any, of the contingent offset charge collected for service after April 14, 1955 in excess of the increased cost of gas purchased by applicant from El Paso. Applicant outlines a formula to determine a unit refund per Mcf used during the offset period.

Our conclusion on applicant's refund plan is that in general it is reasonable and acceptable but it needs changing because of the revised rate spread being authorized herein. The estimated net cost of any probable refunding should be excluded in the initial calculations. The applicant may submit a plan for equitable disposition of the net balance of the actual cost of refunding not recovered from El Paso and any balance created by applicant's inability to deliver checks and by checks uncashed after one year.

The order will provide that applicant shall file a revised refund plan with this Commission and with each of the parties, within ninety days after the effective date of the order, to reflect exclusion of the net cost of refunding from the initial calculations and to reflect the revised rate spread authorized herein. Any party may submit comments with respect to such revised refund plan to the Commission within fifteen days after the receipt thereof.

Conclusions

After considering the evidence of record and giving weight to the contentions of the various parties and objections by customers, it is concluded that applicant has justified its requested revenue increase.

The problem of spreading the needed increase in revenue among the various classes of applicant's customers is a difficult one. The most straightforward and obvious method would be to grant a uniform increase applying to all classes on a volumetric basis. This is the logical method in the absence of convincing evidence against it; and in addition it has a decided advantage in this case arising from the fact that the rates and the relationship between the demand and commodity components for out-of-state gas may be materially altered by the Federal Power Commission in its final decision.

We are informed and aware of the arguments in favor of a substantial differential in the rates charged as between firm and interruptible customers. The interruptible customers are required to be equipped to use alternate fuel at any time that gas is not available to them. As a consequence, they help provide an important and valuable stabilizing effect to the applicant's operations. They provide the demand during the off-peak seasons which enables applicant to contract with out-of-state suppliers for the large regular volume of gas delivered. There is no question that the firm customers are supplied at lower rates than would otherwise be possible as a result of the existence of the interruptible market.

A further result of the fact that the interruptible customers are prepared to use alternate fuels is that applicant is subject to competition in the sale of gas to these customers; and the interruptible rate must be established at a point which enables applicant to maintain its competitive position with respect to such other

fuels, particularly fuel oils. There is some evidence in the record that the fuel oil market is at present importantly affected by the presence of a surplus, as a result of which fuel oils have been offered to some large consumers at prices substantially below the posted price. In view of this situation, it is unlikely that applicant could increase the price per Mcf to its interruptible customers to the full extent of the increased price it must pay for out-of-state gas without losing an appreciable part of its interruptible market.

Despite these considerations, a careful review of the record is convincing that applicant did not make a showing which would justify the Commission in these proceedings in placing the full burden of the needed revenue increase on the firm customers. It has not been demonstrated that natural gas must compete entirely on a heat unit basis with alternate fuels. Gas is, for many processes, undoubtedly a premium fuel with advantages that would impel its use even at a higher cost per heat unit. It also has the advantage generally of creating less smoke or smog than fuel oils. Moreover, the delivered price of fuel oils may differ considerably from the posted price, depending on a number of elements such as plant location, the quantity demanded, the grade of oil, and the delivery costs. It is quite possible that a system-wide interruptible rate set low enough to make gas competitive on a heat unit basis for customers with barge or pipe-line delivery may be substantially lower than that necessary to make gas competitive with fuel oils for other interruptible customers. Applicant did not provide an industry-by-industry or customer-by-customer survey indicating the delivered costs of fuel oils in its various service areas and the corresponding gas rates which would be necessary to make its product competitive.

This is an offset application, in which applicant met its burden of proof that the requested additional revenue is needed. It did not, however, present the full and detailed showing that is

required to justify a substantial redistribution of the burden of its increased costs as between its various classes of customers. In view of this state of the record, we are not justified in placing the full burden of the increased revenue needs of applicant on the firm customers and leaving the rates to interruptible customers at their present level.

The offset increase of \$8,827,000 sought by applicant is equivalent to 3.56¢ per Mcf on expected 1955 purchases of 247,505,000 Mcf from El Paso. Applicant will be authorized to increase its base rates to all classes of customers by this amount.

It is recognized that the competitive situation will prevent applicant from increasing its charge to all of its interruptible customers by the full 3.56¢ per Mcf. The rates for some of the interruptible customers may have to be kept at their present levels if applicant is to retain their business. It is to be noted, however, that, in authorizing an increase of 3.56¢ per Mcf, we leave to applicant a considerable amount of leeway in the adjustment of its rates to interruptible customers inasmuch as it does not face a cost increase in its local gas. A rate increase of 1.55¢ per Mcf on all interruptible sales, coupled with the increase of 3.56¢ per Mcf to firm customers, would provide applicant with the full amount of additional revenue needed.

It is our intention by this decision to place upon applicant the responsibility for carefully analyzing and reviewing its rates to interruptible customers. This is the area of its operation in which it faces competition and has the best opportunity to demonstrate the results of business judgment and alert business practices. The maximum increase of 3.56¢ per Mcf to interruptible customers is permissive only. After surveying its interruptible market, applicant is invited to file such interruptible rates as will retain its interruptible business while securing as much as possible

of the needed revenue increase from its interruptible customers. It is not intended, however, that the increased rates to interruptibles should in any event be such as to yield increased total revenue from the interruptible customers in excess of \$2,782,400.

The following table sets out the results of the increases which will be authorized herein as compared with applicant's request:

<u>Class of Service</u>	<u>Adjusted 1955 Sales (1100 Btu) Mcf</u>	<u>Requested increase 5.2¢ on Firm</u>	<u>Rate</u>	<u>Authorized increase Amount</u>
<u>Firm Service</u>				
General Service	152,808,000	\$7,946,000	3.56¢	\$5,440,000
Resale	3,133,000	163,000	3.56	111,500
Firm Industrial & Gas Eng. Company Use - Construction	13,715,000	713,000	3.56	488,300
Interdepartmental - Other	97,000	5,000	3.56	3,400
	38,000	2,000	3.56	1,400
Subtotal Firm	169,791,000	8,829,000	3.56	6,044,600
<u>Interruptible Service</u>				
Interruptible Industrial	93,228,000	-		
Steam Electric Plants	85,400,000	-		
Steam Heat Plants	919,000	-		
Subtotal Interr.	179,547,000	-	3.56 Max.	2,782,400
Total	349,338,000	8,829,000		8,827,000

The motion by the City of San Francisco, joined by Palo Alto, to dismiss the application is denied. The request by the City of Palo Alto for equalization of resale rates as between the four resale customers is beyond the limited scope of an offset proceeding. Palo Alto made no showing to indicate that its load was more favorable than the applicant's regular firm domestic and commercial load or that its load would afford relief to applicant's problem of maintaining the off-peak seasonal load factor. Furthermore, the applicant

has pointed out^{3/} that its average rate to Palo Alto of 33.86 cents per Mcf compared favorably with 33.0 cents, 33.0 cents and 32.89 cents for the other three resale customers in 1954. In the Commission's opinion this is not an appropriate proceeding in which to go into the question of the equity of Palo Alto's resale rate, but in view of the relatively close average rates for the four customers it does not appear that Palo Alto will be at an appreciable disadvantage during this temporary offset period. Palo Alto can, at any time, file with the Commission a formal complaint, present evidence and have the equity of its resale rate tested and determined.

The offset rates being authorized herein will be subject to revision when the Federal Power Commission has fixed final rates for El Paso in Docket G-4769. Applicant's customers will be protected by a refund plan during the temporary intervening period in the event that applicant collects more offset revenue than the final authorized increase in cost of out-of-state gas during the offset period.

INTERIM ORDER

Pacific Gas and Electric Company having applied to this Commission for an order authorizing increases in rates and charges for natural gas service, public hearing having been held, the matter having been submitted and being ready for decision,

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

IT IS ORDERED as follows:

1. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order in conformity with General Order No. 96:

(a) revised schedules of rates which include additional cost of gas offset rate increases of 3.56 cents per Mcf in base rates for firm service and, upon one day's notice to this Commission and to the public, to make said rates effective for service rendered on and after May 10, 1955.

(b) revised or new schedules of interruptible rates containing such portion as determined by applicant, of a maximum cost of gas offset increase of 3.56 cents per Mcf compared to existing interruptible schedules, but not in excess of ^{\$ 2,782,400}~~62,776,400~~. Such revised or new schedules shall become effective upon ten days' notice to this Commission and to the public.

2. Applicant shall keep such records of sales to customers during the effective period of this cost of gas offset rate as will enable it to determine readily the total offset charge and the total refund, if any, that may be due to each customer.

3. Applicant shall file a revised refund plan acceptable to this Commission within ninety days after the effective date of this order. Such revised refund plan shall be served on each of the parties in this proceeding within the aforesaid time period and any party may submit comments with respect to such revised refund plan to the Commission within fifteen days after the receipt thereof.

The refund plan to be submitted shall reflect the offset rates realized from the order herein and the effective dates of these offset rates. The estimated cost of refunding shall be excluded.

4. Applicant shall determine refunds by the formula contained in the revised refund plan provided for in paragraph 3 above.

5. After determination, refunds shall be made in the manner set forth in the revised refund plan required by ordering paragraph 3 above.

6. Upon the final decision by the Federal Power Commission in Docket No. G-4769, applicant shall file a supplemental application herein containing its proposed permanent rate plan for final determination and authorization by this Commission.

7. Upon final determination of the actual cost of refunding not recovered from El Paso and the amount of any balance created by applicant's inability to deliver checks and by checks uncashed after one year, applicant shall file a plan acceptable to the Commission for the equitable disposition of the resultant net balance.

8. Applicant shall not effect any offset rate charges authorized herein prior to the date increases become effective in its cost of out-of-state gas under Federal Power Commission Docket No. G-4769.

9. Applicant shall file with the Commission monthly reports within sixty days following the close of each period setting forth:

- (a) the increase in revenues realized under the offset rates authorized herein segregated by firm and interruptible classes of service, and

(b) the increase in cost of out-of-state gas above the rate level in effect immediately prior to April 15, 1955.

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

Dated at San Francisco, California, this 19th day of April, 1955.

John E. Mitchell
President
Justin J. Greene
Paul J. Cronin
Montgomery Hooby
Commissioners

APPENDIX A

LIST OF APPEARANCES

For Applicant: A. H. Cordes, F. T. Searls, R. W. DuVal and J. C. Morrissey.

Interested Parties: City of San Francisco by Dion R. Holm and Paul L. Beck; California Manufacturers Association by George D. Rives of Brobeck, Phleger & Harrison; County of Alameda by J. F. Coakley and Bernard M. King; City of Oakland by John W. Collier and Robert E. Nisbet; City of Berkeley by Fred C. Hutchinson and Robert T. Anderson; City of Santa Rosa by Richard M. Ramsey; City of Los Altos by A. Watson Conner; A. D. Edmonston, State Engineer by Fred J. Groat; California-Pacific Utilities Company by Lloyd E. Cooper; Southwest Gas Corporation by William M. Leub; California Farm Bureau Federation by Edson Abel; Gentry Division, Consolidated Grocers Corporation and Sing Hop Company by W. D. MacKav; City of Stockton by William Biddick, Jr.; Certain Citizens of Santa Cruz by Thomas L. McHugh.

Protestants: City of Palo Alto by Robert E. Michalski; City of Richmond by Grant C. Calhoun and Thomas M. Carlson; City of Roseville by Robert A. Boon.

For the Commission Staff: Boris H. Lakusta, Freyman Coleman and Charles W. Mors.

LIST OF WITNESSES

Evidence was presented on behalf of the applicant by: J. S. Moulton, John F. Roberts, Jr., Harry McGann, Stanley B. Barton, John W. Ellis, Rudolph Jenny, Roy Davis, Herbert H. Blasdale, E. J. Lage, L.W. Coughlan, J. F. Brennan, L. W. Knapp and K. C. Christenson.

Evidence was presented on behalf of certain interested parties by: Paul L. Beck, Homer R. Rose and Thomas L. McHugh. K. C. Christensen was also called as a witness by the City of San Francisco.

Evidence was presented on behalf of the Commission staff by: Kenneth J. Kindblad, Richard T. Perry, James F. Haley and James M. McCraney.