

ORIGINAL

Decision No. 53430

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN DIEGO GAS & ELECTRIC COMPANY, a)
corporation, for an order of the)
Public Utilities Commission of the)
State of California authorizing it)
to prorate partial month gas and)
electric bills and make an account)
opening charge for gas and/or)
electric service.)

Application No. 37520

Chickering & Gregory by Sherman Chickering,
for applicant.
Eldor Kiewel in propria persona, protestant.
Boris Lakusta and Charles Mors, for the
Commission staff.

O P I N I O N

Applicant's Request

San Diego Gas & Electric Company, a California corporation, engaged as a public utility in the electric business in the Counties of San Diego and Orange, in the gas business in the County of San Diego and to a limited extent in the steam business in the City of San Diego, filed the above-entitled application on November 28, 1955, seeking an order of the Commission authorizing it to:

1. Prorate partial month bills rendered to electric customers.
2. Prorate partial month bills rendered to gas customers.
3. Make an account opening charge applicable to each firm gas and/or general service and domestic electric account.
4. File and make effective Rule and Regulation No. 14 "Rendering of Bills" and Schedule OC "Account Opening Charge" attached to the application as Exhibit A.
5. Withdraw and cancel presently filed Rules and Regulations Nos. 10 and 14, copies of which are attached to the application as Exhibit B.

Public Hearing

After due notice a public hearing on this application was held before Examiner M. W. Edwards on May 31, 1956 at San Diego, California. Applicant, through one witness, introduced five exhibits in support of its application. The Commission staff represented by counsel and an engineer thoroughly cross-examined the witness for the purpose of developing in the record the necessary facts to enable the Commission properly to rule on the applicant's request. The statistics presented by some of the five exhibits were at considerable variance with those presented by Exhibit C attached to the application. This resulted from the use of a greater number of service calls as the sample for the computations and from more extensive study since the date of filing of the application. Applicant made a motion that its application be amended to conform to the proof adduced at the hearing. Such motion is granted. Revised copies of the schedules shown in Exhibit A are contained in Exhibits Nos. 1 and 2.

Proration of Bills

Applicant's present Rule and Regulation No. 14 provides that opening and closing bills will be computed in accordance with the monthly rate but the minimum charge will be prorated on the basis of the number of days in the period in question to the number of days in the month for periods of less than 27 days or more than 33 days. Applicant alleges that this rule may be unjust and discriminatory in that it does not require that the rate blocks be prorated as well as the minimum charge.

Applicant's proposed Rule and Regulation No. 14, as revised in Exhibit No. 2, would provide for prorating the size of the commodity blocks, the amount of the customer charge, service charge and demand charge as well as the minimum charge. The

proposed basis of proration is the ratio of the number of days in the billing period to the number of days in an average monthly period of 30 days.

Partial month bills result from such acts as people moving in or out of existing dwellings and commercial places, and opening new dwellings or establishments on days other than within three days of the regular monthly meter reading dates. For some 2,300,000 regular gas bills and 2,900,000 regular electric bills rendered during the year 1955 applicant estimated the total number of prorated bills to be 137,200 gas and 160,700 electric. Based on an analysis of the set, remove, turn-on, shutoff, and change-of-account orders processed during June and December 1955 applicant estimated costs varying from 52.8 cents to \$1.741 per bill, depending on type of service, as the cost of prorating bills. Such costs were produced by applying the appropriate schedule, prorated and not prorated, to various consumptions during typical periods which would be covered by the proration practice. By applying these costs to the estimated number of prorated bills, applicant represents that the loss in gas revenue is \$78,400 and loss in electric revenue is \$107,300 or a total of \$185,700 on an annual basis.

Account Opening Charge

Applicant's proposed Schedule OC, Account Opening Charge, as revised in Exhibit No. 1, provides a charge of \$1.00 each time an account is opened, including a turn-on or reconnection or a change of name which requires a meter reading. This schedule also provides that in case the customer requests that service be turned on or reconnected after regular business hours, an additional charge of \$1.00 will be made. In those cases where the opening of both gas and electric accounts can be accomplished

by a single trip to the customer's premises, the total account opening charge is reduced by 40 per cent, to a charge of \$1.20 during regular business hours and to \$2.40 after regular business hours.

The estimated effect of proposed Schedule OC on the gas and electric department gross revenue is to add \$150,700 based on 1955 experience. Such revenue is based on the processing of 219,307 meter orders classified as follows:

<u>Type of Meter Order</u>	<u>Gas</u>	<u>Electric</u>
Set	12,736	17,349
Turn-On	66,893	72,805
Change-of-Account	21,211	28,313
Total	100,840	118,467

Based on an analysis of June and December 1955 meter orders, applicant estimated that 167,520 orders would have been handled on combination trips where the reduced combination charge would be applied.

In substantiation of the level of these proposed charges applicant determined that the cost of sending a representative to the customer's premise during regular working hours, for the purpose of turning on, turning off or making special meter readings, was 88 cents per order. The office work performed in taking orders for gas and electric service and performing the various related bookkeeping tasks was estimated at 33 cents. Thus, the total estimated cost is \$1.21 per order during regular working hours. The added cost to perform the same tasks after regular working hours is estimated to be \$4.69 per order. The reason for the extra cost after hours is that the work is handled by trouble men on an individual order basis and the orders cannot as readily be grouped and routed for economical handling.

The staff questioned the reason for the high after-hour cost inasmuch as trouble men may be on duty for other reasons and use this as a means to fill in their time. Applicant's witness replied that there was so much of this after-hour work that extra help had to be hired. However, as soon as the customers may have to pay extra for this after-hour service, applicant's witness forecasted that the number of after-hour requests will be reduced materially.

Customer Representation

A customer attended the hearing and entered an appearance as a protestant; however, upon inquiry it was learned that the customer's main objection was to the presently filed Rule and Regulation No. 14 because his closing and opening bills had not been prorated. This customer's situation previously had been considered by the Commission staff on an informal basis under File No. 499-G of the Commission's Los Angeles office. The staff in the Los Angeles office had concluded that the disputed bill rule was not applicable because the bills were larger than the minimum and were correctly made out in accordance with the rules currently in effect. By this decision the Commission hereby formally approves the prior action of the staff on this matter.

This customer's complaint serves to illustrate the need for a change in the present Rule and Regulation No. 14, as this customer would have had no complaint if the present rule had provided for prorating of the customer charge and commodity blocks as well as the minimum charge.

Conclusions and Findings

After considering the evidence of record the Commission concludes and finds that the present Rule and Regulation No. 14 should be canceled and that applicant's proposed Rule and

Regulation No. 14, Rendering of Bills, is a reasonable substitute therefor and should be authorized. The effect of this new rule will be to decrease applicant's revenues by approximately \$185,000 per year. Applicant has proposed a new charge, an account opening charge, which should offset approximately \$150,000 of this indicated revenue reduction. In view of the added cost involved to repeatedly turn on and shut off a meter compared to one that remains in one location for a long time and is seldom turned on or off, it appears that an account opening charge is a more reasonable way to spread this cost among the various types of customers than the present method.

The Commission concludes and finds that the proposed Schedule OC, Account Opening Charge, is reasonable and should be authorized. Furthermore, the Commission finds that any increases in rates, rules, regulations or charges which may result from the revision in Rule and Regulation No. 14 and authorization of Schedule OC are justified and that present rates, rules, regulations and charges insofar as they differ from those herein prescribed, for the future are unjust and unreasonable.

Present Rule and Regulation No. 10, Reconnection Service Charge, provides a \$1.00 charge where service is renewed after being discontinued for nonpayment of bills or to protect against fraud, or for failure to comply with the rules and regulations. Such rule and regulation no longer will be required after Schedule OC becomes effective. Therefore, applicant will be authorized to cancel Rule and Regulation No. 10.

O R D E R

The above-entitled application having been considered, public hearing having been held, the matter having been submitted and being ready for decision; 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, a revised Rule and Regulation No. 14 applicable to gas service and a revised Rule and Regulation No. 14 applicable to electric service as shown in Exhibit No. 2 in this proceeding and new rates, under Schedule OC, as shown in Exhibit No. 1 applicable to gas service and to electric service, and after not less than five days' notice to this Commission and to the public, to make said revised rule and regulation and rate schedule effective for service furnished on and after August 1, 1956.

2. At the time of making effective the rule and regulation and schedule authorized by Section 1 hereof, applicant may withdraw and cancel presently filed Rules and Regulations Nos. 10 and 14 as shown in Exhibit B attached to the application.

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

Dated at San Francisco, California, this 16th day of July, 1956.

John E. McNeill
President
Justus J. Caswell
David L. Winterman
Wm. H. Hoar
R. Hardy
Commissioners