

Decision No. 55902**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of PACIFIC GAS AND ELECTRIC COMPANY for authority, among other things, to remove the \$2.00 ceiling from the fuel oil escalator clause in certain of its interruptible gas rate tariff schedules.

Application No. 38668
First Amendment

In the Matter of the Application of SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA for a general increase in gas rates under Section 454 of the Public Utilities Code.

Application No. 38211
First Supplemental

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY for a general increase in gas rates under Section 454 of the Public Utilities Code.

Application No. 38787
First Supplemental

In the Matter of the Application of SAN DIEGO GAS & ELECTRIC COMPANY, a corporation, for authorization to increase its present rates for natural gas service by an offset charge.

Application No. 39566

(See Appendix for List of Appearances)

INTERIM OPINION AND ORDER

In these applications applicants seek rate increases to offset increased rates sought by El Paso Natural Gas Company. As of a recent date the Commission had fully considered and was prepared to issue final decisions in Application No. 38668 (First Amendment), Application No. 38211 (First Supplemental), and Application No. 38787 (First Supplemental). Application No. 39566, of San Diego Gas and Electric Company, was filed on November 18, 1957, and taken under submission on November 29, 1957. The Commission had expected

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to issue a final decision in that proceeding at an early date. On November 21, 1957, however, the United States Court of Appeals for the District of Columbia Circuit issued a decision in the case of Memphis Light, Gas and Water Division, et al., Petitioners, v. Federal Power Commission, Respondent, and United Gas Pipe Line Company, et al., Intervenors, Case No. 13,666, reversing and remanding the case to the Federal Power Commission for further proceedings, and with directions to reject certain schedules filed by United Gas Pipe Line Company, and to initiate such proceedings as may be necessary to secure refunds to the customers of United Gas Pipe Line Company of certain amounts paid to that company following the time that those schedules were allowed to become effective. It appears that the applicants in the present proceedings before the Commission are in substantially the same position with respect to El Paso Natural Gas Company as that of the petitioners in the case referred to with respect to their gas suppliers, and that these applicants have substantially the same legal rights against El Paso Natural Gas Company as those petitioners had against their suppliers. It is our opinion that these applicants should be required to forthwith urge and to diligently pursue those rights before obtaining authority from this Commission to increase their rates for natural gas on account of increases sought by El Paso Natural Gas Company.

We are therefore now issuing an interim order in these proceedings with the intention of issuing final decisions at a later date.

IT IS HEREBY ORDERED that each of the applicants in the above-entitled proceedings refrain from consenting, or manifesting any consent whatever, to the increases proposed by El Paso Natural Gas Company in its rate schedules G and G-X for gas sold and delivered to the applicants on and after January 1, 1958.

IT IS FURTHER ORDERED that each applicant in the above-entitled

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proceedings shall forthwith file with the Federal Power Commission a motion requesting that the Federal Power Commission prohibit the rates proposed by El Paso Natural Gas Company in its rate schedules G and G-X from becoming effective on January 1, 1958.

IT IS FURTHER ORDERED that each of said applicants prosecute diligently, vigorously and in good faith before the Federal Power Commission and the courts whatever legal rights they may have as a result of the precedent established in the case above cited.

IT IS FURTHER ORDERED that each of said applicants promptly file with this Commission a verified report describing the steps taken in pursuance of the foregoing orders, and to state whether or not it is the intention of the applicant to prosecute diligently, vigorously, and in good faith before the Federal Power Commission and the courts whatever legal rights it may have as a result of the precedent established in the case above cited.

IT IS FURTHER ORDERED that each of the applicants in Application No. 38668 (First Amendment), Application No. 38211 (First Supplemental), and Application No. 38787 (First Supplemental) advise the Commission in such verified report whether or not the applicant has received from El Paso Natural Gas Company notice of any intention with respect to the charges of that company for natural gas to be sold to applicant on and after January 1, 1958, different from the intention of that company as expressed in the records in those proceedings.

Upon receipt from the applicants in the above-entitled proceedings of the verified reports above described, and after consideration thereof, the Commission will promptly issue appropriate decisions in these proceedings in light of the circumstances then obtaining.

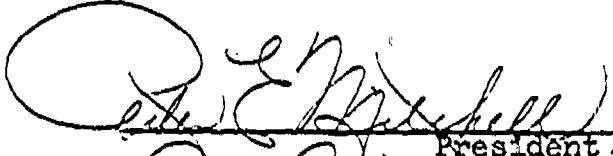
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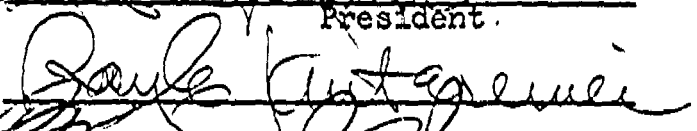
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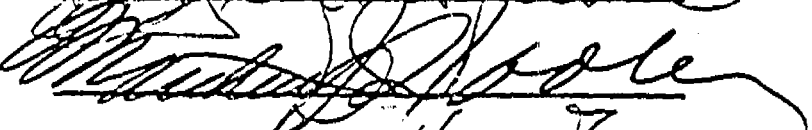
The Secretary is directed to forthwith serve a certified copy of this interim opinion and order upon the applicant in each of the above-entitled proceedings, and to mail copies thereof to all appearances of record in said proceedings.

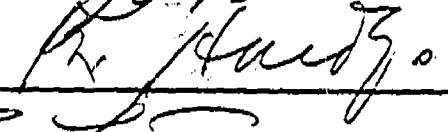
The effective date of this decision shall be the date hereof.

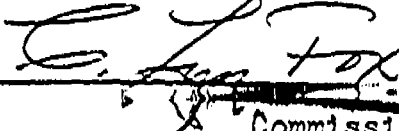
Dated at San Francisco, California, this 5th day of December, 1957.



President.








Commissioners.

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A P P E N D I X

LIST OF APPEARANCES

In Application No. 38668 (1st Amdt.)

For Applicant: F. T. Searls and John C. Morrissey for Pacific Gas and Electric Company.

Protestants: Brobeck, Phleger & Harrison, by George D. Rives, for California Manufacturers Association, American Smelting and Refining Company, California and Hawaiian Sugar Refining Corp., Columbia-Geneva Steel Division (U.S. Steel Corporation), Fibreboard Paper Products Corp., Gladding McBean and Company, Hunt Food, Inc., and subsidiaries, Glass Container and United Can and Glass Company, Kaiser Aluminum and Chemical Corporation, Kraftile Company, Permanente Cement Company, Philadelphia Quartz Company of California, Spreckels Sugar Company, Basic Vegetable Products, Inc., Owens-Illinois Glass Company, Holly Sugar Company, Swift and Company, and Continental Can Company (Hazel-Atlas Glass Division); Kenneth M. Robinson for Permanente Cement Company and Kaiser Aluminum and Chemical Corporation; Gordon R. Daley for City of King and City of Greenfield; John W. Hutton for League of Southern Monterey County Cities and City of Soledad; Saul M. Weingarten for City of Gonzales; Arthur R. Bird for Common Stockholders and Consumers.

Interested Parties: Wallace K. Downey for California Portland Cement Company; O'Melveny & Myers, by Lauren M. Wright, for Riverside Cement Company; Roger Arnebergh, Robert W. Russell and T. M. Chubb for City of Los Angeles; Harold Gold and Reuben Lozner for United States Government; E. D. Lemon for United States Borax and Chemical Corporation; Pillsbury, Madison and Sutro, by Noel Dyer, for Hercules Powder Company; J. J. Deuel and Bert Buzzini for California Farm Bureau Federation; Gibson, Dunn and Crutcher, by Richard L. Wells, and Willard F. Parr, for American Potash and Chemical Corporation and West End Chemical Corporation; W. D. MacKay for Challenge Cream and Butter Association; Overton, Lyman & Prince and Donald H. Ford and Wayne H. Knight for Southwestern Portland Cement Company; Dion R. Holm and Paul L. Beck for City and County of San Francisco; J. Donald McCormack for Paul Griem, Glass Containers, Inc., and United Can and Glass Corp.; F. L. Treanor for Caterpillar Tractor Co.

Commission Staff: J. T. Phelps, W. R. Roche and Marshall J. Kimball.

In Application No. 38211 (1st Supp.)

For Applicant: Milford Springer and J. R. Rensch.

Interested Parties: Alan G. Campbell and Robert W. Russell, for City of Los Angeles; O'Melveny & Myers by Lauren M. Wright, for Riverside Cement Company; Norman Elliott & Joseph T. Enright and Waldo A. Gillette, for Monolith Portland Cement Company; Bruce Renwick, H. W. Sturges, Jr., and R. E. Woodbury by J. F. Nail, for Southern California Edison Company; Richard L. Wells, of Gibson, Dunn & Crutcher, for American Potash and

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A P P E N D I X (Cont'd)

LIST OF APPEARANCES (Cont'd)

Chemical Company and West End Chemical Company; Chickering & Gregory by C. Hayden Ames, for San Diego Gas & Electric Company; Brobeck, Phleger & Harrison by Gordon E. Davis, for California Manufacturers Association; Overton, Lyman & Prince by Donald H. Ford, for Southwestern Portland Cement Company.

Commission Staff: Harold McCarthy and C. T. Coffey.

In Application No. 38787 (1st Supp.)

For Applicant: T. J. Reynolds and Harry P. Letton, Jr.

Interested Parties: Alan G. Campbell and Robert W. Russell, for City of Los Angeles; O'Melveny & Myers by Lauren M. Wright, for Riverside Cement Company; Norman Elliott & Joseph T. Enright and Waldo A. Gillette, for Monolith Portland Cement Company; Bruce Renwick, H. W. Sturges, Jr., and R. E. Woodbury by J. F. Nail, for Southern California Edison Company; Richard L. Wells, of Gibson, Dunn & Crutcher, for American Potash and Chemical Company and West End Chemical Company; Chickering & Gregory by C. Hayden Ames, for San Diego Gas & Electric Company; Brobeck, Phleger & Harrison by Gordon E. Davis, for California Manufacturers Association; Overton, Lyman & Prince by Donald H. Ford, for Southwestern Portland Cement Company

Commission Staff: Harold McCarthy and C. T. Coffey.

In Application No. 39566

For Applicant: Chickering & Gregory, by Sherman Chickering and C. Hayden Ames.

Interested Parties: Frederick B. Holoboff, for City of San Diego; Robert O. Curran, for City of National City; J. J. Deuel, for California Farm Bureau Federation; Brobeck, Phleger & Harrison, by Robert N. Lowry, for California Manufacturers Association; and W. M. Laub and C. H. McCrea for Southwest Gas Corporation.

Commission Staff: W. R. Roche and L. W. Mendonsa.