

**ORIGINAL**

56501

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
CALIFORNIA ELECTRIC POWER COMPANY )

Application No. 39032

O P I N I O NApplicant's Request

California Electric Power Company, engaged principally in the business of supplying electric energy to members of the public in portions of the Counties of Mono, Inyo, Kern, San Bernardino, Riverside and Imperial, in the State of California, and in the Counties of Nye and Esmeralda in the State of Nevada, filed the above-entitled application on April 26, 1957 and filed amendments thereto on July 1, 1957, September 19, 1957, November 22, 1957 and December 9, 1957. In the original application an increase of approximately 1.7 mills per kwhr was requested which applicant estimated to yield, on the basis of the year 1956, additional gross revenue of not less than \$2,008,543, or a 9.6 per cent revenue increase, as shown by Exhibit F attached to the application. In this application it proposed applying a Fuel Adjustment Clause and an Ad Valorem Tax Adjustment Clause to all schedules except those competitive schedules within the City of San Bernardino. In the first amendment applicant revised its original rate proposal somewhat, setting forth revised rates in its Exhibit B-3 attached to the first amendment. The estimated annual increase as proposed was lowered to \$2,003,195 by this first amendment.

*CORRECTION*

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THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY

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Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CALIFORNIA ELECTRIC POWER COMPANY )  
 for an increase in electric rates )  
 under Section 454 of the Public )  
 Utilities Code. )

Application No. 39032  
 Amended

Appearances and Witnesses  
 are listed in Appendix C.

O P I N I O NApplicant's Request

California Electric Power Company, engaged principally in the business of supplying electric energy to members of the public in portions of the Counties of Mono, Inyo, Kern, San Bernardino, Riverside and Imperial, in the State of California, and in the Counties of Nye and Esmeralda in the State of Nevada, filed the above-entitled application on April 26, 1957 and filed amendments thereto on July 1, 1957, September 19, 1957, November 22, 1957 and December 9, 1957. In the original application an increase of approximately 1.7 mills per kwhr was requested which applicant estimated to yield, on the basis of the year 1956, additional gross revenue of not less than \$2,008,543, or a 9.6 per cent revenue increase, as shown by Exhibit F attached to the application. In this application it proposed applying a Fuel Adjustment Clause and an Ad Valorem Tax Adjustment Clause to all schedules except those competitive schedules within the City of San Bernardino. In the first amendment applicant revised its original rate proposal somewhat, setting forth revised rates in its Exhibit B-3 attached to the first amendment. The estimated annual increase as proposed was lowered to \$2,003,195 by this first amendment.

The second amendment was filed by applicant for the purpose of revising the proposed fuel and tax adjustment clauses.

In the third amendment an interim order was requested for the purpose of increasing the level of its San Bernardino rates (where it competes with Southern California Edison Company) up to the level of the new rates which the Commission authorized Edison to charge in San Bernardino by Decisions Nos. 55703 and 55772. Such interim increase was opposed by the California Manufacturers Association in its statement filed November 29, 1957. Because of the nearness of this request to the time of submission of this matter, this interim rate request will be decided in this order.

By the fourth amendment applicant lowered the proposed increase in certain schedules, and on the basis of the estimated year 1958 computed a proposed average revenue increase of \$1,968,787 amounting to a 6.9 per cent on the average from its proposed increase in base rates; however, in addition, the fuel clause could amount to some \$600,000 additional increase if fuel costs increase as contemplated by applicant during 1958. Moreover, evidence, as to changes since the filing of the fourth amendment, modifies the over-all revenue effects as will be set forth subsequently herein.

#### Public Hearing

After due notice, 11 days of public hearings were held upon this application before Commissioner Rex Hardy and Examiner Manley W. Edwards during the period September 25, 1957 to January 10, 1958, inclusive.<sup>1</sup> Thirty-seven exhibits were presented, the last two being

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<sup>1</sup> Public hearings were held as follows: September 25, 26, 27 and October 24, 1957 at San Bernardino; October 23, 1957 at Inyokern; November 13, 14 and December 27, 1957 and January 8, 9 and 10, 1958 at San Francisco.

late-filed to show the effect of a 20-cents-per-barrel decrease in the price of fuel oil, announced on January 10, 1958, the 2.15 cents per Mcf increase in price of gas effective January 1, 1958, and an increase in wages for the year 1958. Closing statements were presented on January 10, 1958 and the matter was submitted.

By letters dated December 23, 1957 and January 11, 1958, an appearance from the Inyokern-Ridgecrest area indicated that he had been promised by the presiding Commissioner but inadvertently was denied the opportunity to cross-examine the applicant's witnesses when the hearings were transferred to San Francisco. Accordingly, the submission was set aside and the matter reopened for another day of hearing at San Bernardino on February 4, 1958 before Examiner Edwards. Additional evidence on line extensions and rates was adduced through cross and direct examination. The matter now is ready for decision.

#### Applicant's Position

Applicant takes the position that in order for it to earn a fair return upon the original cost of its properties used and useful in the public service, and to afford it earnings sufficient to cover the full cost of operation, maintenance, depreciation and taxes sufficient to maintain its financial integrity and to attract capital necessary for extensions, additions and betterments required in the public service, it is necessary that the base rates be increased so as to yield, on the basis of the year 1958, estimated additional gross revenues of approximately \$1,968,787, plus increases that might result from its proposed fuel adjustment clause and Ad Valorem Tax Adjustment Clause, as subsequently discussed herein.

Earnings Position

Applicant represents that since its last general rate increase<sup>2</sup> its earnings have shown the following trend in rate of return:

California Division  
Summary of Earnings at Existing Rates  
(Straight-line Tax Depreciation Accounting)

|                     |       |
|---------------------|-------|
| Recorded Year 1955  | 5.94% |
| Recorded Year 1956  | 5.99  |
| Adjusted Year 1956  | 5.43  |
| Estimated Year 1957 | 5.45  |

For 1958, the applicant estimates its rate of return will fall to 5.28 per cent under existing rates, using straight-line tax depreciation deductions, and to 5.71 per cent, using the sum of the year's digits method as a federal income tax deduction as permitted by Section 167 of the Internal Revenue Code.

The Commission staff made an independent study (Exhibit No. 28) of applicant's California Division earnings under its present rates and under both straight-line tax depreciation accounting and accelerated tax depreciation accounting, with the following results:

|                     | <u>Straight-Line</u><br><u>Tax Depreciation</u> | <u>Accelerated</u><br><u>Tax Depreciation</u> |
|---------------------|---|---|
| Recorded Year 1956  | 6.12%   | -%  |
| Adjusted Year 1956  | 5.08  | 5.43  |
| Estimated Year 1957 | 5.29  | 5.79  |
| Estimated Year 1958 | 4.97  | 5.60  |

During the course of the hearings, four significant circumstances occurred that had a bearing on the outlook for 1958 earnings and which were reflected in the two late-filed exhibits, namely: (1) the reduction in the delivered price of fuel oil from \$3.41 to \$3.20 per barrel; (2) the increase in cost of gas from 28.3 cents per Mcf to about 33.65 cents per Mcf; (3) the new wage rates adopted

<sup>2</sup> In Application No. 34958, Decision No. 50909, issued December 28, 1954.

December 1, 1957; and (4) the expressed willingness of applicant to use accelerated depreciation for federal income tax accounting purposes and claim only actual federal income tax payments as an expense allowance for the purpose of fixing reasonable rates to the public.

The following tabulation will serve to summarize the 1958 earnings under applicant's present and proposed rates shown in the late-filed exhibits (Exhibits Nos. 36 and 37) by the applicant and by the staff, using accelerated depreciation for income tax purposes:

Latest Summary of Earnings, Estimated Year 1958

|                         | <u>Under Present Rates</u> |                  | <u>Under Proposed Rates</u> |                  |
|-------------------------|----------------------------|------------------|-----------------------------|------------------|
|                         | <u>Applicant</u>           | <u>Staff</u>     | <u>Applicant</u>            | <u>Staff</u>     |
| Operating Revenues      | \$ 28,238,599              | \$ 26,484,800    | \$ 30,512,436               | \$ 28,516,800    |
| Expenses:               |                            |                  |                             |                  |
| Operating               | 14,259,300                 | 13,100,800       | 14,259,300                  | 13,104,600       |
| Taxes Other Than Income | 3,088,269                  | 2,999,600        | 3,096,134                   | 2,999,500        |
| Depreciation            | 2,681,000                  | 2,692,600        | 2,681,000                   | 2,692,600        |
| Amort. of Acq. Adj.     | (6,982)                    | -                | (6,982)                     | -                |
| Wage Increase           | 247,700                    | 247,700          | 247,700                     | 247,700          |
| Taxes on Income         | <u>1,622,403</u>           | <u>1,574,000</u> | <u>2,844,215</u>            | <u>2,667,500</u> |
| Total Expenses          | 21,891,690                 | 20,614,700       | 23,121,367                  | 21,711,900       |
| Not Revenue             | 6,346,909                  | 5,870,100        | 7,391,069                   | 6,804,900        |
| Rate Base               | 111,239,000                | 109,508,000      | 111,239,000                 | 109,508,000      |
| Rate of Return          | 5.71%                      | 5.36%            | 6.64%                       | 6.21%            |

(Red Figure)

It will be noted that the staff's estimate under present rates showed a rate of return 0.35 per cent lower than the applicant's estimate, and under proposed rates, 0.43 per cent lower. These lower returns resulted from the fact that the staff's basic estimate was prepared at a later date than the applicant's and included the effect of the slow-down in the rate of business operations experienced during the last half of 1957 and its effect on the anticipated 1958 operations. The applicant disagreed only in certain minor respects with the staff's basic estimate, was willing to adopt it with certain reservations, and admitted that its estimate was too optimistic in view of the changed business outlook for 1958 which occurred after

its basic estimate was prepared. However, the applicant had no reservation with regard to the adjusting of the rate base for the purposes of this proceeding and accordingly the staff's rate base will be adopted.

In its late-filed Exhibit No. 37, the staff allowed for the adjustments in fuel prices, wages and depreciation suggested by the applicant. The only remaining item of disagreement between the applicant and the staff is an amount of \$35,000 for pensions which applicant states represents pension contributions actually paid but disallowed by the staff on the grounds that the minimum pension benefits based upon the monthly salaries during the final five years of service are beneficial only to the higher paid employees. Applicant pointed out that the minimum provision is equally applicable to lower paid employees and that the Internal Revenue Service has considered the pension plan and has found that the plan does not discriminate in favor of the higher paid employee. Applicant's position appears reasonable and we will adjust the staff's showing for this item.

With respect to the amendment to the application filed by applicant to use the "sum of the years' digits" method for computing depreciation deductions for federal income tax payments under Section 167 of the Internal Revenue Code for both actual payments and rate fixing, the applicant did reserve the right to reconsider its action with reference to rate-fixing procedures should the Commission later decide to permit accumulation of a deferred tax reserve in other proceedings presently pending before the Commission.

#### Adopted Operating Results

In view of the evidence we adopt, and hereby find to be reasonable for the purposes of this proceeding, the following tabulated results of operations for the estimated year 1958 based



on present electric rates, \$3.20 per barrel delivered oil cost (\$2.70 posted price), 33.65 cents per Mcf gas rates, present wage rates, and using accelerated depreciation for income tax computation purposes:

Adopted 1958 Estimate of  
Results of Operations at Present Rates

| <u>Item</u>             | <u>Amount</u> |
|-------------------------|---------------|
| Operating Revenues      | \$ 26,484,800 |
| Operating Expenses      | 20,630,700    |
| Net Revenue             | 5,854,100     |
| Rate Base (Depreciated) | 109,508,000   |
| Rate of Return          | 5.35%         |

Rate of Return

Applicant, in its closing argument, did not seek a specific rate of return but asked for authority to place its proposed rates into effect. On its original estimate for 1958 (Exhibit No. 4, page 26), it computed that an increase of \$2,710,787 would increase its rate of return from 5.28 per cent to 6.40 per cent, using straight-line tax depreciation accounting. If accelerated depreciation tax accounting is used along with the flow-through method of computing rate of return, it stated: "In order to perform its public service function adequately, applicant requires a return of not less than 6.76 per cent on such a basis, and any lower rate of return will be insufficient and unreasonable in the light of the risks and hazards involved."

In support of a 6.4 per cent rate of return, applicant introduced Exhibits Nos. 5 and 5-A, which showed that 54 electric utility companies in the United States having an "A" bond rating by Moody's Investor Service earned 6.68 per cent in 1956 on total capital after applicant's computed adjustment to put all of the companies on bases approximately the same as the applicant in order to make fair comparisons. Applicant also computed that these 54 utilities earned 12.38 per cent on average adjusted common equity. Based on

applicant's capital structure of 55.8 per cent long-term debt, 8.1 per cent preferred stock and 36.1 per cent equity capital, as of June 30, 1957, as shown in the staff's Exhibit No. 28, and giving weight to average interest rates of 3.46 per cent on long-term debt and 5.64 per cent on preferred stock, a return of 6.4 per cent results when equity capital shows an earning position of 11.12 per cent.<sup>3</sup> Applicant's conclusion with regard to Exhibits Nos. 5 and 5-A was that it would have been proper and reasonable to ask for an over-all rate of return of somewhere around 6.75 per cent in order to be placed on a comparable financial basis with other companies in the electric utility industry and to be in an equivalent position to other enterprises having corresponding investment risk and with which the applicant must compete in the money market for capital to expand its plant.

However, by January 9, 1958 the economic outlook had changed to the extent that applicant pointed out: "It is now apparent that sales for 1958 will be substantially lower than previously estimated and a return of 6.32 per cent rather than the 6.76 per cent forecast on the flow-through method will be earned under the proposed rates. This poses the question of whether the company should amend its application and request higher rates. In spite of the apparent reduction in earnings, the company is willing to accept the rates it last proposed, modified, of course, by such changes as the Commission may see fit to make."

| <u>Item</u>     | <u>Ratio</u> |   | <u>Rate</u> |   | <u>Total</u> |
|-----------------|--------------|---|-------------|---|--------------|
| Long-term Debt  | 55.8%        | x | 3.46%       | = | 1.93%        |
| Preferred Stock | 8.1          | x | 5.64        | = | .46          |
| Equity          | 36.1         | x | 11.12       | = | 4.01         |
| Total           | 100.0        |   |             |   | 6.40         |

When applicant's proposed rates (with tax and fuel clauses) are applied to the kwhr sales figures corresponding to the adopted revenues, a gross increase of \$2,032,000 will result. After allowing for a net-to-gross factor of 2.18 (because of income tax and franchise fee effects), a net revenue increase of \$932,100 would result. When applied to the adopted rate base of \$109,508,000, the rate of return would increase by 0.85 per cent or from the adopted rate of return of 5.35 to 6.20 per cent.

At this time it is the Commission's finding and conclusion that 6.20 per cent (using the "flow-through" method) is not in excess of a fair rate of return and accordingly, the total increase in dollars which would be produced by applicant's proposed rates (with tax and fuel clauses) is fully justified, except that the Commission will not allow the tax and fuel clauses and will prescribe somewhat different rates from those proposed by applicant in order to yield this increase.

The action taken herein, authorizing accelerated depreciation with the "flow-through" treatment for federal tax purposes, is not to be understood as deciding in any way the question of normalization of reduced income taxes in connection with the taking of accelerated depreciation. Here, the utility has elected to take accelerated depreciation with reduced income taxes computed on the "flow-through" method and we believe that this action of management should be respected. We have authorized the utility to earn the revenue increase which it has requested. In keeping with regulatory precedent we cannot authorize the further additional revenues which it would require in order to pay its income taxes on the basis of straight-line depreciation or to "normalize" its tax payments and set up a reserve for possible deferrals. While it has been argued that the position here taken by the utility may create an added tax burden upon future ratepayers, nevertheless, such eventuality would be a future problem properly cognizable by the Commission if and when it should arise.

A representative for the Cities of Palm Springs and Blythe contended that the applicant's position, as indicated by the recorded income through July 31, 1957 and as measured by the earnings per share, was unduly pessimistic and made a motion that the application be denied. Such motion was denied by the presiding Commissioner on November 13, 1957. Applicant subsequently has amended its rate request, and the earnings outlook is less optimistic. The Commission now confirms the denial of the motion to deny.

#### Cost of Service

The results of applicant's cost-of-service analysis were expressed as rates of return by classes of service under both the

present and latest proposed rates on the basis of the adjusted year 1956. The results are as follow:

Cost of Service Summary - Year 1956 Adjusted

| <u>Classification</u>            | <u>Level of Earnings Resulting From</u> |                       |
|----------------------------------|---|-----------------------|
|                                  | <u>Present Rates</u>                    | <u>Proposed Rates</u> |
| <u>California Division</u>       |   |                       |
| Transmission Customers .....     | 4.02%                                   | 5.01                  |
| Distribution:                    |   |                       |
| Domestic .....                   | 4.40                                    | 4.72                  |
| General Service:                 |   |                       |
| Non-Demand Metering .....        | 8.15                                    | 9.16                  |
| Demand Metering:                 |   |                       |
| Class A .....                    | 4.82                                    | 6.06                  |
| Class B .....                    | 5.78                                    | 6.80                  |
| Agricultural Power .....         | 3.68                                    | 4.11                  |
| Other Public Authorities .....   | 2.95                                    | 3.35                  |
| Resale .....                     | 1.93                                    | 2.44                  |
| Street Lighting .....            | 6.15                                    | 7.33                  |
| Total California Division        | <u>5.10</u>                             | <u>5.82</u>           |
| Other International Delivery ... | <u>-</u>                                | <u>-</u>              |
| System .....                     | 5.35                                    | 6.16                  |

Applicant's witness did not show a return on the "Other International" deliveries because there are no production and transmission facilities' investment and, since all power is purchased from Imperial Irrigation District therefor, a rate of return thereon would be misleading. His conclusion on these international deliveries was that the revenues are substantially over the costs.

The California Manufacturers Association cross-examined the applicant's witness at some length in the interest of seeing that cost is properly determined and allocated between classes. The Association's intent was to show that there were certain basic fallacies in the method of cost allocation used. Under the method advocated by the Association, there would have been a slightly lower allocation of costs to the high load factor customers; however, such

a conclusion is based on the use of noncoincident demands in spreading demand costs and, had a coincident demand basis been used, the opposite conclusion might have been reached.

The study showed an average cost of energy delivered from the transmission system of 9.62 mills per kwhr for the adjusted year 1956 and that this cost would be 10.138 mills per kwhr under a 6.16 per cent rate of return. A comparison of these costs with those of the Southern California Edison Company (Table 19-F, Exhibit No. 10, Application No. 38382) indicates general comparability with possibly a little higher future unit fuel cost for the applicant. However, in considering the relative costs of distribution, applicant's unit customer costs appear considerably higher than Edison's, as might be expected from the relative lower customer density of the applicant's service areas.

#### Fuel Adjustment Clause

Applicant's proposed fuel adjustment clause would decrease or increase the base energy rates in each rate schedule by 0.01 cents per kwhr for each 1.19 cents (or major fraction thereof) that the average cost of fuel burned in applicant's steam generating stations during the preceding 12 months was above or below 38.6 cents per million Btu. For the 12 months ended December 31, 1957, the record shows an estimated fuel cost of about 31.3 cents per million Btu. If this level of fuel cost were in effect under applicant's proposed rates, all customers would enjoy a decrease of 0.06 cents per kwhr below applicant's base rates. However, over the year 1958, applicant expects its fuel costs to increase to the extent that by the end of the year the rates will be above the level of the base rates.

Presently, applicant has fuel clauses in Schedules P-2, A-1, A-2, A-3 and R that provide an increase of 0.003 cents per kwhr for each 5 cents (or major fraction thereof) that the posted price of bunker fuel oil in tank car lots is above \$1.30 per barrel. With

oil currently quoted at \$2.70, the resulting increase in cost of energy is 0.084 cents per kwhr above the base rates. This increase is equivalent to an efficiency of 1,670 kwhr per barrel of fuel oil and such efficiency is two to three times as great as realized in modern steam-electric generating plants.

#### Tax Adjustment Clause

Applicant proposes an ad valorem tax adjustment of 1.0 cent per billing unit based on each 0.045 per cent (or major fraction thereof) that the average tax factor was above or below 2.64 per cent during the previous calendar year. The tax factor is the ratio of the total California property taxes to the net cost of electric property subject to property taxes in California. Applicant's Exhibit No. 16 shows 3,535,939 kw billing units for the 12 months ended December 31, 1956 as the basis for computing 1 cent per billing unit for each 0.045 per cent change in average tax factor. The approximate effect of this tax adjustment clause for the test year 1958 would be an increase of \$141,000.

#### Conclusion on Fuel and Tax Clauses

Applicant's proposed fuel and tax clauses were opposed by counsel for the United States Government. He stated that their use permits rates to be raised without an investigation and public hearing to determine whether all of the factors required to justify a rate increase actually exist and their approval by the Commission would constitute an abdication of the regulatory powers of the Commission. The California Manufacturers Association also opposed the proposed tax and fuel clauses and asked the Commission to give consideration to removing the existing clause. The Southwestern Portland Cement Company took the position that a proper type of fuel clause is not objectionable; however, it did not like the present fuel oil clause and thought that the applicant's proposed new fuel clause was an improvement.

If we should adopt the applicant's proposed fuel clause, its effective rates initially would produce some one million dollars less than the base rates requested by applicant and over the year 1958 repeated and unpredictable changes could be expected. Likewise, unpredictable changes would be expected from the tax clause. We do not find sufficient evidence of competition in applicant's service area to warrant competitive fuel clauses in any of applicant's schedules. The Commission does not look with favor on automatic cost adjustment clauses. Fuel clauses in rates may have their proper place in certain schedules where it is essential that competitive conditions with regard to customers' local generation be met, but applicant's present and proposed fuel clauses are not for such a purpose as they are based on applicant's costs rather than the customer's cost.

After considering the position of the various parties with regard to the present and proposed fuel clauses and the proposed tax clause, the Commission finds and concludes that it would not be consistent with the public interest to permit the inclusion in applicant's rate schedules or contracts of either the fuel or tax escalator clauses.

#### Rate Zoning

A representative for the Searles Valley Improvement Association requested special rates for consumers who have both electric cook stoves and electric water heaters and also pointed out that the summer bills are the highest.

A spokesman for the Ridgecrest and Inyokern customers expressed the view that the rates are based upon the fact that Ridgecrest and Inyokern are a fringe area and that the rate zoning does not reflect the fact that the population in the area is now 25 to 30 thousand people. The president of the Ridgecrest Chamber

of Commerce, while realizing that the costs of oil, labor and materials have increased, asked consideration by the Commission as to the basis by which the applicant established its various zones to determine if the increase requested is necessary. Also, question was raised as to the basis upon which applicant makes extensions with and without advances under the extension rule. The testimony upon this point indicated a fairly high capital investment to revenue ratio for certain extensions north and west of Inyokern. Such business is not as profitable as serving built-up areas and points to the need for higher rates to the customers located outside of built-up areas. However, we do not find reason for denying applicant's rate increase request because of "lean" extensions but find a need for revision in zoning of rural customers. Moreover, the Commission is now in the process of investigating gas and electric extension rules under Case No. 5945 and may find reason for changing applicant's extension rule in the near future.

The Ridgecrest Property Owners and Taxpayers Association takes the position that Ridgecrest is a sizable community and should have a lower rate than the surrounding rural area. Many people in the area had moved there from other cities or built-up areas in California where they had enjoyed lower rates under the Commission's general policy of rate zoning reflecting size and density of built-up urban, suburban, and rural areas. We are of the opinion that these requests are reasonable and that they point to the need for revision in applicant's zoning system.



Applicant now has its domestic service rates segregated into seven zones and its general service rates segregated into five zones. It proposed to consolidate certain domestic zones and reduce the number to five. Applicant's present zoning plan is by areas rather than by cities and built-up communities, except for the City of San Bernardino where it competes for business with the Southern California Edison Company. Under the existing zoning plan, the revenue in San Bernardino at rates authorized in 1954, but not placed in effect, will be higher by \$113,000 in 1958 or about 6.8 per cent than at the competitive rates which applicant presently is charging in San Bernardino. Increased rates recently have been authorized for San Bernardino on the Edison System and such new rates now generally are higher than the presently authorized rates for applicant's service in San Bernardino. The rates which applicant originally proposed for San Bernardino are slightly higher than the competitive level of rates and the difference by this order is being reduced to \$76,000 which will be charged against the earnings applicable to applicant's stockholders and thus not burden the other customers' rates.

Applicant now serves customers residing in 12 incorporated cities. San Bernardino is the largest with 8,555 customers and a density of 78.2 customers per mile of pole line. Only one city, Cabazon, is of a size smaller than 800 customers with a density less than 40 customers per mile of pole line. Applicant's Exhibit No. 34 shows 18 built-up unincorporated areas having in excess of

300 customers and a density in excess of 40 customers per mile of pole line. Thus, approximately one half of applicant's total of 98,000 customers reside in built-up or urban areas that have substantially higher customer density as compared to those customers residing in rural areas. This should be recognized in the rate structure. However, in view of applicant's proposal to continue the rural customer on the same rate level as the urban customer it will not be practical in this order to reflect fully the difference in cost to serve in the rates of the urban and rural customers without increases to the rural customers greater than those sought by applicant. The zoning system being prescribed will provide for five basic zone levels and the built-up areas now served on Schedule D-3, D-4 and D-5 will be reclassified to Schedule D-4 and the rural areas on such schedules will be placed on Schedule D-4.1.

The zoning system being prescribed for applicant to place into effect within some 120 days follows:

- Zone No. 1 San Bernardino. Now on Schedule D-1.
- Zone No. 2 Rialto and Fontana. Built-up areas now on Schedule D-8 and customers outside of Riverside now on closed Schedule D-7.
- Zone No. 2.1 Customers in present Zone C-1 outside of Rialto and Fontana built-up areas now served on Schedule D-8.
- Zone No. 3 Corona, Elsinore, Hemet, Perris, and San Jacinto built-up areas and other customers now served on Schedule D-2 within built-up areas.
- Zone No. 3.1 Customers outside of built-up areas on present Schedule D-2.

- Zone No. 4 Customers now served on Schedules D-3 and D-4 and D-5 within built-up areas.
- Zone No. 4.1 Customers outside of built-up areas on present Schedules D-3, D-4 and D-5.
- Zone No. 5 Customers in mountain areas now on Schedule D-6.

At the time of the initial filing of rates with the revised zone numbering scheme, applicant shall withdraw its listing of zones by letter designations and substitute the zone numbers as specified and file tariff book maps showing the various areas and their boundary limits. After the final filing to be authorized herein, applicant will be required annually to file revised maps or new maps that encompass any new built-up fringe territory and new isolated territory that meets the zoning criteria. Eventually, Zones 2.1, 3.1 and 4.1 should be eliminated by merging into Zone 4 and consideration given to rezoning of built-up areas now specified for Zone 4.

#### Domestic Rates

Applicant's requested increase (without tax and fuel clauses) for domestic service is an over-all average increase of 3.49 per cent. To inaugurate the new zoning scheme we are lowering this increase to 3.08 per cent on the average. For the average domestic customer there will be no particular revenue change from that proposed by applicant, other than that technical increase which might result from switching the rate schedule over from a minimum charge form to a customer charge form.

General Service

Applicant is proposing a reduction in the number of its general service schedules to three. Normally we prescribe the same number of general service schedules as domestic schedules. Accordingly, applicant's proposal will be revised to the extent of providing 5 basic general service schedules. Applicant's proposed rate levels (without fuel and tax clauses) would have provided an increase of 10.34 per cent to commercial customers. Such increase is too great and we will lower this increase to 8.48 per cent on the average. Changes from applicant's proposal, principally in the initial blocks, will be made to cover the larger number of schedules.

Power Service

The smaller power customers are served on the general service schedules over most of the territory, except in the City of San Bernardino where general power schedules are available. Large power generally is served on Schedule P-2 for loads with demands in excess of 500 kw. The Southwestern Portland Cement Company, with a demand of some 13,000 kw, introduced evidence to show that it could produce its own energy at a cost of one cent per kwhr or less. Also, from a cost standpoint, applicant's proposed rate level (without fuel and tax clauses) is somewhat high and a lower rate level will be provided. The following tabulation shows the present, applicant's proposed and the authorized rates:

| <u>Blocking</u>                                   | <u>Present Effective Rates</u> | <u>Applicant's Proposed Rates</u> | <u>Authorized Rates</u> |
|---|--------------------------------|-----------------------------------|-------------------------|
| Demand Charge:                                    |                                |                                   |                         |
| First 500 kw or less                              | \$752.26                       | \$833.51                          | \$810.00                |
| Next 500 kw, per kw                               | 1.14                           | 1.27                              | 1.20                    |
| Next 1,000 kw, per kw                             | .91                            | 1.02                              | 1.00                    |
| Next 8,000 kw, per kw                             | .69                            | .78                               | .75                     |
| Over 10,000 kw, per kw                            | .69                            | .78                               | .60                     |
| Energy Charge (to be added to the Demand Charge): |                                |                                   |                         |
| First 150 kwhr per kw                             | 1.02c                          | 1.15c                             | 1.12c                   |
| Next 150 kwhr per kw                              | .85                            | .96                               | .92                     |
| Over 300 kwhr per kw                              | .73                            | .84                               | .81                     |

A review of this schedule shows that the applicant permits lighting, heating and other electric service on this Schedule P-2 as well as power. In other words, this is a general service schedule for large users and its designation will be changed from P-2 to A-7 and title changed to general service.

Power - Agricultural and Pumping

Applicant now has two agricultural schedules, PA-1 and PA-3, and proposes to consolidate these into one system-wide schedule, designated PA-1. Testimony was introduced by certain customers on behalf of the California Farm Bureau Federation in opposition to the proposed increase and of principal concern was the proposal to increase the terminal rate by as much as 13 per cent for the larger loads. The M & R Sheep Company expressed concern over the relationship between the applicant's rates and those in effect in adjacent areas served by other utility systems. The Commission has considered the proposal of applicant and finds

that its request to have one system-wide agricultural power rate is reasonable. Such proposal will be adopted except that the increase will not be set as high as applicant's proposal after allowing for the 0.4 mills per kwhr increase and the three cents per kw billing unit if fuel and tax clauses are not adopted. The following tabulation shows the present, proposed and authorized rates:

| <u>Horsepower of<br/>Connected Load</u> | <u>Present Schedules</u> |             | <u>Applicant's</u>   |                   |
|---|--------------------------|-------------|----------------------|-------------------|
|   | <u>PA-1</u>              | <u>PA-3</u> | <u>Proposed PA-1</u> | <u>Authorized</u> |
| 1. Annual Minimum Charge per hp:        |                          |             |                      |                   |
| 2 - 4.99                                | \$10.82                  | \$11.40     | \$11.69              | \$11.69           |
| 5 -14.99                                | 9.69                     | 10.26       | 10.48                | 10.48             |
| 15 -49.99                               | 9.12                     | 9.12        | 9.86                 | 9.86              |
| 50 -99.99                               | 8.55                     | 8.55        | 9.25                 | 9.25              |
| 100-249.99                              | 8.55                     | 8.55        | 9.25                 | 9.25              |
| 250-699.99                              | 7.97                     | 7.97        | 8.62                 | 8.62              |
| 700 hp & over                           | 7.97                     | 7.97        | 8.62                 | 8.62              |
| 2. First 1,000 kwhr per hp:             |                          |             |                      |                   |
| 2 - 4.99                                | 2.64¢                    | 2.71¢       | 2.88¢                | 2.85¢             |
| 5 -14.99                                | 2.34                     | 2.48        | 2.56                 | 2.53              |
| 15 -49.99                               | 2.11                     | 2.25        | 2.31                 | 2.28              |
| 50 -99.99                               | 1.94                     | 2.13        | 2.13                 | 2.10              |
| 100-249.99                              | 1.80                     | 2.08        | 1.98                 | 1.95              |
| 250-699.99                              | 1.57                     | 2.02        | 1.73                 | 1.70              |
| 700 hp & over                           | 1.38                     | 1.97        | 1.53                 | 1.50              |
| 3. Next 1,000 kwhr per hp:              |                          |             |                      |                   |
| 2 - 4.99                                | 1.57¢                    | 1.68¢       | 1.73¢                | 1.70¢             |
| 5 -14.99                                | 1.39                     | 1.51        | 1.54                 | 1.51              |
| 15 -49.99                               | 1.28                     | 1.28        | 1.42                 | 1.39              |
| 50 -99.99                               | 1.16                     | 1.22        | 1.29                 | 1.26              |
| 100-249.99                              | 1.06                     | 1.11        | 1.18                 | 1.15              |
| 250-699.99                              | 0.96                     | 1.06        | 1.07                 | 1.04              |
| 700 hp & over                           | 0.85                     | 1.06        | 0.96                 | 0.93              |

| <u>Horsepower of<br/>Connected Load:</u> | <u>Present Schedules:</u> |             | <u>Applicant's</u>   |                   |
|--|---------------------------|-------------|----------------------|-------------------|
|  | <u>PA-1</u>               | <u>PA-3</u> | <u>Proposed PA-1</u> | <u>Authorized</u> |
| 4. All over 2,000 kwhr per hp:           |                           |             |                      |                   |
| 2 - 4.99                                 | \$ 0.99c                  | \$ 0.99c    | \$ 1.11c             | \$ 1.08c          |
| 5 -14.99                                 | 0.99                      | 0.99        | 1.11                 | 1.08              |
| 15 -49.99                                | 0.99                      | 0.99        | 1.11                 | 1.08              |
| 50 -99.99                                | 0.94                      | 0.94        | 1.05                 | 1.02              |
| 100-249.99                               | 0.88                      | 0.88        | 0.99                 | 0.96              |
| 250-699.99                               | 0.88                      | 0.88        | 0.99                 | 0.96              |
| 700 hp & over                            | 0.77                      | 0.83        | 0.87                 | 0.84              |

The above rates cover the annual minimum option under the schedule. The schedule also contains an annual demand option. Corresponding increases will be authorized for the demand option which are lower than applicant's final proposal for the level of this option.

Applicant now has a closed Schedule PA-4 which covers service to a few customers formerly served by the City of Riverside but located outside of the city limits of Riverside. While applicant did not propose any increase for this closed schedule it appears discriminatory to allow applicant to continue to serve such customers on a special rate after a system-wide agricultural rate is adopted. Applicant will be required to withdraw and cancel Schedule PA-4 and place such customers on the new PA-1 schedule.

#### Resale Service.

Applicant proposes increases in the resale service rates in the amount of about 9% in base rates and when the proposed 0.4 mills per kwhr and 3 cents per billing unit are added (on deletion of fuel and tax clauses) the proposed increase is approximately 13%. The cost study shows the rate of return from resale service is

below system average and indicates that an increase greater than 9% is warranted. We will authorize an approximate 10% increase at this time in the level of the resale schedule, Schedule R.

The present, proposed and authorized resale service rates follow:

| <u>Blocking</u>                                  | <u>Present<br/>Schedule R</u> | <u>Applicant's<br/>Proposal</u> | <u>Authorized</u> |
|--|-------------------------------|---------------------------------|-------------------|
| Demand Charge:                                   |                               |                                 |                   |
| First 500 kw or less                             | \$523.85                      | \$584.98                        | \$575.00          |
| Over 500 kw per kw                               | 0.94                          | 1.06                            | 1.04              |
| Energy Charge (to be<br>added to demand charge): |                               |                                 |                   |
| First 100 kwhr per kw                            | 1.10¢                         | 1.24¢                           | 1.21¢             |
| Next 100 kwhr per kw                             | .99                           | 1.11                            | 1.08              |
| Over 200 kwhr per kw                             | .89                           | 1.01                            | .98               |

#### Transmission Customers

There are four customers served at transmission voltage which according to the cost study do not show a return as high as the system average. The California Manufacturers Association takes the position that sales to these customers, which are primarily located in Nevada, outside of the State of California, should show a return as high as the system average return. For a return of 6.32% the Association computes the deficiency in revenue at approximately \$64,000. However, when a lower return of 6.20% is assumed the deficiency below the rates being authorized is approximately \$55,000. It is expected that applicant will increase its Nevada and Arizona rates sufficiently to offset this amount; accordingly, for rate-making purposes a revenue \$55,000 higher than



would be produced by the new schedules will be assumed.

Service Establishment or  
Re-establishment Charge

The Commission is aware of the fact that applicant serves a large number of seasonal customers who desire their service disconnected during the off-season period of the year. Such customers cause the applicant considerable expense compared to the customers who remain at the same location all year.. These extra expenses involve turn-off and turn-on of the service and special reading of the meter plus the bookkeeping cost of opening or closing an account. Also, there are substantially larger expenses where the customer desires that service be established after the regular business hours, when it is not possible to group requests for economical processing.

Applicant's records show that during last year the ratio of established or re-established services was 47.6 per cent to the total number of customers. Not all of these were for seasonal customers, however, and some involved the moving of customers from one place to another within applicant's service area. The record indicates that reasonable charges to cover these special service costs would be \$2 to establish or re-establish service during regular business hours and \$4 after regular business hours.

Findings and Conclusions

It is a matter of common knowledge, and is of record without refutation in this proceeding that costs of material, supplies, fuel and labor have risen since applicant's last rate increase in 1954. The finding is unescapable that applicant is not making a fair rate of return at its present rates and will not earn in excess of a fair return under rates at the levels herein authorized. We will require applicant to make a start on revising its zoning system which, in time, should meet the objections made by the Ridgecrest and Searles Valley customers. The request of the Mill Creek Canyon area customers to be dropped from the mountain rate level to the valley rate level will not be authorized because of the distance from the valley and the fact that there is no intervening load to help warrant the lower valley rates.

Applicant's request to strike certain testimony on the subject of "lean extensions" introduced at the hearing on February 4, 1958 by Inyokern and Ridgecrest representatives will be denied; however, we do not find it reasonable to withhold a portion of the applicant's proposed increase because of such testimony. It is our finding and conclusion that slightly higher rates are warranted in San Bernardino than proposed in applicant's third amendment, but its request to place into effect the rates proposed in such amendment, which are competitive with the Edison Company rates, is authorized at stockholders' expense. Furthermore, it is our conclusion and finding that a service establishment or re-establishment charge should be adopted to compensate the applicant for the extra costs involved where customers move often or for seasonal turn-on of service.

The following table shows the revenue increases authorized by the order herein based on the estimated 1958 sales adopted herein:

|  | <u>Sales</u><br><u>Million</u><br><u>Kwhr</u> | <u>Revenue</u><br><u>at Present</u><br><u>Rates</u><br><u>(\$1,000)</u> | <u>Revenue</u><br><u>Increase</u><br><u>(\$1,000)</u> | <u>Revenue</u><br><u>Increase</u><br><u>Ratio</u> | <u>Average</u><br><u>Rev. per</u><br><u>Kwhr After</u><br><u>Increase</u> |
|--|---|---|---|---|---|
| Domestic, excl.<br>San Bernardino                                | 187.1   | 6,783   | 196   | 2.89%   | 3.73¢   |
| Domestic, San<br>Bernardino                                      | <u>17.0</u>                                   | <u>518</u>  | <u>29</u>   | <u>5.60</u>                                       | <u>3.22</u>   |
| Total, Domestic  | 204.1   | 7,301   | 225   | 3.08  | 3.69  |
| Agricultural   | 157.0   | 2,328   | 153   | 6.57  | 1.58  |
| Commercial, excl.<br>San Bernardino                              | 218.6   | 5,651   | 497   | 8.79  | 2.81  |
| Commercial, San<br>Bernardino                                    | <u>30.6</u>                                   | <u>645</u>  | <u>37</u>   | <u>5.74</u>                                       | <u>2.23</u>   |
| Total Commercial   | 249.2   | 6,296   | 534   | 8.48  | 2.74  |
| Industrial, excl.<br>San Bernardino &<br>Large Ind.              | 20.6  | 408   | 32  | 7.84  | 2.14  |
| Industrial, San<br>Bernardino                                    | 61.0  | 618   | 84  | 13.59   | 1.15  |
| Industrial, Large  | <u>549.9</u>                                  | <u>5,624</u>  | <u>516</u>  | <u>9.17</u>                                       | <u>1.12</u>   |
| Total Industrial   | 631.5   | 6,650   | 632   | 9.50  | 1.15  |
| Street Lighting  | 3.8   | 127   | 12  | 9.45  | 3.66  |
| Other Sales to Public<br>Auth.                                   | 11.2  | 152   | 10  | 6.58  | 1.45  |
| Resale   | 241.7   | 2,702   | 270   | 9.99  | 1.23  |
| Sales to Interconnected<br>Companies                             | 53.1  | 470   | 5   | 1.06  | 0.89  |
| Interdivisional  | <u>31.5</u>                                   | <u>341</u>  | <u>36</u>   | <u>10.56</u>                                      | <u>1.20</u>   |
| Sub-total  | 1,583.1                                       | 26,367  | 1,877   | 7.12  | 1.78  |
| Miscellaneous revenue  | -   | 118   | -   | -   | -   |
| Service Establish-<br>ment Charge                                | -   | -   | 100   | -   | -   |
| Assumed Revenue In-<br>crease on Sales to<br>Arizona and Nevada* | -   | -   | 55  | -   | -   |
| Totals   | <u>1,583.1</u>                                | <u>26,485</u>   | <u>2,032</u>  | <u>7.67</u>                                       | <u>1.80</u>   |

\* Not authorized by this order but considered for rate making purposes.

The Commission finds that the increases in rates and charges authorized herein are justified, that present rates in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; and that an order should be issued increasing the rates in the manner heretofore discussed.

O R D E R

California Electric Power Company having applied to this Commission for a general increase in electric rates in its California Division, public hearing thereon having been held, the matter having been submitted, the Commission being fully informed and having found increases in rates justified; therefore,

IT IS ORDERED that:

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, revised tariff schedules with changes in rates, terms, conditions and rules as set forth in Appendix A attached hereto and, upon not less than two days' notice to this Commission and to the public to make said rates effective for service rendered on and after May 1, 1958.

2. Applicant shall prepare and file revised zoning maps, delineating thereon built-up areas containing over 300 customers in a group where the density exceeds 40 customers per mile of pole line, for filing in its rate tariff book to replace applicant's existing zoning system tariff maps and definitions of rate zones and after

not less than five days' notice to the Commission and to the public to make said revised zoning maps effective for service rendered on and after August 15, 1958, such zoning maps to show Zones Nos. 1, 2, 2.1, 3, 3.1, 4, 4.1 and 5 as discussed in the opinion part of this order.

3. At the time of filing of revised zoning maps as provided in ordering paragraph 2 herein applicant shall file revised tariff schedules for the General Service and Domestic classes, excepting Schedules A-1, A-5, A-6, A-7, D-1 and D-5, with changes in rates, terms and conditions as set forth in Appendix B attached hereto, and after not less than five days' notice to this Commission and to the public to make said revised A and D schedules of rates effective for service rendered on and after August 15, 1958. Said filing under paragraphs 2 and 3 shall be submitted to the Commission for review in proposed form not less than thirty days prior to making the filing.

4. Applicant shall annually review its zoned-rate territorial limits, and annually file such revisions thereto as may be appropriate in accordance with the plan heretofore outlined. Such filings shall be submitted to the Commission for review in proposed form not less than thirty days prior to making the filing.

5. Applicant is authorized to establish a new schedule designated Schedule SE, Service Establishment Charge, as provided in Appendix A herein, and file and place this new schedule in effect in the manner and at the time provided for the tariff schedules under ordering paragraph 1 herein. At the time of making effective said

Schedule SE, applicant shall revise or cancel any rules that thereafter without revision would be in conflict with Schedule SE.

6. At the time of filing tariff schedules as provided in ordering paragraph 1 herein, applicant shall cancel all presently effective Schedules except Schedules DE, E-1 and E-2 and transfer the customers on said cancelled schedules to the appropriate new schedules.

7. Applicant shall apply the appropriate new and increased rates under the new tariff schedules to each of its special contracts attached to the original application as Exhibit B-2.

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

Dated at San Francisco, California, this 8<sup>th</sup>  
day of April, 1958.

Robert E. Mitchell  
President  
Raymond L. Linterman  
William J. Allen

Commissioners

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Changes in applicant's proposed rates, conditions and rules are authorized as set forth herein.

- (1) Wherever there is a reference to "Rule and Regulation" on the tariff sheets herein ordered filed, the words "and Regulation" shall be deleted. Hereafter this deletion shall be made on the refiling of any of applicant's tariffs.
- (2) Delete all special conditions entitled "Fuel Adjustment."
- (3) Delete all special conditions entitled "Ad valorem Tax Adjustment."
- (4) Delete all reference to "Base Rates" and "Effective Rates" in tariffs.



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SCHEDULE A-1

Applicant's proposed Schedule A-4 in the Fourth Amendment to Application, revised only as follows:

Delete "San Bernardino" from title and change title to SCHEDULE A-1.

TERRITORY

Delete words "Applicable only".

RATE (Set up form of schedule as follows):

(A) BLOCK RATE

Customer Charge:

Single-phase, per meter per bimonthly billing period ... \$  
Three-phase, per meter per bimonthly billing period ...

Energy Charge (To be added to Customer Charge):

Minimum Charge:

|   |    |   |
|---|----|---|
|   |    | <u>Per Bimonthly<br/>Billing Period</u> |
| Lighting and the first 3 hp of connected power load |    |   |
| Single-phase .....                                  | \$ | per meter                               |
| Three-phase .....                                   |    | per meter                               |
| ALL over 3 hp of connected power load .....         |    | per hp                                  |
| (Delete reference to Rule No. 2J)                   |    |   |

(B) DEMAND RATE

Per Month

Minimum Charge: ..... \$

SPECIAL CONDITIONS

Insert reference to Rule No. 2J, Welder Service, in Special Condition (c).

SCHEDULE A-6

Applicant's proposed Schedule A-5 in the Fourth Amendment to Application, revised only as follows:

Change title to SCHEDULE A-6.

TERRITORY (Revise territory to read as follows):

Within the corporate limits of the City of San Bernardino.

Within the special rate areas in the vicinity of San Bernardino and Corona as delineated on the Rate Area Maps.

(Continued)

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SCHEDULE A-6 (Continued)

| <u>RATE</u> (Set up form of schedule as follows): | <u>Per Month</u> |
|---|------------------|
| Demand Charge: .....                              | \$               |
| Energy Charge (to be added to demand charge):     |                  |
| Minimum Charge: .....                             | \$               |

SCHEDULE A-2.1

Applicant's proposed Schedule A-1 in the Fourth Amendment to Application, revised as follows:

Change title to SCHEDULE A-2.1

TERRITORY (Revise territory as follows):

Within Rate Zone 2, including the built-up rate areas of Fontana and Rialto, as as more fully delineated on Rate Zone Map No. 2.

RATE (Revise rate as follows):

(A) CONNECTED LOAD RATE

|  |               |
|--|---------------|
| Customer Charge:                                       |               |
| Per meter per bimonthly billing period .....           | \$2.10        |
| Energy Charge (to be added to Customer Charge):        |               |
| First 90 kwhr per meter per bimonthly billing period   | 5.5¢ per kwhr |
| Next 300 kwhr per meter per bimonthly billing period   | 5.1¢ per kwhr |
| Next 1,500 kwhr per meter per bimonthly billing period | 4.1¢ per kwhr |
| Next 4,200 kwhr per meter per bimonthly billing period | 2.9¢ per kwhr |
| Next 5,910 kwhr per meter per bimonthly billing period | 2.7¢ per kwhr |
| All excess kwhr per meter per bimonthly billing period | 2.2¢ per kwhr |

Minimum Charge:

The bimonthly minimum charge shall be the customer charge, except where loads listed below are served, in which case the following amounts will be added:

- (1) For polyphase connected motor load, or welder load as computed in accordance with Rule No. 2J ..... \$2.70 per hp
- (2) For heating load, exclusive of cooking and water heating loads ..... 2.10 per kw

(Continued)

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SCHEDULE A-2.1 (Continued)

(B) DEMAND RATE

|       |                                |       |               |
|-------|--------------------------------|-------|---------------|
| First | 45 kwhr per meter per month    | ..... | 5.5¢ per kwhr |
| Next  | 150 kwhr per meter per month   | ..... | 5.1¢ per kwhr |
| Next  | 750 kwhr per meter per month   | ..... | 4.1¢ per kwhr |
| Next  | 2,100 kwhr per meter per month | ..... | 2.9¢ per kwhr |
| Next  | 2,955 kwhr per meter per month | ..... | 2.7¢ per kwhr |

For all excess over 6,000 kwhr per month:

|            |                                   |       |               |
|------------|-----------------------------------|-------|---------------|
| First      | 50 kwhr per kw of billing demand  | ..... | 2.2¢ per kwhr |
| Next       | 100 kwhr per kw of billing demand | ..... | 1.7¢ per kwhr |
| Next       | 150 kwhr per kw of billing demand | ..... | 1.3¢ per kwhr |
| All excess | kwhr per kw of billing demand     | ..... | 1.0¢ per kwhr |

Minimum Charge:

|  |       |        |
|--|-------|--------|
| Per kilowatt of monthly billing demand | ..... | \$1.50 |
|--|-------|--------|

SPECIAL CONDITIONS

Add special condition "Accumulative Minimum Charge" similar to third paragraph under proposed MINIMUM CHARGE.

SCHEDULE A-3.1

Establish new schedule similar to applicant's proposed Schedule A-1 in the Fourth Amendment to Application, revised as follows:

Change title to SCHEDULE A-3.1

TERRITORY (Revise territory to read as follows):

Within Rate Zone 3 including the built-up rate areas of Corona, Elsinore, Hemet, Perris, San Jacinto, and West Riverside, as more fully delineated on Rate Zone Map No. 3.

RATE

This rate form to be similar to Schedule A-2.1 heretofore ordered, except insert the following rates:

|                      |            |        |               |
|----------------------|------------|--------|---------------|
| (A) Customer Charge: | .....      | \$2.20 |               |
| Energy Charge:       |            |        |               |
| First                | 90 kwhr    | .....  | 5.6¢ per kwhr |
| Next                 | 300 kwhr   | .....  | 5.2¢ per kwhr |
| Next                 | 1,500 kwhr | .....  | 4.2¢ per kwhr |
| Next                 | 4,200 kwhr | .....  | 3.0¢ per kwhr |
| Next                 | 5,910 kwhr | .....  | 2.7¢ per kwhr |
| All excess           | kwhr       | .....  | 2.2¢ per kwhr |

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SCHEDULE A-3.1 (Continued)

|     |            |                 |       |      |          |
|-----|------------|-----------------|-------|------|----------|
| (B) | First      | 45 kwhr         | ..... | 5.6¢ | per kwhr |
|     | Next       | 150 kwhr        | ..... | 5.2¢ | per kwhr |
|     | Next       | 750 kwhr        | ..... | 4.2¢ | per kwhr |
|     | Next       | 2,100 kwhr      | ..... | 3.0¢ | per kwhr |
|     | Next       | 2,955 kwhr      | ..... | 2.7¢ | per kwhr |
|     | First      | 50 kwhr per kw  | ..... | 2.2¢ | per kwhr |
|     | Next       | 100 kwhr per kw | ..... | 1.7¢ | per kwhr |
|     | Next       | 150 kwhr per kw | ..... | 1.3¢ | per kwhr |
|     | All excess | kwhr per kw     | ..... | 1.0¢ | per kwhr |

SCHEDULE A-4.1

Establish new schedule similar to applicant's proposed Schedule A-1 in the Fourth Amendment to Application, revised as follows:

Change title to SCHEDULE A-4.1

TERRITORY (Revise territory to read as follows):

Within Rate Zone 4, including the built-up areas of Barstow, Blythe, Palm Springs, Twentynine Palms and Victorville and the communities of Bridgeport, Baker, Lee Vining, Sabrina, Keeler, Lone Pine, Randsburg, Inyokern and surrounding rural territory, as more fully delineated on Rate Zone Maps.

RATE

This rate form to be similar to Schedule A-2.1 heretofore ordered, except insert the following rates:

|     |                  |                 |                     |
|-----|------------------|-----------------|---------------------|
| (A) | Customer Charge: | .....           | \$2.30              |
|     | Energy Charges:  |                 |                     |
|     | First            | 90 kwhr         | ..... 5.7¢ per kwhr |
|     | Next             | 300 kwhr        | ..... 5.3¢ per kwhr |
|     | Next             | 1,500 kwhr      | ..... 4.3¢ per kwhr |
|     | Next             | 4,200 kwhr      | ..... 3.0¢ per kwhr |
|     | Next             | 5,910 kwhr      | ..... 2.7¢ per kwhr |
|     | All excess       | kwhr            | ..... 2.2¢ per kwhr |
| (B) | First            | 45 kwhr         | ..... 5.7¢ per kwhr |
|     | Next             | 150 kwhr        | ..... 5.3¢ per kwhr |
|     | Next             | 750 kwhr        | ..... 4.3¢ per kwhr |
|     | Next             | 2,100 kwhr      | ..... 3.0¢ per kwhr |
|     | Next             | 2,955 kwhr      | ..... 2.7¢ per kwhr |
|     | First            | 50 kwhr per kw  | ..... 2.2¢ per kwhr |
|     | Next             | 100 kwhr per kw | ..... 1.7¢ per kwhr |
|     | Next             | 150 kwhr per kw | ..... 1.3¢ per kwhr |
|     | All excess       | kwhr per kw     | ..... 1.0¢ per kwhr |

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SCHEDULE A-5

Applicant's proposed Schedule A-3 in the Fourth Amendment to Application, revised as follows:

Change title to SCHEDULE A-5

TERRITORY

Delete words "Applicable in Rate Zone M" and insert "Within Rate Zone 5".  
Delete word "resorts" and insert word "areas".

RATE

This rate form to be similar to Schedule A-2.1 heretofore ordered, except insert the following rates:

|                        |               |
|------------------------|---------------|
| (A) Customer Charge:   | \$2.55        |
| Energy Charge:         |               |
| First 90 kwhr          | 8.5¢ per kwhr |
| Next 300 kwhr          | 7.4¢ per kwhr |
| Next 1,500 kwhr        | 4.9¢ per kwhr |
| Next 4,200 kwhr        | 3.6¢ per kwhr |
| Next 5,910 kwhr        | 2.7¢ per kwhr |
| All excess kwhr        | 2.2¢ per kwhr |
| (B) First 45 kwhr      | 8.5¢ per kwhr |
| Next 150 kwhr          | 7.4¢ per kwhr |
| Next 750 kwhr          | 4.9¢ per kwhr |
| Next 2,100 kwhr        | 3.6¢ per kwhr |
| Next 2,955 kwhr        | 2.7¢ per kwhr |
| First 50 kwhr per kw   | 2.2¢ per kwhr |
| Next 100 kwhr per kw   | 1.7¢ per kwhr |
| Next 150 kwhr per kw   | 1.3¢ per kwhr |
| All excess kwhr per kw | 1.0¢ per kwhr |

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SCHEDULE LS-1 (Continued)

TERRITORY

Delete words "Applicable to" and insert "Within".

RATE

Insert the following rates:

|               |         |
|---------------|---------|
| 600 Lumens    | \$ 3.05 |
| 800 Lumens    | 3.69    |
| 1,000 Lumens  | 3.99    |
| 1,500 Lumens  | 5.10    |
| 2,500 Lumens  | 6.13    |
| 3,500 Lumens  | 7.02    |
| 4,000 Lumens  | 7.46    |
| 6,000 Lumens  | 8.77    |
| 10,000 Lumens | 12.19   |
| 15,000 Lumens | 17.49   |
| 20,000 Lumens | 18.08   |

Minimum Charge: (Indent as part of RATE and revise as follows)

For each timing point where switching is controlled by either mechanical or manual control, per bimonthly billing period \$ 6.20

Delete special condition (a).

Add special condition heading "Connected Lamp Capacity".

SCHEDULE LS-2

Applicant's proposed Schedule LS-2 in the Fourth Amendment to Application, revised as follows:

Delete "METERED ENERGY SERVICE" from title and insert "CUSTOMER-OWNED INSTALLATIONS".

TERRITORY

Delete words "Applicable to" and insert "Within".

(Continued)

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SCHEDULE LS-2 (Continued)

RATE (Revise rate as follows)

|  | <u>Per Bimonthly<br/>Billing Period</u> |
|--|---|
| First 200 kwhr per kw of billing demand  | 3.16¢ per kwhr                          |
| Next 250 kwhr per kw of billing demand   | 1.60¢ per kwhr                          |
| All excess kwhr per kw of billing demand | 1.13¢ per kwhr                          |

Minimum Charge: (Indent as part of RATE and revise as follows)

For each point of delivery, per bimonthly  
billing period \$25.00

SCHEDULE D-1

Applicant's proposed Schedule D-1 in the Fourth Amendment to Application,  
revised only as follows:

TERRITORY

Delete words "Applicable only".

RATE (Set up form of schedule as follows)

Customer Charge:  
Per meter per bimonthly billing period \$

Energy Charge (to be added to Customer Charge):

Minimum Charge:

SCHEDULE D-2.1

Applicant's proposed Schedule D-8 in the Amendment to Application, revised as  
follows:

Change title to SCHEDULE D-2.1

TERRITORY (Revise territory to read as follows)

Within Rate Zone 2, including the built-up rate areas of Fontana and Rialto, as  
more fully delineated on Rate Zone Map No. 2.

(Continued)

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SCHEDULE D-2.1 (Continued)

RATE (Change to read as follows):

(A) Domestic Service

Customer Charge:

Per meter per bimonthly billing period ..... \$ 2.10

Energy Charge (To be added to Customer Charge):

|  |               |
|--|---------------|
| First 90 kwhr per meter per bimonthly billing period   | 5.2¢ per kwhr |
| Next 120 kwhr per meter per bimonthly billing period   | 3.6¢ per kwhr |
| Next 210 kwhr per meter per bimonthly billing period   | 2.2¢ per kwhr |
| All excess kwhr per meter per bimonthly billing period | 1.6¢ per kwhr |

Minimum Charge:

The bimonthly minimum charge shall be the bimonthly Customer Charge.

(B) Combination Domestic Service: Domestic service in combination with water heater and range installation in accordance with Special Condition (c) below.

Customer Charge:

Per meter per bimonthly billing period ..... \$ 2.10

Energy Charge (To be added to Customer Charge):

|  |               |
|--|---------------|
| First 90 kwhr per meter per bimonthly billing period   | 5.2¢ per kwhr |
| Next 120 kwhr per meter per bimonthly billing period   | 3.6¢ per kwhr |
| Next 210 kwhr per meter per bimonthly billing period   | 2.2¢ per kwhr |
| Next 996 kwhr per meter per bimonthly billing period   | 1.2¢ per kwhr |
| All excess kwhr per meter per bimonthly billing period | 1.6¢ per kwhr |

Minimum Charge:

The bimonthly minimum charge shall be the bimonthly Customer Charge.

SCHEDULE D-3.1

Applicant's proposed Schedule D-2 in the Amendment to Application, revised as follows:

Change title to Schedule D-3.1

TERRITORY (Revise territory to read as follows):

Within Rate Zone 3, including the built-up rate areas of Corona, Elsinore, Hemet, Ferris, San Jacinto, and West Riverside, as more fully delineated on Rate Zone Map No. 3.

(Continued)



SCHEDULE D-3.1 (Continued)

RATE (Change to read as follows):

(A) Domestic Service

Customer Charge:

Per meter per bimonthly billing period ..... \$2.20

Energy Charge (To be added to Customer Charge):

|  |               |
|--|---------------|
| First 90 kwhr per meter per bimonthly billing period   | 5.3¢ per kwhr |
| Next 120 kwhr per meter per bimonthly billing period   | 3.6¢ per kwhr |
| Next 420 kwhr per meter per bimonthly billing period   | 2.8¢ per kwhr |
| All excess kwhr per meter per bimonthly billing period | 1.7¢ per kwhr |

Minimum Charge:

The bimonthly minimum charge shall be the bimonthly Customer Charge.

(B) Combination Domestic Service: Domestic service in combination with water heater and range installation in accordance with Special Condition (c) below.

Customer Charge:

Per meter per bimonthly billing period ..... \$2.20

Energy Charge (To be added to Customer Charge):

|  |               |
|--|---------------|
| First 90 kwhr per meter per bimonthly billing period   | 5.3¢ per kwhr |
| Next 120 kwhr per meter per bimonthly billing period   | 3.6¢ per kwhr |
| Next 210 kwhr per meter per bimonthly billing period   | 2.8¢ per kwhr |
| Next 996 kwhr per meter per bimonthly billing period   | 1.2¢ per kwhr |
| Next 210 kwhr per meter per bimonthly billing period   | 2.8¢ per kwhr |
| All excess kwhr per meter per bimonthly billing period | 1.7¢ per kwhr |

Minimum Charge:

The bimonthly minimum charge shall be the bimonthly Customer Charge.

SCHEDULE D-4.1

Applicant's proposed Schedule D-3 in the Amendment to Application, revised as follows:

Change title to SCHEDULE D-4.1

TERRITORY (Revise territory to read as follows):

Within Rate Zone 4, including the built-up rate areas of Barstow, Blythe, Palm Springs, Twentynine Palms and Victorville and the communities of Bridgeport, Baker, Lee Vining, Sabrina, Keeler, Lone Pine, Randsburg, Inyokern and surrounding rural territory, as more fully delineated on Rate Zone Maps.

(Continued)

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SCHEDULE D-4.1 (Continued)

RATE

This rate form to be similar to Schedule D-3.1 heretofore ordered, except insert the following rates:

|                      |       |               |
|----------------------|-------|---------------|
| (A) Customer Charge: | ..... | \$2.30        |
| Energy Charge:       |       |               |
| First 90 kwhr        | ..... | 5.5¢ per kwhr |
| Next 120 kwhr        | ..... | 4.4¢ per kwhr |
| Next 420 kwhr        | ..... | 3.4¢ per kwhr |
| All excess kwhr      | ..... | 1.7¢ per kwhr |
| (B) Customer Charge: | ..... | \$2.30        |
| Energy Charge:       |       |               |
| First 90 kwhr        | ..... | 5.5¢ per kwhr |
| Next 120 kwhr        | ..... | 4.4¢ per kwhr |
| Next 210 kwhr        | ..... | 3.4¢ per kwhr |
| Next 996 kwhr        | ..... | 1.2¢ per kwhr |
| Next 210 kwhr        | ..... | 3.4¢ per kwhr |
| All excess kwhr      | ..... | 1.7¢ per kwhr |

SCHEDULE D-5

Applicant's proposed Schedule D-6 in the Amendment to Application, revised as follows:

Change title to SCHEDULE D-5

TERRITORY

Delete words "Applicable in Rate Zone M" and insert "Within Rate Zone 5".  
Delete word "resorts" and insert word "areas".

RATE

This rate form to be similar to Schedule D-3.1 heretofore ordered, except insert the following rates:

|                      |       |               |
|----------------------|-------|---------------|
| (A) Customer Charge: | ..... | \$2.55        |
| Energy Charge:       |       |               |
| First 90 kwhr        | ..... | 6.2¢ per kwhr |
| Next 120 kwhr        | ..... | 6.0¢ per kwhr |
| Next 420 kwhr        | ..... | 3.7¢ per kwhr |
| All excess kwhr      | ..... | 1.9¢ per kwhr |
| (B) Customer Charge: | ..... | \$2.55        |
| Energy Charge:       |       |               |
| First 90 kwhr        | ..... | 6.2¢ per kwhr |
| Next 120 kwhr        | ..... | 6.0¢ per kwhr |
| Next 210 kwhr        | ..... | 3.7¢ per kwhr |
| Next 996 kwhr        | ..... | 1.2¢ per kwhr |
| Next 210 kwhr        | ..... | 3.7¢ per kwhr |
| All excess kwhr      | ..... | 1.9¢ per kwhr |

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SCHEDULE DWH

Applicant's proposed Schedule DWH in the Amendment to Application, revised as follows:

TERRITORY

Delete "Applicable to" and insert "Within".

RATE

Insert the following rates:

| <u>Maximum Number Residents in House</u> | <u>Bimonthly Billing Charge</u> |
|--|---------------------------------|
| 2  | \$ 6.29                         |
| 2  | 6.26                            |
| 3  | 7.52                            |
| 4  | 8.81                            |
| 5  | 10.05                           |
| 6  | 12.54                           |
| 7  | 15.05                           |
| 8  | 16.32                           |
| 9  | 20.04                           |
| 10                                       | 21.32                           |

Change of Heating Element Capacity

| <u>Capacity of Heater-Watts</u> | <u>Bimonthly Billing Charge</u> |
|---------------------------------|---------------------------------|
| 2,000                           | \$10.08                         |
| 2,500                           | 12.57                           |
| 750                             | 7.51                            |
| 1,000                           | 8.78                            |
| 2,500                           | 15.08                           |
| 750                             | 8.76                            |
| 1,000                           | 10.02                           |
| 1,500                           | 12.51                           |
| 3,000                           | 20.07                           |
| 750                             | 10.01                           |
| 1,000                           | 12.48                           |
| 1,500                           | 15.02                           |
| 2,000                           | 16.29                           |

Indent Minimum Charge as part of RATE.

SCHEDULE CAD

Applicant's proposed Schedule CAD in the Amendment to Application, revised as follows:

(Continued)

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SCHEDULE CAD (Continued)

Revise title by deleting words "ENTIRE TERRITORY".

TERRITORY

Delete "Applicable to" and insert "Within".

SCHEDULE P-1

Applicant's proposed Schedule P-1-C in the Fourth Amendment, revised as follows:

Delete "San Bernardino" from title and change title to SCHEDULE P-1.

TERRITORY

Delete words "Applicable only".

RATE

Delete words "In Addition" and substitute "To be Added".

Indent Minimum Charge as part of the RATE.

SCHEDULE P-2

Applicant's proposed Schedule P-1-D in the Fourth Amendment to Application, revised as follows:

Delete "San Bernardino" from title and change title to SCHEDULE P-2.

TERRITORY

Delete words "Applicable only".

RATE (Set up form of schedule as follows)

Demand Charge:

\$ Per Month  
per meter

Energy Charge (to be added to Demand Charge):

Minimum Charge:

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SCHEDULE PA

Applicant's proposed Schedule PA-1 in the Amendment to Application, revised as follows:

Change title to Schedule PA

TERRITORY (Revise territory to read as follows)

Within the entire territory served.

RATE (Revise rate as follows)

(A) ANNUAL MINIMUM OPTION:

Rate per Kilowatt Hour for Annual Consumption of:

| <u>Horsepower of<br/>Connected Load</u> | <u>First 1,000<br/>Kwhr per Hp</u> | <u>Next 1,000<br/>Kwhr per Hp</u> | <u>All Over 2,000<br/>Kwhr per Hp</u> |
|---|------------------------------------|-----------------------------------|---------------------------------------|
| 2 to 4.99 hp                            | 2.85¢                              | 1.70¢                             | 1.08¢                                 |
| 5 to 14.99 "                            | 2.53                               | 1.51                              | 1.08                                  |
| 15 to 49.99 "                           | 2.28                               | 1.39                              | 1.08                                  |
| 50 to 99.99 "                           | 2.10                               | 1.26                              | 1.02                                  |
| 100 to 249.99 "                         | 1.95                               | 1.15                              | 0.96                                  |
| 250 to 699.99 "                         | 1.70                               | 1.04                              | 0.96                                  |
| 700 hp and over                         | 1.50                               | 0.93                              | 0.84                                  |

Minimum Charge:

| <u>Horsepower of<br/>Connected Load</u> | <u>Annual Minimum Charge per<br/>Hp of Connected Load</u> |
|---|---|
| 2 to 4.99 hp                            | \$11.69   |
| 5 to 14.99 "                            | 10.48   |
| 15 to 49.99 "                           | 9.86  |
| 50 to 99.99 "                           | 9.25  |
| 100 to 249.99 "                         | 9.25  |
| 250 to 699.99 "                         | 8.62  |
| 700 hp and over                         | 8.62  |

In no case will the minimum charge be less than \$23.38 per year. The annual minimum charge shall be payable in three equal bimonthly installments on a bimonthly billing basis during the three bimonthly billing periods following the date on which the service year began.

(Continued)

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SCHEDULE PA (Continued)

(B) ANNUAL DEMAND OPTION:

| Horsepower of<br>Connected Load | Annual Demand<br>Charge per Hp. | Energy Charge to be Added to Demand Charge<br>Rate per Kwhr for Annual Consumption of: |                           |                               |
|---------------------------------|---------------------------------|--|---------------------------|-------------------------------|
|                                 |                                 | First 1,000<br>Kwhr per Hp   | Next 1,000<br>Kwhr per Hp | All over 2,000<br>Kwhr per Hp |
| 2 to 4.99 hp                    | \$8.64                          | 1.99¢  | 1.70¢                     | 1.08¢                         |
| 5 to 14.99 "                    | 7.44                            | 1.79   | 1.51                      | 1.08                          |
| 15 to 49.99 "                   | 6.74                            | 1.61   | 1.39                      | 1.08                          |
| 50 to 99.99 "                   | 6.14                            | 1.49   | 1.26                      | 1.02                          |
| 100 to 249.99 "                 | 5.54                            | 1.40   | 1.15                      | 0.96                          |
| 250 to 699.99 "                 | 5.54                            | 1.15   | 1.04                      | 0.96                          |
| 700 hp and over                 | 5.54                            | 0.95   | 0.93                      | 0.84                          |

In no case will the annual demand charge be less than \$17.28 for single-phase service, nor less than \$25.92 for three-phase service. The annual demand charge shall be payable in three equal bimonthly installments on a bimonthly billing basis during the three bimonthly billing periods following the date on which the service year began.

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SCHEDULE R

Applicant's proposed Schedule R in the Fourth Amendment to Application, revised as follows:

TERRITORY

Delete "Applicable in" and insert "Within".

RATE (Revise rate as follows):

|  | <u>Per Month</u>   |
|--|--------------------|
| <u>Demand Charge:</u>                                |                    |
| First 500 kw or less of billing demand .....         | \$575.00 per meter |
| All excess kw of billing demand .....                | 1.04 per kw        |
| <u>Energy Charge (To be added to demand charge):</u> |                    |
| First 100 kwhr per month per kw of billing demand    | 1.21¢ per kwhr     |
| Next 100 kwhr per month per kw of billing demand     | 1.08¢ per kwhr     |
| All excess kwhr per month per kw of billing demand   | 0.98¢ per kwhr     |

SCHEDULE S

Applicant's proposed Schedule S in the Fourth Amendment to Application, revised as follows:

TERRITORY

Delete "Applicable in" and insert "Within".

RATE (Revise rate as follows):

Stand-by Charge:

For stand-by service the charge per kilowatt of maximum load either light, heat, or power, or any combination of some which the company agrees to stand ready to supply to the customer will be:

|                                     | <u>Per Month</u> |
|-------------------------------------|------------------|
| First 10 kw of maximum load .....   | \$31.30          |
| Next 10 kw of maximum load .....    | 3.13 per kw      |
| Next 80 kw of maximum load .....    | 2.20 per kw      |
| All excess kw of maximum load ..... | 1.89 per kw      |

Regular Schedule Charges (To be added to stand-by charge):

All energy used in connection with service rendered under this schedule will be billed in accordance with the appropriate schedule applicable to the customer's business or various uses, such billing to be in addition to the stand-by charge specified above and in no case will the above stand-by charge replace any service charge or demand charge in the general appropriate schedule. The demand contracted for in accordance with the provisions of this schedule shall determine the demand for all billing purposes.

(Continued)

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SCHEDULE S (Continued)

Minimum Charge:

The minimum charge will be the stand-by charge herein provided, but where the appropriate schedule applicable to the customer's business carries a higher minimum charge than the demand charge herein specified, the minimum charge provided in the appropriate schedule shall be used. But in no case shall the minimum stand-by charge be less than \$31.30 per month.

SPECIAL CONDITIONS

Delete title of Special Condition (a) "Schedule Applicable to" and insert "Contract Requirement".

Establish a new schedule as follows:

SCHEDULE SE

SERVICE ESTABLISHMENT CHARGE

APPLICABILITY

This schedule is applicable to General Service and Domestic Service customers.

TERRITORY

Within the entire territory served exclusive of the City of San Bernardino. ✓

RATE

For each establishment or re-establishment of service: \$2.00

SPECIAL CONDITIONS

- (a) The service establishment charge provided for herein is in addition to the charges calculated in accordance with the applicable schedule and will be made each time an account is opened, including a turn on or reconnection of electric service or a change of name which requires a meter reading.
- (b) In case the customer requests that electric service be turned on or reconnected after regular business hours, an additional charge of \$2.00 will be made.



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SCHEDULES A-2; A-3; A-4

SCHEDULES D-2; D-3; D-4

These schedules to be similar in form to the zone schedules authorized in Appendix A, except for Territory clause and rates as follows:

TERRITORY

(Rate Zone 2) Within the built-up rate areas of Fontana and Rialto and customers in the vicinity of Riverside who were served by the City of Riverside on June 30, 1950 and have been served by the company on and after July 1, 1950, as more fully delineated on Rate Zone Maps.

(Rate Zone 3) Within the built-up rate areas of Corona, Elsinore, Hemet, Ferris, San Jacinto and West Riverside, as more fully delineated on Rate Zone Maps. (Add other rate areas as appropriate.)

(Rate Zone 4) Within the built-up rate areas of Barstow, Blythe, Cathedral City, Desert Hot Springs, Palm Springs, Twentynine Palms and Victorville, as more fully delineated on Rate Zone Maps. (Add other rate areas as appropriate.)

RATE

|                          | <u>D-2</u> | <u>D-3</u> | <u>D-4</u> |
|--------------------------|------------|------------|------------|
| (A) Customer Charge:     | \$2.00     | \$2.15     | \$2.25     |
| Energy Charge:           |            |            |            |
| First 90 kwhr            | 4.9¢       | 5.2¢       | 5.4¢       |
| Next 120 kwhr            | 3.4¢       | 3.6¢       | 4.2¢       |
| Next 210 kwhr            | 2.2¢       | -          | -          |
| Next 420 kwhr            | -          | 2.8¢       | 3.4¢       |
| All excess kwhr          | 1.6¢       | 1.7¢       | 1.7¢       |
| <br>(B) Customer Charge: | <br>\$2.00 | <br>\$2.15 | <br>\$2.25 |
| Energy Charge:           |            |            |            |
| First 90 kwhr            | 4.9¢       | 5.2¢       | 5.4¢       |
| Next 120 kwhr            | 3.4¢       | 3.6¢       | 4.2¢       |
| Next 210 kwhr            | 2.2¢       | 2.8¢       | 3.4¢       |
| Next 996 kwhr            | 1.2¢       | 1.2¢       | 1.2¢       |
| Next 210 kwhr            | -          | 2.8¢       | 3.4¢       |
| All excess kwhr          | 1.6¢       | 1.7¢       | 1.7¢       |

(Continued)

APPENDIX B  
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SCHEDULES A-2; A-3; A-4

SCHEDULES D-2; D-3; D-4

(Continued)

RATE

|                        | <u>A-2</u> | <u>A-3</u> | <u>A-4</u> |
|------------------------|------------|------------|------------|
| (A) Customer Charge:   | \$2.00     | \$2.15     | \$2.25     |
| Energy Charge:         |            |            |            |
| First 90 kwhr          | 5.5¢       | 5.5¢       | 5.6¢       |
| Next 300 kwhr          | 5.1¢       | 5.1¢       | 5.2¢       |
| Next 1,500 kwhr        | 4.1¢       | 4.1¢       | 4.2¢       |
| Next 4,200 kwhr        | 2.9¢       | 2.9¢       | 3.0¢       |
| Next 5,910 kwhr        | 2.7¢       | 2.7¢       | 2.7¢       |
| All excess kwhr        | 2.2¢       | 2.2¢       | 2.2¢       |
| <br>                   |            |            |            |
| (B) First 45 kwhr      | 5.5¢       | 5.5¢       | 5.6¢       |
| Next 150 kwhr          | 5.1¢       | 5.1¢       | 5.2¢       |
| Next 750 kwhr          | 4.1¢       | 4.1¢       | 4.2¢       |
| Next 2,100 kwhr        | 2.9¢       | 2.9¢       | 3.0¢       |
| Next 2,955 kwhr        | 2.7¢       | 2.7¢       | 2.7¢       |
| <br>                   |            |            |            |
| First 50 kwhr per kw   | 2.2¢       | 2.2¢       | 2.2¢       |
| Next 100 kwhr per kw   | 1.7¢       | 1.7¢       | 1.7¢       |
| Next 150 kwhr per kw   | 1.3¢       | 1.3¢       | 1.3¢       |
| All excess kwhr per kw | 1.0¢       | 1.0¢       | 1.0¢       |

APPENDIX C

LIST OF APPEARANCES

For Applicant: Donald T. Carman, Kenneth M. Lemon, Henry W. Coil, Albert Cage, by Donald J. Carman.

Protestants: Bruce McKnight, for the Cities of Palm Springs and Blythe; Jerome J. Bunker, for City of Palm Springs; Doyle F. Boen, Earl Redwine and Maurice C. Sherrill by Earl Redwine, for the Eastern Municipal Water District; Borton, Petrini, Conron & Brown by Walter H. Condley, for M & R Sheep Company; Mrs. E. W. Bray, for Searles Valley Improvement Association; Claude L. Welch, for Inyokern Chamber of Commerce; James N. Allan, for United States Borax and Chemical Corporation.

Interested Parties: Brobeck, Phleger & Harrison by Gordon E. Davis, for the California Manufacturers Association; Bert Buzzini and J. J. Deuel, for California Farm Bureau Federation; Harold Gold, Reuben Lerner and Clyde F. Carroll by Clyde F. Carroll and James L. McNally, for the Department of Defense and other executive agencies of the United States Government; Bruce Renwick, Rollin E. Woodbury, by Arthur A. Silveri, for the Southern California Edison Company; Kenneth M. Robinson, for Permanente Cement Company; Overton, Lyman & Prince by Donald H. Ford and Felix S. McGinnis, for Southwestern Portland Cement Company; A. M. Shelton, for Kaiser Steel Corporation; Roy Martindale, for West End Chemical Company; G. R. Gray, for San Diego Gas & Electric Company; Eaton N. MacKay, for Ridgecrest Hospital and Drummond Medical Center; V. G. Ellis, for Ridgecrest Chamber of Commerce; Verna E. Wheeler and F. J. Wheeler, for Oasis Trailer Court; Bob Thompson, for Inyokern Chamber of Commerce; Walker Bros. Ice Company by Carl Walker; Charles W. Packend, for Carl's Trailer Court; June Smith and Robert J. Springer, in propria personae.

Commission Staff: W. R. Roche, C. T. Coffey, T. Stein and Kenneth J. Hedstrom.

LIST OF WITNESSES

Evidence was presented on behalf of the applicant by: Fred Oldendorf, E. L. Sheppard, Dudley B. Wheelock, Willis T. Johnson, Russel R. Drake, G. C. Delvaille, John A. Talley, Malcolm G. Davis, Roy A. Wehe, Harold E. Pangborn.

Evidence was presented on behalf of the interested parties and protestants by: Joe Miglas, Dr. Eaton N. MacKay, Mrs. E. W. Bray, Verna E. Wheeler, Carl Walker, F. J. Wheeler, R. J. Springer, Robert E. Stout, Alice Herling, Carl Rousseau, John Speth, Henry Balsiger, Mrs. Melvin Hill, E. M. Allison, Bruce McKnight, Robert G. Rogo, John A. Erickson, Ray O. Douthitt, Claire C. Miley, George White, Vernal L. Carr.

Evidence was presented on behalf of the Commission staff by: Walter A. Paul, Richard Entwistle, Norman R. Johnson, Leonard S. Patterson, Harold Heidrick.