

ORIGINAL

Decision No. 58792

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY for)
an increase in gas rates to offset)
the rate increase proposed by appli-)
cant's supplier, El Paso Natural Gas)
Company, in Docket No. G-17929 before)
the Federal Power Commission.)

Application No. 40957

In the Matter of the Application of)
SOUTHERN CALIFORNIA GAS COMPANY for)
an increase in gas rates under Sec-)
tion 454 of the Public Utilities Code)
to offset the rate increase granted)
to applicant's supplier, Pacific)
Lighting Gas Supply Company, by)
Decision No. 57598.)

Application No. 40647

(Appearances and witnesses are listed in Appendix A)

INTERIM OPINION

Applicant's Request

Southern California Gas Company¹ filed Application No. 40647 on December 4, 1958 and Application No. 40957 on March 20, 1959, for the purpose of increasing gas rates to offset a major portion of the price increase in California gas effective January 1, 1959 and to offset the increase in cost of out-of-state gas scheduled to begin August 1, 1959. By these two filings and as shown by Exhibit No. 40, applicant requests authority to increase gas rates by approximately \$11,311,000 or 5.1 per cent of the test year (12 months ending July 31, 1960) revenue of \$221,652,000 under

¹ Hereinafter referred to as applicant, is engaged in the business of purchasing, distributing and selling natural gas at rates as a public utility to more than 1,600,000 customers in central and southern California. About two-thirds of applicant's supply of natural gas is purchased from El Paso Natural Gas Company.

present rates, as estimated by applicant. Applicant also requests: ✓

(1) Authority to delete from its current tariffs a detailed statement of offset charges relating to prior rate increases of El Paso in Federal Power Commission Dockets G-2018, G-4769 and G-12948.

(2) Approval of the general terms of the refund plan described in Section VII of the application.

Public Hearing

After due notice, 11 days of public hearing were held upon these two applications before Examiner Manley W. Edwards during the period January 8, 1959 to June 19, 1959. Application No. 40647 was heard first on January 8 and 9 and then submitted for decision; however, the Commission had not arrived at a decision on such matter by the time the hearing started on Application No. 40957, so the January 9 submission was set aside, and the matter reopened and consolidated with Application No. 40957 for further hearing. All days of hearing were held in Los Angeles except for May 27 and 29 which were held in San Francisco.

On the two matters applicant submitted a total of 40 exhibits and testimony by 8 witnesses in support of its requests. Testimony and/or exhibits were presented on behalf of the City of Los Angeles, the Southern California Edison Company, the California Manufacturers Association, the Riverside Cement Company, the California Electric Power Company, the Negro Masons and certain gas users. In addition letters were received from several customers urging that the Commission not grant the requested increase. Also the Commission staff submitted 8 exhibits and testimony by 7 witnesses and cross-examined the applicant's witnesses for the purpose of developing a full record to aid the Commission in determining applicant's requests.

Because the staff's Exhibits Nos. 49 and 50 on cost of service were presented late in the hearing, it was contended by applicant there would be inadequate time to analyze and cross-examine on these exhibits and obtain final rate relief by August 1, 1959. Applicant, therefore, requested that the matters be submitted for an interim decision and that the final decision be held in abeyance pending consideration of the staff's cost of service study. The request of applicant was granted. Closing statements were made on June 19, 1959 and the matter now is ready for interim decision.

Applicant's Position

Applicant refers to Decision No. 57598, Application No. 40079, dated November 10, 1958, wherein, pursuant to Commission authorization, the monthly charge for gas purchased from Pacific Lighting Gas Supply Company was authorized to be increased from \$398,000 to \$567,000 and the commodity charge from 27.5 to 28.7 cents per Mcf, commencing January 1, 1959. Applicant's general position is that the increase awarded to the Supply Company is too great for it to absorb in its entirety out of present earnings; therefore, it seeks the offset increase proposed in Application No. 40647.

Applicant asserted that any delay beyond August 1, 1959 in granting the offset rate increases requested in Application No. 40957 will result in a loss of approximately \$26,000 for each day such increases are delayed, that this is too great an amount to absorb out of its earnings under present rates, and that the California customers are fully protected by its proposed refund plan against any overcharges in the event the Federal Power Commission later determines that El Paso's full increase is not warranted and orders a refund to applicant.

Earning Position

Applicant presented summaries of its earning position for the calendar years 1957 and 1958 on a recorded basis, for the year 1958 on an adjusted basis (to give effect to the condition of average temperature and to abnormal items on an average basis), and for the year ending July 31, 1960 on an estimated average basis at present and proposed rate levels. Such earnings are shown by Exhibits Nos. 5 and 40 and are as follows:

| | <u>Rate of Return</u> |
|--|-----------------------|
| Year 1957 Recorded | 5.36% |
| Year 1958 Recorded | 6.14% |
| Year 1958 Adjusted | 6.66% |
| Estimated Year Ending July 31, 1960 at | |
| 1. Present Rates | 4.90% |
| 2. Proposed Rates | 6.16% |

In addition to the earnings studies and forecasts prepared by the applicant, the Commission staff prepared an analysis and estimate of the results of applicant's operations for the test year ending July 31, 1960. The staff's results are contained in Exhibit No. 43 and may be summarized as follows:

Estimated Year Ending July 31, 1960:

| | <u>Rate of Return</u> |
|--|-----------------------|
| 1. At Present Rates | 5.11% |
| 2. At Proposed Rates | 6.41% |
| 3. At Proposed Rates but reflecting a revision in the resale rate to City of Long Beach, Schedule No. G-60 | 6.39% |

The staff's computation, as well as the applicant's, was on the basis of straight-line tax depreciation accounting and did not

show the effect of accelerated depreciation.² The results of operation presented by the applicant and that presented by the staff for the test year 1959-1960 using present rates, the higher cost of out-of-state gas, and straight-line tax depreciation accounting are summarized and compared on Table 1, infra. In comparing the two estimates it should be pointed out that the staff estimated greater average-year usage than applicant, allowed for wages on the basis of the latest known increase of 5½ per cent on April 1, 1959, and the applicant's approved increase of 4 per cent on April 1, 1960, for a full year, whereas the applicant reflected only an estimated 5 per cent increase on April 1, 1959, and an estimated additional 4 per cent for the period only from April 1 to July 31, 1960. Also, the staff did not include certain dues and donations and expenditures for political purposes, did not trend upward the ad valorem tax rates, and derived a lower rate base than applicant, based principally on later experience as to growth of plant than that used by applicant in its estimate.

2. The question of what rate treatment should be accorded to accelerated depreciation options for income tax purposes is being studied by the Commission under Case No. 6148, but has not been decided as yet. Following decision thereon the Commission will promptly move to make any rate adjustment that may appear warranted.

TABLE 1

SUMMARY OF EARNINGS FOR 12 MONTHS ENDING JULY 31, 1960
SOUTHERN CALIFORNIA GAS COMPANY

(At present rate levels and increased cost of gas)

| | <u>Applicant's Estimate</u> | <u>Staff's Estimate</u> |
|-----------------------------------|---------------------------------|-----------------------------|
| Operating Revenues: | | |
| Firm Natural Gas Service | \$161,044,000 | \$163,425,600 |
| Gas Engine | 1,356,000 | 1,356,000 |
| Interruptible | | |
| Regular | 27,604,000 | 27,719,300 |
| Steam-Electric and Cement Plant | 22,789,000 | 25,288,000 |
| Resale (to City of Long Beach) | 5,265,000 | 5,606,100 |
| Other Gas Revenue | <u>3,594,000</u> | <u>3,321,000</u> |
| Total Operating Revenues | \$221,652,000 | \$226,716,000 |
| Operating Expenses: | | |
| Production | \$108,049,000 | \$111,175,000 |
| Transmission | 5,194,000 | 5,381,000 |
| Distribution | 20,583,000 | 20,999,000 |
| Customer Acctg. and Collecting | 11,781,000 | 11,783,000 |
| Sales Promotion | 6,028,000 | 6,116,000 |
| Administrative and General | 11,718,000 | 11,931,000 |
| Taxes - Other than Income | 15,451,000 | 14,971,000 |
| Taxes - Income | 12,067,000 | 12,842,000 |
| Depreciation (Annuity & Interest) | <u>10,898,000</u> | <u>10,879,000</u> |
| Total Operating Expenses | \$201,769,000 | \$206,077,000 |
| Net Revenue | \$ 19,883,000 | \$ 20,639,000 |
| Rate Base (Depreciated) | \$405,788,000 | \$403,841,000 |
| Rate of Return | 4.90% | 5.11% |

Rate of Return

Applicant states that, with the proposed offset rates in effect, the rate of return for the test year 1959-1960 of 6.16 per cent on a depreciated rate base will be considerably less than the 6.75 per cent rate of return the Commission found reasonable in its most recent general rate proceeding, Application No. 38787, Decision No. 55642. Applicant now represents that the rate of return required to recover its embedded cost of bonds and preferred stock and to produce 10.20 per cent on common stock equity is 7.05 per cent. Based on this data, applicant computes, by Exhibit No. 37, that a rate of return of 6.89 per cent on its depreciated rate base is now fair and reasonable. Therefore, applicant represents that its proposed offset increase is needed in full and is needed promptly. However, it is not seeking to improve its earning position by this proceeding.

In support of a 10.2 per cent return on equity capital, applicant's financial witness referred to Exhibit No. 36 wherein he showed that seven large natural gas distribution companies in the United States having common stocks in the hands of the public with equity ratios of approximately 40 per cent on the average, with gross revenues in excess of \$30,000,000 annually, earned an average of 12.1 per cent on common stock equity for the five years 1954-1958. Inasmuch as the applicant's equity ratio position is about 50 per cent, this witness concluded that since this was higher than for the test companies, a 10.2 per cent earning figure should enable applicant to compete on a reasonable basis with

these other companies in the nation's capital markets for funds. However, on reviewing Exhibit No. 36 the Commission observes that the average equity earnings of the test companies dropped from 12.9 per cent in 1956 to 11.9 per cent in 1958.

The City of Los Angeles by Exhibit No. 30 confirms the down-trend in the earning requirement on common equity between 1956 and 1958 and by Exhibit No. 31 computed an earning requirement on applicant's common stock equity in the range of 9.20 per cent to 9.35 per cent. The city urged that the 6-3/4 per cent rate of return last allowed the applicant be found excessive and that the allowed rate of return be fixed in accordance with the city's evidence. The city alleged that a rate of return of even 6.47 per cent would be at the upper end of the range of reasonableness.

Exhibit No. 43, presented by the Commission staff, shows that the present day embedded cost of bond money is 3.66 per cent, that the present day cost of preferred stock money is 6.69 per cent and when averaged the composite cost of bond and preferred stock money is 3.98 per cent. Looking back to 1957 when the Commission allowed applicant a 6.75 per cent rate of return, the embedded cost of bond and preferred stock money was about 3.5 per cent. That embedded bond and preferred stock money costs have increased since that time is not decisive of the issue of rate of return. The Commission does not rely solely on financial requirements in determining the level of such return. The lawful interests of both consumer and investor must control the rate of return. While the rates of return flowing from the results of operation presented by the applicant and as adjusted by the staff, based on the proposed rates, do not exceed the rate of return heretofore found reasonable

for this applicant, we do not consider such rates of return confiscatory. If the proposed increase of \$11,311,000 is applied to the staff's rate base and operating results, as set forth on Table 1 herein, which we hereby adopt as reasonable, it does not indicate a rate of return that exceeds 6.75 per cent. We find and conclude that the total offset increase of \$11,311,000 for the estimated 12 months ending July 31, 1960, is fully justified. We now turn to applicant's proposed spread of the increase.

Rate Spread Proposal

To compensate for the 3.6 cents per Mcf increase in the cost of out-of-state gas starting August 1, 1959, and a major portion of the in-state gas increase that was effective last January 1, 1959, applicant proposes increases in the base rates in all of its rate schedules in amounts varying between 1.05 cents and 4.85 cents per Mcf, (except in the first three blocks of Schedule No. G-7 and in the entire Schedule No. G-52 where it represents that competitive fuel levels warrant no increase) in the manner summarized below:

| <u>Class of Service</u> | <u>Rate Schedule</u> | <u>Consumption Blocks</u> | <u>Amount Per Mcf</u> |
|---------------------------------|----------------------|-------------------------------|-----------------------|
| Firm Natural Gas Service: | G-1 thru G-6 | First 100 Mcf | 4.85¢ |
| | G-1 thru G-6 | Over 100 Mcf | 3.45¢ |
| | G-7 | Fourth Block (30,000 cu. ft.) | 4.85¢ |
| | G-7 | Fifth Block (60,000 cu. ft.) | 2.85¢ |
| | G-7 | All other Blocks | 1.05¢ |
| Gas Engine Service: | G-45 | Winter Rates | 4.36¢ |
| | G-45 | Summer Rates | 2.96¢ |
| Regular Interruptible Service | G-50 and G-53 | First 10,000 Mcf | 3.40¢ |
| | | Over 10,000 Mcf | 2.20¢ |
| | G-52 | All Blocks | None |
| Steam, Electric & Cement Plants | G-54 | All Blocks | 1.50¢ |

Among the several factors considered by the Commission in the spreading of rates are: (1) the cost to render the service and (2) the value of the service. Evidence was presented on both of these factors.

Cost of Service

Applicant retained an independent consulting engineer for the purpose of preparing a cost of service study. By Exhibit No. 20 he computed that the Firm Natural Gas Service and Gas Engine Service show rates of return below the system averages and that the interruptible services of Regular Interruptible, and Steam and Cement Plants show rates of return above the system average. The California Manufacturers Association also presented a cost study and by Exhibits Nos. 47 and 48 computed that only the Firm Natural Gas Service shows a revenue deficiency and that all of the other classes show a revenue excess compared to the cost to serve, as its engineers figure it. These two cost studies are predicated on the peak responsibility theory and utilize the abnormal peak day or system design peak capacity to segregate the demand costs or fixed charges as between the several classes of service.

The Commission staff introduced a cost study by Exhibits Nos. 49 and 50 that indicated class cost relationships in general just the reverse of those shown by the other two cost studies in this record. The staff's study was predicated on the use that each class made of the system facilities and essentially spread the facility costs among the classes on a non-coincident basis in ratio to the maximum monthly sales to each class. Several parties contended that the staff's method was improper because it did not give consideration to the fact that the interruptible classes do not have demand rights and are largely off-peak services. The staff's exhibits were presented late in the hearing and the parties desired more time to study and prepare additional cross-examination. Applicant requested an interim decision and time later to argue the merits of the staff's study before the Commission in bank. Several parties appealed to the Commission from the Examiner's ruling that the staff's Exhibits Nos. 49 and 50 be received in evidence, such parties contending that said

exhibits are not admissible in evidence.

The Commission has carefully considered the position of the applicant and the several parties with regard to the staff's cost study and since only an interim decision will be rendered herein until a final Federal Power Commission order is rendered in Docket G-17929, there will be ample opportunity to give further consideration to the staff's cost study prior to final decision herein.

Value of Service

Applicant introduced Exhibit No. 35 for the purpose of showing that the costs of competitive fuels in general are higher than the costs of gas for an equivalent number of heat units; however, the costs of heavy fuel oil for certain customers may be lower. Said exhibit shows, for the domestic, commercial, and small industrial customers, where gas is used mainly for water heating, cooking and space heating, the cost of electricity is 1.53 to 3.79 times as great as gas; and the cost of light fuel oil delivered to the customer's tank is 1.05 to 2.54 times as great, exclusive of the added costs of maintaining a fuel oil pump and fuel oil storage tank. For industrial customers, where gas is used as boiler fuel on an interruptible basis, the customer is equipped to burn heavy fuel oil when the delivered price of the oil may be lower than the cost of gas, particularly where the customer can obtain fuel oil below the posted price of \$2.15 per barrel. Recently, the heavy fuel oil market has been in an oversupply condition, prices have been soft, and certain of the larger customers are in a position to make spot purchases at sizable concessions from the posted price.

The Riverside Cement Company introduced testimony by two witnesses for the purpose of showing that fuel oil is available currently in the range of \$1.60 to \$1.75 per barrel and that certain oil companies are offering long-term contracts with escalation so that the price of oil on a heat unit basis always will be lower than the price of gas.

Rate Spread Positions

The Riverside Cement Company was opposed to any increase whatsoever because of the present relatively lower cost of fuel oil and asked that the Commission release it from its long-term gas contract if any increase is authorized.

The California Manufacturers Association did not oppose the rate spread proposal of the applicant for the schedules under which its members are served, but introduced its cost study for the purpose of showing that any greater increases in the industrial and interruptible services than proposed by applicant are not warranted, and pointed out that fuel oil competition at the higher level of consumption in effect precludes a uniform cents per Mcf spread to each of the classes of service.

The City of Los Angeles asserted that it would prefer a straight across-the-board offset charge to all customers as the most appropriate way to pass on the increase, if there were no over-riding considerations. However, in light of the evidence adduced concerning the cost of alternative fuels for interruptible service it conceded that some modification of the across-the-board increase might be warranted. The City urged that the increases proposed by the applicant in its interruptible rates be the minimum increases for such service which the Commission finds reasonable under the circumstances.

The Southern California Edison Company took the position that the rate of return from firm service was below average, that the rate of return from interruptible steam plant service was above average, that there was no value of service limitation upon the firm classes as in the case of the interruptible classes and that a revaluation of the interruptible rates away from historical precedent is justified at this time.

The California Farm Bureau did not oppose the offset increases in rates nor the allocation thereof as sought by applicant in this proceeding.

The California Electric Power Company stated that any increase in excess of the 1.5 cents proposed for steam plant service would require close consideration as to renewal of its contract with the applicant.

Refund Plan

Applicant proposes to determine refund of any overcharge to California customers, as determined by the Federal Power Commission with regard to El Paso's rates, by individual customers in proportion to the amounts of offset charges they have paid during the offset rate collection period; except that as a matter of simplification and to reduce the cost of refunding, if the amount refundable to the smaller firm natural gas service customers (less than 100 Mcf per month usage) averages more than \$1.00 per customer, refunds be made to active customers on the basis of their individual consumption during the May or November billing cycle following the close of the offset rate collection period; or, if the total amount refundable to such customers averages \$1.00 per customer or less, the refund to such customers be made as a uniform amount per customer.

Findings and Conclusions

After considering the evidence of record the Commission finds and concludes that:

1. Applicant's present earning position, after fully accounting for growth in customers, sales and revenues, is at such a level that it is not reasonable to ask the applicant to absorb any of the increased cost of out-of-state gas and to absorb more than a portion of the increased cost of in-state gas.

2. Since this is only an interim order and since applicant's proposed increased rates mostly are below the level of competitive fuels, and are subject to refund of any overcharge pending final Federal Power Commission action on El Paso's increased rates for gas, applicant's proposed rate increases and rate spread appear realistic, practical and reasonable, in the circumstances.

3. Gas for most purposes is a superior fuel, but in certain instances, where heat units only are considered, the lower increases for interruptible customers as compared to firm rates are designed by applicant at this time to minimize the loss of the interruptible business.

4. An order should be issued granting the applicant's rate increase requests on an interim basis, but withholding decision on applicant's other requests at this time.

5. The rates and charges authorized herein are justified and existing rates, insofar as they differ therefrom for the future, are unjust and unreasonable.

The increases being authorized, segregated by classes of service, under applicant's estimates of sales for 1959-60 are:

| <u>Class of Service</u> | <u>Sales Mcf</u> | <u>Revenue at Present Rates</u> | <u>Revenue Increase Amount : Ratio</u> | |
|----------------------------------|------------------|---------------------------------|--|------|
| Firm Natural Gas Service | 177,195,000 | \$161,044,000 | \$8,198,000 | 5.1% |
| Gas Engine | 2,864,000 | 1,356,000 | 99,000 | 7.3 |
| Regular Interruptible | 71,158,000 | 27,604,000 | 2,007,000 | 7.3 |
| Steam-Electric and Cement Plants | 67,155,000 | 22,789,000 | 1,007,000 | 4.4 |
| Wholesale *(Long Beach) | 12,146,000 | 5,265,000 | - | - |
| Other Gas Revenue | - | 3,594,000 | - | - |
| Totals | 330,518,000 | \$221,652,000 | \$11,311,000 | 5.1% |

*Wholesale service to Long Beach is handled under a special contract that varies with changes in cost of out-of-state gas, so it is not appropriate to provide for an offset increase under this order.

The Commission again calls to the attention of the applicant its duty to vigorously resist all proceedings before the Federal Power Commission which involve gas rates affecting California, to the end that the interests of the customers of the California utilities will be fully protected.

The Commission is also gravely concerned that the instant increase, all of which occurs in the commodity component at the state line, dollarwise is assigned more to the firm user because of the showing at this time of potential loss of interruptible load had uniform amounts of increase in cents per Mcf been placed in the interruptible classifications. Applicant is placed on notice that this is an interim decision and a redistribution can be considered should changed conditions, including competitive fuel costs, warrant such treatment pending final decision by the Federal Power Commission. Applicant should also intensively survey and consider additional underground storage facilities or other means of serving its customers, in the light of the trend of increasing source cost of gas, and the apparent inability to fully pass such increases on to large interruptible customers, at least at the present time.

INTERIM ORDER

Southern California Gas Company having requested offset increases because of increases in the cost of in-state and out-of-state gas, public hearing having been held, the Commission having found that increases in rates and charges are justified, the matters having been submitted for an interim decision pending further analysis of and cross-examination on Exhibits Nos. 49 and 50 and now being ready for decision; therefore,

IT IS ORDERED as follows:

1. If the Federal Power Commission allows El Paso Natural Gas Company to increase its rates for natural gas to applicant by 3.6 cents per Mcf effective August 1, 1959, then applicant hereby is authorized to file, in quadruplicate, with this Commission, in conformity with General Order No. 96, revised schedules with changes in rates, terms and conditions in such schedules as set forth in Exhibit C of Application No. 40957 and after not less than one day's notice to this Commission and to the public, to make said revised rates effective for service rendered on and after the date the increased El Paso rates, lawfully, go into effect.

2. In the event that applicant places such rate increases in effect:

- a. Applicant shall keep such records of sales to customers during the effective period of this cost of gas offset rate as will enable it to determine readily the total offset charge and the total refund, if any, that may be due each customer.
- b. Applicant's plan for determining refunds shall be submitted to this Commission prior to making any refunds, and specific Commission approval shall be obtained of the plan at that time.
- c. When the decision by the Federal Power Commission in Docket No. G-17929 shall have become final, applicant shall file a supplemental application herein containing its proposed permanent rate plan for final determination and authorization by this Commission.

- d. Upon final determination of the actual cost of refunding not recovered from El Paso and the amount of any balance created by applicant's inability to deliver checks and by checks uncashed after one year, applicant shall file a plan acceptable to the Commission for the equitable disposition of the resultant net balance.
- e. Applicant shall file with the Commission monthly reports within sixty days following the close of each monthly period setting forth:
 - (1) The increase in revenues realized under the offset rates authorized herein, segregated by firm and interruptible classes of service and
 - (2) The increase in cost of out-of-state gas above the rate level in effect immediately prior to the date on which the proposed El Paso rates go into effect.
- f. Applicant shall continue to show in its tariffs the amounts of offset charges included in the several rates that may be subject to refund, and should revise the statement to include the dates from which such offset amounts are effective.

3. The request of the Riverside Cement Company to be released from its gas contract if any increase is authorized, is denied.

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

Dated at San Francisco, California, this 21st day of July, 1959.

Everett R. Peay
President

W. E. [unclear]

W. [unclear]

Frederick H. Jensen

Commissioners

Dr. Lynn Fox

necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

LIST OF APPEARANCES

For Applicant: T. J. Reynolds, Harry P. Letton, Jr., and H. F. Lippitt, II.

Protestants: O'Melveny & Myers, by Lauren M. Wright, for Riverside Cement Company, Division of American Cement Corporation; Curtis C. Saner, for Gas Users.

Interested Parties: Rollin E. Woodbury, Harry W. Sturges, Jr., J. F. Nail and John Burg, for Southern California Edison Company; Brobeck, Phleger & Harrison by Gordon E. Davis and Robert N. Lowry, for California Manufacturers Association; Chickering & Gregory by Sherman Chickering and C. Hayden Ames and Frank Porath, for San Diego Gas & Electric Company; Wallace K. Downey, for California Portland Cement Company; Enright, Elliott & Betz, by Joseph T. Enright and Norman Elliott, and Waldo A. Gillette, for Monolith Cement Company; W. D. MacKay (Commercial Utility Service), for Challenge Cream & Butter Association; T. M. Chubb, Manuel Kroman and Robert W. Russell, for Department of Public Utilities and Transportation, City of Los Angeles; Walfred Jacobson, by Leslie E. Still, for City Attorney's office, City of Long Beach; Alan Campbell and Alfred H. Driscoll, Assistant City Attorneys, for City of Los Angeles; Henry E. Jordan, for Bureau of Franchises and Utilities, City of Long Beach; Robert E. Michalski, for City of Beverly Hills; Neal McClure, for City of Glendale; K. L. Parker, for Public Service Department, City of Glendale; Willis T. Johnson and Donald J. Carman, for California Electric Power Company; William L. Knecht, for California Farm Bureau Federation; Overton, Lyman and Prince by Donald H. Ford, for Southwestern Portland Cement Company.

Commission Staff: G. B. Weck, William C. Bricca, Jean Balcomb and Martin J. Porter.

LIST OF WITNESSES

Evidence was presented on behalf of the applicant by: Charles W. Mors, John H. Jensen, Walter J. Herrman, A. B. Cates, Jr., Keith Kelsey, Roy A. Wehe, John C. Abram, H. A. Proctor.

Evidence was presented on behalf of the interested parties and protestants by: Lewis R. Knerr, C. L. Ashley, Manuel Kroman, William L. Wood, Mrs. Edna M. Metzger, Curtis C. Saner, William W. Eyers, Archie V. Fraser, David C. Honey, Edwin Fleischmann, Willis T. Johnson.

Evidence was presented on behalf of the Commission staff by: Robert Hamilton, George C. Doran, Albert L. Gielegem, Robert O. Randall, Charles R. Currier, Walter A. Paul, Louis W. Mendonsa.