

ORIGINALDecision No. 6232S

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
 of the DEL NORTE GAS CO. for a)
 general increase in gas rates)
 under Section 454 of the Public)
 Utilities Code.)

Application No. 43434

OPINION AND ORDER

By this application, filed May 23, 1961, Del Norte Gas Co., a California corporation, seeks an order of this Commission authorizing it to increase rates for gas service rendered in Crescent City and vicinity, Del Norte County.

Applicant serves approximately 225 customers with liquefied petroleum vapor with a heat content of approximately 2,520 Btu per cubic foot. The rates presently being charged are those of its predecessor gas company and are lesser rates than those originally authorized by this Commission in 1947.

Applicant owns and operates a gas plant consisting of a high-pressure liquid propane storage tank of 15,000 gallons capacity, vaporizing equipment, 6.9 miles of distribution pipelines, service connections, meters, regulators and related gas facilities. Applicant's sales of gas are made in a market for which nonregulated distributors of liquefied petroleum are in direct competition. Its rates for pipeline deliveries of gas must be carefully balanced with those of its individual tank-gas installation competitors or its business may be adversely affected. For this reason, applicant does not seek what might be considered a full return on its investment but, rather, seeks to increase its rates only to that level which

will remain competitive with the prevailing rates of nonregulated gas suppliers. Further in this connection, applicant seeks a new rate blocking in its rate schedules, which it hopes may better its business outlook. A billing comparison, between existing and proposed charges, for selected usages is as follows:

<u>Quantity</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
100 cubic feet	\$ 1.50	\$ 1.35
500 cubic feet	3.77	4.55
1,000 cubic feet	6.60	8.11
5,000 cubic feet	26.23	31.42
10,000 cubic feet	48.08	52.92

Applicant's books record operating deficits for each of the years 1958, 1959 and 1960. Applicant has never been in a position to pay dividends to its stockholders, nor would the revenues from its proposed rates permit payment of dividends. As of the end of 1960 its recorded fixed capital amounted to \$93,114 and by the end of 1961 it is estimated that the fixed capital account, as recorded, will total \$100,465.

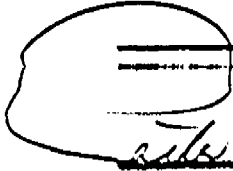
From the information before it in this matter the Commission finds and concludes that the rates proposed by applicant are fair and reasonable rates and that the increases authorized herein are justified. Further, the Commission finds that existing rates, in so far as they differ from those herein authorized, are for the future unjust and unreasonable. Public hearing in the matter is not necessary. Accordingly, good cause appearing therefor,

IT IS ORDERED that Del Norte Gas Co. is hereby authorized to file in quadruplicate with this Commission, on or after the effective date of this order and in conformity with the provisions of General Order No. 96, the schedule of rates attached to this

order as Appendix A and, on not less than five days' notice to the public and to this Commission, to make said rates effective for gas service rendered on and after August 15, 1961.

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

Dated at San Francisco, California, this 25th day of July, 1961.



President

George T. Hoover

Frederick B. Hallock
Commissioners

APPENDIX A

The presently effective rates and conditions are changed as set forth in this appendix.

General Service Schedule No. G-80

a. Change and file base rates, effective rates and minimum charge to the following:

RATES

Commodity Charge:			<u>Per Meter per Month</u>	
			<u>Base Rate</u>	<u>Effective Rate</u>
First	100 cu.ft. or less	\$1.35	\$1.35
Next	500 cu.ft., per 100 cu.ft.		.80	.80
Next	500 cu.ft., per 100 cu.ft.		.69	.69
Next	3,900 cu.ft., per 100 cu.ft.		.58	.58
Next	5,000 cu.ft., per 100 cu.ft.		.43	.43
Over	10,000 cu.ft., per 100 cu.ft.		.40	.40

	<u>Per Meter per Month</u>
Minimum Charge	\$1.35

b. Cancel Special Condition No. 1 and substitute the following:

1. For gas used in excess of 100 cubic feet per month, the rates in effect at any time vary with the average cost of propane delivered to our plant in Crescent City, generating gas served under this schedule, and shall be determined from the above base rates by adding or deducting respectively, 1¢ per 100 cubic feet for each 0.31¢ that such cost of propane is above or below 12.3¢ per gallon, the change in rates to be to the nearest 0.5¢