

Decision No. 75240

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHWEST GAS CORPORATION for
authority to increase natural gas
rates in Placer County, California.

Application No. 49704

ORDER DENYING REHEARING

SOUTHWEST GAS CORPORATION, having filed a petition for rehearing of Decision No. 74723, and the Commission having considered each and every allegation of said petition, and being of the opinion that good cause for rehearing has not been made to appear,

IT IS ORDERED that rehearing of Decision No. 74723 is hereby denied.

Dated at San Francisco, California, this 29th day of JANUARY, 19 69.

President

Augustus

Donald R. Morassey

W. H. Morrison

Commissioners

*I will file a dissent
William Symons, Jr.*

Commissioner THOMAS MORAN

Present but not participating.

WILLIAM SYMONS, JR., COMMISSIONER, DISSENTING:

I can not concur in the action of the majority in denying applicant a measure of rate relief pending final disposition of the matter.

Applicant originally applied for an increase in rates on October 2, 1967. A hearing on the application was held on December 6, 1967. Because of alleged deficiencies in both applicant's and the Commission staff's presentation, further hearings were subsequently held, including those on a motion for emergency interim rate relief and on an amendment to the application. Additional hearings will be held, and it is very probable that a final decision will not be issued before mid-year 1969.

It is thus apparent that over 18 months from the time of the original hearing will elapse before a final decision is issued in this proceeding. This is in spite of the fact that the record to date indicates that applicant is currently operating under present rates at a loss in Placer County, and that at proposed rates its earnings would be negligible.

The record in this proceeding shows that questions have been raised relative to adequacy of service, prudence of investment and possible effect of affiliated relationships on construction costs. The magnitude of possible adjustments resulting therefrom can not be determined at this time. My review of the record indicates that it is highly improbable that the adjustments would result in raising the earnings level to a point where no increase in rates is justified.

Applicant is currently rendering a service to the public. It has invested substantial sums of money in the facilities required to provide the service. It should not be required to render this service at a loss or near loss merely because potential issues of some undetermined but minor magnitude may exist. In my opinion we are duty bound to recognize the relative rights of both applicant and the consumer. I would grant rate relief in an amount not exceeding that requested in the original application, but on condition that if the complete record does not support a finding that such interim rates are reasonable, all or a part of the increase would be subject to refund with interest.



William Symons, Jr., President

San Francisco, California
January 29, 1969