

Decision 89 09 074 SEP 27 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CASTAIC CLAY MANUFACTURING COMPANY,)
Complainant,)
vs.)
SOUTHERN CALIFORNIA GAS COMPANY,)
Defendant.)

ORIGINAL

Case 87-09-019
(Filed September 14, 1987)

Oskar Stark, Attorney at Law, for Castaic Clay
Manufacturing Company, complainant.
Peter N. Osborn, Attorney at Law, for Southern
California Gas Company, defendant.

OPINION

Summary

This decision finds that complainant Castaic Clay Manufacturing Company (Castaic) consumed the amount of natural gas as billed by Southern California Gas Company (SoCal) for the period in dispute, November 13, 1985 to January 16, 1986. The complaint is denied.

Positions of the Parties

A. Castaic

Castaic alleges that SoCal over-billed it for gas usage for two billing periods. Castaic asks that the Commission order the bills be reduced from \$30,579.06 to \$5,618.32 for the first billing period (November 13, 1985 to December 13, 1985), and from \$47,680.53 to \$40,889.56 for the second billing period (December 13, 1985 to January 16, 1986).

Castaic manufactures clay bricks for the construction industry. Gas fuels the kiln that bakes the bricks.

When the kiln roof collapsed on November 14, 1985, Castaic shut down the kiln and ceased production of bricks. The roof was rebuilt and on November 30 the kiln began slow reheating. Production of bricks slowly increased until December 9, 1985 when the kiln was ready to resume full production.

Castaic contends that the amounts billed for the two billing periods covering November 13, 1985 to January 15, 1986 are in error. Castaic believes that it could not have used the amount of gas billed during the period due to the kiln shutdown and reduced brick production. Castaic calculated the amounts of gas usage it believes are correct, based on its meter reads of the correcting dial. On this basis it believes that 2,389 therms were consumed between November 13 and 14, 1985, with an additional 784 therms consumed between November 14 and 30, 1985. Castaic similarly determined that 6,397 therms were used in reheating the kiln from November 30 to December 9, 1985, and that 7,725 therms were used from December 9 to December 13, 1985 when the kiln was operating at full capacity. The total of these four quantities is 17,295 therms, which compares to the 77,797 therms billed by SoCal for that billing period.

Castaic similarly determined that it used 104,371 therms for the second billing period in question, December 13, 1985 to January 16, 1986. This compares to the 122,365 therms billed by SoCal for the period.

Castaic stresses that its usage records compare closely with SoCal's except for the two billing periods in dispute. Furthermore, the gas usage per unit of brick production based on its calculated usage compares well with historic production records. Castaic contends that SoCal based its billing on estimated or historic usage of Castaic during periods of normal full production of bricks.

B. SoCal

The type of gas meter used at Castaic has two dials. The uncorrected dial located at the rear of the meter registers the volume of gas flowing through the meter independent of pressure. The front correcting dial corrects for higher than standard pressure and registers the equivalent volume of gas at standard pressure. The correcting dial is connected to the uncorrected dial by means of a geared mechanical linkage system.

The SoCal meter reader routinely reads both the uncorrected and the correcting dials. This information is processed through SoCal's computer which compares the two. The corrected read divided by the uncorrected should equal the system volume pressure multiplier (VPM) for that period:

$$\text{VPM} = \frac{\text{corrected volume (at standard pressure)}}{\text{uncorrected volume (at actual pressure)}}$$

The VPM is determined from actual measurements at specific points on the gas distribution system near the customer.

The billing is based on the correcting dial if the calculated VPM is within three percent of the measured VPM. If it varies by more than three percent, SoCal investigates the reason for the variance. In instances when the correcting dial malfunctions or is out of tolerance, but the uncorrected dial is functioning accurately, SoCal renders a bill based on the uncorrected dial and the measured VPM. A billing factor based on heat content of the gas is then applied to determine the therms for billing purposes.

On December 23, 1985 SoCal discovered that the correcting dial of the gas meter at Castaic was malfunctioning, i.e., the gears for that dial were slipping. SoCal testified that although the correcting dial was malfunctioning, the uncorrected dial was operating accurately throughout the period in question. SoCal tested the uncorrected dial on February 20, 1986 and found it to be recording 0.5 % over actual flow, well within the General Order

(GO) 58-A allowable tolerances of one percent over or two percent under the actual flow.

In this case, because of the malfunctioning correcting dial, SoCal billed Castaic during both billing periods based on the uncorrected dial reads and the measured VPM. SoCal believes that correcting for pressure using accurate uncorrected volumes and the VPM is routine and proper in cases such as this when the correcting dial malfunctions. SoCal therefore believes that the gas usage billed is correct, since it is based on the uncorrected dial that was functioning properly during the period in dispute when the correcting dial malfunctioned.

SoCal points out that Castaic's gas usage is difficult to estimate during the startup of the repaired kiln, and that usage is probably higher during periods of low production, as compared to full production. SoCal argues that since there were no gas leaks, and the uncorrected dial was functioning properly, the gas billed had to have been consumed by Castaic.

Discussion

In this case we are presented with two different methods of measuring gas usage by Castaic between November 13, 1985 and January 16, 1986. Castaic bases its contention that it was overbilled on reads of the correcting dial. Castaic attempts to confirm these readings by comparison with "normal" levels of gas consumption from past recorded gas consumption per unit of brick production. Although Castaic was aware of the existence of the uncorrected dial on the reverse side of the meter from the correcting dial, it only read the correcting dial during the period in dispute. Because the correcting dial was malfunctioning as of December 23, 1985 we find that the dial was not a reliable indicator of the usage during this period.

Likewise, comparison of gas usage during the period in dispute with gas usage during periods of normal brick production is not reliable. Reheating of the kiln is not a normal operation.

Castaic has no records of gas usage during past reheating of the kiln, but its testimony of the reheating operation clearly shows that more heat is required per unit of brick production than during normal production. The bricks are passed through the kiln several times to absorb heat. While they are outside the kiln and waiting to be again passed through, they obviously cool off somewhat, and additional heat is required to complete the baking.

Castaic contends that SoCal based the billings on estimated or historic usage, but the evidence shows that SoCal based the billings on reads of the accurate uncorrected dial and the measured VPM.

Neither party alleges any leaks in Castaic's gas system.

The evidence demonstrates that SoCal properly based its billings on the accurate measurements of gas usage.

We conclude that Castaic consumed the amount of gas as billed by SoCal, and that no adjustment to the billings are appropriate.

We will deny the complaint.

Findings of Fact

1. Castaic filed a complaint on September 14, 1987 requesting that the Commission reduce its SoCal gas bills from a total of \$78,259.59 to \$46,507.88 for the periods of November 13, 1985 to December 13, 1985, and December 13, 1985 to January 16, 1986, to reflect actual usage.
2. Castaic manufactures clay brick for use in construction; the process includes baking the bricks in a kiln heated by gas.
3. On November 14, 1985 the kiln roof collapsed, requiring that it be shut down for repairs.
4. After repairs, the kiln began slowly reheating on November 30, 1985, and was ready to resume full production on December 9, 1985.
5. The gas meter at Castaic has two dials: an uncorrected dial which records gas volume independent of pressure, and a

correcting dial which corrects for pressure and registers the equivalent volume at standard pressure.

6. On December 23, 1985, SoCal discovered that the correcting dial was malfunctioning due to slipping gears.

7. SoCal tested the uncorrected dial on February 20, 1986 and found it to be operating within the allowable tolerances of GO 58-A.

8. SoCal routinely reads both the uncorrected and the correcting dials.

9. Castaic's calculated usage is based on its reads of the correcting dial; Castaic did not read the uncorrected dial during the period in dispute.

10. Because of the malfunctioning correcting dial, SoCal billed Castaic during both billing periods based upon the uncorrected meter reads and the measured VPM.

11. There was no evidence of gas leaks during the period in dispute.

Conclusions of Law

1. Castaic has not satisfied its burden of proof regarding the allegations that the billings for gas by SoCal are incorrect.

2. The gas billings rendered by SoCal for the period November 13, 1985 to January 16, 1986 are reasonable and should not be adjusted.

3. This complaint should be denied.

ORDER

IT IS ORDERED that this complaint is denied.

This order becomes effective 30 days from today.

Dated SEP 27 1989, at San Francisco, California.

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Wesley Franklin

WESLEY FRANKLIN, Acting Executive Director