

Decision No. 13227.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
MIDLAND COUNTIES PUBLIC SERVICE COR-  
PORATION for Authority to Increase  
Electric Rates.

Application No. 5535.

**ORIGINAL**

Murray Bourne for applicant.  
T. C. Nelson for California Farm Bureau Federation.  
Willard G. Cram for Paso Robles Chamber of Commerce  
and various private parties in Paso Robles.  
William Shipsey and C. P. Kaetzel for City of San  
Luis Obispo.  
C. L. Preisker for City of Santa Maria, County of  
Santa Barbara; Santa Maria Valley Chamber  
of Commerce; the Union Sugar Company and  
the N. T. U. Company.  
E. C. Critchlow for the Union Oil Company of Cali-  
fornia.  
L. L. Carter for the Shell Oil Company of California.  
R. E. Easton for the Santa Maria Gas Company.  
W. A. Wilmer and M. S. Triguero for the San Miguel  
Chamber of Commerce.  
E. C. Loomis for the Arroyo Grande Chamber of Com-  
merce.  
C. W. Tubbs for the Home Laundry of San Luis Obispo.  
Webb Moore for the Arroyo Grande Farm Bureau.  
F. E. Adams for the Celite Company of Lompoc, Cali-  
fornia.  
E. A. Vaughan for the City of Lompoc.  
William C. O'Donnell for San Luis Obispo Chamber of  
Commerce.  
Louis Cohen and B. J. Robinson for Atascadero Mutual  
Water Company, and The Atascadero Press.  
A. E. Campbell for the Board of Supervisors of San  
Luis Obispo County.  
Will Francis Graham for Garden Farms Mutual Water  
Company.  
Walter Hughes for City of Paso Robles.  
Ellsworth Harrold for Chamber of Commerce of Paso  
Robles.

SHORE, COMMISSIONER.

O P I N I O N

The Midland Counties Public Service Corporation was  
originally known as the Coalinga Water and Electric Company.

the name being changed in 1913, at which time the properties and franchises of Midland Counties Gas and Electric Company, Paso Robles Light and Water Company, and Russel-Robinson Water and Electric Company were purchased. The territory served by these companies was, at the time of consolidation, practically the same as the territory served today.

The Company serves electricity in the cities of Coalinga, Paso Robles, San Luis Obispo, Santa Maria, Arroyo Grande, surrounding territory and intervening towns in Fresno, Monterey, San Luis Obispo and Santa Barbara Counties. Water is supplied in Arroyo Grande. All gas properties previously owned have been sold to Santa Maria Gas and Power Company.

All power is purchased from San Joaquin Light and Power Company through connections at Henrietta, Coalinga, and at Santa Maria. A steam plant located at Betteravia, Santa Barbara County, formerly used to supplement the delivery at Henrietta and Coalinga has not been operated since the completion of the tie-in at Santa Maria.

This proceeding was initiated by the Company during the year 1920 as a result of an increase in the cost of power purchased from San Joaquin Light and Power Company, which Company was required by this Commission to charge the Midland Counties with interest, depreciation and operating costs of the Betteravia steam plant. The application asked the Commission to fix the fair value of electric property for rate purposes, and to increase rates to yield an adequate return. Hearing was held in San Francisco April 19, 1920, at which time, however, the Company confined its request to authority to increase its rates for oil field service. In Decision No. 7570 (15 C.R.C. 192), May 13, 1920, the Commission found that the sales to

oil field consumers was at a rate less than the wholesale cost of electricity to the Midland Counties Corporation, and established a rate of 1.4 cents per K.W.H. for this service. The decision was confined to oil field schedules, leaving the questions of fair valuation and the adjusting of all rates on a permanent basis to future investigation.

Although this application is nominally for increase of rates, the Company has modified this request during the proceeding, now asking for a new system of rates yielding adequate revenue. As the schedules of rates now in effect show the results of the consolidation of various properties and the filing of rates to meet changes in conditions, it is desirable to consider such modifications of rates as will promote simplicity, uniformity and the growth of business.

The Commission's engineering and accounting staffs have made a valuation of the electric properties, and an investigation into operating conditions, accounting methods, etc. Hearings were held at San Luis Obispo on June 5, 1923, and September 12, 1923, testimony being introduced, and at the latter hearing the matter was submitted for decision. At the closing of the hearing it was stipulated that any information relating to operations which became available at later dates and data requested of the Company by the Commission's Engineering Department was to be considered in evidence. The Company has since supplied the information requested and the same has been extensively investigated by the Commission's Engineering Department.

The general principles which have been announced by the Commission relative to what shall constitute the reasonable rate base will be followed in this proceeding. Considera-

tion will be given to the reasonable historical cost and investment in operative electric properties. As a measure of the reasonable rates, consideration will be given to the resultant return to be obtained under the present rates for the year 1923 on the average operative capital for that period.

Estimates of historical reproduction cost of the physical electric property as of date December 31, 1922, were submitted by the Commission's engineering and accounting representatives, and also by the Company. The appraisal submitted for the Commission's Engineering Department by Mr. E. M. Vaughan was based upon a field inventory and an analysis of actual unit costs which have prevailed for this company. The figures submitted by Mr. James Whittaker for the Commission's Auditing Department, and by Mr. Lloyd Henley for the Company, were both based upon an analysis of the books of the Company.

Mr. Whittaker and Mr. Henley necessarily followed a somewhat different segregation of accounts than that used by Mr. Vaughan. The results of these independent studies are set forth fully in Table No. 1, Mr. Vaughan's detailed summary being altered somewhat for purposes of comparison.

TABLE NO. I

INVESTMENT IN OPERATIVE ELECTRIC PLANT

MIDLAND COUNTIES PUBLIC SERVICE CORPORATION

Dec. 31, 1922

	<u>Railroad Commission</u>		<u>Midland Counties</u>
	Historical Reproduction Cost Appraisal Vaughan	Book Analysis Whitaker	Book Analysis
Organization & Franchises	Not included	\$43,608.70	\$9,253.61
Lands and Rights of Way	\$20,249	26,796.27	26,878.78
Production	-----	49,097.26	-----
Transmission	386,157	427,097.30	438,388.32
Distribution	1,502,090	1,447,554.68	1,447,554.68
General	97,191	103,497.86	129,764.04
Open work	48,792	-----	-----
Undistributed	-----	46,281.94	-----
Retirements	-----	(92,094.58)*	-----
	\$2,054,479	\$2,051,839.43	\$2,051,839.43

\* Credit

The Company has estimated total net additions and betterments for the year 1923 at \$335,979, of which amount approximately one half may be assumed as operative throughout the entire year. The Commission considers \$168,000 reasonable for average additions and betterments for 1923, and this amount will be used in the rate base.

The amount of \$153,706 is claimed by the Company for materials and supplies on hand, based on the balance shown in its materials and supplies account. As this includes supplies for construction work as well as for the operation of the system, it cannot be accepted for the present purpose. The amount \$80,000 is considered reasonable and will be used.

The allowance for working cash capital will be determined in accordance with the principles laid down in previous decisions relative to the larger utilities operating in this state, which principles are fully set forth in Decision No. 11457. The cost of purchased power for one month and of operating expenses, exclusive of taxes and depreciation, for two months, based upon the revised estimate for 1923, approximates \$59,000. A deduction of one-fourth of state taxes for the year 1923 should be made, which leaves a net working cash capital of \$51,650.

The Engineering Department of the Commission estimates that the Company will be required to spend \$5,000. in taking over transformers now used by certain agricultural consumers, or in providing its own equipment in lieu thereof, and this amount will be allowed in the rate base. The total amount of money advanced by consumers for line extensions and held by the Company without payment of interest averaged approximately \$5,000. for the year 1923. This amount is properly deductible in the determination of a rate base and will be deducted accordingly.

It is evident from Table I. above, that the investment in operative plant, as determined by inventory and appraisal methods, is a very close check of investment as determined by analysis of the Company's books. Two separate studies, following this latter method, yielded the amount \$2,051,839. for operative electric capital as of December 31, 1922, and this amount will be used for rate base purposes.

The following table gives a summation of the items entering into the rate base for the year 1923, as used in this decision.

CABLE NO. II

SUMMATION OF TIMES ENTERING INTO RATE BASE  
FOR YEAR 1923

Capital as of December 31, 1922 . . . . .	\$2,051,839
Average net Additions and Betterments	
for 1923 . . . . .	168,000
Materials and Supplies . . . . .	80,000
Working Cash Capital . . . . .	51,650
Purchase of Transformers . . . . .	<u>5,000</u>
Total . . . . .	\$2,356,489
Deduct Advances by Consumers for	
Line Extensions . . . . .	<u>5,000</u>
Grand Total for 1923 Rate Base . . .	\$2,351,489

Two estimates of depreciation annuity were submitted, both being based on the capital as of December 31, 1922. Mr. Henley estimated the necessary depreciation annuity at \$46,415., no annuity being set up for automobile capital, as such depreciation is handled on a mileage basis, nor for meters and transformers in stock. Mr. Paul Thelen, of the Commission's Engineering Department, also submitted an estimate of depreciation annuity which, exclusive of these items not included in Mr. Henley's estimate, was approximately \$49,275. These figures do not include any allowance for capital installed during 1923, consideration of which would increase both estimates. After consideration of the estimates submitted by Mr. Henley and Mr. Thelen, and making allowance for an additional annuity on the property placed in service during 1923, it appears that the amount of \$52000 is a reasonable depreciation annuity for the year 1923.

In line with former decisions, it is the position of this Commission that this utility should account for such reasonable depreciation reserve as should exist at the present time, as well as for the depreciation annuities which it will be permitted to collect from rates in the future. This also applies to interest upon the accumulated reserve which must supplement these annuities if they are to be adequate. The Company has submitted through Mr. Henley an estimate of \$278,558. as reasonable for depreciation reserve as of December 31, 1922. Mr. Thelen also submitted an estimate of accrued depreciation as of the same date, which with certain proper deductions of accrued depreciation on meters and transformers in stock and automobile equipment becomes approximately \$331,000. If Mr. Henley's and Mr. Thelen's calculations were carried forward to the close of the calendar year 1923, they respectively become approximately \$325,000 and \$380,000. Any estimate of the actual depreciation reserve which should now exist involves to a certain extent the past earnings, the actual depreciation annuities put aside by the Company, and the extent to which replacements have been made. The depreciation reserve as reported by the Company totalled approximately \$226,000. as of December 31, 1922. It would appear that a reasonable depreciation reserve for the properties as of the 31st day of December, 1923, should be \$350,000, and the Company will be required to build up the reserve to this amount as soon as practicable.

Estimates of operating revenue for 1923 as submitted by representatives of the Commission and the Company varied widely, because of different interpretations placed upon a decrease in certain classes of revenue, particularly oil field operations. No discussion of these estimates is necessary, as actual revenues are now available for eleven months of the year and a very close estimate of revenue is possible. Based upon eleven months actual

revenue the Engineering Department of the Commission estimates total revenue for 1923 at \$843,000., an amount which exceeds all estimates submitted at the hearings in this proceeding. This amount appears reasonable and will be used.

There have been submitted estimates of operating expenses by Mr. Charles Grunsky of the Commission's Engineering Department, by Mr. Whitaker of the Commission's Auditing Department, and by Mr. Henley of the Company. The greatest discrepancy in these three estimates is in the item for purchased power. Mr. Whitaker and Mr. Henley have not excluded from their estimates the Betteravia Steam Plant charges, which clearly cannot be included by this Commission, inasmuch as this plant no longer plays a useful part in the service rendered the Midland Counties Company, and conditions upon which rate calculations are made must be the same as those under which the rates calculated will be in effect. Since the date of these estimates, the cost of purchased power for eleven months has become available, and the Commission's Engineering Department now estimates purchased power cost, exclusive of Betteravia Steam Plant charges, at \$368,500. This estimate is based on a quantity of purchased energy corresponding to the sales upon which the estimate of revenue of \$843,000. is based.

In regard to the other items of expense, there is no great difference in the estimates submitted. As Mr. Grunsky's estimates are based on a study of operations during the first six months of 1923, and reflect certain corrections to book records which were not reflected in the other estimates, it appears that these expenses as estimated by Mr. Grunsky can be accepted. The following Table No. III sets forth the various estimates submitted, together with the estimate which will be used in this decision.

TABLE NO. III

MIDLAND COUNTIES PUBLIC SERVICE CORPORATION - ELECTRIC DEPARTMENT

ESTIMATED OPERATING EXPENSES - YEAR 1923

Exclusive of Taxes and Depreciation.

	<u>Company by Henley</u>	<u>Commission by Whitaker</u>	<u>Commission by Grunsky</u>	<u>As will be used by Commission</u>
Purchased Power	\$408,898*	\$405,871*	\$362,000	\$368,500
Transmission	12,800	11,372	12,000	12,000
Distribution	78,000	64,994	62,000	62,000
Utilization		6,281	7,000	7,000
Commercial	41,000 )		( 31,000	31,000
New Business	) 45,541		( 14,000	14,000
General	<u>48,000</u>	<u>47,295</u>	<u>44,000</u>	<u>44,000</u>
Total-	588,698	581,354	532,000	538,500

\* Include Betteravia Steam Plant Charges.

The Company estimates state tax payable in 1923 at \$29,393. This amount is reasonable and will be used. Franchise tax is estimated at \$382. While there is some doubt that this entire amount will eventually be paid out, the amount involved is relatively small and will be used. The Company estimate of federal taxes totaled \$25,000 for 1923. There is included in this amount approximately \$20,000 chargeable against operations in prior years, which must be deducted for present purposes. - The amount \$5,000 is considered a reasonable yearly allowance for all federal taxes, and will be used.

The claim of \$1,000 for uncollectible bills is justified by past experience of this utility and as it is well below the usual average loss it will be allowed in full.

The following Table No. IV sets forth the revenue, expense, and return which should result from 1923 operations under present rates and the conditions which will exist in the future.

TABLE NO. IV  
ESTIMATED REVENUE, EXPENSE AND NET RETURN  
MIDLAND COUNTIES PUBLIC SERVICE CORPORATION  
1923 ESTIMATE

Revenue Electric Operations	\$843,000
<u>Expense</u>	
Purchased Power	368,500
Other Operating Expenses	170,000
Uncollectible Bills	1,000
Taxes	34,775
Total Expense	574,275
Depreciation	52,000
	\$626,275
Net for Return	216,725
Rate of Return on Rate Base of	
\$2,351,489	9.22%

The precedents in previous decisions of this Commission do not support such a return, and inasmuch as the territory of this utility is largely in the development stage, and the oil operations during the year 1923 were curtailed to a very considerable extent due to the flush production of other fields in the State, a return somewhat below 8 per cent is reasonable, thereby effecting a reduction in the present rate of return.

Such a reduction, based upon the study of 1923 operations, is contemplated in the revised schedules which accompany this decision, bearing in mind that reductions will not be fully felt for some months, and that the present modifications in rates will encourage the growth of business.

The present rates of this utility have in a great many cases been in effect for over ten years, and many of

these rates have been rendered wholly, or partially, obsolete by the subsequent filing of new schedules. The rates are cumbersome and complicated, and result in many charges out of proportion to the service rendered. The company has attempted to meet this condition by granting special rates in many instances.

The new schedules have been drafted with the intention of removing discrimination, and providing simple and flexible rates such as are now in effect on all other large utilities operating in California. Since discrimination has existed in the past, there must naturally be instances where the new schedules will result in higher cost of service to the consumer. General power consumers will receive a substantial reduction as a class, as will lighting consumers. Agricultural power service is placed upon a yearly basis, and the Company is required to own necessary transformers. Such a rate should prove highly satisfactory to the agricultural consumers, permitting irrigation during any month of the year without additional penalties in the form of monthly minimums. Agricultural consumers will receive a reduction as a class, though in many instances the new schedules may cause increases in the cost of service to individual agricultural consumers. Present rates for heating service are as low as one cent per kilowatt hour for consumption in excess of 125 K.W.H. per month which is less than the cost of service. This condition must be corrected if this class of load is to be served in the future without penalty to other consumers. The new heating and cooking rates will partially correct this discrimination and provide a minimum charge based upon the size of installation. While this will result in a considerable increase to this

class of consumers, and particularly to those individuals using large quantities of energy, the new schedules are still as low as any others in the State of California. Special rates for power are eliminated, and those consumers will necessarily take service upon the appropriate schedules. These consumers, as a class, will have a slight raise in the cost of energy under the new rates. Rates for oil field service, which have been among the lowest in the state, are increased one-tenth of a cent per kilowatt hour and a monthly minimum charge based on connected load is provided. Adequate street and highway lighting schedules are provided for the first time. These schedules will result in practically the same cost for service as has existed in the past.

I recommend the following form of order:

### O R D E R

Midland Counties Public Service Corporation having applied to the Railroad Commission for an order fixing just and reasonable rates, public hearings having been held, and the matter being submitted and now ready for decision, the Railroad Commission hereby finds as a fact that the electric rates of Midland Counties Public Service Corporation are unjust, unreasonable and discriminatory in so far as they differ from the rates hereinafter set forth, which are declared to be just and reasonable rates.

Basing its order on the foregoing findings of fact and on the findings of fact in the opinion preceding this order,

IT IS HEREBY ORDERED that

1. Midland Counties Public Service Corporation charge and collect for electric service now supplied under filed

schedules and special contracts the rates set forth in Exhibit "A" attached hereto and made a part hereof, except where service is supplied under conditions to which such rates are not applicable.

Such rates to be filed with this Commission on or before April 1st, 1924 and to become effective for metered service with bills based upon regular meter readings taken on and after April 1st, 1924, and for flat rate service delivered on and after April 1st, 1924.

2. Before the close of each year, beginning with the calendar year 1924, Midland Counties Public Service Corporation credit its Reserve for Accrued Depreciation of Electric Department Property with an annuity calculated in accordance with the principles followed in the opinion preceding this order, and also with interest at the rate of 6% per annum upon the average monthly balance in such Reserve during each year.

3. On or before June 1, 1924, Midland Counties Public Service Corporation submit for the approval of the Commission a plan for increasing its Reserve for Accrued Depreciation of Electric Department Capital to conform to the principles followed in the opinion preceding this order.

4. On or before April 1, 1924, Midland Counties Public Service Corporation shall file for the approval of this Commission, a statement of the uniform conditions under which

it will purchase transformers now owned by its consumers and used in the delivery to them of electric energy by Midland Counties Public Service Corporation.

5. The effective date of this order shall be April 1st, 1924.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this

29<sup>th</sup> day of February, 1924.

C. Seaver

H. B. Boush

Dwight Martin

Egerton Shore

J. T. Whittsey

Commissioners.

E X H I B I T "A"

SCHEDULE L-1.

(Cancelling Schedules Nos. 1,2,3,4 and 5)

GENERAL LIGHTING SERVICE:

Applicable to general domestic and commercial lighting service, including household appliances and single phase motors not exceeding 3 H.P. total capacity.

TERRITORY:

Entire territory served by the Company.

RATE:

First	10	KWH	or less	per meter	per mo.	\$1.00	per month
Next	40	"		per meter	per month	7¢	" KWH
Next	150	"	"	"	"	6¢	" "
Next	800	"	"	"	"	5¢	" "
All over	1000	"	"	"	"	4¢	" "

MINIMUM CHARGE:

When service to consumer requires installation of separate transformer on distribution lines in excess of 5000 volts, a minimum of \$2.50 per month will apply.

SCHEDULE L-2.

(Cancelling Schedules Nos. 31, 32 and 33)

STREET AND HIGHWAY LIGHTING:

Applicable to service to street, highway and other public outdoor lighting installations, using bracket, mastarm, or center suspension construction, and supplied from overhead lines where the Company owns and maintains the entire equipment.

TERRITORY:

Entire territory served by the Company.

RATE:

<u>Incandescent Lamps</u>		Monthly Charge per lamp all night service	Reduction in Monthly Charge per lamp for each hour reduction in nightly service
40 Watt	multiple or 60 c.p. series	\$1.40 <sup>#</sup>	2¢
60 "	" " 80 " "	1.70 <sup>#</sup>	3¢
75 "	" " 100 " "	2.00 <sup>x</sup>	4¢
100 "	" " "	2.50 <sup>x</sup>	5¢
150 "	" " or 250 c.p. series	3.20 <sup>x</sup>	7¢
250 "	" " " 400 " "	4.00 <sup>x</sup>	11¢
300 "	" " "	4.40 <sup>x</sup>	13¢
400 "	" " or 600 c.p. series	4.80 <sup>x</sup>	17¢
500 "	" " "	5.25 <sup>x</sup>	20¢

x Includes standard prismatic band refractor and holder.

<sup>#</sup> Includes reflector.

SPECIAL CONDITIONS:

(a) All night service is equivalent to 4000 hours per year. When all night service is not desired the rate will be that shown for all night service, modified by the reductions appearing in the last column.

(b) Under the above schedule the Company bears the installation, maintenance and operating expenses and provides all necessary lamp renewals.

SCHEDULE I-2 (Continued)

SPECIAL CONDITIONS (Continued).

(c) Where the Company is required to furnish lamps with other than its standard equipment an additional charge may be made.

(d) For service to an installation of less than 10 lamps, the charges set forth above will be increased by 10 percent.

SCHEDULE L-3.

ELECTROLIER SERVICE:

Applicable to energy supplied to electrolier systems, where Company owns necessary transformers, and energy is measured at primary voltage.

TERRITORY:

Entire territory served by the Company.

RATE:

First	50	KWH	per	KW	of	lamp	capacity	per	month	6¢	per	KWH
Next	75	"	"	"	"	"	"	"	"	3¢	"	"
All over	125	"	"	"	"	"	"	"	"	1½¢	"	"

MINIMUM CHARGE:

\$36.00 per year per K.W. of lamp capacity, but not less than \$10.00 per month at each point of delivery.

SPECIAL CONDITIONS:

This rate covers only electrical energy delivered at one or more central points.

When the company owns all or any part of the electrolier and underground system, or furnishes maintenance, lamp renewals, or similar service, an extra charge, appropriate to the service rendered, will be made in addition to the charge for energy.

SCHEDULE C-1.

(Cancelling Schedules Nos. 19, 20, 34 and 35)

GENERAL HEATING AND COOKING SERVICE:

Applicable to general domestic and commercial heating, cooking, and/or water heating service.

TERRITORY:

Entire territory served by the Company.

RATE:

Heating, Cooking and/or Water Heating Service.

First	150	KWH	per	meter	per	month	3.5¢	per	KWH
All over	150	"	"	"	"	"	1.3¢	"	"

MINIMUM CHARGE:

\$0.50 per month per KW of connected load, but not less than \$2.50 per month accumulative through the service year.

SPECIAL CONDITION:

(a) Connected load will be taken as the name plate rating of heating and cooking apparatus permanently installed and which may be connected at any one time computed to the nearest one-tenth of a kilowatt.

SCHEDULE C-2

(Cancelling Schedule No. 34.)

COMBINATION DOMESTIC SERVICE:

Applicable to combination domestic lighting, heating and cooking.

TERRITORY:

Entire territory served by the Company.

RATE:

First	30	KWH	per	meter	per	month	8.0	cents	per	KWH
Next	150	"	"	"	"	"	3.5	"	"	"
All over	180	"	"	"	"	"	1.5	"	"	"

MINIMUM CHARGE:

\$0.50 per month per KW of connected load, but not less than \$2.50 per month accumulative through the service year.

SPECIAL CONDITIONS:

- (a) Connected load will be taken as the name plate rating of heating and cooking apparatus permanently installed and which may be connected at any one time calculated to the nearest one-tenth of a kilowatt.
- (b) This rate applies only where a domestic consumer permanently installs cooking or heating appliances, other than lamp socket devices, of at least 3 K.W. capacity.
- (c) Single phase motors of an aggregate capacity of 3 horsepower or less may be served under this schedule only when special condition (b) is satisfied, in which case each horsepower of connected load will be considered equivalent to one kilowatt of heating load.

SCHEDULE P-1

(Cancelling Schedules Nos. 6, 7, 8, 9 and 10)

GENERAL POWER SERVICE:

Applicable to general power service supplied at 440 volts or less.

TERRITORY:

Entire territory served by the Compsny.

RATE:

Horsepower of Connected Load	Rate per KWH for Monthly Consumption of			
	First 50 KWH per HP	Next 50 KWH Per HP	Next 150 KWH per HP	All over 250 KWH per HP
2 - 9 H.P.	4.3¢	2.2¢	1.3¢	.9¢
10 - 24 H.P.	3.8¢	2.1¢	1.2¢	.9¢
25 - 49 H.P.	3.5¢	2.0¢	1.1¢	.8¢
50 - 99 H.P.	2.9¢	1.9¢	1.0¢	.8¢
100 H.P. and over	2.6¢	1.8¢	.9¢	.7¢

MINIMUM CHARGE:

\$1.00 per H.P. of connected load per month, but in no case less than \$2.00 per month.

When the consumer signs a contract for service for a period of one year the minimum charges will be made accumulative for the service year. The minimum charges are payable in monthly installments until such time as the accumulative energy charges equal the annual minimum charge.

SPECIAL CONDITIONS:

(a) The connected load will be taken as the horsepower rating of the equipment used, which may at any one time be connected to the Company's line, but in no case less than 2 horsepower.

SCHEDULE P-1 (Continued)

SPECIAL CONDITIONS (Cont'd)

(b) The above rates and minimum charges may at the option of the consumer be based on the horsepower of measured maximum demand instead of horsepower of connected load, in which case the demand on which the rates and minimum charges will be based will be not less than fifty per cent of the connected load, and the minimum charge will not be less than \$50.00 per month.

The maximum demand in any month will be the average horsepower input (746 watts equivalent) indicated or recorded by instruments to be supplied, owned and maintained by the Company and at the Company's expense, in the fifteen minute interval in which the consumption of electric energy is more than in any other fifteen minute interval in the month or at the option of the Company the maximum demand may be determined by test.

In the case of hoists, elevators, welding machines, furnaces and other installations where the energy demand is intermittent or subject to violent fluctuations, the Company may base the consumer's maximum demand upon a five minute interval instead of a fifteen minute interval.

(c) This schedule applies to service rendered at 110,220 or 440 volts at the option of the consumer. All necessary transformers to maintain such voltage will be supplied and maintained by the Company at its expense.

SCHEDULE R-1 (Continued)

SPECIAL CONDITIONS (Cont'd)

(d) Any consumer may obtain the rates for a larger installation by guaranteeing the rates and minimum charges applicable to the larger installation.

(e) Mercury arc rectifiers may obtain service under this schedule. For the purpose of determining rates and minimum charges each kilowatt of connected capacity will be considered as equivalent to one horsepower.

SCHEDULE P-2

INTERMITTENT POWER SERVICE:

Optional to Schedule P-1 and applicable especially to packing houses, canneries and so forth where the use of power is intermittent or seasonal.

TERRITORY:

Entire territory served by the Company.

RATE:

Demand Charge

First 10 H.P. of connected load - \$5.00 per HP per year  
Each additional horsepower - 3.50 " " " "

Energy Charge

The energy charges are the rates without the minimum charges as set forth under Schedule P-1.

The total charge is the sum of the Demand and Energy charges.

SPECIAL CONDITIONS:

The demand charge is payable in five equal installments during the first five months of each service year.

SCHEDULE P-3

(Cancelling Schedules Nos. 21,22,23,24,25,26,27,28,29 and 30)

AGRICULTURAL POWER SERVICE:

Applicable to general farm use including domestic heating service but excluding domestic cooking and lighting service.

TERRITORY:

Entire territory served by the Company.

RATE:

Connected Load	Demand Chg. per HP per year	Energy Charge per K.W.H.			
		First 1000 KWH per HP per year	Next 1000 KWH per HP per year	Next 1000 KWH per HP per year	All over 3000 KWH per HP per year
2 - 4 HP	\$7.00	1.7¢	.9¢	.7¢	.6¢
5 - 14 HP	6.00	1.6¢	.9¢	.7¢	.6¢
15 - 49 HP	5.00	1.6¢	.9¢	.7¢	.6¢
50 - 99 HP	4.50	1.5¢	.9¢	.7¢	.6¢
100 HP & over	4.00	1.5¢	.9¢	.7¢	.6¢

The total charge is the sum of the demand and energy charges.

SPECIAL CONDITIONS:

(a) Payment

The demand charge is payable in six equal monthly installments during the months of May to October, inclusive. The energy charge is payable monthly as energy is used.

(b) Service Year

Under this schedule the service year shall commence with the regular meter reading taken in March and end with the regular meter reading taken in March of the succeeding year.

(c) Charges for service begun or discontinued during the service year.

When the service is first begun or permanently discontinued during the service year the demand charge will be prorated according to the proportion of the six months season from April 1 to September 30 during which service is taken.

Adjustment for permanent increase or decrease in load will be made upon the same basis, considering the old load as discontinuing and the new load as beginning service.

Such adjustment applies only to the permanent discontinuance of service or to the beginning of new service and will not be made when installations shut down only for a few months or for the balance of a season.

(d) Connected Load

The above rates and annual charges will be based on the total horsepower rating of all equipment that may be connected to the line at any one time.

(e) Guaranteeing Rates for Larger Installations

Any consumer may obtain the rates for a larger size installation by guaranteeing the rates applicable to the larger installation.

(f) Maximum Demand

The above rates may be based upon the horsepower of measured maximum demand instead of horsepower of connected load, provided that the total connected load of the installation is 20 H.P. or over, in which case the maximum demand will not be taken as less than 75% of the connected load where the installation consists of one motor and 50% where the installation consists of two or more motors, and provided further that in no case shall the rates and charges be based on the maximum demand unless the maximum demand is at least 10% greater or less than the total connected load.

The maximum demand shall be the greatest average horsepower demand registered during any fifteen minute interval of the service year.

(g) Voltage

This schedule applies to service rendered at 110,220, or 440 volts at the option of the consumer. All necessary transformers to obtain such voltage will be supplied and maintained by the company.

SCHEDULE P-4

( Cancelling Schedule No. 11 )

OIL FIELD SERVICE:

Applicable to all power service supplied to equipment used for pumping oil wells, operating gathering pumps, leased line pumps and dehydrating plants, in connection with the production of oil.

TERRITORY:

Entire territory served.

RATE:

1.5 cents per kilowatt hour

MINIMUM CHARGE:

\$1.25 per horsepower of connected load per month, but not less than \$12.50 per month.

When dehydrators are used the minimum charge for this load together with any additional load will be at the rate of \$1.00 per kilowatt of maximum demand but not less than \$1.00 per kilowatt of necessary transformer capacity required.

SPECIAL CONDITIONS:

(a) Service under this schedule to be supplied at 110,220 or 440 volts at the option of the consumer. All necessary transformers to obtain such voltage will be supplied, owned and maintained by the company.

SCHEDULE P-5

(Cancelling Schedule P-5)

WHOLESALE POWER SERVICE:

Applicable to general power and resale service delivered at a standard voltage of 2200 volts or more.

TERRITORY:

Entire territory served by the Company.

RATE:

Service at standard distribution voltage of 2200 volts or more.

Demand Charge:

First	200 kilowatts or less of maximum demand	
	per month -	\$300.00
Next	300 kilowatts of maximum demand per	
	month, per kilowatt -	1.30
All over	500 kilowatts of maximum demand per	
	month, per kilowatt -	1.15

Energy Charge:

First	300 kilowatt hours per kilowatt of	
	maximum demand per month -	.9 cents per KWH
All over	300 kilowatt hours per kilowatt of	
	maximum demand per month -	.75 cents per KWH

SPECIAL CONDITIONS:

- (a) The total charge is the sum of the demand and energy charges given above.
- (b) Service under this schedule will be supplied by the company at a standard distribution voltage of 2200 volts or more depending upon the distribution voltage obtainable.
- (c) The maximum demand in any month will be the average kilowatt delivery of the fifteen minute interval in which the consumption of electric energy is greater than in any other fifteen minute interval in the month. The maximum demand on which the charges will be based shall not be less than 60% of the demand occurring during the eleven preceding months.
- (d) Any demand occurring between the hours of 11:00 P.M. and 6:00 A.M. of the following day will not be considered in determining the above charges.

SCHEDULE P-6

RAILWAY SERVICE:

Applicable to Pacific Coast Railway Company.

RATE:

2 cents per K. W. H.

SPECIAL CONDITIONS:

The above rate applies to service delivered and measured at 2300 volts.

SCHEDULE P-7

SERVICE TO X-RAY OR RADIO APPARATUS

TERRITORY:

Applicable to entire territory served by the Company.

RATE:

Where X-Ray or Radio apparatus is separately served it shall be classed as power equipment and service will be rendered in accordance with the rates for general power service; except that the horsepower minimum provision of any such rate shall be modified as provided below.

At the consumer's option, service to X-Ray or radio apparatus may be rendered at the lighting rate, in which case it may be combined (where physically practicable) on the same meter with regular lighting service; provided that the minimum provisions specified below will apply in all cases.

MINIMUM CHARGE:

When the Company finds it necessary to install any special equipment, other than the customary meter and service, in order to render service to X-Ray or Radio apparatus, the minimum monthly charge shall be \$.50 per Kilowatt of X-Ray or Radio Apparatus capacity, or \$.50 per Kilowatt of special transformer capacity required to serve same, but in no case less than \$1.00 per month.

Where service to an X-Ray or Radio apparatus does not require the installation of any special equipment, no horsepower (or Kilowatt) minimum shall apply, and only the meter minimum specified in the rate used need be considered.