

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application  
of C. J. YORK, an individual, fur-  
nishing light and power in the town  
of Downieville, Sierra County, for  
an order to establish rates.

Application No. 7677

ORIGINAL

C. S. Morbio, for Applicant.

W. B. Barnhisel, for the Consumers.

BY THE COMMISSION:

O P I N I O N.

Applicant, C. J. York, operating under the name of Downieville Electric Light Company, and supplying electric energy to the town of Downieville, applied to this Commission for authority to discontinue the use of flat rates for electric service and to substitute therefor adequate and reasonable meter rates to be fixed by the Commission.

A hearing was held before Examiner Satterwhite in Downieville on June 27, 1923, at which time evidence was received and the matter submitted.

At the opening of the hearing applicant requested that his application be modified by eliminating that portion pertaining to the discontinuance of flat rates, and that the Commission revise the flat rates now in effect, giving as a reason therefor the failure of certain prospective developments which would have been an assured market for the energy he had hoped to conserve by the use of meters.

From the testimony introduced it appears that applicant is sole owner of all the stock in this Company, he having secured ownership of one-half the same in 1903 and of the remainder in 1912. In addition to the cost of acquiring this stock, applicant in 1903 advanced one-half the cost of rebuilding the company's dams and later assumed all the company's

outstanding debts at the time he acquired the remaining one-half of the stock. The details of these transactions are set forth in Applicant's Exhibit "F" and indicate a total investment of \$10,698.50.

Additions and betterments subsequent to 1912 bring this up to \$11,988.50.

In this same exhibit applicant has presented an inventory of the physical properties and water rights of the company to which he has applied such historical costs as his books or memory records and obtained a total value of \$13,838.50.

As practically the entire distribution system was built in or prior to 1895 and the dam, race and penstock were renewed during the period 1903-1912, this figure is of little significance. Moreover, a duplication of \$2500.00 in the cost of the dam and a question as to the allowable value of the water right would further modify the correctness of this figure.

The Commission's Assistant Engineer, A. B. Daly, inspected the physical properties and found their condition such as to corroborate the various lives as set forth in Applicant's Exhibit "F". The distribution system in particular was at that time in such a state of obsolescence that replacement and reconstruction would of necessity have to be accomplished very shortly. Corresponding obsolescence was evident in the race and penstock. Lumber for extensive repairs thereto on the ground at the time of the inspection and the type, age and continued use of the various portions of the generating equipment justify the assumption that their period of further usefulness is very limited.

No depreciation reserve whatever has ever been set aside to replace these properties. Applicant who has up to the year 1922 operated without this Commission's knowledge without reporting thereto as required by the Public Utility Act realizes

that no rate adequate to afford a reasonable return on his investment could be borne by the limited number of consumers now on his books. For that reason, he has modified his application as above noted and asks such temporary relief as can be afforded him by a revision of his existing flat rates, relying upon future development of the territory served to ultimately yield him an adequate return through increased consumption.

Applicant renders night service only requiring for that purpose the services of one attendant approximately 16 hours a day on the average. For the combined services of applicant and this attendant a charge of \$100.00 per month is set up. Except in cases of accident, requiring immediate relief, no other charges for labor are made, applicant's personal services having never been charged upon the books.

The total operating expenses for the year 1923 were \$1843.18. The gross operating revenues amounted to \$1842.75, and were obtained from an average number of approximately 60 consumers, the largest of whom are the county buildings and the St. Charles Hotel. The net result of the year's operation was a deficit of 43¢. The eliminating of \$103.00 from the expense account, representing new material and transfer of same to Additions and Betterments will then show a net earning of \$102.57.

Applicant's present schedule has been in effect from 1914 and is as follows:

1	light (60 watt lamp)	\$ .60	per	month
2	" "	1.00	"	"
3	" "	1.25	"	"
4	" "	1.50	"	"
5	" "	1.65	"	"
6	" "	1.80	"	"

All lights in excess of six at the rate of 10¢ per month per light.

Store lighting and places of business at the rate of 50¢ per 60 watt lamp per month.

Hotels at the rate of 15¢ per light per month.

Downieville, once a populous town, and the centre of a flourishing mining region, has now dwindled to a mere hamlet of some 350 inhabitants. The mines, both placer and quartz, which once constituted its principal support have one by one ceased operations and the town now deprived of its former revenue, awaits new and different development through the medium of the new National Highway, which will by an easy grade connect it with the country east of the Sierras.

From a study of this testimony, it is obvious that applicant's business has now reached a point where future operations must be conducted at little or no profit under the present rates. It is also equally apparent that an adequate return on any reasonable value that might be fixed for the existing operative properties is at once out of the question with the limited population now requiring service.

Since the time of the hearing in this matter, considerable reconstruction work has been done, in accordance with recommendations of the Commission's Engineering Department, and subsequent reports go to show that a marked improvement in the Company's service has resulted.

With this fact in mind, it is intended to furnish, as far as possible, the relief subsequently prayed for by applicant.

#### O R D E R .

C. J. York, (Downieville Electric Light Company) having applied to the Railroad Commission for a revision of its electric rates, a hearing having been held, the matter having been

submitted and now being ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that the rates now charged by C. J. York (Downieville Electric Light Company) for electric service are not just and reasonable rates in so far as they differ from the rates herein established, and that the rates herein established are under present conditions adequate to afford relief to applicant.

Basing its order on the foregoing findings of fact, and upon the other findings of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that C. J. York (Downieville Electric Light Company) be and he is hereby authorized to charge for electric service the following schedule of rates, effective for all bills rendered on and after June 1, 1924.

DOMESTIC SERVICE

1 lamp	\$ .70 per month
2 " "	1.15 " "
3 " "	1.40 " "
4 " "	1.70 " "

Each additional lamp up to and including ten 15¢ per lamp per month.

For all lamps in excess of ten 10¢ per lamp per month.

COMMERCIAL SERVICE

For stores and places of business 55¢ per lamp per month.

For hotels 16 $\frac{1}{2}$ ¢ per lamp per month.

For Sierra County buildings the present charge of \$39.00 per quarter plus 10%.

The above rates apply to 60 watt lamps. Where lamps of larger size are used proper modification of these rates shall

be based upon the ratio of the wattage thereof to 60.

IT IS HEREBY FURTHER ORDERED that C. J. York (Downieville Electric Light Company) shall, within ten (10) days after the date of this order file with this Commission the schedule of electric rates herein authorized.

Dated at San Francisco, California, this 11<sup>th</sup>  
day of June, 1924.

C. Seaver  
H. B. ...  
Dwight ...  
Egerton ...  
Commissioners.