

ORIGINAL

Decision No. 14108.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Investigation
of the electric rates, rules and
regulations, service and operations
of the Napa Valley Electric Company
on the Commission's own motion.

Case 1647.

Napa County Farm Bureau, R. W. Smyth, et al,

Complainants,

vs.

Case 1903.

Napa Valley Electric Company,

Defendant.

T. C. Nelson, for Napa County Farm Bureau.

D. L. Beard and L. A. Maynard, for Napa
Valley Electric Company.

R. O. Foster, for Snow Mountain Water and
Power Company.

MARTIN, COMMISSIONER:

O P I N I O N

The above entitled proceedings, which were consolidated for hearing and decision, involve a complete investigation of the electric operations, practices, rates and service of Napa Valley Electric Company. This investigation was spread over a period of approximately two years' time. In view of this, a brief description of the extent of the property and other factors affecting the operations of the Company is pertinent.

Napa Valley Electric Company was incorporated on September 10, 1907. It supplies gas within the town of St. Helena and electricity in the towns of St. Helena, Rutherford, Oakville and Yountville and adjacent territory, all in Napa County, and also to California Telephone and Light Company for distribution in the town of Calistoga and adjacent territory. The gas plant and electric substation are located on the same parcel of land in the town of St. Helena. The Company formerly secured all of its electric energy from Snow Mountain Water and Power Company but now secures a small amount in certain instances for a few of its consumers from Great Western Power Company.

There are three circuits feeding out of the substation, one line supplying the town of St. Helena and two lines supplying rural territory, one running north and the other south from St. Helena. The north line extends some four miles to Bale Station, at which point delivery is made to California Telephone and Light Company. The south line extends some thirteen miles to Oak Knoll at which point energy is purchased from Great Western Power Company for a small number of consumers as already mentioned. The south main line is owned by and leased from Snow Mountain Water and Power Company, but the branch lines feeding from it were constructed by and are the property of Napa Valley Electric Company.

Napa Valley Electric Company has been before the Commission in several electric rate proceedings, the last being in the form of an application for an increase in rates. Owing to the increased costs of labor and materials which followed the war the Commission, in its Decision No. 8381 (19 C.R.C. 84), dated November 26, 1920, authorized an increase in rates. Some time later a complaint of poor service in the town of Calistoga was received by the Commission. Preliminary investigation disclosed the fact that the complaint was well founded but somewhat com-

plicated. California Telephone and Light Company alleged that the interruptions in service and variation in voltage complained of in Calistoga originated in the wholesale supply received from Napa Valley Electric Company rather than in the local system. Napa Valley Electric Company, in turn, placed the responsibility on the wholesale supply received from Snow Mountain Water and Power Company. The latter Company, in its turn, alleged that the trouble was due to the operations of Pacific Gas and Electric Company, to which it delivers a large block of power but over whose system it had no control. After an investigation of the whole situation, the Commission's engineering department informally recommended changes in operating routine, the installation of certain equipment and the improvement of certain lines. These recommendations were accepted by all companies concerned, except Napa Valley Electric Company.

In the meantime, informal complaints had been received regarding the rates, service and practices of Napa Valley Electric Company and, on August 13, 1921, the Commission, on its own motion, instituted a formal investigation into the electric rates, rules and regulations and the general practices of Napa Valley Electric Company, to which investigation Case No. 1647 was assigned.

A public hearing was held in St. Helena on November 1, 1921, at which time exhibits were filed showing the results of the Commission's investigations. Napa Valley Electric Company then agreed to improve its system and, in order to give opportunity for carrying out the proposed work and to observe the effects of such improvements, the adjourned hearing was set over from time to time.

Hearing was resumed on May 3, 1923, at St. Helena, at which time a formal complaint filed with the Commission by Napa County Farm Bureau, R. W. Smyth, et al, vs. Napa Valley Electric

Company (Case No. 1903) was consolidated with the previous investigation. At this hearing it was agreed that, in order to facilitate procedure, a joint investigation of service and rate matters would be made by a representative of the Farm Bureau, the Company, and the Commission. The resultant report was taken up in detail at two later hearings. All told, four hearings were held, fifteen exhibits filed and numerous conferences had.

The proceedings before the Commission at this time, although involving the affairs of a comparatively small company, bring up numerous issues which will now be taken up in detail.

Rate Base.

The Company claims a rate base of \$160,669.00 for the year 1922. This is based on the Commission's inventory and appraisal of the property as of March 1, 1914 (Decision No. 1530, 4 C.R.C. 1067), with additions and betterments added since that time. The Company has applied estimated percentages of appreciation and depreciation in order to arrive at the cost of reproduction at present prices, less depreciation. There are also included estimates of the value of "South Valley Line" owned by Snow Mountain Water and Power Company, of organization expense and of overhead charges. The following tabulations show the detail of the 1922 claimed rate base and also the rate base estimated by the Commission's engineering department as set forth in the Commission's Exhibit No. 3.

TABLE 1.

RATE BASE FOR YEAR 1922.

Electric Department - Napa Valley Electric Company.

	Company's Claim	Commission.
	<u>Exh. 1</u>	<u>Exh. 3</u>
Property of Jan. 1, 1914 (From Dec. 1530 4 CRC 1067).	\$59,656.00	\$50,342.69
Additional Property- Jan.1,1914 to Dec.31,1921.	54,837.00	53,219.47
Leased "South Valley line"	15,689.00	-
Property not on books	600.00	-
Organization expense	5,000.00	-
Overhead charges	<u>6,481.00</u>	<u>-</u>
TOTAL - Jan. 1, 1922	\$142,263.00	\$103,562.16
Additions for 1922. Average for year.	12,816.00	6,350.23
Same incorrectly charged to Operation	<u>680.00</u>	<u>680.00</u>
Average Fixed Capital- 1922	\$155,759.00	\$110,592.39
Working Cash Capital	3,910.00	2,765.00
Materials and Supplies	1,000.00	1,000.00
Deduct Consumers Advances in aid of construction	<u>-</u>	<u>13,236.21</u>
Rate Base for year 1922	\$160,669.00	\$101,121.18

These claims again raise the question as to whether rates shall be based on the reasonable investment in the property or on its "value" as estimated from the cost of replacement at present day prices. This question has been discussed at length in previous decisions (most recently in Decision 11457 re Pacific Gas and Electric Company, 22 C.R.C. 744), and in the absence of compelling reasons for a change in policy the Commission will use as the rate base its estimate of the reasonable investment.

The Company urges that it is entitled to earn a return on the value of the "South Valley line" previously referred to, which it leases from Snow Mountain Water and Power Company. In certain previous cases the Commission has included in operating expenses, or in the fair return, a reasonable rental paid for leased property and has judged the fairness of the rental by comparison with the cost of the property leased. (Dec. 8119, The Southern Sierras Power Co., 18 C.R.C. 818; Dec. 11457, Pacific Gas and Electric Company, 22 C.R.C. 744). In these instances, however, we were considering a bona fide lease of valuable property, while in the present case only a nominal rent is paid. The evidence in this and in previous matters before the Commission shows that the lease under consideration may be terminated on short notice and is in practical effect a revokable permit for the use of the line free of charge. The same claim has previously been disallowed and no good cause appears for any change in policy at the present time. (Dec. 1530 4 C.R.C. 1064; Dec. 1663, 5 C.R.C. 86; Dec. 8381, 19 C.R.C. 84).

The Company has estimated \$5000.00 as its organization expense and claims no allowance has been made for same. In the Commission's Exhibit #1, filed in connection with Case 538 (Decision 1530-4-C.R.C.) a 15% overhead charge was used in appraising the Company's property. This charge covered superintendence, engineering, organization and other items. The appraisal was accepted as correct by the Company. In Decision No. 1530 (4-C.R.C. 1066) and Decision 1663 (5-C.R.C.-85) the Commission stated that no satisfactory evidence had been presented to show the cost of developing the business but that in order to be fair that the estimated reproduction value new of the property would be taken as a basis on which a return would be allowed. From the foregoing statements it is apparent that full consideration has been given to and an adequate allowance made for organization expense.

The matter of working cash capital has likewise been brought up by the Company. The Company claims \$3,910.00 is necessary for this purpose. By taking one-sixth of the operating expenses reasonably incurred, exclusive of purchased power, taxes and insurance, plus one-twelfth of the cost of purchased power and deducting from this, one-fourth of the State tax accrual for the year, a figure of \$3,008.00 is reached.

The Company claims \$6,481.00 for overhead charges that do not appear on its books. On the other hand the Farm Bureau lays stress on the fact that the Company's records show but \$3.00 written out of capital accounts since coming under the jurisdiction of this Commission and claims that \$5000.00 should be deducted from Capital to cover this discrepancy.

The Company based its estimate of \$6,481.00 on its estimated, depreciated value of the property instead of on actual costs. The correct figure would therefore be somewhat lower.

Investigation of the Company's books and records showed many discrepancies between capital and operating accounts. The Company has been negligent in this matter and no accurate determination can be made of the amount of supervisory expense that should properly have been apportioned to capital and to operating accounts. It appears from the evidence and the Commission's investigation, consideration having been given to several other small items, that the claim of the Company of an allowance for overhead charges and the claim of the Farm Bureau of a deduction from capital for property abandoned substantially offset each other. Under these circumstances no allowance will be made in capital for overhead charges, nor will any deduction be made in the present case for the abandonment of property.

The Company claims that when considering average investment for the year 1922 allowance should be made for the actual time capital is invested and that consideration should also be given to capital additions and betterments not inducive to new business. It appears that the Commission's engineering department gave consideration to this matter, a complete study of the Company's operations over a period of several years having been made with respect to both capital and operating expense accounts. This was necessary because investigation showed that the Company's operations in 1922 were abnormal and could not be used without adjustment in determining reasonable rates. As a result of this study estimates of normal expenditures considered reasonable for 1922 were made.

All things considered, the figure of \$6,350.23 as estimated by the Commission's engineering department and set forth in the Commission's Exhibit 3 is found reasonable.

The Company claims that the money advanced by the consumers to the Company for the building of electric line extensions should not be deducted from the rate base and urges that it be permitted to earn a return on such capital. The collection of this money by the Company is permitted on the theory that the investment of considerable sums in unproductive line extensions would work a hardship on other consumers through an ultimate increase in rates. To now allow a return on this investment would be to defeat the object of the advance payments. However, it appears that the deduction of \$13,236.21, an average of the years 1921 and 1922, as set forth in the Commission's Exhibit 3, is unfair to the Company since the rates established for a utility are generally in effect for several years and the amount of money owed to consumers by this Company for the next few years is likely to be less than the above average. On the other hand, it would be unfair to the consumers to deduct the smallest amount owed for any one year. A reasonable sum to be deducted from the rate base on account of such advance payments is found to be \$8,700.00.

The rate base for 1922 submitted by Napa Valley Electric Company in its Exhibit "1" as set forth in Table No. 1 herein, should, it appears, be reduced by approximately \$55,000.00 to cover deductions above found reasonable.

The following Table No. 2 sets forth the estimated rate base claimed by Napa Valley Electric Company and the estimated rate base found reasonable for the year 1922, as

determined from the evidence in these proceedings.

TABLE NO. 2

Reasonable Rate Base, 1922 - Electric Department, Napa Valley Electric Company.

	<u>Company's Claim</u>	<u>Commission's Finding</u>
Physical property, including land	\$127,309.00	\$109,912.00
Additions to capital incorrectly charged to Operating Expenses - 1922 Average	680.00	680.00
Leased "South Valley line"	15,689.00	
Property not on books	600.00	
Organization expense	5,000.00	
Working cash capital	3,910.00	3,008.00
Materials and supplies	1,000.00	1,000.00
Overhead Charges	6,481.00	
Deduct Consumers' advances		<u>8,700.00</u>
Total rate base	\$160,669.00	\$105,900.00

Operating Expenses

The engineering department of the Commission estimated \$37,028.00 as the total operating expenses for 1922 as set forth in the Commission's Exhibit 3. The following table No. 3 shows the estimated operating expenses in detail:

TABLE NO. 3

Estimated Operating Expenses, 1922 - Electric Department
Napa Valley Electric Company
(C. R. C. Exh. 3 as modified by oral testimony).

Production	\$ 14,320.00
Distribution	7,025.00
Commercial	1,813.00
General Officers and Miscellaneous	8,350.00
Overhead charges credited to operating expenses - Cr.	1,500.00
Insurance	640.00
Taxes	3,290.00
Depreciation	<u>3,090.00</u>
	\$ 37,028.00

Considerable time was devoted to the matter of reasonable operating expenses by both the Company and the Farm Bureau. The Company claims that the allowance should be increased for certain operating accounts. The Farm Bureau on the other hand claims that the gas department of the Company should be charged with a pro rata of the general expense common to both the gas and electric departments. The gas business of Napa Valley Electric Company has not been a profitable venture; the revenue in spite of increased rates hardly being sufficient to meet operating expenses let alone afford a return on the investment. Were the gas department of the Company to cease operations the same force and general expenditures so far as the accounts in question are concerned;

would practically be necessary for the electric department. In view of these conditions and the fact that the gas business plays a relatively small part in the Company's operations, the Commission is of the opinion that no injustice will result to the electric consumers if the comparatively small amount of general expense questioned is borne by the electric department.

The Commission's engineering department estimated \$640.00 as a proper operating expense allowance for insurance. The Company urges that this be raised because of increased coverage on its present public liability policy and because of increased payroll in the latter part of 1922 which, it alleges, affects both public liability and employees' liability policies. The Company also urges that allowance of \$114.26 be made for accident and life policies insuring the manager.

It appears that the Company's claims in part should be recognized since the items of increased coverage and payroll are consistent with the growth of the business. The increased coverage rate and the actual 1922 payroll should therefore be used in computing premiums. In regard, however, to the claim of \$114.26 for policies insuring the manager of the Company, it may be said that while this no doubt might be considered as an indication of good business foresight from the viewpoint of the stockholders who would receive the benefits, it does not follow that in ascertaining the reasonable rates for service that the Company is entitled to receive from the public, such a charge should be included. The money collected in event of the death of the Manager would never find its way into operating revenue, nor is it likely that consumers would

be given any benefit in the form of a reduction in rate.

In considering the several policies of the Company full consideration has been given to the matter of segregating the expense between the gas and electric departments. A figure of \$753.00 is found to be a reasonable allowance for insurance in the electric department.

In the Commission's Exhibit 3, \$3,290 is estimated as a proper allowance for taxes. This does not include federal income tax. In view of the decision issued June 11, 1923, by the Supreme Court of the United States, in the case of the Georgia Railroad and Power Company vs. Railroad Commission of Georgia in determining the rates in these proceedings the federal income tax will be included as a part of the operating expense. A reasonable allowance for taxes is found to be \$3,774.00.

The following Table No. 4 sets forth the revenue, the estimated reasonable operating expenses and the rate of return on the rate base found reasonable for the year 1922:

TABLE NO. 4.

Estimated Reasonable Operating Expenses and Rate of Return on
Estimated Reasonable Rate Base, 1922 - Electric Department,
Napa Valley Electric Company.

Revenue electric operations	\$50,605.00
Expense:	
Production	\$14,320.00
Distribution	7,025.00
Commercial	1,813.00
General Officers and Misc.	8,400.00
Credit to operating expense-Cr.	1,500.00-
Insurance	753.00
Taxes	3,774.00
Uncollectible bills	<u>200.00</u>
Total Expenses	\$34,785.00
Depreciation	<u>3,100.00</u>
	<u><u>\$37,885.00</u></u>
Net for return	\$12,720.00

Rate of return on rate base of \$105,900.00 12%

Reasonable Rate of Return

After considering the evidence submitted in the several hearings, the results of the Commission's investigations and the operations of the Company in general, it appears that a return of approximately 8% is reasonable.

It is estimated that the rates established in the order herein would have resulted in a rate of return slightly in excess of 8% for the year 1922, and somewhat less than 8% for the year 1923. This is due primarily to the fact that considerable additions and betterments were added to substation plant during 1922, and included in capital in 1923 which will take care of an increase in load for several years to come without necessitating further similar investment. Under these conditions, with a normal rate of growth, the Company's revenue, under these rates, should soon increase to a point where the rate of return will average approximately 8%.

Rates.

An examination of the present rate schedules of Napa Valley Electric Company shows that, under present rates, the cost of service is not as fairly distributed among various classes of consumers as it might well be. This is particularly true as regards power consumers, especially those using a small amount of energy in proportion to the capacity of their installation.

For many years the schedules of this Company provided practically no minimum charge whatever for power service, and for the past few years the minimum charge has been quite low. As a result, there are a few large power consumers whose total bills are scarcely sufficient to pay the cost of interest and maintenance on the transformers which the Company necessarily keeps at their disposal. The Company and its other consumers are placed at a disadvantage by the fact that these few consumers have been connected to the lines. This condition should not exist and the only way that it can be eliminated is to increase the charges paid by power consumers using very little energy in proportion to the size of their installations. At the same time, it must be remembered that some of these consumers may have been induced by the existence of the former rates to install electric motors instead of other forms of power. In fairness to such individuals, the minimum charges cannot be increased to the point that might be justified by the consideration of cost alone.

The Schedules included in the Order accompanying this Opinion, provide for increased minimum charges for power service, but such charges are still considerably less than those in effect in other parts of the State, especially for large installations. This characteristic of the Company's existing

schedules has worked a particular disadvantage in connection with the use of electricity for agricultural pumping. The low rates to the consumers who use their installations but a few hours in the year have made necessary rates for energy that make the cost of a large amount of pumping by electricity almost prohibitive. As the result of a study of the situation by representatives of the Farm Bureau and the Commission, a special rate is provided in the accompanying Order for agricultural service. This rate is patterned after rates for such service that have proved satisfactory in the operations of other and larger companies serving many thousands of consumers of this class. Unfortunately, some increases in the bills to consumers using their pumping plants but a few hours during the year will result, but the schedule is such as to make general irrigation pumping by electricity practical and will result in a material reduction in the bills of agricultural consumers as a class.

In connection with the other schedules covering domestic and street lighting service, a general reduction is accompanied by a few changes in the arrangement of rates that have been proven desirable from the application of similar rates on many other electric systems in the State.

Rules and Regulations.

An analysis of complaints regarding the practices of this Company, including both those complaints made at the hearings in this case and the complaints received informally by the Commission from time to time, indicates a feeling of suspicion on the part of consumers and a belief that the treatment accorded them by the Company is sometimes discriminatory or arbitrary.

A great many other electric utilities in California have filed with this Commission, in connection with their rate schedules and tariffs, a statement of definite rules covering the conduct of their business with their consumers, and copies of these rules, as approved by the Commission, are open to the public in all offices.

Experience has shown that this procedure is an important factor in overcoming the consumers' lack of confidence in the fairness of the utility and the reasonableness of certain of its requirements. The rules and regulations which Napa Valley Electric Company has heretofore had on file with the Commission do not adequately cover the ground, and leave open many points of possible dispute between the Company's representatives and its consumers. The accompanying Order, therefore, provides for the filing by this utility of a complete statement of the regulations governing its relations with its consumers.

Service

The Commission's engineering department has devoted a large amount of time to the investigation of Napa Valley Electric Company's plant and operations and to the operations of other companies with whose systems the Napa Valley Electric Company is connected. Investigations at various times were made from the year 1920 to 1923 inclusive. Many improvements were requested to be made for the benefit of service. The effects of these improvements have been watched and charted. Napa Valley Electric Company has spent approximately \$30,000 in additions and betterments, reconstruction and maintenance work in the past three years over and above the normal expenditures in capital and operating expenses of the year 1920 used as a base. Service as a result has been greatly improved and exclusive of the possible effect of a portion of the system yet to be reconstructed and the operations of other companies' systems over which it has no control, Napa Valley Electric Company is now rendering service comparable to companies of a similar size. The evidence of poor service presented at the

last hearing in St. Helena all referred to past conditions rather than to any difficulties then being experienced.

An early investigation indicated that the overhead electric lines of Napa Valley Electric Company were as a whole in violation of the State laws, Chapter 499, Statutes of 1911 as amended by Chapter 600, Statutes of 1915. Directions and instructions to correct these violations having been given by the Commission's engineering department, the Company has been removing such infractions in conjunction with its maintenance and reconstruction program. An inspection of the Company's system on February 28, 1924, indicated that Napa Valley Electric Company can reasonably bring its overhead lines in full compliance with the State laws and complete its reconstruction program as outlined and supervised by the Commission's engineering department on or before January 1, 1925.

O R D E R

The Railroad Commission having instituted an investigation on its own motion into the electric rates, rules and regulations, service and operations of Napa Valley Electric Company, and Napa County Farm Bureau, R. W. Smyth, et al, having filed a complaint with the Railroad Commission against Napa Valley Electric Company, the two cases having been combined, public hearings having been held and the matter being submitted and now ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that the electric rates and the rules and regulations applying to the electric service of Napa Valley

Electric Company are unjust and unreasonable in so far as they differ from the rates and rules and regulations prescribed herein.

Basing its Order on the foregoing finding of fact and the findings of fact in the Opinion preceding this Order,

IT IS HEREBY ORDERED that:

1. Effective with bills for flat rate service delivered during the month of October, 1924, and with bills for metered service based on regular monthly meter readings taken on and after November 1, 1924, Napa Valley Electric Company charge and collect for electric service delivered the rates set forth in Exhibit "A" attached to this Order and made a part thereof;

2. On or before October 15, 1924, Napa Valley Electric Company file with this Commission the rates set forth in Exhibit "A" above-mentioned;

3. Before January 1, 1925, Napa Valley Electric Company file with this Commission a detailed statement of the rules and regulations governing the conduct of its business with its electric consumers;

4. The time during which Napa Valley Electric Company may re-construct its overhead electric lines in order to comply with the requirements of Chapter 499, Statutes of 1911, as amended by Chapter 600, Statutes of 1915, of the State of California, be and it is hereby extended to January 1, 1925;

5. Before January 1, 1925, Napa Valley Electric Company complete the re-construction of its overhead electric lines in order to remove violations of said Chapter 499 as

amended by Chapter 600;

6. The effective date of this Order is October 15, 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 27th day of September, 1924.

C. S. Sawyer
H. A. Roundidge
Irving Martin

J. T. Whittier
Commissioners.

EXHIBIT "A".

SCHEDULE I-1.
(Cancelling Schedule I-1 now in effect).

General Lighting service.

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

Territory.

Applicable to service in the entire territory served within incorporated limits.

Rate.

First 8 kilowatt hours or less per meter per month \$1.00 per month.

Next 42 kilowatt hours per meter per month, 7 ¢ per k.w.h.

Next 150 kilowatt hours per meter per month, 6 ¢ per k. w. h.

All over 200 kilowatt hours per meter per month, 5 ¢ per k. w. h.

Special Conditions.

Single phase motors of a capacity of 3 H. P. or less may receive service or may be combined with general lighting service under this schedule of rates at the option of the consumer, provided in case of combination service the total energy is supplied through one meter.

The minimum charge applicable to this combination service is the minimum charge as set forth above.

SCHEDULE I-2.
(Cancelling Schedule I-1 now in effect).

General Lighting Service.

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

Territory.

Applicable to service in the entire territory served outside of incorporated limits.

Rate:

First 8 kilowatt hours or less per meter per month \$1.25 per month.
Next 42 kilowatt hours per meter per month, 7 ¢ per k. w. h.
Next 150 kilowatt hours per meter per month, 6 ¢ per k. w. h.
All over 200 kilowatt hours per meter per month, 5 ¢ per k. w. h.

Special Conditions.

Single phase motors of a capacity of 3 H. P. or less may receive service or may be combined with general lighting service under this schedule of rates at the option of the consumer, provided in case of combination service the total energy is supplied through one meter.

The minimum charge applicable to this combination service is the minimum charge as set forth above.

SCHEDULE L-3.
(Cancelling Schedule L-2 now in effect.)

Street and Highway Lighting.

Applicable to service to street, highway and other public outdoor lighting installations.

Territory.

Entire territory served by the Company.

Rate:

5 cents per kilowatt hour.

SCHEDULE C-1.
(Cancelling Schedule C now in effect)

General Heating and Cooking Service.

Applicable to general domestic and commercial heating, cooking or water heating service and to any combination thereof. Schedule P-1 is an optional rate for commercial heating and cooking installations.

Territory.

Entire territory served by the company.

Rate:

First 150 kilowatt hours per meter per month4 cents per K.W.H.
All over 150 kilowatt hours per meter per month ...2½ cents per K.W.H.

Minimum charge:

First 5 kilowatts or less of connected capacity\$2.50 per month.
Over 5 kilowatts of connected capacity50 per month.

Minimum charges are based on the total active connected load of heating, cooking and water heating capacity which may be connected at any one time.

Special conditions:

- (a) Service normally will be 110/220-volt three-wire single-phase alternating current.
- (b) Connected load will be taken as the name plate rating of all heating and cooking apparatus permanently installed and which may be connected at any one time, computed to the nearest one-tenth of a kilowatt.
- (c) Single-phase motors, aggregating five horsepower or less, may be combined with cooking or heating under this schedule, in which case each horsepower shall be considered equivalent to one kilowatt of connected load in determining the minimum charge.
- (d) 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.

SCHEDULE C-2.
(Cancelling Schedule C now in effect)

Combination Domestic Service.

Applicable to domestic lighting used in conjunction with heating, cooking or water heating or any combination thereof.

Territory:

Entire territory served by the company.

Rate:

*First 30 kilowatt hours per meter per month ..9 cents per kilowatt hour.
Next 150 kilowatt hours per meter per month....4 cents per kilowatt hour.
All over 180 kilowatt hours per meter per mo...2½ cents per kilowatt hour.

* For residences, flats or apartments of more than 8 rooms add 5 kilowatt hours per additional room to the first block.

Minimum Charge:

First 5 kilowatts or less of connected capacity, exclusive of lighting and lamp socket devices.....\$2.50 per mo.
Over 5 kilowatts of connected capacity, exclusive of lighting and lamp socket devices..... .50 per kilowatt per month.

Special Conditions:

- (a) Service will normally be 110/220-volt three-wire single-phase alternating current.
- (b) This rate applies only where a domestic consumer installs and uses appliances other than lamp socket devices of at least 2 kilowatt capacity for residences, flats or apartments of eight rooms or less, and 5 kilowatts for residences, flats and apartments of nine rooms or more.
- (c) Bathrooms, halls and cellars are not classified as rooms.
- (d) Connected load will be taken as the name plate rating of all heating and cooking apparatus permanently installed and which may be connected at any one time computed to the nearest one-tenth of a kilowatt.
- (e) Single-phase motors, aggregating 5 horsepower or less, may be combined with cooking and heating under this schedule, in which case each horsepower of connected load shall be considered equivalent to one kilowatt of connected load in determining the minimum charge.
- (f) 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.

SCHEDULE P-1.
(Cancelling Schedule P-1 now in effect.)

General Industrial Power Service.

Applicable to general commercial and industrial power service, and to commercial heating and cooking service and rectifier service. Alternating current will be supplied at any standard voltage from 110 to 2200 volts as may be requested by the consumer.

Territory: Entire territory served by the Company.

Rate:

Horsepower of connected Load	Rate per K.W.H. for monthly consumption of			
	First 50 KWH per h.p.	Next 50 KWH per h.p.	Next 150 KWH per h.p.	All over 250 KWH per h.p.
2-9	4.5¢	3.0¢	2.0¢	1.7¢
10-24	4.0	2.5	1.8	1.7
25-49	3.5	2.0	1.7	1.5
50 and over	3.0	1.8	1.6	1.5

Minimum Charge:

First 10 horsepower of connected load \$1.00 per horsepower, but in no case less than \$1.25 per month.

Next 15 horsepower of connected load 50 cents per horsepower per month.

All over 25 horsepower of connected load 25 cents per horsepower per month.

The minimum charge may, at the option of the consumer, be made accumulative over a 12-month period, in which case a contract for not less than one year may be required.

Special Conditions:

- (a) This schedule of rates will apply to service rendered at any standard voltage at the option of the consumer. All necessary transformers to obtain such voltage will be supplied, owned and maintained by the company.
- (b) Any consumer may obtain the rates for a larger installation by guaranteeing the rates and minimum charges applicable to the larger installation.
- (c) Mercury arc rectifiers and commercial heating and cooking installations may obtain service under this schedule. For the purpose of determining rates and minimum charges, each kilowatt of connected load will be considered as equivalent to one horsepower.

SCHEDULE P-2
(Cancelling Schedule P-2 now in effect.)

Agricultural Power Service.

Applicable to general agricultural power service, including pumping, feed choppers, milking machines, heating for incubators, brooders, poultry house lighting and general farm use, excluding domestic cooking and lighting service.

Territory: Entire territory served by the Company.
Rate:

Size of installation, horse-power	Energy Charge in Addition to Demand Charge		
	Annual demand charge per h.p.	Rate per kilowatt hour for consumption per horse-power per year of	
		1000 K.W.H.	1000 K.W.H.
1-4	*\$7.00	1.9¢	1.5¢
5-14	6.00	1.7¢	1.4¢
15-49	5.50	1.5¢	1.3¢
50 and over	4.50	1.4¢	1.3¢

* In no case will the total annual demand charge be less than \$14.00.

Special Conditions:

- (A) Agricultural year:
The above rates will apply to the yearly periods between the regular monthly meter readings taken during the month of April of each year.
- (B) Payment of demand charges:
Demand charges will be payable in six equal monthly installments, beginning with the bill based on the regular May meter reading.
- (C) Guaranteeing rates for larger size installations:
Any consumer may obtain the rate for a larger installation by guaranteeing the rates and demand charge of that larger installation.
- (D) Contracts:
The company may require a contract for service under this schedule for a period not to exceed three years when service is first rendered and thereafter from year to year.

SCHEDULE P-2 (Continued)

(E) Charges for service begun or discontinued during the service year:

When service is first begun or permanently discontinued during the service year, the demand charge will be pro-rated 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 adjustments apply only to the permanent discontinuance of service or to the beginning of new service and will not be made when installations shut down for a few months or for the balance of a season.

(F) Service supplied before April 1925.

The rate provided above for the first 1000 KWH per h.p. will apply to energy used after the regular meter reading taken during October, 1924, and before the regular meter reading taken during April, 1925. The rate, including demand and energy charges, as set forth above will then become effective.

SCHEDULE P-3
(Cancelling Schedule P-3 now in effect)

Wholesale Power Service:

To California Telephone and Light Company at Bole Station.

Rate:

First 15000 K.W.H. per month.....2 cents per K.W.H.
All over 15000 K.W.H. per month.....1.7 cents per K.W.H.

To Napa County Veterans Home at Yountville.

Rate:

2½ cents per kilowatt hour.