

LBM

Decision No. 21024.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ROSE WILSON,)
executrix of the will and estate of)
George D. Wilson, deceased, for a)
certificate of public convenience)
and necessity to exercise privileges)
mentioned and franchise granted to)
applicant by the County of Del Norte)
and to execute a contract for the pur-)
chase of electrical equipment.)

ORIGINAL

Application No. 15182

George W. Howe, for applicant.

BY THE COMMISSION:

O P I N I O N

Applicant Rose Wilson, executrix of the will and estate of George Wilson, deceased, asks that she be permitted to exercise the rights and privileges granted by Ordinance No. 116 of the Board of Supervisors of Del Norte County and that she be given a certificate of public convenience and necessity to construct, maintain and operate an electric light, heat and power, and water plant, and furnish electricity and water to the inhabitants of the Town of Klamath and vicinity, in Sections 3, 4, 10, 14, 15 in Township 13, N. R. I. E. H. M. in Del Norte County.

Applicant also asks permission in this application, as amended at the hearing had on April 10th, to execute a contract between herself and Fairbanks, Morse & Company, Inc. covering the purchase of one 40 H. P. type "Y" oil engine, special electric pattern; one 32-1/2 KVA 2300 volt alternator and other electrical equipment.

It appears that on August 13, 1928 the Board of Supervisors of Del Norte County, granted to George D. Wilson, his heirs and assigns, a franchise, right, privilege and permission to erect, construct, maintain and operate,

(a) Towers, piers, poles and other superstructures, and upon and from the same to suspend, affix and hang wires, cables and other appliances, and also wires, cables and other appliances in conduits and such modes as may be convenient and proper, for the purposes of transmitting and conducting electricity for all purposes for which electricity can or may be used; and

(b) To erect, construct, maintain and operate pipes, pipe lines and water mains for the purpose of conducting, conveying and transporting water for all purposes for which water can or may be used

over, along, across, under, through and upon the roads, highways, public ways, streets, lanes and public grounds and places, of and in that portion of the County of Del Norte described as follows;-

Sections 3, 4, 10, 14, 15 and Township 13 N.R.I.E.H.M.

The testimony shows that subsequent to securing the franchise, George D. Wilson constructed an electric light plant and a water system, and that these plants are now in operation.

It further appears that at this time there are 24 electrical consumers and 17 water consumers being served by the public utility properties referred to herein.

Applicant proposes to charge its water consumers a minimum flat rate of \$1.50 per month, and its electrical consumers the follow-

ing rates:-

A. LIGHT RATE:

100 to 150 K.W.H.	15¢ per K.W.H.
150 to 300 K.W.H.	12½¢ " "
300 and over "	10¢ " "
Minimum charge	\$1.50 per month

B. POWER RATE:

1. H. P. to 5 H.P.	8¢ per K.W.H.
5 H.P. and over6¢ " "
Minimum charge	\$3.00 per H.P. per month

The Commission is not in this proceeding asked to fix the rates which applicant may charge. Applicant, however, went on record as to the rates that she intends to charge and which in fact are being charged at this time.

Applicant's revenue from the sale of water aggregates \$28.50 per month and the sale from electrical energy about \$140.00 per month. The revenues are less than the actual cost of operating the public utility properties. Applicant realizes this and nevertheless has expressed her willingness to continue in effect the rates that are now being charged, with the expectation that additional business will develop and that thereby the property can be placed upon a paying basis. The plants are designed to serve a community of about 700, whereas the present population of Klamath is estimated at about 200.

Under date of October 16, 1928 George D. Wilson entered into a contract to acquire certain electrical equipment from Fairbanks, Morse & Company, Inc. at a cost of \$12,426.00. The contract requires payments to be made as follows:-

\$500.00 "cash with order" and the balance in forty-eight equal consecutive monthly payments of \$248.47. The first monthly payment is due January 1, 1929. The deferred payments are to be represented by negotiable notes and bear interest at the rate of eight percent per annum.

It appears to us that the contract constitutes an evidence of indebtedness, part of which is payable more than one year after the date of the contract. The execution of the contract and the issue of notes thereunder should be authorized by the Commission.

ORDER

Rose Wilson, executrix of the will and estate of George D. Wilson, deceased, having asked permission to exercise rights and privileges granted under Ordinance No. 116 of the Board of Supervisors of Del Norte County, and to execute a contract and issue notes to cover the purchase of electrical equipment, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that the money, property or labor to be procured or paid for through the execution of said contract and the issue of notes referred to herein, is reasonably required by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expense or to income, and that this application should be granted, as herein provided, therefore,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES, that public convenience and necessity require and will require the

construction, operation and maintenance of the electrical properties and of the water properties referred to in this application, and that applicant should be authorized to exercise the rights and privileges granted by Ordinance No. 116 of the Board of Supervisors of Del Norte County, provided applicant shall file with this Commission within sixty days after the date thereof, a stipulation to the effect that such applicant, her heirs or assigns, will never claim a value for such franchise in excess of the actual cost of securing the same, which cost shall be set forth in the stipulation.

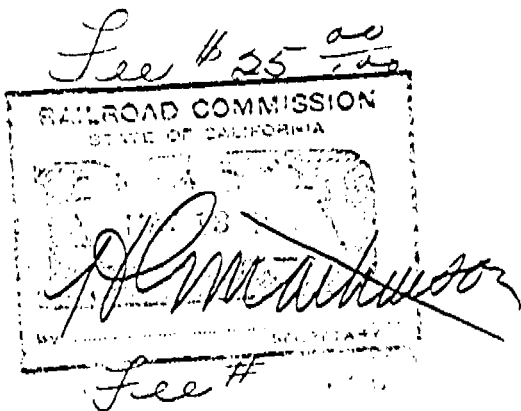
IT IS HEREBY ORDERED that Rose Wilson, executrix of the will and estate of George D. Wilson, deceased, be, and she is hereby, authorized to enter into a contract with Fairbanks, Morse & Company, Inc. to purchase the electrical equipment referred to in such contract, said contract to be in substantially the same form as the contract filed in this proceeding, and to issue the notes, as referred to in said contract.

IT IS HEREBY FURTHER ORDERED that within sixty days after the date hereof, Rose Wilson, executrix of the will and estate of George D. Wilson, deceased, shall file with this Commission for approval, rules and regulations governing the distribution of electrical energy, and of water to her consumers, said rules and regulations to become effective upon their acceptance by the Commission, and shall within thirty days after the date hereof file with the Railroad Commission the rates which she intends to charge for water and electrical energy.

IT IS HEREBY FURTHER ORDERED that Rose Wilson shall file with the Railroad Commission within sixty (60) days after the date hereof, a copy of any note or notes which she issues under the authority herein granted.

IT IS HEREBY FURTHER ORDERED that the authority herein granted to execute a contract will become effective when Rose Wilson has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00, and that for all other purposes the authority herein granted will become effective ten days after the date hereof.

DATED at San Francisco, California, this 26th day of April, 1929.



Thos D. Loutch
W. L. ...
Wm. ...
W. A. ...

Commissioners.