

ORIGINAL
Nov 11 1912

EDGAR L. STEWART,
Complainant,

vs.

Case No. 479.

GREAT WESTERN POWER COMPANY,
a corporation,
Defendant.

.....

C. J. Goodell for complainant.
Chaffee E. Hall for defendant.

TRELEN, Commissioner.

O P I N I O N.

This complaint was filed for the purpose of compelling the defendant to serve complainant with electric energy for lighting, heating and power purposes. The complaint alleges, in effect, that on or about July, 1, 1912, the defendant agreed to supply complainant forthwith, at its own expense, with electric current for lighting, heating and power and that for that purpose it would construct, at its own expense, an electric transmission line to complainant's house, located on his ranch, about half a mile northwesterly from the village of Denverton, in Solano county, California; that the defendant has frequently represented that it would give such service to the complainant but that it has failed to do so; that the complainant, acting on the representations of the defendant to the effect that it would soon supply him with electric energy, incurred an expense of some \$200 in wiring his house and preparing for the reception of electric energy; that defendant has refused to supply complainant unless complainant, at his own cost and expense, should build a transmission line to convey the electric energy from the lines of the defendant to complainant's house; and that defendant has built its lines as far as the village of Denverton and is now supplying electric energy

at said place. The complainant asks this Commission to make its order compelling defendant to construct a line to complainant's home and thereafter to supply complainant with electric energy.

The defendant thereafter filed its offer to satisfy the complaint, offering to reimburse the complainant all his expense, not exceeding the sum of \$200, for labor and material incident to the wiring of complainant's house in preparation for the reception of electric energy, provided that the complainant would agree to repay this sum to the defendant when electric energy should be supplied to the complainant by the defendant or by any other central station company. The complainant refused to agree to this offer to satisfy his complaint.

The defendant thereafter filed its answer denying most of the material allegations of the complaint.

The answer states that defendant is willing to supply complainant if he, at his own cost and expense, will build a line to convey electric energy from Denverton to his house and will install the transformer necessary to reduce the voltage of defendant's current from 22,000 volts to 220 volts, or if complainant will secure for the defendant a right-of-way over the land intervening between complainant's house and defendant's 22,000 volt line at Denverton and will reimburse defendant for its cost and expense in furnishing and installing the necessary and proper transformer, poles, wires and other equipment in order to enable the defendant to deliver current to the plaintiff. The answer further sets forth that although the complainant's business was solicited by one of the defendant's agents on or about July 8, 1912, it thereafter became ^{im}possible for the defendant to secure the necessary right-of-way over the land contiguous to the premises of the complainant, with the result that defendant was unable to build its transmission main across complainant's premises as it had anticipated doing, but found it necessary to construct said main at a distance of about one mile from complainant's premises. The answer further alleges that it would cost defendant over \$1300 to

prepare itself to supply complainant with electric energy and that the average monthly revenue which it would receive from the sale of current to complainant, in accordance with his original application, would not exceed the sum of \$7.50 per month, or \$90.00 per year.

The hearing in this case was held in San Francisco on December 4, 1913. It appeared at the hearing that on July 8, 1912, the complainant signed an application for electric service from the defendant, which application was headed "Contract for electric current", but contained the clause that it should not become binding on the company until accepted by its sales manager. It was never so accepted. Certain agents of the defendant, however, held out to the complainant from time to time the hope that he would soon be served. The application was for a connected load of approximately 720 K.W. for twelve 16.c.p. carbon lamps and for seven and one half h.p. at 220 volts, for pumping purposes. It appeared at the hearing that complainant, relying largely on the representations of defendant's agents, had wired his house at an expense of \$200 and that he would consume electricity for lighting his house, by means of some 50 electric lights, and also for a one h.p. motor in his dairy, and possibly for an electric range. It appears that at the time this business was solicited, defendant expected to construct its 22,000 volt transmission line from Isleton to Napa over and across the property of complainant and his neighbors, but that defendant thereafter was unable to secure a right-of-way over the property of certain neighbors of complainant on terms satisfactory to the company and that it thereafter constructed its transmission line between said points on a public highway about one mile north of complainant's house. It appeared that for a distance of some 20 miles no current is taken from this transmission line, with the exception of current used to supply certain requirements of the Solano Irrigated Farms Company in and about the community formerly known as Denverton. The necessary ~~transmission lines~~ distributing lines to supply these needs were constructed at the expense of the Solano Irrigated Farms Company and are their property.

It appears that if defendant is to serve complainant there are two possible methods of securing this end: (1) the construction of a line from defendant's transmission main running along the county road, about one mile distant from complainant's house; (2) the construction of a transmission line to connect with the end of the line of the Solano Irrigated Farms at Denverton, a distance of 6/10 miles from the complainant's house.

For the construction of a three phase, pole top sub-station and line from defendant's 22,000 volt transmission line under the first alternative, the company estimates a total cost for pole top sub-station and one mile of three phase line of \$1822.54. This Commission's electrical rate department estimates for the same construction a cost of \$1652.10. For a single phase pole top sub-station and line in place of the three phase construction, this Commission's electrical ^{rate} department estimates a total cost, including overhead expenditures, of \$1148.67.

To cover the construction of a single phase power line from the end of the line of the Solano Irrigated Farms Company to complainant's house, the electrical rate department estimates a total cost of \$490.00.

The following table shows an estimate of total annual cost to defendant if it should be compelled to construct and maintain the line one mile long from its main transmission line to complainant's house, on the theory that a single phase line is constructed:

Interest on investment @ 7%.....	\$80.50	per year
Average depreciation (including current repairs) @ 7%.....	80.50	"
Total fixed charges.....	\$161.00	"
Meter expense, billing and collecting.....	9.00	
Power cost at $\frac{1}{4}$ ¢ per K.W.H. taken from transmission line (base rate).....	22.00	"
Total annual cost to company,	\$192.00	"

The defendant has offered that if complainant would construct this line the defendant would maintain the same and refund 20% of the monthly bill. The following table shows the result of such an arrangement:

COST TO COMPLAINANT:

Interest on investment.....	\$80.50
Annual bill minus refund.....	<u>57.60</u>
Total,.....	\$138.10

COST TO COMPANY:

Depreciation of line and sub-station.....	80.50
Cost of power on transmission line.....	22.00
Maintenance, billing and collecting.....	<u>9.00</u>
Total cost.....	\$111.50
Annual bill minus refund.....	<u>57.60</u>
Approximate annual loss to company.....	\$ 53.90

If complainant installs the extension ~~from the end of the line of the Solano Irrigated Farms Company~~ from the end of the line of the Solano Irrigated Farms Company, as he has been authorized to do by that company, the result will be as follows:

Interest on investment of \$490 @ 7%.....	\$34.30
Depreciation.....	<u>34.30</u>
Total interest charges.....	68.60
Estimated average bill.....	<u>72.00</u>
Total annual cost to complainant....	\$140.60

Great Western Power Company has heretofore applied to this Commission for a certificate to the effect that public convenience and necessity require and will require the service by that company of electric energy to the county of Solano. In securing such certificate, the defendant necessarily held itself out as being ready and willing to serve all of Solano county on terms and conditions which are reasonable. The question in this case accordingly is not whether the defendant is under the duty to serve the complainant or any other inhabitant of this county, but rather under what terms and conditions such obligation should be performed. While it is the general rule that it is the duty of a utility holding itself out as being willing to serve a certain territory, to incur at its own expense the necessary capital expenses and ~~xxx~~ thereafter to serve the applicant at the published rates, there may be cases in which

the expenditure necessary to serve would be so large or in which the other conditions would be such as to make it unreasonable both from the point of view of the company and of its other subscribers, to demand that the necessary extension shall be made entirely at the cost of the utility. I am of the opinion that the present case is one falling within the exception rather than within the general rule. It appears that in order to serve complainant from the defendant's main transmission line between Isleton and Napa it will be necessary for defendant to incur an initial expenditure of at least \$1148.67, with subsequent charges for operation, maintenance and depreciation, to secure a revenue which will probably not exceed the sum of \$72,00 per year. The evidence shows that there is no reasonable possibility of any other customer being served from the line to complainant's premises. If defendant is to be compelled to serve the complainant in this way, I find that such service should be ordered only on the condition that complainant should pay to the company in addition to his monthly bill, the sum of \$9.10 each month for fixed charges on the excess investment necessary to serve him in this way. If complainant is willing to give to the defendant a satisfactory bond to pay this amount for five years from the beginning of service, this Commission will make its order directing the defendant to serve him by this route, but otherwise such order will not be made.

From the point of view of the complainant, it would undoubtedly be cheaper to construct a single phase pole line from the end of the Solano Irrigated Farms Company's line, a distance of some 6/10 miles from his house, at a total cost of some \$490. It would be unreasonable to ask the defendant to construct this line, for the reason that the defendant would then find itself in the position of having the lines owned by the Solano Irrigated Farms Company intervening between two portions of its plant. If the Solano Irrigated Farms Company should cease to use its line, the Great Western Power Company would find itself with a piece of its line entirely disconnected from the remaining portions of its system. The company has offered

holds itself out as ready to serve.

In the present case the general rule is not applied for the reason that it seems clearly to be a case of an exception to the general rule, in which it would be unfair to the utility and to its other customers if it were compelled to incur the large expenditures hereinbefore referred to for the purpose of securing a maximum revenue of only \$72.00 per year. In this connection attention should be drawn to the fact that the company has served no one from its high transmission line for a distance of more than 20 miles, excepting in the case of the Solano Irrigated Farms Company, who have built their own distributing lines, and that if a line is built to serve the complainant, there is no reasonable anticipation that this line may be used to serve anyone else.

In conclusion, it should be understood that each case of an asserted exception to the general rule of the duty of a utility to make extensions at its own expense must be clearly proved before this Commission will authorize a deviation from the general rule.

I submit herewith the following form of order:

O R D E R.

A public hearing having been held in the above entitled proceeding and the case having been submitted, and being now ready for decision,

IT IS HEREBY ORDERED AS FOLLOWS:

1. Defendant shall construct a pole top sub-station and a single phase pole line, complete with transformer and meter, from its main transmission line between Isleton and Napa, a distance of approximately one (1) mile, to serve the complainant in this proceeding, and shall thereafter serve him with electric energy for lighting, heating and power purposes, but only on condition that complainant shall first have executed and delivered to defendant a satisfactory bond agreeing to pay to defendant each month for a period of five (5) years, whether he uses electric energy or not, the sum of nine dollars

and ten cents(\$9.10) in addition to his monthly bill at the established rates. If the parties cannot agree with reference to the sufficiency of the bond, the matter may be referred to this Commission.

2. If complainant, at his own expense, constructs a single phase pole line from the end of the Solano Irrigated Farms Company's line near the village of Denverton to his house, defendant shall thereafter serve him with electric energy through the line of the Solano Irrigated Farms Company, in accordance with that company's offer, and through the line so constructed by complainant, and shall charge for such service the regular rates on file with this Commission.

3. If complainant does not elect to pursue either of the foregoing alternatives, he shall so notify the defendant, whereupon defendant shall, in accordance with its offer to satisfy, on file in this proceeding, reimburse the complainant in the sum of two hundred dollars (\$200), this being the amount of money expended by complainant for material and labor incident to the wiring of complainant's house in preparation for the reception of electric energy, provided that complainant shall repay said sum to the defendant if electric energy is hereafter supplied to complainant either by the defendant herein or by some other central station company.

4. Within thirty (30) days from the date of this order, complainant shall notify this Commission and the defendant as to which of the foregoing alternatives, if any, he desires to pursue.

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
December, 1913.

John W. Eschman
A. J. Ireland
W. J. Gordon
W. A. Miller

Commissioners.