

ORIGINAL

Decision No. 2351

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of the Loyalton Electric Light
Company for an order to
discontinue electric service to
the residents of the Town of
Loyalton

Application No. 1594.

W. H. Duncan for applicant.

GORDON, Commissioner.

OPINION

This is an application by the Loyalton Electric Light Company to discontinue serving the residents of Loyalton with electric energy.

The petitioner cites the fact that applicant is engaged in the business of furnishing electricity for lighting purposes to residents of Loyalton and alleges that it has been operating its business for the past seven years at a loss, due to the fact that the population of Loyalton has greatly diminished and that there is no hope of ever conducting the business at a profit. The hearing was held in this matter at Loyalton on April 12th, 1915, at which time evidence was introduced by

petitioner in support of its application above referred to

The facts appear to be as follows:

About 1907 four saw-mills and three box factories were operating in the vicinity of the Town of Loyalton, a municipal corporation of the 6th class, located on the line of the Boca and Loyalton Railroad, at which time the population of the town was approximately 2,000. As a result of the rapid decrease in accessible timber and due to the fact that more advantageous transportation facilities were available in other localities, all of the saw mills and two of the box factories, upon which Loyalton's population largely depended, have discontinued operation and the remaining box factory will be shut down in the course of the next few months. At the present time the population of Loyalton is estimated at not to exceed 300.

Petitioner's generating plant consists of a 250 h.p. reciprocating steam engine belted to a 160 K.W. alternating current generator. The energy generated is distributed over 2,200 volt primary circuits to various pole type transformers where it is stepped down to approximately 110 volts. Petitioner has heretofore depended upon the box factories for its supply of fuel, and when the remaining factory is shut down and the supply of mill refuse is exhausted, fuel for steam can not be obtained at a cost sufficiently low to permit the continued operation of petitioner's present plant. It is further apparent that petitioner's generating plant is much too large to supply the needs of its remaining 40 consumers, and that under no circumstances could a plant of this size be operated economically to supply the present needs of this community.

While it is exceedingly unfortunate that the remaining residents of Loyalton should be deprived of electric service

and while the Commission would not be inclined to grant this application if there was any possibility of the Company continuing operation at a profit, conditions over which petitioner had no control makes it necessary to grant the relief requested. It was intimated at the hearing that in the event this application is granted by the Commission, the town itself, or its inhabitants individually, may undertake to continue electric service in Loyaltown provided sufficient funds could be raised to install a small gasoline engine driven unit, and provided further that satisfactory arrangements could be made with petitioner for the use or purchase of its distribution system. Petitioner, through its manager, Mr. W. E. Duncan, has agreed to sell its distributing system, or any portion thereof, to the Town of Loyaltown at a valuation to be fixed by the Commission's engineers, and it was stipulated that the town would be allowed until May 25th, 1915, to determine whether or not it wished to take advantage of the offer made by petitioner. I feel that this is a very liberal offer on the part of petitioner, but should recommend that the Town of Loyaltown be allowed until June 1st, 1915, to indicate its final decision in this matter.

I submit herewith the following form of order.

ORDER

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

IT IS HEREBY ORDERED that Loyalton Electric Light Company be and the same is hereby permitted to discontinue electric service in the Town of Loyalton on May 25th, 1915, and to dispose of its property now devoted to the production and distribution of electric energy in Loyalton on or after June 1st, 1915.

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 ^{5th} day
of ~~April~~ ^{May}, 1915.

Max Thelen

Alfred Gordon

Frank Berlin