

Decision No. _____

ORIGINAL

Decision No. 3463

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the application
of C. H. L. GRIEST, JR. for
authority to increase electric
rates in Banning.

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) Application

No. 2239.

A. H. Winder for applicant.
Frank L. Miller, City Attorney, for
City of Banning.

BY THE COMMISSION.

O P I N I O N

Applicant is engaged in the business of supplying to the inhabitants of Banning electric energy purchased from Southern Sierras Power Company. His business is operated under the fictitious name of The Light & Power Utility.

The distributing system was placed in operation in January, 1915. The labor of installing it

was done wholly by applicant and his father. No continuous record or set of accounts was kept, but various memorandum slips were made from time to time, and quite recently an accountant has sought to make up a set of books from this data and from the memory of applicant and his father. This effort resulted in a property account showing an investment up to April 30, 1916, of \$6,631.12. No suitable segregation was kept of amounts properly chargeable to capital and those to income, nor of earnings distributed.

At the hearing in Banning, applicant presented no appraisal but called as his witness Mr. Jas. F. Pollard, one of the Commission's assistant electrical engineers, who had made an examination of the system and had prepared a partial report upon it. It was stipulated that the data at hand should be used at the hearing and that Mr. Pollard's report, when completed and received by the Commission, should be received in evidence. The report contains the estimated reproduction cost of the system, and we have shown in a parallel column the corresponding items made up by applicant's accountant from the data described. Said estimated costs are as follows:

<u>Account</u>	<u>Commission's Engineer.</u>	<u>Accounts</u>
Organization	\$200.00	
Franchises	138.50	\$138.50
Land and rights of way	4.00	4.00
Poles and fixtures	2,966.30	2,077.10
Overhead system	1,691.38	1,844.41
Line transformers and devices ...	836.15	781.40
Electric services	882.50	68.08
Electric meters	1,437.25	1,330.05
Municipal street lighting	41.57	12.60
General office equipment	25.00	25.00
Shop tools and equipment	194.25	
Stable and garage equipment	175.00	
Material and supplies	450.91	
Miscellaneous equipment		349.98
Interest during construction at 1-1/2 per cent.	<u>135.64</u>	
Total fixed capital	9,178.45	6,631.12

The report shows a steady growth in the business from a total of twenty-two consumers in January 1915 to 179 consumers in April 1916, of which 112 were of residence lighting, 59 commercial/^{lighting} two cooking, one municipal lighting and five power consumers. The report shows 71 possible consumers under the lines not connected. Of these 39 will probably be connected reasonably soon, but 32 show little prospect of becoming consumers. The report also shows in detail the 10 power installations connected, and that the Banning cannery has contracted for service for a 20 horse power motor. It was reported that the city will probably install a street lighting system of about 18 lamps within about a year.

Energy is purchased from Southern Sierras Power Company at two cents per K. W. H. metered on the

2,200 volt side of the transformer. Purchases to April 30, 1916, were 94,185 K.W.H., amounting to \$1,883.70. Of this, 66,754 K.W.H. were sold for \$3,996.16. The energy not sold represents principally line losses.

The rates charged by the applicant at the present time are divided into three schedules, as follows:

Schedule "A" - Lighting Rate.

First	75 K.W.H. per month	7 cents per K.W.H.
Next	75 K.W.H. per month	6 cents per K.W.H.
All in excess of	150 K.W.H. per month	5 cents per K.W.H.

Minimum Charge: \$1.00 per month per meter.

Schedule "B" - Heating Rate.

4-1/2 cents per Kilowatt Hour

Minimum Charge: \$2.00 per month per meter.

Schedule "C" - Power Rate.

First	100 K.W.H. per month	5 cents per K.W.H.
Next	150 K.W.H. per month	4 cents per K.W.H.
All in excess of	250 K.W.H. per month	3 cents per K.W.H.

Minimum Charge: \$1.00 per month per horsepower connected.

Estimated maintenance and operation for 1915 and 1916, based on such data as is available, is shown in the following table:

OPERATING EXPENSES (Estimated)

<u>Item</u>	<u>1915</u>	<u>1916</u>
Energy purchased	\$1,277.00	\$1,713.00
Labor	1,000.00	1,500.00
Material	68.00	68.00
Office Expense	15.00	25.00
Rent	120.00	120.00
Telephone		18.00
Miscellaneous expense	35.00	35.00
Stable expense or livery hire	96.00	100.00
Taxes, 5 $\frac{1}{2}$ % of gross revenue.		212.23
Casualty insurance.....		150.00
Depreciation	<u>254.46</u>	<u>254.46</u>
Total	\$2,865.46	\$4,195.69
Gross Income	<u>2,607.84</u>	<u>4,042.52</u>
Deficit	\$ 257.62	\$ 153.17

O R D E R

G. E. L. GRIEST, JR. having applied to
the Railroad Commission for authority to increase
the rates charged to the inhabitants of Banning

and vicinity for electric energy.

And a public hearing having been held thereon,

IT IS HEREBY FOUND AS A FACT that the present rates charged by applicant, in so far as they differ from the rates herein found to be reasonable, are unreasonable and unjust; and that the rates hereinafter set out are hereby found to be just and reasonable rates to be charged for electric energy served to the inhabitants of Banning and vicinity; and basing its order upon the foregoing findings of fact and the further findings of fact set out in the opinion preceding this order,

IT IS HEREBY ORDERED that C. H. L. GRIEST, JR. be, and he is hereby, authorized and empowered to establish and is required to file with this Commission within twenty (20) days from the date of this order the following schedule of monthly rates to be charged for electric energy served to the inhabitants of Banning and vicinity, to wit:

SCHEDULE OF RATES.

Schedule "A"

Lighting Rate

Applies to all residence and commercial lighting consumers.

For the first 100 K.W.H. consumption per mo. 8 cts. per K.W.H.
For the next 100 K.W.H. consumption per mo. 7 cts. per K.W.H.
For the next 100 K.W.H. consumption per mo. 6 cts. per K.W.H.
For all in excess of 300 K.W.H. consumption per mo. 5¢ per K.W.H.

Minimum Monthly Charge: \$1.00 per meter.

Schedule "B"

Cooking and Heating Rate.

Applies to all domestic cooking, heating and power service.

For the 1st 100 K.W.H. consumption per mo. 4 $\frac{1}{2}$ ¢ per K.W.H.
For all over 100 K.W.H. consumption per mo. 3 ¢ per K.W.H.

Minimum Monthly Charge: \$2.00 per meter.

Schedule "C"

Industrial Power Rate.

Applies to all commercial and industrial power service.

First 50 K.W.H. consumed per horse power connected per month 5 cents per K.W.H.

Next 50 K.W.H. consumed per horse power connected per month 4 cents per K.W.H.

All in excess of 100 K.W.H. consumed per horse power connected per month, 3 cents per K.W.H.

Monthly minimum charge per horse power connected \$1.00

Monthly minimum bill: \$1.00.

Dated at San Francisco, California, this 27th
day of June, 1916.

H. S. Garland

Edwin O. Edgerton

Fraun R. Dyer

Commissioners.