

ORIGINAL

Decision No. 4692

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.CITY OF TURLOCK, a municipal
corporation,
Complainant

vs

YOSEMITE POWER COMPANY, a
corporation,
DefendantCASE
No. 909In the Matter of the Application
of the Yosemite Power Company
for an Order fixing just and
reasonable rates and regulations
for electric service.APPLICATION
No. 2410R. R. Fowler and W. N. Graybiel,
for Complainant,
W. I. Titus for Defendant.

BY THE COMMISSION:

OPINION

Case No. 909, the first of the proceedings
herein, is a complaint of the City of Turlock alleging
in effect that the street lighting service rendered by

defendant in that city is unsatisfactory and that the rates charged for this as well as other electric service rendered by defendant, to the municipality and its individual inhabitants, are excessive.

Application No. 2410 was filed by the Yosemite Power Company some time after the aforesaid complaint was made in Case No. 909. The Commission is thereby requested to determine and fix just and reasonable rates, rules and regulations to be made effective by the Yosemite Power Company throughout all that portion of its electric system commonly known as the "La Grange Division". Hearings in both of these matters were held before Examiner Excell at Turlock and it was stipulated that the proceedings might be consolidated for hearing and decision.

For the purpose of a general rate analysis, careful appraisals of the Company's property on several bases were submitted by Mr. J. F. Pollard, an assistant engineer of the Commission, and complete data concerning operating expenses, maintenance and load statistics were presented by the Company. The several estimates as to the cost of the operating property which may be considered as elements to be taken into account in a determination of "fair value" are as follows:

Estimated historical reproduction cost as of June 30th, 1916,	\$ 559 235.05
Original book cost (Adjusted)	473 774.00
Estimated historical reproduction cost less depreciation as of June 30th, 1916,	366 988.00

The gross revenue for 1916, which may be taken as a typical year, was \$71,677.45. The operating expenses for the same period as reported were \$50,249.46. This figure included \$15,265.56, being the Yosemite Power Company's estimate of annual depreciation, and approximately \$3,000.00 in operating expenses not chargeable to the operation of the La Grange Division, being a part of the Company's expenditures for the development of its non-operative properties. This latter item may be excluded inasmuch as hereinbefore noted only the rates in the La Grange Division are under consideration in these proceedings. The net revenue for depreciation annuity and interest upon the investment for the year 1916 was, therefore, \$39,683.55, or approximately 8 per cent on the investment of \$474,000.00 in this property, which may be considered as a fair basis for rate fixing purposes. After deducting a reasonable allowance from this revenue, for depreciation, the net return available for interest is reduced to approximately 6 per cent of the investment.

If, therefore, the Commission adheres to the policy, heretofore established in other rate-fixing proceedings, of allowing the utility a fair return on the amount of money actually invested for the benefit of the public where the capital expenditures have been made with reasonable care and wisdom, it would appear that no reduction in the rates of the Yosemite Power Company which would result in a reduction in net revenue is warranted at this time. On the other hand, although the Commission does not desire to be understood as limiting the return on the investment in a property of this kind to 6 per cent, the operating conditions of the Yosemite Company and the character of the territory served are such as would, in our opinion, not justify any increase in present rates.

Subsequent to the submission of the matters involved in this proceeding, Application No. 3045 was filed by the Yosemite Power Company and the Sierra and San Francisco Power Company jointly, asking for the Commission's authorization of the sale and purchase respectively of that portion of the property and business of the Yosemite Power Company known as the "La Grange Division". In the course of its testimony at the hearing in that proceeding, Sierra and San Francisco Power Company, as the prospective purchaser, indicated that in the event that said purchase received

the approval of the Commission the Sierra and San Francisco Power Company upon assuming control of the property would voluntarily put into effect for electric service supplied by said La Grange Division, the same rates as applied generally to service over other portions of its San Joaquin Division as follows:

SCHEDULE "N"

Residence Lighting and Cooking
And Small Motors.

Character of Service

This rate is applicable only for domestic use in residences, flats and apartments occupied by single families. Lamp socket electrical appliances and motors of less than one horsepower capacity are included under this rate. No motor having a capacity in excess of one horsepower shall be installed and used under this rate.

Rates

First 25 kilowatt hours monthly 10¢ per kilowatt hour.
All over 25 kilowatt hours monthly 3¢ per kilowatt hour.

Prompt Payment Discounts: A discount of 10% will be allowed on all bills paid at the office of the Company on or before the 10th of the month succeeding that in which service is rendered, but in no case shall the monthly bill to be paid be less than \$1.00.

Minimum Charge: \$1.00 per month per meter.

Terms and Conditions: Electric appliances used in the home, which may be operated from a lighting socket, such as irons, fans, percolators, chafing dishes, motors of one horsepower and under and portable heating devices of 1000 watts and under, can be operated under this schedule.

Electric ranges, water heaters and heating devices with capacity of over 1000 watts can be operated under this schedule, but special permission must be obtained from Power Company before connecting same.

SCHEDULE "M"

Commercial Lighting and Small Motors

Character of Service

This rate is applicable in general to all lighting service not covered by Schedule "N". Lamp socket electrical appliances and motor installations of one horsepower or less are included under this rate. No motor having a capacity in excess of one horsepower shall be installed and used under this rate.

Rates

First	50 kilowatt hours monthly	10¢ per kilowatt hour,
Next	50 kilowatt hours monthly	9¢ per kilowatt hour,
Next	100 kilowatt hours monthly	8¢ per kilowatt hour,
Next	200 kilowatt hours monthly	7¢ per kilowatt hour,
Next	200 kilowatt hours monthly	6¢ per kilowatt hour,
Next	200 kilowatt hours monthly	5¢ per kilowatt hour,
Next	200 kilowatt hours monthly	4¢ per kilowatt hour,
All over 1,000	kilowatt hours monthly	3¢ per kilowatt hour.

Prompt Payment Discounts: A discount of 10% will be allowed on all bills paid at the office of the Company on or before the 10th of the month succeeding that in which service is rendered, but in no case shall the monthly bill to be paid be less than \$1.00.

Minimum Charge: \$1.00 per month per meter.

SCHEDULE "C"

General Cooking and
Heating Rate.

Character of Service

This rate is applicable for electric cooking and heating.

Rates

First	50 kilowatt hours monthly	5¢ per kilowatt hour.
Next	100 kilowatt hours monthly	4¢ per kilowatt hour.
All over	150 kilowatt hours monthly	3¢ per kilowatt hour.

Prompt Payment Discounts: None.

Minimum Charge: \$3.00 per meter per month.

SCHEDULE "D"

General Power Rate

Character of Service

This rate is applicable to power installations in excess of one horsepower.

Rates

First 50 kilowatt hours per month per
 horsepower of rated capacity -
 4¢ per kilowatt hour.
Next 100 kilowatt hours per month per
 horsepower of rated capacity -
 2¢ per kilowatt hour.
All over 150 kilowatt hours per month per
 horsepower of rated capacity -
 1¢ per kilowatt hour.

Prompt Payment Discounts: A discount of
1% for each 5 horsepower of capacity is al-
lowed in power rates up to a total discount
of 30%, provided bills are paid at office
of the Company on or before 10th of month
succeeding that for which bill was rendered.

Minimum Charge: Monthly minimum 50¢ per
horsepower of rated capacity per month, or
yearly minimum of \$12.00 per horsepower
rated capacity.

Term: Contract required for one year.

Terms and Conditions: The Company shall
not be required to serve motors of less
than 5 horsepower capacity with 3 phase
current.

SCHEDULE "J"

Temporary Power Service

Character of Service

Applicable to all power connections for less than one year, for entire territory, where installation is in excess of one horsepower.

Rates

First 50 kilowatt hours per month per horsepower of rated capacity -
4¢ per kilowatt hour.
Next 100 kilowatt hours per month per horsepower of rated capacity -
2¢ per kilowatt hour,
All over 150 kilowatt hours per month per horsepower of rated capacity -
1¢ per kilowatt hour.

Prompt Payment Discounts: None

Minimum Charge: \$1.00 per horsepower per month of manufacturers' rated capacity of machinery. Full monthly minimum shall be paid by consumer for any fractional part of month.

Terms and Conditions: Consumer to pay for all labor and material used in connection with extension of lines, running the service, hanging transformers and connecting meter, meters to be furnished by the Company. The Company shall not be required to serve motors of less than five horsepower capacity with three phase current.

SCHEDULE "R"

Company Employees' Rate

Character of Service

Applicable to all connections for lighting, cooking and heating for residences of Company employees.

Rates

First 40 kilowatt hours per month - Free.
Next 100 kilowatt hours per month - 3¢
per kilowatt hour.
All over 140 kilowatt hours per month - 1¢
per kilowatt hour.

Minimum Charge: None.

Terms and Conditions: This rate applies only to cases where the employee's family is living alone and the employee is the main support thereof.

SCHEDULE "S"

Service Plus Energy Power Rate

Character of Service

This rate is applicable to entire territory for power

Rates

Installations from 1 to 9 horsepower,
1-1/2¢ per kilowatt hour.
Installations from 10 to 49 horsepower,
1-1/4¢ per kilowatt hour.
Installations from 50 to 99 horsepower,
1¢ per kilowatt hour.
Installations from 100 horsepower or over,
3/4¢ per kilowatt hour.

plus \$1.00 per horsepower per month service charge, or a service charge of \$1.25 per horsepower per month for not less than 6 specified months with the above energy charge for the said specified 6 months and an energy charge of 2-1/2¢ per kilowatt hour with no service charge for the months not specified.

Prompt Payment Discounts: None.

Minimum Charge: Service charge during the specified months. Nothing for months not specified.

Term: Contract required for one year.

Terms and Conditions: The Company shall not be required to serve motors at less than 5 horsepower capacity with 3 phase current.

MUNICIPAL STREET LIGHTING

Yearly rate for municipal series street lighting service. All night schedule on lamp basis. This schedule applies to the series street lighting service on lamp basis all night and every night lighting schedule and includes all maintenance and lamp renewals necessary for such service.

Rate

Regular lamps 6.6 ampere series direct current
magnetite lamps - \$54.00 per lamp per year.
100 candle power series incandescent street
lamps - \$21.60 per lamp per year.

Prompt Payment Discounts or Delayed Payment

Penalties: None.

Minimum Charge: Flat yearly rate lamp ser-
vice. Company furnishes lamps free.

SPECIAL RATE TO

CITY WATER WORKS PUMPING PLANT

2¢ per kilowatt hour.

The establishment of these rates will effect
a reduction somewhat in excess of 10 per cent in the
cost per kilowatt hour to consumers for lighting ser-
vice and a similar reduction in greater or less amounts
in the power rates, depending upon the operating con-
ditions of individual consumers. This reduction

will be justified by the increased efficiency in general and administrative departments, which will be effected by the consolidation of this property with the larger system of the Sierra and San Francisco Power Company. The result will therefore be a considerable saving to the consumers in this territory.

The Commission's Decision No. 4619 in Application No. 3045, rendered on September 5th, 1917, granted the desired authority for the Yosemite Power Company to sell its La Grange Division to the Sierra and San Francisco Power Company, and the actual transfer of this property will take place about October 1st, 1917, at which time the above rates will be voluntarily made effective by the Sierra and San Francisco Power Company as the new owners.

The testimony herein indicated that the principal complaint in regard to street lighting service is to the effect that a number of the incandescent lamps were, prior to the filing of the complaint herein, supported on comparatively short brackets on poles at the sides of the streets, and were more or less completely surrounded by the foliage of shade trees so as to impair their efficiency. The Commission is advised that since that time a number of these street

lights have been removed by the Yosemite Power Company to a position in the center of the intersecting streets. Inasmuch as the Commission is not now fully advised as to the number of lamps which may still be obscured in this way, and inasmuch as the new interests have not had any opportunity to negotiate with the city officials as to the number of lamps to be removed and the method of taking care of this expense, we believe that the Commission should temporarily withhold its order in regard to that portion of the complaint herein which relates to street lighting service, with the recommendation that the new interests controlling this property shall endeavor to reach an agreement with the city officials as to this matter within a reasonable time.

O R D E R

Public hearings having been held in the above entitled proceedings, and said proceedings having been submitted and being now ready for decision, and the Commission finding as a fact that the rates heretofore charged by the Yosemite Power Company do not result in a net revenue to said Yosemite Power Company greater than a fair return on the value of its property, used

and useful in serving its consumers, and it being understood that the Sierra and San Francisco Power Company, which is about to acquire the operative properties of the Yosemite Power Company, will voluntarily place in effect the rates as set forth in the opinion preceding this order, which will result in a material saving to the complainants herein and to other consumers in this territory.

The Commission basing its order upon the above finding of fact, and the findings of fact as set forth in the opinion preceding this order,

IT IS HEREBY ORDERED

1. That the complaint of the City of Turlock in so far as it refers to the rates of the Yosemite Power Company, be and the same is hereby dismissed.

2. That Application No. 2410 of the Yosemite Power Company for the determination by the Commission of just and reasonable rates to be charged for service delivered by its operative properties, be and the same is hereby dismissed.

3. That Sierra and San Francisco Power Company, as the new owner of the electric utility properties involved in the proceedings herein, shall endeavor to reach a mutually satisfactory agreement with the officials of the City of Turlock in regard to the im-

provement of the street lighting service in that City and shall, within thirty days from the date hereof, file with this Commission for its approval a plan for disposing of this part of the complaint.

The foregoing is 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 ^{October} 3^d day of September 1917.

W. H. Boardman

W. H. Gordon

Edwin O. Edgerton

Fran R. DeWitt

COMMISSIONERS