

Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 5494

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

---oOo---

In the Matter of the Application )  
of the JACKSON GAS LIGHT COMPANY, )  
B. E. Letang, Owner, for Increase )  
of Rates. )

Application No. 3622

C. P. Vincinni for Applicant.  
Robt. C. Bole, City Attorney  
for Jackson.

BY THE COMMISSION:

O P I N I O N

Jackson Gas Light Company applies for an increase of its rates for gas from \$2.50 per thousand cubic feet to \$4.00 per thousand cubic feet.

Jackson Gas Light Company operates a small coal gas generating plant in Jackson, Amador County, and serves gas for lighting and cooking to approximately 215 consumers. The plant consists of four coal gas generators, one of which at present is entirely abandoned, and a 10,000 cubic foot holder capable, in its present condition, of only approximately one-half this capacity, and a distribution system

approximately 3 miles in length with 300 services and a maximum of 290 meters. This plant was constructed about the year 1880 and taken over by the present owner and operator, Mr. B. E. Letang, in about 1885 and has been operated continuously since then.

A hearing was held before Examiner Westover at Jackson on May 1, 1918, at which time the case was submitted with the understanding that Assistant Engineer Lloyd Henley would report further on the matter of general condition of plant and operating revenue and expense.

The price charged for gas by this company has been, for the last ten or fifteen years, \$2.50 per thousand. During the past two or three years the price of coal has materially increased, it being \$12.05 per ton in 1916 and \$16.15 in 1917, the latter price being in effect at the time of hearing.

The number of gas consumers decreased during the past year from approximately 290 in 1916 to 213 at the time of the hearing. The sales of gas have been limited, the consumption per consumer in 1917 being approximately 6,000 cubic feet per year. This amount is very small, being less than one-third of the sales on other systems in corresponding communities where the rates for gas have been approximately \$1.50 per thousand.

The company showed a small return in 1916 and a deficit of \$2,295 in the operations for 1917. The statistics and general operating expenses for the first four months of 1918, as set forth in Assistant Engineer Henley's report which has been filed with the Commission in this case in accordance with stipulation at the hearing, are as follows:

Gas Sold - 516,000 Cu.ft.  
 Coal Used- 86 Tons (1 ton coal per 6,000 cu.ft. gas)  
 Coke Returned - 34.4 Tons (800 lbs. coke per ton coal)

Revenue:

516,000 cu.ft. gas at \$2.50 .....	\$1,290.00
34 tons coke " 14.00 .....	<u>476.00</u>
Total Revenue .....	\$1,766.00

Expenses:

20 tons coal at \$16.15 .....	\$1,389.00
Labor:	
1 stoker at \$60.00 .....	240.00
1 supt. " 120.00 .....	480.00
Lime .....	88.00
Taxes .....	99.00
Water and Phone .....	<u>18.00</u>
Total Expense ....	\$2,314.00
Total Revenue ....	<u>1,766.00</u>
<u>Operating Deficit...</u>	<u>\$ 548.00</u>

NOTE: The superintendent works one shift as stoker besides performing all maintenance and repairs as well as meter reading, collecting, etc.

From the above it is apparent that at present rates the company would not be able to make operating expenses, its deficit being approximately \$140.00 per month. The revenue per consumer is only \$18.00 per year, approximately. The cause of this low revenue may be attributed partly to the high price which has been charged for gas, the rate of \$2.50 per thousand being about \$1.00 in excess of that which, in general, has been charged in small communities of this State during the past several years. Another cause has been the availability of wood for fuel, practically all consumers of applicant having wood ranges installed for cooking, thereby limiting the use of gas.

In view of the above facts, it would normally appear that relief might be obtained through a reduction in

rates, thus encouraging more extensive use of gas, but on account of the expensive coal process employed, it would be necessary for sales to increase two and one-half times at present rates before the total revenue would offset operating expenses. In our opinion it is not at all probable that such an increase in sales could be obtained through any rate adjustment.

The Commission's Gas and Electric Department has investigated the question of the installation of an oil-gas generator to replace the present coal-gas set, which latter process is necessarily obsolete. It is found, however, that to install an oil generator with necessary accessories would cost in excess of \$3,000.00, and with the prevailing high cost of oil and the small sales per consumer, it does not appear that the installation of such a generator would be justified. While it is a fact that the existing rates of the applicant are materially higher than rates in similar localities in the State, it is clearly shown that they are not sufficient to yield operating expenses. Applicant has requested an increase to \$4.00 per thousand cubic feet and it appears that such a rate is necessary to meet present operating expenses. We doubt whether any permanent relief to applicant will be obtained by such a rate but believe it is due applicant and its consumers that the rate be established, as otherwise, the consumers cannot expect service to be continued.

O R D E R

Jackson Gas Light Company having applied for

authorization to increase its rates for gas supplied to the inhabitants of the Town of Jackson, Amador County, and a public hearing having been held and the matter having been submitted and now ready for decision,

IT IS HEREBY ORDERED that Jackson Gas Light Company be and the same is authorized to charge and collect the following rate for gas on all meter readings taken on and after June 20th, 1918, provided, Jackson Gas Light Company shall have filed with the Railroad Commission within ten (10) days from the date of this order a schedule of rates as herein set forth.

RATE:

\$4.00 per Thousand Cubic Feet.

Minimum Bill: \$1.00 per Month per Meter.

Dated at San Francisco, California, this  
19th day of June, 1918.

Edwin O. Edgerton  
H. D. Howard  
Alfred J. ...

Commissioners.