

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

711010

In the matter of the joint application)
of the SOUTHERN SIERRAS POWER COMPANY)
and HOLTON POWER COMPANY for authority)
to increase rates for electricity.)

Application No. 5910.

- ✓ E. B. Criddle for applicants.
- ✗ John E. Miller for California Alfalfa Growers Association.
- Gavin McNab and Nat Schmulowitz for California Central Creameries.
- Sheldon Borden and George H. Moore for South Western Portland Cement Company and Golden State Portland Cement Company.
- Walter S. Clayson for Temescal Water Company.
- G. R. Freeman for City of Corona and El Cerrito Ranch Co.
- C. H. McFarland for Moreno Water Company, Golden West Water Company and Ennis Brothers.
- Phil D. Swing for Imperial Irrigation District.
- E. N. Dyke for City of Imperial.
- J. S. Larew for City of El Centro.
- F. A. Leonard for City of Redlands.
- R. M. Moore for Yuma Light, Gas & Water Company.
- H. Patterson, E. A. Eastman and F. E. Howell; and Thomas C. Yager of Coachella Date Growers Association, for Settlers of Coachella Valley.
- George B. Bush for City of Riverside, Ravino Water Company and Sunny Mountain Orange Company.
- J. E. Horn for National Brotherhood of Electrical Workers.
- William Guthrie for City of San Bernardino.
- J. R. Gabbert for Riverside Chamber of Commerce.
- William Kingham for City of Hemet.
- ✗ James E. Barker for California Alfalfa Growers Association, City of Riverside, Ennis Brothers, Golden West Water Company, Moreno Water Company, Golden State Portland Cement Company, Southwestern Portland Cement Company, El Cerrito Ranch Company and Temescal Water Company.

EDGERTON, Commissioner.

O P I N I O N

Southern Sierras Power Company and Holton Power Company request in their application that in consideration

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of the abnormal increased costs of operation, low rate of return earned on investment, inability of applicants to finance new developments and extensions necessary to meet essential demands for power and the inability of applicants to pay interest upon obligations from the revenue under present rates, that this Commission grant them such financial relief in the form of increased rates as it deems adequate, fair and equitable.

In support of their request applicants submitted evidence to show the history of the companies, the investment which has been made to serve the public, the need for further development by the companies, increase in operating costs in 1918 over what would have occurred had pre-war conditions existed, together with summaries of operations from records of the companies.

Public hearings in this application were held in the City of Los Angeles and an adjourned hearing was held in El Centro before Examiner Encell on October 2nd to take evidence with special reference to the quality of service rendered in Imperial Valley by Holton Power Company.

A number of protests against the granting of an increase of rates were filed. The protests of California Alfalfa Growers Association, C. E. Cook, W. B. Barker, Ennis brothers and certain ranchers of Coachella Valley are in general to the effect that due to the increase in costs for labor, machinery and other necessary supplies and material, the profits which the farmers are able to obtain, even with the increased price of their product, have reduced to a very small margin and that if the applicants are allowed to increase their rates protestants will be forced to operate at practically no profit.

Imperial Irrigation District alleges that it has expended large sums in reconstructing its dredgers from steam to electric operation and that any increase of rates will work an undue hardship upon it.

City of Riverside protests against any increase of rates to it as its present contract rate is 1¢ per K.W.H. and any increase granted will cause the city to lose the amount of the increase in its electric distribution service to the inhabitants of Riverside.

California Alfalfa Growers Association submitted reports on the operations of several farms owned by members of the association showing that even with the present higher price received for their products the earnings from ranches were small and less in percent on investment than could be considered reasonable. Protestants have raised a point which must be given careful consideration in the fixing of applicants' rates. If rates be increased to a point which will make impossible the continuance of the farming industry the increase defeats itself and the company suffers rather than benefits by the increase. However reasonable increases may be made which while not unduly burdening industry will increase the revenue of the company and reflect the increased cost of furnishing the electric service.

The President of the United States and the Secretary of Treasury have urged that the public utilities should be maintained at their maximum efficiency and that everything/^{reasonably}possible should be done with that end in view. It is essential that this be done in the case of applicants to make possible the continued satisfactory operation of their system and the further development of power

necessary to supply the needs of the territory served.

The fact that the City of Riverside is reselling electricity purchased from Southern Sierras Power Company to its inhabitants at a fixed rate should not be considered as reason for citizens of that city not bearing their fair proportion of the increased costs as other consumers directly served by applicant. In case of any increase of rate to the city, this increase may be absorbed by the city's electric distribution department or passed to its consumers in the form of increased rates. I can see no reason why all of applicants' consumers should not bear their reasonable proportion of increased costs.

It was generally agreed by all parties that briefs might be filed if submitted promptly and that any information relevant to the matters on file with the Commission or subsequently required prior to the decision might be considered in evidence.

The Southern Sierras Power Company operates hydro-electric plants situated in Mono and Inyo Counties and a steam standby plant located in the City of San Bernardino and transmits electric energy over a high voltage transmission line to points in Inyo County, the eastern portion of Kern County, in San Bernardino, Riverside and Imperial Counties, including the Coachella Valley, where electric energy is distributed for lighting, heating and power purposes. The Southern Sierras Power Company also operates a small deisel engine electric plant located in the City of Blythe at the extreme eastern portion of Riverside County. In the transmission of energy applicant operates a transmission

line over 400 miles in length extending from Bishop, Inyo County, through San Bernardino to El Centro and Yuma.

The Holton Power Company purchases energy from the Southern Sierras Power Company at El Centro and also owns a small hydro-electric plant at Holtville and operates an auxiliary steam and gas-electric standby plant at El Centro. It distributes electric energy for lighting, heating and power purposes in and throughout the Imperial Valley and also sells energy to the Mexical Light and Water Company in Lower California-Mexico.

Southern Sierras Power Company, in addition to the service for general light and power, including agricultural power, supplies electric energy for the operation of tungsten mines in the vicinity of Bishop and Atolia, soda plants near Owens Lake, potash works at Searles Lake, and cement plants and mines along its transmission line. Energy is sold for redistribution to the City of Riverside, C. H. L. Ghriest for distribution in Banning, Holton Power Company for distribution in Imperial Valley and to Yuma Light, Gas & Water Company. Under a lease agreement, plants of Nevada California Power Company are operated and energy sold to that company for redistribution in Nevada. Power is interchanged with Southern California Edison Company through a frequency changer at Colton.

Holton Power Company distributes electricity for light, heat and power service in Imperial Valley. The service is limited largely to lighting and industrial power in the main cities of El Centro, Brawley,

Imperial, Calexico and Holtville. The power service is chiefly for the operation of cotton gins and cottenseed oil mills and ice plants.

The electric sales estimated for 1918 are 82,137,000 K. W. H., and Mr. A. B. West, General Manager, testified that demands for additional power for operation of plants which he considered essential to the war industries had been made which would require an increased output in 1919 of 35,000,000 K. W. H. The service demands cover increased capacity in tungsten mines, soda and potash works, irrigation and dredgers, totaling over 5,000 H. P. of additional load. Applicants' load is divided approximately as follows:

Lighting	5%
Agricult.Pr.(Irrig)	25%
Mining	10%
Industrial	40%
Other Utilities	20%

The Southern Sierras Power Company was organized in 1911 by Nevada-California Power Company, which was then distributing energy for mining in Nevada. A hydro power plant was constructed on Bishop Creek, transmission line to San Bernardino and a steam plant in the latter place and distribution systems constructed and purchased and extensions made to serve territory and develop business. Later Coachella Valley Ice & Electric Company, an allied corporation, constructed a transmission line from Banning to El Centro to serve Holton Power Company. During the past development the Bishop Light & Power Company, Corona Gas & Electric Company, Rialto Light, Power & Water Company,

Coachella Valley Ice & Electric Company and the Holton Power Company were purchased by the interests owning and operating the Southern Sierras Power Company but the separate companies were not consolidated until the Spring of 1918 when Southern Sierras Power Company purchased all but the Holton Power Company and at present there exists only two operating companies. These two companies are owned and controlled by the Nevada-California Electric Corporation, which is the holding company, and in addition to these controls the Nevada-California Power Company and several other utility and non-utility companies.

Practically all financing is done through Nevada-California Electric Corporation, the holding company. It is claimed that this has been beneficial in the past and has made possible the financing which otherwise could not have been done by the operating companies owing to the low return earned during the development of the business.

This application is made jointly by the two companies which are closely allied. The question has been raised as to whether the operation of the two companies should not be considered separate. Both companies are under one direct ownership and management. I believe under the present emergency the two companies may rightly be considered as one insofar as this proceeding is concerned, due consideration being given as to the relative rates of the two companies and proportion of cost to be borne by each.

Applicants request for increase is apparently based primarily upon increase in cost of operation due to **war conditions, including cost of oil, materials, labor and taxes.** In their presentation applicants introduced evidence to the effect that had 1915 costs continued to 1918 the companies operating costs would have been \$307,618.01 less than the actual estimate under present conditions. The statement of this estimate from appli-

cants' Exhibit No. 13 is as follows:

THE SOUTHERN SIERRAS POWER CO.

HOLTON POWER CO.

RATE APPLICATION NO. 3910

Estimated amount of excess of operating cost per annum, caused by the increase in unit costs at this date as compared with unit costs of the year 1915, plus additional fuel cost due to increased quantity needed for 1918.

Items See Note of Increase	Basis 1918 Estimated	Basis 1915	Increase Total	Percent Increase
a- Payrolls	239,058.00	194,119.36	44,938.64	23.15
b- Materials	72,783.00	40,490.00	32,293.00	79.75
b- Increased frt. on mat'l figured c	1,000.00		1,000.00	
c- Fuel oil (due to increased price)	181,462.50	70,752.27	110,710.23	238.40
c- Fuel (due to increased quantity)			57,976.60	
d- Taxes	88,470.00	60,114.66	28,355.34	46.14
e- Insurance	5,200.00		5,200.00	
f- Miscellaneous	104,699.00	77,554.80	27,144.20	35.20
Total	692,672.50	443,031.09	307,618.01	69.43

Certain increases included in the above are not chargeable to increased costs due to influences of war conditions. I refer to increased "fuel cost (due to increased quantity)". This item would have occurred regardless of war conditions, and is due to growth of business in excess of increase of plant capacity, and due to short water year. Increase in taxes, due to increase in rate of state tax also cannot be charged to emergency war conditions, nor are county and city franchise taxes.

No complete and detailed valuation has been made of applicants' property by the Commission. Valuations have been made of certain of the properties, but not of the larger Southern Sierras Power Company and

Holton Power Company's system. The company reports for the consolidated and combined properties as of average of 1918 a capital investment of \$9,715,788.46. This includes estimated cost of physical properties and an estimated development cost based upon capitalization of deficit in earnings below an 8% return. The segregated items set forth by applicants are as follows:

SOUTHERN SIERRAS POWER CO.
and
HOLTON POWER COMPANY

	<u>1918</u> <u>Estimate</u>
(a) Depreciable property	\$6,073,831.05
(b) Non-depreciable property:	
1- Lands and rights of way	439,117.85
2- Water rights	382,000.00
3- Organization	32,080.00
Addition	10,144.95
	<u>\$ 863,342.80</u>
(c) Working capital and mat'l and sup.	
1- Cash	55,650.00
2- Mat'ls and supplies	259,000.00
3- Notes and accts. recv.	370,950.00
4- Other items	5,174.00
	<u>\$ 690,774.00</u>
(d) Development cost	<u>\$2,123,840.61</u>
TOTAL	<u>\$9,715,788.46</u>

It is not possible at this time to pass upon the correctness of the item of "Development Cost". Applicant has operated at small return during the past due to the sparsely settled territory served and is entitled to consideration for this fact. In this proceeding I will not pass upon the correctness of this claim, but will use the companies' figures other than the item of Development Cost and with corrections for working capital to conform with

the Commission's general practice to determine the comparative earning of the properties for the year 1918 and previous years.

The following table shows the comparative capital, earnings, and expenses as reported for the entire properties of the applicants with inter-company transactions eliminated:

SOUTHERN SIERRAS POWER COMPANY
and
HOLTON POWER COMPANY

(Inter-company transactions omitted)

COMPARATIVE EARNINGS

	1913	1914	1915	1916	1917	Estimate 1918
Comparative Capital	\$4,875,000	\$5,395,000	\$5,906,000	\$6,240,000	\$6,950,000	\$7,305,000
Gross Earnings	457,133	710,828	753,367	794,083	1,089,100	1,364,018
Expenses	<u>306,615</u>	<u>415,646</u>	<u>296,270</u>	<u>381,342</u>	<u>515,412</u>	<u>856,590</u>
	\$ 150,518	\$ 295,182	\$ 457,097	\$ 412,741	\$ 573,688	\$ 507,428
% for int. & dep'n	3.09	5.48	7.75	6.62	8.25	6.95

In the above table the 1918 estimate of revenue and expense is based upon Exhibit No. 9 of applicant, corrected for further increase in cost of oil of \$10,000, due to increased freight rates.

A study of the growth of the companies' business and net return shows that had the normal growth continued, applicants' net earnings on the above capital would have been approximately 9.3 per cent for Interest and Depreciation or \$680,000.

From this, it appears that at present rates, applicants' net earnings are \$172,572 below what they would have been. This increased for State and County taxes would require an increase in gross revenue of \$185,000.

The year 1917 was approximately an average year as regards supply of hydro-power, and the companies' operating expenses not greatly increased by war conditions. The operating ratio of expense to gross revenue that year was 47.5 per cent. This applied to 1918 gross revenue would show a net for interest and depreciation of \$717,000 had the 1917 conditions continued, or a return of \$209,572 in excess of the estimated return for 1918.

Considering all the above facts, and the absolute need of the territory served for essential industries and the willingness of applicants (provided they may obtain the moneys to finance the necessary development) to render said service I find that applicants' net for depreciation and return based upon 1918 conditions should be increased to an amount of \$700,000.

Two estimates of depreciation were submitted. From an investigation of depreciation allowances made by this Commission in other proceedings and from the available information in this application, I believe that \$150,000 is a reasonable annuity for the combined properties.

In allowing the increases herein set forth, which may result in a relatively higher return than previously earned, it must be remembered that applicant is still in the development stage. Its stability during this period depends upon a growth in its net return.

The comparative statement for 1917 and 1918, were the total increased return for the latter year obtained, would be as follows:

SOUTHERN SIERRAS POWER CO.
and
HOLTON POWER COMPANY

(Inter-company transaction eliminated)

	<u>1917</u>	<u>1918</u>
Relative capital	\$6,950,000	\$7,305,000
Gross revenue	\$1,089,100 ✓	\$1,364,018 ✓
Increase	207,000	207,000
Total	\$1,089,100	\$1,571,018
Expense	\$ 515,412 ✓	\$ 856,590
Taxes on increase	14,428	14,428
	\$ 515,412	\$ 871,018
Net for dep. & ret.	\$ 573,688 ✓	\$ 700,000
Depreciation	143,000	150,000
Net	\$ 430,688	\$ 550,000
% of relative cap.	6.2%	7.51%
Interest and Amortization of Discounts	\$ 398,675	\$ 415,343
Surplus	\$ 32,013	\$ 134,657

Applicant has a number of consumers receiving service under rates other than filed schedules. These consumers are enjoying special reduced rates as against those being served on the regular schedules. This practice should be discontinued and all consumers placed upon schedules where the schedules apply before any increase is granted. No exact estimate is available showing what increase on gross revenue would result from this charge, but it may be fairly assumed that at least \$10,000 per year will result. There are certain special contracts to which the schedule rates do not apply, and these should be continued.

A general analysis of the applicants rates has been made, and certain changes are recommended which are set forth in this order.

Special reference was made to the rates and service in Blythe, where Southern Sierras Power Company operates a Deisel engine electric plant serving that town with electricity for lighting and small power. This system was installed in 1917 at which time applicant was very desirous of installing the system and preventing another party from serving the town of Blythe. The earnings of the local plant have so far not equalled the expenses, but this could be expected at least for the first several months, owing to the slow development of business. Applicant should, however, continue its present service, and if necessary absorb the losses pending a more complete development of business in that district. I believe, however, that a slight change in rates should be made at this time before the surcharge hereinafter authorized is applied to the rates for Blythe as set forth in the order herein.

Considering the emergency features of this application, the causes of the increased cost of service and the need for prompt action, I recommend that the increase in rates be made in the form of a surcharge to be added to the bills as determined from the regular schedules. In determining the surcharges, it appears reasonable to consider the two companies as a consolidated system, and no surcharges applied to the rate for energy sold the Holton Power Company by the Southern Sierras Power Company. Any increase in that rate would only result in an increase in the Southern Sierras Power Company's return and an equal reduction in the Holton Power Company's return, and this would not in any way be of importance as both companies are owned and controlled by the same holding corporation.

I recommend the following surcharges to be charged by applicants for service rendered. The amounts resulting from these surcharges to be added to the bills as rendered, based upon the regular schedule:

For electric energy sold for domestic and commercial lighting service outside City of San Bernardino..... $1\frac{1}{2}$ ¢ per k.w.h.

For electric energy sold for domestic and commercial lighting service in the City of San Bernardino..... $1\frac{1}{4}$ ¢ per k.w.h.

For electric energy sold for heating and cooking service..... 5 mills per k.w.h.

For electric energy sold for municipal street lighting service.....15% of monthly bills for service.

For electric energy sold for agricultural, industrial and mining power service other than cement plants..... $2\frac{1}{2}$ mills per k.w.h.

For electric energy sold for the operation of cement plants.....2 mills per k.w.h.

For electric energy sold to other electric utilities other than Nevada-California Power Company and So. California Edison Company.....2 mills per k.w.h.

The effect of the above surcharges upon the revenue of the companies, based upon the estimated sales for 1918 as set forth in Exhibit No. 3 of applicants, is set forth in the following table:

INCREASED REVENUE DUE

TO SURCHARGE

Based on 1918 Sales

<u>Classification of Service</u>	<u>Sales K.W.H.</u>	<u>Revenue</u>	<u>Surcharge per K.W.H.</u>	<u>Increase in revenue due to surcharge</u>
1. Domestic & com'l lighting, heating and cooking	3,366,280	\$ 299,220	1 $\frac{1}{2}$ ¢, 1¢ & $\frac{1}{2}$ ¢	\$ 49,000.00
2. Municipal lighting	412,100	25,680	15% of bills	3,852.00
3. Agricultural power	20,328,722	288,050	2 $\frac{1}{2}$ mills	50,820.00
4. Industrial power	25,873,519	412,540	2 $\frac{1}{2}$ "	64,684.00
5. Cement plants	6,920,000	77,000	2 "	13,840.00
6. Mining power	8,032,000	101,000	2 $\frac{1}{2}$ "	20,080.00
7. Power sold to Nevada-Calif. Pr. Company	11,850,533	71,103		
And other electric utilities	<u>5,354,200</u>	<u>88,725</u>	2 "	<u>10,708.00</u>
Total	82,137,354	\$1,353,318		\$212,984.00

Protests were filed and numerous complaints were made by representatives of Imperial Valley against the quality of service rendered by Holton Power Company, and the refusal of that company to make extensions for service. The main complaint is regarding the number and length of interruptions to electric service which have occurred.

A hearing regarding these particular matters was held at El Centro on October 2nd before Examiner Encell.

The larger part of the power supplied in Imperial Valley is from the Southern Sierras Power Company's system, being transmitted over at a 55,000 volt transmission pole line from San Bernardino to El Centro a distance of approximately 200 miles. A considerable part of this distance is through desert country where maintenance of line is difficult. The local generating facilities,

consisting of gas-electric and steam-electric plants, are not sufficient in capacity to supply the demands of the valley in case of transmission line interruption and it is out of the question at this time at least to require applicant to install plant capacity sufficient to insure against interruptions of power service due to the transmission line.

This matter of interruptions was previously brought before the Commission in connection with complaints filed by the cities of Calexico and Brawley, Cases 1160 and 1163, which were decided on February 7, 1918 in Decision 5120, in which decision the Commission ordered that Southern Sierras Power Company and Holton Power Company make certain changes in their line construction and plant installation. The result of the changes made has reduced considerably the number and length of service interruptions which have occurred. However, there are still a considerable number of interruptions to service.

The consensus of opinion as brought out at the hearing held in El Centro was that the consumers of Holton Power Company realized that at the present time, due to the prevailing emergency conditions, the cost of producing service by the power company was exceptionally high and that they were willing to assume a just proportion of the increased expense but desired that all that economically could, be done to improve the service conditions.

An inspection of the company's records and a report by the Commission's electric engineer who has inspected the companies' plants and transmission

line shows that one of the important causes of service interruption is the failure of what is known as "Porter Yokes" installed on the line at road crossings, and it is recommended that the "Porter Yokes" be eliminated. There are a large number of these installations and it will take considerable time to remove the same; also, this removal will necessarily cause interruptions to service owing to the fact that the transmission line service must be discontinued while this work is being done. I believe, however, that applicants should take steps to remove these installations as fast as possible with the least inconvenience to applicants' consumers in Imperial Valley.

Applicant has had difficulty in enlarging the capacity of its local steam plant to 350 kilowatts but it appeared at the hearing that this could be completed in a short time. I strongly recommend that the present installed gas-electric plant at El Centro be overhauled and repaired so as to make available its maximum capacity; that the steam plant be enlarged to a capacity of at least 350 kilowatts and that Holton Power Company take special care to maintain these plants at their maximum capacity in order that they may supply, during interruptions of transmission line service, as large a part of the local load as possible.

On account of reconstruction that was carried out at Rositas reservoir and the back-up of the water in the Alamo River, the Holtville hydro-electric plant of applicant has been put in a non-operating state. However, the plant had to be shut down due to failure on the part of the irrigation district to supply

sufficient water for its operation. Applicants estimate that for a total expenditure of approximately \$50,000 this plant can be re-located and put into operating condition with an output of 900 horsepower. There is, however, considerable doubt whether applicants can obtain the necessary water supply from the Irrigation District, although it has a long term contract for a sufficient supply. If sufficient water supply can be assured for the successful and continued operation of the plant I believe the reconstruction work should be undertaken, as energy from the proposed plant is needed in the Imperial Valley during the coming year.

It is the practice of Holton Power Company, in case of transmission line interruption, to render service from its local plants in so far as possible, first, to lighting circuits and then to smaller power consumers. Certain power consumers handling raw or perishable products and certain others which required service on account of legal obligations or for public health or safety which are now served off of the power circuits and cannot obtain service during transmission line interruptions, have urged that arrangements be made whereby they can obtain service during times of transmission line interruption. The rendering of such service could be made feasible by the arrangement of a double throw switch, allowing such consumers to change over to the lighting circuit at such times as it may be necessary for them to do so. Applicant should submit to the Commission a list of the consumers requiring such service.

I recommend the following form of Order:

O R D E R

Southern Sierras Power Company and Holton Power Company having applied to the Railroad Commission for authority to increase their rates for electric service, hearings having been held and the matter having been submitted and now ready for decision,

The Railroad Commission hereby finds as a fact that the payment of rates other than filed schedules by certain consumers of Southern Sierras Power Company and Holton Power Company where such filed schedules apply to their particular class of service constitutes a discrimination against other consumers purchasing energy under filed schedule rates; that certain of the existing rates for electric service should be changed or eliminated as herein designated; and that the basic rates herein designated are insufficient to provide Southern Sierras Power Company and Holton Power Company with a fair and reasonable return under the present abnormal conditions of operation and that the charges for service under said rates should be increased by the surcharges hereinafter set forth, and that the practice of free lamp renewals by Southern Sierras Power Company in certain territory

should be discontinued.

Basing its order on the foregoing finding of fact and other findings of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that on and after the second day of January, 1919, Southern Sierras Power Company and Holton Power Company shall charge and collect for electric energy sold, based on all regular meter readings taken on and after said date, only the schedules of rates on file with the Commission or as herein otherwise ordered, or which may hereafter be filed with the approval of the Railroad Commission, except for energy sold under contracts to which no filed schedule or rates will apply, in which case existing rates shall be charged; and provided, that

nothing in this order shall be construed to prevent Southern Sierras Power Company and Holton Power Company from granting free or reduced rates to service as set forth in Paragraph 5 of General Order 45 of this Commission.

IT IS HEREBY FURTHER ORDERED that Southern Sierras Power Company shall make the following changes in its rate schedules on file with the Commission, such changes to become effective for all bills rendered for meter readings taken on and after January 2nd, 1919.

- (1) Southern Sierras Power Company's schedule designated as "6-2-C", applicable to City of San Bernardino, San Bernardino County, to be cancelled.
- (2) Schedules for electric power service to be filed applicable within the City of San Bernardino, the rates of said schedules to be identical with those rates for the same electric service as filed by the Southern California Edison Company applicable within the City of San Bernardino.
- (3) Lighting Schedule No. 7-A and Power Schedule No. 7-C, applying in and adjacent to the town of Blythe, Riverside County, to be cancelled and superseded by the following schedules:

Lighting Schedule

Applying in and adjacent to the Town of Blythe, Riverside County

			<u>Gross</u>	<u>Net</u>
			per K.W.H.	per K.W.H.
First	30 K.W.H.	per meter per mo.	14¢	13¢
Next	70 "	" " " "	12¢	11¢
"	100 "	" " " "		10¢
"	300 "	" " " "		9¢
"	500 "	" " " "		8¢
All over 1,000	"	" " " "		7¢

	<u>Gross</u>	<u>Net</u>
Minimum Bill per Meter	\$1.60 per Mo.	\$1.50 per Mo.

The net rate is effective if the bill is paid on or before the 12th day of the month next succeeding that for which the bill is rendered; otherwise the gross rate is effective.

Power Schedule

Applying in and adjacent to the Town of Blythe, Riverside County

First	50 K.W.H. per meter per mo....	12¢ per K.W.H.
Next	950 " " " " " " ...	6¢ " "
All over 1,000	" " " " " " ...	4¢ " "

Minimum Charge \$1.50 per month per horse-power of consumer's motor installation but not less than \$2.00 per month.

- (4) Schedule "D" of Southern Sierras Power Company to be cancelled.

IT IS HEREBY FURTHER ORDERED that Holton Power Company shall make the following changes in its rate schedules on file with the Commission, such changes to become effective for all bills rendered for meter readings taken on and after January 2nd, 1919:

- (1) Paragraph "C" under Section 5 of Holton Power Company's Preliminary Statement Sheet No. 4 to be revised as follows:

"(c) DELIVERY:

Where current is delivered by the company at more than one point the readings of the meter at the separate

(c) DELIVERY (Cont'd)

points of delivery cannot be consolidated except that where current is delivered at one point and separate meters are installed for the convenience of the company the readings may be combined for determining the rate, and where current is used in the same location for light and power meter readings may be combined for basing rate but in such instances the lighting rate shall apply together with minimum based upon power installation."

- (2) General Lighting Schedule "A" and Guarantee Lighting Schedule "A-1" of Holton Power Company to be cancelled and superseded by the following schedule:

General Lighting Service

							<u>Gross</u> per K.W.H.	<u>Net</u> per K.W.H.
First	100	K.W.H.	per	meter	per	mo.	11¢	10¢
Next	100	"	"	"	"	"	10¢	9¢
"	200	"	"	"	"	"		8¢
"	200	"	"	"	"	"		6¢
"	400	"	"	"	"	"		5¢
All over	1,000	"	"	"	"	"		4¢
Minimum Bill per Meter							\$1.25 per Mo.	\$1.15 per Mo.

The net rate is effective if the bill is paid on or before the 12th day of the month next succeeding that for which the bill is rendered; otherwise the gross rate is effective.

(3) Schedule "C" of Holton Power Company shall be refiled, revising "Terms and Conditions" to read:

"This schedule shall be applicable to seasonal loads such as ice and refrigerating plants, cotton mills and gins, in which case the guarantee may be made for the operating period of not less than six (6) consecutive months in each calendar year, to be specified in advance, after which service may be discontinued and no guarantee will be exacted while so disconnected."

Southern Sierras Power Company is hereby authorized to discontinue the practice of supplying electric lamps to consumers free of charge on and after January 2nd, 1919.

IT IS HEREBY FURTHER ORDERED that Southern Sierras Power Company be and the same is hereby authorized to charge and collect, for energy sold, for metered service based on all meter readings taken on and after January 2nd, 1919, and for flat rate municipal and private street lighting service on and after January 1st, 1919, in addition to the schedule rates on file or herein authorized, special contract rates allowed and rates for service to which free or reduced rates may be granted as specified in the preceding paragraphs of this order, the following surcharges applicable to the classes of service in amounts respectively set forth, said surcharges to be added to the bills as rendered, based upon the schedules herein designated.

For energy sold for lighting service, including domestic, commercial and municipal metered service other than street lighting, except in the City of San Bernardino, 1 $\frac{1}{2}$ ¢ per K.W.H.

For energy sold for lighting service in the City of San Bernardino, 1¢ " "

For energy sold for electric cooking and heating, 5 mills per K.W.H.

For energy sold for electric street lighting service, 15% of Monthly Bills

For energy sold for power service, including agricultural, industrial and mining power, 2 $\frac{1}{2}$ mills per K.W.H.

For energy sold for the operation of cement plants, 2 mills per K.W.H.

For energy sold to other utilities, including municipal distribution systems other than Nevada California Power Company and Southern California Edison Company, 2 mills per K.W.H.

Provided, Southern Sierras Power Company and Holton Power Company shall file with the Railroad Commission of the State of California within ten (10) days of the date of this order, a statement showing the rates to which each of the surcharges hereinbefore authorized shall apply, which statement shall constitute an amendment to the rate schedules now filed or to be filed, and that Southern Sierras Power Company and Holton Power Com-

pany shall designate separately on the bills rendered to its consumers for electric service the amount due under the authorized surcharge; and further provided, that this order shall not prevent applicants from hereafter filing new rate schedules, subject to the approval of the Railroad Commission, if such new schedules shall not conflict with the purpose and intent of the provisions of this order.

. IT IS HEREBY FURTHER ORDERED that Southern Sierras Power Company and Holton Power Company shall file with the Railroad Commission on or before January 2nd, 1919, and on the first day of each and every month thereafter, a statement showing the consumers receiving electric service at other than filed schedule rates, together with such other information as the Railroad Commission shall hereafter require.

IT IS HEREBY FURTHER ORDERED that Southern Sierras Power Company take immediate steps to remove all "Porter Yokes" installed upon its transmission line from San Bernardino to El Centro, the removal of said "Porter Yokes" to be carried on with due diligence and with the least inconvenience to consumers, replacing the construction with a type which shall be approved by the Electrical Engineering Department of the Commission. The removal of the "Porter Yokes" shall be completed within 10 months from the date of this order.

IT IS HEREBY FURTHER ORDERED that Holton Power Company take immediate steps to place its gas-electric and steam-electric plants, located in El Centro, in condition to operate at maximum capacity and maintain the same at such capacity in the future.

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
25th day of December, 1918.

Edwin O. Edgerton
A. D. Loveland
Alex. Gordon
Frank R. DeWitt
Commissioners.