

ORIGINAL

Decision No. 6066

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application  
of MIDDLE YUBA HYDRO-ELECTRIC  
POWER COMPANY for an order in-  
creasing electric rates.

} Application No. 4140.  
}

Lloyd P. Larue for applicant and for  
Eightner Mines Company and Mugwump Mines  
Company.  
Searls & Searls by Carroll Searls for  
Original 16 to 1 Mine, Incorporated, and  
Mariposa Mines Association, Incorporated,  
protestants.

BY THE COMMISSION:

O P I N I O N

This is an application of the Middle  
Yuba Hydro-Electric Company for an order of the Commission  
modifying its electric rates, made necessary by the in-  
creased cost of operation due to increased cost of labor  
and materials and also an increased cost of current pur-  
chased from the Pacific Gas and Electric Company.

A public hearing on the application  
was held by Examiner Westover at Grass Valley.

Petitioner purchases all power from the  
Pacific Gas and Electric Company at the town of Pike, Sierra

County, California, transmit same 10½ miles over its own lines to a substation in Allegheny and distribute it to mining companies and other consumers in and near Allegheny and Forest.

Applicant is now serving the following mining companies:

	<u>Connected H.P.</u>
South Fork Mines Company	55
Original Sixteen to One Mine	133
North Fork Mining Company	113
Tightner Mines	155
Twenty-one Mine	30
Durston Mines Company	40
Mariposa Mines Company	151
Miscellaneous North Fork	25
W. F. Copland	35
El Dorado	50
Mugwump	50

Applicant also serves approximately 74 lighting consumers in the town of Allegheny and Forest.

Mr. R.M. Vaughan, Assistant Engineer of the Commission's Gas & Electric Division, submitted at the hearing an estimated reproduction cost of applicant's property, amounting to \$60,061, including rights of way, substations, transmission and distribution lines, but no intangible values. Complete records and vouchers showing actual cost were not available. However, Mr. Vaughan's conclusion very closely approximates applicant's stated cost of \$57,156.02 for the property valued, as shown by Decision No. 5482 of June 12, 1918, but not including \$2,482.00 for its lines to Wisconsin-North Fork and Mugwump mines, both of which were built subsequently. Applicant's history and financing is fully set forth in Decision No. 5482, to which reference is hereby made.

Applicant's gross revenue from electric operation and its operating expenses, exclusive of depreciation, for the year 1917 and six months of 1918, are shown in Table No. 1 following:

TABLE NO. 1.

MIDDLE YUBA HYDRO-ELECTRIC COMPANY,  
ELECTRIC OPERATING REVENUE AND  
EXPENSES.

	First 6 Mos. 1 9 1 7	Last 6 Mos. 1 9 1 7	First 6 Mos. 1 9 1 8
Gross Revenue	\$15,598.00	\$15,593.00	\$10,483.00
Electric Power Purchased	\$7,790.00	\$ 6,259.00	\$ 5,743.00
Labor	2,111.00	2,947.00	1,633.00
Material & Supplies	604.00	1,789.00	308.00
Miscellaneous	503.00	794.00	1,014.00
Taxes	545.00	731.00	718.00
Total Operating Expenses	\$11,553.00	\$12,500.00	\$ 9,416.00
Net Revenue for Dept. and return	\$ 4,045.00	\$ 993.00	\$ 1,067.00
Investment operative	\$58,000.00	\$60,000.00	\$60,000.00

It will be noted that for the year 1917 the net revenue amounted to \$4,938.00. Deducting 2% for depreciation would leave \$5,757.00 for a return on the investment, or 6.46%. For the period from July 1, 1917 to June 30, 1918, inclusive, the net return for depreciation and return amounts to \$1,960.00, deducting 2% for depreciation, leaves a balance of \$759.00, or a return of 1.27%.

By Decision No. 5519 of June 27, 1918, the Commission authorized the Pacific Gas & Electric Company to increase its rates, including those shown by Schedule #189, covering current being block schedule.

for resale and applying to applicant herein. This, with a surcharge of <sup>mill</sup> one/100 per K.W.H. added, increases applicant's average cost of energy purchased to 1.24 cents per K.W.H. For the months of July, August and September, 1918, under the new rate a deficit of \$937.00 occurred. During the latter three months the company's sales have also materially decreased, aggregating 250,680 K.W.H. for that period as against 360,280 K.W.H. for the preceding three months. There appears to be no prospect for any substantial increase in load in the near future. It appears, therefore, that an increase of rates must be granted applicant in order that it may pay operating expenses and earn a return on its reasonable investment. The rates herein fixed are designed to meet the needs for further revenue and equitably apportion the burden of increase in cost to the consumers.

Table No. II sets forth the effect of the increased cost of power, and returns to be expected under the new schedule.

TABLE NO. II

MIDDLE YUBA HYDRO-ELECTRIC COMPANY  
ELECTRIC OPERATING REVENUE AND  
EXPENSES.

For year 1918.

	<u>6 Mos. Period Apr. to Sept. Inc.</u>		
	<u>Pres. Schedule</u>	<u>Pres. Schedule</u>	<u>New Schedule</u>
Gross Revenue	\$ 9,246.00	\$9,246.00	\$13,772.00
Operating Expenses:			
Electric Pr. Purchased	5,046.00	7,824.00	7,824.00
Labor	1,316.00	1,316.00	1,316.00
Material & Supplies	404.00	404.00	404.00
Miscellaneous	659.00	659.00	659.00
Taxes	790.00	790.00	826.00
Total Operating Expenses	8,217.00	10,993.00	11,029.00

Table No. II, Cont'd.

Net Revenue for depreciation and return	\$1,029.00	#2,747.00	2,743.00
Investment- operative	60,061.00	60,061.00	60,061.00
Rate of Annual Return	5.4%		9%
Loss depreciation at 2% per annum	1.4%		7%

\*Cost of energy based on former rate of .6¢ per K.W.H. Revenue based on applicant's present rate  
 \*\*Cost of energy based on present rate of 1.34¢ per K.W.H. Revenue based on applicant's present rate  
 \*\*\*Cost of energy based on present rate of 1.34¢ per K.W.H. Revenue based on applicant's proposed rate  
 #Deficit.

The rate for lighting service is not changed.  
 There is no cooking and heating/service furnished under present rates. The present power rates are as follows:

Intermittent service at 30,000 or 6600 volts.  
 0 to 27,229 K.W.H. 1.2¢ per K.W.H.  
 All over 27,229 K.W.H. 1.3¢ per K.W.H.

Continuous loads.

0 to 5446 K.W.H. 1.3¢ per K.W.H.  
 5446 to 27,229 K.W.H. 1.3¢ " "  
 All over 27,229 " 1.3¢ " "

Minimum charge \$1.00 per H.P. connected load.

O R D E R

MIDDLE YUBA HYDRO-ELECTRIC COMPANY having applied to the Railroad Commission for an order fixing electric rates, a public hearing having been held and the matter having been submitted and being now ready for decision,

THE RAILROAD COMMISSION hereby finds as a fact that the rates now charged for electric service by applicant are insufficient to provide applicant with an adequate return,

and in so far as they differ from the rates herein established, the existing rates of applicant are not just and reasonable rates, and further, that the rates herein established are just and reasonable rates for service under existing conditions.

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

IT IS HEREBY ORDERED that Middle Yuba Hydro-Electric Company is hereby authorized to establish and file with the Railroad Commission the following rates for electric service to be effective for all bills rendered on regular meter readings taken on and after January 30, 1918.

SCHEDULE NO. 1.

General Lighting Service.

12¢ per kilowatt hour.

Minimum charge - \$1.00 per meter per month.

SCHEDULE NO. 2.

Cooking and Heating Service.

Applicable where electric cooking or heating apparatus is installed.

First	20 K.W.H.	per meter per month...	12¢	per K.W.H.
Next	100	"	5¢	"
"	300	"	4¢	"
All over	500	"	3¢	"

Minimum Charge 50¢ per K.W. capacity of cooking and heating apparatus, but not less than \$2.50 per month.

SCHEDULE NO. 3

General Power Service

First	1,000	K.W.H. per month	----	4¢	per K.W.H.
Next	1,000	"	"	3¢	"
"	3,000	"	"	2½¢	"
"	5,000	"	"	2¢	"
"	15,000	"	"	1½¢	"
"	25,000	"	"	1¼¢	"
All over	50,000	"	"	1¢	"

Minimum charge \$1.25 per H.P. of active installed capacity per month.

SCHEDULE NO. 4.

Optional Power Schedule.

Standby Charge:

\$1.00 per H.P. of installed capacity per month, plus.

Energy Charge:

First	400	K.W.H. per month	----	2½¢	per K.W.H.
Next	1,600	"	"	2¢	"
"	18,000	"	"	1½¢	"
All over	20,000	"	"	1¼¢	"

Dated at San Francisco, California,

this 16th day of January, 1919.

Edwin O. Edgerton

H. H. Brundage

Frank R. Martin

H. H. Brundage

Edwin Martin  
Commissioners.