

Decision No. 6484

ORIGINAL

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
CALIFORNIA-OREGON POWER COMPANY for )  
an order readjusting and fixing its ) Application No. 4196.  
rates and charges for electric en- )  
ergy. )

Morrison, Dunne & Brobeck, by M. S. Taylor  
and Tapscott & Tapscott, for Applicant.  
B. K. Collier, for Town of Montague and  
Town of Etna.  
James M. Allen, District Attorney of Siski-  
you County, for Siskiyou County and  
Town of Yreka City and Town of Dorris.  
Herbert R. Raines, for Town of Yreka City,  
Henry McGuinness, for Town of Dunsmuir  
and Town of Sisson.

BY THE COMMISSION:

O P I N I O N

In this proceeding applicant alleges, in general, that the revenue received from its electric service rendered in California does not result in a reasonable return upon the investment, and requests that the Commission issue an order authorizing applicant to establish rates which will enable it to collect reasonable and adequate compensation for the service rendered.

1.

A public hearing was held in this proceeding before Examiner Bancroft at Yreka on April 23, 1919, at which time evidence was introduced by applicant and by the various protestants. It was stipulated that if necessary additional information might be required by the Commission subsequent to the submission of the case, and the same would be considered in evidence.

Applicant herein operates an electric production, transmission and distribution system in the southern part of Oregon and in the northern part of California. The service in California is limited, in general, to Siskiyou and Trinity Counties, where electricity is generated and sold for domestic and commercial lighting and power service, also industrial, agricultural and dredging service.

During 1918, as a result of negotiations on the part of the Commission to help the power situation in the central part of California, applicant extended its transmission line from Castella to Kennet and reinforced the main line from Copco to Castella for the transmission of power to Northern California Power Company. Up to this time the Copco plant, which was completed in 1918, had not been operating to capacity, but with the completion of inter-connection the plants of applicant will be practically fully loaded.

The Company owns and operates four hydro-electric plants in California, namely, those known as Fall Creek 2300 kilowatts, Shasta River 360 kilowatts, Carville 320 kilowatts, and Copco of 10,000 kilowatts capacity. On December 31, 1918 applicant had 2,517 electric consumers in California and a total connected load of 10,246 kilowatts. The Company re-

ports approximately 5,000 consumers in Oregon. The revenue and sales, exclusive of sales to Northern California Power Company, are, however, practically equally divided between California and Oregon.

An estimate of the historical cost of the properties of applicant in California was made by Asst. Eng. R.M. Vaughan of the Commission's Gas and Electric Division, which shows that on December 31, 1918, this estimated cost of the physical plant was \$4,297,799, and of this amount the cost of the Copco plant, plus the additional transmission line to Kennett, was \$2,612,100, leaving a net cost of the physical property, exclusive of Copco, \$1,685,699.

The delivery of power to Northern California Power Company will require practically the entire use of the Copco plant. This plant was not in operation in 1918. We will compare applicant's earnings in 1918 with the investment exclusive of Copco. The 1918 records of applicant shows, for the California Division, the following:

Gross Revenue	\$229,591.23
Expenses	<u>94,737.33</u>
Net <sup>for</sup> Return & Depr.	\$134,853.90
Average return for 1918 based upon a capital of \$1,650,000	8.17%

The rate of depreciation annuity upon the property of applicant exclusive of Copco will be approximately 2 per cent per annum, from which it appears that applicant earned approximately 6.2 per cent on its physical property for the year 1918.

During 1918 and the first part of 1919 the cost of operations of applicant have increased due to increased cost of labor and material. With the return of normal times,



consumers. We believe, however, that although the exact result of any rate specified cannot be determined, the present conditions should not be allowed to continue and that a reasonable readjustment of rates should be made at this time and that the Company be directed to keep more complete and accurate record of its operations with a view to making, at a later date, a final readjustment of rates.

In changing over the method of billing for service from flat to metered rates, applicant should stand the expense of the changes and not require its consumers so to do, except where material revision of consumers' wiring is required.

Applicant serves three large irrigation plants under special contracts, two of which were entered into in 1912 with the Montague Land and Irrigation Company, and the Big Springs Water Company, the rate being fixed on the basis of \$2.50 per acre per year of land irrigated. These contracts run for 49 years. The Lucerne Water Company is served under a special contract rate of approximately three-quarters of a cent per k.w.h., the contract having been entered into in 1916. It may appear from a complete investigation after the Company has served under these contracts for a <sup>longer</sup> period, that a modification of the contract should be made, but we do not believe at this time, considering the extent of evidence presented, that any change should be made in these contracts.

#### ORDER

CALIFORNIA-OREGON POWER COMPANY having made application for authority to readjust its rates and charges for electric service, a public hearing having been held, the matter having been submitted and being now ready for decision,--

The RAILROAD COMMISSION OF THE STATE OF CALIFORNIA  
HEREBY FINDS AS A FACT that the rates and charges heretofore  
made by California-Oregon Power Company, in so far as they  
differ from the rates and charges herein fixed, are unjust  
and unreasonable, and that the rates and charges set forth  
in the order herein are just and reasonable rates and charg-  
es for California-Oregon Power Company to make for service  
rendered on and after July 1, 1919, for flat rate service,  
and for bills rendered on meter readings taken on and after  
July 15, 1919, for meter service.

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

IT IS HEREBY ORDERED that California-Oregon Power  
Company be and the same is hereby authorized to charge and  
collect for electric service rendered, based upon meter  
readings taken on and after July 15, 1919, for metered  
service, and to apply to flat rate service rendered on and  
after July 1, 1919, the following rates and charges:

SCHEDULE NO. 1

RESIDENCE AND COMMERCIAL LIGHTING SERVICE:

Applicable to all classes of lighting service.

TERRITORY:

Applicable to entire territory served by Company.

RATE:

First	10 k.w.h. per meter per month,	12¢ per k.w.h.
Next	30 k.w.h. per meter per month,	10¢ per k.w.h.
Next	60 k.w.h. per meter per month,	8¢ per k.w.h.
Next	200 k.w.h. per meter per month,	6¢ per k.w.h.
Next	1 700 k.w.h. per meter per month,	4¢ per k.w.h.
All over	2 000 k.w.h. per meter per month,	3¢ per k.w.h.

MINIMUM CHARGE:

1. Within limits of incorporate cities and towns,  
\$1.00 per meter per month.
2. Outside limits of incorporate cities and towns,  
\$1.25 per meter per month.
3. Power:  
When motors are operated under this schedule the minimum charge in addition to (1) or (2) above will be \$1.00 per horsepower per month for capacity in excess of 1 horsepower.

SCHEDULE NO. 2

HEATING AND COOKING SERVICE:

Applicable to electric heating, cooking and water heating service.

TERRITORY:

Applicable to entire territory served by company.

RATE:

First	150 k.w.h. per meter per month,	3¢ per k.w.h.
Next	350 k.w.h. per meter per month,	2¢ per k.w.h.
All over	500 k.w.h. per meter per month,	1¢ per k.w.h.

MINIMUM CHARGE:

50¢ per kilowatt of active installed capacity per meter per month, but not less than \$2.50 per month.

SPECIAL CONDITIONS:

The active installed capacity is considered as the maximum capacity that may be connected and in use at any given instant.



SCHEDULE NO. 3

COMBINED HEATING, COOKING AND LIGHTING SERVICE:

Applicable to service requiring energy for lighting, together with heating, cooking or water heating purposes.

TERRITORY:

Applicable to entire territory served by company.

RATE:

First	30 k.w.h. per meter per month,	10¢ per k.w.h.
Next	120 k.w.h. per meter per month,	3¢ per k.w.h.
Next	350 k.w.h. per meter per month,	2¢ per k.w.h.
All over	500 k.w.h. per meter per month,	1¢ per k.w.h.

MINIMUM CHARGE:

50¢ per kilowatt of installed active heating and cooking capacity per meter per month, but not less than \$2.50 per month.

SPECIAL CONDITIONS:

The active installed capacity is considered as the maximum capacity that may be connected and in use at any given instant.

SCHEDULE NO. 4

GENERAL POWER SERVICE:

Applicable to service for industrial and agricultural purposes.

TERRITORY:

Applicable to entire territory served by company.

RATE:

1. For connected loads of less than 5 horsepower:

First	150 k.w.h. per meter per month,	6¢ per k.w.h.
Next	350 k.w.h. per meter per month,	3¢ per k.w.h.
All over	500 k.w.h. per meter per month,	1½¢ per k.w.h.

2.

Consumption per H.P. per month	Rate per K.W.H. for Connected Loads of				
	5 h.p. to 14 h.p.	15 h.p. to 39 h.p.	40 h.p. to 74 h.p.	75 h.p. to 149 h.p.	Over to 150 h.p.
First 50 k.w.h.	5¢	4¢	3½¢	3¢	2½¢
Next 100 k.w.h.	2½¢	2¢	2¢	1½¢	1½¢
All over 150 k.w.h.	1½¢	1¢	1¢	¾¢	¾¢

Capacity of  
Installation

Minimum Charge

1. 4 h.p. or less

\$15.00 per h.p. per year, but in no case less than \$30.00 per year, payable in equal monthly installments.

2. Over 4 h.p.:

First	4 h.p. of connected load per year,	\$15.00 per h.p.
All over	4 h.p. of connected load per year,	12.00 per h.p.

Payable in six equal installments for an irrigation season of six consecutive months.

SPECIAL CONDITIONS:

Any installation may obtain the rates for a larger size installation by guaranteeing the rates and minimum under the larger installation.

SCHEDULE NO. 5

OPTIONAL POWER SERVICE:

TERRITORY:

Applicable to entire territory served by company.

RATE:

a. Service Charge:

\$12.00 per horsepower per year of connected load, but not less than \$60.00 per year.

b. Energy Charge:

First	1 000 k.w.h. per month,	2¢ per k.w.h.
Next	4 000 k.w.h. per month,	1½¢ per k.w.h.
Next	15 000 k.w.h. per month,	1¢ per k.w.h.
All over	20 000 k.w.h. per month,	¾¢ per k.w.h.

SPECIAL CONDITIONS:

- a. The total charge is the sum of the service and energy charges.
- b. The service charge to be paid in equal monthly payments.

SCHEDULE NO. 6

LUMBER COMPANY AND BOX FACTORY SERVICE:

Applicable to installations of 300 h.p. or over.

TERRITORY:

Applicable to entire territory served by company.

RATE:

1. Energy furnished at Primary Distribution

Voltage:

First 25 000 k.w.h. per meter per month, 1¢ per k.w.h.  
Next 150 000 k.w.h. per meter per month, 0.75¢ per k.w.h.  
All over 175 000 k.w.h. per meter per month, 0.7¢ per k.w.h.

2. Energy furnished at Secondary Distribution

Voltage:

First 25 000 k.w.h. per meter per month, 1¢ per k.w.h.  
All over 25 000 k.w.h. per meter per month, 0.8¢ per k.w.h.

MINIMUM CHARGE:

First 200 k.w. of maximum demand per month, \$1.00 per k.w.  
All over 200 k.w. of maximum demand per month, .80 per k.w.

SPECIAL CONDITIONS:

- a. The maximum demand as herein referred to is the highest average demand measured in kilowatts over a period of 15 minutes and occurring during the month for which the bill is rendered, but in no case will the demand be less than 50% of the installed transformer capacity.
- b. At the option of the Company the maximum demand may be based on the average of a 20 minute reading, or on 80% of the average of a 15 minute volt-ampere reading.

SCHEDULE NO. 7

GOLD DREDGING SERVICE:

Applicable to installations of 300 h.p. or over.

TERRITORY:

Applicable to entire territory served by company.

RATE:

First 50 000 k.w.h. per meter per month, 1¢ per k.w.h.  
All over 50 000 k.w.h. per meter per month. 0.7¢ per k.w.h.

MINIMUM CHARGE:

\$1.00 per horsepower of connected load  
per month.

SPECIAL CONDITIONS:

Energy will be supplied at the primary distribution voltage of 2300, 4000, 6600 or 11,000 volts, depending on locality in which service is desired.

IT IS HEREBY FURTHER ORDERED that California-Oregon Power Company be, and it is hereby, authorized to continue its present flat rates in effect to each consumer now being served at flat rates until it shall have installed a meter for such service, after which the metered rates herein authorized shall immediately become effective;

IT IS FURTHER ORDERED that California-Oregon Power Company shall file with this Commission a new schedule of rates within ten (10) days after the date of this order.

Dated at San Francisco, California, this 10<sup>th</sup> day of July, 1919.

H. D. Loveland  
Frank R. Kelly  
Dwight Martin  
Commissioners.