

Decision No. 27016 .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of BEAR VALLEY UTILITY COMPANY
for an order establishing rates
for electric service rendered
throughout its service area.

ORIGINAL
Application No. 19356

W. C. Kennedy, for Applicant.
Ben Harrison, Protestant, for cer-
tain consumers.

BY THE COMMISSION:

O P I N I O N

Bear Valley Utility Company, operating an electric, water and telephone system throughout that certain territory in San Bernardino County known as Bear Valley, has applied to the Railroad Commission for an order authorizing the establishment of certain electric rates for general lighting service and for general heating, cooking, refrigerating and water-heating service. Applicant in general proposes to lower its rates for domestic and commercial service, but in so doing proposes to restrict the combination of lighting service with cooking and heating service to domestic consumers only, thereby conforming to standard rate practice. As a consequence a number of the latter class will be subject to increased billing due to the necessity of having their lighting loads detached from their cooking and heating loads and separately metered and billed.

A public hearing was held before Examiner Johnson on April 11, 1934, at Pine Knot, San Bernardino County, at which time

the matter was submitted.

Applicant serves an area primarily of a resort nature and its connected load is highly variable, the domestic consumers ranging from 460 to 650 in number and the commercial consumers from 60 to 75 during the season. Power is purchased by applicant from The Southern Sierras Power Company at a voltage of 33,000 volts, the metering station being located at Cold Mountain, a distance of ten or twelve miles from the center of applicant's distribution system. The present contract for the purchase of energy terminates in April, 1934, and under the terms of a new agreement applicant will effect an estimated annual saving of \$480.

The record shows that the proposed General Lighting Service Schedule, if established, will effect a total estimated saving of \$2,400 per year to existing general domestic consumers and that an estimated increase in billing, totaling \$910, will result to thirteen commercial consumers due to the proposed separate metering and billing of their lighting service.

It appears that owing to an ambiguity in the wording of applicant's General Heating, Cooking and Combination Schedule, combination service heretofore has been and now is being furnished thereunder to commercial enterprises thereby enabling them to obtain energy used predominantly for lighting purposes at a cost substantially lower than the regular rate for lighting service. This application of that schedule is inconsistent with its intent and with the practices of other utilities.

Protestants at the hearing urged that the application, to correct this condition, be denied, stating that thirteen commercial consumers who would be adversely affected by such action would be compelled to seek other means of lighting.

The record further shows that applicant, for the year ending December 31, 1933, received only a 4.35% return on the historical cost of the property, excluding any charge for depreciation expense. The proposed rates will further reduce the return. While protestants urged lower rates and questioned the amount of invested capital as reported on the books of the Company, it is apparent that applicant will not earn an excessive return and that the rates proposed are in the interest of the majority of the consumers.

O R D E R

Bear Valley Utility Company having made application for authority to establish new rates for General Lighting Service and for General Heating, Cooking and/or Water-heating service furnished to consumers in Bear Valley, San Bernardino County, a public hearing having been held thereon, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that the rates and charges of said Bear Valley Utility Company for electric energy delivered to consumers in Bear Valley and the vicinity adjacent thereto, in so far as they differ from the rates herein established, are unjust and unreasonable, and that the rates herein established are just and reasonable rates to be charged for the service rendered, therefore

IT IS HEREBY ORDERED that Bear Valley Utility Company

- (1) Be and it is hereby authorized to charge and collect for domestic and commercial service, effective for bills based upon meter readings taken on and after June 20, 1934, the rates set forth in Exhibit "A" attached hereto, and

(2) File in the regular manner on or before June 20, 1934, schedules of the rates herein authorized.

The effective date of this Order, except as otherwise provided herein, shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 7th day of May, 1934.

P. C. Seamy
Leon O'Connell
M. J. Lee
M. B. Haring
D. M. Haring

Commissioners.

EXHIBIT "A"

SCHEDULE NO. 1

GENERAL LIGHTING SERVICE:

Applicable to general domestic and commercial lighting service including household appliances and single phase motors of not to exceed 3 HP capacity.

TERRITORY:

All territory served.

RATE:

First	100	KWH	per	meter	per	month	.12 $\frac{1}{2}$	per	KWH
Next	100	"	"	"	"	"	.10	"	"
Next	100	"	"	"	"	"	.07 $\frac{1}{2}$	"	"
All over	300	"	"	"	"	"	.05	"	"

MINIMUM CHARGE:

Residence - \$1.25 per meter per month
Business - 2.50 " " " "

SPECIAL CONDITIONS:

(a) Applicants under this Schedule shall be required to pay in advance as a minimum guarantee for use of service, an amount equal to the minimum charge, applicable to such service, for a period of six months. Consumers shall not be required to make further payment of bills until such advance payment has been absorbed.

(b) If customer desires, he may elect service under this Schedule to be billed under an annual minimum charge, provided he so informs the Company and pays such annual minimum charge in advance on or before June 1st of each year. Such annual minimum charge shall be an amount equal to twelve times the monthly minimum charge for the service desired, and shall represent the minimum charge for such service for the twelve months beginning the June 1st designated. Such annual minimum charge shall entitle the customer to such an amount of electrical energy as can be provided at the metered rates applied to his monthly consumption. In the event that the customer exhausts the amount of such annual minimum charge before the expiration of the twelve months period designated, his monthly charge for electrical energy used thereafter during such year shall be computed at the above metered rates.

If, after June 1st of each year, customer desires, he may elect service under this schedule to be billed under a minimum charge for the period from the date of his election to the following June 1st, provided he so informs the Company and pays in advance the minimum charge for such period on or before the date of the beginning of such period. Such minimum charge shall be an amount com-

puted by multiplying the amount of the monthly minimum charge for the service desired by the number of months between the date of the beginning of such service and the next succeeding June 1st, and such minimum shall represent the minimum charge for service for such period ending with such June 1st. Such minimum charge shall entitle customer to such an amount of electrical energy as can be provided at the metered rates applied to his monthly consumption. In the event customer exhausts the amount of such minimum charge before the expiration of such period, his monthly charge for electrical energy used thereafter during such period shall be computed at the metered rates.

SCHEDULE NO. 3

GENERAL HEATING, COOKING, REFRIGERATING AND WATER HEATING SERVICE:

Applicable to general domestic or commercial cooking and/or heating and/or refrigerating and/or water heating service; and to domestic combination lighting with cooking and/or heating and/or refrigerating and/or water heating service.

TERRITORY:

All territory served.

RATE:

(a) HEATING, COOKING, REFRIGERATING, WATER HEATING SERVICE:

First	60 KWH per meter per month	.06 per KWH
Next	140 " " " " "	.05 " "
All over	200 " " " " "	.035 " "

(b) COMBINATION LIGHTING WITH HEATING, COOKING, REFRIGERATING, WATER HEATING SERVICE APPLICABLE TO RESIDENCE SERVICE ONLY:

First	40 KWH per meter per month	.125 per KWH
Next	60 " " " " "	.06 " "
Next	140 " " " " "	.05 " "
All over	240 " " " " "	.035 " "

MINIMUM CHARGE:

(a and b) Heating, cooking and/or water heating and/or refrigerating service and to combination lighting with heating, cooking and/or water heating and/or refrigerating service, \$.75 per KW of active connected capacity per month, but in no case less than \$3.00 per month.

SPECIAL CONDITIONS:

(a) Applicants for service shall be required to pay in advance as a minimum guarantee for use of service, an amount equal to the minimum charge for a period of six months. Consumers will

not be required to make further payment of bills until such advance has been absorbed.

(b) Rates (a) and (b) apply only where consumer installs and uses cooking, heating and/or water heating and/or refrigerating appliances (other than lamp socket devices) of at least two KW capacity.

(c) The active connected load is considered as the name plate rating of all heating, cooking and/or water heating and/or refrigerating apparatus permanently connected and shall be taken as 100 per cent of the first 2 KW installed and 50 per cent of the connected load installed in excess of 2 KW.

(d) Single phase power service of 3 HP or less may be combined under this schedule, in which case each HP of connected load shall be taken as 3/4 KW in determining the minimum charge.

(e) If customer desires, he may elect service under this schedule to be billed under an annual minimum charge, provided he so informs the Company and pays such annual minimum charge in advance on or before June 1st of each year. Such annual minimum charge shall be an amount equal to twelve times the monthly minimum charge for the service desired, and shall represent the minimum charge for such service for the twelve months beginning the June 1st designated. Such annual minimum charge shall entitle the customer to such an amount of electrical energy as can be provided at the metered rates applied to his monthly consumption. In the event that the customer exhausts the amount of such annual minimum charge before the expiration of the twelve months period designated, his monthly charge for electrical energy used thereafter during such year shall be computed at the above metered rates.

If, after June 1st of each year, customer desires, he may elect service under this schedule to be billed under a minimum charge for the period from the date of his election to the following June 1st, provided he so informs the Company and pays in advance the minimum charge for such period on or before the date of the beginning of such period. Such minimum charge shall be an amount computed by multiplying the amount of the monthly minimum charge for the service desired by the number of months between the date of the beginning of such service and the next succeeding June 1st, and such minimum shall represent the minimum charge for service for such period ending with such June 1st. Such minimum charge shall entitle customer to such an amount of electrical energy as can be provided at the metered rates applied to his monthly consumption. In the event customer exhausts the amount of such minimum charge before the expiration of such period, his monthly charge for electrical energy used thereafter during such period shall be computed at the metered rates.