

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of Central Mendocino County Power
Company for Authority to Amend its
Water and Electric Schedules.

Amended
Application No. 21492

ORIGINAL

McClymonds, Wells & Wilson,
by Wm. S. Wells, Jr., for Applicant.

F. W. Taft, City Attorney, for City of Willits.

WAKEFIELD, COMMISSIONER:

O P I N I O N

The Central Mendocino County Power Company filed its original application September 28, 1937 for an increase in water rates and an amended application on December 29, 1937, for adjustment of its water and electric rates.

Under the original application the applicant alleged that present rates for water service are now and for some time past have been so low as to yield but approximately one per cent (1%) on the capital investment in the applicant's water department. Whereupon request was made to revise said water rates so as to yield an increase in annual gross revenue of approximately \$3,000. Such increase, applicant stated, would still yield less than a fair return, but under the then existing conditions no more was requested.

Under the amended application the applicant represents that since the original filing the need for a further increase in water rates and a revision of its rates for electric service

has developed and accordingly requests that adjustments be made in the rates of both the departments so as to enable the company to furnish adequate service and receive such return as the Commission may deem proper.

Public hearings were held in the Town of Willits.

History and Development of Company

This company has been before the Commission many times before, principally in matters relating to service areas, the transfer of properties, the issuance of securities, and rates for water service. The early history of the company was briefly recounted under Decision No. 15590 (27 CRC 150) and may here be repeated:

"Central Mendocino County Power Company was organized on or about March 20, 1922, primarily for the purpose of acquiring and operating public utility electric and water systems in and about the town of Willits. To this end it purchased the electric distributing system formerly owned by Northwestern Redwood Company; the water system formerly owned by the Willits Water and Power Company; constructed a 22,000-volt transmission line to Potter Valley, a distance of fifteen miles, to connect with the lines of Snow Mountain Water and Power Company, from whom the electric energy is purchased and constructed a dam at Dutch Flat near Willits, in order to develop and insure an adequate supply of water."

For several years thereafter, until July 11, 1927, the company engaged in the business of furnishing and selling electricity for light and power and of distributing water, at which time the water properties were sold to Willits Water Company. The Willits Water Company operated the water system until February 1, 1931, whereupon the water properties were transferred back to the Central Mendocino County Power Company.

Service Investigation

Prior to the hearings, a general study was made of the company's operations by the Commission's engineering staff. The

record shows that in both the water and electric services there is real need for improvement.

For the sake of simplicity and clarity, the evidence presented will be considered separately under the two departments maintained by the utility.

ELECTRIC DEPARTMENT

Commercial power and light rates have not been changed since 1925 and 1926, respectively. In 1931, the heating and cooking rate and the domestic combination rate were last revised. During this interval the sales of energy by the applicant company nearly doubled. Some idea of the growth of business is revealed by the following figures:

	<u>December 31</u> <u>1925</u>	<u>1936</u>
1. KWH Sales	488,641	863,567
2. Number of Consumers	548	745
3. Miles of Distribution Line	14.15	30.6
4. Revenue from Energy Sales	\$30,776.07	\$48,237.43
5. Average Rate per KWH Sold	6.3¢	5.6¢

Concerning the electric system, M. W. Edwards⁽¹⁾ testified that system interruptions and voltage fluctuations were more frequent, of longer duration, and more severe than normal utility practice on systems of this character warranted. Mr. E. H. Maize⁽²⁾ as well as Mr. Edwards, pointed out, however, that most of the outages occurred on the 15-mile transmission line from Potter Valley to Willits. This line, in part, traverses a rugged mountain terrain and in winter the loading conditions become severe and repair work slow and difficult. It is of record that part of the difficulty is due to the need of a higher standard of construction and maintenance.

(1) Electrical engineer on the Commission's staff.

(2) Vice President and General Manager of Central Mendocino Power Company.

Voltage variation can very materially be improved by the installation of a suitable voltage regulator at the receiving station in Willits.

Rehabilitation Program

In order to improve the character of the service rendered, I recommend the following program, which will be made a part of the Order. In making these recommendations I am not unmindful of the low over-all earning position of the applicant. Such an improvement in service is believed essential not only to the company's customers but to the company itself if it expects to continue in the utility business. The program to be followed has been laid out as the one causing the least financial burden consistent with the improvement in the service required.

To reduce system outages from line failures a rebuilding program over a six-year period should be undertaken. Within this time approximately 75 per cent of the transmission line poles and crossarms should be replaced; span lengths in places reduced, and more adequate guying used. While less work is necessary on the distribution system, a similar program should be instituted wherein at least 10 per cent of the poles and fixtures will be replaced each year. Where conductor sizes are inadequate (both transmission and distribution) and splicing excessive, these should be replaced during this same period. In order to reduce losses and improve the efficiency of distribution, line transformers of small size and old in service should gradually be replaced.

To give immediate relief from excessive voltage variations an automatic induction voltage regulator should be installed during this first year at the receiving station at Willits.

Operations and Earnings

Mr. C. T. Mess, Valuation Engineer of the Commission, submitted evidence as to the operating fixed capital in service, both tangible and intangible, resulting in an estimated average rate base of \$153,900. (3)

Similar evidence was introduced in exhibit form and oral testimony as to the estimated and actual revenues and expenses. In summary form the results from operation under present rates may be tabulated as follows:

<u>Electric Department</u> <u>Calendar Year 1927</u>	
Gross Revenues	\$52,775
Operating Expenses (Adjusted)	<u>35,645</u>
Net for Return	\$17,130

The record fully justifies the conclusion that the electric earnings are high.

Rate Adjustments

The Commercial Lighting Schedule No. 1 is too high both from the point of view of what it costs this utility to render that service and in comparison with other rates in similar size communities in this section of the state. Because of the high rate level not only is lower usage made of the service, but the company has experienced loss in revenue because of local plant competition. The Order will provide for a substantial reduction in the rate for this class of service. While the reduction thus referred to is very material, amounting to 18 per cent on the average, there will be a few customers whose usage falls between 7 and 13 kilowatt-hours per month who will receive a slight increase. This increase is made necessary because of the desira-

(3) While the fixed capital portion of this figure has been adjusted to cover operative plant in service, a more extensive survey and appraisal would be required to accurately determine the reasonable prudent investment.

bility to coordinate the type of rate structure of this class with that of domestic service.

The same general comments are true, to a lesser degree, in respect to the general power rate under Schedule No. 5. Special Power Schedule No. 6, which provides a flat rate with no minimum charge, should be combined with the regular power schedule. This latter change, while resulting in reductions to those customers who regularly use the service, will mean some increases to seasonal users and to those whose use is low in relation to the demands established. In lieu of requiring a separate power schedule for X-ray service, the regular power schedule here established will provide for this service through an added clause providing for a special minimum charge.

At the present time there is no filed rate for street lighting and inasmuch as the contract rate to the City of Willits has expired there appears to be no good reason why the charge for this service should not be based upon a regularly filed tariff. The record discloses that street lighting rates are somewhat higher than are justified on a cost-to-serve basis. While cost of service is an important element in determining a fair rate level, there are many other pertinent factors that may well be given consideration, such as the value of the service and its history and the peculiar circumstances surrounding the rates and local conditions.

The Order will provide for the filing of such a street lighting tariff, with a modification in the present rates which will result in a slight over-all reduction in the charges for this service.

Closely akin to questions of rates are the company's rules and regulations. One of the more important rules is that

for establishing the conditions under which electric line extensions will be made. The record shows that the present rate of 15 cents per foot, to be advanced by the applicant customer beyond the free length, is inadequate in rural territory and the Order will provide that the company may refile its rule incorporating a 25-cent charge, with other changes, which will bring its rule into conformity with the practices now in common use on other utilities in neighboring territories.

The following tabulation shows the estimated net amount of the electric rate reductions:

<u>Schedule</u>	<u>Annual Reduction</u>	<u>Per Cent</u>
Commercial Lighting	\$3,000	18
General Power	<u>600</u>	5
Total Reduction	\$3,600	

Under the service conditions provided herein the customers of this utility's system should receive an improved service which will be reasonably satisfactory. The rate revision authorized will not only provide more equitable rates to the users of service but will place the applicant in a much firmer position and further improve its earning capacity as these changes are made. The rates herein provided for should yield a return somewhat in excess of that usually permitted by the Commission, but under the circumstances of the need for the improvement in the company's plant herein provided for, they appear to be reasonable.

WATER DEPARTMENT

Water for this system is obtained by diversion from James Creek at a point approximately five miles from Willits. A concrete dam on the stream at Dutch Flat, known as Morris Dam, forms a reservoir with a storage capacity of 635 acre feet, or 207,000,000 gallons. The water is conveyed from the dam to a reservoir, of 110,000 gallons' capacity, situated upon a hill above the town. This storage reservoir is at present owned by Northwestern Redwood Company but used by applicant at a nominal charge. The transmission main varies from 14 to 8 inches in diameter and the distribution system consists of nearly 40,000 lineal feet of pipe lines varying from 2 to 8 inches in diameter. There are approximately 550 services, practically all of which are metered. About 50 standard fire hydrants and 25 wharf type fire hydrants are also connected to the mains.

The present water rates are as follows:

SCHEDULE NO. 1

General, Domestic and Commercial (other than under Schedule No. 3). Applicable to all consumers rated as domestic and commercial:

Monthly Meter Rates:

First 500 cubic feet	\$1.25
All over 500 cubic feet, per 100 c.f.	.10

Minimum Monthly Charges:

For 5/8-inch meter	1.25
" 3/4 " "	1.50
" 1 " "	2.00
" 1 1/2 " "	3.00
" 2 " "	4.00
" 3 " "	7.00
" 4 " "	10.00

SCHEDULE NO. 2

Municipal Usage

Per Month Each

Fire Hydrants	
All hydrants 2 1/2-inch stand or less on 2-inch mains	1.50
All hydrants 4-inch stand on 4-inch mains	2.00
All hydrants 6-inch stand on 6-inch mains	2.50
All Sewer Flash connections	2.00
All Street Sprinkler connections and valves	2.00
All Public Drinking Fountains and Water Troughs	1.00

SCHEDULE NO. 3

In force from May 1st to September 30th.
Applicable to all domestic consumers whose major summer consumption is for garden and lawn purposes, over entire system.

Monthly Meter Rates:

First 500 cubic feet	1.25
Next 2500 cubic feet, per 100 cu. ft.	.08
All over 3000 cubic feet, per 100 cu. ft.	.05

Minimum Monthly Charges:

(Same as for Schedule No. 1)

SCHEDULE NO. 4

Sale of Surplus Water for Irrigation -

Flat Rate:

Per acre per season providing for a minimum of three deliveries, each of approximately 8 inches in depth (2/3 acre foot per acre) 4.00

Measured Rate:

Per acre foot or its equivalent, per year 2.00

Schedules No. 1 and No. 2, covering domestic and municipal use, were placed in effect January 1, 1926. Schedule No. 3, covering summer garden use, applies only during five months of the year. Under this latter schedule, domestic consumers are granted a reduced rate to encourage the use of water for irrigation of lawns and gardens. However, commercial consumers are not given the benefit of any similar reduction regardless of the quantity of water used. This results in a lack of uniformity which should be eliminated in favor of a more equitable rate structure covering all classes of service. Such a schedule will be set out in the Order following this Opinion.

In the original application no increase was proposed for fire hydrant and municipal use. However, at the hearing, Mr. E. H. Maize, Manager of the applicant company, specifically requested a revision of this schedule to provide for an increase in the revenue derived from the City of Willits for municipal usage of water. It is conceded that in order to provide for proper public fire protection the distribution facilities must be considerably larger in all respects than necessary to provide a purely domestic and commercial service. Mr. Maize contended that on the basis of this required excess capacity of the transmission and distribution facilities the utility's annual revenue from the city for municipal purposes should be \$3,480 instead of the present sum of \$2,325. Mr. Adolph Gunderson, at present a member of the City Council and formerly chief of the Willits Fire Department, testified that several fire hydrants are connected to mains too small to be of any practicable benefit. The evidence presented in this connection indicates that the schedule of rates for municipal usage should be revised so that the city will bear an equitable proportion of any increase in

revenue to which the utility may be found entitled. The fire hydrant rentals will be designed upon the basis of the effectiveness of actual hydrant delivery.

Irrigation Schedule No. 4 was established by the Commission in its Decision No. 26312 dated September 2, 1933. The rates under this schedule are applicable only to the sale of surplus water from the transmission main on lands near or immediately adjacent to said main. At the hearing, applicant requested permission to discontinue service of water under this schedule. The evidence shows that the total revenue from this source for the one-year period from August 1, 1936 to July 31, 1937 was \$72, derived from but two consumers. Objection was made by one witness in behalf of the estate of George Mast to cancellation of this agricultural rate upon the grounds that considerable money had been expended in preparing the lands of the estate for irrigation and no other source of water was available. However, the evidence shows that only eight acres of this land had been irrigated prior to Mr. Mast's death in 1936, and no irrigation on this land has been practiced since that date.

Applicant's desire to discontinue any and all such irrigation service arises from the fact that it is planned to construct a filtering and aerating plant to be located along the pipeline near the storage reservoir. If and when this installation is made, all water delivered through the transmission line will be filtered and treated. It is apparent that the sale of such treated water for field irrigation purposes would not be justified even at the rates now in effect and would place a most unreasonable burden upon all other water users. The Order following this Opinion will, therefore, authorize the applicant to discontinue this service.

Evidence was submitted by C. T. Mess, Valuation Engineer of the Commission, relating to operative fixed capital, both intangible and tangible, resulting in an estimated average rate base of \$241,200.⁽⁴⁾ Testimony was given by E. R. Foster, one of the Commission's hydraulic engineers, covering maintenance and operation expenses and operating revenues of the utility's water department, and also data concerning operating problems and water use. From the record presented it is clear that in spite of the increased number of consumers the actual gross revenue per consumer has not increased in like proportion during the past five years. Unfortunately, the utility faces an alarming decrease in the net revenue per consumer. Following is a summary showing the results of water operations for the one-year period commencing August 1, 1936 and ending July 31, 1937:

Gross Operating Revenue	\$15,785.36
Total Maintenance and Operation Expenses (Adjusted)	<u>13,325.93</u>
Net Operating Revenue	\$ 2,459.43
Return on \$241,200	1.02%

Complaint was universal that the quality of water supplied by applicant is practically undrinkable during the summer and fall. No efforts have been made to properly treat the waters impounded in the Morris Dam to eliminate these objectionable tastes and odors. Some consumers stated they would not object to a reasonable increase in water rates, provided the company properly filters its water delivered for domestic and commercial uses. The record is clear on this point and the rates established in the following Order will be contingent upon the installation by the company of a proper filtration plant.

(4) See Note 3.

The record in this proceeding shows that the water revenues produce little more than the direct costs of maintenance and operation. While it is recognized that it will be impracticable to raise the water rates sufficiently to yield what is commonly considered a fair rate of return, yet it is clear that a revised schedule of water rates should be authorized which will increase the revenues in order to provide a more adequate return on the investment and enable the utility to render improved service of water to its consumers.

The schedule of rates established in Exhibit "B" of the Order herein has been designed to produce an increase in the annual revenue of \$3,840. This increase will enable the company to furnish a treated water to the consumers and provide a better service to the community. The rate schedule will also more equitably distribute the charges among the consumers.

The following form of Order is submitted:

O R D E R

Application having been filed with this Commission as entitled above, public hearings having been held thereon, the matter having been submitted and the Commission being now fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that the rates now charged by Central Mendocino County Power Company, a corporation, for electric service in so far as they depart from Exhibit "A" which is hereunto annexed, and for water in so far as they depart from Exhibit "B" hereunto annexed, are unjust and unreasonable and that the rates set forth in said Exhibit "A" are just and reasonable rates for electric service, and that the rates set forth in said

Exhibit "B" are just and reasonable rates for water to be charged by Central Mendocino County Power Company, a corporation, and basing its Order upon the foregoing finding of fact and upon the statements of fact contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby directed to file with the Railroad Commission, within twenty (20) days from the date of this Order the schedules of rates set forth in Exhibit "A" to be charged for all electric service supplied to its consumers applicable to meter readings taken on and after the tenth (10th) day of June, 1938.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby authorized to refile its present Rule and Regulation No. 20 for electric line extensions so revised as to conform to modern practice and especially under Section (c), Rural Extension Beyond Free Length, the applicant shall incorporate a twenty-five (25) cent charge per foot in place of the present fifteen (15) cent charge.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby directed to proceed with due diligence in carrying out the maintenance and replacement work on the electric transmission and distribution system as outlined in the foregoing Opinion.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby directed to report, prior to June 1 of each year, the actual work performed and the amount of money expended in carrying out the maintenance and replacement work required to be done as directed in

the preceding paragraph of this Order, such expenditure to be not less than the annual depreciation expense provision of \$4,050.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby authorized to file with the Railroad Commission within thirty (30) days from the date of this Order, the schedules of rates set forth in Exhibit "B" to be charged for all water delivered to its consumers on and after the 1st day of June, 1938.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby directed to submit within thirty (30) days from the date of this Order to this Commission for its approval, revised rules and regulations governing the service of water to its consumers.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby directed to proceed with plans for the construction of suitable and adequate facilities for treating and filtering all water delivered through the transmission pipeline from its main storage reservoir formed by the so-called "Morris Dam," in order to render such water clear and potable for domestic consumption and free from silt, vegetation and other objectionable foreign matter. The plans for such facilities are to be submitted to this Commission for approval within sixty (60) days from the date of this Order; and the construction of the treating and filtration plant is to be performed in accordance with the approved plans and all construction work completed within ninety (90) days from and after the date of the approval of the plans by this Commission.

IT IS HEREBY FURTHER ORDERED that Central Mendocino County Power Company, a corporation, be and it is hereby authorized to continue in effect Schedule No. 4 covering agricultural irrigation service until the filtration plant hereinbefore referred to is placed in operation, at which time said company is

hereby authorized to withdraw said schedule without further order of this Commission, upon thirty (30) days notice to all irrigation consumers involved.

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 31st day of May, 1938.

Walter M. Mason,
Leon A. Whitley,
Frank R. DeLong,
Barth W. Whipple,
Earl L. Bailey
Commissioners

EXHIBIT "A"

ELECTRIC RATE SCHEDULES

CENTRAL MENDOCINO COUNTY POWER COMPANY

EXHIBIT "A"SCHEDULE NO. 1-1LIGHTING AND SMALL POWERDESCRIPTION OF SERVICE:

This schedule is applicable to lighting service, including lamp socket appliances and, at the consumer's option, to single phase service for power (3 H.P. or less) and heating alone or combined with lighting on the same meter.

TERRITORY:

Applicable to entire territory served by company.

RATES:

Service Charge: per meter per month.....80¢

Energy Charge (To be added to Service Charge)

First	200 Kwh.	per meter per month.....	6.5¢ per Kwh.
Next	800 Kwh.	per meter per month.....	5.5¢ per Kwh.
Next	2,000 Kwh.	per meter per month.....	4.5¢ per Kwh.
Next	7,000 Kwh.	per meter per month.....	4.0¢ per Kwh.
All excess	Kwh.	per meter per month.....	3.5¢ per Kwh.

SPECIAL CONDITIONS:

(a) For summer cottage and seasonal commercial consumers, this schedule is applicable only on annual contract.

(b) For consumers who take energy at 2,500 volts and furnish any necessary lighting and/or small power transformers such consumers will be entitled to a 5% discount on their regular monthly bills under this schedule.

EXHIBIT "A" (Cont.)SCHEDULE NO. L-2STREET AND HIGHWAY LIGHTINGDESCRIPTION OF SERVICE:

This schedule is applicable to street, highway and other public outdoor lighting installations using bracket, mast arm or center suspension construction, and supplied from overhead lines using the series system and where the company owns and maintains the entire equipment.

TERRITORY:

Applicable to entire territory served by company.

RATES:

	<u>Lamp Rating</u>	<u>Monthly Charge Per Lamp</u>
Series Lamps	100 cp.	\$1.70
	600 cp.	\$4.90

SPECIAL CONDITIONS:

(a) Only all night series service will be supplied on this rate. Any multiple street or public lighting will be metered and billed under the general lighting Schedule L-1.

(b) The foregoing rates apply to installations of ten lamps or more. When service is supplied for less than ten lamps on any one series circuit, the above rates increased by 10% will apply. Such increase in rate will be based upon the total numbers of lamps in such circuit and not upon the number of lamps billed to a separate consumer.

(c) For the 600 cp. lamps, where the average spacing does not exceed 200 feet, as measured along the center line of the street counting lamps on both sides, the company's standard ornamental bracket and lighting unit will be furnished, if desired without extra charge, or for greater spacing, at an extra charge of 25¢ per lamp per month.

(d) For the 100 cp. lamps, galvanized brackets and dome reflectors will be furnished. If the company is required to furnish ornamental brackets and/or refractors for the 100 cp. lamps, these will be furnished at an extra charge of 25¢ per lamp per month.

EXHIBIT "A" (Cont.)

SCHEDULE NO. C-1

HEATING AND COOKING

DESCRIPTION OF SERVICE:

This schedule is applicable to general domestic and commercial heating and cooking service having a permanently installed capacity of 2 Kw. or more and to single phase power service of 5 H.P. or less, when combined therewith on the same meter.

TERRITORY:

Applicable to entire territory served by company.

RATES:

First 150 Kwh. per meter per month.....3.5¢ per Kwh.
All over 150 Kwh. per meter per month.....2.0¢ per Kwh.

Minimum Charge: Monthly basis:

\$3.00 per month for the first 7 Kw. or less of the connected load plus 25¢ per Kw. per month for any additional connected load, provided, however, that space heating appliances shall not be considered as active connected load in computing bills on meter readings subsequent to May 1 and prior to November 1.

Optional Annual Minimum Charge:

Upon application by the consumer, the company will put the minimum charge on an annual basis of \$36.00 per annum for the first 7 Kw. or less of connected load, plus \$3.00 per annum for each additional kilowatt, provided the consumer signs a contract for service for a period of not less than one (1) year. The company reserves the right to bill the annual minimum charge proportionately throughout the year.

SPECIAL CONDITIONS:

(a) Service will normally be 115/230 volt three wire alternating current.

(b) Connected load will be taken as the name plate rating of all apparatus which may be connected at any one time computed to the nearest one-tenth of a Kw., a rating in Kva. or in volts and amperes or in horsepower being converted to Kw. at one Kva. or one H.P. per Kw.

EXHIBIT "A" (Cont.)

SCHEDULE NO. D-1

DOMESTIC SERVICE

DESCRIPTION OF SERVICE:

This schedule is applicable to domestic lighting in combination with heating, cooking and/or single phase domestic power (3 h.p. or less) when supplied to single family dwellings or flats or apartments separately metered.

TERRITORY:

Applicable to entire territory served by company.

RATES:

Service Charge: Per meter per month----- 80¢

Energy Charge (to be added to service charge):

First 30 Kwh. per month-----	6.0¢ per Kwh.
Next 140 Kwh. per month-----	3.5¢ per Kwh.
All excess Kwh. per month-----	2.0¢ per Kwh.

SPECIAL CONDITIONS:

(a) For summer cottage consumers this schedule is applicable only on annual contract.

(b) Any apartment house or group of apartments may receive service under this schedule through one meter provided that such energy is not resold by apartment owner or any other agency. For this purpose the service charge will be the amount of the individual service charge above set forth multiplied by the number of apartments included, and the number of kilowatt-hours in the first block will be the number of kilowatt-hours set forth in the first block above multiplied by the number of apartments included.

EXHIBIT "A" (Cont.)SCHEDULE NO. P-1GENERAL POWERDESCRIPTION OF SERVICE:

This schedule is applicable to alternating current used in motors, heating and cooking devices, and rectifiers for battery charging, X-rays, etc; but is not applicable to current used for lighting, either directly or through transforming or converting equipment.

TERRITORY:

Applicable to entire territory served by company.

RATES:

Hp. of Connected Load or Billing Demand	Cents per Kwh. for monthly consumption of			
	First 50	Next 50	Next 150	All over
	Kwh. Per hp.	Kwh. Per hp.	Kwh. Per hp.	250 Kwh. Per hp.
2-9 -----	5.0	3.5	2.5	2.0
10-24 -----	4.5	3.25	2.25	1.9
25-49 -----	3.75	3.0	2.0	1.75
50 and over -----	3.5	2.75	1.75	1.6

Minimum charge: \$2.00 per month for the first 2 hp. or less plus \$1.00 per hp. per month for any excess, provided, however, that when the primary use of power is seasonal or intermittent, the minimum charge may, at the option of the consumer, be made accumulative over a 12-month period.

SPECIAL CONDITIONS:

(a) Voltage: Single-phase or polyphase service at any available standard distribution voltage the consumer may choose (but not more than one) will be supplied under this schedule subject to the rules and regulations of this company governing service.

(b) Connected Load, for the purpose of this schedule, is the sum of the rated capacities of all of the consumer's equipment that may be connected to the Company's lines at the same time. Motors will be counted at their name plate ratings in horsepower and other devices at their name plate ratings converted to horsepower at 1 kva. per hp. Where such equipment includes a transformer used to supply other devices, the rating of such transformer will be used in lieu of the devices supplied by it. Where the original name plate of any motor or device has been removed or altered, the manufacturer's catalogue rating will be used, or the capacity may be determined by test.

(c) (1) Billing demand for consumers having less than 25 horsepower of connected load will be the connected load as defined in (b) above.

EXHIBIT "A" (Cont.)

(c) (2) Billing demand for consumers having 25 horsepower or over may be based upon readings of maximum demand meters furnished by the company. For this purpose billing demand will be the maximum demand registered by consumers' equipment during the month for which bill is rendered but not less than 50% of the highest such demand registered during the preceding eleven months. The maximum demand in any month will be the average Kw. delivery of the 15 minute interval in which such delivery is greater than in any other 15 minute interval in the month. provided, that in cases where the use of energy is intermittent or subject to violent fluctuations, a five minute interval may be used.

(d) Guarantee Load: Any consumer may obtain the rate for a larger horsepower or connected load or billing demand by guaranteeing the rate and minimum charge applicable to such larger horsepower or connected load or billing demand.

(e) Transformer Discount: Consumers who take energy at 2300 volts or higher and furnish any necessary power transformers will be entitled to a 5 per cent discount on their regular monthly bill under this schedule.

(f) X-Ray Apparatus when separately served may be classed as power equipment except that a special minimum charge of \$0.50 per kilowatt of X-Ray capacity, or \$0.50 per kilowatt of special transformer capacity required for service will be made; provided that in no case shall the minimum be less than \$3.50 per month per meter.

EXHIBIT "B"

WATER RATE SCHEDULES

CENTRAL MENDOCINO COUNTY POWER COMPANY

EXHIBIT "B"
SCHEDULES OF WATER RATES
METER RATES

Minimum Monthly Charges

For 5/8-inch meter	\$ 1.50
For 3/4-inch meter	1.75
For 1-inch meter	2.25
For 1½-inch meter	3.25
For 2-inch meter	5.00
For 3-inch meter	8.00
For 4-inch meter	12.00

Each of the foregoing "Minimum Monthly Charges" will entitle the consumer to the quantity of water which that minimum monthly charge will purchase at the following Monthly Quantity Rates.

Monthly Quantity Rates

First 500 cubic feet or less	\$1.50
Next 1500 cubic feet, per 100 cubic feet	.20
Next 3000 cubic feet, per 100 cubic feet	.15
Next 5000 cubic feet, per 100 cubic feet	.10
All over 10,000 cubic feet, per 100 cubic feet	.05

A meter may be installed on any service at the option of either the consumer or the utility.

FLAT RATES

<u>Municipal Usage</u>	<u>Per Month Each</u>
Wharf type fire hydrant if located on main less than 4-inch diameter	\$1.50
4-inch main or larger	2.00
Standard type fire hydrant, single outlet located on 4-inch main or larger	2.50
Standard type fire hydrant, double outlet	3.50
Sewer flush connections	2.50
Public drinking fountains and watering troughs	1.50

Note: All other municipal use at regular meter rates.

Private Fire Hydrants

Fire hydrant, not on metered service, if supplied through 2-inch main or larger	1.50
If supplied through 4-inch main or larger	2.00