

Decision No. 31665

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
THE DIAMOND MATCH COMPANY, a corpora-
tion, for authority to change rates
and methods of determining charges.

Application No. 22011.

Matthew Marsh, for Applicant.

BY THE COMMISSION:

O P I N I O N.

The Diamond Match Company asks this Commission for authority to make effective a new system of rates for electric service, wherein the present flat rates are changed to rates based upon metered service.

It is of record that Applicant operates a sawmill plant in Sterling City, Butte County, California, and that, incident to that business, it also is engaged as a public utility in the furnishing of electrical energy to its employees and other consumers in said Sterling City. The power plant is located in Applicant's sawmill powerhouse and the electric energy is generated and distributed in the form of direct current. A public hearing was held in Sterling City on September 27, 1938, before Examiner Wehe and the matter submitted for decision.

Applicant alleges, and at the hearing introduced evidence in support of same, that the present rates, wherein flat monthly amounts are charged irrespective of the energy consumed, not only lead to discrimination and wasteful use but

also to excessive costs in rendering said service. It also is of record that because of low voltage conditions, especially in the more distant sections, the quality of the service rendered was of a low standard. This, it was shown, was due essentially to the excessive demands occasioned by the wasteful use and, further, because of the inadequate conductor size, coupled with the practical limitations of direct current distribution.

The record further shows that in order to improve conditions of service, as well as to reduce the excessive costs of supplying the electric service, Applicant proposes to install and charge each customer for the amount of current actually used. The investment in metering equipment and the necessary expense occasioned by the cut-over is to be borne by Applicant.

The schedule of rates that Applicant proposes to charge is submitted as Exhibit "A," attached to the application. While it is difficult to gauge the effect of the application of the proposed rates, these should produce a needed increase in the income of Applicant in order to meet the out-of-pocket costs of operation and with some income remaining for depreciation and interest on the investment.

The Commission is of the opinion that the request of Applicant, to change to metered service, is reasonable and to the interest both of itself and of the customers it serves and, likewise, that the aforementioned rates are not unreasonable. In order to further improve the quality of service rendered, Applicant Company should increase the size of feeders where excessive voltage drop remains after metered service is in use. Because of Applicant's lack of facilities for meter testing, each meter purchased should be accompanied by the laboratory test as to its performance and date tested. A certified copy

of such tests should be sent to this Commission for the initial installation. Meters are to be set to operate with an accuracy as near 100 per cent as practical, but in no instance may meters be set or maintained in service that deviate more than two (2) per cent from this standard.

O R D E R

Application having been filed with this Commission, as entitled above, a public hearing having been held thereon, no protests or objections having been made, and 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 The Diamond Match Company for electric service in the Sterling City service area, in so far as they depart from those incorporated as Exhibit "A," attached to the application, are unjust and unreasonable and that the rates set forth in said Exhibit "A" are just and reasonable rates for electric service to be charged by The Diamond Match Company in the Sterling City service area and basing its Order upon the foregoing finding of fact and upon the statement of fact contained in the Opinion which precedes this Order;

IT IS HEREBY ORDERED that The Diamond Match Company be and it is hereby directed to file with the Railroad Commission of the State of California, within thirty (30) days from the date of this Order, the schedule of rates set forth in Exhibit "A"

(attached to the application) to be charged for all electric service supplied to its consumers, applicable to meter readings taken on and after the 1st day of March, 1939.

IT IS HEREBY FURTHER ORDERED that The Diamond Match Company shall install all necessary metering equipment and otherwise so rearrange its distribution system as to make the taking of meter readings as ordered feasible and possible.

The effective date of this Order shall be the twentieth (20) day after the date hereof.

Dated San Francisco, California, January 16, 1939.

Raymond J. ...
Frank ...
Carl ...
...
Justin D. ...
Commissioners.