

Decision No. 34288

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, an Electrical Public Utility Corporation, for Authority to make Rate Revisions, which will result in certain increases, in Mountain Resort Areas including Bishop Creek in Inyo County, Forest Home in San Bernardino County, and Idyllwild in Riverside County.

**ORIGINAL**  
APPLICATION NO. 24054

C. N. Perkins,	for Applicant	
Jesse E. May,	in Propria Persona	
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Dr. R. H. Crist,	"	"

BY THE COMMISSION:

O P I N I O N

In this application, The Nevada-California Electric Corporation, hereinafter sometimes referred to as the "applicant," requests authority to put into effect the schedules of rates and charges set forth in Exhibit "C" attached to and made a part of the application, for electric service in mountain resort areas, including Bishop Creek in Inyo County, Forest Home in San Bernardino County, and Idyllwild in Riverside County. The proposed rates will result in certain increases in the annual billings of a limited number of customers, but a substantial reduction to the large majority of this class of customers.

A public hearing was held before Examiner Wehe on April 11, 1941, at San Bernardino and Idyllwild, California, at which time the matter was submitted.

According to the testimony introduced by applicant at the hearing, it has been for some time past serving electricity to its consumers in the mountain resort areas in accordance with the rates and charges set forth in its filed Schedules L-M and H-M, copies of which are set forth in Appendix "A", attached to and made a part of the application. These tariffs are of the so-called "annual service" type, in which the charges are based on twelve months' service periods from May 1st of each year to April 30th of the following year.

Applicant proposes to replace these schedules with the more common type tariff, based on monthly service similar to other tariffs now in effect on the company's system, as well as on other utilities. The record shows that while the two proposed Schedules, D-M for domestic service and CC-M for commercial, will be more advantageous to the majority of its customers affected, because of lower billings and greater convenience in application, yet the change if made would actually increase a considerable number of customer billings. In this respect, applicant introduced evidence which may be summarized as follows:

<u>Domestic Service</u>	<u>Number Customers</u>	<u>Per Cent of Total</u>	<u>Average Per Customer</u>
Annual Increases	141	18.0	\$ 1.92
Annual Decreases	321	40.0	5.31
No Changes	357	42.0	--
<u>Commercial Service</u>			
Annual Increases	14	34.0	\$14.04
Annual Decreases	26	63.0	55.43
No Changes	1	3.0	--

An analysis of the record shows that while the rates per kilowatt hour set forth in the proposed rate schedules are lower than now effective, yet because of the shift from kilowatt hour billing on an annual basis to one providing for the billing on a monthly basis, a few combination and commercial customers with a comparatively large annual usage will have increases. The proposal likewise

contemplates the discontinuance of the six months' \$10.00 accumulative minimum charge, which is to be replaced by a \$2.00 per month non-accumulative charge. (1)

This latter proposal was sharply questioned by a number of applicant customers at the hearing and request was made that the \$10.00 minimum be maintained as its discontinuance in their opinion was the cause which accounted for many of the increases presented by applicant and heretofore set forth.

The record shows that in order to give all customers in the area affected an opportunity to express themselves on the changes proposed, applicant agreed to send a questionnaire to each customer, and after receiving and checking the returns of such questionnaire with members of the Commission staff, a report on the results would be forwarded to the Commission, and the same would be deemed a part of the record. Such a report has been submitted and the results show that the vote was in favor of the changes as proposed by applicant.

The Commission, after carefully reviewing the evidence, is of the opinion that the present requirement of paying the minimum charges in advance of service does work somewhat of a hardship on many customers, as well as creating many misunderstandings. Likewise, for the customer who desires to limit his usage to but a few months each year, the schedules should be flexible enough to permit this without the requirement that a six or twelve month minimum must be paid - though on the strictly cost-of-service basis such a minimum is likely justified.

In the proposed Schedules D-M and CC-M for lighting service the applicant has proposed a \$2.00 a month minimum charge, with

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(1) The present L-M rate provides for a minimum charge of \$18.00 per year, payable in advance on May 1st of each year, or, at option of customer, in four installments of \$4.50 each. The schedule in addition provides an option which permits service for six months at a minimum charge of \$10.00.

discontinuance of the \$10.00 accumulative minimum for six months of service. We are of the opinion that a \$1.50 non-accumulative monthly minimum will be more appropriate. For six months' service the minimum charge would thus amount to \$9.00 which compares with the present \$10.00 accumulative minimum, and \$12.00 under the present proposal. While the \$2.00 charge may be justified, if cost of service be the sole criterion, yet applicant customers have long enjoyed a lower six months' minimum, and evidence of a more substantial nature is required than the present record shows to justify the increase asked for by applicant. The \$9.00 minimum on a non-accumulative basis will on the average compare very favorably with the \$10.00 amount on an accumulative basis. With this change the minimum charge requirements will become very flexible so as to meet the requirements of both the seasonal and the all-year user of service.

There is one other change that the Commission deems desirable from a practical standpoint, and that is the requirement that all connection and disconnect charges in excess of the free changes be made at the uniform rate of \$1.00 for each throughout the year. Both the present tariff and that now proposed provide a charge of \$2.50 for each change from September 30th to May 1st.

If the changes herein set forth be incorporated in applicant's proposed Schedules D-M and CC-M and with other minor revisions (Appendix "A"), the resulting schedules will, in the opinion of the Commission, be greatly improved over those now in effect. Such schedules of rate will likewise compare very favorably with other resort area tariffs in effect on other utility systems. The total increases will be limited to approximately \$370.00 annually, while the reductions will equal \$3,700.00, resulting in a net reduction of 13.4 per cent. With these facts obtained it appears that the proposed rates as herein modified are justified and are to the general interest of applicant's customers.

Due to the delay occasioned by the sending out of the questionnaire, and the further fact that the effective rates are on an annual or semi-annual basis, and the rates hereinafter ordered are on a monthly basis, it is deemed necessary from a practical standpoint that the new rates be made retroactive and as of April 30, 1941. The following form of Order is made:

O R D E R

The above proceeding having been heard and submitted for decision, and after consideration of the evidence, it is hereby found that The Nevada-California Electric Corporation's Rate Schedules L-M and H-M (Rate Zone M), for the future, will be unjust, unreasonable and discriminatory in so far as they differ from the rates herein prescribed.

IT IS ORDERED that The Nevada-California Electric Corporation immediately file Rate Schedules D-M and CC-M containing the rates and conditions set forth in Appendix "A" attached to this Order, and to make said rates applicable to all meter readings taken on and after April 30, 1941.

IT IS FURTHER ORDERED that upon the filing of said rate schedules The Nevada-California Electric Corporation shall mail copies of said schedules to all customers receiving service thereunder.

The effective date of this Order shall be the date hereof.

Dated at San Francisco, California this 10<sup>th</sup> day of June, 1941.

*Ray L. Rivers*  
*JUSTICE J. Crockett*  
*Francis S. Haviland*  
*Richard K. Ketchum*  
COMMISSIONERS.

APPENDIX

APPENDIX "A"

SCHEDULE D-M

GENERAL DOMESTIC SERVICE

RATE ZONE M

DESCRIPTION OF SERVICE

Applicable to all domestic service, subject to Special Conditions hereinafter stated.

TERRITORY

Applicable in Rate Zone M (Rate Zone Maps Nos. 2 and 5).

This zone consists generally of the Bishop Creek, Forest Home, and Idyllwild mountain resorts, and surrounding mountain resort territory.

RATE

First	30	kw-hrs. per meter per month	8.0c	per kw-hr.
Next	120	" " " " "	4.0c	" "
"	350	" " " " "	2.0c	" "
"	1,500	" " " " "	1.8c	" "
All over	2,000	" " " " "	1.5c	" "

MINIMUM CHARGE

(a) Normal Monthly Minimum Service:

1. \$1.50 per meter per month for light service only.
2. \$3.00 " " " " for combination domestic service.

(b) Accumulative Minimum Service:

1. \$18.00 per meter per year for light service only.
2. \$24.00 per meter per year for combination domestic service.

Accumulative minimum service is accumulative over a 12 month period beginning with the April meter reading date of each year, and is payable on May 1 of each year. Service commenced before the April meter reading date of each year will have the annual minimum prorated at the rate of one-twelfth the annual amount per month. Service discontinued before the April meter reading date of each year will be adjusted on the basis of minimum (a) 1. or (a) 2. above.

SPECIAL CONDITIONS

(a) Combination Domestic Service: This minimum will apply only to combination domestic lighting service where the customer has installed and uses:

1. An electric refrigerator and/or
2. An electric air-conditioning system employing heating, refrigeration, and/or water spray in changing the temperature of air for human use, and/or
3. A total capacity of not less than 2 kilowatts of heating, cooking, and/or water heating appliances. Lamp socket devices having an individual capacity of 660 watts or less will not be included in this total.

(b) Small Power: Service to single-phase power installations aggregating not over 3 horsepower, exclusive of air-conditioning and/or air-cooling motor load, may be combined with service taken under this schedule.

(c) Apartments: Any apartment house or court may receive service through one meter under this schedule, provided that each individual apartment or court unit complies with the requirements of this schedule. For such installations, the first energy block of 30 kw-hrs, of the RATE, and either Minimum Charge (a) or (b), above, shall be multiplied by the number of individual apartments or court units.

(d) Connection and Disconnection Charges: Customers taking service under this schedule will be entitled to only one connection and only one disconnection free of charge during each calendar year. A charge of \$1.00 will be made for each additional connection or disconnection in excess of the above free service during each service year.



APPENDIX "A" (Cont'd)

SCHEDULE CC-M

COMBINATION COMMERCIAL SERVICE

RATE ZONE M

DESCRIPTION OF SERVICE

Applicable to general commercial and small industrial lighting, heating, sign lighting and power service taken through one meter, subject to Special Conditions hereinafter stated.

TERRITORY

Applicable in Rate Zone M (Rate Zone Maps Nos. 2 and 5).

This zone consists generally of the Bishop Creek, Forest Home, and Idyllwild mountain resorts, and surrounding mountain resort territory.

RATE

(A) Applicable where the total connected MOTOR load does not exceed 10 horsepower:

First	100 kw-hrs.	per meter per month	8.0¢	per kw-hr.
Next	400 "	" " " "	4.5¢	" "
"	2,500 "	" " " "	3.0¢	" "
All excess	"	" " " "	1.5¢	" "

(B) Applicable where the total connected MOTOR load is in excess of 10 horsepower.

For each horsepower of connected MOTOR load, or fraction thereof, in excess of 10 horsepower, there shall be added:

10	kw-hrs.	to first block of RATE (A) above
50	"	" second " " " "
100	"	" third " " " "

MINIMUM CHARGE

(a) Normal Monthly Minimum Service:

1. Lighting Service \$1.50 per meter per month.
2. Heating Service 0.50 per month per kilowatt of capacity of appliances connected.
3. Power Service 1.50 per month per horsepower of connected POWER load.
4. But in no case shall the minimum charge be less than \$3.00 per month for lighting combined with heating or power services.

MINIMUM CHARGE (Cont'd)

(b) Accumulative Minimum Service:

The annual accumulative minimum charge shall be twelve times the normal monthly minimum charge, either (a) 1, 2, 3 or 4 above; except for lighting service only, for which the annual accumulative minimum charge shall be \$18.00. The annual minimum charge shall be made accumulative over a 12 month period beginning with the April meter reading date of each year, and shall be payable in full on May 1, of each year. Service commenced before the April meter reading date of each year will have the annual minimum prorated at the rate of one-twelfth of the annual amount per month. Service discontinued before the April meter reading date will be adjusted on the basis of minimum (a) 1, 2, 3 or 4 above.

SPECIAL CONDITIONS

(a) Service Restrictions:

1. No enterprise taking service under this schedule shall be entitled to take service under any other schedule at the same location.
2. Customers taking service under this schedule must take all their electric energy requirements from the Corporation, exception being made for customer's standby power.

(b) Seasonal Disconnection: Where the use of power is seasonal, the unused portion of the power load may be disconnected and disregarded for billing purposes until reconnected, but only one such disconnection and reconnection may be made during the year. No decrease in billing horsepower will be allowed under this special condition unless the customer gives the Corporation due notice of the dates of disconnection and reconnection of the seasonal portion of the power load.

(c) Connection and Disconnection Charges: Customers taking service under this schedule will be entitled to only one connection and only one disconnection free of charge during each calendar year. A charge of \$1.00 will be made for each additional connection or disconnection in excess of the above free service during each service year.