

Decision No. 39798

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation by the Commission on its own motion into the sufficiency and quality of the electric service, and the reasonableness of the rates, charges, contracts, rules, regulations, and practices, or any of them, connected therewith of CLYDE W. HENRY, doing business in and about the town of Klamath as Klamath Water, Light and Power Company and in and about the City of Point Arena and town of Covelo as Point Arena Electric Light and Power Company.

KLAMATH CHAMBER OF COMMERCE; and, JAMES R. WALKER, its President; and, WILLIAM G. MEE, its Secretary.
Complainants.

vs-

CLYDE W. HENRY, doing business as a Public Utility under the firm name and style of "KLAMATH LIGHT, WATER, AND POWER COMPANY"; KLAMATH LIGHT, WATER AND POWER COMPANY, an unincorporated association operating as a Public Utility; CLYDE W. HENRY.
Defendants.

ORIGINAL

Case No. 4804

Case No. 4834

William G. Mee, for the Klamath Chamber of Commerce;
Clyde W. Henry, for Klamath Light, Water and Power Company.

O P I N I O N

Case No. 4804 is an investigation, on the Commission's own motion, as to the electric operations of Clyde W. Henry in and about the city of Point Arena and in the towns of Covelo and Klamath.

Case No. 4834 is a formal complaint against Henry alleging unsatisfactory and inadequate electric and water public utility services in and about Klamath and requesting that the Commission compel Henry to remove the cause of complaint under penalty of forfeiture of his certificate to operate.

Case No. 4804 was instituted on October 9, 1945. The record contains a report of conditions found on each of the three systems, as a result of field investigations. In respect to the conditions complained of on the Point Arena and Covelo systems, these matters have been heard and decisions^{1/} issued and only the Klamath investigation is here involved.

^{1/} Decision No. 38562, issued December 21, 1945, covered the Point Arena matter and Decision No. 39609, issued November 4, 1946, dealt with the Covelo situation.

Public hearing, in both cases dealing with the Klamath matter, was held in Klamath November 21, 1946, before Examiner Wehe. Evidence and oral testimony by customers of the utility, engineers of the Commission's staff, and representatives of the utility bearing upon the matters under consideration were introduced.

Electric Service

The electric system consists of a generating plant containing an assortment of diesel engine-driven generators of various sizes from 40 to 320 horsepower. Both stationary and portable units are used. Buildings are wood frame with wooden or corrugated iron siding, with dirt or gravel floors. Power is distributed at 2,300 volts primary around the town and two primary lines are extended northerly and easterly from the town. The former line parallels Highway 101 for a distance of about 7½ miles and the latter extends up the Klamath River about five miles to the resort area known as Klamath Glen.

Service is rendered to about 190 customers, including a few sawmills.

Several witnesses, appearing on behalf of complainants and for themselves as users of electric service, testified at length as to the unsatisfactory quality of the service rendered. The records show that such complaints were directed essentially to sharp variations in voltage, resulting in unsatisfactory operation of customer appliances and motors, even to the extent of damage to such customer equipment. Criticism was also lodged against the high rates for the inadequate service given, although complainants agreed and stated they were prepared to pay sufficiently high rates to realize adequate and proper service. It appears, too, that some of the trouble has been caused not only because of inadequately sized lines, but due to relatively large sawmill motor loads at some distances from the local production plant. Defendant Henry testified with considerable pride as to the comparatively few actual outages of service which had occurred.

At the hearing defendant announced plans for the construction of a line from Klamath to Crescent City and the interconnection with The California Oregon Power Company's system, which would be completed during the latter part of the summer of 1947. It was pointed out that such connection would prove beneficial,

first, in providing a more adequate source of power supply to take care of the growing demands and, second, in assuring a more uniform supply of energy and at costs less than now realized through isolated diesel generated power. It likewise would permit the local operating and maintenance men to concentrate on much needed construction and maintenance work on the distribution system. In this latter respect the Commission's Electrical Engineer, Robert P. O'Brien, after submitting the results of studies and tests made on defendant's system, expressed the view that improvement in service would be realized by a general overhauling of the distribution system, including the reinforcement of certain existing lines with larger sized copper and generally in exercising greater care in respect to the standards and quality of maintenance and construction work performed.

Water Service

The water system serves approximately 80 customers at flat rates, though the hotel and auto court requirements for water are greatly increased during the resort season. The water is obtained through electrically operated pumps from two wells. It is distributed with the aid of three pressure tanks having a combined capacity of 2,000 gallons and a privately-owned and elevated storage tank, having a capacity of about 3,500 gallons. Distribution mains approximate 5,000 feet and may vary in diameter from 3/4 inch to two inches.

Witnesses for the Chamber of Commerce and the consumers testified that the water service was inadequate as well as intermittent during the summer months and that the water pressure is generally too low to permit sprinkling of lawns or the fighting of fires. The record also shows there is no organized fire district covering the service area and no payment is received by the utility for the maintenance and use of seven small fire hydrants now attached to the system.

John D. Reader of the Commission's Hydraulic Division recommended a program of improvement, which was generally acknowledged by the defendant utility as reasonable and necessary to bring about improvement in the water service. Witness Reader's plan involved the conversion of the present pressure system to one of a gravity type, through the installation of a 25,000-gallon storage tank on the bluffs north and east of the community, at an elevation of not less than

140 feet, connected to the system through a standard screw pipe line of not less than three inches. Said line should join the present system running along Del Ponte Street, connecting with the existing mains on Chapman Street and Del Norte Street. It likewise was recommended that the existing pipe line on Del Norte Street, between Del Ponte Street and the State Highway, be increased to three inches or larger and that pumping equipment be installed to deliver not less than 25 gallons per minute to the storage tank.

Witness Henry, testifying on behalf of his company, stated that in making the improvements he had planned to use transite pipe and that this type of pipe would not be available for at least a year and, accordingly, construction work should be deferred until that later period.

Conclusions

The Commission, in reviewing the record in these cases, can not escape the conclusion that the roots of the complaints herein raised have sprung from many sources and that no single simple remedy is available. Basically, it appears that in an area that is somewhat isolated from more densely populated urban areas, such areas are at a somewhat economic disadvantage inasmuch as the number of customers utilizing the service, as well as the density of such users, is not sufficient to provide the necessary earnings to enable the furnishing of utility services comparable with those found in more highly developed sections.

While these fundamental conditions must not be lost sight of, nevertheless it is also clear that defendant utility must accept part of the responsibility in permitting many of the conditions to result as they have and with growth in territory that is now taking place and that is expected in the future, very definite improvements should be undertaken in order that minimum acceptable standards of service may be realized.

On the electric system such improvements should not only include the pursuing of the program in reference to obtaining an adequate electric supply through inter-connection with another utility, but likewise the institution of a general plan of rehabilitation of the utility's electric distribution system, so

that present customers, as well as new loads taken on, may be served satisfactorily, which should also result in an improved earning position of defendant.

In reference to the water system, defendant utility should start immediately with the installation of the new storage tank, the necessary pumping equipment, and the installation of new four-inch lines at the locations recommended by the Commission's witness. Due to the delay in securing transite pipe, defendant utility should abandon its plan in respect to securing such pipe and install standard steel mains.

It is apparent that some of this rehabilitation work, especially on the electric system, will require some time to complete. However, defendant Henry has recently been relieved of his public utility duties at Point Arena and, within six months, he should be free from similar obligations on the Covelo system. Accordingly, more of Henry's efforts should, therefore, become available for the working out of the utility's problems on the Klamath property and the Commission shall expect Henry to work out a definite plan of rehabilitation and, at stated intervals, furnish reports as to the status of the work.

O R D E R

Hearing having been held, the matters submitted for decision, the Commission having considered the issues raised under Cases Nos. 4804 and 4834 and being fully advised in the premises, hereby finds that public utility electric and water services furnished by Clyde W. Henry in Klamath, Del Norte County, California, under the name and style of Klamath Light, Water and Power Company, has failed to meet the requirements of the Public Utilities Act of the State of California as to reasonableness, and more particularly the provisions of Section 13(b)^{2/} thereof. Basing its Order on the foregoing findings of fact and those contained in the Opinion preceding this Order, IT IS HEREBY ORDERED as follows:

1. That said Clyde W. Henry shall forthwith undertake a betterment program to the end that his operations shall be brought within

^{2/} Every public utility shall furnish, provide and maintain such service, instrumentalities, equipment and facilities as shall promote the safety, health, comfort and convenience of its patrons, employees and the public, and as shall be in all respects adequate, efficient, just and reasonable.

the requirements of said Act, in accordance with the plans outlined in the Opinion preceding this Order.

2. That Clyde W. Henry shall submit to the Commission, in writing, on or before February 1, 1947, a proposed program for carrying out this Order.
3. That on or about March 15, 1947, and bi-monthly thereafter, said Clyde W. Henry shall submit to the Commission, in writing, a progress report. Copies of said progress report shall likewise be furnished complainants in Case No. 4834.

This Order shall become effective twenty (20) days after the date of service thereof on Clyde W. Henry.

Dated at San Francisco, California, this 23rd day of December

1946

Harold P. Kula
Justice F. Cramer
Francis O'Connell
Frank H. Powell
A. J. [Signature]
Commissioners.