

FIFTEENTH ANNUAL REPORT

OF THE

CORPORATION COMMISSION

OF THE

State of Oklahoma



For the Year Ending June 30, 1922.

**Published Pursuant to Authority of Section 25, Article IX,
of the Constitution of Oklahoma.**

**STATE CAPITOL
OKLAHOMA CITY**

1922

The Company reported its expenditures for the eleven months period as \$17,812. The Commission's engineer finds it necessary to take from this amount the same sum improperly included in revenues representing toll charges and war tax thereon, and in addition, the amount of \$2,430 charged to depreciation, which is not a current operating expense, and an amount of \$722.00 as interest, which is open to the same objection. This leaves as the actual operating expenditures for the eleven months period, the sum of \$10,401, or after making the adjustment to the twelve months period, the sum of \$11,346, which reveals instead of a deficit of \$1,512 as reported by the petitioner, a net income from operation amounting to \$1,790. Applying the same process of development to the subject of the net result of operation for the period of the first four months of the year 1921, and making the adjustment from said four months period to a twelve months period, it is found that the company may expect as a result of its operation for the year 1921, a net income of \$2,717. This amount would pay 8.4% on a property investment of \$44,065 as claimed by petitioner, or of 9.9% on a value of \$37,270 as found by the Commission. As neither percentage has taken into consideration an allowance for reserve for depreciation, it will be seen that there is not a sufficient net income from operation to care for depreciation and return on either investment basis, and therefore that the present rate schedule is inadequate to pay a reasonable return upon the property.

Investigation by the Commission to determine what schedule of rates is necessary to yield an adequate but not excessive return on its property as suggested the use of a charge of \$3.25 per month for business telephones and \$2.00 per month for residence telephones, as the base rates of the necessary schedule. Applying these rates to the business of the petitioner, it is found that they will yield a total annual revenue of \$14,235. The Company will receive as commission on toll business, the sum of \$2,700, making a total annual revenue of \$16,935. Taking from this figure the amount of \$9,579 which will be the annual exchange operating expenditures, and the sum of \$2,700 representing toll expenditures, we find the total expenditures for the annual period to be \$12,279, leaving a net operating income of \$4,656. Applying this income to the investment of \$37,270, which the Commission's engineer approves and the Commission finds to be the actual investment entitled to consideration as a basis for return, it is found that this income will pay 12.47% on such investment, which provides for a reasonable charge for reserve for depreciation and a reasonable interest on such investment. Suggesting but not holding conclusively that the fair allowance for depreciation reserve on the petitioner's plant at this time should be approximately 5%, the above net income would be found to provide an interest return of 7.47%.

Considering all the proper matters entering into this proposition, the Commission is of the opinion and finds that the earning of 12.47% is sufficient and reasonable as providing for depreciation and return.

WHEREFORE, the Commission being fully advised in the premises and having given due and full consideration to all the facts, it is ordered that the Sand Springs Telephone Company should adopt as its schedule of rates for telephone service at Sand Springs, the following amounts:

For business telephones,	1 party.....	\$39.00	per year
" residence "	1 party.....	24.00	" "
" residence "	2 party.....	21.00	" "
" business "	extension.....	12.00	" "
" residence "	extension.....	9.00	" "
"rural owned station, multi-party.....		24.00	" "
" rural switched stations		6.00	" "

The above schedule shall be made effective on September 1, 1921, and continue in effect thereafter pending further order of this Commission in the premises.

Done at Oklahoma City this the 22nd day of August, 1921.

ORDER NO. 1925.—Cause No. 4216.

In the matter of the application of Dr. V. R. Dresbach and others asking that Street cars stop at 50th Street.

FINDING OF FACTS, OPINION AND ORDER.

On March 17th, 1921, application was filed by Miss Margaret McVean in behalf of Dr. V. H. Dresbach and other citizens and patrons of the Oklahoma Railway Company asking that the Oklahoma Railway Company be compelled to stop its street cars operated to Belle Isle at 50th Street, for receiving and discharging passengers. The above matter was set for hearing March 30th, 1921, at the Commission's Court Room, State Capitol Building. Due notice having been given to all interested parties thereof. The application was presented by Margaret McVean, Attorney for complainant, and John W. Shartel for the Oklahoma Railway Company.

The evidence discloses that street cars stop at 49th Street and Classen; that a stop at 50th Street would be an accommodation for patrons of dance hall just North and East of intersection of 50th and Classen; that the railroad at 50th Street is located on a seven (7 ft.) foot fill and the street across the railroad is not open for traffic, but highway parallel the railway track making a street car stop at 50th Street under the present conditions hazardous.

49th Street being a regular stop and the street having a uniform grade with track, it appears to us that the patrons of the dance hall at 50th Street, by having to walk about a block, will not be inconvenienced a great deal by getting on and off of street cars at 49th Street, and as the Commission has recently issued an order compelling the Oklahoma Railway Company to remove its loop from Belle Isle Power Plant to just North of 50th Street, with this program ordered, the Commission is of the opinion that a street car stop at 50th Street would be unreasonable at this time.

It is THEREFORE ORDERED that the application of Dr. V. H. Dresbach for the Oklahoma Railway to stop its street cars at 50th Street to take on and discharge passengers be denied.

Done this 24th day of August, 1921.

ORDER NO. 1926.—Cause No. 4023.

In re Petition of the Oklahoma Natural Gas Company for temporary order affecting gas rates at Ramona, Oklahoma.

FINDINGS OF FACT, OPINION AND ORDER.

The Oklahoma Natural Gas Company having made application to the Commission for readjustment of gas rates in the town of Ramona, Oklahoma, a hearing was held in the Commission's Court Room, Capitol Building, Oklahoma City, Oklahoma, on July 29th, 1921.

The Oklahoma Natural Gas Company owns and operates the gas plant in the town of Ramona, Oklahoma, together with some six miles of pipe line leading out to the point where it purchases gas from the Quapaw Gas Company.

The Commission in its order No. 1888, which became effective July 1st, 1921, established a town border rate on the Quapaw Gas Company's system of 25c per M. cubic feet for gas used for domestic purposes and 20c per M. cubic feet for gas used for industrial purposes, all over 500 M. cubic feet per month per customer to be considered industrial gas. However, the Commission is of the opinion that this town border rate should apply to gas delivered at the town border of Ramona and not to gas delivered at some distant point. Therefore, in establishing a rate in the town of Ramona, the Commission has considered first, the fair value of the property within the town of Ramona, a reasonable leakage for that portion of the plant within the town of Ramona and gas purchased at the town border on the 25c rate. After arriving at a rate on the above basis, the fair value of the entire property, consisting of the gas plant within the town of Ramona and the six miles of pipe line leading out to the point where the gas is purchased was considered together with a reasonable loss for the entire system to arrive at a rate to be paid for the gas at the point where purchased, in order to give a fair return on the value of the entire property at the rate determined for only that portion of the plant within the town of Ramona.

This is a very small plant consisting of some 4.65 miles of 3 inch equivalent main within the town of Ramona and some 5.25 miles of 3 inch equivalent