MAINE STATE LEGISLATURE

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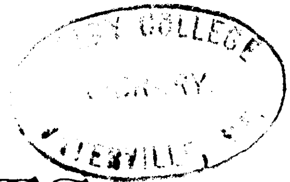
PUBLIC DOCUMENTS

OF THE

STATE OF MAINE

BEING THE



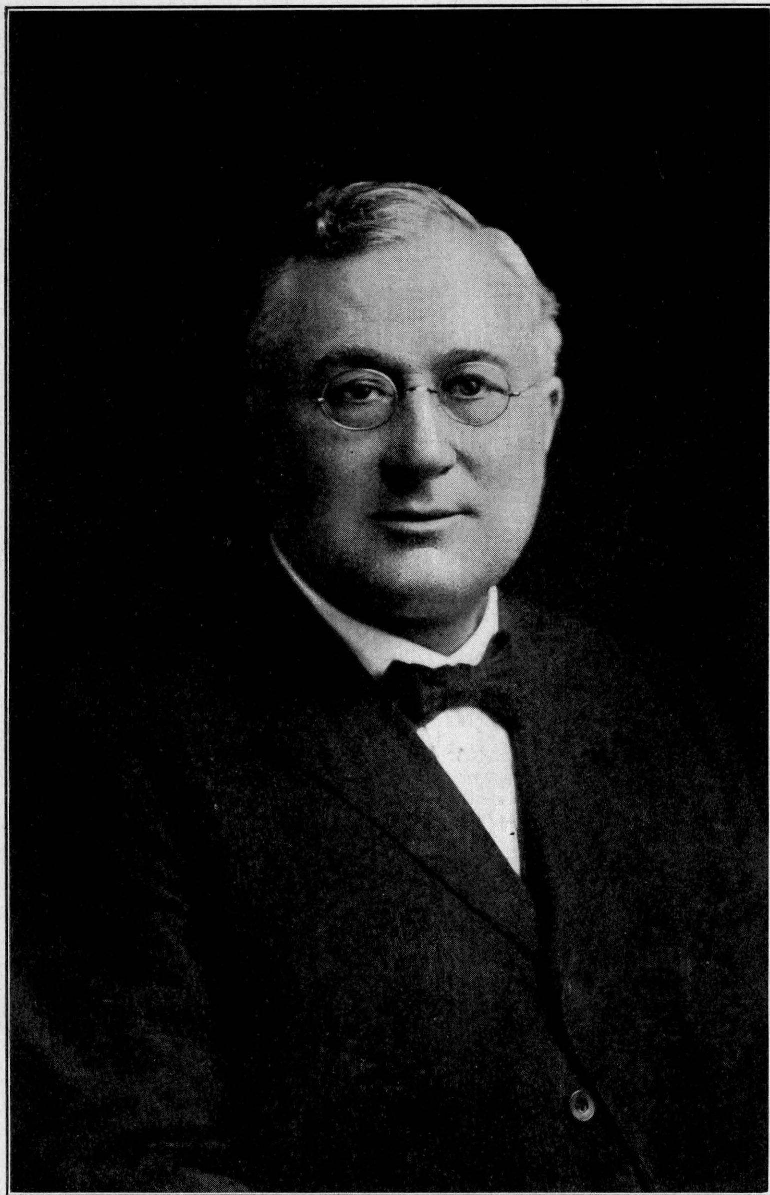
REPORTS

OF THE VARIOUS

PUBLIC OFFICERS DEPARTMENTS AND INSTITUTIONS

FOR THE YEAR 1918

VOLUME II



HON. JOHN E. BUNKER

Born April 24, 1866. Died August 16, 1918

Appointed June 22, 1917, to fill out the unexpired term of Hon. Chas. W. Mullen. Reappointed November 21, 1917.

FOURTH ANNUAL REPORT

OF THE

Public Utilities Commission

State of Maine

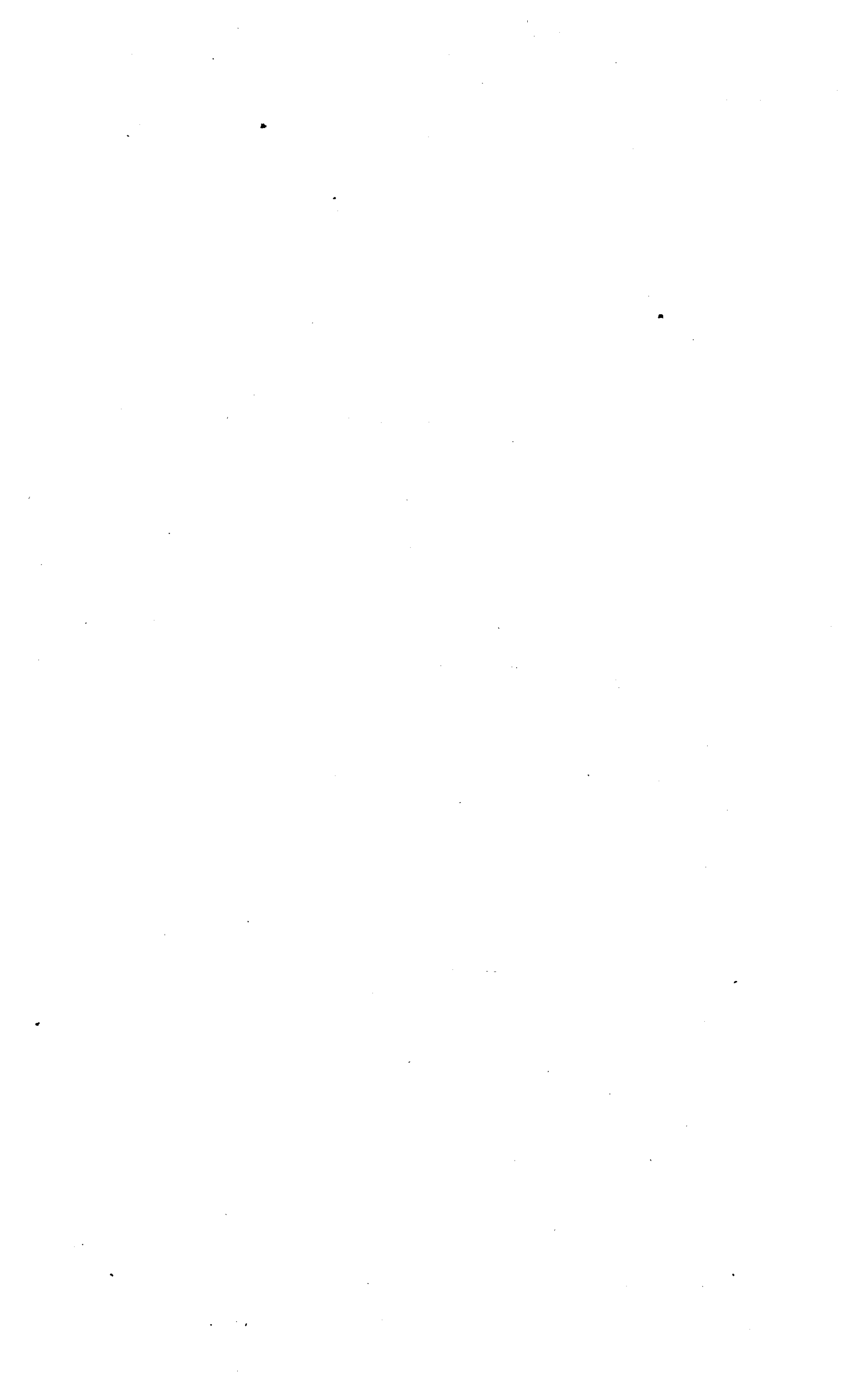
FOR THE

YEAR ENDING OCTOBER 31,

1918

PUBLIC UTILITIES DEPARTMENT

WATERVILLE
SENTINEL PUBLISHING COMPANY
1919



PUBLIC UTILITIES COMMISSION OF THE STATE OF MAINE.

THE COMMISSION

BENJAMIN F. CLEAVES, *Chairman*
WILLIAM B. SKELTON, *Commissioner*
* JOHN E. BUNKER, *Commissioner*
** HERBERT W. TRAFTON, *Commissioner*

GEORGE F. GIDDINGS, *Clerk*
ROY F. LEACH, *Assistant Clerk*

ENGINEERING DEPARTMENT

PAUL L. BEAN, *Chief Engineer*
ALLAN F. MCALARY, *Assistant Engineer*
† HOWARD O. BURGESS, *Assistant Engineer*
† GEORGE C. DANFORTH, *Assistant Engineer*
† ROBERT M. MOORE, *Assistant Engineer*
WILLIAM M. BLACK, *Bridge Engineer*

ACCOUNTING DEPARTMENT

RALPH A. PARKER, *Chief Accountant*
GEORGE A. COLBURN, *Auditor*

RATES AND SCHEDULES DEPARTMENT

FRANK J. MCARDLE, *Chief of Rates and Schedules.*

INSPECTIONS DEPARTMENT.

‡ WILLIAM M. BROWN, *Chief Inspector of Utilities*
ELMER E. PARKMAN, *Inspector of Utilities*
EDWARD J. CONNER, *Official Reporter*
RUEL J. HANKS, *Assistant Reporter*

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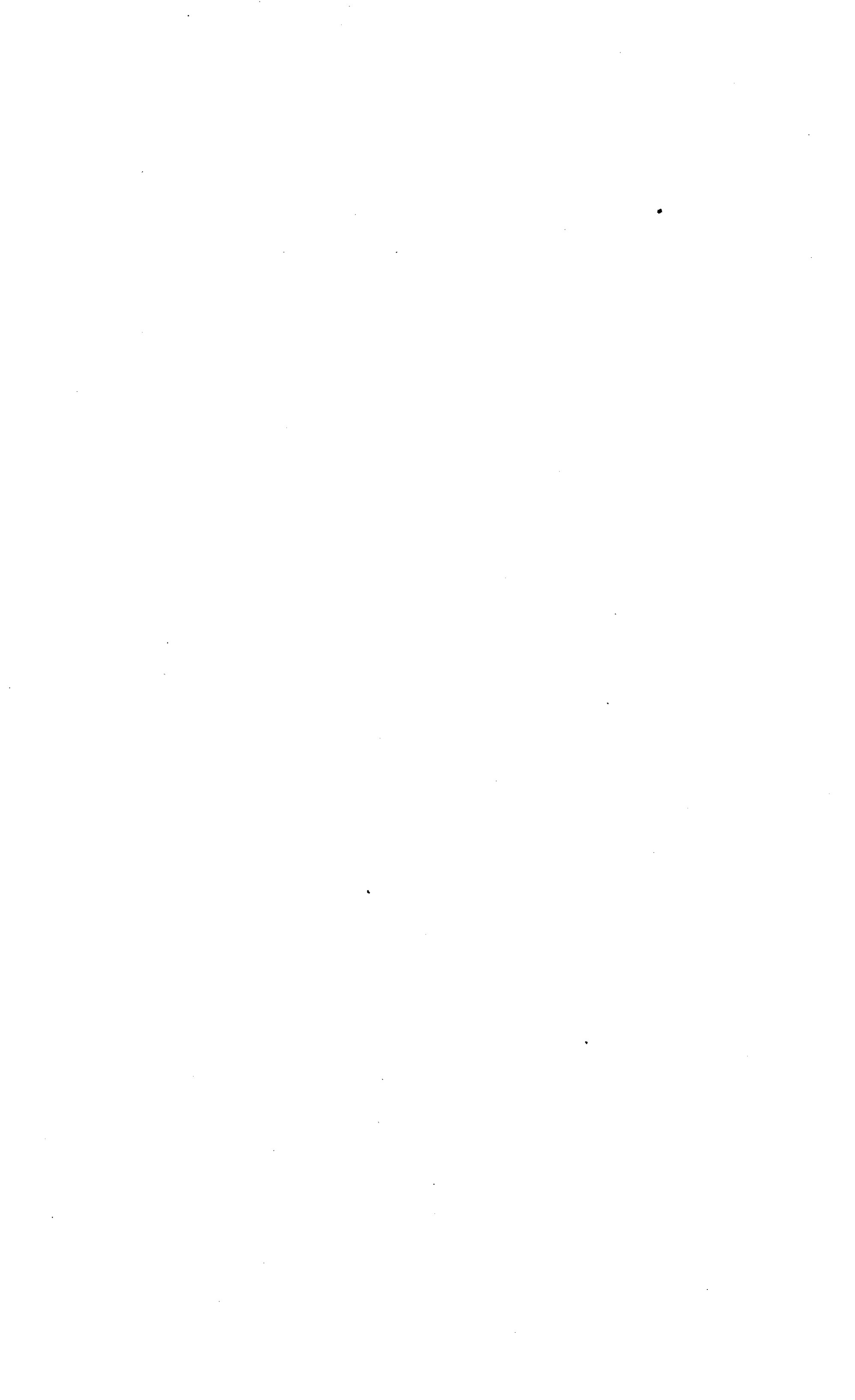
* Died August 16, 1918.
** Appointed September 25, 1918.
† In United States Service.
‡ Resigned November 12, 1917; succeeded by Elmer E. Parkman.



October 31, 1918.

Hon. Carl E. Milliken, Governor of Maine:

SIR:—The Public Utilities Commission presents its report for the year ending October 31, 1918.

Very respectfully,
BENJ. F. CLEAVES,
Chairman.

So abnormal and harassing have been the times through which public utility companies, their customers, and regulatory commissions have been passing during the year now drawing to a close, that any report of a regulatory body like this Commission must of necessity deal with situations and conditions which cannot well be compared with anything in the past and which all hope will change for the better in the not far distant future.

We feel that those members of the public who will study our report will get a far better understanding of most of these unusual conditions and of the way they have been treated by a perusal of our decisions than would result from any effort on our part to go into a very full discussion of these matters in this part of our report. We are therefore publishing a considerable number of such decisions and in them will be found the basic facts called to our attention in each of the many matters, the relief afforded, and the reasons which controlled, guided or seemed to compel our action.

INCREASED COSTS.

At no time during the present year has it needed a prophet to foretell the rise in the cost of all those things which enter into the product which any public service company furnishes its customers,—labor, supplies, materials, appliances. During this war period some of these costs have increased as much as 300 per cent, few if any less than 50 per cent. The dollar of the

public service company has shrunk along with that of each citizen.

If a particular company a year or two years ago was rendering service at a price which was then no more than fair that same service today at the same price cannot be yielding a fair return. Thus it has seemed to many companies necessary to somewhat raise rates, curtail service, practice various economies, in an effort to serve and still survive. With reference to those utilities still under our control we have taken pains to prevent the shiftng of too much of the burden to the shoulders of the customers. In every instance we have refused to sanction an increase which would result in a return in excess of that received prior to the beginning of the war.

STEAM RAILROAD CONTROL.

It is, of course, understood that the steam railroads, the express companies, telephone and telegraph companies are under the control of the Federal government. Such increases as have been made in the rates of these last named utilities have been inaugurated by Federal directors, who take the position that the several State Legislatures and Commissions have during the period of Federal control no authority over these utilities, their service or their rates. However great may be the doubt that the Federal authorities have as full a control over intrastate matters as is claimed, this Commission has felt that the time has not yet come to warrant us in attempting to assert an authority which, while we may possess it, will be in direct conflict with the claims and desires of the government at Washington. We have felt that perhaps the stress and necessities of the times will excuse us for appearing to be willing passengers on voyages to strange ports when our own judgment and convictions might lead us to believe the craft should be steered in another direction.

CHANGES IN RATES.

Comparatively few of the companies over which we have assumed control have made other than minor changes in their rates or practices. Among the most notable changes have been those made by the street railways. The winter of 1917-18 was the hardest year for the operation of electric street cars which any

person now alive can remember. The severity of the season, the scarcity of labor, the difficulty and at time the impossibility of obtaining materials with which to make necessary repairs, caused the service given by practically all the electric railways in Maine to be almost as bad as it could be. Cars were almost never on time, the use of the equipment without the opportunity for repairs caused such equipment to be in unusually bad shape, and the inability of the companies to bring about repairs resulted in the withdrawal from service of a considerable number of cars on each line. It is urged and believed by some people that the officials of the companies have been in a measure at fault in not being ready to meet even the unusual conditions just referred to. Whatever may have been the real cause of this failure of service, the public has been greatly inconvenienced and this Commission has many times been at a loss to know what, if anything, could be done to improve service. It should be understood that there is a limit to the authority of any regulatory Commission, and if that limit be passed the Commission has entered the field of management and overstepped the bounds of regulation. It is for the companies, insofar as they reasonably can, to render proper service at fair rates. It is for the Commission to use all its lawful authority to see that both of these results are accomplished. But the Commission cannot provide equipment, cannot procure materials essential in making repairs, cannot change the character and quality of the service which employees are rendering, cannot regulate or control the price or cost of labor, materials, or equipment. The failure of the companies to render proper service was not caused by any one particular thing, and perhaps the real cause or causes cannot be definitely pointed out. There was an unfortunate and to some extent unavoidable combination of circumstances occuring during the past winter and spring, many of which would not exist in normal times or during an ordinary winter. Beyond question the companies are not entirely blameless, but on the other hand they are not wholly to blame. These increases in costs seemed to the companies to make an increase in fares absolutely necessary. The operators of the Portland Street Railroad in March filed a schedule of rates which called for a six cent fare in place of the five cent fare, a shortening of many of the zone limits, and contemplated a curtailment of

service. Almost as soon as the schedule was filed this Commission served notice upon the company that the matter of such changes would be investigated and after a preliminary hearing the operation of the proposed schedule was suspended for three months and later the period was again extended an additional three months. In the meantime Attorney-General Sturgis was asked to assist in the investigation, and through his office and by the co-operation of Governor Milliken and his Council services of the engineering firm of Sloan, Huddle, Feustel and Freeman of Chicago were enlisted. This firm has had wide experience in similar matters and went very carefully into the Portland situation. Several public hearings were held and the public was represented by able counsel. Mr. Feustel in August made his report and recommendations at the final hearing, which report had previously been submitted to the company, the Attorney-General and to the several attorneys representing the public, so that the same was thoroughly understood and it had been practically agreed that the recommendations of the engineer should be put into effect. This Commission, while it was at all times in somewhat close touch with matters, took no part in working out the plan finally recommended, and at this final hearing left matters entirely for agreement between representatives of the company and those persons who were looking after the interests of the public, having sufficient information, however, to feel assured that the rights of all were in no way being sacrificed.

The plan suggested went into immediate effect, and, as might be expected, the incident change in the rate of fare, a somewhat universal change in the zones within which passengers could ride at a single fare, the curtailment of service, and some re-routing of cars, has caused annoyance, inconvenience and protest from some of the patrons of the road. Any plan which is so nearly new as the one applied in Portland is necessarily somewhat tentative, and the Commission is endeavoring to assist the company and the public in so re-arranging matters that a minimum of inconvenience may finally result. It should be understood, of course, that with the return of somewhat normal times all conditions will change, and it is very probable that a re-arrangement of street railway fares will be regarded as necessary.

Upon the Lewiston, Augusta and Waterville Street Railway a straight fare of seven cents is being tried out. The result is not entirely satisfactory. The increase in revenue has not been that which was anticipated, many people are for one reason or another refraining from using the facilities of the company, and it is not safe to predict what changes will have to be inaugurated upon this system.

Increase in fares upon nearly all of the other street railways have been made, and these higher fares will no doubt have to be paid until the general level of costs is somewhat lower.

Gas companies, on account of the enormous increase in the price of coal and oil especially, and of labor and other materials which enter into the cost of the product, have advanced their rates to a considerable extent. We have permitted a somewhat less advance in several instances than that asked for, and some of the companies feel that the amount of the increase actually permitted will not be sufficient to permit the payment of even operating costs. While we have endeavored to be in each instance fair to the company we have as above indicated kept the return down near pre-war figures and have not permitted the burden to rest too heavily upon the customer.

The rates of some light and power companies have been increased, as also have those of some of the water companies.

But upon the whole the increases have not been greater in our judgment than the increases in costs have made absolutely necessary. The situation upon the steam railroads is and for an indefinite period will continue to be very unusual and very chaotic. On August 29, 1916, Congress passed an act authorizing the President in time of war to take over control of transportation systems, such control to be "for the transfer or transportation of troops, war materials and equipments, or for such other purposes connected with the emergency as may be needful or desirable." On December 26, 1917, the President issued his proclamation and through the Secretary of War took possession and assumed control of the steam railroads of the country with the exception of certain narrow gauge and certain short lines. Such control was to be exercised by and through W. G. McAdoo as Director-General of Railroads, who on January 18, 1918, appointed Mr. A. H. Smith as Regional Director in charge of the operation of eastern railroads, which territory included Maine.

On March 21, 1918, Congress passed an act fully authorizing the action of the President in assuming control of transportation systems in time of war. On March 29, 1918, the President issued his proclamation "confirming and authorizing action by W. G. McAdoo and such division, agencies, or persons as he may appoint with respect to Federal control of transportation systems."

So that from the beginning of this year 1918 practically all the steam railroads of Maine have been under government control, and the Director-General and his subordinates claim that the authority vested in them is such as to exclude the State or any of its agencies from the performance of any regulatory act which is in conflict with the orders of the Federal Director.

Late in May the Director-General issued an order that on and after June 10, 1918, certain very radical changes in the rates of passenger fares and passenger service should be effective. This order withdrew all mileage books, fixed the rate of passenger fares at three cents a mile, increased the price of commutation tickets, baggage transfers and various other services connected with passenger traffic. At the same time was issued what is known as Order No. 28, increasing on and after June 25th virtually all freight rates, certain classes being increased an amount intended to be 25% and certain other rates being increased amounts in cents per hundred pounds or other measurement which resulted in some such increases being far in excess of 25%, and in many instances nearly double that amount.

So marked an increase had never before been attempted in the history of railroads, and protests flowed from every part of the country. New England and particularly Maine seemed to be especially hard hit, and in the opinion of New England Commissions the burden placed upon New England was in many respects greater than that placed upon other sections of the country.

A conference of New England Commissions was arranged and held in Boston upon July 16th and succeeding days. A large number of interested persons appeared and matters were carefully gone into. As a result of this conference a memorial from the six New England states to the Director-General was prepared and forwarded with a request that New England be

given a hearing upon these matters. To attempt to give even a resumé of the many points set forth in the memorial would occupy more space than is available in a report of this character. All matters were fully covered and New England's situation and desires carefully and conservatively outlined. It was expected that a hearing would be obtained within a comparatively short time, and assurances were given that such opportunity would be afforded. By corresponding with Washington some relief was obtained and still further relief has been promised. No hearing has as yet been had and no date for such hearing assigned. We realize that the entire energy and time of each Federal official is being employed for the one purpose of successfully carrying on the war, and each such official has use for each moment of his time. However much we may regret our inability to secure opportunity to present New England's claims and however seemingly unbearable the conditions created by the carrying into effect of the above named orders may be, it is perhaps necessary that we bear with patience with an expectation of ultimate relief. The New England Commissions have seemingly done all that can be done, and in view of the Federal claim of entire absence of authority in the State Commissions we are powerless to in any way change the existing situation unless we are willing to deny such Federal authority and attempt to enforce our claims before proper tribunals. This would result in a clashing and conflict, and it seems to be the feeling of each Commission that such a situation ought not to be forced, at least until after all other means are exhausted, and even then not until after most careful consideration. What we wish to make plain is that so far as the steam railroads are concerned this Commission has had nothing whatever to do with the advances in rates and the changes in practices and that its authority to in any way change conditions is emphatically denied by the Federal Government, which claims to be the sole judge of all matters connected with steam railroads during this emergency.

MATTERS IN GENERAL.

In common with the public at large, this Commission has had its several and severe troubles during this year. War conditions have taken from our force several of its very capable

employees, and we have had considerable difficulty in filling their places and in maintaining an efficient organization. Our resources and our abilities have been at all times taxed to the limit. The number of matters to which we have been obliged to give serious and prompt attention has been unusually large. This is but natural, for this is a time when the affairs of all are in a chaotic condition, and each individual and each public service company is making the best effort possible to prevent too serious injury to himself.

In addition to our regular work we have made a very full investigation of water power matters, and the result of this investigation is being published in a separate special report. The work in our engineering department has been carried on with a very small force, a part of the personnel of which has several times changed. This department has been called upon to make a number of very important valuation investigations and reports, and by constant effort has been able to keep abreast of the necessities. Especial attention has been given to bridges used by street railways. For some time we had felt an apprehension concerning the safety of several highway bridges over which street railways were conducting somewhat heavy freight traffic. We obtained authority to employ a bridge engineer, Mr. Wm. M. Black, who has devoted the major part of his time to this sort of work. At the time when nearly all these bridges were built the traffic which was to pass over them consisted of horse-drawn vehicles, and they were constructed to support this traffic. Something over twenty years ago electric railroads were permitted to use these bridges, and even this new and somewhat more strenuous use in the early days of the traffic consisted in the transportation of passengers in fairly light cars. With the passage of time and the growth of the business larger and heavier cars became necessary and some years ago the street railways began to do a freight business. In the beginning this was conducted in cars similar in weight and style to the passenger cars and was confined mostly to package freight. But still later electric locomotives were employed in the hauling of regular steam railroad freight cars, fully loaded, along the highways and over these bridges. This placed a great stress upon structures never intended for such use. We have caused to be examined a large number of such bridges, and in many

instances have been obliged to very materially decrease the load which could be hauled and regulate carefully the details of the manner in which such traffic as was safe could be conducted. It is our opinion that if our electric railways are to extensively engage in the haulage of heavy steam railroad freight cars a considerable number of bridges must be constructed and the traffic taken off certain highway bridges or such highway bridges must be practically rebuilt or strengthened. To this matter we are giving most careful attention.

In the inspections department our Chief Inspector has devoted his entire time to a very painstaking and efficient performance of his duties. The public has reason to be entirely satisfied with his accomplishments, and his report for the year, while not here published, shows the extent of the important duties he has performed. His assistant during the summer just past has given particular attention to the inspection of street railway tracks, roadbed and equipment. He has walked over a very large part of the tracks of each street railway, taken copious notes of the conditions he found, and made very full reports to us. They show a considerable lack of proper or intelligent maintenance work upon some of the systems. We have taken up with the management of each such railway matters contained in his repoort and have pointed out a way in which the safety and comfort of the traveling public may be more capably looked after. It is, of course, true that these companies have been unable to secure the services of a sufficient number of maintenance laborers. But we found that there was a tendency to attempt to use a crew of two or three men to cover a somewhat large mileage of track and to have several such crews scattered over the system. We have advised a consolidation of the crews so that one sufficiently large to properly perform the services could be assembled and that crew placed in charge of a competent foreman, to the end that the work could be properly done and in the end more accomplished than under the method above outlined. The method suggested by us is now being followed.

STATEMENT AS TO STATISTICS.

It will be noted that the statistical part of our report is not as full as formerly, that relating to the steam railroads being

all that we publish at this time. The reason for this is that as a result of a law passed by the last legislature the public utility reporting year which formerly ended June 30th now ends with the calendar year. The last reports filed were those of December 31, 1917. If we should undertake to publish statistics with reference to these utilities it would be but a six month's report, and would carry but little useful information because it would not be comparable with statistics covering operations for twelve-month periods. We have felt, therefore, justified in omitting from this year's reports all such satistics, feeling that when next year we are able to publish a full year report this and this alone will be useful for comparative purposes with other reports covering a full year.

This does not apply to railroad companies, because they made their first reports for full twelve-month periods as of December 31, 1917.

INTERCHANGE OF FREIGHT.

Two special matters of importance merit brief attention. The first is the interchange of carload freight between steam and electric railroads.

The value of some provision whereby this might be accomplished has been sufficiently dwelt upon in our report for 1916 and in decisions in cases previously considered. Following our recommendations in that report and statements by us before legislative committees the Legislature of 1917 enacted a law giving us ample authority to require such railroads to exchange loaded freight cars and cars to be loaded so that persons without immediate steam railroad facilities, living upon or near electric railroad lines, could be reasonably accommodated.

Following the adjournment of that session of the Legislature Congress enacted, May 29, 1917, a law relating to car service by which the Interstate Commerce Commission was given full control over "the movement, distribution, exchange, interchange, and return of cars used in the transportation of property by any carrier subject to the provisions of this Act," which includes all railroads engaged in interstate commerce. It is urged, and probably rightly so, that the national government having assumed this power the states are ousted from jurisdiction, and that our statute is thereby made negatory.

The mischief of such a situation, where no exception is made of intrastate movements, or movements which may be made without unreasonable interference with interstate commerce, is readily apparent. Where the sole remedy is lodged in a central national body the expense, delays and other inconveniences incident to prosecuting the claims of local communities will preclude relief in many meritorious cases. But it probably is true that the only remedy is through congressional action, which it ought to be possible to obtain after the railroads are returned to private control.

Two cases have been presented to us under this statute. In the first the question of jurisdiction was not invoked, and we ordered the physical connection and exchange to be made, which order was complied with. In the second case the question was raised, and the petitioners, after careful examination of the law, asked that their petition be dismissed without prejudice, which was done.

REPORTING BY SMALL COMPANIES.

There are in this State many small public utilities which have found it a hardship to keep their accounts and make reports in the manner provided by law. Our accounting department has been at great pains to assist and instruct them in these matters, and many companies which at first were reluctant to undertake the work have since expressed gratification that they had done so and had become better acquainted with the details of their operations. We are convinced that the utilities generally are better off for having adopted and followed such systems. They know, for the first time, what parts of their work are profitable, what are not, where and how economies may be practical, how their costs compare with those of other companies, and where savings and improvements ought to be made.

Still it is a fact that many public utilities, notably telephone and water companies and some electric companies, find real difficulty in complying with the law without incurring expense out of propoprtion to their income. We recommend that an amendment be made to the Public Utilities Act that shall empower us, under suitable regulations, to excuse such companpies from compliance with these provisions of the law. In such cases, however, they should assume the burden of proof

in all matters involving the reasonableness of their rates, because controlling facts will be exclusively in their possession.

We wish to express our appreciation of the work and the loyalty of our force of employees. Many of them have remained with us at personal monetary sacrifice. Each one has done a little more than his or her part, and it is largely for these reasons that we have been able to accomplish a full year's results with a force which at no time has been large enough.

DECISIONS AND ORDERS.

No decisions were published in full in our annual report for the year ended October 31, 1917, for the reason, among others, that the volume was kept as small as possible consistent with a fair abstract of the year's work, in the interest of economy. It is desirable, under normal conditions, to print a sufficient number to inform the public generally of the nature of the work and to make known to all interested parties the principles which control the Commission's actions in matters likely to be litigated before it.

This year, the omission of statistical matter, for reasons already explained, makes it possible to publish some decisions without materially increasing the size of the volume. We are, therefore, submitting some decisions bearing on a wide range of subjects, selected because each discusses one or more principles which are likely to recur in other cases. These decisions are arranged in chronological order. They are prefaced with brief head-notes calling attention to principles discussed in them, but not attempting to summarize or discuss evidence considered in reaching the conclusions.

These are followed by a collection of decisions promulgated in a number of cases in which the Commission has passed upon proposed increases in rates based on present abnormal costs of operation. These seldom contain discussions of principles which would be of importance in normal times, but it is felt that the public will be interested in, and certainly has a right to be advised of, the reasons which have controlled our action in these matters. A few such cases are contained in the first collection of decisions, chronologically arranged, because they did include the discussion of matters of permanent interest.

It should be understood that the decisions published are selected from a much greater number promulgated by the Commission during the period which they represent, namely, since October 31, 1916. Since that date, and prior to October 8, 1918, when this count was made, there had actually been formally decided eight hundred and thirty-six cases divided among the several classes represented by these printed decisions. The number for the full two years will be approximately eight hundred and fifty—many of which, of course, are of minor importance and present little difficulty.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

JOHN W. WARREN, ET ALS.,

VS.

SCARBORO WATER COMPANY.

F. C. No. 87.

WATER COMPANIES—ADEQUACY OF SERVICE—Service by a water company which leaves its consumers without a reasonably sufficient supply of water for two or three hours daily, several days per week, during a considerable part of the season, is inadequate.

WATER COMPANIES—POLLUTION OF SUPPLY—The source from which water is taken for domestic consumption should be adequately protected from surface contamination and incursions of animals. The fear of contamination in a comparatively small reservoir, entirely unprotected, although actual contamination is not shown even to have occurred, is reasonable and entitled to relief.

December 12, 1916.

Appearances: John C. Warren, for complainants; William R. Anthoine, for respondent.

Cleaves, Chairman; Skelton and Mullen, Commissioners.

Complaint under section 41 alleging (1) that respondent's rates, tolls and charges "are excessive and not commensurate with the service furnished," (2) that the service furnished is insufficient, in "that frequently the subscribers have been unable to obtain water, owing to the inadequacy of the system of the said company," and (3) "that the quality of the water furnished is unfit for domestic use."

The complaint was filed August 25, 1916, and public hearing was held at Portland, September 28, 1916, the respondent having been given the preliminary notice required by section 42 of the Public Utilities Act, August 25, 1916, and having failed to remove the cause of complaint, or to reply thereto.

HISTORICAL.

The Scarboro Water Company is incorporated under Chapter 459, Private and Special Laws of 1901, "for the purpose of conveying to and supplying the inhabitants of that part of Scarboro known as Higgins Beach, with water for domestic, sanitary, industrial, municipal and commercial purposes, including the extinguishment of fires and sprinkling streets." Its charter was amended in 1913, Private and Special Laws, Chapter 175, to permit it to manufacture and sell gas in the same territory. It has not yet exercised this right.

The corporation does a summer business exclusively, and does not undertake to render any municipal service. We understand that the business was begun in about 1900, before the corporation was organized.

The capital stock of the corporation consists of fifty shares of one hundred dollars each. Forty-eight shares are owned by Fred P. Murray, treasurer, clerk and manager, as well as a member of the board of directors. There are no bonds, and at the date of the last annual report no debt of any kind.

The corporation is authorized to acquire by purchase or eminent domain, a certain source of supply, but has not done so, and now pays an annual rental of one hundred and fifty dollars for the use of springs and a reservoir constructed and developed by it. The springs and reservoir are located in Cape Elizabeth about seven-eighths of a mile from the tank.

Water is conveyed through iron pipes, four inches and six inches in diameter, from two springs to the reservoir about one hundred feet distant. The reservoir consists of a natural ravine dammed up to make a surface 80 feet by 110 feet, and is lined, except at the upper end, with cobble stones embedded in blue clay. The upper end is the natural soil. The lining is eight feet in height and is surmounted by natural grass banks from eighteen inches to four feet in height. The crown of the dam is eight feet from the bottom. A ditch eighteen inches deep extends around the reservoir to prevent surface water from running in. The surrounding land is comparatively level for 500 to 600 yards. The springs are walled and covered with stones.

A pump house is located at the dam, the machinery being operated by gasoline. The water is pumped through a main

extending across the Spurwink river to a wooden tank at Higgins Beach, from which it is distributed to the consumers. The capacity of this tank is 15,000 gallons, with an outlet located so that it actually holds not more than 14,000 gallons.

RATES.

The company charges eight dollars per season for the first faucet, three dollars for the first water closet, five dollars for the first bath tub, and proportionate sums for other services. These rates are not excessive per se, and do not appear to be so when measured by the revenue produced. In fact, we do not understand the complainants generally to attack the rates, except that the service is inadequate and, therefore, not entitled to command normal rates.

The company has sixty-five customers. Its gross revenue for the current year is $891.50. Its operating expense to September 1, 1916, was $639.70, without any allowance for the services of Mr. Murray, who, in addition to his duties as manager, performed more or less work about the plant daily. This expense was divided as follows:

Fuel—gasoline and kerosene	$99 40
Labor, pumping	168 00
Land rent	150 00
Lubricants	3 30
Pump expense, maintenance	8 90
Purification expense	11 43
Distribution, labor	39 26
Work on consumers' premises	25 00
Maintenance of standpipe	21 40
Maintenance of mains	4 30
Maintenance of services	3 40
Expense of office clerk	27 00
Office supplies	45 35
Bookkeeper	15 00
Insurance	5 00
Taxes	12 96
	$639 70

No question as to the accuracy or necessity of any of these charges was made. While most of them probably are normal, that for maintenance of mains, $4.30, is much less than may be expected as an average. There are no officer's salaries and nothing for depreciation. Yet, the balance is but $251.80 with some further expense for the remainder of the season to be deducted.

Mr. Murray estimated the company's capital investment to be $5,000. The cross-examination indicated that complainants considered this too high. It does not matter. Respondent has a tank with capacity of about 15,000 gallons, a main from three-quarters to one mile in length, distribution pipes, some sort of a pumping station with two pumps and a gasoline engine, a reservoir on leased land with about 8,800 square feet of surface and substantially walled up to a height of eight feet, and the responsibility, care and annoyance incident to its ownership and operation. Whatever is left out of $251.80 per year is not an exorbitant return, and we have not undertaken to appraise the property. The rates are not shown to be unreasonable for adequate service; and in the absence of circumstances which render adequate service practically unattainable, we cannot fix rates on the presumption that the service will be inadequate.

ADEQUACY OF SERVICE.

The present service is not reasonably adequate as to quantity. It is undisputed that on an average of three or four mornings a week it is impossible to get water from the consumers' services when they go to them at around five or six o'clock, and that this condition continues for one, two, or three hours. The manager did not know the extent of the trouble, but there can be no doubt that it existed.

The respondent says that its springs and reservoir contain plenty of water; that plenty was pumped, and that if there was a shortage at the consumers' faucets it was due to waste on their part, through open services, leaking fixtures and otherwise," * * * our defense is that if we supplied water and they saw fit to waste it, we cannot help it."

Undoubtedly there was more or less waste. The fact that not a single consumer is found to complain of shortage at night,

no matter how late, rather indicates that the distribution system kept busy while the pumps were shut down and the community slept. But the evidence as to its amount is very hazy; and the burden is upon the respondent to justify its inadequacy of supply, once the inadequacy is established. Moreover, we cannot agree that proof of waste by some consumers would necessarily justify failure to deliver sufficient water to other consumers. Before a public utility can avail itself of such a defense it must show that it has been diligent in its efforts to prevent it.

It cannot charge a whole community normal rates and let a whole community go without because some persons in the community are abusing their privileges,—until, at least, it shows that it cannot help itself. It can establish reasonable regulations; it can impose reasonable and appropriate penalties for their violation; it can do everything that is reasonably necessary to stop the waste of its water. It has control over its pipes; its innocent consumers do not. It cannot be expected to do the unreasonable thing; but if it relies upon this defense, it must show that it has tried to do something.

We think, however, that while there has probably been much waste of water,—and this is to be expected under "flat" rates —the trouble may be remedied by pumping longer hours, perhaps, by beginning earlier in the morning.

The water is pumped to the supply tank probably at the rate of not more than 2,000 gallons an hour,—the highest claim is 2,200 gallons. The pump is started at about 5.30 A. M. and is said to run about nine hours a day. It shuts down at about 5.00 P. M. It is claimed that the tank will hold 14,000 gallons up to the opening for an overflow. The person who operates the pump is three-quarters of a mile away from the tank, across the Spurwink river, and never knows, when he shuts down, how much water there is in the tank.

If he has pumped full nine hours at 2,000 gallons per hour,—and that is as strong an assumption as the evidence will warrant—and started with an empty tank, the normal use going on all day, it does not follow that the tank is anywhere near full at five o'clock. And the legitimate use of water after that hour, during July and August, is likely to be considerable.

Respondent offered testimony to show that the normal use of water per capita could not nearly exhaust the amount pumped. This may, or may not, be true. The fact remains that the careful users as well as the wasteful have not a sufficient supply of water at the hours at which they ought to have it, and no satisfactory reason is shown for not furnishing it. The supply at the source is abundant. Mr. Murray testified:

Q. Is there always water enough there to keep pumping if the pumps were working?

A. Yes sir.

Q. In other words, your supply is sufficient to run your pumps through the twenty-four hours if necessary?

A. Yes sir.

Respondent must keep a reasonable supply of water in the tank at all times. If this requires additional pumping, it must be done. If it can lessen the waste which is going on, its vigilance will be rewarded by reduced cost of pumping.

The revenue of the company is too small to warrant any expense that can be avoided reasonably, and we shall give it opportunity to see whether a remedy cannot be found by some change in the time of pumping, rather than by substantial increase in the number of hours. If, as is claimed, the tank is emptied by the water running to waste during the nights, the pump should be started earlier in the morning.

PURITY OF THE WATER.

The third allegation is, "That the quality of the water furnished is unfit for domestic use." The evidence in support of this charge is not convincing, unless it be meant that water from some other source would be preferable. The complainants are not united in it, and the appearance of the complaint itself indicates that it was an afterthought. The body of the complaint was once fully completed, including matter which stands both before and after this third specification, and this allegation was subsequently written in and the date and title changed.

We refer to this not to impeach the good faith of any one concerned in any way with this prosecution, but as an indication that this charge was of secondary consequence with the complainants.

Two of the witnesses had seen what looked like cylinder oil on water that they had drawn and left in pails over night. We are not satisfied that this came from the water system. Several of the witnesses expressed a preference for Sebago Lake water for drinking purposes, because it smelled or tasted better.

On the other hand, one of the complainants, Mr. Higgins, who had used the water since the system was installed, testified that it had always been pretty good water as far as he knew and that he never had had any reason to complain. Mr. Sullivan, another complainant, was at the Beach every night and Saturdays and Sundays during July and August, never had any fault to find with the quality of the water, and had never noticed any cylinder oil or other foreign substance in it.

Mr. Pike, who carried Sebago water to drink, had taken this water three seasons, had "heard a lot of people say they didn't like it" but did not know that he had ever heard anything about its quality. Carroll H. Cotton complained of insufficient quantity, but said, "The water is pretty good, I haven't any fault to find with the water."

The only chemical analyses presented were two procured by the respondent from the State Laboratory of Hygiene, July 27 and August 24, respectively, current year, neither of which is consistent with this allegation.

It does appear that some surface water gets into the reservoir, —a comparatively small quantity which falls on the inside slope of the banks and a varying quantity which works through the wall at the upper end where there is no lining. This latter may be very considerable in rainy periods, and probably carries with it considerable vegetable and surface matter in solution.

Mr. Murray himself testified in regard to this:

Q. What has been the condition of that water during the summer so far as you have observed it?

A. It was very good the first of the season, and after we had those rains was not quite so good.

There is no evidence that the water is unsafe for domestic use. We think that the reservoir should be lined at this upper end. Filtration and chemical treatment would remove the odor and improve the appearance of the water, but the expense would be prohibitive for a community of this size.

There is complaint that the reservoir is located in an open field with no fence to keep dogs and other animals out of it. While it does not appear that it ever has been contaminated in this manner every reasonable effort should be made to assure the consumers. And the fear of contamination in a comparatively small reservoir entirely unprotected is not unreasonable.

We laid down the test in Cook, et als., vs. Presque Isle Water Company, F. C. No. 32, P. U. R. 1916 D, 798-803, that, " Water to be used for domestic purposes must be as free from harmlessly offensive conditions as reasonable care and effort can make it, and as free from contamination likely to cause disease as extreme precautions against all known dangers can make it. It is not a safe water unless it is safe all of the time."

We shall order this reservoir to be fenced so as to keep animals away from it.

Now, therefore, after mature consideration of all of the evidence in the aforesaid matter and cause of complaint, it is

ORDERED, ADJUDGED AND DECREED

1. That the allegation as to respondent's rates, tolls and charges is not sustained by the evidence, and the same is hereby dismissed.

2. That the supply of water furnished by the respondent is inadequate and insufficient in quantity in that it is not reasonably constant.

3. That the water furnished by respondent for domestic purposes is not unfit for use for said purposes, but that the source of supply is not adequately protected against contamination.

4. That said Scarboro Water Company be, and it hereby is, required and directed to line that part of its reservoir not now so lined, exclusive of its dam, with cobble stones imbedded in blue clay, or with some other substance equally impervious to water, to a height of not less than eight feet; to construct a fence around its said reservoir, of wire or other material, not less than four feet in height and suitable to keep dogs and all other animals out; and to install and maintain a floating gauge, or other suitable device, on its tank so that persons may be able to ascertain from the ground the depth of the water therein.

All of said work shall be completed in a manner satisfactory to this Commission, and the Commission notified thereof at least one week before the reservoir is filled for the season of 1917.

5. That said Scarboro Water Company be, and it hereby is, required and directed to begin its pumping daily during its season at not later than four o'clock in the morning and to maintain at all times between the hours of five o'clock in the morning and ten o'clock at night, during its season, not less than three feet in depth of water in its tank; provided however, that it need not begin its pumping, or continue the same, except and as necessary to maintain said depth of water.

6. That this case shall remain open on our docket until October 1, 1917, for further orders, or the modification of any of the foregoing, on application by any person in interest or on motion of this Commission, with or without further hearing as justice may require.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

HAROLD H. MURCHIE, ET ALS.,

vs.

ST. CROIX GAS LIGHT COMPANY.

F. C. No. 21.

RATES—DISCRIMINATION—A schedule of gas rates so arranged by steps that consumers of a given volume pay a larger gross sum than some consumers of the next step pay for a larger volume is unjustly discriminatory.

RATES—DISCRIMINATION—Differences in gas rates based on the use made of the gas, disregarding the cost of the service, are unjustly discriminatory.

VALUATION—GOING VALUE—Where a public utility has received an aggregate net return up to the date of the valuation amounting to a fair average rate on the investment, no allowance will be made for going value in a rate case.

RATES—INTERNATIONAL OPERATION—Where a public utility operates in this State and in another country, this commission will establish rates, which, if applied equally in both jurisdictions, will afford a fair return on the value of the entire plant.

December 19, 1916.

Appearances: Harold H. Murchie of Calais, for complainants; Curran and Curran of Calais, and Harvey D. Eaton of Waterville, for respondent.

Cleaves, Chairman; Skelton and Mullen, Commissioners.

Complaint by Harold H. Murchie and ten others alleging that the rates, tolls and charges of the St. Croix Gas Light Company for gas furnished by it for public use in the city of Calais are unreasonable and unjustly discriminatory. Answer by respondent denying said allegations and expressing a pur-

pose "to ask for an increase in the rates hitherto charged for gas so as to yield fair return upon the investment."

The complaint was filed July 13, 1915. Notice was served on the respondent July 15, 1915, and its answer was received August 4, 1915. Preliminary hearing was held at Calais October 26, 1915, at which the complainants offered testimony in support of their allegations and the respondent made some explanatory statements and submitted its books, records and other data for examination.

Ralph A. Parker, chief accountant, and Paul L. Bean, chief engineer, accompanied by their assistants, thereafterward examined the books and physical property of the company and made reports; the former showing the capital investment, dividend record and operating history of the corporation as evidenced by its books, and the latter making an inventory and appraisal of all its physical property including intangibles and overheads.

Copies of these reports were furnished the complainants and the respondent, and the case was set down for final hearing at Calais June 20, 1916. Messrs. Parker and Bean offered themselves, at that time, for examination, and were questioned briefly by counsel for both sides. No testimony was offered by either party. Dates were fixed for filing written briefs, which has since been done, and the case is ready for final decision.

HISTORICAL.

The St. Croix Gas Light Company is a corporation organized under the general laws of Maine, June 1, 1871, "to manufacture gas and supply it to the people of Calais and St. Stephen, New Brunswick." By chapter 24, Private and Special Laws of 1887 it was authorized to manufacture and sell electricity, and entered upon the construction of an electric plant in March, 1888.

It acquired a going gas business at the time of its original organization, and began to distribute electricity as soon after 1888 as its equipment was ready, its first dividend on account of electric operations having been paid in 1890. The company now manufactures gas in Calais and sells it in Calais and St. Stephen. It distributes to the citizens of Calais electrical

energy which is generated by the St. Stephen Electric Light Company in St. Stephen and delivered to respondent at the international line.

Respondent is thus both a gas company and an electrical company under the laws of this State, and these complainants have also filed a complaint against it as an electric utility containing allegations similar to those mentioned above. Both cases have been prosecuted and investigated together; but all reports, inventories and valuations have been made separately, and only matters relating to this complaint and to respondent's activities and duties as a gas company will be treated in this decision. An order will be made on the other complaint, F. C. No. 20, at an early date.

PRESENT RATES.

Respondent's present gas rates are (1) for lighting, $4.00 per thousand cubic feet with a discount of 25% (if paid within three days) to consumers using less than 50,000 cubic feet per year, and 50% to those using over 50,000 cubic feet; (2) for fuel and power, $2.00 per thousand cubic feet with a discount of 50% if paid within three days.

These are the only rates published for gas, but the respondent has made a very elastic interpretation of its schedule, with the result that it has created and recognized one or more unwritten rates. For example, if a person purchases gas for both lighting and fuel purposes, he may receive it through a single meter and pay according to an estimate of the relative amounts used for the two purposes. If he thinks he uses one-half for each purpose he will pay an average of the two rates, or two dollars per thousand, based on the four-dollar charge less 25% and the two-dollar charge less 50%.

The following excerpts from the testimony of Mr. Davis, respondent's superintendent, are illustrative of the possibilities and the actual results under this practice:

Q. Suppose a man has light and heat both, what is his rate if he has a single meter?

A. It varies from $1.25 to $2.50 a thousand. Probably it would be between these two figures. I think we have some perhaps less than $1.25.

Q. How can he tell what his rate will be without coming and asking you? Can you tell by consulting any schedule that you publish what his rate would be?

A. No, I think he would generally inquire. We would say, "We will charge you 30 cents a hundred for so much." Say a man was using something over a thousand feet of gas a month for lighting, we would say to him, "You pay us $3.00 for 1000 feet each month, and all the excess will be charged up to you at $1.00." Some of the people will use from five to ten thousand feet at $1.00, and it brings the cost of the gas right down.

Q. Will you explain to me how you settle that amount that you charge them $3.00 for?

A. By previous practice.

Q. That is, they pay for the month of July for so many cubic feet of lighting gas and all the excess is fuel?

A. Yes.

Q. Is that a permanent rule? For instance, if a man uses in one July 1,500 feet, you call it 500 light and 1,000 fuel. He uses in the next July 5,000. Do you still call it 500 light and the balance fuel?

A. Oh, yes, no more for light.

The report of the case contains pages of similar evidence, either in general testimony or specific cases, illustrating this practice.

While the schedule shows base rates of $4.00 and $2.00, respectively, the discount "for prompt payment" was allowed, whether the customer paid within three days, or at any other time. The real rates have therefore been $3.00 and $2.00 for lighting, and $1.00 for fuel, with every possible combination as explained above.

We refer to these departures from the printed schedule not as bearing directly upon the questions of unreasonable rates and unjust discrimination, but because they will explain to some extent the reasons for the new rates which we shall order. Considered by themselves, they are simply unlawful practices which the company has indulged in at its hazard.

UNLAWFUL DISCRIMINATION.

The second allegation contained in the complaint is that the rates are unjustly discriminatory in that they do "not reason-

ably and justly apportion the burden between the different classes of service in accordance with the differences in the cost of service of each and every such class but contains material, unreasonable and unjust variations, differences and inequalities not based on the difference in the cost of service."

This allegation is clearly sustained. We doubt whether there should be any substantial difference in the price of gas for lighting and for fuel purposes. The case is different from that of electricity, which must be used as it is generated. Certainly there is no justification for the differences shown in the above schedule, whether as shown in the base charges or in the allowance of discounts. In the latter respect if a person uses 49,000 cubic feet of gas for lighting in a year, and takes his discount, it costs him $147.00; if he uses 51,000 cubic feet, he pays $102.00. The charge is precisely the same for 49,000 cubic feet and for 73,500 cubic feet.

REASONABLENESS OF RATES.

A public utility is entitled to rates sufficient to afford a fair return upon all of its property used and useful in its service to the public. This fair return refers to that part of the operating revenue which remains after operating expenses, including a reasonable allowance for depreciation, have been met.

The first step toward determining what constitutes such rates in a given case is the fixing of the value of the property devoted to the service of the public. To arrive at such a valuation in the present case our accounting and engineering departments investigated and reported in considerable detail. Mr. Parker found from an examination of the company's books that there appeared to have been invested in construction the sum of $80,958.74. This would represent the original cost of the present gas plant if proper credits had been made for all property abandoned, exchanged, or otherwise disposed of or removed from service. Its accuracy depends upon the accuracy and completeness of the company's bookkeeping.

Mr. Bean made an inventory of the property which he found in actual use, and worked from the physical property back, fixing and verifying values by recourse to vouchers, price lists and engineering data. He presented the following results:

TABLE I.

	Original cost.	Reproduction cost.	Reproduction cost less depreciation.
Organization	$400 00	$1,500 00	$1,500 00
Land devoted to gas operations	1,155 00	1,635 00	1,635 00
General structures	1,338 00	2,350 00	2,023 50
Works and station structures	10,709 03	11,079 50	9,644 50
Holders	10,772 00	12,050 00	11,496 00
Boiler plant	1,458 66	1,392 22	1,259 06
Coal gas machinery	12,144 83	11,392 69	9,708 04
Gas mains	21,398 62	20,176 06	18,143 27
Gas services	7,722 48	5,909 73	5,341 46
Gas meters	4,788 77	4,850 87	4,520 32
Customer's installation	1,175 67	1,024 76	927 29
Gas tools and implements	166 00	200 00	192 00
General office equipment	285 00	575 00	427 50
Stable and garage equipment	325 00	910 00	300 00
Other equipment	274 06	345 26	315 49
Engineering and superintendence	1,500 00	3,000 00	3,000 00
Law expenditures	250 00	950 00	950 00
Taxes	–	1,241 98	1,241 98
Interest	600 00	3,370 48	3,370 48
Injuries and damages	150 00	325 00	325 00
Miscellaneous construction expenditures	1,250 00	3,000 00	3,000 00
Property in other departments	1,333 00	4,800 00	2,240 00
Other materials and supplies	1,003 89	1,003 89	1,003 89
Grand total	$80,200 01	$93,082 14	$79,924 78

Both parties had copies of this table and of the detailed inventories, unit prices and condition statements on which it was based some time in advance of the final hearing. Mr. Murchie said in his brief: "On the question of valuation, as stated above, your complainants accept without qualification the reports of your Engineering and Accounting Departments." Respondent said: "We are disposed to accept as a whole the valuations already made of the gas and electric properties by your engineering force."

Both parties made certain reservations as to the final value which should be applied for rate making purposes. The complainants contend that certain items should be omitted from consideration because they are not used and useful in respondent's business, or are overheads which did not enter, or entered only partially, into the actual original cost of this particular plant. On the other hand, respondent claims that an addition should be made for going concern value and compensation for initial risks.

These claims will be considered in their place. Suffice it to say that under these circumstances and for the purposes of this case the figures given in the foregoing table will be accepted as

the correct values of the several classes of property listed therein and in the valuation sheets to which they refer.

Complainants argue that such estimated cost items as Taxes, Interest, Injuries and Damages, and the item representing Property in Other Departments ought to be excluded in arriving at the final amount on which a return should be allowed. All except the last named enter into the construction of such a plant, and, conceding that these are fair estimates, we see no reason for eliminating them from a valuation based on cost of reproduction less depreciation. We shall deduct the item of $2,240.00 for Property in Other Departments, which is not devoted to the service of the public and for the retention of which no necessity is shown.

We now note respondent's claims to an allowance for (1) going concern value, and (2) compensation for original risks.

Going concern value is an addition to physical value which is made to compensate a utility for losses during the development stage. By losses is meant that amount by which the enterprise fails to pay expenses and a fair return on the money actually invested.

The company was incorporated in 1871. It never had outstanding more than $24,000 of capital stock until 1913, when $175,800 additional stock was issued without any new consideration. There is evidence in the case, entirely undisputed, that the original investment was only $12,409.89.

But on the full par value of $24,000 there have been paid dividends amounting to $89,864.04, or an average of 8.3% for every year since the organization of the corporation. In addition to that there has gone into the plant from earnings enough to bring it to its present value without the contribution of a dollar by the stockholders above the first investment except in undivided earnings left after taking the above 8.3%.

It was suggested at the hearing that there ought to be included as part of the investment to be considered in this connection eleven thousand dollars said to have been added to the plant by William York, who operated it under an agreement between himself and the owners between 1875 and 1880. Whatever he added to it became a permanent part of the plant and constituted a part of the owners' income represented by added value for which they are given full benefit. And it is to be remem-

bered that the period of time during which he operated it is included in that for which the average dividend rate of 8.3% was paid.

It was suggested that the period of ten years prior to 1871 should be taken into account in determining the adequacy of returns already received. This corporaton purchased the gas plant of the Calais and St. Stephen Gas Light Company, which had built the works in 1861 and operated them until the time of the sale, apparently at a loss. Without deciding whether the experience of a prior owner might under any circumstances be taken into consideration in deciding whether a present owner should be given a going concern value, we are not satisfied that it should be in this case.

While it is said that the stockholders of the present corporation and of its predecessor were practically identical, they are absolutely silent as to the circumstances of the transfer, its terms, and the experience of either company. They argue in favor of an allowance, but not one of them offers to throw any light on the question,—and we cannot illuminate it from our imagination. For all we know the stockholders of the original corporation may have received full compensation for all they had risked and done at the time of the transfer.

Regarding the right to an allowance for risks of the enterprise, there is no evidence in the case to show what these were, or that they should be considered except in determining the rate of return on the actual value of the property.

Neither party has made any reference to an allowance for working capital. Some such allowance ought, however, to be made. The revenues are collected monthly, and this need not be large. The average monthly operating expenses for the four years ending March 31, 1915, were $1,164.21. We regard an allowance of $1,200 ample for this purpose.

We find the value of the property on which respondent is entitled to a fair return to be seventy-eight thousand eight hundred and eighty-four dollars and seventy-eight cents ($78,884.78).

The following table gives a condensed statement of the company's revenues and operating expenses during each of the four years ending March 31, 1915, and the average for the four years:

TABLE II.

	Year Ending.				
	3—31—12	3—31—13	3—31—14	3—31—15	Average.
Gas sales	$14,314 56	$15,308 78	$15,949 43	$14,688 97	$15,065 45
Residual sales	1,617 82	1,466 60	4,326 04	2,991 64	2,600 52
Profit on merchandise and jobbing	175 38	*27 31	10 90	51 69	52 45
			Int. 381 28		95 32
Gross revenue	16,107 76	16,748 07	20,667 65	17,732 30	17,813 95
Production labor	1,382 70	1,444 00	1,415 82	1,590 32	1,458 21
Coal carbonized	6,969 14	5,941 28	5,356 17	8,438 06	6,676 16
Maintenance charges	779 81	1,549 24	1,644 45	2,411 51	1,596 25
Salaries and expenses —General Officers	2,300 00	2,300 00	2,618 75	2,390 77	2,402 38
Other op. charges	1,302 52	1,602 36	2,382 50	2,061 44	1,837 21
Total op. expenses	12,734 17	12,837 88	13,417 69	16,892 10	13,970 46
Gross income	$3,373 59	$3,910 19	$7,249 96	$840 20	$3,843 49

* Deficit.

The number of cubic feet of gas sold during each of the last three of said years was 9,350,700, 9,489,700, and 9,363,300, respectively. It will be seen that the operating expense per thousand cubic feet of gas sold during these years was $1.37, $1.41 and $1.84, respectively.

The apparently wide variation in the operating expenses is due in large measure to failure to keep complete bookkeeping records and inventories of materials and supplies, so that each year is charged with the invoices for that year, whether consumed or not. It is not believed, however, that this would seriously affect the average for four years.

The revenue from gas sales during the year ending March 31, 1915, was divided as follows:

TABLE III.

2,982,850 cu. ft. at $1.00	$2,982 85
1,661,075 cu. ft. at 2.00	3,322 15
1,407,250 cu. ft. at 3.00	4,221 75
3,312,125 cu. ft. miscellaneous rates	4,162 22
9,363,300	$14,688 97

Our accountant, after conferring with the chief engineer, estimated the depreciation to be 1.67%. Complainants adopted this figure, and the respondent did not question it.

Based on the averages shown in the above table and the valuation herein established, the annual operating expense of the company, including reserve for depreciation may be estimated thus:

Average expense, exclusive of depreciation......	$13,970 46
Depreciation, 1.67% of $78,884.78.............	1,317 37
Total annual operating expense.............	$15,287 83

REASONABLE RATE.

What is a fair rate to meet the above annual charges and pay a fair return on the investment? It should be a rate which, when applied to the probable output of the company will produce a revenue sufficient to yield such a dividend on an amount of capital exactly equal to the fair value of the property as will induce others to invest capital in similar enterprises with the expectation of getting their recompense from the normal earnings of the enterprise,—not from the flotation of its securities. To accomplish this object the stockholders ought to receive a return substantially higher than that paid for money loaned, through bonds or otherwise, to the same or an equally strong corporation, because the stockholder is responsible for the management of the corporation and is the last to participate in the security. If the rate of interest paid by a corporation for money borrowed is six per cent the stockholder ought, under normal conditions, to be permitted to receive a higher rate in dividends, if the corporation can earn them.

But the rates charged for the service ought not to be more than its reasonable value; and it is useless for the corporation to charge rates that will prevent a normal increase in its business.

The present case presents much difficulty in fixing a schedule of rates, difficulty due very largely to the present and past practices of the respondent. They have been such that its past experiences furnishes an unsatisfactory guide for the future. While the motives of its managers have undoubtedly been

beyond criticism, the company must suffer to some extent from their acts.

It appears that the operating expenses of the company for the most favorable of the three years for which the output is given were $1.37 per thousand cubic feet sold. Mr. Davis, the superintendent, testified that it cost "somewhere about $1.30." Neither of these figures takes depreciation into account, nor any return on investment.

Yet, according to Table III, the company sold 2,982,850 cubic feet at one dollar, and 3,312,125 feet at an average of $1.25,—just a little more than two-thirds of its entire product at about 14% less than bare cost of production and distribution as estimated by its superintendent, 18% less than cost as shown in our accountant's report.

To offset the loss made on fuel gas sold at one dollar, it charged three dollars from its lighting customers, the most natural market for this commodity. Such an unreasonable spread in the rates between the different classes of customers makes it impossible even to guess how much the output may be increased by giving lighting customers a reasonable rate; what proportion of the fuel customers will continue to take the service when they are charged their reasonable part of the entire cost, and what ultimate saving will be made by ceasing to sell at less than cost. This last consideration should not, however, be given too great prominence, because, while the gas has been sold at less than actual average cost, it must be borne in mind that an increased output has effected some reduction in the average cost of production.

We shall not establish a schedule of rates which will net the respondent on its present output so large a net return as we should permit it to enjoy under more favorable operating conditions,—that is, if its cost of operation were enough lower or its output enough larger to produce a larger profit on such rates. If it will improve these conditions, it will receive a correspondingly larger net income. And with the elimination of vexatious discriminations and the establishment of a reasonable rate for all purposes there ought to be a marked improvement in results.

We speak of this feature of the case especially because we do not wish this decision to be taken as a precedent of the rate of return we should allow under ordinary circumstances, either

by promoters of such utilities or by the public. This case is decided on its own peculiar circumstances.

Before the final hearing was held, both parties were invited to file tentative schedules which they would recommend. The respondent did not avail itself of the opportunity. The complainants filed the following:

"SCHEDULE OF RATES.

Lighting of residences	$2.00	per thousand cubic feet
Lighting of manufacturing plants, public buildings, etc.	1.85	" " " "
Fuel, heat and power	1.70	" " " "
Combination light and fuel	1.85	" " " "
Temporary and seasonal service	2.50	" " " "
All other services	2.00	" " " "

All to be discounted 10% for payment before the 15th of month. Minimum charge 25c per month."

As already intimated, we shall make the rate the same for all uses. We shall, however, grade it somewhat according to the quantity used. This difference should not be extreme, but there are substantial reasons for some concessions to larger users.

The rates recommended by complainants are in themselves very liberal, and are professedly intended to afford respondent a larger aggregate revenue than it now receives. They are higher than those charged by any other important gas company in the State, a circumstance which imposes upon the corporation the burden of increasing its net return by more skilful management, or of showing why it cannot be done.

Table II shows an average annual return from sale of residuals of $2,600.52, which the company will have in addition to revenue from sales of gas. The receipts from other sources have been practically negligible.

THE INTERNATIONAL ASPECT.

This respondent owns property and operates both in this State and in the Province of New Brunswick. We have deemed it equitable to consider it as though entirely within this State so

far as valuation and determination of revenue and operating expenses are concerned, and to ordain rates accordingly. This has been fully understood by both parties, and not objected to. We do not wish to be understood as attempting to fix rates to be charged in New Brunswick. The St. Stephen rates may or may not be uniform with those charged in Calais. If they are higher, the Calais consumers are not injured; if they are lower, the company must stand the loss. It cannot be considered in deciding whether the Calais rates are sufficiently high.

If a change in this situation, or in any other respect, appears to justify modification of the following order, after the new rates have had a fair trial, either the utility or the public may have a remedy under appropriate procedure before this Commission.

Now, therefore, on complaint by Harold H. Murchie and others, being more than ten aggrieved persons, that the rates, tolls and charges of the St. Croix Gas Light Company for gas distributed and supplied by it for public use in the city of Calais are unreasonable and unjustly discriminatory, said St. Croix Gas Light Company having been given notice thereof and not having removed said cause of complaint to the satisfaction of this Commission within ten days after the receipt of said notice, and public hearing having been had on said complaint after more than ten days' notice of said hearing, and said complainants and said respondents having been present at said hearing and been fully heard, and all of the evidence in the case having been maturely considered, it is

ORDERED, ADJUDGED AND DECREED

1. That the rates, tolls and charges of the St. Croix Gas Light Company for gas distributed and supplied for public use in the city of Calais are unreasonable and unjustly discriminatory;

2. That said St. Croix Gas Light Company discontinue its present rates, tolls and charges for gas on and after the thirty-first day of December, A. D. 1916, and substitute in place thereof the following schedule of rates, tolls and charges, effective on and after the first day of January, A. D. 1917, to wit:

For gas for lighting, fuel and heat, or any of them, or any combination thereof, payable monthly,

$2.00 per thousand cubic feet for the first 2,000 cubic feet
1.90 per thousand cubic feet for the next 2,000 cubic feet
1.80 per thousand cubic feet for the next 6,000 cubic feet
1.70 per thousand cubic feet for excess over 10,000 cubic feet.

Discount: Ten cents per thousand cubic feet if paid within the first ten days of the calendar month next following the month for which payment is made.

Minimum charge: Fifty cents per meter per month.

The respondent may make other regulations not inconsistent with the foregoing.

3. That said St. Croix Gas Light Company publish and file schedules of its rates, tolls and charges for gas consistent with this order and in conformity with the requirements of General Order File No. 154, on or before December 31, 1916.

STATE OF MAINE.
PUBLIC UTILITIES COMMISSION.

HAROLD H. MURCHIE, ET ALS,

VS.

ST. CROIX GAS LIGHT COMPANY.

F. C. No. 20.

VALUATION—GOING VALUE—An allowance for going value, in a rate case, is the capitalization of that sum of money by which the business has failed to pay a fair return on the investment. No allowance will be made where this condition does not exist.

VALUATION—EFFECT OF NON-SALABLE CHARACTER OF PROPERTY—The fact that property necessary to the operation of an electrical plant is so located that its value for purposes of sale is impaired, does not lessen its value for rate making purposes so long as it is efficiently employed. When it becomes necessary to abandon it and provide a substitute, its value may then be written off.

RATES—RETURN—A public utility must be permitted to earn a rate of interest in excess of that paid in loans to such corporations. Money will not seek investment in small communities, with little prospect of substantial growth, and risk of retrogression, on the same rates that would be satisfactory in thriving communities where there are speculative inducements.

RATES—DIFFERENT STEPS FOR LIGHTING CUSTOMERS—Where a minimum charge is made to cover costs which do not differ materially, an electric utility will not be permitted to make substantial differences in its rates to lighting customers based on the quantity consumed, lest too great a portion of the cost of operation be placed upon the smaller consumer.

February 27, 1917.

Appearances: Harold H. Murchie of Calais, for complainants; Curran and Curran of Calais, and Harvey D. Eaton of Waterville, for respondent.

Cleaves, Chairman; Skelton and Mullen, Commissioners.

Complaint by Harold H. Murchie and ten others alleging that the rates, tolls and charges of the St. Croix Gas Light Company for electricity and electric service in the city of Calais are unreasonable and unjustly discriminatory.

Respondent filed its answer denying all of the ellegations in the complaint, and claiming that "the electric light plant to which this complaint referred cost over $100,000.00 and that without making any charge for depreciation the electric business both in New Brunswick and Maine during its last fiscal year ending November 30th, 1914, showed receipts $24,850.00, operating expenses $12,313.00, and paid for new work $7,500.00. The stockholders receiving dividends amounting to $2,500.00."

This complaint was filed with F. C. No. 21, Murchie et als vs. St. Croix Gas Light Company, attacking the gas rates charged by the same respondent. The two complaints were prosecuted together, and much of the historical data contained in our decision on the gas case, dated December 19, 1916, is applicable to this case, and will not be repeated in detail.

The St. Croix Gas Light Company was incorporated as a gas company June 1, 1871, and as such operates in both Calais, Maine, and St. Stephen, New Brunswick. By act of the Maine Legislature, chapter 24, Private and Special Laws of 1887, it was authorized to do an electrical business. It was granted street locations in Calais, March 22, 1888, and commenced construction of its distribution system during the same month.

The St. Stephen Electric Light Company was incorporated March 28, 1888, under the laws of New Brunswick, and secured approval of its street locations in that city June 18, 1888. Work had been begun in 1887 on the construction of a hydro-electric plant at Union Dam, on the St. Croix River, Milltown, New Brunswick. The dam itself and power rights, are owned by the F. H. Todd estate, which for several years up to the filing of this complaint, has been paid an annual rental of $700.00 by the electric company.

In 1898 the St. Stephen company built a steam generating station for auxiliary purposes in Calais. It has no charter rights on the United States side of the boundary line.

The St. Stephen Electric Light Company has capital stock outstanding amounting to $25,000.00. The ownership of this and of the stock of the St. Croix Gas Light Company are prac-

tically identical. While the corporations are nominally and technically distinct, they are operated by a common management.

The St. Croix Gas Light Company admits, in the present proceedings, its responsibility for the electric rates in Calais, includes in the figures above quoted from its answer the earnings and operating expenses of the entire electrical plant, and reports all of the electrical operations of both corporations, under its own name, in its annual report to this Commission. It publishes complete rates for this class of service in its rate tariffs on file with this Commission.

It follows that, while the actual ownership of the physical property and the charter rights in St. Stephen are in the St. Stephen Electric Light Company, the St. Croix Gas Light Company is authorized to do an electrical business in this State, actually holds itself out to the public as doing such a business, admits in this case its liabilities and duties as an electrical company and its control over, or ability to serve from, the property constituting the electric plant of the St. Stephen company.

We shall, therefore, treat this case as though there were but one corporation, the St. Croix Gas Light Company, and determine the reasonableness of the rates on the value of all of the property devoted to the business of the entire electric plant and used and useful therein, and taking the operating revenues and expenses of the entire system into consideration, all as a single entity. What we have said in F. C. No. 21 regarding the international application of any rates we may fix will bear equally upon this case.

It may, however, be added that the most marked effect on any reduction in rates we may order will be most deeply felt on the St. Stephen side, if adopted there, and that, if not adopted there, the resulting reduction in revenue will not be as great as that intended to be secured by the rate changes. The consumers within the State of Maine have no right to complain of this. The present rates in St. Stephen contribute toward the company's present revenue which is alleged to be excessive; and if it continues to be excessive because of the continuance of excessive rates there, the Calais users will not be paying anything toward that part which constitutes the excessive return on investment. So long as they pay only their share of a sum sufficient to create a reasonable return, they are not aggrieved.

PRESENT RATES.

The respondent's meter rates at the time of filing the complaint were based on a charge of 30 cents per kilowatt hour with discounts, ostensibly for prompt payment, according to the amount of current used per month. As stated in F. C. No. 21, no attention was paid to the time within which a customer paid, and this condition—" if paid within three days "—meant nothing in practice. Stated plainly, the measured lighting service schedule was:

20 cents per k. w. h. for the first 5 k. w. h's per month.

15 cents per k. w. h. for the next 5 k. w. h's per month.

10 cents per k. w. h. for the next 190 k. w. h.'s per month.

8 cents per k. w. h. on whole, if between 200 and 500 k. w. h.'s per month.

7 cents per k. w. h. on whole, if over 500 k. w. h.'s per month.

Commercial Tungsten lamps:

$ .50	per	mo.	per	25	watt	lamp
.70	"	"	"	40	"	"
1.00	"	"	"	60	"	"
1.25	"	"	"	80	"	"
1.50	"	"	"	100	"	"
2.25	"	"	"	150	"	"
3.50	"	"	"	250	"	"

House rates: One-half of above.

Power rates:

Service charge of 75 cents per horsepower rating for motors of 5 h. p. and over; $1.00 per h. p. for those under 5 h. p.

Also, 5 cents per k. w. h. for first 10 k. w. h.'s per h. p. of motor.

Three cents per k. w. h. for all over 10 k. w. h.'s.

Flat rate, commercial: 2 cents per 16 c. p. lamp per night.

Flat rate, house: 1 cent per 16 c. p. lamp per night.

December 21, 1915, respondent filed a new lighting schedule, effective January 1, 1916, offering:

15 cents per k. w. h. for first 10 k. w. h.'s per mo.

12 cents per k. w. h. for next 190 k. w. h.'s per mo.

10 cents per k. w. h. for next 300 k. w. h.'s per mo.

9 cents per k. w. h. for excess over 500 k. w. h.'s per month.

These rates are subject to a discount of two cents per kilowatt, if paid within 15 days; so that the only change in net rates is to reduce the first five kilowatts from 20 cents to 13 cents, and the second five from 15 cents to 13 cents. The two schedules are better shown for ready reference in the following table:

TABLE I.

	Old Rate per k. w. h.		Rate of Jan. 1, 1916 per k. w. h.	
	Gross	Net	Gross	Net
First 5 k. w. h's.......	.30	.20	.15	.13
Second 5	.30	.15	.15	.13
Next 190	.30	.10	.12	.10
Next 300	.30	.08	.10	.08
Above 500	.30	.07	.09	.07

The new schedule made a uniform rate of two cents per 16 c. p. lamp per night for both commercial and house use. Both the meter and flat rates established a minimum charge of one dollar per month.

The 20-cent rate has been continued in St. Stephen, and the company's books show the existence of a power rate applicable to St. Stephen which is additional to those contained in the schedules on file in this State, namely, a 1½ cent rate during the first five months of 1916 and a 2-cent rate in force during the remainder of the year. We are also advised that the base rates are net in St. Stephen,—no discount is allowed.

VALUATION.

A wide difference appeared between the original cost of the property as found by our accountant from his examination of respondent's books and that reported by our engineer,—$102,-423.14 and $80,087.36, respectively. This is due to the fact that the company did not credit its construction account with property abandoned, exchanged, or replaced. Its books showed it as now owning all that it had ever owned, including articles which had been exchanged for other articles. The engineer worked from a field inventory and derived the original cost of articles now in actual use only.

The engineer's estimate of reproduction cost less depreciation greatly exceeds his statement of original cost. The reasons for this are explained in detail in his report, and dwell particularly upon the manner in which this plant was assembled and constructed. Both parties have had copies of the report, and this phase of it need not now be referred to in greater detail.

The respondent filed a valuation of its plant before our experts began their investigations. The following summaries present its claim and the findings of our engineering force as of July 9, 1915, the date of the complaint, the first line including all of the property with overheads and intangibles, and the second line giving only the physical property located in Calais:

Company's Valuation	Commission's Engineer		
	Orig. Cost.	Reproduction Cost	Reproduction Cost less Depreciation
$103,163 33	$80,087 36	$105,517 42	$93,673 48
	21,283 91	28,493 46	25,308 17

Referring to overhead charges, the engineer says: "The company does not list these charges. The sheets themselves explain the method used by the department in estimating them.

"Condition per cent is taken as 100.

"9.77% of the total original cost is the percentage allowed for original cost of overhead charges.

"12.78% of the total reproduction cost is the total percentage allowed for reproduction cost of overhead charges."

Copies of the reports of the accounting and the engineering departments were furnished both parties in advance of the final hearing, and their respective comments quoted in the gas case, F. C. 21, applied equally to the conclusions deduced in these reports. Both parties expressed satisfaction with the values placed upon the several classes of property, and neither offered anything in contradiction.

The complainants raised some question as to whether the overheads should be allowed, but did not press it in their brief. As classes of charges they are clearly to be considered in estimating the cost of reproducing a plant; they do not appear to be unreasonable; and, as we have said, the several amounts were not criticised. They will stand in the final valuation for the same reasons stated in F. C. No. 21.

Respondent asked for an additional allowance for going concern value,—the capitalization of that sum of money by which the business has failed to pay a fair return on the investment. We do not find any such failure to exist, and do not allow such item.

The undisputed evidence shows that construction was actually begun sometime in 1887; that interest during construction period of two years was allowed among the overheads; that the company paid its first dividend in 1890; that it has earned and paid from that time to 1916 dividends averaging 8.14%; that its entire capital stock investment is only $25,000, the rest of the plant having been paid for from earnings over the aforesaid dividends.

This means that on a cash investment of $25,000 the stockholders have had annual dividends averaging 8.14% and an increased value of plant, on which future earnings will be allowed, amounting to the excess of its present value over said sum of $25,000,—on the foregoing estimate of $93,673.48 this increase is $68,673.48. It is not necessary to enter into any consideration of what part of this increase would be offset by a proper allowance for depreciation reserve. The stockholders have been amply paid for the use of their capital to this date.

The passage quoted from respondent's pleadings, early in this decision, illustrates its practice of returning net earnings to plant construction. But this is not a sacrifice by stockholders; it is a voluntary investment of their funds on which the public is bound to pay them a fair return.

The real value of some of respondent's property is impaired by its location and dependence upon other property over which the corporation has no control through ownership or long lease,—notably, its hydro-electric plant. For rate making purposes, however, the actual investment should be recognized so long as the property is being used in giving uninterrupted and efficient service. And if it has to be abandoned at some future date, the respondent must credit its construction account with that same value. Thus the public loses nothing.

There has been added to plant account since the date of the foregoing appraisal, as shown in respondent's last annual report, the sum of $4,076.74 net. This does not exceed the annual depreciation on the foregoing valuation at the rate which we shall allow; and inasmuch as it appears that the operating revenues for the year were sufficient to pay a fair return on investment after providing for such depreciation, and that no other provision for depreciation was made, we are not satisfied that this addition to plant more than equalled current depreciation.

An allowance should be made for working capital. The revenues are collected monthly, and the average monthly operating expenses, exclusive of depreciation, during the last fiscal year were $1,312.56. We shall allow $2,000.00 for this purpose.

Taking all of the evidence into account, we find the fair value of respondent's property on which it is entitled to a fair return to be ninety-five thousand six hundred seventy-three dollars and forty-eight cents ($95,673.48).

RATE OF RETURN.

The respondent should be permitted to collect gross revenue from its rates, tolls and charges sufficient to pay its reasonable operating expenses including depreciation and a fair return on the above valuation.

Complainants' attorney in his brief concedes that the schedules to be made by the Commission should provide an amount sufficient "to pay the proper expenses of operation as shown in the report of your auditor," provide a depreciation reserve of 5% on the value of the plant "reported by your auditor and engineer" and "pay dividends of six (6) per centum thereon."

An annual depreciation reserve of 5% is recommended by our experts, is not questioned by the respondent, and is expressly approved by the complainants. It is consistent with the recommendations of engineering experts generally as applied to this class of property and will be adopted in this case. We consider it sufficiently liberal however, if applied only to physical property, and shall exclude from its application allowances for overheads and working capital. The total value on which it will be allowed is $80,193.48.

We think that the stockholders of a public utility like this should be permitted to earn more than six per cent on their investment, if they can do so on rates not excessive on their face. Capital will not seek similar investments unless it is assured the possibility of earning more than it can realize from loans to such corporations. It will not seek investment in comparatively small enterprises in communities of slow growth on such inducements as would tempt it in larger enterprises and more thriving communities, where there are some speculative inducements, or where there is less chance of retrogression.

Complainants' attorney practically concedes that the maximum rate allowable under normal conditions would exceed 6%. He says in his brief: "It is of course entirely proper that the rate should be fixed at something higher than this six (6) per centum as that (except in cases presenting unusual circumstances where the service is not worth a price necessary to yield such a return) is fixed as a minimum." He bases his claim to 6% in this case on the fact that the original risk has been compensated in liberal dividend returns; that "the valuation allowed is full and ample in every respect;" that the respondent has practiced "gross discriminations," and that its business is rapidly increasing so that any rates fixed today will afford a higher rate of return in one year.

The dividends previously received by the corporation have been considered in denying its claim to an addition for going concern value. They should not be considered both as a ground for holding down the valuation of the plant and the return on the valuation so kept down. We are not to penalize present stockholders for large returns received before regulatory laws were enacted or invoked.

Obviously, the fact that the valuation allowed is "full and ample" cannot be a reason for reducing dividends to a minimum. They, too, should be "full and ample" so long as the valuation on which they are based is no more than that.

Nor do we think that the discriminations apparent in this case should affect the rate of return for the future. So far as the respondent has violated the law there are other penalties which may be invoked.

But we are impressed with the force of the last reason urged. It is not desirable that these cases should be prosecuted at too frequent intervals. They are expensive and annoying to all parties concerned. Rates established should not be unreasonably inadequate for the present, but consideration may well be given the immediate future. The tables hereinafter given will show that the utility is enjoying a very rapid growth.

We shall, however, be governed somewhat in the present case by abnormal conditions which are known to exist, which bear very heavily on both construction and operating costs of all lines of business, and neither the duration nor ultimate effect of which can now be foretold with any degree of certainty. We shall give any enterprise much wider latitude than we should under normal conditions; and some of the conclusions reached and principles enunciated in this decision will be helpful in future adjustments of this respondent's practices to changed conditions, rather than in the immediate disposition of the present case.

OPERATING EXPERIENCE.

Table II shows in condensed form the respondent's revenues and operating expenses for seven periods of one year each, between December 1, 1910, and December 31, 1916. These periods end on different dates,—and are therefore more in number than the number of years actually elapsed—because the company's accounting year ended on November 30th until changed by the Public Utilities Act, and because we have taken the results of the last calendar year to secure the most recent facts for analysis and comparison.

TABLE II.

	11—30—11	11—30—12	11—30—13	11—30—14	6—30—15	6—30—16	12—31—16
Operating revenue	$17,850 23	$18,905 82	$21,660 86	$22,994 80	$25,238 03	$29,858 17	$30,836 04
Non-operating revenue	403 37	681 53	1,276 91	818 82	855 76	687 40	599 07
Gross revenue	$18,253 60	$19,587 35	$22,937 77	$23,813 62	$26,093 79	$30,545 57	$31,435 11
Operating expense	$9,363 26	$9,202 69	$8,865 20	$10,595 20	$15,127 46	$15,750 71	$17,231 12
Gross income	$8,890 34	$10,384 66	$14,072 57	$13,218 42	$10,966 33	$14,794 86	$14,203 99
Per cent expense to gross operating revenue	52.4%	48.6%	40.9%	46.1%	59.9%	52.7%	55.8%

The operating revenue shown in the last column of the foregoing table is derived from the different rates as follows:

TABLE III.

	Lighting Rates.						Power Rates.						
	20c	15c	12c	10c	9c	7c	Min.chgs	5c	3c	2c	1½c	Service chg	Total.
Calais	4 00	2,714 77	4,911 72	975 80	207 45	357 14	459 00	89 60	77 70	–	–	153 00	9,950 18
St. Stephen	2,241 40	1,415 70	–	3,066 62	8c 1,259 32	1,083 25	359 80	57 20	108 21	699 52	370 80	151 15	10,812 97
Total metered rates	2,245 40	4,130 47	4,911 72	4,042 42	1,466 77	1,440 39	818 80	146 80	185 91	699 52	370 80	304 15	20,763 15

	Above totals.	Flat rates.	St. lights.	Misc.	Total.
Calais	$9,950 18	$2,445 20	$3,100 56	$70 00	$15,565 94
St. Stephen	10,812 97	1,660 66	3,961 54	–	16,435 17
Grand totals	$20,763 15	$4,105 86	$7,062 10	$70 00	$32,001 11
Less discount for prompt payments	–	–	–	–	1,164 87
					$30,836 24
Reconcilment	–	–	–	–	0 20
Corrected total operating revenues	–	–	–	–	$30,836 04

There has been a very noticeable growth in operating expenses since November 30, 1914. This has been due to a variety of reasons, important among which have been higher wages, increased taxes, and, especially, larger appropriations for repairs and maintenance. It is not likely that the maintenance charges will long continue as large in addition to those items which will be provided for from the depreciation allowance to be made; but, as we have said, no one can tell what the near future may require. Public utilities, like private industries, cannot be expected to pay more for everything they get without receiving more in return. And if they give the service which the public demands, and to which it is entitled, they must be given a reasonable opportunity to earn the cost.

In what we say about the rate of return shown by Table II we shall take no account of non-operating revenue, because we are not including the sources from which it is obtained in the valuation on which we shall allow future returns. Ignoring this the summary for 1916 is:

Gross operating revenue	$30,836 04
Operating expenses (exclusive of depreciation)	17,231 12
Balance	$13,614 92
Depreciation allowance—5% of $80,193.48	4,009 67
Balance available for return on investment	$9,605 25

This is approximately ten per cent on the valuation which we have established. Were conditions normal, we think that we should order a reduction in rates that would show a 7% return on the 1916 business, with the expectation that the company's rapid growth would very early increase this rate. But for reasons already stated we shall not assume that the company may not encounter other difficulties and burdens that will justify less stringent measures at this time.

We shall, however, make some reduction, and this will be applied to those rates which affect the widest use. The experience of the company in 1916 as shown in Table III does not indicate that any material change in total revenue would follow a reduction in power rates, and the present rates are not exorbitant on their face. The company will be left free to make

new classifications of these rates as a study of local needs suggests it.

No complaint was made against the rates for street lighting. No stress was placed upon the flat rates in particular. We shall not order any changes in either of these classes. In the absence of official notice from either municipality we shall assume that the municipal rates are satisfactory and that the individual users may justly be given the benefit of any decreases. So far as the flat rates are concerned, no one need continue that service. There is no way of telling what it costs per unit, except as each user keeps run of his hours of use; and as they find that the new meter rates are more favorable they can make a change.

With a minimum charge to cover those costs which do not differ materially in proportion to the amount of current used, there is little excuse for any substantial difference in the unit charge for consumers of different quantities used under the same conditions and within the usual range for lighting purposes. The obvious result of the wide spread in rates based solely on the amount consumed is often simply to shift too much of the burden upon the great mass of small customers.

We shall order a flat reduction to a net rate of ten cents per kilowatt hour for the first 200 kilowatts per month for measured lighting service, allowing the utility to bill it at twelve cents with a discount for prompt payment, and shall permit the respondent full range with respect to other rates so long as they are consistent with this order and with the statutes governing rates. The effect of this reduction may be seen with approximate accuracy from the following table of amounts consumed at the given net rates in 1916:

11,207 kilowatts at 20 cents—St. Stephen
9,438 kilowatts at 15 cents—St. Stephen
18,098 kilowatts at 13 cents net—Calais

A reduction to ten cents net would reduce the gross revenue from these sales $2,135.54, and the net return on investment on 1916 experience to approximately 8%. Under the uncertain conditions with which the company is confronted we shall not now make any other reduction.

It will appear that the larger part of this reduction, if put into effect, will benefit St. Stephen only; but that is because

Calais has already had one semi-voluntary reduction while these proceedings have been pending, and because St. Stephen is now paying the major part of what constitutes the excess income.

Now, on complaint of Harold H. Murchie and others against the St. Croix Gas Light Company, relating to its rates, tolls and charges for electricity and electric service in the city of Calais, being F. C. No. 20 on the docket of this Commission, after notice of the pendency thereof and of formal hearing thereon and such formal hearing, all as provided by law, and on mature consideration of said complaint and of all of the evidence, it is

ORDERED, ADJUDGED AND DECREED

1. That the rates, tolls and charges of the St. Croix Gas Light Company for electricity furnished in the city of Calais for lighting purposes, under its Lighting Meter Rates, to wit, those in excess of twelve cents gross, ten cents net, per kilowatt hour, are unreasonable and unjustly discriminatory;

2. That the St. Croix Gas Light Company discontinue its present rates, tolls and charges for electricity furnished in said city of Calais for lighting purposes, to wit, so much of its Lighting Meter Rates as are in excess of twelve cents per kilowatt hour, with a discount of two cents per kilowatt hour for prompt payment, on and after the thirty-first day of March, 1917, and substitute therefor, effective April 1st, 1917, a rate which shall not exceed twelve cents per kilowatt hour, subject to a discount of two cents per kilowatt hour if paid within the first ten days of the calendar month next following the month for which payment is made; minimum charge not to exceed one dollar per month;

3. That said St. Croix Gas Light Company publish and file a schedule of its rates, tolls and charges, or an amendment of its present schedule, consistent with this order and in conformity with the requirements of General Order File No. 154, on or before March 20, 1917.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

PERCY R. RICH, ET ALS,

VS.

BIDDEFORD AND SACO WATER COMPANY.

F. C. No. 28.

VALUATION—BROKERAGE—Discount on securities issued to provide funds for original construction will not be allowed in valuations for rate making purposes, except as it is reflected in allowances for promotion and interest during construction.

VALUATION—ABANDONED PROPERTY—The cost of property originally useful in the operation of a water plant, but afterward abandoned when changed conditions justified connection with another system, allowed under the circumstances stated in this case.

VALUATION—GOING VALUE—Going value is an addition to physical value made to compensate a utility for losses during the development stage. It should be determined by the facts of each case. It will not be allowed where no such deficit has been suffered; nor where it has since been recouped; nor in excess of a reasonable rate of interest, not at the maximum allowable rate of interest; nor to correct shortages accruing beyond a reasonable development period.

VALUATION—DEPRECIATION—The deduction for depreciation will be less in a rate case than in a valuation for selling value, if the property is capable of efficient service, because the utility is bound to replace parts as they become unsuitable for further use.

VALUATION—EARNINGS INVESTED IN PLANT—Net earnings of a public utility invested in additions to plant are entitled to the same consideration as funds contributed from any other source.

RATES—SEASONAL TAKERS—Water rates for summer, or seasonal, consumers should be higher per unit than those charged year-round customers.

RATES—DISCRIMINATION—Slight discriminations in charges to different classes of customers of a public utility will not be disturbed where no substantial injustice is being done and where a readjustment can-

not be made without serious injury to the utility or to other classes of consumers.

RATES—DISCRIMINATION—Circumstances under which the Commission will not interfere with rates which afford a higher rate of return from one division of a public utility than from other divisions, or the entire system.

April 10, 1917.

Appearances: Percy R. Rich, pro se; J. O. Bradbury, Esq., for complainants; N. B. Walker, Esq., and Scott Wilson, Esq., for respondents.

Cleaves, Chairman; Skelton and Mullen, Commissioners.

Formal complaint by Percy R. Rich and 22 others alleging that the Biddeford and Saco Water Company "is charging a grossly exorbitant rate for the use of their product," and asking for relief. The complaint was filed August 21, 1915, and preliminary hearing was set for September 23, 1915, at Old Orchard. This was changed to November 11, 1915, at the request of both parties, and then held.

J. O. Bradbury, Esq., of Saco, conducted the preliminary hearing for the complainants, but he withdrew from the case soon afterward, and before the valuation was completed; and none of the complainants, personally or through counsel, gave the case further attention so far as the Commission has known, with the single exception of Mr. Rich.

After the preliminary hearing we ordered a valuation of respondent's property used and useful in its business as a water utility. This involved a complete inventory of all of its plant in Biddeford, Saco and Old Orchard, with investigation sufficient to establish its approximate present condition and to place values on all of the units of which it is composed. It also required an examination of its books relating both to construction costs and annual revenue and operating expenses.

After the engineering and accounting departments had completed this work copies of their reports were furnished both parties, and final hearing was held in Portland, February 2, 1917. Mr. Rich was present and participated in this hearing, but offered no evidence, nor any suggestions in criticism of the reports either of the Commission's experts or of the respondent. Briefs were ordered to be filed by March 1, 1917, and have been filed by the respondent. The complainants have filed none.

The respondent serves Biddeford, Saco and Old Orchard. Grand Beach and Pine Point are included in the Old Orchard territory. The complaint related solely to its charges in the Old Orchard district.

The complainants object principally to the dwelling house rates, and since the respondent publishes different rates for Biddeford, Saco, and Old Orchard, and some analysis of those for Biddeford and for Saco will be necessary in considering whether Old Orchard is carrying more than its part of the whole burden, we give the several rates in the above class effective for each of the three communities, the first column being Biddeford, the second Saco, and the third Old Orchard:

	1	2	3
For each family	$7 00	$8 00	$9 00
When house occupied by more than one family, one faucet only being used by all, for each family	6 00	7 00	
First bath tub	4 00	5 00	5 00
Each additional bath tub	2 00	2 00	2 00
First self-regulating water closet	5 00	5 00	5 00
Each additional	2 00	2 00	
Each additional family having use of bath tub in common	3 00	3 00	
Each additional family having use of water closet in common	3 00	3 00	2 50
Each urinal	5 00	5 00	5 00
Conservatory	5 00	5 00	5 00

The family rate actually published for Old Orchard is $10.00 with a discount of one dollar for prompt payment. This discount for prompt payment is devised to meet conditions peculiar to a summer resort, and we have tabulated the net rate for comparison purposes.

The rates for year-round and for seasonal customers are the same, except that the former are payable semi-annually.

The following rates for hotels, boarding and lodging houses especially applicable to Old Orchard entered to some extent into the preliminary hearing:

"* * * same as for a family, with:"
$2.50 for each additional water closet,
2.00 for each additional bath tub,
5.00 for the first self-closing urinal,
2.50 for each additional closing urinal,
1.00 for each guest sleeping room.

HISTORICAL.

The charter of the Biddeford and Saco Water Company was obtained in 1881, chapter 124, Private and Special Laws, through the efforts of local people, but no progress was made toward construction until after 1883. During the latter year Messrs. George P. Wescott of Portland, and John P. Gilman of Haverhill, Mass., both prominent in the Portland Water Company, became interested in the Biddeford and Saco proposition and acquired the charter of the original incorporators.

In 1884 they secured street rights in and hydrant contracts with the cities of Biddeford and Saco and proceeded with plans for the construction of water works. The corporation was then reorganized and enlarged by securing the co-operation of certain other men who assisted in financing it. The directors made a contract, in the month of May, 1884, with Messrs. Wescott and Gilman for their services in the organization and promotion of the enterprise and the superintendence of its construction, for which they were to be paid (and were paid) $20,000 in the company's 5% mortgage bonds and $30,000 in its common stock.

These securities were "issued to them in full pay for their services" "in promoting and developing the company from the time they took it from the old incorporators to the point of a complete plant covering the cities of Biddeford and Saco" and included "the usual promoter's work, the acquiring of the charter from the old incorporators and the work of having the charter amended, and the personal supervision that these two men gave the company and overseeing the work from year to year as the plant was built up to 1886" (Mr. Geo. F. West, pp. 7 and 8, vol. 2.)

Actual construction began in 1884, and water was turned on for a few takers in both cities during the following winter. The plant as originally planned was completed in 1886. Exten-

sions to the mains, additions to the pumping station, new filters and other capital improvements were made from time to time, but the activities of the company were confined generally to Biddeford and Saco until 1902-3, when the Old Orchard plant and territory were taken over. This will be noticed later.

CAPITALIZATION.

Originally the Biddeford and Saco Water Company was authorized to issue $200,000 stock. In 1883 its charter was amended to authorize $400,000 stock and bonds in addition thereto.

In May, 1884, when the corporation was reorganized, as above stated, ten men took one hundred shares of stock each at fifty dollars per share,—the par value was one hundred dollars per share. In July, 1886, there remained in the possession of Mr. Wescott and the estate of Mr. Gilman—John P. Gilman had died—120 shares, reported by them as belonging to the company, which were then divided among the ten persons who had financed the undertaking.

The books of the corporation show that the entire stock outstanding in 1891 was $300,000. Mr. West testified that $100,000 was issued to the ten associates, $30,000 to Messrs. Wescott and Gilman, "and the balance of the stock up to $300,000 was issued under an agreement and sold for the purpose of helping pay for the plant." (Mr. West, p. 9, vol. 2). This and the report that 120 shares belonging to the corporation remained with Wescott and Gilman at the completion of the work indicates that $170,000 of stock was placed subject to their control when they undertook to promote and construct the system, and that $12,000 was not used. The witnesses were unable to tell what was received for the $158,000 of stock apparently disposed of by Messrs. Wescott and Gilman.

The corporation issued $50,000 of stock in September, 1906, and $50,000 in August, 1909. This accounts for the full authorized capital stock of $400,000, sold at 5% and 7½% discount respectively.

The ledger of 1891, the first bond account found, shows $291,000 of 4% bonds already outstanding. Beginning January

1, 1891, bond transactions, exclusive of the Old Orchard division, have been:

Jan. 1, 1891, outstanding	$291,000	
During 1891, issued	4,000	
During 1896, issued	5,000	
During 1899, issued	12,000	
		$312,000
August, 1894, issued	$13,000	
Sept., 1894, to refund the $312,000	337,000	
Sept., 1910, issued	50,000	
Sept., 1913, issued	25,000	
Total bonds now outstanding		$425,000

It thus appears that prior to 1891 there had been issued stock of the par value of $300,000 and bonds of $291,000, making total outstanding capitalization of $591,000. We know that one-half of the initial stock taken by the promoters and the $12,000 divided among them in 1886, being $62,000 in all, was without consideration. To what extent the other $523,000 was issued below par we do not know. A tabulation contained in respondent's brief indicates that not more than $479,370.42 had been invested in plant at the end of 1890, and a small undivided surplus from earnings had been accumulated, about $8,000. It is probable that not more than $470,000 had gone into plant from the $591,000 of securities then outstanding.

THE OLD ORCHARD WATER COMPANY.

The Old Orchard Water Company was organized under the general law, July 7, 1887. The town of Old Orchard, May 27, 1887, granted Turner, Clark & Rawson of Boston, a water franchise. The new corporation contracted, August 8, 1887, for the purchase of this franchise and for the construction of a water plant by Turner, Clark & Rawson, all for $125,000, which was paid in bonds, $64,000; stock, $60,600, cash from sale of stock, $400. There were afterward issued in payment for labor and equipment stock amounting to $13,400 and bonds of $56,000; so that on December 1, 1901, there were outstanding, stock for $74,400 and bonds for $120,000.

On the last named date Joseph Wescott & Son bought all of the stock and bonds for $127,403.53. They paid for laying a

12-inch main from Saco to Goose Fare Brook, and a 10-inch main from there to Old Orchard $20,061.16. Interest and other adjustments left the property standing them $146,243.69, February 1, 1902, when it was taken off their hands by the issue at 97½ of $150,000 4% bonds of the Old Orchard Water Company, guaranteed by the Biddeford and Saco Water Company. Later the latter company, securing legislative authority, took direct title to the physical property, subject to the bonds.

The valuation work by the Commission's engineering department was done as of August 21, 1915, by Paul L. Bean, Chief Engineer, and Robert M. Moore, field inspector. Mr. Bean's report gives his estimate of "original cost," "reproduction cost" and "reproduction cost less depreciation." The unit prices on which reproduction cost is determined are, in general, averages for the past five years. This report does not include any allowance for "working capital," "going value" or "brokerage."

Mr. Ralph A. Parker, chief accountant of the Commission, examined all accessible books of the company. None were found for the period prior to 1891, nor of the Old Orchard Water Company prior to its purchase by Messrs. Wescott & Son,—except stockholders' and directors' records in both cases. These records contained annual or semi-annual financial reports and balance sheets, which were of some historical value. Mr. Parker paid attention only to book and voucher records of construction cost, while the engineers took the physical property and traced the cost back.

The respondent prepared and filed an inventory and appraisal of the property on which it claimed to be entitled to a fair return. This was made generally in the form adopted by the Commission and used by Mr. Bean. It included, however, estimates for certain overheads not contained in Mr. Bean's report. Copy of this report, as well as of Mr. Bean's, was filed with the Commission and open for inspection in advance of the final hearing.

Table I following shows the summary sheets in parallel columns of the engineering reports of respondent and of the Commission's engineer with columns showing the amounts by which the several items of "reproduction cost less depreciation" of the one exceeded the corresponding items of the other.

TABLE I.

P.U.C. Acct. No.		Original Cost		Rep. Cost		Rep. Cost Less Depreciation.		Resp. above commission.	Com. above respondent.
		Resp.	Com.	Resp.	Com.	Resp.	Com.		
W-10	Organization	$50,000 00	$50,000 00	$50,000 00	$28,000 00	$50,000 00	$28,000 00	$22,000 00	–
W-12	Other intangible property	7,141 93	6,941 93	7,143 00	6,943 00	7,143 00	6,943 00	200 00	–
W-16	Land devoted to water operations	6,731 00	6,731 00	8,306 00	8,306 00	8,306 00	8,306 00	–	–
W-17	General structures	12,233 25	11,737 25	14,200 00	13,750 00	12,945 00	12,210 00	735 00	–
W-18	Works and station structures	29,534 46	29,534 46	32,175 00	32,675 00	29,776 00	30,226 00	–	$450 00
W-38	Aqueducts, intakes and suctions	4,625 00	4,625 00	5,550 00	5,550 00	4,995 00	4,995 00	–	–
W-51	Steam power pump. equipment	28,360 00	28,360 00	33,125 00	33,125 00	25,912 00	25,912 00	–	–
W-53	Electric power pump. equipment	1,620 00	1,620 00	1,908 00	1,908 00	1,831 00	1,831 00	–	–
W-57	Purification system	48,343 00	48,343 00	64,838 41	55,580 00	54,470 23	47,063 50	7,406 73	–
W-58	Reservoirs and standpipes	72,007 00	72,007 00	98,775 00	98,775 00	95,150 25	95,150 25	–	–
W-59	Distribution mains	439,182 59	439,326 50	557,214 91	517,862 52	534,719 12	459,929 68	74,789 44	–
W-85	Services	27,007 47	26,997 47	27,007 47	26,997 47	21,770 63	21,761 03	9 60	–
W-86	Meters	1,765 00	5,850 80	1,765 00	5,850 80	1,059 00	5,659 96	–	4,600 96
W-91	Customer's installations	147 00	168 00	147 00	168 00	88 20	168 00	–	79 80
W-96	Hydrants and fire cisterns	20,301 57	15,294 00	21,009 29	15,130 14	17,973 98	12,802 13	5,171 85	–
W-97	Fountains and troughs	200 00	325 00	250 00	325 00	225 00	260 00	–	35 00
W-95	General office equipment	4,815 78	2,815 78	4,855 00	2,855 00	4,760 00	2,760 00	2,000 00	–
W-114	Stable and garage equipment	4,461 00	4,461 00	4,511 00	4,511 00	3,006 20	3,006 20	–	–
W-119	Other equipment	3,766 62	3,766 62	4,646 27	4,446 27	2,928 16	2,928 16	–	–
W-120	Engineering and superintendence	–	13,000 00	–	23,000 00	–	20,010 00	–	20,010 00
	Engineering Int. during construction and contingencies	93,230 19	–	117,020 12	–	109,735 36	–	109,735 36	–
W-121	Law expenditures	–	–	–	4,200 00	–	3,780 00	–	3,780 00
W-122	Taxes	–	280 00	–	600 00	–	600 00	–	600 00
	Brokerage	47,247 23	–	57,706 68	–	54,154 91	–	54,154 91	–
W-123	Interest	55,635 54	24,000 00	69,563 39	70,300 00	65,111 40	63,973 00	1,138 40	–
W-124	Injuries and damages	–	4,000 00	–	9,100 00	–	8,008 00	–	8,008 00
	Working capital	16,544 60	–	16,544 60	–	16,544 60	–	16,544 60	–
	Development costs	46,263 20	–	43,555 70	–	45,555 70	–	45,555 70	–
W-131	Property in other departments	18,175 00	18,475 00	31,098 00	31,448 00	27,714 80	28,084 80	–	370 00
	Going concern value	16,000 00	–	166,000 00	–	166,000 00	–	166,000 00	–
W-143	Materials and supplies	8,489 00	3,893 98	8,489 00	3,893 98	8,489 00	3,893 98	4,595 02	–
	Totals	$1,063,827 43	$822,553 79	$1,447,403 84	$1,005,300 18	$1,370,364 54	$898,261 69	$510,036 61	$37,933 76

REPRODUCTION COST NEW.

The estimated cost of reproduction new given by Mr. Bean in Table I is $1,005,300.18, and that of respondent's appraisers is $1,447,403.84. As already explained, Mr. Bean gives no figures on Working Capital or Going Value, and the table shows other overhead items omitted by him or differently arranged.

At the final hearing respondent presented a modified summary of its claims on Reproduction Cost, substantially adopting Mr. Bean's estimate on tangible, physical property and setting out in parallel columns the allowances of Mr. Bean and its claims touching the other elements of value. This table shows some very substantial concessions in physical values as will be seen by an analysis and comparison with Table I. It presents the other elements in convenient form for our present study, and is here stated as

TABLE II.

		Commission	Respondent
1.	Organization	$28,000	$50,000
2.	Legal Expense	4,200	
3.	Engineering	23,000 (3%)	32,000 (4%)
4.	Interest During Construction	70,300	70,300
5.	Contingencies	9,100	15,100
6.	Taxes	600	600
7.	Brokerage	0	57,706.68
8.	Working Capital	0	16,500.00
9.	Development Expense due to abandoned property at Old Orchard	34,180	43,555
10.	Going Value	0	166,000
11.	Physical Value	869,986.18	869,986.18
12.	Additional Filters	0	9,258.40
		$1,039,366.18	$1,331,006.26
	Depreciation	106,923.00	74,587.00
		$932,443.18	$1,256,419.26

Organization. Both reports give original cost of organization as $50,000. This is understood to relate to the amount paid George P. Wescott and John P. Gilman, under vote of the directors in May, 1884, for superintending the construction of the water works. While this amount appears in the records of the corporation and was in fact paid, the actual compensation cannot be construed even to have been considered to be that sum. The payment consisted of $30,000 of the capital stock of the corporation and $20,000 of its bonds. Stock to the amount of $100,000 was issued at 50% of its par value the same month that this contract was authorized. We therefore assume that it was not then understood that more than $35,000, at most, was being paid for these services, and that entirely in the securities of a corporation not yet established.

The corporation now being appraised is much larger than that constructed by Messrs. Wescott and Gilman, but we find that $30,000 is a reasonable allowance for this item taking into consideration the other overheads which are claimed and will be allowed.

Legal Expense. Mr. Bean recommends the allowance of $4,200 for this item, and we approve the same. It is not stated separately by respondent.

Engineering. The cost of engineering is necessarily an estimate. We shall allow $25,000.

Interest During Construction. Mr. Bean and the respondent agree, and we shall adopt their figures, $70,300.

Contingencies. Respondent places Mr. Bean's allowance for Injuries and Damages, $9,100, in the foregoing table under the title, Contingencies, and asks for an additional allowance of $6,000, approximately one-half of one per cent of the estimated cost of reproduction-new, for omissions and unforseen expenses. Mr. Bean's figure, according to respondent's admission, is correct for exactly what the title purports to include,—liability and workmen's compensation insurance and kindred charges. He has included in his unit costs an allowance which he believes sufficient for omissions and other contingencies, but the lump sum claimed is small in proportion to the size of the property, and we think it may properly be allowed.

Taxes. We shall adopt the figures agreed upon by both engineers, $600.

Brokerage. Respondent asked in its valuation sheets for an allowance of $57,706.68, being 5% of an estimated reproduction cost of $1,154,133.77, to represent the "initial cost of obtaining funds to finance the company." Mr. West testified at the final hearing that an amount equal to 5% on the bonds and 7½% on the stock ought to be allowed to meet market conditions as they existed in 1915.

There is a difference of opinion among commissions relating to the propriety of any allowance of this kind in plant valuations; the practice of the majority appears to be against it.

It is no part of the actual investment in plant, nor of the direct cost of physical property. It represents the cost of getting money not provided by the promoting or constructing stockholders themselves. It will vary with every plant according to a variety of things: the rate of interest which the security promises; the attractiveness of the enterprise itself; the degree of local interest in the undertaking; the standing of the leading spirits in it. In the aggregate it will vary according to the proportion of the entire financing done by the promoters themselves.

It is a combined promotion and interest charge. So far as it is the former, it is compensated in the first account discussed, Organization. So far as it is the latter, it is compensated in the allowance for interest during construction and in the rate of return to be allowed on investment in the undertaking. Aside from what is allowed under other heads, we do not think the discount on securities ought to be capitalized in this case,—and this claim practically is nothing else.

Besides, in this case, there is not a particle of evidence that any such expenses were ever incurred until ten years after the initial plant was completed, except as paid for in Organization expense.

Working Capital. The sum of $16,500 represents an average of the cash on hand and accounts receivable for twelve months. This is a reasonable sum for a corporation of this size, a very large part of whose income is received semi-annually. It will be allowed.

Development expense due to abandonment of property at Old Orchard. The Old Orchard Water Company first took its sup-

ply of water from Phillips Spring, 17,000 feet north of Old Orchard, with a capacity of 100,000 to 125,000 gallons per day. This became inadequate, and deep wells and cribs north of the office building and a supplemental pumping station were tried. These became insufficient, "and this water that was taken from these cribs and these wells, the drainage area there was subject to suspicion and the water was unsatisfactory. Mr. Wescott or the Biddeford and Saco Water Company thought it advisable to take over this property and connect it to their own system as it was practically impossible to acquire a suitable supply of water in the territory of Old Orchard." (Mr. Geo. F. West, p. 21, vol. 2.)

The main was laid to Saco, as already stated, and much of the Old Orchard property was abandoned. Mr. Bean finds the original cost of the items thus abandoned, after deducting salvage on certain pipe said to have been sold, to have been $34,180. The respondent claims that this cost was $46,263.20, with a reproduction value of $43,555.70, which it asks to have allowed as part of the development cost of the Old Orchard plant. Mr. Bean properly omits this item entirely from his physical valuation, it being nothing but an overhead if allowable at all. He contents himself by stating the facts concerning it as he finds them.

Usually abandoned property is not allowed in a valuation, where the property substituted for it, or performing the functions it was intended to perform, is allowed also. In this case there can be no doubt that it was known, when Wescott & Son bought this property, that these items were to be abandoned, and it might be assumed that their cost was not included in the purchase price. If that were true we should hesitate now to permit a recovery of revenue based on their cost.

If, on the other hand, the money spent on these items was reasonably spent in good faith in an effort to find a suitable source of supply and to furnish Old Orchard with water, and if this respondent actually recognized and repaid these charges in its purchase, they ought to receive consideration now. In an attempt to answer this question we have examined Mr. Bean's detailed valuation of the physical property now in use at Old Orchard, including the main from Saco, but exclusive

of these items of abandoned property, and find that he places its original cost, as of August 21, 1915, at $156,901.99. That means its cost in place, regardless of what respondent paid for so much of it as was acquired, already in place, by purchase from the Old Orchard Water Company.

On the other hand, our accountant's report shows that the Old Orchard plan has cost the respondent, including the original purchase price of $150,000, the sum of $191,245.03 to July 1, 1905—additions to the pumping and filtration systems at Saco for the especial benefit of Old Orchard are not included in either sum. We think it fair to assume that either the cost of these items that were about to be abandoned, or some other substantial amount, was then allowed in good faith for development expense, and that respondent ought to have the benefit of it in this valuation.

Mr. Vernon F. West testified (p. 52, 2nd volume) that an analysis of the facts connected with the purchase of the Old Orchard property led him to think the price may have included an allowance of practically $16,000 for going value. This may be the correct explanation, but our analysis of the facts before us argues for the consistency of Mr. Bean's figures for the cost of the abandoned property as explaining the difference between the above sums of $191,245.03 and $156,901.99; and we think it rather unlikely that the parties to the purchase and sale in 1902 gave much consideration to the "going value" of a water works that had little of actual value except a main partially constructed toward a source of supply it did not own and a lot of useful but rather costly experience,—although it is conceded that this element of value might properly have been considered.

Under the particular circumstances of this case we think the respondent is fairly entitled to an allowance of $35,000 for the development cost of the Old Orchard Water Company, for which it appears to have paid in good faith, whether it be considered as compensation for abandoned property, or going value, or both.

Going Value. Respondent asks for an allowance of $166,000 for "going value."

We have defined going value as "an addition to physical value which is made to compensate a utility for losses during

the development stage. By losses is meant that amount by which the enterprise fails to pay expenses and a fair return on the money invested;" Murchie et als vs. St. Croix Gas Light Company, F. C. No. 21; P. U. R. 1917 B, 391.

To illustrate, if it costs $100,000 to construct a public utility ready for operation, if two full years are required to develop a business sufficient to give a fair return on the investment, if six per cent is adopted as a fair return, and if the operating expenses are $10,000 a year, there ought to be annual operating revenues of $16,000. By whatever amount they fail to reach this sum the owners of the utility contribute, through lack of interest or income on their investment, toward the creation of the fully established utility. If the gross revenue the first year is $11,000, the deficit is $5,000; if $14,000 the second year, the deficit is $2,000. The owners, at the end of the second year have failed by $7,000 to receive a fair return on the money they have devoted to a public use. This is due to no fault of theirs, but is an unavoidable incident in the creation of a new business. It is part of what it costs, and is justly added to the actual construction cost of the completed plant in arriving at the amount on which a return should be enjoyed. It is called the "going value," and the construction cost plus this sum is the value of the utility as a going concern.

The justice of an allowance to compensate the investors for such deficits is generally conceded, but not all are agreed that the amount should be determined in this manner. This is called the "historical method," and its results depend upon the actual experience of the particular utility under consideration.

The figures presented by respondent in this case and quoted above, $166,000, were arrived at by what is more commonly called the "comparative-plant method," and presupposes the reproduction of a new plant, similar to the one under consideration. Experts make an estimate of the length of time required for the construction of such new plant, its probable progress in attaching business, and the cost of operation, including maintenance and depreciation. Finally, they arrive at the present worth of the attached business at the end of the arbitrary period selected.

The latter method has strong advocates, and is considered by eminent authorities to be more logical than the historical, or original cost, method. It probably is more consistent with our general practice of fixing other elements of value, especially overheads, by what we believe it would cost now to reproduce the identical plant, rather than by what the present plant did cost when it was built.

But our view of "going value" is that it is an element peculiar to itself, and ought to depend in every case upon the facts attending that case. We know that there will be engineering costs, interest during construction, organization fees, and similar charges in all cases, and can make a fair percentage estimate of what they ought to be. Even the adherents of the comparative-plant method criticise the use of such methods in determining going value (Mr. Vernon F. West, p. 43, 2nd vol.)

There may never have been any failure of operating revenues to pay expenses and fair return. If there has been no such failure, the owners have not contributed anything for which they should be compensated in this particular manner. The earnings after the first lean years may have been sufficient to make ample return for all money devoted to the enterprise from its beginning. If so, future rates should not be large enough to provide a return on the capitalization of losses which the consumers have repaid. Our theory is that an allowance for going value should be made only where the owners have not already received fair compensation for the use of their capital during a reasonable development period.

We should avoid confusing "going value" with what usually is called "good will." The accumulated business of a concern, its list of customers, is an item of very real importance and is acquired at substantial expense. But this expense is an operating one, and the "good will" of a public utility which is a practical monopoly is not to be considered in the same light as that of a strictly competitive business. The law should not protect the utility from competition and require the public to pay rates on the capitalization of that protection.

Such value, when allowed, will be based on a reasonable rate of interest, but not upon the maximum rate which the utility will be permitted to enjoy from charges which do not exceed the value of the service.

Deficits continued indefinitely will not be permitted to be capitalized as going value. Such a practice would put too great a burden upon later customers of a utility; they would have to bear too much of the expense which was incurred in the service of those of other years, or incurred before the investment was justifiable. When a utility once has reached a self-sustaining stage, the right to capitalize its deficits should cease, even though they be again suffered. This allowance is made for the expense of putting it on an earning basis; not for keeping it there.

There will be cases which justify exceptions to these rules; but they must be proved to exist.

In the present case the respondent, in its brief, assuming that we might adhere to the historical method, presented estimates based on the company's earning record, and claimed that this would entitle it to a going value allowance of $153,760, $375,400, or $573,600, according as whether 6%, 7% or 8% were adopted as a fair rate of return. These sums included all deficits to 1915, inclusive, beginning with 1886, and the figures showed failure to earn, net, on plant investment, 6% in all years except 1893, 1894, 1901 and 1902. All years showed less than 7%.

These figures show what respondent claims to have been the total plant investment as it stood each calendar year and the gross income after deducting operating expenses from total revenue, except that the income for only six months of 1890 is shown. Respondent claims a deduction of one-half of 1% for depreciation. Accepting these figures, the plant failed to earn 6% on actual investment by the following sums:

Year	Amount
1886	$17,286 09
1887	12,523 89
1888	11,297 69
1889	8,148 07
1890	5,213 07
1891	2,867 66
1892	3,437 75
Total	$60,774 22

Each of the following years, 1893 and 1894, showed an excess given at $1,450 above a 6% return. The utility had then reached a 6% basis, and the case fails to disclose any reason for capitalizing subsequent deficits, unless a higher rate is accepted as a test. We think that this rate is as high as we should allow in this case for this particular purpose. We shall therefore allow a going value of $60,774.22.

Additional Filters. Respondent asks for an allowance of $9,258.40 for filters in excess of the sum stated in Mr. Bean's report. The evidence indicated that the present cost of the identical filters might be expected to reach the larger amount. Mr. Bean's figures were based on 1910 cost records, when the last installations were made. This was the latest satisfactory information he was able to get when his appraisal was made. It is probable that the present cost would be materially greater.

Physical Value. In preparing Table II respondent accepted $869,986.18, taken from Mr. Bean's report, as correctly representing the reproductive cost of its physical property, subject to the additions specifically claimed in that table and already discussed. The admitted reductions from respondent's original claim may be seen by an examination of Table I.

In the above total are two items that require passing attention. Mr. Bean's report calls attention to figures aggregating $25,978.35, included in his account W-85, for Services, pointing out that this amount has already been charged off from earnings, and querying whether it ought to be allowed in this valuation. We think that it makes no difference that the cost of the services represented by this sum had been charged off; nor, under the circumstances of this case, that the payment for them came from water revenues. The water company has installed the services; they remain its property, used and useful, and they were paid for from moneys otherwise available for division among the stockholders, received from rates then legally in force and not shown to have been excessive, and before the present accounting regulations required such charges to be capitalized. Neither law nor equity requires this claim to be disallowed.

The second item referred to is that for property in other departments, W-131, amounting to $31,098. Respondent

classifies these same items, at the same prices, under this title, in accordance with Rule W-131, Uniform Accounts for Water Companies:

"Charge to this account the cost of all property of the corporation coming within the definition of tangible property devoted to other than water operations."

Neither this investment nor the revenue from it should be considered in determining the reasonableness of rates.

Depreciation. Mr. Bean followed a straight-line to minimum condition per cent depreciation, and also made the base rate somewhat higher on some items. The respondent adopted the sinking fund method. It was agreed that the difference in methods would account for about $24,000 of the difference in amounts.

The straight-line method is more favorable to the public; the sinking fund method favors the utility; the straight-line to minimum-condition per cent falls between the two and averages fair, although the choice of methods should be determined somewhat by the policy of the particular company in other respects. We shall not discuss this subject at length at this time. We have expressed our views on it somewhat fully in other cases.

Where an adequate depreciation reserve has not been created from operating revenue, a smaller depreciation may justly be made in a rate case than in a valuation for a sale or for a security issue, if the plant is efficient. So long as the utility is giving efficient service, the public is interested only that it be able to renew parts when they cease to be efficient, and the utility is impressed with the duty to make such renewals. There is devoted to the public service a present plant, its life partially gone but still efficient, plus the owner's obligation to maintain the efficiency by renewal of parts. This renewal will be at his own expense, from income otherwise available for dividends, because the future depreciation load in the rates should be sufficient only to care for current depreciation.

If, on the other hand, the property is being sold, or securities against it are being issued, there passes only the present plant carrying with it the obligation for the purchaser to make good accrued depreciation when that with future depreciation renders it inefficient.

We think that for the purposes of this valuation and in the light of all of the evidence in this case, the estimated reproduction cost may properly be depreciated by $75,000.

PRESENT VALUE.

Now, after mature consideration of all of the evidence before us and a very careful examination of all matters which might throw any light upon the question, including capitalization, physical property, intangibles, organization and overhead expenses, franchises, revenues and expenses, contracts and all other things, regarding the foregoing detailed statements of conclusions only as guides in assisting us to arrive at a just valuation, and not as controlling our final decision, and making due allowance for the fact that the present property has been built up in connection with its operation as a going concern, we find that the fair value of all of the property of the Biddeford and Saco Water Company, used and useful in its business as a water utility, taking into due consideration its rights and plant as a going concern, business risk and depreciation, is one million, thirty thousand, six hundred and twenty dollars and eighty cents ($1,030,620.80.)

REASONABLENESS OF RATES.

This complaint has especial reference to the rates charged in Old Orchard, and it has already appeared that Old Orchard is treated as a distinct division of the territory and of the activities of the company. It may be, then, that the rates charged by the company and taken as a whole are reasonable and the Old Orchard rates excessive, or vice versa, or that all are reasonable or unreasonable.

The entire territory is supplied from one source. "The water is taken directly from the Saco river at a point about two miles above the town. It passes first to the sedimentation basin of 225,000 gallons capacity, where sulphate of alumina is added. Here the heavier particles in suspension are supposed to be thrown down. The water then passes through the gravity filters which completes the process of purification, and on to the pure water well. The water is then pumped by

steam driven pumps of 4,500,000 and 3,000,000 gallons capacity, from the pure water well to the storage reservoir through a 20-inch force main.

"From the storage basin it may flow in two ways to Biddeford, by the 20-inch supply main and the 16-inch main down the Alfred road. The map (page 6) shows the location of these lines. Three lines connect Saco and Biddeford, and two connect Saco and Old Orchard. * * *

"* * * The water flows through a 12-inch and a 10-inch main to Old Orchard, where it is pumped by a motor driven centrifugal pump to the steel standpipe. From the standpipe it flows through the mains directly to the consumers." (Mr. Bean's report, p. 4.)

It appeared at the preliminary hearing—supplemented by the 1910 census as to population—that the population, the number of water customers, the miles of service pipe, the hydrant rentals, and the total revenue from all sources including hydrant rentals in each district, being figures for 1915, were:

TABLE III.

	Population	Customers	Miles	Hydrants	Total Water Rev.
Biddeford,	17,079	2,500	27.7	$4,821 66	$45,724 27
Saco,	6,583	1,947	23.3	800 00	20,727 09
Old Orchard,	961	1,014	17	940 00	21,572 35

No significance is to be given the Old Orchard figures for population in this comparison, because it is a summer resort, with a summer population estimated at a normal maximum of 10,000, and running on special days to 20,000 to 30,000, and 814 of its 1,014 water takers are summer customers.

Taking Old Orchard's summer population as a standard, it appears that the entire territory served by respondent had 33,662 population and 5,462 water customers. The percentages of total population, total number of customers, total miles of pipe and total revenue attributable to each division are:

TABLE IV.

	Total Pop.	Customers	Mileage	Revenue
Biddeford	51%	46%	41%	52%
Saco	20%	36%	34%	23½%
Old Orchard	29%	18%	25%	24½%

THE ENTIRE SYSTEM.

Mr. Parker's report shows the operating revenues and expenses for the years 1912, 1913, 1914 and 1915. The annual return of the company on file with this Commission shows the same for the year ending June 30, 1916, but differently distributed to conform to present accounting requirements. They are combined in the following table, 1916 being shown only in totals:

TABLE V.

Operating Income.	1912.	1913.	1914.	1915.	1916.
Sale of water in Biddeford and Saco..................	$63,361 81	$64,892 51	$67,533 80	$67,684 05	
Sale of water in Old Orchard	15,423 00	16,598 91	18,002 91	19,509 25	
Miscel. income, Biddeford and Saco................	907 46	775 30	807 74	89 71	
Miscel. income, Old Orchard	306 00	256 00	277 74	–	
Total operating income	$79,997 27	$82,522 72	$86,622 19	$87,283 01	$94,346 35

Operating Expenses.	1912.	1913.	1914.	1915.	1916.
Pumping expense..........	$2,637 64	$3,123 33	$2,477 22	$2,516 19	
Fuel........................	4,821 08	5,586 39	5,175 81	4,729 15	
Repair of pumping station and equipment..........	442 99	153 41	271 91	1,968 27	
Filter expense.............	1,545 93	1,557 61	1,654 15	2,165 42	
Alumina used.............	1,183 80	876 53	943 22	565 93	
Repairs of reservoir.......	1 22	80 75	255 99	293 56	
Repairs of hydrants........	98 26	129 14	53 01	43 42	
Repairs of mains...........	427 85	668 26	644 21	413 90	
Repairs of standpipe.......	435 22	–	–	144 83	
Repairs of services.........	650 09	563 81	1,428 86	293 58	
Repairs of real estate.......	815 38	349 71	292 45	453 70	
Superintendence & office expenses..................	5,551 38	5,387 11	5,989 49	3,305 27	
Supplies, etc..............	138 94	222 19	220 96	381 91	
Auto expense..............	354 63	1,152 06	739 45	702 97	
General expense...........	3,472 98	4,326 81	5,794 96	9,272 47	
Insurance..................	109 67	72 17	237 22	163 28	
Legal expense.............	267 00	212 50	209 00	150 00	
Rents and taxes...........	904 77	992 03	998 22	3,324 80	
Depreciation..............	2,500 00	2,500 00	4,710 00	2,227 58	
Relaying pipe.............	–	1,538 09	–	–	
Repairs of meters..........	–	–	133 08	491 42	
Repair of filter system......	–	–	232 99	356 57	
Distribution expense.......	–	–	–	744 97	
Power purchased..........	–	–	–	151 00	
Water purchased..........	–	–	–	150 00	
Miscellaneous.............	–	–	–	294 90	
Total operating expenses	$26,358 83	$29,491 90	$32,462 20	$35,305 09	$41,729 16
Gross income..........	$53,638 44	$53,030 82	$54,159 99	$51,977 92	$52,617 19
Per cent operating expense to operating income.........	33%	35%	36%	40%	44%

This table shows a gross return after deducting operating expenses of approximately five per cent on the present value of the plant. This is not excessive.

THE OLD ORCHARD RATES.

It is claimed that the Old Orchard rates are excessive and that the summer takers ought not to be required to pay the full yearly rate.

It is uniformly held that water rates for seasonal customers, where they constitute a substantial part of the utility's patrons, should be higher per unit, whether measured by months used or quantity used, than those for the year-round taker, because the plant investment is required for the one as much as for the other. We have previously discussed this principle at length, notable in Colcord et als vs. Searsport Water Company, M. P. U. C. Rep. of 1916, page 228, and Ketterlinus et als vs. Bar Harbor and Union River Power Company, M. P. U. C. Rep. of 1916, page 255.

Where the service is entirely by gravity and no filtration or other purification treatment is necessary, there usually is no difference in the expense whether the customer is served one month or twelve. In the case before us there is some difference, because the water is pumped and purified. Even this makes no difference so far as the plant investment is concerned, but it does make some difference in labor, fuel and supplies for treatment of the water. Under ordinary conditions a corresponding concession should be made the summer takers.

We have given this phase of the case careful thought to see whether a readjustment might not be made that would recognize this difference. We have, with some reluctance, concluded that, as between the two classes of consumers in Old Orchard, this cannot be done.

In the first place, it has been seen that the summer customers number 814 and the yearly customers 200. This would mean, if the average use were the same, that one yearly customer would have to be assessed for the reduction of four summer takers; each reduction of one dollar per person would mean a raise of four dollars per person. The summer customers probably are relatively larger users, and the disproportion in

the readjustment would be even greater. This would be prohibitive.

Moreover, Old Orchard is distinctively a summer locality, and the rates must be established on that theory. It is not even like Bar Harbor, where there was found to be a relatively large year-round use of electricity in the Ketterlinus case. This plant is built as a summer proposition. It was annexed to the Biddeford and Saco system only because it could not carry the summer load. The investment is made, and invited, to take care of the summer demand. The summer investment is the annual investment, and each connection is an annual connection; just as truly as the investment of Mr. Roussin, one of complainants' witnesses, who testified that he let two 6-room cottages worth $2,000 each for $250 and $235 per season, and a 7-room cottage worth $3,500 for $375 to $400 per season. (Ev. p. 20—1st vol.)

The evidence does not justify a reduction in the Old Orchard rates unless Old Orchard is paying more than its part of a fair return on the entire plant. It is paying higher rates than the customers in Biddeford or Saco, and pays in proportion to relative number of customers a larger percentage of the total revenue of the company.

This comparison is somewhat deceptive. In the first place, Biddeford pays a much larger rate for fire protection (Table III). The fire capacity required is not measured by the number of hydrants, or the area served, but by the demand which may reasonably be anticipated at any such fire as ought, in the exercise of ordinary precaution, to be guarded against. No system is built to supply all of the hydrants in a community at one time. It is probable that the capacity demand for Old Orchard is not less than that for Biddeford or Saco, although some service may be required much oftener in one of the cities. Biddeford is paying much more in proportion for its municipal service; and when the municipality pays less, the private takers must pay more. A sharp bargain in these matters only shifts the burden.

Between Saco and Old Orchard, while the latter has fewer customers, fewer connections, many more people are supplied from those connections during the height of the season.

Exhaustive figures were presented at the first hearing to show that Old Orchard was not paying more than its part. These figures went into carefully worked out estimates of the amount of water used, the immediate cost of the Old Orchard part of the plant and the additions indirectly required in the pumping and filtration system, and the added relative cost of operating the Old Orchard section by reason of the summer rush and the necessity of turning on and shutting off and draining every summer service as each is required.

We shall not go into detail into this evidence. It was given at the first hearing and was attacked at neither hearing. While it is probable that the estimates of amounts of water used are largely conjecture, the general claims are not inconsistent with the facts disclosed by our investigation.

The evidence clearly establishes that the whole system is paying not more than five per cent on a fair appraisal of the property as a going concern, and that the margin above operating expense is greater than the total revenue from the Old Orchard division. It follows that Old Orchard's rates are not higher to offset any loss on operating expenses in the remainder of the territory.

The Old Orchard rates are not excessive unless they are more than the service is worth, which is not claimed; or unless they provide more than Old Orchard's share, not of the revenue which the company happens to receive, but of the fair maximum revenue which it might lawfully receive. We do not think that it would be contended that a seven per cent return on such property was unreasonable—certainly not a six per cent return—and neither the facts in the case nor any comparison with other rates charged in the district satisfies us that the rates are unjust measured by this test.

The respondent is not receiving from its entire system as great a rate of return as it would be permitted to retain under normal conditions, and no reason is shown for shifting any part of Old Orchard's present cost to other parts of the system. Whether an increase of rates in other parts of the system would be permitted to procure a more adequate return is not before us.

This complaint should be dismissed, and it is so ordered.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

SQUIRREL ISLAND VILLAGE CORPORATION, ET ALS.,

VS.

TOWN OF BOOTHBAY HARBOR.

F. C. 97.

WATER COMPANIES—OBLIGATION TO FURNISH SERVICE—Where a municipal corporation seeks and obtains a franchise to operate as a water company in a certain territory, and exercises that franchise for a term of years, and is still exercising it, it cannot withdraw from its obligation to furnish service because the service has become expensive or otherwise undesirable. It must continue to render efficient service, and must make reasonable provision to guard against the interruption of the service in the future.

WATER COMPANIES—RATES—Where complainants against a water company allege that the facilities are inadequate and require substantial additions, and that the rates are excessive, and it appears that such additions must be made and that they will not materially increase the gross revenue; held, that the consideration of the rates should be deferred until the cost of improvements to the plant could be ascertained.

April 25, 1917.

Appearances: Robert T. Whitehouse, Esq., for complainants; Cyrus R. Tupper, Esq., for respondent.

Cleaves, Chairman; Skelton and Mullen, Commissioners.

Complaint alleging inadequate water supply and excessive rates in connection with respondent's service as a water utility so far as it applies to Squirrel Island. Complaint filed December 12, 1916, and hearing held at Augusta, January 11, 1917.

Boothbay Harbor was authorized by Chapter 56, Private and Special Laws of 1895, to acquire the stock and to purchase the property and exercise the franchises of the Boothbay and

Boothbay Harbor Water Company, and, in case it did so, to take water from Adams Pond for domestic, sanitary, municipal and commercial purposes. By Chapter 203, Private and Special Laws of 1903, the town, having acquired this property and being in the exercise of its franchise as a water company, secured an amendment to the aforesaid enabling act authorizing it to perform the same functions as a water utility in Southport, Squirrel Island, Mouse Island and other adjacent islands.

During the year 1903, respondent's water works plant was extended to Squirrel Island, and service has since been furnished for both domestic and fire prevention purposes,—during 1904 under a preliminary contract; during the next ten years under a written contract which was introduced in this case, and during the seasons 1915 and 1916 without any contract.

SQUIRREL ISLAND.

Squirrel Island is an important summer resort, located about one mile from Spruce Point, the nearest part of the town of Boothbay Harbor, and about three miles from the village of Boothbay Harbor. It is within the territory of the town of Southport, and received a charter as the Squirrel Island Village Corporation in 1903. There are a hotel and about 125 cottages on the island, and about 25 lots available for future building purposes. Its population during July and August is about 800, and reaches 1,000 at its height on week-ends and during fete week, an annual event in August.

Originally, cottagers got their water from a spring. Later, wells were dug, a pumping station erected and wooden tanks constructed. Some distribution mains were laid. There were a few water closets; no bath tubs or sewers. This was the condition in 1903.

There was constructed in 1912, a concrete standpipe with a capacity of 115,000 gallons elevation of top above high water, sea level, is 120.2 feet, and of center of intake 92.7 feet. A wooden tank, seven feet high and eight feet in diameter, was placed on top of the concrete tank in 1915 to give greater pressure. The latter is supplied by a pump and gasoline engine at the base of the standpipe, pumping direct from the main into the wooden tank.

BOOTHBAY HARBOR SYSTEM.

Boothbay Harbor takes water from Adams Pond, three miles north of the village and twenty-five feet above sea level. The water is pumped to a 250,000 gallon standpipe on Mt. Pisgah, near the village, by two pumps with capacities of 1,000,000 gallons and 700,000 gallons, respectively. The standpipe is 45 feet high; its top is 200 feet above sea level, and its base 155 feet.

A 6-inch main carries water from the standpipe to a point near the Neptune Packing Co., 6,970 feet from the end of Spruce Point. The water is carried thence to the end of Spruce Point through three 2-inch pipes, two of which connect there with a 3-inch under-sea main to Squirrel Island. A few residences—the case does not show how many—are served from one of these last two pipes.

The under-sea main, built in 1903, runs about 100 feet upon the north end of Squirrel Island, where it connects with two 2-inch mains of the Island system, known as the east and the west mains. The east main was built in 1913, proceeds direct to the concrete standpipe at the south end of the island, and has no service connections. The west main was built in 1904, serves the island generally for distribution purposes, and finally enters the standpipe through a short 3-inch connection. This connection also serves another main which covers some territory on the island, more particularly the southerly part.

These two mains form part of the property of the Squirrel Island Village Corporation.

THE CONTRACT OF 1905.

In 1905 the town of Boothbay Harbor and the Squirrel Island Village Corporation entered into a contract whereby the former agreed "to furnish a sufficient supply of water for domestic and fire purposes to those persons residing upon Squirrel Island," from June 1st to October 1st, annually, for ten years from June 1, 1905, at certain rates therein named. As already stated, it had furnished this service during the preceding year, and has continued to furnish it since June 1, 1915. The rates have, however, been higher since the last date, being the regular published rates for the whole territory served by this utility.

Under this contract Boothbay Harbor used the water works plant of the Squirrel Island Village Corporation, then existing and since constructed, without charge except that the rates to consumers were less than to those in other parts of its territory. It has continued so to use it since the expiration of the contract.

Since water was obtained from this source the residents of Squirrel Island have built sewers and installed bath tubs and flush closets. They estimate that they now have invested in standpipe, sewers, mains, connections, bath tubs and closets from $35,000 to $40,000, all of which is useless without water and that there is no other source from which to secure an adequate supply. Substantially all this investment, both public and individual, has been made since Boothbay Harbor began to furnish the water; and complainants claim that it was made on the strength of what they believed to be a permanent arrangement.

PRESENT CHARACTER OF SERVICE.

Considerable testimony was presented to show the character of the service now being obtained. In view of admissions made during the course of the hearing, this need not be gone into at length.

It appeared that plenty of water was received at the highest points on the island during the very first years of the contract. It then became insufficient, and is now admittedly so.

It also was claimed by complainants, and substantiated by testimony, that the present under-sea main had been so long in use that it was likely to fail entirely and to leave the island without any supply.

At first the complainants were inclined to attribute the present inadequacy of supply entirely to increased use on the island; but it transpired during the hearing that the under-sea main was broken by an anchor, in 1906, and that it was impossible to repair it with a piece of like diameter. Finally, repairs were made by the use of a 2-inch piece, eight feet in length, connecting the two broken ends by a perpendicular connection at each end, thus forming four square turns and a 2-inch pipe through which the water passes, instead of the original 3-inch main.

It also was pointed out that the two 2-inch mains from the end of the 6-inch main to Spruce Point have less capacity than

the 3-inch under-sea main if the latter were in its original condition,—even if no service connections were made on either of them.

There can be no question that the present supply of water is inadequate; that the present facilities for carrying water to the island are insufficient, and that it is unsafe to rely upon the present under-sea main even for such service as is now enjoyed. All of this was practically admitted by the respondent.

Mr. Tupper, opening for the defense, showing what would be necessary if respondent equipped itself to furnish adequate service, said:

"We have got to lay a main from the end of our present system to the end of Spruce Point, something like 7,000 feet, 6,000 and some odd feet, and from all the information we can get it needs to supply Squirrel Island as they should be supplied, it needs a four-inch pipe laid from the end of our six-inch pipe to the end of Spruce Point. It will then need a new three-inch pipe from the end of Spruce Point across to Squirrel Island. There is no question about it. They need a new three-inch pipe; they must have it."

The character of the remedy thus suggested was, in substance, approved by the complainants.

THE LAW.

The respondent says, however, that it is not under any legal duty to furnish water to Squirrel Island, and that it cannot properly finance the necessary expenditure because its present indebtedness is very near the constitutional limit.

Boothbay Harbor sought a franchise to furnish its service as a water utility to Squirrel Island and its inhabitants; it secured and accepted that franchise; it has exercised it for thirteen years, and is now exercising it—so far, at least, as any one knows, the last season having been completed and that of 1917 not yet opened. Squirrel Island is part of the territory included in its franchise, and it cannot now withdraw from part of it because the burdens are heavy, and retain other parts which are more desirable.

Whenever a public utility corporation accepts a franchise to operate in certain territory it assumes corresponding duties.

They go together. The possibility that it may exercise the right deters, or may deter others from undertaking the service. That may, or may not be true of a specific case. We cannot tell and do not ask. The promoters must think first, or experiment at their own risk.

We have discussed this subject at length in Re Augusta Water District, Maine P. U. C. Report 1916, page 183, 187; P. U. R. 1916 E, 31; and Churchill et als. vs. Winthrop & Wayne Light & Power Co., M. P. U. C. Report 1916, page 207, 209; P. U. R. 1916 F, 752. We need not repeat our reasons here.

As we said in the Augusta Water District case, circumstances may be such that the utility ought not to be required to perform the service, but we do not think that is true in this case. These people were justified in expecting this service to be continuous. They have governed themselves accordingly, espcially in making large expenditures which would be useful only with continued service of a character entirely different from that available on the island. There is no other source of supply now in sight. It is idle to suggest that they might join with Southport. It is not shown that such a thing is probable, or possible.

The fact that respondent undertook this actual service under a contract does not alter the case. That was only a stipulation as to the terms under which it would perform, during the term specified, the service which it had secured a franchise to perform. Its service was to the individuals; the rates were individual; the responsibility for their payment was individual. The Village Corporation looked after the details for the individuals, secured fire protection and devoted its property to the use of respondent. It did not pretend to take water from respondent's main for distribution through its system.

If Boothbay Harbor cannot make a permanent loan to finance the necessary construction, it must temporarily provide for it in some other manner. It must find some way to perform this public duty.

It is suggested that Squirrel Island Village Corporation build the new under-sea main, respondent to continue to serve the island through the new main when constructed. It is better policy for the utilities to furnish and own the agencies with which they perform their public duties, and we do not think this case is an exception.

RATES.

This complaint attacks the rates as well as the service, and some evidence was offered in support of this allegation. After the hearing respondent was ordered to file an inventory of its property used and useful in its business as a water utility as a step toward making a valuation, the same to be filed by March 1, 1917. Later, respondent asked for an extension of time for the preparation of this, first, to April 1, which was granted, and later, to May 15, 1917, both because of snow and frozen ground which interfered with the engineering work.

These requests were reasonable, but it appeared that, if any action was taken in season to improve the supply for the coming summer, that part of the case must be expedited, and special hearing to deal with that subject was held on April 17, 1917.

The rate question is therefore reserved for further consideration.

This seems advisable for another reason. The necessary improvement to the service will involve considerable expense, even under the most favorable circumstances. Laying the under-sea main is a difficult matter, and is very likely to be attended by costly accidents. All of this expense, if caused by no fault of the respondent, must be capitalized and serve as a basis for future rates.

These expenditures are made for the benefit of Squirrel Island alone, and at its request. The upkeep, when completed, will be comparatively high. Both parties lay great stress on the short life of under-sea pipe. This means high depreciation charges.

In short, it is not at all unlikely that the Squirrel Island service should be segregated from the rest of the territory, and bear rates commensurate with the special elements of cost involved in furnishing it. If the town of Boothbay Harbor is obliged to provide an adequate supply of water, as we have ruled, it must be compensated for doing so.

We, therefore, leave the entire question of rates for a time when it may better be ascertained whether the present schedule should be reduced, left where it is, or increased. We wish now only to make it plain that if the service now asked for and ordered involves comparatively large expenditures, it must be

expected to be followed by rates to meet it,—rates to offset interest, operation, ordinary maintenance and the rapid disintegration of the mains.

Now, after public hearing and mature consideration, it is

ORDERED, ADJUDGED AND DECREED

1. That the supply of water now furnished by the town of Boothbay Harbor to and on Squirrel Island and to the residents and summer residents thereof for domestic, sanitary, municipal and commercial purposes is insufficient and inadequate, and that an adequate supply thereof cannot now be obtained;

2. That the present equipment of said town of Boothbay Harbor for furnishing water on Squirrel Island for domestic, sanitary, municipal and commercial purposes is insufficient, inadequate and unsafe;

3. That said town of Boothbay Harbor be, and it hereby is, ordered to furnish said Squirrel Island and the residents thereof an adequate supply of water for all of said purposes, at all times between the fifteenth day of May and the fifteenth day of September, annually;

4. That said town of Boothbay Harbor, as part of said adequate service and as a precaution against any interruption therein, maintain water in the concrete standpipe on said Squirrel Island, at all times between the aforesaid dates, at a level not more than one foot below the top thereof, between the hours of six o'clock in the morning and ten o'clock in the evening; and further, that it construct, connect and keep in use and repair a new main from the end of its present six-inch main near the Neptune Packing Company to the distribution system on Squirrel Island, said main to be not less than four inches in diameter to the end of Spruce Point and thence not less than three inches in diameter to said Squirrel Island, work thereon to begin forthwith and to be prosecuted to completion with reasonable diligence, and to be completed on or before July 1, 1917, unless further time is granted for good cause shown. The directions contained in this paragraph are not in limitation of the duty of this respondent, or its performance thereof, but are specified as among the things required to be done by it;

5. That this case stand open for further action as and until otherwise ordered.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RALPH A. PARKER, ET ALS.,

vs.

LEWISTON, GREENE & MONMOUTH TEL. CO., ET ALS.

F. C. NO. 110.

TELEPHONES—INVASION OF TERRITORY BY SECOND COMPANY—The fact that the service of a certain telephone company not now operating in a given town would be a convenience to a few residents of said town will not justify its admission thereto, when the town is being adequately served by another company which has made a substantial investment therein in good faith and the complainants may now reach all of the lines of the second company through reasonable interchange facilities.

May 9, 1917.

Appearances: Ralph A. Parker, M. D., for complainants; Herbert E. Foster, Esq., for Lewiston, Greene & Monmouth Telephone Co., George R. Grant, Esq., for New England Telephone & Telegraph Co.

Cleaves, Chairman; Skelton, Commissioner.

Complaint by Ralph A. Parker and nine others alleging that the service of the Lewiston, Greene and Monmouth Telephone Company, hereafter called the Monmouth Co., is inadequate and insufficient because the exchange within which they are located does not include Lewiston and Auburn; that the complainants are desirous of talking between points in said exchange and points in Lewiston and Auburn, and now are obliged to do so by means of toll calls over the lines of the Monmouth Co. and those of the New England Telephone & Telegraph Co., which latter company serves Lewiston and Auburn through its Lewiston exchange. The complaint further alleges that the latter company, although requested, fails to render service in the town of Greene.

Public hearing was held in Lewiston, May 3, 1917.

The Monmouth Co. has two exchanges, one at Winthrop and one at Monmouth. It has 757 subscribers, 445 of whom are connected with the Monmouth exchange, which includes Monmouth, Litchfield, parts of Leeds, Wales, Bowdoin, Turner and Auburn, and all of Greene. There are 108 subscribers in Greene, about one in seven of the total population.

It has 36 miles of pole line, all metallic circuit, in Greene. There are eight different lines serving Greene in whole or in part, all radiating from the Monmouth exchange. Six of these run from 5½ miles to 9 miles before reaching the first subscriber. Poles are provided and equipment was ordered in March for two additional lines to relieve lines now over-crowded.

This company has been in existence since December 23, 1905, when it was organized and took over the property of the Lewiston and Greene Telephone Co., organized in 1898. No other company has furnished telephone service in the town of Greene. There are now 41 stockholders in Greene, owning stock amounting to $2,630.00.

Th New England Telephone & Telegraph Company's Lewiston exchange serves Lewiston and Auburn and has toll connection with the Monmouth Company at Monmouth. With the exception of a small rural section of Auburn there is no chance for telephone communication between Greene and either Lewiston or Auburn except by this toll connection.

The evidence shows that there is serious crowding on some of the Monmouth Company's lines. This will be relieved to some extent when the additional lines are installed. Some inconvenience of this kind will always be suffered on party lines maintained with a view to serving sparsely settled territory at moderate expense. This is not the real complaint in this case.

With this exception the service given by this company is excellent. The testimony clearly indicates that it is as good as, or better than, that enjoyed by similar communities generally. The territory is very highly developed, and there is no evidence of neglect in making extensions.

The sole object of this proceeding is to obtain communication between the Monmouth and the Lewiston exchanges without the toll service. Dr. Parker, the principal complainant, first sought to induce the New England Company voluntarily to ask permission to extend its lines into Greene. This it declined to do. It did, however, list his name in its Lewiston directory, via the Monmouth exchange, as a special accommodation to

him and his former patients in Auburn, where he had practiced medicine prior to his removal to Greene.

This petition was then filed with the necessary ten signatures. While it asks for service only to the persons who have signed it, it contemplates the extension of the New England lines to Greene Depot, some four miles into the town. Ultimately it would mean two services with all of the recognized annoyances. The evidence clearly shows that the people of Greene generally are opposed to this. It fails to show that the complainants even are unanimously anxious for it—only four of them attended the hearing, although it appeared that the others had been notified and urged to come.

To a very limited number it would be a real convenience. These persons have residences in Greene and business in Lewiston and Auburn. Naturally and properly they would like to talk direct. They would like to eliminate the present toll service, which is the only drawback now. The service itself is prompt, courteous and efficient.

If the New England Co. goes into Greene and takes some subscribers, it will lessen the value of the Monmouth Co.'s service. It will finally result in absorbing the business of the town, or in the maintenance of two systems where some of the people will pay for two telephones for local service and others will get along with one and fewer connections. The rates for connection with the New England exchange will necessarily be higher than for the local exchange. If the New England Co. should obviate this by making Greene an exchange by itself, as was suggested at the hearing, we should then have the present toll arrangements with Lewiston, which is the objection now.

The rates now in force in the Lewiston exchange are eighteen dollars for the same service that the Monmouth Co. charges fifteen dollars for. It is fair that it should be so, because its service is very much greater. But the present service in Greene is precisely what the people generally appear to prefer, and it would be unjust to do what finally must lead to higher rates, or less valuable service, for all of them in order to provide a more desirable arrangement for a very few. This is especially so when the few can now get all that their especial circumstances require without serious inconvenience or excessive cost.

The present toll rates between the two exchanges are ten cents. The evidence showed that Dr. Parker's toll charges

between Greene and Lewiston during the first four months of the present year were only twenty cents. The average revenue from such tolls altogether is less than two dollars per year per subscriber in Greene. Undoubtedly the interchange of telephonic communication would be increased if there were no toll charges, but there is very little occasion for the persons generally in any community to talk outside. It is not just to force upon all of them a system which will cost them more or give them poorer local service for the benefit of the very few whose peculiar needs are now reasonably well provided for.

We have referred only to the attitude of the present Greene subscribers of the Monmouth Company. The company itself claims that it ought not to be required to suffer the financial loss which must follow the admission of another telephone company into its field.

This is a valid objection and entitled to serious consideration. Greene had no telephone facilities when this system was built. In those days rural communities could not get such service except by the construction of independent local plants. The promoters and the present owners of this company put their money and energy into it in good faith they have fully developed their territory; they are giving good service, both local and toll or long distance.

The tendency of business men to acquire residences in the country while they retain their business interests in the city is on the increase, and renders means of easy communication between the country and the city especially desirable. When, however, such communication may be had without unreasonable inconvenience under existing conditions, it is unfair to create new conditions which are objectionable to the large majority already in the rural community and bound to cause substantial injury to investments previously made in good faith.

There is no public necessity that requires the duplication of the telephone system already existing. The people of Greene are now served in the manner in which they, as a whole, prefer to be served. The complainants are entirely within their rights in asking for the changes which they suggest. But there is now available to them means of communication reasonable under the circumstances, and they must yield to the wishes of the people of the town as a whole and to the rights of the owners of the present company in the field.

It is therefore ordered that the complaint be dismissed.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

PUBLIC UTILITIES COMMISSION

vs.

BOSTON & MAINE RAILROAD.

F. C. No. 117.

RAILROADS—DELIVERY TRACKS—WAIVER OF CLAIMS FOR DAMAGES BY FIRE ON—A rule requiring a shipper or consignee of freight delivered by a railroad company in carload lots, on a public bulk delivery track used also for delivery of carload lots to other consignees and for delivery of freight to and the receipt of freight from the carrier's freight station, all involving car movements past and in the vicinity of the first mentioned shipper or consignee—a rule or regulation requiring such shipper or consignee, as a condition precedent to the placing of such cars for loading or unloading at a designated point on said track, first to waive right of reimbursement for damage by fire, when caused by engines operating upon or in connection with said track, is an unreasonable regulation.

RAILROADS—DELIVERY TRACKS—JURISDICTION—This Commission has jurisdiction to require reasonably adequate and convenient service, unhampered by any unreasonable regulation, extending back to the carriage of freight and opportunities for receiving and unloading the same at its destination.

August 7, 1917.

Appearances: Cornelius Horrigan, for Andrews & Horrigan Co.; Thornton Alexander, Esq., for Boston & Maine Railroad.

Cleaves, Chairman; and Skelton, Commissioner.

This is an investigation and formal complaint by the Public Utilities Commission, on its own motion, on information of the Andrews & Horrigan Co., of Biddeford, which is hereinafter treated and referred to as the complainant. It relates to the

reasonableness of certain practices and regulations of the Boston & Maine Railroad. The preliminary steps required by law were taken, and formal hearing was held at Biddeford, June 5, 1917.

A public bulk delivery track extends, in Biddeford, from a point in the main track, Eastern Division, of the Boston & Maine Railroad just west of the bridge over the Saco river, westerly, across Main street, thence, still westerly, south of the passenger station and freight house, to the same main track farther west. This delivery track is several hundred feet in length and is connected with the main track at either end by switches. It is used for switching and placing freight cars for Andrews & Horrigan Company, the Biddeford Farmers' Union, the Standard Oil Co., a box company, and the public generally, as well as for access to the freight station.

The Andrews & Horrigan Co., dealer in grain and other merchandise, has a storehouse on the west side of Main street about 50 feet south of this track, there being a driveway or street between. It has a hopper constructed at the track and an underground conveyor from that to the storehouse, so that grain may be unloaded from a car and conveyed direct to the storehouse without the use of teams. This hopper is opposite the storehouse, and the Boston & Maine Railroad has for many years placed the cars where they could thus be unloaded directly into the hopper. No charge has been made for this service and no special conditions imposed. The cars have simply been placed at this particular point instead of being left indiscriminately at any point on the track for unloading. They would have been set somewhere on this track in any event—whether this particular unloading device had existed or not.

The Boston & Maine Railroad, in an effort to standardize its private side track service and to avoid discriminatory practices, it says, now proposes to charge Andrews & Horrigan Co., as well as other patrons more or less similarly served along its lines, an annual rental for the privilege of having cars set for loading or unloading at a particular point and to require a release from all liability for fire caused by the railroad operations anywhere and for any patrons on the unloading track.

Theoretically, these charges and conditions apply to private side-tracks. In practice, they are made applicable to the use

of public bulk delivery tracks where the cars are set at a specified spot on such tracks for the benefit of individual patrons—presumably on the theory that such patrons are thus securing service substantially like that rendered on private side-tracks.

Compensation for this service—setting cars at specified spots on a public bulk delivery track instead of wherever the movement happens to drop them—is not covered by the switching tariff; that applies to the relocation of a car which has once been placed in accordance with the lawful instructions of the shipper or consignee—not to the initial location.

The charges imposed for the service referred to in this case are not included in any of the carrier's tariffs; they have been treated as subjects of special contract between the parties. The same is true of the conditions respecting fire hazard.

These charges are based on certain facts as to ownership and maintenance of the track—always remembering that in theory they apply only to private tracks. Among the elements which they include are (1) compensation for the use of the land over which the track runs, (2) return on the investment in track, (3) maintenance of track. Where all of these elements are furnished by the carrier, it ascertains through local inquiries or otherwise the fair rental value of the land, estimates or learns the cost of the structure, and fixes what is thought to be a fair lineal-foot cost of maintenance. These are combined and paid by the patron. If any of these elements are absent, if the patron furnishes any of them, such items are excluded from the charge.

Where cars are specially located on public bulk delivery tracks, as in the case of Andrews & Horrigan Co. on this track, a certain section of the track, sufficient to accommodate the business—sixty feet in this case—is undertaken to be treated as a private track for the purpose of fixing and applying this charge.

The fire regulation may be best described by quoting from the so-called standard contract which the Boston & Maine Railroad insists that its patrons shall sign in such cases. It will hereafter be referred to as Stipulation No. 3, Respondent's Ex. A, and reads as follows:

"3. The *Shipper* agrees to release the *Railroad* from and to indemnify and save it harmless against any and all claims for

loss or damage by fire to the property, real or personal, owned by, in the possession of or under the control of the said *Shipper* and to contents of cars placed on said side-track for the *Shipper* when caused by engines while operating upon or doing work in connection with said side-track."

As we have already stated, this special service on bulk delivery tracks has been rendered by this respondent to Andrews & Horrigan Company and to other shippers and receivers of freight for many years without claim, either for this special compensation or for release from liability for fire. Recently respondent conceived the notion that to render such service without compensation other than that exacted from patrons whose cars were not left regularly at specified points constituted unlawful discrimination; and it then worked out and proceeded to put into force by individual agreements the system of charges and exemption from liability explained above.

Just how far a service for which the compensation is not required to be published in the tariffs may constitute a discrimination, and just how far a discriminatory practice may be cured by a private arrangement between the utility and the individual, we do not now undertake to say. If the reason advanced for this present step is the sole one by which the respondent is actuated, and is seriously regarded, we recommend the careful consideration of these questions.

The present issue is not one of motive, or of construction of statutory prohibitions against discrimination generally; it is one of reasonableness of certain admitted practices and regulations, and will be so treated. It is not one of the use of private side-tracks; it is the accommodation of a shipper on a public delivery track.

The Andrews & Horrigan Company made complaint to us when it was asked to sign a contract containing these requirements as the conditions on which it would continue to receive this service. After informal conference with the respondent and sufficient investigation to satisfy us that the questions were of enough importance to justify this formal complaint, we instituted these proceedings.

THE DEFENSE.

We have stated the case at considerable length in order to make our conclusions, both as to law and to the facts, readily understood.

The respondent raised questions of law at the outset by demurring to the complaint, alleging that (1) it does not state facts constituting any violation of a statutory or common law duty by the respondent; (2) that the petitioners are not alleged or shown to be aggrieved, and that they have not complied with the statute as to signature of the complaint; (3) that it does not appear from the complaint that Andrews & Horrigan Company are aggrieved in any manner; (4) that the "complaint is not such a complaint as is contemplated by Statute;" (5) "that it appears affirmatively from the file and letters which the Commission has treated as a complaint that this Commission has no jurisdiction over the subject matter of said alleged complaint."

The last four grounds of demurrer appear to be based on a misapprehension of the statute under which these proceedings are brought. The first ground is the only one which presents a serious question, and the only one which respondent's attorney pressed in his brief.

It is the duty of respondent to furnish the public generally, and Andrews & Horrigan Company in particular, reasonably adequate and convenient service, unhampered by any unreasonable regulations. This applies not only to the carriage of freight from place of shipment to place of destination, but to the opportunity afforded for receiving and unloading the freight at its destination. The complaint and notice of investigation in this case show clearly that the regulations, exactions and conditions imposed upon the complainant in connection with the receipt and unloading of such freight are the subjects of complaint; that their legality and reasonableness are challenged,—and explicitly what they are.

The issue as to whether, in the respects expressly pointed out, unreasonable regulations, restrictions and conditions are imposed upon the service to which the complainant is entitled—reasonably adequate and convenient delivery of its freight—is

clearly raised. This directly touches a legal duty of the respondent, and is proper for our consideration.

The demurrer must be over-ruled.

THE ISSUE.

The issue then is whether either of the regulations complained of is an unreasonable requirement imposed upon the complainant.

So far as the first is concerned, the annual charge for the special placing of these cars—$18.46 per year—Mr. Horrigan disclaimed any objection to this at the hearing. While it is based upon the fiction that this complainant is in fact receiving private side-track service, and while it ignores a question which might be raised with some reason at least, namely, whether when the carrier sets a car on a public bulk delivery track for unloading it ought not, under reasonably favorable conditions, to set it at the particular point most favorable to the consignee, —while these considerations are waived, the complainant being satisfied with this part of the proposed arrangement, and there being some jusification for it, we shall not consider it farther, except as it bears upon the other condition.

The case shows, and we find the facts to be, that the track under consideration is a public delivery track; that shipments in which complainant is interested constitute a comparatively small part of the switching and delivering of cars over this track, by and in the immediate neighborhood of complainant's property; that complainant's cars would be placed on some part of this particular track—as near the desired spot as convenient for the carrier—even if it signed no agreement, paid no special charges, waived no rights of any kind; that the annual payment of $18.46 is regarded by the carrier as full and reasonable compensation for the actual services rendered; and that the especial service contemplated does not add materially to the fire hazard over the service that respondent concedes complainant to be entitled to without any special agreement.

In order that there may be no misapprehension we quote from the testimony of Mr. George T. Thornton, Division Engineer of the Boston & Maine Railroad, in answer to questions by one of the Commissioners:

MR. SKELTON—Mr. Thornton, where would Andrews & Horrigan's cars be set if they did not sign a special agreement?

A. They might be set opposite their premises, might be set anywhere between there and the clearance point where they could be reached by team.

Q. Set somewhere on this track that was convenient for the railroad to place them, reasonably convenient?

A. Yes, sir.

Q. So it would be anywhere along this side track that they happened to go?

A. Yes sir, anywhere on that track.

Q. It would be somewhere on that track?

A. Somewhere on that track where they could be reached by team.

Q. This $18.46 is intended to cover the expense of the railroad for settting those cars at a special point designated by Andrews & Horrigan?

A. Yes sir, that is part of the agreement.

Q. What is the consideration that Andrews & Horrigan get for waiver of their rights of redress for fire?

A. I don't think I quite get you on that.

MR. ALEXANDER—Let me answer. I think you are getting a little deeper perhaps than Mr. Thornton would go.

MR. SKELTON—Suppose I ask him a simpler question. If they don't sign this agreement and their cars are placed anywhere on the track that is convenient for the railroad company to place them, is there any waiver on the part of the shipper of his right of redress in case of loss by fire?

MR. THORNTON—I should not say so.

Q. In order to get the privilege of having his cars placed somewhere on that side track, the shipper doesn't sign any special agreement?

A. No, sir.

Q. Do you understand that if Andrews & Horrigan signed this special agreement, including the fire waiver, that that would prevent them from making a claim if the fire were caused by train movements, spotting cars in which Andrews & Horrigan themselves were not personally interested, that is, any train movements on that track?

A. I should say, Mr. Skelton, there could be no claim for damage for fire regardless what movements were being made on that track.

Q. In other words, if they pay special track rental and have cars specially located, they waive all claims for reimbursement for fire loss?

A. While any work is being done on that track, yes sir.

Q. That is the way you understand it, Mr. Alexander?

MR. ALEXANDER—Yes, I think that is correct.

The sum and substance of all this is that if Andrews & Harrigan Company wish their cars placed at a particular spot on that track instead of at no particular spot, it must pay full compensation for every element entering into the cost of such service, fixed by the utility itself, and, in addition thereto, without any consideration except that for which the rental fully compensates, must waive all claims which the law gives it against the carrier for damage from fire caused by the negligent or unlawful acts or omissions of the carrier, whether in movements incident to complainant's business or of cars of other shippers which constitute a majority of the business over this track and past the complainant's property, and including even the cars which the carrier places for unloading into its own freight shed.

With all due deference to the opinions of others, we do not find this to be a reasonable regulation as applied to Andrews & Horrigan Company under the facts found to exist in this case.

We have given careful consideration to the cases cited by respondent. The St. Louis & Iron Mountain case, 20 I. C. C. 56, predicates its finding that the fire release clause was not there unreasonable on the other finding that the immediate premises offered extraordinary fire hazards,—and this was a "private spur track leading to an industry." It is inconceivable that respondent would render this service on a public track, all of these years without compensation and now for a sum intended to cover only actual cost, if it were seriously regarded as adding to the fire hazard and thus exposing other patrons to the risk of loss.

In the New Hampshire case the Commission finds itself "powerless to grant the desired relief" because it has no authority to dictate the terms on which private side-tracks shall

be used; and counsel points out the absence of such authority in the statutes of this State. But the case before us does not involve the use of a private side-track. And it may be of interest to note that through the efforts of this Commission such authority was secured at the last session of the Legislature.

Much weight is laid in counsel's brief and in some of the cases cited, on the law against discriminatory practices. We have already referred to one feature of this argument. We again call attention to the fact that we are now dealing with the use of a public track, on which this complainant is entitled to some degree, at least, of the same service without any special agreement.

Uniformity of treatment cannot justify the perpetuation of unreasonable regulations. The same requirement under the same conditions would be wrong wherever imposed, and the fact that it may be exacted in a hundred cases not now before us fails to justify it in the one under consideration.

We can see no reason whatever for the imposition of this condition in a case of this exact character except to secure, by taking advantage of the shipper's necessity, in addition to full compensation for the service rendered, extra compensation by way of the forced surrender by the shipper of valuable rights which the carrier could not otherwise take from him and for which it gives him nothing not otherwise paid for. This ought to be legally impossible, and we think that it is. If it is difficult to draw the line between such cases and those in which it is just to require such waiver, that is a misfortune; it does not change the fact.

The question before us is not whether the carrier shall render this particular service; it is now doing so, and professes, sincerely we believe, to be desirous of continuing the accommodation,—although one of its officers regrets that some method other than the use of public tracks might not have been devised. If the service itself should be discontinued in the future, the reasonableness of such discontinuance could then be considered on its merits.

This case involves the reasonableness of the proposed regulations or practices, and it is

ORDERED, ADJUDGED AND DECREED

1. That a rule requiring a shipper or consignee of freight delivered by a railroad company in carload lots, on a public bulk delivery track, where said track is used also for the delivery of carload lots to other consignees and for the delivery of freight to or the receipt of freight from the carrier's freight station, all involving car movements past and in the vicinity of the property of the first mentioned shipper or consignee,—that a rule or regulation requiring such shipper or consignee, as a condition precedent to the placing of cars for the loading or unloading of such freight at a designated point on said track, first to waive his rights to reimbursement for loss or damage by fire to his property, or property in his possession or under his control, when caused by engines while operating upon or doing work in connection with said track, is an unreasonable regulation;

2. That the regulation, designated as Stipulation No. 3 in Respondent's Ex. A. filed in this case, being the stipulation as to loss or damage caused by fire, hereinbefore quoted, which the Boston & Maine Railroad proposes and threatens to require Andrews & Horrigan Company to agree to as a condition of its receiving the service hereinbefore described is an unreasonable regulation;

3. That said Boston & Maine Railroad desist from demanding and requiring that any shippers or consignees of freight under the conditions described in paragraph one of this Order agree to the aforesaid Stipulation No. 3, or to any stipulation or regulation like thereunto in substance, as a condition precedent to the receipt of the service herein described; and that it desist from demanding and requiring said Andrews & Horrigan Company to agree to said stipulation, or to any stipulation or regulation like thereunto in substance, as a condition of the continuance to said Andrews & Horrigan Company of the service hereinbefore described.

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

RE MILO TELEPHONE COMPANY AND MOOSEHEAD TELEPHONE AND TELEGRAPH COMPANY: INVESTIGATION BY PUBLIC UTILITIES COMMISSION ON ITS OWN MOTION.

F. C. No. 115.

TELEPHONE COMPANIES—DISCRIMINATION—A practice whereby a telephone company makes a charge of ten cents on inbound messages from the lines of a connecting telephone company, at its switchboard, for local delivery, and makes no such charge for messages originating within its exchange to be communicated over the lines of said connecting company, from the same switchboard, is unjustly discriminatory.

NOTE. Subsequent to the issuance of this recommendation the companies began negotiations which resulted in the sale of the Milo Company to the Moosehead and the discontinuance of the discriminatory practices.

August 30, 1917.

Appearances: L. G. C. Brown, Esq., for Milo Telephone Company; M. B. Jones, Esq., and George R. Grant, Esq., for Moosehead Telephone and Telegraph Company.

Cleaves, Chairman, and Skelton, Commissioner.

This is an investigation and formal complaint by the Public Utilities Commission on its own motion directed against certain alleged practices of the Milo Telephone Company and the Moosehead Telephone and Telegraph Company, hereafter called the Milo Company and the Moosehead Company, respectively. It relates to the interchange of telephone service between the two respondents by means of a physical connection existing between their lines at Milo.

The investigation was begun as the result of informal complaints made to the Commission; and, after efforts to adjust

these matters in an informal manner had failed, the Commission gave notice of its formal investigation under section 48, chapter 55, revised statutes, and set the case down for hearing after the necessary preliminary steps had been taken. Hearing was held at Augusta, May 29, 1917.

The Milo Company operates principally in Milo, with a line extending to Lagrange and some service in the southern part of Lakeview Plantation.

The Moosehead Company occupies an extensive field in the northwestern part of the State including the territory directly surrounding Milo. It is connected with the system of the New England Telephone and Telegraph Company, through which it has complete long-distance service. It has an exchange at Dover and Foxcroft, called the Dover exchange, and a line connecting Dover with Milo, where physical connection is made with the Milo Company's system. It has no local lines in Milo. Telephonic communication between persons in Milo and those outside of that town, in and out, is had over this line between Milo and Dover, originating or ending on the local lines of the Milo Company, according as whether it is going out of or into Milo, and being switched to or from the Moosehead Company's line through the Milo exchange.

The toll rate between Dover and Milo is fifteen cents. To this is added a charge of ten cents if the message is going to Milo as an "other line" charge which the Milo Company exacts of the Moosehead Company for switching the message onto its lines for delivery over them to its subscribers within its Milo exchange. The Milo Company publishes this in its schedules as a switching charge on all messages received at its exchange over the lines of the New England Telephone and Telegraph Company, meaning, of course, the Moosehead Company.

In other words, it costs the 15-cent toll line charge of the Moosehead Company plus the 10-cent switching charge of the Milo Company for persons in Dover or Foxcroft to talk with Milo, while it costs only the 15-cent toll line charge of the Moosehead Company for Milo to talk with Dover. The effect, if not the purpose, of this arrangement is that persons outside of Milo are required to bear the whole expense of the Milo Company for long distance service, whether the calls are inward

or outward, while its own subscribers escape every part of this burden, even in their own business.

This is unjust discrimination.

The Milo Company urges with apparent seriousness, that it is not blamable for this situation, because it makes its charge only of the Moosehead Company for a service rendered to it, and that the latter company need not pass the charge along to its patrons. Untenable as this proposition is on its face, we mention it here because it should be stated that both parties seem now to be receiving more, net, for this service than they would receive under the arrangement now usually existing between the so-called Bell companies and connecting companies. It is, however, no answer to the condition which exists.

Formerly, it appears, the Milo Company did long distance business, through this same connection, with the New England Telephone and Telegraph Company, the predecessor in this immediate territory of the Moosehead Company, under this same arrangement plus some commission allowance for making collections for the New England company. More recently, the New England company, and the Moosehead Company as its successor have been standardizing their arrangements with the smaller companies which rely on them for outside connection by entering into written traffic agreements providing for divisions of joint revenues on a uniform percentage basis.

Under this arrangement the company on whose lines a toll call originates receives a certain percentage of the entire charges, graduated according to the initial toll rate for the call. The remainder of the charge is divided between the connecting companies in proportion to their respective mileages of toll line over which the communication passes, measured by air-line distances between the point of connection and the respective points of origin and termination. These terms are shown in detail in "Respondent Ex. B—Moosehead Tel. Co." filed in this case.

Under this arrangement the Milo Company would not share in the line charge because it furnishes no part of the toll line. It would receive only its initial percentage on messages originating on its lines. It would get nothing for inward messages. The arrangement would be an "exchange" agreement as distinguished from an "exchange and toll line" agreement, where

the party furnishes some part of the toll lines over which the message passes.

The percentages for exchange service give the originating party from six cents to twelve cents out of the initial toll rate, according to the amount thereof, and a corresponding percentage of overtime charges. For messages not exceeding twenty cents the originating proportional is six cents.

It follows that if this standard agreement were adopted the Moosehead Company would retain the entire fifteen cents on communications from Dover to Milo, and the Milo Company would retain six cents of the charge where the communication originated in its exchange. Or for two messages, one in each direction, the Moosehead Company would get twenty-four cents, and the Milo Company six cents, where the Moosehead Company now gets thirty cents, and the Milo Company ten cents.

Thus, while the Moosehead Company would retain the entire fifteen cents on messages originating in Dover,—as it now does by adding the Milo "other line" charge—it would get only nine cents on those originating at Milo. To this extent, perhaps, the Milo Company is right in saying it ought not to pass the charge along to its patrons; but, so far as the case shows, only to this extent.

And, on the other hand, the Moosehead Company recommends the standard arrangement, which would do away with the discrimination and apparently somewhat reduce its own revenue, in return for the general advantages of such an arrangement.

The Milo Company says it cannot afford to do business on what it would receive from such an arrangement, that it must have more money; and that that is its reason for adhering to its present practice.

Both companies have constantly expressed a willingness to have this Commission guide them in a settlement of the issue; and after very careful consideration of the premises we are ready to make a recommendation, which we hope the two companies may work out in detail. No formal order will be made until they shall have had an opportunity to do so. If they cannot agree, further hearing will be given on details which we shall prepare, and a final order made.

No complaint against the charges of either company has been made, except as to the discriminatory feature already explained. It has not been suggested that the Milo Company does not need and should not have as much from its toll business as the present practice affords it. The bite of the case, so far as it is concerned, is that it assesses the whole amount on only a part of the recipients of its service. So far as the case has shown, there is no serious objection to the division of the switching charges so that five cents would be assessed against all messages, inward and outward.

But if the discrimination is removed in this way, it would still leave the Moosehead Company retaining the entire thirty cents on the two messages, in and out, between Dover and Milo, cited as an example, instead of the twenty-four cents which it asks under its standard agreement. That would add so much to the cost of the service. The six cents should go to the Milo Company plus whatever amount, if any, it is entitled to in addition to give it fair compensation.

The Milo Company says an equal division of its switching charges between inward and outward messages will not give it as much as an assessment of the whole on inward messages, ecause more messages come into Milo than go out. Thus a uniform rate of five cents would bring less than a rate of ten cents on inward messages alone.

The evidence shows that there is some ground for this claim, although the difference is not great. But, while the arrangement we shall suggest will be equivalent to an equal division of the ten cents on charges not exceeding twenty cents, it will afford a larger return on outgoing messages where the initial toll is more than twenty cents, and probably will more than offset any difference in the relative number of incoming and outgoing communications.

Assuming that the two classes will be approximately equal in number, a switching or "other line" charge of two cents on all messages, in and out, plus the amount provided under the standard "exchange" agreement above referred to will net the Milo Company as much as it receives under the present practices on communications between Milo and near-by towns and somewhat more where the communications are over longer distances. At the same time, it will reduce the cost to the public

as a whole by the amount which will be deducted from the whole charge now retained by the Moosehead Company.

This will put an extra charge of two cents per message on the Milo patrons, but they surely do not expect the charges to others to be doubled in order that they may escape payment for the same service.

We recommend, therefore, that the Milo Company and the Moosehead Company enter into an agreement for the interchange of toll messages by means of their physical connection at Milo on the terms set out in the exchange Agreement above referred to as an exhibit in this case, plus a switching charge for the Milo Company of two cents per message on all communications, in an out; a copy of said agreement to be filed with this Commission for its information and assistance in making a final order in this case by October 1, 1917.

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

RE MAINE AND NEW BRUNSWICK ELECTRICAL POWER COMPANY, LIMITED: APPLICATION FOR AUTHORITY TO SELL PROPERTY.

U. No. 230.

RE GOULD ELECTRIC COMPANY: APPLICATION FOR AUTHORITY TO PURCHASE PROPERTY.

U. No. 231.

VALUATION—SALE OF PROPERTY—ELEMENTS TO BE CONSIDERED—In the approval of a sale of the property of a public utility the value of the business attached to the property may be considered even though the elements do not exist which would warrant a living value allowance in a rate case. The rate of return allowable, in fixing rates, is made to include the original risks incident to the busness, while the earning basis on which the capital stock of an established utility will sell is influenced by the extent to which the original risk has been eliminated by the experience of the utility. The vendor of the property is entitled to the benefit of this changed condition; although the consumer will not be required to pay higher rates by reason of it.

December 4, 1917.

Appearances: Herbert T. Powers, for both petitioners.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

The Maine and New Brunswick Electrical Power Company, Limited, hereinafter called the New Brunswick Company, is an electrical company organized under the laws of the Province of New Brunswick, where it owns valuable water power, and operating principally in the State of Maine, under special legislative authority, where it has about 128 miles of high tension transmission lines reaching eleven municipalities in the county of Aroostook in and to which it wholesales electric current, and a distribution system in the town of Presque Isle. The generating plant is in New Brunswick, a few miles from the boundary line.

The persons who control the New Brunswick Company procured a charter from the present Legislature of this State, chapter 203, Private and Special Laws of 1917, for the Gould Electric Company with authority to generate and distribute electricity for all purposes in the county of Aroostook. The New Brunswick Company was authorized to sell and the Gould Electric Company to purchase, to and of each other, by separate section of that act, all of the former's property and franchises within this State, subject to the approval of this Commission.

These petitioners now ask for authority to make this sale and purchase in consideration of 5,993 shares of the capital stock of the Gould Electric Company, of the par value of $100 per share, the total issue, including seven shares for organization purposes, to be $600,000. The total authorized capital stock under the charter is $1,000,000.

The Gould Electric Company also filed application for approval of issue of securities, U. No. 232, which will be considered separately. The three cases were heard together, at Augusta, September 25, 1917, and further, by adjournment, November 15, 1917. Notice was ordered by publication, and proved as ordered.

Beyond the statement that no reason is apparent why the proposed transfer is not consistent with public interest, we shall not go into the reasons for the proposed separation of the Maine and the New Brunswick properties. The act of the Legislature shows clearly that this was the only motive for procuring the charter, and the Legislature must be presumed to have considered the general plan. The terms of the transfer,—in effect, the capitalization of the new corporation—are left for our determination.

The petitioners fix the value of the property and franchises in this State at $600,000.00. They arrive at this figure by capitalizing present earning capacity at five per cent. They do not pretend that the property cost that sum, or that it would now cost that amount to replace it. They presented no evidence of actual physical value.

The first hearing was adjourned to give our engineering department an opportunity to inspect and appraise the property.

After such an inspection our chief engineer reported that he found the cost of reproduction new of the physical property,

based on unit costs of labor and material averaged over the past five years, to be $277,491.00, and reproduction cost less depreciation $254,826.00. These figures include no allowances for going value, brokerage, working capital or promotion expenses. They represent the naked plant as it stands and with no business attached.

The petitioners did not seriously question these conclusions except to urge that a comparatively small additional amount should be added to some parts because the average costs of the past five years are not likely, they believe, soon to be reached again.

They do, however, ask for an allowance of $50,500.00, the approximate amount of accounts receivable and cash on hand received from the same, which will be turned over. They also ask for a reasonable allowance to cover the value of the present business, original promotion and development services, and the other elements which go to make the present plant a living reality.

There is no evidence that there have been operating deficits that would justify a Going Value allowance in a rate case; nor that any sums of money have been paid for franchises in any of the towns now being served.

We think, however that there may justly be said to be some difference between the way these subjects should be treated in a rate case and in setting a value for purposes of sale. The rate of return on the value of the property in a rate case must be sufficient to compensate and attract money to such undertakings under the conditions as to business risk, etc., which existed in the beginning. If the rate of return is reduced from time to time as it appears that the risk in that particular undertaking, in the light of developments, was less than might reasonably have been expected, or has been eliminated by successful management, it would practically amount to a penalty for skilful administration.

On the other hand, it is idle to say that the value of the stock, or other thing, which represents the ownership does not increase as the capacity to return satisfactory earnings on rates not in excess of the value of the service becomes established; that is, it will sell on a lower dividend rate, because the hazard in that particular enterprise has been eliminated by successful

management during the promotion period. The result is, that the stock—and that is the property ownership—commands a higher price in the market as the risk has been eliminated, and that without regard to any increases in the actual value of the physical structure due to unearned increment in real estate. greater unit costs of construction of similar property, or any other element that enters into tangible values.

When a business shows that it has a fixed earning capacity, defined as above, good business men will invest in it on a much lower rate of return on their investment than they would be satisfied with before this earning capacity had been established. It is not necessary to indulge in protracted reasoning to explain this. The mere statement of the proposition is sufficient.

This principle should be followed with caution; but it is absurd to hold that the owner cannot have its benefit in a sale of his whole plant, while he would get it without question if he sold a share of stock at a time.

It might seem, at first glance, that this distinction would lead to troublesome complications in rate-fixing cases; but it need not. In such cases we are bound to consider the business risk existing at the inception of the undertaking, and we establish rates which shall afford a fair return on the present value of the property devoted to public uses, fair taking that risk into consideration. The rate of return on the value so established bears no relation to the rate per cent of dividend on the outstanding capital which it will provide. That is fixed by the relation which the aggregate fair return on the property so employed, taking the original business risk into consideration, bears to the face value of the stock outstanding.

To illustrate, if the present fair value of the plant, including working capital, measured by the cost of reproducing it in its present condition, is $300,000.00, and if eight per cent. is a fair annual rate of return on money, that is, property, invested in such an enterprise, taking the original business hazard into consideration, the owners ought to receive $24,000.00 per year. If, after the lapse of a reasonable development period, they have so managed the property that the hazard peculiar to such undertakings in general has been eliminated, investors are glad to purchase an interest in its ownership on a six per cent. basis of return. The property with the element of hazard elim-

inated becomes as well worth $400,000.00 to the investor who takes it as it is, as it was worth $300,000.00 to the investor who created it.

If we keep in mind this distinction between a fair return on the actual value of the physical plant, original risk included, and the dividend rate which such a return may permit on the shares of capital stock which happen to be outstanding, justice may be done without serious confusion and without discrimination against either class of investors, those pioneers who conceive, promote and develop industry, and those more cautious but equally necessary persons who furnish the capital to carry it.

The petitioners urged in this case after the engineer's report had been filed, that they ought to be permitted to capitalize this property, including the accounts receivable and taking into consideration all promotion costs, services, franchise values and the fact that they now have a successfully established business, at not less than $400,000.00.

We do not deem this unreasonable, and appropriate orders will be made to that end. It will be expressly understood that this action will not be binding in any case involving the reasonableness of rates, or in any other matter where the risk of the original undertaking is involved.

It is now

ORDERED, ADJUDGED AND DECREED

1. That the Maine and New Brunswick Electrical Power Company, Limited, be, and it hereby is, authorized to sell to the Gould Electric Company, and the latter corporation to purchase, all of its property, rights, credits and franchises of every name and nature within the State of Maine for a sum not exceeding four hundred thousand (400,000) dollars;

2. That each of said companies, or both jointly, report to this Commission in detail, supported by the oath of a principal officer of each, its doings hereunder within ten days after said transfer shall have been completed.

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

RE FRANKLIN POWER COMPANY, INC., FRANKLIN POWER COMPANY, FARMINGTON POWER COMPANY, WILTON LIGHT COMPANY, STRONG LIGHTING AND IMPROVEMENT COMPANY, FRANKLIN LIGHT AND POWER COMPANY, AND C. O. STURTEVANT.

U. No. 216

ELECTRICAL COMPANIES—CONSOLIDATION—RIGHTS OF STOCKHOLDERS—Where the public interest warrants it, electrical corporations will be permitted to consolidate, notwithstanding the objection of minority stockholders, it appearing that their rights are fully protected by statute and remedies are open to them in courts of law without interfering with the orderly and efficient operations of the public utilities In such cases, the Commission will not undertake to determine the legality and relative rights of outstanding stocks and bonds, issued without its approval. It will fix the prices for which the new corporation may purchase the plants of the several existing corporations and the manner in which the purchase may be financed, and leave the stock- and bondholders of the present corporations to adjust their claims among themselves.

December 20, 1917.

Appearances: Frank W. Butler, for petitioners; Ernest L. McLean, of Williamson, Burleigh & McLean, for Harriet N. Fenderson; Elmer E. Richards, for Kate P. Tarbox, Administratrix.

Skelton and Bunker, Commissioners.

This is a joint petition looking to the consolidation and reorganization of certain corporations doing an electrical business in the county of Franklin with a hydraulic power plant located in Anson, Somerset County. Public hearings were held at Farmington, October 18, 1917, and December 5 and 6, 1917.

FRANKLIN POWER COMPANY.

The Franklin Power Company was organized, as the Caratunk Power Company, December 9, 1902. Its authorized capital stock is $100,000.00, all common stock, and its authorized bonded debt is $75,000.00. All of the authorized stock and bonds are said to be outstanding.

It owns a water privilege and power plant in Anson. It delivers electricity, at its substation near the generating plant, to the Farmington Power Company.

It estimates the present value of its property, including all overheads and intangibles, to be $310,262.34.

FARMINGTON POWER COMPANY

The Farmington Power Company was organized March 18, 1910. Its authorized capital stock is $50,000.00, and its mortgage bonds $50,000.00. The petition recites that all of the stock and $36,000.00 of the bonds are outstanding. Petitioners' final evidence shows only $21,900.00 of bonds out.

Its property purports to consist of a three-phase transmission line from the connection with the Franklin Power Company to the substation in Farmington, 21.7 miles, and substations at Farmington and New Vineyard, with equipment, etc., said to be worth in all $62,971.34.

WILTON LIGHT COMPANY

The Wilton Light Company was organized, as the Wilton Electric Light & Power Company, October 20, 1904. Its present authorized capital is $50,000.00 and its mortgage bonds $25,000.00. The petition recited that all of the stock and bonds were outstanding; the evidence finally shows, as to bonds, $4,800.00 owned, and $8,000.00 pledged as collateral.

Its property consists of a single phase transmission line from Farmington to the substation at Wilton, the sub-station itself and equipment and the distributing system in Wilton, all, with intangibles, claimed to be worth $36,760.79.

STRONG LIGHTING AND IMPROVEMENT COMPANY

This corporation is organized under chapter 228, Private and Special Laws of 1907, and has an outstanding capital stock of

$10,000.00; no bonds. It has a distributing system in the town of Strong, including a substation and equipment, and a transmission line from the line of the Farmington Power Company, 5.2 miles, whence current is taken.

The petitioner estimates the value of this plant to be $13,-010.13.

Franklin Light and Power Company

This corporation was organized September 23, 1913, for the purpose of consolidating the first three corporations above described; the Strong company was not then controlled by the present owners. It was organized under the general business corporation law, and not under the statute relating to electrical companies. It has power to acquire and hold real estate and personal property; to acquire, own and develop water powers and privileges, and to acquire and own stocks and bonds of other corporations. It has no franchise to do business as an electrical company.

Its total authorized capital stock is $750,000.00. It authorized a mortgage for $500,000.00 and voted to issue $250,000.00 bonds under the same. The petition shows that there is outstanding stock of $723,800.00 and that the bonds actually issued are $114,000.00. The last evidence submitted at the hearing showed bonds out and owned $127,300.00; pledged $13,000.00.

It owns the distributing system in the towns of Farmington, West Farmington and New Vineyard, and the general office and equipment in Farmington. It values its property, including intangibles, at $123,095.40. It operates all of the companies as one in its own name.

Summary of Title

The foregoing is a brief abstract of the claims of the several petitioners as to property ownership. Its correctness in some respects is challenged by stockholders who appeared in opposition. They question, not the items contained in a complete schedule of all of the property, but the accuracy of their distribution among the several corporations. We do not undertake to determine these facts. It is not easy to do so from the

evidence in the case, and it is not necessary in view of the disposition we have decided to make of this case.

It is sufficient to say that the property as a whole consists of a water power in Anson with a hydro-electric generating plant, a transmission system carrying the current to a substation in Farmington, transmission lines tapping this system and carrying current to Wilton and Strong, distribution systems in Farmington, West Farmington, Wilton, Strong and New Vineyard, and general offices, stores and equipment in Farmington. This comprises the property above indicated as owned separately by the five corporations, reported by them as of the aforesaid values, respectively, or of the aggregate value of $546,100.00, being $314,570.00 for all of the physical property including overheads, and $231,430.00 for going value and water power value, the last named item in excess of the cost of the water power itself.

The electric plant in Farmington now claimed to be owned by the Franklin Light and Power Company was owned and operated by Mr. C. O. Sturtevant individually. He undertook to sell the plant and franchise to the present corporation. It having no legal standing as an electrical company, the title acquired through this conveyance, so far as the franchise at least is concerned, is not free from doubt. Hence the joining of Mr. Sturtevant in these proceedings.

Mr. Sturtevant appears to have a controlling interest in all of the corporations. His control of them appears to have been absolute since he and his associates organized them or acquired their ownership. They appear to have acquired the Franklin Power Company in 1908, the Wilton Light Company in 1911, the Strong company since 1913; and to have organized the other two corporations. Mr. Sturtevant had operated the system in Farmington, now owned by the Franklin Light and Power Company.

Present Value

It is impossible to ascertain the cost of this property. Mr. Sturtevant, who has been the controlling spirit during all of the important construction, testifies that no money was ever paid in for any of the stock; that the plant was all built from bonds, and that the bonds were sold at from 85% to 100%. He

declares that no books of account were kept during the construction period; that no record of bond sales, or commitments of bonds for sale, was kept, except a very incomplete, irregular and unsatisfactory ledger account with four parties to whom bonds have been entrusted for sale since November 30, 1913, when practically all of the construction had been completed. He says that these ledger entries were made from loose memorandum slips, without any system,—and their appearance seems to corroborate this statement. He declares that no books were ever kept, or even started to be kept, showing any of the construction or operating costs, revenues or other transaction of any of these companies under his direction until they were required to be kept under the present Public Utility Law, notwithstanding the fact that he was managing properties now claimed to have a combined value of more than a half million dollars and divided in stock and bond ownership among many people.

Improbable as this statement is, we have no proof that it is not true. True or not, we have no figures to guide us, either as to cost or other issues which are more or less material in this case. In their absence we have had a careful survey of the property made by our engineering department, report of which was filed at the hearing. This report was based on average costs for a 5-year period. After a consideration of all of the evidence and making an allowance for what we believe may reasonably be expected to be the higher trend of prices when conditions again become normal, we find the present value of all of the properties of the several corporations, distributed among them as already indicated, exclusive of franchises and additions for going value or value of the business now attached and exclusive of ownership of stocks and bonds in other corporations, but including all overheads, such as Organization, Engineering and Superintendence, Interest, Injuries and Damages, and General Contingencies, to be as follows, to wit;

Franklin Power Company	$164,905 00
Farmington Power Company	29,549 00
Wilton Light Company	22,198 00
Strong Lighting and Improvement Company....	8,699 00
Franklin Light and Power Company	34,643 00
Total of all companies	$259,994 00

To this sum should be added some amount to represent the value of the business now possessed. The absence of all early records makes it impossible to ascertain the cost of its acquisition, and would be a serious handicap if this were a rate case. But this evidence is not indispensable in a sale case. Re Gould Electric Co., U. No. 231.

We shall not attempt to assign a special sum to each corporation. This case will be treated generally on the theory that the corporations are to be dealt with collectively. If this were not so, we probably should reduce the above allowances for tangible properties, because it is very doubtful if this property now in place would in all cases be worth as much as it would in a storehouse, if they were not all part of a single co-ordinated system.

Taking all of the property together, with its business as it now exists and to be operated as a single economic unit, we find its present fair value, as a going concern, for sale purposes, to be three hundred and twenty-five thousand (325,000) dollars.

Consolidation

The petition asks for authority for the present owners to sell their respective plants and franchises to the Franklin Power Company, Inc., an electrical company recently organized under the general law. Such authority will be granted conditional on all these owners carrying out the plan which we shall indicate. It would be unsatisfactory for less than all to be so transferred, and, as we have already said, the value above stated is based in part on the assumption that all of the plants are to be united in one system.

The Terms

The petition asks that the new corporation be permitted to take the several plants subject to the bonds and other indebtedness now outstanding and to issue its capital stock, share for share, in exchange for that now outstanding in each of the selling corporations except the Franklin Light and Power Company. There are several reasons why this cannot be done.

The combined capitalization contemplated by such an arrangement would greatly exceed the value of the property, and no

satisfactory reason is shown for permitting this stock to be issued at less than par.

The present actual outstanding bonded indebtedness of the several companies is in dispute. The petitioners assert that the aggregate amount is $250,000.00; the remonstrants claim that the total bonds legally outstanding are less than that amount, and they differ with the petitioners on this issue regarding several of the corporations.

We are not satisfied that we could correctly determine this issue from the evidence before us. Both the stockholders' records and the bookkeeping of the corporations are so hopelessly and inexcusably incomplete and unreliable that they are of little help. Moreover, if we were to try to pass on the legality of any bond holdings, all of the parties in interest ought to be before us, which is not now the case. We shall make no ruling on this question, but shall safeguard our order so that all present and future security holders may be protected.

We shall not undertake to appraise the stock of the present corporations. There is some uncertainty about the amounts now legally outstanding; the value in each case will be affected directly by the final decision as to the amount of bonds legally out, and we do not award separate allowances to the several corporations for intangible values, for reasons already indicated. The total amount which we have allowed is greater than the sum of the amounts we should allow separately if each was to be treated by itself.

We shall permit a consolidation on a plan that will lodge in the Franklin Power Company, Inc., full title to all of these properties at a cost not to exceed $325,000.00. The consolidation ought to be accomplished. The respective ownerships seem to have enough in common to make this practicable.

This plan will permit the issue of $75,000.00 of common stock in the new company. Its distribution among the selling corporations must be a matter of arrangement among them. If the terms of the sale made by any of the corporations are unsatisfactory to any of the minority stockholders, they have full relief at law. We have no jurisdiction over such a question, unless, as remonstrants' attorney suggests, we undertake to exercise it by indirection through conditions attached to this order. We do not think that we ought to assume by indirection

authority not directly or impliedly conferred upon us when a party's rights are fully protected otherwise.

It may seem, from statements herein, that the plan of treating this property as a whole will protect an amount of bonds of the Franklin Light and Power Company out of all proportion to the value of the property. This may be true to some extent, although very much less than would appear from the mere statement of its outstanding bonds and the value of its physical property. It owns a substantial amount of the securities of the other corporations which have been acquired in exchange for its bonds, and it must share to the extent of such representation in any distribution of the assets. Mr. McLean thinks that the elimination of bonds illegally held and recognition of its securities owned will give its stock some value (Brief, p. 7). We do not express an opinion on the correctness of his conclusion, but there is substantial value in excess of the physical property.

Moreover, while the plant of the Franklin Light and Power Company is not extensive in comparison with the whole, it and Mr. Sturtevant, its grantor, hold by far the most valuable franchise of all. Without the rights in the territory covered by this franchise the power plant would be of much less value.

Every consideration indicates that the properties should be treated as an entirety, and it can be done without injury to any of the bondholders or minority stockholders. Each issue of bonds will continue to be a senior lien on its respective part of the plant, and the minority stockholders are fully protected by law.

We shall not make a final order now. When the petitioners file with us satisfactory proof that the Franklin Power Company, the Farmington Power Company, the Wilton Light Company and the Franklin Light and Power Company have cancelled and returned to the several trustees under their respective mortgages all authorized bonds in excess of an aggrgate face value of two hundred and fifty thousand ($250,000) dollars, and that said corporations and the Strong Lighting and Improvement Company and C. O. Sturtevant have taken all necessary votes and other legal steps to convey to the Franklin Power Company, Inc., all of the properties and franchises referred to in said petition, subject to bonds now outstanding

and not exceeding the last named sum, for capital stock of said corporation of seventy-five thousand ($75,000) dollars, an order authorizing the same will be made in accordance with this decision. Such order may make some provision for the setting aside of a reasonable sum from net earnings annually to create a fund for the payment of sufficient bonds at maturity to create what we deem a more desirable ratio of stock and bonds.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE KNOX AND MONTVILLE TELEPHONE COMPANY. PHYSICAL CONNECTION WITH CERTAIN OTHER COMPANIES.

F. C. No. 134.

TELEPHONES—LONG DISTANCE CONNECTIONS—Where the subscribers of a telephone company have no opportunity to send and receive messages beyond the territory served by said company, although long distance connection between the lines of said company and of other telephone companies serving other territory may be made without unreasonable hardship to said companies, and the purpose of such connection is not primarily to secure the transmission of messages and conversations between points within the same town or city, such connection will be ordered.

December 26, 1917.

Appearances: George R. Grant, for New England Telephone & Telegraph Company; E. J. Vose, for Half Moon Telephone Company; E. D. Chase, for Unity Telephone Company; L. C. Morse, for Liberty and Belfast Telephone Company; B. F. Foster, for Knox and Montville Telephone Company.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

Investigation by the Public Utilities Commission, on its own motion, into the adequacy of the telephone service now being rendered to the patrons of the Knox and Montville Telephone Company, having particular reference to the facilities for communicating by telephone with persons and places beyond the lines of that company. Public hearing at Augusta, September 21, 1917. Notice proved as ordered.

The Knox and Montville Telephone Company operates telephone lines in the towns of Freedom, Thorndike, Knox, Montville, Unity and Palermo. Its central office is at Freedom. It has 90 miles of wire and about 180 subscribers. Its subscribers

may talk with the subscribers of the Liberty and Belfast Telephone Company, in Morrill, Montville, Belmont, Liberty, Waldo, Brooks, Searsmont and Knox, by means of a physical connection between the lines of the two companies. They have no other facilities for long distance service.

The Liberty and Belfast Telephone Company has physical connection with the New England Telephone & Telegraph Company at Belfast, affording unlimited toll service over all of the lines of the Bell companies. Formerly there was no connection between the Knox and Montville and the Liberty and Belfast companies, the former having no service outside of its own lines. Its members desired such service, and an arrangement was made between the two companies whereby each was to build a portion of a trunk line connecting the two exchanges. It was expected in this manner to obtain full long distance service for the Knox and Montville subscribers over the lines of the Liberty and Belfast and the New England companies and the latter's connecting lines.

This trunk line was completed and the two companies connected up for service March 8, 1917. On the following day, the Knox and Montville company was notified that the New England company would not permit the transmission of messages from or to the lines of the former over its lines. The result was, and is, that the subscribers of the Liberty and Belfast and the Knox and Montville companies can interchange communications with each other, but the former company cannot afford the latter any benefit of the physical connection which actually exists with the New England Company.

This refusal appears to have been due, largely at least, to objections of the Half Moon Telephone Company, which operates under a contract with the New England Company, and has stations in Thorndike, Albion, Knox, Unity and Freedom, thus paralleling a part of the Knox and Montville system. It appeared finally that the New England company was not without objection on its own account, but the compelling reason was said to be the objection of the Half Moon Company.

It should be said in fairness that these objections were not without substantial reason. The Half Moon company has a better service, better maintained, than that of the Knox and Montville company, and charges $12.00 annual rates against

$8.00 charged by the latter company. It claims that $8.00 per year will not warrant the character of service it is giving; yet, that, if the Knox and Montville company can give long distance service, that company will take some of its subscribers away from it by reason of the lower rates which its inferior maintenance enables it to offer.

The New England Company has constructed a trunk line from Waterville to Belfast, passing through Thorndike where it connects with the Half Moon lines. It says that Knox and Montville connection at Belfast via the Liberty and Belfast lines will take away business from the territory now served jointly by the Half Moon and the Knox and Montville companies, business which now passes over its line from Thorndike to Belfast.

We held an informal hearing at Thorndike, May 18, 1917, for a study of telephone conditions in the western part of Waldo county, and summoned seven telephone companies doing business in that territory before us. Wide public notice also was given, and telephone users were invited to attend, which they did. Very little complaint against the telephone service was made, except of the particular conditions which are the subject of the present proceedings.

It appeared that the towns in this territory are divided up to an unusual extent. Palermo is served by three companies; Unity, three; Albion, two; Freedom, two; Thorndike, two; Knox, three; Montville, two. There are six different companies in all. Two companies having instruments in the same houses have no physical connections. In one house two companies enter the same switchboard, and have the same operator, but they do not connect.

The Commission has suggested that the real remedy is a consolidation of the companies on an equitable basis which will prevent further duplication of investment and rentals and give a wider field of service. No steps have been taken to bring it about, and the Commission cannot compel it. As long as the subscribers appear to be satisfied with the present arrangement it may be that we ought not to interfere if we could.

After waiting sufficient time for the companies to remedy the specific complaint that the Knox and Montville subscribers were not receiving adequate long distance service, we instituted

this proceeding under section 41, chapter 55, revised statutes. The New England Telephone and Telegraph Company, the Half Moon Telephone Company, the Unity Telephone Company, the Liberty and Belfast Telephone Company, and the Knox and Montville Telephone Company, were made parties to determine whether a physical connection should be made between the lines of any two or more of them for the accommodation of the Knox and Montville subscribers.

It appeared at the hearing that the lines of the Unity Telephone Company should be eliminated from further consideration. It appeared that connection at Thorndike would best accommodate part of the Knox and Montville territory; and at Belfast, another part. The New England Company urged that the connection be made at Thorndike, and expressed a willingness to construct the necessary trunk line from the Knox and Montville central, about five miles.

After the hearing was closed we were advised that the officials of the New England and the Knox and Montville companies would undertake to arrange matters so that the desired service would be given without jeopardizing the interests of any of the parties. We are not aware that any progress has been made, and we do know that the public is still without service; complaints are now being made to that effect. We shall, therefore, make an order without further delay.

An ideal solution would be connections at both Belfast and Thorndike. This may have to be done in time. At present, however, the trunk line to Belfast is actually built, while Thorndike connections would require the building of a new trunk line. Besides, the Liberty and Belfast company has built part of the Belfast trunk line in good faith, and is entitled to some consideration. We cannot escape the conviction that the Half Moon officials, at least, knew that this connection was going on and might have made their protest known before it was completed.

If the companies do not agree upon the division of costs and joint tolls for this interchange of service, an appropriate order must be made by us after further hearing. It is our duty, in the first instance, to order the connection and the transmission of messages or conversations and to establish rules and regulations governing the same.

Each of these cases must be treated on its own merits. One can be no precedent for others, either as to what constitute the necessity and reasonableness of such service, or the regulations governing it. Much less can a case arising under conditions such as exist in Waldo county furnish a rule that shall govern our action in future cases where there is less intermingling of lines.

We shall now make the formal findings precedent to an order for the interchange of service and give the parties an opportunity for a prompt hearing on the rules, regulations and rates which ought to govern it. It is now

ORDERED, ADJUDGED AND DECREED

1. That a physical connection can reasonably be made between the lines of the Knox and Montville Telephone Company, the Liberty and Belfast Telephone Company, and the New England Telephone and Telegraph Company, to form a continuous line of communication by the construction and maintenance of suitable connections, for the transfer of messages and conversations; that public convenience and necessity will be subserved thereby; that said companies have failed to establish joint rates, tolls or charges for such service over their said lines; that such joint rates, tolls or charges ought to be established; that the purpose of such connection is not primarily to secure the transmission of local messages or conversations between points within the same city or town;

2. That the fourth day of January, 1918, at ten o'clock in the forenoon, at the offices of the Public Utilities Commission in the State House, at Augusta, be fixed as the time and place when and where said Knox and Montville Telephone Company, Liberty and Belfast Telephone Company, and New England Telephone and Telegraph Company may appear and be heard touching the joint rates, tolls and charges, rules and regulations which ought to be established for the aforesaid service; and that the Clerk of this Commission give notice thereof by mailing to each of them a copy of this Order at least seven days before said date;

3. That this case remain open for further orders at the pleasure of this Commission and subject to the laws governing the same.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE KNOX AND MONTVILLE TELEPHONE COMPANY; PHYSICAL CONNECTION WITH CERTAIN OTHER COMPANIES.

F. C. No. 134.

Appearances: George R. Grant, for New England Telephone and Telegraph Company; E. J. Vose, for Half Moon Telephone Company; E. D. Chase, for Unity Telephone Company; L. C. Morse, for Liberty and Belfast Telephone Company; B. F. Foster for Knox and Montville Telephone Company.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

January 28, 1918.

This is an investigation instituted by the Commission on its own motion, and is fully explained in our order dated December 26, 1917, in which certain findings were made.

Further hearing was held January 4, 1918, as provided in said order, and an arrangement was then proposed by the representatives of the New England Telephone and Telegraph Company, the Liberty and Belfast Telephone Company, and the Knox and Montville Telephone Company, which would afford the patrons of the Knox and Montville Telephone Company full long distance service on terms satisfactory to the representatives of that company.

We are now advised that these arrangements have been perfected and that such service is now being rendered. It is therefore, unnecessary to make further orders in the premises, and the investigation is closed.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE WISCASSET ELECTRIC LIGHT AND POWER COMPANY: APPLICATION FOR APPROVAL OF ISSUE OF SECURITIES.

U. No. 243.

SECURITIES—INTERCORPORATE RELATIONS—Where one public utility corporation owns controlling interests in the capital stock of other corporations of the same class, and has furnished money for capital purposes to such subsidiary corporations, it may purchase additional capital stock issued by the subsidiaries to fund the cost of such improvements, and issue its capital obligations to finance such purchases; but the issue of capital obligations under such circumstances are subject to the same rules of law that control where no intercorporate relations exist. Securities may not be issued solely to provide funds with which to pay dividends.

January 22, 1918.

Appearances: W. S. Wyman, Treasurer, for petitioner.
Cleaves, Chairman; Skelton and Bunker, Commissioners.

Petition for authority to issue capital stock to reimburse the treasury for money expended for construction purposes and current assets. Public hearing at Augusta, December 4, 1917. Notice proved as ordered.

This is one of seven similar petitions filed and heard together. The other six are Penobscot Bay Electric Company, Petitioner, U. No. 244; Bath and Brunswick Light and Power Company, Petitioner, U. No. 245; Waldoboro Water and Electric Light and Power Company, Petitioner, U. No. 246; Union Light and Power Company, Petitioner, U. No. 247; Hartland Electric Light and Power Company, Petitioner, U. No. 248; New port Light and Power Company, Petitioner, U. No. 249. The prayers of the several petitions are identical in form—"to issue its capital stock or obligations, or both, to an amount sufficient to reimburse its treasury for capital expenditures

incurred since the purchase of its capital stock by the Central Maine Power Company. And authority is also requested to sell the said capital stock or obligations, or both, to the said Central Maine Power Co. and the said petitioner requests that you fix the amount of stock or of obligations to be issued and the terms under which the same shall be disposed of; * * *."

A brief statement applicable to all of the aforesaid petitions may here be made to avoid repetition in each case.

GENERAL STATEMENT.

All of these petitioners are subsidiaries of the Central Maine Power Company, controlled by it through direct ownership of the entire capital stock of all of them except the Hartland and the Wiscasset Companies. The stock of the two last named is owned by the Robinson Land Co., a majority of whose stock is owned by the Central Maine Power Company. The Central Maine Power Company will be granted permission, on its petition now pending, U. No. 252, to purchase the stock of those two corporations, and they will now be treated as though this had been consummated. It will be a part of this whole transaction.

There is also pending—filed and heard with this case—petition by the Central Maine Power Company, U. No. 242, for permission to purchase the stocks which these corporations may be authorized to issue on the aforesaid petitions, U. Nos. 243 to 249, both inclusive, and to issue its securities to provide funds for that purpose.

The Central Maine Power Company has acquired the ownership of these various companies in order that it might serve the towns covered by their respective franchises, they being beyond the geographical limits reached by its franchise; otherwise, it might have purchased the plants and financed the undertakings direct. It has in every case, we believe, entered the territory only on the request of owners of the local company, or of the community, or both, in order either to give better service or to relieve the owners of the local company of further responsibility.

The local companies have continued to render service, being operated by the management of the Central Maine Power Company. The latter has controlled expenditures for extensions

and betterments, and has advanced moneys for such purposes when enough was not available from their own resources. It is now proposed to issue securities to reimburse the several treasuries for expenditures made for capital purposes, and to determine in these proceedings the amounts in which each of the corporations may be allowed to capitalize such disbursements to a common date, October 31, 1917, thus establishing a "bench mark" or starting point, for each company for future transactions.

As each case is stated the manner in which the Central Maine Power Company is to profit from this financing will become apparent. Generally speaking, each subsidiary company will receive from the Central Maine Power Company cash for its new issue of stock and in most of the cases pay the greater part of that cash back to the Central Maine Power Company for obligations due it. In the end it amounts to a reimbursement of the treasury of the Central Maine Power Company for expenditures made by it on its plant, regarding all of the property of all of these companies as parts of one united plant in the broader sense.

Theoretically, this result could be more simply and directly obtained by requiring each corporation to sell its new stock to the public and to repay the Central Maine Power Company for its advances with the proceeds. Whatever other objections the present owners may have to such a plan, it is obvious that it would be impracticable, because minority issues of these subsidiary companies could be sold to the public only at substantially less than they are intrinsically worth, and serious loss would be suffered.

On the other hand, while all of the corporations mentioned are parts of a single system, they must be treated as though entirely distinct in fixing the amounts of stock which each may issue; the needs of the Central Maine Power Company cannot control. We are bound to find what amount, if any, "of the capital to be secured by the issue of said stocks * * * is required in good faith," by the petitioner in the case under immediate consideration, "for purposes enumerated" in section 37, chapter 55, revised statutes. Those purposes are, "the acquisition of property to be used for the purpose of carrying out its corporate powers, the construction, completion, exten-

sion or improvement of its facilities, or for the improvement or maintenance of its service, or for the discharge or lawful refunding of its obligations, or for such other purposes as may be authorized by law."

So far as these subsidiary companies are concerned, we are not shown that the last clause in the latter quotation adds anything to the purposes stated in the preceding clauses; the preceding ones include all of the lawful purposes for which any of these companies appears to be authorized by law to issue stocks or bonds.

The fact that expenditures have been made for any of these purposes does not necessarily justify the issue of stocks or bonds to reimburse the treasury, although it is a very strong circumstance. It may be that all or some part of such expenditures may properly be made from accumulated surplus or from current income, or that they are a reinvestment of depreciation or sinking funds. The law says that the capital so procured must be "required" for one of these purposes, and some significance will be given that word. What is meant will be more apparent as the specific purposes disclosed in some of these cases are discussed. In any event, funds once invested in plant should not be reimbursed through capital issues unless the purpose to which they are to be devoted justifies—the mere fact of the investment is not enough.

THIS CASE.

The Wiscasset Electric Light and Power Company appears to have been part of the Central Maine Power Company system since June 30, 1916. Its comparative balance sheets are:

Assets	Oct. 31, 1917	June 30, 1916	Inc.
Plant as of June 30, 1916	$8,319 10	$8,319 10-	
Acquisitions	657 02	-	657 02
Cash	438 56	494 77-D	56 21
Accounts Receivable ...	635 79	510 34-	125 45
Material & Supplies....	677 80	482 26-	195 54
Special Cash Deposit...	400 00	400 00	
Due from Central Maine Power Company	477 35		477 35
	$11,605 62	$10,206 47-	$1,399 15

Liabilities			
Common Stock	$7,220 00	$7,220 00	
Accounts Payable		361 95-D	$361 95
Accrued Taxes	9 83	75 00-D	65 17
Surplus	4,375 79	2,549 52-	1,826 27
	$11,605 62	$10,206 47-	$1,399 15

The petitioner asks to issue stock at par against:

Plant increase	$657 02
Accounts receivable, etc..........	142 98
	$800 00

It proposes to devote the proceeds to the payment to the Central Maine Power Company of $800 on account of accrued surplus, which would be in effect a dividend.

When this property was taken over there were current assets available for use as working capital amounting to $1,887.37. There has been some increase, exclusive of the item due from the Central Maine Power Company. There appears also to have been an increase in surplus. No report has been filed to show whether any dividends have been paid, but the increase in surplus in sixteen months is more than 25% of the capital stock outstanding; or enough to pay 10% a year and provide for the entire increase in personal assets including the advance to the Central Maine Power Company.

Nothing in the case shows that additional permanent capitalization is necessary to provide working capital, and the law does not contemplate the issue of securities solely to provide funds with which to pay dividends. Six hundred dollars may be capitalized against increase in plant, and the proceeds will be available for any corporate purposes.

It is

ORDERED, ADJUDGED AND DECREED

1. That the sum of the capital to be secured by the issue of the stock hereinafter authorized is required in good faith for purposes enumerated in section 37, chapter 55, revised statutes;

2. That said Wiscasset Electric Light and Power Company be, and it hereby is, authorized to issue forty (40) shares of

its common capital stock of the par value of ten (10) dollars per share, at one hundred fifty (150) per cent of their par value, to reimburse its treasury for cost of acquisitions, additions, betterments and improvements and all other capital expenditures to October 31, 1917;

3. That said Wiscasset Electric Light and Power Company report to this Commission in detail, supported by the oath of one of its principal officers, its doings hereunder within sixty days from this date.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CENTRAL MAINE POWER COMPANY: APPLICATION FOR APPROVAL OF ISSUE OF SECURITIES, AND FOR ORDER AUTHORIZING PURCHASE OF CAPITAL STOCK OF OTHER PUBLIC UTILITIES.

U. No. 242.

SECURITIES—TO REIMBURSE TREASURY FOR PREVIOUS CAPITAL EXPENDITURES—A public utility may not issue capital securities to reimburse its treasury for expenditures previously made where there was no concurrent intention of replacing it, except from earnings, and later, under changed conditions or business depression, it seeks to restore it in this manner.

SECURITIES—SINKING FUNDS—Where a sinking fund is being created to retire outstanding bonds, junior securities issued for this purpose constitute a payment or refunding of lawful indebtedness, and may be permitted.

SECURITIES—INTERCORPORATE RELATIONS—Where one public utility owns the capital stock of several other public utilities, and furnishes funds for their temporary requirements, the amount of working capital which it is permitted to carry for this purpose will be a fair average of their demands, not the sum of their individual maximum requirements.

SECURITIES—CAPITALIZATION OF DEBT DISCOUNT—Securities may be issued to an amount necessary to provide the full amount of funds required for capital purposes, and an amount equal to the unamortized debt discount may be authorized. The funds provided through amortization will provide for the retirement of such securities at maturity.

January 22, 1918.

Appearances: W. S. Wyman, Treasurer, for Central Maine Power Company.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

Petition by Central Maine Power Company for permission to purchase capital stocks of other public utilities and to issue its perferred stock and bonds for payment therefor, for pay-

ment of certain funded debt, to reimburse its treasury for expenditures on capital account, and to provide funds for new construction. Public hearing at Augusta, December 4, 1917. Notice proved as ordered.

To be fully understood this decision should be read in connection with the decisions in U. No. 243 to U. No. 249, both inclusive, and U. No. 252, all of even date herewith.

The petitioner asks permission to issue its 5% first mortgage bonds of the aggregate par value of $418,000.00 at 83, and sufficient 7% preferred stock at par to realize $600,000.00 from both sources for the following purposes:

1. To purchase the capital stock of certain subsidiaries.

2. To retire bonds of the Kennebec Light and Heat Co. maturing February 1, 1918, amounting to $104,500.00.

3. To reimburse its treasury for capital expenditures made since February 28, 1913, and not already funded.

4. To provide funds for development of water power at Rice Rips, Oakland.

It is claimed that its capital expenditures not already represented by capital stock or funded debt and the other activities above specified entitle the petitioner to additional capitalization in excess of $600,000.00, and it asks to have the full amount to which it is so entitled, considering its expenditures on plant and other capital assets to October 31, 1917, now determined in order to establish a mark from which future petitions may start.

We shall first examine the evidence to determine what amount of securities may be authorized under each of the above divisions, regardless of the relations between stocks and bonds. It may here be stated that the prayer of the petitioner as stated in the petition is very general, and that we are now stating it and treating it as further defined at the hearing and in the light of the testimony then presented, exhibits subsequently filed and analyses made by our accounting department.

I. PURCHASE OF STOCKS.

We have decided in U. No. 243 to U. No. 249, both inclusive, that the subsidiary companies, petitioners therein, may issue capital stock of their respective corporations for amounts aggregating $145,580.00. For reasons sufficiently stated in

those decisions, this petitioner will be permitted to purchase said capital stock, and that sum fixes the amount which it may secure from the issue of its preferred stock and bonds for this purpose. Further details will appear hereinafter in our order.

2. KENNEBEC LIGHT AND HEAT COMPANY BONDS.

Mortgage bonds of the Kennebec Light and Heat Company amounting to $104,500.00 mature February 1, 1918. The property on which these bonds are secured is now part of the Central Maine Power Company's plant, and provision must be made for their payment at maturity.

3. CAPITAL EXPENDITURES BY CENTRAL MAINE POWER CO.

This is the only division of the petition which presents serious difficulties. The petitioner finally presented a statement in which it claimed that it was entitled to capitalize items amounting to $765,234.34, stated in considerable detail and summarized as follows:

Excess of investments in plant and in capital stock of subsidiary companies over stock and funded debt already issued		$122,234 34
Due from operating subsidiaries for construction advances......	$127,587 83	
Ditto for working and capital purposes	95,912 17	
Materials and supplies...........	125,000 00	
Prepaid accounts	40,000 00	
Total to be issued against working capital		$388,500 00
Against general administration items		50,000 00
Against Rice Rips development...		100,000 00
Against Kennebec Light and Heat bonds		104,500 00
Total		$765,234 34

The Kennebec Light and Heat Company bond item has been referred to, and the Rice Rips development will be attended to under its own head.

The advances to subsidiary companies for construction purposes are already the basis for the major part of the security issues to be made by those companies, and funded by this petitioner in the item of $145,580.00 already fixed. So far as the subsidiary companies may now provide working capital through additional stock issues, that amount is included in the foregoing sum.

Mr. John F. Vaughan, consulting engineer, testifying for the petitioner that investments in plant against which bonds properly might be issued amounted to $268,101.13, included $127,-249.52 expended on additions to the plants of these subsidiary companies. This item can be allowed but once, and risk of confusion and duplication can be avoided only by adhering strictly to the classification under which we are proceeding in this discussion.

The item of $50,000.00 for general administration is explained as being a reasonable charge to construction which has been carried as part of the operating expenses. The claim that some part of the general office salaries and expenses might properly have been carried to plant account is not unreasonable, but the petitioner has not seen fit to do so, no correction has been made, and we cannot now find that any part of this sum was taken from " funds not immediately required for current normal expenses and charges, in the expectation of reimbursing its treasury when the work is completed or when such funds are required for such current purposes." This appears more like a case where the utility expends current funds for capital purposes " with no present intention of replacing it, except from earnings, and later, under changed conditions or business depression, seeks to restore it in this manner." Re Bangor Power Co. Petr., Me. P. U. C. Rep., 1916, page 294, 296; P. U. R. 1915 C. 496. There is serious doubt whether this item can now be capitalized under any conditions, certainly not under present conditions.

There appears to have been expended for capital purposes on the plant of the Central Maine Power Company, from February 28, 1913, to October 31, 1917.......... $1,411,944 18

In the purchase of subsidiary companies through stock and bond ownership, the same now forming part of the Central Maine Power Company system..................	1,217,613 50
In advances for the purchase of the Hartland and the Wiscasset Companies through the Robinson Land Company and now to be transferred direct to the Central Maine Power Company without further cost (U. No. 252)	29,830 00
	$2,659,387 68

There have been issued against this investment, leaving all advances to subsidiaries to be capitalized, as far as proper, under the first division of this decision and not now charging any part of the securities already issued against such advances, there have been issued against the above investment:

Preferred stock, face value.................	$988,500 00
Premium on preferred stock................	59,104 30
Bonds	1,487,500 00
Debenture notes	100,000 00
	$2,635,104 30

The excess of the investment over the face value of the stock and funded debt issued against it is $24,283.38.

The petitioner claims that, for the purpose of determining what part of this investment has not now been capitalized, it should have an allowance for the discount on securities and for its sinking fund investment. The former item with proper adjustments amounts to $82,734.35; the latter is $21,180.28.

The sinking fund is being created under an obligation to make provision for retiring outstanding bonds secured by a lien prior to either class of securities to be issued under this petition. The issue of junior securities for this purpose is a process of payment or refunding of lawful indebtedness, and falls within the purposes enumerated by statute.

There is serious objection, as a matter of policy, to the issue of securities for such a purpose a considerable time in advance

of the maturity of the debt which is to be paid, where the fixed charges on the securities so issued are materially in excess of those to be retired, and it should not be understood that we will approve all such plans as a matter of right. We are convinced that the petitioner is now justified in funding its temporary obligations and making special provision for needs which may be expected before business resumes a normal condition. We shall, therefore, grant this request.

The petitioner asked, in the schedules filed in support of its case, for an allowance of $165,000.00 for additions to its working capital items, being current assets generally. This was part of the plan for properly financing the whole system, and was fixed in the expectation that the requirements of the Central Maine Power Company would be considered in dealing with the petitions of the subsidiary companies. They have no responsibility for the Central Maine Power Company, and we have ruled, in U. No. 243, that they must be considered separately.

This petitioner now urges that our reduction of their requests, $77,920.00 in all, consisting principally of amounts desired for current assets such as materials and supplies and accounts receivable, places a greater burden upon it as owner and manager of all of these companies. It stands in the position of banker to them, and if they may not issue capital to provide them with such assets to meet all extraordinary demands, it should be prepared to assist them accordingly. It, therefore, now asks for more than $165,000.00, in order to meet this additional responsibility.

This claim is not unreasonable, nor inconsistent with our ruling in U. No. 243. It is obvious, however, that the banker who can divert these funds from one client to another as they are needed will require less than the sum of the several amounts necessary to meet their respective maximum needs. We shall allow $200,000.00 under this title.

DEBT DISCOUNT AND EXPENSE.

The petitioner asks for authority to issue $82,734.35 in securities nominally against its Debt Discount and Expense account; really against the amount of money invested in additions to plant between the dates covered in this petition, the

amount by which previous issues of bonds against such additions failed to net the full sum of the expenditures by virtue of which they were issued. The table previously stated, showing charges to plant amounting to $2,659,387.68 and credits amounting to $2,635,104.30, states the bonds at par. Said sum of $82,734.35 represents the difference between the face value of the securities issued and the net amount realized from them, less so much as has since been amortized. It is an expenditure for plant which has not been funded through the issue of stocks and bonds.

The sums which we have already expressed a purpose to authorize and the Rice Rips item to be considered later will net the petitioner $595,543.66, which is approximately the maximum amount asked for in this petition. It would not be necessary to consider the item now under discussion except that the petitioner wishes to know what it may expect for future needs.

There is no technical objection to granting this request if it becomes necessary. It is an issue of securities against investment in plant, and is consistent with our present treatment of the other items. The discount will continue to be amortized, and when the bonds are paid, the corporation will have the funds produced through the amortization process to offset the securities issued in the meantime to replenish the treasury against that discount.

It was expected by the Commission when the previous issues of bonds were authorized, that the discount would be provided for from other sources; and this has so far been done and except for present abnormal conditions would continue to be. We appreciate these conditions and the burdens they place upon corporations—especially the necessity of avoiding obligations which may be called at the most inopportune times. We recognize the right of the petitioner to ask, in advance, what it may depend upon. If it requires sums in excess of the amount asked for in the present petition and now to be granted, it may present a supplementary petition for an allowance against so much of the unamortized investment represented by this title as we may find it proper to make.

4. RICE RIPS DEVELOPMENT.

Petitioner asks for present allowance of $100,000.00 to be used in developing its water power at Rice Rips, in Oakland. This will be granted.

SUMMARY.

It is found that the petitioner is entitled to receive from the issue of bonds and preferred stock the following sums:

1. To purchase the capital stock of subsidiary companies	$145,580 00
2. To retire Kennebec Light and Heat Company bonds	104,500 00
3. To reimburse its treasury for divers expenditures and to provide additional working capital	245,463 66
4. For Rice Rips development	100,000 00
Total	$595,543 66

It proposes to sell $418,000.00 of mortgage bonds at 83, which will net $346,940.00. The balance, $248,603.66, will be procured from the issue of preferred stock at par. The petitioner already has orders issued on its petition in U. No. 199 on which it is entitled to issue preferred stock to the amount of $25,200.00 in excess of that outstanding October 31, 1917, and a like sum will be deducted from the foregoing figures in making the following order.

Since the original hearing on this petition, and while it has been pending for petitioner to be heard further on certain phases of it, a preliminary order, dated January 8, 1918, was made authorizing the issue of said bonds, as aforesaid, the disposition of the proceeds to be provided for in this order.

It is now

ORDERED, ADJUDGED AND DECREED

1. That the sum of the capital to be secured from the issue of the stocks and bonds hereinafter authorized is required in good faith for purposes enumerated in section 37, chapter 55, revised statutes;

2. That the Central Maine Power Company be, and it hereby is, authorized to purchase forty (40) shares of the capital stock of the Wiscasset Electric Light and Power Company, of the par value of ten (10) dollars per share, at fifteen (15) dollars per share; six hundred (600) shares of the capital stock of the Penobscot Bay Electric Company, of the par value of one hundred (100) dollars per share, at one hundred thirty-three and one-third (133.33-1-3) dollars per share; five hundred and forty-seven (547) shares of the capital stock of the Bath and Brunswick Light and Power Company, of the par value of one hundred (100) dollars per share, at par; twenty-three (23) shares of the capital stock of the Waldoboro Water and Electric Light and Power Company, of the par value of one hundred (100) dollars per share, at par; forty (40) shares of the capital stock of the Hartland Electric Light and Power Company, of the par value of fifty (50) dollars per share, at par; and six hundred and fifty (650) shares of the capital stock of the Newport Light and Power Company, of the par value of ten (10) dollars per share, at nine dollars and twenty cents ($9.20) per share, all certificates of stock so purchased to be deposited forthwith with the trustee named in the mortgage securing this petitioner's first mortgage bonds due November 1, 1939, as additional security therefor;

3. That said Central Maine Power Company be, and it hereby is, authorized to issue twenty-two hundred and thirty-four (2,234) shares of its seven (7) per cent preferred capital stock, of the par value of one hundred (100) dollars per share, at par and accrued dividend. The proceeds from said issues of stocks and the mortgage bonds authorized under the aforesaid preliminary order dated January 8, 1918, and of preferred stock now or hereafter issued under our orders in U. No. 199 and not already specifically appropriated, shall be applied (1) to payment for the stocks to be purchased under authority of the next preceding paragraph in this order, (2) to the payment of the principal of the mortgage bonds of the Kennebec Light and Heat Company due February 1, 1918, of the aggregate par value of one hundred and four thousand five hundred (104,500) dollars, (3) to reimburse the treasury of the Central Maine Power Company for all expenditures (not hitherto or herein otherwise provided for through the issue of securities) for

acquisitions, additions, improvements and betterments to property, including additions to working capital, between February 28, 1913, and October 31, 1917, and for necessary additional working capital, and (4) toward the cost of development of petitioner's water power at Rice Rips, in the town of Oakland, the amount set aside for and devoted to said development to be not less than one hundred thousand (100,000) dollars;

4. That said Central Maine Power Company report to this Commission in detail, supported by the affidavit of one of its principal officers, its doings hereunder within sixty days from this date, and thereafter if and as ordered.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CUMBERLAND COUNTY POWER AND LIGHT COMPANY. ADVANCED PASSENGER RATES. F. C. No. 146.

RATES—DISCRIMINATION—The granting of 20-ticket books by a street railway, good without restriction, at seven and one-half cents per ticket, while ten cents is charged for regular tickets, is unjustly discriminatory, under the circumstances of this case.

RATES—MUNICIPAL ORDINANCE—An attempted regulation of rates to be charged by a street railway, incorporated in an ordinance granting street locations, without express statutory authority, is void under the Public Utilities Act.

January 28, 1918.

Appearances: William M. Bradley for Cumberland County Power and Light Company; Frank P. Pride, City Solicitor, for the city of Westbrook; L. M. Sanborn, Esq., for certain other remonstrants.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

The Cumberland County Power and Light Company, lessee of the Portland Railroad Company, also hereinafter called the Proponent, filed with this Commission, to become effective January 6, 1918, M. P. U. C. No. 1, Sheet 1, Second Revision, being an amendment to its schedule of passenger rates then in effect, which constituted a withdrawal of its 20 ride tickets, or books of tickets, good for a continuous passage through two contiguous zones, on certain lines of its railroad, for seven and one-half cents per ticket.

The city of Westbrook, through its municipal officers, December 18, 1917, filed a formal protest against the withdrawal of said tickets, alleging that it would be in violation of a certain contract between the Portland Railroad Company and the city of Westbrook, whereby the former bound itself, in

consideration of the receipt of certain track rights in the streets of Westbrook, to sell said tickets or books.

It appearing that the proposed change in rates affected several lines of Proponent's street railroad system, this Commission ordered a general investigation as to the propriety thereof and held a public hearing at Portland, January 2, 1918. Notice was given by personal service on the mayor of Westbrook and by publication in the Portland Express.

No persons appeared in opposition to the proposed change except the representatives of the city of Westbrook, who, without conceding that the increase to be provided through said change was otherwise justifiable, based their opposition on the aforesaid agreement, which will be more fully explained later. Evidence was offered to show the necessity for the increase, and the evidence presented December 12, 1917, in re Gilmore et als vs. Cumberland County Power and Light Company, F. C. No. 51, was expressly made part of this case.

After this hearing was completed the operation of said schedule was suspended until February 1, 1918, to give time to complete the investigation.

At the request of patrons of the Yarmouth line, January 19, 1918, the Commission ordered the case reassigned for further hearing, at Portland, January 24, 1918, when persons interested in other than the Westbrook line might have an opportunity to show why any order approving any part of the increase, or the increase as to any part of Proponent's system, should not extend to their respective lines, and notice of said rehearing was given by publication.

The Yarmouth committee was represented at the second hearing by L. M. Sanborn, Esq., of Portland, who stated that these remonstrants were not prepared to present any evidence on the issue then open to them. No other divisons affected by the proposed change appeared, and the case was closed without taking further testimony.

THE ISSUE.

All persons having been given an opportunity to be heard and the investigation having been completed, the case will now be considered in relation to the system as a whole, and in relation

to the Westbrook division which claims rights not enjoyed by the other divisions.

The Proponent has six divisions or lines radiating out of Portland: the Westbrook, the Yarmouth, the Cape Cottage, the Riverton, the Saco, and the Portland Heights. The rate which is to be cancelled by the withdrawal of the 20-ride ticket applies to the first four lines named; the last two lines have no special concessions.

Under this arrangement 20-ride tickets are bought for $1.50, each ticket being good for a continuous ride between Monument Square, in Portland, and any point, or some named point, in the second 5-cent zone from that square,—in effect, a 10-cent ride—with full transfer privileges over the city lines for a passenger coming toward Monument Square. A person riding a like distance over either of these four lines without such a ticket, or a person riding in any part of the same number of 5-cent zones on either of the other two lines, must pay ten cents.

The Proponent claimed that the change is justified by the pressing need of additional revenue and because the present practice is discriminatory against the two lines which are not subject to it.

In support of the first claim it offered the testimony of George E. Haggas, a valuation engineer, who has made a valuation of Proponent's railroad properties, as of July 1, 1917, his work extending over a period of nearly two years from late in 1915. He had embodied the results of his labors in a very exhaustive report dealing at length with his methods and his conclusions. Copy of this report had been furnished the mayor of Westbrook long before the present investigation was instituted.

Mr. Haggas found the cost of reproduction new of the physical property in the railroad department, including stores, supplies and working capital, to be $7,501,266, as of July 1, 1917, and said cost less depreciation $6,370,802. He added, as non-physical property, 15% of the former sum, making $8,601,964 and $7,471,500, respectively. This addition was intended to represent the value of the attached business; or the excess over the bare physical plant by reason of the developed business; or that element which is added by reason of its being a successful going concern.

There was expended on the railroad property in addition and betterments, from July 1, 1917, to November 30, 1917, $34,223. This gives the following results as found by Mr. Haggas, as of November 30, 1917:

	Cost of Reproduction new.	Same less depreciation.
Physical property	$7,535,489	$6,405,025
Non-Physical Property	1,100,698	1,100,698
Total	$8,636,187	$7,505,723

The figures for expenditures since July 1, 1917, are furnished by Mr. Haggas, and the testimony is not clear as to whether, in his opinion, 15% should be added for them also. We have not included 15% of that sum in the foregoing statement.

The railway operating revenues and expenses for the 12 months ending November 30, 1917, were:

Gross Revenue	$1,181,703 09
Operating Expenses	956,689 90
Net	$225,013 19

Mr. Haggas shows that this afforded a return of only 2.61% on $8,636,187, which he terms the investment as of November 30, 1917.

EXTRAORDINARY EXPENSES.

The remonstrants, without questioning Mr. Haggas' methods or conclusions, pointed out that there were certain extraordinary expenditures during the year under consideration which affected the net earnings. These consisted of cost of this valuation and cost of strike in July, 1916, expense of which was amortized over the year ending June 30, 1917.

The testimony shows that $12,058 of the strike expense was charged off during the 12 months under consideration and that the valuation during 1916-17 cost $10,000 to $12,000, or about $1,000 a month—no attempt was made to get the exact figures. This valuation was completed sometime before October 1, 1917, so that this estimate could not fix more than $10,000 of the cost in the year ending November 30, 1917. If we assume that

both of these sums should be segregated in order to get the true normal results of operations for that twelve months, we would add $22,058 to $225,013.19 making $247,071.19 net income.

If, now, instead of taking as a base Mr. Haggas's Investment figures, $8,636,187, we take his estimate of depreciated cost, $7,505,723, and deduct his total claim of $1,100,698 for intangible property value, in other words, if we take $6,405,025 as a base, and $247,071.19 as net income, the rate of return is 3.85%,—and this is the most unfavorable light to Proponent that the evidence will permit.

During the same period 583,477 of the 7½ cent tickets were used. If regular rates had been paid for the rides represented by these tickets, the revenue would have been increased $14,586.92. Adding that sum to the net revenue above assumed by us would give a total of $261,658.11, which would be a return of 4.08%.

We are not expressing any opinion of the non-physical value claimed by Mr. Haggas, nor ruling upon the correctness of his valuation, but a further reduction of 33 1-3% in that valuation —and assumption of all of the other conditions above stated against the Proponent would still result in a return of only about six per cent.

Unless conditions existing in 1916-17 are less favorable than may be expected in the immediate present and future there can be no doubt of the need of the additional revenue which the new schedule will provide. The evidence shows, and our observation and experience demonstrates, that costs of operation of such utilities are mounting much faster than revenues from normal operations on fixed rates are increasing.

DISCRIMINATION BETWEEN LINES.

It is not necessary to consider at length the claim that the present rates are unjustly discriminatory as between different lines. The mere fact that a person may ride a given distance on one line at a less rate than on another is not conclusive. See Peaslee vs. Cumberland County Power & Light Company, P. U. R. 1915 B. 594; Me. P. U. C. Rep. 1916, page 92.

There is, however, a strong presumption that, where the lines radiate from the same center under conditions otherwise

so much alike as in the present case, there is a degree of discrimination which ought not to be tolerated, and which could not have existed in the Peaslee Case.

While this feature was not suggested, we are more impressed with the apparent discrimination between passengers on the same line, and this point will be noted in connection with the Westbrook case.

The proposed increase is justifiable unless there are special reasons for the exemption of one or more of the lines from it.

THE WESTBROOK LINE.

The case presents anomalous situation so far as Westbrook is concerned. There is now pending, awaiting further action by the complainants, the Gilmore case, already referred to, in which the complainants ask for a 5-cent fare for the entire distance over which the 7½ cent coupon now carries a passenger. The 5-cent case, so-called, was prosecuted by individuals and the board of trade, while the remonstrants in this case are the municipal officers, but there are indications that the two groups are in harmony with each other.

If the present case were decided on the adequacy of the return from traffic on the Westbrook line as distinguished from other lines, it might result in prejudging the 5-cent case. Perhaps to avoid this, these remonstrants practically confined themselves to their rights under their contract, and we shall construe their conduct of the hearing as a suggestion that they do not wish to have the ground covered in the 5-cent case encroached upon in this decision.

We shall not now inquire whether the traffic conditions on the Westbrook line are so much more favorable than those of the system as a whole that it ought to be excepted from any general rate, or ought to enjoy a lower rate for a similar haul.

PORTLAND RAILROAD CHARTER.

The Portland Railroad Company was incorporated as the Portland and Forest Avenue Railroad Company, under chapter 457, Private and Special Laws of 1860, to construct and maintain a railroad in Portland, "to the boundary line between said city and the town of Westbrook, and thence over and upon such streets, town and county roads in said Westbrook as from

time to time may be fixed and determined by the municipal officers of said town, and assented to in writing by said corporation, to some point at or near the entrance to Evergreen Cemetery, and thence to such other point or points in said Westbrook, as may in like manner from time to time be fixed and determined by the municipal officers of said town, and assented to in writing by said corporation; * * * provided, however, that all tracks of said railroad shall be laid at such distances from the sidewalk of said city of Portland and town of Westbrook, as the municipal officers thereof, respectively, shall in their order fixing the routes of said railroad determine to be for public safety and convenience."

The same section further provides, inter alia:

"Said corporation shall have power from time to time to fix such rates of compensation for transporting persons or property, as it may think expedient, and generally shall have all the powers and be subject to all the liabilities of corporations, as set forth in the forty-sixth chapter of the revised statutes. Rails shall not be laid down in said city or town without the assent of the municipal officers thereof, respectively."

Section 2 of the charter provided: "The municipal officers of said city of Portland and of said town of Westbrook, respectively, shall have power at all times to make all such regulations, as to the rate of speed and removal of snow and ice from the streets, roads and highways of said company at its expense, and mode of use of the track of said railroad within said city or town, as the public convenience and safety require."

Section 3 required the corporation to repair that portion of the streets occupied by its tracks, and to "make all other repairs of said streets or roads, which in the opinion of the municipal officers of said city or town respectively may be rendered necessary," etc.

Section 7. "Said railroad shall be constructed and maintained in such form and manner, and with such rail, and upon such grade as the municipal officers of said city of Portland and of said town of Westbrook respectively, shall from time to time prescribe and direct."

Section 8 provides that the proper authorities of the city or town may take up the streets or roads occupied by the railroad "for any purpose for which they may now lawfully take up the same."

Chapter 509, Private and Special Laws of 1865, authorized the corporation to operate its road in Westbrook with dummy engines, "with the consent of the municipal officers thereof."

Chapter 439, Private and Special Laws of 1889, authorized the use of electricity, "with the consent of the municipal officers of said towns, * * * and subject to such conditions and regulations as they may impose."

Chapter 256, Private and Special Laws of 1901, approved February 14, 1901, authorized the Portland Railroad Company, "to acquire by lease, purchase of stock or otherwise, the street railroads, franchises and all other assets of the Portland and Yarmouth Electric Railway Company and of the Westbrook, Windham and Naples Railway Company, respectively, * * * and to operate said street railroads, when acquired, * * * as a part of its street railroad system."

THE WESTBROOK ORDINANCE.

The case does not show under what conditions the location generally in Westbrook was approved, and no conditions attached to such approval are relied upon in this case. It does show that the locations are limited as to time and that the last location, except as stated below, has expired, cars now being operated over all of Proponent's tracks except the four feet hereinafter mentioned without any municipal authority.

Pursuant to Chapter 256, 1901, aforesaid, the Portland Railroad Company acquired the Westbrook, Windham and Naples Railway Company and sought to make a physical connection with its railroad track in the city of Westbrook. The tracks of the two railroad companies came within four feet of each other and it was necessary to secure approval of a location over that four-foot piece of street.

While application for such approval was pending, before the municipal officers, the latter demanded special concessions in passenger fares, and had several interviews with representatives of the corporation. Finally, an ordinance, chapter 45, was passed, approved July 26, 1901, "granting permission to the Portland Railroad Company to connect its tracks with those of the Westbrook, Windham and Naples Railway Company, specifying where the connection should be made, the kind of rails to be used, the manner of repairing and paving the street, and other changes and improvements in the streets.

The ordinance concluded: "Provided also that other concessions be granted as has been agreeed." The city of Westbrook now claims a perpetual right to these 20-ride tickets under this provision, and their case in the present investigation is staked on its meaning and effect.

No part of the agreement embodying these concessions was reduced to writing. Mr. Alexander Spiers and Mr. Pride, who were members of the board of aldermen and of the committee which had the negotiations in charge, testified at the hearing. The Proponent offered no evidence touching this point, its representatives in these negotiations having since deceased.

Mr. Spiers, after describing certain things that were to be done for the improvement of the streets, testified:

Q. What else were they to do?

A. Give 20-ride tickets for $1.50 without any conditions. They had a small car that they used as a trailer, and it was without heat and was not very agreeable to use, and there was considerable complaint about it. They agreed to take off those trailers; they also agreed to give Westbrook better service and this $7\frac{1}{2}$ cent ticket should be the same as a 10-cent piece, be the same as if you paid a 10-cent fare.

Q. As to transfers?

A. As to everything.

Q. As to transfers was it stated?

A. I can't remember about the transfer part of it.

Mr. Pride testified that Messrs. Newman and Libby stated that Proponent would perform the things expressly enumerated in the ordinance, and that they "would also give us a 20-ride book for $1.50 which could be used by any person, at any time, and with a right of transfers. They objected to that being incorporated in the ordinance specifically and stated certain reasons one I can recall, that they would have some difficulty in arranging for the use of this book and transfers from other lines, which would have to be worked out and would take some time but would be done."

The testimony shows that the substance of these assurances was reported to the city council before the passage of the ordinance and that the provision quoted above was intended to incorporate them in it. Proponent, soon after, constructed its track over the new location, did the other things specially men-

tioned in the ordinance, and issued the 20-ride books for $1.50, which have since been in use as already stated.

We find from the testimony and the admitted practice of the corporation, for the purposes of this case, that the provision of the ordinance in question was intended to attach to the approval of location a reguluation of the rates to be charged by Proponent for the carriage of passengers, to wit: a regulation that Proponent should issue and sell to all persons 20-ride books of tickets for $1.50 per book, or 7½ cents per ticket, said tickets to be good for a continuous ride through two 5-cent zones, and unlimited as to time and as to persons using the same—that is, the book and unused tickets or coupons in it would be good in the hands of bearer.

The ordinance was "assented to in writing," as provided in Proponent's charter, and the intention of the city council in inserting the reference to "other concessions" was then understood to be to restrict Proponent's passenger rates as aforesaid. No formal, or other contract was ever made.

PRACTICE UNJUSTLY DISCRIMINATORY.

While Proponent's attorney claimed, at the hearing that it was not so intended, the evidence as it stands, and we are governed by that, indicates that these books were to be good for twenty rides without any limitation as to ownership or time of use. As Mr. Spiers testified, "this 7½ cent ticket should be the same as a 10-cent piece."

With this view of it—and the evidence warrants no other—the practice is unjustly discriminatory. It is not limited to those who travel frequently; nor within specified hours; nor to a named purchaser so that the utility is assured of the use of the purchase money even until the purchaser uses the tickets. It has none of the character of the commuters' ticket.

The 7½ cent ticket is "the same as a 10-cent piece." That is all there is to it; unless we consider the trouble which the passenger is put to to provide himself with the ticket. And the mere imposition of inconvenience upon the patron, without any consequent advantage to the utility, never can justify a discrimination.

Carriers have been permitted to issue strip tickets and books of tickets at reduced rates, good without limitation, but this is

justifiable only at such reduction as would reasonably favor a frequent traveller without sufficient margin to encourage traffic in such tickets by the purchasers, or their habitual transfer. We know of no case where a reduction anywhere approaching 25% has been indulged.

Where, in the case of any two persons travelling together, between the same points, ten cents is exacted of one and the other may pass at an expense of seven and one-half cents, for the sole reason that the latter has been to additional inconvenience that did not result in some other approximately equivalent benefit to the carrier, discrimination results for which no adequate reason can be given, and which, therefore, is unjust because unjustifiable. Imposing burdens upon the carried without any probable benefit to the carrier does not compensate for concessions which cannot be enjoyed without performing such useless burdens.

Grant of the right to use the municipality's streets does not help, because the municipality did not secure the concession for all who have occasion to use them in this manner; only for those who assume this extra burden. If the issue were one of discrimination between the patrons of this and other lines, there might be force in such a suggestion. Not as between different patrons of this line.

A distinction between those who pay seven and one-half cents and those who pay ten cents for the same service which is not based on some substantially equivalent benefit to the utility, nor upon any substantial public consideration, is an arbitrary distinction, and, unless beyond the power of the State to regulate, ought not to stand.

Unless the traffic on the Westbrook division justifies treatment different from that accorded other patrons of the Portland Railroad Company—and that is not suggested in this case—there is no reason, on the merits of the case, for excepting it from rules applying to the whole system. Technically the consideration for the alleged contract was the right to lay a connecting track through four feet of street, already dedicated to the public use, so that through service might be had instead of compelling passengers to transfer across this strip of street. In fact, it was an attempt to accomplish by indirection what the city knew it had no power to do directly to regulate rates.

It does not necessarily follow from the finding that the 20-ride books issued in conformity with the Westbrook contract were unjustly discriminatory that those now intended to be withdrawn offend in the same respect, because the latter are sold under restrictions that did not attach to the former. Neither is it entirely clear that the claim of the city of Westbrook is involved in this case, because it may be that if its contract is now valid its breach occurred when the present regulations governing such books were established, and that the withdrawal of these books, if now permitted, would only abolish what Proponent had no right to establish so far as Westbrook is concerned.

The case has, however, been submitted by both parties without any such suggestion, and having now stated the premises we prefer to treat the issue broadly. It is likely to have to be so treated finally and in some form in any event.

THE ORDINANCE DOES NOT OUST STATE.

Is the State's power of regulation abridged by the alleged arrangement under which Proponent's location was approved? We think that it is not.

"The State has plenary power to regulate all quasi-public corporations, after as well as before their organization, in the exercise of their public functions; this power may be delegated to municipalities either by charter or general law," 28 Cyc. 851.

Unless there is an express delegation of the power to a municipality to regulate rates it remains vested in the State, which may exercise it at any time. Home Telephone and Telegraph Company vs. Los Angeles, 211 U. S. 265.

In the case before us there is no claim that the State expressly authorized the city of Westbrook to regulate the rates to be charged by this railroad company. The conduct of protracted negotiations by the municipality indicated that no such power was claimed. Otherwise, the city council might have fixed its 5-cent rate without any negotiation.

The city bases its claim on the alleged contract, which, it says, was not affected by the Public Utilities Act.

"It may be suggested that it must first be made manifest that there was a valid contract capable of enforcement before it can be urged that subsequent changes in the law impair its obliga-

tion. New Orleans vs. New Orleans Waterworks Company, 142 U. S. 79, 88," Ills. P. U. C. in Re Polo Mutual Telephone Company, P. U. R. 1916, B, 321, which contains an able analysis of the law on this subject.

"Like other corporations they (municipalities) have no powers that are not either expressly granted or necessarily implied from such as are granted, to enable them to discharge the special functions for which they were created and such duties as are by law imposed upon them. They have no inherent right of legislation like that of the State, but act only by a delegated power which must be measured by the terms of the grant." Alley vs. Edgecomb, 53 Me. 446, 448.

"The general doctrine is, that towns must be confined to the exercise of the powers and performance of the duties conferred by legislative acts. They have no inherent powers beyond those granted by such acts." Winchester vs. Corinna, 55 Me. 13.

A municipal corporation has only such powers as are conferred by statute or by necessary implication. Phillips Village Corp. vs. Water Co. 104 Me. 103.

The power to regulate such rates was not conferred upon Westbrook, either by general or by special act, and is not claimed as a necessary or implied municipal function. If the municipality cannot directly regulate the rates through any necessary or implied function, there can be no such function which will enable it to accomplish the same result by agreement, where neither party is authorized to contract with reference to the subject matter, at least, not beyond the power of the State to act when it chooses to exercise its auhority.

In this case there is more than the failure to confer authority to regulate or to contract. The State has, by general statute, expressly named the matters in respect to which municipal corporations may make by-laws or ordinances and may enter into valid contracts. Unless the subject matter of this alleged agreement is within the list of those especially enumerated, or of those things which a municipality must do in the general exercise of its functions, it must be regarded as excluded. And the regulation of street railroad rates is not so included.

The force of the special legislation is even more fatal to the city's contention. There is nothing in the railroad charter to vary the effect of the general law.

This charter, as already quoted, specifies what the municipal officers might do. They could fix and determine the streets over which Proponent might construct and maintain its railroad; specify the distances at which tracks might be laid from the sidewalks; assent, or refuse to assent, to the laying down of rails in the town, make "regulations, as to the rate of speed and removal of snow and ice * * * and mode of use of the tracks;" determine the necessity of repairs in the streets which Proponent should make; specify the form and manner of construction and maintenance, the kind of rail and the grade; and take up the streets and roads occupied by the railroad "for any purposes for which they may now legally take up the same."

It provides that the railroad company "shall have power from time to time, to fix such rates of compensation for transporting persons or property, as it may think expedient."

Thus the municipality was given full control over those things which pertained to the manner and condition of the use of the streets and affected the safe and convenient use thereof by the public generally; and the corporation was given full control over its rates. Each was excluded by necessary implication from the exercise of those powers which were conferred upon the other.

It is uniformly held that a charter authorizing a public utility to establish rates does not preclude the State from subsequently exercising its inherent right to regulate such rates. The very great weight of authority is that the subsequent exercise of such right is not defeated by contracts lawfully entered into between the public utility and a customer or a municipality before the State undertakes to exercise the right. Re Augusta Water District, Me. P. U. C. Rep. 1916, page 183, P. U. R. 1916 E, 31; Raymond Lumber Company vs. Raymond Light & Water Company, Wash. 159 P. U. C. 133, P. U. R. 1916 F. 437.

Such contracts may be expressly excepted from the operation of a regulatory act, and some are so excepted by the Public Utilities Act of this State; but only such as were legally entered into, C. 55, Sec. 34, revised statutes.

In the case before us, neither party was authorized to contract with relation to rates; the right to establish them was conferred only upon the corporation; the corporation could not, unless expressly authorized, divest itself of that right.

Even if this agreement constituted, for the time, a legal fixing of this particular rate within the power conferred upon the corporation, it had no power to fix it in such manner as to withdraw jurisdiction over it from the State,—even if the phrase, "from time to time," in the charter did not prevent the corporation from establishing any rate in any manner, for all time.

"* * * it has been uniformly held in this court that the renunciation of a sovereign right of this character must be evidenced by terms so clear and unequivocal as to permit of no doubt as to their proper construction." Milwaukee, etc. Co. vs. R. R. Com. 238 U. S. 174, in which it was held that an attempt of the city of Milwaukee to regulate the rates of an electric railway company by the ordinance approving its location was ineffective against an order of the State railroad Commission in fixing or approving different rates.

If it be suggested that the municipality, through its custody over the streets, had any implied power to impose such conditions governing their use, it has been held that a city is not authorized, under the "general welfare clause," in the exercise of its police power, to pass an ordinance regulating the charges of a telephone company, nor does its power to regulate the use of its streets carry with it, expressly or by implication, the power to fix such charges. St. Louis vs. Bell Telephone Co., 96 Mo. 623; 9 Am. St. Rep. 370. See 15 Am. & Eng. Ency. of Law, 1192.

And: "The authority to make use of the public streets of a city for railroad purposes primarily resides in the state. The city authorities have no power to grant the right except in so far as they may be authorized by the legislature and then only in the manner and upon the conditions prescribed by the statute." Beckman vs. Third Ave. R. Co., 153 N. Y. 144. "Municipalities have no right to impose conditions in franchises other than those which the statute gives them the power to exact." N. Y. P. S. Comm. 2nd Dist., Re. Huntington R. Co., P. U. R. 1918 K, 249.

It has been claimed that even if the contract was not within the legal rights of the parties to make, the corporation received and now enjoys the benefit of it and is estopped by it. Whether the acceptance of a location which it had a right to demand

from a municipality which granted it only by virtue of authority expressly granted and expressly limited by that purpose—in effect, a conduit through which it was granted by the State—coupled with conditions which the city claims no express authority to impose, and which were separable from the full enjoyment of the right, surrounded with restrictions with respect to things which were delegated to the municipality, whether the acceptance and use of a location so granted makes those conditions enforceable even between the parties, is debatable at least.

When, however, the State reclaimed control over its public utilities, Ch. 129, Public Laws of 1913, it undertook to regulate all rates. It reclaimed its inherent authority to fix the rates for all of their activities. It made every departure from regular rates unlawful except in specifically named classes. One of these was the case of contracts in existence Jan. 1, 1913.

This must be presumed to have referred to lawful contracts, contracts which the parties had a legal right to enter into. It is not to be presumed that the State intended, without expressly so stating, to relinquish its right whereon party, by ultra vires acts, had estopped itself from the free exercise of a governmental function which the State had delegated to it and had a right to recall; that the party by its ultra vires act could remove from the State a power which it could not relinquish by its lawful act.

The remonstrants have cited Westwood vs. Dedham, etc. St. Ry. Company, 2-9 Mass. 213, in support of the contention that "acceptance of the franchise and its agreement (here full performance) to observe its conditions, makes a valid contract."

The Westwood case expressly disclaims such an opinion on a statement of facts more favorable to Westbrook than those existing in the present case; and the rulings of the Massachusetts Supreme Court, cited with approval in the Westwood case, are fatal to remonstrants' position in this case, if adopted as law in this State.

In that case, the selectmen of Westwood brought equity proceeding to prevent the street railroad from exceeding a maximum fare which had been fixed in the ordinance approving the location, where the location had been accepted in writing, "subject to all conditions therein contained." The ordinance

was enacted under a law that the municipal officers, upon petition for approval of a location, "shall pass an order refusing such location, or granting the same or any portion thereof under such restrictions as they deem the interests of the public may require." The street railway company could not complete its corporate organization until it had first filed its petition for approval of location, received its approval as aforesaid, and accepted the same in writing. The court held that such an approval "became as binding upon the corporation as if inserted in a special charter of incorporation."

The court, in that decision, referred to Keefe vs. Lexington, etc. Ry. 185 Mass. 183, and Wellesley vs. Boston and Worcester St. Ry. 188 Mass. 250, pointing out that they "are not inconsistent with this view," because they arose under a later statute, "which among other matters marked a change in the policy of the legislature upon the subject of fares and deprived local boards of the power to regulate fares theretofore possessed by them."

The later statute referred to provided that, "if, after a hearing, they (the municipal officers) are of the opinion that public necessity and convenience so require, they shall grant said location or any portion thereof, and may prescribe how the tracks shall be laid and the kind of rails, poles, wires and other appliances which shall be used, and impose such other terms, conditions and obligations in addition to the general provisions of law governing such companies as the public interest may in their judgment require." The Court held, in Keefe vs. Lexington and Boston St. Ry. Co., supra, that, the State having made other provisions in regard to rates, the omnibus power conferred in the above statute did not extend to the regulation of rates. "The conditions which may be imposed in granting a location are of a different character, and do not include those for which special provision is made in other parts of the statute. (Case cited.) With street railways extending long distances and passing through numerous cities and towns, it would be unwise and inexpedient to permit each town to fix the fares within its boundaries, as a condition of granting a location.

"The acceptance by the defendant of the location granted by these towns did not make valid these conditions as to fares which the towns could not legally impose, *nor did it make a con-*

tract as to fares between the corporation and the selectmen, or the town. The defendant might, therefore, at least prescribe for its passengers the payment of any fare which was reasonable."

Conditions sought to be imposed which "wholly transcended the scope of the authority of the officers to impose, doubtless" could not be enforced. "The general doctrine is that the location would be held to be valid, the attempt to impose an unlawful restriction being a mere nullity." Clinton vs. Worcester Cons. St. Ry. 199 Mass. 279, 285.

The laws of this State, when the Westbrook location was approved, contained no general provision for the regulation of rates, but the power, as to this corporation, had been expressly conferred upon its directors through its charter; and subsequent general legislation, in force in 1901, placed the management of such corporations generally in the directors. Express reservations were made to the municipal officers in the charter, as already noted, and in the general law in almost identically the same terms, except that the right of appeal was added. Nowhere, either in the charter or the general law, was there conferred upon the municipality any power in general terms equivalent to those in the above quotation from the Massachusetts statute.

And if such general power as to things not specially provided for by the statute were capable of being assumed by the towns by implication, it could not more extend to the matter of rates than in the Massachusetts case, because this power was expressly delegated to the corporation by the State. The corporation might surrender it to the State; the State might recall it. The corporation could not delegate it to any other body.

Proponent claims that the limitation fixed in the ordinance could, at most, continue effective only during the life of the franchise under which it operated its railroad in Westbrook that was to be connected by this short strip; and that franchise has expired. Remonstrants contend that, inasmuch as Proponent continues to operate its railroad over that location, without any new approval or limitation, the original conditions adhere. Neither party presents any citations in support of its contention, and we do not deem it necessary, in the view we take of the case, to pass upon this issue.

It should not be assumed that this ruling deprives the Westbrook division of any right through a technicality. Persons traveling over that line are entitled to reasonable rates taking the cost and the value of the service into consideration. In the present case they do not ask for a specific rate on the ground that it is reasonable, but solely upon the ground that the exigencies of the public utility, seventeen years ago led its officers to consent to this condition in order to get the right to drive its cars over a four-foot strip between the termini of two railroad tracks already existing in the same street, so that it could give the public better and more economical service,—and the reduced rate demanded was over a railroad already located and in operation.

Based on this ground, and it is the only one presented in this case, the contention that the Westbrook line should not be treated like the other divisions in providing a necessary increase in revenue is utterly inconsistent with every equitable consideration. If such a theory were allowed to prevail generally, interurban railroading would be attended by unseemly scrambles for advantage by the different municipalities through which the location passed, and the utmost confusion would prevail.

The legislature recognized this when, in 1860, it conferred upon each municipality full power to maintain the safe and convenient condition of its streets, and left the rates to one body, the corporation. It recognized it when the general street railroad law was enacted, still leaving jurisdiction over the streets to the several municipalities and that over rates to a single agency. It recognized it in enacting the Public Utilities Law, which simply reclaimed to itself and invested in a special governmental body jurisdiction over rates and efficiency of service without interfering with local control over the streets for the purposes and to the extent indicated.

It is our duty to see that each community and all patrons receive service at just rates, measured by the same general rules, and we do only this in declining to permit the cost of public service to be distributed in any other manner.

We do not find that the arrangement between Westbrook and the Portland Railroad Company is effective to oust the State from jurisdiction; or that the city of Westbrook contributed in return therefor any different or more valuable consideration

than the several other municipalities through which this system runs contributed; or that it is claimed, in this case, that any other reason exists for excepting the Westbrook division from the application of the general increase which has been found to be justifiable, on evidence which it disclaims any purpose to contest.

It is distinctly understood that the order in this case shall have no bearing upon any question at issue in Gilmore et als vs. Cumberland County Power and Light Company, aforesaid.

It is therefore,

ORDERED, ADJUDGED AND DECREED

That Passenger Schedule M. P. U. C. No. 1, Sheet 1, Second Revision, filed by the Cumberland County Power and Light Company to become effective January 6, 1918, and suspended by this Commission for investigation until February 1, 1918, become of full force and effect on said first day of February, 1918.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

A. M. CHASE ET ALS

VS.

YORK COUNTY POWER COMPANY.

F. C. NO. 114.

RATES—DISCRIMINATION—Where an electrical utility makes a minimum Charge of two dollars per month of all customers in a given class, a spread from 20 cents per K. W. H. for smaller consumers to 10 cents for the largest consumers is unjustly discriminatory under the circumstances shown in this case.

February 19, 1918.

Appearances: A. M. Chase, Chairman, and W. L. White, Secretary of special committee of town of Old Orchard; and Albert Armstrong for complainants. William M. Bradley, Esq., for respondent.

Cleaves, Chairman; Skelton, Commissioner.

This complaint, as finally amended, alleges that the rates charged by the respondent under Seasonal Rate E, in Old Orchard, are unreasonable. "This rate is for (electric) current * * * for all lighting purposes, domestic heating apparatus and appliances and motors 1 H. P. or less, when used in connection with a lighting installation." It is 20 cents per kilowatt hour for the first 100 kilowatt hours per month, 10 cents per kilowatt hour for all in excess, and a minimum charge of $2.00 per month.

"A Seasonal Customer shall be one taking service for four months or less per year, between June 1st and October 1st."

The foregoing quotations are from respondent's schedule of rates on file at this office.

Hearing was held at Old Orchard, June 5, 1917. No evidence of value was offered, or asked for; no claim was made

that respondent's rates generally are excessive, or that its total revenues afford more than a fair return on the investment.

The season of 1917 was begun when this hearing was held, and it was impossible with the paucity of information furnished and other matters before the Commission to complete necessary investigations in time to make a decision early enough to be of material value before the end of the season.

The York County Power Company is engaged in general lighting and power business. It generates some of its electricity and purchases some of the Cumberland County Power and Light Company. During the year next preceding the hearing nearly all of it was purchased. This is done under a contract with the Cumberland County Power and Light Company for its secondary power, which is ample when there is plenty of water to operate its power plants. It is necessary, however, for respondent to be ready to start its steam plant whenever the Cumberland County Power and Light Company's supply is required to meet its primary demands.

The respondent charges its year-around customers for current furnished under the same specifications as those governing Seasonal Rate E, 9¼ cents per kilowatt hour with a minimum charge of $12.00 per year. The only evidence that the rates complained of are excessive is their relation to the year-around rate for the same character of service, namely, 20 cents per kilowatt hour for the first 100 kilowatt hours per month, 10 cents for the excess, as compared with a single net rate of 9¼ cents.

The respondent undertakes to justify the higher summer, or seasonal rate by showing that it is obliged to meet a very much greater demand during the summer season, and is, therefore, put to great expense, due to that extraordinary demand alone, both by way of the usual fixed charges arising from larger plant and through labor and organization charges to care for the summer business, many of which must be maintained throughout the year in order to have an effective organization when it is needed.

To substantiate this, certain statistics relating to the Old Orchard district—Pine Point to Camp Ellis—were given for the year ending March 31, 1917. From them we glean the following:

Maximum kilowatt hours sold in any one month—August, 1916	61,463	K. W. H.
Minimum May, 1916	5,438	"
Maximum in any non-seasonal month—January, 1917	9,014	"
Maximum number of customers—August...	943	
Minimum number of customers—January...	285	
Maximum connected load—August........	1,071	"
Minimum connected load—January........	322	"
Approximate capacity to meet winter demand	50	"
Capacity maintained during summer........	440	"

None of these figures shows the exact relative capacity requirements; all of them together give a very satisfactory photograph of the situation.

The August output was about 6 2-3 times the highest non-seasonal output. It came at a time of shorter hours of use and consequently even higher ratio of peak demand to produce the aggregate quantity sold. Respondent's general superintendent estimated the seasonal demand to be about nine times the non-seasonal; and this is not inconsistent with the foregoing data.

The output to the territory affected by this Seasonal Rate E —Pine Point to York Harbor, of which the Old Orchard section is one of three districts—is very considerable; and if the cost per unit of the service, due to the distribution of capacity and organization expenses over a shorter period, is substantially greater than the cost per unit to twelve months per year customers, it must affect the whole cost of respondent's operations too seriously for it fairly to be absorbed in the charges to the year around customers.

In other words, it clearly is a case where the summer customer ought to bear the extra cost of serving them. We have already explained the principles which govern this apparent discrimination between seasonal and year-around customers so fully that we need not repeat them here. Reference is made to Colcord et als vs. Searsport Water Company, F. C. No. 35, M. P. U. C. 1916, p. 228; Ketterlinus et als vs. Bar Harbor,

etc. Company, F. C. No. 61, M. P. U. C. 1916, p. 244; Rich et als vs. Biddeford & Saco Water Company, F. C. No. 28, P. U. R. 1917 C, 982.

As we have said, the only evidence before us from which we can say whether the present Rate E is excessive consists of other rates charged by the same respondent, for service otherwise similar, in the same territory,—except that some additional light is furnished through the above statistics and some other testimony by the respondent. We can then, in deciding the issue, go little farther than respondent's own evidence justifies.

We have had a careful examination of the operating revenue accounts of the three districts constituting this summer section made by our accountants. We have made no engineering or valuation investigation because all of our engineering resources have been constantly devoted to matters in which the preliminary evidence appeared to disclose a more imperative need; and the abnormal conditions which have prevailed since this complaint was filed have made valuation work inadvisable where special conditions have not absolutely required it.

The case shows that the respondent is justified in charging a higher rate for seasonal service than for year-around service of the kind to which the challenged rate is applicable. We believe that it shows that the 20-cent rate is too high.

We must presume that 9¼ cents per kilowatt is high enough for the year-around customers—in any event, unless a general readjustment is necessary to absorb the loss caused by reducing any particular rate. In the same way, we must assume that the minimum charge of two dollars per month is adequate average compensation for standing ready to serve these customers and for the actual operating expense incident to delivering to them a less number of kilowatts than would exceed that cost at the unit prices.

Under the present schedule consumers pay 20 cents per kilowatt hour for the first 100 kilowatt hours per month, and ten cents for the excess. One large consumer under this rate paid an average for the season of 10.8 cents per kilowatt. Fifty-six consumers who used more than 100 kilowatt hours per month average 13.8 cents.

If, as the evidence indicates, there were but 56 customers who got the benefit of the 10-cent rate on the excess amount

used, the statistics offered by the respondent show that very generally it is a plain 20-cent rate.

The difference between the rates charged the large and the small users of the same class of service should depend principally upon the difference in the cost of the service. Any other method of measuring the difference results in placing too great a burden upon the army of small consumers; whose interests individually usually are too small to cause effective remonstrance.

If ten cents per kilowatt is sufficient for the excess over 100 kilowatts, if 13.8 cents per kilowatt is sufficient for the current sold to the larger consumers, if any consumer, no matter how large his consumption can be profitably furnished current, for use confined to these four months, at 10.8 cents, if the minimum rate of two dollars per month is continued, we think that twenty cents is too high a rate to charge for the lesser use. Between that and the customer who reached 10.8 cents the spread is almost 100%. Between that and the average rate enjoyed by the 56 larger summer consumers the spread is almost 50%, on top of almost another 50% from the year-around rate to this average rate of the 56 larger consumers.

If the respondent retains its minimum charge of two dollars per month, it will be protected against unreasonably unprofitable customers. If it receives a maximum rate of fifteen cents per kilowatt hour for service defined in Rate E, it will enjoy a spread over the year-around rate of about sixty per cent. This is as much as the evidence warrants.

Our investigation indicates that, based on the 1916 experience, reduction of five cents per kilowatt hour on the first 100 kilowatts would result in a decrease of approximately $6,073.75 for the entire territory affected by this rate, divided as follows:

Old Orchard district	$1,677 30
Kennebunkport district	1,507 25
York Harbor district	2,889 20
Total	$6,073 75

If it is necessary for the respondent to make up any part of this reduction by a readjustment of other rates—either a change in its rate for current used under Rate E in excess of 100

kilowatts per month, or otherwise—in order to secure a fair return on the value of its property, it may, of course, do so subject to the usual right of the public to be heard on complaint if aggrieved. We are only passing on the question before us, and do not wish the scope of our decision misunderstood by either side.

It is

ORDERED, ADJUDGED AND DECREED

1. That the rates, tolls and charges of the York County Power Company for current for all lighting purposes, domestic heating apparatus and appliances and motors 1 H. P. or less, when used in connection with a lighting installation under Seasonal Rate E of its Schedule of Rates for Electric Light, Heat and Power, issued April 25, 1916, effective May 5, 1916, now on file with this Commission, are excessive and unreasonable.

2. That said York County Power Company discontinue on June 1, 1918, its charge of 20 cents per kilowatt hour for any current sold or delivered within the specifications contained in said Seasonal Rate E, and in lieu thereof charge and receive such rate therefor, not exceeding fifteen cents per kilowatt hour, as it may publish and file with this Commission on or before May 1, 1918; provided, however, that it may continue its present minimum charge of two dollars per month.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CUMBERLAND COUNTY POWER AND LIGHT COMPANY; APPLICATION FOR APPROVAL OF CONTRACT WITH THE CITY OF PORTLAND.

C. No. 40.

CONTRACTS—ATTEMPT OF PUBLIC UTILITY AND MUNICIPALITY TO REGULATE RATES—The Commission has no right to delegate or to abdicate its authority to fix rates, and will not approve a stipulation in a contract between an electric company and a municipality naming a maximum rate to be charged for domestic service.

May 14, 1918.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

The Cumberland County Power and Light Company presents for approval contract with the city of Portland for municipal lighting for five years from the first day of April, 1918. The contract consists of two instruments, both dated May 7, 1918.

April 14, 1913, the same parties entered into a written contract for like service for five years ending April 1, 1918. That contract contained an option for renewal for an additional term of five years at the election of the municipality.

The parties now renew the contract of 1913 under that option, and execute a supplemental agreement to provide for certain changes upon which they are now engaged and which consist principally in bringing the written instrument up to conform to present improved standards of service.

The original contract contained a provision, paragraph TENTH, fixing the maximum price which the company might charge the citizens of Portland for electric current for lighting and for certain specified power service during its continuance. This is incorporated in the renewal and, by reference, reaffirmed in the supplemental agreement. Apart from this the contract appears to conform to the requirements of law and to be consistent with the principles heretofore laid down by this Commission regarding such agreements.

While the original contract was executed prior to the effective date of the Public Utilities Act, it was subsequent to January 1, 1913, and was never presented for approval under that Act as amended. Whether the city then had authority to contract in respect to rates for anything except municipal uses does not appear. Section 63, chapter 4, revised statutes, extends only to such uses, and our attention has not been called to any special enabling act.

However this may be, the Legislature of 1913 expressly conferred upon this Commission full jurisdiction over rates, and we doubt whether it is now competent for the parties to make any agreement with relation to such rates, with or without our consent. We are not authorized to delegate any part of our authority, and we cannot fix such rates without hearing all parties in interest—which would include other classes than those mentioned in the contract—nor even then in such manner as to preclude us from changing them if changed conditions require it.

The only question legitimately before us for immediate decision is whether the Company may obligate itself to furnish the city, for municipal purposes, the service specified, and the city to take and pay for the same as specified. We refer to the attempted regulation only that there may be no misapprehension of the force of our decision. We shall approve the present contract except as to said paragraph TENTH, which must stand or fall upon the extent of the right of the parties to contract with relation to future rates to be charged for such service without reference to this Commission.

It is

ORDERED, ADJUDGED AND DECREED

That the aforesaid contract between the Cumberland County Power and Light Company and the city of Portland for electric current for municipal purposes, evidenced by the two instruments aforesaid, except as to said paragraph TENTH, be, and the same hereby is, approved; approval being withheld from said paragraph TENTH without prejudice to whatever rights the parties may have, independent of this Commission, in the premises.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CUMBERLAND COUNTY POWER & LIGHT COMPANY, PROPOSED INCREASED PASSENGER RATES.

F. C. NO. 154.

STREET RAILROADS—RATES—MOTION TO DISMISS—In an investigation of the reasonableness of a proposed schedule of rates, where the burden of sustaining the same falls upon the proponent of the rates, a motion to reject the schedule on the conclusion of the proponent's case is treated like a motion for non-suit in a civil action, assuming the truth of the facts presented in evidence by the proponent.

STREET RAILROADS—RATES—SUFFICIENCY OF EVIDENCE—Where it appears on such evidence, that its present rates are not earning enough to pay taxes, interest on bonds, 5% interest on stock which represents rental paid by the operating company as lessee—the sum of the bonds and capital stock being shown to be less than the present value of the property—and operating expenses including depreciation, the proponent is entitled to some relief.

STREET RAILROADS—DEPRECIATION—A street railroad is entitled to earn enough, in addition to other charges, to make reasonable provision for accruing depreciation. The fact that it has only recently begun to make such provision is immaterial. It may not make present provision great enough to offset its failure to do so in the past, and should not defer its accruing charges to be carried by future patrons.

STREET RAILROADS—RATES—JURISDICTION OF THE COMMISSION—A proposed schedule will not be summarily rejected in toto because it appears that it ought not to be approved in full, the Commission having jurisdiction to approve it in part, or to substitute a new schedule for it.

June 3, 1918.

ON MOTION TO DISMISS.

Appearances: William M. Bradley, Esq., and William S. Linnell, Esq., for Cumberland County Power and Light Company; Hon. Guy H. Sturgis, Attorney General, for the Public and for the Commission; Frederick W. Hinckley, Esq., for South Portland, Gorham and Yarmouth; E. R. Benson, for

Gorham Grange; Stephen Patrick, for Gorham Board of Trade; John P. Clement and Morse Willis, selectmen of Gorham; H. P. Frank, Esq., Corporation Counsel for city of Portland; Frank P. Pride, Esq., City Solicitor for city of Westbrook; Edward H. Wilson, Esq., City Solicitor for city of South Portland; Augustus F. Moulton, Esq., for town of Scarboro; W. B. Moore, for Portland Chamber of Commerce.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

At the conclusion of the Cumberland County Power and Light Company's case in support of the reasonableness of its proposed changes in rates for the carriage of passengers over the lines of the Portland Railroad Company (operatd by it as lessee), the Attorney General moved that its new schedule, which is the subject matter of this investigation, be dismissed, alleging that the respondent company had not made out, on its own showing, a case which required answer or further inquiry. It is conceded, and was so stated by the Attorney General in his argument in support of his motion, that this step is in the nature of a motion for non suit in a court of law, and that this investigation should be governed by the same rules and practices. The testimony presented by the respondent in support of its contentions is admitted to be true for the purpose of determining whether the present motion shall be granted.

The evidence before us includes income statements for railroad operations covering many consecutive years. It is not necessary, for this particular purpose, to notice any except the latest, which are as follows:

	Year ended June 30, 1916	Dec. 31, 1917
Gross Income	$1,118,982 50	$1,185,719 91
Deductions from Income:		
Operating Expenses	781,200 87	900,100 82
Taxes	56,650 00	60,650 00
Corporate Expense	500 00	500 00
Discount on Securities	5,824 91	4,814 49
Expenditures for Renewals and Depreciation from Surplus		10,000 00
Total deductions	$844,175 78	$976,065 31

Balance for Interest and Dividends	274,806 72	209,654 60
Interest	$131,805 00	$151,375 01
Dividends	99,950 00	99,950 00
Total	$231,755 00	$251,325 01
Balance	$43,051 72	Def.$41,670 41

The Operating Expenses for the earlier period included $44,000.00 for Depreciation and Renewal Account, and for the later year $93,001.05.

The exhibit contained figures for the year ending June 30, 1917, falling somewhere between the two columns given above, but we are here selecting the last full year available and the next preceding fiscal year as then fixed by the accounting rules of this and the Federal Commission.

Respondent's engineer testifies that $134,600.00 is a fair amount to represent the average annual wear and tear of property not covered by the ordinary maintenance charges.

The case, as it now stands, shows that the respondent is not earning enough to pay taxes, interest on bonds, five per cent dividends on the capital stock of the Portland Railroad Company which constitutes the rental for the leased property, and operating expenses including what is claimed to be a reasonable provision for depreciation. It shows that the present fair value of the property is substantially in excess of the par value of stocks and bonds outstanding; so that the return on investment —interest on bonds and rental—are materially less than five per cent, with no return for any value above such capitalization. It shows that future operating expense, exclusive of depreciation, may reasonably be expected to increase more rapidly than gross revenue derived from present rates.

The Attorney General argues that this case should be dismissed and the proposed schedule disallowed, because

1. This is not a proper time to permit an increase of returns on investments;

2. The deficit shown in 1917 was due to respondent's carrying a larger amount than previously to the depreciation account;

3. There is not sufficient time for a full investigation before the expiration of the maximum length of time during which the proposed schedules may be suspended;

4. The procedure under the statute on which this investigation is based is not sufficiently elastic to enable us to give the exact relief in manner and amount which the case may be found to require.

We shall consider these objections in their order, and confine our discussion of them strictly to the issues raised by the present motion. Failure to notice alleged faults of capitalization and administration pointed out in the very searching and exhaustive cross examination of witnesses is not to be construed as approval or disapproval of the things thus brought to our attention. So far as they are pertinent to the issue they will be noted in their place if the investigation proceeds to a final decision on its merits.

1. We do not now need to examine remonstrants' argument that rates ought not to be increased in war time to provide increased return on investment. That question may become material in the final disposition of the case; but we do not understand that the proposed increase in rates is sought for that purpose, even incidentally, and we shall dispose of the present motion on that theory.

2. Remonstrants point out that the respondent began only recently, in 1914, to create a depreciation fund, that the amount has been rapidly increased since then, and that if no more had been charged for that purpose in 1917 than in 1916, there would have been no deficit in the later year.

A proper charge for depreciation met through current operating expenses is no more nor less than a provision that each year's customers of a utility shall pay for the depreciation of the plant occasioned by, and during, the service rendered them. It is not a return on investment; it is a part of the direct running cost of rendering the service, and should be provided for as it accrues.

Whatever ground there may be for refusing to permit a utility to earn an increased rate of return on the investment to compare with the higher rates paid for money devoted to other uses, there is no just reason why the full current costs of the service should not be paid unless they exceed the value of the service.

It shall be remembered that the utility does not simply pile up a depreciation reserve for some future use. Current

renewals and replacements are charged to the account, and the fact that $100,000 is credited to that account in a given year does not mean that the account is that much larger at the end of the year. There may have been taken from it to replace worn out and obsolete parts of the plant an equal amount, or more, or less. If the charge is a fair average, there will average to be taken from it and put back into the service in new things, in the course of years, the same amount annually.

The testimony of a competent engineer places the necessary amount to care for average annual depreciation at $134,600.00. Up to this time, this is not disputed. The fact that a smaller or no depreciation fund has been got along with in the past proves nothing, because it was simply a method of accounting and the renewals have been made from accounts otherwise designated but created from earnings.

3. It is true that the proposed rates can be suspended only an aggregate of six months, and that a thorough investigation will take considerable time. It may be that it cannot be completed within that time; although we doubt it, because competent experts promptly set at work ought to make comparatively rapid progress in checking an inventory already made,—and they will be much more likely to confine themselves to essentials if the time is limited.

However this may be, it does not constitute a ground for dismissal of this schedule. The schedule has been filed in accordance with the law, the investigation has been commenced on the motion of the Commission itself, and the remonstrants have asked that it be thorough. We now have no right to disapprove the schedule on the ground that it will take too long and cost too much to prosecute an investigation started by ourselves.

4. The principal objection seems to be, not that the respondent does not need additional revenue, but that chapter 44, Laws of 1917, under which we are proceeding does not give us range enough to adjust any relief to the situation finally developed. The remonstrants ask that this proceeding be dismissed and that the respondent be permitted to present its wants under a complaint against itself.

We have in the present proceeding every possible power that we should have on such a complaint. The act of 1917 says we "may make such order with reference to any rate, * * *

charge, rule, regulation or form of contract or agreement proposed as would be proper in a proceeding initiated upon complaint or upon motion of the Commission in any rate investigation." The procedure on a complaint by a public utility against itself is the same as on a formal complaint, R. S., chap. 55, sec. 50.

On a rate investigation upon formal complaint "the Commission shall have power to fix and order substituted therefor such rate or rates, tolls, charges or schedules as shall be just and reasonable," R. S., chap. 55, sec. 46.

Thus the provisions of the various statutes revolve in a circle, until it becomes clear that the same authority extends to both the Act of 1917 and the original provision for investigation on a formal complaint.

The specifications under a formal complaint could not be broader than those now before us, because here we are investigating the reasonableness of the whole schedule, and every part of it. The issue is whether the "change is reasonable," without any qualification of that word. Is the new schedule "reasonable?" If not what, if anything, will we "fix and order substituted therefor."

To dismiss the present proceedings and the schedule involved in order that the same fundamental question, what relief should this respondent be granted, may be determined on another proceeding involving precisely the same kind of evidence, the same investigation both in character and extent, the same expense, the same parties, and precisely the same rules of procedure, would be entirely technical; and should not be done if the same power is given all parties under the statute of 1917 which we are now proceeding under. It would simply mean, so far as proper procedure is concerned, going again over all of the ground covered in the five days already spent on the case.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CUMBERLAND COUNTY POWER AND LIGHT COMPANY, RAILROAD DIVISION, ADVANCE IN PASSENGER RATES. INVESTIGATION BY THE COMMISSION ON ITS OWN MOTION.

F. C. No. 154.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

On March 11th, 1918, after a preliminary investigation of increases in passenger rates proposed by the Cumberland County Power and Light Company, it was deemed necessary by the Commission to suspend, under the provisions of law, the operation of the schedules carrying such proposed changes, and an order, under date of March 7th was issued suspending the operation of such schedules until June 7th, 1918.

On March 11th, 1918, the preliminary hearing was completed, the proponent having introduced all of its testimony. The remonstrants desired a postponement in order to have expert engineers and accountants go over the matter of the valuation of the property of the proponent and such postponement was granted. Very shortly afterward the Attorney General placed the firm of Stone, Huddle, Feustel and Freeman at work upon the matter of a valuation of such property. It was evident at the time of postponement that the investigation could not be completed prior to June 7th, and the Commission tentatively fixed July 8th as the time when the hearing might be resumed.

Upon inquiry it is clear that the investigation cannot be completed within the initial suspension period which expires June 7th and that a further suspension, as provided for in chapter 44 of the Public Laws of 1917, is necessary. It is, therefore, now

ORDERED, ADJUDGED AND DECREED

That inasmuch as the above named investigation cannot be completed on or before June 7th, 1918, the operation of the schedules named in our order of March 7th, 1918, be further suspended until September 7th, 1918, and that all the conditions and provisions with reference to such additional suspension contained in said order of March 7th, 1918, apply with reference to this further suspension.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CUMBERLAND COUNTY POWER AND LIGHT COMPANY, RAILROAD DIVISION; ADVANCE IN PASSENGER RATES.

F. C. No. 154.

STREET RAILROADS—RATES—Schedule agreed to by the parties adopted in lieu of that offered by the public utility.

July 25, 1918.

Appearances: As in preceding case.
Cleaves, Chairman; Skelton, Commissioner.

The Cumberland County Power and Light Company, lessee of the Portland Railroad Company, filed with this Commission, February 8, 1918, its Schedule M. P. U. C. No. 2, effective March 11, 1918, proposing substantial increases in its rates for the carriage of passengers over the street railway operated by it in the cities of Portland, South Portland, Westbrook and Saco and intermediate and nearby towns. February 11, 1918, the Commission ordered a public hearing thereon to be held at Portland, February 25, 1918, and gave notice by publication in two Portland daily newspapers.

At the opening session of the hearing appearances were entered, as above stated. While all of the parties represented by said appearances, except the proponent of the proposed schedule, were remonstrants against its adoption, the case for the remonstrants has been handled by the Attorney General actively assisted by Mr. Hinckley. At the final sessions of the hearing none of the other representatives was present, and the Commission assumed, and now assumes, that they were content to leave the conduct of their case entirely with the Attorney General and Mr. Hinckley, and to abide by their judgment in all matters involving the exercise of the same.

The hearing has consumed seven full days and several shorter sessions, and was concluded July 24, 1918.

Five days were devoted to the presentation of proponent's case and the cross-examination of its witnesses. After the conclusion of this part of the investigation the Attorney General, acting under special authority conferred upon him by the Governor of the State, employed the firm of Sloan, Huddle, Feustel and Freeman, of Chicago, engineering experts, to make a complete study of all matters pertaining to the case and to report at the final hearing.

This firm assigned one of its members and a staff of expert assistants to the work. They devoted several weeks to a complete valuation of the property, and examination of proponent's accounts and operating conditions and the traffic situation in all of the territory served by it, and filed detailed reports at the final hearing.

Mr. Robert M. Feustel, member of the firm and specialist in street railway matters, testified at the final hearing, occupying three entire sessions, and the results to be announced below are based chiefly upon his recommendations. It is well, therefore, that the public should know something of his qualifications.

Mr. Feustel, after completing his technical training in engineering, became assistant engineer to the Fort Wayne and Northern Valley Traction Company, of Indiana, where he assisted in construction and had charge of the maintenance of 220 miles of city and interurban lines during two and one-half years. He then had an extended experience as chief engineer with two other traction companies, after which he was for several years on the engineering staff of the Wisconsin Railroad Commission, the latter part of that time as the active head of that department.

Organizing, with the three other men composing it, the firm of Sloan, Huddle, Feustel and Freeman, he finally severed his connection with the Wisconsin Railroad Commission, and the firm has since devoted its attention to work similar to that involved in the present case. In this capacity they have handled such investigations covering street railway and gas matters at Manchester, New Hampshire; the Winnipeg Electric Railway case; a case in Arizona; the Bay State Street Railway case, in Massachusetts, occupying two years; and the recent investiga-

tion of the Rhode Island Company under special act of the legislature of that state.

In the meantime he has served fifteen months as Chief Engineer of the Illinois Public Utilities Commission, when it was first created, for the purpose of organizing and directing the work of that department until it was fully established.

He now is engaged, as a member of a board especially appointed by the Public Service Commission of Pennsylvania, in an investigation of the Pittsburg Traction System. In 1917 he was appointed, and is now serving, as operating president of the Fort Wayne and Northern Indiana Traction Company, with 220 miles of urban and interurban lines.

After presenting the results of his firm's investigations in the present case, Mr. Feustel outlined in detail a plan of revision of the present rates of the railroad department of the Cumberland County Power and Light Company which, with economies which he believed might be accomplished by certain changes in its operating schedules, would provide revenue adequate to meet the present urgent needs of the Company without injustice or unnecessary hardship to the public and without injury to the quality of the service. All of the parties active in the management of this investigation for the proponent and for the remonstrants made a careful study of this plan, and joined in recommending to the Commission that it be adopted.

It is believed that no individual or body of individuals is likely to devise a scheme to meet the present situation with greater success than that so constructed. It is the work of a body of experts eminently qualified by training and experience and manifestly possessing the confidence of a wide clientage, and has the approval of counsel for the public who have devoted great labor and fidelity to the interests entrusted to them. While it does not promise the amount of revenue which the company deems itself entitled to, the latter has expressed its willingness to undertake to operate under it in the hope that it may tide over the present emergency, and that this concession may be accepted by the public as an earnest that it is not insistent upon any particular plan or upon any relief which is not absolutely necessary.

It is not necessary to describe the plan at length—the order will be very explicit. It is sufficient to say that it retains the

5-cent base rate for three lines in Portland characterized by the greatest density and largest percentage of short rides; exacts one cent for a transfer from a 5-cent car, and retains the free transfer system otherwise; outside of these three lines fixes six cents as the minimum cash fare; inaugurates the 2-cent zone system beyond the minimum cash fare limit except in a few cases where it did not seem practicable to divide into such units; makes appropriate concessions in some instances, notably that of Westbrook, in consideration of the density of travel and the recent withdrawal of reduced rate tickets; removes certain discriminations now existing as to comparative haul on different lines for the same fare; recognizes to some extent the claims of distant communities built up on the present low fares; and retains the principle of reduced rates for school tickets.

The plan thus presented and endorsed by all of the parties will be adopted. All parties agree that its actual results can be told only by a reasonable trial. It may provide less revenue, or more, than is anticipated. It may work out entirely fair to all, or special inequalities or hardships may develop. It is necessarily an experiment, as all such radical departures are, and either the company or the public may appeal to this Commission for a revision or modifications after a fair trial has been given it. But a reasonable trial should be given before complaints are entertained.

The success of the plan, and the avoidance of the necessity for further increases, will depend very largely upon the co-operation of the public. And in order that the public may know to what extent its confidence is deserved in the wisdom and good faith with which this plan is presented and adopted we have already stated at some length the qualifications of the engineering firm employed by the Attorney General, and shall briefly discuss certain features of the case on which there have been the most marked differences of opinion.

First, as to the present necessity for larger revenue. Without now referring to the claims presented by the company, Mr. Feustel presented a tabulation, based on an exhaustive study of present conditions, showing that for the year 1918 the "minimum increase in revenue necessary in order to meet normal operating expenses, provide adequate depreciation, and to pay present lease rentals on Portland Railroad" is $122,956.02. He

estimated that the schedule which he proposed and which is to be adopted, would afford an increase of approximately $110,000.00, and that approximately $20,000.00 might be saved through re-routing some cars and elimination of some trips that could be spared without injury to the public.

The "leased rentals" referred to above relate to the annual rental paid by the Cumberland County Power and Light Company to the Portland Railroad Company for the use of its railroad property, and amounts to five per cent per annum on its capital stock. The rate, five per cent, has not been suggested to be an exhorbitant rate of return, but it has been feared by some that the actual capital stock outstanding was not adequately represented by property value.

The case showed that the railroad property had been built up over a long term of years, and that a large amount of stock was issued at one time without money actually being paid into the treasury, or property added, at the time it was issued to offset it.

If the present capital stock, amounting at par to $1,999,000.00, were actually represented by value, in excess of bonds, of only $750,000.00—an inference which was sought to be drawn from the history of the capitalization of the corporation—it is obvious that a rate of return of five per cent on the face value would be equivalent to more than 13% on the actual value.

It has repeatedly been stated by those who have no immediate interest in the case, and without waiting for a full investigation, with an apparent desire to embitter the public, that a return was being sought on two million dollars of stock which represented no value.

Disregarding, as we do in this manner of settlement, the larger claim of value presented by the company, Mr. Feustel found the present value of the railroad property for rate-making purposes, assuming that past returns had not been unreasonable, exclusive of franchises, promotion fees and discount of bonds issued in original construction, to be $6,262,956. The outstanding bonds amount to $3,550,000. This leaves $2,712,956 in value of property against $1,990,000 face value of stock, or $136.00 plus for each $100.00 of stock on which the five per cent is being paid.

It is conceded by all of the parties that the proposed increase will afford no profit to the Cumberland County Power and Light Company; that it will receive no revenue which it will not be necessary to use for the purposes indicated in the above quotation from Mr. Feustel's statement. It will receive compensation for the electric power furnished; but Mr. Feustel testified that in his judgment the rate charged for that power is reasonable.

It was strenuously urged at the earlier sessions of the hearing that the demands of the company for depreciation and maintenance of the property should not now be allowed. The amount for that purpose on which the approved rates are based is the amount recommended by Mr. Feustel after his study of the situation. This amount, or so much as is left after the payment of other current and fixed charges, will be carried to the depreciation reserve, not to surplus account, and will not be available for dividends to the stockholders of the Cumberland County Power and Light Company. It cannot go, for that purpose, to the stockholders of the Portland Railroad Company, because they are limited by the lease to five per cent.

It is

ORDERED, ADJUDGED AND DECREED

1. That Schedule M. P. U. C. No. 2, of the Cumberland County Power and Light Company, filed with this Commission February 8, 1918, and suspended by its order to September 6, 1918, be not approved, and the same is hereby rejected;

2. That said Cumberland County Power and Light Company be, and it hereby is, authorized to publish and file, effective on one day's notice, a schedule of rates, tolls and charges for the carriage of passengers on its railroad division, of the following tenor, to wit:

(Schedule not here reproduced because of its length.)

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

AMERICAN THREAD COMPANY, CLAIMANT,
vs.
CANADIAN PACIFIC RAILWAY COMPANY.

F. C. No. 132.

RAILROADS—REPARATION—Where a shipper, acting in good faith upon the assurance of the common carrier that published rates, admitted to be excessive, had been, or would be in advance of the shipment, lawfully reduced, shipped a quantity of freight, and it appears that the shipper, through oversight, failed seasonably to make the lower rate effective, refund on the basis of the lower rate was ordered, under sect. 50, chap. 55, R. S., as amended, it appearing that the error of the common carrier tainted the entire transaction and that no culpable act or omission of the shipper contributed to it.

June 4, 1918.

Appearances: W. H. Monroe, for Claimant; E. C. Ryder, for Respondent.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

The American Thread Company filed this complaint against the Canadian Pacific Railway Company under section 50, chapter 55, Revised Statutes, as amended by chapter 131, Public Laws of 1917, asking for a refund of $1,434.30, claimed to be an overcharge of one cent per hundred pounds on shipment of white birch logs from Somerset Junction, ex Maine Central Railroad Company, to Lakeview, for manufacture and reshipment over the lines of the Canadian Pacific Railway Company. Hearing was held at Augusta, October 23, 1917. Notice was proved as ordered.

October 22, 1914, the complainant inquired the rate for such transportation, and was told that it would be three cents per hundred pounds. This was provided by the tariff then in

effect, which named a rate of four cents with a rebate of one cent on logs and poles received from connecting lines. The provision for a rebate was contained in a note.

This inquiry was made because complainant was then negotiating for the purchase of birch around Moosehead Lake and Greenville. The birch was purchased, and later the rate was confirmed by letter.

The birch was cut during 1915. The first shipment, seven car loads amounting to 350,000 pounds, moved January 13, 1916, Other shipments were made during that year, the total amount being 14,343,000 pounds.

Mr. Hamlin, manager of complainant's Maine mills, testified that when the first seven cars had been shipped he discovered "that they were billing them at the four cent rate instead of the three cent rate." He called it to the attention of the Division Freight Agent, who wired the local agent to bill at three cents.

Q. After that did you continue to ship your brick and was it billed out at the three cent rate?

A. We did continue to ship and the shipments were billed at the three cent rate.

Returning to the history of the rates, the tariff in effect October 22, 1914, when the original inquiry was made, was reissued February 1, 1915, and the note was unintentionally omitted. July 21, 1915, the Division Freight Agent wrote Mr. Hamlin that a new tariff, E 2666, I. C. C. 1827, effective August 16, 1915, would carry the three cent rate. The omission of the note from the reissue of February 1, 1915, was not discovered, and the same omission occurred in that of August 16, 1915. The omission was first noted by an auditor in checking up the shipments made January 13, 1916, but not until some time later. After that, but more than thirty days after the shipments were made, a new tariff was published naming a straight three cent rate.

Section 50, chapter 55, revised statutes, as amended, contains several grounds on which refund for excessive charges may be made. Among them it provides: "And the commission may authorize reparation or adjustment where the utility admits that a rate charged was excessive or unreasonable, or collected through error, and it appears that the utility has subsequently within thirty days published the rate to which the

reduction is authorized in place of the rate which is admitted to be excessive or unreasonable." The claimant based its right to recovery on other provisions of the statute, but it now appears to be conceded that they do not apply.

If there were nothing in this case except the admission that the four-cent rate was excessive, the claim must fail because the new rate was not seasonably published. We have construed this provision of the statute strictly in order to avoid the possibility of discrimination. Griffin vs. Maine Central Railroad Company, F. C. No. 30, Me. P. U. C. Rep. 1916, page 331.

This case presents another feature. The entire transaction is colored by error on the part of the common carrier touching facts within its possession and for which the shipper had a moral right at least to rely upon it for information. While the shipper could have informed itself by an inspection of the published tariffs, it can hardly be said to have been at fault in taking the carrier's positive assurances. Watson vs. Bangor & Aroostook Railroad Company, F. C. No. 82, Me. P. U. C. Rep. 1916, page 334.

Whether the language of the statute in requiring the rate to which reduction is sought to be filed within thirty days from the date of shipment controls in a case based upon error is not clear. We think, however, that the language and the punctuation fairly may be construed to restrict the application of this requirement to cases in which the right to reparation is based solely upon the admission that the published rate was "excessive or unreasonable," and not where the over-charge is the result of error. Otherwise relief would be practically confined to those cases where the carrier had simply made a mistake in rendering the bill, or undertaken to collect, or collected, more than its tariff called for on its face. It hardly seems that the legislature intended to make it necessary for parties to come to this Commission for permission to correct such an error as that, it is

ORDERED, ADJUDGED AND DECREED

That the Canadian Pacific Railway Company refund and abate to the American Thread Company so much of the freight charges as it collected from or charged to it for the transportation of the aforesaid 14,343,000 pounds of birch in excess of three cents per one hundred pounds.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE BANGOR AND AROOSTOOK RAILROAD COMPANY; APPLICATION FOR PERMISSION TO FILE SCHEDULE OF FREIGHT RATES, SHOWING INCREASES THEREIN, EFFECTIVE ON LESS THAN STATUTORY NOTICE.

R. R. No. 432.

RATES—SCHEDULE EFFECTIVE ON LESS OTHER STATUTORY NOTICE—A new schedule of rates, filed by a railroad company, containing increases which would accentuate discriminations and inconsistencies already existing, not permitted to become effective on less than statutory notice, although made pursuant to order of the Federal Railroad Administration, because it deprives the public of the notice provided by statute and opportunity to be heard, it not appearing that such increases are necessary to meet the cost of the service, nor that Congress intended to take away from the State's control over intrastate regulations.

RATES—WITHDRAWAL OF SCHEDULES—A railroad company will not be permitted to withdraw schedules filed with this Commission to become effective at the end of the statutory period, it appearing that it is intended to make such rates effective without filing with this Commission, although such withdrawal is suggested by the Federal Railroad Administration, because it would deprive shippers of a reasonable and convenient opportunity to advise themselves concerning existing rates and lead to unnecessary confusion and inconvenience to the public.

June 20, 1918.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

Pursuant to Director General's Order No. 28, the Bangor & Aroostook Railroad Company proposes an arbitrary increase in its freight rates effective June 25, 1918. In carrying out this plan it filed with this Commission certain tariffs containing intrastate rates, and asked for an order permitting them to become effective on said date without the thirty days' notice required by statute.

Acting on information in our possession, including the report of the recent investigation of the freight tariffs of said peti-

tioner made by Robert Rantoul, an expert employed under order of the Governor and Executive Council through the Attorney General's Department, we declined to waive the statutory notice because the effect of the arbitrary increases would accentuate discriminations and inconsistencies already existing, and the shipping public ought to have the notice provided by statute.

This policy on our part left such intrastate tariffs to become effective at the expiration of thirty days from their filing unless complaint was received and investigation instituted in the meantime. They relate to a variety of commodities, and their regular effective dates range from June 26, 1918, to July 13, 1918.

A letter accompanying this petition recites instructions to the railroad company from the Director of Traffic in Washington, "that no applications are to be filed with State Commissions relative to the increases, and that all pending applications must be withdrawn, as it is held that the form in which the tariffs are to be filed with the Interstate Commerce Commission automatically increases the intrastate rates in effect June 25, 1918."

There is a sharp distinction between the operation of railroads and the regulation of the rates to be charged by them. Recent Federal legislation has substituted the Federal officials for the several railroad corporations in the operation of the railroads, and has altered the power of the Interstate Commerce Commission as a regulatory branch of the government. That Commission's authority never extended to intrastate rates, except where local practices interfered with interstate traffic.

We are not convinced that Congress has taken away from the states the regulation of matters purely of local concern, or intended to do so. We fail to see wherein such matters are of other than local concern, unless the rates beween points within the State put an undue burden upon interstate traffic or discriminate against it,—and there has been no investigation to ascertain this—or unless the proposed increase is prompted by a purpose arbitrarily to collect from shippers a Federal tax in addition to the three per cent paid by them under the General Tax Act. We do not understand that the latter was the purpose of the Federal legislation.

On the other hand, if increased intrastate rates are to be put into effect without any new filing with State Commissions, and consequently no official cancellation of rates now on file and effective under State statutes until cancelled by a new filing,—as appears to be contemplated if the last part of the above quotation correctly represents the Federal department—there will be grave conflict with those provisions of the laws of this State which fix penalties for giving and receiving service at rates other than those lawfully published and existing.

If we permit the withdrawal of schedules now lawfully on file pending their becoming effective with the understanding that the rates therein named are to be imposed without any State filing, we practically concede the right of carriers to impose a rate for a shipment wholly within the State different from that which under the laws of the State is the only rate legally in force. If shippers, carriers, or carriers' employees afterward found themselves in conflict with the law, they would have some reason to say that we had connived at their unlawful act.

With our present view of the purpose and effect of the Federal legislation we shall not approve the withdrawal of applications where such approval might be construed as an assent to a different view of the law. For reasons already stated we think that the public is entitled to full statute notice on the pending schedules.

We would not be understood to criticise the present Federal Administration of the railroads, or to be reluctant to co-operate wherever we can. We have expedited the effective dates to harmonize with the Federal plans wherever we did not deem such action actually inconsistent with our duties to the public whom we serve, and we fully recognize and concede the necessity and propriety of giving present extraordinary needs first consideration. We do not think that orderly recognition of State statutes in matters which can in no way conflict with the immediate greater necessities can be harmful to the public welfare. And if there is serious question about the effect of failure to comply with such statutes, it should not be lightly passed over.

The pending petition is denied.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

N. R. KNOWLTON ET ALS., COMPLAINANTS,
VS.
FARMINGTON VILLAGE CORPORATION.

F. C. No. 120.

WATER COMPANIES—RATES, DISCRIMINATION IN—While a quasi-municipal corporation, as against any class of its customers, may apply the net income from its operations as a water utility to such uses as it pleases, there being no complaint as to its service or the upkeep of its facilities, and may render service to itself, or any of its departments without specific charge therefor, it may not make the charge to other consumers large enough to cover the cost of such service to itself, or to provide for any purpose a net income in excess of a fair return for the whole service, reckoning the service rendered for its own uses as though paid for at the same rate charged other consumers for like service.

VALUATION—PLANT LOCATED SEVERAL MUNICIPAL DISTRICTS—Where a water company was located in and served several contiguous, organized, quasi-municipal corporations, with one source of supply, one general office and a single management, and with the same pipe lines serving as a transmission main for the whole plant and distribution systems as to part of the territory, the Commission declined to allocate the value of investment, the cost of service and the revenues to the several communities, holding that it should be treated as a single system.

RATES—ACCRUED DEPRECIATION—A water company, which has received and diverted to other uses funds in excess of operating costs sufficient to provide for upkeep and renewals, will not be permitted to maintain rates high enough to provide a fund for depreciation already accrued. Future consumers will not be required to replace misused revenues from past consumers.

RETURN—MUNICIPAL OWNERSHIP—It is the policy of this State, as evidenced in its legislative charters, to permit a quasi-municipal corporation, created, or authorized, to operate a water utility to earn only enough to pay its current running expenses, interest charges and to create a sinking fund for the payment of indebtedness. Whether respondent's charter gives it greater latitude is not clear. In view of

this uncertainty and the construction that the acts of the parties have placed upon it, it is permitted to establish rates which will return a normal interest rate on that part of the value of the plant already paid for, it to provide for the retirement of its existing indebtedness from the funds so received.

June 26, 1918.

Appearances: Cyrus N. Blanchard of Wilton, for Complainants; Thomas D. Austin of Farmington, for Remonstrant.

Cleaves, Chairman; Skelton & Bunker, Commissioners.

Formal complaint by N. R. Knowlton and 85 others, residents of the town of Farmington, against the Farmington Village Corporation, alleging that the water rates charged by respondent are unreasonable and unjustly discriminatory. Filed May 28, 1917.

Preliminary hearing was held at Farmington June 28, 1917. It was conceded that a valuation of respondent's water plant was necessary, and the hearing was suspended, pending the making of the same.

Appraisals have since been made by Green & Wilson, of Waterville, and Walter H. Sawyer, of Lewiston, representing the respondent, and by the engineering department of this Commission. In the meantime an examination of the respondent's books was made by our accouting department. Copies of the several reports were filed with this Commission and furnished all of the parties, and final hearing was held at Farmington June 6, 1918.

HISTORICAL.

The Farmington Village Corporation was created by Act of the Legislature approved February 24, 1860, and amended by divers legislative acts since that date. It comprises certain lots within the town of Farmington, on the east side of Sandy river. These complainants all reside outside the limits of the Village Corporation.

The Farmington Water Company was created by chapter 198, Private and Special Laws of 1887, "for the purpose of conveying to and supplying Farmington Village Corporation and vicinity and West Farmington with pure water for domestic, fire, mechanical and sanitary purposes." It was authorized to take water from Sandy river.

The Water Company subsequently built its plant, conveying the water to a standpipe on Powder House Hill by the use of a steam pump. The water was distributed from the standpipe by gravity.

By chapter 434, Private and Special Laws of 1897, Farmington Village Corporation was authorized " to purchase the entire works and rights of the Farmington Water Company, * * * and shall thereafter own and operate said works and exercise and enjoy the rights and franchise of said water company as fully as if granted to it direct."

The Village Corporation afterward exercised this right, and took the system over January 1, 1902, at an appraised value of $52,000.00. It has since operated the water works.

By chapters 230 and 330, Private and Special Laws of 1907, the West Farmington Water District and the Suburban Water District, respectively, were created within the town of Farmington and outside the limits of the Farmington Village Corporation. Their charters are practically identical and provide that each may supply " the inhabitants of the district with hydrants and other apparatus and appliances necessary for fire purposes," and " for the purposes aforesaid to contract with the Farmington Village Corporation for such hydrants as said water district may vote to take of said Farmington Village Corporation, and for such price and for such periods of time as said water district and said Farmington Village Corporation may mutually agree upon."

No express authority is given either district to take water from any source, or to supply water to any person or corporation, public or private, in any manner or for any purpose whatever. The language of the charter is confined to " hydrants and other apparatus and appliances necessary for fire purposes," and the right to contract " for the purposes aforesaid * * * for such hydrants."

The parties appear to have construed this to give them a right to contract for a water service for fire protection purposes through the hydrants, rather than merely the right to furnish, by contract with the Village Corporation or otherwise, the physical appliances through which the latter might furnish water under the terms of the franchise which it had acquired of the Farmington Water Company. This distinction may or

may not be important. If it should develop that the rates now being paid for water for fire protection purposes in either of these districts are exorbitant or inadequate, the legal right to make the contracts now in existence would at once become important.

The Farmington Village Corporation now furnishes water for such purposes through 62 hydrants—37 in the Corporation, 11 each in the Suburban Water District and the West Farmington Water District, and three in the town outside of these three corporations. It received an annual rental of $30.00 per hydrant for those outside of the Corporation, and makes no charge for those within its limits.

In 1906 a pipe line was laid to Varnum Pond, in Wilton and Temple, taking water by gravity direct to the reservoir. This supply line runs through the West Farmington and Suburban districts before entering the Village Corporation, and serves as part of the distribution system for those districts.

In 1914 still another supply line was laid from Varnum Pond, the first not proving adequate for all purposes. The second line passes considerably north of these districts and of the Village Corporation, entering the town of Fairbanks and thence south to the reservoir.

The pumping station, while not dismantled and said to be capable of use as an auxiliary plant with some repairs, has practically been abandoned. No water now is taken from the river.

PRESENT RATES.

The annual rates now complained of are:

Private dwellings, one family of not over 8 persons, one faucet	$8 00
Each additional family having separate faucet	8 00
Each additional family using same faucet	4 00
Bath tubs	4 00
Water closets, self closing	4 00
Private stable, one animal	3 00
One additional animal	2 00
Each additional animal over two	1 00
Hose for sprinkling street, etc	5 00
Each cask of cement for building purposes	06

DISCRIMINATIONS.

The complainants allege that the respondent diverts the receipts from the water system to the payment of its general corporate obligations and expenses including police, fire departments, street lighting and sprinkling and "Band Concerts," and assesses no taxes for any of its municipal purposes. We ruled at the hearing, and now rule, that the disposition of revenue from the sale of water is entirely a matter for the residents of the Village Corporation to control so long as it provides for an adequate supply for its customers and assures a proper upkeep of the system. If the price is reasonable, both in the aggregate and in its application to different classes of takers, the consumers as such have no right to complain of its disposition.

This, however, does not mean that respondent may collect a reasonable return on its investment, or even the cost of operation and fixed charges, from some classes of customers, leaving others, including itself as a taker for fire and other municipal purposes, free from all cost therefor. If a municipal owner of a water works prefers to make no charge against itself for hydrant service, it has that right so long as it does not shift the burden to domestic consumers. It must accomplish it through that much less than a full return from the water works, or through a tax for its support, or in some other manner confined in its result to its own municipal concern. In distributing the cost of furnishing water service to all classes of takers, the municipality will be regarded as receiving for the service enjoyed by itself the fair part of the gross return which such service ought to pay, and would pay if furnished to some other party.

If the water service enjoyed by the Famington Village Corporation is worth one thousand dollars, on the same basis as that furnished its other customers, one thousand dollars will be deducted from the gross revenue which the water works ought to earn, and the balance assessed against other users. To this extent the practice of the respondent is material. What it does with the money actually received is not material in this case, there being no complaint against the efficiency of the service or the provisions for its upkeep.

VALUE OF THE PLANT.

The appraisals based on the cost of reproduction new and the present condition per cent were made as already stated, all as of June 1, 1917. They resulted as follows:

	Cost of Reproduction New.	Same Less Depreciation.
Green & Wilson, for Respondent.	$182,772 13	$157,211 08
Walter H. Sawyer, for Respondent	212,109 51	179,797 95
P. L. Bean and R. M. Moore for Commission	180,789 00	165,354 00

The higher figures given by Mr. Sawyer are due mainly to greater allowance for overheads. All of the estimates include items composing the pumping station and equipment, which are not now useful as a part of the system.

The Commission engineers' allowance for pumping station and equipment, reproduction new less depreciation, is $4,995.00. This deducted from $165,354.00 leaves $160,359.00. This includes $933.00 for materials and supplies but makes no further allowance for working capital. We think an allowance of $1,500.00 for working capital, including materials and supplies, adequate. We find the present value of the property used and useful in respondent's business as a water utility including working capital to be $160,000.00.

We make no allowance for Going Value for reasons sufficiently stated in previous rate cases. The parties presented some data to show how an allocation of values to the several territorial divisions constituting the territory served would work out, and evidence of the revenues furnished by the several districts, differing materially in the conclusions they would draw. For example, the respondent charged that part of the main pipe from Varnum Pond to the standpipe which lies within the West Farmington and the Suburban Districts to those districts respectively as parts of their distribution systems because they actually do perform that function, although without them the supply would not reach the Village Corporation at all, except what comes through the main laid in 1914 to reinforce the supply. And figures were presented to show that

the outside districts do not now pay as high a net return on investment as the Village Corporation.

The State granted the original charter to the Farmington Water Company to serve all of this territory. The Farmington Village Corporation—not originally chartered to perform any function as a water company—secured permission and voluntarily acquired this charter, while the water utility thus became a quasi-municipal corporation, and must be treated as such, its obligations as such utility are measured by the same limits as those of the privately owned company which it succeeded; and we shall not undertake to say what part of the investment is attributable to any particular geographical division, nor how much more or less per dollar of revenue it would cost to serve less than the territory now being served. It is contrary to public policy to permit the promoters of such an enterprise to arrogate to themselves the exclusive right to serve the cream of a given territory and thus practically to prevent the less populous contiguous territory from securing service; the Legislature did not intend that this should be done; and we shall not now treat the case before us as though it might be done.

PRESENT REVENUES.

The operating revenue and expenses during the past four years have been as follows:

Operating Income:	1914	1915	1916	1917
Commercial Sales	$9,582 46	$10,183 38	$10,416 05	$10,513 31
Hydrant Rentals	630 00	630 00	630 00	630 00
Total	$10,212 46	$10,813 38	$11,046 05	$11,143 21
Operating Expenses:				
Salaries	$315 31	$300 00	$300 00	$300 00
Office Supplies	9 10	29 98		71 75
Repairs	555 25	421 40	460 04	560 02
Injuries and Damages...				26 50
Valuation Expenses				1,460 32
Total	$879 66	$751 38	$760 04	$2,418 59
Net op. Income.........	$9,332 80	$10,062 00	$10,286 01	$8,724 62

These figures make no provision for depreciation.

The expense for valuation in 1917, incident to this proceeding, is not a normal charge, and will not be considered in fixing future rates, except that some provision should be made for contingencies which are always likely to be experienced. Exclusive of this item, the operating expenses for 1917 were $958.27. Considering the very economical manner in which the water business has been administered we shall allow an additional amount of $300.00 per year to cover increased cost and contingencies of this character.

The respondent suggested that substantially higher charges might properly be made for performing the duties incident to this service, and perhaps would be made if the Village Corporation were required to give the other districts any considerations not now extended to them. The answer is that the above charges have been deemed sufficient in the past, the duties will be no more onerous in the future, and the Corporation has voluntarily assumed this burden as part of its municipal obligation and must so administer it. When it can show that a larger expense account should be allowed it will be permitted to do so, and, if necessary, the rates may then be revised again.

We shall allow an annual depreciation charge of $1,500.00. This is less than the estimated requirement presented by Green & Wilson, but it is substantially in excess of the rate by which we have depreciated our estimate of cost of reproduction new to arrive at present value, and we believe it to be fair.

This makes an annual charge of $2,758.27 for operating expense including depreciation.

Mr. Greene recommended provision for replacing the present standpipe, which he thought might be necessary after ten years. Future consumption should be taxed only for future depreciation. Accrued depreciation should have been provided for through reserves from past revenues, and if those revenues have been diverted to other uses without adquate provision for renewals and replacements the respondent must stand it. To do otherwise would be to assess future consumers to replace misused revenues from past consumers.

In addition to the foregoing sum the respondent is entitled to a return on the value of the property devoted to this public use. This raises a question not before considered by us. Shall this public utility be permitted to earn a profit on its invest-

ment, like the ordinary owner, or shall it render its service at actual cost, like the performance of the ordinary municipal function?

A somewhat general examination of the rate cases reported in the Public Utilities Reports annotated since January 1, 1915, when that series of reports was begun, has disclosed but two cases which discuss this immediate question. Both are decisions by the Wisconsin Railroad Commission.

In Re Brodhead Municipal Electric Utility, PUR 1915 B, 524, that Commission held that whether a city may earn more than enough to pay interest on bonds is a question of municipal policy which the Commission will not interfere with; that the surplus may be used to retire bonds and after they have been retired, the rates may be reduced.

In Skogma vs. River Falls, PUR 1917 E, 964, the same Commission said: "* * * it is not necessary for a municipal plant to receive as large a gross income as that required for a private plant. The reason for the difference lies in the fact that, owing to its taxing power, a municipality can almost invariably secure money at a lower rate of interest than a private utility can. The rate for a municipal plant, therefore, should reflect the saving in interest charges."

On the issue before us the former case is more to the point than the latter. It seems to imply that a municipal owner of a public utility may, if it so elects, earn more than enough to pay operating expenses and current interest charges, but that such excess is justifiable only as a provision for the payment of its indebtedness; and when the indebtedness is paid the rates will be reduced, that being the only justification for earning an excess over operating costs.

This doctrine is in harmony with the policy of the Legislature of this State in granting charters for municipal water districts. During the five sessions ended with that of 1913, when the Public Utilities Act was passed, eighteen such charters were granted, either originally or by substantial amendment including reference to rates. In every instance the rates to be charged were limited to enough to provide for (1) the payment of current running expenses, (2) the payment of interest on indebtedness, (3) the creation of a sinking fund for the payment of indebtedness. The annual charge for the last named

purpose ranges from a minimum of 1/3% to 1% to a maximum of 3% to 5% of the outstanding indebtedness, and the fund so created can be used for no other purpose.

This policy is not confined to charters granted since Jan. 1, 1905, but it is uniform since that date. Some of the older districts may raise money from current rates for capital extensions; and there is more latitude generally in the older charters.

It also is important to note in considering the case before us that these limitations are not confined to instances where the district renders no service outside of its own municipal limits. For example, the Portland Water District, created by chapter 433, Private and Special Laws of 1907, must charge rates "uniform within the territory supplied by the district." It is required to supply water for domestic, sanitary and municipal purposes to the inhabitants of the towns of Standish, Windham, Cape Elizabeth and Scarboro, but those towns are not part of the water district. And the notes and bonds issued under direction of the trustees are declared to be the obligations only of the water district.

In fact, the entrance of the cities of South Portland and Westbrook into the district was made optional with their voters. Yet, so many of the three cities named, Portland, South Portland and Westbrook, as accepted the charter were to constitute the district, to become liable for its obligations, and to furnish water to the inhabitants of all of the cities and towns named. Even the city of Westbrook has remained outside the district, but it receives the water service under this legislative provision that the rates shall be uniform, and shall be sufficient only to provide revenue for the three purposes above mentioned.

There is a provision in the Portland charter for dividing any surplus among the cities constituting the district, but it is obvious that this cannot be authority for fixing rates calculated to provide a surplus. It is intended only to meet the impossibility of foretelling income with mathematical exactness.

This legislative policy is in harmony with the theory that the patrons of a public utility shall not be required, under the guise of payment of the cost of the service, to bear burdens of taxation which have no relation to this service. We have discussed this principal at length in Commission vs. Augusta Water District, Maine, P. U. C. Rep. 1916, page 183; P. U. R.

1916 E, 31; and Portland Water District vs. itself, Maine P. U. C. Rep. 1916, page 236; P. U. R. 1916 E, 1020.

The fallacy of the theory that this water service is furnished by the respondent as a corporate entity, just as it might furnish fire department, police, or public school service, lies in the fact that the Farmington Village Corporation does not actually provide this service. It holds the legal title and operates the plant, but as a corporation it never paid a dollar for the property, and does not expect to. It collects the revenues from the water takers and disburses them. The consumers not only have paid all that has been paid on account of the cost of the water works, but very much more. They have paid in water rates the actual cost of that service and during several years past, the cost of all other corporate activities of the Village Corporation.

Speaking now particularly of those takers who reside within the Village Corporation, if a householder has the average fixtures he pays $20.00 per year. His house may be worth $5,000.00. The owner of a business block worth $50,000.00, or of a stock of goods worth $25,000.00, may use little or no water, and pay water rates accordingly. Yet, the aggregate of the water rates collected is made large enough to pay the cost of that service and for furnishing fire, police and street lighting service for the whole Corporation—and these latter burdens are borne by the citizens in proportion to the number and class of water fixtures they have. To state the practice is to condemn it.

Shall the respondent receive any allowance for the equity in the property above the outstanding bonds? These bonds amount to $105,000.00, and leave a balance of $55,000.00 when this sum is deducted from the total present value.

Following the analogy of the legislative charters above cited the return would be measured by the interest on the existing indebtedness. Much is to be said in favor of applying that rule in this case. The water takers have paid all that has been paid of the cost of the plant; none of it has been raised by taxation. The Village Corporation has acted in its municipal capacity, practically as a trustee for those for whom it has performed municipal functions. It is not to be regarded in the same light as a private owner.

On the other hand, the authority which was granted it to act as a water utility is couched in much broader language than that used in creating water districts. There is no evidence that all interested parties were not then content with that language. No suggesion has been made in this case that some return should not be enjoyed on the full value.

We shall treat the case accordingly, but we shall limit the return on the amount represented by the equity to normal interest rates for municipal obligations. We shall not provide for the creation of a sinking fund to retire the bonds. If the Corporation is treated as the actual owner, and the consumers receive no benefit from the payment of the debt, they will not be required to provide funds to pay it.

We shall fix rates intended to provide five per cent on the present value of the property. The present rate paid on the bonds averages a little less than this, but we deem this fair under present conditions.

It will, therefore, be necessary to secure revenue amounting to $10,758.27 per annum, being $2,758.27 for operating expenses and $8,000.00 for return on the value of the plant. This sum will be apportioned to fire protection and domestic users.

Mr. Green, respondent's engineer, estimated that one-third of the revenue should be charged to hydrant service, and that the sum so charged may fairly be apportioned according to the number of hydrants.

This utility has no large and expensive reservoir, maintained for fire protection. The evidence does not show that it has made the extraordinary provisions frequently found for such service, and we shall apportion only about one-fourth of the cost to this service; although a full investigation—which neither party asks—might show that Mr. Green's estimate is nearer right.

We shall make the hydrant rental $40.00 per hydrant per annum, amounting to $2,480.00. This will leave $8,278.27 to be obtained from other customers, against $10,513.31 so obtained in 1917, or 78.7% of the present revenue from commercial sales.

The respondent receives $500.00 per annum from the Maine Central Railroad Company, $150.00 from the Sandy River and Rangeley Lakes Railroad Company, and $300.00 from water

furnished the State of Maine for the Normal School, amounting in all to $950.00. These charges are not attacked, and they will not now be disturbed.

This reduces the amount necessary to be received from all other consumers to about 77% of that now paid by them in the aggregate. Mr. Blanchard, in his brief, suggests a uniform scale—down of the several rates.

We think the application of this principle would make the minimum charge unreasonably low in comparison with that imposed upon other and additional domestic consumption. The function of the minimum charge, which applies practically to every consumer, large and small, is to meet the cost of being prepared to serve and some incidental costs which are the same regardless of the amount of the service. In a gravity system, outside of the capacity expense, there is comparatively little difference in the actual cost of serving domestic consumers. And, while it is necessary in fixing flat rates to measure the service by the number and kind of fixtures in use, the actual additional cost entailed by extra fixtures will not average to be large.

The charge for private dwellings, or tenements, occupied by one family, for one faucet, will be seven dollars per year. All other flat rate charges now in force, except those already specifically excepted, will be reduced 25%.

Respondent's present customers records do not conform in actual class-descriptions to the language of its published schedule with sufficient exactness to enable us to foretell with mathematical accuracy what these rates will produce, but we are confident that the result will not vary materially from the above sum. When the new schedule is prepared pains should be taken to make one which answers all requirements, and it then should be carefully lived up to.

While we dislike to delay the operation of a change which is found to be justified, there are circumstances in this case which are entitled to special consideration. The respondent, acting in good faith and following a practice of long standing, has adjusted its municipal affairs for the current year on the expectation of receiving the same revenue from this source which it has enjoyed in the past. It is receiving little if any more than a private owner would be entitled to.

One of the sources of this revenue is the hydrant rental from outside the Village Corporation. The amount of that is fixed by contracts at a lower rate than this decision provides for. Doubt has been expressed as to the validity of the contracts, but they, too, have been made in good faith, and they have only one year to run. Interference with them, solely on technical grounds, would conflict with provisions made for meeting them during the current year.

On the whole, we believe that the confusion and inconvenience which would follow the application of the new rates on July 1, 1918, the date which we originally had in mind, would more than counter balance the comparatively small saving to individual consumers on a single semi-annual charge. The new rates will, therefore, be made effective January 1, 1919.

It is

ORDERED, ADJUDGED AND DECREED

1. That the rates, charges and practices of the Farmington Village Corporation as a water utility are unreasonable, unjust and unjustly discriminatory;

2. That said Farmington Village Corporation cease charging the rates for water furnished by it for domestic, commercial, sanitary and fire protection services, except those charged under its present contracts with the Maine Central Railroad Company, the Sandy River and Rangeley Lakes Railroad Company, and the State of Maine, on and after January 1, 1919;

3. That said Farmington Village Corporation publish and file in manner provided by law, on or before August 1, 1918, effective January 1, 1919, a schedule of rates for water so furnished, which said rates shall not exceed the several rates hereinbefore suggested, and which shall appropriately describe and provide for all purposes for which it furnishes water in its aforesaid capacity. Said rates may be paid quarterly or semi-annually, in advance, as the respondent may elect in said schedule, and the schedule may contain other reasonable rules and regulations not inconsistent herewith;

4. That this case remain open for the approval or disapproval of the schedule so filed, for the substitution of a schedule therefor or in lieu thereof if necessary, and for any other and further orders, or alterations of this order, which may be required in the premises.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE CANADIAN PACIFIC RAILWAY COMPANY; PETITION BY SUPERIOR DARK GRANITE COMPANY FOR BRANCH RAILROAD TRACK.

R. R. No. 436

RAILROADS—SPUR TRACKS—Railroad company ordered to construct a spur track to the quarry of the Superior Dark Granite Company and to maintain and operate the same during certain months of the year.

Aug. 10, 1918.

Appearances: J. H. Hudson for petitioner; E. C. Ryder for Canadian Pacific Railway Company.

Cleaves, Chairman; Skelton, Commissioner.

Petition by the Superior Dark Granite Company, under chapter 56, section 30, Revised Statutes, as amended by chapter 76, Public Laws of 1917, for an order requiring the Canadian Pacific Railway Company to construct a branch railroad track, or spur, from its present railroad track, west of Onawa station, in Elliottsville, to petitioner's quarry located on the south side of the railroad, about one-fourth of a mile west of said station. Hearing at Augusta, July 16, 1918.

The petitioner owns a granite quarry at the aforesaid location. Respondent's main line railroad track runs directly past it. This is a single track with a passing track 2,357 feet long to accommodate Onawa station, which is located about half way of the passing track. The west switch of the passing track is about 700 feet east of the point where it was first desired that the branch track leave the main line. The branch track is required to be long enough to accommodate two or three cars.

The respondent is willing to construct a branch from its passing track which would follow the general course of its main line easterly for some distance, then curving to the south to

reach the quarry. It objects to the location of a branch as asked for because it would cut the rail of its main line on a curve and contribute an element of danger in the movement of trains over its main line. Besides the fear of weakening the rails, it is said that there is a deep rock cut farther west which would cut off the view of the switch signal until a locomotive moving east was within about 450 feet of the switch. This latter danger would be considerably reduced by the substitution of a branch coming from the east, more recently suggested as an alternative for that first proposed, and more fully considered later in this opinion.

The respondent also says that it has already provided one spur track to petitioner's quarry, running from the passing track, and presents correspondence tending to show that it was then understood that this was all that was required. The petitioner says that the spur already constructed was needed for getting out certain samples and that it was never expected that it would suffice for the general operation of the quarry. It is not now claimed that the quarry can be worked without a branch track entering it substantially as now prayed for. Whatever may have been the understanding when the former was built, no real injustice has been done the respondent, because the petitioner bore the entire cost.

A spur coming from the main line will cost about $1,150.00. One from the present passing track will cost about $10,000.00, which is conceded to be prohibitive.

In May last, after respondent had declined to build the spur from the west as requested, the resident superintendent and the engineer of the respondent company went upon the ground with representatives of the petitioner and finally suggested that a branch track be constructed to the quarry, leaving the main line about 350 feet west of the west end of the passing track and curving southeast, instead of coming from the west with a curve to the southwest.

Mr. Boyle, the superintendent, testified to this point; "At that time the proposition was made, I don't remember who brought it up, to reverse the spur and bring it in from the opposite end, that is, if there was a spur to be put in, it would eliminate having the switch located in this high rock cut, which would be plain for approaching trains, and it was the under-

standing that I was to take the matter up with the management and see if they would permit a siding to be put in that way. It was a new suggestion entirely from anything that had been taken up before. The matter was submitted to the management in Montreal and was turned down.'

On cross-examination Mr. Boyle testified:

Q. You did recommend the installation of this spur track as we talked at that time?

A. I saw you people had gone to quite an expense here. And I knew from my experience that it would cost at least $10,000 to do this job, between eight and ten thousand, and I could not see eight or ten thousand dollars in that quarry, and I thought that if we could stick a switch in here it could be done for very little money.

Q. And so you recommended going from the east rather than from the west, the spur?

A. Yes.

Mr. Wolff, respondent's residing engineer, who was present at this conference, testified in answer to interrogatories by Mr. Hudson:

Q. At that time didn't we outline a spur coming from the east rather than from the west as marked on that plan?

A. Yes, sir.

Q. And you thought at that time that that would obviate to a considerable extent the danger arising from a spur from the west?

A. Yes, my idea of that would be that if we had a break in the main line this would be a less dangerous position for the switch.

* * * * * *

Q. You heard Mr. Boyle state he would recommend the installation of this spur that we are asking for now (from the east)?

A. Yes, I know Mr. Boyle made the recommendation.

While these witnesses now are somewhat guarded in their testimony, we cannot escape the impression that they then saw very little objection to the spur located substantially as the petitioner is now willing to accept it. And we think that these two experienced railroad men, actually on the ground, would have been quick to detect and point out the elements of danger

if they were sufficient to justify us in denying the petitioner the only relief which is practicable in the premises.

Every tapping of a main line is somewhat objectionable. In this case it appears that it is much more so during the winter months than at other seasons because the through traffic over this railroad is very much greater in winter—three times as many trains, Mr. Boyle said—and he recommended that the switch be removed from November 1 to April 1. The petitioner does not expect to operate during those months, and this will be permitted.

The petitioner now owns the land over which said branch track will pass, and no order in respect thereto is necessary.

Neither party asked for any specific orders governing the operation of the branch track, if constructed, and the respondent's standard branch track rules will govern unless and until otherwise ordered. Neither party showed by exact measurement where the connection should be made, and our order must state it approximately. The parties themselves have pointed it out on the ground, and need have no difficulty in fixing the location. The respondent, relying upon the promised recommendation by Mr. Boyle, has already done part of the grading.

It is

ORDERED, ADJUDGED AND DECREED

1. That a branch railroad track from the track of the Canadian Pacific Railway Company to the quarry of the Superior Dark Granite Company, located as hereinafter specified, is necessary for the reasonably convenient conduct of the business of said last named company and is warranted by the volume of business to be handled thereon and can be so constructed, maintained and operated with due regard to safety and the reasonable operation of the railroad;

2. That the Canadian Pacific Railway Company forthwith construct, maintain and operate a branch railroad track from a point in its present railroad track about three hundred and fifty (350) feet west of the west switch of its present passing track, west of Onawa Station, in Elliottsville, southwesterly to the quarry of the Superior Dark Granite Company, of sufficient capacity to accommodate not less than three freight cars,

the entire cost thereof to be borne by the Superior Dark Granite Company;

3. That said branch track shall be constructed, maintained and operated under said respondent's standard rules for the construction, maintenance and operation of private branch tracks, and may be disconnected annually from the first day of November to the first day of April, all until and unless otherwise ordered by this Commission.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE NEW ENGLAND TELEPHONE AND TELEGRAPH COMPANY: APPLICATION FOR PERMISSION TO FILE RATES EFFECTIVE ON LESS THAN STATUTORY NOTICE.

U. No. 309.1.

TELEPHONE COMPANIES—INSTALLATION CHARGES—DISCRIMINATION—A schedule which fixes charges to be paid by subscribers for the installation of telephone instruments based arbitrarily upon the monthly service rate paid by the subscribers is discriminatory and unreasonable. The cost of installation bears no fixed relation to the character of the service or the amount of the service charge, and often is greater for the class of service which pays the lower monthly rates.

TELEPHONE COMPANIES—INSTALLATION CHARGES—CONSERVATION OF EQUIPMENT—The fixing of an arbitrary installation charge for the purpose of deterring persons from demanding telephone service in war times is unreasonable and discriminatory, because it makes the would-be subscriber's ability to pay, not the importance of the service, the test.

September 11, 1918.

Appearances: George R. Grant, Esq., for petitioner; Cleaves, Chairman; Skelton, Commissioner.

Petition by New England Telephone and Telegraph Company presented September 10, 1918, for permission to file, effective on less than statutory notice, an amendment to its schedule of rates creating installation charges as follows:

Where rate is $2.00 a month or less	$5 00
Where rate is more than $2.00, but not exceeding $4.00 a month	10 00
Where the rate is more than $4.00 a month	15 00

The moving charge to the subscriber to be the actual cost of labor and material necessary for making the change.

The law requires that such a rate shall become effective only on thirty days' notice unless satisfactory reason is shown to exist for permitting a less time to elapse. We have made it a rule not to grant such permission where an increase, or a new charge equivalent to an increase, was contemplated, because it deprives the public of reasonable notice and an opportunity to be heard, and affords us no opportunity for an investigation of the reasonableness of the proposed change.

In the present case the petitioner is acting under mandatory instructions of Postmaster General Burleson, as Federal manager of telephones, who has directed the creation of these specific charges, effective on and after September 1, 1918. No reason is shown for the order, and none for the gradation of charges is conceived by us.

We feel, however, on mature reflection, that, under present conditions, it is our duty to co-operate with the Federal Control without questioning the reasons or justification of any specific order, and shall therefore grant the petition in order that there may be no obstruction of the plans of which it is a part.

In doing this, and in order that our order may not be deemed an approval of the schedule that would be binding when the management of the telephones returns to the operating companies, we shall state briefly our views of the proposed schedule, which will govern us in future consideration of similar cases.

The petitioner now makes no charge for installing telephones for new subscribers. The cost is intended to be absorbed in the regular rates, and is, therefore, carried by all of the subscribers as part of their cost of service. It is probably more equitable that the actual cost be charged to each subscriber, although in practice it can make but little difference because the cost will not vary materially and the load will be borne under the present policy with substantial equality. On the other hand, a specific lump charge at the beginning will in some degree deter new subscribers and interfere with the development of the industry.

There is this inequality if the additional charge is to be imposed without any readjustment of service charges. New subscribers will continue to pay rates purposely made high

enough to absorb the cost of installation plus the cost of service, while old subscribers will pay only the present rates for the same service. It is an additional tax on future subscribers.

If it is intended as a measure to curtail the demand for new installations in order to conserve equipment, it will work unequally because it will deter only those less able to pay the charges without regard to the necessities of the case.

Th most serious objection to the proposed schedule, and one which the companies will not under any consideration be permitted to pursue on their return to normal operation, is the manner in which the rate is measured. The cost of installation bears no relation to the monthly rate for service. Other things being equal it costs exactly as much to install a service which pays two dollars per month as one which pays five dollars.

It cannot be said even that the lower rates are concessions to those less able to pay, because the service rate varies more directly with the number of subscribers in the exchange. The result will be that the subscriber to the most modest service in a city will pay more than one on a line carrying special privileges in a smaller community—and that where the actual cost of installation may average to be less because the average distance from the exchange will be less. One party whose installation will cost no more, or less, than another may be required to pay an arbitrary installation charge three times as great.

We wish, therefore, to make it plain that favorable action on the pending petition is granted only because it is presumed to be necessary as part of the present war administration, and is not to be regarded as a precedent for similar cases under private operation. With this understanding it is

ORDERED, ADJUDGED AND DECREED

That the New England Telephone and Telegraph Company be, and it hereby is, authorized to file the aforesaid schedule effective September 12, 1918.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE PETITION MUNICIPAL OFFICERS OF WELLS, FOR ALTERATION OF HIGHWAY AND APPROACHES AT AN UNDERPASS NEAR COLE'S CORNER IN SAID TOWN.

R. R. No. 389.

RAILROADS—CROSSINGS—FEDERAL CONTROL—An extremely dangerous situation caused by the crossing of a highway by a railroad ought to be relieved, notwithstanding the existence of war conditions and the Federal control of railroads, where there is an unusually large volume of traffic over the highway and human life is constantly imperiled. If the railroad company does not elect to make the changes itself, the town in which the crossing is located may do so, the expense being apportioned in accordance with the statute.

September 11, 1918.

Cleaves, Chairman; Skelton, Commissioner.

Appearances: W. M. Tripp, Esq., for the town of Wells; Thornton Alexander, Esq., and J. B. Sawyer, Esq., for Boston and Maine Railroad; Hiram Willard, Esq., for Atlantic Shore Railway; Phillip Deering, Chairman, Paul D. Sargent, Chief Engineer, for State Highway Commission.

Under date of March 18, 1918, the Municipal officers of Wells filed a petition, asking for certain alterations at the underpass in the town of Wells near Cole's Corner Crossing, so-called, where the tracks of the Boston & Maine Railroad cross the highway leading from Portland to Boston.

Public hearing was ordered to be held at Wells on April 22, 1918, and at the hearing then and there held notice was proved to have been given as ordered and appearances were entered as above indicated. The first hearing was merely preliminary, as neither the town nor any of the other interested parties had made any engineering study or plan. At our request the Boston & Maine Railroad undertook to make a preliminary study,

and rough plans were presented at an adjourned hearing on May 20, 1918. Two plans were then submitted, one involving a very considerable alteration of the highway, the approaches, the overhead railroad bridge and the abutments thereof, the expense being estimated at $166,000. However much such a plan might appeal to us the cost was at once deemed to be prohibitive, inasmuch as the State pays twenty-five per cent of the cost, but not to exceed $15,000 in any one year. $60,000 would, therefore, be our extreme limit of total expense.

Another plan submitted would have removed only a very small part of the danger attendant upon passage under this bridge, and so after hearing testimony as to the dangerous character of the underpass and viewing the locus we suspended the matter in order to give our own engineers an opportunity to make careful study and submit plans and estimates of the cost. On July 16, 1918, four definite plans with estimates prepared in our offices were sent to the various parties and on August 26, 1918, the hearing was resumed. Our assistant engineer, Mr. W. M. Black, presented and explained in detail the several plans which he, under direction of Chief Engineer Paul L. Bean, had worked out. The plans, called No. 1 and No. 2, were understood to be and were offered merely as makeshifts, that is to say, carrying out either of them would at most overcome only a part of the dangers, and the one thing to be said in favor of either was the comparatively low cost. The Commission, however, felt that it was best to have all feasible methods of alteration submitted and opportunity given all interests to express themselves as to which one, in view of all the circumstances, should be adopted, and hence instructed our engineer to work out and present plans No. 1 and 2.

Plan No. 3 would accomplish all the results desired except one, viz.: an unobstructed passage beneath the bridge of sufficient width to permit vehicles to pass each other with some degree of safety. Under this plan in order to use the present railroad bridge it would be necessary to have a bent of steel piles between the highway and the electric car tracks, thus placing practically in the highway an obstruction which might prove a source of particular danger. Plan No. 4, while it involves a somewhat larger expense than No. 3, will be permanent in character and adequate in the degree of protection fur-

nished. And nothing less than full protection ought for a moment to be thought of at this particular place.

Ever since automobiles came into general use this Wells underpass (sometimes called "Death Underpass") has taken its yearly toll of death and damage. Persons familiar with the place always approach it with a feeling of dread. Since this Commission began the performance of its duties our attention has been many times called to its dangerous character, but under the statute we could do nothing until we received a petition from either the town of Wells or the Highway Commission. We took the matter up with the town early in 1917, but not until the pending petition was filed could we proceed with any investigation.

When the railroad first went over the highway at this point the latter was straight for a considerable distance on either side of the bridge, but inasmuch as the railroad passed over at an acute angle it was necessary to have abutments so constructed that the angle or "skew" of the bridge itself was very pronounced. In 1881 there was an accident upon the railroad at this point in which several cars went through the bridge and a number of persons were killed or injured. The cause was said to have been the above named "skew" construction, and the next year the course of the highway was so changed that the railroad crossed at very nearly a right angle.

To accomplish this result the highway had to be fashioned very nearly in the shape of the letter S. It is, of course, understood that at that time traffic upon the highway was confined entirely to horse drawn vehicles and pedestrians, and although a person approaching from either direction could not see what was coming toward him from the other direction the character of the traffic upon the highway did not offer serious difficulties or dangers. In 1907 the Atlantic Shore Line Railway secured a location along this highway and under this bridge, but the headroom was such (less than eleven feet) that the electric car tracks had to be depressed five feet below the surface of the travelled way and a rail fence built between this depression and the roadway. The situation thus presented,—bad in the days when only horse drawn vehicles moved over the highway—constituted a grave menace as soon as automobiles came into general use. The traveller coming from Kennebunk and

approaching this underpass skirted the railroad bank until at the abutment a right angle turn must be made. He was and is absolutely unable to see what is coming toward him under the bridge. Many an accident—some fatal—has occurred at this place. Again, coming to this abrupt curve in the darkness a traveler often fails to see in turning the depressed railway location or the lightly constructed fence between it and the highway, and many have crashed through and plunged down onto the tracks either to death or to serious injury.

The evidence of accidents presented at the several hearings and our own observation of the place itself leads us firmly to the conclusion that there is not a more dangerous place on any highway in the State of Maine. Even if there was no curve to be dealt with, the matter of inadequate headroom would be at least annoying, for the reason that a loaded truck cannot go under this bridge. Hardly a day passes but at least one such truck is seen unloading, passing under and re-loading on the other side.

If the travel on this highway was light we should feel that the expense of the desired change was not warranted during these war times. We realize that every dollar in money, every ounce of man power, every pound of material, must be conserved for use in winning the war. The Boston & Maine Railroad has called our attention to the desire of the Federal Railroad Administration to postpone until the cessation of hostilities all expenditures not absolutely necessary. We did not need to be reminded, for we have shown our appreciation of the necessities of the times by refusing to grant a considerable number of applications where we felt the desired improvements were not absolutely necessary, and we have postponed to a future time several alterations which, under ordinary circumstances, would be regarded by all as necessary. But we have observed that railroad officials had no difficulty in securing Federal approval and the necessary funds to carry out plans proposed and urged by such officials. Beyond doubt they were all regarded as necessary and so necessity should be the test at this time. In our opinion it is necessary, now, and not after the war, to remove this death trap from the path of travelers whom we invite to travel this highway. Upon some days during the summer months as many as 3,500 automobiles pass

under this bridge and the occupants of every one are placed in a very dangerous position. As we see it, it is our duty to protect life and limb, and the statutes of our State require us to assume and perform this duty. The recent act of Congress, authorizing Federal control of railroads, reserves to the states the exercise of the police power, and the protection of travelers is within such police power.

The engineers of this Commission and of the steam railroad differ as to the cost of carrying out plan No. 4. The Boston & Maine Railroad engineer estimates the expense to be $36,000, and our engineer estimates the amount to be a little less than $30,000. Our engineers went very carefully into the matter, and we believe their estimate is conservative and that the expense will not exceed the amount stated by them.

Section 34 of chapter 24, under which this petition is brought, provides that the expense of any alteration ordered shall be borne 65 per cent by the railroad, 25 per cent by the State and 10 per cent by the town in which the crossing is located. Section 38 of the same chapter provides that where a street railroad has a right of way in the public way crossing a railroad the Commission shall apportion to such street railroad an equitable share of the damages and expenses of any alteration. This makes it necessary for us to consider what, if any, amount the Atlantic Shore Railway shall pay toward the expense of this particular alteration. When the electric railroad was granted its location in this highway in 1907 it became necessary to change one of the abutments of the steam railroad bridge, reconstruct the bridge itself, and somewhat alter the highway and the approaches. The electric railroad was ordered to pay and did pay the entire expense of this alteration. In carrying out plan No. 4 the abutment which the electric railway constructed will not have to be changed nor will the electric car tracks in any way be disturbed. In our opinion it would not be equitable to require the Atlantic Shore Railway to pay anything toward the present alteration, and we so decide and order.

Plan No. 4 as presented, with the details and estimates of cost, were understood to be and were as a matter of fact merely rough plans and estimates. In order to effectuate the alteration thus roughly outlined it is necessary that detailed plans be prepared and used in carrying out the alteration. The work

will be of such a character and will so affect the operation of the trains of the Boston & Maine Railroad that this last named corporation should prepare the plan and details of alteration and perform the work. But we do not know what the attitude of the railroad or of the Federal Administration may be, and we shall provide in our order that the railroad may at its option make the plans and carry out the alteration, but if it does not signify its intention and willingness and ability so to do within a given time we shall provide that the plans shall be made and the work done by the town of Wells.

Now after full hearing and mature consideration it is

ORDERED, ADJUDGED AND DECREED

1. That the prayer of petitioners be granted and that there be carried out an alteration of the crossing between the Boston and Maine Railroad and the highway leading from Wells to Kennebunk at the underpass near Cole's Corner, so-called, in the town of Wells, as outlined in plan No. 4, presented and made a part of the record in this case by Wm. M. Black, Assistant Engineer of this Commission, a copy of which said plan is made a part of this order, said alteration to be completed on or before the first day of June, 1919.

2. If on or before November 1, 1918, the Boston & Maine Railroad notifies this Commission in writing of its intention to comply with this order, plans and specifications necessary to carry out such alteration and the labor and materials in carrying out the same shall be made and furnished by said Boston & Maine Railroad. If, however, said Boston & Maine Railroad declines to furnish such plans and the labor and material necessary to carry out this order or if upon November 1 it has failed to indicate in writing any intention with reference to these matters, then the town of Wells is directed and authorized to make such plans and specifications, furnish the labor and materials and carry out the alteration outlined in said plan No. 4.

3. Whichever party furnishes the plans and specifications is to present the same to this Commission for approval or disapproval on or before December 15, 1918.

4. We find that no person will be in any way damaged by reason of said alteration.

5. The expense of said alteration is to be borne sixty-five (65) per cent by said Boston & Maine Railroad, twenty-five (25) per cent by the State of Maine, and ten (10) per cent by said town of Wells, bills therefore to be presented for audit to this Commission for final allowance and certification.

6. The highway under said bridge and the approaches thereto as altered are to be surfaced for the receipt of a bituminous macadam roadway which, by agreement of the State Highway Commission is to be placed thereon without expense to any of the parties to this alteration.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE MAINE CENTRAL RAILROAD COMPANY, ET ALS.: ADVANCE IN PASSENGER RATES.

F. C. No. 125.

EMERGENCY RATES—Increases in rates to meet emergency conditions may be allowed without a valuation of the property where it is probable that they will not afford more than a fair return, and is obvious that such a valuation would entail great cost and would unreasonably delay action, the increased cost of operation being proved.

November 1, 1917.

Appearances: Guy H. Sturgis, Attorney General for the People; W. B. Moore, Executive Secretary for the Portland Chamber of Commerce; Charles H. Blatchford, Esq., and Frank P. Ayer, Esq., for the Maine Central Railroad Company and the Portland Terminal Company.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

The Maine Central Railroad Company, for itself and for and on behalf of the Portland Terminal Company, issued and filed with this Commission certain passenger tariffs, designated as M. P. U. C. No. P 510, M. P. U. C. No. P 511, M. P. U. C. No. P 512, and M. P. U. C. No. P 515, and issued and filed for itself passenger tariff M. P. U. C. No. P 509, all to become effective August 1, 1917. These tariffs provided for an increase from $2\frac{1}{4}$ cents per mile to $2\frac{1}{2}$ cents for 500-mile books, and from $2\frac{1}{2}$ cents to $2\frac{3}{4}$ cents per mile as the base rate for local one way fares over the principal part of its mileage. These increases are expected to afford about $300,000 per year additional revenue.

The tariffs were filed prior to July 1, 1917, and on July 16th a Council Order was passed and approved by the Governor requesting this Commission to hold a public hearing and make

an investigation of the propriety of the proposed changes. July 17th, the Commission ordered that such a hearing be held at the Superior Court Room, in Portland, July 24th, 1917, and gave public notice thereof through newspapers published in Augusta, Bangor and Portland.

The hearing was held on July 24th, and adjourned hearings on August 22, 1917, and August 27, 1917.

The rates were suspended, first until September 1, 1917, and afterward for three months from September 1, 1917, "unless otherwise ordered by this Commission." The suspension is still in force.

Immediately on receipt of the Council Order, we invited the Attorney General to assist us in the investigation and to conduct the hearings for the public. He did so, and rendered valuable assistance, devoting a great deal of time and painstaking effort to the case.

Although both the proposed changes in the rates and the public hearings were given wide publicity, no protests were filed or opposition offered from any source whatever. The hearings were practically unattended by the public.

The Portland Chamber of Commerce was represented by its executive secretary and its traffic expert. The former, at the first hearing, joined in the request for an adjournment to give opportunity to consider the schedules. Neither official offered any suggestions at the adjourned hearings, except as they, with the general public, were represented by the Attorney General. No other trade, commercial or business organization or individual was represented.

This proceeding was instituted under chapter 44, Public Laws of 1917, which gives the Commission authority to investigate proposed increases in schedules of rates on file with it and to suspend the operation of the same pending the investigation. This statute imposes upon the public utility proposing the increases the burden of proving that they are reasonable.

It became important at the outset, has continued so, and is now important to determine by what test the propriety of the proposed increases shall be measured.

Must the railroad companies, which will be termed the respondents in this proceeding, show specifically that the pro-

posed rates will afford no more than a fair return on the value of. the investment, thus involving an actual valuation of the property devoted to the public service? Or may they show, without such valuation, that the increased rates are justified by increased expenses of operation put upon them under present abnormal conditions—that an emergency exists which is in itself sufficient justification?

The Attorney General urged in his brief that the only rule of conduct provided by law to guide the Commission in all cases involving the reasonableness of rates is that implied in section 16 of chapter 55, revised statutes, which says that they "shall be reasonable and just, taking into due consideration the fair value of all of its properties, with a fair return thereon, its rights and plant as a going concern, business risk and depreciation." He argues that this requires a valuation of the property to determine whether the rates charged or proposed to be charged are in fact reasonable; that there is no other way to take into consideration the fair value of the property. He then concludes that no valuation having been made, the respondents have failed to justify the increases.

This argument possesses much force; and this method certainly ought to be pursued wherever it is practicable. But we do not think that it is exclusive of all other methods. We have ordered reductions without a valuation; re Bangor & Aroostook Railroad Company and Maine Central Railroad Company, F. C. No. 38, Me. P. U. C. Report 1916, p. 136. If rates can be determined to be unreasonable by other tests, it ought to be possible to find them to be reasonable in the same manner.

It is obvious, that the law often would be entirely unworkable if a valuation were necessary in all cases. Sometimes the public utility would suffer; more frequently, the public, because most rate cases seek to reduce existing rates; and if all of the property of a great railroad system had to be appraised every time the reasonableness of a specific rate was challenged, relief would be almost impossible.

Wherever practicable, and the changes are sweeping, as in the present case, a valuation should be made. But it appears that such a valuation of the Maine Central Railroad, by the Interstate Commerce Commission, is now being made. It was begun in August, 1915. It is expected that a preliminary

report may be made in 1918, the final results to be reached at some date still farther in the future. The co-operation required of the Maine Central Railroad Company cost that company, to June 30, 1917, $138,312.61. We have no way of knowing what it has cost the Federal Commission. If we should now undertake to make an independent valuation, we should have to begin anew and duplicate in large part the work that has been done. If we required the respondent to make it and present satisfactory proof to us, it must largely duplicate this work and expense. In either case very great expense would be incurred by the State in making or checking the work, and great delay caused for what ultimately may be secured from the Federal sources.

It would be wasteful and impracticable to do or cause to be done the work necessary for an independent valuation of the whole system. If it were the only way of passing on rates, it would be practically prohibitive.

We think that substantial justice may be done in this case without a valuation and without sacrificing any rights of the public. We feel particularly fortified in this belief bcause we think that if it shall appear that the proposed increases are justified by an emergency now found to be existing, they may be permitted to become effective through an order so framed as to reserve to the public, if complaint is made against these rates after present extraordinary conditions have ceased to exist, the right, under section 58, chapter 55, revised statutes, to insist that the public utility then assume the burden of proving that the increase is just and reasonable. That proceeding and this are entirely distinct, and if we find that the present proposed increases are justified under the present emergency, we shall approve them only on account of the emergency, and pending its continuance.

The respondent Maine Central Railroad Compay, which is principally interested in this proceeding, says, in substance, that its operations for the years ended June 30, 1916 and June 30, 1917, left less than a reasonable amount for improvements and extensions to property which ought to be made from income, and that the present increased cost of operation, unless met by increased revenue will more than absorb this balance and necessitate the reduction of dividends on common stock, which now

are only six per cent. It says that such a condition would prevent the proper maintenance and improvement of its railroad property, the proper service of the public and injure its credit so that it would be more difficult and more costly to obtain capital for investment in future extensions and improvements.

It says that all of this is due to present abnormal cost of labor, supplies and materials and that the conditions justify and demand immediate relief through these increases in passenger rates from which it expects to realize $300,000 and increases in freight rates estimated to amount to $600,000. This is the emergency which it says exists.

The Attorney General, on the other hand, says, assuming that increases might lawfully be approved on account of the existence of an emergency and without a valuation, that no emergency now exists; that the increased cost of operation will be sufficiently offset by revenues from increased traffic and the $600,000 expected from increased freight rates.

With this general statement we proceed to an examination of the facts presented. It is necessary to refer so often to fiscal years, which end on June 30th, that we shall omit the month and day for brevity, wherever it can be done. Mention of a year, unless otherwise shown, will mean the twelve months ending June 30th of that year. For example, 1917, or the year 1917, means the year ending June 30, 1917.

The Maine Central Railroad Company's net operating income for the year ended June 30, 1916, the amount left from its total operating revenues after deducting operating expenses and taxes, and being the amount available for interest, dividends and necessary reserves, was $3,254,100.49. The corresponding figures for the preceding year were $3,171,505.40. The later year shows an increase in net of $82,595.09 on an increase in gross of $1,529,364.07. Table I, below shows these comparisons in more detail.

TABLE I.

Item	1917 Amount	1916 Amount
Freight Revenue	$8,814,867 65	$7,758,889 26
Passenger Revenue	3,723,801 74	3,371,975 95
Mail Revenues	312,779 25	246,118 28
Express Revenue	327,177 61	309,192 19
All other Transportation....	210,396 92	107,240 20
Incidental	243,775 08	208,256 76
Railway Operating Revenues	$13,632,798 25	$12,001,672 64
Operating Expenses	9,721,941 98	8,192,577 91
Net Revenues from Railway Operations	$3,910,856 27	$3,809,094 73
Railway Tax Accruals......	656,407 28	636,423 06
Uncollectable Ry. Revenues.	348 50	1,166 27
Railway Operating Income..	$3,254,100 49	$3,171,505 40

An increase of only $82,595.09 in net from an increase in gross revenue of $1,631,125.61—in other words, an increase of $1,529,364.07 in operating expenses—is accounted for in main by the respondent in certain unusual increases in cost of labor, supplies and materials. It is shown that it paid during 1917 an average price of $1.65 per ton for coal more than in 1916; that various wage increases became effective during the later year, and that there was a substantial increase in the cost of materials. These items are summarized by the respondent, in its Exhibit R, and deducted from the Operating Expense total for 1917, to show what the business actually done in 1917 would have cost on the unit prices which prevailed in 1916, with the following result:

TABLE II.

Actual Op. Exp., year ended June 30, 1917		$9,721,941 98
Deduct $1.65 per ton, 381,842 tons coal	$630,039 30	
Deduct proportion labor increase June 16, 1916	136,304 55	
Deduct proportion Adamson Law labor increase	114,000 00	
Deduct proportion labor increases April to June, 1917............	35,346 90	
Deduct increased cost of material	100,000 00	1,015,690 75
1917 business adjusted to 1916 unit prices would have cost.........		$8,706,251 23
Actual Operating Expenses, year ended June 30, 1916, were.....		8,192,577 91
Excess, cost of 1917 over 1916, at unit prices prevailing in 1916...		$513,673 32

The inference is intended to be drawn that the additional $1,631,125.61 of business done in 1917 would have cost in operating expense only $513,673.32 if changed conditions over which respondent had no control had not imposed additional charges amounting to $1,015,690.75. This appears to be borne out by the evidence.

THE EMERGENCY.

The respondent says that if it does the same volume of business during the year ending June 30, 1918, that it did during the year ended June 30, 1917, it will cost, under the conditions prevailing at the time of the hearing, $10,794,483.79 in operating expenses and $752,519.50 in taxes, and will leave a net, if no increases were made in any of its rates after payment of operating expenses and taxes of $2,085,794.96, being $1,168,-305.53, less than the corresponding balance at the end of the preceding year. It is to avert this deficit in net as compared

with preceding years that the proposed increase in rates is sought.

The respondent offered several exhibits showing the results of studies based on present and past experience to substantiate this claim. At the first hearing, the evidence left some danger of pyramiding the increased costs by adding those of 1918 to those for fractions of 1917 caused by the same unit advances, and the Attorney General insisted upon more detailed statements. These were prepared and presented at the subsequent hearings, and the substance of the company's claims appear to be shown in its Exhibits T, U and V.

We shall quote and refer to these exhibits at some length, because, while there are many pages of testimony and prepared statements, this feature of the case is epitomized in the exhibits, reproduced in Tables III, IV and V, below.

Speaking generally by way of explanatory introduction, it appeared that it required 381,842 tons of bituminous coal in 1917; that the average cost was $3.54 per ton in 1916, $5.19 per ton in 1917, and $6.50 per ton during the current year ending June 30, 1918. The Adamson Law referred to is the Federal Act passed in 1916 and effective January 1, 1917, and was said to cause an increase of about $228,000 per year for the amount of labor, affected by it, employed in 1917.

Building up the estimated cost of operating for the year ending June 30, 1918, on the assumption that the volume of business will be the same as in 1917, and starting with the reconstructed cost of operation shown in Table II, above, reached by applying 1916 unit costs of labor, supplies and materials to the 1917 volume of business, in order that unit cost increases effective in 1917 might not be duplicated, Exhibit T, here designated as Table III, follows:

TABLE III.

Statement showing Estimated Operating Expenses for year ended June 30, 1918, based on Present Rates for Fuel, Labor, etc., the same Volume of Business, etc., as for year ended June 30, 1917, and Operating Expenses for year ended June 30, 1917, adjusted to costs for fuel, labor, etc., effective in 1916:

Adjusted Operating Expenses, June 30, 1917, being adjusted to 1916 unit prices, as shown in Table II.........		$8,706,251 23
Add 381,842 tons coal at $2.96, difference between $6.50 and $3.54	$1,130,252 32	
Add labor increase, effective June 16, 1916, proportion..	136,304 55	
Add labor increase, Adamson law, effective Jan. 1, 1917..	228,066 13	
Add increase in labor, effective April, May and June, 1917.	271,724 53	
Add increase in labor, effective July and August, 1917, proportion	171,885 03	
Add increase in cost of material and supplies..........	100,000 00	
Add other items............	50,000 00	
Total increase		2,088,232 56
Total estimated Operating Expenses, June 30, 1918......		$10,794,483 79
Tax Estimate:		
Adjusted Taxes for June 30, 1917		651,913 28
Add increase capital stock tax	8,917 00	
Add increase income tax.....	26,000 00	
Add increase State of Maine tax	62,638 25	
Add increase Cities and Towns tax	3,050 97	
Total increase		100,606 22
Total estimated tax, year ended June 30, 1918.............		752,519 50
Total Op. Exp. and Taxes...		$11,547,003 29

Table IV, which is Exhibit U, reaches the same result by starting with the actual operating expenses of 1917, shown in Table I, and adding proportional parts of various increases.

TABLE IV.

Statement showing Estimated Operating Expenses for year ended June 30, 1918, based on Present Rates for Fuel, Labor, etc., and same Volume of Business, etc., as for year ended June 30, 1917:

Actual Operating Expenses, June 30, 1917		$9,721,941 98
Add 381,842 tons coal at $1.31, difference between $6.50 and $5.19	$500,213 02	
Increases on account of Adamson law, Jan. 1, 1917—proportion	114,066 13	
Increases on account of labor, April, May and June, 1917—proportion	236,377 63	
Increases on account of labor, July and August, 1917—proportion	171,885 03	
Increase on account of other items	50,000 00	
Total Increase		1,072,541 81
Total estimated Operating Expenses, June 30, 1918.......		$10,794,483 79
Tax Estimate:		
Actual Taxes accured June 30, 1917		656,407 28
Increase June 30, 1918 over June 30, 1917:		
State of Maine...........	$62,638 25	
Cities and Towns	3,050 97	

Income Tax	26,000 00	
Capital Stock Tax........	4,423 00	
Total Increase		96,112 22
Total Estimated Tax—Year ended June 30, 1918........		752,519 50
Total Op. Exp. and Taxes.....		$11,547,003 29

Exhibit V, which is given as Table V, starts with the assumption that the 1917 rates and the volume of business done in 1917 prevail in 1918, taking the figures for operating revenue shown in Table I and the expense and tax totals from Tables III and IV, and contains the deductions which are claimed to justify relief.

TABLE V.

Estimated Operating Revenues, same volume of business and rates as in 1917...........		$13,632,798 25
Estimated Operating Expenses, 1917 volume on present unit prices for labor, supplies, etc.		10,794,483 79
Net Revenue from Railway Operations......		$2,838,314 46
Taxes:		
1917 Actual	$656,407 28	
Increase	96,112 22	
1918 Estimated		752,519 50
Railway Operating Income.................		$2,085,794 96
Actual Railway Operating Income—1917.....		3,254,100 49
Deficit		$1,168,305 53

The above estimate makes no account of increased revenue expected from increases in freight rates, estimated to produce $600,000 on the same volume of business.

The accuracy of these figures is not challenged, but the Attorney General, in a very exhaustive analysis of the respondent's reports and contentions, reaches the conclusion that the net revenue from railway operations, in 1918, ought to be from $3,132,333.76 to $4,265,160.08, plus a sum from increased freight rates estimated to be $600,000, and that, therefore, no emergency exists.

He shows that the net revenue, before deducting taxes, during the past six years has been as follows:

June 30, 1917	$3,910,856 27
1916	3,809,094 73
1915	3,206,458 22
1914	3,148,382 00
1913	3,084,407 74
1912	2,952,205 20

He reaches his conclusions from four different methods of computation, as follows:

(1)	Assuming that the operating revenue for 1918 will be twice that for the last six months of the year ending June 30, 1917, or	*$13,649,380 34
	And arriving at the operating expense by deducting from the figures for the same six months the extraordinary increases, doubling the result and adding the estimated increases	10,517,046 58
	Net, with no allowance for increase in revenue or expense (same volume of business)	$3,132,333 76
(2)	Operating revenue as shown in (1)....	$13,659,380 34
	Plus twice the gross increase shown in last six months of 1917...............	1,616,245 00
	Total Operating Revenue.............	$15,275,625 34

* This difference of $10,000 between this and the corresponding item in (2), (3) and (4), below, appears in the computations in the brief, and is apparently an inadvertence. It does not materially affect the result.

	Deduct,		
	Operating Expenses as shown in (1)	$10,517,046 58	
	and an amount equal to twice the normal increases of last 6 mos. of 1917 over last 6 mos. of 1916	493,418 68	11,010,465 26
	Net		$4,265,160 08
(3)	Operating revenue as shown in (1).....		$13,659,380 34
	Plus average yearly increase of 5 years ending June 30, 1916..................		410,680 97
	Total Operating Revenue..		14,070,061 31
	Deduct,		
	Operating Expenses as in (1)	$10,517,046 58	
	Average yearly increase same 5 year period....	197,578 34	10,714,624 92
	Net		$3,355,436 39
(4)	Operating revenue as shown in (1)....		13,659,380 34
	Plus average yearly increase for 6 years to June 30, 1917.....................		614,088 41
	Total Operating Revenue.............		14,273,468 75
	Deduct:		
	Operating Expenses (1)	$10,517,046 58	
	and average yearly expenses same 6 years...	307,147 39	10,824,193 97
	Net		$3,449,274 78

Neither of these calculations takes account of taxes, which are estimated to amount to $752,519.50. It is true that the taxes paid are not deducted in the average annual net revenues for the six years, 1912-1917, as stated above; but it has been an increasing amount, and if deductions were to be made, each year should be adjusted by itself; without this the comparison

is misleading. Adjusting the foregoing calculations by subtracting the tax charge for 1918 to get a basis for comparison with Table V, we have:

(1)	$2,379,814 26
(2)	3,512,640 58
(3)	2,602,916 89
(4)	2,696,755 28

All of these sums except (2) are very much under the actual results for 1916 and 1917, as shown in Table I. All except (1) are predicated on the assumption that there will be an increase in volume of business in 1918 over 1917, and that the expense of handling the increase will be no greater relatively than the average during the periods selected for comparison. The difference between (1) and the respondent's deduction in Table V is due to the fact that the Attorney General's figures are admittedly estimates of volumes and unit prices, while the respondents start with fixed volumes and estimate the effect of changed costs.

Whether the current year will show an increase in volume of traffic over 1917 cannot now be told. Whether the cost of handling the same volume of traffic will not be increased by further increases in wages, supplies, materials and taxes is not now certain. The probability of the former's happening is strenuously urged by the Attorney General, and of the latter was suggested by one of the respondent's witnesses. Both are somewhat conjectural. We think that indications point more strongly toward the latter than the former.

The Attorney General in making his second calculation, wherein he estimates that the operating revenues for the year 1917-1918 will be $15,280,505.95 assumes that the year 1917-1918 will show, not a normal increase over 1916-1917, which during the five years ending June 30, 1916, has averaged $410,680.97, nor the abnormal increase of 1916-1917 over a normal year. It adds an abnormal increase due to war conditions to an abnormal base already created by war conditions. This may be realized, but we do not think that it is to be expected. It cannot be had without a further increase in commodities to be carried and equipment to carry them in excess of what appears to be in sight.

We might be justified under normal conditions in assuming that the average normal rate of increase in volume of traffic would continue. But we do not think that we can safely apply experiences under normal conditions to a situation like this. The abnormal conditions which created the situation, and opportunity equally as favorable for utilizing them, must continue in order to maintain even the present situation. We think that the cost of operation is more likely to increase than the volume of traffic, and that we shall do the public at least no injustice if we decline to enter this field of speculation.

It is not seriously suggested anywhere in the case that if these increased costs of operation do in fact exist, and if there is not reasonable ground to believe that they will be offset by increased volume of traffic, they do not justify an increase in rates to meet them—assuming that the case is to be decided on the "emergency" issue and without a full valuation.

It has been suggested by some that the increases should be applied to freight traffic entirely, and the Attorney General argued that no just apportionment could be made without a segregation of passenger and freight operating costs.

The increased cost of operation is due to passenger as well as to freight traffic, and it is only fair that each should bear its part of the burden. The general public know less of the effect of freight charges, because they do not appear under that name in the bills they pay for commodities. But they are there; or the merchant stands them. They enter into the cost of every ton of coal, every barrel of flour, every suit of clothes, every least commodity that the railroads bring to us. And it is not just to compel those who ride less to contribute unnecessarily to the car fares of those who ride more, even though they do so in disguise. So far as possible each should pay directly for what he gets.

There is much force in the contention that the costs of the two classes of traffic ought to be segregated, so that we would know just what each should bear. It would not avail much to do this unless the entire expense, that borne before 1917 as well as the present additional costs, was segregated; and this would involve expense which we do not now think justified. To be thoroughly done, it would require full physical valua-

tion The relative importance of the two classes of operations as shown by the figures contained in Table I indicate that the passenger traffic may fairly bear one-third of the proposed increase. Moreover, it has been quite generally held by those who have studied the subject, that the passenger traffic, except on railroads where it is especially dense, has paid less than its proportional cost.

Some publicists and economists contend that the primary function of a railroad is to transport freight; that the passenger traffic is only incidental, and that the freight traffic should bear the bulk of the expense of both classes of operation. This theory is entertained by some very eminent authorities, and has had careful consideration. We are not, however, able to adopt it.

Its acceptance would put the cost of passenger traffic upon those who have freight transported; not in proportion to the amount they travel, but in proportion to their use of the railroad's facilities for entirely distinct purposes, and purposes for which they pay full cost. Public policy frequently requires that the expense shall be borne in part by others than those for whose direct benefit the service is rendered. The operation of branch lines through undeveloped territory is a familiar example. But this should not be the rule. Society is best regulated when each pays for what he gets, and gets what he pays for—and does it under its own name.

It also has been suggested that the increase be deferred to await the respondent's actual experience, with the understanding that if the present predictions are verified the loss may be made up. No loss on this year's operations can be assessed against the business on which it is suffered and it is not just to require future patrons to make up losses which the evidence affords reasonable ground for anticipating now.

Now, after public hearing and investigation and mature consideration of all of the evidence, it is

ORDERED, ADJUDGED AND DECREED

1. That the proposed increases in rates in Maine Central passenger tariff M. P. U. C. No. P 509, and in Maine Central—Portland Terminal passenger tariffs M. P. U. C. No. P 510,

M. P. U. C. No. P 511, M. P. U. C. No. P 512 and M. P. U. C. No. P 515, are just and reasonable as emergency measures under operating conditions now found to exist on the railroads of the Maine Central Railroad Company and the Portland Terminal Company;

2. That this finding and decree shall not be deemed an approval of said increases, or of any of them, or of any rates in said schedules, in any future proceeding or investigation involving an inquiry into the reasonableness of any of them; and, especially, that it shall not remove them, or any of them, from the operation of section 58, chapter 55, revised statutes, which provides that, "in all original proceedings before said commission where an increase in rates, tolls, charges or schedules or joint rate or rates is complained of, the burden of proof shall be upon the public utility to show that such increase is just and reasonable." This finding extends only to the rates as affected by the present emergency both in operating conditions and in the impracticability of making a physical valuation of the properties devoted to the public service.

3. That the Order of this Commission dated August 27, 1917, suspending the operation of said rates pending the completion of this investigation be, and it hereby is, annulled and of no further effect.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE LEWISTON, AUGUSTA & WATERVILLE STREET RAILWAY; PROPOSED INCREASES IN PASSENGER RATES.

F. C. No. 161.

EMERGENCY RATES—Where a public utility asks for an increase in its rates to meet abnormal costs of operation and interest charges, it appearing that there has been invested in the property sums of money in excess of its interest bearing obligations, it is immaterial that the common stock is represented by no actual value.

RATES—SCHOOL TICKETS—Railroad rates to public school pupils over electric railroads has become part of the established policy of the State, and should be continued.

RATES—INEFFICIENT SERVICE—Part failure of a public utility to render efficient service no reason for denying the utility return sufficient to pay current operating expenses and fixed charges if reasonable effort is being made to improve service.

June 3, 1918.

Appearances: Newell & Woodside and Andrews & Nelson, for Lewiston, Augusta & Waterville Street Railway; Guy H. Sturgis, Attorney General, for the public, at large; Frank T. Powers, City Solicitor, for the city of Lewiston; Dana S. Williams, Esq., for the town of Minot; Frank O. Purington, Esq., for the town of Mechanic Falls; George S. McCarty, Esq., for patrons of the Sabattus Line; Barrett Potter, Esq., for Pejepscot patrons; George C. Wing, W. R. Huston and Charles Ault, Committee representing Auburn Board of Trade; W. C. Atkins, L. C. Ballard and C. J. Bragdon, Committee representing the Gardiner Board of Trade; Willis E. Swift and M. E. Sawtelle, Mayor and City Solicitor, respectively, representing the City of Augusta; H. H. Randall, Superintendent for Auburn School Department; G. A. Stewart, Superintendent, for Bath School Department; H. H. Stuart, Superintendent,

for Augusta School Department; N. L. Perkins, Treasurer and Quartermaster, for National Home for Disabled Volunteer Soldiers, Togus.

Cleaves, Chairman; Skelton and Bunker, Commissioners.

The Lewiston, Augusta & Waterville Street Railway, operating 154.042 miles of main track with total single track mileage of 165.796 miles, radiating from Lewiston via Brunswick to Bath and to Yarmouth, via Augusta to Waterville, Winthrop and Togus, via Auburn to Mechanic Falls and to Turner, and with local lines in Lewiston, Auburn, Bath and between Augusta and Gardiner, issued its passenger tariff Schedule No. 2, cancelling Schedule No. 1, May 7, 1918, effective June 6, 1918. This schedule substituted seven cent base fares in place of the five cent fares previously in effect, with corresponding increases for certain zones and parts of zones between Lewiston and Brunswick and between Lewiston and Mechanic Falls where other than five cent rates now are charged, and withdrew scholar's and commutation tickets. It was accompanied by specific requests for permission to alter certain rates now charged on the Lewiston-Bath and the Lewiston-Mechanic Falls lines which had been established by this Commission.

Immediately after the schedule was filed this Commission ordered a public hearing on it to be held at Lewiston, May 21, 1918, and gave notice thereof by publication of the order in newspapers and by mailing copies to the municipal officers of all of the cities and towns through which said railroad passes and to all of the chambers of commerce and boards of trade in said cities and towns.

Testimony was taken on May 21 and May 23, and arguments were presented at an adjourned session May 29, 1918. Oral arguments were made by William H. Newell for the proponent, by Frank T. Powers, George S. McCarty and Frank O. Purington for the interests represented by them as stated above, and by Hon. Guy H. Sturgis, Attorney General, who appeared at the invitation of the Commission to assist the Commission in the investigation and to represent the public generally. Barrett Potter filed a written brief for his clients.

The President of the Bath Board of Trade, who was unable to attend on account of pressing duties in connection with war

work, filed a letter which was read into the record on the first day of the hearing. The sentiments contained in this letter did not differ materially from those expressed by other representatives of the patrons of the road, all of whom will be referred to for convenience as the remonstrants.

The Lewiston, Augusta & Waterville Street Railway, designated herein as the proponent, disclaimed any purpose to ask that the proposed rates be approved as permanent rates. Mr. Nelson, in his opening statement, termed the new schedule an emergency measure, and stated: "In the view of your petitioner, this proceeding today is not the usual proceeding of a rate case, based on valuation, but is an application for immediate relief because of extraordinary conditions now existing. The rates asked for are not permanent, but temporary, to be modified later by this Commission as operating results may warrant."

All of the parties who were present at the hearings adopted this view, and no request was made for a suspension of the proposed schedule pending a valuation of the property,—or for any delay whatever.

The evidence before us shows, whatever a full investigation might develop, that there is no substantial value behind the company's common stock. This is not material because no dividend has ever been paid on that stock, or is now contemplated.

The proponent asks only for sufficient revenue to pay its operating expenses, interest on its funded and floating indebtedness, taxes, dividends on its preferred stock, and cost of necessary improvement of its service. The testimony, as finally corrected, showed an equity in common stock, arrived at by stating the sums which are claimed actually to have been expended upon the property, of $273,246.22. This made no allowance for depreciation and contained no credit for any moneys put into plant from earnings, nor any showing as to what part of borrowings had gone into operating expenses.

In other words, this statement is valuable principally only as showing the present apparent financial condition of the corporation.

It was conceded by all of the parties as the hearing progressed that the present revenue of the company is not sufficient

for the continued operation of the railroad; that it must have increased income, or discontinue its service, or go into receivership. All parties protested against a discontinuance of the service, and no one seriously recommended receivership.

In fact, in their oral arguments all parties admitted that the proponent should have some increase in revenue through increased rates. Some expressed doubt whether the rates should exceed six cents per zone; but even as to this none suggested that the expected additional receipts from a seven cent rate would more than meet the company's immediate needs, including improvement in service, unless some assistance was received from other sources.

Specifically, grave doubt was expressed whether the expected revenue would in fact after meeting an incrase of $50,000 in wages, other increased costs of operation, unavoidable increases in interest charges, and the dividends on preferred stock, leave any substantial amount for improvement in equipment and other items of service. Emphatic protest was made against the proposed withdrawal of reduced rate tickets for school children and of the present commutation tickets sold for rides between Lewiston and Mechanic Falls.

It should be stated in fairness to Mr. Potter that he is not referred to as among those who assented to the foregoing conclusions. He was not present at the hearing and had not seen a full report of the evidence when he filed his brief in behalf of the Pejepscot Paper Company and its employees protesting against any increase in the rates between Brunswick and Pejepscot, and the points made in his brief are confessedly based upon the assumption of some facts which the evidence, unbeknown to Mr. Potter, shows do not exist, and the impression that our order in a previous case was an establishment of fare rates, whereas it was obviously no more than an adjustment as to zone limits which this proponent was then charging.

Adopting the view in which all of the remonstrants concur, that the company must have some part of the additional revenue in order to maintain its service, and that the full amount expected from the proposed rates is no more than reasonably is required for the aforesaid purposes—which we find to be supported by all of the evidence in the case—we shall confine

ourselves to the consideration of those points and suggestions concerning which there is some difference of opinion.

SCHOOL TICKETS.

The company now sells so-called scholars' tickets at substantially half rate. The proposed schedule eliminates this concession and puts school children on the regular full rate. It was estimated that this would bring $9,483.57 additional revenue annually.

Representatives of various school boards protested against this change, and the Attorney General argued strenuously against it.

It was said by the proponent that the towns are required by law to pay for the transportation of pupils and that there is no good reason for shifting this tax to the other patrons of the road instead of requiring all passengers to share alike in the cost of the service. The fact is that the towns are not required by law to pay for the transportation of high school pupils, the practice in relation to furnishing transportation for the lower grades is not uniform in its application, the body which controls the rates charged by the public utility has no jurisdiction over the discharge of this duty by the municipalities. A radical change in the rates charged school children must, therefore, impose a very serious burden on many individuals who reside at a distance from the schools.

We think, to quote Mr. Sturgis, that "it is a matter of state-wide public policy that the utility should grant school tickets." The practice was inaugurated by the railroads, was tacitly assented to by the travelling public, and has influenced countless families in residential and other plans. One of our first official acts was to rule that such practice might legally be continued. We then pointed out our reasons for such conclusion, and we need not now repeat them. We shall order their retention in this case.

COMMUTATION TICKETS.

The matter of commutation tickets on the Mechanic Falls branch was fully considered by us in the Butler case. We believe that there are equities connected with this particular

demand as to that line which do not exist generally, and that they ought to be recognized. The tickets will be retained at an increase proportionate with the increase in regular rates.

We shall not alter the regulations governing their use. So substantial a reduction from the regular rates can be justified only by the regularity of their use. Otherwise it would clearly be an unjust discrimination against the occasional traveler.

IMPROVEMENT OF SERVICE.

We shall not discuss the character of the service. It is conceded that it has become utterly inefficient, due to lack of equipment, lack of proper morale among the men and faulty operation generally.

The condition is admitted by the company, which promises to make improvements as rapidly as its funds and the present abnormal conditions affecting the supply of materials, equipment and labor will permit.

The only real solicitude expressed by the remonstrants is whether this promise can and will be kept. No detailed statement of present plans was offered, and failure to make such a statement was the subject of criticism—not without justice, we believe.

The proposed increased rates ought to make a substantial sum of money available for this purpose. It ought also to improve the credit of the corporation. And the latter is very important, because while marked improvement can be made through increased operating revenue, it is not to be expected that this property is to be entirely rehabilitated from that source. Additional equipment must be had, as well as improvements to equipment, as fast as it can be obtained under prevailing conditions and the conditions which the country hopes to see restored at an early date, and this must be provided from new capital as well as from earnings. Rates are not to be established either now or in the future sufficient to buy a new plant, nor to recoup the corporation for its lack of foresight when it could have done more than it did do.

The proponent must be given a chance to improve its service if it is to continue to serve the public and receivership is to be avoided—both of which all parties professed to desire. No

one can now tell just how fast or in what manner this can be done. If possible, it should be without default in its fixed charges, because its ability to command any sort of credit depends on its meeting them. It is as important for the future patrons of the road as for the owners that this credit be maintained.

We shall make our order in such form that the corporation will improve the service as fast as circumstances will permit, or the case will be reopened and an effort made to secure improvement, through the interposition of the supreme judicial court if necessary. We have confidence in the present management and do not expect this to be necessary, but the public is entitled to this assurance.

PREFERRED STOCK DIVIDENDS.

What we have said under the last preceding title regarding the credit of the corporation applies to the continued payment of dividends on the preferred stock. If it develops that no funds are available for the payment of anything except interest on the present indebtedness, there will be little hope of securing further capital for improvements and additions. If there is no recognized equity above the bonds and notes outstanding, there can be no more borrowing except at usurious rates; and, as we have said, it is neither practicable nor desirable to undertake to put this property in the condition it ought to be in from current earnings alone.

We shall hold the corporation responsible for reasonable expedition in improving its service from the rates it is to enjoy without now ordering it to discontinue the payment of these dividends. If it fails to do so, we shall discontinue the rates. This is sufficient assurance to the public that it will not continue indefinitely to pay the rates without improved service, and to the corporation and its creditors that reasonable opportunity will be given it to meet its financial obligations now or hereafter assumed.

THE RATE.

The only doubt expressed by the remonstrants was whether the new rate should be six cents or seven cents, and not all of

them even questioned the necessity for the higher rate. Mr. Powers, in his argument, admitted that the road "needs more money if it is to continue to operate." Mr. McCarty said he presumed "the road is justified in asking some increase." Mr. Purington practically confined his suggestions to urging the retention of the commutation tickets on the Mechanic Falls line and greater freedom in their use. His witnesses were willing that the price of these tickets should be increased in the same proportion that regular fares were increased.

The Attorney General, without conceding that all of the increased revenue should come from passenger fares, said: "There does not seem to be anybody who would say that the road is not entitled to some aid in the way of increased fares."

Mr. Hyde, President of the Bath Chamber of Commerce, wrote: "I have talked with all the directors of this Chamber, with many prominent citizens and with the petitioners which I represented at the recent hearing regarding the service of this railroad, and I find that the sentiment is all strongly in favor of granting the increase asked for."

Mr. Hyde emphasized the necessity for better service, and urged an overlap in the Bath zones between Harding's and Sanford's. No mention of the overlap request was made in the testimony or the arguments. We have, however, studied the map presented, are somewhat familiar with the situation, and think that the Bath zone may properly be extended to Harding's instead of the New Meadows Landing. Long overlaps cause serious inconvenience to conductors, and interfere with effective checking of fares collected. We are not convinced that there is sufficient reason for extending the intermediate Brunswick-Bath zone to Sanford's.

While we are reluctant to permit the full increase, it was conceded that nothing less than the higher rate would provide revenue even for moderate improvements after paying fixed charges, unless some assistance could be secured from other sources—which is not apparent. The lesser advance would leave nothing available for that purpose, and the situation so far as public service is concerned would be no better than before—probably worse with the unavoidable increases in operating and interest demands. It is useless to adopt a rate which we know will not do what all of the parties insist should be done.

It is

ORDERED, ADJUDGED AND DECREED

1. That passenger tariff Schedule M. P. U. C. No. 2 issued by the Lewiston, Augusta & Waterville Street Railway May 7, 1918, to become effective June 6, 1918, cancelling M. P. U. C. No. 1, be, and the same hereby is, disallowed and rejected;

2. That said Lewiston, Augusta & Waterville Street Railway be, and it hereby is, permitted to issue and publish, to become effective on one day's notice, its Temporary Schedule of Passenger Fares, to be designated M. P. U. C. Temporary Schedule No. 1, Suspending M. P. U. C. No. 1, which said Temporary Schedule shall contain the same rates, charges, fares, rules and regulations published in the aforesaid Schedule M. P. U. C. No. 2, issued May 7, 1918; except that it shall provide for the carriage of school children at not exceeding one-half of the full fare and under conditions and regulations otherwise as now in effect, and further except that it shall provide commutation tickets good between Lewiston and Mechanic Falls at twenty-one (21) cents per ride and under conditions and regulations otherwise as now in effect, and shall fix the Bath zone as from Harding's to Bath.

3. That said Temporary Schedule No. 1, when so published and effective shall continue in effect one year unless sooner cancelled by this Commission, on hearing after such notice as it may order, on its own motion or on petition of ten or more aggrieved persons; or unless further extended by this Commission on application by said Lewiston, Augusta & Waterville Street Railway and public hearing thereon; and the burden of proof shall be upon this proponent in all said hearings by whomsoever instituted.

4. That said Lewiston, Augusta & Waterville Street Railway report to this Commission in detail on, or within ten days before, the first days of September, December and March, next ensuing, the progress made and being made by it in the improvement of its service.

5. That Schedule of Passenger Fares, M. P. U. C. No. 1, and all other rates, and regulations governing the carriage of passengers by said Lewiston, Augusta & Waterville Street Railway now in effect on the railroad of said Lewiston, Au-

gusta & Waterville Street Railway stand suspended from and after the date on which said Temporary Schedule shall become effective and until the same shall become non-effective in either of the ways aforesaid, whereupon said Schdule M. P. U. C. No. 1 and other rates and regulations now in effect shall again become operative except as may then be provided by this Commission.

STATE OF MAINE.

PUBLIC UTILITIES COMMISSION.

RE YORK COUNTY WATER COMPANY; ADVANCE IN WATER RATES.

F. C. No. 168.

EMERGENCY RATES—Approval without valuation of property under circumstances described in case.

RATES—CONTRACTS—If a public utility voluntarily enters into an improvident contract, the corporation must bear the loss; it cannot be shifted upon other customers through increased rates unless it becomes unavoidable to prevent impairment of the service.

RATES—SEASONAL USE—Principles governing rates for summer customers of a water company discussed.

June 28, 1918.

Appearances: John P. Deering and Scott Wilson, for York County Water Company; Hiram Willard, for Almon J. Smith, et als, remonstrants; Eben W. Freeman and Harold H. Bourne, for the towns of Kennebunk and Wells, remonstrants.

Cleaves, Chairman; and Skelton, Commissioner.

The York County Water Company, formerly the Mousam Water Company, incorporated under legislative charter, is a public utility engaged in furnishing water for domestic and municipal purposes in Biddeford, Kennebunk, Kennebunkport and Wells. It was chartered in 1891 and built a substantial part of its system in 1895 and 1896, when it commenced operation. It has extended it very greatly since then.

It now has about 76 miles of mains with standpipes, pumping station and filtration plant. Its supply is pumped from Branch Brook Stream and is filtered before it enters the mains. The cost of pumping and purification constitutes a very substantial part of its operating expense.

Its schedule of rates provides for three classes of takers, Commercial, including domestic, Industrial, and Hydrants.

In 1917 there were 2,526 customers in the first class, being 1,356 summer takers and 1,170 yearly takers. There were nine Industrial customers, and the Hydrant service was rendered under contracts for Biddeford Pool and Fortunes Rocks, Kennebunk, Kennebunkport and Wells.

May 27, 1918, the company, which will be called the petitioner herein, filed a schedule of rates effective July 1, 1918, proposing increases in its Commercial and Industrial service intended to add about 16% to its gross revenue. The increases affect yearly and summer consumers substantially alike.

The Public Utilities Commission made an order, May 29, 1918, for a public hearing to investigate the proposed increases under chapter 44, Public Laws of 1917, fixing June 21, 1918, and Kennebunk Town Hall as the time and place therefor. Subsequently the hearing was postponed to June 22, 1918, when it was held. Notice of the hearing was given by publication in the Biddeford Journal, June 4, 1918, and of the postponement by publication in the Eastern Star, June 14, 1918.

Residents of the territory served had actual knowledge of a proposed increase before the schedule was filed with us, and our attention was formally called to it through a letter from Mr. Bourne, representing the municipal officers of Kennebunk, May 22, 1918, in which he wrote; "The selectmen realize that such an increase is necessary but wish to have the burden placed equally on all takers, which the proposed schedule does not do."

Representatives of the town of Kennebunk and of the water company had a conference June 1, 1918, and exchanges of views were made between them from time to time in an attempt to reach a satisfactory arrangement of their differences.

PETITIONER'S CASE.

The petitioner bases its justification for the proposed increases on the present abnormal cost of operation, and presented an exhibit showing operating revenues and expenses for the years ended June 30, 1916, and December 31, 1917, in support of its position. The former year's operations ended June 30th, because that was then the close of the fiscal year as provided by law.

From this exhibit we make the following condensed statement:

	Year Ended June 30, 1916	December 31, 1917
Operating Revenue	$41,835 80	$48,096 08
Operating Expenses:		
Pumping Expense	$6,379 93	$8,139 11
Purification Expense	544 54	1,261 36
Distribution Expense	2,866 42	2,902 24
Commercial Expense	1,593 62	3,247 55
Depreciation	1,000 00	2,885 76
Taxes	386 50	1,685 68
General and Miscellaneous.....	1,933 63	1,735 67
Total Op. Expense.........	$14,704 64	$21,857 37
Gross Inc. from Op.............	$27,131 16	$26,238 71
Non-Op. Income	810 82	456 13
Gross Inc., all sources...........	$27,941 98	$26,694 84
Interest on Indebtedness.........	13,819 90	18,160 21
Net Income	$14,122 08	$8,534 63

The excess of operating revenue in 1917 over that in 1916 is due principally to the receipt of $5,315.00 from the service to Biddeford Pool, which was taken over after June 30, 1916. The increase from other sources was $945.28. The additions to plant after July 1, 1916, amounted to $13,997 91. There was added to plant during the year ended June 30, 1916, $75,516.59. These increases in plant account largely explain the increased interest charge in 1917.

The actual operating expenses during the first four months of 1918, exclusive of depreciation and taxes, were $6,453.88 against $5,522.69 for the corresponding period of 1917. Extending this over the twelve months, adding $1,000.00 as estimated additional expense above that found by multiplying the first 4-months' experience by three, compared with $717.96 additional in 1917, and reckoning taxes and depreciation the

same as in 1917, the petitioner estimates the total operating expenses for 1918 to be $24,933.08, against $21,857.37 in 1917.

The increases proposed in the new schedule are estimated to produce $7,711.42, making a total gross revenue from all sources for one year under the new rates of $56,263.63. Accepting the foregoing estimate of operating costs under present conditions, the balance applicable to interest charges and dividends on preferred and common stock, the requirements for interest and preferred stock dividend, and the remainder for common stock under the present and the proposed rates, are as follows:

	Present Rates	Proposed Rates
Gross Revenue	$48,552 21	$56,263 63
Operating Expense, 1918	24,933 08	24,933 08
	$23,619 13	$31,330 55
Interest charges	18,631 39	18,631 39
	$4,987 74	$12,699 16
Preferred Dividends	5,010 00	5,010 00
Available for Common Stock	$22 26 (Deficit)	$7,689 16

The preferred stock bears cumulative dividends at 6%, and was issued in 1916 and 1917, when comparatively high interest conditions prevailed, at 94½.

The outstanding common stock amounts to $400,000.00 at par, was all issued between 1891 and 1912, both inclusive, at an average price of 38.8%, and netted the corporation $155,290.00. The estimated surplus available for common stock dividends, shown in the foregoing table, would provide approximately 5% dividends on the amount actually paid in for common stock. This is less than a reasonable return if the value is actually in the property. It is also less than the dividends enjoyed during recent years, which have been $12,000.00 per year. The petitioner now asks for no return on that part of the property represented by bonds and other indebtedness except enough to pay interest charges.

VALUATION.

Petitioner presented, and supported by testimony, a valuation of its plant prepared in the detail prescribed in our accounting system and valuation blanks, as of December 31, 1917. Mr. West testified that he had used actual cost figures prevailing during the past ten years, plus 10%, in estimating cost of reproduction new of structures, and unit prices for mains and distribution system similar to those adopted by this Commission in the Biddeford and Saco Water Company case.

We have caused the latter items to be checked by our chief engineer, who reports that they agree substantially with our own figures for similar work. He is in doubt whether some trench work classified by Mr. West as "medium" should not be considered "easy" digging. From such examination as he is able to make in this manner he estimates that this difference, if his doubt is well founded, could not exceed $20,000.00 on the whole plant.

Petitioners' exhibit and testimony fixes the cost of reproduction new less depreciation, presented by it as the present value, to be $742,513.31. Some items in this report call for special comment.

There is no claim for franchise value, which agrees with our practice in cases where nothing is shown to have been paid for municipal rights and privileges.

Petitioner claims $48,183.08 for Going Value. Under the principles which we have fully explained in other cases, sufficient investigation has not been made to warrant us in making any allowance for this item at the present time. We do not say that the company is not entitled to it. We do not know, and therefore disregard it.

There is a claim of $13,565.27 said to be the cost of customer's services installed free in the early life of the company to expedite the building up of a paying business and net losses on other services installed for less than actual cost. This is a legitimate element, under proper circumstances, of the cost of developing the business—as much so as advertising or soliciting—and under such circumstances conduces directly to the benefit of all of the consumers It falls, however, within the same general category as those elements which constitute Going Value, and we disregard the claim as the case now stands.

Petitioner estimates that the taxes during construction would be $1,055.80. Some of the remonstrants got the impression that this meant that such a sum had been paid during the construction of the present plant, which is not shown to be true. It means that if a plant identical with that now in existence were to be reproduced new the owners would have to pay that sum in taxes during the process of construction.

Some taxes are likely to be demanded during such period. We think that they usually are negligible in amount except on real estate, and make very conservative allowances under this title. We shall disregard the item in this case as the evidence now stands.

Adjusting petitioner's figures by deducting the aforesaid items including the amount suggested by Mr. Bean, our engineer, we arrive at the following result on which the petitioner clearly makes a prima facie case:

Claimed value		$742,513 31
Mr. Bean's deduction	$20,000 00	
Going Value	48,183 08	
Taxes	1,055 80	
Free Services, etc.	13,565 27	82,804 15
Corrected estimate of present value		$659,708 16

This is not a determination that the present fair value of petitioner's property is not more, or less, than this sum. It is a statement of the conclusion to which we deem the petitioner fairly entitled on its own showing and in the absence of an official valuation through our own engineering and accounting departments or the presentation of more detailed evidence by the petitioner itself, or of contradicting evidence by the remonstrants.

The petitioner had outstanding December 31, 1917, ahead of common stock:

Bonds	$367,000 00
Preferred Stock	83,500 00
Notes	18,000 00
Profit and Loss Deficit..........	14,161 25
Total	$482,661 25

The sum deducted from the assumed plant value leaves a balance of $177,046.91 represented by the common stock on which $155,290.00 was paid in in cash or its equivalent, and if the net amount expected to be realized from the new rates were distributed over this equity the rate of return would be even less than five per cent per annum.

It follows that the estimated increased revenue is justifiable if the figures relating to operating expenses and value of plant presented by the petitioner—the latter as adjusted by us herein—are correct. They are presented in an orderly manner and supported by competent testimony. We are bound to accept them unless we are able to make a complete investigation to test their accuracy.

Such an investigation cannot be made under present conditions before some decision ought to be rendered. This schedule is presented as an emergency measure made necessary by present abnormal conditions. There is no presumption that the conditions which have caused, and presumably justified, increases in costs in all other activities, private and public, domestic and commercial, have not had a like effect on the business of public utilities. We know that they have, and we do not require formal proof to convince us of that which we already know.

We do not hesitate to say that public utilities are entitled to much the same rights that merchants, laborers, landlords and all other persons are entitled to. Regulation of such enterprises is necessary because of the peculiar rights which they enjoy; but it should not become an oppression.

Nor should proper relief be unreasonably deferred. One of two necessary evils would inevitably follow. Either the public utility would permanently be deprived of what it is entitled to, or the losses of one year would be shifted upon the customers of a future year. Both are evils to be avoided.

This is not a case of providing dividends upon stock which does not represent actual value. We have taken no consideration of the amount of capital stock outstanding. It is not a case of providing larger dividends than the stockholders enjoyed before present war conditions prevailed. The return on investment even now will be less than that formerly received.

Remonstrants' counsel have pointed out that certain sums entering into construction account were paid Messrs. West and

Beyer, president and treasurer, respectively, of the water company for services in connection with extensions. These are legitimate payments so far as they measure the actual value of services rendered; the work was of a necessary character, and there is no claim that others also were paid for the same services. A full investigation may, or may not, show that the amounts so paid were excessive, but if they were disallowed in full they would not more than exhaust the excess of the equity found in the plant over the amount paid in for common stock.

And it should be remembered that the decision is based on the apparent present value of the plant; not on its original cost, however made up.

THE WELLS CONTRACT.

The petitioner, under the name of Mousam Water Company, entered into a contract with the town of Wells, Feb. 6, 1901, respecting the construction of its water plant, the furnishing of service for fire protection and other municipal uses, and the terms of payment therefor, for the term of twenty years from July 1, 1901. This contract further stipulates the maximum rates which shall be charged for certain domestic and commercial uses during the term of the contract, and is now offered in behalf of the consumers in said town as a reason why the proposed increases should not be made applicable to them.

No reason except this technical one is offered why such changed conditions as may justify an increased revenue, namely, the present abnormal increased cost of operation, do not extend to Wells equally with the rest of the territory served by the petitioner. It is not suggested that such reasons exist. This remonstrant bases its claim for special consideration solely upon its contract, and invokes the provisions therein contained precisely as defined, which it has the undoubted right to do.

With the view we take of the positions of the parties we shall not enter into extended discussion of the effect of this contract.

We shall assume, for the purposes of this case, that the parties had a legal right to make it. They cannot litigate its present effect before this Commission, and will be left to do so in some court having jurisdiction over such matters, if they wish to.

We shall make our order covering the rates to be charged by the water company generally. If the Wells contract still binds the parties in all respects, it will automatically remove the beneficiaries under it from the reach of our order under that provision of the Utilities Act which makes special exception of lawful contracts entered into before January 1, 1913. In that case the petitioner must suffer from the disadvantages of an improvident contract into which it entered. Those disadvantages cannot be shifted to its customers in other towns.

We make this suggestion, however, for the consideration of the parties. The contract undertakes to do two things. It provides for the purchase by the town of certain service for a stipulated price. This extends to the service for various municipal purposes at the direct expense of the municipality as a consumer, and stands in a class distinct from the other object sought to be effected by the contracting parties.

The second provision of the contract is an attempt to regulate the rates to be charged by the company for service rendered, not to the municipality as a corporate body, but within the municipality, as a territorial division of the State, to private consumers. Speaking generally, the State has a right to regulate such rates, either by direct legislative action or through some regulatory body to which it delegates its power. It is competent for it to delegate such power to the public utility itself, as it usually did prior to the enactment of the present law, or to any subdivision of the State, as a municipal corporation. It has a right to alter or amend, or establish new regulations for such control. "While private rights might be created that could not be disturbed by subsequent legislative enactment, so far as a political subdivision of the state is concerned, no such exemption exists." Commission vs. Augusta Water District, Maine P. U. C. Rep. 1916, page 196; P. U. R. 1916, E, 31; citing Worcester vs. St. Ry. Co. 196 U. S. 539, 552, in which the United States Supreme Court declared the right of the Massachusetts Legislature to alter the terms of a paving ordinance made by the city of Worcester.

SUMMER RATES.

The present schedule and the proposed schedule charge the same rates per annum to summer customers and to yearly cus-

tomers, except that the restrictions as to the amount of water which a summer customer may receive for the initial charge are more burdensome than for the yearly customer. For example, under the new schedule, Commercial Rates, a yearly taker pays:

"$4.50—For one family or taker, with faucets, allowing 1,500 cu. ft. of water per six months."

In the case of Summer Season Takers:

"$9.00—For one family or taker, with faucets, allowing 1,500 cu. ft. of water per season."

First, shall the seasonal taker, who is defined as one taking water less than six months in one year, pay the same initial charge as the yearly taker?

The general principles which justify a higher proportionate rate for the seasonal taker have been fully explained by us in other cases, and need not now be repeated.

In this case all of the interest and dividend charges go through the year whether any particular customer takes the service twelve months, or six months, or less. The capacity has to be provided sufficient to meet the maximum demand. These charges constitute a very substantial part of the entire cost of the service.

It is doubtful whether the strict operating expenses vary materially with the length of the service. The cost of pumping and purification varies directly with the amount of consumption. This would be greater for the yearly takers.

On the other hand, there are very considerable extra expenses due to the nature of the summer business. The services must all be turned on and shut off annually. It has to be done promptly when the taker calls for it. The very nature of the business requires more attention than that of resident customers. It is not at all certain that the average cost of serving seasonal customers differs to any material extent from that of serving the yearly or resident customers.

It was pointed out that some of the distribution system maintained for seasonal takers is less expensive than that required by the other class of service. This is true, but it would be difficult to adjust the rates to reflect this difference even approximately. The suggestion serves more as an argument than as a substantial foundation for any actual difference in the rates so

long as the service is adequate and of no less actual value. And it is also a fact, if an attempt were to be made to differentiate on this ground, that the summer takers are located much farther from the source of supply than the great body of yearly takers, and the additional cost of mains would go far toward offsetting any allowance otherwise justified on this ground.

We do think that the restriction as to quantity of water furnished under the initial charge is unreasonable. With the fixed charge covering the minimum cost of service, if there were no other considerations, the customer should be entitled to the same quantity of water that the yearly taker receives for the same initial charge.

It is suggested that it is less of a tax on the company's capacity to furnish customers 3,000 cubic feet of water divided equally between two 6-months periods than to furnish the same quantity in a single 6-months period. This argument has much force, but we think that it is being carried too far. It is impossible to say just where the line ought to fall. Any limitation of this sort is somewhat arbitrary, and even the new rates are more or less experimental as to their results. They may have to be reviewed after a reasonable trial.

We understand that the main objection to the proposed rates on the part of the officials of the town of Kennebunk was that the increases were not evenly divided. As between the yearly and the seasonal takers there appars to have been a reasonable effort to apportion them with substantial equality.

This reference, we understand, applied particularly to the Industrial Service. The investigation now possible does not indicate whether these larger consumers ought to bear a relatively larger proportion of the entire burden of the water service. Mr. West testified that some of these larger charges were as high as they could be made without risk of leading the customers to provide water from private sources. Unless they are now being carried at a loss, this would not be of advantage to the company or to its customers generally.

The question really under consideration now is the reasonableness of the present increase, and that extends to the Industrial Service as well as to Domestic and Commercial.

Suggestion was made that a conditional approval of the proposed increases might be made with provision for rebates if

it appeared on full investigation that they were not justifiable. This will be provided, as far as seems necessary in our order.

It is

ORDERED, ADJUDGED AND DECREED

1. That the York County Water Company has not proved the reasonableness of its Schedule M. P. U. C. No. 2, issued May 11, 1918, effective July 1, 1918, and the proposed increases therein in full as presented, and that the same be approved as its schedule of rates, charges and tolls for its service as a water company to the extent, and only to the extent, hereinafter provided;

2. That said Schedule M. P. U. C. No. 2, amended by substituting in the provision for COMMERCIAL RATES Summer Season Takers, Class C, Sheet 1, the figures 2,250 in place of 1,500, 3,600 in place of 2,400, and 4,950 in place of 3,300, be adopted as an Emergency Schedule, effective on and after July 1, 1918, to and including June 30, 1919; subject to the provision that if it shall be found, on application by any ten or more aggrieved persons filed before July 1, 1919, and hearing thereon, that any of the increases therein contained over present rates are excessive or unreasonable, this Commission may order such rebate to aggrieved customers as it may deem just; and that said Company publish and file forthwith, as of July 1, 1918, and effective as aforesaid, its Emergency Schedule, being proposed Schedule M. P. U. C. No. 2 amended as aforesaid;

3. That said York County Water Company's Schedule M. P. U. C. No. 1, now in effect, shall be suspended by the operation of said emergency schedule and shall automatically again become effective July 1, 1919, unless this Commission on application of this petitioner, or on its own motion, after hearing, shall extend the operation of said emergency schedule, or substitute another schedule, or other rates, in lieu thereof, or finally approve the same as the regular schedule of rates of said company.

GENERAL ORDER.

File No. 1313. General order dated December 22, 1917, making certain changes in accounting rules for Class D. Telephone Companies.

File No. 1550. General order dated June 10, 1918, directing certain named water companies to forward samples of water to the State Water & Sewage Laboratories for analysis.

FORMAL COMPLAINTS AGAINST PUBLIC UTILITIES PRESENTED BY TEN OR MORE PERSONS OR INSTITUTED BY THE COMMISSION ON ITS OWN MOTION.

HAROLD H. MURCHIE ET ALS. VS. ST. CROIX GAS LIGHT COMPANY.

F. C. Nos. 20 and 21.

See 1916 and 1917 Reports. The decision is printed in full in this volume.

PERCY R. RICH ET ALS. VS. BIDDEFORD & SACO WATER COMPANY.

F. C. No. 28.

See 1916 and 1917 Reports. The decision is printed in full in this volume.

EASTERN MANUFACTURING COMPANY ET ALS. VS. BANGOR & AROOSTOOK RAILROAD COMPANY AND MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 49.

See 1916 and 1917 Reports.

WILLIAM GILMOUR ET ALS. VS. CUMBERLAND COUNTY POWER AND LIGHT COMPANY.

F. C. No. 51.

See 1916 Report. Final hearing held December 12, 1917. Decision July 27, 1918. Complaint dismissed, the issues involved having been disposed of in F. C. 154.

MARGARET M. HINES ET ALS. VS. LEWISTON GAS LIGHT COMPANY.

F. C. No. 56.

See 1917 Report. Decision issued January 18, 1918. "The necessary conclusion appears to be that the present rates are not now unreasonable. A valuation has been established which may very readily be adjusted to a future date if changed conditions at some future time warrant another investigation. We recommend that whenever the return of lower costs of labor, materials and supplies leave a return in excess of seven per cent of the value of the plant, a reduction in rates be made and that the respondent then consider the advisability of establishing a monthly meter rental."

F. H. MACOMBER ET ALS. VS. BAR HARBOR AND UNION RIVER POWER COMPANY.

F. C. No. 58.

See 1917 Report. Final hearing held August 6, 1918. The Commission is awaiting the filing of briefs by attorneys for both sides. Pending.

WILLARD P. HAMILTON ET ALS. VS. CARIBOU WATER, LIGHT & POWER COMPANY.

F. C. No. 59.

See 1917 Report. Further hearing held at Caribou March 21, 1918. Decision March 26, 1918. Held:

" First, that said Caribou Water, Light and Power Company is not now furnishing to its customers in Caribou water which is fit for domestic use.

" Second, that forthwith it properly and efficiently chlorinate all water which it supplies to the inhabitants of Caribou, procuring if necessary therefor expert advice and assistance; that weekly it take from one of its taps a sample of water, send the same to the State Laboratory of Hygiene for analysis, and

that before taking such sample it notify a member of the Board of Health of Caribou of its intention so to do and give reasonable opportunity to a member of such Board of Health to attend and participate in the taking and sealing and sending of such sample.

"Third, that at all times when a new tank of liquid chlorine is to be installed in the place of the one theretofore in use the pumps of said company which are delivering and sending water into the public mains shall be stopped and kept unused during such time as a change from a used tank of chlorine to an unused tank is being effected.

"Fourth, that as soon as may be, and in any event during the year 1918, said company carefully investigate Otter Brook, so-called, with a view of determining its availability as a source of public water supply to the inhabitants of Caribou, and that it report its progress in this regard to this Commission on or before July 1, 1918, and thereafter as and when ordered by this Commission."

The Company advised on June 26, 1918, that the Otter Brook supply was not suitable. Mr. Leach and Mr. Bean of the Commission's staff investigated this brook and came to same conclusion. Pending.

J. L. Ketterlinus et als. vs. Bar Harbor and Union River Power Company.

F. C. No. 61.

See 1917 Report. Final hearing held August 6, 1918. The Commission is awaiting the filing of briefs by attorneys for both sides. Pending.

R. M. Lewsen et als. vs. Cumberland County Power and Light Company.

F. C. No. 70.

See 1916 Report. On December 11, 1917, attorney for complainants filed motion asking that the complaint be dismissed, which was done.

H. F. ERSKINE ET ALS. VS. KNOX & MONTVILLE TELEPHONE COMPANY.

F. C. No. 72.

See decision in F. C. 134 in this volume.

JOHN W. WARREN ET ALS. VS. SCARBORO WATER COMPANY.

F. C. No. 87.

See 1916 and 1917 Reports. The decision is printed in full in this volume.

J. L. KETTERLINUS ET ALS. VS. BAR HARBOR AND UNION RIVER POWER COMPANY.

F. C. No. 89.

See 1917 Report. Final hearing held August 6, 1918. The Commission is awaiting the filing of briefs by attorneys for both sides. Pending.

H. T. DILLON ET ALS. VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 91.

See 1917 Report. Decision April 13, 1918. Contending parties reached an amicable agreement.

EMBERT C. OSGOOD ET ALS. VS. BAR HARBOR AND UNION RIVER POWER COMPANY.

F. C. No. 92.

See 1916 and 1917 Reports. Decision issued May 1, 1918. Held: That the rates now in effect are unreasonable, unjustly discriminatory and inadequate. "A new schedule of water

rates, effective July 1, 1918, shall be substituted for the present schedule, which shall not exceed any of the present flat rate charges; which shall contain a charge for additional faucets for Domestic Users not in excess of three dollars per faucet; and which shall offer meter rates to all customers except for fire protection purposes, the same with rules and regulations for its government to be consistent with the principles hereinbefore laid down."

The respondent filed its schedule under this order and a public hearing was held thereon at Ellsworth June 3, 1918. Supplementary order fixing the rates was issued June 20, 1918.

SQUIRREL ISLAND VILLAGE CORPORATION ET ALS. VS. TOWN OF BOOTHBAY HARBOR.

F. C. No. 97.

See 1917 Report. The decision is printed in full in this volume.

GEORGE A. GREGORY ET ALS. VS. BOOTHBAY HARBOR ELECTRIC LIGHT AND POWER COMPANY.

F. C. No. 102.

See 1917 Report. March 5, 1918, dismissed at request of complainants.

HARRY W. BARTLETT ET ALS. VS. BANGOR RAILWAY AND ELECTRIC COMPANY.

F. C. No. 108.

See 1917 Report.

RALPH A. PARKER ET ALS. VS. LEWISTON, GREENE & MONMOUTH TELEPHONE COMPANY ET AL.

F. C. No. 110.

See 1917 Report. The decision is printed in full in this volume.

A. M. Chase et als. vs. York County Power Company.

F. C. No. 114.

See 1917 Report. Decision February 19, 1918. Held: That certain of respondent's rates, tolls and charges are excessive and unreasonable. Ordered that respondent discontinue on June 1, 1918, its charge of 20c per K. W. H. for any current sold or delivered within the specifications contained in Seasonal Rate E. and in lieu thereof charge and receive such rate therefor, not exceeding 15c per K. W. H., as it may publish and file with the Commission on or before May 1, 1918; provided, however, that it continue its present minimum charge of two dollars a month. The decision is printed in full in this volume.

Re Milo Telephone Company and Moosehead Telephone and Telegraph Company; Investigation by the Commission on its Own Motion.

F. C. No. 115.

See 1917 Report. The decision is printed in full in this volume.

Re Boston and Maine Railroad. Investigation by the Commission on its Own Motion.

F. C. No. 117.

See 1917 Report. The decision is printed in full in this volume.

Re Benton & Fairfield Street Railway; Fairfield & Shawmut Street Railway; Waterville, Fairfield & Oakland Street Railway. Waiting Room Facilities at Fairfield. Investigation by the Commission on its Own Motion.

F. C. No. 118.

See 1917 report. The respondents having provided adequate waiting room facilities, the case was dismissed October 14.

N. R. KNOWLTON ET ALS VS. FARMINGTON VILLAGE CORPORATION.

F. C. No. 120.

See 1917 Report. Decision June 26, 1918. Held: That the rates, charges and practices of the Farmington Village Corporation as a water utility are unreasonable, unjust and unjustly discriminatory. The company was ordered to file a new schedule which shall be effective January 1, 1919. The decision is printed in full in this volume.

VAUGHAN JONES ET ALS. VS. BANGOR RAILWAY AND ELECTRIC COMPANY.

F. C. No. 121.

L. F. Crane et als. vs. Same.

F. C. No. 122.

See 1917 Report.

ARTHUR N. LEONARD ET ALS. VS. LEWISTON, AUGUSTA & WATERVILLE STREET RAILWAY.

F. C. No. 124.

See 1917 Report. Decision February 6, 1918. Held: Measurements, regulations and practices, unreasonable, unjust and discriminatory. Various zones, fares and regulations ordered to be established.

RE MAINE CENTRAL RAILROAD COMPANY ET AL; ADVANCE IN PASSENGER RATES. INVESTIGATION BY THE COMMISSION ON ITS OWN MOTION.

F. C. No. 125.

See 1917 Report. The decision is printed in full in this volume.

WILMER J. DORMAN ET ALS. VS. BELFAST WATER COMPANY.

F. C. No. 128.

See 1917 Report.

F. W. VOGELL ET ALS. VS. CASTINE WATER COMPANY.

F. C. No. 130.

See 1917 Report. Final hearing held July 30, 1918. Decision August 10, 1918. Complaint not sustained except as to regulations for hot and cold water faucets, which were revised.

PEJEPSCOT PAPER COMPANY ET ALS. VS. LEWISTON, AUGUSTA AND WATERVILLE STREET RAILWAY.

F. C. No. 131.

See 1917 Report.

THE AMERICAN THREAD COMPANY VS. CANADIAN PACIFIC RAILWAY COMPANY.

F. C. No. 132.

See 1917 Report. In this case the Commission interprets the provisions of Section 50 of Chapter 55, revised statutes, being the one under which reparation is authorized. The decision is printed in full in this volume.

RE KNOX AND MONTVILLE TELEPHONE COMPANY. INVESTIGATION BY THE COMMISSION ON ITS OWN MOTION.

F. C. No. 134.

See 1917 Report. Decision January 28, 1918. Held: That a physical connection can reasonably be made between the lines

of the Knox and Montville Telephone Company, the Liberty and Belfast Telephone Company and the New England Telephone and Telegraph Company and the companies were ordered to establish the same. The decision is printed in full in this volume.

PUBLIC UTILITIES COMMISSION VS. GUILFORD WATER COMPANY.

F. C. 136 and 137.

Investigation by the Commission on its own motion of certain increases in water rates. Filed Sept. 24, 1917. Hearing Sept. 28, 1917. Order suspending the proposed rates until November 1, 1917. Issued Sept. 28, 1917. Hearing held Oct. 23, 1917. Second suspension order suspending the proposed rates until Nov. 1, 1918. Issued Oct. 27, 1917. Decision Jan. 23, 1918. Held: That the rates are unreasonable, unjust, unduly and unlawfully discriminatory. Respondent ordered to file a new schedule of rates, effective April 1, 1918. The town of Guilford, one of the complainants in this case, has filed exceptions under the statutes, which exceptions have been allowed and are to be heard as provided by law. Under date of March 2, 1918, the Commission issued a supplementary order that the schedule of rates of the respondent in effect upon and immediately prior to August 29, 1917, shall continue to be the schedule of rates to be charged by said respondent until further order of the Commission.

W. S. TOWNSEND ET ALS. VS. NEWPORT WATER COMPANY.

F. C. No. 138.

Formal complaint alleging that the water furnished for domestic use is unsafe for use and generally in an unsatisfactory condition. Filed November 2, 1917. Notice of Investigation issued same day. Hearing held December 19, 1917. Decision February 5, 1918. Held: That the water furnished by respondent is unfit for domestic use. Company ordered to clear its reservoir and protect it from surface wash.

E. A. BEAN ET ALS. VS. BELGRADE POWER COMPANY.

F. C. No. 139.

See 1917 Report. Hearing held December 11, 1917. Order for valuation filed March 14, 1918. Final hearing held August 13, 1918. The Commission is awaiting the filing of briefs by attorneys for both sides. Pending.

CITIZENS OF PROSPECT VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 140.

See 1917 Report. Decision January 7, 1918. Respondent company ordered to submit detail of plans by which it can render adequate service to complainants at minimum of inconvenience to said complainants.

PUBLIC UTILITIES COMMISSION VS. MARTIN P. COLBATH.

F. C. No. 141.

See 1917 Report. Hearing held November 20, 1917. An opportunity given for the interested parties to reach an agreement. January 15, 1918, the complaint was dismissed by agreement.

J. F. HUGHES VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 142.

Claim for refund of $17.23, overcharge on carload of coal, Brownville Jct. to Brownville, Maine. Authorized November 13, 1917.

OXFORD PAPER COMPANY VS. SANDY RIVER AND RANGELEY LAKES RAILROAD AND MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 142.1.

Claim for refund of $30.71, overcharge on 16 carloads of pulp wood, Gray Farm to Rumford, Maine. Authorized November 17, 1917.

DR. H. A. BATES ET ALS. VS. LEWISTON, AUGUSTA AND WATERVILLE STREET RAILWAY.

F. C. No. 143.

Complaint relating to character of service rendered by respondent in and about the city of Bath and between Bath and Brunswick. Filed November 27, 1917. Notice of Investigation issued same day. Hearing held January 3, 1918. Decision June 3, 1918. See F. C. No. 161 printed herein in which complaint involved in this complaint was merged in general consideration of company's service.

G. B. HAYWARD VS. BANGOR AND AROOSTOOK RAILROAD.

F. C. No. 144.

Claim for refund of $21.00, overcharge on one carload of coke, Brewer to Ashland, Maine. Authorized January 7, 1918.

JOINT COMPLAINT OF ROCKLAND, THOMASTON AND CAMDEN STREET RAILWAY AND THE CENTRAL MAINE POWER COMPANY.

F. C. No. 145.

Joint complaint alleging that the electric service furnished by each of them has been interrupted at divers times, and praying that the Commission order a public hearing at which all parties interested in said service be notified to appear and be

heard, and after such hearing render such decision as it may deem advisable in the interests of all concerned. Filed Novemzer 28, 1917. Hearing held December 27, 1917. Decision February 20, 1918. Dismissed.

MUNICIPAL OFFICERS OF WESTBROOK VS. CUMBERLAND COUNTY POWER AND LIGHT COMPANY (RAILROAD DIVISION).

F. C. No. 146.

Complaint regarding the withdrawal of 20 ride tickets, or books of tickets. Filed December 18, 1917. Hearing held Jan. 2, 1918. Suspension order filed January 3, 1918. Further hearing held January 24, 1918. Decision January 28, 1918. Held:. That the schedule is not unreasonable. The decision is printed in full in this volume.

HUSSEY & GOLDTHWAITE VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 147.

Claim for refund of $40.04, overcharge on one carload corn, Guilford to North Bangor, Maine. Authorized November 27, 1917.

DANIEL A. HURD ET ALS. VS. NO. BERWICK WATER COMPANY.

F. C. No. 148.

Complaint alleging unreasonable and unjustly discriminatory rates. Filed January 14, 1918. Notice of Investigation issued same day. Preliminary hearing held February 13, 1918. Valuation order filed February 21, 1918. Final hearing assigned for October 7, 1918, and postponed by agreement of parties on account of prevailing epidemic. To be reassigned.

CITIZENS OF DEXTER VS. MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 149.

Complaint alleging that service of respondent on its branch line between Newport and Foxcroft is inadequate. Filed January 15, 1918. Notice of Investigation issued same day. Hearing held February 20, 1918. Decision February 21, 1918. Held that the present winter service is unreasonable and inadequate. Respondent ordered forthwith to change running time of one of its passenger trains, also ordered to make Newport Junction a regular stop for its west-bound main line train No. 102.

LESLIE D. AMES ET ALS. VS. CAMDEN AND ROCKLAND WATER COMPANY.

F. C. No. 150.

Complaint alleging inadequate service by respondent in Camden. Filed January 17, 1918. Notice of Investigation issued same day. Hearing held January 17, 1918. Decision issued May 27, 1918. Held: That the service being rendered is inadequate and insufficient. Respondent directed forthwith to install a booster pump between Rockport and West Rockport, and to operate the same at all necessary times so that adequate pressure be furnished and a sufficient supply of water be at all times available for public and private use. The respondent was also directed forthwith to so amend its rules and regulations so as to prevent unnecessary wastage of water by customers.

GEORGE E. FILES ET ALS. VS. MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 151.

Complaint alleging inadequate station facilities at West Benton. Filed February 5, 1918. Notice of Investigation issued same day. March 13, 1918, on motion of petitioners counsel and by consent of respondent complaint dismissed without prejudice.

LESTER B. BRAGG ET ALS. VS. CUMBERLAND WATER COMPANY.

F. C. No. 152.

Complaint alleging inadequate service. Filed February 5, 1918. Notice of Investigation issued same day. Hearing held March 11, 1918. Decision June 17, 1918. Held: That proper and adequate service has not been and is not being obtained. Respondent ordered to improve service by installing automatic air valves and relaying certain parts of its line.

AROOSTOOK PULP & PAPER COMPANY VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 153.

Claim for refund of $8.94, overcharge on one carload of machinery, Van Buren, Me., to Keegan, Me. Authorized February 12, 1918.

FRED W. ESTEY VS. MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 153.1.

Claim for refund of $16.16, overcharge on one carload of lumber, Harrison to Woodfords, Maine. Authorized March 6, 1918.

PUBLIC UTILITIES COMMISSION VS. CUMBERLAND COUNTY POWER AND LIGHT COMPANY (RAILROAD DIVISION).

F. C. No. 154.

Investigation by the Commission on its own motion with reference to certain changes proposed in fare zones and increases in passenger rates in Portland. Filed February 11, 1918. Hearings held February 25, 26 and 27. Suspension order issued March 7, 1918. Decision on motion to dismiss, issued April 8, 1918. Second suspension order issued June 3,

1918. Further hearing July 8, adjourned, and finally concluded July 24, 1918. Decision July 25, 1918. Held: Schedule not approved. Company ordered to publish and file schedule of rates, tolls and charges established by the Commission and agreed to by all parties. The decision is printed in full in this volume.

ANDROSCOGGIN PULP COMPANY VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 155.

Claim for refund of $190.64, overcharge on twelve carloads woodpulp, East Millinocket to South Windham, Me. Authorized March 13, 1918.

L. S. SAVAGE VS. MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 155.1.

Claims for refund of $41.81, overcharge on four carloads lumber. Bar Harbor to Brewer Jct., Me., Refund of $20.46 authorized March 6, 1918.

INVESTIGATION BY THE COMMISSION ON ITS OWN MOTION OF AN ADVANCE IN RATES OF THE LINCOLN COUNTY POWER COMPANY INC.

F. C. No. 156.

Notice of Investigation issued March 25, 1918 for the purpose of investigating the schedule of rates, together with the charges and practices proposed to be adopted by respondent. This case dismissed for want of prosecution by parties in interest, May 10, 1918.

PUBLIC UTILITIES COMMISSION VS. PENOBSCOT BAY ELECTRIC COMPANY.

F. C. No. 157.

Notice of hearing issued April 8, 1918, for the purpose of investigating proposed advance in rates for service at Guilford.

Hearing held April 17, 1918. Suspension order issued April 18, 1918. Final hearing held May 23, 1918. Decision June 24, 1918. Held: Proposed change not proper or justified. Company ordered to substitute a schedule providing for a meter rate of ten cents a kilowatt hour without the discount, the same to remain in effect for an experimental period of one year when the matter may again be taken up by the Commission on its own motion or at the request of any of the parties hereto.

GEORGE C. CRIBB ET ALS. VS. ANDROSCOGGIN ELECTRIC COMPANY.

F. C. No. 158.

Complaint alleging unreasonable rates and unreasonable and inadequate practices and service in the operation of its passenger traffic between Cobb Lane, so called, and the termination of its line in Portland. Filed April 11, 1918. Notice of Investigation issued same day. Respondent offered to reduce its fare but declined to accede to the other demands contained in the complaint. Complainants filed written acceptance of this offer and consent that the complaint be dismissed as to the other matters contained in it. Dismissed May 10, 1918.

ATLANTIC COAST SHIPBUILDING COMPANY ET ALS. VS. LINCOLN COUNTY POWER COMPANY INC.

F. C. No. 159.

Complaint alleging inadequate service and excessive rates at Boothbay and Boothbay Harbor. Filed May 1, 1918. Notice of Investigation issued May 2, 1918, who filed on May 9, 1918, a motion for specifications, copy of which was sent to the attorney for complainants. On August 6, 1918, the attorney for complainants filed a request that the complaint be dismissed, which was done.

BRUNSWICK & TOPSHAM WATER DISTRICT VS. ITSELF.

F. C. No. 160.

Petition asking authority to make an adjustment with the Brunswick Village Corporation of a rate which it deems excessive. Filed May 2, 1918. Hearing held May 14, 1918. Decision May 16, 1918, authorizing adjustment asked for.

PUBLIC UTILITIES COMMISSION VS. LEWISTON, AUGUSTA & WATERVILLE STREET RAILWAY.

F. C. No. 161.

Complaint instituted by the Commission on its own motion with reference to a proposed schedule of rates, increasing respondent's base rate from five to seven cents, and corresponding increases of rates now charged for certain zones or fare limits now subject to special rates other than five cents, and including other proposed changes. Filed May 8, 1918. Hearings held May 21, 23 and 29, 1918. Decision June 3, 1918. Held: That company should be allowed to publish a schedule which shall continue in effect for one year from its effective date unless sooner cancelled, which shall establish same rates, charges, fares, rules and regulations which were published in its revised schedule, except that it shall provide for the carriage of school children at not exceeding one-half of the full fare and under conditions and regulations otherwise as now in effect, and further except that it shall provide commutation tickets good between Lewiston and Mechanic Falls at twenty-one (21) cents per ride and under conditions and regulations otherwise as now in effect, and shall fix the Bath zone as from Harding's to Bath.

That said Lewiston, Augusta & Waterville Street Railway report to this Commission in detail on, or within ten days before, the first days of September, December and March, next ensuing, the progress made and being made by it in the improvement of its service.

That Schedule of Passenger Fares, M. P. U. C. No. 1, and all other rates, and regulations governing the carriage of

passengers by said Lewiston, Augusta and Waterville Street Railway now in effect on the railroad of said Lewiston, Augusta & Waterville Street Railway stand suspended from and after the date on which said Temporary Schedule shall become effective and until the same shall become non-effective in either of the ways aforesaid, whereupon said Schedule M. P. U. C. No. 1 and other rates and regulations now in effect shall again become operative except as may then be provided by this Commission. The decision is printed in full in this volume.

L. PARKER FOSTER ET ALS. VS. PORTSMOUTH, DOVER & YORK STREET RAILWAY.

F. C. No. 162.

Complaint alleging inadequate service. Filed May 11, 1918. Notice of Investigation issued same day. Notice of hearing issued June 3, 1918, to be held June 27, 1918. The Industrial Manager of the Portsmouth Navy Yard who appeared to be acting for the complainants in this matter advised us under date of June 22, 1918, that in view of certain improvements and changes which the respondent proposed to make it was the desire of complainants to postpone hearing to give the respondent an opportunity to remove the cause of the complaint. Pending.

C. A. NASON VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 163.

Claim for refund of $36.00, overcharge on one carload of apples, Hampden to Masardis, Maine. Authorized May 14, 1918.

WILLIAM H. ROWE ET ALS. VS. YARMOUTH LIGHTING COMPANY.

F. C. No. 164.

Complaint alleging proposed schedule of rates unjust and discriminatory. Filed June 9, 1918. Hearing July 23, 1918. Suspension order issued same day. Order for valuation filed August 5, 1918. Second suspension order issued Sept. 20, 1918. Pending.

GREAT NORTHERN PAPER COMPANY VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 165.

Claim for refund of $22.05, overcharge on seven carloads of pulpwood. Dolby Rips to Millinocket, Me. Authorized May 22, 1918.

THE LIMESTONE COMPANY VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 166.

Claim for refund of $10.00, overcharge on one carload of limestone (in bulk) from Limestone to Caribou, Me. Authorized May 29, 1918.

THE NATIONAL FERTILIZER COMPANY VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 166.1.

Claim for refund of $15.15, overcharge on one carload of fertilizer. Presque Isle to Westfield, Me. Authorized June 5, 1918.

PUBLIC UTILITIES COMMISSION VS. YORK COUNTY WATER COMPANY.

F. C. No. 168.

Investigation instituted May 29, 1918, by the Commission on its own motion as to the propriety of certain proposed increases in rates for service at Biddeford, Kennebunk, Kennebunkport and Wells. Hearing held June 22, 1918. Decision June 28, 1918. Held: Certain parts of its proposed schedule are unreasonable. Company ordered to file emergency schedule incorporating rates established by the Commission. Original schedule suspended but " shall automatically again become effective

July 1, 1919, unless this Commission on application of this petitioner, or on its own motion, after hearing, shall extend the operation of said emergency schedule, or substitute another schedule, or other rates, in lieu thereof, or finally approve the same as the regular schedule of rates of said company." The decision is printed in full in this volume.

PUBLIC UTILITIES COMMISSION VS. AUGUSTA WATER DISTRICT.

F. C. No. 169.

Investigation by the Commission on its own motion of certain matters relating to refusal of respondent to connect the houses of certain parties in East Winthrop with its water main. Issued May 29, 1918. June 24, 1918, public hearing ordered to be held July 6, 1918. Attorney for complainants filed a statement July 3, 1918, in which it was stated that an agreement had been reached between the parties. Dismissed July 5, 1918.

PUBLIC UTILITIES COMMISSION VS. CENTRAL MAINE POWER COMPANY.

F. C. No. 170.

Investigation by the Commission on its own motion of certain matters relating to the refusal of respondent to extend its gas mains in the city of Augusta. Issued June 3, 1918. Respondent advised under date of June 5, 1918, that it would make the extension asked for. Dismissed June 20, 1918.

MERRILL & LIBBY ET ALS. VS. ANDROSCOGGIN ELECTRIC COMPANY AND PORTLAND TERMINAL COMPANY.

F. C. No. 171.

This is a complaint alleging inadequate service and unjust and unreasonable rules and regulations, with especial reference

to the failure of respondents to provide interchange facilities for freight service between each other at Deering Junction. Filed June 3, 1918. Notice of Investigation issued same day. Demurrer and answer of Androscoggin Electric Company filed June 25, 1918, by Charles B. Carter, Attorney; in which he claims that the matters complained of are matters of interstate commerce over which the Commission has no jurisdiction and therefore, is not authorized by law to make any order relating thereto. June 18, 1918, notice of hearing was issued to be held July 17, 1918, when respondent argued demurrer orally, adjournment then being made by agreement for filing briefs. On September 7, 1918, the attorney for complainants moved that the complaint be dismissed without prejudice, to which the respondent, Androscoggin Electric Company assented. Dismissed September 10, 1918.

BATH BOX COMPANY ET ALS. VS. PEOPLE'S FERRY COMPANY.

F. C. No. 172.

See F. C. No. 173.

PUBLIC UTILITIES COMMISSION VS. PEOPLE'S FERRY COMPANY.

F. C. No. 173.

Investigation instituted June 8, 1918, by the Commission on its own motion as to the propriety of certain proposed increases in rates for the carriage of persons and property by steam ferry across the Kennebec river, between Bath and Woolwich. Hearing held June 21, 1918, jointly with F. C. Nos. 172 and 175. Decision June 22, 1918.

P. M. CRAM ET ALS. VS. KENNEBEC GAS & FUEL COMPANY.

F. C. No. 174.

Complaint alleging refusal of respondent to furnish its service to certain customers in Winslow. Filed June 10, 1918.

Notice of Investigation issued same day. Hearing held July 5, 1918, at which the Commission made suggestions to the parties looking to an adjustment of the matter without the necessity of a formal order. Interruptions in service having been removed following aforesaid suggestions, the case was dismissed without prejudice Oct. 2, 1918.

BATH BOX COMPANY ET ALS. VS. PEOPLE'S FERRY COMPANY.

F. C. No. 175.

See F. C. No. 173.

VARIOUS PERSONS VS. BANGOR AND AROOSTOOK RAILROAD COMPANY.

F. C. No. 176.

Claim for refund for alleged overcharge in car demurrage charges January 21, 1918, to February 10, 1918. Authorized June 20, 1918.

JOHN L. MORRISON ET ALS. VS. MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 177.

Complaint alleging inadequate service at Dover and Foxcroft, Dexter, Corinna, Newport and other places on what is known as the Foxcroft branch. Filed June 25, 1918. Notice of Investigation issued same day. Hearing August 20, 1918. Decision August 22, 1918. Ordered: That the respondent shall forthwith put in effect and continue in effect until further order the same schedule of passenger trains upon the Foxcroft branch, so-called, which was in effect prior to the change in its present summer schedule.

FRANK MOSS ET ALS. VS. PORTLAND WATER DISTRICT.

F. C. No. 178.

Complaint alleging that the service furnished by respondent for fire protection purposes at Prouts Neck is inadequate. Filed July 5, 1918. Notice of Investigation issued same day. Hearings held September 3 and 16, 1918. See F. C. 181. Pending.

WALTER N. MINER ET ALS. VS. CALAIS STREET RAILWAY.

F. C. No. 179.

Complaint alleging that the present schedule of rates is not reasonable and just. Filed July 10, 1918. Notice of Investigation issued July 12, 1918. Hearing held August 14, 1918, and suspended to give complainants an opportunity to verify or contradict respondent's figures.

DAVID W. SNOW ET ALS. VS. PORTLAND-LEWISTON INTERURBAN RAILROAD COMPANY.

F. C. No. 180.

Complaint alleging inadequate service in that respondent's cars do not stop at two highway crossings locally known as Morses' Road and Town Farm Road crossings. Filed July 11, 1918. Notice of Investigation issued July 12, 1918. Hearing held August 12, 1918. Decision August 12, 1918. Ordered that three cars a day each way stop on signal at the crossings mentioned.

PUBLIC UTILITIES COMMISSION VS. PROUTS NECK WATER COMPANY.

F. C. No. 181.

See F. C. No. 178 herein. Complaint instituted July 12, 1918, by the Commission on its own motion regarding the furnishing of fire protection service at Prouts Neck Hearings held September 3 and 16, 1918. Pending.

Public Utilities Commission vs. Searsport Water Company.

F. C. No. 182.

Complaint instituted July 16, 1918, by the Commission on its own motion regarding certain proposed increases in domestic and hydrant rental water rates in Searsport. Hearing held July 27, 1918. Order suspending the proposed domestic rates, filed July 29, 1918. Valuation order filed same day. Order suspending the proposed hydrant rental rates filed August 17, 1918. Hearing ordered for December 3, 1918. Pending.

Public Utilities Commission vs. Island Falls Water Company.

F. C. No. 183.

Complaint instituted July 19, 1918, by the Commission on its own motion regarding certain proposed increases in domestic and hydrant rental water rates in Island Falls. Hearing held July 27, 1918. Order suspending the proposed domestic rates filed July 29, 1918. Valuation order filed same day. Order suspending the proposed hydrant rental rates filed August 17, 1918. Hearing ordered for December 12, 1918. Pending.

Public Utilities Commission vs. Lincoln Water Company.

F. C. No. 184.

Complaint instituted July 20, 1918, by the Commission on its own motion regarding certain proposed increases in domestic and hydrant rental rates in Lincoln. Hearing held July 27, 1918. Order suspending the proposed domestic rates filed July 29, 1918. Valuation order filed same day. Order suspending the proposed hydrant rental rates filed August 17, 1918. Hearing ordered for December 2, 1918. Pending.

PUBLIC UTILITIES COMMISSION VS. LISBON FALLS ELECTRIC COMPANY.

F. C. No. 185.

Complaint instituted July 29, 1918, by the Commission on its own motion regarding certain proposed increases in electric lighting and power rates at Lisbon Falls. Valuation order issued August 14, 1918. New schedule granting certain reductions filed by respondent and approved by representatives of the public. Complaint dismissed October 8, 1918.

S. A. DAVIES VS. CANADIAN PACIFIC RAILWAY AND MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 186.

Claim for refund of $12.40, overcharge on one carload of edgings, Lake View to South Brewer, Maine. Authorized August 5, 1918.

LINCOLN COUNTY POWER COMPANY, INC. VS. DAMARISCOTTA LEATHER COMPANY.

F. C. No. 187.

Claim for payment of certain amounts now due, the original billing for the period mentioned being made through error. Authorized August 16, 1918.

PUBLIC UTILITIES COMMISSION VS. WASHBURN WATER COMPANY.

F. C. Nos. 188 and 189.

Complaints instituted August 16, 1918, by the Commission on its own motion of certain proposed domestic and hydrant rental water rates in Washburn. Preliminary hearing waived by respondent. Order suspending the proposed hydrant rental rates filed August 16, 1918. Valuation order filed same day. Hearing ordered for December 10, 1918. Pending.

PUBLIC UTILITIES COMMISSION VS. BANGOR GAS LIGHT COMPANY.

F. C. No. 190.

Investigation instituted August 16, 1918, by the Commission on its own motion as to the propriety of certain proposed increases in rates for gas service at Bangor. Hearing held September 4, 1918. Decision September 9, 1918. Held: That the increases are just and reasonable as emergency rates under present abnormal conditions, "provided, however, that this order shall not be construed as relieving said Bangor Gas Light Company of the burden of justifying said increases, or any increases contained in its schedule now in effect and made since its first schedule was filed with this Commission, in any proceeding relating to the reasonableness of its rates which may be instituted at any time after the present war is declared to be at an end."

PUBLIC UTILITIES COMMISSION VS. CENTRAL MAINE POWER COMPANY.

F. C. No. 191.

Investigation instituted August 16, 1918, by the Commission on its own motion as to the propriety of certain proposed increases in rates for gas service for Augusta, Hallowell and Gardiner. Hearing held August 27, 1918. Decision September 2, 1918. Held: "That the increases contained in its schedule are not shown to be just and reasonable; and said schedule is rejected.

"That said Central Maine Power Company be, and it hereby is, authorized to publish and file, effective on one day's notice, a new schedule of rates for gas, to be known as its Schedule M. P. U. C. No. 2, of gas rates, cancelling its present Schedule M. P. U. C. No. 1, in which the maximum rate shall not exceed one dollar and eighty-five cents per thousand cubic feet, and the net rate if paid at the company's office on or before the fifteenth day of the month following that for which bill is rendered shall not exceed one dollar and seventy-five cents per thousand cubic feet."

The proposed schedule provided a rate of $2.00 per thousand cubic feet with a prompt payment discount of ten cents per thousand.

MUNICIPAL LIGHT AND POWER COMPANY—COMPLAINT AGAINST ITSELF.

F. C. No. 192.

Complaint instituted by respondent against itself alleging insufficient revenue to pay expenses, and seeking relief through the medium of increased rates. Filed August 15, 1918. Hearing held August 28, 1918. Decision August 29, 1918. See F. C. No. 193 following. Same decision reached as in that case.

WESTBROOK GAS COMPANY—COMPLAINT AGAINST ITSELF.

F. C. No. 193.

Complaint instituted by respondent against itself alleging insufficient revenue to pay expenses, and seeking relief through the medium of increased rates. Filed August 17, 1918. Hearing held August 28, 1918. Decision August 29, 1918. Held: The present rates do not pay the cost of the service, without any salaries for officers or dividends on stock, and that the proposed rates will not do so under the conditions now existing. The utility should not be required to furnish service at a loss—and apparently is not expected to do so. Whenever changed conditions warrant it the rates will be revised on petition by the consumers. Company permitted to put into effect revised schedule of rates as of September 1, 1918.

JOHN E. BROOKS ET ALS. VS. EASTPORT WATER COMPANY.

F. C. No. 194.

Complaint alleging excessive and unreasonable water rates at Eastport. Filed August 26, 1918. Notice of Investigation issued same day. Final hearing assigned for October 2, 1918, and postponed by agreement of parties on account of prevailing epidemic. To be reassigned.

Lewiston Gas Light Company—Complaint Against Itself.

F. C. No. 195.

Complaint instituted by respondent against itself alleging that their present rates are not sufficient to meet the extraordinary expense of operation due to the increased cost of all materials and labor entering into the production of gas. Filed August 19, 1918. Hearing held September 11, 1918. Decision September 14, 1918.

"That the increases proposed in Schedule M. P. U. C. No. 2 of the Lewiston Gas Light Company are not just and reasonable, and that said schedule be rejected;

"That the Lewiston Gas Light Company be, and it hereby is, authorized to publish and file, effective September 23, 1918, its Temporary Schedule M. P. U. C. No. 1, establishing a maximum rate of one dollar and fifty-five cents ($1.55) per thousand cubic feet with a discount of ten cents per thousand for payment within the first ten days of the calendar month next following that for which the bill is rendered, which shall automatically suspend its present Schedule M. P. U. C. No. 1, and shall continue in force until the twenty-third day of the sixth calendar month next after the month in which peace shall be declared, unless otherwise sooner ordered by this Commission, on its own motion, or on petition by said company, or formal complaint under section 43, chapter 55, Revised Statutes of Maine. At the expiration of said time, unless extended, modified, or otherwise ordered, said Temporary Schedule shall become null and void and said present Schedule M. P. U. C. No. 1 shall thereupon become of full effect."

The proposed schedule provided a maximum rate of $1.70 per thousand cubic feet with a prompt payment of ten cents.

Rockland, Thomaston & Camden Street Railway—Complaint Against Itself.

F. C. No. 196.

Complaint instituted by respondent against itself alleging that its receipts are not sufficient to provide for fixed charges and a fair return, and seeking relief by filing a schedule of increased rates. Filed August 29, 1918. Hearings held September 12 and 27. Decision October 10, 1918.

EDWARD F. FLAHERTY VS. CUMBERLAND COUNTY POWER & LIGHT COMPANY (RAILROAD DIVISION).

F. C. No. 197.

Complaint alleging unjust and unreasonable rates of fare between Portland and Wildwood. Filed September 13, 1918. Notice of Investigation issued September 17, 1918. This case is being adjusted informally. Pending.

THE CITIZENS OF PEAKS ISLAND VS. THE ISLAND FERRY COMPANY AND CASCO BAY & HARPSWELL LINES.

F. C. No. 198.

Complaint alleging inadequate service. Filed September 21, 1918. Notice of Investigation issued same day. Hearing ordered for November 8, 1918.

LINCOLN COUNTY POWER COMPANY—COMPLAINT AGAINST ITSELF.

F. C. No. 199.

Complaint instituted by respondent against itself alleging that its revenue is inadequate to pay necessary expenses and fixed charges, and asking authority to increase its water rates at Damariscotta so as to provide for the same. Filed October 5, 1918. To be assigned.

VARIOUS PERSONS VS. PORTLAND TERMINAL COMPANY AND MAINE CENTRAL RAILROAD COMPANY.

F. C. No. 200.

Claim for refund of $1,853.00 as special reparation in connection with car demurrage charges made between January 21st and February 10, 1918. Authorized October 9, 1918.

Public Utilities Commission vs. York County Power Company.

F. C. No. 201.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of electric rates. Issued October 9, 1918. Public hearing held October 22, 1918. Order suspending the proposed schedule for a period of three (3) months. Issued October 23, 1918. Final hearing held October 31, 1918. Pending.

Public Utilities Commission vs. Cumberland County Power and Light Company.

F. C. No. 202.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of electric rates. Issued October 9, 1918. Hearing October 22, 1918. Order suspending the proposed schedule for a period of three (3) months. Filed October 23, 1918. Final hearing assigned for November 18, 1918.

Public Utilities Commission vs. Westbrook Electric Company.

F. C. No. 203.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of electric rates. Filed October 9, 1918. Hearing held October 22, 1918. Order suspending the proposed schedule for a period of three (3) months. Issued October 23, 1918. Final hearing assigned for November 22, 1918.

Public Utilities Commission vs. York County Power Company.

F. C. No. 204.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of gas rates. Filed October 9, 1918. Hearing held October 22, 1918. Order suspending the proposed schedule for a period of three (3) months. Filed October 23, 1918. Final hearing held October 31, 1918. Pending.

Mable A. Strong et als. vs. Lewiston, Augusta & Waterville Street Railway.

F. C. No. 205.

Complaint alleging inadequate service on the Waterville line—Augusta to Crawfords. Filed October 11, 1918. Notice of Investigation issued the same day. Informal conferences have been held with the respondents in regard to this matter, and it is probable that it will be adjusted without the necessity of the formal hearing.

Public Utilities Commission vs. Cumberland County Power & Light Company. (Railroad Division).

F. C. No. 206.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of rates and practices upon its so-called Island cars. Filed October 14, 1918. Hearing held October 22, 1918. An order suspending the proposed rates for a period of three (3) months. Filed October 23, 1918. Final hearing assigned for November 18, 1918.

Public Utilities Commission vs. York County Power Company.

F. C. No. 207.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of rates for seasonal lighting. Filed October 14, 1918. Hearing held October 22, 1918. Order suspending the proposed rates for a period of three (3) months. Filed October 23, 1918. Final hearing to be held October 31, 1918. Pending.

Pubic Utilities Commission vs. Bangor Railway & Electric Company. (Railroad Division).

F. C. No. 208.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of rates. Filed October 15, 1918. Hearing held October 29, 1918. Order issued same day suspending the proposed schedule for a period of three (3) months. Final hearing ordered for November 26, 1918.

Public Utilities Commission vs. Milo Electric Light & Power Company.

F. C. No. 209.

Investigation by the Commission on its own motion of certain proposed changes in respondent's schedule of electric rates. Filed October 15, 1918. Hearing held October 29, 1918. Order issued the same day suspending the proposed schedule for a period of three (3) months. Final hearing to be held December 4, 1918.

STANDARD SHIPYARD COMPANY VS. WISCASSET WATER COMPANY.

F. C. No. 210.

Complaint alleging that the service of the respondent is inadequate and cannot be obtained. Filed October 18, 1918. Notice of investigation issued the same day. The respondent awaited the formality of a preliminary hearing, and hearing was held October 25, 1918. Pending.

FREDERICK W. HINCKLEY ET ALS. VS. CUMBERLAND COUNTY POWER AND LIGHT COMPANY. (RAILROAD DIVISION).

F. C. No. 211.

Complaint alleging that the service of the respondent on the South Portland Heights Line is inadequate. Notice of Investigation issued October 22, 1918. Pending.

PUBLIC UTILITIES COMMISSION VS. CARIBOU WATER, LIGHT & POWER COMPANY.

F. C. No. 212.

Investigation by the Commission on its own motion of certain proposed changes in water rates. Filed Oct. 24, 1918. Hearing ordered to be held December 11, 1918.

SECURITIES.

There have been issued during the year securities of the aggregate par value of $4,809,405.00 divided as shown by the table following:

Docket No.	Applicant.	Date of order.	Purpose.	Amount Authorized.			% Rate.	Date of Maturity.
				Stock.	Bonds.	Notes.		
U 232	Gould Electric Co.	Dec. 4, 1917	Purchase of property of the Maine & New Brunswick Electrical Power Co., Limited, in Maine.	$400,000	–	–	–	
U 235	George H. Mooers	Nov. 15, 1917	Payment of indebtedness	–	–	$7,000	6	Ten annual installments.
U 237	Livermore Falls Light & Power Co.	Nov. 28, 1917	Payment of indebtedness and improvements	–	$50,000	–	6	Oct. 1, 1942.
U 238	Washington Co. Light & Power Co.	June 3, 1918	Purchase of property and organization expenses	*150,000	–	–	–	
			Acquisition and construction of plant	–	300,000	–	6	25 years.
U 239	Oquossoc Light & Power Co.	Nov. 15, 1917	Acquisition and construction of plant	–	†25,000	–	6	20 years.
U 241	Monhegan Water Co.	Dec. 4, 1917	Additions and improvements	600	–	–	–	
U 242	Central Maine Power Co.	Jan. 8, 1918	Purchase of securities of other Co's and reimburse its treasury	–	418,000	–	5	Nov. 1, 1939.
		Jan. 22, 1918	Purchase securities of other Co's. and reimburse its treasury.	223,400	–	–	–	
U 243	Wiscasset Electric Light & Power Co.	Jan. 22, 1918	Payment of indebtedness	400	–	–	–	
U 244	Penobscot Bay Electric Co.	Jan. 22, 1918	Payment of indebtedness & working capital	60,000	–	–	–	
U 245	Bath & Brunswick Light & Power Co.	Jan. 22, 1918	Payment of indebtedness	54,700	–	–	–	
U 246	Waldoboro Water & Electric Light & Power Co.	Jan. 22, 1918	Payment of indebtedness	2,300	–	–	–	
U 248	Hartland Electric Light & Power Co.	Jan. 22, 1918	Payment of indebtedness	2,000	–	–	–	

* Includes $100,000 8% preferred.

† Revokes U 165 as to issue of bonds—Rate % changed.

SECURITIES—Concluded.

Docket No.	APPLICANT.	Date of order.	PURPOSE.	AMOUNT AUTHORIZED.			% Rate.	DATE OF MATURITY.
				Stock.	Bonds.	Notes.		
U 249	Newport Light & Power Co.	Jan. 22, 1918	Payment of indebtedness	6,500	–	–	–	
U 253	Camden & Rockland Water Co.	Dec. 28, 1917	Retirement of bonds of Rockland Water Co.	–	225,000	–	5	April 1, 1937.
U 254	Crawford Electric Co.	Jan. 28, 1918	Payment of indebtedness	2,300	–	–	–	
U 258	Calais Water & Power Co.	Jan. 12, 1918	Purchase plant, property and franchises of other utilities	200,000	–	–	–	
		Apr. 15, 1918	Payment of indebtedness Maine Water Co.	–	50,000	–	6	20 years.
U 260	Washburn Water Co.	Jan. 9, 1918	Acquisition of plant and working capital	*30,000	35,000	–	5	20 years.
U 269	Berwick & Salmon Falls Elec. Co.	Apr. 10, 1918	Additions, betterments and improvements	34,000	80,000	–	5	Oct. 1, 1953.
U 270	Bar Harbor & Union River Power Co.	Mch. 13, 1918	Extensions, additions and improvements	–	30,000	–	5	Sept. 1, 1935.
U 271	Bangor Power Co.	Mch. 13, 1918	Extensions, additions and improvements	–	51,000	–	5	Sept. 1, 1931.
U 276	Eastern Telephone & Telegraph Co.	April 9, 1918	Acquisition of plant	32,000	–	–	–	
U 281	West Oxford Telephone Co.	Apr. 17, 1918	Payment of indebtedness	790	–	–	–	
U 283	Hebron's Home Telephone Co.	May 8, 1918	Purchase of plant, property and franchises of E. Hebron Tel. Co.	515	–	–	–	
U 284	Cumberland County Power & Light Co.	Apr. 30, 1918	Dividends	†34,500	–	–	6	May 1, 1923.
U 286	Cumberland County Power & Light Co.	May 24, 1918	Exchange for notes of Lewiston, Augusta and Waterville St. Ry., due June 1, 1918, guaranteed by petitioner	–	–	614,000	7	June 1, 1921.
U 287	Oakland Water Co.	June 2, 1918	Payment of maturing bonds	–	40,000	–	6	Sept. 1, 1938.
U 290	Kittery Water District	June 13, 1918	Additions and improvements	–	‡200,000	–	5	Various.
U 293	Central Maine Power Co.	July 1, 1918	Additions and permanent betterments	–	58,000	–	5	1939.

U 296	Anson Water District	July 12, 1918	Refunding outstanding notes	–	–	15,000		6	
U 298	Central Maine Power Co	July 12, 1918	Payment of indebtedness	–	1,000	–		5	1939.
U 299	Kingfield Water Co	Aug. 14, 1918	Payment of maturing bonds	10,000	–	–	–		
U 301	Stratton Light Co	Aug. 14, 1918	Purchase of rights and franchises of Stratton Electric Light Co., and extensions	10,000	–	–	–		
U 317	Portland Gas Light Co	Oct. 8, 1918	Payment of indebtedness	1,000,000	500,000	–		7	September 1, 1921.
RR341	Lewiston, Augusta & Waterville Street Railway	Dec. 4, 1917	Payment of indebtedness	–	381,000	–		5	April 1, 1937.
RR375	Lewiston, Augusta & Waterville Street Railway	Feb. 18, 1918	Payment of indebtedness	–	°101,400	–		6	March 1, 1920.
RR435	Lewiston, Augusta & Waterville Street Railway	July 9, 1918	Payment of indebtedness	–	3,000	–		5	April 1, 1937.
				2,254,005	2,548,400	$7,000			

* Includes $10,000—6% preferred stock. † Scrip. ‡ Optional with petitioner to issue in lieu of bonds 5% notes.

° Deferred interest on Lewiston, Brunswick & Bath St. Ry. Bonds, due March 1, 1918.

APPLICATIONS FOR APPROVAL OF CONTRACTS UNDER SECTION 34, CHAPTER 55, REVISED STATUTES.

C. 34. Application by the Islands Electric Company for approval of contract with the Vinalhaven Water Company for the furnishing of electricity for pumping purposes. Approved Nov. 6, 1917.

C. 35. Application by Rockland, Thomaston & Camden Street Railway for approval of contract with the Rockland & Rockport Lime Company for electric power for a term of five years from January 1, 1918. Approved December 27, 1917.

C. 36. Application by the York County Power Company for approval of contract with the inhabitants of the town of Sanford for electric current for street lighting for a term of five years from April 1, 1918. Approved April 10, 1918.

C. 37. Application by the York County Power Company for approval of contract with the Ogunquit Village Corporation for municipal lighting for a term of five years from June 1, 1918. Approved May 8, 1918.

C. 38. Application by the York County Power Company for approval of a contract with the town of Wells for municipal lighting for a term of five years from July 15, 1917. Approved May 8, 1918.

C. 39. Application by the Milo Electric Light & Power Company for approval of a contract with the American Thread Company for industrial power for a term of five years from December 3, 1917. Approved May 10, 1918.

C. 40. Application by the Cumberland County Power & Light Company for approval of a contract with the city of Portland for municipal lighting for five years from April 1, 1918. Approved with certain modifications May 14, 1918. The decision is printed in full in this volume.

C. 41. Application by the York County Power Company for the extension of a contract with the town of Kennebunk

for a period of 30 days from May 19, 1918. Approved May 29, 1918.

C. 42. Application by the York County Water Company for approval of a contract with the city of Biddeford for water for fire hydrant purposes at Fortune's Rocks and part of Biddeford Pool. Approved July 2, 1918. Term expires August 1, 1922.

C. 43. Withdrawn.

C. 44. Application by the Cumberland County Power & Light Company and the York County Power Company for the furnishing of electric energy by each contracting party to the other under certain terms and conditions. Dismissed without prejudice August 31, 1918.

"The Commission does not think that these contracts should be approved unless there is real necessity for it within the scope of the amendment already explained. They constitute some material deviation from absolute uniformity in the working of the law, and all such deviation is to be avoided if possible. The hands of the utility and of the Commission should be kept free with respect to rates and their change, voluntary or involuntary, so far as practicable, and of the public to complain against them.

"In that case and in Re Rumford Falls Light and Power Company, Me. P. U. C. Rep. 1916, page 337; P. U. R. 1916 E, 680, we discussed the law and the circumstances under which such contracts should be approved. The conclusion, in brief, was that under certain circumstances it was desirable and proper that the producer and the consumer of power should be permitted to assure themselves, the one of a market for its product and the other of an agency for the operation of its plant, for a fixed term at a given rate. This is all that a contract accomplishes in any case. It must be based upon a rate available, at the date of the contract, to the public generally; and that rate cannot be changed during the term of the contract except with the consent of the Commission. But the Commission would be bound to change it if altered costs of service or other conditions required, and in such an event the public would thenceforward pay for the same service a higher or a lower price than the party to the contract.

"In the case now before us no necessity appears to exist for the making of a contract binding one of these parties to serve

the other, or to take current from the other, because both corporations are absolutely under the same management, the Cumberland County Power and Light Company owning all, or practically all, of the stock of the York County Power Company. This management has it in its power to see that intercorporate service is rendered just as effectively without a contract as with one.

"It is true that, in the absence of a contract, the rates will vary as they vary to the public. This ought to be the case unless some of the special considerations mentioned in the Water District case exist; and we do not understand this to be the fact. On the other hand, especial caution ought to be exercised where parties are, in fact, dealing with themselves.

"It may be suggested that the contract establishes a prior claim to the service which might be of great value if the serving party became unable to meet all demands made upon it. This might be a very strong reason for rejecting the contract, because each of these corporations is chartered to serve a particular territory, and that territory ought to have the first call upon it. In this respect, the present case differs very materially from one where the utility seeks to contract with a customer located in its own territory.

"Refusal to approve the pending application does not prevent the parties from continuing in the same relation as to the service now rendered by each to the other. It simply means that such service may be rendered by either only so long as it stands ready to render it to the public on the same terms.

"If the intercorporate relation between the parties is changed at some future time, and it then appears that the contract ought to be approved, the application may be renewed."

C. 45. Application by the Cumberland County Power & Light Company for approval of contract with the Androscoggin Electric Company for furnishing of electric energy for certain named uses in the terminal station of the latter company for a term of 20 years. Approved August 23, 1918.

C. 46. Withdrawn.

C. 47. Application by the Lewiston, Augusta & Waterville Street Railway for approval of a contract with the Androscoggin Electric Company for the furnishing of electric energy for certain uses in the terminal station of the latter corpora-

tion. Term 20 years from August 19, 1918. Approved August 23, 1918.

C. 48. Application by the York County Power Company for approval of a contract with the Biddeford & Saco Railroad Company for electric energy for use by the latter in the operation of its electric railway system. Term five years from April 1, 1918. Approved August 27, 1918.

C. 49. Application by the Lincoln County Power Company for approval of contract with the Damariscotta Leather Company for electric power. Term eight years and nine months from May 6, 1918. Approved July 9, 1918.

C. 50. Application by the York County Water Company for approval of a contract with the city of Biddeford for water for fire hydrant purposes for the residential section of Biddeford Pool. Term expires Jan. 1, 1921. Approved July 9, 1918.

C. 51. Withdrawn.

C. 52. Application by the Westbrook Electric Company for approval of contract with the city of Westbrook for current for municipal lighting. Term five years from August 20, 1918. Approved Sept. 10, 1918.

C. 53. Application by the Cumberland County Power & Light Company for approval of a contract with the city of South Portland for electric energy for municipal uses. Term five years from August 1, 1918. Approved Sept. 24, 1918.

C. 54. Application by the Androscoggin Electric Company for approval of a contract with the Cushman-Hollis Company for electric energy. Term five years from Nov. 1, 1918. Approved Oct. 10, 1918.

C. 55. Application by the Androscoggin Electric Company for approval of a contract with the Avon Mills Company for electric energy. Term five years from November 1, 1918. Approved October 18, 1918.

C. 56. Application by the Androscoggin Electric Company for approval of a contract with the Dingley-Foss Shoe Company for electric energy. Term 5 years from November 1, 1918. Approved October 19, 1918.

C. 57. Application by the Androscoggin Electric Company for approval of a contract with T. A. Huston & Company for electric energy. Term five years from November 1, 1918. Approved October 26, 1918.

ACCIDENTS.

There have been reported 1334 accidents, eighty-seven of which were fatal. Eighty-one of these occurred on the premises, or in connection with the operation of steam and electric railroads, five were in connection with the operation of electric utilities, and one was on the premises of a steamboat company. These fatal accidents are divided and classified as follows:

	Passengers.	Employees.	Trespassers.	Crossings.	Miscellaneous.	Total.
Aroostook Valley Railroad	–	–	–	4	–	4
Atlantic Shore Railway	–	–	–	–	2	2
Bangor & Aroostook Railroad Company	4	4	1	–	–	9
Bangor Railway & Electric Company	–	–	1	–	–	1
Boston & Maine Railroad	1	–	2	6	1	10
Canadian Pacific Railway	–	2	1	–	–	3
Central Maine Power Company	–	1	–	–	–	1
Cumberland County Power & Light Company, (Lessee Portland Railroad Co.)	–	1	1	–	–	2
Damariscotta Steamboat Company	–	1	–	–	–	1
Georges Valley Railroad	–	–	–	1	–	1
Grand Trunk Railway	–	1	–	–	–	1
Lewiston, Augusta & Waterville Street Ry.	–	4	4	–	–	8
Maine Central Railroad	–	7	12	11	1	31
Milo Electric Light & Power Company	–	–	–	–	1	1
Penobscot Bay Electric Company	–	1	–	–	–	1
Portland Terminal Company	–	3	3	1	–	7
Portsmouth, Dover & York Street Railway	1	–	–	–	–	1
Rockland, Thomaston & Camden Street Ry.	–	1	–	–	–	1
Somerset Traction Company	–	1	–	–	–	1
York Harbor & Beach Railroad	–	–	–	–	1	1
York County Power Company	–	–	–	–	1	1
Totals	6	27	25	23	7	88

Passengers:

Of the six passengers killed, one jumped from a train without apparent cause; one jumped from a train on a bridge, fell into the river and was drowned; one was killed when two electric passenger cars met in a head-on collision and three were fatally injured when a snow-plow collided with the rear of a passenger train.

Employees:

Of the 29 employees, one was caught between the turn-table and the wall at a round-house. Five were crushed between cars; another was crushed under a car; one was thrown from a motor car; two section men on the track were struck by

passenger trains; a section man riding a velocipede was struck by a freight train; a brakeman was run over by a freight train; a conductor of a freight train fell between two cars and was run over; two motormen received fatal injuries in a head-on collision between two passenger cars; a freight conductor and a foreman carpenter were killed by the collision of a freight engine and the rear end of a freight train; a laborer trying to climb onto a box car fell under it and was crushed; another laborer fell from a flat car which he was assisting in unloading and was run over by a freight car; a brakeman of an electric railroad was killed by being thrown from a freight train; a switchman stepped on the track directly in front of a moving locomotive; a machinist was run ver by a shifting engine in the yard; a flanger man was instantly killed while in the performance of his duties when a passenger train collided with the rear of a snow-plow train; a painter fell from a staging; a brakeman was killed by the discharge of fire and steam caused by the giving way of a crown sheet of a boiler; an employee was eloctrocuted at a sub-station of an electric railroad; a night watchman in the employ of an electric power company was electrocuted; and the engineer of a steamboat was drowned when the boat struck an iron bridge and capsized.

Trespassers:

These were all plain cases of trespass. Two boys, one age 6 and the other age 12, were crawling under a freight train which started and ran over them; a boy 9 years old was instantly killed while trying to board a moving freight train, and a newsboy, age 6, was attempting to board an electric car.

Crossings:

Sixteen people riding in automobiles were killed at grade crossings, the machines in which they were riding having been struck by a train, four of these fatalities being in connection with the operation of electric railroads; six persons riding in teams and one pedestrian were killed.

Miscellaneous:

A young woman was fatally injured when an automobile in which she was riding came in contact with an iron pole of an electric light company; an employee of an industrial concern

while attempting to make repairs to a high tension wire of an electric light company was electrocuted; an employee of a private concern having an unloading track in its own yard was crushed between two rack cars; a man was killed at a private crossing by the collision of an automobile and an electric passenger car; a pedestrian was electrocuted by coming in contact with a lighting wire which had been broken down by a heavy wind and rain storm; and two men who were assisting in unloading carloads of logs were crushed by the falling logs.

BRIEF REVIEW OF MISCELLANEOUS MATTERS ON RAILROAD DOCKET ARRANGED UNDER NAME OF RAILROADS AFFECTED.

ANDROSCOGGIN ELECTRIC COMPANY.

R. R. 398. Approval of a specific type of headlight. Decision dated April 23, 1918.

AROOSTOOK VALLEY RAILROAD COMPANY.

R. R. 306. See 1917 Report. Decision issued March 30, 1918.

R. R. 399. Approval of a specific type of headlight. Decision dated May 11, 1918.

ATLANTIC SHORE RAILWAY.

R. R. 396. Petition for permission to locate, construct and maintain an industrial track leading from petitioner's main line track on Main street in Sanford, across said street, to land of Frank C. Leavitt on which a storehouse is to be constructed for the storage and sale of coal. Hearings held April 23, 1918, and May 27, 1918. Decision issued June 5, 1918. Held that the Commission is without authority to approve the construction of such a track to a vacant lot. The storehouse must be in existence before the approval becomes effective. See Grand Trunk Railway Company of Canada, petitioner, R. R. 35. Order made accordingly.

R. D. 401.1. Approval of a specific type of headlight. Decision dated April 26, 1918.

R. R. 393. Petition by the municipal officers of the town of Presque Isle for the abolition of three grade crossings in that town. Hearing held May 15, 1918. Decision issued July 8, 1918. "With doubt existing as to so many of the vital elements of this matter, added to the fact that there are other much more dangerous crossings which we may be called upon to consider this year we seem to be compelled (however reluc-

tantly) to dismiss the present petition. We shall do so however without prejudice, so that if the town lays out and accepts this way, a new petition may be filed at a time when the demands of more dangerous places have been met and funds for this particular abolition are available. Dismissed without prejudice.

R. R. 419. Petition for authority to increase the rate on hard wood for fuel from Hudson to Bangor. Petition denied June 12, 1918. "A careful study of petitioner's application and of the rates involved leads the Commission to the conclusion that if a rate which is maintained in other sections produces a satisfactory result it would appear that request for a rate which would return a much greater revenue for the haul from Hudson to Northern Maine Junction, equal mileage distances being considered, would necessarily raise the question of discrimination, as no conclusive proof has been submitted showing why such condition should exist."

BANGOR RAILWAY & ELECTRIC COMPANY.

File 1478. Certificate of safety issued April 25, 1918, for temporary trestle over Six Mile Falls on Kenduskeag Stream in the city of Bangor.

R. R. 372. Approval of a specific type of headlight. Decision dated February 5, 1918.

R. R. 404. In the matter of the safety of Morse's and Maxfield's bridges in the city of Bangor over which the tracks of the Bangor Railway & Electric Company pass. Proceedings instituted by the Commission on its own motion. Hearing held May 7, 1918. Street railway traffic over these bridges ordered to be suspended entirely until temporary repairs are made. Certificate dated May 14, 1918, that temporary repairs had been completed. Final hearing held June 16, 1918. Decision dated July 17, 1918. Permanent repairs ordered to be made.

BENTON & FAIRFIELD STREET RAILWAY.

R. R. 300. See 1917 report. Certificate of approval dated November 20, 1917.

R. R. 335. Petition by the municipal officers of the town of Fairfield calling attention to the unsafe condition of three

bridges crossing the Kennebec river and connecting the towns of Fairfield and Benton. Used in part by the Benton & Fairfield Railway Company. Hearings November 28, 1917, and February 5, 1918. Decision February 18, 1918.

R. R. 342. Proceedings similar to those instituted in R. R. 335 in order that the municipal officers of the town of Benton might be notified because one of the bridges in question lay partly within that town.

R. R. 410.1. Approval of a specific type of headlight. Decision dated April 30, 1918.

Biddeford and Saco Railroad Company.

R. R. 400.1. Approval of a specific type of headlight. Decision dated April 29, 1918.

Boston and Maine Railroad.

R. R. 323. See 1917 report, supplemental order issued June 11, 1918. Postponing and extending until such time as the Commission fixes as the time for compliance, the time within which the respondent shall comply with the order of the Commission. Dated Oct. 25, 1917.

R. R. 343 and 344. Petitions for authorization of certain proposed acts relative to bridges No. 71 and No. 227 in the town of Kittery. Petitions dismissed April 2, 1918, because they were not brought under the proper section of the statute.

R. R. 357. Petition for approval of the location of a branch track from its present track across Lincoln street to the manufacturing establishment of the Petrol Manufacturing Company in the city of Biddeford. Hearing held January 11, 1918. Decision February 7, 1918. Petition granted.

R. R. 374. Petition asking the Commission to determine in what proportion the Maine Central Railroad Co. and the Boston & Maine Railroad shall pay for the use of the facilities of the Portland Terminal Co., prior to the filing of said petition and in what proportion they shall pay for such use hereafter. Hearings February 25, 1918, and May 1, 1918. Decision July 6, 1918. Petition dismissed without prejudice, it appearing that an order would be of no present value because of the unified Federal operation, and a division based on present

operating conditions would have to be revised when the railroads return to individual control.

R. R. 388. Petition for the abolishment of a crossing at grade in the town of Old Orchard, known as Staples street. Hearing April 20, 1918. Decision May 4, 1918. Ordered that Staples street grade crossing be abolished.

R. R. 389. Petition by the municipal officers of Wells asking for certain alterations at the underpass near Cole's corner crossing, so called, where the tracks of the Boston & Maine Railroad cross the highway leading from Portland to Boston. Hearings held April 22, 1918 and August 26, 1918. Decision dated Sept. 11, 1918. The Commission's Engineering Department prepared detailed plans, and it was ordered that the prayer of the petitioners be granted, and that there be carried out an alteration of the crossing, said alteration to be built on or before the first day of June, 1918. Decision published in full elsewhere.

R. R. 392. Petition by the Railroad Company for an alteration of bridge No. 108 in the city of Saco, and for the apportionment of the expense among the State of Maine, the city of Saco, the Biddeford & Saco Railroad Company and the petitioner. This petition was brought under section 34, chapter 24 of the Revised Statutes, and the Commission held a hearing May 14, 1918, to determine whether the case fell within the provisions of said statute before passing upon the facts alleged to exist. Decision July 13, 1918, dismissing the petition because it was found that the petitioner was not within the provisions of the above section.

R. R. 402. Petition for re-building of a bridge, known as Butler bridge or bridge No. 71.1, each of Kittery Junction, and being a highway bridge beneath which the eastern division of the Boston & Maine Railroad passes. Hearing May 7, 1918. Decision June 20, 1918. Ordered that the prayer of the petitioner be granted and the rebuilding of said bridge is to be made, and when the rebuilding is completed, an account of the expense thereof is to be submitted to the Commission for its audit and approval or disapproval, and of such amount as is approved the petitioner is to pay 80% and Portsmouth, Dover and York Street Railway 20%.

R. R. 454. Petition for rebuilding of a bridge known as bridge No. 108 at Saco, how the same shall be constructed and maintained and the manner in which the expense thereof shall be borne. Filed Oct. 31, 1918. Hearing ordered for Nov. 7, 1918.

CALAIS STREET RAILWAY.

R. R. 398.1. Approval of a specific type of headlight. Decision dated April 23, 1918.

CANADIAN PACIFIC RAILWAY COMPANY.

R. R. 287. See 1917 report. Decision Dec. 24, 1917. Dismissed.

R. R. 436. Petition by the Superior Dark Granite Company for an order requiring the Canadian Pacific Railway Company to construct a branch railroad track or spur from its present railroad track west of Onawa Station in Elliotsville to petitioner's quarry located on the south side of the railroad about one-fourth of a mile west of said station. Hearing July 16, 1918. Decision August 10, 1918. Petition granted. The decision is printed in full in this volume.

CUMBERLAND COUNTY POWER & LIGHT COMPANY.

(Railroad Division.)

R. R. 327. Application relating to physical connection between steam and electric railroads. Hearing Nov. 2, 1917. Decision Nov. 6, 1917.

R. R. 407.1. Approval of a specific type of headlight. Decision dated May 1, 1917.

PORTLAND RAILROAD COMPANY.

R. R. 356. Petition for approval of location and public convenience regarding the construction of a railroad track in South Portland along a street now in process of construction and between its existing track on Summer street and its existing track on Broadway in said city. Hearing Jan. 2, 1918. Decision Jan. 9, 1918. Certificate of approval April 15, 1918. Granted.

R. R. 416. Petition for approval of location of certain branch tracks to industrial and manufacturing plants and of change of location of a certain portion of its present railroad in the city of South Portland. Hearing May 15, 1918. Decision May 16, 1918. Granted. Certificate of approval July 20, 1918.

FAIRFIELD AND SHAWMUT RAILWAY.

R. R. 410. Approval of a specific type of headlight. Decision dated April 30, 1918.

GRAND TRUNK RAILWAY COMPANY OF CANADA.

R. R. 444. Application by the inhabitants of the town of Yarmouth for a modification of general order of October 9, 1917, with reference to protection of grade crossings in Yarmouth. Hearing Sept. 6, 1918. Decision Sept. 24, 1918.

LEWISTON, AUGUSTA & WATERVILLE STREET RAILWAY.

R. R. 238. See 1917 report. Certificate of approval issued June 12, 1918.

File 1259. Certificate of approval for the reconstruction of a highway bridge over the outlet of Maranacook lake, located in the town of Winthrop, used in part by the Winthrop branch of the Lewiston, Augusta and Waterville Street Railway. Issued Nov. 12, 1917.

R. R. 341. Petition for authority to issue or pledge $381,000 mortgage bonds to reimburse the treasury for certain expenditures. Hearing Nov. 27, 1917. Decision Dec. 4, 1917. See Securities Table.

R. R. 375. Petition for authority to issue bonds. Decision Feb. 18, 1918. See Securities Table.

R. R. 435. Application for approval of contract with the U. S. Shipping Board Emergency Fleet Corporation, and of issue of securities. Decision dated July 9, 1918. See Securities Table.

R. R. 340. Petition by the municipal officers of Augusta for a change in the location of tracks on State street in said city. Hearing Nov. 27, 1917. Dismissed Jan. 7, 1918, because it was found that the Commission had no jurisdiction in the premises.

R. R. 407. Approval of a specific type of headlight. Decision dated April 27, 1918.

R. R. 371. Petition asking for physical connection between tracks of Lewiston, Augusta & Waterville St. Ry. and Maine Central R. R. Co. at South Main street, Freeport. Filed Feb. 4, 1918. Hearing February 19, 1918. Decision May 4, 1918.

MATTAWAMKEAG & NORTHERN RAILWAY.

R. R. 382. Petition for extension of corporate existence for three years from May 10, 1918. Hearing at Augusta, April 9; 1918. Decision April 12, 1918. Granted.

MAINE CENTRAL RAILROAD COMPANY.

R. R. 144. See 1916 report. Certificates of approval, issued Jan. 10 and June 1, 1918.

R. R. 177. See 1916 report. Certificate of approval, issued Jan. 19, 1918.

R. R. 371. See R. R. 371 under Lewiston, Augusta & Waterville Street Railway.

R. R. 379. Petition by the State Highway Commission for the abolishment of a grade crossing designated as State Highway "Z" in the town of Topsham. Hearing held April 2, 1918. Dismissed April 16, 1918, the necessity for the change not appearing to be sufficient to warrant depleting the appropriation available for grade crossing improvements in the State.

R. R. 387. Petition by certain citizens of Benton asking that the Maine Central Railroad Company be required to erect and maintain a station for freight and passengers or for passengers alone at or near Parker's crossing in that town. Hearing held April 24, 1918. Dismissed July 8, 1918 because of the fact that the respondent company is under Federal control.

R. R. 424. Petition under the provisions of section 34 of chapter 24 of the Revised Statutes relating to an alteration in an overhead crossing, known as Smithfield Road Crossing where the highway passes over the steam railroad by means of an overhead bridge in the town of Oakland. Hearing June 19, 1918. Decision June 28, 1918. Granted.

R. R. 431. Petition by the Maine Central Railroad Company for permission to take and hold as public uses land of Oral T. Benson in the town of Oakland for necessary side tracks in its freight yard. Hearing July 16, 1918. Decision July 17, 1918. Granted.

OXFORD ELECTRIC COMPANY.

R. R. 400. Approval of a specific type of headlight. Decision dated April 25, 1918.

PORTLAND TERMINAL COMPANY.

R. R. 327. See Cumberland County Power & Light Company, R. R. 327 above.

R. R. 350. Petition to amend a decree of the former Railroad Commission relating to the manner and conditions under which the Portland Railroad Company (an electric railroad corporation of which the Cumberland County Power & Light Company is the lessee) might cross the tracks of the Maine Central Railroad Company (now Portland Terminal Company) at a place called Brighton Avenue. Hearing Dec. 21, 1917. Decision Jan. 10, 1918. Granted.

PORTSMOUTH, DOVER AND YORK STREET RAILWAY.

R. R. 401. Approval of a specific type of headlight. Decision dated April 25, 1918.

R. R. 417. Proceedings instituted by the Commission on its own motion relating to the safety of Sewall's bridge, so called, in the town of York, over which the tracks of the street railway pass. Hearing May 18, 1918. Decision May 23, 1918. Bridge ordered to be rebuilt. Certificate of approval issued August 6, 1918.

R. R. 418. Proceedings instituted by the Commission on its own motion relating to the safety of Great Works bridge in the town of South Berwick over which the tracks of the street railway pass. Hearing May 18, 1918. Decision May 22, 1918. Bridge ordered to be rebuilt. Certificate of approval dated June 12, 1918.

ROCKLAND, SOUTH THOMASTON & ST. GEORGE RAILWAY.

R. R. 414. Petition by the receiver for authority to sell the property of the Railroad Company. Hearing May 17, 1917. Decision May 23, 1918. Amended as to method of sale June 3, 1918.

ROCKLAND, THOMASTON AND CAMDEN STREET RAILWAY.

R. R. 373.1. Approval of a specific type of headlight. Decision dated Feb. 25, 1918.

R. R. 421. Petition for approval of change of location of its railroad track on Park street in the city of Rockland. Hearing May 31, 1918. Decision June 5, 1918. Granted.

SOMERSET TRACTION COMPANY.

R. R. 411.1. Approval of a specific type of headlight. Decision dated April 30, 1918.

WATERVILLE, FAIRFIELD AND OAKLAND RAILWAY.

R. R. 411. Approval of a specific type of headlight. Decision dated April 30, 1918.

YORK HARBOR AND BEACH RAILROAD.

R. R. 274. See 1917 report. Decision March 29, 1918. Dismissed because of an error in the petition.

R. R. 405. Petition by the railroad asking for an order requiring the reconstruction of a bridge in Kittery, known as Bridge 227. Hearings May 4, May 20 and June 12, 1918. Dismissed June 20, 1918, by agreement of parties.

THE FOLLOWING PETITIONS HAVE BEEN RECEIVED UNDER THE PROVISIONS OF SECTION 5 OF CHAPTER 145, PUBLIC LAWS OF 1917.

R. R. 336. Collins, Mrs. Annie E., South Thomaston. Claim for damages in the amount of $25 caused by the removal of certain fruit trees. Hearing December 27, 1917. Decision January 10, 1918. Granted.

R. R. 261. Flanders, F. O., Monmouth. Claim for damages in the amount of $200 caused by the removal of certain fruit trees. Hearing December 18, 1917. Decision December 19, 1917. Granted.

R. R. 441. Goodrich, Toney M., Yarmouth. Claim for damages in the amount of $40 caused by the removal and trimming of trees and shrubs. Hearing August 12, 1918. Decision August 15, 1918. Granted.

R. R. 347. Goddard, O. T., East Vassalboro. Claim for damages in the amount of $30 caused by the removal of an ornamental buckthorn hedge. Hearing December 18, 1917. Decision December 19, 1917. Granted.

R. R. 452. Hill, Joseph M., Biddeford. Claim for damages in the amount of $200 caused by the removal of trees. Hearing held Oct. 31, 1918. Pending.

R. R. 415. Morrison, Joseph E., Sanford. Claim for damages in the amount of $250 caused by the removal of certain fruit trees. Hearing May 27, 1918. Decision July 1, 1918. Petitioner awarded $160 as damages.

R. R. 346. Moulton, Albert H., Kittery. Claim for damages in the amount of $125 caused by the removal of certain trees. Hearing January 11, 1918. Decision January 14, 1918. Petitioner awarded $60 as damages.

R. R. 447. Parker, Ralph A., Greene. Claim for damages in the amount of $5.00 caused by the removal of trees and bushes. Hearing Sept. 10, 1918. Decision Sept. 10, 1918. Granted.

R. R. 391. Pratt, Perley, Fairfield. Claim for damages in the amount of $40 caused by the removal of a hedge. Hearing April 24, 1918. Decision May 22, 1918. Granted.

R. R. 353. Sterling, Alfred W., Eliot. Claim for damages in the amount of $250 caused by the damage to wood-lot. Hearing Jan. 11, 1918 Decision Jan. 14, 1918. Petitioner awarded $125 as damages.

R. R. 329. Slipp, Benj. J., Pittsfield. Claim for damages in the amount of $72 caused by the removal of certain fruit trees. Hearing Dec. 18, 1917. Decision Dec. 19, 1917. Granted.

R. R. 433. Webber, W. H., Yarmouth. Claim for damages in the amount of $50 caused by the removal of certain trees and shrubs. Hearing June 17, 1918. Decision July 20, 1918. Granted.

R. R. 271. Whipple, H. B., Bingham. Claim for damages in the amount of $30 caused by the trimming of certain fruit trees. Hearing Dec. 18, 1917. Decision Dec. 19, 1917. Granted.

R. R. 422. Williams, Chester K., Embden. Claim for damages in the amount of $10 caused by the removal of certain trees and bushes and fences. Hearing July 16, 1918. Decision July 17, 1918. Granted.

REPORT OF THE RATE AND SCHEDULE DEPARTMENT OF THE MAINE PUBLIC UTILITIES COMMISSION, FOR PERIOD JANUARY 1, TO OCTOBER 31, 1918.

To the Commission:

The unsettled conditions of the past four years have greatly disturbed all industries including public utilities. During the past year our public utilities have been forced to make radical changes in both rates and services in order to keep apace with the increased costs of labor and material. Those depending on natural resources for the operation of their plants or systems have not experienced the burdens such as are forced on the utilities depending on the mined or manufactured products necessary for operation.

It is apparent from the facts as presented at rate investigations conducted during past months, that utilities have endeavored to conduct business as economically as possible, and have resorted to a reduction in service, or an increase in rates, only when obliged to do so.

As a matter of information an examination of our tariff files has been made and the following briefly outlines the changes established during the past ten months.

STEAM RAILROADS.

Prior to January, 1918, or about the early part of the summer of 1917, the railroad rate situation was materially changed by reason of certain general advances as allowed by the Interstate Commerce Commission, in what is generally called the "Fifteen Per-cent Case." While the decisions of the Federal Commission had to do only with interstate traffic, it resulted, however, that the relation between interstate and intrastate rates are so allied, that what applies to one, affects the other, and calls for a parity of conditions. This Commission, with few exceptions, allowed the carriers to proceed along the lines as ordered by the Federal authorities.

Briefly stated, the important changes made in 1917 were the general advance of 15% in freight rates and an increase in passenger fares. The latter being on a basis of $2\frac{3}{4}$ cents per mile for the leading roads on main line travel. The smaller roads and branch lines of the larger carriers obtained a fare in advance of $2\frac{3}{4}$ cents.

The year 1918 opened with rate questions still pending. Although 1917 saw many changes, the class and coal rates for New England were left unadjusted and it was not until March and April of this year that decisions were rendered by the Interstate Commission, recommending a general revision upward in class rates and a 15 per cent increase on anthracite coal, other coal rates having been increased in 1917.

The Federal Commission Order No. 9953 of April 16, 1918, authorizing the general increased class rates, also treats on the passenger fares and allowed a readjustment affecting practically all classes of tickets, setting a rate of $2\frac{3}{4}$ cents per mile as a basis of a minimum fare for one-way travel, both for local and mileage tickets. Family and party tickets being given a lower basis.

Maine carriers did not put into effect the class rate schedule as allowed in Order 9953, but such carriers as had not already established the increased fares in 1917 brought their tariffs into line.

The upward move in railroad rates was a question of great concern not only to the utilities themselves, but also to the general public and no one could predict where the end would be. It was thought, however, that the concessions granted would tide the railroads over the disturbed period.

By the president's proclamation of December 26, 1917, the railroads were brought under federal control and while it was anticipated that some action would be taken on the rate situation, it was not until May 25, 1918, that anything definite was learned, as on that date the U. S. Railroad Administration, W. G. McAdoo as Director General, issued Order No. 28. This order called for a further advance of 25% on practically all freight rates and specific increases on certain heavy commodities, to become effective June 25, 1918. This order also instituted radical changes in passenger services. Effective June

10, 1918, a minimum fare of 3 cents per mile was established. Baggage and Pullman car charges were also advanced.

General Order No. 28, aside from imposing advances in all classes of service, resulted in the establishing of new procedures as to the filing of tariffs with state commissions. While state law calls for the filing of all state rates on statutory notice, unless otherwise permitted, the carriers under federal control have been instructed by federal authorities not to file with state commissions, but simply to furnish such commissions with copies of the tariffs, as a matter of information. This method greatly disturbs the tariff files of the Commission and in order to maintain an efficient tabulation of all filings, it is necessary for this Commission's tariff department to properly assign a serial number to each issue received and record the cancellation of such tariffs as may be abrogated.

The small railroads which were divorced from federal control on July 1, 1918, are subject to state regulation and they as well as the Canadian Pacific Railway are being governed accordingly.

ELECTRIC RAILROADS.

There are thirteen electric roads in actual operation and as the changes made during the period of this report may easily be noted by specific reference to each, the following is offered:

ANDROSCOGGIN ELECTRIC COMPANY.

Passenger—No advances made in fares. On May 15, 1918, by order of the Commission in F. C. No. 158, the fare of 15 cents applying between Portland and Cobb Lane was reduced to 10 cents.

Freight—On June 14, 1918, this company filed amendments to its schedule, proposing an increase of 25%, also offering a new set of class rates, much in advance of those which it had maintained.

The new rates, as posted on June 14, are the result of the application of Order 28, Director General of Railroads. It was the request of the company that the proposed rates be allowed on short notice. This, however, was not allowed by the Commission, as it was not apparent that an emergency existed, and the rates as proposed became effective July 14, 1918.

Aroostook Valley Railroad.

Passenger—By a new tariff, effective July 31, 1918, the local one-way fares were in many instances increased 5, 10 and 15 cents over previous fares. Special or excursion fares were advanced in amounts ranging from 5 to 25 cents, according to mileage involved.

Special car charges or guarantees were raised $2.50, $3, $8 and $10.50, according to mileage run. Chartered car rates were also increased in amounts from $5 to $10.

Freight—The freight rates of this company were on June 25, 1918, increased in accordance with Order 28. On account of this road being competitive with a federal carrier, permission was given to allow filing on less than statutory notice.

Atlantic Shore Railway.

Passenger—In tariff M. P. U. C. No. 23, effective July 17, 1918, the following changes resulted:

Zone fare increased from 6c to 7c; except between Sanford and Springvale, the fare was dropped from 6c to 5c.

Strip tickets of 9 coupons advanced from 50c to 55c.

During the summer season, special excursion fares, lower than regular fares, were granted.

Freight—Tariff M. P. U. C. No. 13, effective June 10, 1918, established many advances in rates.

Bangor Railway & Electric Company.

Passenger—While the various electric roads established increased fares, this company took no action until October 5, when it presented a new schedule proposing on November 4, 1918, to increase its fare from 5 to 6 cents.

Freight—On May 30, 1918, several switching items were increased from $3 and $5 per car, to $4 and $6 per car.

The general freight rates are subject to advance of 25%, effective November 4, 1918, according to new schedule as filed.

About June 24, 1918, a freight or express service was inaugurated on the Old Town division.

CUMBERLAND COUNTY POWER & LIGHT COMPANY.

Passenger—The zone fare of this company up to August 22, 1918, was 5 cents. On that date the zone fare for all divisions, except the city lines, was increased to 6 cents. Details are covered by F. C. No. 154.

Freight—This company operates to some extent as a competitor to the Maine Central and Boston & Maine. For that reason a parity in freight rates is maintained with the steam roads.

The increases allowed by the Interstate Commerce Commission were taken advantage of by this electric road, as also were the advances granted by Federal Order No. 28.

FAIRFIELD & SHAWMUT RAILWAY.

Passenger—The present zone fare is 5 cents, but new schedule bearing effective date of November 3, 1918, proposes a fare of 7 cents.

LEWISTON, AUGUSTA & WATERVILLE STREET RAILWAY.

Passenger—Prior to June 7, 1918, this company maintained a zone fare of 5 cents on several divisions. Since that date the fare has been 7 cents on such divisions. Case handled by Commission in F. C. No. 161.

Freight—Tariffs for this company are issued by the Cumberland County Power & Light Company and the changes made by that company also applied to this road.

ROCKLAND, THOMASTON & CAMDEN STREET RAILWAY.

Passenger—On March 1, 1918, the "special car rates" were advanced in amounts of $2, $3 and $5, according to distance for round trip.

For cars hired to remain out later than 11.30 P. M., the charge of $1.50 per hour and regular fares was increased to $2.50 per hour and regular fares.

This utility on August 29, 1918, presented a complaint against itself, therein praying for a public hearing in order to consider an increase in its passenger fare.

The Company furnished statistics supporting the contention that additional revenue was required and outlined some methods by which relief might be obtained.

The case was conducted by the Commission in Docket F. C. No. 196 and decision rendered October 10, 1918, allowed an advance in fare from 5 to 6 cents aad also the shortening of zones 2, 3 and 4 on the Camden-Warren Line. The order of the Commission also provided for the issuance of free transfers to passengers to and from the Highlands Line good, at least, between Maverick Square and the Old Depot, in the city of Rockland.

It was further stipulated in the Commission's decree, that the electric road should charge a fee of not less than 5 cents per person, for such persons not arriving at Oakland Park as its passengers, but who enter the park during the amusement season.

The increased fare, change in zone limits and issuance of transfers, became effective October 20, 1918.

Freight—Effective August 1, 1918, the class rates applying between Rockland, Rockport and Camden were increased as follows:

	1	2	3	4	5	6
New rates	19	15	14-½	10-½	7-½	7
Old rates	10	8	7-½	6-¼	5	4-½
	9	7	7	4-¼	2-½	2-½

On June 7, 1918, for reason of change in exceptions to the Official Classification, many advances in freight rates occurred. A small number of the changes made resulted in reductions.

On June 7 and August 1, 1918, separate advances were made in commodity rates. The increase being from 25% to 50%.

Baggage charges were increased on August 1, 1918, from 25c to 30c each, and cases from 15c to 20c each.

WATERVILLE, FAIRFIELD & OAKLAND RAILWAY.

Passenger—On October 5, 1918, the zone fare was increased from 5c to 7c.

School tickets in books of 40 coupons, increased from $1.00 to $1.40.

Commutation tickets in books of 50, increased from $2.50 to $3.50.

STEAMBOAT COMPANIES.

The various steamboat companies operating in Maine have in many instances filed increased rates.

The Coburn Steamboat Company has applied advances to both passenger and freight services.

The Eastern Steamship Lines, Inc., is about the only water carrier that competes to any extent with rail lines, and it has adopted such advances as were allowed the railroads. This is true to passenger as well as freight traffic.

PULLMAN COMPANY.

While the regular Pullman charges have not been changed, Order No. 28 of the Director General has placed an additional charge on passengers using Pullman cars. This additional charge is based on 16 2-3% of the normal one-way fare.

EXPRESS COMPANIES.

The local express companies, with the exception of the Atlantic Express, have made no changes in rates. The Atlantic Express during July, 1918, filed a new tariff showing both advances and reductions.

The American Express Company, in accordance with permission granted by the Interstate Commerce Commission, in June, 1918, increased its rates by 10% and this advance applied to all traffic, both state and interstate. This express company is now under federal control.

ELECTRIC COMPANIES.

The electrical utilities, considering the number doing business and the different services rendered, have made comparatively few changes in rates.

An examination of rate schedules shows the following approximate number of changes:

New rates established, 47; Increases in rates, 29; Reduction in rates, 11.

Two or three utilities have provided a "coal clause" in rate schedule, which provides that when it is necessary to supplement with steam power, the additional cost of coal over and above

the former price of about $4.50 per ton shall be divided pro-rata according to customers K. W. H. consumption and charged for in addition to the regular K. W. H. rate.

In a few instances an emergency charge of 25c per month has been published subject to the duration of the war.

Gas Utilities.

During the summer of 1918 a general move for increased rates was made by the gas companies. In each case investigation was made by the Commission and the advances sought to be applied were either allowed in whole or in part, and further that in some instances the increased rates are to apply tentatively as a war condition.

Using the base rate the following companies advanced their rates by the amounts shown:

Bangor Gas Light Co., Central Maine Power Co., Municipal Light & Power Co., and Rockland, Thomaston & Camden Street Railway,—25 cents per 1000 feet.

Kennebec Gas & Fuel Co., Portland Gas Light Co., and St. Croix Gas Light Co.,—40 cents per 1000 feet.

Lewiston Gas Light Co.,—15 cents per 1000 feet.

Westbrook Gas Co.,—35 cents per 1000 feet.

York County Power Co.,—30 cents per 1000 feet.

Water Utilities.

The following briefly outlines the water rate changes as established since January 1, 1918. The water companies are another class of utilities which apparently have found it necessary to seek additional revenue. This is particularly true of such companies as are obliged to operate a pumping system.

Bangor Water Department—A new schedule filed and effective January 1, 1918, maintained the rates previously in effect, but added a number of new rates for services not charged for in past years.

Bar Harbor & Union River Power Co., (Ellsworth, Water) —The Commission in case F. C. 92 investigated the water rates and regulations and new schedule was filed, effective July 1, 1918.

Bath Water District—New schedule filed, effective January 1, 1918, increased the rates about 15%.

Belfast Water Co.—Conference held September 17, 1918, with treasurer of water company with view of clearing several irregularities.

Belgrade Power Co.—Effective July 1, 1918, hotel rate established.

Biddeford & Saco Water Co.—Effective July 1, 1918, established a provision for fire protection service, whereby meters may be furnished by customer at his own expense, or by the water company at an annual rental charge of 12% on the cost of meter and setting of same.

Boothbay Harbor Water System—Effective July 1, 1918, hotel rates increased, also advance made in dwelling house rates for outside the town limits.

Brunswick & Topsham Water District—On May 1, 1918, the public hydrant rate reduced from $40 to $30 per year. Charge of $300 per year for flushing sewers reduced to $150 per year.

Calais Water & Power Co.—Rates increased October 1, 1918, covered by F. C. 167.

Castine Water Company—Complaint on the minimum charge, involving use of hot water faucet, covered by F. C. 130.

Eastport Water Company—Effective July 5, 1918, meter rates and quantity of water allowed to flat rate takers established.

Farmington Village Corporation—Investigation of water rates and conditions conducted by the Commission in F. C. 120.

Fryeburg Water Company—Effective January 1, 1918, a new schedule covering all services, put into effect.

Lincoln County Power Company, Inc.—A new schedule, containing many rates not previously filed by the Portland Power & Development Company, was made effective March 25, 1918.

Machias Water Company—Meter rates established June 14, 1918.

Madison Water Company—Meter rates established February 1, 1918.

Newport Water Company—Meter rates established August 1, 1918.

North Berwick Water Company—Investigation of rates now being conducted in F. C. 148.

Oakland Water Company—Meter rates established August 1, 1918.

Sangerville Water Supply Company—Effective January 1, 1918, rate established for garages.

Stockton Springs Water Company—New schedule, effective May 1, 1918, increased many service rates and established meter rates.

Vinalhaven Water Company—On May 1, 1918, various advances made in water rates.

Warren Water Supply Company—On July 13, 1918, the sprinkler head rate was increased from 8c to 17c each per year. Complaint was received and was handled informally with result that 10c per sprinkler head per year was adopted September 3, 1918.

Western Maine Power Company—Filed a new schedule, effective July 1, 1918, replacing water rates of the Limerick Water & Electric Company. No change made, except a reduction in meter rates.

York County Water Company—Effective July 1, 1918, increased rates were established as a temporary measure. F. C. 168.

Telephone Utilities.

Considering that there are approximately 117 telephone utilities operating in Maine, the change in rates or practices have been proportionately small. Schedules show five rural lines as filing increased rates, namely: Bethel Telephone Co., Oxford County Telephone & Telegraph Co., Pine Tree Telephone & Telegraph Co., Union River Telephone & Telegraph Co., and the West Penobscot Telephone Co.

The New England Telephone & Telegraph Company and its subsidiary companies have made many changes in both rates and services. Exchange stations or offices accommodating some of the outlying sections have been consolidated with the larger exchange of a nearby town. This is brought about by reason of the New England Telephone & Telegraph Company having taken over the services of smaller companies, and also for reason that the combining of exchange offices is an economical move which does not disturb efficiency of service.

The practice of furnishing without charge an extension bell with each individual line station, or private branch exchange trunk line, and also the furnishing a power ringing circuit with a private branch exchange having twenty or more stations, has been discontinued for reason that the telephone company decided that the granting of such services without charge constituted a discrimination against other customers not so situated. All additional fixtures or services are put on a uniform charge.

Another revision made effective May, 1918, was the extension of the base rate for rural line service. For such service the base rate was for a distance of six circuit miles from the central or branch office. Under the new arrangement the base rate is on an air line distance of six miles from the central or branch office. In either case, however, the distance of six miles does not extend beyond the boundary of the exchange.

For many years the New England Company has maintained "district service" rates between Augusta and Gardiner, Rockland and Camden, and Waterville and Oakland. The district service rates are higher than the local service rates in the following amounts: For "business" $6.00 and for "residence" $9.00. By amendments issued to its schedule of rates, it is proposed to eliminate the district service rates between the above mentioned places, on November 1, 1918. This will have the effect of applying toll rates between such cities or towns, thereby placing them on a parity with other localities which have not had the district service privileges.

The President of the United States in his proclamation of July 22, 1918, by virtue of the Act of Congress, July 16, 1918. assumed control and supervision of each and every telephone system within the jurisdiction of the United States and directed that the operation of same be under the direction of the Postmaster General.

Order 1931, August 28, 1918, and Bulletin No. 8, September 14, 1918, both issued by the Postmaster General, have established certain charges for service connection and other features.

The New England Telephone & Telegraph Company, its subsidiaries and a small number of the rural lines have amended their schedules, embodying therein the provisions as ordered by the federal authorities.

TELEGRAPH COMPANIES.

The telegraph companies are the Great Northwestern, Northern, Postal and Western Union. The changes made in schedules of rates for the past nine months covered only those as related to telegraph office, such as the closing and opening of offices at different periods. The rates have not, to any extent, been disturbed.

The telegraph lines operating entirely within the United States, as well as the telephone utilities were taken over by the government in July, 1918, and are operated by the Postmaster General as a war measure.

WAREHOUSES.

There are five warehouse utilities doing business in this State. The revisions made in rate schedules tend to show that this class of utility has been affected in various ways by war conditions. Storage rates and handling charges have been advanced on different occasions, due largely to labor increases and high prices of necessary materials.

WHARFINGERS.

The files of the Commission show eighteen wharfinger concerns engaged in public service, one being added during the past ten months.

The rate schedules, with one exception, have not been changed. The change made being that by the Penobscot Coal and Wharf Company for the handling charge in discharging coal.

REMARKS.

There are approximately 508 utilities represented in the Commission's rate files. The number of tariffs filed reach the thousands in number and are constantly being amended or renewed.

The tariffs of the steam railroads, the larger electric roads and steamboat companies are compiled in form as prescribed by the Interstate Commerce Commission and such form has been accepted by this Commission.

The Commission, at its inception, realized the task of having utilities other than the large common carriers file schedule of rates and in order that all might be informed of the requirements of the " Public Utility Act " and the method of procedure, the Commission issued General Order, File 154, therein setting forth the conditions as related to each class of utility and the form of schedule as required.

While it is the tendency of utilities to prepare schedules in the manner as suggested by the Commission, frequently it happens that rates are not presented in the prescribed form and in such cases it is necessary to correspond with the party and quite often to arrange an interview in order to produce a uniform and intelligent rate issue. Conferences with representatives of utilities have been highly satisfactory in many ways, for by such a more intimate knowledge of the workings of both the Commission and the utility are obtained and many difficulties ironed out.

In addition to the various duties relating to rate matters, this department has handled questions and complaints arising from rate applications and matters of utility services. Many complaints have been investigated and settled informally.

A check is made of all new schedules or amendments to current tariffs, when received, and the Commission is informed of all important changes. Up to June, 1918, it was the practice of this department to submit to the Commission a monthly statement showing the freight rate changes which had taken place for the current month. This check on freight rates was discontinued with May, 1918, for reason of the tariff filing method adopted through the outcome of General Order 28, Director General of Railroads.

The foregoing report briefly sets forth the matters pertaining to the Rate and Schedule Department, and while detail is shown for some of the utilities, it is done as a matter of record and information.

Respectfully submitted,

F. J. McARDLE,

Chief of Rates and Schedules.

October 31, 1918.

October 31, 1918.

To the Maine Public Utilities Commission, Augusta, Maine,
Hon. B. F. Cleaves, Chairman:

GENTLEMEN:—In accordance with orders, I offer a general report on the work of the engineering department for the year ending October 31, 1918.

The general work of this department is along the same lines as reported on last year, and, in addition, an extended study of our water power resources has been completed, also a systematic inspection of all street railway bridges has been undertaken.

The department has had the assistance of experts from the University of Maine and the State Laboratory of Hygiene in problems calling for expert knowledge along special lines of engineering work. A number of private companies and individuals have extended valuable co-operation in connection with our investigations, specific acknowledgment of which is made in the several reports covering those subjects.

Twelve formal reports have been made on the valuation of public utilities, the combined value of which exceeded $1,900,000. One report was on an electric utility, and 11 for water utilities.

In investigating the water resources the department continues its former arrangement in co-operating with the United States Geological Survey, and has extended the same by having some of the detail work, necessary in compiling the data, performed in the Boston office. The net result has been an increase in the ability of this office to perform the all essential field work. One hydrographer is now employed by us a part of the time in assisting in the work of stream gaging.

A special report on the water power resources of this State has been made under the direction of the chief engineer which will be available for distribution in the month of December.

The results of the stream gaging work for the last two years will be published in one volume which is now in preparation,

and will also include the work accomplished during the past year in connection with making a topographic map of Maine.

Hearings have been held on rules of service for electric and gas utilities, and are now being revised in accordance with testimony brought out at the time of the hearing.

Bridges on the following electric railroads have been inspected: Bangor Railway and Electric; Portsmouth, Dover and York; Atlantic Shore Railway; and Androscoggin Electric Railway. Repairs have been ordered on three bridges on the Bangor Railway and Electric Company lines, and limits of loading placed thereon; two bridges closed for repairs on the Portsmouth, Dover & York Street Railway and the repairs made; the Augusta highway bridge used by the Lewiston, Augusta and Waterville Street Railway has been investigated and the loading restricted. Repairs have been ordered on the bridge used by the Benton & Fairfield Street Railway in crossing the Kennebec river at Fairfield. The value of the work of the bridge inspector is very evident, and shouold be continued until reports are available on all bridges used by public utilities.

Five inspections for the purpose of issuing certificates of safety for bridges have been made.

Two more members of this department. Robert M. Moore and Samuel E. Jones left the employ of the commission to enter the service of the United States.

Respectfully submitted,

PAUL L. BEAN,

Chief Engineer.

AUGUSTA, MAINE, November 1, 1918.

Public Utilities Commission, Augusta, Maine:

GENTLEMEN:—In the annual report of the Commission for the year 1917 reference was made to what is known as the water pollution law.

The administration of this law (Chap. 98, P. L. 1917) was placed under the Commission's jurisdiction, who gave me general supervision of it. It, therefore, becomes incumbent upon me to submit a report, which will, however, be very brief, not because there has been little work accomplished but because we do not think it advisable this year to enter into any lengthy discussion in regard to any phase of the Commission's activities.

We started the year 1918 with 172 water companies and have that number today. There have been no consolidations; no new companies added, neither has any company ceased to do business. Most of these companies are in a healthy, prosperous condition. In common with other lines of industry, and more especially public utilities, it has been increasingly difficult to maintain the high standard of efficiency desired, during these abnormal times.

As we stated in our 1917 report, this particular law is new to this State, so we determined upon a campaign of education, to impress upon the minds of the operators and the public generally the necessity of a careful compliance with the essential rules of sanitation with reference to the operation of a water company. This has worked well, and I am pleased to report that in not a single instance have I found any desire on the part of anyone, either operator, public official or layman, to avoid any responsibility.

We determined to make, so far as it was possible with the limited time and funds at our disposal, a careful inspection of these water companies, and to date about 66% have been inspected. Of the remaining 34% either myself or some member of the engineering department has some special knowledge regarding them. In many instances suggestions have been

made to the operators or managing officials which have resulted in benefit to the companies as well as to the communities which they serve.

To make this work of permanent value I prepared, with the assistance of our Chief Engineer, detailed record blanks, and when an inspection is made, a complete, concise operative and physical history of the company is reduced to writing and placed in our files. By reference to these files we now can tell, without the expense of a special visit, and without delay when State officials or other interested persons wish for information, the organization of the company, its type of system; its source of supply, the sanitary conditions surrounding it; the State Laboratory records of analyses and how frequently made; the character of wells or springs used as a source of supply and precautions against pollution; complete station equipment data, including buildings, pumps, purification systems and methods of purification; distribution system data, including reservoirs, standpipes, distribution capacity, method and adequacy; consumer, pumpage, consumption and service data, showing demand upon the system, capacity to meet the demand; interruptions in service and their cause; extent of local records kept; pressure; provisions for testing meters and frequency of tests, and extent and causes of complaints.

Several special investigations have been made. Some which we ourselves deemed to be advisable and some as the result of our attention having been called to specific matters by interested parties.

I have attended hearings before the Commission where matters relating to water companies were involved, and have assisted and advised both the companies and the public in bringing such matters to the attention of the Commission and in preparing them for hearing. I have also followed such cases after hearing and order thereon to see that the orders were executed and to assist in their execution. In some such cases I have spent considerable time and made frequent trips to aid the parties in correcting evils and improving service. This has often produced speedier results than could have been secured if the parties had been left to their own devices and the limitations of a formal hearing, and has saved expense for

all parties. Frequently it has worked satisfactory results without the necessity of a formal complaint and hearing.

Only one case regarding the purity of a water supply has been brought to our formal complaint docket this year. This was at Newport where the company was ordered to make certain changes with reference to the drainage of the land surrounding its reservoir to prevent surface wash from entering.

The operation of the liquid chlorine machines spoken of in our former report has been carefully noted. At the present time there are seven of these in use in the State and, so far as I am able to learn, with satisfactory results. They are not, however, a cure-all.

The law also provides that sewage disposal propositions shall be submitted for our approval. We have had only two cases of this kind. The engineer for the U. S. Housing Corporation submitted a plan for the disposal of sewage for the housing project at Kittery. This was approved after a personal inspection.

A complaint was received regarding the method of disposal of sewage from a girl's camp situated on a lake used for bathing purposes. The matter was investigated and satisfactorily adjusted.

Mention was made in our 1917 report of the wisdom of placing this law in our hands because of the fact that the "public utilities law already gives us jurisdiction over water companies; they are required to file their financial statements with us; their rates and other information is in our files; they must come to us for approval of their financing; we can order them to curtail or extend their services as conditions warrant; our engineering department is familiar with their physical property and its condition; in short, we have by virtue of our office complete knowledge of every phase of their business."

The above statement, based upon our best judgment, was made before we had had an opportunity to give the matter a very thorough practical trial, but the prediction then made has been borne out by actual experience. Our activities during the past two years have given us much valuable information regarding water companies generally, which could only be obtained by actual contact with them and in our judgment it would not be good business to change the authority into other hands.

I believe the law should be amended so that it will be interwoven with our general utility statute, in order that the same provisions will apply in its execution that now exist with reference to other matters relating to the same class of utilities.

In closing I wish to express my appreciation for the many courtesies extended to me by Dr. H. D. Evans of the State Department of Health.

Respectfully submitted,

ROY F. LEACH.

AUGUSTA, MAINE, NOV. 1, 1918.

Public Utilities Commission, Augusta, Maine:

I am submitting herewith tabulations made from the financial reports of steam and electric railroads for the year ended December 31, 1917.

As explained in the report made last year, a statutory change in the date of filing financial returns necessitated in the case of other than railroads a six months' report. A six months' report is of no comparative value inasmuch as all tabulations have been for a year, and for this reason no tabulations for utilities other than steam and electric railroads have been made. Complete yearly reports by all the utilities will be filed as of December 31, 1918, and yearly thereafter.

Respectfully submitted,

RALPH A. PARKER,

Chief Accountant.

TABULATED STATEMENT

COMPILED FROM THE

Report of The Pullman Company

FOR THE

Year Ending December 31, 1917

Statement No. 18.

The following gives a statement of the Assets and Liabilities, Income Account, Profit and Loss Account, Operating Revenue and Operating Expense accounts of The Pullman Company for the year ending Dec. 31, 1917.

Assets.					Liabilities.					
Property and equipment.	Security investments.	Current assets.	Other assets.	Total assets.	Capital stock.	Current liabilities.	Dividends accrued.	Reserve accounts.	Profit and loss.	Total liabilities.
$159,068,328 19	$7,057,714 79	$17,944,554 79	$14,635,733 48	$198,706,331 25	$120,000,000 00	$8,157,701 60	$1,590,663 34	$51,238,237 95	$17,719,722 36	$198,706,331 25

INCOME ACCOUNT.

Operating revenues.	Operating expenses.	Net revenue.	Net auxiliary revenue.	Total net revenue.	Taxes accrued.	Operating income.	Other income.	Gross corporate income.	Deductions from gross income.
$51,776,680 86	$35,448,872 54	$16,327,808 32	$16,088 23	$16,343,896 55	$3,874,773 73	$12,469,122 82	$942,319 52	$13,411,442 34	$5,573 29

Statement No. 18—Concluded.

Income Account—Continued.				Profit and Loss Account.				
Net income.	Dividends declared.	Other appropriations of income.	Income balance for year.	Balance Dec. 31, 1916.	Income balance for year.	Other additions.	Miscellaneous deductions.	Balance Dec. 31, 1917.
$13,405,869 05	$9,543,992 68	....	$3,861,876 37	$12,631,307 39	$3,861,876 37	$1,271,189 13	$44,650 53	$17,719,722 36

Operating Revenues.			Operating Expenses.				
Contract operations.	Association operations.	Total operating revenues.	Maintenance.	Conducting car operations.	General expenses.	Total operating expenses.	Ratio of expenses to revenue.
$51,659,420 01	$117,260 85	$51,776,680 86	$17,631,924 61	$16,046,866 45	$1,770,081 48	$35,448,872 54	68.46%

TABULATED AND COMPARATIVE STATEMENTS

COMPILED FROM THE

Reports of Steam Railroad Companies

FOR THE

Year Ending December 31, 1917

Comparative Statement—No. 19.

The Following Table gives the Mileage in Maine of all Steam Railroads Operating Therein.

Railroad.		Miles of main track.	Miles of second main track.	Miles of yard tracks and sidings.	Total line operated.	Increase over previous year.
Bangor & Aroostook Railroad:						
Brownville to Caribou	155.13					
Phair to Ft. Fairfield	13.30					
Ashland Junction to Ashland	43.87					
Oldtown to Greenville	76.11					
Derby to Iron Works	19.03					
Caribou to Limestone	15.67					
Caribou to Van Buren	33.40					
Patten Junction to Patten	5.87					
Ashland to Ft. Kent	51.00					
Schoodic Junction to Medway	9.46					
So. Lagrange to Packards	27.96					
Squa Pan to Stockholm	47.97	632.80	30.29	216.57	879.66	5.63
Presque Isle to Mapleton	7.13					
Kent Junction to St. Francis	16.56					
Van Buren to Ft. Kent	43.72					
Oakfield to Ashland Branch	1.61					
Canadian Junction to Van Buren Bridge	.21					
Searsport to So. Lagrange	54.13					
Cape Junction to Cape Jellison	2.11					
Northern Maine Junction to North Transfer	.75					
Northern Maine Junction to South Transfer	.83					
Sandy Point Shipyard	.66					
Industrial Tracks	6.32					
Boston & Maine Railroad:						
State Line to Rigby via Dover	39.89					
State Line to Rigby via Portsmouth	47.36					
N. H. State Line to Westbrook	42.56					
Jewett to N. H. State Line	2.92	141.57	28.72	33.07	203.36	.46
Old Orchard to Camp Ellis	3.83					
Connecting tracks	.38					
Kennebunk to Kennebunkport	4.63					
* Portland Terminal Company's tracks	30.72					
‡Bridgton & Saco River R. R.:						
Harrison to Bridgton Jct.		21.23	......	3.09	24.32	.11
Canadian Pacific Ry. (I. Ry. Me):						
Boundary to Mattawamkeag	144.60					
Boundary to Houlton	3.20	177.10	......	48.33	225.43	1.78
Boundary to Presque Isle	29.30					
* Mattawamkeag to Vanceboro	56.60					
Georges Valley Railroad:						
Warren to Union		8.50	......	.50	9.00	......
Grand Trunk Ry (At. & St. L. & N. B. R. R.):						
N. H. Line to Portland	82.53					
So. Paris to Norway	1.50	89.44	.99	51.19	141.62	.15
Lewiston Jct. to Lewiston (L. & A. R. R.)	5.41					
‡ Kennebec Central Railroad:						
Randolph to National Soldier's Home		5.00	......	.74	5.74	......
Lime Rock Railroad	5.09					
Branches to quarries	6.21	11.30	......	......	11.30	......
Trackage Rights M. C. R. R.	1.27					
Maine Central Railroad:						
Portland Line to Bangor	130.04					
Royal Junction to Waterville	72.30					
Gardiner to Copsecook Mills	1.15					
Waterville Frt. Yds. to Skowhegan	17.23					
Oquossoc to Kennebago	10.65					

* Trackage rights. ‡ Narrow (2 feet) gauge.

COMPARATIVE STATEMENT NO. 19—Concluded.

Mileage of Steam Railroads—Concluded.

RAILROAD.	Miles of main track.	Miles of second main track.	Miles of yard tracks and sidings	Total line operated.	Increase over previous year.
Maine Central Railroad—Continued:					
Oakland to Kineo 90.61					
Austin Junction to Bingham 1.43					
Taunton to Somerset Junction .49					
Pittsfield to Harmony 17.76					
Brunswick to Leeds Junction 25.94					
Crowley's Jct., to Lewiston Lower 4.88					
Leeds Jct., to Farmington 36.66					
Brunswick to Bath 8.90					
Woolwich to Rockland 47.13					
Rockland to Rockland Wharf 1.44					
Brewer Jct. to Mt. Desert Ferry 41.13					
Washington Jct. to Calais 102.49					
Ayer's Jct. to Eastport 16.48					
St. Croix Jct. to Princeton 17.85					
Woodland Jct. to Woodland 1.21					
Industrial Tracks 9.52					
Rumford Jct. to Rumford 52.74					
Canton to Livermore Falls 10.27					
Upper Yard Switch to Old Rumford Station 1.63					
Industrial Tracks 2.76					
Rumford to Oquossoc 35.97					
Industrial Tracks .25	1,013.19	65.57	343.62	1,422.38	11.95
Burnham Jct. to Belfast 33.13					
Newport to Dexter 14.23					
Dexter to Foxcroft 16.54					
Bangor to Bucksport 18.80					
Industrial Tracks .35					
Bangor to Vanceboro 114.30					
Orono to Stillwater 3.01					
Enfield to Montague 3.03					
Montague to Howland .73					
Industrial Tracks 5.15					
Westbrook Line to State Line 43.81					
Industrial Tracks .31					
Maine Trap Rock & Contracting Co. .89					
* Portland Terminal Company's Tracks 14.83					
‡ Monson Railroad:					
Monson to Monson Junction	8.16	......	......	8.16	......
Portland Terminal Company	31.67	†15.77	72.86	120.30	3.43
‡ Sandy River & Rangeley Lakes Railroad:					
Farmington to Marbles 47.16					
Phillips to Eustis .25					
Madrid Junction to Number Six 5.33					
Bracket Jct. to Littlefields 5.35					
Madrid to Maxcy & Lewis Yard .55					
Reed to McLeary & Bell Track .10	104.28	......	13.60	117.88	5.32
Perham Jct. to Barnjum 2.84					
Eustis Jct. to Green's Farm 10.48					
Langtown Branch .05					
Strong to Bigelow 30.11					
Mt. Abram Jct. to Mt. Abram 1.81					
Kingfield Jct. to Kingfield .25					
‡ Wiscasset, Waterville & Farmington R. R.:					
Wiscasset to Albion	43.50	......	2.25	45.75	......
York Harbor & Beach Railroad					
Kittery Jct. to York Beach with spur to U. S. Navy Yards	11.53	......	1.27	12.80	......
Totals	2,299.27	141.34	787.09	3,227.70	28.83

† .98 miles third track and .94 miles of fourth track.
‡ Narrow (2 feet) gauge.
* Trackage rights.

COMPARATIVE STATEMENT NO. 20.

Mileage of Steam Railroads and Increase from 1836 to Dec. 31, 1917. (For main line only).

As nearly as can be ascertained the mileage of the steam railroads in Maine, from the first road built in 1836 to December of 1917 is as follows:

	Miles.	Increase.		Miles.	Increase.
1836	12.00	....	1887	1,164.52	23.09
1842	19.88	7.88	1888	1,164.07	*.45
1843	72.39	52.51	1889	1,322 45	158.38
1847	75.39	3.00	1890	1,360.26	37.81
1848	132.16	56.77	1891	1,382.92	22.66
1849	211.49	79.33	1892	1,385.00	2.08
1850	232.59	21.10	1893	1,399.14	14.14
1851	280.61	48.02	1894	1,515.99	116.85
1852	319.74	39.13	1895	1,626.75	110.76
1853	330.74	11.00	1896	1,720.41	93.66
1854	333.74	3.00	1897	1,722.92	2.51
1855	352.84	19.10	1898	1,748.95	26.03
1856	370.75	17.91	1899	1,871.85	122.90
1857	390.82	20.07	1900	1,905.00	33.15
1859	411.29	20.47	1901	1,918.98	13.98
1861	441.99	30.70	1902	1,933.35	14.37
1867	444.49	2.50	1903	2,004.81	71.46
1868	516.45	71.96	1904	2,018.60	13.79
1869	601.65	85.20	1905	2,022.63	4.03
1870	650.20	48.55	1906	2,093.49	70.86
1871	772.63	122.43	1907	2,144.77	51.28
1873	814.63	42.00	1908	2,173.91	29.14
1874	846.43	31.80	1909	2,174.95	1.04
1875	865.71	19.28	1910	2,259.60	84.65
1876	881.33	15.62	1911	2,288.36	28.76
1879	911.23	29.90	1912	2,284.38	*3.98
1880	1,023.32	112.09	1913	2,301.03	16.65
1881	1,036.15	12.83	1914	2,300.37	*.66
1882	1,051.64	15.49	1915	2,301.05	.68
1883	1,063.27	11.63	†1916	2,289.61	*11.44
1884	1,132.27	69.00	‡1916	2,289.04	*.57
1885	1,132.27	....	1917	2,299.27	10.23
1886	1,141.43	9.16			

* Decrease. † June 30, 1916. ‡ Dec. 31, 1916.

COMPARATIVE STATEMENT NO. 21.

Assets and Liabilities, Steam Railroad Corporations.

ASSETS.

ITEM.	Dec. 31, 1916.	Dec. 31, 1917.	Increase.
Property investment..........	$184,833,859 87	$186,419,920 14	$1,586,060 27
Security investment...........	16,505,546 43	17,991,455 33	1,485,908 90
Current assets................	29,614,103 82	30,062,768 77	448,664 95
Deferred assets...............	1,272,861 81	1,169,116 51	*103,745 30
Unadjusted debits.............	2,290,179 11	2,505,188 53	215,009 42
Gross assets..............	$234,516,551 04	$238,148,449 28	$3,631,898 24

LIABILITIES.

ITEM.	Dec. 31, 1916.	Dec. 31, 1917.	Increase.
Capital stock.................	$71,851,015 70	$75,727,690 70	$3,876,675 00
Premium on capital stock	6,501,620 14	6,501,620 14	....
Stock liability for conversion..	19,058 93	18,858 93	*200 00
Long term debt...............	95,255,726 80	90,737,222 05	*4,518,504 75
Current liabilities............	30,971,608 59	34,191,509 43	3,219,900 84
Deferred liabilities............	3,036,185 40	3,036,242 90	57 50
Unadjusted credits............	13,948,657 37	15,067,341 79	1,118,684 42
Gross liabilities...........	$221,583,872 93	$225,280,485 94	$3,696,613 01
Appropriated surplus..........	3,953,769 05	4,423,932 03	470,162 98
Profit and loss, credit balance..	8,978,909 06	8,444,031 31	*534,877 75
Total liabilities...........	$234,516,551 04	$238,148,499 28	$3,631,898 24

CAPITAL STOCK AND DIVIDENDS.

YEAR.	Capital stock.	Net income.	Dividends declared.	Per cent. to capital stock.
Dec., 1916...	$71,851,015 70	$7,135,689 83	$1,046,650 00	1.46%
Dec., 1917...	$75,727,690 70	$1,269,550 30	$1,130,619 17	1.49%

* Decrease.

COMPARATIVE STATEMENT No. 22.

Operating Revenues of Steam Railroads for the Year Ending Dec. 31, 1917.

RAILROADS.	Freight revenue.	Passenger revenue.	Other transportation revenue.	Total transportation revenue.	Incidental operating revenues.	Total operating revenues.
Atlantic & St. Lawrence Railroad (operated by Grand Trunk Railway)	$1,365,857 40	$304,281 33	$108,236 07	$1,778,374 80	$80,529 05	$1,858,903 85
Bangor & Aroostook Railroad Company	3,285,353 93	856,867 26	153,175 75	4,295,396 94	89,164 56	4,384,561 50
Boston & Maine Railroad	35,080,862 81	17,827,342 49	4,650,376 47	57,558,581 77	1,892,196 84	59,450,778 61
Bridgton & Saco River Railroad Co	39,953 79	17,440 49	7,694 35	65,088 63	173 22	65,261 85
Canadian Pacific Railway Co	1,943,992 60	338,893 64	115,433 57	2,398,319 81	26,419 21	2,424,739 02
* Eastern Maine Railroad	....	....	....	....	....	....
Georges Valley Railroad Co	10,049 89	1,273 37	1,588 35	12,911 61	....	12,911 61
Kennebec Central Railroad Co	8,992 84	2,244 55	626 46	11,863 85	....	11,863 85
Lewiston & Auburn Railroad Co. (operated by Grand Trunk Railway)	8,528 59	9,193 86	1,264 75	18,987 20	2,378 54	21,365 74
Lime Rock Railroad Co	60,190 28	....	10,867 50	71,057 78	2,726 03	73,783 81
Maine Central Railroad Co	8,999,154 27	3,900,166 22	938,566 99	13,837,887 48	287,689 32	14,125,576 80
Monson Railroad Co	9,561 00	2,740 59	2,329 14	14,630 73	....	14,630 73
Portland Terminal Co	66,645 89	223 05	18,016 84	84,885 78	274,615 25	359,501 03
Sandy River & Rangeley Lakes Railroad	163,369 33	46,937 62	12,290 80	222,597 75	555 74	223,153 49
Wiscasset, Waterville & Farmington Ry. Co.	58,674 92	6,310 57	5,731 16	70,716 65	....	70,716 65
York Harbor & Beach Railroad Co	35,449 74	32,184 65	1,533 21	69,167 60	421 46	69,589 06
Totals	$51,136,645 28	$23,346,099 69	$6,027,731 41	$80,510,468 28	$2,656,869 22	$83,167,337 60

* Not operating.

Comparative Statement No. 23.

Operating Expenses of Steam Railroads for Year Ending Dec. 31, 1917.

Railroads.	Total maintenance of way and structures.	Total maintenance of equipment.	Total traffic expenses.	Total transportation expenses.	Total miscellaneous expenses.	Total general expenses.	Total operating expenses.	Ratio.	
								Dec. 31, 1916.	Dec. 31, 1917.
Atlantic & St. Lawrence R. R. (operated by Grand Trunk Ry.)	$498,228 37	$413,959 80	$53,016 18	$1,343,427 48	....	$83,773 68	$2,392,405 51	......	128.70
Bangor & Aroostook R. R. Co...	632,472 78	746,295 57	49,764 89	1,364,172 71	$49,870 75	149,536 35	*2,990,368 04	60.78	68.20
Boston & Maine R. R..........	6,192,311 23	8,786,745 25	446,565 17	29,970,442 83	295,409 28	1,473,769 53	†47,164,940 60	69.07	79.33
Bridgton & Saco River R. R. Co..	9,656 27	6,776 15	696 32	30,844 93	....	1,720 09	49,693 76	70.25	76.14
Canadian Pacific R. R. Co.....	465,161 19	366,096 31	70,142 52	1,166,855 22	....	61,182 89	2,129,438 13	69.30	87.82
** Eastern Maine R. R.........	....	....	....	....	....	....	....	......	......
Georges Valley R. R. Co........	2,901 71	882 37	....	8,238 23	....	314 63	12,336 94	89.00	95.53
Kennebec Central R. R. Co......	2,231 99	1,941 80	59 75	5,729 73	....	1,429 41	11,392 68	94.31	96.02
Lewiston & Auburn R. R. Co. (operated by Grand Trunk Ry.)	5,551 18	1,338 47	1,480 08	34,444 50	....	2,086 21	44,900 44	......	210.15
Lime Rock R. R. Co............	9,673 75	13,350 33	....	32,775 90	....	6,756 21	62,556 19	62.33	84.78
Maine Central R. R. Co........	1,632,812 01	2,073,107 02	151,575 45	6,416,923 29	45,856 88	357,679 45	‡10,675,876 01	68.62	75.58
Monson R. R. Co..............	4,669 41	2,318 71	....	7,826 72	....	1,240 11	16,054 95	80.82	109.73
Portland Terminal Co..........	40,132 10	1,284 74	778 73	53,783 37	107,638 74	4,181 75	207,799 43	45.06	57.80
Sandy River & Rangeley Lakes R.R.	48,272 74	28,141 04	1,182 60	106,912 10	....	3,607 07	188,115 55	77.30	84.30
Wiscasset, Waterville & Farmington Ry. Co...............	26,202 01	13,281 08	....	27,880 15	....	3,768 59	71,131 83	97.00	100.58
York Harbor & Beach R. R. Co.	12,469 17	2,147 75	229 63	26,043 92	....	114 83	41,005 30	67.60	58.92
Totals....................	$9,582,745 91	$12,457,666 39	$775,491 32	$40,596 301 08	$498,775 65	$2,151,160 80	$66,058,015 36	......	......

* Transportation for investment—Cr. $1,745 01, deducted.

† Transportation for investment—Cr. $302.69, deducted.

‡ Transportation for investment—Cr. $2,078 09, deducted.

** Not operating.

Comparative Statement No. 24.

The following Table gives the "Total Operating Revenues," "Other Revenues," and "Gross Revenue" of Steam Railroads for the year ending Dec. 31, 1917.

Railroads.	Total operating revenues.	Other revenues.	Gross revenue.
Atlantic & St. Lawrence R. R. Co. (operated by Grand Trunk Ry.)	$1,858,903 85	$1,272,495 88	$3,131,399 73
Bangor & Aroostook R. R. Co	4,384,561 50	417,784 00	4,802,345 50
Boston & Maine R. R.	59,450,778 61	1,232,915 18	60,683,693 79
Bridgton & Saco River R. R. Co	65,261 85	1,235 75	66,497 60
Canadian Pacific Ry. Co	2,424,739 02	142,693 38	2,567,432 40
* Eastern Maine R. R.	....	....	....
Georges Valley R. R. Co	12,911 61	2 50	12,914 11
Kennebec Central R. R. Co	11,863 85	....	11,863 85
Lewiston & Auburn R. R. Co. (operated by Grand Trunk Ry.)	21,365 74	46,820 21	68,185 95
Lime Rock R. R. Co	73,783 81	3,993 71	77,777 52
Maine Central R. R. Co	14,125,576 80	441,533 90	14,567,110 70
Monson R. R. Co	14,630 73	41 96	14,672 69
Portland Terminal Co	359,501 03	214,415 25	573,916 28
Sandy River & Rangeley Lakes R. R.	223,153 49	461 67	223,615 16
Wiscasset, Waterville & Farmington Ry. Co	70,716 65	981 78	71,698 43
York Harbor & Beach R. R. Co	69,589 06	1,908 50	71,497 56
Totals	$83,167,337 60	$3,777,283 67	$86,944,621 27

* Not operating.

Comparative Statement No. 25.

The following Table gives the "Operating Expenses," "Taxes Accrued," "Interest on Funded Debt and other interest," "Other deductions from Corporate Income," "Dividends, Reserves, etc.," "Total deductions" and "Balance for the year" of Steam Railroads reporting for the year ending Dec. 31, 1917.

Railroads.	Operating expenses.	Taxes accrued.	Interest on funded debt and other interest.	Other deductions from corporate income.	Dividends, reserves, etc.	Total deductions.	Balance for the year.
Atlantic & St. Lawrence R. R. Co. (operated by Grand Trunk Railway)	$2,392,405 51	$136,120 96	...	$602,873 26	...	$3,131,399 73	...
Bangor & Aroostook Railroad Co	2,990,368 04	189,887 21	$853,939 65	276,243 45	...	4,310,438 35	$491,907 15
Boston & Maine Railroad	47,164,940 60	2,156,648 96	2,553,994 35	9,173,356 54	$54,137 35	61,103,077 80	*419,384 01
Bridgton & Saco River Railroad Co	49,693 76	1,358 75	6,800 00	...	9,062 98	66,915 49	*417 89
Canadian Pacific Railway Co	2,129,438 13	114,420 68	144,500 00	123,089 94	...	2,511,448 75	55,983 65
† Eastern Maine Railroad	...	...	...	...	...	...	...
Georges Valley Railroad Co	12,336 94	100 23	3,000 00	2,074 05	...	17,511 22	*4,597 11
Kennebec Central Railroad Co	11,392 68	305 25	780 00	...	...	12,477 93	*614 08
Lewiston & Auburn Railroad Co. (operated by Grand Trunk Railway)	44,900 44	4,779 48	...	18,506 03	...	68,185 95	...
Lime Rock Railroad Co	62,556 19	...	16,000 00	4,067 94	...	82,624 13	*4,846 61
Maine Central Railroad Co	10,675,876 01	726,905 10	816,941 60	1,291,323 08	1,280,699 73	14,791,745 52	*224,634 82
Monson Railroad Co	16,054 95	164 27	4,201 46	5 90	...	20,426 58	*5,753 89
Portland Terminal Co	207,799 43	46,209 98	220,442 58	73,789 25	59,918 73	608,159 97	*34,243 69
Sandy River & Rangeley Lakes Railroad	188,115 55	2,797 34	34,155 00	2,519 21	...	227,587 10	*3,971 94
Wiscasset, Waterville & Farmington Ry. Co	71,131 83	638 46	...	...	...	71,770 29	*71 86
York Harbor & Beach Railroad Co	41,005 30	2,240 00	...	11,875 65	...	55,120 95	16,376 61
Totals	$66,058,015 36	$3,382,576 67	$4,654,754 64	$11,579,724 30	$1,403,818 79	$87,078,889 76	*$134,268 49

* Deficit. † Not operating.

Comparative Statement No. 26.

Profit and Loss Account of Steam Railroads for the year ending Dec. 31, 1917.

Railroads.	Balance Dec. 31, 1916.	Income balance for year.	Other additions.	Dividends declared out of surplus.	Other deductions.	Balance Dec. 31, 1917.
Bangor & Aroostook Railroad Company	$1,097,381 70	$491,907 15	$444,633 90	$197,566 67	$488,701 81	$1,347,654 27
Boston & Maine Railroad	2,965,237 57	*419,384 01	26,074 52		80,206 28	2,491,721 80
Bridgton & Saco River Railroad Co	29,543 66	*417 89	63 21		95 11	29,093 87
Canadian & Pacific Railway Co		55,983 65	25 69		56,009 34	
† Eastern Maine Railroad						
Georges Valley Railroad Co	*81,926 84	*4,597 11				*86,523 95
Kennebec Central Railroad Co	23,433 38	*614 08				22,819 30
Lime Rock Railroad Co	136,334 26	*4,846 61		12,164 50		119,323 15
Maine Central Railroad Co	4,817,001 21	*224,634 82	33,355 91		65,322 41	4,560,399 89
Monson Railroad Co	*178,114 19	*5,753 89				*183,868 08
Portland Terminal Co	54,170 38	*34,243 69	4,676 12		4,471 64	20,131 17
Sandy River & Rangeley Lakes Railroad	33,280 43	*3,971 94	1,297 25		4,467 27	26,138 47
Wiscasset, Waterville & Farmington Railway Co	30,886 79	*71 86				30,814 93
York Harbor & Beach Railroad Co	49,949 88	16,376 61				66,326 49
Totals	$8,977,178 23	*$134,268 49	$510,126 60	$209,731 17	$699,273 86	$8,444,031 31

* Debit balance. † Not operating.

COMPARATIVE STATEMENT NO. 27.

Traffic and Mileage Statistics Dec. 31, 1917.

RAILROADS.	Number of passengers carried.	Number of passengers carried one mile.	AVERAGE RECEIPTS PER PASSENGER PER MILE.		Tons of freight carried.	Tons of freight carried one mile.	AVERAGE RECEIPTS PER TON PER MILE.	
			Year ending Dec. 31, 1917 (Cents.)	Year ending Dec. 31, 1916 (Cents.)			Year ending Dec. 31, 1917 (Cents.)	Year ending Dec. 31, 1916 (Cents.)
STANDARD GAUGE ROADS.								
Atlantic & St. Lawrence R. R. (operated by Grand Trunk Railway)	220,772	7,864,149	2.465	....	1,142,534	81,706,298	0.837	....
Bangor & Aroostook Railroad Co.	762,306	30,409,621	3.147	2.583	2,052,837	263,257,522	1.248	1.223
Boston & Maine Railroad	47,564,736	926,966,413	1.894	1.859	28,457,813	3,341,898,595	1.050	1.079
Canadian Pacific Railway	195,778	17,327,204	1.956	1.828	1,969,021	330,006,015	0.589	0.538
Georges Valley Railroad	3,350	26,800	4.751	4.523	9,687	77,496	12.968	9.618
Lewiston & Auburn Railroad Co. (operated by Grand Trunk Railway)	60,594	322,313	2.853	....	49,497	267,776	3.185	....
Lime Rock Railroad	....	....	....	....	173,068	....	....	....
Maine Central Railroad Co.	3,959,847	159,775,222	2.416	2.287	8,523,653	847,959,673	1.059	1.060
York Harbor & Beach Railroad Co.	440,868	1,433,666	2.245	2.676	63,764	236,458	14.992	14.022
Totals	53,208,251	1,144,125,388	....	....	42,441,874	4,865,409,833	....	....
NARROW GAUGE ROADS.								
Bridgton & Saco River Railroad	30,427	411,978	4.233	4.173	32,153	498,084	8.021	7.197
Kennebec Central Railroad Co.	22,818	114,090	1.967	1.942	6,262	31,310	28.466	27.953
Monson Railroad Co.	7,830	48,389	5.664	4.932	11,894	73,504	13.007	13.455
Sandy River & Rangeley Lakes Railroad	48,365	1,041,909	4.505	4.254	123,902	2,817,544	5.798	6.028
Wiscasset, Waterville & Farmington Ry.	16,857	195,231	3.232	2.944	31,229	821,934	7.139	7.201
Totals	126,296	1,811,597	....	....	205,440	4,242,376	....	....
Grand totals	53,334,547	1,145,936,985	....	....	42,647,314	4,869,652,209	....	....

Comparative Statement No. 28.

Passenger and Freight Rates.

PASSENGER RATES.

Average passenger rate per mile on all standard gauge railroads doing business in Maine for the years 1898 to December, 1917, is shown in the following table:

Year.	Rate-Cents.
1898	1.830
1899	1.815
1900	1.828
1901	1.844
1902	1.910
1903	1.845
1904	1.866
1905	1.842
1906	1.834
1907	1.819
1908	1.759
1909	1.770
1910	1.768
1911	1.848
1912	1.825
1913	1.829
1914	1.843
1915	1.920
1916—June 30	1.937
1916—Dec. 31	1.941
1917—Dec. 31	2.006

The average passenger rate upon the five narrow gauge railroads for the year ended Dec. 31, 1917 was 4.177 cents.

FREIGHT RATES.

The following table shows the average rates per ton mile for the transportation of merchandise on all standard gauge railroads doing business in Maine for the years 1898 to 1917:

Year.	Rate-Cents.
1898	1.361
1899	1.272
1900	1.271
1901	1.087
1902	0.862
1903	0.863
1904	0.920
1905	0.913
1906	0.905
1907	0.898
1908	0.992
1909	1.046
1910	1.045
1911	1.063
1912	1.056
1913	1.032
1914	1.035
1915	1.086
1916—June 30	1.009
1916—Dec. 31	1.017
1917—Dec. 31	1.028

The average freight rate per ton mile upon the five narrow gauge railroads for the year ended Dec. 31, 1917 was 6.613 cents.

Comparative Statement No. 29.

Tabulated Statements from Returns of Railroad Corporations for year ended Dec. 31. 1917.

Operating Railroads.	Atlantic and St. Lawrence Railroad (Operated by Grand Trunk Ry.)	Bangor and Aroostook Railroad.	Boston and Maine Railroad.	Bridgton and Saco River Railroad.	Canadian Pacific Railway.
Assets.					
Investments:					
Road and equipment	$181,799 25	$24,437,040 79	$92,572,494 65	$299,781 25	$8,217,083 26
Improvements on leased railway property			2,852,756 95		2,784 23
Sinking funds			732,864 14		
Deposits in lieu of mortgaged property sold		9,468 50			
Miscellaneous physical property			235,130 83		
Security investments		670,000 00	13,328,119 17	13,600 00	
Current Assets.					
Cash		579,027 59	2,960,608 68	11,212 15	
Time drafts and deposits			4,293,000 00		
Special deposits		226,025 00	10,565 00		
Loans and bills receivable		24,007 50			
Traffic and car-service balances receivable		105,775 70	855,277 62		
Net balance receivable from agents and conductors		77,529 16	3,345,899 62	2,253 53	
Miscellaneous accounts receivable		98,787 80	2,524,557 73	1,463 10	
Material and supplies		616,648 79	8,231,580 81	3,467 93	
Interest and dividends receivable		121 85	30,526 15		
Rents receivable			98,433 59		
Other current assets		8,171 44			
Deferred Assets:					
Working fund advances		125 00	8,113 55		
Other deferred assets		2,262 15	79,791 55		
Unadjusted debits:					
Rents and insurance premiums paid in advance	2,096 04	3,496 45	123,181 41	75 52	
Discount on funded debt					
Other unadjusted debits		381,599 11	1,106,568 65	752 73	120,593 13
Grand totals	$183,895 29	$27,240,086 83	$133,389,470 10	$332,606 21	$8,340,460 62

COMPARATIVE STATEMENT No. 29—Continued.

OPERATING RAILROADS.	Atlantic and St. Lawrence Railroad (Operated by Grand Trunk.)	Bangor and Aroostook Railroad.	Boston and Maine Railroad.	Bridgton and Saco River Railroad.	Canadian Pacific Railway.
LIABILITIES.					
Stock:					
Capital stock	....	$7,340,000 00	$42,655,190 70	$102,250 00	$2,238,550 00
Premium on capital stock	....	....	6,501,620 14	....	....
Long-term debt:					
Funded debt unmatured	....	16,276,000 00	42,577,000 00	170,000 00	2,890,000 00
Receivers' certificates	....	....	....	....	....
Non-negotiable debt to affiliated companies	$181,799 25	....	661,000 59	....	3,091,317 49
CURRENT LIABILITIES.					
Loans and bills payable	....	....	13,306,060 00	....	....
Traffic and car-service balances payable	....	49,056 76	2,817,402 02	....	....
Audited accounts and wages payable	....	195,942 73	3,420,215 13	2,946 96	....
Miscellaneous accounts payable	....	53,721 04	2,206,279 74	1,207 28	....
Interest matured unpaid	....	216,047 50	3,227,889 30	290 00	....
Dividends matured unpaid	....	....	3,215 81	1,533 75	....
Funded debt matured unpaid	....	10,000 00	6,100 21	....	....
Unmatured interest accrued	....	164,358 19	625,404 56	566 66	....
Unmatured rents accrued	2,096 04	....	555,185 25	....	....
Other current liabilities	....	32,083 41	....	....	....
Deferred Liabilities:					
Other deferred liabilities	....	139 00	1,852,345 89	....	....
Unadjusted Credits:					
Tax liability	....	43,393 45	*14,702 02	....	....
Premium on funded debt	....	....	251,411 87	....	....
Operating reserves	....	143,151 45	3,671 24	....	....
Accrued depreciation—road	....	....	....	4,577 58	....
Accrued depreciation—equipment	....	930,425 65	7,678,345 10	10,526 73	120,126 24
Other unadjusted credits	....	212,022 51	878,907 32	....	466 89
Corporate Surplus:					
Additions to property through income and surplus	....	226,090 87	191,341 21	9,613 38	....
Sinking fund reserves	....	....	1,493,864 14	....	....
Profit and Loss:					
Credit balance	....	1,347,654 27	2,491,721 80	29,093 87	....
Grand totals	$183,895 29	$27,240,086 83	$133,389,470 10	$332,606 21	$8,340,460 62

* Debit.

REVENUES.					
Freight	$1,365,857 40	$3,285,353 93	$35,080,736 68	$39,953 79	$1,943,992 60
Passenger	304,281 33	856,867 26	17,814,737 62	17,440 49	338,893 64
Excess baggage	2,044 70	8,294 39	77,877 81	166 88	4,444 43
Parlor and chair car	1,867 30	....	....	....	....
Mail	32,229 65	65,259 13	785,780 96	1,898 00	25,844 25
Express	27,369 00	66,735 47	2,032,564 73	5,597 47	84,453 50
Other passenger-train	347 56	2,507 00	156,892 35	....	50 00
Milk	12,995 34	....	904,234 34	....	....
Switching	31,382 52	7,540 61	616,895 46	....	35 19
Special service train	....	2,839 15	75,821 68	32 00	....
Other freight train	....	....	....	....	606 20
Total rail line transportation revenues	$1,778,374 80	$4,295,396 94	$57,545,541 63	$65,088 63	$2,398,319 81
Freight	....	....	126 13	....	....
Passenger	....	....	12,604 87	....	....
Excess baggage	....	....	4 72	....	....
Other passenger service	....	....	4 42	....	....
Express	....	....	300 00	....	....
Total water line transportation revenues	....	....	13,040 14	....	....
Dining and buffet	....	$7,577 55	$111,648 90	....	....
Hotel and restaurant	....	26,996 73	8,188 30	....	....
Station train and boat privileges	$593 71	3,160 45	130,472 31	$34 00	$2 00
Parcel room	228 50	429 90	46,187 68	11 46	....
Storage—freight	457 62	2,139 46	209,347 32	....	133 16
Storage—baggage	273 35	206 70	17,773 11	....	1 75
Demurrage	48,163 00	28,376 45	798,418 59	*1 50	9,004 22
Telephone and telegraph	....	....	47,953 33	33 20	....
Grain elevator	....	....	148,885 58	....	....
Stock yard	....	....	3,061 16	....	....
Power	....	....	19,056 71	....	....
Rents of buildings and other property	11,104 57	14,813 38	174,110 75	13 00	5,227 83
Miscellaneous	19,708 30	5,463 94	176,997 14	83 06	12,050 25
Total incidental operating revenues	$80,529 05	$89,164 56	$1,892,100 88	$173 22	$26,419 21
Joint facility—credit	....	....	95 96	....	....
Total railway operating revenues	$1,858,903 85	$4,384,561 50	$59,450,778 61	$65,261 85	$2,424,739 02
Non-operating income	1,272,495 88	417,784 00	1,232,915 18	1,235 75	142,693 38
Gross revenues	$3,131,399 73	$4,802,345 55	$60,683,693 79	$66,497 60	$2,567,432 40

* Debit balance.

Comparative Statement No. 29—Continued.

Operating Railroads.	Atlantic and St. Lawrence Railroad (Operated by Grand Trunk.)	Bangor and Aroostook Railroad.	Boston and Maine Railroad.	Bridgton and Saco River Railroad.	Canadian Pacific Railway.
Expenditures.					
Railway operating expenses	$2,392,405 51	$2,990,368 04	$47,164,940 60	$49,693 76	$2,129,438 13
Railway tax accruals	136,120 96	189,887 21	2,156,648 96	1,358 75	114,420 68
Uncollectible railway revenues	0 34	67 88	3,790 82		
Deductions from income:					
Rents	602,872 92	243,590 47	9,169,565 72		123,089 94
Interest on miscellaneous debts		853,939 65	2,553,994 35	6,800 00	144,500 00
Amortization of discount on funded debt		24,364 44			
Miscellaneous charges		8,220 66			
Disposition of Net Income:					
Income applied to sinking and other reserve funds			54,137 35		
Dividend appropriations of income				6,135 00	
Other charges				2,927 98	
Gross charges	$3,131,399 73	$4,310,438 35	$61,103,077 80	$66,915 49	$2,511,448 75
Surplus.					
Balance Dec. 31, 1916		$1,097,381 70	$2,965,237 57	$29,543 66	
Balance for the year		491,907 15	*419,384 01	$417 89	55,983 65
Credits		444,633 90	26,074 52	63 21	25 69
Dividends declared		197,566 67			
Other debits		488,701 81	80,206 28	95 11	56,009 34
Balance Dec. 31, 1917		$1,347,654 27	$2,491,721 80	$29,003 87	

Volume of Traffic, Etc.					
Passengers carried—revenue	$220,772	$762,306	$47,564,736	$30,427	$195,778
Passenger miles—revenue	7,864,149	30,409,621	926,966,413	411,978	17,327,204
Average mileage traveled by each passenger	35.62	39.89	19.49		88.50
Average passenger rate per mile	0.02465	0.03147	0.01894		0.01956
Tons of revenue freight hauled	1,142,534	2.052,837	28,457,813	32,153	1,969,021
Ton miles of revenue freight hauled	31,706,298	263,257,522	3,341,898,595	498,084	330,006,015
Average revenue per ton of freight	0.59869	1.60039	1.23272		0.98729
Average per ton mile of freight	0.00837	0.01248	0.01050		0.00589
Equipment.					
Number of locomotives		89	1,120	5	10
Number of passenger and combination cars		61	1,325	7	
Number of dining, parlor and sleeping cars		2	15		
Number of baggage, express and mail cars		23	285		
Number of other passenger service cars		2	72		
Number of freight cars		5,072	16 009	72	1,006
Number of officer's and pay cars		2	7		
Number of gravel and other cars		94	1,320	3	

* Debit balance.

Comparative Statement No. 29—Continued.

Operating Railroads.	Georges Valley Railroad.	Kennebec Central Railroad.	Lewiston & Auburn Railroad (Operated by Grand Trunk Ry)	Lime Rock Railroad.	Maine Central Railroad.
Assets.					
Investments:					
Road and equipment	$86,729 36	$81,267 65	$4 72	$536,395 87	$38,590,592 28
Sinking funds					221,989 09
Miscellaneous physical property				36,325 00	296,071 38
Security investments					3,915,511 42
Current Assets:					
Cash	414 08	990 21			1,125,785 74
Demand loans and deposits					
Special deposits				548 58	34,542 00
Loans and bills receivable				2,000 00	45,101 80
Traffic and car service balances receivable					384,979 18
Net balance receivable from agents and conductors	794 70	7 50			415,156 10
Miscellaneous accounts receivable	4,075 74	1,190 85			712,818 33
Material and supplies	44 30	363 17		5,333 92	1,719,406 51
Interest and dividends receivable					14,635 77
Rents receivable					4,550 30
Other current assets					
Deferred Assets.					
Other deferred assets					1,078,824 26
Unadjusted Debits:					
Rents and insurance premiums paid in advance	13 52		5 75	1,199 48	9,323 72
Discount on capital stock				402,000 00	
Property abandoned chargeable to operating expenses					12,275 14
Other unadjusted debits					242,158 93
Grand totals	$92,071 70	$83,819 38	$10 47	$983,802 85	$48,823,721 95

LIABILITIES.

Stock:					
Capital stock	$100,000 00	$40,000 00		$450,000 00	$15,007,100 00
Stock liability for conversion					18,858 93
Premium on capital stock					
Long-term Debt:					
Funded debt unmatured				400,000 00	18,844,500 00
Open accounts			4 72		
Current Liabilities:					
Loans and bills payable				10,752 93	
Traffic and car-service balances payable	1,485 66				555,457 54
Audited accounts and wages payable					861,113 64
Miscellaneous accounts payable	2,966 99	2 44			206,832 40
Interest matured unpaid	24,000 00				76,761 00
Dividends matured unpaid					207,288 54
Funded debt matured unpaid	50,000 00	19,500 00			16,992 00
Unmatured dividends declared					
Unmatured interest accrued					80,425 41
Unmatured rents accrued					84,056 77
Other current liabilities					115,151 66
Deferred Liabilities:					
Other deferred liabilities					1,183,758 01
Unadjusted Credits:					
Tax liability					†4,458 51
Operating reserves					90,722 15
Accrued depreciation—road	143 00			3,726 77	18,579 47
Accrued depreciation—equipment		1,497 64			4,382,583 06
Other unadjusted credits			5 75		185,949 77
Corporate Surplus:					
Additions to property through income and surplus					1,606,030 36
Sinking fund reserves					347,154 22
Funded debt retired through income and surplus					378,465 64
Profit and Loss:					
Credit balance	*86,523 95	22,819 30			4,560,399 89
Grand totals	$92,071 70	$83,819 38	$10 47	$983,802 85	$48,823,721 95

Comparative Statement No. 29—Continued.

Operating Railroads.	Georges Valley Railroad.	Kennebec Central Railroad.	Lewiston & Auburn Railroad (Operated by Grand Trunk Ry)	Lime Rock Railroad.	Maine Central Railroad.
Revenues.					
Freight	$10,049 89	$8,992 84	$8,528 59	$60,190 28	$8,980,709 95
Passenger	1,273 37	2 244 55	9,193 86		3,860 333 27
Excess baggage	0 74		21 47		36,287 11
Parlor and chair car					
Mail	284 44	241 12	354 63		322,701 19
Express	1,303 17	385 34	349 94		340,423 84
Other passenger train			2 77		38,962 65
Milk			525 94		148,585 83
Switching				10,867 50	32,350 39
Special service train					9,942 04
Other freight train					1,427 56
Water transfers—passenger					9 70
Total rail line transportation revenues	$12,911 61	$11,863 85	$18,987 20	$71,057 78	$13,77[illegible],733 53
Freight					18,444 32
Passenger					39,832 95
Excess baggage					1,288 99
Other passenger service					
Mail					5,404 00
Express					1,058 69
Other					100 00
Special revenue					25 00
Total water line transportation revenues					$66,153 95
Dining and buffet					33,837 40
Station, train and boat privileges					12,008 05
Parcel room					8,209 93
Storage—freight			23 31		6,880 96
Storage—baggage			9 35		3,492 68
Demurrage			856 00		124,443 60
Telephone and telegraph					5,926 31
Rents of buildings and other property			1,489 88	2,726 03	22,655 83
Miscellaneous					70,234 56
Total incidental operating revenues			$2,378 54	$2,726 03	$287,689 32

Total railway operating revenues	$12,911 61	$11,863 85	$21,365 74	$73,783 81	$14,125,576 80
Non-operating income	2 50	....	46,820 21	3,993 71	441,533 90
Gross revenues	$12,914 11	$11,863 85	$68,185 95	$77,777 52	$14,567,110 70
EXPENDITURES.					
Railway operating expenses	$12,336 94	$11,392 68	$44,900 44	$62,556 19	$10,675,876 01
Railway tax accruals	100 23	305 25	4,779 48	4,067 94	726,905 10
Uncollectible railway revenues	....	....	....	....	116 63
Deductions from Income:					
Rents	2,074 05	....	18,506 03	....	1,290,324 21
Interest on miscellaneous debts	3,000 00	780 00	....	16,000 00	816,941 60
Miscellaneous charges	....	....	....	....	582 24
Disposition of Net Income:					
Income applied to sinking and other reserve funds	....	....	....	....	38,086 22
Dividend appropriations of income	....	....	....	....	870,888 00
Income appropriated for investment in physical property	....	....	....	....	371,725 51
Gross charges	$17,511 22	$12,477 93	$68,185 95	$82,624 13	$14,791,745 52
SURPLUS.					
Balance December 31, 1916	*$81,926 84	$23,433 38	....	$136,334 26	$4,817,001 21
Balance for the year	*4,597 11	*614 08	....	*4,846 61	*224,634 82
Credits	....	....	....	....	33,355 91
Dividends declared	....	....	....	12,164 50	....
Other debits	....	....	....	....	65,322 41
Balance December 31, 1917	86,523 95	22,819 30	....	119,323 15	4,560,399 89
VOLUME OF TRAFFIC, ETC.					
Passengers carried—revenue	$3,350	$22,818	$60,594	....	$3,959 847
Passenger miles—revenue	26,800	114,090	322,313	....	159,775,222
Average mileage traveled by each passenger	....	....	....	....	40.35
Average passenger rate per mile	....	....	....	....	$.02416
Tons of revenue freight hauled	9,687	6,262	49,497	173,068	8,523,653
Ton-miles of revenue freight hauled	77,496	31,310	267,776	....	847,959,673
Average revenue per ton of freight	....	....	....	....	$1.05352
Average per ton-mile of freight	....	....	....	....	.01059
EQUIPMENT.					
Number of locomotives	1	2	....	4	225
Number of passenger and combination cars	1	5	....	....	258
Number of dining, parlor and sleeping cars	....	....	....	....	5
Number of baggage, express and mail cars	....	....	....	....	53
Number of other passenger service cars	....	....	....	....	....
Number of freight cars	....	13	....	496	8,720
Number of officers and pay cars	....	....	....	....	2
Number of gravel and other cars	2	....	....	....	504

* Debit balance. † Debit.

Comparative Statement No. 29—Continued.

Operating Railroads.	Monson Railroad.	Portland Terminal Company.	Sandy River & Rangeley Lakes Railroad.	Wiscasset, Waterville, & Farmington Railway.	York Harbor & Beach Railroad.
Assets.					
Investments:					
Road and equipment	$80,231 63	$5,701,597 23	$1,218,544 46	$311,136 53	$321,162 24
Sinking funds		102,808 39			
Security investments		†37,509 68	200 00	6,739 06	20,000 00
Current Assets:					
Cash	185 50	124,743 89	4,220 51	12,177 76	11,298 25
Loans and bills receivable				21,166 50	
Net balance receivable from agents and conductors		24,535 70	3,383 81	2,024 92	
Miscellaneous accounts receivable	1,400 07	404,525 93	13,388 81		15,838 77
Material and supplies		645,259 40	27,146 76	4,131 21	
Unadjusted Debits:					
Rents and insurance premiums paid in advance		1,019 76	17 70		
Discount on funded debt		52,647 30	24,723 86		
Other unadjusted debits		19,194 18	2,246 15		
Grand totals	$81,817 20	$7,113,841 46	$1,293,872 06	$357,375 98	$368,299 26

LIABILITIES.					
Stock:					
Capital stock	$70,000 00	$1,000,000 00	$340,000 00	$300,000 00	$300,000 00
Long-term Debt:					
Funded debt unmatured	‡70,000 00	4,741,000 00	837,000 00	....	....
Current Liabilities:					
Loans and bills payable	....	750,000 00	15,000 00	....	....
Audited accounts and wages payable	....	235,869 36	16,693 06	1,203 66	....
Miscellaneous accounts payable	....	2,985 49	1,685 94	....	....
Interest matured unpaid	120,691 94	105,757 50	....	....	....
Dividends matured unpaid	....	12,500 00	....	....	....
Unmatured dividends declared	....	....	....	....	....
Unmatured interest accrued	....	....	13,950 00	....	....
Other current liabilities	....	....	130 35	23,554 89	....
Unadjusted Credits:					
Tax liability	....	21,821 53	8,886 64	....	1,019 53
Accrued depreciation—road	....	22,710 02	29,267 55	....	....
Accrued depreciation—equipment	4,993 34	35,767 47	....	1,802 50	....
Other unadjusted credits	....	....	....	....	....
Corporate Surplus:					
Additions to property through income and surplus	....	....	5,120 05	....	953 24
Funded debt retired through income and surplus	....	3,232 74	....	....	....
Sinking fund reserves	....	162,066 18	....	....	....
Profit and Loss:					
Credit balance	*183,868 08	20,131 17	26,138 47	30,814 93	66,326 49
Grand totals	$81,817 20	$7,113,841 46	$1,293,872 06	$357,375 98	$368,299 26

* Debit balance. † Includes $224 00 miscellaneous physical property. ‡ Matured.

COMPARATIVE STATEMENT NO. 29—Concluded.

OPERATING RAILROADS.	Monson Railroad.	Portland Terminal Company.	Sandy River & Rangeley Lakes Railroad.	Wiscasset, Waterville, & Farmington Railway.	York Harbor & Beach Railroad.
REVENUES.					
Freight	$9,561 00	$66,645 89	$163,369 33	$58,674 92	$35,449 74
Passenger	2,740 59	223 05	46,937 62	6,310 57	32,184 65
Excess baggage	93 18	*1 24	327 04	....	105 93
Mail	230 71	8 41	4,020 52	3,139 03	....
Express	2,005 25	716 71	7,676 41	2,592 13	1,388 20
Other passenger train	....	14 00	64 58	....	11 49
Milk	....	....	152 25	....	27 59
Switching	....	17,098 96	....	....	....
Special service train	*	*	20 00	....	....
Other freight train	....	180 00	30 00	....	....
Total rail line transportation revenues	$14,630 73	$84,885 78	$222,597 75	$70,716 65	$69,167 60
Station train and boat privileges	....	$1,029 94	$63 56	....	0.41
Parcel room	....	7,020 53	9 60	....	....
Storage—freight	....	1,427 56	....	....	17 71
Storage—baggage	....	2,078 68	....	....	47 80
Demurrage	....	51,994 65	163 50	....	176 00
Telephone and telegraph	....	336 24	....	....	179 54
Rents of buildings and other property	....	25,286 44	37 75	....	....
Miscellaneous	....	185,441 21	281 33	....	....
Total incidental operating revenues	....	$274,615 25	$555 74	....	$421 46
Total railway operating revenues	$14,630 73	$359,501 03	$223,153 49	$70,716 65	$69,589 06
Nonoperating income	41 96	214,415 25	461 67	981 78	1,908 50
Gross revenues	$14,672 69	$573,916 28	$223,615 16	$71,698 43	$71,497 56

Expenditures.					
Railway operating expenses	$16,054 95	$207,799 43	$188,115 55	$71,131 83	$41,005 30
Railway tax accruals	164 27	46,209 98	2,797 34	638 46	2,240 00
Uncollectible railway revenues	...	12 46	1 51	...	...
Deductions from Income:					
Rents	5 90	72,351 59	...	...	11,875 65
Interest on miscellaneous debts	4,201 46	220,442 58	34,155 00	...	...
Amortization of discount on funded debt	...	1,210 20	2,451 90	...	...
Miscellaneous charges	...	215 00	65 80	...	...
Disposition of Net Income:					
Income applied to sinking and other reserve funds	...	9,918 73	...	...	...
Dividend appropriations of income	...	50,000 00	...	...	...
Gross charges	$20,426 58	$608,159 97	$227,587 10	$71,770 29	$55,120 95
Surplus.					
Balance December 31, 1916	178,114 19	$54,170 38	$33,280 43	$30,886 79	$49,949 88
Balance for the year	*5,753 89	*34,243 69	*3,971 94	*71 86	16,376 61
Credits	...	4,676 12	1,297 25	...	...
Other debits	...	4,471 64	4,467 27	...	...
Balance December 31, 1916	183,868 08	20,131 17	26,138 47	30,814 93	66,326 49
Volume of Traffic, Etc.					
Passengers carried—revenue	$7,830	...	$48,365	$16,857	$440,868
Passenger miles—revenue	48,389	...	1,041,909	195,231	1,433,666
Average mileage traveled by each passenger	...	...	21.54		
Average passenger rate per mile	...	...	0.04505	...	...
Tons of revenue freight hauled	11,894	...	123,902	31,229	63,764
Ton-miles of revenue freight hauled	73,504	...	2,817.544	821,934	236,458
Average revenue per ton of freight	...	...	1.31854	...	...
Average per ton-mile of freight	...	...	0.05798	...	...
Equipment.					
Number of locomotives	2	23	15	5	...
Number of passenger and combination cars	1	...	20	5	...
Number of dining, parlor and sleeping cars	...	...	...	...	...
Number of baggage, express and mail cars	...	...	...	...	...
Number of freight cars	26	...	308	92	...
Number of gravel and other cars	...	9	15	5	...

* Debit balance.

COMPARATIVE STATEMENT No. 30.

The following table shows the Capitalization, Indebtedness, Gross Revenues less Operating Expenses, (Gross Income) and Disposition of Gross Income of Steam Railroad Companies.

NAME OF COMPANY.	Capital stock.	Funded debt.	Other interest bearing debt.	Gross income.	Interest deductions.	Other deductions prior to distribution to stockholders.	Net income.	Dividends declared.
Atlantic & St. Lawrence R. R. (operated by Grand Trunk Ry.)	....	$181,799 25	....	$602,872 92	....	$602,872 92	....	....
Bangor & Aroostook Railroad Co	$7,340,000 00	16,276,000 00	....	1,622,022 37	$853,939 65	527,242 30	$491,907 15	$197,566 67
Boston & Maine Railroad	49,156,810 84	43,238,000 59	$13,306,060 00	11,358,313 41	2,553,994 35	9,169,565 72	†365,246 66	....
Bridgton & Saco River Railroad Co	102,250 00	170,000 00	....	15,445 09	6,800 00	....	8,645 09	6,135 00
Canadian Pacific Railway Co	2,238,550 00	5,981,317 49	....	323,573 59	144,500 00	123,089 94	55,983 65	....
Eastern Maine Railroad	600 00	67,600 00	....	....	....	....	....	....
Georges Valley Railroad	100,000 00	....	....	476 94	3,000 00	2,074 05	†4,597 11	....
Kennebec Central Railroad Co	40,000 00	*19,500 00	....	165 92	780 00	....	†614 08	....
Lewiston & Auburn Railroad Co. (operated by Grand Trunk Railway)	....	4 72	....	18,506 03	....	18,506 03	....	....
Lime Rock Railroad Co	450,000 00	400,000 00	10,752 93	11,153 39	16,000 00	....	†4,846 61	12,164 50
Maine Central Railroad Co	15,025,958 93	18,844,500 00	....	3,163,912 96	816,941 60	1,290,906 45	1,056,064 91	870,888 00
Monson Railroad Co	70,000 00	*70,000 00	....	†1,546 53	4,200 00	7 36	†5,753 89	....
Portland Terminal Co	1,000,000 00	4,741,000 00	750,000 00	319,894 41	220,442 58	73,776 79	25,675 04	50,000 00
Pullman Company, The	120,000,000 00	....	....	13,411,442 34	328 03	5,245 26	13,405,869 05	9,543,992 68
Sandy River & Rangeley Lakes Railroad	340,000 00	837,000 00	15,000 00	32,700 76	34,155 00	2,517 70	†3,971 94	....
Wiscasset, Waterville & Farmington Ry	300,000 00	....	....	†71 86	....	....	†71 86	....
York Harbor & Beach Railroad Co	300,000 00	....	....	28,252 26	....	11,875 65	16,376 61	....
Totals	$196,464,169 77	$90,826,722 05	$14,081,812 93	$30,907,114 00	$4,655,081 21	$11,827,680 17	$14,675,419 35	$10,680,746 85

† Deficit. * Matured, not paid.

Comparative Statement No. 31.

Employees and Wages.

Name of Railroad.	General and Division Officers.		Employees by the Day.			Employees by the Hour.		
	Total No.	Total wages paid.	Total No.	Total days worked.	Total wages paid.	Total No.	Total hours worked.	Total wages paid.
Atlantic & St. Lawrence Railroad (operated by Grand Trunk Railway)	5	$9,992 20	164	55,927	$146,021 15	1,081	3,550,490	$1,011,577 46
Bangor & Aroostook Railroad Co.	32	114,632 10	234	76,450	190,426 44	1,432	4,578,160	1,339,705 58
Boston & Maine Railroad	226	707,941 67	3,470	1,061,232	2,970,042 45	24,693	73,744,549	24,578,228 14
Bridgton & Saco River Railroad Co.	2	2,492 72	8	2,585	5,307 95	45	128,339	27,767 56
Canadian & Pacific Railway Co.	4	7,133 59	64	22,501	67,279 87	585	2,099,976	685,716 05
Georges Valley Railroad	1	800 00	4	1,252	1,620 00	7	19,719	3,731 40
Kennebec Central Railroad Co.	1	1,350 06	2	682	1,257 55	6	19,964	3,629 94
Lewiston & Auburn Railroad Co. (operated by Grand Trunk Railway)	.....	....	3	940	2,826 08	28	88,985	24,174 90
Lime Rock Railroad Co.	1	1,140 00	4	1,483	3,361 54	38	105,400	32,190 68
Maine Central Railroad Co.	58	214,534 54	604	131,332	566,109 13	4,358	14,496,986	4,504,355 12
Monson Railroad Co.	2	1,460 00	3	1,093	997 17	11	16,848	4,802 90
Portland Terminal Co.	5	10,423 19	106	25,782	121,552 05	1,466	5,142,044	1,551,871 53
Sandy River & Rangeley Lakes Railroad	3	4,920 00	22	4,373	15,144 41	144	473,838	109,317 32
Wiscasset, Waterville & Farmington Railway	2	2,283 80	27	8,075	13,243 54	52	161,085	31,417 06
York Harbor & Beach Railroad Co.	1	120 00	8	1,902	4,385 12	22	67,427	18,703 96

Comparative Statement No. 32.

Accidents upon Steam Railroads for the year ending Dec. 31, 1917.

Railroads.	Passengers.		Employees.		Postal Clerks, Express Messengers, Pullman Employees, Etc.		Other Persons.		Total.	
	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.
Atlantic & St. Lawrence Railroad (operated by Grand Trunk Ry.)	1	....	30	....	....	....	3	1	34	1
Bangor & Aroostook Railroad....	2	....	138	3	....	....	4	5	144	8
Boston & Maine Railroad........	1	....	19	1	....	....	2	5	22	6
Bridgton & Saco River Railroad..	....	....	....	....	....	....	....	....	....	....
Canadian Pacific Railway........	....	....	49	4	....	....	1	2	50	6
Georges Valley Railroad.........	....	....	....	....	....	....	....	....	....	....
Kennebec Central Railroad......	....	....	....	....	....	....	....	....	....	....
Lewiston & Auburn Railroad Co. (operated by Grand Trunk Ry.)	....	....	....	....	....	....	....	....	....	....
Lime Rock Railroad............	....	....	2	....	....	....	....	....	2	....
Maine Central Railroad.........	39	....	220	17	1	....	47	16	307	33
Monson Railroad................	....	....	....	....	....	....	....	....	....	....
Portland Terminal Co...........	....	....	109	....	....	....	....	....	109	....
Sandy River & Rangeley Lakes R.R.	....	....	3	1	....	....	2	....	5	1
Wiscasset, Waterville & Farmington Railroad............	....	....	....	....	....	....	....	....	....	....
York Harbor & Beach Railroad....	....	....	....	....	....	....	....	....	....	....
Totals....................	43	....	570	26	1	....	59	29	673	55

TABULATED AND COMPARATIVE STATEMENTS

COMPILED FROM THE

Reports of Street Railway Companies

FOR THE

Year Ending December 31, 1917

COMPARATIVE STATEMENT NO. 33.

Mileage of Street Railways and Where Operated.

NAME OF ROAD AND WHERE LOCATED.	Miles of road.	Miles of second main track.	Miles of sidings and turnouts.	Miles of track in car-houses, shops, etc.	Total.
Androscoggin Electric Co., Portland-Lewiston Interurban Railroad	29.80	......	.78	.18	30.76
Aroostook Valley Railroad. Presque Isle, Sweden & Caribou	31.99	......	5.74	......	37.73
Atlantic Shore Railway. Springvale, Biddeford, Cape Porpoise & Kennebunkport	49.53	......	2.00	......	51.53
Bangor Railway & Electric Co. In Bangor & Old Town to Brewer, Hampden & Charleston	57.11	3.32	4.96	.60	65.99
Benton & Fairfield Railway Co. Benton & Fairfield, Maine	4.12	......	.67	......	4.79
Biddeford & Saco Railroad Co. Biddeford & Old Orchard	7.61	......	.67	......	8.28
Calais Street Railway. Calais, St. Stephen, Maine and Milltown, N. B	7.00	......	......	......	7.00
Cumberland County Power & Light Co. (Lessee Portland Railroad) City of Portland, Saco, Gorham, Cape Elizabeth, Yarmouth, South Portland and Old Orchard	80.96	15.98	9.67	......	106.61
Fairfield & Shawmut Railway. Fairfield & Shawmut	3.10	......	.33	......	3.43
Lewiston, Augusta & Waterville Street Railway. Lewiston, Bath, Turner, Mechanic Falls, Augusta, Winthrop, Togus, Waterville and Auburn	152.80	2.38	6.92	1.86	163.96
Oxford Electric Co. (Norway & Paris Street Railway.) Norway and South Paris	2.13	......	.01	......	2.14
Portsmouth, Dover & York Street Railway. Eliot, Portsmouth, South Berwick, York Beach and Dover, N. H	39.76	......	1.64	......	41.40
Rockland, Thomaston & Camden Street Railway. City of Rockland to Thomaston, Camden and Warren	21.47	......	2.45	......	23.92
Somerset Traction Co. Skowhegan-Madison	12.20	......	.48	......	12.68
Waterville, Fairfield & Oakland Railway. Waterville, Fairfield and Oakland	10.26	......	.95	......	11.21
	509.84	21.68	37.27	2.64	571.43

COMPARATIVE STATEMENT No. 34.

Assets and Liabilities.

STREET RAILROAD CORPORATIONS.

ASSETS.

ITEM.	Dec. 31, 1916.	Dec. 31, 1917.	Increase.
Property investment	$31,426,807 63	$31,135,677 60	*$291,130 03
Security investment	5,658,699 51	5,639,269 27	*19,430 24
Current assets	1,445,406 71	1,776,601 36	331,194 65
Deferred assets	31,176 61	49,557 29	18,380 68
Unadjusted debits	420,231 86	356,077 49	*64,154 37
Gross assets	$38,982,322 32	$38,957,183 01	*$25,139 31

LIABILITIES.

ITEM.	Dec. 31, 1916.	Dec. 31, 1917.	Increase.
Capital stock	$16,135,536 00	$16,013,136 00	*$122,400 00
Long term debt	19,521,757 00	19,202,182 00	*319,575 00
Current liabilities	1,216,463 51	1,539,893 15	323,429 64
Deferred liabilities	9,817 98	11,081 71	1,263 73
Unadjusted credits	1,058,159 32	1,155,874 99	97,715 67
Totals	$37,941,733 81	$37,922,167 85	....
Profit and loss, credit balance	1,040,588 51	1,035,015 16	*5,573 35
Gross liabilities	$38,982,322 32	$38,957,183 01	*25,139 31

CAPITAL STOCK AND DIVIDENDS.

YEAR.	Capital stock.	Net income.	Dividends declared.	Per cent. to capital stock.
1916	$16,135,536 00	$554,940 59	$477,312 80	2.95%
1917	16,013,136 00	481,766 47	552,845 12	3.45%

* Decrease.

COMPARATIVE STATEMENT No. 35.

Tabulation of Assets from Reports of Street Railways for year ended Dec. 31, 1917.

STREET RAILWAYS.	ASSETS DECEMBER 31, 1917.					
	Property investments.	Security investments.	Current assets.	Deferred assets.	Unadjusted debits.	Total assets.
Androscoggin Electric Co.	$5,222,444 83	$55,000 00	$181,511 71	....	$12,040 57	$5,470,997 11
Aroostook Valley Railroad Co.	1,215,629 23	....	18,291 23	....	1,060 34	1,234 980 80
Atlantic Shore Railway Co.	2,799,244 75	....	99,758 40	....	3,938 44	2,902,941 59
Bangor Railway & Electric Co.	3,452,703 09	2,794,544 00	293,277 21	48,835 00	24,456 37	6,613,815 67
Benton & Fairfield Railway Co.	54,732 70	....	1,443 33	165 44	....	56,341 47
Biddeford & Saco Railroad Co.	247,562 06	26,540 00	20,607 19	....	....	294,709 25
Calais Street Railway	204,100 00	....	2,079 84	....	....	206,179 84
Cumberland County Power & Light Co.	8,310,737 41	2,754,985 27	817,340 37	....	230,202 90	12,113,265 95
Fairfield & Shawmut Railway	63,740 16	....	761 66	....	....	64,501 82
Lewiston, Augusta & Waterville Street Railway	7,244,675 88	700 00	203,588 51	....	32,532 25	7,481,496 64
Oxford Electric Co.	279,607 59	500 00	33,896 16	....	14,767 66	328,771 41
Portsmouth, Dover & York Street Railway	6,382 58	....	20,668 93	....	2,081 98	29,133 49
Rockland, Thomaston & Camden Street Railway	1,364,706 63	7,000 00	70,067 38	556 85	33,512 43	1,475,843 29
Somerset Traction Co.	168,697 42	....	1,378 10	....	....	170,075 52
Waterville, Fairfield & Oakland Railway	500,713 27	....	11,931 34	....	1,484 55	514,129 16
Total	$31,135,677 60	$5,639,269 27	$1,776,601 36	$49,557 29	$356,077 49	$38,957,183 01

Comparative Statement No. 35.

Tabulation of Liabilities from Reports of Street Railways for year ended Dec. 31, 1917.

Street Railways.	Liabilities December 31, 1917.						
	Capital stock.	Long-term debt.	Current liabilities.	Deferred liabilities.	Unadjusted credits.	Profit and loss.	Total liabilities.
Androscoggin Electric Co.	$2,000,000 00	$3,140,500 00	$59,529 04	....	$106,724 79	$164,243 28	$5,470,997 11
Aroostook Valley Railroad Co.	256,400 00	887,432 00	140,488 61	....	275 97	*49,615 78	1,234,980 80
Atlantic Shore Railway Co.	1,000,000 00	1,746,250 00	300,567 59	....	60,325 29	*204,201 29	2,902,941 59
Bangor Railway & Electric Co.	3,499,936 00	2,599,000 00	165,539 16	9,104 91	250,747 76	89,487 84	6,613,815 67
Benton & Fairfield Railway Co.	20,000 00	33,000 00	11,061 64	....	....	*7,720 17	56,341 47
Biddeford & Saco Railroad Co.	100,000 00	150,000 00	....	....	8,250 00	36,459 25	294,709 25
Calais Street Railway	100,000 00	100,000 00	356 33	....	4,100 00	1,723 51	206,179 84
Cumberland County Power & Light Co.	4,996,800 00	5,707,000 00	350,611 95	1,282 30	434,083 32	623,488 38	12,113,265 95
Fairfield & Shawmut Railway	30,000 00	30,000 00	1,000 00	....	....	3,501 82	64,501 82
Lewiston, Augusta & Waterville St. Ry.	3,000,000 00	3,759,000 00	358,932 24	694 50	251,747 60	111,122 30	7,481,496 64
Oxford Electric Co.	80,000 00	175,000 00	1,998 41	....	7,325 01	64,447 99	328,771 41
Portsmouth, Dover & York Street Ry.	....	....	16,253 14	....	4,350 83	8,529 52	29,133 49
Rockland, Thomaston & Camden St. Ry.	400,000 00	800,000 00	72,684 12	....	23,278 49	179,880 68	1,475,843 29
Somerset Traction Co.	30,000 00	75,000 00	50,191 15	....	....	14,884 37	170,075 52
Waterville, Fairfield & Oakland Ry.	500,000 00	....	10,679 77	....	4,665 93	*1,216 54	514,129 16
Totals	$16,013,136 00	$19,202,182 00	$1,539,893 15	$11,081 71	$1,155,874 99	$1,035,015 16	$38,957,183 01

COMPARATIVE STATEMENT NO. 36.

Operating Revenues of Street Railway Companies for year ended Dec. 31, 1917.

STREET RAILWAYS.	RAILWAY OPERATING REVENUES FOR THE YEAR ENDING DEC. 31, 1917.					
	Passenger revenue.	Mail revenue.	Express and freight revenue.	Miscellaneous transportation revenue.	Revenue from other railway operations.	Total operating revenues.
Androscoggin Electric Co	$154,895 78		$9,763 85		$996 41	$165,656 04
Aroostook Valley Railroad Co	31,503 37		75,054 03		2,505 57	109,062 97
Atlantic Shore Railway Co	176,145 20	2,958 19	39,276 36	$2,105 72	9,561 59	230,047 06
Bangor Railway & Electric Co	347,511 78	1,686 64	32,217 18	381 50	4,832 24	386,629 34
Benton & Fairfield Railway Co	2,869 52		10,759 39			13,628 91
Biddeford & Saco Railroad Co	79,849 25		1,230 00		2,847 16	83,926 41
Calais Street Railway	37,452 90				4,811 43	42,264 33
Cumberland County Power & Light Co	1,120,147 66		39,062 67	3,804 34	22,582 93	1,185,597 60
Fairfield & Shawmut Railway	6,174 70			522 52		6,697 22
Lewiston, Augusta & Waterville Street Railway	752,796 11	1,601 87	102,804 50	15,376 77	14,484 93	887,064 18
Oxford Electric Co	7,896 90	200 00	16 17		120 00	8,233 07
Portsmouth, Dover & York Street Railway	127,050 69	2,682 62	1,128 25	737 43	933 36	132,532 35
Rockland, Thomaston & Camden Street Railway	94,695 07	2,207 16	28,874 49		2,292 73	128,069 45
Somerset Traction Co	23,613 70	148 80	2,753 21		195 96	26,711 67
Waterville, Fairfield & Oakland Railway	95,045 65				1,278 67	96,324 32
Totals	$3,057,648 28	$11,485 28	$342,940 10	$22,928 28	$67,442 98	$3,502,544 92

COMPARATIVE STATEMENT NO. 37.

Operating Expenses of Street Railway Companies for year ended Dec. 31, 1917.

STREET RAILWAYS.	EXPENDITURES FOR THE YEAR ENDING DEC. 31, 1917.							
	Way and structures.	Equipment.	Power.	Conducting transportation.	Traffic.	General and miscellaneous.	Transportation for investment credit.	Total operating expenses.
Androscoggin Electric Co.	$24,996 98	$12,548 73	$8,149 20	$31,978 31	$1,557 86	$30,830 99	....	$110,062 07
Aroostook Valley Railroad Co.	7,301 06	3,805 15	12,823 95	16,190 86	....	23,294 20	....	63,415 22
Atlantic Shore Railway Co.	31,369 18	25,744 15	37,505 13	71,345 66	780 03	31,695 85	....	198,440 00
Bangor Railway & Electric Co.	43,191 44	40,308 01	49,013 49	113,521 34	341 81	59,288 49	....	305,664 58
Benton & Fairfield Railway Co.	1,727 17	1,770 14	1,649 17	7,757 66	....	1,509 99	....	14,414 13
Biddeford & Saco Railroad Co.	7,431 59	10,710 08	12,905 09	21,029 40	194 13	8,486 01	....	60,756 30
Calais Street Railway	4,932 31	1,120 76	11,593 24	11,507 56	10 00	3,919 12	....	33,082 99
Cumberland County Power & Light Co.	148,075 42	102,949 33	43,318 29	381,873 49	15,525 77	133,795 71	437 19	825,100 82
Fairfield & Shawmut Railway	328 93	1,049 25	1,135 90	1,646 80	....	711 01	....	4,871 89
Lewiston, Augusta & Waterville St. Ry.	93,103 63	80,457 35	136,217 26	251,001 37	9,286 64	89,440 61	1,235 28	658,271 58
Oxford Electric Co.	1,352 39	1,624 11	738 23	2,082 81	3 50	1,726 68	....	7,527 72
Portsmouth, Dover & York Street Ry.	17,510 18	17,817 52	36,376 82	40,643 66	219 79	10,166 58	....	122,734 55
Rockland, Thomaston & Camden St. Ry.	14,443 41	12,201 11	23,301 23	40,399 83	3,091 87	8,715 98	....	102,153 43
Somerset Traction Co.	3,924 13	2,223 85	3,346 09	5,731 64	669 26	3,413 70	....	19,308 67
Waterville, Fairfield & Oakland Ry.	14,603 67	15,926 10	16,573 07	27,421 01	*31 39	14,601 08	....	89,093 54
Totals	$414,291 49	$330,255 64	$394,646 16	$1,024,131 40	$31,649 27	$421,596 00	$1,672 47	$2,614,897 49

* Credit balance.

COMPARATIVE STATEMENT NO. 38.

Profit and Loss Account of Street Railways for year ended Dec. 31, 1917.

STREET RAILWAYS.	Surplus Dec. 31, 1916.	Surplus for the year.	Credits during year.	Dividend charges.	Other charges.	Surplus Dec. 31, 1917.
Androscoggin Electric Co.	$167,287 52	$111,609 85	$1,085 22	$90,000 00	$25,739 31	$164,243 28
Aroostook Valley Railroad Co.	*50,243 85	628 07	....	....	....	*49,615 78
Atlantic Shore Railway Co.	*197,324 38	*65,460 26	17,642 89	....	10,387 69	*255,529 44
Bangor Railway & Electric Co.	103,150 02	132,843 00	6,272 85	144,997 12	7,780 91	89,487 84
Benton & Fairfield Railway Co.	*5,044 95	*2,675 22	....	....	....	*7,720 17
Biddeford & Saco Railroad Co.	30,243 92	16,215 33	....	10,000 00	....	36,459 25
Calais Street Railway	2,903 68	3,319 83	....	2,500 00	2,000 00	1,723 51
Cumberland County Power & Light Co.	603,303 84	200,586 38	48,089 13	219,000 00	9,490 97	623,488 38
Fairfield & Shawmut Railway	3,236 49	265 33	....	....	....	3,501 82
Lewiston, Augusta & Waterville Street Railway	122,435 17	27,999 56	231 46	36,000 00	3,543 89	111,122 30
Oxford Electric Co.	66,488 30	5,700 81	15 05	4,300 00	3,456 17	64,447 99
Portsmouth, Dover & York Street Railway	....	8,529 52	....	....	....	8,529 52
Rockland, Thomaston & Camden Street Railway	164,180 75	37,611 36	115 63	20,000 00	2,027 06	179,880 68
Somerset Traction Co.	14,072 24	812 13	....	....	....	14,884 37
Waterville, Fairfield & Oakland Railway	21,050 68	3,780 78	....	26,048 00	....	*1,216 54
Totals	$1,045,739 43	$ 481,766 47	$73,452 23	$552,845 12	$64,426 00	$983,687 01

* Deficit.

COMPARATIVE STATEMENT NO. 39.

Income Account of Street Railway Corporations in Maine for year ended Dec. 31, 1917.

STREET RAILWAYS.	Railway operating revenues.	Railway operating expenses.	Net revenue railway operations.	Net revenue auxiliary operations.	Net operating revenue.	Taxes deducted.	Operating income.	Non-operating income.	Gross income.	Deductions.	Income balance for year.
Androscoggin Elec. Co.	$165,656 04	$110,062 07	$55,593 97	$216,316 55	$271,910 52	$4,287 55	$267,622 97	$3,743 21	$271,366 18	$159,756 33	$111,609 85
Aroostook Valley R. R. Company	109,062 97	63,415 22	45,647 75	....	45,647 75	....	45,647 75	1,264 89	46,912 64	46,284 57	628 07
Atlantic Shore Ry. Co.	230,047 06	198,440 00	31,607 06	67 20	31,674 26	6,182 75	25,491 51	1,643 23	27,134 74	92,595 00	*65,460 26
Bangor Ry. & Elec. Co.	386,629 34	305,664 58	80,964 76	158,472 95	239,437 71	32,190 53	207,247 18	87,893 43	295,140 61	162,297 61	132,843 00
Benton & Fairfield Ry. Company	13,628 91	14,414 13	*785 22	....	*785 22	240 00	*1,025 22	....	*1,025 22	1,650 00	*2,675 22
Biddeford& Saco R.R.Co	83,926 41	60,756 30	23,170 11	....	23,170 11	2,446 37	20,723 74	1,491 59	22,215 33	6,000 00	16,215 33
Calais Street Railway..	42,264 33	33,082 99	9,181 34	....	9,181 34	861 51	8,319 83	....	8,319 83	5,000 00	3,319 83
Cumberland Co. Power & Light Co.	1,185,597 60	825,100 82	360,496 78	539,693 81	900,190 59	60,650 00	839,540 59	43,776 23	883,316 82	682,730 44	200,586 38
Fairfield & Shawmut Ry.	6,697 22	4,871 89	1,825 33	....	1,825 33	....	1,825 33	....	1,825 33	1,560 00	265 33
Lewiston, Augusta & Waterville St. Ry...	887,064 18	658,271 58	228,792 60	3,443 18	232,235 78	18,603 75	213,632 03	4,032 37	217,664 40	189,664 84	27,999 56
Oxford Electric Co....	8,233 07	7,527 72	705 35	14,202 93	14,908 28	149 84	14,758 44	417 38	15,175 82	9,475 01	5,700 81
Portsmouth, Dover & York Street Ry.....	132,532 35	122,734 55	9,797 80	557 34	10,355 14	2,010 12	8,345 02	184 50	8,529 52	....	8,529 52
Rockland, Thomaston & Camden Street Ry..	128,069 45	102,153 43	25,916 02	50,385 94	76,301 96	2,813 92	73,488 04	†1,709 09	71,778 95	34,167 59	37,611 36
Somerset Traction Co..	26,711 67	19,308 67	7,403 00	*3,592 01	3,810 99	186 15	3,624 84	....	3,624 84	2,812 71	812 13
Waterville, Fairfield & Oakland Ry.	96,324 32	89,093 54	7,230 78	....	7,230 78	3,450 00	3,780 78	....	3,780 78	....	3,780 78
Totals.	$3,502,444 92	$2,614,897 49	$887,547 43	$979,547 89	$1,867,095 32	$134,072 49	$1,733,022 83	$142,737 74	$1,875,760 57	$1,393,994 10	$481,766 47

* Deficit. † Debit.

Comparative Statement No. 40.

This and the following table gives the mileages, hours, passengers carried, fares, earnings and expenses per car mile and hour, on the street railways operating in Maine for the year ending December 31, 1917.

Street Railways.	Passenger car mileage.	Freight, mail and express car mileage.	Total car mileage.	Passenger car hours.	Freight, mail and express car hours.	Total car hours.	Fare passengers carried.	Revenue transfer passengers carried.	Total revenue passengers carried.
Androscoggin Electric Co.	412,607	23,327	435,934	20,495	2,092	22,587	344,890	....	344,890
Aroostook Valley Railroad Co.	118,294	166,894	285,188	9,840	3,970	13,810	177,269	....	177,269
Atlantic Shore Railway Co.	730,581	70,929	801,510	61,256	16,063	77,319	1,815,024	....	1,815,024
Bangor Railway & Electric Co.	1,266,307	75,314	1,341,621	131,397	7,555	138,952	7,001,884	....	7,001,884
Benton & Fairfield Railway Co.	42,000	29,000	71,000	6,500	8,400	14,900	58,258	....	58,258
Biddeford & Saco Railroad Co.	330,797	....	330,797	34,356	....	34,356	1,231,014	11,584	1,242,598
Calais Street Railway	183,960	....	183,960	19,200	....	19,200	753,302	....	753,302
Cumberland County Power & Light Co.	4,091,908	64,531	4,156,439	442,725	9,591	452,316	22,653,058	....	22,653,058
Fairfield & Shawmut Railway	57,276	....	57,276	4,615	....	4,615	123,494	....	123,494
Lewiston, Augusta & Waterville Street Railway	2,832,661	236,336	3,068,997	257,685	44,027	301,712	15,499,524	....	15,499,524
Oxford Electric Co.	*45,694	....	45,694	6,140	....	6,140	153,938	....	153,938
Portsmouth, Dover & York Street Railway	405,791	22,461	428,252	36,176	3,469	39,645	1,541,204	....	1,541,204
Rockland, Thomaston & Camden Street Ry.	460,772	41,484	502,256	45,764	9,971	55,735	1,815,495	80,170	1,895,665
Somerset Traction Co.	104,748	10,000	114,748	8,729	833	9,562	137,132	....	137,132
Waterville, Fairfield & Oakland Railway	369,610	....	369,610	35,681	....	35,681	1,900,913	....	1,900,913
Totals	11,453,006	740,276	12,193,282	1,120,559	105,971	1,226,530	55,206,399	91,754	55,298,153

* Freight business handled on passenger cars.

COMPARATIVE STATEMENT No. 40—Concluded.

STREET RAILWAYS.	Average fare revenue passengers.	Average fare, all passengers including transfer passengers.	Car earnings per car mile.	Miscellaneous earnings per car mile.	Gross earnings per car mile.	Car earnings per car hour.	Miscellaneous earnings per car hour.	Gross earnings per car hour.
Androscoggin Electric Co	$0.44632	$0.44632	$0.37772	$0.00228	$0.38000	$7.29002	$0.04411	$7.33413
Aroostook Valley Railroad Co	0.17770	0.17770	0.37365	0.00875	0.38240	7.71596	0.18143	7.89739
Atlantic Shore Railway Co	0.09606	0.08205	0.27509	0.01193	0.28702	2.85163	0.12366	2.97529
Bangor Railway & Electric Co	0.04592	0.04666	0.28458	0.00360	0.28818	2.74769	0.03477	2.78246
Benton & Fairfield Railway Co	0.04926	0.04926	0.19196	....	0.19196	0.91469	....	0.91469
Biddeford & Saco Railroad Co	0.06425	0.05826	0.24510	0.00860	0.25370	2.35997	0.08287	2.44284
Calais Street Railway	0.04933	0.04883	0.20360	0.02615	0.22975	1.95067	0.25061	2.20128
Cumberland County Power & Light Co	0.04936	0.04358	0.27981	0.00543	0.28524	2.57124	0.04993	2.62117
Fairfield & Shawmut Railway	0.05000	0.05000	0.10700	0.00912	0.11612	1.33798	0.11322	1.45120
Lewiston, Augusta & Waterville Street Railway	0.04855	0.04617	0.28432	0.00472	0.28904	2.89209	0.04801	2.94010
Oxford Electric Co	0.04930	0.04930	0.17755	0.00262	0.18017	1.32134	0.01954	1.34088
Portsmouth, Dover & York Street Railway	0.08222	0.05924	0.30729	0.00218	0.30947	3.31943	0.02354	3.34297
Rockland, Thomaston & Camden Street Railway	0.04831	0.04831	0.25042	0.00456	0.25498	2.25669	0.04114	2.29783
Somerset Traction Co	0.17212	0.17212	0.23107	0.00170	0.23277	2.77302	0.02049	2.79351
Waterville, Fairfield & Oakland Railway	0.05000	0.05000	0.25715	0.00345	0.26060	2.66376	0.03583	2.69959

COMPARATIVE STATEMENT NO. 41.

Employees and Wages, Street Railway Corporations.

STREET RAILWAYS.	Number of general officers.	Number of other employees.	Aggregate wages.
Androscoggin Electric Co.	1	55	$60,040 10
Aroostook Valley Railroad Co.	5	38	....
Atlantic Shore Railway Co.	2	71	108,747 77
Bangor Railway & Electric Co.	8	219	213,518 43
Benton & Fairfield Railway Co.	4	12	9,916 00
Biddeford & Saco Railroad Co.	3	30	33,475 99
Calais Street Railway	3	24	18,848 78
Cumberland County Power & Light Co.	8	750	826,995 29
Fairfield & Shawmut Ry.	....	4	....
Lewiston, Augusta & Waterville St. Ry.	4	433	394,589 12
Oxford Electric Co.	....	7	4,442 53
Portsmouth, Dover & York St. Ry.	1	89	51,038 55
Rockland, Thomaston & Camden St. Ry.	2	80	60,843 88
Somerset Traction Co.	1	12	10,122 31
Waterville, Fairfield & Oakland Ry.	....	58	40,614 23
Totals	....	....	....

COMPARATIVE STATEMENT NO. 42.

Accidents upon Street Railways.

RAILWAYS.	Passengers.		Employees.		Others.		Total.	
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.
Androscoggin Electric Co.	....	1	....	3	1	2	1	6
Aroostook Valley Railroad Co.	....	1	....	....	....	....	....	1
Atlantic Shore Railway Co.	....	....	....	3	1	7	1	10
Bangor Railway & Electric Co.	....	25	1	4	....	3	1	32
Benton & Fairfield Railway Co.	....	....	....	1	....	....	....	1
Biddeford & Saco Railroad Co.	....	1	....	2	....	....	....	3
Calais Street Railway	....	....	....	....	....	....	....	....
Cumberland County Power & Lt. Co.	1	335	1	107	2	63	4	505
Fairfield & Shawmut Railway	....	....	....	....	....	....	....	....
Lewiston, Augusta & Waterville St.Ry.	....	26	2	15	3	8	5	49
Oxford Electric Co.	....	....	....	....	....	....	....	....
Portsmouth, Dover & York St. Ry.	....	2	....	2	....	....	....	4
Rockland, Thomaston & Camden St. Railway	....	2	1	....	2	....	3	2
Somerset Traction Co.	....	....	....	....	....	....	....	....
Waterville, Fairfield & Oakland Ry.	....	10	....	1	....	3	....	14
Totals	1	403	5	138	9	86	15	627

Comparative Statement No. 43.

The following table shows the Capitalization, Indebtedness, Gross Revenues less Operating Expenses (Gross Income) and Disposition of Gross Income of Street Railway Companies.

Name of Company.	Capital stock.	Funded debt.	Other interest-bearing debt.	Gross income.	Interest deductions.	Other deductions prior to distribution to stockholders.	Net income.	Dividends declared.
Androscoggin Electric Co.	$2,000,000 00	$3,140,500 00	....	$271,366 18	$157,024 96	$2,731 37	$111,609 85	$90,000 00
Aroostook Valley Railroad Co.	256,400 00	887,432 00	$4,500 00	46,912 64	46,158 90	125 67	628 07	....
Atlantic Shore Railway	1,000,000 00	1,746,250 00	....	27,134 74	92,595 00	....	*65,460 26	....
Bangor Railway & Electric Co.	3,499,936 00	2,599,000 00	50,000 00	295,140 61	131,234 24	31,063 37	132,843 00	144,997 12
Benton & Fairfield Railway Co.	20,000 00	33,000 00	9,043 35	*1,025 22	1,650 00	....	*2,675 22	....
Biddeford & Saco Railroad Co.	100,000 00	150,000 00	....	22,215 33	6,000 00	....	16,215 33	10,000 00
Calais Street Railway	100,000 00	100,000 00	....	8,319 83	5,000 00	....	3,319 83	2,500 00
Cumberland County Power & Light Co.	4,996,800 00	5,707,000 00	50,000 00	883,316 82	282,405 27	400,325 17	200,586 38	219,000 00
Fairfield & Shawmut Railway	30,000 00	30,000 00	1,000 00	1,825 33	1,560 00	....	265 33	....
Lewiston, Augusta & Waterville Street Ry.	3,000,000 00	3,759,000 00	244,500 00	217,664 40	187,348 17	2,316 67	27,999 56	36,000 00
Oxford Electric Co.	80,000 00	175,000 00	....	15,175 82	8,541 68	933 33	5,700 81	4,300 00
Portsmouth, Dover & York Street Railway	....	....	....	8,529 52	....	....	8,529 52	....
Rockland, Thomaston & Camden St. Ry.	400,000 00	800,000 00	53,500 00	71,778 95	34,047 59	120 00	37,611 36	20,000 00
Somerset Traction Co.	30,000 00	75,000 00	48,842 50	3,624 84	2,812 71	....	812 13	....
Waterville, Fairfield & Oakland Railway	500,000 00	....	....	3,780 78	....	....	3,780 78	26,048 00

* Deficit.

Statement of Running Expenses for Year Ending December 31, 1918.

Appropriation for Salaries of Commissioners		$14,000 00
Expended for Salaries of Commissioners		13,538 51
Unexpended balance		$ 461 49
Appropriation for Salaries of Clerk and Assistant Clerk		$ 4,000 00
Expended for Salaries of Clerk and Assistant Clerk		4,000 00
Unexpended balance		0
Appropriation for General Expenses		$35,000 00
Expenses in Executive Department:		
Office Stenographers	$4,604 92	
Official Reporting	2,582 31	
Traveling Expenses	1,602 45	
Office Supplies & Expenses	2,749 03	
Office Equipment	1,243 45	
Printing forms and General Orders	587 96	
Witness Fees, etc.	98 03	
Boooks and Periodicals	157 60	
Miscellaneous Expenses	25 00	
Investigating Accidents	135 27	$13,786 02
Expenses in Accounting Department:		
Salaries of Auditors	$4,000 00	
Traveling Expenses	359 75	
Printing forms, etc.	329 93	$ 4,689 68
Expenses of Rates and Schedules Department:		
Salary	2,000 00	
Traveling Expenses	264 46	$ 2,264 46
Expenses in Engineering Department:		
Salaries of Engineer and Assistants	$4,372 67	
Traveling Expenses	203 55	
Engineering Equipment	3 43	
Engineering Expenses	23 53	
Water Resources	9 61	
Printing forms, etc.	2 27	
Geology	198 37	
Inspection of Utilities	339 59	
Valuation of Utilities	10 45	$ 5,163 47
Expenses in Inspections Department:		
Salaries of Inspectors	$1,823 07	
Printing forms, etc.	1 13	$ 1,824 20
Total General Expense		$27,727 83
Unexpended balance		$ 7,272 17
Appropriation for Water Power Investigation		$ 5.000 00
Expended for Water Power Investigation		3,532 87
Unexpended balance		$ 1,467 13
Water Power Investigation, SPECIAL:		
Expended		$ 5,483 61
Appropriation for Cooperative Work with the United States Geological Survey		$ 5,000 00
Expended for Topographic Work		2,838 83
Unexpended balance		$ 2,161 17
Automatic Signals, Warning Signs and Obstructions at Grade Crossings:		
Expended		$ 4,405 99
Pollution Domestic Water Supply:		
Expended		$ 1,232 82
Appropriation for Abolishment of Grade Crossings		$15,000 00
Expended		0
Unexpended balance		$15,000 00

1917 EXPENSES PAID DURING 1918 FROM BALANCE OF 1917 APPROPRIATION FOR GENERAL EXPENSE.

Unexpended Balance of 1917 Appropriation on January 1, 1918		$ 3,912 47
Traveling Expenses Executive Department	$ 43 05	
Office Supplies and Expenses	44 12	
Books and Periodicals	4 00	
Printing forms, etc.	4 75	
Engineering Equipment	50 00	
Hydrography	6 12	
Geology	21 00	
Investigation of Accidents	75	
Total Expenses		$ 173 79
Balance lapsed to State		$ 3,738 68
1917 Expenses paid during 1918 for Water Power Investigation		$ 10 00
Automatic Signals, Warning Signs and Obstructions at Grade Crossings		$ 65 80

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