

BEFORE
THE PUBLIC SERVICE COMMISSION
OF THE
COMMONWEALTH OF PENNSYLVANIA

122600
FILE No. 10-19329
JUL 27 1928
OFFICE OF SECRETARY
OF PUBLIC UTILITIES

In re: Application of the Northern Pennsylvania Power Company - For approval of the sale to said company by J. K. Hornbeck and Julia A. Hornbeck, his wife, of the electric distribution system owned and operated by the said J. K. Hornbeck in the village of Equinunk in the townships of Manchester and Buckingham, Wayne County.

Application Docket Number 19329-28

File

Stenographic report of hearing held in the Public Service Commission Building at Harrisburg on Tuesday, July 10, 1928, at 10:00 o'clock A. M.

Reported by
Louis Tevell,
Harrisburg, Pa.

DOCKETED
APPLICATION DOCKET
JUL 28 1928
No. 3

RECEIVED
PUBLIC UTILITIES

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E. M. VALE, EXAMINER

APPEARANCE:

H. J. RYAN, M.S.,

For the Applicant.

A. J. ALTHOUSE, called on behalf of the applicant, being duly sworn, was examined and testified as follows on

DIRECT EXAMINATION

BY MR. RYAN:

Q. Mr. Althouse, you are an electrical engineer, are you not?

A. Yes, sir.

Q. And you have been requested to investigate the matters contained in this application on behalf of Northern Pennsylvania Power Company?

A. Yes, sir.

Q. You are familiar, from an actual study on the ground, with the electric distribution system in and around the village of Aquinunk which is now owned and operated by one J. K. Hornbeck, are you not?

A. Yes, sir; I am.

Q. Has Northern Pennsylvania Power Company entered into an agreement with Mr. Hornbeck to purchase the facilities which he now owns?

A. Yes, sir.

Q. What is the purchase price provided for in that agreement?

A. The purchase price provided for in that agreement is \$5,000.00.

Q. Briefly, what does Mr. Hornbeck's system consist of

at the present time?

A. It consists of a hydro-electric plant, operating a direct current system, and a distribution system, serving 37 consumers throughout various parts of the village of Equinunk.

Q. Where is the village of Equinunk located?

A. It is located in the northwestern corner of Manchester Township and the eastern portion of Buckingham Township, Wayne County.

(Map entitled "Map Showing Present and Proposed Lines and Territory of Northern Pennsylvania Power Company" produced and marked "Applicant's Exhibit No. 1, 7-10-28, L.P.")

Q. I show you a map marked applicant's exhibit No. 1, and ask you to describe briefly what that map shows?

A. That map shows in green the service territory of the Northern Pennsylvania Power Company and in yellow the applications for paper companies of Northern Pennsylvania Power Company for Gibson, Scott, Buckingham and Manchester Townships.

Q. The village of Equinunk being located in Buckingham and Manchester Townships?

A. Yes, sir.

Q. Have you made a study or been furnished with a study showing the valuation of the facilities which Mr. Horn-

beck owns and which he has contracted to sell to Northern Pennsylvania Power Company?

A. We have had prepared an inventory and reproduction cost estimate of the system which Mr. Hornbeck has in the village of Aquinunk.

Q. And what is the reproduction cost new less depreciation of his system, as shown by that valuation?

A. The reproduction new less depreciation, as shown in that valuation, is \$3,993.00.

Q. There is nothing included in that figure for any going concern value, is there?

A. No, sir.

Q. And the valuation is made of the same as an independent unit as it exists today?

A. Yes, sir.

Q. No consideration being given to any increase of value by reason of it being tied in with Northern Pennsylvania Power Company?

A. No, sir.

Q. Have you the details of that valuation?

A. Yes, sir.

(pamphlet entitled "Aquinunk Electric System, Summary of Reproduction Estimate as of June 30, 1928," produced and marked "Applicant's Exhibit No. 8, 7-18-28, I.T.")

Q. I show you a pamphlet entitled "Equinunk Electric System, Summary of Reproduction Estimate as of June 30, 1925," marked applicant's exhibit No. 2, and ask you whether that is the detail of that valuation?

A. Yes, sir; it is.

MR. KIRK: If the Commission please, we offer that in evidence, as well as the map marked applicant's exhibit No. 1.

THE WITNESS: Admitted.

Q. Now, how is the purchase price provided in Mr. Hornbeck's contract to be paid?

A. The purchase price is to be paid to Mr. Hornbeck within 90 days after the Commission's approval of this contract.

Q. Is it to be paid in cash?

A. In cash.

Q. Is there any financing required in connection with raising the money?

A. No, sir.

Q. Now, turning your attention to the system operated by Mr. Hornbeck, you say it is a direct current system?

A. Yes, sir.

Q. And has about 37 customers?

A. Yes, sir.

Q. For how many hours a day does Mr. Hornbeck furnish service?

A. He usually furnishes service from dusk to dawn,

approximately 10 to 12 hours, depending upon the time of the year.

Q. Is there any additional demand for service in that locality, which he is not meeting?

A. Yes, sir. There are 35 additional prospective consumers, of which 30 are residences and five are business places, Mr. Hornbeck's position being that he is not regularly in the business to serve electric energy and that he does not care to expand his facilities or have additional consumers.

Q. If Northern Pennsylvania Power Company ties it in with its system, as it proposes today, what will be its attitude with reference to this distribution system?

A. It will be reconstructed and the additional consumers added as soon as possible.

Q. Will it be converted into an alternating current system?

A. Yes, sir; it will be a standard alternating current distribution system.

Q. And what rates will Northern Pennsylvania Power Company put in effect in this territory?

A. It is planned to put the Northern Pennsylvania Power Company's rates in effect.

Q. What rates is Mr. Hornbeck charging now?

A. Mr. Hornbeck has no definite method of charging. He renders no bills, receives whatever moneys the people feel

like giving him at the present time.

Q. Were you able or not to find out what the gross receipts from this electric business are today?

A. Mr. Hornbeck made the statement that he believed that he received approximately seven or eight hundred dollars a year revenue from the present consumers, although only about 60 or 70 percent of the consumers are paying him for the service.

Q. Now, how does the Northern Pennsylvania Power Company propose to tie in this system with its existing facilities?

A. It is planned to construct a line from the end of the distribution system, which will be extended to Lake Como in Preston Township, across Buckingham Township into Equinunk.

Q. The total cost of that line, plus the price to be paid to Mr. Hornbeck, plus the cost of revamping and extending the distribution system in Equinunk, is estimated at how much?

A. Between 13 and 14 thousand dollars.

Q. And the expected revenue to be received from the new line and the revamped system in and around Equinunk is estimated at what?

A. Approximately \$3,500.00 for the first year, with increases of revenue as time goes on.

Q. Will the net result of this proposed purchase be for the public benefit or no?

A. It will be for the public benefit, in that a greater number of people will be in a position to receive electric

service.

Q. And will there be any improvement in the kind of service which they will receive?

A. The present system is operating from 10 to 12 hours, or dusk to dawn, and the proposed service will be for 24 hours out of 24 hours.

Q. And it will be an alternating current system, will it not?

A. Yes, sir, making it possible for the consumers to use the new and up-to-date labor-saving devices.

MR. RYAN: I would like to state just at this point that application has been made this day to the Commission for approval of incorporation of so-called paper companies for Buckingham and Manchester Townships, in Wayne County, and it is the intention, if and when these incorporations are approved, to merge these companies into Northern Pennsylvania Power Company, thereby perfecting its charter rights in these two townships, which embrace the village of Equinunk. I believe that's all, Major Vale, unless you have some further questions.

BY THE EXAMINER:

Q. How soon will the transmission line be constructed to tie in Equinunk?

A. We have every hope to complete ^{that} before the end of this year. The extension into Lake Como is under negotiation and practically concluded and as soon as it is concluded

it is planned to go right ahead with the line across the township.

Q. How much of the property that you acquire from Hornbeck will have to be retired in the revamping of the system?

A. The distribution system can be used, because of the wires. Now, the only thing that will have to be retired is the direct current meters and the water plant.

Q. You won't use the water plant?

A. No. It is a direct current plant and it is rather inadequate. It is only a 15-kilowatt plant.

Q. The water power plant consists of the generator and the waterwheel?

A. Yes.

BY MR. WYLL:

Q. You are not buying any building or ground in connection with that plant?

A. No, just the draft tube and the waterwheel and the generator.

BY THE EXAMINER:

Q. And they will all be retired--will have to be scrapped?

A. Yes, I would say it would.

Q. Isn't that the major portion of the property?

A. No. The value placed upon that is about \$1,400.00.

Q. The changing from the direct to the alternating cur-

rent, what effect will that have on the present consumers, who have direct current appliances?

A. Mr. Hornbeck informed me that very few of the people had any appliances, due to the fact that they only have night service. It's used practically only for lighting. One or two have electric washing machines. In that case, we will make some negotiations with them to change to alternating current.

Q. In other words, you will take care of all the present consumers who have electrical appliances now using direct current, so that they can use the alternating current?

A. That is the plan; yes, sir.

BY MR. NEAR:

Q. Most of the business, Mr. Althouse, in this village has not yet been connected up or developed, and the real possibilities are in the new service to be rendered; is that a fact?

A. That is the fact.

BY MR. WILKINSON:

Q. There are no power consumers, are there?

A. There's no power of any real importance. There may be some small motors of one, two, three horsepower.

Q. And you will have to replace those motors?

A. There are none served now. That's prospective.

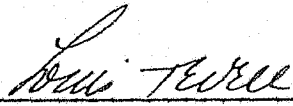
MR. WILKINSON: That's all, and it will be considered in

connection with the four township applications.

HEARING CONCLUDED

Reported by
Louis Revell,
Harrisburg, Pa.

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me during the hearing of the above case before The Public Service Commission of the Commonwealth of Pennsylvania, and that this copy is a correct transcript of the same.



Official Reporter

OVERSIZE

DOCUMENTS

App 6 7/28
(P)

Serial No. 122680
File No. 19329
REC'D JUL 27 1928
OFFICE OF RECORDS
THE PUBLIC SERVICE COMMISSION

EQUINUNK ELECTRIC SYSTEM

SUMMARY OF REPRODUCTION ESTIMATE

AS OF JUNE 30, 1928

PUBLIC SERVICE COMMISSION OF THE COMMONWEALTH OF PENNSYLVANIA	
<i>A 14329</i>	Booklet No. _____ (Year)
<i>App.</i>	Exhibit No. <i>7</i>
<i>(P)</i>	Dating Date <i>7/10/28</i> (Year)

W. S. BARSTOW & COMPANY, INC.
50 PINE STREET
NEW YORK, N.Y.

DOCKETED
APPLICATION RECEIVED
JUL 28 1928
3-
RECORD
FOLDER

EQUINUNK ELECTRIC SYSTEM
SUMMARY OF REPRODUCTION ESTIMATE
AS OF JUNE 30, 1928

		Estimated Cost of Reproduction 1928 Prices	
		Reproduction Cost New	Less Accrued Depreciation
223	WATER WHEELS	\$ 750.00	\$ 712.50
224	ELECTRIC GENERATORS	750.00	712.50
225	OTHER ELECTRIC EQUIPMENT	25.00	23.75
226	OTHER POWER PLANT EQUIPMENT	60.00	57.00
256	POLES & FIXTURES	664.65	611.50
257	OVERHEAD CONDUCTORS	483.14	459.00
260	OVERHEAD SERVICES	381.00	362.00
266	METERS	178.50	173.00
267	METER INSTALLATIONS	26.25	25.50
275	STREET LIGHTING	72.00	66.25
	Total Direct Cost	\$3,390.54	\$3,203.00
	Preliminary & Organization Expense	68.00	64.00
	Administration & Legal Expense	68.00	64.00
	Engineering & Superintendence	194.00	192.00
	Taxes & Insurance during Construction	50.00	48.00
	Loss of Interest during Construction (Applied to Direct Costs & Preceding Items)	151.00	143.00
	Cost of Financing (Applied to Direct Costs & Preceding Items)	295.00	279.00
	Total Indirect Cost	\$ 826.00	\$ 790.00
	TOTAL DIRECT & INDIRECT COSTS	\$4,216.54	\$3,993.00

WATER WHEELSTotal CostManchester Township

1 - Wicket Gate Water Wheel	
30" Wood Pulley	
24" " "	
Replogle Governor, bevel gear connected	\$ 750.00

ELECTRIC GENERATORS

Manchester Township

Total Cost

1 - Fairbanks Morse, 15 K.W. D.C. Generator
875 R.P.M., 120 Amp., 125 V., belt
driven

\$ 750.00

OTHER ELECTRIC EQUIPMENT

Total Cost

Manchester Township

- 1 - D.P.S.T. Switch
 - 1 - Type CR 1900 Rheostat
 - 1 - Westinghouse Voltmeter 0-150 V. Scale
- \$25.00

OTHER POWER PLANT EQUIPMENT

Total Cost

Manchester Township

26' - 8" Leather Belting, 2 ply

\$60.00

POLES & FIXTURES

	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Manchester Township</u>		
4 - 15' Chestnut Poles	\$10.00	\$ 40.00
12 - 20' " "	16.00	192.00
6 - 25' " "	16.85	101.10
1 - Anchor Guy	10.50	10.50
10 - 2 Pin Single Wood Crossarms	2.45	24.50
16 - Wood Brackets	.18	2.88
40 - 1 Pt. Brackets	1.20	<u>48.00</u>
		\$418.98
<u>Buckingham Township</u>		
1 - 15' Chestnut Pole	10.00	10.00
4 - 20' " Poles	16.00	64.00
5 - 25' " "	16.85	84.25
2 - 30' " "	18.75	37.50
24 - Wood Brackets	.18	4.32
38 - 1 Pt. " "	1.20	<u>45.60</u>
		\$245.67
TOTAL FOR POLES & FIXTURES		\$664.65

OVERHEAD CONDUCTORS

	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Manchester Township</u>		
400' - #1 T.B.W.P. Wire	\$72.00	\$ 28.80
1150' - #2 " "	60.00	69.00
1650' - #4 " "	42.00	69.30
3360' - #6 " "	35.00	117.60
600' - #8 " "	30.00	18.00
3 -- Porcelain Insulators	.20	.60
19 -- Glass "	.10	<u>1.90</u>
		\$305.20
<u>Buckingham Township</u>		
2020' - #4 T.B.W.P. Wire	42.00	84.84
2540' - #6 " "	35.00	88.90
140' - #8 " "	30.00	<u>4.20</u>
		\$177.94
TOTAL FOR OVERHEAD CONDUCTORS		\$483.14

OVERHEAD SERVICES

	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Manchester Township</u>		
23 - 2 Wire Services	\$10.50	\$241.50
 <u>Buckingham Township</u>		
12 - 2 Wire Services	10.50	126.00
1 - 3 " "	13.50	<u>13.50</u>
		\$139.50
 TOTAL FOR OVERHEAD SERVICES		 \$381.00

METERS

	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Manchester Township</u>		
13 - 5 Amp. 2 Wire Meters	\$8.50	\$110.50
<u>Buckingham Township</u>		
8 - 5 Amp. 2 Wire Meters	8.50	68.00
TOTAL FOR METERS		\$178.50

METER INSTALLATIONS

	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Manchester Township</u>		
13 - Meter Installations	\$1.25	\$16.25
<u>Buckingham Township</u>		
8 - Meter Installations	1.25	10.00
TOTAL FOR METER INSTALLATIONS		\$26.25

STREET LIGHTING

	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Manchester Township</u>		
4 - Lamp Bracket Fixtures, Complete	\$8.00	\$32.00
<u>Buckingham Township</u>		
5 - Lamp Bracket Fixtures, Complete	8.00	40.00
TOTAL FOR STREET LIGHTING		\$72.00