Public Utilities—Valuation for Purposes of Rate Regulation—Separate Allowance for "Going Value"

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PUBLIC UTILITIES—VALUATION FOR PURPOSES OF RATE REGULATION—SEPARATE ALLOWANCE FOR "GOING VALUE."—In a proceeding before the West Virginia Public Service Commission to increase the rates of certain gas companies the question arose whether, in estimating the value of the companies’ property for rate purposes, a [separate] allowance should be made for "going value." Held, that such an allowance should be made, which, under the facts of the particular case, should be "ten per cent. of the total of all the other elements of value," viz., $311,626. In re The West Virginia Central Gas Co., etc., W. Va. P. S. C. Bulletin No. 40, Case No. 557 (1918).

Much difference of opinion exists not only as to whether "going value" should be included in value for rate purposes but also as to whether, if it is included, there should be a separate allowance or only a general enhancement of the value of the physical property. See 1 WHITTEN, VALUATION OF PUBLIC SERVICE CORPORATIONS, §§ 550-644, 2 ibid., §§ 1350-1385. The principal case, in making a separate allowance, follows what is believed to be the better rule, but in so doing has in effect partly overruled some former decisions of the Commission. See In re Clarksburg Light & Heat Company, W. Va. P. S. C., Case No. 415, P. U. R. 1917A, 577, and In re The West Virginia Traction and Electric Company, W. Va. P. S. C., Case No. 568. In the former case it was said that there should not be a separate allowance for going value and in the latter case it was held that "something" should be allowed for going value, but no definite or separate allowance was made.

For a discussion of the problem involved in the principal case see Hardman, "Going Value as Value for Purposes of Rate Regulation," 25 W. Va. Law Quart. 89, 102-105.

PUBLIC UTILITIES—REASONABLENESS OF RAILROAD REGULATION GIVING BOX CARS TO "TEAM TRACK LOADERS" AND OPEN-TOP CARS TO TIPPLE LOADERS.—The Baltimore and Ohio Railroad Company had a regulation to the effect that, during the shortage of open-top coal cars, it would furnish its open-top cars to coal mines with tipples and only box cars to coal shippers who loaded otherwise than from tipples. The Public Service Commission set aside the regulation as unjust and unreasonable. Held, that the regulation was reasonable and that, therefore, the Public Service Commission had no power to annul the regulation. Baltimore and Ohio Railroad Co. v. Public Service Commission, 94 S. E. 545 (W. Va. 1917).

It is conceded that shippers not loading from tipples (for convenience called "team track loaders") have a right to have their coal transported, but the court holds that "they cannot have the best and most convenient facilities for their purposes, under existing conditions, without great injustice to the carriers, the properly equipped mines and the public." It is well settled that a regulation of a public utility, if reasonable, is enforceable and cannot be