

**STATE OF RHODE ISLAND AND PROVIDENCE  
PLANTATIONS. TENTH ANNUAL REPORT OF  
THE PUBLIC UTILITIES COMMISSION OF THE  
STATE RHODE ISLAND FOR THE YEAR ENDING  
DECEMBER 31, 1921. MADE TO HIS  
EXCELLENCY EMERY J. SAN SOUCI  
GOVERNOR OF THE STATE OF RHODE ISLAND**

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State of Rhode Island and Providence Plantations. Tenth Annual Report of the Public Utilities Commission of the State Rhode Island for the Year Ending December 31, 1921. Made to His Excellency Emery J. San Souci Governor of the State of Rhode Island by Rhode Island Public Utilities Commission

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TENTH ANNUAL REPORT

OF THE

**PUBLIC UTILITIES COMMISSION**

OF THE

STATE OF RHODE ISLAND

FOR THE

YEAR ENDING DECEMBER 31, 1921

MADE TO

HIS EXCELLENCY

EMERY J. SAN SOUCI

**Governor**

OF THE

STATE OF RHODE ISLAND

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PROVIDENCE

THE OXFORD PRESS, PRINTERS  
1922

## REPORT

*To His Excellency Emery J. San Souci, Governor of the State of Rhode Island.*

SIR:—Complying with the provisions of Section 9 of Chapter 795 of the Public Laws of Rhode Island, the Public Utilities Commission presents its tenth annual report.

### COMPLAINTS.

One formal complaint was filed against a utility during the year 1921, namely, Qualified Electors of Westerly, R. I., Horace E. Burdick, Treasurer Watch Hill Fire District, *et als*, *vs.* Westerly Light and Power Company. This complaint was brought by the qualified electors through a vote of the Watch Hill Fire District against the utility and set forth that the charge for electricity to the Summer residents of that district is exorbitant and unwarranted, etc. A Notice of Investigation was issued and upon motion of both the petitioners and respondents, who desired to confer among themselves, the matter was postponed, pending the result of the negotiations between themselves, the whole matter to be reviewed later by the Commission for its consideration.

### COMPLAINTS PENDING.

Town Councils of the Towns of Bristol and Warren *vs.* Bristol and Warren Water Works. The same course was followed as outlined above.

City of Newport, Board of Aldermen *vs.* Newport Gas Light Company. The Commission is waiting for petitioners to arrange for continuance of hearings.

Town Council of Jamestown *vs.* Jamestown Water Company. Same disposition.

## INFORMAL COMPLAINTS.

These complaints reach the Commission in various ways, usually over the telephone, verbally to the Commission or its Agent, or by letter. It is the practice of the Commission to handle them promptly on receipt of same, and an adjustment is usually made immediately, if it is possible to do so. In any event the complainant does not as a rule have to wait but a short time before his complaint is settled. These complaints cover a wide range of subjects and each one is handled as the occasion may require.

## REORGANIZATION OF STREET RAILWAY SYSTEM.

The reorganization of the street railway system formerly operated by The Rhode Island Company, which began with the appointment of a temporary receiver for that company on the 30th day of January, 1919, has been completed during the past year. All the trolley lines formerly operated by The Rhode Island Company (except the Sea View line and the line of the Providence & Danielson Railway Company west of the village of North Scituate in the Town of Scituate, which were sold by their owners and scrapped by the purchasers) are now consolidated in and operated by the United Electric Railways Company. That company now operates 348.927 miles of track, serving and connecting all the most important centres of population and industry in Providence, Bristol and Kent Counties. It owns a power house, car barns, machine shops, rolling stock and all other necessary accessories of a complete street railway system. Its total capitalization (including \$1,000,000 for new money for rehabilitation, not yet expended), represented by bonds and stock authorized by this Commission as required by the company's charter, is \$22,323,000—or under \$64,000 per mile. This capitalization cannot be increased without the approval of this Commission. The average rate of interest on its bonded indebtedness now authorized is 4.82 per cent. The charter limits dividends on the stock to 6 per cent. per annum, but provides that a deficiency in any year may be made up in subsequent years.

The properties of the United Traction and Electric System (Union Railroad Company, Pawtucket Street Railway Company,

Rhode Island Suburban Railway Company and Providence Cable Tramway Company) passed into the possession of the United Electric Railways Company, July 9, 1921; the Woonsocket system (formerly Providence & Burrillville Street Railway Company, Woonsocket Street Railway Company and Columbian Street Railway Company) on August 20th, 1921; and finally, the Providence & Danielson lines to North Scituate and Chepachet on October 22, 1921.

This reorganization was effected through receiverships, foreclosures and other legal proceedings in the courts of this State. It was made possible by the earnest co-operation of representatives of the leading financial institutions of the State, who served on committees of the holders of the various securities of the old companies and in other ways gave a public spirited assistance. Successive steps in the reorganization were submitted to and approved by the Attorney General of the State, the Public Utilities Commission and other State officials. The General Assembly gave its assistance by relieving the new company from the excessive State and municipal franchise taxes and other burdens which had been largely instrumental in bringing the old companies to ruin. The report of the Special Commission for the Investigation of the Affairs of The Rhode Island Company, made to the General Assembly in 1918, and the public discussion of the subject which followed, seemed to have borne fruit in the conviction that the maintenance of the trolley system was essential to the welfare of the State, that no substitute was available if its destruction by oppressive taxation and irresponsible competition was permitted, and that the State, in the interest of its citizens, must co-operate in every possible way to preserve its trolley roads and enable them to render a more efficient public service.

The charter under which the roads are now consolidated and operated was granted to the United Electric Railways Company by the General Assembly at its January Session, A. D. 1919. As the reorganization plans developed, amendments were found desirable, and these, with certain legislation relieving the new company from franchise taxes and other burdens, were enacted at the January Session of 1920. The charter in its final form and the Legislature of 1920 places the corporation and all its operations under the full and ex-



clusive control of the Public Utilities Commission. The charter provides that no issue of stocks or bonds shall be valid until the amount and purposes of such issue are approved by the Commission; limits the amount of securities which the new corporation may be authorized to issue to acquire the properties of the former companies; and provides for a directorate of nine persons, two of whom are to be appointed by the Governor by and with the advice and consent of the Senate, and one by the Mayor of the City of Providence. The public interest would thus seem to be fully safeguarded, both through the control over the corporation by the Public Utilities Commission and the participation of directors representing the city and the State in the conduct of all of the company's affairs. The company was required by its charter to obtain, before it could acquire any of the properties of the old companies, a guaranty of new cash capital to the amount of \$1,000,000 to be used in the rehabilitation of the properties so acquired. This guaranty has been underwritten without compensation by three of the strongest financial institutions in the State.

The capitalization of the United Electric Railways Company as heretofore authorized by this Commission, with the dates of authorization, the amount of securities authorized, and the purposes for which they were to be used, are as follows:

## BONDS.

1921.			
June 22	\$1,999,200	Prior Lien Mortgage 25-year 4% Gold Bonds, Series B.	Acquisition of properties of R. I. Suburban Ry. Co. and its constituent companies, and properties of the Union Railroad Co., Pawtucket Street Ry. Co. and Prov. Cable Tramway Co.
June 22	8,100,000	General and Refunding Mortgage 30-year 5% Gold Bonds, Series A.	Same purpose.
June 22	2,499,000	General and Refunding Mortgage 30-year 4% Gold Bonds, Series B.	Same purpose.
June 22	1,000,000	Prior Lien Mortgage, 25-year 7% Gold Bonds, Series A.	Cash for rehabilitation of properties.
Oct. 25	350,000	General and Refunding Mortgage 30-year 5% Gold Bonds, Series A.	Acquisition of properties of The R. I. Co., formerly Prov. & Burrillville Street Ry. Co., Woonsocket Street Ry. Co. and Columbian Street Ry. Co.
Oct. 25	90,000	General and Refunding Mortgage 30-year 5% Gold Bonds, Series A.	Acquisition of properties of Providence & Danielson Ry. Co. (Scituate and Chepachet Lines).
\$14,038,200			

## COMMON CAPITAL STOCK.

1921		
Feb. 16,	\$5,000	Organization stock for cash.
June 22,	7,999,800	Acquisition of properties of R. I. Suburban Railway Co. and its constituent companies, and the properties of the Union Railroad Co., Pawtucket Street Ry. Co., and Prov. Cable Tramway Co.
Oct. 25,	250,000	Acquisition of properties of The Rhode Island Co. (formerly Prov. & Burrillville Street Ry. Co., Woonsocket Street Ry. Co. and Columbian Street Ry. Co.).
Oct. 25,	30,000	Acquisition of properties of Prov. & Danielson Railway Co. (Scituate and Chepachet lines).
\$8,284,800		

## SUMMARY OF CAPITALIZATION.

Bonds .....	\$14,038,200	
Common capital stock.....	8,284,800	
Total.....	\$22,323,000	\$22,323,000

## DETAILS.

Stocks authorized to be issued for cash.....	\$5,000	
Bonds authorized to be issued for cash.....	1,000,000	
Total for cash.....	\$1,005,000	1,005,000
Bonds issued to acquire old properties.....	\$13,038,200	
Stocks issued to acquire old properties.....	8,279,800	
Total to acquire old properties.....	\$21,318,000	21,318,000
(being \$682,000 less than the \$22,000,000 which charter of the United Electric Railways Company authorized to be issued for the old properties.)		
		\$22,323,000

This is a capitalization of 348.927 miles of track with power house, machine shops, car barns, rolling stock and all other necessary accessories at \$63,976 per mile.

This capitalization of the United Electric Railways Company at less than \$64,000 per mile may well be compared with the following figures taken from the Special Report of the Census Bureau on Electrical Industries, printed in 1920 and giving figures as of 1917.

On page 54 of this report, it appears that the average net capitalization of electric railways per mile of track throughout the United States in 1917 was \$111,391, as against \$100,495 in the year 1907.

On page 143 of the same report, the net capitalization per mile of track is given for States. From this it appears that in 1917 the capitalization per mile of track in Massachusetts was \$61,735, as