

Decision No. 13409

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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ORIGINAL

In the matter of the Application
of MOUNT WHITNEY POWER AND ELECTRIC
COMPANY for certificate of Public
Convenience and Necessity to exer-
cise franchise rights in Kings
County.

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) Application No. 3056.
) Supplemental.
)

In the matter of the application
of SAN JOAQUIN LIGHT & POWER COR-
PORATION, a corporation and SOUTHERN
CALIFORNIA EDISON COMPANY, a corpor-
ation, for an order approving the
transfer of franchise granted by Or-
dinance No. 25 of Kings County.

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)
) Application No. 7762.
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)

In the matter of the Application of
SOUTHERN CALIFORNIA EDISON COMPANY,
and SAN JOAQUIN LIGHT AND POWER COR-
PORATION, for an order authorizing
sale of property.

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) Application No. 8578.
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Roy V. Reppy, for Southern California
Edison Company.

Murray Bourne, for San Joaquin Light
and Power Corporation.

WHITTLESEY, COMMISSIONER.

O P I N I O N.

The Supplemental applications No. 3056 herein, are made
by Southern California Edison Company as the successor in
interest of Mount Whitney Power and Electric Company operating
particularly in Kings, Tulare and other Counties, and request
the issuance of a certificate that public convenience and nec-
essity now require the exercise by the Edison Company of the

franchise rights granted to Mt. Whitney Power and Electric Company by Ordinance No. 104 of Kings County, providing for the construction and operation of an electric distribution system over all public highways in that County. The Commission has previously by Decision No. 7679 granted a limited certificate to Mt. Whitney Power and Electric Company to serve a few consumers under the provisions of this Ordinance.

The first Supplemental Application No. 3056 filed April 19, 1922, by Southern California Edison Company, set forth, that applicant desired ultimately to obtain a certificate to exercise franchise rights under Ordinance No. 104 throughout the entire County, but at that time requested only a limited certificate covering that area six miles north and south by seven and one-half miles east and west surrounding Hanford and known as the Hanford rectangle.

A second supplemental application was filed on April 21, 1922, requesting further authority under Ordinance No 104 to permit the construction and operation of a certain electric line six and a half miles in length running from a point on the Kings - Tulare County boundary line between Sections 9 and 4, T. 19 S., R. 23 E., due westerly to a point on the north line of Section 9, T. 19 S., R. 22 E., about three and one-half miles east of Hanford.

A third supplemental application No. 3056 was filed by Southern California Edison Company on March 7, 1923, requesting the withdrawal of the first and second supplemental applications and in lieu thereof requesting a certificate declaring that public convenience and necessity require the exercise by Southern California Edison Company of all the franchise rights granted by Ordinance No. 104 within that portion of Kings County

lying generally southerly, easterly and northerly of a certain described boundary line as shown in detail in the application which had been mutually agreed to by applicant and also San Joaquin Light and Power Corporation, the only other competing utility in the territory involved.

The granting to the Edison Company of a limited certificate under Ordinance No. 104 as herein requested, would not only permit the construction of the six and one-half mile line as desired and also provide for service within the Hanford rectangle, but would further make possible the general consolidation of present Edison properties in Kings and Tulare Counties as hereinafter requested.

Application No. 7762 of Southern California Edison Company and San Joaquin Light and Power Corporation sets forth that on December 13, 1897, Ordinance No. 25 of Kings County was passed granting to H. G. Lacy Company a franchise for distributing electric power in that County. Under date of November 13, 1905, the Lacy Company sold to San Joaquin Light and Power Company the rights under this franchise, except within the Hanford rectangle. The Edison Company through acquisition of the properties of Mt. Whitney Power and Electric Company and H. G. Lacy Company became a competitor of the San Joaquin Light and Power Corporation, and during recent years a very unsatisfactory competitive condition has existed. The Edison Company is operating in the Hanford district under the County franchise granted by Ordinance No. 25 and also San Joaquin Light and Power Corporation similarly claims the right to occupy public highways in Kings County under the same ordinance. Doubt now exists as to the present legal status of

applicants with respect to franchise rights and their operations thereunder. In order to remove any question of franchise rights Southern California Edison Company has agreed to transfer to San Joaquin Light and Power Corporation, all of its right, title and interest in said Ordinance No. 25, and approval by the Commission of such transfer is here requested.

In order that such action should not leave Southern California Edison Company without franchise rights in the Hanford rectangle after the transfer of its rights under Ordinance No. 25 to San Joaquin Light and Power Corporation, Edison Company can, upon obtaining a proper certificate from the Commission for the exercise of franchise rights under Ordinance No. 104, continue its operations around Hanford without detriment to its consumers or change of its territorial rights. Authority is therefore requested by applicants for the transfer by Southern California Edison Company, of all the rights under Ordinance No. 25 of Kings County to San Joaquin Light and Power Corporation.

Application No. 8578 was filed jointly by Southern California Edison Company and San Joaquin Light and Power Corporation on January 16, 1923, and asks authority for the transfer between the two utilities of certain electric distribution properties in the territory where competitive conditions have existed. The application sets forth that both utilities and their predecessors have and now are serving electric power to consumers in Kings, Tulare and Kern Counties and are in competition in regard to the operation of certain of their distribution lines. It is alleged that a considerable saving of labor and material would be effected if certain duplicated and scattered lines and equipment be sold by applicants in such a manner as to unify and centralize their equipment in their own principal fields of oper-

ation. In order to effect the above arrangement, petitioners have agreed to a plan whereby Southern California Edison Company will secure all the distribution lines and equipment used in conjunction therewith now owned by San Joaquin Light and Power Corporation situated in that territory lying within the angle formed by that irregular converging red boundary line shown upon the map marked Exhibit A attached to and made a part of the petition in this matter, together with that in the territory lying east of the said territory and within the boundaries of the parallel lines projected due east from the northern and southern terminus of the said red lines and more particularly described by applicant's Revised Exhibit No. 4. It is further agreed that San Joaquin Light and Power Corporation will secure all distribution lines and their accessory equipment now owned by Southern California Edison Company extending across the above referred to boundary line and lying outside of said territory and which are now a part of and operated in conjunction with the properties of Southern California Edison Company.

Applicants have made careful studies of the proposed arrangements as set forth in the several applications and it appears that proper efforts are being taken to protect the interests of consumers. Action on these matters has been delayed by the Commission from time to time at the request of applicants or because of economic conditions. For a time there was an appreciable differential between the rates of the two companies, however this condition has been practically eliminated and applicants have filed with the Commission detailed statements of the exact effect upon bills of all consumers in the territory involved which indicate no injury to consumers through the proposed transfers. Definite arrangements have been made whereby future consumers to be

served in this territory will not have to pay, in any event, additional charges for extension of service lines because of change of company serving the area. Further, all contract obligations^{of} both utilities to their present consumers will be carried out to their full extent, and it is to be the endeavor that no annoyance be caused any consumer because of change of service to the other company.

Applicants have agreed upon and submitted to the Commission, detailed inventories and valuations, upon an historical basis, of the properties proposed to be transferred, together with a form of agreement between themselves covering this transfer. A copy of the contract for the transfer, by the Edison Company to the San Joaquin, of the franchise rights granted by Ordinance No. 25 of Kings County has also been filed with the Commission. Under the original application No. 3056 Mt. Whitney Power and Electric Company stipulated in form satisfactory to the Commission that neither it nor its successors or assigns would ever claim a value for the franchise granted by Ordinance No. 104 of Kings County, in excess of the stated sum of one hundred (\$100.) dollars.

Investigation by the Commission indicates the desirability of the centralization of the operating districts of each utility as herein proposed, as unsatisfactory competitive conditions, will thereby be overcome. Approval should be given to the transfer of franchise rights under Ordinance No. 25 to San Joaquin Light and Power Corporation and also the transfer of physical properties as requested. Further it is found that public convenience and necessity require the exercise by Southern California Edison Company of the franchise rights and privileges granted by Ordinance No. 104 of Kings County.

I recommend the following form of Order:

O R D E R

Southern California Edison Company and San Joaquin Light and Power Corporation having applied to the Railroad Commission for authority to transfer a certain franchise and certain other property, and Southern California Edison Company having applied for a Certificate of Public Convenience and Necessity to exercise franchise rights in Kings County, a public hearing having been held, the matters having been submitted and being now ready for decision,

IT IS HEREBY ORDERED that

1. Southern California Edison Company be and it is authorized to transfer to San Joaquin Light and Power Corporation such rights and privileges as it may now possess under that certain Ordinance of Kings County known as and numbered Ordinance No. 25 of said County;
2. Southern California Edison Company be and it is authorized to transfer to San Joaquin Light and Power Corporation all those electric distribution lines now owned by Southern California Edison Company, lying generally west of and without the boundary line described in applicants' Revised Exhibit No. 4, which are more particularly described in said Revised Exhibit No. 4;
3. San Joaquin Light and Power Corporation be and it is authorized to transfer to Southern California Edison Company all those electric distribution lines now owned by San Joaquin Light and Power Corporation, lying generally east of and within the boundary line described in applicants' Revised Exhibit No. 4, which are more particularly described in said Revised Exhibit No. 4;
4. The considerations for which the properties herein specified are transferred shall not be urged before this Commission or any other public body as a finding of value of said property for any purpose other than the transfer herein authorized.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the exercise by San Joaquin Light and Power Corporation of the franchise rights and privileges granted by Ordinance No. 25 of Kings County, limited, however, to the area lying outside and generally west of the boundary line described in applicant's Revised Exhibit No. 4 in this matter, and the exercise by Southern California Edison Company of the franchise rights and privileges granted by Ordinance No. 104 of Kings County, limited, however, to the area lying within and generally west of the boundary line described in applicants' Revised Exhibit No. 4 in this matter.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 6th day of April, 1924.

C. Deacy

H. B. Brundage

Iving Martin

Garton Shore

J. H. Whittsey

Commissioners.