

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of  
the HALF MOON BAY LIGHT and POWER  
COMPANY, a corporation, for permis-  
sion or certificate to operate under  
franchise of April 1, 1912.

Application No. 27.

John O. McElroy, Guy C. Earl and  
Chaffee Hall for applicant,

C. P. Cutten for protestant, Pacific Gas & Electric Co.

O P I N I O N .

LOVELAND and TEELEN, Commissioners.

On April 29th, 1912, Half Moon Bay Light and Power Company, a corporation, filed an application asking for permission or certificate to operate under a franchise which was granted to J. J. Gomes on April 1, 1912, by the Board of Supervisors of the County of San Mateo, State of California, by Ordinance No. 253, in a territory known and described as "The Jefferson School District of San Mateo County, State of California." This franchise is alleged to have been granted to Gomes for applicant. The applicant's line in the Jefferson School District was completed prior to the passage of said ordinance under an oral permit alleged to have been obtained from the Board of Supervisors of San Mateo County on February 5, 1912.

On July 31st, 1912, applicant filed an amended application alleging in addition to the allegations contained in the original application that before the 23rd day of March, 1912, said applicant had completed its main line, through said Jefferson School District, with description in detail of the route of said power and lighting line, setting forth the character of said line, competition anticipated, etc. At the time set for the hearing of this application, to-wit, August 2nd, 1912, the Pacific Gas & Electric Company of San Francisco, successors to the South San Francisco Power and Light

Company, asked and was granted permission to file its protest against the granting of said application.

The issues being thus joined, testimony was offered by applicant that it had constructed and now desired to operate a line for the purpose of transmitting and distributing electric current and electric energy for light, heat and power in said San Mateo County, California, from and including the town of Purissima north to the southerly boundary line of the City and County of San Francisco, excluding Daly City, serving the towns along said line, and the agricultural sections and residences adjacent thereto, diverging a short distance south of said southerly line of the City and County of San Francisco and proceeding eastward through said Jefferson School District, in said County of San Mateo. That portion of the territory to be served by the Half Moon Bay Light and Power Company described as from Purissima northerly along the Coast to the southerly line of the City and County of San Francisco had not previously been served with gas or electric current for heat, light and power by any public utility Company except the South San Francisco Power and Light Company, which served a portion of the Jefferson School District up to March 8, 1912, on which day it was absorbed by the Pacific Gas and Electric Company.

Applicant alleges and offered testimony in support of such allegations, that the service given by the South San Francisco Power and Light Company was inadequate and inefficient. Protestant admits that it was found necessary to make extensive improvements after it acquired the property but alleges that it is now able to give good service at reasonable rates. Applicant further alleges that the use of a large amount of power in addition to that now installed in the Jefferson School District could be promoted and that there are one hundred and forty-two families or persons not now using electricity for lighting purposes, most of whom applicant believes can be induced to become consumers. It is worthy of note that this testimony as to the one hundred and forty-two prospective

consumers of electricity for lighting purposes was uncontradicted by protestant.

On May 7th, 1912, applicant filed with this Commission the rates and charges which it proposed to make to its patrons, applicable alike to all the territory served by it. On July 31st, 1912, being the day prior to this hearing, applicant filed an amended schedule specifying rates for domestic, commercial, commercial net rates and power service, such amended rates to apply only to Jefferson School District, effective by permission of the Commission August 1st, 1912, and also on July 31st said applicant filed an amended schedule naming rates for power and agricultural purposes, effective by permission of the Commission August 6th, said amended schedule relating to rates for power and agricultural purposes was also limited in application to the Jefferson School District. These amended schedules show a substantial reduction in rates as compared with the rates filed May 7th, such reduction being justified as applicant contends by the greater density of population in Jefferson School District, and line-loss incidental to the greater distance over which the current must be carried to serve the line along the Coast.

We may say in passing that we are not particularly impressed with these reasons for charging some patrons more than is charged to others. The testimony shows that the difference in the density of population is slight and the line-loss for the distance involved, which is only thirty miles, certainly cannot be great. The rates filed May 7th were uniform and the reduction now made in the rates for Jefferson School District appears to us to have been made for the purposes of this application and possibly to meet competition.

The Pacific Gas & Electric Company, in support of its protest, sets forth that the Pacific Gas & Electric Company is in a position to serve and is serving the residents and users of electrical energy for heat, light and power in Jefferson School District

adequately and satisfactorily, and that public convenience and necessity do not require the service of another company in that territory.

We have announced in the case of the Great Western Power Company, that a public utility, established in a territory and giving good and adequate service at reasonable rates, voluntarily given to all who apply and not made to forestall prospective competition, is entitled to protection, such protection being as much in the interest of the public as of the utility. We repeat here our belief in the soundness of this doctrine, and under ordinary circumstances and conditions would be inclined to be governed by that principle in the decision of this application. We wish, however, to draw attention to the following important considerations in this application:

1. The franchise was promised to Gomes and the line through the Jefferson School District was actually completed under that promise before the effective date of the Public Utilities Act. Applicant accordingly asks only for the approval of the franchise granted April 1, 1912 and does not find it necessary to apply under the provisions of section 50 (a) of the Public Utilities Act for a certificate preliminary to the commencement of construction work.

2. The weight of testimony, we find, shows that the service given by the South San Francisco Power and Light Company was not adequate or satisfactory and that the Half Moon Bay Light and Power Company would have been entitled to a certificate of public convenience and necessity had such service not been improved. The Pacific Gas & Electric Company disclaims responsibility for the poor service of the South San Francisco Power and Light Company, and offered evidence to show that the service had been improved and the rates reduced since the Pacific Gas & Electric Company succeeded to the South San Francisco Power and Light Company on a date subsequent to that on which the applicant completed its line. If we admit this claim of the Pacific Gas & Electric Company that it is not responsible for the poor and inadequate service rendered by

its predecessor and is to be judged only as of the day when it entered the field, that company is in the position of opposing the application of a company which had completed its line two days before the Pacific Gas & Electric Company appeared upon the field. If there is anything in priority, the advantage lies with the applicant.

We find that public convenience and necessity require the exercise by applicant of the rights and privileges granted by said Ordinance No. 253 of the County of San Mateo, but only upon the following conditions:

1. Applicant shall first have filed with this Commission a good and sufficient conveyance transferring to it the rights granted by said ordinance to said J. J. Gomes. We cannot grant to applicant authority to exercise a franchise which stands in the name of some one else.

2. Applicant shall first have filed with this Commission a revised schedule of rates extending to all the territory proposed to be served by it, the rates filed with this Commission on July 31, 1912 and made applicable only to the Jefferson School District. This Commission will not permit a utility to lower its rates for the purpose of a particular application pending before the Commission, while maintaining its higher rates elsewhere in territory similarly situated.

We submit herewith the following form of order:

O R D E R.

HALF MOON BAY LIGHT AND POWER COMPANY having filed with this Commission its application for a certificate authorizing it to exercise the rights and privileges granted to J. J. Gomes by Ordinance No. 253 of the County of San Mateo, dated April 1, 1912, granting a franchise for the purpose of transmitting and distributing electricity for heat and power and illuminating purposes in the Jefferson School District in San Mateo County, California, and a

hearing having been held upon said application, and the Commission finding that public convenience and necessity require the exercise by applicant of the rights and privileges granted by said ordinance, but only upon the express conditions precedent hereinafter specified,

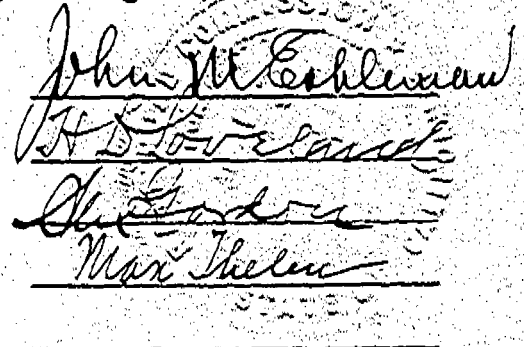
IT IS HEREBY ORDERED that said application be and the same is hereby granted, subject, however, to the following express conditions precedent:

1. Applicant shall first have filed with this Commission a good and sufficient conveyance transferring to it the rights granted by said ordinance to said Gomes.

2. Applicant shall first have filed with this Commission a revised schedule of rates extending to all the territory proposed to be served by it the rates filed with this Commission on July 31, 1912, and made applicable only to the Jefferson School District.

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 this 7th day of August, 1912.

The seal of the Railroad Commission of the State of California is visible in the background of the signatures. It features a circular design with the text "RAILROAD COMMISSION" and "STATE OF CALIFORNIA" around the perimeter, and a central emblem.  
John W. Eschler  
H. D. Loveland  
Chas. Gordon  
Max Shelton

Commissioners.