Decision No. ✓

ORIGINAL

Decision No. 2220

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

In the matter of the application of PACIFIC ELECTRIC RAILWAY COMPANY for authority to sell and SOUTHERN CALIFORNIA EDISON COMPANY to buy certain property located at Playa del Rey.	)))))	Application No. 1536.

Frank Karr for Pacific Electric Railway Company.
Harry J. Bauer for Southern California Edison Company.

LOVELAND, Commissioner.

O P I N I O N

This is an application of the Pacific Electric Railway Company for authority to sell and the Southern California Edison Company to buy certain property located at Playa del Rey, as set forth in the opinion and order.

Applicant, Pacific Electric Railway Company, is a corporation engaged in the business of conducting electric railways and also furnishing light and heat in certain sections comprehended in its operation. As incidental to that operation, applicant has been furnishing light and heat to the residents in that portion of Venice, Los Angeles county, California, known as Playa del Rey. Such service is more particularly set forth in the exhibits filed with the pleadings, to which reference is hereby made.

Applicant asks for permission to withdraw from the service of furnishing light and heat in the section named and to sell and dispose of its physical property devoted to that service to the Southern California Edison Company. This application is in keeping with the policy now being pursued by Pacific

93

Electric Railway Company of disposing of its lighting and heating system. It was testified at the hearing by witnesses for applicant that the people whom applicant has been and is now serving in the section named were not only willing but anxious that the transfer herein asked for be permitted and that the people now served by Pacific Electric Railway Company with light and heat in Playa del Rey would be better served by permitting the transfer to the Southern California Edison Company, for the reason that the system of Pacific Electric Railway Company is chiefly devoted to the running of electric trains and cars and that lighting and heating is only incidental thereto, while the business of the Southern California Edison Company is practically entirely that of distributing electric energy and gas for light and heat; that the Southern California Edison Company is located at Venice, within a short distance of Playa del Rey, while the Pacific Electric Railway Company's principal place of business is located at Los Angeles,- some twenty miles distant.

Witnesses for Southern California Edison Company testified that that company was in a position to give a better service for lighting and heating to the public than is the Pacific Electric Railway Company and that the Southern California Edison Company and the Pacific Electric Railway Company had agreed as to the price which should be paid for the transfer of the lighting and heating system of the Pacific Electric Railway Company in Playa del Rey to Southern California Edison Company, such price being the sum of $1,544.15, which was arrived at by taking the depreciated value of the property and deducting therefrom the cost of the removal of the property and transferring it to the warehouse of Southern California Edison Company.

Witnesses for Southern California Edison Company testified that that company would rebuild the system and make

it of standard construction and would extend the same rates to consumers of electric energy in Playa del Rey as are now extended to consumers in Venice.

Mention was made of the possibility that there were some contracts in existence between the Pacific Electric Railway Company and certain consumers of electric energy in Playa del Rey, which the Southern California Edison Company agreed to take over and to protect, subject to the orders of the Railroad Commission, if any discrimination was found to exist by reason of such contracts. The Edison Company was instructed to furnish the Commission with copies of such contracts, if any were found to exist, in order that the Commission may determine whether discrimination would result from the carrying out of such contracts.

Witnesses for Southern California Edison Company testified that the application of that company's rates to the territory in question would result in the lowering of rates and an improvement in service.

I am of the opinion that the interests of the people in Playa del Rey now being served by the Pacific Electric Railway Company will best be served by permitting a transfer of the system of the Pacific Electric Company now devoted to that service to Southern California Edison Company, and submit the following form of order:

ORDER

PACIFIC ELECTRIC RAILWAY COMPANY, a corporation engaged in the business of conducting electric railways and supplying heat and light in Southern California, having applied to the Railroad Commission for authority to sell that portion

of its system devoted to lighting and heating at Playa del Rey, and SOUTHERN CALIFORNIA EDISON COMPANY, a corporation engaged in furnishing electric energy and gas for light and heat in Southern California, having applied for permission to purchase said portion of said system, and it having been found at the hearing of said applications that the interests of the consumers now being served by Pacific Electric Railway Company in Playa del Rey will best be served by permitting the transfer of the lighting and heating system of Pacific Electric Railway Company in Playa del Rey to Southern California Edison Company,,

IT IS HEREBY ORDERED that Pacific Electric Railway Company be and the same is hereby given permission to sell that portion of its heating and lighting system devoted to serving Playa del Rey to Southern California Edison Company, and Southern California Edison Company is hereby given permission to purchase said portion of said system from Pacific Electric Railway Company,. the consideration therefor being the sum of One Thousand Five Hundred and Forty-four and 15/100 Dollars ($1544.15).

IT IS HEREBY FURTHER ORDERED that the Southern California Edison Company furnish the Railroad Commission with copies of any contracts now in existence between Pacific Electric Railway Company and the consumers of electricity in Playa del Rey and, if it is found that discrimination will result from the continuation of such contracts and the application of the rates of Southern California Edison Company now in effect at Venice, which rates will be extended to Playa del Rey, that Southern California Edison Company submit to the Railroad Commission such explanation as said company may desire justifying the continuation of such rates.

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 13th day of March, 1915.

H. D. Loveland

Alex Gordon

Frank R. Devlin

Commissioners.