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Decision No. \_\_\_\_\_

ORIGINAL

Decision No. 3625

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the matter of the application of the CITY OF LOS ANGELES, a municipal corporation, and the BOARD OF PUBLIC SERVICE COMMISSIONERS OF THE CITY OF LOS ANGELES that the Railroad Commission fix and determine the compensation to be paid the SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, for its electric distributing system.

Application No. 1424.

Albert Lee Stephens, City Attorney, W. B. Mathews and Wm. B. Himrod, attorneys for City of Los Angeles and Board of Public Service Commissioners.

H. E. Trowbridge, P. F. Dunne and Harry J. Bauer for Southern California Edison Company.

TERMINEN, LOVELAND, GORDON and DEVLIN, Commissioners.

OPINION AND FINDINGS

In this proceeding, the City of Los Angeles and the Board of Public Service Commissioners of the City of Los Angeles, hereinafter jointly referred to as the City, ask the Railroad Commission to fix and

determine the just compensation to be paid by the City of Los Angeles to Southern California Edison Company, hereinafter referred to as the Edison Company, for certain lands, property and rights of the Edison Company. The lands, property and rights which the City desires to acquire are described in Appendix A, which is attached hereto, and consist, with certain additions and deductions which it is not now necessary to discuss, of the electric distributing system of the Edison Company in the City of Los Angeles and specified adjacent unincorporated territory, together with franchise rights, as described in Appendix A, hereto attached. The so-called railway load of the Edison Company in the City of Los Angeles is to be retained by the Edison Company. The property to be taken does not include the steam plant in Los Angeles known as Los Angeles No. 3, any part of the transmission line known as the Kern River line, nor any other transmission line except as the same may be specifically described. The property to be taken contemplates the condition of "partial severance" referred to in the testimony and briefs herein and not the condition of "complete severance".

This proceeding was assigned to Commissioner Edgerton, who heard the evidence and prepared the Opinion and Findings which follow this Opinion and these Findings. After careful and exhaustive consideration, we find ourselves unable to agree with Commissioner Edgerton on certain fundamental principles of law involved herein, as well as on certain important findings

of fact. Hence we have prepared this Opinion and these Findings, which will be filed herein as the Opinion and Findings of the Railroad Commission.

We are deeply conscious of our responsibility in this proceeding. It is our duty herein to fix and determine the just compensation to be paid by the City of Los Angeles to the Southern California Edison Company, without regard to the amount of money now on deposit in the treasury of the City available for payment for this property or to the desire of the Edison Company to receive as large an award as possible. More is involved in this proceeding than a determination of the issue between the City of Los Angeles and the Edison Company. ~~The responsibility for the development of the State of California is a young and growing state. We shall require millions of additional capital for the development of public utility enterprises. If the investor is assured that he will continue to receive fair treatment in California, he will continue to invest generously in our public utilities, even though he realizes that our cities have the power to condemn existing public utility properties, for he will know that on such condemnation he will receive compensation which in law and in fact is a "just compensation". But if the state tribunals in such eminent domain proceedings make awards which are unfairly and unjustly low, so that the property is taken from its owner and given to a municipality for a sum which is less than a "just com-~~

compensation", the investor will, of course, seek other states for his investments. On the other hand, we fully recognize the legal right of the municipalities of this state to condemn the properties of existing public utilities for compensation which shall not be unduly or unfairly high, and we deeply appreciate the tremendously important governmental policies involved in such proceedings. We refer to these matters not with the thought that questions of local or state policy should in any way change the award herein, but as being the reason why we have given to this proceeding ~~particular~~ the most careful and painstaking consideration. With a full realization of the importance of this proceeding, not merely to the parties but also to the state as a whole, and in the belief that there is involved herein to a considerable extent not merely the prosperity and governmental advance of our people but also California's reputation for fair and just dealing, we proceed to a determination of the issues herein.

This proceeding is one of the steps in an eminent domain action. As the proper principles to be applied in eminent domain proceedings depend largely on the statutory provisions under which the proceeding is brought, it will be appropriate to refer here to the applicable constitutional and statutory provisions.

Section 14 of Article I of the Constitution of California reads in part as follows:

"Private property shall not be taken or damaged for public use without just compensation having first been made to, or paid into court for, the owner."

Section 23a of Article XII of the Constitution of California, adopted on November 3, 1914, reads as follows:

"The Railroad Commission shall have and exercise such power and jurisdiction as shall be conferred upon it by the Legislature to fix the just compensation to be paid for the taking of any property of a public utility in eminent domain proceedings by the State or any county, city and county, incorporated city or town, or municipal water district, and the right of the Legislature to confer such powers upon the Railroad Commission is hereby declared to be plenary and to be unlimited by any provision of this Constitution. All acts of the Legislature heretofore adopted, which are in accordance herewith, are hereby confirmed and declared valid."

The present proceeding is brought under the provisions of Section 47 of the Public Utilities Act, which section, as amended in 1913 (Chapter 339, Laws of 1913), was confirmed and declared valid by Section 23a of Article XII of the State Constitution. Section 47 of the Public Utilities Act was re-enacted in 1915 (Chapter 91, Laws of 1915). Section 47 provides, in part, that any public authority of the kinds therein specified, including an incorporated city or town, may file with the Railroad Commission a petition setting forth the intention of such public authority to acquire, under eminent domain proceedings, or otherwise, "any existing public utility and the lands, property and rights of any character, whatsoever, connected

with such existing public utility or any part or portion thereof." Upon the filing of such petition, the Railroad Commission is charged with the duty, after appropriate proceedings, to "fix and determine the just compensation which shall be paid" by such public authority "for said public utility and said lands, property and rights thereof, or the parts or portions thereof sought to be acquired." The findings of the Railroad Commission are made conclusive in such eminent domain proceedings as may thereafter be instituted by the public authority.

In the leading case of Monongahela Navigation Company vs. United States, 148 U. S. 312, 326, the Supreme Court of the United States held that the words "just compensation", when used in eminent domain proceedings, mean that the compensation paid "must be a full and perfect equivalent for the property taken". See also San Francisco, Alameda and Stockton Railroad Company vs. Caldwell, 31 Cal. 367.

In other states, statutes providing for the condemnation by public authority of public utility property at times provide that no consideration shall be given to certain elements, such as franchise value or net earnings or going concern value. Gloucester Water Supply Company vs. City of Gloucester, 178 Mass. 365, 60 N. E. 977; Newburyport Water Company vs. City of Newburyport, 168 Mass. 541, 47 N. E. 533. There is no such provision in the Constitution or Statutes of this State. It is the Railroad Commission's duty,

under the State Constitution and the Public Utilities Act, to fix and determine the "just compensation", meaning thereby a full and perfect equivalent, for all the property, lands and rights of the Edison Company described in the original and in the amendatory and supplemental petitions and in the amendments thereto filed herein, and desired to be acquired by the City of Los Angeles. With reference to severance damages, the City and the Edison Company agree that an allowance must be made under this head, although there is a wide divergence in the amounts claimed by the parties to be proper under this head.

The claims of the City and the Edison Company with reference to the amount of just compensation to be paid in this proceeding differ enormously.

The City claims that the just compensation may not exceed the sum of \$3,887,838.69, of which amount \$3,473,803.11 is represented to be "the present worth of the property to be taken, with the business attached, as a going concern", and the amount of \$414,035.58 is represented to be the maximum allowance, under the head of severance damages, in connection with that portion of the Edison Company's generating and transmission capacity which would be rendered "temporarily idle" as the result of the taking by the City of the property described in Appendix A.

The Edison Company has presented various claims on various theories, revised from time to time, with reference to the amount of the just compensation.

The Edison Company's final claim appears to be set forth on page 246 of the company's brief herein and totals \$20,000,575.36, under the head of partial severance.

This sum consists of severance damage claimed to be \$10,706,236.32, going value in connection with the physical property to be taken, claimed to be \$4,713,999.00, the present value of the physical property to be taken, claimed to be \$4,200,000.00, and unamortized bond discount and expense in connection with the physical property to be taken, claimed to be \$380,340.04.

The principal questions at issue herein will be discussed under the following two heads:

- I. Property to be taken.
- II. Severance damages.

I.

PROPERTY TO BE TAKEN.

The property to be taken is specifically described in Appendix A. hereto. As already stated, this property includes, in general, the local electric distributing system of the Edison Company in the City of Los Angeles and certain adjacent territory, and all the Edison Company's franchises in the territory affected, except in so far as necessary for the maintenance and operation of physical property which is not to be taken. The property to be taken does not include the steam plant in the City of Los Angeles known as Los Angeles Plant No. 3 nor any transmission lines unless



specifically described in the property to be taken. We understand that it is our duty to fix and determine the just compensation to be paid for the lands, property and rights which have been described by petitioners herein and that we have no right to pass judgment on the question whether, as a matter of law, certain assumptions made by petitioners in describing the property to be taken can lawfully be made.

Leaving out of consideration until a later portion of this opinion the matter of severance damages, it is our duty to fix and determine the just compensation to be paid for the lands, property and rights to be taken, as a going concern, with its business attached, including the franchise rights which are to be taken. While the parties hereto have discussed separately certain elements which enter into the problem and while it will be convenient to pursue the same course herein, the best considered authorities show beyond doubt that in a proceeding of this character, unless otherwise provided by statute, it is the duty of the court or commission before whom the proceeding is pending to fix and determine a single, definite sum which is the just compensation for the property to be taken, viewed as a going concern, with franchise rights attached. Kennebec Water District vs. City of Waterville, 97 Maine 185, 54 Atl. 6; Brunswick and Topsham Water District vs. Maine Water Company, 99 Maine 371, 59 Atl. 537; Appleton Waterworks Company vs. Railroad Commission of Wisconsin, 154 Wisc. 121, 142 N. W. 476. Both parties herein agree

that this is the proper procedure to be followed herein.

In addition to other evidence, testimony was presented herein to show the following matters in connection with the physical property to be taken:

1. Book cost.
2. Actual investment.
3. Estimated reproduction cost on historical method.
4. Estimated reproduction cost new.
5. Estimated reproduction cost on historical method less accrued depreciation.
6. Estimated reproduction cost new less accrued depreciation.

1. Book Cost.

Mr. H. E. Nowell, one of the Railroad Commission's auditors, testified in connection with the Railroad Commission's Exhibit No. 1, that the corrected book cost of the physical property to be taken, located in the Edison Company's Los Angeles and San Pedro Districts, on December 31, 1914, was the sum of \$3,797,430.17, consisting of \$3,581,415.44 for the Los Angeles District and \$216,014.73 for the San Pedro District. In order to secure the "book cost" of the entire property to be taken, on June 30, 1915, it is necessary to make certain adjustments, which appear in Table No. I.

TABLE NO. I.

BOOK COST OF PROPERTY TO BE TAKEN  
JUNE 30, 1915.

Book cost Los Angeles and San Pedro District properties, December 31, 1914 .....	\$3,797,430.17
Additions to property December 31, 1914 to June 30, 1915 .....	
Los Angeles District	\$42,954.63
San Pedro District	<u>12,755.51</u>
	<u>55,710.14</u>
	\$3,853,140.31
Deduct item of appreciation overlooked in report.....	
	<u>44,681.01</u>
Actual Book Cost Los Angeles and San Pedro Districts only, June 30, 1915 .....	\$3,808,459.30
Property not included in petition herein, as per Company's Exhibit No. 37 .....	
	<u>54,042.85</u>
	\$3,754,416.45
Additional property included in petition herein, but not in above, as per Company's Exhibit No. 37,	
Pasadena District .....	\$1,858.40
Redondo District .....	20,390.91
Venice District .....	<u>25,065.88</u>
Van Nuys District .....	169,944.56
Telephone System .....	12,191.56
Transmission Lines .....	34,758.57
Tools and Equipment .....	<u>4,255.49</u>
	<u>268,465.37</u>
Total book cost of property to be taken	\$ 4,022,881.82

We find that, on correct accounting principles the "book cost" of the property to be taken on June 30, 1915, was \$4,022,881.82. This sum does not include any investment made from the depreciation reserve. In so far, however, as the books charged to operating expenses items properly chargeable to capital account, the "book cost" is less than the "actual investment."

2. Actual investment.

The Edison Company, through its statistician, Mr. D. M. Trott, presented two exhibits, Nos. 35 and 37, which purport to show "book cost" but in reality are revisions of the "book cost" to show the actual investment in the property to be taken, on June 30, 1915.

Table No. II shows the book cost on June 30, 1915, determined on the basis of Mr. Nowell's report, with the additional items claimed by the Edison Company in its Exhibit No. 37.

TABLE NO. II

ACTUAL INVESTMENT CLAIMED BY EDISON COMPANY  
June 30, 1915.

Book Cost as per Table No. I.....		\$ 4,022,881.82
Additional items claimed -		
Setting meters, originally charged to operating expenses .....	\$17,704.21	
Incandescent lamps, originally charged to operating expenses .....	55,088.05	
Interest on construction, in excess of amount shown on books .....	36,216.28	
Overhead expenses on construction, in excess of amount charged on books, originally charged to operating expenses .....	168,627.48	
Services, originally charged to operating expenses (estimated) .....	151,152.35	
Property values originally reduced by charges to depreciation but now charged back on ground that property is still in existence.....	<u>264,927.66</u>	<u>693,716.03</u>
Total investment claimed by Edison Company .....		\$4,716,597.85

The first five of the additional items shown in Table No. II are proper capital expenditures but

were originally charged on the books as operating expenses. They are all included as part of the property in all the engineering estimates herein presented and as a matter of fact are part of "actual investment" entirely independent of the question whether they were paid for out of excess earnings or not.

The last item is claimed by the Edison Company to have been heretofore improperly credited to plant and taken from the depreciation reserve while the property was in full operation. There is no evidence to show whether this property is in existence or not. On this state of the record, we are justified in assuming that the books properly show the situation and that this property should not be considered in determining actual investment.

We find that the actual investment of the Edison Company in the property to be taken, not including investment from depreciation reserve, on June 30, 1915, was the sum of \$4,451,670.19.

The evidence shows that \$42,688.91 was invested by the Edison Company in the lands to be taken. The market value of these lands, on June 30, 1915, as reported by Mr. W. M. Wells, the Railroad Commission's real estate expert, was \$182,690.00.

The evidence shows that the Edison Company's earnings have been sufficient to repay to the company its entire so-called "development cost", as well as all possible early deficits below a fair rate of return.

3. Estimated Reproduction Cost on Historical Method.

Estimates of the cost to reproduce the property to be taken, as of June 30, 1915, on the historical method, were presented by the Edison Company in Company's Exhibit No. 64 and by the Railroad Commission's engineers in Railroad Commission's Exhibit No. 7.

The Edison Company's revised estimate appears in Appendix F, page 13, of the Company's brief and is the sum of \$5,065,639.41, as of June 30, 1915.

The estimate presented by the Railroad Commission's engineers in Railroad Commission's Exhibit No. 7, was the sum of \$4,870,829.37. To this sum should be added appropriate allowances for commercial lamps and lamp equipment, and for clerical errors in underground conduits, line transformers and meters. The Edison Company, in Appendix F of its brief, claims that the additional allowances thus to be made should be the sum of \$152,998.00, thus making a total estimate under this head of \$5,023,827.37. The Railroad Commission's engineering department reports that the total estimate should be \$5,019,523.86.

The Company's estimate covers physical property alone, with appropriate overhead percentages. The Railroad Commission's engineers include also an item of \$2,453.50, which is the actual cost of franchises.

4. Estimated Reproduction Cost New.

Estimates of the cost to reproduce new the property to be taken as of June 30, 1915, were presented

by the City of Los Angeles in City's Exhibit No. 5, and by the Railroad Commission's engineers in Railroad Commission's Exhibit No. 7.

The City's estimate of the cost to reproduce new, as of June 30, 1915, as shown by City's Exhibit No. 5, was \$4,631,136.08. Making the necessary allowances for additional property which was not included in the inventory used by the City, this sum should be increased to \$4,770,802.30. Railroad Commission's Exhibit No. 7 shows an estimate to reproduce new as of June 30, 1915, amounting to \$4,806,309.42. By making the necessary adjustments for property items not included and for slight clerical errors, this amount should be increased to \$4,945,975.64.

The Edison Company did not present any estimate of cost to reproduce new.

The City and the Railroad Commission's engineers included an item of \$2,453.50 for the acquisition of franchises, in addition to physical property.

5. Estimated Reproduction Cost on Historical Method Less Accrued Depreciation.

Estimates of the cost to reproduce on the historical method less accrued depreciation, as of June 30, 1915, were presented by the Edison Company and by the Railroad Commission's engineers.

The amount estimated by the Edison Company in Company's Exhibit No. 64, as revised, appears on page 34 of Appendix F of the Company's brief to be the sum of \$4,150,416.00. The Edison Company, in presenting this

estimate, used a combination of inspection and price depreciation methods, but did not use life tables.

The Commission's engineers, in Railroad Commission's Exhibit No. 7, presented an estimate of \$3,830,094.51 as being the historical reproduction cost less accrued depreciation on June 30, 1915. In presenting this estimate, the Commission's engineers did not depreciate any portion of Account C-31, undistributed construction expense. We agree with the City that this account should be depreciated. A revision of the estimate of the Commission's engineers, by adding the omitted items hereinbefore referred to and depreciating Account C-31, results in a revised estimate of \$3,819,455.18 as the reproduction cost on the historical method, less accrued depreciation, of the property to be taken.

6. Estimated Reproduction Cost New Less Accrued Depreciation.

An estimate of the cost to reproduce new, less accrued depreciation, the physical property to be taken was presented only <sup>by</sup> the City of Los Angeles. This estimate appears in City's Exhibit No. 5, and is the sum of \$3,473,803.11. By adding the property omitted from the inventory, in its depreciated condition, the total of \$3,546,933.20 is secured as the total estimated cost to reproduce new less depreciation, as presented by the City, as of June 30, 1915.

Going Value

The City urges that its estimate of the cost to reproduce new less depreciation, originally present-



ed in the amount of \$3,473,803.11, includes all allowances which must be made for going concern value and franchise value and is the total sum which should be determined to be the just compensation to be paid for the property to be taken.

The Edison Company contends that in addition to a "present value" of the physical property to be taken, approximating \$4,200,000.00, there should be added an allowance for "going value" amounting to \$4,713,999.00 (Company's Brief, p. 246.) In other words, the Edison Company claims that the allowance for "going value" should be in excess of 100 per cent. of the entire allowance for the physical property to be taken.

The Edison Company reaches its conclusion by capitalizing at six per cent. the net earnings as of June 30, 1915, from the property to be taken and by subtracting from the total thus secured the estimated "present value" of the physical property to be taken and of that portion of the generating and transmission system which is assumed to be used in generating and transmitting the electric energy which is distributed by means of the property which is to be taken. Although the net earnings result in part from the use of the generating and transmission system which is not to be taken, the Edison Company assigns the entire "going value" exclusively to the local distributing system to be taken.

We agree with Commissioner Edgerton that the

method pursued by the Edison Company in capitalizing its present net earnings to secure the value as a going concern of the property to be taken is entirely unjustifiable. Net earnings are dependent upon many factors, including rates. There is no assurance that the other factors which enter into the net earnings of the Edison Company will remain constant, and no assurance that rates will remain as they are. The Edison Company's assumption that it will continue to receive a return of at least 8 per cent upon the fair value of its property is based on factors which are uncertain and problematical. While the Railroad Commission has in a number of instances allowed a return of 8 per cent on the fair value of public utility property, there is no established policy to this effect. While it may reasonably be presumed that the Railroad Commission will continue to allow a return sufficient to induce new capital to invest in public utilities in this State, the testimony does not show that a return of 8 per cent is now necessary or will hereafter be necessary to induce capital to invest in the property of Southern California Edison Company to be taken in this proceeding. The element of permanence on which alone the Edison Company's theory in this respect can logically be founded is entirely lacking, with the result that the Edison Company's method, as applied to the evidence shown in this proceeding, must be discarded.

We refer in this connection to the illuminating discussion of Judge Savage, in Kennebec Water District

vs. City of Waterville, supra. In this case, appraisers had been appointed to determine the value of the property of Maine Water Company for the purpose of acquisition by Kennebec Water District, a public water district. On request by the parties for instructions to the appraisers, Judge Savage said, with reference to the capitalization of income:

"We cannot assent to the proposition that the capitalization of income even at reasonable rates can be adopted as a sufficient or satisfactory test of present value. Such a capitalization would fix at the present time a specific value which would continue for all time to come, as a fixed and unvarying source of income, no matter how conditions may be changed."

Continuing, Judge Savage said:

"If the franchises were exclusive, if they were perpetual, and if it could be known that what are reasonable rates now would continue to be reasonable, there would be more ground for sustaining such a test. But the franchises are not exclusive. Competition is possible, even, as the evidence has shown, more than probable. They are not perpetual, but may be repealed. And what may be reasonable rates at any given time will depend upon conditions which not only may vary, but are likely to vary. Therefore, the basis for capitalization is too uncertain to afford a satisfactory test of value."

In National Water Works Company vs. Kansas City, 62 Fed. 853, a case frequently referred to, Judge Brewer, later a member of the Supreme Court of the United States, definitely discarded the capitalization of net earnings as a proper method for ascertaining the value of the property of National Water Works Company in a suit brought

by National Water Works Company to enforce a contract by Kansas City to purchase plaintiff's water system.

On the other hand, we find ourselves unable to agree with the contention that no consideration should be given herein to the question of earnings from the property to be taken. The evidence shows that the property is efficiently operated and managed, that the business has been profitable and that the property to be taken has been yielding a return in excess of 8 per cent on the fair value of the property.

As we read the authorities, they show conclusively that although the capitalization of net earnings is improper in the determination of the just compensation to be paid, courts and commissions which are charged with the duty of fixing and determining the just compensation to be paid in eminent domain proceedings must consider the net earnings of the property to be taken and must give to this factor the weight to which they may find it fairly to be entitled.

In the Kennebec Water District, case, supra, Judge Savage, after pointing out that the capitalization of net earnings is not a proper method of determining the just compensation to be paid, continues as follows:

"By this we do not mean to say that, while not a test, present and probable future rates are not properly to be considered in determining value. We have already stated that they are."

In Monongahela Navigation Company vs. United States,  
supra, the Federal Government brought an action to condemn  
Lock and Dam No. 7 of Monongahela Navigation Company, located  
between Pittsburg and the Virginia State line. This structure  
had been built under authority of the laws of Pennsylvania,  
and the Navigation Company had been granted a franchise by  
Pennsylvania to collect tolls for the use of this property by  
vessels navigating the Monongahela River. The United States  
Supreme Court, after stating that the value of the property to  
be taken is not its immediate cost of construction, but more  
what the completed structure brings in the way of earnings to  
its owner, continued, at page 309 of the Reporter, as follows:

"In this case, it being property  
devoted to a public use, the amount of compensa-  
tion (this means compensation for its use) was  
subject to the determination of the State of  
Pennsylvania, the state which authorized the  
creation of the property \*\* \*\*\*\*\* These  
tolls, in the nature of the case, must enter  
into and largely determine the matter of value."

In Montgomery County vs. Schuylkill Bridge Company,  
110 Pa. St. 54, 20 Atl. 407, the County of Montgomery  
brought an action to condemn a bridge which had the legal  
right to charge tolls. After stating that the franchise  
to charge tolls can no more be taken without compensation than  
the tangible property, the court, at page 408 of the Reporter,  
continues:

"Their value (referring to franchises)  
necessarily depends upon their productiveness.  
If they yield no money return over expenditures,  
they would possess little if any present value.  
If, however, they yield a revenue over and above  
expenses, they possess a present value, the amount

of which depends in a measure upon the excess of revenue. . Hence it is necessary that the income from the bridge was a necessary and proper subject of inquiry before the jury."

The same point has been passed upon in two recent decisions of the Supreme Court of Wisconsin, passing on findings made by the Railroad Commission of Wisconsin determining the just compensation to be paid by two municipalities for the properties of two water companies under a statute similar to Section 47 of the California Public Utilities Act. In Appleton Waterworks Company vs Railroad Commission of Wisconsin, 154 Wis. 121, 142 N.W. 476, the court, at page 484 of the Reporter, says:

"The commercial value of the business in full operation and entitled to charge reasonable rates for its service must, however, be considered as approximating the compensation which should be allowed for the property".

In Oshkosh Waterworks Company vs. Railroad Commission of Wisconsin, 161 Wis. 122, 152 N.W. 859, decided on June 1, 1915, the court, at page 861 of the Reporter, says:

"In the proper valuation of a public utility for condemnation or sale purposes certain main elements usually present in every case may legitimately be considered. These are the present value of its physical property, the present and prospective reasonable earnings of its business, the going value thereof, and the amount of money presently needed to put the plant in good condition."

We conclude from the foregoing authorities that while it is not proper in this proceeding to capitalize

the net earnings of the Edison Company from the property to be taken, it is nevertheless our duty to give consideration to the company's earnings from said property and to give to this element the weight to which, in our opinion, after a careful review of the evidence, it is entitled.

In determining the just compensation to be paid for the property of public utilities in eminent domain proceedings, different methods have, from time to time, been adopted. In a number of cases, the courts have estimated the cost of reproduction less accrued depreciation and have then added an indefinite amount for "going value". While this method may produce a correct result if a sufficiently large amount is added for "going value", the method is difficult to apply for the reason that there is no basis to show how much should be added for "going value". While realizing the difficulties of this method, we have given consideration to it in this proceeding.

We have also given consideration, among other matters, to the rate base, or the "fair value", which we would allow for the property to be taken, if this were a proceeding to establish rates. If the public authority charged with the duty of regulating and supervising the rates of a public utility finds that a certain rate base should be used in determining rates, so that both the owner and any person purchasing the property may be reasonably assured that in so far as the regulating authority is concerned, the property will be allowed to earn on such rate base, it seems difficult to understand why the just com-

compensation to be paid in an eminent domain proceeding should not, <sup>ordinarily</sup> be at least equal to the rate base. A court never fixes rates or rate bases, and hence will not determine a rate base in connection with an eminent domain proceeding. The Railroad Commission, on the other hand, is charged with the duty both of determining rates and of fixing the just compensation to be paid in eminent domain proceedings. If the fair value of public utility property for rate making is \$100,000.00, the simplest test to be applied by a railroad or public service commission in fixing the just compensation to be paid for this property in eminent domain proceedings would seem to be to start with the sum of \$100,000.00, and then to determine whether, for any reason, additions or deductions should be made from this amount.

If a public utility property is earning, under public regulation and supervision, in excess of 8 per cent. on the rate base and if the cost of money in connection with this property is 6.003 per cent. as testified in the present proceeding, it might well be that the owner would consider the property to be worth more than the rate base and that a purchaser would be willing to pay somewhat more than the rate base to become the owner of such a property. For the same reason, the just compensation to be paid might be somewhat in excess of the rate base. This does not mean that the transfer of the property in eminent domain proceedings from one utility to another at a price



somewhat in excess of the rate base would raise the rate base for the property in the hands of the second owner. The rate base would necessarily remain the same, even though the purchaser might consider the property as a good investment which would justify the payment for it of somewhat in excess of the rate base. Consideration must also be given in this connection, to the fact that although the property may at the time be earning, on the basis of the cost of money, a return on considerably in excess of the rate base, nevertheless, circumstances may so change that the earning over the cost of money will be materially reduced if not entirely eliminated. These are all factors to which, on the evidence in each particular proceeding, the Railroad Commission must give the consideration to which they appear respectively to be entitled.

The testimony in the present proceeding shows that the Edison Company has invested in the property to be taken approximately \$4,450,000.00 and that there has been an increment in the value of the land to be taken amounting to approximately \$140,000.00. The City, in its closing brief, on page 93, concedes that "the original 100 per cent. investment cost of the property to be taken, according to Mr. Nowell, is about \$4,375,000.00". The testimony shows that the moneys have been well invested in a profitable concern and that the property has been well maintained and operated. The testimony also shows that if the City of Los Angeles had undertaken on June 30, 1915, to duplicate the property of the Edison Company, which it desires to take,

the City would have been obliged to expend approximately between \$4,800,000.00 and \$5,000,000.00 to construct the bare bones of the physical property without the expenditure of a dollar for securing customers. The property of the Edison Company to be taken has suffered physical deterioration but, on the other hand, is a thriving going concern with business attached.

On a careful consideration of the evidence in this proceeding, we find ourselves unable to agree with Commissioner Edgerton that the sum of \$4,000,000.00 is a just compensation to be paid to the Edison Company for the property to be taken by the City of Los Angeles.

If this were a rate case, we would find a rate base considerably in excess of \$4,000,000.00. The considerations which have led this Commission to declare that, except in unusual cases, the cost to reproduce new less depreciation as determined from life tables is generally an unfairly low basis on which to permit a public utility to earn, where the money has been well invested and the property is economically and efficiently operated, have been fully set forth in Town of Antioch vs. Pacific Gas and Electric Company, (Vol. 5, Opinions and Orders of the Railroad Commission of California, p. 19), to which decision reference is hereby made. If investors are not to be allowed a return on the money which they have invested, where good judgment has been used, the property is well developed and well maintained and a satisfactory return is being secured at the time of the inquiry from rates which are not excessive, there will

be no further inducement for the investment of additional money in public utilities in California. If the investors in the property to be taken from the Edison Company would be entitled to a return on at least their investment in a rate case, their property should not be taken away from them in a condemnation proceeding for less than this amount.

Suggestions have been made, from time to time, in the course of this proceeding, that the just compensation to be paid by the City of Los Angeles should be materially reduced by reason of the fact that the City has available hydro-electric energy in connection with its Owens River Aqueduct project, that the City has the legal right to construct a competing municipal system for the distribution of electric energy, that the City has committed itself to a municipally owned electric distributing system and that the people of Los Angeles have voted bonds for the purpose either of purchasing existing electric distributing systems in Los Angeles or of constructing the City's own municipal electric distributing system, the proceeds of which bonds, with the exception of funds hitherto expended therefrom, are now lying in the City Treasury. If, as a matter of law, it is our right and our duty to give consideration to these facts, we shall, of course, do so. If this course is pursued we cannot escape the conclusion that the just compensation to be paid by the City will be reduced to a figure between the figure which otherwise would be found and bare scrap value.

No authority has been cited by the City of Los Angeles or referred to by anyone else in support of this suggestion. We have made a careful search of all the authorities passing upon the question of the condemnation of public utility property by public authority and have been able to find only one case in which it was even suggested that the power of the plaintiff to construct a competing municipal plant should be considered, and in that case the Court ruled against the contention. The case to which we refer is Montgomery County v. Schuylkill Bridge Company, supra. As already indicated, this was a case in which a county in Pennsylvania was seeking to condemn a bridge which had the right to charge tolls. At page 408, of the Reporter, the Court says:

"The county might perhaps have built a new bridge at another street for half the money, but it did not do so; it elected to take the property of the bridge company, and the inquiry is not what it is worth to the party taking, but its value to the company that is deprived of its property."

So in the present proceeding, <sup>while</sup> ~~when~~ the City of Los Angeles has the legal right to build its own electric distributing system to compete with the Edison Company's system, it has not chosen to do so but comes before the Railroad Commission asking that the just compensation to be paid to the Edison Company be fixed and determined. We are of the opinion that under these circumstances the City cannot urge in this proceeding that its power to build a competing municipal system should result in the City's being able to secure the property for less than the just

compensation which would otherwise be determined.

If this conclusion is not correct, a City desiring to acquire a public utility which may reasonably be said to be worth \$500,000.00, could come into Court, secure the property for say, \$100,000.00 or less, and thus come into ownership of a property which both before and after the condemnation yielded a return on a reasonable value of \$500,000.00. The City would thus use the process of the state's judiciary to make a profit of \$400,000.00 on the transaction. In the absence of any authority in support of such a proposition, we cannot believe that it is the law.

If the City desires to adopt the other alternative and commences the construction of a competing municipal distributing system, and if the Edison Company, under such circumstances, agrees to dispose of its property to the City for less than the just compensation which would be determined in a court of law, that is a matter entirely within the discretion of the Edison Company. Frequently a person finds himself in such a position that he chooses, as a matter of business, to part with his property for less than the value which would be allowed in a condemnation proceeding. There is nothing to prevent any person who is acting voluntarily and not under compulsion of law from voluntarily yielding part or all of any right which he may have. It is an entirely different proposition, however, to ask a court of law to compel him, by judicial process, to part with his property for less than a just compensation

determined in accordance with the established principles of law.

After carefully considering all the evidence in this proceeding, we find as a fact that the just compensation to be paid by the City of Los Angeles to Southern California Edison Company for said company's lands, property and rights, not including severance damages, which item will be considered hereinafter, but including the property as a going concern and the franchise rights, as said lands, property and rights are described in Appendix A hereto, is the sum of \$4,750,000.00.

## II.

### Severance Damages.

A considerable portion of the testimony in this proceeding was directed to the question of severance damages.

The City and the Edison Company agree that severance damages must be awarded in this proceeding, but they disagree widely as to the amount to be awarded.

The final claim of the Edison Company for severance damages is the sum of \$10,706,236.32, while the City contends that the maximum allowance which may properly be made is \$414,035.58.

The testimony shows that the property to be taken by the City is part of a single, unified system for the generation, transmission and distribution of electric energy which is now being distributed in the counties of Los Angeles, Orange, Riverside and San Bernardino; that while considerable electric energy is being sold for power in the territory to be taken, the dominant character of the load therein is lighting; that while considerable electric energy is being sold for lighting in the territory not to be taken, the dominant character of the load therein is power; that the possession of these complementary loads gives the Edison Company a desirable diversity factor and enables the company to deliver electric energy to its consumers at a cost less than would be the case if either portion of its territory were severed from the other; and that the City does not desire to take any portion of the Edison Company's generating system, nor any portion of its transmission system with the exception of a few short transmission lines included in the description of the property to be taken.

The effect of the act of the City in taking the property which it desires to acquire will be to inflict pecuniary damage on the remaining property of the Edison Company as follows:

(1) That portion of the Edison Company's generating and transmission system which has heretofore been chargeable to the electric energy sold in the territory to be taken, will be rendered less used and useful and profitable until the load is recovered. With the exception of a portion of the steam generating capacity, the Edison Company's entire generating and transmission system will continue to be used in connection with the sale of electric energy in the territory not taken, but the extent, efficiency and profitableness of the use will be materially diminished until the recovery of the load.

(2) That portion of the Edison Company's generating and transmission system which has heretofore been chargeable to the electric energy sold in the territory not to be taken, as well as the distribution system in said territory, will be rendered less profitable and hence less valuable, until the time of recovery, for the reason that the cost of each K.W.H. of electric energy sold by the Edison Company in its remaining territory will be greater than heretofore with no assurance of ability to charge and collect correspondingly higher rates. Without at this time referring to other factors, it will be sufficient, to illustrate this point, to draw attention to the fact that the investment in generating and transmission system per K.W. of maximum demand will be greater than before and that operating expenses for each K.W.H. of electric energy sold will be greater than before for the reason that it will be impossible to reduce operating expenses now chargeable to the entire system, to the same extent to which the number of K.W.H.s sold will be diminished.



Viewing the effect on the Edison Company's entire remaining property as a whole, without segregation into various elements, we may say broadly that the Edison Company will find itself the owner after severance of certain property - its entire generating system, its entire transmission system with minor exceptions, and its entire distributing system in the territory not taken - which property will yield a materially diminished return and hence will be less valuable until the period of recovery, than it has heretofore been.

The Edison Company takes the position that it is the City's duty to compensate the company for the entire damage to the property remaining in its ownership. In support of this position, the Edison Company has submitted a number of detailed calculations to show the extent of the damage. This testimony was presented principally in the affidavits of Charles L. Edgar and Samuel Insull, as revised from time to time, and the testimony of R. E. Ballard, the Edison Company's assistant general manager. The methods followed by each of these witnesses involve detailed mathematical computations based upon a large number of factors, nearly all of which are strongly contested by the City. The Edison Company's final claim to severance damages, assuming a condition of partial severance, appears on page 246 of the company's brief and is the sum of \$10,706,236.32. It may be proper in passing to draw attention to the fact that this sum is more than twice the just compensation to be paid for the entire property to be taken and is approximately one-half the investment in the Edison Company's entire remaining property including its entire generating system, almost its entire transmission system and its entire distributing system in the territory not to be taken.

The City takes the position that it is not responsible, as a matter of law, for damage to the property not to be taken, with the exception of cost of money, depreciation and maintenance charges on that portion of the generating and transmission system, expressed as a percentage of the entire generating and transmission system, which will be rendered "temporarily idle". The City urges that the severance damage to be paid under this head can not properly exceed \$414,035.58. The City contends that if damage is done to other remaining property of the Edison Company, by reason of increased cost per unit of electric energy sold or otherwise, this is a damage for which the City is not legally liable. The City's position appears to be that if the Edison Company's property not to be taken suffers damage, apart from the specified charges on a percentage of generating and transmission capital rendered "temporarily idle", the remedy is an application by the Edison Company to the Railroad Commission to increase the rates paid by the Edison Company's consumers in Orange, Riverside and San Bernardino Counties and that portion of Los Angeles County which is not to be taken. The City presented no evidence to show that, even if the Railroad Commission should authorize an increase in rates, the Edison Company could, as a matter of fact, realize such increase or hold its business under the increased rates. Mr. R. H. Ballard testified, in behalf of the Edison Company, that if the company's rates in the territory not to be taken were increased, the company would not be able to make good its losses, for the reason that

it would lose a considerable portion of its business to competing electric utilities and to other forms of power.

The City furthermore takes issue with the Edison Company on the question of fact whether any losses will be suffered by the Edison Company except in connection with that percentage of the generating and transmission system which is assumed to be rendered "temporarily idle".

We have given careful consideration to the discussion of severance damages contained in Commissioner Edgerton's opinion and to a considerable extent agree with his analysis of the Edison Company's contentions. We find ourselves unable, however, to agree with his conclusion that we have no right to give consideration to any element of severance damages other than cost of money, depreciation and maintenance on that percentage of the generating and transmission system which may be considered chargeable to the business of the territory to be taken. If consideration were given to this element alone, the allowance which we would find, after such correction of the various factors as is rendered necessary by the evidence herein, would be \$712,301.53, instead of the sum of \$905,521.54 found in the dissenting opinion herein.

We find, however, that, in addition to this single element recognized in the dissenting opinion herein, consideration must also be given to the other equally clear and direct elements of severance damage, including particularly (1) loss of intrinsic value, due to less profitable use, of that percentage of the

generating and transmission system which may be considered chargeable to the business of the territory not to be taken, and the distributing system therein, and (2) loss in intrinsic value, due to less profitable use, of that percentage of the generating and transmission system which may be considered chargeable to the business of the territory to be taken.

We speak of "percentage" of the generating and transmission system, for the reason that no part of the generating and transmission system can be considered separately and said to be chargeable to the territory not taken instead of to the territory taken, or vice versa. The same generating plants have produced and the same transmission lines have carried electric energy sold both in the territory to be taken and in the territory not to be taken. It is impossible to take any specific portion of the generating and transmission system, set it on one side, and say that this particular property will be rendered "temporarily idle" by severance, or that this particular portion of the plant will alone be "directly" affected by severance. We consider it entirely illogical to estimate the damage done to one assumed part of the generating and transmission system and to leave out of consideration the equally direct damage done to every other part of the same system.

The most fundamental difference between Commissioner Edgerton and ourselves with reference to severance damages is that he refuses to give any

consideration whatsoever to the clearly proven diminution in earnings and hence in the profitableness of the use of the entire property not to be taken, both the property rendered "temporarily idle" and the other property, while we hold that this element must be considered and just compensation awarded therefor.

Section 14 of Article I of the Constitution of California provides in part that "private property shall not be taken or damaged for public use without just compensation having first been made to, or paid into court for, the owner."

Section 47 of the Public Utilities Act, the particular statutory provision which governs this proceeding, provides in part that it is the duty of the Railroad Commission in a proceeding of this character to fix and determine "the just compensation which shall be paid" by the public authority "for said public utility and said lands, property and rights thereof, or the parts or portions thereof sought to be acquired". A statute providing, without limiting or qualifying language, that just compensation shall be awarded for the property to be taken, is universally held to require the award of severance damages to the extent to which they are proved. Lewis, Eminent Domain, Third Edition, Section 686; Bigelow v. West Wisconsin R. Co., 27 Wisc. 486.

In Eachus v. Los Angeles Consolidated Electric Railway Co., 103 Cal. 614, 617, an eminent domain proceeding, the Supreme Court of California said:

"Whenever the enjoyment by the plaintiff of some right in reference to the property itself is made intrinsically less valuable, he has suffered a damage for which he is entitled to compensation."

The property to be taken in this proceeding is part and parcel of a single, interconnected, unified system for the generation, transmission and distribution of electric energy. The property not to be taken consists principally of hydro-electric and steam generating plants, electric transmission lines and an electric distribution system. This property is not like a parcel of real estate which may be used for many purposes and which has a market value independent of the particular business which may at the time be conducted thereon. The property not to be taken herein has but little value other than scrap value for any purpose other than the generation, transmission and distribution of electric energy. Its value is dependent almost entirely on the profitableness of its use for that purpose. If it is rendered by severance less profitable, it is clearly rendered "intrinsically less valuable" and hence its owner is entitled to just compensation for the damage.

This principle, which would seem to be clear on reason and authority, was applied by the Railroad Commission of Wisconsin, under a statute very similar to Section 47 of the Public Utilities Act, in two cases in which towns were condemning electric distributing systems. In each case, severance damages were allowed for damage to the property not taken. In re Just Compensation to be Paid by Village of Cashton to Cashton Light and Power Company, 3 W.R.C.R. 67, 80, 96; In re Just Compensation to be Paid by Village

of Prairie du Sac to Prairie du Sac Mill and Light Company,  
15 W. R. C. R. 360, 363, 364.

Reference is also made to two cases decided by this Commission, in which severance damages for damage to portions of public utility property not taken were awarded. In the Matter of the Application of City of Santa Monica for an Order of the Railroad Commission Fixing and Determining the Just Compensation to be Paid to City Water Company of Ocean Park, Vol. 7, Opinions and Orders of Railroad Commission of California, pp. 463, 469; In the matter of the Application of City of San Diego for an Order of the Railroad Commission Fixing and Determining the Just Compensation to be paid to Cuyamaca Water Company, Vol. 7, Opinions and Orders of the Railroad Commission of California, pp. 305, 313, 314.

The City's contention that severance damages must be limited to cost of money, depreciation and maintenance on that percentage of the generating and transmission system which is rendered "temporarily idle" rests on bare assertion, without supporting authority. If, as admitted by the City, severance damages must be paid for this one element of damage, we can see no escape from the conclusion that damages must also be paid for the equally clear and direct diminution in value of the entire property not taken, resulting from its being made less profitable and hence "intrinsically less valuable" (Eachus v. Los Angeles Consolidated Electric Railway Co., supra). This diminution in profitable use affects the entire generating system, the entire transmission system with certain minor exceptions and the entire distributing system not taken, including the property rendered "temporarily idle".

The mere fact that the exact amount of severance damages is difficult to determine should not, of course, result in a failure to find any damages, if compensation is justly due. It is our duty,

just as it would be the duty of a jury sitting in our place, to use our best judgment on all the evidence bearing on the question and to reach such conclusion as, in the light of the entire evidence, seems just and reasonable.

Passing now from a discussion of principles to a consideration of the facts in connection with the amount of severance damages, we have given careful consideration to all the testimony and exhibits which bear on this question.

The various claims of the Edison Company in this connection are based on a number of clearly erroneous bases and assumptions.

The Edison Company claims net earnings of 8 per cent from the entire property not to be taken, although there is nothing to show that such a return would necessarily be allowed or could be earned and although the company's net earnings from its business in the territory not to be taken have not exceed 7.166 per cent on the investment. Why the company should claim, in its calculations, a return of 8 per cent from the entire property not to be taken when it has actually been receiving only slightly in excess of 7 per cent, is not clear. In estimating severance damages, the company certainly has no right to assume that it ought to be placed, with reference to the property not to be taken, in a position better than that in which it actually finds itself.

The company's procedure in estimating losses for a period of years until the assumed recovery of the maximum peak demand and then capitalizing for all time to come the loss which the company claims to find at the end of this period is entirely without justification. If the company had pursued its calculations a little further, it would have reached a period when, on its own figures, its net earnings in the territory not taken would have entirely recovered, at which time



there would be no foundation for a claim to a permanent capitalization of assumed deficits. The company is further in error in basing its calculations on the time of assumed recovery of maximum peak demand. The maximum peak demand is only one of the elements of the problem and is a more or less incidental factor. At the time of the assumed recovery of the maximum peak demand, the company's net earnings might be either greater or less than they were before. The real factor to be considered here is net earnings and not diversity factors, load factors or any other of the elements which are only steps in the final solution of the problem.

We find further, from the evidence herein, that the increases in gross revenue from the sales of electric energy, year by year, as assumed by the Edison Company, are too small and that the allowances claimed by the company for maintenance, operating expenses and depreciation after the severance are too large. We agree with the City that the result of severance would be to reduce materially the Edison Company's expenditures in connection with the operation of its steam plants.

On the other hand, we cannot agree with the City's contention that the cost per K.W.H. of electric energy sold subsequent to the severance will be no greater than the cost prior to the severance. The evidence clearly shows that the cost will be greater than before, but that the difference in cost will gradually be eliminated with the recovery of the Edison Company's load.

The total sum claimed by the Edison Company for severance damages, being in excess of \$10,000,000.00, is without

any justification in the evidence when carefully and properly analyzed.

We have taken into consideration the deficits in net earnings from the entire property not taken, during a period of six years, at the end of which time we find from the evidence as presented herein, that the net earnings will have been recovered. Each factor in the problem has been determined to the best of our ability, from the evidence herein.

We have also given consideration to the damage to the investment per K.W. of maximum demand and to the increased cost of producing each K.W.H. of electric energy resulting therefrom and from other factors.

To these and to each other element of severance damages referred to in the testimony herein we have given the weight to which we find them respectively to be entitled.

We wish to make it entirely clear that in determining the just compensation to be paid by the City to the Edison Company, either for the property to be taken or under the head of severance damages, we do not in any way reach our conclusion by the capitalization of earnings. In determining the just compensation to be paid for the property which is to be taken by the City, we have set forth the authorities holding clearly that such capitalization of earnings is not permissible in the determination of the value of public utility property to be taken. We consider that these authorities correctly state the law and we have followed them implicitly. If it is improper to capitalize earnings in determining the just compensation to be paid for the property to be taken, we see no reason why it is not equally improper to capitalize loss in earnings in connection with property not to be taken. Our establishment herein of the definite term of six years for the recovery of net earnings from the property not to be taken is, in our opinion, absolutely inconsistent with the assumption that any deficit in earnings is to be capitalized for all time to come. It must be understood, of course, that what we are

saying is confined to the condemnation of public utility property and to the evidence herein. While we are awarding to the Edison Company, under the head of severance damages, a compensation, which, in our opinion, is a full and just compensation for the damage to the property not to be taken; we are measuring such compensation not by any capitalization of loss in earnings for all time to come, but by adding, year by year, the reasonable losses until the period of recovery as determined from the evidence herein; and by bringing the amounts thus ascertained, year by year, back to the date as of which the compensation herein<sup>is</sup> determined. The ultimate fact to be ascertained in connection with severance damages is the just compensation, measured not by the capitalization of loss in net earnings, but by the reduction in value of the property not to be taken, caused by the severance.

We find, as a fact, from a consideration of all the evidence bearing on the question, that the just compensation to be paid by the City of Los Angeles and the Board of Public Service Commissioners of the City of Los Angeles to Southern California Edison Company as severance damages to the lands, property and rights of the Edison Company not to be taken, resulting from the taking of the lands, property and rights described in Appendix A hereto attached is the sum of \$1,578,000.00.

The Edison Company, on page 246 of its brief, makes a claim to \$380,340.04 under the head of "unamortized bond discount and expense." No authority is cited to show that a separate allowance for any such item should be added to the just compensation otherwise determined. In so far as this item is proper to be considered as entering into the cost of money or otherwise, it is included in the just compensation hereinbefore fixed and determined for the lands, property and rights to be taken.

Before presenting any formal findings herein, we deem it proper to say that the Railroad Commission desires to be of all possible assistance to both parties herein in solving the problem which arises from the legal right and the desire of the City of Los Angeles to own and operate its own municipal electric distributing system. The Railroad Commission stands ready to render service to the extent of its ability, either in connection with the present proceeding or in connection with any other solution of the problem which the parties hereto may hereafter be advised to undertake.

F I N D I N G S.

CITY OF LOS ANGELES, an incorporated city, and BOARD OF PUBLIC SERVICE COMMISSIONERS OF THE CITY OF LOS ANGELES, having filed with the Railroad Commission a petition setting forth the intention of said City to acquire under eminent domain proceedings, or otherwise, specifically described parts or portions of the lands, property and rights of Southern California Edison Company, a public utility, and asking the Railroad Commission to fix and determine the just compensation to be paid to Southern California Edison Company for said lands, property and rights, public hearings having been held, the parties hereto having been accorded full opportunity to present all evidence desired by them respectively to be submitted, briefs having been filed, this proceeding having been submitted and the Railroad Commission being fully apprised in the premises,

The Railroad Commission hereby makes its findings of fact as follows:

1. The Railroad Commission hereby finds as a fact that the just compensation to be paid by the City of Los Angeles and the Board of Public Service Commissioners of the City of Los Angeles to Southern California Edison Company for that part or portion of said company's lands, property and rights, not including severance damages, which said lands, property and rights are described in Appendix A which is attached to and made a part of these findings, is the sum of \$4,750,000.00.

2. The Railroad Commission hereby finds as a fact that the just compensation to be paid by the City of Los Angeles and the Board of Public Service Commissioners of the City of Los Angeles to Southern California Edison Company as severance damages to the lands, property and rights of Southern California Edison Company not to be taken by the City of Los Angeles and the

Board of Public Service Commissioners of the City of Los Angeles, resulting from the taking of the lands, property and rights described in Appendix A which is attached to and made a part of these findings, is the sum of \$1,578,000.00.

3. The Railroad Commission hereby finds as a fact that the just compensation to be paid by the City of Los Angeles and the Board of Public Service Commissioners of the City of Los Angeles to Southern California Edison Company for the taking of the lands, property and rights described in Appendix A which is attached to and made a part of these findings and for the severance damages to the lands, property and rights of Southern California Edison Company not to be taken, is the sum of \$6,328,000.00.

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

Dated at San Francisco, California, this 6th day of September, 1916.

Max Thelen

H. S. Loveland

W. J. Gordon

Franz R. Perlman

Commissioners.

APPENDIX A.

Description of lands, property and rights of Southern  
California Edison Company to be acquired by  
City of Los Angeles in Application No. 1424.

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APPENDIX A

Description of Property proposed to be acquired by City of Los Angeles as per ~~Application 1424~~ Application 1424.

SUBDIVISION A.

Description of Property in the City of Los Angeles.

LANDS AND IMPROVEMENTS THEREON

In the City of Los Angeles, County of Los Angeles, State of California.

Sub-Station No. 1:

On Boylston Street between First Street and Second Street, as shown on No. O-183-A, attached to the application and on file with the Commission, and described as follows, to-wit:-

Being lots Seventeen (17) and Eighteen (18) in Block "Q" of the Los Angeles Improvement Company's Subdivision of a part of Lot One (1) of Block Thirty-eight (38) of Hancock's Survey, according to a map of said subdivision, of record in the office of the County Recorder of said County in Book of Miscellaneous Records Ten (10) at page seven (7); together with all buildings and improvements thereon.

Sub-Station No. 2 and Offices:

On Fourth Street between Main Street and Los Angeles Street, as shown on Map No. O-183-B, attached to the application and on file with the Commission, and described as follows, to-wit:-

Being all that portion of Lot Six (6) lying Westerly of a line ten (10) feet easterly of the dividing line between Lots Eight (8) and Nine (9) and running parallel therewith, prolonged to the southerly line of said Lot Six (6); a strip of land ten (10) feet wide off the northwesterly side of Lot Eight (8) and all of Lots Nine (9) and Ten (10) in Block "B" of the Baker Tract, as per map thereof recorded in Book 5, page 459, Miscellaneous Records, in the office of the Recorder of said County; together with all buildings and improvements thereon.

Sub-Station No. 4:

Rear of Lot at 1107 West 31st Street, between Orchard Street and Hoover Street, as shown on Map No. O-183-D, attached to the application and on file with the Commission, and described as follows, to wit:-

Being the north fifty-three and seventy-eight hundredths (53.78) feet of Lot Sixty-three (63) of the Carter Grove Tract, as per map recorded in Book 11, page 88, of Miscellaneous Records of said County; together with all buildings and improvements thereon.

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Sub-Station No. 5:

On Thirtieth Street, between Trinity Street and the right of way of the Santa Monica Branch of the Southern Pacific Railroad, as shown on Map No. O-183-E, attached to application and on file with the Commission, and described as follows, to-wit:-

Being Lot Twenty-one (21) of the Ford Tract, as per map recorded in Book 2, page 25, of Maps, in the office of the County Recorder of said County; together with all buildings and improvements thereon.

Sub-Station No. 6:

On Porter Street, east of Santa Fe Avenue, as shown on map No. O-183-F, attached to application and on file with the Commission, and described as follows, to-wit:-

Being Lot Two Hundred and Eighty-six (286) of M. L. Wicks Sub-division of the Garbolino-Cooper and South and Porter Tracts, as per map recorded in Book 16, page 73, Miscellaneous Records of said County; together with all buildings and improvements thereon.

Sub-Station No. 7:

On the northwest corner of Figueroa Street and Slauson Avenue, as shown on Map No. O-183-G, attached to application and on file with the Commission, and described as follows, to-wit:-

Being Lot Three (3), and the south half of Lot Two (2), Block A, of the McCarthy Company's Sub-division of Brodersen Place, as recorded in Book 7, page 177, of Maps, in the office of the County Recorder of said County; together with all buildings and improvements thereon.

Cherry Street Garage and Sub-Store:

Between Sixteenth Street and Pico Street on Wright Street and on the alley (formerly called Cherry Street), west of Wright Street, as shown on Map No. O-183-H, attached to application and on file with the Commission, and described as follows, to-wit:-

Being Lots Seventeen (17), Eighteen (18), Twenty (20) and Twenty-two (22), in Block Two (2), of Wright's Sub-division of Sisters of Charity Tract, as per map thereof recorded in Book 5, page 431, Miscellaneous Records of said County; together with all buildings and improvements thereon.



San Pedro Sub-Station:

On the southeast corner of Olive Street and Mesa Street, San Pedro, as shown on Map No. 0-183-J, attached to application and on file with the Commission, and described as follows, to-wit:

Being Lots Twenty-nine (29) and Thirty (30) in Block Eight (8), of Peck's Sub-division of Blocks Seven (7) and Eight (8) of Palos Verdes Tract, as per map recorded in Book Two (2); page 57 of Maps, in the office of the County Recorder of said county; together with all buildings and improvements thereon.

Subject to a right of way over said property for the maintenance, construction and repair of pipe lines for the conveyance of water, as reserved by a deed recorded in Book 872, page 247, of Deeds, records of said county.

And subject also to conditions and restrictions contained in the Deed to Ada S. Flood, recorded in Book 2073, page 171, of Deeds, records of said county.

Wilmington Sub-Station:

On the southeast corner of Sixth Street and D. Street, Wilmington, as shown on Map No. 0-183-E, attached to application and on file with the Commission, and described as follows, to-wit:

Being Lot One (1) in Block Ten (10), Range Seven (7), of Wilmington, formerly New San Pedro, now a part of the city of Los Angeles, as per map recorded in Book 5, page 9, and in Book 6, page 66, of Deeds, records of said County; together with all buildings and improvements thereon.

RIGHTS OF WAY

Any and all private rights of way owned by the Company within the City of Los Angeles for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within the City of Los Angeles for use of the distributing lines hereinafter described.

FRANCHISES

All franchise rights of the Southern California Edison Company to occupy and use the streets, alleys and public places within the City of Los Angeles except the right to operate and maintain the physical properties of said company within said city not sought to be taken by the proceeding to which this Appendix pertains.

LOCAL DISTRIBUTING SUB-STATION EQUIPMENT

Sub-station	Location	Alternating Current Equipment					
		Trans.:	Total	Type of	No. of	No. of	
		Banks:	Capacity:	K.V.A.	Transformer:	Feeder:	Panel:
No. 1	Boylston St. between 1st and 2nd Streets	4	2775	Air Blast	5	10	) Together with all Auxiliaries and appurtenances.
No. 2	120 East Fourth Street	6	5505	Air Blast	10	Remote Control	
No. 3	Alhambra Avenue and Avenue 21	-	--	--	4	4	
No. 4	1107 West 31st Street	3	3600	Water Cooled	5	8	
No. 5	East 30th St. near San Pedro St.	2	2400	Water Cooled	4	6	
No. 6	Porter St. near Santa Fe Avenue	3	3600	Water Cooled	5	9	
No. 7	Slauson and Figueroa Street	2	5700	Water Cooled	3	4	
San Pedro	Mesa and Olive Sts., San Pedro	1	750	Water Cooled	4	14	
Wilmington	6th and D Streets, Wilmington	1	450	Self Cooled	1	3	
East San Pedro	On property of S.P.L.A. & S.L.R.R.	1	200	---	1	2	

DIRECT CURRENT EQUIPMENT									
Motor Generators			Storage Batteries		No. of				
No. of	of	Sets:	Capacity:	No. of	One-hour	220	500	Sw. Bd.	Panel:
Voltage:	K.W.	No.:	Cells:	rate	Volt:	Volt:	Panel:		

No. 2	120 East Fourth Street	5	110/220	3200	1	140	2560 Amps.	18	6	24	) Together with all Auxiliaries and appurtenances
		3	500	1125	1	140	6400 Amps.				

HIGH TENSION AND LOW TENSION LINES

Description by Location of High Tension and Low Tension Distributing Lines, including Cables, Wires, Conduits, Manholes and Equipment, Transformer Vaults and Equipment, Poles and Fittings.

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30,000 Volt Lines:

A 30,000 volt line beginning at the intersection of the Westerly Boundary of said city and Florence Avenue; thence easterly along Florence Avenue to Figueroa Street; thence northerly along Figueroa Street to Slauson Avenue, where the line loops into Sub-station No. 7; thence northerly along Figueroa Street to Fifty-first Street; thence easterly along Fifty-first Street to Central Avenue; thence northerly along Central Avenue to Fifty-first Street; thence easterly along Fifty-first Street to Hooper Avenue; thence northerly along Hooper Avenue to Forty-eighth Place; thence easterly along Forty-eighth Place to Stanton Avenue; thence northerly along Stanton Avenue to Vernon Avenue; thence easterly along Vernon Avenue to its intersection with the easterly boundary of said city.

A 30,000 volt line beginning at the intersection of the southerly boundary of said city and the right of way of the Atchison, Topeka and Santa Fe Railroad; thence northerly along said right of way to Cheney Street; thence easterly along Cheney Street to the westerly side of the Los Angeles River Bed; thence northerly along the Los Angeles River Bed to the right of way of the Atchison, Topeka and Santa Fe Railroad; thence northerly along said right of way to Ninth Street.

15,000 Volt Lines:

A 15,000 volt line beginning at the steam-electric generating station known as "Los Angeles No.3", located at Alhambra Avenue and Avenue 21; thence westerly along Alhambra Avenue to North Main Street; thence southwesterly along North Main Street to the junction of North Main Street with Alameda Street and Ord Street; thence southerly along Alameda Street to Los Angeles Street; thence southerly along Los Angeles Street to Fourth Street; thence westerly along Fourth Street to Sub-Station No.2 on Fourth Street between Los Angeles Street and Main Street.

A 15,000 volt line beginning at the aforesaid junction of North Main Street, Ord Street and Alameda Street; thence westerly along Ord Street to Castelar Street; thence southerly along Castelar Street to Sunset Boulevard; thence westerly along Sunset Boulevard to Beaudry Avenue; thence southerly along Beaudry Avenue to an alley between First and Second Streets; thence westerly along said alley to Sub-Station No.1 on Boylston Street, between First Street and Second Street.

15,000 Volt Lines (Cont'd.):

A 15,000 volt line beginning at said Sub-Station No.1; thence westerly along the Alley between First Street and Second Street to Ohio Street; thence southerly along Ohio Street to Second Street; thence westerly along Second Street to Lucas Avenue; thence southerly along Lucas Avenue to Sixth Street; thence westerly along Sixth Street to Union Avenue; thence southerly along Union Avenue to Seventeenth Street; thence westerly along Seventeenth Street to Burlington Avenue; thence southwesterly along Burlington Avenue to Hoover Street; thence southerly along Hoover Street to Twenty-second Street; thence westerly along Twenty-second Street to Magnolia Avenue; thence southerly along Magnolia Avenue to Adams Street; thence westerly along Adams Street to Orchard Avenue; thence southerly along Orchard Avenue to Twenty-ninth Street; thence westerly along Twenty-ninth Street to Orchard Avenue; thence southerly along Orchard Avenue to the Alley between Thirtieth Street and Thirty-first Street; thence easterly along said alley to Sub-Station No.4, located on rear of Lot at 1107 West Thirty-first Street.

A 15,000 volt line beginning at the intersection of Orchard Avenue and aforesaid alley; thence southerly along Orchard Avenue to Jefferson Street; thence westerly along Jefferson Street to Seventh Avenue; thence northerly along Seventh Avenue to Montolaire Street; thence westerly and northwesterly along Montolaire Street to the Intersection of Adams Street and the Westerly Boundary of said city.

A 15,000 volt line beginning at the intersection of Fourth Street and Los Angeles Street; thence southerly along Los Angeles Street to Winston Street; thence easterly along Winston Street to Wall Street; thence southerly along Wall Street to Eleventh Street; thence westerly along Eleventh Street to Santee Street; thence southerly along Santee Street to Sixteenth Street; thence easterly along Sixteenth Street to San Pedro Street; thence southerly along San Pedro Street to Thirtieth Street; thence westerly along Thirtieth Street to Sub-station No. 5, on Thirtieth Street, east of Trinity Street.

A 15,000 volt line beginning at the intersection of Eighth Street and Wall Street; thence easterly along Eighth Street to Alameda Street; thence southerly along Alameda Street to Ninth Street; thence easterly along Ninth Street to Santa Fe Avenue; thence northerly along Santa Fe Avenue to Porter Street; thence easterly along Porter Street to Sub-Station No. 6, on Porter Street, east of Santa Fe Avenue.

A 15,000 volt line beginning at said Sub-Station No. 6; thence easterly along Porter Street to the Santa Fe Railroad right of way; thence southerly along said right of way to Ninth Street; thence easterly along Ninth Street to Boyle Avenue; thence northerly along Boyle Avenue to Chicago Street; thence northerly along Chicago Street to Brooklyn Avenue; thence westerly along Brooklyn Avenue to State Street; thence northerly along State Street to Marengo Street. At this point the line passes from its own poles to the steel poles carrying the 60,000 volt transmission line from the Long Beach steam plant and continues on these poles westerly along Marengo Street to Daly Street; thence northerly along Daly Street to Alhambra Avenue; thence easterly along Alhambra Avenue to Los Angeles Sub-Station and Generating Plant No.3, located on Alhambra Avenue and Avenue Twenty-one.

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15,000 Volt Lines (Cont'd.):

A 15,000 volt line beginning at the intersection of Santee Street and Eleventh Street; thence westerly along Eleventh Street to Figueroa Street; thence northerly along Figueroa Street to Tenth Street; thence westerly along Tenth Street to Union Avenue; where it ties into the line previously described connecting Sub-Station No. 1 and Sub-Station No. 4.

A 15,000 volt line beginning at Sub-Station No. 5; thence westerly along Thirtieth Street to the Alley west of Hoover Street, between Thirtieth Street and Thirty-first Street; thence southerly along said alley to the intersecting alley; thence westerly along said intersecting alley to Sub-Station No. 4.

A 15,000 volt line beginning at the intersection of Thirtieth Street and Maple Avenue; thence southerly along Maple Avenue to Thirty-seventh Street; thence westerly along Thirty-seventh Street to Main Street; thence southerly along Main Street to Fifty-first Street; thence westerly along Fifty-first Street to Figueroa Street; thence southerly along Figueroa Street to Sub-Station No. 7, on the north-westerly corner of Slauson Avenue and Figueroa Street.

10,000 Volt Branch Lines Supplying the Wilmington District:

A 10,000 volt line beginning at Seventh Street and D Street; thence southerly along D Street to the Wilmington Sub-Station on the southeasterly corner of Sixth Street and D Street; thence continuing southerly along D Street to a point between First Street and Front Street; thence southwesterly two thousand three hundred and sixty-five (2,365) feet, more or less, over property lying between D Street, extended, and the West Basin.

A 10,000 volt line beginning at aforesaid point on D Street, between First Street and Front Street; thence easterly to Fries Street over property lying between West First Street and Front Street, D Street and Fries Street; thence southerly along Fries Street to Water Street; thence southerly a distance of twelve hundred (1200) feet, more or less, and southwesterly a distance of forty-nine hundred (4900) feet, more or less, over the northerly and westerly portions of Mormon Island.

A 10,000 volt line beginning at the intersection of Bryant Street and Fries Street; thence easterly along Bryant Street to Canal Street; thence southerly along Canal Street to the Center Slip of the East Basin; thence across said Slip and extending southerly a distance of nine hundred (900) feet, more or less, to the northerly line of the East Basin.

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10,000 Volt Line Supplying the East San Pedro District:

A 10,000 volt line beginning at a point one hundred (100) feet, more or less, northerly from the intersection of the northerly boundary of the right of way of the San Pedro, Los Angeles and Salt Lake Railroad, and the easterly boundary of that portion of the City of Los Angeles formerly known as "East San Pedro"; thence westerly adjacent to and along the right of way and property of said Railroad a distance of twelve thousand three hundred and fifty (12,350) feet, more or less, to the East San Pedro Sub-Station.

10,000 Volt Branch Lines Supplying the San Pedro District:

A 10,000 volt line beginning at the intersection of Seventh Street and Vermont Avenue; thence southerly along Vermont Avenue to West Fourth Street; thence westerly along West Fourth Street, extended, a distance of eighty-nine hundred (8900) feet, more or less; thence southerly a distance of nine thousand four hundred and sixty (9,460) feet, more or less, to the southwesterly corner of the slip extending westerly from the west basin; thence southerly along Pacific Avenue to Pariso Street; thence southerly a distance of one thousand seven hundred and twenty (1720) feet, more or less, to the intersection of Mesa Street with Olive Street, where it enters the San Pedro Sub-Station; thence continuing southerly along Mesa Street to Fifth Street; thence easterly along Fifth Street to a point between Palos Verdes Street and Beacon Street.

A 10,000 volt line beginning at the intersection of Fifth Street and Palos Verdes Street; thence northerly along Palos Verdes Street to Olive Street.

A 10,000 volt line beginning at aforesaid intersection of Fifth Street and Palos Verdes Street; thence southerly along Palos Verdes Street to Fourteenth Street; thence easterly along Fourteenth Street to Signal Street; thence southerly along Signal Street to the end of said street; thence southerly and easterly a distance of one thousand nine hundred and thirty-five (1,935) feet, more or less, to the northwesterly corner of the East Channel of the Outer Harbor.

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of the Westerly Boundary of said city and  
 Sunset Boulevard; thence  
 Easterly along Sunset Boulevard to Hoover Street; thence  
 Southerly along Hoover Street to Sixth Street; thence  
 Easterly along Sixth Street to Benton Way; thence  
 Southerly along Benton Way to Seventh Street; thence  
 Westerly along Seventh Street to Vermont Avenue; thence  
 Northerly along Vermont Avenue to Wilshire Boulevard; thence  
 Westerly along Wilshire Boulevard to the Westerly Boundary of said city; thence  
 Northerly along said boundary to the point of beginning;

And for convenience known and designated as "District No. One".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To		Between	From	To
Vine Street	Melrose Ave.	Rosewood Ave.	:			
El Centro Ave.	Melrose Ave.	Rosewood Ave.				
Larchmont Blvd.	Melrose Ave.	Rosewood Ave.	Clinton St.	&	Melrose Ave.	Vine Street
Gower Street	Melrose Ave.	Rosewood Ave.	Clinton St.			Gower Street
Melrose Ave.	Gower Street	Wilton Place	Temple St.		Clinton St.	Van Ness Ave.
Wilton Place	Temple Street	Melrose Ave.	Temple St.		Oakwood Ave.	Wilton Place
St. Andrews Pl.	Temple Street	Maplewood Ave.	Oakwood Ave.		Elmwood Ave.	Wilton Place
			Elmwood Ave.		Rosewood Ave.	Wilton Place
			Rosewood Ave.		Maplewood "	Wilton Place
			Maplewood Ave.		Clinton St.	Wilton Place
			Wilton Place		St. Andrews Pl	Clinton St.
			St. Andrews Pl.		Manhattan Pl.	Clinton St.
			Manhattan Place		Western Ave.	Clinton St.
Western Ave.	Temple Street	Clinton St.	Western Ave.		Oxford Ave.	Wilshire Blvd.
Clinton St.	Wilton Place	Harvard Blvd.	Oxford Avenue		Serrano Ave.	Wilshire Blvd.
Torrence St.	Harvard Blvd.	Kingsley Drive	Serrano Ave.		Hobart Blvd. Ext	Wilshire Blvd.
Rosewood Ave.	Serrano Ave.	Kingsley Drive	Hobart Blvd.		Howard Blvd. Ext	Wilshire Blvd.
			Harvard Blvd.		Kingsley	Oakwood Ave.
						Clinton st.

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Oakwood Ave.	Western Ave.	Mariposa Ave.	Torrence St. & Rosewood Ave.	Kingsley Drive	Ardmore Ave.	
Temple Street	Van Ness Ave.	Vermont Ave.	Ardmore Ave. Normandie Ave.	Temple Street	Rosewood Ave.	
			Normandie Ave. Mariposa Ave.	Temple Street	Rosewood Ave.	
			Alexandria Ave. Kenmore Ave.	Temple Street	Oakwood Ave.	
			Kenmore Ave. Heliotrope Dr.	Temple Street	Oakwood Ave.	
			Heliotrope Dr. Berendo St.	Temple Street	Oakwood Ave.	
			Berendo St. NewHampshireAv.	Temple Street	Oakwood Ave.	
			Kenmore Ave. Ext. Edgemont St.	Melrose Ave.	Lilycrest Ave	
			Edgemont St. Heliotrope Dr.	Melrose Ave.	SantaMonicaBlvd	
			Berendo St. Heliotrope Dr.	Melrose Ave.	Monroe St.	
Willowbrook Ave.	Edgemont St.	Madison Ave.	Berendo St. Heliotrope Dr.	WillowbrookAve.	SantaMonicaBlvd	
La Mirado Ave.	Vermont Ave.	Lyman Place	Berendo St. NewHampshireAve.	Melrose Ave.	Monroe St.	
Vermont Place	Vermont Ave.	Madison Ave.	Berendo St. NewHampshireAve.	WillowbrookAve.	SantaMonicaBlvd	
SantaMonica Blvd.	Vermont Ave.	Madison Ave.	Vermont Ave. NewHampshireAve.	WillowbrookAve.	SantaMonicaBlvd	
Lookwood Ave.	Vermont Ave.	Madison Ave.	Torrey St. Monroe Street	Vermont Ave.	Madison Ave.	
Torrey Street	Vermont Ave.	Madison Ave.				
Melrose Ave.	Kenmore Ave.	Vermont Ave.				
Monroe St.	Kenmore Ave.	Heliotrope Dr.	Melrose Ave. Clinton St.	Vermont Ave.	Juanita Ave.	
Vermont Ave.	Third Street	Fountain Ave.	Clinton St. Middlebury St.	Vermont Ave.	Juanita Ave.	
Oakwood Ave.	Vermont Ave.	Juanita Ave.	Oakwood Ave. Middlebury St.	Vermont Ave.	Juanita Ave.	
Normandie Ave.	Temple St.	Oakwood Ave.				
Virgil Ave.	First St.	Temple St.				
First St.	Vermont Ave.	Hoover St.				
Commonwealth Ave.	First St.	Wilshire Blvd.	Third St. First St.	East of Bimini Place		
Bimini Place	Third St.	First St.				
Geneva St.	WestmorelandAve.	CommonwealthAve.	CommonwealthAve. Hoover St.	Fifth Street	Sixth St.	
Westmoreland Ave.	Third St.	Geneva St.	Wilshire Blvd. Sunset Place	Wilshire Place	Hoover St.	
Sixth Street	CommonwealthAve.	Hoover St.	Sunset Place Seventh St.	Wilshire Place	Hoover St.	
Wilshire Blvd.	Westmoreland Av.	Hoover St.				



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	:	Between	From	To
Hoover Street	Seventh Street	Wilshire Blvd.	:	WestmorelandAv.&Wilshire Place	Wilshire Blvd.	Seventh St.
			:	WestmorelandAv. Virgil Avenue	Wilshire Blvd.	Sixth St.
			:	Vermont Avenue Shatto Place	Wilshire Blvd.	Sixth St.
			:	New HampshireAv. Vermont Ave.	Wilshire Blvd.	Sixth St.
			:	New HampshireAv. Berendo St.	Wilshire Blvd.	Sixth St.
			:	Berendo St. Catalina St.	Wilshire Blvd.	Sixth St.
			:	Kenmore Ave. Catalina St.	Wilshire Blvd.	Sixth St.
			:	Kenmore Ave. Alexandria Ave.	Wilshire Blvd.	Third St.
			:	NewHampshireAv. Alexandria Ave.	Third Street	First St.
			:	Vermont Ave. Alexandria Ave.	Temple St.	First St.
			:	Mariposa Ave. Alexandria Ave.	Wilshire Blvd.	Council St.
			:	Mariposa Ave. Normandie Ave.	Wilshire Blvd.	Council St.
			:	Ardmore Ave. Normandie Ave.	Wilshire Blvd.	Council St.
			:	Ardmore Ave. Kingsley Drive	Wilshire Blvd.	Council St.
			:	Harvard Blvd. Kingsley Drive	Wilshire Blvd.	Council St.
			:	Harvard Blvd. Normandie Ave.	Council St.	Temple St.
			:	Western Ave. Manhattan Pl.	Council St.	Temple St.
			:	St. Andrews Pl. Manhattan Pl.	Council St.	Temple St.
			:	St. Andrews Pl. Gramercy Place	Council St.	Temple St.
Sixth Street	Wilton Place	Shatto Place	:	Wilton Place	Gramercy Place	Temple Street
Fifth Street	Gramercy Place	Kenmore Ave.	:	Extended		
Fourth Street	Irving Blvd.	Kenmore Ave.	:	Norton Ave.	WestminsterAv.	Fifth Street
Irving Blvd.	Fifth Street	Third Street	:	Van Ness Ave.	WestminsterAv.	Fifth Street
Third St.	Irving Blvd.	Vermont Ave.	:	Van Ness Ave.	Wilton Place	Temple Street
Second St.	Irving Blvd.	Alexandria Ave.	:	Norton Ave.	Van Ness Ave.	Third St.
First St.	Norton Ave.	Alexandria Ave.	:	Irving Blvd.	Norton Ave.	Third St.
Council St.	Wilton Place	Western Ave.	:			
Council St.	Hobart Blvd.	Alexandria Ave.	:			
Alexandria Av.	Council St.	Temple St.	:			
Wilton Drive	First St.	Second St.	:			

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of the Westerly Boundary of said city and Wilshire Boulevard; thence  
 Easterly along Wilshire Boulevard to Vermont Avenue; thence  
 Southerly along Vermont Avenue to Seventh Street; thence  
 Easterly along Seventh Street to Hoover Street; thence  
 Southerly along Hoover Street to Sixteenth Street; thence  
 Easterly along Sixteenth Street to Bonnie Brae Street; thence  
 Southerly along Bonnie Brae Street to Washington Street; thence  
 Westerly along Washington Street to the Westerly Boundary of said city; thence  
 Northerly along said boundary to the point of beginning;

And for convenience known and designated as "District No. Two".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To		Between	From	To
Nadeau Drive	Sixteenth St.	Fairmont Drive	Pico Street & Wilshire Blvd.	West of Delaware Ave.	Extended	Fairmont Drive
Fairmont Drive	Nadeau St.	Algoma Ave.	Nadeau Drive	Algoma Ave.	Sixteenth St.	Fairmont Drive
Sixteenth St.	WestCityBoundary	" "	Fairmont Drive	Circle	Sherman Avenue	Algoma Avenue
Algoma Ave.	Sixteenth St.	Pico Street	Fairmont Drive	Pico Street	Sherman Avenue	Algoma Avenue
Delaware Drive	Fairmont Drive	Pico Street	CountryClub Dr.	Tenth Street	Delaware Ave.	Algoma Avenue
Delaware Ave.	CountryClub Dr	Tenth Street	Delaware Ave.	Algoma Ave.	Pico Street	Twelfth St.
Horton Ave.	Pico St.	Sixteenth St.	Crenshaw Blvd.	Algoma Ave.	Sixteenth St.	Country Club Dr.
			Crenshaw Blvd.	Woolsey Ave.	Sixteenth St.	Pico Street
			Crenshaw Blvd.	Bronson Ave.	CountryClub Dr.	Pico Street
			Norton Ave.	Bronson Ave.	CountryClub Dr.	Pico Street
			Crenshaw Blvd.	11th Ave.	Washington St.	16th St.
8th Avenue	Washington St.	Concord St.	11th Avenue	10th Ave.	Washington St.	18th St.
			9th Avenue	10th Ave.	Washington St.	18th St.
17th Street	Arlington Ave.	11th Avenue	8th Avenue	7th Ave.	Washington St.	17th St.
16th Street	5th Ave.	Arlington Ave	11th Avenue	Concord St.	18th Street	17th St.

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To		Between	From	To
			Tenth Ave.	& 11th Avenue	16th Street	17th Street
			Tenth Ave.	9th Avenue	16th Street	17th Street
			7th Ave.	6th Avenue	16th Street	Washington St.
			6th Ave.	5th Avenue	Pico Street	Washington St.
			5th Ave.	4th Avenue	Pico Street	Washington St.
			4th Ave.	3rd Avenue	Pico Street	Washington St.
18th Street	3rd Avenue	Arlington Av.	18th St.	Washington St.	3rd Avenue	Arlington Ave.
Castro Street	3rd Avenue	Arlington Av.	17th St.	18th St.	3rd Avenue	Arlington Ave.
			3rd Ave.	Arlington Av.	17th St.	Castro Street
			3rd Ave.	Arlington Av.	Castro St.	16th Street
Country Club Dr.	Norton Ave.	5th Avenue	Norton Ave.	5th Avenue	Pico St.	10th Street
Dorchester Ave.	6th Avenue	Arlington Av.	3rd Avenue	2nd Avenue	Pico St.	Sixteenth St.
12th Street	WestchesterPl.	Arlington Av.	Arlington Ave.	2nd Avenue	Pico St.	16th Street
			WestchesterPl.	Arlington Ave.	Pico St.	Country Club Dr.
18th Street	St. Andrews Pl.	Cimarron St.	WestchesterPl.	3rd Avenue	Pico St.	12th Street
			Van Ness Ave.	Arlington Ave.	WashingtonSt.	12th Street
			Van Ness Ave.	Cimarron St.	WashingtonSt.	16th Street
			Wilton Place	Cimarron St.	WashingtonSt.	16th Street
			Wilton Place	Van Ness Ave.	CountryClubDr.	16th Street
Dorchester Av.	Van Ness Ave.	Normandie Av.	Wilton Place	Gramercy Pl.	WashingtonSt.	Country Club Dr.
			St.Andrews Pl.	Gramercy Pl.	WashingtonSt.	Country Club Dr.
			St.Andrews Pl.	Manhattan Pl.	WashingtonSt.	18th Street
			Western Ave.	Manhattan Pl.	WashingtonSt.	18th Street
16th Street	St.Andrews Pl.	Hoover St.	St.Andrews Pl.	Manhattan Pl.	16th St.	Country Club Dr.
Western Ave.	Washington St.	Wilshire Blvd.	Western Ave.	Manhattan Pl.	16th St.	Pico Street
Roxbury Ave.	Western Ave.	Hobart Blvd.	Western Ave.	Oxford Ave.	Cambridge St.	16th Street
Roxbury Ave.	Ardmore Ave.	Normandie Ave.	Ardmore Ave.	Normandie Ave.	Cambridge St.	16th Street

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Oxford Ave.	Dorchester Ave.	Pico Street	Hobart Blvd.	Oxford Ave.	Cambridge St.	16th Street
Cambridge St.	Normandie Ave.	Western Ave.	Hobart Blvd.	Oxford Ave.	Roxbury Ave.	Dorchester Ave.
Harvard Blvd.	16th Street	San Marino St.	Ardmore Ave.	Normandie Av.	Roxbury Ave.	Dorchester Ave.
Ardmore Ave.	Cambridge St.	Dorchester Av.	Western Ave.	Oxford Ave.	Washington St.	16th Street
Lenox Avenue	Washington St.	16th Street	WestmorelandHvd	" "	Washington St.	16th Street
Normandie Ave.	Washington St.	San Marino St.	"	Hobart Blvd.	Washington St.	16th Street
Chester St.	Washington St.	Rosedale Cem.	Harvard Blvd.	Hobart Blvd.	Washington St.	Cambridge St.
Berendo St.	Washington St.	10th Street	Harvard Blvd.	KingsleyDrive	Washington St.	16th Street
Mariposa Ave.	15th Street	San Marino St.	Ardmore Ave.	KingsleyDrive	10th Street	11th Street
Fedora St.	15th Street	San Marino St.	Lenox Ave.	Roosevelt Av.	Washington St.	16th Street
El Molino St.	15th Street	San Marino St.	Roosevelt Av.	Normandie Av.	Washington St.	16th Street
15th Street	El Molino St.	San Marino St.	In Rosedale Cemetery	Washington St.	Washington St.	16th Street
NewHampshireAv.	Washington St.	Berendo St.	Groyer St.	Berendo St.	Washington St.	16th Street
Vermont Ave.	Washington St.	12th St.	El Molino St.	Dewey Av.	15th Street	Pico Street
Reid Street	Washington St.	12th St.	Dewey Ave.	Catalina St.	15th Street	Pico Street
Pacific Ave.	Washington St.	Pico Street	Catalina St.	Berendo St.	15th Street	Pico Street
New England St.	Washington St.	Pico Street	NewHampshireAv	Berendo St.	16th Street	Pico Street
Magnolia Ave.	Washington St.	Pico Street	Reid Street	Millard Av.	17th Street	Pico Street
Arrapahoe St.	Washington St.	Pico Street	Pico St.	14th St.	Pacific Ave.	Magnolia Ave.
18th Street	Arrapahoe St.	Bonnie Brae St.	14th St.	15th St.	Pacific Ave.	Magnolia Ave.
17th Street	Pacific Ave.	Magnolia Ave.	15th St.	16th St.	Pacific Ave.	Magnolia Ave.
14th Street	Pacific Ave.	Magnolia Ave.	16th St.	17th St.	Pacific Ave.	Magnolia Ave.
17th Street	Hoover Street	Bonnie Brae St.	Arrapahoe St.	Hoover St.	16th Street	Pico Street
Hoover St.	Washington St.	Pico Street	16th St.	17th St.	Hoover Street	Bonnie Brae St.
Pico Street	WestCityBoundary	Hoover Street	Hoover St.	Bonnie BraeSt	17th Street	18th Street
12th Street	Western Ave.	Hoover Street	Hoover St.	Bonnie BraeSt	18th Street	Washington St.
Catalina St.	15th St.	San Marino St.	Arrapahoe St.	Hoover St.	Pico Street	10th Street
Dewey Avenue	Pico Street	San Marino St.	Arrapahoe St.	Magnolia Av.	Pico Street	San Marino St.
Irola Street	Pico Street	San Marino St.	Elden Ave.	Magnolia Av.	Pico Street	11th Street
Ardmore Av.	Pico Street	10th Street	Elden Ave.	WestmorelandAv.	10th Street	San Marino St.
			Elden Ave.	WestmorelandPl.	Pico Street	10th Street

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Kingsley Drive	Pico Street	11th Street	Westchester Pl. & Wilton Place	San Marino St.	8th Street	
Hobart Blvd.	Pico Street	11th Street	Grameroy Pl.	Wilton Place	San Marino St. 8th Street	
Serrano Ave.	Pico Street	12th Street				
11th Street	Grameroy Place	Hoover Street				
7th Street	Manhattan Pl.	Vermont Avenue				
8th Street	Wilton Place	Hoover Street				
9th Street	Westchester Pl.	Hoover Street				
San Marino St.	Westchester Pl.	Vermont Ave.	7th Street	8th Street	Wilton Place	
			7th Street	Ingraham St.	Wilton Place	
			Ingraham St.	Wilshire Blvd.	Wilton Place	
St. Andrews Pl.	Seventh St.	Wilshire Blvd.	Hobart Blvd.	Harvard Blvd.	10th Street	
			Kingsley Drive	Harvard Blvd.	10th Street	
			Kingsley Drive	Ardmore Ave.	10th Street	
			Irola Street	Ardmore Ave.	San Marino St.	
			Western Ave.	Harvard Blvd.	San Marino St.	
			East of Irola Street		9th Street	
			Irola Street	Normandie Av.	9th Street	
			Mariposa Ave.	Normandie Av.	9th Street	
			Mariposa Ave.	Fedora St.	9th Street	
			El Molino St.	Fedora St.	9th Street	
			El Molino St.	Catalina St.	9th Street	
			West of Catalina Street		9th Street	
Wilshire Blvd.	Catalina St.	Vermont Ave.	Catalina St.	Berendo St.	San Marino St.	
			New Hampshire Av.	Berendo St.	San Marino St.	
			New Hampshire Av.	Vermont Ave.	San Marino St.	
Magnolia Ave.	8th Street	Leeward Ave.	9th Street	San Marino St.	Hoover St.	
Francis Ave.	Vermont Ave.	Hoover St.	Berendo St.	New Hampshire Av.	10th Street	
10th Street	Grameroy Pl.	Hoover St.	Harvard Blvd.	Kingsley Drive	10th Street	
			Serrano Ave.	Hobart Blvd.	San Marino St.	
			Oxford Ave.	Serrano Ave.	San Marino St.	
Harrington Av.	Oxford Ave.	Western Ave.	Oxford Ave.	Western Ave.	Connecticut St.	
Manhattan Place	Country Club Dr.	11th Street	Oxford Ave.	Western Ave.	Connecticut St.	
St. Andrews Pl.	Country Club Dr.	11th Street	Manhattan Pl.	Western Ave.	Country Club Dr.	
			St. Andrews Pl.	Manhattan Pl.	Country Club Dr.	
			St. Andrews Pl.	Grameroy Drive	Country Club Dr.	
			Grameroy Place	Grameroy Drive	Country Club Dr.	

2200 volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of the Westerly Boundary of said city and Washington Street; thence Easterly along Washington Street to Hoover Street; thence Southerly along Hoover Street to Jefferson Street; thence Westerly along Jefferson Street to Vermont Avenue; thence Southerly along Vermont Avenue to Exposition Boulevard; thence Westerly along Exposition Boulevard to the westerly boundary of said city; thence Westerly and northerly along said boundary to the point of beginning;

And for convenience known and designated as "District No. Three."

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Washington St.	WestCityBoundary	Hoover St.	East of Crenshaw Blvd.	South of Washington Street		
Concord Street	21st Street	Washington St.	12th Avenue & 11th Avenue	25th Street	23rd Street	
6th Avenue	21st Street	Washington St.	11th Avenue	Adams Street	23rd Street	
21st Street	Concord St.	Gramercy Place	10th Avenue	Adams Street	23rd Street	
Cimarron St.	Jefferson St.	Washington St.	9th Avenue	Adams Street	Washington St.	
3rd Avenue	21st Street	Washington St.	8th Avenue	Adams Street	Washington St.	
10th Avenue	25th Street	Adams Street	7th Avenue	Adams Street	Washington St.	
Arlington Ave.	Montclair St.	35th Place	6th Avenue	25th Street	Washington St.	
			5th Avenue	Adams Street	Washington St.	
			4th Avenue	Adams Street	Washington St.	
			3rd Avenue	23rd Street	Washington St.	
			2nd Avenue	Arlington Ave.	Washington St.	
			Washington St.	21st Street	Washington St.	
			20th Street	Arlington Ave.	Cimarron St.	
			21st Street	Arlington Ave.	Western Ave.	
			22nd Street	2nd Avenue	Gramercy Place	
			22nd Street	2nd Avenue	Arlington AV.	
			23rd Street	2nd Avenue	Gramercy Place	
23rd Street	12th Avenue	3rd Avenue	23rd Street			

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
25th Street	11th Avenue	3rd Avenue	25th Street & Adams Street	Second Ave.	Gramercy Place	
2nd Avenue	Adams Street	25th Street	Berkeley Square 21st Street	Western Ave.	Gramercy Place	
Arlington Ave.	Adams Street	21st Street	Berkeley Square 24th Street	Western Ave.	Gramercy Place	
Gramercy Place	Adams Street	20th Street	24th Street	Adams Place	Gramercy Place	
24th Street	Gramercy Place	Western Ave.	23rd Street	Washington St.	West of Concord Street	
Western Ave.	Adams Street	Washington St.	Victoria Road	Crenshaw Blvd.	Adams Street	
Harvard Blvd.	Hobart Blvd.	Washington St.	Western Ave.	Oxford Ave.	Adams Street	
La Salle Ave.	Adams Street	Washington St.	Hobart Blvd.	Harvard Blvd.	25th Street	
22nd Street	Western Ave.	Washington St.	Oxford Ave.	Hobart Blvd.	Washington St.	
Cordova St.	La Salle Ave.	Hoover Street	Washington St.	Cordova St.	Washington St.	
20th Street	La Salle Ave.	Bonita Ave.	22nd Street	23rd St.	Normandie Av.	
21st Street	La Salle Ave.	Normandie Ave.	23rd Street	24th St.	Normandie Av.	
Normandie Av.	Adams Street	Bonita Ave.	25th Street	Adams St.	La Salle Av.	
Congress Av.	Adams Street	Washington St.	24th Street	25th St.	La Salle Av.	
24th Street	La Salle Ave.	22nd Street			Raymond Av.	
25th Street	La Salle Ave.	Hoover Street			Raymond Ave.	
Cordova St.	Budlong Ave.	Congress Ave.			Congress Av.	
20th Street	Budlong Ave.	Vermont Ave.	Raymond Ave.	Budlong Av.	22nd Street	
21st Street	Budlong Ave.	Hoover St.	Juliet St.	Budlong Av.	22nd Street	
Raymond Ave.	Adams St.	Vermont Ave.	Juliet St.	Romeo Street	22nd Street	
23rd St.	Raymond Ave.	Washington St.			24th Street	
Budlong Av.	Adams St.	Normandie Av.			24th Street	
23rd Street	Romeo St.	24th St.				
Juliet Street	Adams St.	Magnolia Ave.	22nd Street	20th Street	Miranda St.	
Romeo Street	27th St.	24th St.	New England St.	Willard Ave.	Willard Av.	
Adams Street	West City Boundary	23rd St.	20th Street	22nd St.	22nd St.	
Vermont Ave.	Exposition Blvd.	Hoover St.	30th Street	31st St.	Vermont Ave.	
Dana Street	Romeo Street	Washington St.	29th Street	30th St.	Vermont Ave.	
		Vermont Ave.	Ellendale Pl.	Orchard Ave.	Orchard Ave.	
					Hoover Street	
					Adams Street	

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY				
Along	From	To			Between	From	To
Ellendale Ave.	Adams St.	Washington St.	Hoover St.	& Orchard Ave.	27th Street	30th Street	
Pacific Ave.	22nd Street	Washington St.	Ellendale Pl.	Menlo Avenue	29th Street	Adams Street	
New England St.	20th Street	Washington St.	Vermont Ave.	Menlo Avenue	29th Street	Adams Street	
Magnolia Ave.	20th Street	Washington St.	Orchard Ave.	Magnolia Ave.	27th Street	Adams Street	
Darlen Place	20th Street	Washington St.	Ellendale Av.	Magnolia Ave.	22nd Street	23rd Street	
Miranda St.	20th Street	Washington St.	Romeo Street	Vermont Ave.	Dana Street	Adams Street	
21st Street	Hoover St.	21st Street	Romeo Street	Vermont Ave.	27th Street	Dana Street	
Aubrey St.	20th Street	Miranda St.					
Willard Ave.	20th Street	22nd Street	Romeo St.	Juliet St.	27th Street	Adams Street	
Magnolia Ave.	27th Street	22nd Street	Van Buren Pl.	Budlong Av.	27th Street	Adams Street	
25th Street	Magnolia Av.	22nd Street	Raymond Ave.	Budlong Av.	29th Street	27th Street	
Hoover St.	20th Street	Hoover St.	Raymond Ave.	Van Buren Pl.	27th Street	Adams Street	
Quincy St.	Adams St.	31st Street	Raymond Ave.	Kenwood Ave.	29th Street	Adams Street	
Orchard Ave.	Jefferson St.	Hoover St.	Normandie Av.	Kenwood Ave.	29th Street	Adams Street	
28th Street	Orchard Ave.	Adams St.	Normandie Av.	Brighton Ave.	30th Street	Adams Street	
Monmouth Ave.	27th Street	Hoover St.	Halldale Ave.	Brighton Ave.	30th Street	Adams Street	
29th Street	Budlong Ave.	Adams Street	Halldale Ave.	Dalton Ave.	29th Street	Adams Street	
31st Street	Vermont Ave.	Hoover St.	La Salle Ave.	Dalton Ave.	Jefferson St.	Adams Street	
		Hoover St.	Western Ave.	Hobart Blvd.	27th St.	Adams Street	
Hobart Blvd.	27th Street	Adams St.	Harvard Blvd.	Hobart Blvd.	27th St.	Adams Street	
27th St.	La Salle Av.	Vermont Ave.	28th Street	29th Street	Kansas Ave.	Vermont Ave.	
Budlong Ave.	Adams St.	36th Place	Budlong Ave.	Walton Ave.	29th Street	30th Street	
28th Street	Budlong Ave.	Vermont Ave.	Van Buren Av.	Budlong Av.	29th Street	30th Street	
30th Street	Walton Ave.	Vermont Ave.	30th Street	Jefferson St.	Walton Ave.	Budlong Ave.	
30th Place	Kansas Ave.	Vermont Ave.	Harvard Blvd.	La Salle Ave.	Jefferson St.	30th Street	
Walton Ave.	35th Street	Vermont Ave.	Western Ave.	Hobart Blvd.	Jefferson St.	30th Street	
Kansas Ave.	36th Place	30th Street	31st Street	Jefferson St.	Fourth Ave.	Western Ave.	
La Salle Ave.	Jefferson St.	29th Street	30th Street	31st St.	Fourth Ave.	Western Ave.	
Jefferson St.	Orchard Ave.	30th Street	29th Place	30th Street	Fourth Ave.	Western Ave.	
		Arlington Ave.	29th Street	29th Place	Arlington Ave.	Western Ave.	
			28th Street	29th Street	Arlington Av.	Western Ave.	
			27th Street	28th Street	Arlington Av.	Western Ave.	
			Montclair St.	29th Place	Third Ave.	Arlington Ave.	
			New Orleans St.	27th Street	Arlington Av.	Western Ave.	
			Oimarron St.	Western Ave.	Adams Street	27th Street	
			Sixth Ave.	Arlington Ave.	Adams St.	27th Street	



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To		Between	From	To
27th Street	Western Ave.	10th Avenue	10th Avenue &	6th Avenue	27th Street	Adams Street
5th Avenue	Montolair St.	27th Street	28th Street	WestCityBoundary	WestCityBoundary	10th Avenue
Montolair St.	8th Avenue	Arlington Ave.	27th Street	Montolair St.	Arlington Ave.	10th Avenue
9th Avenue	36th Street	Jefferson St.	27th Street	Montolair St.	5th Avenue	Arlington Ave.
8th Avenue	36th Street	30th Street	Montolair St.	Jefferson St.	6th Avenue	7th Avenue
7th Avenue	36th Street	Montolair St.	6th Avenue	5th Avenue	Jefferson St.	Montolair St.
6th Avenue	36th Street	30th Street	5th Avenue	4th Avenue	Jefferson St.	Montolair St.
5th Avenue	36th Street	30th Street	30th Street	Jefferson St.	9th Avenue	7th Avenue
4th Avenue	36th Street	Jefferson St.	4th Avenue	3rd Avenue	Montolair St.	29th Street
3rd Avenue	36th Street	Jefferson St.	9th Avenue	10th Avenue	36th Street	Jefferson St.
			9th Avenue	8th Avenue	ExpositionBlvd.	Jefferson St.
			8th Avenue	7th Avenue	ExpositionBlvd.	Jefferson St.
Second Ave.	36th Street	Jefferson St.				
2nd Avenue	Montolair St.	29th Place				
30th Street	8th Avenue	4th Avenue	7th Avenue	6th Avenue	ExpositionBlvd.	Jefferson St.
3rd Avenue	Montolair St.	29th Place	6th Avenue	5th Avenue	ExpositionBlvd.	Jefferson St.
36th Street	Arlington Ave.	9th Avenue	5th Avenue	4th Avenue	ExpositionBlvd.	Jefferson St.
35th Street	Oimarron St.Ext.	Vermont Ave.	4th Avenue	3rd Avenue	ExpositionBlvd.	Jefferson St.
St.Andrews Pl.	36th Street	27th Street	3rd Avenue	2nd Avenue	ExpositionBlvd.	Jefferson St.
35th Place	Raymond Ave.	St.Andrews Pl.	2nd Avenue	Arlington Ave.	Exposition Blvd	Jefferson St.
Western Ave.	36th Place	Jefferson St.	Oimarron St.Ext.	Gramercy Place	36th Street	Jefferson St.
36th Street	Western Ave.	Vermont Ave.				
Denker Ave.	36th Street	Jefferson St.	35th Place	36th Street	Normandie Ave.	Budlong Ave.
Raymond Ave.	35th Place	35th Street	36th Street	36th Place	Normandie Ave.	Budlong Ave.
36th Place	Western Ave.	Vermont Ave.	35th Street	36th Street	Kansas Ave.	Budlong Ave.
37th Street	Normandie Ave.	Vermont Ave.	37th Street	37th Place	Halldale Ave.	Vermont Ave.
37th Place	Harvard Blvd.	Halldale Ave.	37th Place	37th Drive	Halldale Ave.	Vermont Ave.
37th Place	3rd Avenue	Arlington Ave.				
Harvard Blvd.	ExpositionBlvd.	37th Place	37th Drive	ExpositionBlvd.	Normandie Ave.	Dalton Ave.
Dalton Ave.	ExpositionBlvd.	37th Place	37th Drive	ExpositionBlvd.	Walton Ave.	Vermont Ave.
Halldale Ave.	ExpositionBlvd.	37th Place	Western Ave.	Denker Ave.	35th Place	36th Street
Normandie Ave.	ExpositionBlvd.	Jefferson St.				
Raymond Ave.	ExpositionBlvd.	37th Street				
Walton Ave.	37th Drive	37th Street				
Tallman St.	Jefferson St.	35th Street				
29th Street	La Salle Ave.	Normandie Ave.				
Harvard Walk	35th Street	35th Place				

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of the westerly Boundary of said city and Exposition Boulevard; thence Easterly along Exposition Boulevard to Figueroa Street; thence Southerly along Figueroa Street to Thirty-eighth Street; thence Easterly along Thirty-eighth Street to Moneta Avenue; thence Southerly along Moneta Avenue to Santa Barbara Avenue; thence Easterly along Santa Barbara Avenue to Main Street; thence Southerly along Main Street to Fifty-fifth Street; thence Easterly along Fifty-fifth Street to South Park Avenue; thence Southerly along South Park Avenue to Sixtieth Street; thence Westerly along Sixtieth Street to Vermont Avenue; thence Northerly along Vermont Avenue to Slauson Avenue; thence Westerly along Slauson Avenue to the Westerly Boundary of said city; thence Northerly along said boundary to the point of beginning.

And for convenience known and designated as "District No. Four."

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Van Ness Ave.	Exposition Blvd.	39th Street	Exposition Blvd. & Rodeo Road	Arlington Ave.	Van Ness Ave.	
Exposition Blvd.	Normandie Ave.	Figueroa St.	Exposition Blvd.	38th Street	Van Ness Ave.	
Exposition Blvd.	2nd Avenue	Arlington Ave.				
38th Place	Denker Ave.	La Salle Ave.	38th Street	38th Place	Van Ness Ave.	
Denker Ave.	38th Place	39th Street	38th Place	Middleton Pl.	Van Ness Ave.	
Western Ave.	Leighton Ave.	41st Street				
Santa Barbara Ave.	Denker Avenue	Menlo Ave.	39th Street	Middleton Pl.	Van Ness Ave.	
Santa Barbara Ave.	Moneta Avenue	Hill Street	Exposition Blvd.	38th Street	Denker Ave.	
41st Place	Denker Avenue	Normandie Ave.				
42nd Place	Western Ave.	Normandie Ave.				
40th Place	Figueroa St.	Main Street				

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	To
41st Street	Figueroa St.	Moneta Avenue				
41st Place	Figueroa St.	Moneta Avenue				
42nd Street	Figueroa St.	Moneta Avenue				
Hobart Blvd.	SantaBarbaraAv.	Vernon Ave.	38th Street &	38th Place	Denker Ave.	Normandie Avenue
Harvard Blvd.	SantaBarbaraAv.	51st Place	38th Place	39th Street	Denker Ave.	Normandie Avenue
La Salle Ave.	SantaBarbaraAv.	Vernon Ave.	La Salle Ave.	Denker Ave.	38th Place	Exposition Blvd.
Denker Ave.	SantaBarbaraAv.	51st Place	41st Street	41st Drive	St.Andrews Pl.	Western Avenue
Rodeo Road	Arlington Ave.	Van Ness Ave.	41st Street	SantaBarbaraAv.	St.Andrews Pl.	Western Avenue
Halldale Ave.	Vernon Ave.	51st Place	Denker Ave.	Dalton Ave.	39th Street	Vernon Ave.
Norbega Court	39th Street	39th Place	Dalton Ave.	Halldale Av.	39th Street	Vernon Ave.
			Brighton Ave.	Halldale Av.	39th Street	Vernon Ave.
			Brighton Ave.	Normandie Av.	Browning Blvd.	Vernon Ave.
			SantaBarbara Av.	Vernon Ave.	Western Ave.	Hobart Blvd. Ext.
			Santa BarbaraAv.	Vernon Ave.	HarvardBlvd.Ext.	La Salle Ave. Ext.
			Santa BarbaraAv.	Vernon Ave.	HarvardBlvd.Ext.	Hobart Blvd. Ext.
			Santa BarbaraAv.	Vernon Ave.	Denker Ave.	La Salle Ave. Ext.
			Leighton Ave.	41st Street	West of Western Avenue	
			Normandie Ave.	Budlong Ave.	Exposition Blvd.	38th Street
			Norbega Court	Budlong Ave.	39th Street	39th Place
			Normandie Ave.	Budlong Ave.	Leighton Ave.	39th Place
			Normandie Ave.	Budlong Ave.	Leighton Ave.	Browning Blvd.
Raymond Ave.	40th Place	51st Street	Kenwood Ave.	Budlong Ave.	42nd Street	43rd Street
Budlong Ave.	39th Place	55th Street	Van Buren Place	Budlong Ave.	43rd Street	Vernon Ave.
Normandie Ave.	Exposition Blvd.	40th Place				
Browning Blvd.	Denker Ave.	Vermont Ave.	Budlong Ave.	Vermont Ave.	39th Place	Leighton Ave.
			Budlong Ave.	Vermont Ave.	Browning Blvd.	Leighton Ave.
38th Street	Walton Ave.	Wisconsin St.	Budlong Ave.	Vermont Ave.	Browning Blvd.	SantaBarbara Ave.
39th Street	Budlong Ave.	Menlo Ave.	Budlong Ave.	Normandie Av.	Browning Blvd.	SantaBarbara Ave.
Walton Ave.	38th Street	39th Place	Santa BarbaraAv.	40th Place	Normandie Ave.	Walton Ave.
Wisconsin St.	Exposition Blvd.	39th Place	40th Place	41st Street	Normandie Ave.	Walton Ave.

A LONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Vermont Ave.	Exposition Blvd.	Vernon Ave.	41st Place	& 41st Street	Normandie Ave.	Walton Ave.
Vermont Ave.	47th Street	48th Street	41st Place	42nd Street	Normandie Ave.	Walton Ave.
Vermont Ave.	51st Street	51st Place				
Vermont Ave.	55th Street	Slauson Ave.				
40th Place	Raymond Ave.	Walton Ave.				
41st Street	Raymond Ave.	Walton Ave.				
41st Place	Raymond Ave.	Walton Ave.				
39th Place	Normandie Ave.	Budlong Ave.				
Kansas Ave.	Santa Barbara Av.	51st Street				
43rd Street	Van Buren Place	Moneta Ave.				
42nd Place	Western Ave.	Vermont Ave.				
42nd Street	Van Buren Place	Vermont Ave.				
Leighton Ave.	Normandie Ave.	Menlo Ave.	Vermont Ave.	Menlo Ave.	Exposition Blvd.	Santa Barbara Av.
Menlo Ave.	Santa Barbara Av.	Vernon Ave.				
			Vermont Ave.	Hoover St.	Santa Barbara Av.	40th Place
			Vermont Ave.	Hoover St.	41st Street	40th Place
			Vermont Ave.	Hoover St.	41st Street	41st Drive
39th Street	Hope Street	Moneta Ave.	In Exposition Park			
			Hope Street	Grand Ave.	38th Street	Flower Street
			Grand Avenue	Olive St.	38th Street	Santa Barbara Av.
			Olive St.	Hill St.	38th Street	Santa Barbara Av.
			Hill St.	Moneta Av.	38th Street	Santa Barbara Av.
Towne Ave.	South of Slauson Avenue					
Brentwood St.	Slauson Ave.	59th St.				
Moneta Ave.	38th Street	Vernon Av.				
Moneta Ave.	53rd Street	60th St.				
Figueroa St.	40th Place	41st St.	Walton Ave.	Vermont Ave.	42nd St.	41st Street
Figueroa St.	Vernon Ave.	60th St.	Santa Barbara Av.	40th Place	Moneta Ave.	Figueroa St.
Hoover St.	Santa Barbara Av.	48th St.				
Main Street	52nd Street	58th Place	41st Street	40th Place	Moneta Ave.	Figueroa St.
			41st Street	41st Place	Moneta Ave.	Figueroa St.
			42nd Street	41st Place	Moneta Ave.	Figueroa St.
			42nd Street	Vernon Av.	Figueroa St.	Flower St.

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
			42nd Street & Hoover St.	Vernon Avenue	Grand Avenue	Flower Street
			Hoover St.	Figueroa St.	42nd Place	43rd Street
			Hoover St.	Figueroa St.	40th Place	41st Street
			Hoover St.	Figueroa St.	43rd Street	43rd Place
			Hoover St.	Figueroa St.	43rd Place	Vernon Ave.
Vernon Ave.	Kansas Ave.	Moneta Ave.	Figueroa St.	Moneta Ave.	Vernon Ave.	45th Street
45th Street	Gramercy Place	St. Andrews Pl.	Figueroa St.	Moneta Ave.	45th Street	46th Street
45th Street	Halldale Ave.	Normandie Ave.	Figueroa St.	Moneta Ave.	49th Street	50th Street
45th Street	Raymond Ave.	Budlong Ave.	Figueroa St.	Moneta Ave.	50th Street	51st Street
45th Street	Kansas Ave.	Vermont Ave.	Figueroa St.	Hoover St.	Vernon Ave.	45th Street
45th Street	Figueroa St.	Moneta Ave.	Figueroa St.	Hoover St.	45th Street	46th Street
46th Street	Gramercy Place	St. Andrews Pl.	Figueroa St.	Hoover St.	46th Street	47th Street
46th Street	Halldale Ave.	Normandie Av.	Figueroa St.	Hoover St.	47th Street	48th Street
46th Street	Raymond Ave.	Budlong Av.	In Vermont Square			
46th Street	Kansas Ave.	Menlo Ave.	Menlo Ave.	Vermont Ave.	Vernon Ave.	47th Street
47th Street	Gramercy Place	St. Andrews Pl.	Hoover Street	Vermont Ave.	47th Street	48th Street
47th Street	Halldale Ave.	Normandie Av.	Hoover St.	Vermont Ave.	48th Street	49th Street
47th Street	Kansas Ave.	Hoover St.	Hoover St.	Vermont Ave.	49th Street	50th Street
48th Street	West City Boundary	Normandie Av.	Hoover St.	Vermont Ave.	50th Street	50th Place
Arlington Av.	43rd Street	Vernon Ave.				
49th Street	Halldale Av.	Figueroa St.	Hoover St.	Vermont Ave.	50th Place	51st Street
50th Street	Halldale Av.	Figueroa St.	Hoover St.	Vermont Ave.	51st Street	51st Place
50th Place	Vermont Ave.	Hoover St.				
51st Street	Halldale Av.	Normandie Av.	Hoover St.	Vermont Ave.	51st Place	52nd Street
51st Street	Kansas Ave.	Figueroa St.	Hoover St.	Vermont Ave.	52nd Street	53rd Street
52nd Street	Budlong Ave.	Moneta Ave.				
52nd Place	Hoover Street	Moneta Ave.				
53rd Street	Budlong Ave.	Figueroa St.	Hoover St.	Vermont Ave.	53rd Street	54th Street
54th Street	Budlong Ave.	Figueroa St.	Hoover St.	Vermont Ave.	54th Street	55th Street
55th Street	Budlong Ave.	Main Street	Hoover St.	Vermont Ave.	55th Street	56th Street

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To		Between	From	To
56th Street	Vermont Ave.	San Pedro St.	Hoover St.	& Vermont Ave.	56th Street	57th Street
57th Street	Vermont Ave.	San Pedro St.	Hoover St.	Vermont Ave.	57th Street	58th Street
58th Street	Vermont Ave.	Main St.	Vermont Ave.	Normandie Av.	Vernon Ave.	45th Street
Slauson Av.	WestCityBoundary	Towne Ave.	Vermont Ave.	Normandie Av.	45th Street	46th Street
			Vermont Ave.	Normandie Av.	46th Street	47th Street
			Vermont Ave.	Normandie Av.	47th Street	48th Street
			Vermont Ave.	Normandie Av.	48th Street	49th Street
			Vermont Ave.	Normandie Av.	49th Street	50th Street
Orohard Av.	Vernon Ave.	47th Street	Vermont Ave.	Normandie Av.	50th Street	51st Street
Wesley Ave.	47th Street	Vernon Ave.	Vermont Ave.	Normandie Av.	51st Street	51st Place
			Vermont Ave.	Normandie Av.	51st Place	52nd Street
			Vermont Ave.	Normandie Av.	52nd Street	53rd Street
			Vermont Ave.	Normandie Av.	53rd Street	54th Street
			Vermont Ave.	Normandie Av.	54th Street	55th Street
Denver Ave.	Slauson Ave.	59th Place				
Estrella Av.	Slauson Ave.	59th Street				
59th St.	Estrella Ave.	Figueroa St.				
			Vernon Ave.	45th Street	Grameroy Place	Normandie Ave.
			45th Street	46th Street	Grameroy Place	Normandie Ave.
			46th Street	47th Street	Western Ave.	Normandie Ave.
			47th Street	48th Street	Western Ave.	Normandie Ave.
			48th Street	49th Street	Western Ave.	Normandie Ave.
			49th Street	50th Street	Western Ave.	Normandie Ave.
			50th Street	51st Street	Western Ave.	Normandie Ave.
			51st Street	51st Place	Western Ave.	Normandie Ave.
			Grameroy Place	St. Andrews Pl.	46th Street	52nd Street
			Grameroy Place	Wilton Place	Vernon Ave.	52nd Street
			Wilton Place	Cimarron St.	Vernon Ave.	52nd Street
			Cimarron St.	Van Ness Ave.	Vernon Ave.	52nd Street
			Van Ness Ave.	WestCityBoundary	43rd Place	52nd Street
			Van Ness Ave.	Grameroy Place	43rd Street	Vernon Ave.

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of the Westerly Boundary of said city and Slauson Avenue; thence Easterly along Slauson Avenue to Vermont Avenue; thence Southerly along Vermont Avenue to Sixtieth Street; thence Easterly along Sixtieth Street to South Park Avenue; thence Northerly along South Park Avenue to Slauson Avenue; thence Easterly along Slauson Avenue to the Easterly Boundary of said city; thence Northerly along said Boundary to the point of beginning:

And for convenience known and designated as "District No. Five".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Moneta Ave.	60th Street	Manchester Ave.	Florence Ave.	& 73rd Street	Figueroa St.	Main Street
67th Street	Moneta Ave.	Main Street	73rd Street	74th Street	Moneta Ave.	Hoover Street
71st Street	Moneta Ave.	Figueroa St.	74th Street	75th Street	Moneta Ave.	Main Street
Florence Ave.	Moneta Ave.	Figueroa St.	75th Street	76th Street	Hoover St.	Main Street
73rd Street	Main St.	Hoover St.	75th Street	77th Street	Moneta Ave.	Main Street
74th Street	Moneta Ave.	Figueroa St.	77th Street	78th Street	Hoover St.	Figueroa St.
75th Street	Moneta Ave.	Main Street	77th Street	78th Street	Moneta Ave.	Main Street
76th Street	Moneta Ave.	Figueroa St.	78th Street	79th Street	Hoover St.	Main Street
77th Street	Main Street	Figueroa St.	79th Street	80th Street	Hoover St.	Main Street
78th Street	Main Street	Moneta Ave.	80th Street	81st Street	Hoover St.	Figueroa St.
80th Street	Main Street	Figueroa St.	80th Street	81st Street	Moneta Ave.	Main Street
81st Street	Hoover St.	Main Street	81st Street	82nd Street	Moneta Ave.	Main Street
82nd Street	Moneta Ave.	Figueroa St.	81st Street	82nd Street	Hoover St.	Figueroa St.
Hoover St.	81st Street	83rd Street	82nd Street	83rd Street	Hoover St.	Figueroa St.
83rd St.	Moneta Ave.	Main Street	82nd Street	83rd Street	Moneta Ave.	Main Street
84th St.	Main St.	Moneta Ave.	83rd Street	84th Street	Vermont Ave.	Hoover St.
84th St.	Vermont Ave.	Hoover St.	83rd Street	84th Street	Moneta Ave.	Main Street
Vermont Av.	83rd Street	84th Street	84th Street	84th Place	Moneta Ave.	Main Street
83rd St.	Budlong Ave.	Vermont Ave.	84th Street	85th Street	Moneta Ave.	Main Street

ALONG STREETS			:	ALONG ALLEYS AND ON PRIVATE PROPERTY		
Along	From	To	:	Between	From	To
Budlong Ave.	85th Street	83rd Street	:	85th Street & 85th Place	Moneta Ave.	Main Street
85th Street	Normandie Ave.	Budlong Ave.	:	85th Place	Manchester Av. Moneta Ave.	Main Street
			:	Moneta Ave.	Figueroa St. Manchester Ave.	80th Street
Manchester Av.	Hoover St.	Moneta Ave.	:			
85th Place	Main Street	Moneta Ave.	:			
85th Street	Main Street	Moneta Ave.	:			
Figueroa St.	60th Street	81st Street	:			
79th Street	Hoover St.	Figueroa St.	:			
80th Street	Hoover St.	Figueroa St.	:			
78th Street	Figueroa St.	Hoover St.	:			
Normandie Ave.	85th Street	Manchester Av.	:			

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of Sunset Boulevard and Hoover Street; thence Southerly along Hoover Street to Pico Street; thence Easterly along Pico Street to Hope Street; thence Northerly along Hope Street to Temple Street; thence Easterly along Temple Street to Bunker Hill Avenue; thence Northerly along Bunker Hill Avenue to College Street; thence Westerly along College Street to Figueroa Street; thence Northerly along Figueroa Street, extended, to Park Terrace; thence Westerly along Park Terrace to Sunset Boulevard; thence Westerly along Sunset Boulevard to the point of beginning;

And for convenience known and designated as "District No. Six".

ALONG STREETS			:	ALONG ALLEYS AND ON PRIVATE PROPERTY		
Along	From	To	:	Between	From	To
1st Street	Hope Street	Hoover Street	:	Vendome St. & Reno St.	Hoover Street	1st Street
Eldorado St.	Vendome St.	Occidental Blvd.	:	Reno Street	Occidental Blvd. Hoover Street	1st Street
Reno Street	Eldorado St.	1st Street	:	St. Andrews Blvd.	Occidental Blvd. Sixth Street	1st Street



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY		
Along	From	To	Between	From	To
Occidental Blvd.	Eldorado St.	1st Street	Rampart Blvd. & Coronado St.	Temple Street	6th Street
2nd Street	Andrews Blvd.	Rampart Blvd.	Carondelet St. Coronado St.	Temple Street	1st Street
Benton Way	1st Street	3rd Street	Carondelet St. Park View St.	Temple Street	1st Street
Old Temple Road	Bryan Street	Rampart St.	Benton Way Rampart St.	1st Street	London St.
Temple St.	Benton Way	Rampart St.			
Council St.	Park View St.	Benton Way	Benton Way Rampart Blvd.	Wilshire Blvd.	6th Street
Fourth St.	Coronado St.	Rampart Blvd.	Wilshire Blvd. 7th Street	Rampart Blvd.	Benton Way
Coronado St.	6th Street	Ocean View Ave.	Wilshire Blvd. 6th Street	Rampart Blvd.	Carondelet St.
6th Street	Bixel Street	Rampart Blvd.	Rampart Blvd. Coronado St.	Wilshire Blvd.	7th Street
			Carondelet St. Coronado St.	Wilshire Blvd.	7th Street
Coronado St.	6th Street	7th Street	Grand View St. Lake St.	Ocean View Ave.	6th Street
Carondelet St.	6th Street	7th Street	Alvarado St. Westlake Ave.	Ocean View Ave.	11th Street
Park View St.	Wilshire Blvd.	Ocean View Ave.	Bonnie Brae St. Westlake Ave.	Ocean View Ave.	11th Street
Lake Street	6th Street	Ocean View Ave.	Valley Street 1st Street	MountainViewAve.	Westlake Ave.
Alvarado St.	6th Street	Ocean View Ave.	Alvarado St. Bonnie Brae St.	Ocean View Ave.	Miramar St.
Maryland St.	Alvarado St.	Westlake Ave.			
Ocean View Ave.	Burlington Av.	Coronado St.	Acacia St. 2nd Street	Union Avenue	Colima St.
MountainViewAve.	Valley Street	1st Street	Lake St. Alvarado St.	North of Ocean View Avenue	
Westlake Ave.	Miramar St.	Court St.			
Bonnie Brae St.	6th Street	Court St.			
Burlington Ave.	Acacia St.	Bellevue Ave.	Columbia Ave. Union Avenue	1st Street	2nd Street
Miramar St.	Bonnie Brae St.	Burlington Av.	Beacon St. Union Avenue	7th Street	9th Street
Acacia St.	Bonnie Brae St.	Burlington Av.	Beacon St. Union Avenue	10th Street	11th Street
Valley Street	Burlington Av.	Union Ave.	Coronado St. Carondelet St.	Ocean View Av.	6th Street
Union Ave.	Valley St.	2nd Street	Park View St. Carondelet St.	Grandall St.	1st Street
2nd Street	Columbia Ave.	Union Ave.	Acacia St. Entrance Drive	Loma Drive	Columbia St.
Loma Drive	6th Street	1st Street	1st Street 2nd Street	Columbia Ave.	Loma Drive
2nd Street	Witmer St.	Columbia Ave.			
2nd Street	Hope Street	1st Street			
Kern Street	2nd Street	Colton St.			
Witmer St.	1st Street	3rd Street			
Belmont Ave.	1st Street	Kent Street			
Kane Street	Bonnie Brae St.	Belmont Ave.			
Temple St.	Echo Park Av.	Belmont Ave.			

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Echo Park Ave.	Temple St.	Bellevue Ave.				
Bellevue Ave.	Echo Park Av.	Carillo St.				
Cortez St.	Belmont Ave.	Lake Shore Av.	Council St. &	Rookwood St.	Union Ave. Belmont Ave.	
Court St.	Burlington Av.	Belmont Ave.	1st Street	Rookwood St.	Union Ave. Belmont Ave.	
Union Ave.	Court St.	1st Street				
Council St.	Belmont Ave.	Lake Shore Ter.	In Court Circle			
LakeShoreTerrace	Colton Street	Council St.	Rampart Blvd.	Coronado St.	7th Street 8th Street	
Welcome St.	Colton Street	Council St.	Carondelet St.	Coronado St.	7th Street 9th Street	
Rockwood St.	Belmont Ave.	Lake Shore Av.	Ohio St.	Boylston St.	Colton St. 2nd Street	
Sunset Blvd.	Beaudry Ave.	Bunker Hill Av.				
Boston St.	Centennial St.	Figueroa St.				
Beaudry Ave.	3rd Street	Sunset Blvd.				
Court Street	Beaudry Ave.	Colton St.				
Bartlett St.	Beaudry Ave.	Grand Avenue				
Custer St.	Sunset Blvd.	Temple St.				
Colton St.	Boylston St.	Court St.				
Mignonette St.	Boylston St.	Fremont Ave.				
Diamond St.	Beaudry Ave.	Figueroa St.				
Centennial St.	Boston St.	Bartlett St.				
Fremont Ave.	Temple St.	Boston St.				
Figueroa St.	Sunset Blvd.	Alpine St.				
Alpine St.	Figueroa St.	Bunker Hill Av.				
Temple St.	Fremont Ave.	Figueroa St.				
Rampart St.	Hoover St.	6th Street				
7th Street	Hoover St.	Hope Street	GrandViewSt.	Lake St.	Hoover St. 8th Street	
Hoover St.	7th Street	9th Street	Lake Street	Alvarado St.	Pico St. 7th Street	
Carondelet St.	Hoover St.	9th Street	Hoover St.	Grand View St.	Hoover St. 11th Street	
Park View St.	8th Street	11th Street	Bonnie Brae St.	Burlington Av.	6th Street 11th Street	
Grand View St.	7th Street	11th Street	Beacon St.	Burlington Av.	7th Street 11th Street	
8th Street	Hoover St.	Hope Street				
9th Street	Hope Street	Hoover St.				
10th Street	Hope Street	Hoover St.	7th Street	Ingraham St.	Union Ave. Valencia St.	
Shatto St.	Burlington Av.	Valencia St.	7th Street	Cambria St.	Union Ave. Valencia St.	
Union Ave.	Girard St.	6th St.	Union Ave.	Green Ave.	8th St. 9th St.	

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between		From	To
Orange St.	Figueroa St.	Alvarado St.				
Valencia St.	6th Street	Winfield St.				
Witmer St.	6th Street	7th Street				
Ingraham St.	Little St.	Union Ave.				
Little St.	7th Street	Orange St.				
Cambria St.	Union Ave.	Valencia St.				
Whittier St.	7th Street	8th Street				
Linwood Ave.	Whittier St.	Hartford Ave.	8th Street &	9th Street	Stewart St.	Garland St.
Hartford Ave.	7th Street	8th Street	Stewart St.	Hartford Ave.	Linwood Ave.	7th Street
Garland Ave.	7th Street	9th Street				
Grattan St.	10th Street	11th Street				
Alvarado St.	11th Street	12th Street	Alvarado St.	Westlake Ave.	Pico Street	12th Street
Alvarado St.	7th Street	8th Street	10th Street	11th Street	Overton St.	Blaine St.
Westlake Ave.	11th St.	12th St.	9th Street	10th Street	Sunbury St.	Blaine St.
Overton St.	10th St.	11th St.				
Connecticut St.	Blaine St.	Albany St.				
Byram Street	10th Street	11th Street				
Denver Ave.	9th Street	11th Street				
Georgia St.	9th Street	Pico Street				
Ottawa Street	Georgia St.	Figueroa St.				
11th Street	Hope St.	Valencia St.				
11th Street	Grand View St.	Alvarado St.				
Winfield St.	Westlake Ave.	Sentous St.	Westlake Ave.	Bonnie Brae St.	Pico Street	12th Street
12th Street	Hoover St.	Georgia St.	12th Street	Pico Street	Georgia St.	Trenton St.
Girard St.	Bonnie Brae St.	Sentous St.				
Sentous St.	Girard St.	11th Street				
Trenton St.	Pico Street	11th Street				
Flower St.	Pico Street	11th Street	Flower St.	Hope Street	11th Street	7th Street
Lincoln St.	Mallard St.	Figueroa St.	Flower St.	Figueroa St.	10th Street	9th Street
Francisco St.	7th Street	10th Street	8th Street	Lincoln St.	Francisco St.	Figueroa St.
Florida St.	Mallard St.	Francisco St.				
Potter Park Av.	Figueroa St.	Francisco St.				
Sunbury St.	9th Street	10th Street				
Blaine St.	9th Street	10th Street	Grattan St.	Valencia St.	9th Street	10th Street

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between		From	To
Albany Street	9th Street	10th Street	9th Street	& 10th Street	Blaine St.	Valencia St.
Lucas Ave.	7th Street	1st Street	Gerland Ave.	Bixel St.	7th Street	8th Street
Bixel Street	7th Street	3rd Street	Ingraham St.	7th Street	Lucas Ave.	Kip Street
St. Paul St.	Orange St.	6th Street	Lucas Ave.	Bixel St.	6th Street	Orange St.
Loomis St.	Orange St.	6th Street	St. Paul St.	Bixel St.	6th Street	Orange St.
6th Street	Hope Street	Loomis St.	6th Street	7th Street	Figueroa St.	Lebanon St.
Lebanon St.	6th Street	7th Street				
Figueroa St.	1st Street	Pico Street	Figueroa St.	Flower St.	7th Street	8th Street
Flower St.	9th Street	Temple St.				
Court St.	Hope St.	Flower St.				
Fremont Ave.	1st Street	5th Street				
4th Street	Figueroa St.	Hartford Av.				
Maryland St.	Lucas Ave.	Boylston St.				
Crown Hill Av.	Witmer St.	Boylston St.				
			5th Street	6th Street	Lucas Ave.	Boylston St.
5th Street	Hartford Av.	Lucas Ave.	5th Street	Maryland St.	Bixel St.	Boylston St.
Hartford Av.	5th Street	4th St.	3rd Street	Crown Hill Ave.	Bixel St.	Lucas Ave.
			3rd Street	Farmer St.	Lucas Ave.	Emerald St.
Entrance Drive	Loma Drive	Columbia Av.	Emerald St.	Bixel St.	3rd St.	Emerald St.
3rd Street	Witmer St.	Hope St.	3rd Street	Saphire St.	Boylston St.	3rd Street
Emerald St.	3rd Street	2nd St.				
Brook St.	Emerald St.	2nd St.				
Boylston St.	3rd Street	Mignonette St.				
Ohio Street	2nd Street	Colton St.				
			1st Street	2nd Street	Beaudry Ave.	Figueroa St.
Douglas St.	1st Street	Colton St.				
Andrews Blvd.	2nd Street	3rd Street				

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city bounded as follows:

Beginning at the intersection of Park Terrace and Boylston Street, extended; thence Northerly along Boylston Street, extended, to Los Feliz Road; thence Easterly along Los Feliz Road to the Los Angeles River Bed; thence Southerly along the Los Angeles River Bed to Ninth Street; thence Westerly along Ninth Street to Tennessee Street; thence Southerly along Tennessee Street to Twelfth Street; thence Westerly along Twelfth Street to Central Avenue; thence Southerly along Central Avenue to Pico Street; thence Westerly along Pico Street to Hope Street; thence Northerly along Hope Street to Temple Street; thence Easterly along Temple Street to Bunker Hill Avenue; thence Northerly along Bunker Hill Avenue to College Street; thence Westerly along College Street to Figueroa Street; thence Northerly along Figueroa Street, extended, to Park Terrace; thence Westerly along Park Terrace to the point of beginning;

And for convenience known and designated as "District No. Seven".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
North Broadway	Ord Street	Riverbed	Casanova St. & Riverbed	North of North Broadway		
Solano Ave.	North Broadway	Yuba Street	North Broadway	San Fernando St.	Extensions in Southern Pacific Yards	
Cottage Home St.	Yale Street	North Broadway	San Fernando St.	Main Street	Ord Street	
Hawley St.	Cottage Home St.	Curtis St.	Sunset Blvd.			
Horton St.	Cottage Home St.	Curtis St.				
Bernardo St.	Yale Street	North Broadway				
Yale Street	Bernardo St.	Bishop's Road				
Lookout Drive	Yale Street	Adobe Street				
College St.	Figueroa St.	North Broadway				
Railroad St.	San Fernando St.	Alhambra Ave.				
San Fernando St.	Railroad St.	Mesnager St.				
Anne Street	San Fernando St.	Main Street				
Weyse Street	Anne Street	Sotello St.				
Chavez St.	North Main St.	Alhambra Ave.	Alhambra Ave.	Main Street	Chavez St.	
Redondo St.	Prudent St.	Main Street	West of River Bed		Alhambra Ave.	
					North Main St.	
					Laoy Street	

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Alhambra Ave.	Main Street	River Bed				
Alameda St.	Aliso St.	Ord Street				
Main Street	Macy Street	Elmyra St.	Bauchet St. & Clara St.	Clara St.	Avila St.	
Macy Street	Alameda St.	Avila St.				
Apablaza St.	Alameda St.	Concha St.				
Ramirez St.	Avila St.	Lyon St.				
Avila Street	Ramirez St.	Ogier St.	North Broadway	San Fernando St.	College St.	Alpine St.
Quierolo St.	Main St.	Date Street	Alameda St.	San Fernando St.	North of Alpine Street	
Bruno St.	Main St.	Alameda St.				
College St.	Main St.	San Fernando St.				
San Fernando St.	College St.	Bellevue Ave.				
New High St.	Alpine St.	Sunset Blvd.				
Ord Street	North Broadway	Alameda St.				
Baker St.	North Broadway	Aurora St.				
Alpine St.	Castelar St.	Alameda St.	Yale Street	Castelar St.	Alpine St.	College St.
Marchessault St.	Main St.	Alameda St.				
Sunset Blvd.	Figueroa St.	New High St.				
Castelar St.	Sunset Blvd.	College St.				
Bunker Hill Av.	Bartlett St.	New Depot St.				
Bartlett St.	Bunker Hill Av.	Grand Avenue				
Grand Avenue	Pico Street	Alpine Street				
Bunker Hill Av.	4th Street	California St.	Buena Vista St.	New High St.	Temple St.	Sunset Blvd.
Hill Street	Sunset Blvd.	Alpine St.				
Hill Street	Fort Moore Pl.	California St.				
Broadway	11th Street	Sunset Blvd.				
Fort Moore Place	Hill Street	Buena Vista St.				
California St.	Grand Ave.	Bunker Hill Av.				
Hope St.	Temple St.	1st Street				
Hope St.	4th Street	10th Street				
Temple Street	Bunker Hill Av.	North Broadway	Court St.	1st Street	Olive St.	Hill Street

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Olive Street	12th Street	Temple St.				
Court Street	Hope Street	Grand Ave.				
Franklin St.	North Broadway	New High St.				
Spring St.	9th Street	Temple St.				
Main Street	11th St.	Marchessault St.				
Los Angeles St.	12th St.	Marchessault St.				
1st Street	Central Ave.	Grand Ave.				
Commercial St.	Los AngelesSt.	San Pedro St.				
Market St.	Los AngelesSt.	Central Ave.				
Jackson St.	San Pedro St.	Central Ave.				
2nd Street	Hope Street	Central Ave.				
3rd Street	Santa Fe Ave.	Hill Street				
4th Street	Alameda St.	Hope Street				
4th Street	Carolina St.	Santa Fe Ave.				
Vincent St.	Alameda St.	4th Street	4th Street	Winston St.	Main Street	
Winston St.	San Pedro St.	Main Street	San Pedro St.	Alameda St.	Jackson St.	
Santee St.	Pico St.	8th Street	Main St.	Los AngelesSt.	5th Street	
Maple Ave.	Pico St.	5th Street				
Wall Street	10th St.	3rd Street				
San Julien St.	11th St.	8th Street				
San Pedro St.	Pico St.	4th Street				
Central Ave.	Pico St.	Jackson St.	Jackson St.	Market St.	San Pedro St.	
5th Street	Olive St.	Crocker St.			Los Angeles St.	
Hill St.	10th St.	2nd Street				
6th Street	Hope St.	River Bed				
7th Street	Hope St.	Ruth Ave.	7th St.	8th Street	Los AngelesSt.	
8th Street	Hill St.	Lawrence St.	7th St.	Agatha St.	Main Street	
Crocker St.	6th St.	9th St.			Crocker St.	
Towne Ave.	8th St.	10th St.				

ALONG STREETS			:	ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	:	Between	From	To	
Ruth Avenue	7th Street	8th Street					
Merchant St.	7th Street	8th Street					
Ceres St.	8th Street	9th Street					
Kohler St.	8th Street	9th Street		Santee St.	Maple Ave.	10th Street	
9th Street	Hope Street	Hemlock St.		9th Street	12th St.	Central Ave.	
9th Street	Long Beach Ave.	River Bed		Grand Ave.	Olive St.	8th Street	
Linden St.	10th Street	8th Street		9th Street	10th St.	Hope Street	
Birch St.	8th Street	9th Street		Hope St.	Grand Ave.	10th St.	
10th St.	Hope St.	Maple Ave.		Olive St.	Hill St.	9th St.	
11th St.	Hope St.	San Julien St.		Olive St.	Grand Ave.	12th St.	
12th St.	Hope St.	San Julien St.		Olive St.	Hill St.	12th St.	
12th St.	Paloma Ave.	Central Ave.		Broadway	Hill St.	9th St.	
				Hill St.	Broadway	10th St.	
Pico St.	Hope St.	Stanford Ave.		Main St.	Los Angeles St.	10th St.	
Ducasse Alley	San Pedro St.	Crocker St..		Maple Ave.	Wall St.	11th St.	
				Wall St.	San Julien St.	11th St.	
				9th St.	11th St.	San Julien St.	
				9th St.	10th St.	San Julien St.	
				Cecelia St.	Wall St.	8th Street	
				12th St.	Pico St.	San Pedro St.	
Wilmington St.	1st St.	2nd St.		12th St.	Pico St.	Paloma Ave.	
Lyon St.	Aliso St.	Ramirez St.		8th St.	9th St.	McGarry St.	
Vignes St.	2nd St.	Lyon St.		8th St.	9th St.	Ceres Ave.	
Ducommun St.	La Fayette St.	River Bed					
Turner St.	La Fayette St.	Vignes St.					
Banning St.	Alameda St.	Center St.					
Center St.	1st St.	Turner St.					
2nd St.	Hewitt St.	Santa Fe Av.					
Garey St.	1st St.	2nd St.		Garey St.	Santa Fe Av.	2nd St.	
Hewitt St.	2nd St.	3rd St.					
Stephenson Av.	Alameda St.	Merrick St.		4th St.	Stephenson Av. Extended	Santa Fe Av.	
						3rd Street	
						Merrick St.	



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Avery Street	Stephenson Ave.	3rd Street				
Merrick St.	Stephenson Ave.	4th Street				
Molino St.	Palmetto St.	4th Street				
Carolina St.	Palmetto St.	Vincent St.				
Colyton St.	Palmetto St.	Vincent St.				
Seaton St.	Palmetto St.	Vincent St.				
Alameda St.	9th Street	3rd Street				
Ninth Place	San Pedro St.	Crocker St.				
Santa Fe Ave.	9th Street	4th St.	Mateo St. &	Santa Fe Ave.	Santa Fe Ave.	
Willow St.	Santa Fe Ave.	River Bed	6th St.	Industrial St.	Alameda St.	
Mesquite St.	6th St.	7th St.	7th St.	Industrial St.	Alameda St.	
Jesse St.	Santa Fe Ave.	Mesquite St.	Alameda St.	Wilson St.	Shearer St.	
Wilson St.	Shearer St.	7th St.	Mateo St.	Santa Fe Ave.	7th St.	
Atlantic St.	Channing St.	Lawrence St.	Alameda St.	Mateo St.	Palmetto St.	
Shearer St.	Wilson St.	Alameda St.	Alameda St.	Lawrence St.	Shearer St.	
Factory Pl.	Mateo St.	Alameda St.				
Lawrence St.	Shearer St.	8th St.	Violet St.	Bay Street	Santa Fe Ave.	
Ruth Avenue	4th St.	6th Street	Enterprise St.	8th St.	Santa Fe Ave.	
Gladys Ave.	Central Ave.	6th Street	West of River Bed		Porter Street	
Towne Ave.	4th St.	5th St.	8th Street	Damon St.	Santa Fe Ave.	
Sacramento St.	Mateo St.	Santa Fe Ave.	4th Street	5th Street	Crocker St.	
Enterprise St.	River Bed	Santa Fe Ave.	Central Ave.	Alameda St.	North of Sixth Street	
Porter St.	River Bed	Santa Fe Ave.				
Enterprise St.	Lemon St.	Santa Fe Ave.				
Mateo St.	9th St.	Enterprise St.				
Hunter St.	Lawrence St.	Wilson St.	Lawrence St.	Wilson St.	Enterprise St.	
Paloma Ave.	Pico Street	12th St.			9th St.	

2200 Volt Lines and Less and Street Lighting Lines:

21  
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In that portion of said city bounded as follows:

Beginning at the intersection of Hoover Street and Pico Street; thence  
 Easterly along Pico Street to Central Avenue; thence  
 Northerly along Central Avenue to Twelfth Street; thence  
 Easterly along Twelfth Street to Tennessee Street; thence  
 Northerly along Tennessee Street to Ninth Street; thence  
 Easterly along Ninth Street to River Bed; thence  
 Southerly along the River Bed to the Southerly Boundary of said city; thence  
 Westerly, Southerly and Westerly along said boundary to the intersection of  
 Slauson Avenue and Central Avenue; thence  
 Westerly along Slauson Avenue to South Park Avenue; thence  
 Northerly along South Park Avenue to Fifty-fifth Street; thence  
 Westerly along Fifty-fifth Street to Main Street; thence  
 Northerly along Main Street to Santa Barbara Avenue; thence  
 Westerly along Santa Barbara Avenue to Moneta Avenue; thence  
 Northerly along Moneta Avenue to Thirty-eighth Street; thence  
 Westerly along Thirty-eighth Street to Figueroa Street; thence  
 Northerly along Figueroa Street to Exposition Boulevard; thence  
 Westerly along Exposition Boulevard to Vermont Avenue; thence  
 Northerly along Vermont Avenue to Jefferson Street; thence  
 Easterly along Jefferson Street to Hoover Street; thence  
 Northerly along Hoover Street to Bonnie Brae Street; thence  
 Northerly along Bonnie Brae Street to Sixteenth Street; thence  
 Westerly along Sixteenth Street to Hoover Street; thence  
 Northerly along Hoover Street to the Point of Beginning;

And for convenience known and designated as "District No. Eight".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between		From	To
Pico Street	Hoover Street	Grand Ave.	Hoover St. & Westlake Av.	Alvarado St. & Alvarado Terr.	Hoover St. & Alvarado St.	Pico Street & Pico Street
Alvarado St.	Pico Street	Westlake Ave.	Bonnie Brae St.	Burlington Av.	16th Street	Washington St.
Burlington Av.	Pico Street	Hoover St.				
14th Street	Bonnie Brae St.	Bond Street				
16th Street	Constance St.	Alameda St.				
17th Street	Burlington Av.	Figueroa St.				
17th Street	Hope Street	Maple Ave.				
18th Street	Hope Street	Burlington Av.				
18th Street	Hill Street	Main Street				

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
18th Street	San Pedro St.	Griffith Ave.				
Washington St.	Tennessee St.	Hoover Street				
Constance St.	Pico St.	16th Street				
Union Ave.	20th Street	Pico Street				
Toberman St.	24th Street	Pico Street				
Valencia St.	16th Street	Pico Street				
Albany St.	16th Street	Pico Street				
Oak Street	20th Street	Pico Street				
Bond Street	16th Street	Pico Street	Bond Street & Wright St.	Pico Street	16th Street	
Wright St.	16th Street	Pico Street	Georgia St.	Figueroa St.	17th Street	
Cherry St.	Washington St.	16th Street				
Bonsello Ave.	23rd Street	21st Street				
Georgia St.	Washington St.	Pico Street				
Lovelace Ave.	Washington St.	21st Street				
21st Street	Park Grove Ave.	Lovelace Av.				
22nd Street	Hoover St.	Toberman St.				
22nd Street	Figueroa St.	Main Street				
22nd Street	Maple Ave.	Wall Street				
23rd Street	Toberman St.	Trinity St.				
Thompson St.	Adams St.	23rd Street				
20th Street	Hoover St.	Toberman St.				
20th Street	Figueroa St.	Grand Ave.				
20th Street	Maple Ave.	Trinity St.				
Alexander Lane	Washington St.	Cameron Lane				
Cameron Lane	Figueroa St.	Flower St.				
Severance St.	Adams St.	28th Street				
Flower St.	Washington St.	20th Street				
Flower St.	Cameron Lane	Pico Street				
Hope St.	38th Street	Jefferson St.				
Hope St.	30th Street	28th Street				
Hope St.	23rd Street	Adams St.	Hoover St.	Portland St.	Adams Street	
Hope St.	Washington St.	17th St.	23rd Street	Adams St.	Thompson St.	
Grand Ave.	38th Street	Pico Street	Adams St.	28th Street	Portland St.	
15th Street	Grand Avenue	San Pedro St.	Adams St.	28th Street	Severance St.	
Palm Street	Pico Street	14th St.	27th St.	28th Street	Key West St.	
Hill Street	Pico Street	Carr St.	Severance St.	Figueroa St.	Figueroa St.	
Main Street	Pico Street	38th St.	28th St.	30th Street	Adams St.	
24th Street	Grand Ave.	Maple Ave.	Figueroa St.	Flower St.	Hoover St.	
24th Street	Trinity St.	San Pedro St.	Flower St.	Barnard Pl.	Adams St.	
					Washington St.	
					20th Street.	



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
35th Street	Olive Street	San Pedro St.	Main Street & Woodlawn Ave.	37th Street	38th Street	
Hoover Street	36th Place	Jefferson St.				
35th Place	Vermont Ave.	Figueroa St.				
University Ave.	Jefferson St.	37th Street				
36th Street	Vermont Ave.	Figueroa St.				
36th Street	Olive Street	Trinity St.				
36th Place	Vermont Ave.	Exposition Blvd.				
36th Place	Olive Street	Maple Avenue				
37th Street	Vermont Ave.	University Ave.				
37th Street	Exposition Blvd.	San Julien St.				
37th Place	Vermont Ave.	Hoover St.				
37th Place	Figueroa St.	Flower St.				
37th Place	Olive St.	Main Street				
Flower St.	38th Street	37th Street				
Main Street	Santa Barbara Av.	36th Place				
38th Street	Moneta Ave.	Woodlawn Av.				
39th Street	Moneta Ave.	Main Street				
14th Street	San Pedro St.	Central Ave.	Pico Street	14th Street	Stanford Av. Central Ave.	
14th Street	McGarry St.	Channing St.				
Paloma Ave.	Pico St.	18th Street				
Paloma Ave.	29th Street	Adams St.				
Clanton St.	San Pedro St.	Paloma Ave.				
Stanford Av.	32nd Street	Washington St.				
Griffith Ave.	32nd Street	17th Street	Washington St.	20th Street	San Pedro St. Central Ave.	
Central Ave.	47th Street	29th Street	20th Street	21st Street	San Pedro St. Central Ave.	
Central Ave.	23rd Street	22nd Street	21st Street	22nd Street	San Pedro St. Central Ave.	
Central Ave.	Clanton St.	Pico St.	22nd Street	23rd Street	San Pedro St. Central Ave.	
Naomi Avenue	29th Street	Walnut Street	23rd Street	24th Street	San Pedro St. Central Ave.	
22nd Street	Central Ave.	Naomi Ave.	24th Street	25th Street	San Pedro St. Central Ave.	
Hooper Ave.	33rd Street	21st Street	25th Street	Adams St.	San Pedro St. Central Ave.	
Compton Ave.	38th Street	21st Street	Adams St.	27th Street	San Pedro St. Central Ave.	
Walnut Street	Central Ave.	Naomi Avenue	27th Street	28th Street	San Pedro St. Central Ave.	
			28th Street	29th Street	San Pedro St. Central Ave.	
			29th Street	31st Street	San Pedro St. Central Ave.	
			31st Street	32nd Street	San Pedro St. 32nd Street	
			20th Street	21st Street	Central Ave. Hooper Ave.	
			21st Street	22nd Street	Central Ave. Compton Ave.	

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
			22nd Street &	23rd Street	Central Ave.	Long Beach Ave.
				23rd Street	Central Ave.	Compton Ave.
				25th Street	Central Ave.	Compton Ave.
				Adams St.	Central Ave.	Compton Ave.
				27th Street	Central Ave.	So. Pacific R/W
				28th Street	Central Ave.	Naomi Avenue
23rd Street	Compton Ave.	Long Beach Ave.				
25th Street	Compton Ave.	Long Beach Ave.				
Palomares Ave.	Compton Ave.	Nevin Avenue	So. Pacific RR	33rd Street	Hooper Ave.	Compton Ave.
Adams St.	Compton Ave.	Nevin Avenue	20th Street	22nd Street	Compton Ave.	Long Beach Ave.
26th Street	Long Beach Ave.	Nevin Avenue				
Nevin Ave.	Adams Street	26th Street	Compton Ave.	Nevin Ave.	Adams St.	32nd Street
27th Street	Nevin Avenue	Long Beach Ave.	14th Street	16th St.	Alameda St.	St. Elmo St.
32nd Street	Compton Ave.	Nevin Ave.	Walnut St.	20th St.	Naomi Ave.	Tennessee St.
33rd Street	Hooper Avenue	Long Beach Ave.	28th Street	33rd Street	Naomi Ave.	Hooper Ave.
36th Street	Compton Ave.	Morgan Ave.				
McGarry St.	9th Street	14th Street				
Channing St.	9th Street	10th Street				
Elwood St.	9th Street	10th Street				
Tennessee St.	Washington St.	20th Street	Tennessee St.	Tarleton St.	16th Street	Washington St.
Felicia St.	15th Street	16th Street	Private Drive	E. of 15th St.	Santa Clara St.	Alameda St.
Long Beach Av.	41st Street	22nd Street				
Long Beach Av.	Washington St.	16th Street				
McGarry St.	16th Street	Washington St.	22nd Street	24th Street	Long Beach Av.	Alameda St.
Washington St.	Compton Ave.	Alameda St.				
22nd Street	Long Beach Ave.	Alameda St.				
Alameda St.	27th Street	9th Street	25th Street	36th Street	Long Beach Av.	Alameda St.
			36th Street	37th Street	Morgan Ave.	Alameda St.
			37th Street	38th Street	Morgan Ave.	Alameda St.
			38th Street	39th Street	Compton Ave.	Alameda St.
			39th Street	40th Street	Compton Ave.	Alameda St.
			9th Street	11th Street	Lemon Street	Santa Fe Ave.
Santa Fe Ave.	9th Street	South City Boundary				
10th Street	East from Santa Fe Avenue					
11th Street	East from Santa Fe Avenue					
McPherson St.	East from Santa Fe Avenue					
15th Street	St. Elmo St.	Santa Fe Ave.				
St. Elmo St.	15th Street	16th Street				
Modoc Street	East from Santa Fe Avenue					

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
17th Street	Griffith Ave.	San Pedro St.	16th Street &	SouthCityBoundary	Alameda Street	Santa Fe Ave.
17th Street	Central Ave.	Naomi Ave.	Santa Fe Ave.	River Bed	Butte Street	McPherson St.
18th Street	Central Ave.	Naomi Ave.	33rd Street	34th Street	Naomi Ave.	Hooper Ave.
16th Street	Alameda St.	Santa Fe Ave.	Jefferson St.	Austin St.	Wadsworth St.	McKinley Ave.
Butte Street	Minerva St.	Harriet St.	38th Street	39th Street	McKinley Ave.	Central Ave.
Minerva St.	Butte St.	Cheney St.	39th Street	40th Street	South Park Ave.	Central Ave.
Harriet St.	Butte St.	Edwin St.	Central Ave.	Naomi Ave.	38th Street	41st Street
Lenard St.	Santa Fe Ave.	Minerva St.	40th Street	41st Street	South Park Av.	Central Ave.
Cheney St.	Santa Fe Ave.	River Bed	41st Street	42nd Street	South Park Av.	Hooper Ave.
32nd Street	Wadsworth St.	Naomi Ave.	42nd Street	43rd Street	Central Ave.	Hooper Ave.
33rd Street	Wadsworth St.	Central Ave.	43rd Street	Vernon Ave.	Central Ave.	Hooper Ave.
34th Street	Wadsworth St.	Naomi Ave.	45th Street	Vernon Ave.	South Park Av.	McKinley Ave.
Wadsworth St.	42nd Street	34th St.	40th Street	42nd Street	Compton Ave.	Long Beach Av.
36th Street	South Park Ave.	Griffith Ave.	41st St.	43rd Street	Alameda St.	Long Beach Av.
South Park Av.	Jefferson St.	46th Street	Compton Ave.	Honduras St.	45th St.	46th Street
37th Street	Central Ave.	Hooper Ave				
38th Street	Wadsworth St.	Hooper Ave.				
Naomi Ave.	41st Street	32nd St.				
Zamora Street	38th Street	41st Street				
39th Street	Central Ave.	Naomi Ave.				
40th Street	Central Ave.	Naomi Ave.				
41st Street	Wadsworth St.	Naomi Ave.				
42nd Street	Wadsworth St.	Hooper Ave.				
43rd Street	Hooper Ave.	Ascot Ave.				
Ascot Avenue	43rd Street	Vernon Ave.				
Vernon Ave.	South Park Av.	Vernon Ave.				
Lima Street	42nd Street	Long Beach Av.				
Morgan Ave.	42nd Street	45th Street				
Honduras St.	42nd Street	45th Street				
45th Street	McKinley Av.	Vernon Ave.				
46th Street	Compton Ave.	Honduras St.				
47th Street	Compton Ave.	Honduras St.				
Compton Ave.	45th Street	Central Ave.				
		Vernon Ave.				

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city lying east of the Los Angeles River, and for convenience known and designated as District No. Nine".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Avenue 33	Lacy Street	Humboldt St.	Lacy Street &	Andrews St.	Avenue 33	Avenue 25
Livingston Av.	East of Avenue 26					
Avenue 26	Livingston Ave.	Andrews St.				
Andrews St.	Avenue 26	S.P.L.A.&S.L.R/W				
Avenue 23	North of Humboldt	Street	Humboldt St.	Dayton Ave.	Avenue 20	Avenue 26
Avenue 23	Idell Street	Huron Street				
Avenue 22	North of Humboldt	Street	Humboldt St.	Dayton Ave.	Avenue 19	Avenue 20
Idell Street	San Fernando Rd.	Avenue 26				
Huron Street	Avenue 20	Avenue 23				
Avenue 20	Pasadena Ave.	Huron Street				
Hayden Street	Avenue 20	Avenue 21				
Avenue 21	Hayden Street	North End of St.				
Pasadena Ave.	Avenue 20	Avenue 21				
Avenue 21	Pasadena Ave.	Luisa Street				
Albion St.	Main Street	Avenue 17				
Main St.	Los Angeles River	Moulton Avenue				
Antonia Ave.	Alhambra Ave.	Main Street	Alhambra Ave.	Main Street	Clover St.	Antonia Ave.
Gibbons St.	No. Main St.	Cardinal St.	Alhambra Ave.	Main Street	Moulton Ave.	Daly Street
Moulton Ave.	Alhambra Ave.	No. Main St.				
Kramer St.	Moulton Ave.	Moulton Ave.				
Alhambra Ave.	Los Angeles River	Hancock St.				
Daly Street	Mission Road	Luisa Street				
Richmond St.	Daly Street	Mission Road	Moreno St.	Pomeroy Ave.	Story Ave.	Tremont St.
Marengo St.	Daly Street	Cosme Street	Workman St.	Sichel St.	Alhambra Av.	Mission Road
Mission Road	Daly Street	Putnam Street	Sichel St.	Griffin Ave.	Alhambra Av.	Mission Road
Charlotte St.	State Street	Griffin Ave.	State St.	Kingston Ave.	Charlotte St.	Griffin Av.
Chelsea St.	Soto Street	Cross St.	Britannia St.	Kingston Ave.	Charlotte St.	Griffin Av.
Griffin Ave.	Kingston Ave.	Brittania St.	Brittania St.	Plymouth St.	Charlotte St.	Griffin Av.
Griffin Ave.	Cornwell St.	Soto St.				
Soto Street	Griffin Ave.	Verde St.	Biggy St.	Norfolk St.	East Lake Av.	Griffin Ave.



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	To
State Street	5th Street	Charlotte St.	Griffin Ave. &	Soto Street	Zonal Avenue	Griffin Ave.
Judson Street	Bridge St.	State Street	Plymouth St.	Cosme St.	Charlotte St.	Marengo St.
Eohandia St.	Pleasant Ave.	Mitchell Place	Cornwell St.	Cosme St.	Charlotte St.	Marengo St.
Gillette St.	Bridge St.	Mitchell Place	Verde St.	Chelsea St.	Tremont St.	Irving St.
Mitchell Place	Fairview St.	Gillette Street				
Bridge St.	Prospect St.	Bailey Street				
Prospect Place	Brooklyn Ave.	Bridge Street				
Bailey St.	Bridge St.	Hammond St.				
Brooklyn Ave.	Pennsylvania Av.	Evergreen Ave.				
Story Avenue	Ganahl St.	Marengo St.				
San Benito St.	Bailey St.	Pennsylvania Av.				
Britannia St.	Bailey St.	Brooklyn Ave.				
Plymouth St.	Bailey St.	Brooklyn Ave.				
St. Louis St.	Sheridan St.	Fourth St.				
Chicago St.	Boyle Ave.	Sheridan St.				
Bailey St.	Britannia St.	Plymouth St.				
Bird Street	Chicago St.	Cornwell St.				
Cornwell St.	Brooklyn Ave.	Marengo St.				
Breed St.	Sheridan St.	Inez Street				
Soto Street	Venice Ave.	Folsom St.				
Pomeroy Ave.	Soto Street	Story Ave.				
Cincinnati St.	Soto Street	Evergreen Av.	Breed St.	Soto Street	Folsom St.	City View Ave.
Folsom St.	Soto Street	Evergreen Av.				
Boulder St.	Soto Street	Evergreen Av.	Fairmount St.	Houston St.	Soto St.	Mott Street
Malabar St.	Soto Street	Indiana St.	Fairmount St.	Wabash Ave.	Soto St.	Mott Street
Houston St.	Soto Street	Ganahl St.	Soto Street	Ganahl St.	Folsom St.	Wabash Ave.
Ganahl St.	Houston St.	Story Ave.				
Fairmount St.	Soto Street	Evergreen Ave.				
Winter St.	Mott St.	Indiana St.				
Blanchard St.	Mott St.	Indiana St.				
Mott Street	6th Street	Fairmount St.				
Sheridan St.	St.Louis St.	Soto Street				
Judson St.	St.Louis St.	Cornwell St.				

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between		From	To
City View Ave.	St. Louis St.	Cornwell St.				
New Jersey St.	Mott Street	Saratoga St.				
			Upper Blvd. & Ganahl St.	Folsom St. Mott Street	Evergreen Ave. Brooklyn Ave.	Sloat Street ConcinnatiSt.
Folsom St.	East of Sloat St.					
East Side St.	Brooklyn Ave.	Sloat St.	Anderson St.	Rio Street	South of 1st St.	
Rio Street	Mono Street	Kearney St.	Kearney St.	1st Street	Rio Street	Clarence St.
Utah Street	1st Street	Las Vegas St.	Kearney St.	Michigan Ave.	Pennsylvania Av.	Warren St.
Clarence St.	1st Street	Kearney St.				
Kearney St.	Utah St.	Clarence St.				
1st Street	Utah St.	EastCityBoundary				
Pleasant Ave.	1st Street	Michigan Ave.				
Pennsylvania Av.	Brooklyn Ave.	St. LouisSt.				
Pecan St.	Las Vegas St.	End of Pecan St.				
Las Vegas St.	Pecan St.	Pleasant Ave.				
Warren St.	Echandia St.	Brooklyn Ave.				
New Jersey St.	St. Louis St.	Echandia St.	New JerseySt.	Michigan Ave.	Echandia St.	North BoyleAv.
Michigan Ave.	Savannah St.	Echandia St.	New JerseySt.	Brooklyn Ave.	Bailey St.	State St.
North Boyle Av.	Hammond St.	PennsylvaniaAv.	New JerseySt. Boyle Ave.	Michigan Ave.	Bailey St.	State St.
				Salt Lake Terr.	1st Street	3rd Street
Cummings St.	5th Street	Brooklyn Ave.				
			2nd Street	3rd Street	Cummings St.	Breed St.
2nd Street	Boyle Ave.	City Boundary				
3rd Street	Gertrude St.	Mott Street				
3rd Street	Dacotah St.	City Boundary				
Boyle Ave.	9th Street	1st Street	Chicago St.	Breed St.	4th Street	6th Street
Gertrude St.	3rd Street	4th Street	Bodie St.	Boyle Ave.	3rd Street	4th Street
Clarence St.	Stephenson Ave.	3rd Street				
Gless Street	6th Street	4th Street				
5th Street	Clarence St.	Pecan Street				
Pecan Street	6th Street	4th Street				
Eagle St.	East of Pecan Street		Anderson St.	Rio Street	7th Street	Stephenson Av.
Utah Street	6th Street	7th Street	North of 7th St.		Anderson St.	Utah Street
			6th Street	4th Street	Clarence St.	River Bed
Anderson St.	Stephenson Ave.	7th Street	Clarence St.	River Bed	North of 4th St.	
6th Street	West to End of St.		4th Street	Stephenson Av.	West of Boyle Av.	
5th Street	Boyle Avenue	State St.	4th Street	5th Street	Clarence St.	Pecan St.
4th Street	River Bed	Estudillo St.	Gless Street	Clarence St.	5th Street	6th Street.

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Mathews St.	6th Street	Pennsylvania Ave.	Boyle Ave.	Cummings St.	5th Street	6th Street
Fickett St.	6th Street	Pennsylvania Ave.				
Lanfranco St.	Fickett St.	Ezra Street				
Pennsylvania Av.	Mathews St.	Fickett St.	Mathews St.	Fickett St.	4th Street	6th Street
Concord St.	Lanfranco St.	5th Street	Soto Street	Mathews St.	Michigan Ave.	Brooklyn Av.
Gleason St.	Mathews St.	Mott Street	Mathews St.	Fickett St.	Michigan Ave.	Brooklyn Av.
Eagle Street	Bell St.	Mott Street	Fickett St.	Mott St.	Michigan Ave.	Brooklyn Av.
5th Street	Bell St.	Mott Street	Euclid Ave.	Mott St.	Lanfranco St.	6th Street
5th Street	Euclid Ave.	Concord St.	Mathews St.	Fickett St.	1st Street	Gleason Ave.
Saratoga St.	1st Street	Brooklyn Ave.	Mathews St.	Fickett St.	Pennsylvania Av.	Michigan Ave.
Savannah St.	2nd Street	Brooklyn Ave.	Mott Street	Fickett St.	2nd Street	Gleason Ave.
Evergreen Ave.	Garnet St.	Venice Av.	Evergreen Av.	Dacotah St.	2nd Street	3rd Street
			In Evergreen Cemetary			
Evergreen Ave.	Guirado St.	Brooklyn Ave.				
Euclid Ave.	Hollenbeck Av.	4th Street				
Dacotah St.	1st Street	4th Street	Lorena St.	Cheesebrough Lane	1st St.	Brooklyn Ave.
Fresno Street	4th Street	1st Street				
Emmett St.	Dacotah St.	Lorena St.				
Poydras St.	Lorena St.	City Boundary				
Velasco St.	4th St.	1st Street				
Forest Ave.	Cincinnati St.	Fairmount St.				
Sloat St.	East Side St.	Malabar St.				
Blades St.	Fairmont St.	Malabar St.				
Eagle St.	Euclid Ave.	Ezra St.	Fresno St.	Ezra St.	4th Street	5th Street
Ezra Street	Inez Street	5th St.	Concord St.	Lorena St.	3rd Street	4th Street
Alder Street	4th Street	6th St.	Ezra Street	Alder St.	4th Street	Eagle St.
6th Street	Camulos St.	Spence St.				
Inez Street	Euclid Ave.	Corona St.				
Guirado St.	Evergreen Av.	Ezra Street				
Oregon St.	Marietta St.	Euclid Ave.				
Camulos St.	Garnet St.	6th St.				
Orme Ave.	Hollenbeck Av.	Stephenson Av.	Stephenson Av.	7th Street	Orme St.	Mott St.
Mott Street	Hollenbeck Av.	Venice Ave.	Stephenson Av.	6th Street	East of Soto St.	
Marietta St.	Hollenbeck Av.	Garnet St.				
Garnet St.	Mott St.	Camulos St.	Valeverde St.	Soto St.	7th St.	Stephenson Av.
Inez St.	Chicago St.	Soto St.				
Terrace Heights Avenue.	Chicago St.	Soto St.	Boyle Avenue	Hollenbeck Terr.	7th St.	Stephenson Av.

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Rogers Ave.	Chicago St.	Soto Street				
Stephenson Av.	Clarence St.	City Boundary				
Valeverde St.	Stephenson Ave.	7th Street	7th Street & Hollenbeck Ave.	Boyle Ave.	River Bed	
Hollenbeck Terr.	Stephenson Ave.	7th Street	Garnet St.	Opal Street	Boyle Ave.	Soto St.
7th Street	Utah Street	Vista Drive	West of Jaboneria Road		At South City	Boundary
Venice Ave.	Soto Street	Mathews St.				
Garnet St.	Evergreen Av.	Ezra Street	Dacotah St.	Vista Drive	Venice Ave.	Stephenson Av.
Fresno St.	Hollenbeck Ave.	Venice Ave.	Fresno St.	Ezra Street	Venice Ave.	Hollenbeck Av.
Fresno St.	Stephenson Ave.	7th Street	Lugo Street	SouthCityBoundary	River Bed	McLean Road
Dacotah St.	Stephenson Ave.	Venice Ave.	North of South City Boundary		East of McLean Road	
9th Street	River Bed	Soto Street				
Soto Street	9th St. Extended	So.to City Bdy.	East of Jaboneria Road		North of South City Boundary.	
Jaboneria Road	SouthCity Boundary North					
Alosta St.	Soto Street	Jaboneria Road				
Eagle Street	Lorena St.	Estudillo Ave.	4th Street	Eagle St.	Lorena St.	EastCityBoundary
5th Street	Lorena St.	Estudillo Ave.	Eagle St.	5th Street	Lorena St.	EastCityBoundary
Lanfranco St.	Lorena St.	Estudillo Ave.	5th Street	Lanfranco St.	Lorena St.	EastCityBoundary
Estudillo Ave.	4th Street	6th Street	Lanfranco St.	6th Street	Lorena St.	EastCityBoundary
Bernal Ave.	North of Percy Street		6th Street	Sabina St.	Lorena St.	EastCityBoundary
Percy Street	West of Lorena Street		Sabina St.	Percy St.	Lorena St.	EastCityBoundary
Lorena St.	Venice Ave.	6th Street	6th Street	4th Street	Lorena St.	Estudillo Ave.
Bernal Ave.	7th Street	Stephenson Ave.	Vista Drive	Concord St.	Vista Drive	7th Street
Concord St.	7th Street	Stephenson Ave.	Bernal Ave.	Concord St.	StephensonAv.	7th Street
Spence St.	Hollenbeck Ave.	6th Street	Percy St.	StephensonAv.	Lorena St.	Spence St.
Esperanza St.	6th Street	7th Street	Percy St.	StephensonAv.	EsperanzaSt.	City Boundary
Siskiyou St.	Lorena St.	Esperanza St.	7th Street	StephensonAv.	Concord St.	Lorena St.
			Venice Ave.	7th Street	Lorena St.	Esperanza St.
Los Palos St.	Cota St.	End of Los Palos St.	Venice Ave.	Beswick St.	Lorena St.	Esperanza St.
Prado St.	Cota St.	End of Prado St.	Beswick St.	Garnet St.	Lorena St.	Esperanza St.
Cota Street	El Paseo St.	Prado Street	Garnet St.	Opal St.	Lorena St.	Spence St.
El Paseo St.	Cota St.	Stephenson Ave.	Opal St.	Hollenbeck Av.	Lorena St.	Spence St.
Lorena Place	Lorena St.	Spence Street	Indiana St.	El Paseo St.	Cota St.	Verona St.
Albertine St.	Stephenson Ave.	Oregon St.	Nopal St.	Verona St.	Indiana St.	El Paseo St.
Indiana St.	Michigan Ave.	Verona St.				
Garnet St.	Boyle Ave.	End of Garnet St.				

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city extending southerly from Manchester Avenue to the San Pedro District, lying between Manchester Avenue and Two Hundred Thirtieth Street; and for convenience known and designated as "District No. Ten."

ALONG ALLEYS			:	ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	:	Between	From	To	
120 Street	EastCityBoundary	WestCityBoundary	:	Hoover St. & Figueroa St.	120th Street	121st Street	
Hoover Street	120th Street	127th Street	:	Hoover St. Figueroa St.	121st Street	Olympia Blvd.	
Aroadia Pl.	Hoover St.	Olympia Blvd.	:	Ainsworth St. Hoover St.	123rd Street	Olympia Blvd.	
			:	Figueroa St. Hoover St.	124th Street	Laconia Blvd.	
Vermont Ave.	120th Street	135th Street	:	Figueroa St. Hoover St.	127th Street	Laconia Blvd.	
			:	Ainsworth St. Vermont Ave.	123rd Street	Olympia Blvd.	
			:	Hoover St. Figueroa St.	124th Street	Olympia Blvd.	
-----							
143rd St.	Vermont Ave.	Figueroa St.	:	143rd St.	161st Street	East of Vermont Avenue	
Electric St.	Western Ave.	Normandie Ave.	:	157th St.	161st Street	East of Vermont Avenue	
Normandie Ave.	Electric St.	190th Street	:	Normandie Av.	Vermont Ave.	South of Electric Street	
Vermont Ave.	153rd Street	168th Street	:				
Figueroa St.	153rd Street	161st Street	:				
153rd Street	Vermont Ave.	Figueroa St.	:	Ainsworth St.	Vermont Ave.	161st Street	
157th Street	Vermont Ave.	Figueroa St.	:			163rd Street	
161st Street	Vermont Ave.	Figueroa St.	:	Orchard Ave.	Figueroa St.	161st Street	
164th Street	Vermont Ave.	Menlo Street	:			165th Street	
164th Street	Orchard Ave.	East	:				
165th Street	Vermont Ave.	Estrella Ave.	:				
166th Street	Vermont Ave.	Hoover Street	:				
168th Street	Vermont Ave.	Figueroa St.	:				
Ainsworth St.	161st Street	166th Street	:				
Menlo St.	165th Street	167th Street	:				
Orchard Ave.	161st Street	165th Street	:				
Estrella Ave.	165th Street	168th Street	:				

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city known as San Pedro, bounded as follows:

Beginning at the Intersection of Weston Avenue and the Westerly Boundary of said city; thence  
 Easterly along Weston Avenue to Vermont Avenue; thence  
 Southerly along Vermont Avenue to the northerly corner of the West Basin; thence  
 Southerly and westerly along the Westerly Line of the Water Front to the Intersection with the Westerly Boundary of said District at Point Fermin; thence  
 Northerly along said boundary to the point of beginning;

and for convenience known and designated as "District No. Eleven".

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
250th Street	Yale Avenue	Harvard Ave.	252nd St. &	253rd Street	Governor Ave.	East of Cabrillo Avenue
President Ave.	252nd Street	253rd Street				
Yale Avenue	252nd Street	253rd Street	Yale Avenue	Harvard Ave.	North of 250th St.	
Harvard Ave.	250th Street	253rd Street				
SantaRosa Av.	252nd Street	253rd Street				
Frampton St.	252nd Street	253rd Street				
Roanoke Ave.	250th Street	253rd Street				
Cabrillo Av.	251st Street	253rd Street				
Governor Av.	252nd Street	253rd Street				
253rd Street	Governor Av.	WestCityBoundary				
Olive Street	Pacific Ave.	Palos Verdes St.				
O'Farrell St.	Pacific Ave.	Palos Verdes St.	Olive St.	O'Farrell St.	Grand Ave.	Pacific Ave.
Sepulveda St.	WestCityBoundary	Palos Verdes St.	O'Farrell St.	Sepulveda St.	Mesa St.	Palos Verdes St.
SantaCruz St.	Gaffey St.	Palos Verdes St.				
First St.	Gaffey St.	Water Front	Sepulveda St.	Santa Cruz St.	WestCityBoundary	Gaffey St.
Second St.	Cabrillo St.	Water Front	Santa CruzSt.	1st Street	WestCityBoundary	Gaffey St.
Third St.	Gaffey St.	Water Front	Santa CruzSt.	1st Street	Mesa Street	Palos Verdes St.
Fourth St.	WestCityBoundary	Water Front				
Fifth St.	WestCityBoundary	Water Front				
6th Street	WestCityBoundary	Beacon St.				
7th Street	WestCityBoundary	Beacon St.	6th Street	7th Street	Gaffey St.	Grand Ave.
8th Street	Cabrillo St.	Beacon St.	6th Street	7th Street	Mesa St.	Palos Verdes St.
9th Street	Cabrillo St.	Beacon St.				
10th Street	Gaffey Street	Beacon St.	Along Water Front		Eighth St.	14th Street

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
11th Street	Gaffey St.	Beacon St.				
12th Street	Cabrillo St.	Beacon St.	11th Street &	12th Street	Meyler St.	Gaffey St.
13th Street	WestCityBoundary	Beacon St.				
14th Street	Cabrillo St.	San Pedro St.				
15th Street	Pacific Ave..	Palos Verdes St.				
16th Street	Georgia St.	Beacon St.				
17th Street	Grand Avenue	Palos Verdes St.	12th Street	17th Street	West of Georgia Street	
18th Street	Grand Avenue	Center St.				
19th Street	Alma Street	Center St.				
20th Street	Cabrillo St.	Mesa Street				
21st Street	Grand Avenue	End of Street				
22nd Street	Grand Avenue	Pacific Ave.				
23rd Street	Gaffey St.	Pacific Ave.				
26th Street	Carolina Ave.	Kerokhoff Ave.				
28th Street	WestCityBoundary	Kerokhoff Ave.				
32nd Street	WestCityBoundary	East of Pacific Ave.				
36th Street	Carolina Ave.	East of Pacific Ave.				
37th Street	Carolina Ave.	East of Pacific Ave.				
38th Street	WestCityBoundary	Pacific Ave.				
39th Street	WestCityBoundary	End of Street	Center St.	Palos Verdes St.	Santa Cruz St.	2nd Street
40th Street	WestCityBoundary	End of Street	8th Street	9th Street	Center St.	Palos Verdes St.
Shepard St.	WestCityBoundary	Pacific Ave.	10th Street	11th Street	Center St.	Palos Verdes St.
Alma St.	19th Street	21st Street	12th Street	13th Street	Center St.	Palos Verdes St.
Meyler St.	4th Street	7th Street	18th Street	19th Street	Pacific Ave.	Mesa Street
Meyler St.	16th Street	19th Street	19th Street	20th Street	Grand Ave.	Pacific Ave.
Cabrillo St.	4th Street	6th Street	Santa Cruz St.	1st Street	Gaffey St.	Grand Avenue
Cabrillo St.	11th Street	12th Street				
Cabrillo St.	18th Street	20th Street				
Gaffey St.	Santa Cruz St.	24th Street				
Carolina Av.	35th Street	Pacific Ave.				
Grand Ave.	14th Street	19th Street				
Kerokhoff Av.	26th Street	34th Street				
Pacific Ave.	1st Street	WestCityBoundary				
Mesa Street	Olive St.	18th Street				
Center St.	1st Street	18th Street				
Palos Verdes St.	Olive St.	16th Street				
Beacon St.	Bay Street	17th Street				

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY		
Along	From	To	Between	From	To
Bay Street	Vista Del Mar Dr.	Beacon Street			
Bonita St.	Beacon St.	Bay Street	North of Bonita St.	East of Beacon St.	
Orizaba St.	1st Street	3rd Street	North of O'Farrell St.	East of Bay Street	
Front St.	Santa Cruz St.	5th Street	On Smith's Island	Eastern & Southern Portion	
			Outer Harbor - East & West Channels	South of Signal Street	

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city known as Wilmington, bounded as follows:

Beginning at the Intersection of Weston Avenue and Vermont Avenue; thence Southerly along Vermont Avenue to the Northerly corner of the West Basin; thence Easterly along the Water Front to the Easterly Boundary of said District; thence Northerly along said Boundary to the Northerly Boundary of said District; thence Westerly along said Boundary to the point of beginning;

And for convenience known and designated as "District No. Twelve."

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Blinn Ave.	East 9th Street	North Boundary	Hazel St. & Vaught St.	Blinn Avenue,	Panama St.	
Hazel St.	Blinn Avenue	Panama Street				
Thenard St.	Blinn Avenue	Panama Street				
Panama St.	Thenard St.	11th Street				
10th Street	End Street	Panama Street				
End Street	East 7th St.	Patton St.				
11th Street	Drum St.	Blinn Ave.				
East 7th St.	End Street	D Street	Canal St.	Broadway	East 7th St. East 9th St.	
East 8th St.	Main Street	Broadway				
East 9th St.	Main Street	Broadway				
Broadway	East 9th St.	East 10th St.				
East 10th St.	Broadway	Banning St.				
East Street	East 9th St.	East 11th St.	East St.	Banning St.	East 12th St. East 9th St.	



ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY		
Along	From	To	Between	From	To
East 11th St.	East Street	Banning St.	East Street	Banning Street	North of East 12th Street
East 12th St.	East Street	Banning St.			
East Street	North of East 12th	Street			
Main Street	7th Street	10th Street			
Fries Street	West 7th Street	West 9th St.			
West 8th St.	D Street	Fries St.			
D Street	West 5th St.	West 9th St.			
East&West 6th St.	D Street	Broadway			
Water Street	Workman St.	East 7th St.			
West 3rd St.	Main St.	Canal St.			
East&West 1st St.	Main St.	Miles St.			
Miles St.	East 1st St.	Panama St.			
Government Alley	Fries St.	Canal St.			
Bryant St.	Fries St.	Canal St.			
Water St.	Fries St.	Canal St.			
Fries St.	Bryant St.	Water Front	Mormon Island Extensions from Fries Street		
West 5th Street	D Street	F Street	Fries St.	West Basin	South of Sou. Pacific RR Tracks
E Street	West 4th St.	West 5th St.			
F Street	West 4th St.	West 6th St.	G Street	H Street	West 4th St. West 5th St.
West 4th St.	F Street	H Street			
Carson St.	East 6th St.	East 7th St.			

2200 Volt Lines and Less and Street Lighting Lines:

In that portion of said city known as East San Pedro, bounded as follows:

Beginning at the Intersection of the Easterly Boundary of said city and the southerly Shore of the East Basin; thence Southerly along the Easterly Line of said boundary to the Water Front; thence Westerly and Southerly along the Water Front to Deadman's Island; thence Northerly along the Inner Harbor and the East Basin Front to the point of beginning;

And for convenience known and designated as "District No. Thirteen".

2200 Volt Lines and Less and Street Lighting Lines (Cont'd.)

<u>ALONG STREETS</u>			<u>ALONG ALLEYS AND ON PRIVATE PROPERTY</u>			
<u>Along</u>	<u>From</u>	<u>To</u>	<u>Between</u>	<u>From</u>	<u>To</u>	
Samples Place	Salt Lake Tracks	Seaside Ave.	Ocean Ave. &	Salt Lake Tracks	Caserta Place	Harris Place
Boschke Place	Salt Lake Tracks	Seaside Ave.	Ocean Ave.	Salt Lake Tracks	Bayonne Place	Caserta Place
Genoa Place	Salt Lake Tracks	Seaside Ave.	Qurscon Place	Samples Place	North of Salt Lake	Railroad
Place	Salt Lake Tracks	Seaside Ave.				
Herne Place	Salt Lake Tracks	Seaside Ave.				
Harris Place	Salt Lake Tracks	Seaside Ave.				
Caserta Place	Salt Lake Tracks	Seaside Ave.				
Bayonne Place	Ocean Avenue	Seaside Ave.				
Altoona Place	Ocean Avenue	Seaside Ave.				
Ferry St.	East Basin Front	Ocean Avenue				
Seaside Ave.	Genoa Place	Altoona Place	Seaside Ave.	Salt Lake Trks.	Qurscon Place	Altoona Place
Ocean Ave.	Caserta Place	Harris Place	Also all lines between Altoona Place and Inner Harbor frontage feeding this district. As no streets are officially given in this particular district a more accurate description cannot be made.			

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lightning arresters, transformer cut out boxes, line out out boxes, line out out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said city, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

LOCAL TELEPHONE SYSTEM

All telephone equipment and lines located in and connecting the local distributing sub-stations.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system, showing positions of poles, cross arms, wires, pins, insulators, out outs, transformers, switches, lighting equipment and services.

Detail maps of underground system, showing positions of manholes, vaults, conduit, cable, transformers, out outs, switches and service connections.

Sub-station drawings, showing details of construction, installation and wiring diagrams.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installations.

Operating data, including station records and load curves.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

SUBDIVISION B

DESCRIPTION OF PROPERTY IN THE CITY OF VERNON

RIGHTS OF WAY

Any and all private rights of way owned by the Company within the City of Vernon for use of the high tension line hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within the City of Vernon for the use of the high tension line hereinafter described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the City of Vernon for the construction, maintenance and operation of the high tension line hereinafter described.

HIGH TENSION LINES

Description by location of a high tension line, including cables, wires, poles and fittings:

30,000 Volt Line:

A 30,000 volt line beginning at the intersection of the Easterly Boundary of the City of Los Angeles and Vernon Avenue; thence easterly along Vernon Avenue to the right of way of the Atchison, Topeka and Santa Fe Railroad; thence northerly along the said right of way to the intersection with the southerly boundary of the City of Los Angeles.

LOCAL TELEPHONE SYSTEM

The telephone line constructed and used in connection with the high tension line hereinbefore described.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said lines.

Detail maps showing positions of poles, wires, pins and insulators

Records of contracts and agreements pertaining to the foregoing property and to the use thereof.

SUBDIVISION "C"

DESCRIPTION OF PROPERTY IN

UNINCORPORATED SECTION ONE

All that portion of Los Angeles County lying east of said City as follows:

Beginning at the intersection of the easterly boundary of said city and Wabash Avenue; thence easterly along Wabash Avenue, extended, to College Street; thence southerly along College Street to Sunol Drive; thence southerly along Sunol Drive, extended, to Downey Road; thence southerly along Downey Road Thirteen Hundred Sixty-four (1364) feet, to a point south of the southerly line of Stephenson Avenue; thence south  $88^{\circ} 55'$  west a distance of three thousand seven hundred and two (3,702) feet, more or less, to the intersection of the easterly boundary of said city at Indiana Avenue; thence northerly along said easterly boundary to the place of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section One."

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section One" for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section One" for use of the distributing lines hereinafter described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section One", for the distribution of electrical energy.

LOW TENSION LINES

Description by Location of Low Tension Distributing Lines, including Cables, Wires, Poles and Fittings.

2200 Volt Lines and Less and Street Lighting Lines:

<u>ALONG STREETS</u>			<u>ALONG ALLEYS AND ON PRIVATE PROPERTY</u>			
<u>Along</u>	<u>From</u>	<u>To</u>	<u>Between</u>	<u>From</u>	<u>To</u>	
Blanchard St.	Gage Street	Hicks Street				
Hicks Street	Blanchard St.	Winter Street				
Townsend St.	Blanchard St.	Wabash Av. Ext.				
Rowan St.	South of Verona St.	Wabash Av. Ext.				
Hollenbeck St.	Aliso St.	Wabash Av. Ext.				
Winter Street	Ditman St.	Rowan Street	Ditman St. &	Townsend St.	Blanchard St.	
East Side Blvd.	Indiana St.	Rowan Street	Indiana St.	Alma Street	Brocklyn Ave.	
Belinda St.	Townsend St.	Gage Street	Hicks Street	Alma Street	Brooklyn Ave.	
Townsend St.	Aliso Street	Belinda Street	Hicks Street	Ditman Street	Brooklyn Ave.	
Ditman Street	Wabash Av. Ext.	South of Verona St.	Townsend St.	Ditman Street	Brooklyn Ave.	
Hicks Street	Aliso Street	Belinda Street	Hicks Street	Indiana St.	Brooklyn Ave.	
					Michigan Ave.	

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between	From	To	
Alma Street	Aliso Street	Belinda St.				
Hammel St.	Rowan Street	Record St.				
Eastman Ave.	Rowan Street	Gage Street				
Brooklyn Ave.	Rowan Street	Record St.				
Record St.	Belinda St.	So. of Michigan Ave.				
Frankie St.	Brooklyn Ave.	So. of Michigan Ave.				
Richard St.	Hammel St.	Belinda St.	Record St. &	Richards St.	Hammel St.	
Hazard St.	Hammel St.	Fisher St.	Hazard St.	Richards St.	North	
Fisher St.	East of Hazard Street		Belinda St.	Fisher St.	North	
Gage Street	Aliso St.	Belinda St.	Hammel St.	Fisher St.	East of Hazard St.	
Michigan Ave.	Indiana St.	East of Frankie St.			East of Hazard St.	
1st Street	Indiana St.	Livermore St.				
Wellington St.	1st Street	Brooklyn Ave.				
			Hicks Street	Ditman St.	1st Street	
			Townsend St.	Ditman St.	Aliso St.	
			Townsend St.	Rowan St.	Aliso St.	
			Hollenbeck St.	Rowan St.	Aliso St.	
Aliso St.	Rowan St.	Gage Street	1st Street	Aliso St.	Aliso St.	
			Randolph St.	Aliso St.	East of Gage St.	
Louisiana St.	Indiana St.	Rowan St.	Randolph St.	Louisiana St.	Ditman St.	
Viola Ave.	Indiana St.	Rowan St.			Rowan St.	
Occidental Ave.	Indiana St.	Laguna St.			Indiana St.	
University Ave.	Indiana St.	Rowan St.	Occidental Ave.	Princeton St.	Rowan St.	
Laguna St.	University Ave.	Occidental Ave.	Laguna St.	Hillvale Place	University Ave.	
Princeton St.	Indiana St.	Hillvale Place	Princeton St.	Hubbard St.	Princeton St.	
Hubbard St.	Indiana St.	Downey Road	Hubbard St.	Percy Street	Rowan St.	
Percy Street	Ditman St.	Rowan Street	Bonnie Beach Pl.	Downey Road	Ditman St.	
			Bonnie Beach Pl.	Hillvale Place	University Ave.	
Arcadia Ave.	Hubbard St.	Stephenson Ave.	Arcadia Ave.	Hillvale Place	University Ave.	
San Antonio Ave.	Hubbard St.	Stephenson Ave.	San Antonio Ave.	Arcadia Ave.	Hubbard Street	
Jane Street	Percy Street	So. of Verona St.	San Antonio Ave.	Laguna St.	Hubbard Street	
Doris Street	Percy Street	So. of Verona St.	Ditman Street	Rowan Street	Hubbard Street	
Stephenson Ave.	Indiana St.	Downey Road			Percy Street	
Bonnie Beach Pl.	Hubbard St.	So. of Stephenson Ave.	Hillvale Place	Bonnie Beach Pl.	Stephenson Ave.	
			University Ave.	Princeton St.	Stephenson Ave.	
Hillvale Place	So. of Stephenson Avenue	Laguna Street	Doris Street	Indiana St.	Stephenson Ave.	
Verona St.	Indiana St.	Laguna Street	Princeton St.	Hubbard St.	Stephenson Ave.	
Delphi Street	South of Verona Street	Stephenson Ave.			Stephenson Ave.	
Indiana Street	Michigan Ave.				Stephenson Ave.	

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lightning arresters, transformer cut out boxes, line cut out switches and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.



COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system, showing positions of poles, cross arms, wires, pins, insulators, cutouts, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installation.

Records of contracts and agreements pertaining to the foregoing property and to the use thereof.

SUBDIVISION "D"  
DESCRIPTION OF PROPERTY IN  
UNINCORPORATED SECTION TWO

All that portion of said County of Los Angeles lying west of said city as follows:

Beginning at the intersection of the westerly boundary of said city and Pico Street; thence westerly along Pico Street to the Cahuenga Valley and Ballona Road; thence northerly along said Cahuenga Valley and Ballona Road to the northeasterly corner of a six and sixty-eight hundredths (6.68) acre tract, lying north of the right of way of the Sawtelle Branch of the Pacific Electric Railway, and belonging to the Hubbard And Chamberlain Brick Company; thence westerly along the northerly boundary of said tract to the northwesterly corner of said tract; thence southerly along the westerly boundary line of said tract, extended, across said right of way of the Pacific Electric Railway to the northwesterly corner of Tract No.169, as shown in Book 13 of Maps, page 113, on file in the office of the County Recorder of said County; thence southerly along the westerly boundary of said Tract No.169 to Pico Street; thence easterly along Pico Street to Beachwood Avenue; thence southerly along Beachwood Avenue, extended, to Adams Street; thence easterly along Adams Street to the westerly boundary of said city; thence northerly along said boundary line to the place of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Two."

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Two" for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Two" for use of the distributing lines hereinafter described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Two", for the distribution of electrical energy.

LOCAL DISTRIBUTING SUB-STATION EQUIPMENT

Sub-Station No.8 - Located in the Vineyard Steam Plant of the Pacific Electric Railway Company, situated west of the westerly boundary of said city and north of Sixteenth Street:

Number of banks	2
Total capacity (K.V.A.)	1950
Type of transformers - air blast and water cooled	
Number of 2200 volt feeders	3
Number of switchboard panels	5

Together with all auxiliaries and appliances.

HIGH TENSION AND LOW TENSION LINES

Description by Location of High Tension and Low Tension Distributing Lines, Including Cables, Wires, Conduits, Poles and Fittings.

15,000 Volt Lines:

A 15,000 volt line beginning at the intersection of the westerly boundary of the City of Los Angeles and Adams Street; thence westerly along Adams Street to the property line between Crenshaw.

15,000 Volt Lines (Cont'd)

Boulevard and Victoria Road; thence northeasterly along said property line to Washington Street; thence westerly along Washington Street to Sprague Street; thence northeasterly along Sprague Street to Sub-Station No. 8, located in the Vineyard Stead Plant of the Pacific Electric Railway Company.

2200 Volt Lines and Less and Street Lighting Lines:

ALONG STREETS			ALONG ALLEYS AND ON PRIVATE PROPERTY			
Along	From	To	Between		From	To
Pico Street	West City Boundary	Private Road	Pico Street	& P.E.R.R.R/W	Cienega Ave.	West City Bdry.
Cienega Ave.	Pico Street	P.E.R.R.R/W	North of P.E.R.R.R/W		West of Cahuenga Valley and Ballona Road	
Valley View Ave.	Pico Street	P.E.R.R.R/W	Pico Street	P.E.R.R.R/W	Cienega Ave.	Beechwood Ave.
Oak Avenue	Pico Street	P.E.R.R.R/W	Pico Street	P.E.R.R.R/W	Maple Avenue	Bonita Meadows Avenue
Palm Avenue	Pico Street	P.E.R.R.R/W	Pico Street	Sixteenth St.	West Boulevard	Sprague Street
Bonita Meadows Avenue	Pico Street	P.E.R.R.R/W				
Maple Avenue	Pico Street	P.E.R.R.R/W	16th Street	Lomita Street	West Boulevard	Sprague Street
Walnut Ave.	Pico Street	P.E.R.R.R/W	St.George St.	Lomita Street	West Boulevard	Sprague Street
Cypress Ave.	Pico Street	P.E.R.R.R/W	St.George St.	Grant Street	West Boulevard	Rimpau Avenue
Beechwood Ave.	Pico Street	P.E.R.R.R/W	17th Street	Grant Street	West Boulevard	Rimpau Avenue
Cahuenga Valley & Ballona Road	Pico Street	Wilshire Blvd.	17th Street	Collita St.	West Boulevard	Sprague Street
			18th Street	Collita St.	West Boulevard	Sprague Street
			18th Street	Mesa Street	West Boulevard	Roberta Avenue
Washington St.	West View St.	33rd Avenue	Mascot Street	Mesa Street	Rimpau Avenue	Roberta Avenue
33rd Avenue	Washington St.	21st Street	Mascot Street	Mesa Street & Washington Street	Sprague St.	West of Roberta Avenue
21st Street	33rd Avenue	35th Avenue	Sprague Street	Hillcrest Drive	Washington St.	Adams Street
Washington St.	Sprague St.	West L.A.City Boundary	West Boulevard	Hillcrest Drive	Washington St.	Adams Street
16th Street	East of West Boulevard		West Boulevard	Buckingham	Washington St.	23rd Street
West Boulevard	Lomita Street	No.of 16th St.	North of 16th Street		East of West Boulevard	
			16th Street	Lomita Street	East of West Boulevard	
			West of Buckingham Road		16th Street	Washington St.
			Buckingham Road	Virginia Road	16th Street	Washington St.
			Wellington Road	Virginia Road	16th Street	Washington St.
			Wellington Road	Victoria Road	16th Street	Washington St.
			Crenshaw Blvd.	Victoria Road	16th Street	23rd Street

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports, within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

LOCAL TELEPHONE SYSTEM

All telephone equipment and lines located in and connecting the local distribution sub-station.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Sub-station drawings, showing details of construction, installation and wiring diagrams.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installation.

Operating data, including station records, and load curves.

Records of contracts and agreements pertaining to the foregoing property and to the use thereof.

SUBDIVISION "E"  
DESCRIPTION OF PROPERTY IN UN-  
INCORPORATED SECTION THREE,

All that portion of said County of Los Angeles lying west of said city as follows:

Beginning at the intersection of the westerly boundary of said city and the alley next north of Fifty-second Street; thence westerly along said alley line, extended, to the northwest corner of Tract No. 911, as shown in Book 16, of Maps, page 188, on file in the office of the County Recorder of said County; thence southerly along the westerly boundary of said Tract No. <sup>911</sup>900 to Slauson Avenue; thence easterly along Slauson Avenue to Walnut Avenue; thence southerly along Walnut Avenue, extended, to the southwesterly corner of Firth's Hyde Park Tract, as per Map Book 9, page 141; thence easterly along the southerly boundary of said Tract, extended, to Hazel Street; thence easterly along Hazel Street to its intersection with the westerly boundary of said city; thence northerly along said boundary line to the place of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Three".

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Three" for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Three" for use of the distributing lines hereinafter described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Three", for the distribution of electrical energy.

HIGH TENSION AND LOW TENSION LINES

Description by Location of High Tension and Low Tension Distributing Lines, Including Cables, Wires, Conduits, Poles and Fittings.

30,000 Volt Line:

A 30,000 volt line beginning at the intersection of the westerly boundary of the City of Los Angeles and Florence Avenue; thence westerly along Florence Avenue to its intersection with Walnut Avenue.

2200 Volt Lines and Less and Street Lighting Lines:

<u>ALONG STREETS</u>			<u>ALONG ALLEYS AND ON PRIVATE PROPERTY</u>			
<u>Along</u>	<u>From</u>	<u>To</u>	<u>Between</u>		<u>From</u>	<u>To</u>
Slauson Ave.	West L.A. City Boundary	Property Line West of 18th Avenue	4th Avenue & 5th Avenue	5th Avenue & 6th Avenue	53rd Street	Slauson Ave.
			5th Avenue & 6th Avenue	6th Avenue & 7th Avenue	53rd Street	Slauson Ave.
			6th Avenue & 7th Avenue	7th Avenue & 8th Avenue	51st Street	Slauson Ave.
53rd Street	6th Avenue	18th Avenue	7th Avenue & 8th Avenue	8th Avenue & 9th Avenue	51st Street	Slauson Ave.
54th Street	4th Avenue	Walnut Ave.	8th Avenue & 9th Avenue	9th Avenue & 10th Avenue	51st Street	Slauson Ave.
55th Street	4th Avenue	18th Avenue	9th Avenue & 10th Avenue	10th Avenue & 11th Avenue	51st Street	Slauson Ave.
57th Street	15th Avenue	Mesa Drive	10th Avenue & 11th Avenue	11th Avenue & Mesa Drive	51st Street	Slauson Ave.
58th Street	15th Avenue	Mesa Drive	11th Avenue & Mesa Drive	Mesa Drive & 14th Avenue	51st Street	Slauson Ave.
59th Street	15th Avenue	Mesa Drive	Mesa Drive & 14th Avenue	14th Avenue & 15th Avenue	53rd Street	Slauson Ave.
Academy St.	East from Mesa Drive		14th Avenue & 15th Avenue		51st Street	Slauson Ave.



Along	ALONG STREETS		ALONG ALLEYS AND ON PRIVATE PROPERTY			
	From	To	Between		From	To
Elm Street	Evergreen Ave.	Walnut Ave.	15th Avenue & 16th Avenue Walnut Ave.	16th Avenue Walnut Avenue 18th Avenue Mesa Drive Elm Street	51st Street 51st Street 54th Street Elm Street Mesa Drive West of Cypress Ave.	Slauson Avenue Slauson Avenue Slauson Avenue Slauson Avenue Cypress Avenue
Cypress Ave.	Elm Street	Slauson Ave.	Fir Street South of Slauson Ave.	Elm Street	West of Cypress Ave.	
Hill Street	Walnut Ave.	Cypress Ave.	Walnut Ave.	Mineral Ave.	Elm Street	Santa Fe R/W
Chestnut St.	Walnut Ave.	Evergreen Ave.	Pearl Avenue	Mineral Avenue	Hill Street	Flower Street
Flower Street	Walnut Ave.	Cypress Ave.	Pearl Avenue	Mesa Drive	Elm Street	Pine Street
Santa Fe R/W	Pearl Avenue	Evergreen Ave.	Mountain Ave.	Mesa Drive	Elm Street	Chestnut St.
Pine Street	Pearl Ave.	Cypress Ave.	Mountain Ave.	Evergreen Ave.	Elm Street	Chestnut St.
Mesa Drive	Florence Ave.	Chestnut St.	Mountain Ave.	Mesa Drive	Flower St.	Chestnut St.
Mountain Ave.	Flower St.	Chestnut St.				
Mesa Drive Extd.	South from Florence Ave.					
Florence Ave.	Walnut Ave.	Cypress Ave.				
Cypress Ave.	Florence Ave.	Ingleside St.				

#### LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lighting arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

#### ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports, within said section, connecting the premises of any or all consumers with the lines of said company.

#### METERS

All meters installed for determining the amount of energy delivered to consumers.

#### PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

LOCAL TELEPHONE SYSTEM

The telephone line constructed and used in connection with the high tension line hereinbefore described.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system, showing positions of poles, cross arms, wires, pins, insulators, cutouts, transformers, switches, lighting equipment, and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, and capacity and type of installation.

Records of contracts and agreements pertaining to the foregoing property, and to the use thereof.

## SUBDIVISION "F"

DESCRIPTION OF PROPERTY IN UNINCORPORATED SECTION FOUR

Described as follows:

All that portion of said county lying south of Manchester Avenue and east of that portion of said city commonly known as the "Shoe String", as follows:

Beginning at the intersection of the southerly boundary of said city and Main Street; thence southerly along Main Street to its intersection with Mountain View Avenue; thence westerly along Mountain View Avenue to its intersection with the easterly city boundary; thence northerly along said easterly city boundary to its intersection with the southerly boundary of said city; thence easterly along said southerly boundary to said city to the point of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Four".

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RIGHTS OF WAY.

Any and all private rights of way owned by the Company within "Unincorporated Section Four" for use of the distributing lines hereinafter described.

EASEMENTS.

Any and all easements controlled by the Company within "Unincorporated Section Four" for use of the distributing lines hereinafter described.

FRANCHISES.

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Four", for the distribution of electrical energy.

LOW TENSION LINES.

Description by location of Low Tension Distributing Lines, including Cables, Wires, Poles and Fittings.

2200 Volt Lines and Less and Street Lighting Lines:

<u>ALONG STREETS</u>			<u>ALONG ALLEYS AND ON PRIVATE PROPERTY</u>			
<u>Along</u>	<u>From</u>	<u>To</u>	<u>Between</u>	<u>From</u>	<u>To</u>	
Manchester Ave.	Figueroa St.	Moneta Ave.	Manchester Ave. &	Morel Street	Main Street	Moneta Avenue
87th Street	Figueroa St.	Moneta Ave.	Morel Street	Manor Street	Main Street	Moneta Avenue
Moneta Avenue	90th Street	Manchester Ave.	Manor Street	Barabee St.	Main Street	Moneta Avenue
Morel Street	Main Street	Moneta Avenue	Barabee St.	86th Street	Main Street	Moneta Avenue
90th Street	Main Street	Moneta Avenue	86th Place	86th Street	Main Street	Moneta Avenue
86th Place	Main Street	Moneta Avenue	86th Place	89th Street	Main Street	Moneta Avenue
86th Street	Main Street	Moneta Avenue	89th Street	90th Street	Main Street	Moneta Avenue
91st Street	Main Street	Moneta Avenue	90th Street	91st Street	Main Street	Moneta Avenue
Main Street	91st Street	Manor Street	91st Street	92nd Street	Main Street	Moneta Avenue
			87th Street	88th Street	Figueroa St.	Moneta Avenue
			88th Street	89th Street	Figueroa St.	Moneta Avenue
			89th Street	90th Street	Figueroa St.	Moneta Avenue

Note:- Where streets are numbered a large latitude must be given, as all streets have not changed throughout their length and it is difficult to give them their true names. In all cases in this portion of the description the names of streets are taken directly as given on the map forming part of this exhibit.

LINE TRANSFORMERS AND LINE DEVICES.

All line transformers, both overhead and underground, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES.

All conductors and appurtenant insulation, ducts and supports, within said section, connecting the premises of any or all consumers with the lines of said company.

METERS.

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT.

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, lamp supports, and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT.

All lamps and accessories owned, operated and maintained for domestic and commercial lighting,

COMMERCIAL AND ENGINEERING RECORDS.

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cutouts, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installation.

Records of contracts and agreements pertaining to the foregoing property and to the use thereof.

## SUBDIVISION "C"

DESCRIPTION OF PROPERTY IN UNINCORPORATED SECTION FIVE

described as follows:

All that portion of said county of Los Angeles lying east of that portion of the City, commonly known as the "Shoe String", as follows:

Beginning at the intersection of the easterly boundary of said portion of said city and 120th Street; thence easterly along 120th Street, extended, to Main Street; thence southerly along Main Street to Delphi Avenue, or 126th Street; thence westerly along Delphi Avenue, or 126th Street, to its intersection with the easterly boundary of said portion of said city; thence northerly along said boundary line to the place of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Five."

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RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Five" for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Five" for use of the distributing lines hereinafter described.

FRANCHISES.

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Five", for the distribution of electrical energy.

LOW TENSION LINES

Description by Location of Low Tension Distributing Lines, Including Cables, Wires, Poles and Fittings.

2200 Volt Lines and Less and Street Lighting Lines:

<u>Along Streets</u>			<u>Along Alleys and on Private Property</u>			
<u>Along</u>	<u>From</u>	<u>To</u>	<u>Between</u>	<u>From</u>	<u>To</u>	<u>To</u>
120th Street	East L. A. City Boundary	Hill Street				
121st Street	Moneta Avenue	Hill Street	120th Street	128th Street	Moneta Avenue	Hill Street
Attica Place	Moneta Avenue	Hill Street	Campania Blvd.	Delphi Avenue	Hill Street	Main Street
Campania Blvd.	East Boundary	Main Street	Campania Blvd.	Delphi Avenue	Hill Street	Moneta Avenue
Moneta Avenue	Campania Blvd.	126th Street				
Sparta Place	Hill Street	Main Street				
Argos Avenue	Hill Street	Main Street				
Hill Street	North of Campania Boulevard					

LINE TRANSFORMERS AND DEVICES

All line transformers, both overhead and underground, pole line lightning arrestors, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

Sheet 0-2.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports, within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

COMMERCIAL AND ENGINEERING RECORDS.

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and types of installation.

Records of contracts and agreements pertaining to the foregoing property and to the use thereof.



SUBDIVISION H

DESCRIPTION OF PROPERTY IN UNINCORPORATED SECTION SIX,

Described as follows:

All that portion of said County of Los Angeles lying west of that portion of said City known as "San Pedro" as follows:

Beginning at the intersection of the westerly boundary of said portion of of said city and Sepulveda Street; thence westerly along Sepulveda Street, extended, to Gibbon Avenue; thence southerly along Gibbon Avenue, extended, to Seventh Street; thence easterly along Seventh Street to the westerly boundary of said portion of said city; thence northerly along said westerly boundary to the place of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Six".

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Six" for use of distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Six" for use of the distributing lines hereinafter described.

FRANCHISES

The right to occupy and use streets, alleys and public places within the portions of said county designated and referred to as "Unincorporated Section Six", for the distribution of electrical energy.

LOW TENSION LINES

Description by location of Low Tension Distributing Lines.  
Including Cables, Wires, Poles and Fittings.

2200 Volt Lines and Less and Street Lighting Lines.

<u>ALONG STREETS</u>			<u>ALONG ALLEYS AND ON PRIVATE PROPERTY</u>			
<u>Along</u>	<u>From</u>	<u>To</u>	<u>Between</u>	<u>From</u>	<u>To</u>	
			Walker Ave.	Hamilton Ave.	South of Third Street	
			West L.A. City Bdy.	Hamilton Ave.	North of Sepulveda St.	
Bandini St.	Sepulveda St.	Fourth Street	West L.A. City Bdy.	Hamilton Ave.	Sepulveda St. & Santa Cruz St.	
Third St.	Hamilton Ave.	Bandini Street	West L.A. City Bdy.	Hamilton Ave.	Santa Cruz St. & First St.	
Hamilton Ave.	2nd Street	Third St.				
5th Street	West Boundary	Bandini Street				
6th Street	West Boundary	Bandini Street				
7th Street	West Boundary	Bandini Street				
4th Street	West Boundary	Bandini Street				

### LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

### ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports, within said section connecting the premises of any or all consumers with the lines of said Company.

### METERS

All meters installed for determining the amount of energy delivered to consumers.

### PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as arc lights, incandescent lamps, lamp supports and accessory equipment.

### DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Joint pole records.

Meter Data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installation.

Records of contracts and agreements pertaining to the foregoing property and to the use thereof.

SUBDIVISION I

DESCRIPTION OF PROPERTY IN UNINCORPORATED SECTION SEVEN,

Described as follows,

All that portion of said County of Los Angeles lying north of that portion of said city known as "Wilmington" as follows:

Beginning at the intersection of the northerly boundary of said portion of said city and Wilmington Avenue; thence northerly along Wilmington Avenue to Wilmington Street; thence easterly along Wilmington Street to the right of way of the San Pedro Branch of the Pacific Electric Railway; thence southerly along the westerly line of said right of way to its intersection with the northerly boundary of said portion of said city; thence westerly along said northerly boundary line to the point of beginning; together with the streets and roads, or portions thereof, bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Seven".

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Seven" for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Seven" for use of the distributing lines hereinafter described.

FRANCHISES

The right to occupy and use streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Seven", for the distribution of electrical energy.

LOW TENSION LINES

Description by location of Low Tension Distributing Lines.  
Including Cables, Wires, Poles and Fittings.

2200 Volt Lines and Less.

Beginning at the intersection of Blinn Avenue and the Northerly boundary of that portion of the City of Los Angeles formerly known as "Wilmington"; thence easterly along said boundary to its intersection with the right of way of the main San Pedro branch of the Pacific Electric Railroad; thence northerly a distance of four thousand five hundred and thirty (4,530) feet, more or less, to a point from which service lines are extended to supply certain ranch properties within that portion of the M. D. Dominguez de Watson Allotment lying north of the Long Beach & Redondo Road and west of the aforesaid Pacific Electric Railroad.

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lightning arresters, transformer out boxes, line out switches, and all other devices installed in connection with the distributing line hereinbefore described.

ELECTRIC SERVICES.

All conductors and appurtenant insulation, ducts and supports within said section connecting the premises of any or all consumers with the lines of said Company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, out outs, transformers, switches and services.

Meter Data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installation.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

SUBDIVISION J

DESCRIPTION OF PROPERTY IN UNINCORPORATED SECTION EIGHT

Described as follows.

All that portion of said county lying south of Manchester Avenue and west of that portion of said city commonly known as the "Shoe String", as follows:

Beginning at the intersection of the southerly boundary of said city and Normandie Avenue; thence southerly along Normandie Avenue to Seventy-eighth Street; thence easterly along Seventy-eighth Street to Vermont Avenue, or the westerly boundary of that portion of said city commonly known as the "Shoe String"; thence northerly along said boundary to its intersection with the southerly boundary of said city at Manchester Avenue; thence westerly along said southerly boundary to the point of beginning; together with the streets and roads, or portions thereof bounding said unincorporated section of said county, said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Eight".



RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Eight" for use of the distributing lines hereinafter described.

EASEMENTS

Any and all easements controlled by the Company with "Unincorporated Section Eight" for use of the distributing lines hereinafter described.

FRANCHISES

The right to occupy and use streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Eight", for the distribution of electrical energy.

LOW TENSION LINES

Description by location of Low Tension Distributing Lines.  
Including Cables, Wires, Poles and Fittings.

2200 Volt Lines and Less

Beginning at the intersection of the southerly boundary of the City of Los Angeles and Normandie Avenue; thence southerly along Normandie Avenue to 90th Street.

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, both overhead and underground, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing line hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section connecting the premises of any or all consumers with the lines of said Company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of Poles, cross arms, wires, pins, insulators, out outs, transformers, switches, lighting equipment and services.

Joint Pole records.

Meter Data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installation.

Record of contracts and agreements pertaining to the foregoing property and to the use thereof.

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SUBDIVISION "K"  
DESCRIPTION OF PROPERTY

in  
ANNEXED TERRITORY  
Described as follows:

LANDS AND IMPROVEMENTS THEREON

Palms Sub-Station:

On the corner of Josephine Street and the alley next west from Fourth Street, in the "Palms" District, in the City of Los Angeles, County of Los Angeles, State of California, as shown on Map No. O-183-L, attached to application and filed with Commission, and described as follows, to-wit:

Being Lot 45, of the Kidson Tract, as per map thereof recorded in Book 10, page 158, of Maps, in the office of the County Recorder of said County; together with all buildings and improvements thereon.

Van Nuys Sub-Station:

On the corner of O Street and Figueroa Avenue, in Van Nuys, in the City of Los Angeles, County of Los Angeles, State of California, as shown on Map No. O-183-M, attached to application and on file with Commission, and described as follows, to-wit:

Being Lots 21 and 22, Block 32, Tract 1200, as per map thereof recorded in Book 19, page 35, of Maps, in the office of the County Recorder of said County; together with all buildings and improvements thereon.

RIGHTS OF WAY

Any and all, private rights of way owned by the Company within the territory recently annexed to the City of Los Angeles, and consisting of what is known as the "San Fernando Valley Annexation District", "Palms" District, and "Bairdstown", for use of the distributing lines hereinbefore described.

EASEMENTS

Any and all easements controlled by the Company within the territory recently annexed to the City of Los Angeles, and consisting of what is known as the "San Fernando Valley Annexation District", "Palms" District, and "Bairdstown", for use of the distributing lines hereinbefore described.

FRANCHISES

All franchise rights of the Southern California Edison Company to occupy and use the streets, alleys and public places within the territory recently annexed to the City of Los Angeles and consisting of the "San Fernando Valley Annexation District", "Palms" District, and "Bairdstown", except the right to operate and maintain the physical properties of said Company within said recently annexed territory not sought to be taken by the proceeding to which this Appendix pertains.

FRANCHISES (Cont'd.)

"Palms" District, and "Bairdstown", for the distribution of electrical energy.

LOCAL DISTRIBUTING SUB-STATION EQUIPMENT

Palms Sub-station:

One bank consisting of two 10,000 volt to 2,200 volt air cooled transformers of 200 K.V.A. total capacity; two switchboard panels and one 2200 volt feeder.

Sub-Station No. 8:

Located in the Vineyard steam plant of the Pacific Electric Railway Company, in the "Palms" District.

Two banks of air blast and water cooled transformers of 1950 K.V.A. total capacity; 5 switch-board panels, together with all auxiliaries and appliances, and three 2200 volt feeders.

Van Nuys Sub-Station:

One bank, consisting of three 15,000 volt to 2,200 volt oil cooled transformers of 300 K.V.A. total capacity; 6 switchboard panels, and three 2200 volt feeders.

HIGH TENSION AND LOW TENSION LINES

All high tension and low tension electric distributing lines, including cables, wires, conduits, and poles and fittings, within the territory recently annexed to the City of Los Angeles, and consisting of what is known as the "San Fernando Valley Annexation District", "Palms" District, and "Bairdstown", as shown and delineated on the maps hereto attached and marked "Applicants' Exhibit 'R'", "Applicants' Exhibit 'S'" and "Applicants' Exhibit 'T'", excepting therefrom the high tension lines shown on "Applicants' Exhibit 'R'" and marked "Kern River No. 1 Transmission Line", and "High Tension Loop Line", and also excepting therefrom the high tension line shown on "Applicants' Exhibit 'S'", and marked "Sawtelle 10,000 Volt Line".

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer out boxes, line out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said annexed territory, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

LOCAL TELEPHONE SYSTEM

All telephone equipment and lines located in and connecting the local distributing sub-stations hereinbefore described.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Sub-station drawings, showing details of construction, installation and wiring diagrams.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installations.

Operating data, including station records and load curves.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

SUBDIVISION "L"

DESCRIPTION OF PROPERTY

IN

"UNINCORPORATED SECTION NINE",

. Described as follows- -

All that portion of Los Angeles County lying West of said City, bounded as follows:

Beginning at the intersection of the center line of Adams Street with the present Westerly boundary of the City of Los Angeles, and running thence Westerly along said center line to an intersection with the Southerly prolongation of the Westerly boundary line of Beechwood Avenue; thence Northerly along the said Southerly prolongation of the westerly boundary line of Beechwood Avenue to the intersection of said line with the present city limits of the City of Los Angeles; thence along the various courses of the present boundary of the said City, Easterly, Northeasterly, Easterly, Southerly, Easterly and Southwesterly to the place of beginning; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Nine.

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Nine", for use of the distributing lines hereinbefore described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Nine", for use of the distributing lines hereinbefore described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Nine", for the distribution of electrical energy.

HIGH TENSION AND LOW TENSION LINES

All high tension and low tension lines, including cables, wires, conduits, and poles and fittings, within "Unincorporated Section Nine", as shown and delineated on "Applicants' Exhibit 'S'".

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer out out boxes, line out out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.



PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

LOCAL TELEPHONE SYSTEM

All telephone lines located in said section.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installations.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

SUBDIVISION "M"

DESCRIPTION OF PROPERTY

in

"UNINCORPORATED SECTION TEN"

described as follows:-

All that portion of Los Angeles County lying west of said City, bounded as follows:

Beginning at the intersection of the Westerly boundary of the City of Los Angeles and the center line of Pico Street, and running thence Southerly and Westerly along said boundary line to the intersection of said boundary line with the Southerly prolongation of the Westerly boundary line of Tract 169, as said tract is shown in Book 13 of Maps, page 113, Records of Los Angeles County; thence Northerly along said Southerly prolongation of said line and along said Westerly boundary line to the Northwest corner of said Tract 169; thence in a straight line to the Southwest corner of the 6.68 acre tract of Hubbard and Chamberlain Brick Company north of the right of way of the Sawtelle Branch of the Pacific Electric Railway Company; thence northerly along the westerly boundary of said 6.68 acre tract to the northwest corner of said tract; thence easterly along the northerly line of said tract and its Easterly prolongation to an intersection with the existing boundary of the City of Los Angeles; thence southerly along said Westerly boundary of said City to the place of beginning; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Ten."

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Ten", for use of the distributing lines hereinbefore described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Ten", for use of the distributing lines hereinbefore described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Ten, for the distribution of electrical energy.

LOW TENSION LINES

All low tension lines, including cables, wires, conduits, and poles and fittings, within "Unincorporated Section Ten", as shown and delineated on Applicants' Exhibit '8'".

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installations.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

SUBDIVISION "H"DESCRIPTION OF PROPERTYin"UNINCORPORATED SECTION ELEVEN"Described as follows:

All that portion of Los Angeles County lying west of said City, bounded as follows:

Beginning at the point on the boundary line of the City of Los Angeles at the intersection of the northwesterly line of Hughes Avenue, or the Northwesterly line of Hughes Avenue, prolonged Northeasterly, and said boundary line, and running thence Northeasterly in a straight line to a point on the boundary line of said City where the Northwesterly line of Lenkill Street or its Northeasterly prolongation intersects said boundary line, and running thence along the various courses of the boundary of said City in a Southeasterly, Southwesterly, Westerly, Southwesterly, Easterly, Southwesterly, Easterly, Northeasterly, Easterly, Southwesterly, Northwesterly, Northeasterly, Westerly and Southwesterly, and Northwesterly direction to the place of beginning (the streets in the paragraph mentioned are streets which are now partly within and partly without the City of Los Angeles and are in the district known as "The Palms"); said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Eleven.

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Eleven", for use of the distributing lines hereinbefore described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Eleven", for use of the distributing lines hereinbefore described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Eleven", for the distribution of electrical energy.

LOW TENSION LINES

All low tension lines, including cables, wires, conduits, and poles and fittings, within "Unincorporated Section Eleven", as shown and delineated on Applicants' Exhibit '8'".

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

COMMERCIAL AND ENGINEERING RECORDS

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installations.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

SUBDIVISION "O"DESCRIPTION OF PROPERTYin"UNINCORPORATED SECTION TWELVE"described as follows:

All that portion of Los Angeles County lying generally West of said City, bounded as follows:

Beginning at a point on the boundary of the City of Los Angeles, which point is at or near the corner of First Street in that district known as the "Palms", and Washington Street, and running thence to the intersection of the Westerly line of the right of way of the Pacific Electric Railway Company (Del Rey Branch) and the Northerly line of said First Street as said street extends outside of said City; thence in a straight line to the intersection of the Southwesterly line of Jackson Street and the Southwesterly prolongation of the Northwesterly line of Braddock Drive; thence along said prolongation of Braddock Drive, along said line of Braddock Drive and its Northeasterly prolongation to the intersection of said prolonged line with the Southerly boundary of the right of way of the Pacific Electric Railway Company (Santa Monica Air Line Branch); thence westerly along said southerly boundary of said right of way to the boundary of the City of Los Angeles; thence along the various courses of said boundary line in a general southwesterly, Southeasterly, Southwesterly, Northwesterly, Southwesterly, Northwesterly, Northeasterly, Northwesterly, Southwesterly, Southeasterly and Southwesterly direction to the place of beginning; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated" Section Twelve.

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Twelve" for use of the distributing lines hereinbefore described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Twelve", for use of the distributing lines hereinbefore described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Twelve", for the distribution of electrical energy.

LOW TENSION LINES.

All low tension lines, including cables, wires, conduits, and poles and fittings, within "Unincorporated Section Twelve", as shown and delineated on Applicants' Exhibit 'S'.

LINE TRANSFORMERS AND DEVICES

All line transformers, pole line lightning arresters, transformer out out boxes, line out out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

COMMERCIAL AND ENGINEERING RECORDS

- General maps of said system.
- Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.
- Joint pole records.
- Meter data, showing serial numbers, records and locations.
- Consumers' records, showing names, locations, capacity and type of installations.
- Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.



SUBDIVISION "P"

DESCRIPTION OF PROPERTY

in

"UNINCORPORATED SECTION THIRTEEN"

described as follows:

All that portion of Los Angeles County lying East of said City, bounded as follows:

Beginning at the point on the boundary of the City of Los Angeles at the southeast corner of Block 179 of the Lankershim Land and Water Company's Subdivision of the Rancho Ex Mission de San Fernando, or, if the boundary of said City be not at the said corner of said block, then at the point on the boundary of said City where the Southerly prolongation of the Easterly line of said block intersects said boundary, and running thence North along the said prolongation of said line and along said line and its Northerly prolongation to the intersection of said prolonged line with the city limits of said City; thence along the said boundary of said City Westerly, Southerly, and Easterly to the place of beginning; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Thirteen.

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Thirteen", for use of the distributing lines hereinbefore described.

EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Thirteen" for use of the distributing lines hereinbefore described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Thirteen", for the distribution of electrical energy.

LOW TENSION LINES

All low tension lines, including cables, wires, conduits, and poles and fittings, within "Unincorporated Section Thirteen", as shown and delineated on "Applicants' Exhibit 'R'".

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer cut out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS.

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

COMMERCIAL & ENGINEERING RECORDS

- General maps of said system.
- Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.
- Joint pole records.
- Meter data, showing serial numbers, records and locations.
- Consumers' records, showing names, locations, capacity and type of installations. use
- Records of contracts and agreements pertaining to the foregoing described property and to the/thereof.

SUBDIVISION "Q"

DESCRIPTION OF PROPERTY

in

"UNINCORPORATED SECTION FOURTEEN"

described as follows:

All that portion of Los Angeles county lying east of said City, bounded as follows:

Beginning at the point on the boundary line of the City of Los Angeles where the Northwesterly line of Plateno Avenue intersects said boundary line, and running thence Northeasterly along said Northwesterly line of said Avenue to the Southwesterly line of Center Street; thence Northwesterly along the Southwesterly line of Center Street to the boundary line of said City; thence Southwesterly and Southeasterly along the various courses of said boundary to the place of beginning; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Fourteen.

## RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Fourteen", for use of the distributing lines hereinbefore described.

### EASEMENTS

Any and all easements controlled by the Company within "Unincorporated Section Fourteen", for use of the distributing lines hereinbefore described.

### FRANCHISES.

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Fourteen", for the distribution of electrical energy.

### HIGH TENSION LINES.

All high tension lines, including cables, wires, conduits, and poles and fittings, within "Unincorporated Section Fourteen", as shown and delineated on "Applicants' Exhibit 'R'".

### LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer out boxes, line cut out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

### ELECTRIC SERVICES.

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

### METERS

All meters installed for determining the amount of energy delivered to consumers.

### COMMERCIAL AND ENGINEERING RECORDS.

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Joint pole records.

Meter data, showing names, locations, capacity and type of installations.

Consumers' records, showing names, locations, capacity and type of installations.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

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SUBDIVISION "A-1"

DESCRIPTION OF PROPERTY

in

"UNINCORPORATED SECTION FIFTEEN"

described as follows:

All that portion of Los Angeles County bounded on all sides by the said City of Los Angeles, and commonly known as "Owensmouth"; said section being, for the purpose of this application, known and hereinafter designated as "Unincorporated Section Fifteen".

LANDS AND IMPROVEMENTS THEREON

Owensmouth Sub-Station:

On the corner of Sherman Way and Market Street in Owensmouth, in the County of Los Angeles, State of California, as shown on Map No. O-183-N, attached to application and on file with the Commission, and described as follows, to-wit:-

Being lots 8 and 9, Block 61, Owensmouth Sheet 1, as per map thereof recorded in Book 19, page 36, of maps, in the office of the County Recorder of said county; together with all buildings and improvements thereon.

RIGHTS OF WAY

Any and all private rights of way owned by the Company within "Unincorporated Section Fifteen", for use of the distributing lines hereinbefore described.

EASEMENTS.

Any and all easements controlled by the Company within "Unincorporated Section Fifteen", for use of the distributing lines hereinbefore described.

FRANCHISES

The right to occupy and use the streets, alleys and public places within the portion of said county designated and referred to as "Unincorporated Section Fifteen" for the distribution of electrical energy.

HIGH TENSION AND LOW TENSION LINES

All high tension and low tension lines, including cables, wires, conduits and poles and fittings, within "Unincorporated Section Fifteen", as shown and delineated on 'Applicants' Exhibit 'R'."

LINE TRANSFORMERS AND LINE DEVICES

All line transformers, pole line lightning arresters, transformer cut out boxes, line out out switches, and all other devices installed in connection with the distributing lines hereinbefore described.

ELECTRIC SERVICES

All conductors and appurtenant insulation, ducts and supports within said section, connecting the premises of any or all consumers with the lines of said company.

METERS

All meters installed for determining the amount of energy delivered to consumers.

PUBLIC LIGHTING EQUIPMENT

All equipment owned, operated and maintained under contracts for public lighting, such as incandescent lamps, lamp supports and accessory equipment.

DOMESTIC AND COMMERCIAL LIGHTING EQUIPMENT

All lamps and accessories owned, operated and maintained for domestic and commercial lighting.

LOCAL TELEPHONE SYSTEM

All telephone lines located in said section.

COMMERCIAL AND ENGINEERING RECORDS.

General maps of said system.

Detail maps of overhead system showing positions of poles, cross arms, wires, pins, insulators, cut outs, transformers, switches, lighting equipment and services.

Sub-station drawings, showing details of construction, installation and wiring diagrams.

Joint pole records.

Meter data, showing serial numbers, records and locations.

Consumers' records, showing names, locations, capacity and type of installations.

Records of contracts and agreements pertaining to the foregoing described property and to the use thereof.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the application of the CITY OF LOS ANGELES, a municipal corporation, and the BOARD OF PUBLIC SERVICE COMMISSIONERS of the City of Los Angeles, that the Railroad Commission fix and determine the compensation to be paid the Southern California Edison Company, a corporation, for its electric distributing system.

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 ) Application No. 1424  
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 )

Albert Lee Stephens, City Attorney.  
 W. B. Mathews and Wm. B. Himrod, Attorneys for the City of Los Angeles and the Board of Public Service Commissioners.  
 H. H. Trowbridge, P. F. Dunne and Harry J. Bauer, Attorneys for Southern California Edison Company.

EDGERTON, Commissioner.

S T A T E M E N T

The following Opinion and Findings was written by me and submitted to each of the Commissioners and, thereafter, what is now the majority Opinion and Findings of the Commission was prepared.

I feel very strongly that in a case of this importance, where precedents have not been established, the Commission should clearly indicate upon what principles it has proceeded, and show with exactness the application of those principles in reaching a result. My Opinion designedly clearly indicates each step taken, so that if either the City or the Company found itself in disagreement with all or part of the conclusions, it would have full opportunity to test these conclusions before the courts.

I therefore present, as originally prepared, my Opinion and Findings as an expression of my own view of the position the Commission should take as compared with the Opinion and Findings of the majority.

I wish to call attention to the serious results which will inevitably follow the establishing of the principles enunciated in the majority Opinion of this Commission. It is there held that in condemnation of public utility properties, in addition to a compensation equal to the value of the physical property, and equal to the value of the property as a going concern, the owner of the property must be recompensed for the loss of another additional value, namely, the diminution in value of the property not taken, resulting from its being made less profitable.

In the majority decision a sum is added to the just compensation as found by me which represents a payment to the Company of at least a part of the difference between the profits before and after severance. If this is not capitalizing net earnings, I have no understanding of the meaning of words.

The fundamental difference between the Opinion of the majority and my own Opinion is this: in determining going value and severance damages, according to the majority of the Commission, compensation must be paid by the City to the Company for future/<sup>lost</sup> profits; while I recognize the fact that definite profits cannot be guaranteed for the future, and believe that this Commission should not, even if it could, undertake to guarantee any such profits. I believe that here the element of risk is the controlling factor. If the loss of future profits is to be compensated for, there is only one method by which such compensation can be made, and that is by paying the owner in a lump sum what otherwise he would have received in a future period of time. And this is a capitalization of profits.

It is obvious that if net earnings of public utility properties are to be capitalized against the public in condemnation proceedings, the acquisition by the public of public utility properties, which are going concerns and prosperous, is hopeless and will not be attempted. Rather, communities will proceed to either parallel existing plants or to force



the sale of existing plants under threat of destructive competition.

To me it is clear that a proposition whereby the future profits of a public service corporation are looked upon as "property" to be capitalized, so that the amount in a lump sum can be taken from the people and paid in advance to the present day owner of such public service property, is so entirely out of line with present day tendencies that it cannot succeed.

The people will not pay for such fictitious and arbitrary values. They cannot be made to pay and they would rather destroy such values by building their own utility plants and by refusing a "fair return" above the cost of money. And if the people do this, and they will, if such values are held to exist ~~by the courts~~, then there will inevitably be such economic waste as goes with needless duplication and ruinous competition. Not only will fictitious and arbitrary values be wiped out but along with those there will be destroyed real and tangible values.

I wish to summarize what to me appear the fundamental considerations in this case.

(1) Just compensation means a full and perfect equivalent for the property to be taken. This equivalent must be equal to the full value of such property, and by "full value" I mean the full present day value as ascertained by the best recognized methods of valuation. Such a valuation must further consider the property as a going concern with the property in profitable use, and must fix the value accordingly.

(2) Severance damages must be allowed. The damage to the remaining property is taken care of if the allowance is sufficient to put the damaged property back into the condition in which it existed before the damage occurred, and again makes the property available for profitable use.

(3) Future, expected, and not yet realized profits cannot be considered as "property."

(4) The theory of the capitalization of future profits, on any basis, as a method for the determination of going concern value, or franchise value, or any tangible or intangible

value, is unsound in economics and in law, and against public policy.

(5) The theory that damages must be paid to a public utility if future expected profits appear to be interfered with through the lawful exercise of its rights by a municipality, is unsound in law and in economics, and against public policy. The determination of such damages by complete or partial capitalization of expected future profits has precisely the same effect and should be considered from precisely the same point of view as the capitalization of net earnings as a measure of going value.

#### OPINION AND FINDINGS

In this application the Commission is asked by the City of Los Angeles and the Board of Public Service Commissioners of that city to fix and determine the just compensation to be paid the Southern California Edison Company for the distribution system and property of said Company proposed to be condemned under eminent domain proceedings by the applicants. Hereafter in this opinion the applicants, the City of Los Angeles and the Board of Public Service Commissioners of that city, will be referred to as the City, and the Southern California Edison Company will be called the Company.

The case is one of fundamental issues and of great importance. Not only are the amounts of just compensation, as claimed by the Company and as estimated by the City, more than sixteen million dollars apart (the Company claiming over twenty millions and the City being willing to pay less than four millions), but directly opposing principles on the relation of a public utility to a municipality, on methods and theories of valuation and on the questions of franchise value, going concern value and severance

damage were presented to the Commission with remarkable ability and clearness.

The application was filed by the City on November 23, 1914, and covers property within the city limits of Los Angeles as of that date, together with property in eight unincorporated districts outside the city limits. On September 2, 1915 an amendatory and supplemental petition was filed by the City covering property annexed to Los Angeles on May 22d and June 10th, 1915, and in seven additional unincorporated districts. A description of all of the property embraced in this proceeding is attached hereto as Appendix "A."

It was stipulated on behalf of the Company that the property described in the amendatory and supplemental petition should be considered as having been included in the original petition.

This proceeding is brought under the provisions of Sections 47 and 70 of the Public Utilities Act. Section 47 provides that upon a petition being filed "the Commission shall proceed to fix and determine the just compensation that should be paid to the owner of such public utility and the lands, property and rights thereof, or any such parts or portions thereof, in the manner and in accordance with the provisions of Section 70 of this act."

After the filing of the original application and the amendatory and supplemental petition, serious dispute arose between the representatives of the City and those of the Company as to whether or not certain property belonging to the Company was included in the description contained in the application and the supplement thereto. Because of the material difference in the result which might be arrived at by the Commission, depending on whether or not this disputed property was included in the City's description, the Commission decided to hold a hearing for the purpose of giving the City and the Company an opportunity to fully present such evidence and argument as would place before the Commission the contention of each side. This hearing was held on

November 22, 1915, and the Commission's decision (Decision No. 2960) was rendered on December 8, 1915. Reference is hereby made to that decision, and it is attached to this opinion as Appendix "B".

This controversy did not directly go to the description of the physical properties but to the question of whether or not the language employed in the City's application embraced all of the rights or franchises of the Company to use the streets, alleys or public places within the city where such right is used for the distribution of electric energy, or whether it was the intention of the City to acquire only a portion of such franchise rights.

The Commission held that it is not its function to determine whether the City can, by condemnation, take part of a franchise held or exercised by a company and leave the remainder of the franchise in effect. It held further that in a proceeding of this nature it becomes its duty to fix the just compensation for whatever part of a public utility property is put before it by the City, regardless of any opinion the Commission may have as to the legality of separating part of a franchise from the remainder of it, and that if there be a controversy as to the legal right of the City to take only such part, this controversy must be settled by the courts. It was suggested by the Commission to the City that if an interpretation different from that arrived at by the Commission was intended in the language employed by the City, the application be amended so as to make definite and specific the franchise rights of the Company which the City proposes to acquire.

In compliance with the suggestions of the Commission the City on December 13, 1915 filed an amendment to its petition, striking out the language used in the original application under the heading "Franchises" to be taken by the City, and in lieu thereof inserted the following:

"All franchise rights of the Southern California Edison Company to occupy and use the streets, alleys and public places within the City of Los Angeles, except the right to operate and maintain the physical properties of said company within said city, not sought to be taken by the proceeding to which this exhibit pertains."

At the same time a like amendment to the City's amendatory and supplemental petition was filed.

In its answer, filed with the Commission on January 19, 1915, to the City's original application the Company takes the ground: that the petition filed by the City does not state facts sufficient to constitute a cause of action against the Company; that it is not necessary for the City to take the property described in the application for municipal uses; and that this Commission is without power or jurisdiction to proceed in accordance with the prayer of the petition, for the reason that Section 47 of the Public Utilities Act of the State of California, under which the petition is filed, in so far as it purports to authorize this Commission to proceed in accordance with the prayer of said petition, is in violation of the Constitution of the United States and particularly the Fourteenth Amendment of the Constitution of the United States, in that it denies the Company the equal protection of the law, and is therefore void; and also for the reason that the legislature of the State of California had no authority to enact said Section 47.

The Commission has uniformly held that it will not entertain objection to the constitutionality of the Public Utilities Act but will proceed under the terms thereof.

Immediately after the filing of the City's original petition the Commission instructed its engineering department to make a valuation of the property proposed to be acquired by the City, and instructed its auditing department to make an investigation into the books and records, financial condition and financial transactions of the Company. The investigations of both of these departments extended over practically an entire year, from December, 1914 to December, 1915, and full and complete reports were made by both departments to the Commission. These reports will have to be referred to repeatedly later in this opinion.

As soon as the departments' reports were written, and before their formal introduction as evidence in this case, complete copies were given to the City and to the Company on December 13,

1915 for purposes of analysis and investigation prior to the hearing.

The Company made exhaustive investigations into the question of value of the property and into other phases of the subject on its own account, while the City kept in close touch with the work being done by the Commission's auditing and engineering departments.

Hearings were held in Los Angeles on January 19, June 16, November 22, and December 13, 14, 15, 16, 17, 20, 21, 22, 27, 28, 29, 30, 1915, and January 4, 5, 6, 7, 10, 11, 12, 13, 18, 19, 20, 24, 25, 1916.

The first three hearings were preliminary and were held from time to time to determine what progress was being made on the valuations of the property by the various engineers engaged in this work. The taking of testimony commenced on December 13, 1915, and continued up to and including January 25, 1916. During the course of the hearings 88 exhibits were introduced by the Company, 31 were put in evidence by the City, and 8 by the departments of the Commission.

Inasmuch as it will be necessary in this opinion to refer repeatedly to a large number of these exhibits, there is attached to this opinion, as Appendix "C", and for ready reference, a list of exhibits introduced in this proceeding.

The case was submitted on January 25, 1916. The City's opening brief was filed on February 25, 1916, the brief of the Company on April 1st, and the City's closing brief on April 29th. The case is now ready for decision.

The principal facts in this case, as disclosed by the evidence, are as follows:

The Company, as it exists today, has its headquarters in Los Angeles, and is organized for the purpose of acquiring, constructing, and operating plants to generate, transmit and sell electric energy, to develop and construct water power plants for the purpose of generating electricity, and for the purpose of

generating and distributing gas, and for all other purposes kindred to and consistent with an electric and gas corporation.

The Company operates an interconnected generating and distributing system aggregating 194 miles of double circuit steel power transmission lines of 66,000 volts, and approximately 84 miles of double and single circuit 33,000 volt lines traversing six counties. In the neighborhood of 50 substations transform this electric energy, and from these distributing stations 10,000 and 2,200 volt distributing lines serve an area with an estimated population of approximately one million, including 60 cities and the territory intervening. Los Angeles is the largest of these cities. A number of other electric corporations operate in this same territory. Electric energy is generated by the Company in one large hydro-electric plant of 20,000 kilowatt capacity (Kern River Plant No. 1), in one large steam plant of 47,000 kilowatt capacity (Long Beach Steam Plant), and in six additional smaller hydro-electric plants and two smaller steam plants, as follows:

Hydro-electric Plants

Santa Ana River No. 1	3,000 K.W.
" " " " 2	1,000 "
Mill Creek " 1	750 "
" " " 2	250 "
" " " 3	3,000 "
Lytle Creek	500 "

Steam Plants

Los Angeles Steam Plant	
No. 3.	12,000 K.W.
Redlands Steam Plant	600 "

The distributing business of the Company is organized into 13 districts, each of which embraces one or more cities and towns and certain contiguous unincorporated territory, with one or more substations with distributing lines which are independent of the lines in the other districts. Each of the districts has its own office and field organization for operation and construction purposes. While these districts are independent of each other as regards the sale and distribution of electric energy, all are supplied from the same generating and transmission system and are

subject to the supervision and control of the general executive officers of the Company in Los Angeles. These districts are as follows: Los Angeles, San Pedro, Pasadena, Pomona, Santa Ana, Redlands, Long Beach, Monrovia, Whittier, Van Nuys, Venice and Redondo.

In addition to its electrical business the Company, at the time of the hearings, generated and distributed gas in the cities of Santa Monica, Sawtelle, Venice, San Pedro, Pomona, Claremont and Lordsburg, including upwards of 190 miles of gas distributing mains. The gas property is not concerned in this proceeding except in so far as segregation of general and overhead expenses is in question.

The history of this Company does not differ from that of other large electric utilities in this and other states in that it grew from a small beginning, with the rapid development of the electrical art and with the equally rapid increase in population, to its present size.

Company's exhibits Nos. 1, 6, 7, 8, 44 and 64 and Commission's exhibits Nos. 1 and 7 give in detail the physical, corporate and financial history of the Company, and it is only necessary to say that this history goes back to about 1895, and involves 37 companies merged into the present organization, 6 subsidiary companies, 3 companies controlled by the present organization, and 4 subsidiaries to the controlled company, that is, 50 corporate organizations in all.

The Company's balance sheet as of June 30, 1915, (Commission's Exhibit No. 1) shows total capital assets, including intangibles, securities of other corporations, and sinking and trust funds of \$32,718,369.93, and a total of all assets of \$37,310,942.34. The cost of the system, according to Company's Exhibit No. 35, is \$29,480,502.08. It is necessary to state that the correctness of these figures was attacked during the hearing, as will appear elsewhere in this opinion, and that they are given here only to show the magnitude of the interests involved.



The Company's liabilities against this property, according to the Company's balance sheet of June 30, 1915, as per Commission's Exhibit No. 1, are:

Capital Stock, .....	\$14,400,000.00
Funded Debt, .....	19,297,000.00
Current Liabilities, ..	959,007.91
Reserves, .....	34,999.36
Reserve for accrued depreciation, .....	2,258,196.25
Surplus, .....	<u>361,738.82</u>

Total Liabilities... \$37,310,942.34

The liability figures also, and especially the last two items, are subject to serious contention, as will later be shown.

The market value of the bonds and debentures, according to the Company's exhibit No. 80, is par, while the par value of \$14,400,000 of the preferred and common stock, by the same exhibit, corresponds to the market value of \$12,840,000. The annual interest charge on bonds and debentures is \$988,850.00. The annual dividends paid upon preferred and common stock amount to \$864,000.00.

The gross earnings for the entire Company's business, both electric and gas, for the year ending June 30, 1915, were \$4,730,570.93, and the operating expenses \$2,184,201.02, leaving net earnings of \$2,546,369.91. The gross earnings for the Company's entire electric business for the same year were -- \$4,427,217.91, the operating expenses and depreciation -- \$2,527,554.61, leaving net earnings of \$1,899,663.30.

Taking the electric operations credited to the City of Los Angeles only, the Company reports for the same year gross earnings of \$2,020,208.31, operating expenses of \$861,974.06, net earnings of \$1,158,234.25, reserve for depreciation \$288,224.75, and net earnings over depreciation of \$870,009.50.

The best index of the Company's growth in the last 20 years is furnished perhaps by the following table from the Commission's Exhibit No. 7, showing earnings and expenses of the entire Company from 1896 to 1915 inclusive:

Operating Earnings - Electric and Gas - Entire Company

<u>Year</u>	<u>Gross Earnings</u>	<u>Operating Expenses</u>	<u>Net Earnings</u>
1896	3,333.75	4,581.86	1,248.11
1897	35,675.27	26,384.06	10,291.21
1898	93,729.46	56,118.25	37,611.21
1899	111,663.19	85,114.26	26,548.93
1900	191,562.35	111,576.05	79,986.30
1901	258,618.95	109,441.08	149,177.87
1902	483,755.19	238,411.22	245,343.97
1903	677,739.05	367,604.36	310,134.97
1904	998,609.19	490,251.72	508,357.47
1905	1,253,550.96	519,922.62	733,628.34
1906	1,709,688.83	712,812.36	996,876.47
1907	2,205,649.92	868,374.42	1,337,275.50
1908	2,483,379.54	1,032,452.48	1,450,927.06
1909	2,887,203.35	1,486,152.88	1,401,050.47
1910	3,333,782.27	1,717,856.67	1,615,925.60
1911	3,667,390.56	1,835,885.39	1,831,505.17
1912	4,304,068.37	2,329,085.86	1,974,982.51
1913	4,729,263.14	2,424,814.84	2,304,448.30
1914	4,756,631.69	2,332,164.13	2,424,467.56
Year Ending June 30th,			
1915	4,730,570.93	2,184,201.02	2,546,369.91

During the year ending June 30, 1915, the Company in all its plants generated 283,815,175 kilowatt hours of electric energy 212,199,539 kilowatt hours were developed in hydro-electric plants and 71,615,636 kilowatt hours in steam plants. The total energy sold in the same year was 208,237,269 kilowatt hours, and these sales were segregated as between energy for electric light, 46,095,307 kilowatt hours, and energy for electric power, 162,141,-  
-962 kilowatt hours. Of these total sales the Company credits to the City of Los Angeles 27,403,331 kilowatt hours for light and 66,986,399 kilowatt hours for power.

It will be noted, therefore, that the Company's Los Angeles business expressed as a percentage of the whole electric business is, in terms of gross earnings, 45.6 per cent, in terms of net earnings, 45.8 per cent, in terms of electric energy sold for power, 41.5 per cent, and in terms of electric energy sold for light, 59.5 per cent.

The City of Los Angeles, with over one-half million inhabitants, is the largest city in this state. At an expenditure of over \$23,000,000 the City has in the last nine years constructed the Owens River Aqueduct and from the High Sierras 230 miles north-

east of the city, brought to the people of Los Angeles an ample and permanent water supply. As a by-product, so to speak, but an important one, the aqueduct is now being used and will undoubtedly in time be fully developed to provide for the City a municipal hydro-electric plant. A considerable amount of power development work is already done. A municipal bond issue of \$6,500,000 was voted in 1915, \$1,250,000 to complete the municipal power plants and \$5,250,000 to construct or acquire the necessary distributing system. The City has definitely committed itself to a municipal ownership program for electric energy for the use of its people for the purposes of heat, light and power.

Referring to the electric distribution system, the City had open two alternatives: it could build a distribution system of its own, and to that extent duplicate the distribution systems of the power companies now supplying the City, or it could acquire a portion or all of the existing systems. The municipal power bond issue especially provides that the funds can be used for either one of these alternatives.

On November 17, 1914, the City Council of the City of Los Angeles adopted a resolution declaring that the public necessity and interest of the people required that the City and the Board of Public Service Commissioners should acquire by condemnation proceedings the property covered in this application and that this Commission be asked to fix and determine the amount of compensation to be paid by the City to the Company, and that such further proceedings as are necessary should be instituted in the Superior Court of the County of Los Angeles for the condemnation of the property referred to and prosecuted to final judgment.

PROPERTY TO BE TAKEN BY CITY.

The full description of the property included in this application appears in Appendix "A". Generally speaking, it consists of the electric distributing system of the Company within the City, and extending over municipal boundaries into certain unincorporated sections contiguous to the City, and comprises

lands and improvements thereon, rights of way, easements, franchises, local distributing substation equipment, high tension and low tension lines, cables, wires, conduits, manholes and equipment, transformer vaults and equipment, poles and fittings, line transformers and line devices, electric services, meters, public lighting equipment, domestic and commercial lighting equipment, local telephone system, commercial and engineering records, useful in the location, identification, operation and maintenance of the system.

In addition to the distribution system as described by its physical elements, the Company contends that it is to be deprived not simply of its physical structures but of its business in Los Angeles as well, and that the obvious purpose of this application is to condemn all of its Los Angeles franchises in their potential as well as in their actual aspect.

I have already touched on the question of franchises. The City in its application has excluded certain transmission lines and distribution lines within the City limits, and to that extent is leaving to the Company the right to operate its lines within and through the City. I will not pass on the question of the legality of a division of franchises. There can be no question, however, that it is the City's intention to take all those portions of the Company's franchises as are part of the physical property described and to take with these franchises the Company's business together with the physical plant.

The Commission, according to the Company's contention, is to determine the just compensation for the property proposed to be taken by the City, and that this just compensation should include the present value of such property with additional allowances for going value or franchise value. The City on the other hand claims that the just compensation for the property taken would be an amount equivalent to the present worth of the property as determined by the cost of reproduction new less depreciation, with the business attached as a going concern.

In addition to the amount to be paid by the City to the Company for the plant and the business it is the Company's contention that it will sustain, in the event of severance as proposed by the City, a very large loss, and that a large amount of damage will be done to the Company in connection with the carrying on of its remaining business. This loss in this proceeding is termed "severance damage." In the opinion of the Company this loss or damage should be measured by determining the amount of earning value which, if undisturbed, would throughout the future leave this Company in the same financial position, as regards profits, in which it now finds itself.

Underlying the Company's claim for franchise value, going concern value and severance damage, is the theory that the present owners of the property and the present security holders, both bondholders and stockholders, should find themselves after severance in precisely the same condition as regards the value of their securities and present and prospective profits as they are before severance. In order to bring this condition about after severance, the Company claims that it must be reimbursed for all losses and that a sufficiently large amount of money must be paid by the City to the Company which, if set aside, would yield annual returns large enough to assure the realization of all future estimated profits which the Company claims would be earned if severance did not occur.

The City on the other hand does not dispute the fact that damages and losses due to severance will occur. It claims, however, that damage from severance will be limited to its effect on the generating and transmission capacity of the Company, and should be measured by the amount of fixed charges, including interest on the investment, supervision, distribution and maintenance on the portion of its generating and transmission capacity made idle until the increase of the Company's business outside the City of Los Angeles shall again absorb and bring into use such idle capacity.

The problem of severance damage is of overshadowing interest in this proceeding both as regards the amount of money involved and also as regards the bulk of the testimony offered and the exhibits introduced.

In addition to the items of physical property, going or franchise value and severance damage, there are certain other items for which the Company makes claim. They are unamortized bond discount and expense, damage to Station No. 3, and cost of rebuilding certain lines around the City. These issues will be taken up in their proper place.

The problem of severance damage is further complicated by alternative interpretation that the Company has placed on the amendment to the City's application heretofore referred to. The Company claims that in case it is the conclusion of the Commission that the Company must remove its transmission lines from Los Angeles, it will no longer be able to operate its steam station No. 3 in Los Angeles or supply electric energy to the railway business now handled from that station, and then complete severance will occur and severance damage will be a certain amount. If, on the other hand, the Commission should hold from the amended application that the Company will retain the right to maintain and operate its transmission lines across the City and to continue to operate its Station No. 3, then partial severance will occur and the amount of severance damage will be a less sum than determined for complete severance.

I am of the opinion, as expressed heretofore and as held by the Commission in its preliminary order, Appendix "B", that just compensation must be found for the property described by the City in its application and for nothing else. Under this interpretation the Company will retain the right to operate and maintain all its property within the City of Los Angeles that is not included in the description of the property to be taken as shown in Appendix "A". Severance damage under the Company's theory will therefore be considered by me from the point of view of what is termed by the Company partial severance.

The issues finally narrow down to the following opposing claims. The Company under partial severance claims that the just compensation should consist of the following items:

Item 1. Present Value of physical property to be taken by the City, .....	\$ 4,200,000.00
Item 2. Going Concern Value or Franchise Value ....	4,713,999.00
Item 3. Severance Damage .....	10,706,236.32
Item 4. Unamortized Bond Discount and Expense .....	<u>380,340.04</u>
Total.....	\$20,000,575.36

or, under its claim of complete severance, the following items:

Item 1. Present Value of physical property to be taken by the City, .....	\$ 4,200,000.00
Item 2. Going Concern Value or Franchise Value ....	5,187,623.00
Item 3. Severance Damage .....	10,706,103.88
Item 4. Unamortized Bond Discount and Expense .....	380,340.04
Item 5. Damage to Station No. 3 .....	416,000.00
Item 6. Cost of rebuilding lines around the City ..	<u>1,000,000.00</u>
Total.....	\$21,890,066.92

The City contends first, that the present worth of the property to be taken with business attached as a going concern does not exceed the amount of \$3,473,803.11; second, that the damage to remaining property or severance damage is limited to rendering temporarily idle a portion of the generating and transmission capacity of the Company's system and the maximum amount that should be allowed is the sum of \$414,035.58, and that the total just compensation should not exceed \$3,887,838.69.

We have, therefore, a difference between the claims of the City and those of the Company of \$16,526,772.00 or \$18,416,264.00 respectively, depending upon whether the difference is figured on the basis of partial or complete severance.

JUST COMPENSATION FOR PROPERTY TO BE TAKEN BY CITY.

The first step in the determination of the "just compensation" for the property to be taken by the City was the making of a complete inventory and of a valuation of such property. It has become an established principle of law that in the valuation of

public utility properties for any purpose, whether such purpose be rate making, issuance of securities, taxation, sale or purchase, or condemnation, the value of the property must be measured by a number of available standards, and the ultimate value for the purpose in hand determined after a complete consideration of all available elements, facts, or evidence bearing on the question of value, and after giving to each and every factor its proper weight.

The larger and more important the property involved, the more numerous and complicated, as a rule, are these factors. The United States Supreme Court has held, however, that always there must be taken into consideration certain evidences of value, namely, the investment in the plant, its original cost, its cost to reproduce and its present condition as compared with new. In addition the Supreme Court holds that there may be other elements of value.

The three factors mentioned have been the subject of the most exhaustive study in this proceeding. In addition there have been brought to the Commission's attention, and considered, very many other factors, some of the more important ones being the Company's history, its present financial condition, its capitalization, its operations, revenues and expenses, its past, present and prospective profits, its franchises; also the relation between the City and the Company, the value to the City of the plant to be taken, and other elements affecting the ultimate value of this property.

There are in evidence three valuation reports; viz.,

First - Company's Exhibit No. 64, consisting of seven volumes and showing in detail an inventory of the property, together with its cost of reproduction on the historical method and the depreciated or present value. This report was prepared and introduced in evidence by Arthur R. Kelley, the Company's valuation engineer.

Second - Commission's Exhibit No. 7, being a report in one volume of over one thousand pages and seven appendices, show-



ing detailed inventory of property, cost of reproduction, (historical), cost of reproduction (new), reproduction cost less depreciation, and a discussion of going concern value, severance damage, and a number of other matters. This report was prepared and introduced by Richard Sachse, the Commission's chief engineer.

. Third - City's Exhibit No. 5, consisting of a summary sheet showing the summary figures of the cost of reproduction new of the Sachse report, from which was derived, by applying a condition percent to each account, a depreciated or present value.

The testimony of Sachse shows that the valuation investigation continued practically one year, and that during this time the Commission's engineering force employed on this work ranged from a minimum of five to a maximum of thirty-two men.

The methods employed by the Company in making its valuation do not materially differ from those used by the Commission's engineers. Company's Exhibit No. 64 shows that it is the result of an equally painstaking and exhaustive investigation. The principal difference between the two reports, as regards methods, lies in the fact that the Kelley report contains no estimate of reproduction cost new, while the Sachse report does contain such an estimate. The problem of depreciation, according to Mr. Kelley's testimony, is also handled in a different way in his report than it is in the engineering department's report. Aside from these two items the Kelley and Sachse reports are readily comparable. City's Exhibit No. 5 is without supporting data and is not in detail, but the transcript of the testimony develops the facts on which the City's totals, as shown in the summary sheet, are based.

As in all valuations made by the Commission's engineering department, Commission's Exhibit No. 7 attempts first, to ascertain three elements of value; viz., original cost, reproduction cost and reproduction cost less depreciation. It is my opinion that because of the varying meanings which can be ascribed to these terms proper definitions are essential. Cost and value

are distinct quantities, and it is impossible to arrive at definite conclusions if these terms are confused or used interchangeably. The definitions adopted in Commission's Exhibit No. 7 are as follows:

The term "original cost" means the original book cost, and is defined as the actual expenditures chargeable to capital account, in accordance with this Commission's accounting classifications, in cash or its equivalent in terms of cash, by the public utility for its property, as of the date of valuation.

The term "reproduction cost" means the estimated cost in cash of reproducing, in the condition in which it was acquired (new or second-hand) the physical property of the public utility as of the date of valuation; to which is added the value of operative lands, based on the market value of adjacent or similar lands, the actual or estimated cost of acquiring franchises and the estimated cost of overhead expenditures for engineering, law, interest and other similar items.

The term "reproduction cost less depreciation" is defined as the reproduction cost less the diminution in the value of the physical elements, due to use, age, obsolescence, inadequacy or other causes, this diminution being called depreciation, and plus the increase in the value of the physical elements of the property, due to age or other causes, this increase being called appreciation.

#### Original Cost.

A thorough investigation was made into all records of this company likely to throw light on the item of original cost. This investigation not only covered original cost of the property proposed to be taken by the City but went further and included the Company's entire property. Commission's Exhibit No. 1, being the report of the department of statistics and accounts, and Company's Exhibit No. 35 (Trott report) deal at length with the actual amount of money invested in the property. According to the Commission's assistant auditor, H. E. Nowell, the net book cost of the Company's entire system, including gas plant, is \$25,569,228.04, and excluding the gas plant, \$24,419,278.79. Mr. Nowell's figures differ materially from the statement in the Company's annual report and also from Company's Exhibit No. 35. In the annual report to the Commission the Company shows its total assets, as of December 31, 1914, as \$36,031,598.86, and of this sum the fixed capital, tangible and intangible, stands on the Company's books as \$31,271,288.31.

The Company realized, however, that these balance sheet figures did not correctly reflect the true investment in plant, and it had compiled from its records, Exhibit No. 35, a statement showing "cost of plant and general balance sheet as of June 30, 1915 (on cost basis)." This statement should be compared with the results of the Commission's auditor's investigation referred to above, and summarized as follows:

Original Cost of Physical Property as of June 30, 1915 - Summary

Los Angeles City (Los Angeles and San Pedro Districts), .....	\$ 4,429,383.07
Outside Districts, .....	5,941,925.52
General Investment, .....	12,769,289.18
Gas, .....	1,149,949.25
Non-Operating, .....	<u>669,517.22</u>
Total Physical Property, .....	\$24,960,064.24

The items of intangibles are shown as follows:

Other Suspense, .....	\$ 1,758.55
Water Rights:	
Santa Ana River and Mill Creek, .....	209,282.18
Kern River, .....	244,222.66
Lytle Creek, .....	15,805.85
Franchises, .....	118,707.01
Edison License, .....	5,000.00
Organization, .....	<u>14,387.55</u>
Total, .....	\$ 609,163.80

We have, therefore, three different sets of figures, and the following comparison of balance sheet and cost statement figures to determine original cost of the Company's property will give the various conclusions (see Table I).

TABLE I.  
COMPARISON OF BALANCE SHEET AND COST STATEMENT FIGURES TO DETERMINE  
ORIGINAL COST OF SOUTHERN CALIFORNIA EDISON COMPANY'S PROPERTY.

00000000

- - I T E M - -	1	2	3	4	5
	Company's Balance Sheet as of December 31, 1914.	Commission's Auditor's Statement as of Dec. 31, 1914.	Company's Cost Statement as of June 30, 1915.	Difference between Columns 1 & 2	Difference between Columns 2 & 3
1. Total Assets	36 031 598.86	35 728 302.93	31 170 415.47	303 295.93	4 557 887.46
2. Entire System, including Gas, Fixed Capital	31 271 288.31	23 602 643.19	25 569 228.04	7 668 645.12	1 966 584.85
3. " " excluding " " "	30 231 815.24	22 618 306.81	24 419 278.79	7 613 508.43	1 800 971.98
4. " " " Intangible "	6 206 952.13	1 157 911.00	609 163.80	5 049 041.13	548 747.20
5. " " " Tangible "	24 024 863.11	21 460 395.81	23 810 114.99	2 564 467.30	2 349 719.18
6. Property covered in Appl. 1424, " "	4 694 023.70	3 787 307.94	4 429 383.07	906 715.76	642 075.13
7. All tangible electric property, except prop- erty Covered in Appl. 1424 (Item 5 minus 6)	19 350 839.41	17 673 087.87	19 380 731.92	1 657 751.54	1 707 644.05

(a) Red = Company lower than Auditor.

I am now concerned with the physical property principally, and particularly with item 6 in the preceding table; but inasmuch as these figures will be of importance in connection with the elements of going value and severance damages, it will be useful to state the main reasons for the differences in their entirety. Mr. Nowell's corrected balance sheet shows a reduction in fixed capital, excluding gas, as compared with the Company's balance sheet as of December 31, 1914, of \$7,613,508.43, and tangibles, excluding gas, of \$2,564,467.30. Intangibles are shown amounting to \$5,049,041.13. There is also deducted, in Commission's Exhibit No. 1, from fixed capital the sum of \$587,693.00 for bond discount charged to plant in 1911, and certain other deductions consisting of arbitrary additions due to appreciation of properties.

In the tangible items by far the largest part of the reduction is accounted for by Mr. Nowell's elimination from Plant Account of \$1,679,832.93, which item is called "appreciation due to the Arnold appraisal." Bion J. Arnold made an appraisal of the Company's property in 1909-1910, and his appraisal figures were much in excess of the Company's book figures. The Company thereupon added the difference to its capital account, the total addition amounting to the figure deducted by the auditor, namely, \$1,679,832.93.

The original cost of the physical property included in this application, according to the three sets of figures introduced in these proceedings, appears to be:

(a) According to the Company's balance sheet as of December 31, 1914, .....	\$ 4,694,023.70
(b) According to Commission's Exhibit No. 1, as determined by Mr. Nowell, as of December 31, 1914, .....	3,787,307.94
(c) According to Company's cost statement (Company's Exhibit No. 35) as of June 30, 1915, .....	4,429,383.07

The differences between these figures are too large to be ignored, and I believe that the facts can be established by a comparison with the reproduction cost on the historical basis as

determined in the Sachse report (Commission's Exhibit No. 7). This historical reproduction cost is built up from the actual cost data in the Company's offices without regard to accounts and balance sheet entries, and should compare reasonably closely with the actual original cost. The total is \$4,870,829.37. This figure, it will be noted, is close to the total of the Company's cost statement. It was shown during the course of the hearings that the main reasons for the discrepancy as between the historical reproduction cost estimate and the book cost as found by the Commission's auditor lies in the fact that prior to 1910 no proper dividing line between operating expenses and capital expenses existed in the Company's books, and that many items properly chargeable to capital account were not so charged.

It is my conclusion, therefore, that the original cost, without regard to the sources from which the money flowed, of this company's entire system is approximately \$25,000,000, and that the same original cost of the property included in this application is between four and four and one-half million dollars. I am satisfied that a considerable part of this cost is represented by property acquired from earnings and not charged to capital account but operating expenses.

#### Reproduction Cost.

The Commission's chief engineer, in Commission's Exhibit No. 7, made two estimates of reproduction cost: first, an estimate on the historical basis, wherein the fundamental principle is that the unit prices for material, labor, and transportation represent the average of the prices actually paid by the utility for property that is actually in place. It would seem that if the records were complete and it were possible to carry the investigation sufficiently far into the past, that the reproduction cost by the historical method, if consistently followed, should be the same amount as the actual original cost. Even if it is not possible to obtain all of the records, the historical reproduction cost should, as it does in this case, result in a figure that will

closely approach the actual cost of the property. The method is open to the criticism that it will not reflect the present-day advances in the art and the purchasing power of money today as compared with the same purchasing power in the past. Neither does the historical reproduction cost provide a check against possible extravagant or wasteful expenditures of money, in the past, for plant or other purposes.

Company's Exhibit No. 64 contains an historical reproduction cost figure which, in general, includes property items analogous to the items covered in Commission's Exhibit No. 7. There are certain discrepancies between the two valuations which will be considered. The totals compare as follows:

	<u>Reproduction Cost - Historical</u> <u>Commission's</u> <u>Exhibit</u> <u>No. 7.</u> <u>(Sachse Report)</u>	<u>Company's</u> <u>Exhibit</u> <u>No. 64.</u> <u>(Kelley Report)</u>
Land, .....	42,688.91	207,498.70
Franchises, .....	2,453.50	--
All Other Physical Property, .....	4,292,214.71	4,583,001.83
Overhead Expenses, including Organization, engineering, law expenses, taxes, in- juries and damages, inter- est during construction, etc., .....	533,472.25	529,937.39
Total, .....	4,870,829.37	5,320,437.92

The Company's figure is larger principally because of the fact that Mr. Kelley included in the historical cost of reproduction, the land at present-day values instead of at the actual historical cost. This accounts for the difference between \$207,498.70, given as the present value of real estate, and the original cost of \$42,688.91, a total difference of \$164,809.79. He also included in his valuation certain property not shown in the Commission's Exhibit No. 7, namely, miscellaneous distribution equipment, office furniture and fixtures, shop equipment, store equipment, stable and garage equipment, and miscellaneous equipment, at a total value of \$83,864.88. Certain other minor discrepancies need not be considered in detail in this opinion.

In addition to the historical reproduction cost the Commission's engineering department made an estimate of the reproduction cost new, based on prices of labor, materials and transportation and other cost items current at the date of the valuation. With unit costs where violent fluctuations are common, averages for a number of years are used rather than the latest price quotations. The reproduction cost new method provides for the substitution of modern machinery and appliances in place of those now obsolete or uneconomical, not only for the property of the utility but for transportation and labor-saving devices that would be used in an efficient construction of the plant today. The method is analogous to the estimated cost of constructing a new plant of the same capacity in the same location.

Mr. Sachse states in his report that in this case the reproduction cost new figure may be considered a measure of what it would reasonably cost the City of Los Angeles to duplicate the plant it seeks to condemn.

The totals found for reproduction cost new in Commission's Exhibit No. 7 are:

Land, .....	\$	182,690.00
Franchises, .....		2,453.50
All Other Physical Property.		4,089,718.63
Overhead Expenses, including organization, engineering, law expenses, taxes, injuries and damages, interest during construction, etc., .....		<u>531,447.29</u>
Total.....	\$	4,806,309.42

In explanation of the small difference between the total for reproduction cost historical and the total for reproduction cost new, the engineering department's report states that it is not remarkable that the two estimates compare so closely. When it is remembered that a large portion of this property is comparatively new and that cost prices in most instances agree with present average market prices, the explanation is not difficult. The principal difference exists in land values, where, on the histor-



ical basis, the cost is \$42,688.91, while the present value of the same lands, as shown under reproduction cost new, amounts to \$182,690.00.

The Company submitted no estimate of the reproduction cost new of this property.

The City, in its Exhibit No. 5, arrives at a reproduction cost new of \$4,631,136.08. This total is based on an appraisal made by Messrs. T. A. Panter and C. W. Koerner acting under the direction of E. F. Scattergood, Chief Electrical Engineer of the City of Los Angeles, and uses the inventory submitted by Mr. Sachse as a basis. It appears that the great majority of the values found by the Commission's engineers were accepted by the City's engineers, and that only in the items of land, overhead system, line transformers and meters changes were made and different methods and unit prices resulted in different totals. Interest during construction was figured at the same rate for the same period, but, applied to a different grand total, resulted in a different amount. Overhead expenditures were also handled in a somewhat different manner. It developed at the hearing that in all three of the exhibits a number of corrections would have to be made due to clerical errors and deductions and additions in inventory, and the finally corrected figures will be shown at the end of this discussion.

Reproduction Cost Less Depreciation.

Three estimates of reproduction cost less depreciation or of "present value", as the quantity was sometimes referred to during the hearing and as it is designated by the Company, are in evidence. The Company's figure as introduced was \$4,234,521.00; the City's figure, \$3,473,803.11; and the Commission's engineering department's figure, \$3,830,094.51. Each one of these figures is subject to some modification by reason of new facts developed at the hearing, and the Company in its brief shows a corrected total for "present value" of \$4,150,416.00.

While each of the three figures is intended to measure the same quantity, namely, the value of the physical plant with its overhead expenses, interest and contingency allowances and taking into consideration the items of appreciation in land and other property that may appreciate, and depreciation in such portions of the plant as may depreciate, each of the estimates is based on a different theory and reaches its result by different methods. The question of depreciation is thrown open for discussion and a large amount of time and testimony was devoted to the subject. The briefs filed by the Company and by the City also deal exhaustively with this problem.

The point is urged by each party to this proceeding against the other party that its engineers have not followed consistently one particular theory in arriving at a present value of the plant, and the City and Company join in making the same criticism of the method employed by the Commission's engineers. It is perhaps well, therefore, to state shortly on which theory each present value estimate so-called is based and what methods were employed for each.

Mr. Kelley for the Company states that the present value was "determined by ascertaining the cost to date of particular units of the property, applying that cost to the number of units that we find and taking that as a reduction from the original cost with the further reduction of what may be called the loss in value due to wear and tear and things of that nature." In its brief the Company states that fluctuations in market price, advance in the art, obsolescence, inadequacy, action of public authority and natural depreciation all have their effect on "present value," but it is not clear to what extent these various influences have had their effect in Mr. Kelley's determinations.

Mr. Kelley's statement that in finding depreciated or present value he has generally rejected life tables as unreliable, is of particular interest. He states that he objects to life tables for the reason that the whole procedure is rather vague and

may be entirely erroneous because life tables are based on somebody's assumptions, and further, that life tables give no special reference to functional or natural depreciation. On the other hand Mr. Kelley lays much stress on "price depreciation," and he understands by price depreciation the difference between the actual cost of an item of property in the past and its reproduction cost new at the present time, in case the latter figure is less than the former. Such a difference he considers a loss in value, and the present value, in his opinion, in that case is equal to the reproduction cost new. Physical depreciation Mr. Kelley measures by inspection, and if an item of property is capable of performing efficiently the service which it is intended to perform, it is his conclusion that such an item of property has not depreciated in value by reason of physical depreciation and that its present value is equal to its original cost or to its cost of reproduction new. While Mr. Kelley takes into consideration, according to his statements, price depreciation, he does not take into consideration price appreciation except in case of the Company's real estate, where he bases the present value of the Company's lands on the present market value of those lands, irrespective of what originally they may have cost. In his estimate of present value the so-called overhead allowances are considered as not subject to depreciation and estimated at their full historical cost value.

Mr. Sachse in Commission's Exhibit No. 7 has based his estimate of reproduction cost less depreciation on the historical cost to reproduce. In his report and in his testimony he has gone with much detail into the question of depreciation. The procedure used by him in short has been this: From the cost of the property new he has deducted the scrap value at the point of usage, and the result he calls the wearing value. This wearing value he then divides by the estimated life of the property on the straight line basis, and the quotient he calls annual depreciation. The actual age of the item of property is then multi-

plied by this annual depreciation to find the total depreciation. This total depreciation subtracted from the cost or the reproduction cost gives what he terms reproduction cost less depreciation, and the relation which this quantity bears to the reproduction cost is called the condition per cent. In addition to the estimated life and actual age of each item of property he takes into consideration such other known factors as may have a bearing or an influence on present condition. If through maintenance the life of a property item is lengthened or inspection or any other available data shows that the normal condition is improved or reduced, such facts are taken into consideration.

In conflict with the methods and testimony of Mr. Kelley Mr. Sachse in determining depreciation places much importance on the factors of life and age. He testified:

"I think you cannot get away from life tables. I think you are bound to use them whether you recognize it or not. I think that the question of life is so intimately wrapped up with the subject of depreciation that it is wiser to recognize the importance of that particular factor and determine just what role it plays than ignore it and say we reject the idea of life and determine depreciation on some other method."

And again:

"Life tables are merely a guide. We are not wedded to life tables. We are trying to ascertain the condition of a particular piece of property; we are really trying to ascertain the condition of an entire plant. Now, in order to do that, we will have to take the individual items that go to make up the plant; that is the only way we can do it and it might be said in general, I believe, that the more minutely you go into the individual items of the plant, the much more likely you are to arrive at the truth, as far as condition per cent is concerned. In order to arrive at that condition, expressed as a percentage, we make use of whatever information we can get, and I believe it is correct to say that, as far as our experience is concerned, life tables--the information as to life and age--is the most important single item, but it is not the only one. If we find that the life of a building, for instance, is taken at 20 years and the building is still there, although 18 years are gone, we by no means depreciate that building on a straight line down to two-twentieths. We modify the percentage which we would reach by making use of a straight line life table method by our inspection, by the actual condition in which we find the building, and when we come to the plant as a whole we recognize such a thing as a minimum condition per cent. After we reach that minimum condition per cent and the plant does its work, we do not go below that percentage."

Mr. Sachse, as stated, bases his reproduction cost less depreciation on the historical reproduction cost and does not make

a second estimate of the amount of depreciation accrued in the property as compared with the reproduction cost new of the plant. He states, however, in his report that if such an alternative depreciation estimate were required, it would not lead to any appreciable error to deduct from the reproduction cost new an amount for depreciation equal to the difference between the historical reproduction cost and the reproduction cost less depreciation, this difference in his report amounting to \$1,040,734.86, and the modified reproduction cost less depreciation would then amount to \$3,765,574.56. The amount of depreciation, in his opinion, will remain practically the same in each case, for the reason that the reproduction cost estimate of this property amounts to approximately the same figure, irrespective of whether the basis is reproduction cost new or the historical reproduction cost.

Commission's Exhibit No. 7 shows the so-called overhead expenses undepreciated under the heading Reproduction Cost Less Depreciation. Testimony was given on that subject at considerable length, and I will quote from Commission's Exhibit No. 7:

"We have in this appraisal depreciated all physical items except lands, which are appreciated. Such overhead percentages as have been added to cover engineering, law expenses, interest and other expenditures are added merely as the cost of securing and placing the physical items listed in the inventory, but they are neither appreciated nor depreciated in extending them from the reproduction cost to the reproduction cost less depreciation column. In doing this we are, on strict analysis, not entirely consistent in our procedure. Such law expenses, engineering, etc., as are strictly applicable to physical items, which have been appreciated or depreciated, should probably receive the same treatment as do those items. Under engineering, for instance, the money expended for laying out of the plant as a whole, as no change of location is contemplated, should be extended to reproduction cost less depreciation at 100 per cent of the reproduction cost new. Engineering spent for paving, for instance, should take the same depreciation as the paving has received, and similarly, engineering spent on pole lines and other perishable structures should be depreciated in the same manner. We have, however, followed the procedure outlined above, partly for the reasons that the percentages added to cover these overheads are arbitrary, and it would therefore be impossible to make an added distinction between those items of property which are perishable and those which are not. We get into difficulties and find distinctions not warranted in a procedure like this one if we follow this thought. It seems to me logical to maintain that legal expenditures, general organization expenditures, and certain other overhead construction costs hold their

value intact, provided value was received, as long as a live property remains a going concern. If the property as a whole and as a business passes out of existence, such overhead capital charges lose their value, as does the rest of the property in such a case, at once, but there can be no gradual depreciation, because there is no expected or estimated life."

The City bases its estimate of present value or depreciated reproduction cost on the estimate of reproduction cost new and arrives at a figure of \$3,473,803.11, and maintains that that method is the correct one, conforming to the method approved by the Supreme Court of the United States in *Des Moines Gas Company vs. Des Moines*, decided June 14, 1915, and reported in United States Supreme Court advance opinions under date of August 1, 1915, No. 17, page 811, where the court says, "no other method has proved so satisfactory" - to-wit, reproduction cost less depreciation."

It appears from the testimony of the City's witnesses that the City's total is for a considerable part of the property covered at least, an adoption in toto of the values found by the Commission's engineers. Messrs. Panter and Koerner testified that when the estimates in the form of the tabulation embodied in the Sachse report (Commission's Exhibit No. 7) became available, the engineers for the City checked their final results with those reached by the Commission's engineers, and where a difference existed that was small or within the limits of definite determination, the City's engineers deferred to the figures of the engineers for the Commission, but where the difference was substantial, the former adhered to their own results. An inspection of City's Exhibit No. 5 and Commission's Exhibit No. 7 reveals the fact that the values of the Commission's engineers and the City's engineers were harmonized in eleven out of the total of eighteen accounts. The City agrees with the Commission's engineers that life tables and the factors of life and age should be given importance in the finding of accrued depreciation. The City's witnesses differ from both the Company's and the Commission's engineers as to how overhead expenses should be treated, and stated as their opinion

that a distinction should be made between depreciable and non-depreciable overheads, and that those items which are of a temporary value and subject to the same depreciation as the physical property to which they apply should be treated accordingly.

On the question of land values the City contends that the present market value of the lands without multiples or other arbitrary additions for overheads or interests should be considered as the "present value," and maintains that the figure should in no event exceed the highest figure submitted by the City's witnesses, namely, \$169,900.16. This figure should be compared with land values found by the Company's witnesses of \$207,499.00 and a similar value found by the Commission's appraiser of \$182,690.00.

After making the necessary corrections for omissions, additions, duplications, a few clerical errors, and certain physical items of property that under stipulation were added to the property proposed to be taken by the City, the three estimates introduced by the Company, the Commission and the City for all three values found, namely, original cost, reproduction cost (both new and historical) and reproduction cost less depreciation on both the "historical" and "new" bases, appear as in Tables II, III and IV on the following pages.

TABLE II.  
CORRECTED SUMMARY SHEET - COMPANY'S VALUATION  
(BASED ON COMPANY'S EXHIBIT #64)

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Form No.	C.R.C. Acct. No.	ITEM	Original Cost	Reproduction Cost Historical	Cond. Percent	Reproduction Cost Less Depreciation
E - 1	C- 1	Organization		500 787.80	98	295 493.37
E - 3	C- 5	Land Devoted to Electric Operations.		207 498.70	89	185 433.20
E - 12	C-14	Poles and Fixtures		415 957.44	72	298 856.00
E - 13	C-15	Overhead System		588 257.99	88	518 177.00
E - 14	C-16	Underground Conduits.		771 166.56	82	629 384.00
E - 15	C-17	Substation Bldgs.& General Structures		253 172.49	90	227 816.00
E - 16	C-18	Substation Equipment.		614 184.92	68	415 797.00
E - 17	C-19	Miscellaneous Equipment.		12 442.69	-	
E - 18	C-20	Line Transformers and Devices.		390 601.28	64	251 608.00
E - 19	C-21	Electric Services.		369 345.15	86	316 912.00
E - 20	C-22	Meters.		697 205.36	73	508 771.00
E - 21	C-23	Municipal Street Lighting System.		81 348.61	86	69 822.00
E - 22	C-24	Commercial Lamps and Lamp Equipment.		155 661.59	45	70 195.00
E - 23	C-25	Electric Motors and Heaters.		11 071.25	85	9 411.00
E - 24	C-26	Installations on Consumers' Premises.				
E - 25	C-27	General Structures.		17 950.95	96	17 223.00
E - 26	C-28	General Equipment.		60 540.41	-	
E - 27	C-29	Telephone Lines.		10 609.66	95	10 079.00
E - 29	C-31	Undistributed Construction Expenditures.		184 654.92	99	181 944.65
E - 29	C-32	Interest During Construction.		44 495.17	98	43 712.04
		Contingencies.		133 485.48	77	100 321.39
				5 320 437.92		
		Deductions: Misc. Property	83 864.88			
		Land	164 809.79			
		Transformers	6 123.84	254 798.51		
Corrected		Grand Total	4 429 383.07	5 065 639.41	82	4 150 416.00

According to Company's Exhibit # 35 - as of June 30, 1915.

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TABLE III.

CORRECTED SUMMARY SHEET - VALUATION BY COMMISSION'S ENGINEERING DEPARTMENT

(BASED ON COMMISSION'S EXHIBIT #7)

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C.R.C. Acct. No.	-- I T E M --	Original Cost	Reproduction Cost New	Cond. Percent	Reproduction Cost Less Depreciation New	Reproduction Cost Historical	Cond. Percent	Reproduction Cost Less Depreciation Historical
C- 1	Organization		75 231.47	100	75 231.47	75 231.47	100	75 231.47
C- 2	Franchises (Electric).		2 453.50	100	2 453.50	2 453.50	100	2 453.50
C- 5	Land Devoted to Electric Operations.		182 690.00	100	182 690.00	42 686.91	428	182 690.00
C-14	Poles and Fixtures		424 001.66	70	296 801.16	426 761.44	70	300 463.32
C-15	Overhead System		648 899.41	81	525 608.52	604 315.07	81	491 225.99
C-16	Underground Conduits.		662 491.78	70	463 744.25	696 834.46	70	487 865.25
C-17	Substation Bldgs. & General Structures		266 806.89	82	218 781.65	266 806.89	82	218 208.61
C-18	Substation Equipment		630 910.49	74	466 873.76	630 910.49	74	468 031.68
C-20	Line Transformers and Devices		354 012.22	70	247 808.55	394 054.52	70	274 227.67
C-21	Electric Services.		403 071.27	70	282 149.89	385 875.09	70	269 905.95
C-22	Meters		496 570.56	65	322 770.86	697 514.05	65	451 274.79
C-23	Municipal Street Lighting System.		85 114.08	78	66 388.98	82 739.85	78	64 813.74
C-24	Commercial Lamps and Lamp Equipment.		116 154.00	49	56 915.46	116 154.00	49	56 406.76
C-25	Electric Motors and Heaters.		12 776.54	76	9 710.17	12 783.69	76	9 670.50
C-26	Installations on Consumers' Premises.		97 067.54	78	75 712.68	94 460.58	78	73 695.05
C-27	General Structures.		19 531.73	93	18 164.51	19 531.73	93	18 083.97
C-29	Telephone Lines.		10 593.85	74	7 839.45	10 695.12	74	7 935.49
C-31	Undistributed Construction Expenditures		410 437.41	81	331 425.78	410 437.41	81	331 997.36
C-32	Interest During Construction		47 161.24	73	34 474.87	49 275.59	73	35 774.08
<b>Grand Total</b>			<b>4 945 975.64</b>	<b>75</b>	<b>3 685 545.51</b>	<b>5 019 523.86</b>	<b>76</b>	<b>3 819 455.18</b>

Original Cost estimated by Engr. Dept.  
as between \$4 and \$4,500,000. Original  
book cost as found by Accounting Dept.,  
as of December 31, 1914 \$3,787,307.94  
(Commission's Exhibit #1)

NOTE:

Corrections are made in totals for individual accounts.

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TABLE IV.

CORRECTED SUMMARY SHEET - CITY'S VALUATION

(BASED ON CITY EXHIBIT #5)

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Form No.	C.R.C. Acct. No.	ITEM	(Original Cost	Reproduction Cost New	Cond. Percent	Reproduction Cost Less Depreciation
E- 1	C- 1	Organization		107 673.50	100	107 673.50
E- 2	C- 2	Franchises (Electric).		2 453.50	100	2 453.50
E- 3	C- 5	Land Devoted to Electric Operations.		169 900.16	100	169 900.16
E-12	C-14	Poles and Fixtures.		424 001.66	71	300 463.82
E-13	C-15	Overhead System.		540 172.17	81	439 106.01
E-14	C-16	Underground Conduits.		648 972.39	73	475 678.68
E-15	C-17	Substation Bldgs. & General Structures.		266 806.89	82	218 208.61
E-16	C-18	Substation Equipment.		630 910.49	74	468 031.68
E-18	C-20	Line Transformers.		345 402.22	70	240 330.86
E-19	C-21	Electric Services.		403 071.27	67	269 905.95
E-20	C-22	Meters		496 570.56	70	347 599.39
E-21	C-23	Municipal Street Lighting System.		85 114.08	76	64 313.74
E-23	C-25	Electric Motors and Heaters.		12 776.54	76	9 670.50
E-24	C-26	Installations on Consumers' Premises.		97 067.54	96	73 695.05
E-25	C-27	General Structures.		19 571.73	92	18 083.97
E-27	C-29	Telephone Lines.		10 593.85	75	7 985.49
E-29	C-31	Undistributed Construction Expenditures.		311 078.25	73	228 331.43
E-29	C-32	Interest During Construction.		44 170.67	73	32 421.27
E-30	C-33	Cost of Plant Purchased in lieu of Plant Const'd.	Subtotal	4 631 136.08	75	3 475 803.11
		Additions: Same as in Table III, and adopted to City's estimate on basis of Commission's Engineering Department's estimate; total		139 666.22	52	73 130.09
		Grand Total		4 770 802.30	74	3 546 933.20

No estimate made for original cost.

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After reviewing all of this evidence, I am of the opinion that the value of the property under this head should fairly and properly be measured by its present worth as expressed in an estimate of reproduction cost new less whatever depreciation there may have accrued and be susceptible of determination and plus such appreciation as may have accrued and as may be reflected in the reproduction cost new estimate as compared with the original investment or a reproduction cost estimate under a historical basis. I believe that this method of determining the present value of this property is an equitable and just one and will give a result nearer to the actual truth and more in conformity with the actual facts than any other method that might be employed. I am of the opinion that the great majority of the courts and the public regulating bodies of the United States agree with this view, and while it is true that decisions on this question of value made in rate and taxation cases should not indiscriminately be cited in support of a decision in a case of this nature where just compensation is to be determined, I am nevertheless of the opinion that it is possible to distinguish between general principles laid down by the courts, and applicable to the questions of value and valuation as a whole, and final conclusions reached by courts that can have reference only to a particular case at issue. These cases are so many and so well known that I do not believe it necessary to give citations.

As to the particular points of controversy between the various witnesses in this case, I am of the opinion that the value of the Company's lands is equal to the present market value of these lands as such market value is determined by competent real estate appraisers and on the assumption of a transaction between a willing buyer and a willing seller.

In estimating the accrued depreciation of the property here under consideration, it is my belief that every factor that in any manner can throw light on this subject should be taken into

consideration. Among these factors, I consider the elements of life and age essential. I am also of the opinion that life tables should not be general but should be compiled for each individual valuation with the special circumstances and conditions surrounding a particular property in mind, and that even if this is done, such tables should not be used without an intelligent understanding of their limitations. It is clear to me that the actual condition of this property cannot be determined without inspection. I am convinced from the testimony in this case that the Commission's engineers in making their appraisal have had these points in mind and have given them such weight as they deserve and as it was possible to give them under the circumstances.

On the question of the depreciation of overheads I am inclined to agree with the contentions of the City. Mr. Sachse has testified that in his opinion all such overhead expenses as would disappear gradually and simultaneously with the various units of the plant to which they obtain, should be depreciated, and it is clear that only on account of practical difficulties did he come to the conclusion of assuming the value of all overhead expenditures as equal to their reproduction cost. I do not underestimate these difficulties, but I do not believe that they are insurmountable, and while it is true that absolute exactness is not obtainable, the best possible effort should nevertheless be made to distinguish between such overhead items as may probably be subject to depreciation and such as may not. I have made such an estimate, and I am convinced that with the evidence and all other data available this estimate arrives at the best conclusion that can be reached.

GOING VALUE, GOING CONCERN VALUE OR FRANCHISE VALUE.

The terms "Going Value", "Going Concern Value" and "Franchise Value" were interchangeably given by the Company to an item of value which it is claimed inheres to this property over and above, distinct and aside from the property, considered as an assembled and animated plant including all physical items, allowances for organization, franchises, overheads, such as administrative, executive and legal expenses, engineering and superintendence, injuries and damages during construction, taxes and interest during construction and an over all allowance of various percentages for contingencies. It is claimed by the Company that this additional quantity must be added to the value of the property just enumerated. While it is contended that this additional value is distinct, and measurable, it is admitted that this going concern value could not exist without the physical plant and such intangibles as have been enumerated and as belong to and are a part of the physical plant.

It is for this reason that I have taken up as the first part of this opinion the valuation of the plant and the property and it is clear to me that any discussion of any other claims of intangible or non-physical values must rest, as a matter of fact, on the physical property.

A clear definition of what is meant by such an important item, in point of view of dollars and cents, seems to me no less essential than the definitions heretofore given for tangible physical elements of values, such as Original Cost, Reproduction Cost and Reproduction Cost less Depreciation. Of the Company's witnesses at least five, namely, Prof. Adams, Dr. Hoxie, Messrs. Gillette, Ballard and Kelley, have given such definitions. Mr. Gillette, the Company's first witness on the question of going concern value, has this to say about that quantity:

"Of course, the word 'going value' is used in different senses by different authorities. In the State of Wisconsin it means not a value but a cost, that is, I am speaking now of the Wisconsin Commission, who speak of going value when they mean what is quite commonly called development cost. But in the sense it has been used in these proceedings, as I have listened to it, it has been a true value, and as such value it may be defined to be the residuum after deducting from the present worth of prospective net earnings the investment in the plant that produces those net earnings."

Dr. Hoxie, for the Company, also distinguishes between the item "development cost" which is sometimes called going concern value and the particular kind of value denoted by that term in this case. He says that the quantity development cost does not appear to enter into this case, and going value as used by him denotes

"an entirely different thing, which is the excess of value over investment. That is, going concern value is the value over and above the investment cost, which has been put into a property and business through its development by its owners and managers; as the result of their initiative, energy and enterprise, they have created this value in addition to their investment; that is, the sense in which I am using the term here."

Mr. Ballard, for the Company, describes this quantity thus -

"Going concern value is the value of an established and successful business in excess of the investment cost of the physical property used in that business to produce its earnings."

Mr. Kelley, the Company's valuation engineer, gives two definitions,

First - "Going concern value is the difference between the total value which a property may have and the investment in such property".

Second - "Going concern is the value of any business over and above the physical property which produces its earnings."

The Company's principal witness on the subject of going concern value, however, was Professor Henry C. Adams. He gives the name "Franchise Value" to this quantity and goes very

fully into the subject. His definition is as follows:

"The value of the property as organized and used in excess of the investment cost of the property or the physical value of the property. The assumption is that the property as it is used has a definite commercial value and that a portion of that value is taken up with what the engineer regards as the physical property, and if there is an excess over that physical property, as shown by the earning capacity of the property, all things considered, that is called the franchise, intangible or non-physical value."

He adds:

"that there must, of course, be an element of permanency in that value before it can be regarded as a permanent factor."

The City's witnesses also speak of going concern or franchise value. Professor Durand in his testimony discussed the problem quite exhaustively and as his testimony seems to me to go to the heart of the matter I shall quote from the transcript even at the risk of giving a quotation of considerable length:

" I should define the term "going concern value" as the total fair cost of producing a business, in active operation as a living organism, with business attached, having in mind the details of the history of development of the company, having in mind the present condition of the physical property, treatment of the general subject of depreciation, with special reference to the treatment of the so-called depreciation reserve, always assuming that during the life of the company it had not received more than a fair earning, and also assuming that no part of these elements of cost had been allowed and paid for under the head of operation. This term, however, has been used with a considerable variety of meaning by different authorities on this general subject. In particular, Professor H. C. Adams prefers to use a term "franchise value" as indicating a difference between two values, one of which he terms a commercial value and the other a tangible value, or a value resting upon tangibles. In the derivation of such a value likewise there are two very distinct schools of thought, one progressive, forward and historical, the other capitalization of earnings and therefore reversed in direction. In the first case, the determination of a going concern value would naturally take into account to the fullest practical degree the various elements which might enter into the building up of a business in active operation....."

"Thus there may have been -- naturally will have been-- certain early expenses of organization, certain legal expenses, possibly a reasonable allowance for promotion, there may have been early losses which may or may not have been taken

care of by the earnings, or which may or may not have been paid for otherwise. In the development of the fair going concern value, having in view the historical method, these various items would all be carefully considered and given due weight, and if we adopt the method which is now usually employed, I believe, by rate-making commissions, of basing the value of the property itself primarily upon a cost of reproduction new, we shall then combine these various elements and reach a value which might be properly considered as the going concern value as of any stated date. The other school of thinkers on this subject prefer, rather, to take a certain earning as a result of the existing conditions as of any stated time and to capitalize such an earning backward at a certain rate per cent, and thus to arrive at a commercial or business or investment value. If I may proceed --

Q. Yes, go right ahead.

Commissioner Edgerton: May I interrupt you, Professor.

A. Yes sir.

Commissioner Edgerton: I want to be clear on this: whether or not you have included in going concern value equitable considerations. You have used the word "value", which embraces the idea, as I take it, that here is something now valuable to somebody.

A. Yes sir.

Commissioner Edgerton: Strictly speaking, that would exclude equitable considerations such as what the company ought to be allowed at this time, and I find you saying "assuming that the company's earnings have not been unduly high in the past". Am I to infer from that that you, finding a company's earnings unduly high, would deduct some amount from going concern value for that reason on the ground that equitably they had received too much?

A. No, sir, except to the extent to which such excessive earnings, if I may use that term, might have amortized early losses. I intended that more especially to apply to uncompensated losses in the development of business in early years; and if there had been earnings clearly in excess of what might be considered reasonable, and if such earnings had clearly taken care of early losses, I should then consider that these early losses or expense of attaching business, so-called, might be eliminated from consideration.

Commissioner Edgerton: Well then, if I understand you, contemplating going concern value now, you do not import into your consideration any equity ideas; you are contemplating now going concern value as something existing today having a certain commercial value. Now then, I take it that the question of early losses having been compensated by earnings would not go to the equitable consideration now of what they ought to have as



value, but rather goes to one of your factors going to make up going concern value-- that is, cost. Is that true? Otherwise, I don't see, Professor, that you have excluded equitable considerations.

- A. I don't know that I intended -- I certainly did not intend to exclude equitable considerations, if I am using the word in the sense that I assume you are using it. I used or intended to use the term "fair value". I intended that word "fair" to imply the presence of pervading equity throughout the determination.

Commission Edgerton: I had in mind this: Market value is a great, cold, heartless thing. There are no equitable considerations in market values. The only question is what will a man pay who wants something to the man who had the something he wants, and it matters not a particle to the man who purchases what the other man has suffered or sacrificed to create the thing he is going to sell. On the other hand, the moment you consider what ought to be paid for this, then you get into what we denominate equitable considerations. That is the distinction I had in mind when I put the question to you.

- A. I did not include, then, I think, in that sense, equitable considerations. I was endeavoring to base the definition of going concern value on the actual fair cost of producing the business as an active business organization, and which might naturally involve certain items beyond, if I may use the term, the bare bones of the physical property.

Commissioner Edgerton: You are really producing a cost result?

- A. I am determining the value as the result of an accumulation of fair costs.

Commissioner Edgerton: All right, I interrupted you.

Mr. Dunne: Professor, if Mr. Mathews will permit me to ask you a question, do I understand you, Professor, to commit yourself definitely to the proposition that the cost of reproduction new of the plant includes and satisfies the conception of going concern value?

- A. By no means. I specifically stated, Mr. Dunne, that was one of the elements and only one.

Mr. Dunne: Well, I didn't want to misunderstand you, Professor, so I put the question to you categorically.

- A. Picking up the thread of the discussion, those writers and experts on this subject who prefer to determine commercial investment value by capitalizing earnings, proceed substantially after this manner: They assume, for instance -- Professor Adams assumes the existence of a commercial value which is to be determined by capitalizing the earnings at an assumed rate per cent. That is in reality using in this way a simple arithmetical equation, if I may so express it, to wit:

Value equals earnings divided by percentage.....  
The point of the whole question, however, seems to turn upon the proper determination of the fair earning and of the fair rate per cent at which such earning should be capitalized, providing we are going to follow the method proposed or suggested by Professor Adams. For myself, I should prefer to follow the other method, which, if I mistake not, is followed by most of the rate-making commissions at the present time, of giving due and just consideration to the historical development of the company, to the present condition of the property, to the elements of depreciation and to all factors such as those which I enumerated before, which may be considered as entering into the present going concern value of the business. Personally, I should prefer this method for the determination of the first member of my arithmetical equation, that is to say, I should consider the more correct and safer result would in all cases be reached by working historically forward and determining as a foundation quantity the fair going concern value of the business, and then using that as a base on which to determine a fair earning, rather than to proceed in the inverse direction, although, as I pointed out, with proper values of the factors entering into these operations, the results would be substantially the same in either case."

Mr. Scattergood, the City's Chief Electric Engineer, rejects the idea of going concern value as capitalization of profits over and above the "cost of money" and testifies (Transcript 3191)

"The rate fixing body having determined the reasonable value in that manner allows a per cent earning, a fair earning. If that per cent of earning which the Commission in its discretion determines upon as reasonable and fair, having in mind the interest of the public, necessary to allow an earning such that the owners of the property can secure money readily for making additions and further development -- if there is any percentage in the fair earning allowed in excess of the actual cost of money, and the Commission has allowed more than is actually necessary in order to enable the company to get money and to develop readily, there is no permanency in that. The allowance is in the discretion of the Commission and may be changed at any time, and it is impossible for me to say how it could properly be capitalized. The new owner in paying for the property on the assumption that the present per cent earning allowed would be permanent, would at once have depreciated property below the price he paid for it. The Commission in its discretion could change that."

Mr. Ross, for the City, testified as follows:  
(Transcript 2962)

- Q. Mr. Ross, as an engineer and an electrical man, experienced in buying electrical properties and in the management thereof, would you say that the figure of \$3,473,803.11, representing the reproduction cost new less depreciation as found by

Mr. Panter and Mr. Koiner, as outlined by them, would fairly represent the value of the property sought to be taken in this proceeding by the City of Los Angeles, with the business attached or including the business attached?

A. Yes sir, I would.

Q. That is, you would view the property as a going concern?

A. Yes sir. The material is purchased as a going concern. It is purchased for the price of construction. It is put up as a going concern, and it is about the same as if you bought anything else. If you bought a horse, it is the "go" really that you buy. The animal himself dead would be merely junk, so it seems to me that this carries the idea right to the material.

Q. You have in mind in this instance that this is a public utility property subject to regulation, do you not, Mr. Ross?

.....  
Commissioner Edgerton: You realize it is insisted by the company here that it put the "go" in the plant, therefore they put something into the plant that it didn't have before, and that that something -- we will call it the "go" -- is of value, and they insist on that.

A. Well, I notice in one part of the testimony that it was compared to an inventor. An inventor creates something new. He brings into the world something that did not exist before. The utility company takes fairly well known machinery and applies it to its own purposes, and it is about the same as any other enterprise. It is no more radically different than it would be to buy a grocery or a butcher shop and operate it.

Commissioner Edgerton: You realize that in the sale of a private business ordinarily what is called "good will" is considered. By that is usually meant the patronage attached to the business.

A. Yes sir. I think the competition -- for instance, in my own town, I cannot conceive of a buyer buying our competitor's plant. I don't believe they would. I don't believe after there was competition in this city that they could get a buyer, because the distribution then becomes scattered over twice as much area. Every second house will have one and every first the other.

Commissioner Edgerton: If I understand your position in regard to going concern, it amounts to this, that without business the plant would be worth less than cost?

A. Yes sir."

Mr. Sachse for the Commission testified on going value or franchise value as defined by Professor Adams:-

"My conclusion is that franchise value, as defined by Professor Adams and as calculated by him, is, in reality, nothing but a capitalization of profits."

and he says-

"If there were no going concern, no business, the plant would not be worth the reproduction cost less depreciation. It would be worth merely scrap, and the difference between the scrap value and the reproduction cost less depreciation of the plant is in a sense certainly franchise value. In quite a number of cases franchise value as defined by the Company may leave a negative and not a positive quantity."

The various witnesses for the Company have used different methods to arrive at a sum total for the item of going concern value, but it is sufficient to say that the figure finally claimed by the Company is the one calculated by Mr. Gillette, namely, the sum of \$4,713,997.00 on the basis of "partial severance" or the sum of \$5,187,623.00 on the basis of "complete severance". This amount is concurred in by witnesses Ballard, Kelley and Hoxie for the Company. Professor Adams arrives at a different amount. He places the value of this element in the case of complete severance at \$4,606,555.00, and in the event of partial severance at \$4,413,123.73.

The principles on which the calculation of going concern or franchise value is based are the same with all five of this Company's witnesses, the only difference being that Professor Adams distinguishes between the two franchises owned by the Company in Los Angeles and determines the value of each franchise separately, while the other four witnesses disregard the two franchises altogether and base their calculations squarely on a capitalization of net earnings on a "cost of money basis", which is assumed in this case to be 6%. The excess of the value thus determined over the investment in the

property or over its present value as determined by a reproduction cost less depreciation estimate, is then termed going concern value.

Professor Adams in his deposition shows clearly each step in his computations, and since the item is of so much importance in this proceeding, I will show what he has done.

He states that it is necessary "to determine the net revenue from operation; to deduct therefrom the amount necessary for the support of the physical property, and to capitalize the remainder at an assumed rate of interest." Taking the Company's so-called Los Angeles constitutional or lighting franchise as an example, the procedure is as follows:

The lighting property pertaining to that particular franchise is taken to have a value of \$6,591,763.67 (revised figures); then, "starting with the property, the property was first increased by 8% each year. The 2% of that property was then taken as the estimated earnings underlying the franchise value, and on the assumption that revenues increased as rapidly as the property, this 2% was computed successively on the amounts of property which we found by applying the 8% rate of increase annually. These future estimated revenues on the 2% basis were then reduced to their present value, because this valuation is made as of June 30, 1915. This estimate of present worth is upon the 6% basis, and the present worth of each future income up to 1923 is computed and the sums are added to obtain the present worth of the successive future incomes beginning with 1916 and ending with 1923. That gives a figure up to 1925 of \$1,546,447.46. The extension of income does not go into this computation beyond 1925. It is found, however, that the income which lies at the basis of franchise value in 1925 amounted to \$300,814.12. This was

first capitalized at 6% and then the present worth of that was computed and the present worth of the capitalization of that amount is \$2,799,553.37, which, added to the figure previously stated, gives the value of the constitutional franchise at -- \$4,346,001.06." The corresponding figure for the revised total is \$4,112,045.90. The same method applies to the Company's so-called power franchise, except that investment values were not projected beyond 1920, that franchise expiring in that year. The mathematical computations for the Adams method are given on the following page in Table V.

The City objects to the theory underlying the Company's conception of going concern value. It lays down the proposition that the property to be taken must be viewed comprehensively as an indivisible unit embodying all of its elements of value, and that the value thereof shall be expressed in a single gross amount. The City contends that the question really is whether or not all elements that should properly be considered in the valuation of this property are included in the sum total reached after a fair and just value has been found for the assembled going plant, including all tangible properties, and further including fair and proper allowances for intangible values such as organization, franchises, so-called overhead expenses, as administrative, executive and legal expenses, engineering and superintendence; further, injuries and damages, taxes and interest, and an ample over all allowance for "contingencies". The City insists that the problem then resolves itself into the question of whether an additional, separate and distinct amount should be allowed for another intangible sometimes called going value, sometimes called franchise value, sometimes called going concern value, and which element of value admittedly is not to include the item designated as "development cost." The City points out that a valuation of the franchises is distinctly included in the valuation made by the Commission's and its own

TABLE V.

CALCULATIONS FOR DETERMINATION OF FRANCHISE VALUE OR GOING CONCERN VALUE ON METHOD OF PROFESSOR H. C. ADAMS

PARTIAL SEVERANCE-REVISED FIGURES. (COMPANY'S EXHIBIT #60).

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	General Property	Local Property	Automobile & Garage Equipment	Material & Supplies	Working Capital	Total Property
<u>Total Los Angeles Investment</u> (Exclusive of Railway)						
Los Angeles District	3,863,767.05	4,019,931.91	29,580.11	126,236.98	110,008.68	
Portion of Other Districts	201,730.93	217,259.75	928.48	7,425.40	6,371.30	
San Pedro District	175,867.98	243,900.81	1,919.29	10,996.01	5,901.93	
<b>Total</b>	<b>4,241,365.96</b>	<b>4,481,092.47</b>	<b>32,427.88</b>	<b>144,658.39</b>	<b>122,281.91</b>	<b>9,021,826.61</b>

APPORTIONMENT OF INVESTMENT AS ABOVE TO LIGHT & POWER.

	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	Total
<u>Light Proportions:</u>											
Los Angeles District	66.43+	2,566,794.74	80.79	3,247,702.99	80.79	23,897.77	80.79	101,986.86	80.79	88,876.01	
Portion of Other Districts	45.38	91,645.50	80.79	175,524.15	80.79	750.12	80.79	5,998.98	80.79	5,147.37	
San Pedro District	84.00	147,729.10	84.00	204,876.68	84.00	1,612.20	84.00	9,236.65	84.00	4,957.62	
<b>Total Light</b>		<b>2,806,069.34</b>		<b>3,628,103.82</b>		<b>26,260.09</b>		<b>117,222.49</b>		<b>98,981.00</b>	<b>6,676,636.74</b>
<u>Power Proportions:</u>											
Los Angeles District	33.57-	1,296,972.31	19.21	772,228.92	19.21	5,682.34	19.21	24,250.12	19.21	21,132.67	
Portion of Other Districts	54.62	110,185.43	19.21	41,735.60	19.21	178.36	19.21	1,426.42	19.21	1,223.93	
San Pedro District	16.00	25,138.98	16.00	39,024.13	16.00	307.09	16.00	1,759.36	16.00	944.81	
<b>Total Power</b>		<b>1,435,296.62</b>		<b>852,988.65</b>		<b>6,167.79</b>		<b>27,435.90</b>		<b>23,300.91</b>	<b>2,345,189.87</b>
<b>Total Light &amp; Power</b>		<b>4,241,365.96</b>		<b>4,481,092.47</b>		<b>32,427.88</b>		<b>144,658.39</b>		<b>122,281.91</b>	<b>9,021,826.61</b>

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engineers. It is pointed out that in fact the value of a plant and business as a going concern depends in a large measure on the owners having authority from the state or the city to maintain and operate such a plant; and therefore, the value of franchises, by which such authority is conferred, must be included in a proper valuation of the plant as a going concern.

The City further points out that considering the scope and obvious purpose of the Commission's classification of accounts, which classification was strictly followed in the three valuations introduced in evidence in this hearing, it is clear that every element of value is of necessity covered in the valuation.

The City's witnesses unanimously took the position that a capitalisation of earnings can not be <sup>a</sup> proper or reliable test of present value or of the amount of just compensation which should be paid for any public utility property.

Aside from these fundamental objections to the Company's theory the City attacks the methods by which the Company attempts to determine the quantities of "investment", "fair return", "net return" and "cost of capital", and questions the correctness of the figures used by the Company underlying its calculations.

In its exhaustive brief filed by the Company after the close of the hearings, eighty-three printed pages are devoted to the discussion of the subject of going concern in general, and in addition to this discussion an Appendix "B", covering thirty printed pages, is devoted to a discussion of what is a fair return upon Edison Company's investment cost, showing that such fair rate of return should be at least 8%, and that 8% is being earned by the Company, and that this rate of return should therefore be used in the calculations for going concern and severance damage.



This particular issue of "fair return" becomes of special importance in this proceeding inasmuch as it not only enters into the problem of going concern value, which I am now discussing, but enters as an equally determining factor into the problem of severance damages which will hereafter have to be taken up.

In its brief the Company states that these proceedings are not concerned with the correct use of terms; with the precise meanings attachable to words or with matters of definition, and that the accidental happening that different witnesses use the same word with different meanings, has no bearing upon the determination of just compensation, and that it is necessary to consider things and not terms.

In regard to the merits of this case, I am in agreement with this statement, but it remains true, nevertheless, that loose language leads to loose thinking, and that without a clear understanding of what the thing to which we give a name in reality is, we cannot find correct answers to our problems. It is for this reason, among others, that I attach considerable importance to a straight-forward definition of what is intended by the term going concern value, which, according to the Company's claims, is supposed to have a value in the neighborhood of five million dollars. But further than that it is of great importance to me to know what factors have entered into the determination of the final figures arrived at and what relative weight has been given those factors in this determination.

Mr. Sachse, in Commission's Exhibit No. 7, has to some extent analyzed those factors as they have been used by Professor Adams in his deposition. It appears that the items entering into the method used by the Professor are partly definitely known quantities and partly indefinite or unknown quantities (assumptions); and I believe it is a fair conclusion to say that

the value of the method depends upon the value of the determining factors. It will also be necessary to know if proper consideration is given to all important factors relating to the problem or if certain ones are ignored. The problem then appears in this light:

Definitely known quantities.    Indefinite or unknown quantities.

1. Accepted "definite figures for the physical property. . . . . to represent investment cost . . . . the basis of computation."

1. Assumption of uniform expansion of property at rate of 8% from year to year to 1925.

2. Assumption of uniform increase of net revenue, also of 8% from year to year to 1925.

3. Assumption that additions and betterments will not decrease earning capacity of property as a unit.

4. Assumption that 6% is a proper rate for support of the investment.

5. Assumption that the California Railroad Commission will allow a property of this kind an 8% net earning from now to 1925.

6. Assumption that between now and 1925 an amount of money equal to 6% of the property will support the physical property.

7. Assumption that between now and 1924 the Company will enjoy from the Los Angeles lighting business an annual net revenue of at least 8%.

8. Assumption that 6% is a proper basis for the estimate of present worth.

9. Assumption that after a 10-year period the year 1925 is the proper time when the yearly values should be capitalized at 6%, and converted into a single present worth value of \$2,648,839.02 (revised figure).

I do not believe that this table needs much explanation or further elaboration. Attention should be called, however, to two points: first- the only known quantity listed is the "definite figure for the physical property". Immediately a number of

questions arise. Should this sum, for this purpose, be represented by the investment or by the reproduction cost, historical or new, or by the reproduction cost less depreciation of the physical property? Should intangibles have a place in this physical value? What property is included in the figure? The Company lists the following items called "physical property" by Professor Adams:

General Investment.....	\$5,830,394.08
Intangible, General.....	244,119.62
Local Investment.....	4,273,835.00
Working Capital.....	<u>388,801.47</u>
Total.....	\$10,737,150.17

It would seem, then, as if this "known quantity" is not so very definite after all. This illustration shows the constant tendency and possibility for duplication of values.

Second -I desire to call attention to indefinite quantity number 9 in the list above. It is the most important of all assumptions and is purely arbitrary. If the yearly values were carried forward 25 years instead of 10, and if they were then capitalized at 6%, as does the Company, but if the basis of present worth from 1915 to 1940 were taken as 6% ( which percentage equals the "cost of money" as assumed by the Company), instead of 4%, the franchise value for the constitutional franchise alone would be \$11,284,943.33 instead of somewhat in excess of \$4,100,000.00. There is nothing unreasonable in the latter assumption as compared with the one used by the Company.

To deal adequately with the subject it would be necessary to enter elaborately into a consideration of every one of the ten factors listed above. Such a discussion has been submitted to the Commission, from the Company's point of view, in the five hundred and nine page brief filed by it; but it is manifestly impossible for me in this opinion to cover the subject in complete detail. Only the most essential items

can here be dealt with. Such an item is the value or investment figure for the physical property (quantity number 1 in the statement above). This figure is of considerable importance also for the reason that it enters with equal weight into the problem of severance damages.

In the original Adams deposition this "physical property" item is taken as \$10,737,150.17 (\$10,850,014.17 revised figure). This sum is the total for general property, local property, automobile and garage equipment, material and supplies, and working capital in the Los Angeles district, San Pedro district, and a portion of other districts, and is a part of the grand total of the Company's total assets of \$38,714,611.67 according to the Company's witness Trott, in the balance sheet as of June 30, 1915, Company's Exhibit No. 35. Of this total \$26,407,138.72 is designated as the "total capital assets". The corresponding figure for total assets, according to the Company's balance sheet in the report filed with this Commission as of the same date and as has been shown heretofore, amounted to \$37,310,942.34 for total assets and to \$32,718,369.93 for total capital assets.

In its investigation into the Company's books and records the Commission's auditing department made important changes in the Company's balance sheet materially affecting the figures just shown. These corrections resulted in a deduction of the Company's "total capital assets" of \$8,041,242.20 and reduced the total quoted above of \$32,718,369.93 to \$24,677,127.73. In making these corrections, which are shown in Commission's Exhibit No. 1, the assistant auditor of the Commission, E. E. Nowell, testified to the principles which governed him in making this investigation. He states:

"There are several basic principles which we have used in correcting the Balance Sheet of the Company, as presented at December 31, 1914, and these we set forth as follows:

1. The true condition of the present property of the Southern California Edison Company is to be

obtained by disregarding all reorganizations, and treating all the transactions since 1896 as those of one company.

The net result of this principle is that the present company bears part of the losses on securities, and all the intangibles, created by its predecessors, and must in certain cases provide amortization for the same out of the future earnings.

In the same manner but to the benefit of the present position, the accrued surplus balances of the reorganized companies have been brought forward from one company to the other.

2. The value of property obtained by issuance of securities is for balance sheet purposes, stated at the par value of such securities. The value of property obtained by cash is stated at its cash cost.

This principle has necessitated our elimination of all increases in Fixed Tangible Capital arising from valuations and appraisals. Whatever arguments may be raised as to the worth of an asset for various purposes, it cannot be sustained that the increased value claimed for one asset shall offset the depreciated value of another asset, nor is it a gain properly belonging to Surplus and available for dividends, nor is it a credit to any account other than one specially created and specifically designated as such.

3. 'Appropriations from Profits for a Reserve for Accrued Depreciation' must only be used to reduce the book values of Fixed Tangible Capital for realized depreciation as and when it occurs in another account.

The company has set up large sums to Depreciation Reserve, but has not exercised judicious care in the location of charges against it. All items in our judgment, not belonging thereto, have been transferred.

4. Upon exchange or sale of property, no profit can be realized on the consideration received, unless the same is Cash or until the consideration has been converted into cash.

This principle needs no elucidation; that which is not cash has no basis of value beyond the cost of that which was exchanged. Fixed property of the company exchanged for securities requires that the securities be valued at the cost of the property until they are sold.

5. Original book entries of values must be based on actual facts and not upon opinions.

Valuations of Water Rights or other property by any party cannot be used in a Balance Sheet to an extent greater than the original cost, if any.

6. Consideration paid for the acquisition of property, in excess of the depreciated actual cost of such property to the vendor, if ascertainable, is charged for the purposes of this report to a Special Intangible Capital Account.

7. When the depreciated actual cost of such property, as in No. 6 above, was found later to be in excess of its fair worth, then reconsideration of the purchase entry has been made by reducing the book value of the property, and such reduction was added for the purposes of this report, to the Special Intangible Capital Account.

8. Future earnings of the company cannot be used to recoup or amortize the losses or discounts suffered on the sale of securities which are no longer alive.

We believe that it is improper for a company to carry upon its books the unamortized discount on a debt that has been refunded. Our principle is based on the fact that the bond discount is prepaid interest.

9. On consolidation of the assets of a company, the entire stock of which has been purchased, the premium paid for such stock over the par value of the stock, as shown on the subsidiary company's books for the purposes of this report, is an addition to Intangible Capital. The discount under the par value is a reduction of the Intangible Capital shown by the subsidiary, if any, and if none exist, then it may be applied in accordance with such facts as may be found.

Many of the foregoing principles are elementary and would not need elaboration in this report, were it not for the fact that the Southern California Edison Company's books, and the books of its predecessors, have been kept and entries made, in disregard of the application of these principles. We find this disregard ceases with the installation of rules and regulations governing accounts issued by this Commission, effective in 1913, and no such matters as we have found necessary to correct, have occurred in the years 1913 and 1914.

In passing from this subject, we would state that we have found none of the matters to which we have taken exception, so stated on the books as to indicate any intention to conceal the facts. Everything has been clear and straightforward and whatever difficulties have been encountered, have been overcome with the assistance offered us by the company's Auditor and his staff. The records at times have not been as convenient as we might have wished, and for some years there appeared to be a lack of design, but these troubles served only to delay the work and did not militate against the results.

This report is based on the facts as we have found them, and is subject only to such changes as result from the discovery of further facts, or proven error in the interpretation of the record. All changes which we have made rely upon the nine principles heretofore laid down, the acceptance of which substantiates all corrections save those which are but plain error."

It should be definitely understood that my references to this item of "investment cost" are not intended as a criticism of the Company's bookkeeping methods or as indicating any suspicion of the testimony introduced by the Company's witnesses regarding figures of book cost. I am addressing myself solely to the proposition that the uncertainty and the wide limits of legitimate discrepancy in this most important of all the underlying figures of the Adams statement, must be considered as clearly established.

If this is true with the only quantity in the Adams desposition and, for that matter, in the rest of the Company's going concern value computations which might be regarded as fairly susceptible of definite proof, the degree of uncertainty and unreliability is clearly increased as regards every one of the indefinite or altogether unknown quantities that enter into the estimate.

I am of the opinion that the methods adopted by the Company to establish a definite figure for an intangible value enter to such an extent into the realm of mere conjecture, to use the language of the Supreme Court in a related question in the Minnesota Rate Case, that but little weight can be given those methods, and that the testimony in the case cannot be considered as having established a sound basis for the building up of the Company's computations.

I have, however, given attention thus far to the methods employed by the Company in arriving at its result rather than to the fundamental issue involved. I am convinced from

the evidence that franchise value, going concern value, going value, commercial value, value as a business, or whatever other designation may be given to this intangible quantity - that in reality the quantity is based on only one conception, and this conception is the capitalization of profits. Whether such capitalization is proper for certain purposes, and in this case for the purpose of determining the "just compensation" of this property, is solely, it seems to me, a question of public policy and of law as far as it is established on this point at this time.

Both the Company and the City in their briefs have cited a very large number of decisions of courts, public regulating bodies and authorities to substantiate their respective claims. On the one hand the Company holds that such a capitalization is justified in law and fair to all parties concerned. On the other hand the City contends that the authorities show that the method proposed by the Company in establishing this intangible value is unsound and that a capitalization of profits has been rejected by the courts as a measure of going concern value or franchise value in condemnation, rate, and other proceedings.

A review of the decisions bearing upon the subject brings me to the conclusion that the legal principle of a franchise being property for which the owner is entitled to full compensation in case of condemnation for public use, is clearly established. The other principle that an established public utility concern doing a profitable business has a value over and above the bare bones of the plant, seems equally established as a principle in law and in justice. It does not appear that the courts have laid down any fixed and rigid rule as to how this additional value, where it exists, should be measured, and



it is my opinion that in the nature of things no such rule can be laid down, and that each case must be considered in the light of its own circumstances and treated on its own merits.

There can be no question, however, that in an attempt to solve the problem every factor bearing on the entire situation should be considered and should be given its proper weight. In this case I am convinced this has not been done by the Company. The Company has submitted to the Commission an enormous mass of data and on its own theories has built an ingenious structure of complicated computations, but it has overlooked, or ignored, in my opinion, some of the most substantial and important considerations affecting this problem. The most important of these missing or slighted factors are (1) The distinction between the ability to make profits as between a public utility and a strictly private business; (2) Real comprehension of the element of risk; (3) The fact that the value of the plant as found in the estimates of the Commission's engineers undoubtedly recognizes this property in a very considerable measure, if not in its entirety, as a profitable going concern, and makes allowance therefor; (4) The rights, privileges and powers of the City under the circumstances.

It is established that a public utility business is different in several essentials from a strictly private business. The public utility business is regulated; the private business is not. The rates which a public utility can charge for the product it sells is its principal, if not only, source of income, and consequently of profits. The rate making body is charged by law with the duty to see that rates are reasonable and bear a proper relation to the cost of the product, or, as it perhaps had better be called, the cost of service. The cost of service may be considered as being made up of two parts; first,

cost of operation, which is cost of making the product, and second, fair return to the owner. A proper rate in a successful public utility business should realize the total cost of service, no more and no less. As regards the consumer, if the value of the service received as compared with the value of similar service furnished by different means, or of the same service furnished elsewhere under similar conditions as measured against the price paid therefor, is a fair equivalent, then the rate is reasonable.

The first item in the cost of operation is operating expenses as defined in the Commission's standard utility classifications of accounts, that is, costs of materials and labor used in the operation of the plant and the conduct of the business, including maintenance and upkeep of property and proper reserve for depreciation. The second item in the cost of operation may be considered the cost of money or of capital, that is, the fixed charges of the Company in the form of interest on funded and similar debt. This cost of money or cost of capital is determined largely by the element of risk to which such investment is subject. This is true, of course, not only of investments in public utility enterprises but in every other enterprise as well.

The bondholder in a successful public utility business, is not, the owner of the business. The owner is the stockholder, and it is he who is concerned with the "fair return" over and above the cost of operation, as I have considered it, and to whose profit this fair return accrues.

The Company in this proceeding consistently maintains that the minimum fair return should be 8%. It demands this 8% return not only for the investment of the owner (stockholder) as compared to the security holder (bondholder), but it demands

an 8% return on the entire cost or value of the property. There is, of course, a large difference between the two conceptions.

Even if it were conceded that the owner of the utility property, considering his risk, should have as a fair return 8% on his investment as compared with a lesser percentage for the mere bondholder, it cannot follow by any means that such an 8% return should be guaranteed by the consumer or by the regulating body. As a matter of fact, and irrespective of anybody's wishes in the matter, it cannot be so guaranteed. Professor Adams in his definition of going concern value, to my mind, grasped the problem perfectly when he added to his definition that there must be, of course, an element of permanency in an 8% return before it can be regarded as a permanent factor. It cannot serve any purpose to ignore simple economic facts. The certainty that today every owner of or investor in a public utility business knows that there can be no guarantee for the permanency of an 8% net return is one of those facts and the lack of such guarantee is one of the reasons why 8% is justifiable. The cost of money or of capital to the Company, according to the testimony, is in the neighborhood of 6%. It is clear, however, that there must be some return over and above this cost of money if private development of enterprises of such nature is not to be stopped. I believe this fact is universally recognized and it is certainly recognized by this Commission. But it is perfectly comprehensible to me that the people, through the rate making authority, should agree with the utility on that point and be willing to allow a very liberal return over and above the cost of capital as an incentive for efficient service and in order not to hamper development, but would nevertheless refuse to permit the capitalization of the fair return over and above the cost of capital for any purpose. The capitalization of profits above the 6%, as proposed in this proceeding, is really in effect a capitalization of the liberality of rate fixing

bodies.

I do not believe that capital would be repelled, or development of public utility enterprises retarded, if liberal returns were permitted with the understanding that capitalization of such liberality would not be permitted as against the public. Capital seeks profits, security and convertibility. The fair return is assured if profits are earned irrespective of whether they can be capitalized or not. That the security is greater with no capitalization of profits is self-evident and needs no demonstration, and convertibility will be favorably affected by great security. The theory that capitalization of profits must be allowed to protect investment is unsound. The history of every watered corporation proves this; for what else does watering consist of but the capitalization of past, present and prospective profits.

The principle that franchises and the right or permission or the ability to earn a profit over and above the cost of money cannot be capitalized and made a permanent charge against the public in the case of public utilities is in fact now being crystalized into statutes in the various states in the Union and is embodied as a standard clause in the majority of franchises granted to public service corporations in most states.

It is not difficult to show to what absurd results the method proposed by the Company might lead. Assume the investment in a new utility plant to be \$1,000,000 the cost of capital to be 6%, then the utility must earn \$60,000, to earn the cost of money or its fixed charge. Assume that in addition to the 6 per cent 2 per cent is allowed as "fair return". The Company must earn an additional \$20,000, or \$80,000 altogether, to consider itself on an 8% basis. A buyer is now under the necessity, according to the Company's theory,

to pay for the property as follows:

Investment ( Assuming that fair value equals investment).....	\$1,000,000.
Plus going concern (\$20,000 capitalized at 6% rate).....	<u>333,333.</u>
Total.....	1,333,333.

Assume that nothing else has changed and earnings under the same rates, as far as the cost of money and fair return are concerned, are still \$80,000; but \$80,000 on \$1,333,333. is no longer 8% but only 6%, which equals cost of money and allows nothing for a fair return.

It is also well to look upon this question from the point of view of simple economics. As a plain matter of fact the people will not pay for such fictitious and arbitrary values. They cannot be made to pay and they would rather destroy such values by building their own utility plants and by refusing a "fair return" above the cost of money. And if the people do this, and they will, if such values are held to exist by the courts, then there will inevitably be such economic waste as goes with needless duplication and ruinous competition. Not only will fictitious and arbitrary values be wiped out but along with those there will be destroyed real and tangible values.

It is proven in this case that the stockholders of this property, both common and preferred stockholders, have on the average, received on their actual cash or property investment a "fair return" far in excess of the 8% which the Company in this proceeding takes as the basis for the capitalization of profits. Commission's Exhibit No. 3, introduced in evidence by Commission's witness Mr. Nowell, is a statement of cash and property received for capital stock and the returns thereon. It shows from the years 1895 to 1914, inclusive, year by year,

the actual amount of cash or the cash value of property contributed by the stockholders, the progressive total, year by year, the rate of dividends paid on the par value of this stock, the amount paid and the actual rate or percentage, year by year, on cash and property put into the property by these stockholders. The important fact should not be overlooked that all stock was common capital stock until the year 1902, and that only since that year has the Company had two classes, namely, common and preferred stock. This table, which follows on the next page as Table VI, shows that the average annual net return on all money and property paid for stock, both common and preferred, for every year from 1895 to 1914, has been at the rate of 10.318% and that the average annual net return on the money and property paid for common capital stock for every year from 1902 to 1914, during which time there has been a distinction between common and preferred stock, was at the rate of 22.02%. These net profits on the stockholders' contribution to the property, and constituting his reward as owner and as the taker of the larger share of the risk, have ranged from a minimum of 10.76% in 1909 to 43.07% in 1908. If the Company's theory as to the capitalization of profits as a measure of going concern value is sound this value on the profits shown, far exceeds the sum claimed by the Company,

If capitalization of net earnings as a measure of value is considered sound then that method will become immediately the determining factor in all valuations and in all findings of "just compensation". All other methods and measures are merely that much waste of effort and time. This is evident from the calculations of the Company's witnesses, Messrs. Gillette, Ballard, Hoxie and Kelley. According to those witnesses it is merely necessary to capitalize total net earnings on the basis of a proper cost of money rate. If this method is correct,

TABLE VI.

STATEMENT OF CASH AND PROPERTY RECEIVED FOR CAPITAL STOCK AND RETURNS THEREON

PREFERRED CAPITAL STOCK (COMMON UNTIL 1902)

	Cash	Property	Total	Progressive Total	Dividends %	Paid Amount	Percentage on Cash & Property
1895	5 838.00	11 000.00	16 838.00	16 838.00			
1896	7 500.00	840.00	8 340.00	25 178.00			
1897	2 920.00	-	2 920.00	28 098.00			
1898	-	257 000.00	257 000.00	285 098.00	1/2	2 500.00	.876
1899	10 912.50	10 000.00	20 912.50	306 010.50			
1900	81 975.00	300.00	82 275.00	388 285.50	2	18 822.50	4.847
1901	87 793.30	278 500.01	366 293.31	754 578.81	3	37 164.00	4.925
1902	186 480.00	300 000.00	486 480.00	1 241 058.81	4	63 160.00	5.089
1903	200 000.00	866 000.00	1 066 000.00	2 307 058.81	5	116 968.34	5.070
1904	170 000.00	-	170 000.00	2 477 058.81	5	144 732.60	5.842
1905	-	-	-	2 477 058.81	7-1/2	268 997.37	10.859
1906	-	-	-	2 477 058.81	5	196 143.70	7.918
1907	723 975.00	-	723 975.00	3 201 033.81	3-3/4	149 725.73	4.677
1908				3 201 033.81	5	199 800.00	6.242
1909				3 201 033.81	5	199 850.00	6.243
1910				3 201 033.81	5	200 000.00	6.248
1911				3 201 033.81	5	200 000.00	6.248
1912				3 201 033.81	5	200 000.00	6.248
1913				3 201 033.81	5	200 000.00	6.248
1914				3 201 033.81	5-3/4	230 000.00	7.185
<b>Total</b>	<b>1 477 393.80</b>	<b>1 723 640.01</b>	<b>3 201 033.81</b>	<b>38 391,651.34</b>		<b>2 427 864.24</b>	<b>6.324</b>

Common Capital Stock

1902	197.00		197.00	197.00			
1903	140.00		140.00	337.00			
1904	210.00		210.00	547.00			
1905	-		-	547.00			
1906	-		-	547.00			
1907	835 262.00	0	835 262.00	835 809.00	2-1/2	180 000.00	21.53
1908	-	0		835 809.00	5	360 000.00	43.07
1909	-	0		835 809.00	1-1/4	90 000.00	10.76
1910	-	0		835 809.00	3-3/4	270 000.00	32.30
1911	803 400.50		803 400.50	1 639 209.50	5	371 250.00	22.64
1912	-		-	1 639 209.50	5	420 000.00	25.62
1913	1 600 000.00		1 600 000.00	3 239 209.50	5 plus	570 000.00	17.60
1914	-		-	3 239 209.50	6	624 000.00	19.26
<b>Total</b>	<b>3 239 209.50</b>	<b>-</b>	<b>3 239 209.50</b>	<b>13 102 249.00</b>		<b>2 885 250.00</b>	<b>22.02</b>
<b>Total preferred and Common</b>	<b>4 716 603.30</b>	<b>1 723 640.01</b>	<b>6 440 243.31</b>	<b>51 493 900.34</b>		<b>5 313 114.24</b>	<b>10.318</b>

the quantities of investment, original cost, reproduction cost new, reproduction cost historical, reproduction cost less depreciation or present value are altogether immaterial inasmuch as going value is simply the remainder after any one of these quantities has been deducted from the capitalized net earning total. To illustrate, we would have in this case the following going values for the Company's entire system:-

(a) Investment (Commission's Exhibit No. 6)		\$22,023,372.39
Net Earnings, after depreciation (Company's Exhibit No. 54)	1,899,663.30	
Capitalized at 6%		<u>31,661,055.00</u>
Going Concern Value No. 1		\$ 9,637,682.61
(b) Cost (Commission's Exhibit No. 7)		25,000,000.00
Net Earnings, after depreciation (Company's Exhibit No. 54)	1,899,663.30	
Capitalized at 6%		<u>31,661,005.00</u>
Going Concern Value No. 2		\$ 6,661,055.00
(c) Depreciating the property to present worth, on the basis established by Company's witnesses, we have:		
Total Property Investment		23,140,597.77
Less Average of 15% Depreciation on General and 20% on Local		<u>3,989,655.10</u>
Present Property Value		19,150,942.67
Add Working Capital and Supplies		<u>866,495.40</u>
Assumed Present Value		\$ 20,017,438.07
Net Earnings, after depreciation (Company's Exhibit No. 54)	1,899,663.30	
Capitalized at 6%		<u>31,661,055.00</u>
Going Concern Value No. 3		\$ 11,643,617.07

This method permits of endless variations. A similar set of figures could be worked up to determine the going concern value assumed to attach to the particular property proposed to be acquired by the City in this proceeding, and different going



values would be found on the basis of investment, original cost, reproduction cost new, reproduction cost historical, reproduction cost less depreciation on the basis of historical cost, and reproduction cost less depreciation on the basis of reproduction cost new. It will not be necessary, however, to make these estimates.

In the foregoing calculations the actual net earnings have been used, instead of an assumed 8%. It is inconsistent on the part of the Company, referring to its own theory, not to have used actual net earnings when presumably actual figures were used for investment, present value, gross earnings, operating expenses, and other known values entering <sup>into</sup> the calculations. If this were not sufficient to show the unreliable and hazardous result of this method, it should be pointed out that similar computations with the actual instead of the assumed rate of the cost of money would again lead to different expressions for this illusive, and, in truth, intangible quantity.

Lest the preceding paragraph be considered an inaccurate presentation of a complicated matter and in order to show the entire agreement of my set-up with that of the Company, I will quote Mr. Ballard's testimony: (Transcript p. 2191-2)

"Under complete severance the net earnings for the year ending June 30, 1915, were \$962,258.22. The amount necessary for the support of the physical property at 6 per cent would be \$651,000.85. In other words, the earnings in excess of 6 per cent on the investment cost of physical property used to produce the earnings was \$311,257.37. That is, to my mind, the measure of going value, which in my opinion, should be capitalized at 6 per cent to determine the amount of such going value, and the amount is \$5,187,623. That does not differ from the amount given by other witnesses, but it is expressed in a little different way."

And again (Transcript p. 2174)

"When we come to sell, if we determine the total value by capitalization of our net earnings at 6 per cent, the going value which has been created in the past in this business goes along with the business and goes into the possession of the purchaser."

Mr. H. P. Gillette testified - (Transcript P. 1905)

"If the net earnings attributable to Los Angeles are \$900,000 per annum, and may reasonably be assumed to be permanent, then capitalizing them at 6 per cent would give \$15,000,000 as the commercial value of the entire Los Angeles business and the plant that produces that business-- as an entity. Then from that \$15,000,000, if we deduct the investment in that plant, which is approximately \$10,000,000, we have the remainder, \$5,000,000, which may be denominated going concern value, or non-physical value, as Professor Adams calls it."

Mr. A. R. Kelley, speaking of total value of the plant and going concern testified - (Transcript p. 1988).

Q. How do you determine that value? Without reference to figures at the present time, how would you determine that value-- upon what basis?

A. Determine the net earnings at the present time, capitalizing them at 6 per cent, deducting from that capitalized amount the investment which was required to produce those net earnings.

Q. Well now, Mr. Kelley, that going concern or what I will call business value rather than going concern value, appertains to all kinds of business, does it not?

A. Yes.

Q. Drygoods business, shoe business or the electric light and power business?

A. Yes.

Q. Suppose you come and found a business, Mr. Kelley -- and there are many such -- that would leave you nothing to capitalize after taking the physical property, what would then be your notion of the business value of that property?

A. That would have no business value, and if you carry that illustration far enough, you might reach the point where the business value would become negative."

Dr. G. L. Hoxie, on the same subject said-(Transcript p. 2107)

"I would simply find the total value and then divide that into its components, in any way that you like. The basis of division that I have adopted is into investment and additional value over investment."

Q. Well, what is that additional value and how do you get it?

A. Simply by subtracting investment from the total value."

And in its summary of the testimony on this feature of the case, the Company in its brief says :- (p. 230)

"Total value, therefore, is obtained by capitalizing net earnings on the 6 per cent basis, or better, an excess of total value over investment is obtained either by subtraction or by capitalizing differential earnings - result of going concern value being the same in either case."

The City's witnesses from Exhibits filed by the City and by the Commission's department attempt to establish the fact that the Company's net return from its Los Angeles business is materially in excess of a fair return and in its opening brief, the City has this to say regarding this method:

"Going value, as thus constituted, is nothing more than capitalization of returns which never should have been taken from consumers, for they are in excess of a fair return, and therefore, likely to be cut off at any time by the rate making authorities.

It seems extraordinary that the people of Los Angeles should be asked in this proceeding to pay the company four or five million dollars for an alleged item of property created entirely out of excessive and unjust charges for electric service, and all on the assumption that the consumers will be required for all time to come to submit to such extortion."

One of the points on which stress is laid by the City appears to me as deserving of note. It would seem from the evidence that the Company is enjoying a return on its Los Angeles business, exclusive of railway, in excess of 10 per cent on the cost figure according to the Company's Exhibit No. 35. I have already called attention to the importance of the element of risk. In any business if the risk is large the rate of return necessary in order to attract capital must be large. If the risk is small the rate of return necessary will be correspondingly reduced. It follows, therefore, that the rate of return necessary to attract capital is an index of the degree of risk which attaches to a business viewed as an investment. It is readily seen that if the earnings capitalized at the rate per cent which is an index

of the degree of risk, then a value will be reached which, as an investment, with its actual earnings, will yield just this rate of return. This is easily demonstrated in the following computation:

Investment:	Return		Capitalized	
	Rate %:	Amount	at rate of return:	Assumed rate of return:
1,000,000	2	20,000	1,000,000	4
1,000,000	4	40,000	1,000,000	4
1,000,000	5	50,000	1,000,000	4
1,000,000	6	60,000	1,000,000	4
1,000,000	8	80,000	1,000,000	4
1,000,000	10	100,000	1,000,000	4

If the buyer should pay less than a value commensurate with a risk, he will be able to earn a rate of return higher than that corresponding to the risk involved and the seller has not received full value. If he should pay more than this value he will not be able to realize on his investment the return which the risk implies. He might find himself, for example, with a 6% return on a business involving an 8% risk. In such a case the buyer would have paid one-third more for the property than the business risk involved would warrant and in the case of a public utility plant, if the rates remain the same, he would on resale only be able to sell at the lower or proper valuation, thus involving a net loss of the difference or excess value which he has paid.

If an 8% net return is necessary to continue money in the utility business then 8% is an index of the business risk and if the earnings are capitalized at all they should be capitalized at a rate commensurate with the rate of risk, in this instance, 8%. On the other hand, if, as Professor Adams assumes, 6% is enough to support the property, that is,

if 6% is enough to attract money, then the business is characterized by a 6% risk and under a strict realization of ideals of rate regulations, the earnings might be reduced to the 6% rate.

Under ideal rate regulations and having in view the relation of the public service company to the public, it follows that theoretically, there should be no difference between the rate used to compute the earnings and the rate used to capitalize it back.

I have already stated, however, that it may be fair, both to the public and to the utility, to permit a utility an 8% net earning with only a 6% risk. Does it follow as a matter of course that this liberality on the part of the people or this reward for effort must be capitalized and settled on the people as fixed charge in perpetuity? The proposal not only seems unfair but it is unscound in law and cannot in the nature of things be realized in practice.

Before leaving this subject I should like to point out that one element which in my opinion should always enter into a study of this question is as a rule overlooked. It is often assumed that intangibles, such as franchise value or going concern should be added to "property value" as that value may be measured by either investment, reproduction cost or present value. The fact seems to be lost sight of that the present value of a going property must in itself necessarily include an element of going concern or franchise value. This fact is easy of demonstration. If there is no business, the plant without the business is certainly worth less than either the investment, the reproduction cost or the depreciated reproduction cost. Its

value would at best be equal to the salvage value or scrap value of the physical property and it might be worth nothing or less than nothing. It might be a liability instead of an asset. In cases where a business is attached to a plant but it is a losing business instead of a profitable one the going concern value as defined by the Company would, of course, mean a negative and not a positive quantity.

In this case the Commission's engineering department's Exhibit No. 7 has considered the salvage value of this property. This salvage value will certainly be not more than 25% of the reproduction cost less depreciation. On the figures found by the Commission's engineering department this 25% would approximate \$960,000 and the sum of \$2,910,000. (The remaining 75%) may be looked upon as one measure of going concern value.

The Company has a number of times taken the position that the City by its proposal to interfere with the Company's business is committing a wrong and breaking a contract. To place such a construction on this proceeding appears to me unfortunate. It must be repeated that the City has not only the power but the legal right to compete with the Company or to condemn its property and thus impair the Company's earning power. This right remained with the City when it granted its franchise and the Company, in accepting the franchise, was aware of this right and has been aware of it ever since.

It is my conclusion that going concern value or franchise value undoubtedly is an element of value in the property under consideration and should be given its proper place and its proper weight in the determination of a just compensation. I am satisfied, however, that the capitalization of

assumed net earnings at an assumed rate of risk, which rate of risk does not correspond to the rate of earnings, is an improper method to determine this quantity. In my opinion there can be no guarantee in perpetuity of any profits. Public utility enterprises, while they are natural monopolies and should be protected from irresponsible competition and should stand secure against confiscation, are nevertheless subject to many of the ordinary elements of risk, and one of these risks is the risk of competition by municipalities or the State.

It is clear to me that the property here considered with its business attached is a complete entity and its value cannot be segregated into two distinct parts one constituting the value of the plant and the other constituting the value of the going concern.

These conclusions, I believe, are amply substantiated by the decisions of courts and commissions and by the best authorities on the subject.

In the recent past, courts and commissions have, in the majority of cases, considered going value as an actual cost of establishing the business including the amount by which, during a reasonable period, early failure to furnish a fair return has not been offset by subsequent earnings in excess of a fair return. It is amply shown by the evidence in this case that not only has no claim of development cost or cost of establishing the business been presented by the Company, but that all such costs, if any, have been absorbed by the earnings of

this property in the past. Commission's Exhibit No. 6 shows that the average cost of money borrowed on loaned capital including bond interest and expenses for the years 1904 to 1914, inclusive, has been 5.646% and Commission's Exhibit No. 2 shows that the average cost of interest as charged to income and profit has been 4.971%; Commission's Exhibit No. 3 shows that the average rate of return on the cash or property investment on all stock, both common and preferred, from 1895 to 1914, inclusive was 10.318% and on the common stock alone for the period from 1902 to 1914 inclusive, the entire period during which capital stock has been outstanding was 22.02%. These figures indicate that there can be no question that this property has earned more than enough to absorb development cost and what early losses may have occurred.

The trend of recent judicial opinion and legal interpretation supports this view.

Franchise and Going Concern value, as Whitten has pointed out, are generally considered together, and whatever value has been allowed for them in appraisals has been made in connection with the physical property and has rarely been made in a separate allowance. As regards franchise values the trend is plain. One of the latest



laws passed by the Legislature of California, viz. the Public Utilities Act in connection with the regulation of securities, has this passage:-

"The commission shall have no power to authorize the capitalization of the right to be a corporation, or to authorize the capitalization of any franchise or permit whatsoever or the right to own operate or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the state or to a political subdivision thereof as the consideration for the grant of such franchise, permit or right."

In its opinion in the Mt. Whitney case, Application 1673, dated April 6, 1916, the Commission, commenting upon this, said:-

"The State of California has thus declared a state policy which is as applicable to a rate case as to an issue of securities. This policy is in harmony with the logic and the equity of the situation as well as the overwhelming weight of authority."

Massachusetts has taken the same attitude.

Section 100 of the Acts of 1914 provides that when a City or Town votes to establish a municipal lighting plant and any person or corporation engaged in the business of distributing or generating gas or electricity for sale or lighting purposes, elects to sell his plant to the city, the city or town shall purchase such portions of the plant or property within the limits of the city or town as is suitable for business.

The law provides that no portion of the plant shall be estimated at less than its "fair market value for any other purpose" including as an element of value the damages, if any, caused by the severance of any portion of such plant lying outside of the limits of the town or city provided they are not purchased by the city. The law provides that, in the words of the Act, "such value shall be estimated without enhancement on account of future earning capacity, or good will, or of exclusive

privileges derived from rights in the public streets."

The Company seems to recognize the fact that public policy is against the capitalization of franchise values, and seems to recognize the justice of this policy. Mr. Ballard, on page 228 of the Company's brief, says in answer to the question as to whether certain value is apart from the franchise value:

"That includes whatever franchise value there may be, but that is going value. I do not attach any value in dollars to our franchises. In other words I think the franchises give us the right to operate the business to produce the earnings which produce the going value." separate

The principle that no allowance should be made for going concern value in rate cases has long been clearly established and is shown in the citations given by Whitten. The Supreme Court of the United States, in the case of Des Moines Gas Company vs. City of Des Moines, 223 U.S. 655, seems to have finally settled this point.

In sustaining the valuation made by the master, Mr. Justice Day said:

"Included in going value as usually reckoned is the investment necessary to organizing and establishing the business which is not embraced in the value of its actual physical property. In this case, what may be called the inception cost of the enterprise entering into the establishing of a going concern had long since been incurred. The present company and its predecessors had long carried on business in the city of Des Moines, under other ordinances, and at higher rates than the ordinance in question established. For aught that appears in this record those expenses may have been already compensated in rates charged and collected under former ordinances. As we have said, every presumption is in favor of the legitimate exercise of the rate making power, and it is not to be presumed without proof that a company is under the necessity of making up losses and expenditures incidental to the experimental stage of its business."

And Justice Day says further:-

"As pointed out in the Cedar Rapids case, if return is to be regarded beyond that compensation which a public service corporation is entitled to earn upon the fair value of its property, the right to regulate is of no moment, and income to which the corporation is not entitled would become the basis of valuation in determining the rights of the public. When, as here, a long established and successful plant of this character is valued for rate making purposes, and the value of the property fixed as the master certifies upon the basis of a plant in successful operation, and overhead charges have been allowed for the items and in the sums already stated, it cannot be said, in view of the facts of this case, that the element of going value has not been given the consideration it deserves, and the appellant's contention in this behalf is not sustained."

Ours, however, is a condemnation proceeding, and the authorities concur in holding that going concern value, if it exists, should be allowed.

The last case decided by the United States Supreme Court on this subject is the case of Omaha vs. Omaha Water Company, reported in 218 U.S. 180. In this case, which was a condemnation case, the Court said:

"The appraisers, in making their estimate of valuation, included \$562,712.45 for the "going value". This separation of an element contributing to the value of each tangible part was done because required to be done under an order made in the Circuit Court in a suit in which the water board of the City of Omaha was complainant and the members of the board of appraisers and the water company were defendants. The object of that suit was to instruct the appraisers in respect to the mode and manner in which they should proceed. An order resulted which required the board to report the separate elements making up the aggregate value of the plant.

"The option to purchase excluded any value on account of unexpired franchise; but it did not limit the value to the bare bones of the plant, its physical properties, such as its lands, its machinery, its water pipes or settling reservoirs, nor to what it would take to reproduce each of its physical features. The value in equity and justice must include whatever is contributed by the fact of the connection of the items making a complete and operating plant. The difference between a dead plant and a live one is a real value, and is independent of any franchise to go on, or any mere good will as between such a plant and its customers. That kind of good will, as suggested in Willcox v. Consolidated Gas Co., 212 U.S. 19, 53 L. Ed. 382, 29 Supt. Ct. Rep. 192, is of little or no commercial value when

the business is, as here, a natural monopoly with which the customer must deal, whether he will or no. That there is a difference between even the cost of duplication, less depreciation, of the elements making up the water company plant, and the commercial value of the business as a going concern, is evident. Such an allowance was upheld in *National Waterworks Co. vs. Kansas City*, 27 L.R.A. 827, 10 C.C.A. 653, 27 U.S. App. 165, 62 Fed. 855, where the opinion was by Mr. Justice Brewer. We can add nothing to the reasoning of the learned justice and shall not try to. That case has been approved and followed in *Gloucester Water Supply Co. vs. Gloucester Water Supply Co. v. Gloucester*, 179 Mass. 365, 60 N.E. 977, and *Norwich Gas and Electric Co. v. Norwich*, 76 Conn. 565, 57 At. 746. No such question was considered in either *Knoxville v. Knoxville Water Co.*, 212 U.S. 1, 53 L. Ed. 371, 29 Sup. Ct. Rep. 148, or in *Willcox v. Consolidated Gas Co.*, supra. Both cases were rate cases, and did not concern the ascertainment of value under contracts of sale."

Unquestionably law and equity coincide and some finding should be made which shall include an allowance for going concern value. In the *Des Moines* case, supra, the Master in Chancery, to whom the court below referred the matter, was at first disposed to find a separate allowance for going concern value. After a consideration of the decision of the Supreme Court in the *Cedar Rapids* case the Master refused to make an allowance for going concern value in a rate case. Commenting on his first disposition to make allowance for going concern value the Master said:-

"It may be asked upon what basis this amount is determined. The evidence, followed strictly, might require me to make it higher, could my mind rest satisfied that the 'going value' of this concern is worth more, but I cannot feel satisfied that such is the case and regard \$300,000 as every dollar it is worth over and above its physical value, and in my judgment it is worth that much more than a plant would be that had to develop its business. But that would be much more rapid, in my judgment, than is estimated. I think a purchaser would be willing to add this amount for its developed business, and that a seller would not be willing to sell unless he got that much more than its physical value, but I could not give the mental process by which this conclusion is reached any more than a jury could do so under like circumstances, but it is nevertheless my judgment under all the evidence in the case."

Taking into consideration the entire testimony in this case, together with the exhibits introduced, it is my conclusion, and I find as a fact, that the just compensation, not including severance damage, which item will be considered hereafter, but including going concern value and franchise value, for the property as listed in Appendix "A" and as enumerated in Company's Exhibit No.64, Commission's Exhibit No.7 and City's Exhibit No.5, is Four Million dollars.

In arriving at this sum I have taken the cost to reproduce this plant new, deducted therefrom depreciation, and added a sum which, in my judgment, rounds out and completes the value of the plant as we find it in efficient operating condition with business attached.

### SEVERANCE DAMAGE

In this proceeding the City proposes to acquire from the Company the distribution system within the city limits of Los Angeles and in certain outlying sections, and leave to the Company the rest of its property, including the entire generating and transmission system and such of its distribution system as is used in serving consumers outside of the territory included in the City's application. It has been shown that the total cost of the Company's entire system is approximately \$25,000,000, and that the cost of the property proposed to be taken by the City is approximately \$4,250,000, which is 17 per cent. of the total. Commission's Exhibit No. 7 shows cost new of the property included in this application in round figures \$4,806,000, or approximately 19 per cent. Of the Company's total gross electric income for the year ending June 30, 1915, of \$4,427,000, there was contributed by the territory covered in this application \$1,795,000, or 39 per cent. Of a total electric net earning (after depreciation) of \$1,899,000, there is credited to this territory \$837,000, or 44 per cent. The company sells in the territory to be taken 97,701,754 kilowatt hours out of gross sales of 208,237,269 kilowatt hours, or 47 per cent.

There will be, if severance occurs, a considerable portion of the Company's generating capacity with diminished use or with no use at all until such time as the growth of the remaining business will completely demand the same amount of energy as is now produced in the Company's several generating plants and sold. The damage to the Company by reason of idle plant capacity is claimed as one element of severance damage. The principal

damage, however, according to the evidence introduced by the Company will be by reason of the diminished earning value of the remaining property and which, if undisturbed, would in the future continue to return the present, or higher, profits to the owner of this property and would also complete the amortization of certain bond discounts and expenses assigned by the Company to the Los Angeles business.

The Company makes it clear that the compensation for damages to be paid does not realize to the City any compensating property or value. Severance damage is regarded in the light of an economic waste resulting in no benefit to the City. The Company maintains that this loss occurs as a result of "an economic crime", and takes the position that since the City wilfully produces this economic waste, the City must take the responsibility therefor, and just compensation must include complete recompense to the Company for its loss due to such waste.

It may be stated here that in presenting its evidence, and in fact throughout the proceeding and in its brief, the Company distinguishes between severance damages accruing upon "partial severance" and accruing upon "complete severance". This matter has been discussed heretofore in this opinion, and it was held that the Commission should confine itself to determining a just compensation, including severance damages, for the property described in the application.

Extremely elaborate methods are employed by the Company to determine the amount of severance damage, and it may be said that one-half of the time devoted to the hearings in this proceeding was occupied by a consideration of these methods. More than fifty

exhibits were introduced by the Company dealing with this question, while the City filed twenty-five exhibits on the same subject. In its brief the company devotes more than three hundred printed pages to its presentation of this claim and to an explanation and justification of the theory and methods employed to arrive at the amount of damage.

It will be necessary to analyze the Company's data in some detail.

The City agrees with the Company in only one particular as to its general liability and responsibility as regards severance. The City contends, as a matter of fundamental right and independent of all arguments or discussions regarding the claims of the Company, that severance will impose no responsibility on the City for any matters resulting from or depending upon the business of the Company, such as load factor, diversity, gross earnings, net revenue, rates, or other conditions, except that the City as a part of the just compensation may be required to pay a reasonable sum to make good the damage to and the losses from the Company's investment in generating and transmission plant rendered partly or wholly idle during the period of such property's discontinued or partial use.

The City lays stress upon certain principles which it calls indisputable, affecting the relations, duties and rights existing between public service companies and their consumers:

First, that with a public service company under rate regulation it is within the authority of and is the right and duty of the rate regulating body to fix a rate for such public service, having in view the right of the consumers to receive their service at not more than a fair cost and the right of the company to receive such a



fair rate of earnings as will enable it to attract the capital required to carry on its business;

Second, this implies a mutual obligation on the part of the company and the consumers; an obligation on the part of the company to serve at a fair cost and an obligation on the part of the consumers to pay a fair price;

Third, this unescapably locates the obligation to pay the fair price upon those who receive the service;

Fourth, if two service districts constituting two different corporate or political sections are joined for purposes of convenience or economy in one public service district, then fundamentally the same obligation exists with regard to each such district. If such obligation is not enforced, one district may pay less than the fair cost of the service which it receives, while the other district must make up the deficit and will thus pay more than its own fair cost. In such case the district receiving service at less than the fair cost is enjoying a privilege which it cannot claim as a right. The fundamental obligation is not extinguished but is only held in abeyance and will become operative upon the separation of the two districts.

It is the City's claim that these principles are of great importance by reason of what the evidence has shown with regard to relative rates and earnings in the territory inside and outside the City of Los Angeles. The average rate over the Company's entire system per kilowatt hour for light and power is 2.12 cents, whereas the average for light and power within the City (without railway load) is 3.68 cents (maximum 5.55 cents) and (with railway load) 2.15 cents. The average rate for the territory outside the City with the railway load is shown to be 2.09

cents (maximum 7 cents) and, with the railway load, would be 1.64 cents.

The City submits, in its opening brief, that

"responsibility of the city in the matter of the net earnings of the company, after severance, only extends to the proper and fair fixed charges on the investment rendered idle. Regarding all other elements entering into or affecting such net earnings, either during the period of peak load recovery or subsequent thereto, we contend that the city is in nowise responsible and the company should look to the districts served for a fair net earning, and with confidence to the rate making body for such rates as will enable it to realize the same. Besides, as we have elsewhere pointed out, with a fair and reasonable allowance in this case for fixed charges on investment made idle during the period of peak recovery, the company's total production cost per kilowatt hour, including generation and transmission, will not be increased in consequence of severance, prior to peak recovery and thereafter will be somewhat less than at present, and the net return on the company's remaining active property immediately following severance, and thereafter will, without increase of rates, be fair and adequate."

In order to find the amount of severance damages under its theory the Company uses two different methods. One is explained in the so-called Edgar deposition and the other in the so-called Insull deposition. The final and revised computations attached to these depositions are shown as Tables VII and VIII on the following page.

Severance damage, according to Mr. Edgar, should be found in the following manner:

"First determine at what time in the future the maximum demand will be, under the new conditions the same as it was under the old. Prior to that time the party taking the property ought, in my judgment, to furnish to the company a fund, the interest of which would be equal to the shortage which they had in their earnings during that time as compared to the earnings . . . up to the time the maximum is arrived at, that would be the loss each

TABLE VII - A

SEVERANCE DAMAGE BY REASON OF LOSS OF LOS ANGELES CITY LOADS INCLUDING ANNEXED TERRITORY RAILWAY IN LOS ANGELES NOT SEVERED

Calculated on Method of Mr. CHAS. L. EDGAR of Boston, Mass.

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-- ESTIMATES FOR YEARS ENDING JUNE 30TH --

	Actual Results For Year Ending June 30, 1915 Entire System Electric Dept.	Result Year Ending June 30, 1915 if Severance had Occurred July 1, 1914	1916	1917	1918	1919	1920	1921	1922	1923
1 <u>Physical Property and Working Capital</u>										
2 Cost of Physical Property as of 6/30/15 (Except L.A.#3)		17,233,292.49	17,233,292.49	17,233,292.49	17,233,292.49	17,233,292.49	17,233,292.49	17,233,292.49	17,233,292.49	17,233,292.49
3 Cost of Los Angeles Station No. 3		1,267,755.18	1,267,755.18	1,267,755.18	1,267,755.18	1,267,755.18	1,267,755.18	1,267,755.18	422,685.06	
4 Total	\$ 23,140,597.77	18,501,047.67	18,501,047.67	18,501,047.67	18,501,047.67	18,501,047.67	18,501,047.67	18,501,047.67	17,655,877.55	17,233,292.49
5 Total Additions to Local Property			408,800.00	817,600.00	1,226,400.00	1,635,200.00	2,044,000.00	2,645,374.40	3,119,201.75	3,768,380.17
6 Total Additions to General Property			50,000.00	110,000.00	180,000.00	270,000.00	370,000.00	470,000.00	570,000.00	670,000.00
7 Administration, Eng. & Supt. Trans. from Opr. 6%			27,528.00	55,656.00	84,384.00	114,312.00	144,840.00	180,922.46	221,352.10	266,302.81
8 Material and Supplies and Automobiles	554,811.30	554,811.30	517,000.00	452,000.00	420,000.00	400,000.00	417,897.40	435,794.80	447,249.14	471,589.60
9 Working Capital	311,684.10	213,493.26	219,908.83	208,287.74	214,417.96	223,528.68	238,469.22	257,387.78	256,418.91	267,859.91
10 Total Physical Property and Working Capital	\$ 24,007,093.17	19,269,352.23	19,724,284.50	20,144,591.41	20,628,249.63	21,144,088.35	21,716,254.29	22,390,527.11	22,270,099.45	22,677,424.98
11 <u>Interest</u>										
12 8% on Previous years Summary			1,541,548.18	1,577,942.76	1,611,567.31	1,650,099.97	1,691,527.07	1,737,300.34	1,791,242.17	1,747,801.15
13 4% on Current years Additions			18,197.29	16,812.29	19,266.33	20,713.55	22,886.64	26,970.91	28,989.70	33,196.42
14 Total 8% Return			1,559,745.47	1,594,755.04	1,630,833.64	1,670,813.52	1,714,413.71	1,764,271.25	1,820,231.87	1,780,997.57
15 <u>Depreciation</u>										
16 On Property as of June 30, 1915 - Includes LA#3	\$ 657,450.00	502,045.22	502,045.22	502,045.22	502,045.22	502,045.22	502,045.22	502,045.22	481,592.10	471,365.54
17 3.36% on Local Additions			13,735.68	27,471.36	41,207.04	54,942.72	68,678.40	85,524.58	104,805.18	126,617.67
18 3.42% on General Additions			1,210.00	2,662.00	4,356.00	6,534.00	8,954.00	11,374.00	13,794.00	16,214.00
19 Total Depreciation	\$ 657,450.00	502,045.22	516,990.90	532,178.58	547,608.26	563,521.94	579,677.62	598,943.80	600,191.28	614,197.11
20 Peak Demand	55,880 K.W.	43,272 K.W.	44,129 K.W.	45,007 K.W.	46,267 K.W.	48,130 K.W.	51,064 K.W.	54,849 K.W.	50,193 K.W.	55,212 K.W.
21 K.W.H. Sold	208,237,269	159,498,715	162,262,103	165,994,200	169,159,200	175,169,200	184,634,200	196,844,207	178,251,067	178,123,000
22 " Distributed	236,580,419	177,165,154	179,944,591	183,218,691	187,918,113	194,866,090	205,808,287	219,923,894	203,523,379	205,922,543
23 " Transmitted	283,249,019	208,429,593	211,699,527	215,551,401	221,080,133	229,254,224	242,127,396	258,733,992	239,439,269	242,261,815
24 Gross Revenue Electric %			102.22%	104.48%	107.44%	111.96%	117.95%	125.61%	126.60%	132.93%
25 Gross Revenue Electric	\$ 4,427,217.91	2,616,171.23	2,674,133.59	2,733,487.04	2,810,924.75	2,929,167.96	3,085,666.33	3,286,216.09	3,317,295.77	3,477,741.51
26 <u>Operating Expenses:</u>										
27 Production	404,857.93	233,595.20	250,000.00	259,000.00	273,500.00	297,500.00	336,500.00	386,500.00	332,500.00	345,000.00
28 Cost of Maintaining Los Angeles Station No. 3	36,628.42	23,365.00	23,365.00	23,365.00	24,065.00	24,090.00	26,140.00	31,320.00	10,410.67	
29 Transmission Expense	67,527.58	66,819.28	67,000.00	67,000.00	67,000.00	67,000.00	67,000.00	67,000.00	67,000.00	67,000.00
30 Distribution Expense	488,885.55	281,046.20	282,043.00	289,264.85	299,630.60	314,956.10	339,091.85	370,227.35	405,918.96	447,144.45
31 Commercial and General Expense Local	346,030.33	211,300.81	192,316.40	197,244.25	204,317.35	214,774.75	231,243.85	252,489.25	276,924.51	305,110.33
32 General and Miscellaneous Expense	324,098.40	266,856.56	267,390.24	267,924.12	268,671.55	269,739.31	271,340.95	273,262.91	275,292.71	277,428.23
33 Taxes Based on Gross Receipts	202,304.68	202,304.68	230,382.84	138,870.50	141,950.04	145,540.81	150,677.43	157,889.40	167,261.91	162,923.49
34 Taxes Other	36,996.58	36,996.58	22,981.97	23,396.38	23,937.07	24,762.67	25,855.38	27,255.67	28,048.89	30,671.40
35 Uncollectible Bills	34,267.59	12,075.37	11,502.05	11,789.32	12,164.12	12,736.42	13,493.87	14,464.53	15,575.46	16,832.27
36 Total of Above Items	\$ 1,941,597.06	1,334,359.48	1,346,981.00	1,277,854.42	1,315,235.73	1,371,100.06	1,461,343.33	1,580,409.11	1,578,943.11	1,652,110.17
37 Less Admin. Eng. & Supt. Attributable to Const.	71,492.45	53,899.92	27,528.00	28,128.00	28,728.00	29,928.00	30,528.00	36,082.46	40,429.64	44,950.71
38 Total Operating Expenses & Uncollectible Bills	\$ 1,870,104.61	1,280,959.56	1,319,453.00	1,249,726.42	1,286,507.73	1,341,172.06	1,430,815.33	1,544,326.65	1,538,513.47	1,607,159.46

SEVERANCE DAMAGE BY REASON OF LOSS OF LOS ANGELES CITY LOADS EXCLUDING ANNEXED TERRITORY RAILWAY IN LOS ANGELES NOT SEVERED.

Calculated on Method of Mr. CHAS. L. EDGAR of Boston, Mass.

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	Actual Results For Year Ending June 30, 1915 Entire System Electric Dept.	Result Year Ending June 30, 1915 if Severance had Occurred July 1, 1914.	ESTIMATES FOR YEARS ENDING JUNE 30th - -								
			1916	1917	1918	1919	1920	1921	1922	1923	
1 <b>SUMMARY</b>											
2 Gross Revenue Electric	\$ 4,427,217.91	2,616,171.23	2,674,133.59	2,733,487.04	2,810,924.75	2,929,167.96	3,085,665.33	3,286,216.09	3,317,295.77	3,477,741.51	
3 Operating Expense & Uncollectible Bills	1,870,104.61	1,280,959.56	1,519,453.00	1,249,726.42	1,286,507.73	1,341,172.06	1,430,815.33	1,544,326.65	1,538,513.47	1,607,159.46	
4 Net Operating Revenue	\$ 2,557,113.30	1,335,211.67	1,354,680.59	1,483,760.62	1,524,417.02	1,587,995.90	1,654,851.00	1,741,889.44	1,778,782.30	1,870,582.05	
5 Depreciation	657,450.00	502,045.22	516,990.90	532,178.58	547,608.26	563,521.94	579,677.62	598,943.80	600,191.28	614,197.11	
6 Net Operating Revenue less Depreciation	\$ 1,899,663.30	833,166.45	837,689.69	951,582.04	976,808.76	1,024,473.96	1,075,173.38	1,142,945.64	1,178,591.02	1,256,384.94	
7 8% Return on Physical Property & Wkg. Capital			1,559,745.47	1,594,755.04	1,630,853.64	1,670,815.52	1,714,413.71	1,764,271.25	1,820,231.87	1,780,997.57	
8 Annual Deficits			722,055.78	643,173.00	654,024.88	646,339.56	639,240.33	621,325.61	641,640.85	524,612.63	
9 Value as of June 30, 1915 per dollar receivable in future years calculated on 4% compound interest			.9803922	.9426848	.9064277	.8715651	.8380433	.8058109	.7748182	.7450175	
10 Annual Deficits as of June 30, 1915			707,897.85	606,309.41	592,826.27	563,327.00	535,711.07	500,670.95	497,155.01	390,845.59	
11 Total Worth of Annual Deficits											\$ 4,394,745.15
12 Capitalization of 1923 Deficit at 6%								8,743,543.83		.7450175	
13 Same as of June 30, 1915											\$ 6,514,093.17
14 Severance Damage											\$ 10,908,836.32

Memorandum of Property Assuming Severance

Cost of Total General Property	\$ 12,769,289.18	
Less Transmission & Telephone Lines included in City Application	46,950.13	
Total General		\$12,722,339.05
Cost of Total Local Property	\$ 10,371,308.59	
Less Cost of Local Property Los Angeles and San Pedro Districts	4,875,340.22	
Less Annexed Territory	217,259.75	4,592,599.97
Total Local		5,778,708.62
Total Physical Property		\$18,501,047.67
Property other than Los Angeles Station #3	\$ 17,233,292.49	
Los Angeles Station #3	1,267,755.18	
Total	\$ 18,501,047.67	
Depreciation on General Property \$12,722,339.05 @ 2.42%	307,880.61	
Depreciation on Local Property \$ 5,778,708.62 @ 3.36%	194,164.61	
Total Depreciation		\$ 502,045.22

SEVERANCE DAMAGE BY REASON OF LOSS OF LOS ANGELES AND SAN PEDRO DISTRICTS AND ANNEXED TERRITORY, RAILROADS IN LOS ANGELES NOT SEVERED  
CALCULATED ON METHOD OF MR. SAMUEL INSULL OF CHICAGO, ILLINOIS.

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ITEM ONE (1)  
INVESTMENT DAMAGE DUE TO LOSS OF DIVERSITY

Cost of total Production, Transmission and General Property including L.A. #5	\$12,769,289.18
Less part of Transmission and Telephone Lines included in Application	46,950.18
Balance retained by Company	<u>\$12,722,339.05</u>

Peak Demand Year Ending June 30, 1915.

Applicable to Los Angeles Distribution Peak (17,493 K.W. ÷ .85 = )	20,580 K.W.
Applicable to Outside Los Angeles Distribution Peak including Los Angeles Railway	<u>43,272 K.W.</u>
Total	63,852 K.W.
Coincident Maximum	<u>55,880 K.W.</u>
	7,972 K.W.

Balance of Production, Transmission and General Investment	\$12,722,339.05
Investment per K.W. of the sum of Peak Demands (63,852 K.W.)	199.25
Total Investment Severance Damage 7,972 K.W. Diversity @ \$199.25	<u>\$ 1,588,421.00</u>

ITEM TWO (2)

OPERATING DAMAGE DUE TO LOSS OF DIVERSITY AFTER SEVERANCE

- - - Years Ending June 30th - - -

	1916	1917	1918	1919	1920	1921	1922	1923	Total
Ratio of Operating Expense and Depreciation (\$2,527,554.61) to Gross Revenue \$4,427,217.91 for year ending June 30, 1915- before Severance 57.09%									
Estimated Gross Revenue after severance (Los Angeles Railway Included)	2,674,133.59	2,733,487.04	2,810,924.75	2,929,167.96	3,085,666.33	3,286,216.09	3,317,295.77	3,477,741.51	
Estimated Operating Expenses and Depreciation (Includes Los Angeles Railway)	1,836,443.90	1,781,905.00	1,834,115.99	1,904,694.00	2,010,492.95	2,143,270.45	2,138,704.75	2,221,356.57	
Less 2.42% Depreciation on Idle Investment as Depreciation on this is accounted for in "Item 3"	64,746.85	59,909.41	52,967.29	42,702.88	26,537.67	5,683.78	13,797.55	3,320.92	
Balance of Estimated Operating Expense and Depreciation	1,771,697.05	1,721,995.59	1,781,148.70	1,861,991.12	1,983,955.28	2,137,586.67	2,124,907.20	2,218,035.65	
Calculated Operating Expense and Depreciation on Basis of ratio to Gross Revenue before Severance 57.09%	1,526,662.67	1,560,547.75	1,604,756.94	1,672,261.99	1,761,606.91	1,876,100.75	1,893,844.16	1,985,442.62	
Increase due to Severance	245,034.18	161,447.84	176,391.76	189,729.13	222,348.37	261,485.91	231,063.04	232,593.03	
Value as of June 30, 1915 per dollar receivable in future years calculated on 4% compound interest	.9803922	.9426848	.9064277	.8715651	.8380433	.8058109	.7748182	.7450175	
Worth of yearly amounts of Increase as of June 30, 1915	240,229.60	152,194.42	159,886.38	165,361.29	186,337.56	210,708.20	179,031.85	173,285.68	1,467,035.18
Total for Eight (8) Years							3,876,550.50	.7450175	
Capitalisation 1923 Increase @ 6%									<u>2,888,097.96</u>
Worth as of June 30, 1915 of Capitalized Increase on 4% Compound Interest									<u>4,355,133.14</u>
Total Operating Damage due to Loss of Diversity									

Note:- The Investment severance damage of \$1,588,421.00 should not be deducted from the total production, transmission, and general investment before calculating the "Fixed Charge on Idle Investment for the years until the load grows to its present amount", for the reason that this \$1,588,421.00 is an additional investment forever lost on account of the loss of diversity, due to the severance. This diversity has been given to the customers in the way of reduced rates, and cannot be regained without raising the rates on the customers outside of Los Angeles. To explain another way; If there was no diversity between the business inside and outside of Los Angeles, the amount of idle investment immediately after severance would be greater by \$1,588,421.00 Or to put it still another way; the combined or coincident present maximum being 55,880 K.W., and the sum of the maxima for load in and outside of Los Angeles being 63,852 K.W., the idle investment will all be re-employed when the load has again reached the 55,880 K.W., but the gross earnings, assuming no change in rates, will not equal the present earnings until the load has reached the 63,852 K.W. and which maximum will require an investment greater than the present by \$1,588,421.00.

**ITEM THREE (3)**  
**FIXED CHARGES ON IDLE INVESTMENT**

Coincident Maximum year ending June 30, 1915  
Investment per K.W. of Maximum not including part  
of Transmission and Telephone Lines

55,880 K.W.  
\$11,454,583.87 - 1923  
11,877,168.93 - 1922  
12,722,339.05 - 1916 to 1921 } † 55,880 K.W. =  
\$204.98 - 1923  
212.55 - 1922  
227.67 - 1916 to 1921

Years Ending June 30 - -	Maximum K.W. Outside of Los Angeles 43,272 in 1915 Increase	Amount	Investment used @ \$227.67 - years 1916 to 1921 \$212.55 1922 \$204.98 1923 Per K.W.	Idle Investment or Difference between total \$12,722,339.05 - years 1916 to 1921 \$11,877,168.93 1922 \$11,454,583.87 1923 Investment used	Fixed Charges on Idle Investment 12%	Value as of June 30, 1915 per dollar receivable in future years calculated on 4% Compound Interest	Worth as of June 30, 1915
1916	2 %	44,129 K.W.	\$10,046,849.43	\$2,675,489.62	\$321,058.75	\$.9803922	\$ 314,763.49
1917	4 %	45,007 "	10,246,743.69	2,475,595.36	297,071.44	.9426848	280,044.73
1918	6.9 %	46,267 "	10,533,607.89	2,188,731.16	262,647.74	.9064277	238,071.19
1919	11.23 %	48,130 "	10,957,757.10	1,764,581.95	211,749.63	.8715651	184,553.76
1920	18 %	51,064 "	11,625,740.88	1,096,598.17	131,591.78	.8380433	110,279.61
1921	26.75 %	54,849 "	12,487,471.83	234,867.22	23,184.07	.8058109	22,711.03
1922	22.94 %	53,197 "	11,307,022.35	570,146.58	68,417.59	.7748182	53,011.19
1923	27.59 %	55,212 "	11,317,355.76	137,228.11	16,467.37	.7450175	12,268.48
July 1923		55,880 "	11,454,583.87				
Total							\$1,215,703.48

**ITEM FOUR (4)**  
**DAMAGE DUE TO DIFFERENCE BETWEEN 8% NET RETURN ON INVESTMENT**  
**OBTAINABLE WITHOUT SEVERANCE, AND CONTINUANCE OF PRESENT BASIS**  
**ON WHICH FOREGOING CALCULATIONS ARE BASED**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Years Ending June 30 - - -	Total Cost of Property remaining after severance - Railway in Los Ang- elus not severed	Deduction for Amount of In- vestment Damage Item #1	Deduction for Idle Investment Item #3	Total Deductions	Balance of Cost of Property	8% Return on Balance of Cost of Property	Net Calculated Operating Revenue after severance ad- justed to 57.09% Operating basis as per Item #2	Difference being Amount that Net Calculated Revenue (Item #8) is less than 8%	Values as of June 30, 1915 per dollar re- ceivable in future years calculated on 4% Compound Interest	Worth as of June 30, 1915.
1916	19,724,284.50	1,588,421.00	2,675,489.62	4,263,910.62	15,460,373.88	1,236,829.91	1,147,470.72	89,359.19	.9803922	87,607.05
1917	20,144,591.41	1,588,421.00	2,475,595.36	4,064,016.36	16,080,575.05	1,286,446.00	1,172,939.29	113,506.71	.9426848	107,001.05
1918	20,626,249.63	1,588,421.00	2,188,731.16	3,777,152.16	16,849,097.47	1,347,927.80	1,206,167.81	141,759.99	.9064277	128,495.18
1919	21,144,088.35	1,588,421.00	1,764,581.95	3,353,002.95	17,791,085.40	1,423,286.83	1,256,905.97	166,380.86	.8715651	145,011.75
1920	21,716,254.29	1,588,421.00	1,096,598.17	2,685,019.17	19,031,235.12	1,522,498.81	1,324,059.42	198,439.39	.8380433	166,300.80
1921	22,390,527.11	1,588,421.00	234,867.22	1,823,288.22	20,567,238.89	1,645,379.11	1,410,115.33	235,263.78	.8058109	189,578.12
1922	22,270,099.45	1,588,421.00	570,146.58	2,158,567.58	20,111,631.87	1,608,922.55	1,423,451.61	185,470.94	.7748182	145,706.26
1923	22,677,424.98	1,588,421.00	137,228.11	1,725,649.11	20,951,775.87	1,676,142.07	1,492,298.89	183,843.18	.7450175	136,966.39
Difference for 1923 - \$183,843.18 Capitalized at 6% =								\$3,064,053.00	.7450175	\$2,282,773.11
Worth as of June 30, 1915 of \$3,064,053.00 at 4% =										\$3,387,439.71

**SUMMARY OF SEVERANCE DAMAGE**  
**(LOS ANGELES RAILWAY NOT SEVERED)**

Investment Damage due to Loss of Diversity \$1,588,421.00  
Operating Damage due to Loss of Diversity 4,355,133.14  
Fixed Charges on Idle Investment 1,215,703.48  
Damage due to difference between 8% Net Return on Investment Obtainable  
without severance (Los Angeles Railway is not severed) and continuance  
of Present Basis on which foregoing calculations are based 3,387,439.71

year. Then to complete the entire transaction they ought to pay to the company a fund which, capitalized at the going rate of money, would return to the company permanently the permanent loss which they had sustained in having the Los Angeles distributing system taken away from them."

In the calculation set out in detail in the Edgar deposition and in Company's Exhibit No. 54, there is involved practically every factor affecting the Company's property, operation, and financial affairs. Forty separate quantities, the majority of them assumptions and all of them estimates, enter into the detailed calculation.

To use these forty factors certain other fundamental assumptions had to be made. It was assumed

1. That there would come a time when the amount of severance damage could be determined definitely. This time was assumed to be the year 1923, and the controlling element fixing that time was not the net return but the assumption that at that time the generating plants would again satisfy the same maximum demand they were able to satisfy before the severance.
2. That the Company is fully and properly entitled to earn upon its plant each year the sum of 8 per cent. in excess of the cost of operation and depreciation.
3. That this Commission will between now and 1923 and for all time in the future allow eight per cent. net on the capital sum called cost of property.

On this structure the Company, using the Edgar method, arrives at a total severance damage of \$10,908,836.32.

The second method is set out in detail in the deposition of Mr. Samuel Insull and in Company's Exhibit No. 58. This witness divides severance damage into four

parts, for each one of which he finds a separate money equivalent, viz:

1. Investment damage due to loss of diversity .....	\$1,588,421.00
2. Operating damage due to loss of diversity .....	4,355,133.14
3. Fixed charges on idle investment	1,215,703.48
4. Damage due to difference between 8% net return on investment obtainable without severance (Los Angeles Railway is not severed) and continuance of present basis on which foregoing calculations are based ...	<u>3,387,439.71</u>
Total .....	\$10,546,697.33

The first item, investment damage due to loss of diversity, assumes that the total cost of production, transmission and general property less such property as is included in this application, is \$12,722,339.05. The peak demands for the year ending June 30, 1915, are then added, and from the total is deducted the quotient maximum, and the result shows a loss of diversity of 7,972 kilowatts for the system. The investment per kilowatt of the sum of peak demands is then calculated and amounts to \$199.25. The second item of damage is the operating damage due to loss of diversity after severance. This computation makes use of the following factors.

1. Operating ratio for the year ending June 30, 1915, before severance.
2. Estimated gross revenue, after severance, Los Angeles Railway included.
3. Estimated operating expenses, Los Angeles Railway included.
4. Depreciation on idle investment.
5. Balance of estimated operating expense and depreciation.



6. Calculated operating expense and depreciation on the basis of ratio to gross revenue before severance.
7. Increase due to severance. Value as of June 30, 1915, per dollar receivable in future years, calculated on 4% compound interest.
8. Worth of yearly amounts of increase as of June 30, 1915, with the total for the eight years from 1916 to 1923 inclusive.
9. Capitalization of increase of 1923 operating expenses at the rate of 6%.
10. Present worth as of June 30, 1915, of capitalized increase on 4% compound interest.

The quantities from 1 to 8 inclusive are calculated separately for the years 1916 to 1923 inclusive, and the result of the computation is a total for this item of severance damage of \$4,355,133.14.

The third part of the severance damage, according to Mr. Insull, is fixed charge on idle investment. This idle investment is found by deducting from the total of the Company's investment, for each year from 1916 to 1923 inclusive, that portion of the investment which is estimated as remaining in use, leaving as the balance, amounts of "idle investment" varying from \$2,675,489.62 in the year ending June 30, 1916, to \$137,228.11 in July, 1923. It is then assumed that it takes a fixed charge of 12% on each year's idle investment to properly sustain that investment; and the sums obtained for each year are brought back to their present worth on a 4% compound interest basis and added, resulting in a total of \$1,215,703.48. This calculation rests on the unit investment per kilowatt of maximum, and this unit is estimated to be \$227.67 for the years 1916 to 1922, \$212.55 for the year 1922 and \$204.98 for the year 1923.

There are three notes on the table showing Mr. Insull's computations, explaining why there is no dupli-

cation between the last mentioned item and the two other parts of the severance damage estimated by him previously; and special attention should be called to these notes.

Finally, there is the fourth item of severance damage estimated by Mr. Insull and called "damage due to difference between 8% net return on investment obtainable without severance and continuance of present basis on which foregoing calculations are based". This particular kind of severance damage amounts to \$3,387,439.71. The computation rests upon the assumption that if this property were left alone between 1916 and 1923 the particular portion of the property sustaining the business outside of Los Angeles would earn 8% net on the investment. The computation assumes that this same property now earns slightly less than 8%, so that there is a difference between the latter percentage and the assumed 8%. This difference is remarkably small, being less than 1%. If, however, the return as calculated on a smaller percentage is subtracted from the return as calculated on the 8%, there results a difference which Mr. Insull considers as an annual loss to be charged against this portion of the severance damage. The annual losses are then, by the usual method, brought down to their present worth on a 4% basis, and the annual loss for 1923 is assumed to continue in perpetuity and, therefore, capitalized at 6%. This capitalization, too, is brought to its present worth, so that we have an aggregate loss between 1916 and 1923 of \$1,104,666.60 and a capitalized loss of \$2,282,773.11, giving the total stated above, namely, \$3,387,439.71.

Aside from the merits of the Edgar and Insull methods as correct and scientific standards for measuring severance damage, it must be apparent that the computations are not only extremely complicated and confusing but also

that they involve altogether too many arbitrary and violent assumptions.

It would, of course, transcend the scope of this opinion if I were to analyze every one of the many hundreds of known and estimated quantities that enter into these computations. I believe it necessary, however, to point out some of the most important matters that attract attention.

In the Edgar method we found a large number of assumptions. One of the most important of these is the estimate that in 1923 the peak demand in kilowatts will again be equal to the present peak demand of 55,880, and the estimate of physical, financial and operating conditions are not projected beyond that year. The assumed annual deficit for 1923, namely, \$390,845.59, is assumed to continue thenceforth in perpetuity, and for that reason is capitalized on a 6% basis, resulting in a lump sum deficit of \$6,514,093.17.

It is clearly evident from the Company's testimony that the principal item of importance is net earnings. In other words, if the Company could be assured of an 8% net return over and above the cost of operation on whatever capital investment it may have at any given time, then it would be satisfied. If this 8% were assured, then the factors of load, diversity, interest rates, operating ratio, present worth factor, depreciation percentages, and many others would be of no, or entirely secondary, interest. In the Edgar deposition, however, the estimated recovered peak demand is made the basic factor and becomes the stopping point for projection of deficit calculations. It is clear that after 1923 with the recovered peak demand the rate of net earnings will not remain stationary but continue to fluctuate and, according to the trend of the Company's computations, continue to increase towards the desired 8%. The assumed annual deficit in 1923 should, therefore, according

to the Edgar calculations, within a measurable period change into annual profits; and if this is probable, why should not such a condition be allowed to reduce the severance damage after 1923? As the figures now stand the loss for 1923 remains the same for each subsequent year forever.

The Company has recognized that this point is one of legitimate inquiry, and has devoted the entire Appendix "D" in its brief to this one subject. Realizing the importance of this factor, I have given considerable study to this Appendix "D". This study has rather confirmed my opinion that the assumption of a permanent deficit is a violent and unsound one; and in substantiation of this belief, I can do no better than to quote from the Company's brief, Appendix "D". It is stated there that

"a situation of so-called 'permanent deficit' is reached when present plants are, after severance, again loaded to present maximum demand. Whatever further growth may occur involves new investment in generating plants and cannot be related to use of present investment, unless there comes some change in conditions, such as increase in load factor, or increase in average receipts per kilowatt hour, etc., etc. In default of prospect for such changes, the deficit shown in the Edgar computations for 1923 must be considered to be a permanent deficit." (Italics mine).

The Company uses the words, "unless there comes some change in conditions"; and it then goes on to say that there is no prospect for such changes and that therefore the assumption of a permanent deficit is justified. To me it is clear that if any point has been abundantly proved in this proceeding it is the point that every one of the various conditions underlying the Edgar deposition is subject to continual and rapid change. The most import-

ant item, therefore, in the Edgar setup, and an item totaling over six and one-half million dollars, must be rejected by reason of the unsoundness and improbability of the basic assumption alone.

The rest of the Edgar theory and also the bulk of the Insull theory have as the mainstay of their structure the theory that there must be a guarantee of an 8% net throughout the future and that the City is responsible if an 8% net should not be reached after severance and should make good the difference. It is precisely the same theory that we have already encountered in the discussion of going concern value.

There appear throughout the Company's brief regretful allusions to the Company's conviction that ordinary men with ordinary minds in the nature of things are not likely to grasp the true meaning and importance of the theories and computations advanced by the Company's witnesses; else, if they did, truth would be apparent. I believe the Company's fears are groundless. It is true that a great part of the evidence submitted requires technical analysis and the Commission, like the Company and the City, has had the assistance of expert knowledge. But aside from the details, the basis for both the Insull and Edgar method is the simple proposition that the City must guarantee the Company an eight per cent. return over and above operating and other expenses and taxes and depreciation upon a certain principal sum which sum is taken to be the present cost of the property, and must, forever, pay the difference between such net income as the Company estimates it will earn and what it would have earned if it had remained undisturbed by the City and under assumed ideal conditions. Not only is this proposition the cornerstone of the entire going concern value

and severance damage structure but the same axiom runs in many variations with varying effects through many of the numerical elements entering into the detail computations.

There seems to be no necessity to further add to this discussion. The principle of assumed risk is one which in this case cannot be ignored. It is not only unavoidable but necessary that the fact of the City's legal right and its readiness to enter into competition should be kept in mind and given its due weight.

I am impressed by the uncertainty of most of the factors entering into the Edgar and Insull methods. The various percentages assumed for interest, discount, depreciation, net return, present worth, etc., are to a large degree arbitrary, and a very slight change in any one of them will affect the results by hundred of thousands of dollars, and in some cases, by millions.

In the Insull deposition the second item of damage, namely, the operating damage due to loss of diversity, begins with what should be a known factor, namely, the operating ratio. In the original calculation made by Mr. Insull and attached to his deposition, this ratio is taken at 44.2%; in a revision made shortly after the taking of the deposition the same ratio for the same computations was taken at 59.05%. In the calculation for the same quantity introduced as Company's Exhibit No. 58, (partial severance) the operating ratio was taken at 57.09%. The same ratio, according to the Company's annual report to the Commission for the year ending December 31, 1914, is more unfavorable than either of the three given heretofore and equals 61.2%. It is needless to say that if the latter ratio were used in the computation the result would be altogether different. Each one of the var-

ious ratios used by the Company's witnesses is no doubt the best figure that could be computed with the data at hand, but my point is that a slight change in this ratio, upward or downward, affects each year's computation from 1916 to 1923, and thereafter, as far as the permanent deficit is concerned, by many thousands of dollars, and altogether changes the result by millions.

I am convinced that there are serious duplications within the four items of severance damage segregated by Mr. Insull. In the Insull computation also there appears a fixed charge of 12% against the estimated idle property, which charge is to be borne by the City from 1916 to 1923. Mr. Insull substantiates the 12% in his deposition as follows:

Q. "Do you regard that 12% upon the idle investment too high, too low, or very conservative?"

A. "I think that it is conservative".

Q. "Do you not think it is too high?"

A. "No. The money is worth, I should say 8%, and there must be a continuing depreciation on that idle investment and there must be taxes on it. I think that 12% is a reasonable amount."

Q. "There is some cost also, I suppose, in maintaining and looking after it?"

A. "Yes; it has got to be taken care of and protected. Even if you take a lower basis for money than 8%, I question if you could get through with less than a fixed charge of 12%."

The use of an 8% base for the cost of money is, of course, entirely inconsistent, inasmuch as that rate has been taken at 6% throughout all of the other computations made by the Company. The cost of maintenance, which includes "looking after it", is a part of operating expenses, and the operating damage, I understand, was already

taken care of in a previous part of the severance damages. In the fourth item of the Insull damage claims the difference between the claimed 8% net and the estimated net on a continuance of the present basis averages less than 1% for the years 1916 to 1923. This difference between the 8% and the various percentages that it is estimated would actually continue, is so slight that considering the uncertainty of most of the other assumed factors entering into the calculation, the possibility of error is far greater than this difference. If it were assumed, for instance, that this Commission would <sup>not</sup> allow an 8% net between 1916 and 1923, but would allow only a 7% net, then this particular element of severance damage of over three millions would not only be completely wiped out but would become a positive quantity instead of a negative one.

For the reasons I have stated, I believe the Commission should reject in its entirety the method used by Mr. Edgar in his computation of severance damage, and should equally reject the methods of such other of the Company's witnesses as adopted the Edgar theory as to the City's responsibility for possible declining net earnings after severance.

As to Mr. Insull's theory, it is my opinion that in part his method is sound. In so far as he, like Mr. Edgar, bases his computations on a capitalization of lost future profits, his theory should be rejected, but where he calculates the loss to the Company by reason of plant made idle, if severance does occur, and of fixed charges on the idle investment for such period of time as this plant will, partly or wholly, remain idle, I believe him to be on a sound basis in fact and in law. For such damages or losses the City is directly and immediately responsible. It remains to measure this damage.

The method determines:

- (a) the amount of plant made idle after severance;
- (b) the time that will elapse after severance and before the entire remaining plant will again be fully loaded, and



the proportional yearly increase in the use of the idle portion of the plant from complete idleness to complete usefulness;

- (c) the cost of maintaining the idle plant during time of complete or partial usefulness, having regard to all charges properly to be assessed against such plant.

This is the method used in part by Mr. Insull and adopted by the City.

Item "(a)" is based upon the unit of investment per kilowatt of maximum peak demand; item "(b)" involves estimates of growth of outside business and of the effect of the increasing demand for electricity for many uses; of load factors and diversity factors, and of the relations between a hydro-electric and a steam generating plant; item "(c)" involves the value of, or investment in, the idle plant, and a consideration of operating and fixed charges such as administration, engineering and superintendence, interest, depreciation, maintenance, taxes, etc.

There is a wide discrepancy between the estimates on most of these items between the Company and the City. The principal item, namely, the amount of idle investment, is estimated by the Company to be \$2,675,489.62 at the time severance takes effect, and \$137,228.11 in the year immediately before peak recovery (Company's Exhibit No. 58). The City on a different basis reaches corresponding figures of \$2,277,889.45 and \$582,519.50 (City's Exhibit No. 24). In each case the amount of idle investment is determined by estimating the investment per kilowatt of coincident maximum for the year ending June 30, 1915, this quantity being 55,880 kilowatts. Dividing the total investment in property applicable to this division in any one year

by this coincident maximum, gives the average investment per kilowatt for any one year. In Mr. Insull's computation this average for 1916 to 1921, inclusive, is \$227.67; for 1922 it is \$212.55; and for 1923 it is \$204.98. The City, using the same coincident maximum peak of 55,880, takes as the average investment per kilowatt the sum of \$216.55.

The period of peak recovery is assumed by the Company to be eight years and by the City three years. This period is dependent upon the estimate of future growth. The Company, through its witness S. M. Kennedy, presented estimates based on elaborate charts, tables and studies, and Company's Exhibits Nos. 38 to 43, inclusive, are a most detailed and thorough presentation of Mr. Kennedy's conclusions.

These estimates of growth, or of the future development of the Company's outside business, are of very considerable importance in this proceeding. In the item we are now considering, namely, the amount of money it will take to sustain the idle plant until it is again loaded, this estimate of growth will fix the time after which the City can no longer be held responsible for any matter growing out of this proceeding and connected with the Company's plant or business. Mr. Kennedy in his forecasts has considered not only prospective growth in the use of the Company's electric energy in the outside districts, but also such matters as rates, gross earnings, net earnings, and various classes of service, and also the per capita income of a large number of other companies scattered throughout the United States.

I am of the opinion that such matters as go towards the question of net return should be left out of consideration. I shall confine myself, as stated heretofore in the item of going concern value, solely to the question of determining the time when the Company will again be able to dispose of the same quantity of electric energy as it is able to dispose of before severance. That as a matter of fact this company uses its best efforts to secure whatever business it can, provided the business is not conducted at a final loss, was made clear by Mr. Kennedy himself.

Mr. Kennedy on being asked how he would go about to develop new business if severance did occur, stated:

"I would do this: Presuming there were severance, that severance were to occur, and presuming that I were in charge of the Commercial Department of the Edison Company, I would go out and get every kind of electric business that I could bring into the fold and get as many kilowatt hours at any and every hour of the day as we could get."

And again:

"I got business and loaded up our lines. If I might tell you of a conversation about ten years ago between the General Superintendent and myself: At that time the Company was smaller than it is today, and when we were negotiating a big contract, one that might affect our load seriously in certain localities -- I generally consult with the General Superintendent, and I did that a number of times over an extended period -- and finally one day he said to me: 'Mr. Kennedy, you get the business and we will take care of it'. And that is the policy I have pursued from my end."

Mr. Kennedy made estimates of growth in each separate district of the Company. In doing this he conferred with the Company's local representative in each district and secured from him an estimate of probable future development. He then compared conditions in each district with conditions obtaining in preceding years; included in his computations such subsequent changes as may be accurately predicted as to the business of certain larger consumers; determined that in some districts increases will be more rapid than in the past; that in other districts increases will be less; and arrived at a final summary, adding up the figures determined year by year for each district, reaching certain average percentages as they were shown on Company's Exhibit No. 43.

As one of the reasons for the recent low rate of increase in the electrical business and as a justification for his assumed rate of increase for the next eight years, Mr. Kennedy offered a comparison between the yearly gross earnings per capita of his Company in the districts outside the City and a list of other electric companies in various other parts of the United States. His conclusion from this table, which is given as Table IX hereunder, is that electrical development has practically reached the saturation point under existing conditions in the districts covered by the Company outside the City and that future growth in consequence will be much slower than in the past.

Table IX

Per Capita Receipts from Sale of Electricity  
In Various Districts of Southern California Edison Company  
And Comparative Per Capita Receipts of Other Large Companies.

<u>Company</u>	<u>Location</u>	<u>Per Capita Receipts From Sale of Electricity</u>	
Southern California Edison Company,	District:		
		Pomona	\$ 11.43
		Santa Ana	6.95
		Redlands	10.42
		Santa Monica	11.71
		Venice	13.22
		Redondo	8.68
		Long Beach	8.00
		Monrovia	7.78
		Whittier	11.31
	Van Nuys	10.41	
	Pasadena (Total business including that of municipal plant)	9.36	
Buffalo General Electric Company,	Buffalo	5.35	
Union Electric Light and Power Company,	St. Louis	4.44	
Denver Gas and Electric Company,	Denver	8.86	
Union Gas & Electric Company,	Cincinnati	5.00	
Duquesne Lighting Co.,	Pittsburg	4.22	
The Edison Electric Illuminating Company,	Detroit	9.74	
Portland Railway, Light & Power Co.,	Portland	6.40	
Puget Sound Traction, Light & Power Co.,	Seattle	8.00	
Cleveland Electric Illuminating Co.,	Cleveland, O.	7.26	
Rochester Railway & Light Co.,	Rochester, N. Y.	8.30	
New Orleans Railway & Light Co.,	New Orleans	4.17	
Consolidated Gas & Electric Co.,	San Diego	7.71	
Consolidated Gas & Electric Co.,	Baltimore	4.50	

<u>Company</u>	<u>Location</u>	<u>Per Capita Receipts From Sale Of Electricity</u>
The Edison Electric Illuminating Co.,	Boston	\$ 7.42
New York Edison Co.,	New York	7.14
The Edison Electric Illuminating Co.,	Brooklyn	3.50
The Minneapolis General Electric Co.,	Minneapolis	6.00
The Philadelphia Electric Co.,	Philadelphia	4.53
The Commonwealth Edison Company,	Chicago	7.60
Pacific Gas & Electric Co. (whole system)	San Francisco	5.42
Southern California Edison Company,	Outside of Los Angeles	8.84

Without going into the details of the Kennedy testimony and exhibits introduced by him, or into the argument in Appendix "C" of the Company's brief, I will state that Mr. Kennedy finally comes to the conclusion that by taking all of the business the Company can profitably secure, a period of eight years will elapse before the property made idle by severance will again be in complete and permanent use. According to his testimony the increase in both maximum demand and in kilowatt hours sold for each of the years ending June 30th over the results of the previous year will be as follows:

<u>Year Ending June 30th</u>	<u>Per Cent Increase Over Preceding Year</u>
1916	2 $\frac{1}{2}$ %
1917	2 $\frac{1}{2}$ %
1918	3 $\frac{1}{2}$ %
1919	5 %
1920	7 $\frac{1}{2}$ %
1921	9 %
1922	9 $\frac{1}{2}$ %
1923	10%

It should be noted that this prospective growth is estimated on the assumption of complete severance, and is subject to the correction that the result up to the expiration of the railway contract, on November 1, 1921, will

be to add a constant railway load, equivalent to the railway load delivered at Station No. 3 during the year ending June 30, 1915. It is necessary to make this correction because the City, under the language of its application, is not intending to deprive the Company of, or interfere with, the business resulting from its contracts with the electric railway company.

The City believes that the assumption on the part of the Company of an eight year period for recovery of peak demand is unreasonable. It claims that the investigations of Company's witness Kennedy appear to have wholly ignored the fact that increases in the electrical business are very largely dependent upon and bear a somewhat definite relation to the general growth and prosperity of the community, as evidenced, for instance, by bank clearings, postoffice receipts, assessed valuation of property, and of population. It is pointed out by the City that the years 1914 and 1915, with the exception of the last few months of 1915, were characterized by an abnormally small degree of progress in general conditions making for prosperity in the section covered by the Company's system, and in fact, throughout the country, and that these abnormal conditions are not a reliable foundation for correct averages. The City believes that no reliable opinion as to the probable future increase in the electrical business in the territory under investigation can be reached by the methods adopted by Mr. Kennedy without a thorough investigation of the general conditions of growth and prosperity in the community during such period.

Referring to Mr. Kennedy's testimony of per capita receipts as shown heretofore in Table IX, it is pointed out by the City that casual observation of the earnings, per capita, for each of the eleven districts outside the City shows that in each of those districts in which the rate is comparatively high, the character of electric business is peculiar to those dis-

tricts and is not paralleled in the general business of the various electric companies enumerated by Mr. Kennedy. The City in its opening brief proceeds to analyze the per capita receipts from a number of districts, and comes to the conclusion that there is ample opportunity for further increase in electrical business in all of the districts; and that furthermore, there is opportunity for expansion into new territory from the centers of districts now existing.

With reference to operating conditions as they are affected by load factors and diversity after severance, the City's witnesses testified that the direct cost of production will decrease as the result of partial severance; that the total cost of production, until peak recovery, will be substantially the same as under the conditions for the fiscal year from 1914 to 1915, within the possibility of accurate determination; and that the total cost of production after peak recovery will be reduced as compared with conditions for the fiscal year from 1914 to 1915. In support of these contentions the City's witnesses pointed to the very much higher cost per unit of power when generated by steam as compared with hydro-electric generation, and to the increase of about 10 per cent in daily load factor which would develop, so that the direct cost of production per unit of output would be reduced in marked degree as the result of partial severance.

In its opening brief the City sums up the claims of its witnesses resulting as a consequence of this condition, and states that the direct annual saving during the peak load recovery period, computed on the basis of the Company's own generating costs as developed by Mr. Andree (Company's Exhibit No. 50) varies from approximately \$32,000, to \$21,000, as shown by tabulation 101-30 in City's Exhibit No. 24. Mr. Andree's study shows that the net annual increase in production cost resulting from partial severance will vary from \$23,000 to \$26,000 during the period of peak load recovery.



Regarding these differences the City claims, First, that they are small and well within the limits of definite determination by methods available for the study of such problems.

Second, taking into account the ultimate active utilization of the plant employed during 1914-15 and the possibility of carrying a system peak some 4,000 K. W. higher than for that year without further increase in plant investment, the total production cost under these conditions will be less than under the conditions of 1914-15.

Third, the operating expenses included in the Company's figures are excessive by \$25,000 per year on an average. Approximately one-half of this excess disappears with a proper reduction in the operating costs as the Los Angeles No. 3 station, which the City claims should be operated as a switching station and substation, and not as a steam reserve. The remainder of such excess results from an undue allowance for the annual cost of labor at the Long Beach steam plant as estimated by the Company. (Testimony of Mr. Ross. Tr. 3299).

On the basis of the foregoing claims it is urged that the conditions of operation of the Company's generating plants and transmission system will, on the whole, be improved as the result of partial severance rather than damaged; and that such improvement will continue so long as the Company maintains the general character of its load in conformity with that which will be left to it as a result of such severance and without the assumption of any improvement in load factor.

The Company denies altogether the claims of the City with reference to the operating conditions after severance, and especially the correctness of the testimony of Professor Durand, who testified for the City on the advantages assumed to accrue to the Company on severance by reason of conditions of stream flow.

Appendix "E" in the Company's brief is devoted to this particular issue. It is pointed out that the City's witnesses have made incorrect use of the figures and do not understand the proper relations of the quantities involved. Summarized, the Company's position is that it must operate in dry years and in wet years and must operate during interruptions to transmission lines, and that steam capacity, which it must provide, must necessarily be capacity which will take care of its business under all circumstances. The Company holds that a theoretical treatment of this subject is impracticable and that reliance must be had upon the practical experience of its skilled and experienced operating men.

It is difficult for a layman to draw sound conclusions in a highly technical matter like this when experts hold such diametrically opposing views. I will here make only one observation. The testimony in this case shows that this Company's system is directly connected with the transmission and generating systems of two other large power companies, and that agreements relating to the mutual interchange and exchange of electric energy exist between these companies. A similar connection with the City's power lines is also practicable. With this fact in mind it would appear that the relatively large importance given to the required reserve steam capacity, after severance, is exaggerated.

The varying annual amounts to support the idle investment are based by Mr. Insull on a straight 12% allowance, while the City allows 8% on the depreciated value of the idle plant plus 2.82% for depreciation, on the depreciated value of the plant, which total, 10.82%, corresponds to 9.62% on the cost of the idle plant. This percentage is supposed to take care of the entire cost of maintaining the idle plant pending peak recovery. Looking upon the question of severance in its entirety, I find myself in agreement with the Company's opinions as expressed in Appendix "D" in this brief that in the last analysis

all of the advanced theories, methods and estimates must be judged by common standards of reasonableness. It cannot be stated too clearly that notwithstanding all of the conflicting computations submitted by the Company, involving literally thousands of factors, the Company's entire claim rests fundamentally upon a simple proposition, namely, it finds itself at this time in a certain financial condition as regards investment, securities, earnings, and dividends. This condition, according to the Company, must not be disturbed. If it is disturbed, then a sum sufficiently large must be turned over to the Company, at once, to guarantee the maintenance of the present conditions in perpetuity.

That is to say, if I have invested one hundred dollars in a public utility enterprise returning me 8 per cent net, it is not sufficient that the one hundred dollars be returned to me with damages; it is not enough that I am free to take the one hundred dollars and damages and invest the sum in any manner I see fit. All this, according to the Company's theory, is not sufficient. I must have immediately a sum large enough to secure for me forever the same income, at a 4 per cent rate of return, and consequently with a 4 per cent rate of risk, as I received at the time the just compensation was fixed at the 8 per cent rate of return with an 8 per cent risk.

Roughly, the Company claims \$10,700,000 severance damages. If it could earn 8 per cent its returns would be \$856,000. It has been shown heretofore in this opinion that the total net earnings from the Company's entire electric business in the City of Los Angeles for the year ending June 30, 1915, were \$870,009.50 and that these net earnings were in excess of 8 per cent on the investment. The amount claimed for severance damage alone would, therefore, be sufficient if invested with an 8 per cent risk, to return profit equal to all of the profits made by the Company from its Los Angeles electric business.

The matter of determining the amount of damages a

corporation is entitled to when a portion of its entire system is condemned by public authority is one which is comparatively new and which Commissions and Courts have, as yet, rarely been called to pass upon. The principle of paying for severance damage in the case of land taken under eminent domain proceedings is well established. In a number of court decisions the general subject of severance damages was a secondary consideration, and in a few cases only have the courts made a direct finding or laid down general principles regarding this question.

A careful review of the decisions of Courts and Commissions shows that damage to property by reason of severance is uniformly allowed, but I find nowhere a decision bearing definitely on the question of damage done to the business of a public service corporation by reason of severing of one portion of the plant from the other, or on the question of methods and principles to be followed in finding the amount of such damage.

After giving all of the evidence careful consideration I am led to the following conclusions:

(1) The basis for the determination of the amount of idle investment at the time severance takes place, as used in the Insull method, is a reasonable one, and I have taken as the unit of investment per kilowatt of coincident maximum the sum of \$227.67, which is taken as the average unit per kilowatt over the period of peak recovery.

(2) The estimated period for peak recovery I have taken at five years. In arriving at this figure I have taken into consideration all of the testimony given by Mr. Kennedy and by other witnesses for the Company. I have also given consideration to the testimony and exhibits introduced by the City's witnesses. It is my conclusion that the Company's estimate is too pessimistic, and that the witnesses of the City, on the other hand, are too optimistic. I believe that it is entirely reasonable, taking everything into consideration, to assume that the business of this Company as a whole can not increase for a considerable time to come in precisely the same ratio as it has increased during a considerable period in the past. But I am not convinced that the possibilities of very considerable expansion of the electrical business in outside territory served by this Company have reached their limit; and I am satisfied that electric energy is continually being adapted to new purposes and that its use is bound to develop both intensively and extensively.

If a straight line is drawn on the Company's historical chart (Exhibit No. 44) between the initial and ultimate points on the curve denoting thousand kilowatts generated peaks, the average rate of increase for this quantity between the years 1904 and June 30, 1915 will be ascertained. This line will give an average

rate of increase for the Company's total business, both inside and outside of Los Angeles. If a parallel line is drawn from the initial point after severance has occurred, on June 30, 1915, assuming partial severance, when the maximum peak will have dropped from 55,880 to 43,272, it will be noted that this second parallel line intersects the 55,880 maximum peak line almost exactly at the end of three years. Assuming, therefore, an average rate of growth for the next three years corresponding to the average rate of growth between 1905 and June 30, 1915, the estimates of the City's witnesses regarding peak recovery would appear to be substantiated by this curve. I believe, however, that this estimate is too optimistic.

If a straight line is drawn from the generated peaks point at the time of severance, June 30, 1915 (43,272 K.W.) and terminating at the line for the year 1921 at the same point which the Company's curve has reached at that time, and if the straight line is prolonged beyond that point, the present peak demand will be reached after a lapse of approximately six and one-half years. This last line would correspond to the average growth of outside business after severance as estimated by the Company and disregarding the loss of the Los Angeles railway load, which will occur in 1921, irrespective of whether severance occurs or not, and for which, manifestly, the City cannot be held responsible. I believe that this estimate of future growth is too pessimistic.

Such a conclusion, I believe, is substantiated by a comparison of the trend of the respective curves for kilowatt generated peaks as before and after severance.

Prior to 1915, that is, before severance, the peak curve shows yearly increases as follows:

Year	Generated Maximum Peak in Kilowatts.	Increase over Preceding Year in Kilowatts.	Rate of Increase Per Cent
1904	10,000		
1905	13,000	3,000	30
1906	17,000	4,000	31
1907	22,000	5,000	29
1908	28,000	6,000	27
1909	36,500	8,500	30
1910	41,500	5,000	14
1911	46,500	4,000	10
1912	50,000	4,500	10
1913	55,000	5,000	10
1914	53,750	1,250 (Decrease)	2 (Decrease)
June 30, 1915 (1/2 year)	55,880	2,130	4

The average yearly rate of increase over the entire period from June, 1904, to June 30, 1915, inclusive, is 18%.

It is my opinion that a conservative estimate of the time that will elapse before the Company's idle plant will again be fully loaded will be found if a point is selected midway between the two projections referred to. And this point will reach the maximum generated peak kilowatt line as it exists previous to severance (55,880 kilowatts), four and one-half years after June 30, 1915. As compared to the rates of increase before severance, the rates as estimated by me after severance will at once appear reasonable. They are, neglecting decimals, 3% for the first year, 4% for the second year, 7% for the third year, 6% for the fourth year and 6% for the fifth year, being an average rate of increase of 5% as compared with average rate prior to severance of 18%.

It is my conclusion that too great refinement in calculation is not warranted in estimates of this sort and that a five year period should be taken as the time necessary for peak recovery.

(3) As regards unfavorable operating conditions causing additional losses by reason of unfavorable load factors, I am of the opinion that predictions for the future are so uncertain and subject to such a large number of unknown or qualifying circumstances, that it is unwise to speculate either in the direction of an improved load factor, and therefore an improved operating ratio, as does the City, and equally unwise to assume the opposite condition as does the Company. It is my opinion that future operating conditions, except for idle plant, should be left out of the computation.

(4) Coming to the amount of money to be allowed annually to take care of the idle plant until such time as it can be fully used, I am of the opinion that this allowance should be determined on the basis of the cost of idle plant or investment in idle plant and not on the basis of its present or depreciated condition. I believe the plant should be sustained during the period of recovery on the same basis as the useful plant as regards "cost of money" or fixed charges; that is, it is my opinion that 6% should be allowed as the cost of capital. In addition I believe it is reasonable to take as an allowance for depreciation the 2.82% on the cost of the idle plant, which percentage was found to correspond to the actual depreciation as it occurs in this Company's generating, transmission and general property. There should further be made an allowance, in my opinion, for <sup>tools and</sup> maintenance and upkeep of the idle plant during the period of recovery, and this percentage I have taken as 1.18, making a total for all three items, namely, fixed charges, depreciation and maintenance of 10%.

(5) The reduction to present worth I believe should be made through a 4% compound interest factor.

Taking all of the evidence into consideration I find as a fact that the just compensation for the damage to the remaining plant by reason of the proposed severance of the property here under consideration will be the sum of \$905,521.54.

The computation by which my finding of severance damage is reached is shown in Table X. on the following page.



TABLE X.

Allowance for Maintaining Idle Plant During Period of Partial Usefulness  
and Prior to Recovery of Yearly Maximum Demand and Including  
Allowance For Fixed Charges, Depreciation and Maintenance  
(Severance Damages)

Coincident Maximum year Ending June 30, 1915	55 880 K.W.
Investment per K.W. of Maximum not including part of Transmission and Telephone Lines:	
Cost of total Production, Transmission and General Property including L.A. #3.	12 769 289.18
Less part of Transmission and Telephone Lines included in application	<u>46 950.13</u>
Balance retained by Company	12 722 339.05
 12 722 339.05 ÷ 55 880 = per K. W.	 227.67

Years Ending June 30	Coincident Maximum Peak	Investment of \$227.67 per K.W.	Idle Investment	6% allowance on idle investment 2.82% depreciation 1.16% maintenance 10.00% total	Factor for determining present worth @ 4% compound interest	Worth as of June 30, 1915.
	Increase percent	K.W.				
1914		55 880	\$ 12 722 339.05	-	-	-
1915		43 272	9 851 736.24	\$2 870 602.81	-	-
1916	2.9	44 532	10 138 600.44	2 583 738.61	\$ 287 060.28	\$ 281 431.66
1917	4.2	46 422	10 568 896.74	2 153 442.31	258 373.86	.9426848 243 565.11
1918	6.79	49 574	11 286 512.58	1 435 826.47	215 344.23	.9064277 195 193.98
1919	6.36	52 726	12 004 128.42	718 210.63	143 582.65	.8715651 125 141.63
1920	5.98	55,880	12 722 339.05	-	71 821.06	.8380433 <u>60 189.16</u>
				Total as of June 30, 1915.		\$ 905 521.54

Unamortized Bond Discount and Expense.

In addition to its separate claims for physical property value, going concern value and severance damages, the Company claims just compensation for a fourth item, namely, unamortized bond discount and expense, of \$380,340.04. Mr. Trott, for the Company, testified that the final amount of unamortized bond discount and expense as of June 30, 1915, was \$1,991,309.09, and that of this amount he attributed to the property proposed to be taken by the City of Los Angeles the sum of \$380,340.04. He states that he made this segregation on the principle that the amount given is the proportion of the total amount of unamortized bond discount based upon the ratio that the cost of the property sought to be acquired bears to the cost of the total operative property. In its brief the Company merely says: "We submit that this unamortized bond discount and expense is a proper sum to be added to the inventory and appraisal of physical property."

I am of the opinion that this item can have no separate place in the determination of the just compensation to be paid by the City for this property. Such unamortized bond discount and other unamortized expenses as are a proper charge to the distributing system and other property embraced in this proceeding are included in the just compensation for property and business as heretofore found. If there should be any unamortized amounts remaining against such property it must be assumed that the Company will satisfy, with the amount paid by the City, whatever obligations may be outstanding against this particular portion of its plant. It must also be remembered that this Company will not go out of business but continue to earn its operating expenses and fixed charges including unamortized bond discount.

In this case unamortized bond discount and expense has been considered in connection with interest during construction, although not as a separate item, in the fixing of the just compensation, and I see no reason, therefore, to further discuss this subject.

Other Claims

Two additional claims made by the Company, namely, damage to Station No. 3, \$416,000, and cost of rebuilding lines around the City, \$1,000,000, are based on the assumption of "complete severance." I have heretofore dealt with the question of complete versus partial severance and reached the conclusion that the City does not propose to deprive this Company of any of its property or of its rights except those listed in the City's application and in Appendix "A" attached to this opinion. Taking this view, the two items just enumerated can not be considered in this proceeding.

It has been possible to discuss and analyze in this opinion only a portion of the testimony and exhibits presented in this case. Nevertheless, all of the testimony and exhibits have had careful consideration. In addition to the evidence the very able and complete briefs of counsel for both the City and the Company have been of great assistance in arriving at conclusions and have much lightened my task.

I shall, hereunder, make my findings of fact and recommend their adoption by the Commission. Before doing this, however, I desire to give expression to a thought which in the course of this proceeding has more and more strongly impressed itself upon my mind.

.....

This opinion, I am convinced, would be incomplete and not conclusive if it ended with the setting down of a figure of just compensation. The Commission in a proceeding of this kind, it is true, must act, as must a judge, upon the evidence and not as an investigating body only: it certainly should not act in the capacity of an advocate for the public as against a utility; and I have had this duty before my eyes. When, however, in a case of this magnitude and with so many fundamental questions at issue, the evidence is replete with statements and testimony touching upon the larger issues behind this proceeding, the presiding Commissioner would know himself to be negligent if he ignored

these issues. Terms such as "economic waste" or "economic crime" are vague and require definitions. But no thoughtful man can fail to realize that they stand for real things of vast importance.

It must be borne in mind that there does not appear to be any precedent in the United States for the proceeding before us.

Since the adoption of the California Constitution, in 1879, cities have had the right to condemn and take over all or part of public utility plants, hence we are dealing with a situation where the Company built all of its plant, was, in fact, created as a corporation, and has had its entire extension subsequent to the time when plain declaration was made in the Constitution that at any time a municipality could take over a part of its plant. It cannot now be urged, therefore, that a large investment was made without notice of the right of the City.

I am fully aware that it is not the function of this Commission to drive bargains for cities in obtaining property of public utilities, nor to act in a manner as will help a city to get these plants cheaply or at any but a fair price, but, on the other hand, I believe it to be the duty of this Commission to so interpret the law under which it acts as to make it possible to give the law effect.

I say this having in view the law as a protection to the Company as well as to the City. In my view, a proceeding such as this for condemnation and taking over the plant of the public utility, is a protection to the utility as well as an opportunity for the city. Under the Constitution and the law, as it now stands in California, any city at any time can parallel the existing plant of a public utility and go into immediate competition for business without giving any consideration to economic questions involved, such as duplication of plant for a given amount of service, or the serious result in the company's finances and general condition that inevitably results, and therefore any law which provides a way by which a city may first seek and acquire the existing plant rather than to seriously injure its owners by paralleling and competing is a protection

to the Company involved. This emphasizes the necessity for so interpreting the law as to make its operation feasible. Because if this is not done it is inevitable that cities, being ambitious to furnish their inhabitants with public utility service, will entirely disregard an unworkable law for condemnation and proceed directly and immediately to duplication and competition.

The City of Los Angeles has the right and power to develop and distribute electric energy within and without its boundaries. It is equipped to render this public service, and it will undoubtedly render it, in competition with privately owned public utilities, if need be, or, preferably, after private competition has been done away with. If the first alternative must be adopted the resulting duplication of the distributing system, the needless duplication of service, and the competitive struggle will cause much friction, much loss, and benefit only a very few. The result must be much economic waste.

This Commission is convinced of the soundness of the doctrine that utility service<sup>involving so called natural monopolies</sup> can best be rendered as a monopoly, public or private. If the City eliminates competition and buys private utility property, the just compensation, as it does in this case, must include severance damages. Severance damage is not an element of value; it is an element of loss; it is waste. The City pays and in return receives nothing. In this instance the amount is large. The question arises-- is there a better solution of the problem; better for both parties? If a third alternative exists, an alternative eliminating the economic waste of duplication and the payment of severance damage and yet accomplishing what the City desires to accomplish, I am of the opinion that every attempt should be made to find a workable basis for such a solution.

This opinion is not the place for the discussion of the details of possible plans. There is no question, however, that a solution advantageous to both the City and Company can be

found. Los Angeles is not the only city that has to face and solve this problem; a problem coming up oftener as public ownership makes its way in our country. Chicago and Kansas City, in a measure, solved it.

An agreement between the City and the Company is practicable and should be possible. The fundamental terms of such an agreement must be the recognition by the Company of a plan involving unhindered and rapid development towards complete public ownership and service of electric light, heat and power in Los Angeles; avoidance of duplicate construction, avoidance of competition between the private utility and the City; avoidance of the crippling of the private utility from the financial and operating points of view, frank co-operation between the City and the utility during the period of readjustment and elimination of severance damages.

This Commission must act as is prescribed for it by the law. But beyond that it sees, in this case, the need for constructive action and desires to contribute towards an intelligent and fair solution with all its means.

I find the following facts and recommend their approval by the Commission.

CITY OF LOS ANGELES, a municipal corporation, and BOARD OF PUBLIC SERVICE COMMISSIONERS OF THE CITY OF LOS ANGELES, having filed with the Railroad Commission a petition setting forth the intention of said City to acquire, under eminent domain proceedings, the distribution system and other property of the Southern California Edison Company, as described in the application and in Appendix "A" attached to this opinion/ <sup>and findings,</sup> and asking the Railroad Commission to fix and determine the just compensation to be paid to said Southern California Edison Company for the property described; and due notice having been given said Company and public hearings having been held and Southern California Edison Company and City of Los Angeles having been accorded full opportunity to present such evidence as they might desire to submit, and each of the said parties having taken advantage

of the said opportunity and having presented all of the evidence which each party desired to present; and the Commission being fully apprised in the premises:

THE RAILROAD COMMISSION HEREBY FINDS AS A FACT, That the just compensation to be paid by the City of Los Angeles and by the Board of Public Service Commissioners of the City of Los Angeles to Southern California Edison Company for all of the said Company's distributing system and other property, as described in the application, and in Appendix "A", attached hereto and made a part hereof, is the sum of \$4,905,521.54.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of September, 1916.

Edwin O. Edgerton

Commissioners.

APPENDIX C.  
LIST OF EXHIBITS



APPENDIX C.

List of Exhibits

A-Exhibits filed by Company

<u>: No. :</u>	<u>Title of Exhibit</u>	<u>: Introduced by :</u>
1	Map of System	
2	Agreement between The Edison Electric Company and Los Angeles Pacific Company for 2000 K.W. continuous service.	B. F. Pearson
3	Agreement between Southern California Edison Company and Pacific Electric Railway Company for 7000 K.W. continuous service.	B. F. Pearson
4	Supplemental agreement between Southern California Edison Company and Pacific Electric Railway Company for delivery of electricity at Lankershim instead of McNeil.	B. F. Pearson
5.	Copy Ordinance No. 2921.	
6	Map of Distribution and Transmission System of Southern California Edison Company	B. F. Pearson
7	Chart of Corporate Properties relating to present Southern California Edison Company	R. H. Ballard
8	Organization Chart	R. H. Ballard
9	Comparative Pay Roll Statement	R. H. Ballard
10	Employees Devoting all their time to Los Angeles District.	R. H. Ballard
11	Agreement with Pacific Light and Power Corporation for interchange of Power.	R. H. Ballard
12	Agreement Southern California Edison Company and The Southern Sierras Power Company for Interchange of Electricity.	
13	Statement of Gross Revenue 1896, to June 30, 1915.	H. S. Ross
14	Statement of K.W.H. sold on Entire System	H. S. Ross
15	Statement of Generated Peaks	H. S. Ross
16	Statement of Load Factor	H. S. Ross
17	Statement of Average Rate per K.W.H.	H. S. Ross
18	Statement of Cost of Physical Property-Electric	H. S. Ross
19	Chart "A" Showing by K.W.H. generated by areas colored red and K.W.H. sold by areas colored green titled chart of Generation and Distribution for year June 30, 1915.	G. L. Eoxie

No.	Title of Exhibit	Introduced by
20	Chart "B"- percentage chart of District Demands synchronous with Peaks, weekly for Year ending June 30, 1915.	G. L. Hoxie
21	Chart "C"- showing Actual Maximum Demand in K.W.H.	G. L. Hoxie
22	Chart "D" showing K.W.H. sold by Months and Districts for year ending June 30, 1915.	G. L. Hoxie
23	Chart "E" showing Revenue from Sale of Electric Light and Power- Year ending June 30, 1915.	G. L. Hoxie
24	Chart "F" showing Diversity of Peak Demands Among Districts- for year ending June 30, 1915.	G. L. Hoxie
25	Chart "G"- Load Curves for June 24, 1915.	G. L. Hoxie
26	Chart "H"- Load Curves for December 24, 1914.	G. L. Hoxie
27	Chart "I"- Comparative Peak Demands.	G. L. Hoxie
28	Chart "O"- Graphic History of Hydraulic Electric Developments.	G. L. Hoxie
29	Chart "P"- Total Peak K.W. Transmitted and Peak K.W. from Water Power- Approximate Synchronous.	G. L. Hoxie
30	Chart "Q"- Percentage of Available Developed Water Power that was Actually Utilized from December, 1904, to June 30, 1915.	G. L. Hoxie
31	Statement of Diversity of Inside and Outside Business of various Combinations.	G. L. Hoxie
32	Statement of Changes of K.W.H. sold in the various Districts.	G. L. Hoxie
33	Statement of K.W.H. sold Eleven Months, ending November 30, 1915.	G. L. Hoxie
34	Statement of K.W.H. sold. Year ending June 30, 1915.	G. L. Hoxie
35	Statement of Cost of Property and Balance Sheet. Report of D. M. Trott.	D. M. Trott
36	Statement of Bonds Sold, Assumed, Retired and Outstanding.	D. M. Trott
37	Statement of Memorandum of Property sought to be Acquired by the City of Los Angeles as per their Application to Railroad Commission.	D. M. Trott
38	Statement of Per Capita Income- Year 1914.	S. M. Kennedy
39	Statement of K.W.H. sold and Average Rate per K.W.H. Year Ending June 30, 1915.	S. M. Kennedy
40	Chart "E" (Kennedy)- Peak Loads of Outside Districts.	S. M. Kennedy
41	Chart "F" (Kennedy)- Maximum Yearly Loads at Generating Stations- Total of Outside Districts.	S. M. Kennedy

: No. :	Title of Exhibit	: Introduced by :
42	Statement of K.W. Hrs. Consumption and Increase over Prior Years. Period 1907-1915 by Years ending June 30th. Also Estimated Consumption Year ending June 30, 1923, and Increase over 1915. Outside Districts only.	S. M. Kennedy
43	Statement of Estimated Increase in K.W.H. Consumption after Severance.	S. M. Kennedy
44	Southern California Edison Company. Historical Chart.	R. H. Ballard
45	Table I, II, III, IV, V and VI of Report of Maintenance, Repairs and Annual Depreciation.	H. P. Gillette
46	Statement of Depreciation Annuities for "Outside Territory" Railway Load Lost by Company.	H. P. Gillette
47	Statement of Depreciation Annuities for "Outside Territory" Railway Load Retained by Company.	H. P. Gillette
48	Study of Depreciation Tables Numbers 8, 9, 10 and 11.	G. L. Hoxie
48A	Charts Numbers 8, 9, 10 and 11, accompanying "Study of Depreciation" tables Numbers 8, 9, 10 and 11.	G. L. Hoxie
49	Estimated Cost of Operating the Generating Stations of the Southern California Edison Company in case of Loss of the Los Angeles Load for year ending June 30, 1915.(Andree)	R. H. Ballard
50	Cost of Operating the Generating Stations of the Southern California Edison Company under Various Conditions of Load- Year ending June 30, 1915. (Andree).	R. H. Ballard
51	Chart showing Estimated Cost of Production accompanying Exhibit #50.	R. H. Ballard
52	Tables 1 and 2 showing Severance Damage by Reason of Loss of Los Angeles City and Railroad Loads including Annexed Territory- <u>Edgar Method</u> . (Complete Severance).	R. H. Ballard
53	Table showing Analysis of Present Worth Factor 4%- Complete Severance. <u>Edgar method</u> .	R. H. Ballard
54	Tables Numbers 1 and 2 showing Severance Damage by Reason of loss of Los Angeles City loads including Annexed Territory- <u>Railway in Los Angeles not severed</u> . By <u>Edgar method</u> . (Partial Severance).	R. H. Ballard
55	Map showing Utility Properties in Illinois with which Samuel Insull has official connections.	
56	Map of Eastern Section of United States showing location of Properties owned and controlled by Middle West Utilities Company.	

: No. :	Title of Exhibit	: Introduced by :
57	Tables showing Severance Damage by Reason of loss of Los Angeles City and Railroad Loads including Annexed Territory- by <u>Samuel Insull</u> method- (Complete Severance).	R. H. Ballard
58	Tables showing Severance Damages by Reason of loss of Los Angeles and San Pedro Districts and Annexed Territory Railroads in Los Angeles Not Severed. Samuel Insull method. (Partial Severance).	R. H. Ballard
59	Tables showing Value of Los Angeles City Franchises Including Railway-(Complete Severance). H. C. Adams method.	R. H. Ballard
60	Tables showing Value of Franchises in Los Angeles City exclusive of Railway -(Partial Severance). H. C. Adams method.	R. H. Ballard
61	Table showing elimination of Profit on Idle General Plant.	H. P. Gillette
62	Table showing Cost to Carry Generation and Transmission Property Rendered Idle by severance. (Complete and Partial Severance).	A. R. Kelley
63	Tables showing Value of Property, Business, <u>Going Concern</u> and Franchise, including <u>annexed territory</u> . (Complete and Partial Severance).	A. R. Kelley
64	Valuation of Electric Properties- Southern California Edison Company. Vol. 1- Valuation of property " 2- " " " " 3- " " " " 4- " " " " 5- Unit Cost Development accompanying valuation. " 6- Price Book accompanying valuation " 7- Present value of property.	A. R. Kelley
65	Statement of Number of Meters in Service at the end of Years 1907-1915.	R. H. Ballard
66	Statement of Estimate of Earnings and Expenses made at beginning of Year and Actual Results.	R. H. Ballard
67	Report on "Just Compensation" which should be paid to Southern California Edison Company. " <u>Bankers Method</u> ".	R. H. Ballard.
68	Report on "Just Compensation" which should be paid Southern California Edison Company by "Methods to Preserve Present Equities of Bondholders and Stockholders." (Complete and Partial Severance).	R. H. Ballard.
69	Mortgage and Trust Deed- Edison Electric Company to Title Insurance and Trust Company, Trustee, Los Angeles- date- September 1, 1899.	

: No. :	Title of Exhibit	: Introduced by :
70	Deed of Trust and Mortgage. Edison Electric Company. Indenture - to Title Insurance and Trust Company, Los Angeles, Date- January 7, 1897.	
71	First and Refunding Mortgage- Edison Electric Company to Los Angeles Trust Company and United States Mortgage and Trust Company securing \$10,000,000. 5% gold bonds. Dated September 1, 1902.	
72	Trust Indenture- Southern California Edison Company to Harris Trust and Savings Bank, Chicago. Los Angeles Trust and Savings Bank, Los Angeles, Trustees. \$30,000,000. 5%, 30-year, gold bonds. Dated November 1, 1909.	
73	Diagram illustrating straight line depreciation- submitted in connection with cross-examination of Mr. Panter.	
74	Statement showing differences between Physical Plant as shown by Company's Books and Original Cost of Physical Property as shown by "Cost Statement" as of June 30, 1915.	R. H. Ballard
75	Statement of Difference between Physical Plant as shown by California Railroad Commission's Auditor's Report. (Brought up to June 30, 1915) as shown by Company's "Cost Statement" as of June 30, 1915.	R. H. Ballard
76	Statement of Difference between Surplus as shown by California Railroad Commission's Auditor's Report and as shown by Company's "Cost Statement" as of June 30, 1915.	R. H. Ballard
77	Statement of Detail Statement of Depreciation Reserve Account to June 30, 1915, as per "Cost Statement."	R. H. Ballard
78	Statement showing Differences between Depreciation Reserve as shown in Report of California Railroad Commission's Auditor and as shown by Company's "Cost Statement."	R. H. Ballard
79	Statement of Comparison, California Railroad Commission's Auditor's balance sheet of June 30, 1915, as per report and as corrected for Fixed Capital, Surplus and Depreciation Reserve and Balance Sheet per Company's "Cost Statement."	R. H. Ballard
80	Statement of Capitalization Outstanding June 30, 1915.	R. H. Ballard

: No. :	Title of Exhibit	: Introduced by :
81	Statement of Results of Operations Los Angeles City including Railway, Railway Only, and Los Angeles City without Railway with Basis of Apportionment to Railway, year ending June 30, 1915.	R. H. Ballard
82	Statement of Comparison of Kilowatt Hours sold Month of December, 1915, and corresponding month of 1914.	R. H. Ballard
83	Statement Operations- Pasadena District, years 1906 and 1915.	R. H. Ballard
84	Statement Gross Earnings Pasadena District- by years 1906 to 1915, inclusive.	R. H. Ballard
85	Statement of Earnings- Street Lighting- Pasadena District.	R. H. Ballard
86	Statement of Damage to Local Distribution Property not Included in City's Application in Event of Severance.	A. R. Kelley
87	Chart "N" showing condition of Company's Business Assuming Severance, Year ending June 30, 1915.	G. L. Hoxie
88	Statement of Comparison of Clemens' "Partial Severance Revised Basis" with figures corrected by Dr. Hoxie.	G. L. Hoxie

B- Exhibits filed by City.

- |   |   |                    |
|---|---|--------------------|
| 1 | Resolutions of City Council of Los Angeles (Certified copies).<br>A- filed with Original Application, November 23, 1914.<br>B- filed with Amendatory and Supplemental Application, September 2, 1915.<br>C- filed with Amendment to Petition- December 13, 1915.<br>D- Amendment to Amendatory and Supplemental Application- December 13, 1915. | D. F. McGarry      |
| 2 | Statement of Lands to be taken by the City.   | W. M. Lane         |
| 3 | Statement of Lands to be taken by the City.   | George M. So Relle |
| 4 | Statement of Lands to be taken by the City.   | T. A. Panter       |
| 5 | Summary Sheet- Original and Supplemental Property- Showing Comparison of Engineering Department's and City's figures.   | C. W. Koiner.      |
| 6 | Copy of Annual Report of the Southern California Edison Company to the Board of City Commissioners of the City of Pasadena, California. Year ending December 31, 1913. (certified by Clerk of the City of Pasadena).  | C. W. Koiner.      |
| 7 | Eighth Annual Report of Pasadena's Municipal Lighting Works Department, 1914-1915, Pasadena, California.  | C. W. Koiner.      |

: No. :	Title of Exhibit	: Introduced by :
8	Chart showing total Kilowatt Hours Distributed- Percentages shown are uniform yearly compound increase.	O. E. Clemens
9	Chart showing total Gross Revenue- Percentages shown are uniform yearly compound increase since 1908.	O. E. Clemens
10	Chart showing Annual K.W. Hrs. Sales for Power. Percentages shown are uniform yearly compound increase.	O. E. Clemens
11	Chart showing K.W.H. Sales for Lighting- Percentages shown are uniform yearly compound increase.	O. E. Clemens
12	Chart showing K.W.H. sales- All Electric Corporations Operating in Los Angeles. Curves show total system, 1905 to 1914.	O. E. Clemens
13	Chart showing Bank Clearings 1913, 1914, 1915 from Los Angeles clearing house record. (Supporting data to be furnished and attached). (Supporting data attached 1-21-16).	O. E. Clemens
14	Chart showing Business Increases, 1904 to 1914	O. E. Clemens
15.	Chart showing Los Angeles County School Districts- Segregated according to Edison operating Districts- Based on Grammar School Attendance.	O. E. Clemens
16	Chart showing Grammar School Growth- Southern California Counties. Segregated according to Edison Operating Districts. Based on Grammar School Attendance.	O. E. Clemens
17	Statement showing cost of Los Angeles and San Pedro Power including Railway Power- based on Railroad Comm's. Auditor's report- 1914 operating costs.	O. E. Clemens
18	Statement of Southern California Edison Company operations- Pasadena District and Los Angeles City- showing deficit based on 8% return upon depreciated investment.	O. E. Clemens
19	Statement of Los Angeles Gas and Electric Corporation- Operating Costs- Electric- Based on 1914 Report to Railroad Commission and Board of Public Utilities.	O. E. Clemens
20	Statement of Results of Partial Severance for Fiscal Years 1914 and 1915 as estimated by R. H. Ballard on Method of Chas. L. Edgar.	O. E. Clemens
21	Chart showing Outline Curve of Peak Loads.	E. F. Scattergood
22	Chart showing peak loads generated by weeks and Available Water Power by months.	E. F. Scattergood
23	Chart showing Graphic Representation of Average Daily Load Curve.	E. F. Scattergood

: No. :	Title of Exhibit	: Introduced by :
24	Comparative study showing so-called Diversity Load Factors and Combined Generating and Transmission Cost per K.W.H. before and after severance Leaving Pacific Electric Railway Contract with Company.	E. F. Scattergood
25	Statement of Study showing Fixed Charges on Idle Plant corresponding to Shortage in Peak Demand, Assuming Recovery of Peak at end of Three Years from July 1, 1915.	E. F. Scattergood
26	Statement of Joint Pole agreement and interest of various companies in Poles of Transmission Line on Ave 19- -	
27	Statistics of Growth, City of Los Angeles, County of Los Angeles, 1904 to 1914. (In connection with testimony of O. E. Clemens).	
28	Chart of Curves Showing Business and Assessment Valuation Increase Reduced to Percentages Based on Value for the year 1910.	Professor Durand
29	Chart showing Bank Clearings, 1913, 1914 and 1915 from Los Angeles Clearing House Records.	Professor Durand
30	Chart of Curves Showing Grammar School Attendance Increase- Reduced to Percentages. Based on Attendance for the year 1910.	Professor Durand
31	Statement of Uniform Compound Rate of Increase for Various Curves of Growth.	Professor Durand

C- Exhibits filed by Commission.

1	Report of Commission's Department Statistic and Accounts-- attached thereto statement of Balance Sheets compared as at Date June 30, 1915.	H. E. Nowell.
2	Statement of Interest Cost of Funded and Floating Debt., 1904 to 1914.	H. E. Nowell
3	Statement of Cash and Property Received for Capital Stock and Returns Thereon Preferred Capital Stock (Ordinary until 1912).	H. E. Nowell
4	Statement of Interest Cost of Share and Loan Capital from Organization to December 31, 1914.	H. E. Nowell.
5.	Statement of Percentage of Net Return to Property Investment.	H. E. Nowell
6	Statement of Calculation of Yield on base of 8% return.	H. E. Nowell



: No. :	Title of Exhibit	: Introduced by :
7	Report of Commission's Engineering Department- With Exhibits 1 to 7, inclusive.	Richard Sachse
8	Statement of Estimate of Reproduction Cost and Reproduction Cost Less Depreciation of Commercial Lamps and Lamp Equipment- California Railroad Commission Account C-24.	G. R. Maxwell