

ORIGINAL

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

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Pacific Gas and Electric Company,  
a corporation,  
Complainant,  
vs.  
Great Western Power Company,  
a corporation,  
Defendant.

Case No. 1034.

In the Matter of the Application  
of Great Western Power Company for  
a certificate of public convenience  
and necessity, for the construction  
of a sub-station and service of  
electric energy to the Farm Lands  
Investment Company, in the county  
of Yuba.

Application No. 2734.

Charles P. Cutten, for Pacific Gas & Electric Company.  
Guy C. Earl and Chaffee E. Hall, for Great Western  
Power Company.

EDGERTON, Commissioner.

O P I N I O N.

In Case No. 1034, Pacific Gas and Electric Company complains against Great Western Power Company, alleging that the latter company is invading certain territory in Yuba County which said territory is now being adequately served by the former. The prayer is that Great Western Power Company be ordered to stop construction of a distribution line and a sub-station in said county, and that it be declared by this Commission that neither the present nor future public convenience and necessity require or will require the construction by said Great Western Power Company of its said distribution line or its substation.

In Application No. 2734, Great Western Power Company asks

Decision No. 44218

for an order authorizing applicant to construct said sub-station and upon its completion to deliver energy therefrom to the lines of the Farm Lands Investment Company.

These two proceedings involve the same subject matter and therefore were consolidated for hearing and decision.

It appears that Pacific Gas and Electric Company has for several years maintained and operated a high tension transmission line through a portion of Yuba County with a distribution line leading therefrom, which latter serves a farming community located East of the Feather River and West of the right of way of the Western Pacific Railroad Company, and adjacent to the unincorporated town of Arboga.

Great Western Power Company for some years past has maintained and operated a high tension transmission line running through the County of Yuba but has not delivered any energy in said county from said line. This line runs a short distance to the East of the unincorporated town of Arboga.

Farm Lands Investment Company is a non-public utility corporation which owns a large part of the land in the district involved in these proceedings. This latter Company has recently installed 3 pumping plants located on its lands, designed to pump water to be delivered into ditches and supplied to the purchasers of its lands. It has now about completed the construction of electric transmission lines to connect with the sub-station to be erected by Great Western Power Company east of its high tension transmission line, opposite the town of Arboga. It is the purpose of Farm Lands Investment Company to take electric service from Great Western Power Company and convey this service over its own lines to its pumping plants, and it is stated by representatives of this company that ultimately it is intended to have the purchasers of property from it

own these electric lines and the pumping stations in a mutual capacity.

The stock of Farm Lands Investment Company is largely owned and controlled by officers of Great Western Power Company, and it is frankly stated by the representatives of Farm Lands Investment Company that it prefers for this reason to take service from Great Western Power Company rather than Pacific Gas and Electric Company. No application was made by Farm Lands Investment Company to Pacific Gas and Electric Company for service.

The evidence shows that the rates and the service obtainable from both of the electric companies is approximately the same. It is true that at the hearing Pacific Gas and Electric Company offered to build the lines for the Farm Lands Investment Company.

Great Western Power Company insists that Farm Lands Investment Company is a separate corporation and that while it, the Power Company, is actually constructing the lines to these power plants, this is being done under a contract with the Farm Lands Investment Company to reimburse it for all expenditures made therefor, and that all the Great Western Power Company intends doing is to erect a sub-station adjacent to its high tension transmission line from which sub-station it will deliver electric service to Farm Lands Investment Company.

I believe that it will be necessary in the consideration of this matter to disregard any relation between the Farm Lands In-

vestment Company and Great Western Power Company, or the stockholders of either.

If it were held by this Commission that the relations between Farm Lands Investment Company and Great Western Power Company are such as to, in effect, constitute them one entity, then Farm Lands Investment Company would immediately become a public utility and the mutualization of the lines which it is building would become impossible.

Furthermore, it would be necessary to hold that Farm Lands Investment Company must give service to consumers who apply therefor, and it would become indeed a competitor of Pacific Gas and Electric Company in this territory. On the other hand, if we look upon Farm Lands Investment Company as a separate corporation we can then consider it merely as a consumer building its own lines to a certain point at which it is to take electric service.

I do not believe it possible for the Commission in this proceeding to hold that the pumping plants designed to be served by the lines of Farm Lands Investment Company are within the territory now being served by Pacific Gas and Electric Company. The fact is that these pumping plants are roughly about one mile from the small distributing lines of the Pacific Gas and Electric Company and the evidence justifies the conclusion that the territory embraced in these proceedings is open territory.

I believe, therefore, that the complaint should be dismissed and that the application of Great Western Power Company should be granted authorizing the construction and maintenance of a substation adjacent to the town of Arboga, at which sub-station it be permitted to deliver electric service to Farm Lands Investment Company.

However, I believe it is against public policy that the lines of the Farm Lands Investment Company be retained in private

ownership so as to avoid giving service therefrom to other consumers, therefore I recommend that as a condition subsequent, Great Western Power Company be required to acquire and operate the electric lines of Farm Lands Investment Company within a period of 30 days from the date of this order.

Herewith form of order:

### O R D E R

Complaint having been made by Pacific Gas and Electric Company against Great Western Power Company, and application having been made by Great Western Power Company for an order declaring that public convenience and necessity require the construction of a sub-station near the town of Arboga, in Yuba County, and the delivery of energy therefrom to the lines of Farm Lands Investment Company, and said complaint and application having been consolidated for hearing and decision, and public hearing having been had, and the Commission being fully apprised in the premises,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California,

1. That Complaint No. 1034 be and the same is hereby dismissed.

2. That the application of Great Western Power Company is hereby granted and it is hereby declared by the Railroad Commission of the State of California that public convenience and necessity require and will require that said Great Western Power Company construct and maintain a sub-station at a point about one-half mile east of the town of Arboga, and upon the completion of said sub-station deliver energy therefrom to Farm Lands Investment Company.

Provided that this order is made upon the condition subsequent, that within a period of 30 days from the date of this order

Great Western Power Company shall acquire and operate the electric lines of Farm Lands Investment Company, such acquisition to be on terms agreed upon between the parties and submitted for the approval of the Commission.

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

Dated at San Francisco, California, this 31st day of March, 1917.

Max Thebes  
W. H. D. D. D.

Edwin O. Edgerton

Frazer R. Dyer  
Commissioners.