

Decision No. _____

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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ORIGINAL

Decision No. 4399

In the Matter of the Application of
THE SOUTHERN SIERRAS POWER COMPANY,
an electrical corporation, for a cer-
tificate of the Railroad Commission
that the present and future public con-
venience and necessity require the con-
struction of an electrical line, plant
and system, or the extension by Appli-
cant Company to, into and throughout
the City of Blythe and surrounding ter-
ritory, Riverside County, California,
of its line, plant or system and that
public convenience and necessity require
the exercise by Applicant Company of the
right and privilege to erect, construct,
operate and maintain within the said
City and surrounding territory a cer-
tain electrical plant and system with
necessary appurtenances, pursuant to
certain franchise rights granted to said
Applicant Company by the Board of Super-
visors of the County of Riverside, and
now in force and owned by said Company.

Application No. 2835.

Dixon, Potter and Jones, by I. B.
Potter for Applicant.
A. D. Hitchcock, City Attorney,
for City of Blythe.
James O. Phillips for Floyd Brown.

BY THE COMMISSION.

O P I N I O N .

In this application, filed with the Railroad Com-
mission April 9, 1917, THE SOUTHERN SIERRAS POWER COMPANY
requests certificates that public convenience and necessity
require the construction and operation of an electric plant
in the City of Blythe and vicinity and the exercise of rights
and privileges pursuant to a franchise granted to applicant
by the County of Riverside.

A hearing in this matter was held before Examiner Encell at Blythe on May 24, 1917.

Floyd Brown of Blythe, filed application (2817) with this Commission on March 26, 1917, for similar permission to install and operate an electric light plant in Blythe and vicinity. Mr. Brown had obtained a franchise from the County of Riverside to construct and operate an electric system in the territory now comprising Blythe and vicinity on April 21, 1915. At the hearing James O. Phillips, attorney for Mr. Brown, stated that it was Mr. Brown's belief that The Southern Sierras Power Company was better fitted to serve the needs of the City of Blythe than he and that he was willing to withdraw his application and any opposition to that company serving, provided applicant would pay him the sum of Five Hundred (\$500.) Dollars. This amount he stated had been expended by him in obtaining a franchise and preliminary organization and in obtaining options on machinery. The Southern Sierras Power Company offered to pay Mr. Brown any sum up to Five Hundred (\$500.) Dollars which the Railroad Commission would allow it to capitalize. This question does not appear to be an issue in The Southern Sierras Power Company's application. In any event, this Commission would not look with favor on any such capitalization.

The City of Blythe, which is located in the Palo Verde Valley near the eastern limits of Riverside County, was incorporated in July, 1916, as a city of the sixth class. The population at present is estimated at twelve hundred. The valley is rapidly developing into a rich alfalfa and cotton raising district, water for irrigation being obtained from the Colorado River. The City of Blythe gives prospects of

steady and rapid growth in population and a rapid development along industrial lines. In August of 1916 the California Southern Railway completed its line connecting Blythe with the Santa Fe at Blythe Junction, and since that time a much more rapid growth has occurred than previously.

During the past year applicant has made investigation to determine the advisability of constructing an electric system in Blythe. Following the increased growth subsequent to the completion of the Railroad, the company has seen fit to authorize the construction of a local plant.

The transmission lines of applicant and its associate companies are approximately ninety miles from Blythe and no business is at present to be obtained which would justify extending the transmission lines to Blythe, although mining activities may later develop in the intervening territory sufficient to justify this extension.

Applicant plans the installation of a local generating plant of seventy-five kilowatt capacity to meet the immediate requirements. At the time of the hearing distribution lines had been constructed to serve practically the entire town^{and} the engine was on the cars at Blythe. Mr. E. B. Criddle, General Agent for applicant, estimated that service could be rendered within three weeks to a month. Applicant had obtained request from seventy-two prospective customers and it is estimated the revenue for the first year will be from three thousand to five thousand dollars. At date of hearing there had been actually expended Ten Thousand Two Hundred (\$10,200.) Dollars and there was authorized an expenditure of Twenty Thousand (\$20,000.) Dollars to serve Blythe and vicinity.

The actual rates to be charged for service in Blythe have not been definitely determined upon except that the top rate for lighting will be twelve cents per kilowatt hour and the minimum One Dollar and 50/100 (\$1.50) per month for lighting and Two Dollars and 50/100 (\$2.50) for cooking. Both lighting and power rates will be block schedules.

The company hopes to secure sufficient power business to justify giving a twenty-four hour service, though at the start only lighting service may be supplied, although it is the aim to supply continuous service. To make it a remunerative project, applicant will have to intensify/develop the territory.

A representative of the City of Blythe urged at the hearing that The Southern Sierras Power Company be granted the right to serve.

Applicant obtained a blanket franchise under the Broughton Act from the County of Riverside by Ordinance No. 108, granted the seventeenth day of July, 1911, for the construction and operation of an electric system. Under the requirements of the Act work had to be completed in three years, or by July 17, 1914. Applicant contends that the intent of the three-year requirement only applied to railroads. However, applicant obtained a second franchise from the County of Riverside by Ordinance No. 127 on September 1, 1916. No certificate of the Commission to exercise the latter franchise has been obtained, which is required in accordance with Section 50 of the Public Utilities Act. The later franchise does not contain the three-year requirement.

The City of Blythe was incorporated in July, 1916, so that the latter franchise does not apply to the territory included in the incorporated limits. Applicant had not exercised the franchise originally obtained in 1911 in that part of the county known as Palo Verde Valley; in fact at present

its nearest lines are located in the Coachella and Imperial Valleys, which are separated by natural boundaries from Palo Verde Valley and are approximately fifty or more miles from Blythe. Applicant cannot reasonably contend that it had exercised its franchise in eastern Riverside County.

It is our opinion, therefore, that The Southern Sierras Power Company has no valid franchise within the incorporated limits of Blythe and that before final order can be made in this matter a franchise must be obtained. The right to exercise said franchise obtained by Ordinance No. 127 of the County of Riverside in so far as required to serve the unincorporated territory in Palo Verde Valley will be granted.

O R D E R .

THE SOUTHERN SIERRAS POWER COMPANY having applied to this Commission for an order declaring that public convenience and necessity require and will require the construction and operation of an electric production and distribution system in the City of Blythe and surrounding territory and the exercise of the rights and privileges granted it pursuant to a certain franchise granted to it under Ordinance No. 127 by the Board of Supervisors of Riverside County,

And a public hearing having been held and the Commission being fully advised in the premises,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the construction and operation of an electric production and distribution system in the City of Blythe and surrounding territory and the service of electricity to the said city and its inhabitants.

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FURTHER DECLARES that public convenience and necessity require the exercise by The Southern Sierras Power Company of rights and privileges under a franchise granted it by the Board of Supervisors of the County of Riverside by Ordinance No. 127, dated July 1, 1916, in so far as necessary for The Southern Sierras Power Company to serve with electric energy the unincorporated territory in Palo Verde Valley surrounding the City of Blythe; provided The Southern Sierras Power Company shall first have filed with the Railroad Commission a stipulation duly authorized by its Board of Directors, agreeing for itself, its successors and assigns, that they will never claim before the Railroad Commission or any other public authority any value for the rights and privileges conferred by Ordinance No. 127 of the County of Riverside, above referred to, in excess of the actual cost thereof to The Southern Sierras Power Company, which cost shall be stated in said stipulation, and shall have secured from this Commission a supplemental order herein declaring that such stipulation, in form satisfactory to this Commission, has been filed, and provided further:

1. That The Southern Sierras Power Company obtain and file with the Railroad Commission of the State of California a franchise for the construction and operation of its electric system in the City of Blythe.

2. That Upon receipt of said franchise by the said The Southern Sierras Power Company the Commission will thereafter issue its order declaring that public convenience and necessity require the exercise of the same under such conditions as it may hereafter specify.

Dated at San Francisco, California, this 14th day of June, 1917.

Max Thelen

Edwin O. Edgerton

Frank R. DeWitt

Commissioners.