

Decision No. 7312

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

ORIGINAL

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In the Matter of the Construction and
Operation of Electric Utilities and
the distribution and transfer of elec-
tricity during the present emergency
created by the Power Shortage, on
the Commission's Own Motion.)
Case No. 1426)

- R. H. Ballard and E. A. Barre, for Southern California Edison Company, Santa Barbara Gas & Electric Company and Mt. Whitney Power & Electric Company;
- H. F. Jackson and C. P. Cutten and P. M. Downing, for Pacific Gas & Electric Company;
- A. B. West, for Southern Sierras Power Company;
- A. Casper, for Vallejo Light & Power Company;
- S. Waldo Coleman, for Coast Counties Gas and Electric Company;
- Chickering & Gregory, for Coast Valleys Gas and Electric Company;
- Chaffee Hall and E. W. Beardsley, for Great Western Power Company;
- J. D. McKee and W. M. Shepard, for California-Oregon Power Company;
- W. S. Graham, for Snow Mountain Water & Power Company;
- A. Emory Wishon and G. R. Kenny, for San Joaquin Light & Power Corporation and Midland Counties Public Service Corporation.

BY THE COMMISSION:

O P I N I O N

This is a proceeding instituted by the Railroad Commission of the State of California on its motion with a view to investigating the matter of the construction and operation of the electric utilities in the State of California and the distribution and transfer of electricity during the present emergency created by the abnormally low precipitation, and also with a view to taking such action as appears necessary in order that consumers of the electric utilities in the State of California will suffer the least hardship caused by the reduction in the supply of power.

Prior to the instituting of this proceeding, the Commission realizing the fact that a shortage of power supply was imminent and that active steps must be taken by the Commission to protect the interests of the public, conferences were held with the electric utilities of the State with a view to considering the question of whether the Commission should exercise jurisdiction over the entire state along the lines of that exercised in the northern part of the state during the war period of 1918 and since.

At the conference held on March 1st, 1920 at the Commission's offices in San Francisco the following agreement was entered into by the power companies in the state as listed thereafter:-

"The undersigned companies engaged in the business of serving electrical energy to the public having requested the Railroad Commission to assume the responsibility of determining rules of service for the distribution of electrical energy during the emergency created by the unusually small rainfall of the present season and realizing that adequately to meet the situation the Railroad Commission must have complete control;

"We, the undersigned, hereby pledge that we will obey and carry into effect to the limit of our ability all rules, regulations and orders of the Railroad Commission concerning diminution of service or taking on of new business and interchange or delivery of power between the several companies.

Dated at San Francisco, California, March 1st, 1920.

CALIFORNIA OREGON POWER COMPANY
By W. M. Shepard, Gen. Agent

MIDLAND COUNTIES PUBLIC
SERVICE CORPORATION
By A. Emery Wishon

PACIFIC GAS & ELECTRIC COMPANY
By John A. Britton, Vice-Pres.

SOUTHERN CALIFORNIA EDISON CO.
By R. H. Ballard, Vice-Pres.

GREAT WESTERN POWER CO. OF CALIF.
(subject to reservations expressed
in remarks of Mr. Hall 3/1/20)
By Chaffee E. Hall, Attorney

SANTA BARBARA ELECTRIC CO.
By R. H. Ballard, Vice-Pres.

MT. WHITNEY POWER & ELEC. CO.
By G. C. Ward, Pres.

WESTERN STATES GAS & ELEC. CO.
By Samuel Kahn, Vice-Pres.

SOUTHERN SIERRAS POWER CO.,
By A. B. West, Vice-Pres.

SNOW MT. WATER & POWER CO.
By W. A. Graham, Manager

CITY OF LOS ANGELES
By W. B. Mathews, Spec. Counsel
(subject to confirmation by the
Bd. of Public Service Comm.
of said City)

COAST COUNTIES GAS & ELEC. CO.
By S. Waldo Coleman, Pres.

COAST VALLEYS GAS & ELEC. CO.
By James F. Pollard

LOS ANGELES GAS & ELEC. CORPN.
By C. A. Luckenbach, 3rd V.P.
(conditioned in confirmation
by City of Los Angeles)

SAN JOAQUIN LT. & RR. CORPN.
By A. Emery Wishon

HOLTON POWER COMPANY
By A. B. West, Pres."

The above electric utilities represent the larger portion of the power production, transmission and distribution in the State of California. These utilities, together with the City of Los Angeles operating an electric production and distribution system serving that City, have agreed to submit the matter of the distribution of electric power to the Commission for decision.

A hearing in the above entitled matter was held in San Francisco on March 24th, 1920, at which time all the elec-

tric utilities were notified to appear and show cause, if any they had, why the Commission should not make an investigation, and, if no good cause appeared to the contrary, the Railroad Commission would proceed with the investigation and thereafter make such orders as were just and reasonable.

At the hearing in this proceeding the transcript of the conference held on March 1st, 1920, together with the agreement set forth above, were formally introduced as evidence in this proceeding.

It appears from the evidence that there is a serious shortage of power in the northern and central portions of the state; that in the San Joaquin Valley a serious shortage will exist unless material assistance is had from the companies operating south of the Tehachapi. The Commission feels that if it is necessary for it to issue orders recommending curtailment of service in any way that it should exercise definite jurisdiction over the service of power by the utilities and that it direct the transfer of power from one utility to another as appears necessary.

In view of the above facts the Commission is of the opinion that the jurisdiction of the Power Administration should be extended over the entire state of California and that that office be empowered to exercise such jurisdiction as necessary in order to benefit the service of electricity throughout the state.

The Commission will be required, in connection with the operations of the utilities, to pass upon the rates charged to their consumers, and, as the cost of power obtained under the direction of the Power Administrator may materially affect the question of rates, the utilities transferring power

under the direction of the Power Administrator should submit to the Commission, for its approval, the charges to be made for such service.

O R D E R

A public hearing having been held by the Commission in the above entitled matter, consideration having been given to the assumption by it of the administration of power and the extending of the Power Administrator's jurisdiction, and it appearing that it is to the best interests of the consumers, the utilities and the general public in the present emergency caused by the power shortage that this authority should be exercised by the Commission, and, basing its order on the power vested in it by the Public Utilities Act and the agreements made by the public utilities interested,

IT IS HEREBY ORDERED that the position of Power Administrator be and is hereby extended to exercise jurisdiction over the electric power supply of all the electric utilities throughout the State of California; that said Power Administrator shall and he is hereby empowered to make, issue and enforce, modify, amend and set aside such orders as to him are deemed necessary, convenient or appropriate to effectuate the purposes in the foregoing opinion set forth in the matter of electric power control and administration; provided, however, that the exercise of such authority by such Power Administrator shall at all times be subject to the direction and review of the Railroad Commission of the State of California.

IT IS HEREBY FURTHER ORDERED that all rates and charges for electric energy supplied by one utility to another under the Power Administrator's direction or otherwise, shall be submitted to the Commission for its approval prior to the making of said charges.

The effective date of this order shall be March 31st, 1920.

Dated at San Francisco, California, this

24th day of March, 1920.

Edwin C. Egan

H. J. Loveland

Frank R. White

Quincy Martin

Commissioners