

Decision No. 41309

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ORIGINAL**

Investigation upon the Commission's Own Motion to Inquire into the Availability of and Demands for Electricity in Northern and Central California and the Need for Emergency Rules Respecting Use and Service of Such Electricity.

Case No. 4939

(Appearances are hereafter set out following the order in this decision.)

SECOND INTERIM OPINION

The above-entitled proceeding was instituted on the Commission's own motion by order dated February 20, 1948, it having been shown that the ability of electric generating agencies to supply the power market in central and northern California was seriously impaired because of the circumstances that were then existing as recited in the said order instituting this proceeding. Public hearings have been held in this case at San Francisco on February 24, 1948, at Fresno on March 4, 1948 and again at San Francisco on March 11 and 12, 1948.

At the February 24th hearing at San Francisco, the whole subject matter involved in this case was explored and evidence was received thereon. Many interested parties appeared and stated their views. Following said hearing, the Commission issued an interim opinion and order (Decision No. 41256) under date of February 24, 1948. In addition to other matters appearing in said decision, the Commission found as a fact that, pending further investigation and further order of the Commission, public convenience and necessity required that the electrical power and energy supply of this State

immediately be conserved and that the allocation of said supply to users thereof be placed under the supervision of this Commission and its lawfully authorized agents and representatives, in order that irreparable injury and damage to said supply and to the users thereof be avoided and prevented. Pursuant to this finding of fact, the Commission, in said decision, prescribed and promulgated "Emergency Rules and Regulations Nos. C-1 to C-8, Inclusive," (relating to electrical power and energy conservation and allocation) and directed the following named public utilities to file said rules and regulations in accordance with the provisions of General Order No. 96, to become effective on February 26, 1948 and to continue in effect until the further order of this Commission:

1. Pacific Gas and Electric Company,
2. Southern California Edison Company, Ltd.  
(San Joaquin Valley Service),
3. Coast Counties Gas and Electric Company,
4. The California Oregon Power Company,
5. Sierra Pacific Power Company,
6. Vallejo Electric Light and Power Company, and
7. California-Pacific Utilities Company.

Said public utilities promptly filed said rules and regulations in accordance with the direction contained in said decision. Said rules and regulations are now and have been in full force and effect since the effective date thereof prescribed by said decision.

The March 4th hearing at Fresno was devoted largely to the problems of persons engaged in agricultural pursuits as related to the subject matter of this case and evidence concerning these problems was received. The situation with agriculturalists, owing to their irrigation requirements during the present crop planting season, is most urgent for the reason that farmers rely to a great extent upon electrical power to operate their irrigation pumps. That the planting of crops is of prime importance to the general public, is elementary and must be kept prominently in mind. The Commission is

giving this matter most serious consideration.

The San Francisco hearing on March 11th was devoted to various complaints and suggestions concerning the operation of these emergency rules and regulations and the effect they had upon various businesses, groups and classes of customers. Several requests were made for relief from the operation of these rules and regulations and the Commission is giving consideration to all such requests. At this hearing, evidence was received showing that a large number of persons had been laid off temporarily from their employment as a result of reduction of business activity flowing from the inadequate electrical power and energy supply in the northern and central parts of the State. Also, evidence was received showing that a number of businesses were suffering sharp curtailment of financial return because of the reduced supply of electrical power and energy allotted to such businesses. Suggestion was also made that the Commission appoint a power administrator to supervise and direct the program of conservation and use of power and thus reduce to a minimum the discretion of the utilities in carrying out said program.

Considered at the March 12th hearing at San Francisco was the controversy between the Bureau of Reclamation of the United States and the Pacific Gas and Electric Company involving the disposition to be made of certain additional electrical power soon to become available at the Bureau's power plant at Shasta Dam of the Central Valley Project. We will not discuss in detail in this opinion the evidence received concerning this controversy as the Commission will deal with this subject later.

Evidence presented by the Staff of the Commission, which we hereby find to be the fact, showed that the hydro-electric power resources of northern and central California had further deteriorated substantially because of the continued lack of rainfall. Such evi-

dence disclosed that the present season had equalled or exceeded the driest year of record in so far as hydro-electric production was concerned. In addition, it was shown that the continuation of extremely high demands for agricultural pumping, in spite of substantial response to appeals for conservation and curtailment, resulted in an increase in the February loads of nineteen percent (19%) above February of 1947. Such heavy loads resulted in dangerous depletion of critical reservoir storage. This continued decline of resources, offset somewhat by the improvement of deliveries from southern California, induced the Staff to recommend an increase in the basic amount of curtailment embodied in the Commission's order of February 24, 1948, issued in this case.

We find as a fact from the evidence presented in this case that there exists in northern and central California a critical emergency in the electrical power and energy supply available for use in said territory and we hereby declare the existence of such emergency.

We find further as a fact from the evidence presented in this case that this emergency is increasing in intensity rather than abating.

We further find from the evidence that it is necessary and imperative in the public interest that this Commission exert its authority to the fullest extent to provide that the available supply of electrical power and energy be allocated in such manner that the greatest benefit will be derived therefrom by the public and that the same shall be allocated according to priority of need in the public interest.

The Commission here restates and reasserts, and by reference thereto incorporates in this opinion, the finding of fact set out in Decision No. 41256, rendered in this case, which finding of fact

has been referred to in this opinion.

We further find from the evidence that it is also necessary and imperative in the public interest that each public utility generating and/or distributing electrical power and/or energy under the jurisdiction of this Commission in northern and central California be ordered and directed to exert every possible effort to allocate its supply of electrical power and energy in a manner best calculated to subserve the public interest. Maximum interchange of electrical power and energy between areas of shortage and other areas must be carried out by all electrical utilities operating under the jurisdiction of this Commission.

The Commission finds from the evidence in this case that it is necessary in the public interest that orders, rules and regulations be issued by it or pursuant to its authority to said public utilities from time to time during the existence of the present emergency, directing said public utilities in the manner and method of allocation of said electrical power and energy supply.

Also, we find as a fact from the evidence in this case that it is necessary in the public interest that all action taken by said public utilities in allocating said electrical power and energy supply during the present emergency be closely supervised by this Commission and by its representatives and agents appointed to carry out such supervision, and that each of said public utilities, during the existence of this emergency, operate and maintain its plant, facilities and service in such manner as may be directed from time to time by this Commission or pursuant to its authority.

It is self-evident that cooperation with these policies and objectives by all political subdivisions and governmental agencies and others, not subject to the jurisdiction of the Commission, generating and/or distributing electrical power and/or energy in

northern and central California, is necessary, as is the cooperation of all users of such power and energy and that of the general public.

The foregoing stated policy of this Commission and the objectives to be attained thereby during this emergency, we believe, are best calculated to meet the rigors thereof and to alleviate, as much as possible, the incidence of said emergency upon the electrical power and energy supply of northern and central California and upon the users of such supply.

The evidence in this case shows and we find as a fact that it is necessary in the public interest for the Commission to appoint an Emergency Power Director to carry out and effectuate, during the present emergency, the foregoing declared policy of the Commission and in order to attain the objectives envisioned by said policy. The order following will designate and appoint such Director and define and fix his duties and authority.

SECOND INTERIM ORDER

The above-entitled proceeding having been duly instituted on the Commission's own motion, public hearings having been held herein, as recited in the foregoing opinion, evidence having been received and argument heard, and the Commission having found that public interest and necessity so require,

IT IS ORDERED;

(1) That Robert P. O'Brien, Electrical Engineer of this Commission, be and he hereby is appointed Emergency Power Director, and is employed by the Commission as such, for that portion of northern and central California which is served directly or indirectly by

Pacific Gas and Electric Company,  
Southern California Edison Company, Ltd.  
(San Joaquin Valley Service),  
Coast Counties Gas and Electric Company,  
The California Oregon Power Company,

Sierra Pacific Power Company,  
Vallejo Electric Light and Power Company,  
California-Pacific Utilities Company,

and he shall have authority and power, which is hereby delegated to him by the Commission, to supervise the production, transmission, distribution, sale and use of electrical power and energy during the present emergency under the direction and upon the authority of said Commission and subject to its review.

(2) That said Director shall have authority and power, which is hereby delegated to him by the Commission, to issue in his name as such Director all orders, rules and regulations as may be necessary to carry out and effectuate the declared policy and objectives of the Commission as stated in the foregoing opinion.

(3) That said Director shall have authority, which is hereby delegated to him by the Commission, to administer the presently effective emergency rules and regulations, promulgated by the Commission in Decision No. 41256, heretofore rendered in this case, and he is hereby granted authority to abrogate or amend such rules and regulations, if he finds that public interest and necessity so require. Said Director is hereby granted authority to issue additional and/or other rules and regulations when he shall find that public interest and necessity so require.

(4) That the public utilities above named, during the existence of the present emergency, shall operate and maintain their plants, facilities and service in such manner as may be directed from time to time by said Director.

(5) That said Director, with the authority and approval of the Commission, may deputize a person or persons to perform and discharge the duties, or any thereof, and exercise the authority, or any thereof, delegated to him and any such deputy, so appointed, is hereby granted all necessary authority to carry out the duty or

duties enjoined upon him.

(6) That said Director shall report to the Commission all action taken by him within the course and scope of his official duties as such Director and he shall also report to the Commission all action taken by any person deputized pursuant to paragraph (5) of this order or he shall cause such report to be made to the Commission.

(7) That the public utilities above named, during the existence of the present emergency, shall operate their plants, facilities and service in such manner as best calculated to subserve the interest of the people as a whole by eliminating waste and unnecessary use, thereby conserving, so far as possible, electrical power and energy for agriculture and productive industry, and all electrical utilities, operating under the jurisdiction of this Commission, shall interchange electrical power and energy between areas of shortage and other areas, wherever such interchange is possible and is in the public interest; provided, that said public utilities, at all times during the existence of the present emergency, shall be subject to the authority of said Director and the jurisdiction of this Commission.

(8) That this case is held open and the Commission reserves the power to make such further order or orders in this proceeding as may, at any time or from time to time, appear to it just, necessary or reasonable.

The Commission hereby finds as a fact that public interest and necessity require that this decision become effective on the date hereof.

The Secretary is hereby directed to serve by registered mail a certified copy of this decision upon each of the seven public utilities named in this decision and upon such other parties as the



Commission may designate.

Dated, San Francisco, California, this 16<sup>th</sup> day of March,  
1948.

R. Z. [unclear]  
Justus F. [unclear]  
[unclear]  
Harold P. [unclear]  
[unclear]  
Commissioners

APPEARANCES - CASE 4939

Ralph H. Gerdos and Ralph W. DuVal for Pacific Gas and Electric Company; Hugh Fullerton and J. K. Horton for Coast Counties Gas and Electric Company; Reginald L. Vaughan for Vallejo Electric Light and Power Company; J. S. Moore, Jr. and J. C. Boyle for The California-Oregon Power Company; Charles L. Kaupke for Kings River Water Association; Kenneth R. McSwain for Merced Irrigation District; Helga Weigert for California Farm Research and Legislative Committee; Harry Barnes for Madera Irrigation District; Sidney E. Roberts of Orriok, Dalquist, Neff, Brown & Harrington for California Pacific Utilities; J. J. Deuel and Edson Abel for California Farm Bureau Federation; Martin McDonough for Sacramento Municipal Utility District; H. B. Eastman for Madera County Farm Bureau and other farm groups; Ernest J. Gorman and Lewis E. Manchett, Jr. for Yuba Consolidated Gold Fields; E. D. Murray for State Engineer; Gail C. Larkin and Bruce Roxwick for Southern California Edison Company; L. A. Bailey and Reginald L. Vaughan for Pacific States Cold Storage Warehousemen's Assn. and California Association of Ice Industries; L. H. Walters for Golden State Co., Ltd.; G. A. Baxter for Alameda Bureau of Electricity and California Municipal Utility Assn.; H. G. Becker for Plumas-Sierra Rural Electrification Coop. and Surprise Valley Electrification Corp.; Pierce J. Deasy for the Armed Services; C. S. Smith for City of Palo Alto; O. L. Becker for Madera Chamber of Commerce; John J. O'Toole, Dion R. Helm and Paul L. Beck for City and County of San Francisco and for Public Utilities Commission of San Francisco; E. L. Weber for Fiberboard Products and Glass Containers; R. L. Chaney for Glass Containers Manufacturers Institute; Melvin S. Faith for Oil Workers International Union, Local 5; Paul M. Sapp for Public Housing Authority; Harold Brown for Fresno Chamber of Commerce; Wayne Ball for Calif. State C-I-O. Council; Frank Tracy for Sierra Pacific Power Company; M. P. Lehso for Central Valley Empire Association; Roy R. McLain, Wasalia, for Citrus Association; O. M. Davis for California State Grange; Fred K. Woolley for Orange Cove Irrigation District; H. V. Eastman for Madera County Farm Bureau; Joe C. Lewis for California Farm Research and Legislative Committee; Wayne W. Evans for Tulare Lake Basin Water Storage District; A. W. Stone for Fresno County Pomona Grange; George D. Jagels for Woodland Farms, Inc.; S. V. Christerson for Monterey Agricultural Committee and Salinas Chamber of Commerce; Chas. F. Lambert for Glenn-Colusa Irrigation District; Jacinto, Provident, Princeton-Cordora-Glenn, Maxwell, Compton-Dolevan Irrigation Districts; and Compton Water District; I. C. Zumwalt for I. C. Zumwalt Co.; Jack T. Baillie for Growers-Shippers Vegetable Assn.; Jerry W. Fielder for Pacific Alfalfa Millers Institute; Charles V. Woods for East Contra Costa Irrigation District; Guy Smith for Orland Unit Water Users Assn.; J. A. Hall and J. D. Patterson for Patterson Water Co.; William N. Keeler for Raisin and Dried Fruit Processors of San Joaquin Valley; Roy J. Ladra for Salinas Marketing Co-operative; George W. Trauger for Lindsay-Strathmore Irrigation District; C. A. Keffernan for California Poultry Council, Sacramento; J. L. Sawyer for Sheep and Cattlemen of Oakdale District; George K. Anderson for Byron-Bothany Irrigation District of Contra Costa County and Irrigation District Association of California; Frank Andrews for Modesto Water Users Assn.; D. A. Hawkins for Fig Garden Farm Bureau Federation and Fig Garden District; Lloyd E. Howitt for Sutter Mutual Water District; Chester R. Andrews for Carl Hobe and Hobe Estate and Robert Krayenbuhl; Henry Krum for Fresno County Consolidated Milk Producers Assn.; George Akors for Alpaugh Irrigation District; Walter Weeth; R. Quinn, Sanger Chamber of Commerce for group of farmers; R. J. Marsh for Cannery League of Calif.; H. W. Chutter for California Concrete Pipe Manufacturers Assn.; C. A. Fernald for Pacific Fruit Spray Company; A. R. Knight; W. G. Ripley; Bernard Rocca; L. C. Wolfson for California Holstein Breeders Assn. and for group of dairymen and farmers in Dos Palos and Los Banos area; E. Fleischmann for Calif. Manufacturers Assn.; Norman Holt; Roy Flanagan; Clay Bernard for American Electric Co.; Mrs. Karl Hagar for Santa Cruz County Farm Research and Legislative Committee; E. Rainbow for Beilormakers Union; Oliver O. Rands for Office of Commandant, 12th Naval Dist.; Judson Zimmer for Beechnut Packing Co.; John H. Bier for American Home Foods, Inc.; Mel Weiss for Mols Drive-In Restaurant; Mrs. H. C. Rasmussen for Yuba County Farm Research & Legislative Committee;

E. A. Nickelsen for California-Pacific Utilities Co.; Paul H. Keane for Central Valley Empire Assn. and Fresno County Chamber of Commerce; M. R. Mausshardt and H. A. Dannenbrink for Electrical Products Corp.; Calif. Hay, Grain and Feed Dealers Assn.; William Reich for California Farm Research and Legislative Committee; F. L. Treanor and A. Farry for Caterpillar Tractor Co.; E. G. Williams for Grocery District Assn. of No. Calif.; Robert P. Manasse; L.A.W. Sherwood for C. E. Grosjean Rice Milling Co.; J.A. McCullough for Eitel-McCullough, Inc. & Radio Diablo, Inc.; E. E. Anderson for Metal and Thermit Corporation; Robert L. Freitas for San Jose Baseball Club, Inc.; R. E. Semas for City of Santa Clara; J. Edgar Diok for California Cattlemen's Assn.; E. F. Forbes for Western States Meat Packers Assn., Inc.; S. C. Uhler for The Clidden Company; A. G. Potter, Jr. for Western Spectaculars, Inc.; Wallace Matluck for Green Glen Linen Service; C. T. Butler for Hercules Powder Co.; E. H. Farmer for Lockheed Aircraft Corp.; E. L. Ralston for The Chemical & Pigment Co.; E. E. Blackie for Reclamation Dist. No. 108; C. W. Flanze for Cladding McBean & Co.; A. Rodriguez for R. & S. Food Mart; W. R. Bowman for National Lead Co.; A. W. Simpson, 3rd for Western Die Casting Company; J. C. Sponcer for Dept. of Public Utilities; A. T. Augensen and K. S. Andem for American Can Company; J. Van den Bergh for Noon Sales & Service Co.; R. S. Booth for United Iron Works; F. S. Clough for Retail Merchants, Inc.; J. S. Ray for Grayson Shops; Harold Stelling for Cabinet Mfg. Association; Lloyd Walter for Moores; Arnold Ross for Calaveras Cement Co.; Ross C. Bloy for National Neon Co.; E. G. Hooker for Kertlok Mfg. Co.; Edgar B. Jossup for Marchant Calculators; Q. Cartull for General Metals Corp.; Archie Green for American Veterans Committee; E. E. Belz and M. V. Merriman for Western Union Telegraph Co.; E. N. Jensen for Fleischhacker Paper Box Company; Philip A. Coxon for Moore Drydock Co.; G. C. Coffee for Pure Carbonic, Inc.; T. Wayne Gibson for Pure Carbonic, Inc.; R. E. Johnson for Uarco, Inc.; A. L. Donnoy for Permanente Cement Co.; Marie Grossetti for Shipfitters & Helpers Local #9; J. K. Koford for Calif. Outdoor Advertising Co.; James Conaghan for Dairy Institute of Calif.; Jos. Ziff for Bay Cities Metal Trades Council; A. Iantosa for Santa Clara County Farm Bureau Federation; A. M. Miller for Costume Jewelers; Jas. G. Hamilton for Calif. State Brewers Institute; Alee Smith for Kern County Recreation Dept.; Chas. B. Truxx for International Assn. of Machinists; F. D. Helverson for Western Waxed Paper Co.; R. C. Cathcart for American Trust Co.; P. J. Angius for Pacific Vegetable Oil Corp.; T. C. Kaufman for Lerner Shops; W. O. Michaels for Sherwin-Williams; C. L. Seaman for Bay Cities Metal Trades Council; Jerry Denovan for Far-West Baseball League; R. C. Macduff for Hastings Clothing Store; L. A. Ireland for Employing Printers Assn.; Fred E. DuBoan for Leeds-Chandlers and Burts Shoe Stores; Max Randall for Graysons; C. J. Grieder for Meyers Safety Switch Co., Inc.; E. F. Ferrari for International Brotherhood of Elec. Workers Local #6; P. F. Thayer for National Motor Bearing Co.; A. C. Beeson for Food Machinery Corp.; J. J. Dempsey for Rhoem Mfg. Co.; R. J. Wrenn for Stecher-Traug Lithograph Corp.; Bert Schwarz for Vendorlater Mfg. Co.; W. R. Knapp for Pacific Brewing & Malting Co.; L. C. McCabe for Apex Neon Co.; C. L. Wolfe for Ford Motor Co.; Wm. P. Cleok for West Coast Advertising Co.; F. Stettner for Victor Equipment Co.; A. H. Jones for Fairmont Laundromat; Wm. E. Cotter for Florsheim Shoe Co.; W. A. Garoni for Stater Building and Construction Trades Council of Calif.; T. T. Taylor for Landowners in Reclamation Dist. #2068; Thomas F. Mason for Erie Mfg. Co.; S. G. Krakoff for Zukor's Inc. of Oakland; G. C. Berkeley for Zukor's Inc. of San Francisco; J. H. Cox for Westinghouse Electric Corp.; T. F. Mason for Albert Wright; G. K. Van Kleock for Continental Can Co.; W. W. Petry for Wildberg Bros. and S & R Co.; Mrs. Eva Jacobs for Novelty Jewel Shops; J. A. Lloyd for S & C Motors; W. P. Fuller, 3rd for W.P. Fuller & Co.; E. T. Lintott for Judson Steel Corp.; K. F. Rosentreter for Western Crown Cork & Seal Corp.; R. C. Carpenter for California Peanut Co.; F. N. Bradley for Auto-Lite Battery Corp. of Calif.; Frank J. McCarthy for Central Calif. Berry Growers; R. E. Hedekind for Pacific Fruit Express Co.; F. M. McAuliffe for Northern Calif. Bakers Assn.; Karl M. Stull for

Retail Dry Goods Assn.; Wm. Clacok for West Coast Advertising Co.; P. S. Mathews for Liquid Ice Co. and Spiegel Food, Inc.; Z. E. Jones for Refrigeration Contractors Assn. of Northern Calif.; Barney Mayes for Calif. State Federation of Labor; F. H. Hawkins for Cannery League of Calif.; W. J. Phillips for Bakery Wagon Drivers Union; Gordon Lyons for Calif. Asparagus Growers Assn.; W. J. Edinger for Canning Peach Growers; E. N. Richmond for Cannery League of Calif.; R. B. Harris for James and Tranquility Irrigation Districts; E. A. Dunlap for Dried Fruit Association; H. R. Lange for Cutter Laboratories; J. W. Fielder for Pacific Alfalfa Millers Institute, Inc.; Wm. H. Oliver for V.P. Oliver United Filters and Alameda County Manufacturers Div. of Oakland Chamber of Commerce; G. W. Sanborn; Paul St. Sure for Milk Products Manufacturers Assn.; R. N. McMaster for Chancellor-Canfield Midway Oil Co.; W. P. Wing for Calif. Cattlemen's Assn. and Calif. Wool Grower's Assn. and Calif. Cattlemen's Wool Growers Assn.; J. E. Wiggins for Reclamation District No. 2068; Pete Woodcock for Richmond Chamber of Commerce; Fred D. Parr for Parr-Richmond Terminal Co.; Dana Murdock for Tinning & Delap and American Radiator & Standard Sanitary Corp.; Conrad T. Hubner for Vulcan Steel Foundry; R. L. Cheney for Glass Container Mfrs. Institute; J. F. Harr for Calif. Poultry Council; S. J. W. Sharp for Tulare Lake Basin Water Storage Dist.; R. M. Searls for Gold Mining Association; A. G. Potter, Jr. for Western Spectaculars, Inc.; F. K. Woolley for Pollard Bros. Ltd.; Chas. S. Gubser for Santa Clara County Farm Bureau Federation; Fred Grow for Calif. Farm Research & Legislative Committee; W. K. Peterson for Calif. Baseball League; R. E. Clarke for Marine Magnesium Products Corporation.