

Decision No. 87631 JUL 19 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of G & H TRANSPORTATION, INC., a
California corporation, for an
in lieu Certificate of Public
Convenience and Necessity to
operate as a highway common
carrier for the transportation of
property in intrastate and interstate
and foreign commerce.

Application No. 56123
(Filed December 11, 1975)

Donald Murchison, Attorney at Law, for applicant.
Russell & Schureman, by R. Y. Schureman, Attorney
at Law, for City Freight Lines and Smith
Transportation, protestants.

O P I N I O N

G & H Transportation, Inc. (G & H), a corporation, operates pursuant to a highway common carrier certificate which authorizes the transportation of general commodities, with the usual exceptions, between points in the Los Angeles Basin Territory, between points in the San Diego Territory, and between the two territories, serving all intermediate points and places on and within ten miles laterally of Interstate Highways 5 and 15 (U.S. Highway 395). The authority is set forth in Appendix A of Decision No. 83830 dated December 17, 1974 in Application No. 55143. It also has concurrent authority from the Interstate Commerce Commission (ICC) to operate in interstate and foreign commerce within this area. Additionally, G & H operates in intrastate commerce pursuant to radial highway common carrier and highway contract carrier permits issued by the Commission.

By this application, G & H seeks an extension of its highway common carrier authority to include service in intrastate, interstate, and foreign commerce between its present certificated area and Goleta, serving all points and places on and within ten miles laterally of U.S. Highway 101. A copy of the application has been filed with the ICC pursuant to Section 206(a)(6) of the Interstate Commerce Act, and notice thereof appeared in the Federal Register on January 7, 1976. The application was protested by City Freight Lines (CFL) and Smith Transportation Company (Smith). Public hearing was held before Examiner Arthur M. Mooney in Los Angeles on July 20 and 21, October 6, and November 9, 1976 and in Santa Barbara on October 5, 1976. The matter was submitted upon the filing of the last volume of transcript on December 1, 1976.

Applicant

The vice president of operations and sales of G & H testified that G & H commenced operations in 1948; that it initially operated in the Los Angeles Basin Territory and later expanded its operations to include the San Diego Territory; that it now has extensive intrastate and interstate and foreign operations within and between these two territories; that it operates occasionally under its radial highway common carrier authority between the Los Angeles and San Diego areas, on the one hand, and the San Francisco Bay area and Fresno, on the other hand; and that it operates under its highway contract carrier authority between its present certificated area and Goleta and intermediate points. He stated that G & H is now a party to Western Motor Tariff Bureau Tariffs 107, 111, and 113 for its current certificated intrastate and interstate and foreign operations and that it will publish rates in these tariffs for its sought extended operation if the

application is granted. He testified that G & H's main terminal and office are located in Montebello, and it has two terminals in San Diego and also terminals in Vernon, Los Angeles, and San Marcos. He asserted that G & H handles order notify and C.O.D. shipments and has the required C.O.D. bond on file with the Commission. The witness stated that G & H has 54 tractors, 43 vans, and 12 flat-bed trailers, 66 bobtail trucks, and various other utility equipment; that it has 177 employees at its various terminals; and that it services and maintains its own equipment.

The vice president testified as follows regarding his company's present certificated operations: It has divided the Los Angeles Basin Territory into seven areas. Each area is served by from one to four trucks on a daily basis. Each truck delivers freight on its outbound run and picks up freight on its return to the terminal. Normally a truck will not return to the terminal until after 5 p.m. and some do not return until as late as 9 p.m. Twelve trucks are operated daily on regular pick-up and delivery schedules in the San Diego Territory. From four to six schedules are operated daily both southbound and northbound between Los Angeles and San Diego. Generally, the southbound trucks are fully loaded, and since San Diego is primarily a consuming area, the northbound trucks have approximately a 50 percent load factor. G & H has an intensive safety program for its drivers and carries more than adequate liability insurance. All of its equipment is radio equipped.

The vice president presented the following evidence regarding the sought certificate extension: Prior to October 1975, G & H interlined all of the freight given to it for this area with another highway common carrier which was authorized to serve here. However, the other carrier informed G & H in August 1975 that it would no longer accept interline freight after 4:30 p.m. which

meant that freight picked up by G & H after 4 p.m. would not be delivered until two days later. Also, the other carrier began soliciting the customers of G & H for whom the interlining was performed. For these reasons, G & H commenced serving the sought area itself direct from the Los Angeles and San Diego areas in October 1975 under its highway contract carrier authority. The freight bills for all shipments into this area have a notation in the upper right hand corner that the transportation is performed under contract authority. Generally, transportation to this area from Los Angeles and San Diego is overnight, Monday through Friday. Saturday service will be provided if requested. G & H can accommodate pick ups as late as 11 p.m. in the Los Angeles area and as late as 6 p.m. in the San Diego area for next-day delivery to the sought area. It does not solicit freight for this area and has oral contracts for all of the transportation it performs here. It now has 10 to 15 shipments totaling approximately 8,000 to 9,000 pounds per day into the sought area. Generally, a tractor and 27-foot trailer are used for this transportation. The sought area is basically a consuming area with little outbound freight. G & H now has only one regular customer in this area who ships 300 to 500 pounds of bread on Monday evenings to San Marcos. However, some small electronic firms are now locating here, and they will have southbound shipments. G & H has recently transported a small amount of foreign freight to Port Hueneme, which is in the sought area, for export to Antarctica for S & M Freight Lines under that carrier's ICC authority. G & H does handle distribution of interstate and foreign freight within its present certificated area and would handle some of this freight into the sought area if the proposed interstate and foreign authority is granted. Its present contract operations into this area are at a break-even point, and if the sought authority is granted, it would become a profitable operation.

G & H does not now have or intend to build a terminal in the sought area. It has the financial resources to provide the proposed service and add any additional equipment that may be necessary. Except for an increase in volume, its service to the sought area, should the application be granted, would be substantially the same as that now provided.

The vice president set forth the following reasons for seeking the additional certificated authority: The demand by various shippers for G & H's service for the sought area has increased to a point where it cannot provide this additional service without certificated authority. A regularly scheduled direct service would be substantially more convenient for its customers. G & H would not have to separate shipments for this area and make a notation that it is a contract operation on the freight bills, and this would save work for it. It could actively solicit business for the area, and this would round-out its certificated operations. The possibility of back-soliciting by any certificated carrier it might interline freight into this area with would be eliminated. It could handle interstate and foreign shipments here as well as intrastate shipments. It would be a financial benefit to it and would not cause any undue harm to the five or so certificated carriers who now serve the area.

The following financial data was presented by the controller of G & H: As of May 31, 1976, G & H had assets of \$1,402,185, liabilities of \$1,002,781, and a shareholders equity of \$393,404. For the five-month period ending May 31, 1976, it had revenue of \$2,105,861, a net profit before federal and state income taxes of \$34,968, and an operating ratio of approximately 98 percent. From 1969 to 1975 its gross revenue increased from \$1,593,096 to \$4,344,846. For the year 1975, it had a net profit of \$14,962 on which it did not have to pay income taxes.

Representatives of 15 shippers testified in support of G & H. One has his place of business in Ojai in the sought area, another has his place of business in San Marcos, a third has his place of business in San Diego, and the remaining twelve have their places of business in various locations in the Los Angeles Basin Territory. The one in Ojai testified that his company ships approximately 500 pounds of bread and buns to San Marcos each Monday; that they are extremely perishable and must be delivered by early the next morning; that it had problems with a number of carriers because of delays in transit time; and that it is now using G & H for this transportation and is receiving excellent service from it. The one in San Marcos testified that his company ships approximately one shipment per week ranging from 100 to 500 pounds to various locations in the sought area; that many carriers are not interested in the small amount of freight it ships to this area; and that it is now using G & H for this transportation and is receiving good service from it. The shipper in San Diego testified that his company ships approximately 500 pounds of restaurant equipment and supplies daily to many locations in the sought area; that it receives two shipments per month averaging 300 pounds each from a supplier in Goleta, which is in the proposed area; and that it is now using G & H for this transportation and is receiving much better service than it did from other carriers.

Following is a summary of the testimony presented by the representatives of the twelve shippers located in the Los Angeles Basin Territory: They ship a wide variety of general commodities, including stereos, recorders, various types of electronic equipment and supplies, spray equipment, musical instruments, motorcycles, flashlights, autobulbs, paint brushes and related items, hardware, furniture, all types of construction material and supplies, caulking and water-proofing items, compressed gas in steel cylinders and gas

related equipment, and food items. All have used G & H's service. Most have from 4 to 20 shipments per day ranging from 50 to several hundred pounds each to various locations in the sought area. One has a continuing construction and maintenance contract at Antarctica and also similar contracts at other overseas locations and frequently ships substantial foreign tonnage through Port Hueneme and Point Mugu, both of which are located in the sought area. Several others also have some interstate or foreign shipments to this area. Some also have refused or return shipments from the sought area, but these are not substantial in number. Most have and are continuing to experience a substantial growth in their businesses. Several have limited dock space and, because of this, require prompt pick-up of their shipments. All have found G & H's present service to be excellent, personalized, prompt, and reliable. Some are aware of or have used the services of other common carriers to or from the sought area, and a few complained about the services they received from other carriers. All will continue to use G & H's service, and some will use it on a more frequent basis, if the sought authority is granted.

Protestants

The following evidence was presented by the president of CFL: He has been the president since the company was incorporated 29 years ago. CFL operates as a highway common carrier under authority from this Commission and coextensive authority from the ICC generally between San Francisco on the north and San Diego on the south, including G & H's present certificated area and the sought area. CFL has four terminals in the Los Angeles Basin Territory and also has terminals in Oxnard, which is in the sought extended area, and in Santa Maria, which is north thereof. It has a substantial amount of motor equipment, all of which is radio equipped and computer dispatched. Much of the freight picked up within 50 miles of the center of Los Angeles and delivered within

this 50-mile radius is accorded same-day service, and beyond that, delivery is the next morning. There is considerable traffic into Ventura and Santa Barbara Counties but very little traffic from them. Much of the business handled by CFL to these two counties is interstate from freight forwarders or from the Los Angeles International Airport (LAX) at which it has extensive air freight motor carrier operations. It operates approximately 9 to 10 schedules each night between the sought area and the Los Angeles Basin Territory, and it also operates additional schedules for air freight shipments between the proposed area and LAX. CFL has two salesmen in Ventura and Santa Barbara Counties. It has severe competition from other highway common carriers and also from permitted carriers here. If the sought authority were granted, it would further dilute the traffic available to CFL in this area. It lost money in 1975 and 1976 on the segment of its operations in these two counties, and the additional competition of another highway common carrier here would aggravate this situation. It needs every bit of freight it can obtain for this area.

The district sales manager for the Los Angeles area for Smith presented the following evidence: He has held this position for over five years. Smith operates as a highway common carrier pursuant to authority from this Commission and from the ICC between the Los Angeles area and the sought area and also between numerous other points in California. It does not serve the San Diego area. It has terminals at Pico Rivera, Oxnard, Santa Barbara, Santa Maria, and other locations in the state, and it operates a large fleet of motor equipment. Approximately 90 percent of its pick-up units are radio equipped. It actively solicits traffic for the requested area. Its service between the Los Angeles and sought areas is overnight, and it operates numerous schedules each night between the two areas. Fifteen to 20 percent of the traffic it handles is interstate freight from its car loading operations for transcontinental carriers. It

also transports a substantial amount of airfreight. Smith has either provided some service for or has solicited at least seven of the companies that support G & H in this matter. There are quite a few highway common carriers competing with Smith in the sought area. There is very little southbound freight from here. The addition of another highway common carrier in the area, should the application be granted, would have a serious adverse effect on Smith.

Discussion

The record establishes that G & H, although its profits have not been substantial, is in a reasonably sound financial condition; that it has a large amount of available equipment; and that it is experienced in transporting general commodities. The major issue before us is whether public convenience and necessity require any or all of the sought authority. We are of the opinion that the evidence does support an affirmative finding on this issue.

G & H basically handles small shipments ranging up to several hundred pounds in weight although it does at times handle larger shipments. All of its equipment is radio equipped. Its routes and schedules in its present certificated area are designed to provide a prompt and reliable service for its customers. G & H proposes to offer a similar quality of highway common carrier service in the extended area if the application is granted. According to most of the public witnesses who appeared on its behalf, their businesses require the type of service G & H has been providing for them in its present certificated area, they have had some service problems with other highway common carriers in the sought area, and although G & H has been providing a limited service for them in the sought area under its highway contract carrier authority, they require the same type of reliable highway common carrier service from it here that it is providing for them in its

present area. Some of the supporting witnesses would also use G & H for interstate and foreign shipments into the proposed area if it is authorized to perform this transportation. Furthermore, according to the vice president of G & H, his company has had numerous requests from other shippers to provide highway common carrier service here. It is apparent that the proposed service is desired by many and is designed to meet their transportation needs. A representative showing has been made to establish that there is a public need for the proposed service both in intrastate and in interstate and foreign commerce.

As has been pointed out by G & H and the two protestants, a substantial amount of freight is shipped into the sought extended area, but there is a relatively small amount of freight that originates there. According to the testimony of G & H's vice president, his company has, under these conditions, been able to at least break even under its restricted highway contract carrier operation in this area and expects, if the application is granted, to be able to make money here once its highway common carrier service is in full operation. He also pointed out that he does expect some revenue traffic from this area. Furthermore, the sought area is growing.

Both protestants, CFL and Smith, provide intrastate and also interstate and foreign highway common carrier service in the sought area. It is apparent that the added competition of an additional carrier with similar authority to serve this area would have some effect on their businesses. However, the protestants, in addition to the sought areas, also operate in other parts of the state. It is unlikely that G & H would have any severe effect on the financial condition of these two carriers or their ability to serve the public. Furthermore, since G & H is already providing service in the sought area under its highway contract carrier authority, it is unlikely that its competitive threat to the protestants would be substantially increased if the authority is granted.

It is apparent that the additional highway common carrier service by G & H authorized herein would not have a significant effect on the environment. As stated above, G & H is already operating in this area under its permitted authority, and while there would be some increase in its activity under the new authority, its environmental effect would be minimal.

We are of the opinion that the application should be granted.

Findings

1. G & H holds a certificate for public convenience and necessity issued by this Commission and coextensive authority from the ICC authorizing it to operate as a highway common carrier, with the usual exceptions, in intrastate, interstate, and foreign commerce between all points in the Los Angeles Basin Territory, between all points in the San Diego Territory, and between the two territories. It also holds radial highway common carrier and highway contract carrier permits authorizing statewide operations with the exception of operations wholly within the City and County of San Francisco.
2. It seeks intrastate, interstate, and foreign highway common carrier authority to serve between its present certificated area and Goleta, serving all points and places on and within ten miles laterally of U.S. Highway 101.
3. The sought extended area is primarily a consuming area with few industries, and for this reason, traffic for this area is primarily inbound with very little outbound. However, small electronic firms are locating here, and it is anticipated that they will have shipments into G & H's present certificated area.
4. Prior to October 1975, G & H interlined freight it had for the sought area with another highway common carrier for delivery there. However, it experienced difficulties with this arrangement.
5. Since October 1975, G & H has been operating under its highway contract carrier permit authority between its present

certificated territory and the sought extended area. This service is overnight. It is now transporting approximately 10-15 shipments with a total weight of 8,000 to 9,000 pounds per day to the sought area. Some of this service may be approaching, if it is not already, a highway common carrier type of operation. It has one haul of 300 to 500 pounds per week from this area and also transports some return shipments from it that have been refused by consignees.

6. The representatives of the 15 shippers who appeared for G & H support the sought extension of its highway common carrier operations. Most now use G & H in its present certificated area, and some have used its permitted service to or from the sought area. All indicated that G & H provides an excellent, personalized, prompt service which meets their transportation needs. Most have been experiencing a growth in their businesses. Some are aware of or have used other highway common carriers, and a few had several complaints about the service they received from them. If the application is granted, all will use G & H's proposed intrastate service, and some will also use its proposed interstate and foreign service.

7. The sought extended area is now served by various highway common carriers, some of which, including CFL and Smith, provide interstate and foreign as well as intrastate highway common carrier service here. CFL has been losing money on this segment of its operation. However G & H has been providing service here under its permitted authority, and it has not been shown that the additional service it might provide if the authority is granted will seriously affect CFL, Smith, or the other highway common carriers now serving this area.

8. G & H has the necessary personnel, equipment, and ability to provide the proposed service.

9. Public convenience and necessity require that applicant be authorized to engage in operations in intrastate commerce as proposed in the application and also require that applicant be authorized to engage in operations in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations authorized by this decision.

10. It can be seen with certainty that there is no possibility that the activity authorized herein may have a significant effect on the environment.

11. An in lieu highway common carrier certificate incorporating both G & H's present certificated authority and that granted herein should be issued to G & H.

Conclusion

The application should be granted as set forth in the ensuing order.

G & H is placed on notice that operative rights, as such, do not constitute a class of property which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or canceled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to G & H Transportation, Inc., a corporation, authorizing it to operate as a highway common carrier, as defined in Section 213 of the Public Utilities Code, between the points and over the routes set forth in Appendix A of this decision.

2. In providing service pursuant to the authority granted by this order, applicant shall comply with the following service regulations. Failure so to do may result in cancellation of the authority.

- (a) Within thirty days after the effective date of this order, applicant shall file a written acceptance of the certificate granted. Applicant is placed on notice that if it accepts the certificate it will be required, among other things, to comply with the safety rules administered by the California Highway Patrol and the insurance requirements of the Commission's General Order No. 100-Series.
- (b) Within one hundred twenty days after the effective date of this order, applicant shall establish the authorized service and amend or file tariffs, in triplicate, in the Commission's office.
- (c) The tariff filings shall be made effective not earlier than thirty days after the effective date of this order on not less than thirty days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the establishment of the authorized service.
- (d) The tariff filings made pursuant to this order shall comply with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 80-Series.
- (e) Applicant shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before April 30 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

- (f) Applicant shall comply with the requirements of the Commission's General Order No. 84-Series for the transportation of collect on delivery shipments. If applicant elects not to transport collect on delivery shipments, it shall make the appropriate tariff filings as required by the General Order.

3. The certificate of public convenience and necessity granted in paragraph 1 of this order shall supersede the certificate of public convenience and necessity granted by Decision No. 83830, which certificate is revoked effective concurrently with the effective date of the tariff filings required by paragraph 2(b).

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 19th day of JULY, 1977.

Robert Bateman
President
William J. Mason Jr.
Vernon L. Stevenson
Charles D. Howell
Commissioners

Commissioner CLAIRE T. DEDRICK

Present but not participating.

G & H Transportation, Inc., by the certificate of public convenience and necessity granted in the decision noted in the margin, is authorized to conduct operations as a highway common carrier as defined in Section 213 of the Public Utilities Code for the transportation of general commodities as follows:

- A. Between all points and places within Los Angeles Basin Territory as described in Note A hereof.
- B. Between all points and places in San Diego Territory as described in Note B hereof.
- C. Between the Territories described in Paragraphs A and B above serving all points and places on and within ten (10) statute miles laterally of Interstate Highways 5 and 15.
- D. Between all points and places within the Territories described in Paragraphs A, B and intermediate points as indicated in Paragraph C above, on the one hand, and Goleta, on the other hand, serving all points and places on and within ten (10) statute miles laterally of U.S. Highway 101.

Except that pursuant to the authority herein granted carrier shall not transport any shipments of:

1. Used household goods, personal effects and office, store and institution furniture, fixtures and equipment not packed in salesmen's hand sample cases, suitcases, overnight or boston bags, brief cases, hat boxes, valises, traveling bags, trunks, lift vans, barrels, boxes, cartons, crates, cases, baskets, pails, kits, tubs, drums, bags (jute, cotton, burlap or gunny) or bundles (completely wrapped in jute, cotton, burlap, gunny, fibreboard, or straw matting).
2. Automobiles, trucks and buses, viz.: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis, freight automobiles, automobile chassis, trucks, truck chassis, truck trailers,

Issued by California Public Utilities Commission.

Decision 87631, Application 56123.

trucks and trailers combined, buses and bus chassis.

3. Livestock, viz.: barrows, boars, bulls, butcher hogs, calves, cattle, cows, dairy cattle, ewes, feeder pigs, gilts, goats, heifers, hogs, kids, lambs, oxen, pigs, rams (bucks), sheep, sheep camp outfits, sows, steers, stags, swine or wethers.
4. Liquids, compressed gases, commodities in semi-plastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles.
5. Commodities when transported in bulk in dump-type trucks or trailers or in hopper-type trucks or trailers.
6. Commodities when transported in motor vehicles equipped for mechanical mixing in transit.
7. Portland or similar cements, in bulk or packages, when loaded substantially to capacity of motor vehicle.
8. Logs.
9. Articles of extraordinary value.
10. Trailer coaches and campers, including integral parts and contents when the contents are within the trailer coach or camper.
11. Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerator equipment.
12. Explosives subject to U. S. Department of Transportation Regulations governing the Transportation of Hazardous Materials.

Issued by California Public Utilities Commission.

Decision 87631, Application 56123.

In performing the service herein authorized, carrier may make use of any and all streets, roads, highways and bridges necessary or convenient for the performance of said service.

NOTE A

LOS ANGELES BASIN TERRITORY

Los Angeles Basin Territory includes that area embraced by the following boundary: Beginning at the point the Ventura County-Los Angeles County Boundary Line intersects the Pacific Ocean; thence northeasterly along said county line to the point it intersects State Highway 118, approximately two miles west of Chatsworth; easterly along State Highway 118 to Sepulveda Boulevard; northerly along Sepulveda Boulevard to Chatsworth Drive; northeasterly along Chatsworth Drive to the corporate boundary of the City of San Fernando; westerly and northerly along said corporate boundary of the City of San Fernando to MacLay Avenue; northeasterly along MacLay Avenue and its prolongation to the Angeles National Forest Boundary; southeasterly and easterly along the Angeles National Forest and San Bernardino National Forest Boundary to Mill Creek Road (State Highway 38); westerly along Mill Creek Road to Bryant Street; southerly along Bryant Street to and including the unincorporated community of Yucaipa; westerly along Yucaipa Boulevard to Interstate Highway 10; northwesterly along Interstate Highway 10 to Redlands Boulevard; northwesterly along Redlands Boulevard to Barton Road; westerly along Barton Road to La Cadena Drive; southerly along La Cadena Drive to Iowa Avenue; southerly along Iowa Avenue to State Highway 60; southeasterly along State Highway 60 and U.S. Highway 395 to Nuevo Road; easterly along Nuevo Road via Nuevo and Lakeview to State Highway 79; southerly along State Highway 79 to State Highway 74; thence westerly to the corporate boundary of the City of Hemet; southerly, westerly and northerly along said corporate boundary to The Atchison, Topeka & Santa Fe right-of-way; southerly along said right-of-way to Washington Road; southerly along Washington Road through and including the unincorporated community of Winchester to Benton Road; westerly along Benton Road to Winchester Road (State Highway 79) to Jefferson Avenue; southerly along Jefferson Avenue to U.S. Highway 395; southerly along U.S. Highway 395 to the Riverside County-San Diego County Boundary Line; westerly along said boundary line to the

Issued by California Public Utilities Commission.

Decision 87631, Application 56123.

Orange County-San Diego County Boundary Line; southerly along said boundary line to the Pacific Ocean; northwesterly along the shoreline of the Pacific Ocean to point of beginning, including the point of March Air Force Base.

NOTE B

SAN DIEGO TERRITORY

The San Diego Territory includes that area embraced by following an imaginary line starting at a point approximately four miles north of La Jolla on the Pacific Coast shoreline running east to Miramar on U.S. Highway 395; thence following an imaginary line running southeasterly to Lakeside on State Highway 67; thence southerly on County Road S 17 (San Diego County) and its prolongation to State Highway 94; easterly on State Highway 94 to Jamul; thence due south following an imaginary line to the California-Mexico Boundary Line; thence westerly along the boundary line to the Pacific Ocean and north along the shoreline to point of beginning.

Issued by California Public Utilities Commission.

Decision 87631, Application 56123.