

AN ACT

TO BE SUBMITTED TO THE LEGAL VOTERS OF THE STATE OF WASHINGTON FOR THEIR APPROVAL OR REJECTION

AT THE

GENERAL ELECTION

TO BE HELD

On Tuesday, the Seventh day of November, 1916,

Passed by the Legislature and Proposed to the People by Referendum Petition, filed in the office of Secretary of State February 11, 1916, commonly known as Public Service Utilities Measure.

(Will appear on the official ballot in the following form)

PROPOSED TO THE PEOPLE BY REFERENDUM PETITION.

REFERENDUM MEASURE NO. 7, entitled "An act amending chapter 117, Session Laws of 1911, being an act entitled: 'An act relating to public service properties and utilities, providing for the regulation of the same, fixing penalties for the violation thereof, making appropriation and repealing certain acts,' by adding an additional section thereto, to be known as Section 74A.

To sustain the legislative act, vote "FOR."

FOR Public Service Utilities Measure.....

AGAINST Public Service Utilities Measure.....

Referendum Measure No. 7

BALLOT TITLE

"An act amending chapter 117, Session Laws of 1911, being an act entitled: 'An act relating to public service properties and utilities, providing for the regulation of the same, fixing penalties for the violation thereof, making appropriation and repealing certain acts,' by adding an additional section thereto, to be known as Section 74A."

AN ACT amending chapter 117, Session Laws of 1911, being an act entitled: "An Act relating to public service properties and utilities, providing for the regulation of the same, fixing penalties for the violation thereof, making appropriation and repealing certain acts," by adding an additional section thereto, to be known as Section 74A.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Chapter 117 of the Session Laws of 1911, known as the "Pub-

lic Service Commission Law," is hereby amended by adding thereto an additional section to be known as Section 74A to read as follows:

Section 74A. No new public utility to render a service similar in character and location to the service rendered by any existing public utility in this state shall be constructed, maintained or operated without first obtaining a certificate of public necessity and convenience from the commission. Upon the filing of an application for such certificate the commis-

sion shall give reasonable notice in writing to the owner or operator of such existing public utility of the time and place when such application will be heard and after hearing and investigation if the commission finds from the evidence that public necessity and convenience require additional service the commission shall grant such certificate of public necessity and convenience to such operator as the commission shall determine.

The term "new public utility" when used in this section includes any public utility, whether municipally or privately owned, now or hereafter operating, or seeking to operate in this state for which no franchise or other authority to operate has been obtained, or any utility which desires to operate in a new territory, not contemplated in any franchise or authority heretofore granted, as well as any pub-

lic utility which may commence operation without a franchise, or which obtains its franchise after this act takes effect.

The term "public utility" used in this section, means every street railroad and street railway, interurban railroad and interurban railway, electric, gas, water and steam heating plant and system, now or hereafter constructed, used to serve the public for compensation, and whether municipally or privately owned.

Passed the Senate February 27, 1915.

Passed the House March 8, 1915.

Approved by the Governor March 19, 1915.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State,
March 25, 1915.

I. M. HOWELL, Secretary of State.

Argument in Favor of Referendum Measure No. 7.

THE CERTIFICATE OF CONVENIENCE AND NECESSITY.

This act is modeled largely from similar laws now in force in Wisconsin, California, Idaho, New York, Massachusetts, Illinois, Michigan, New Hampshire and many other states. The law is designed to prevent the unnecessary duplication of public utilities, such as gas, water, light and power and street railway systems. All of these utilities in this state are under the control and regulation of the Public Service Commission, which is vested with full power to regulate the service and fix the rates. Experience has shown that duplication of service and investment ultimately means higher and not lower rates, as there is but one source of income from which the utilities rendering the same service can obtain their revenue—the consumers. Where the Public Service Commission can fix the rate charges and service given, it can compel the utility to give a reasonable rate, and it has been found that in most cases where a community is only large enough to support one plant that the advent of a new plant in the field to give similar service leads to consolidation. The Commission in fixing the rates is then confronted with its duty to permit the consolidated company to charge a rate which will return a reasonable rate of interest upon the duplicated or consolidated investment since the existing law provides that in fixing rates the Public Service Commission shall allow such a reasonable return.

The act provides that where there is an existing public utility giving good service at reasonable rates that no new company shall enter the field to duplicate this service, without first getting a certificate from the Public Service Commission. This Commission is vested with absolute and full authority in the matter and can grant or deny the certificate as it deems best for the community to be served.

In considering this act it must be borne in mind that the rates and service of these utilities are under the absolute control of the Commission so that no monopoly making excessive profits can be created.

Mr. Reynolds, Chairman of the Public Service Commission of Washington, in speaking upon this bill before the Senate Committee at the last

session of the legislature, quoted from the decisions of many of the state having such a law and then said:

"I have read this just to show you, gentlemen, that this is not a utility proposition; that it is not something that is merely for the benefit of the utility, but that as well it is an instrument in the hands of the commission to get public service at more reasonable rates for the public, and I can't understand why this measure will not work out for the best interests not only of the utility but of the public. We understand that when we cut the rates of these companies we have to give them more measure of protection. It is not fair to cut rates as the people demand and then on the other hand no way protect them and leave them open to all of the hazards, especially to those of competition."

A simple illustration of the application of this law. A school district at a cost of \$10,000.00 has provided a fine building ample for probable future requirements, four teachers are employed and the school facilities are of the best. Is it not perfectly clear that another building, a duplicate of the first, erected along side of it and in which the same number of teachers are employed would merely double the expenses of the district without benefit?

The interest of the public in this measure has been clearly shown. The utilities are interested since it permits them to make extensions in the new territory with some assurance that as long as they give good service at reasonable rates their investment will not be destroyed.

The approval of this act by the people will mean the expenditure of millions of dollars in this state by the utilities.

This law was approved by the Governor.

Respectfully submitted,
NORTHWEST ELECTRIC LIGHT
& POWER ASSOCIATION,
NORWOOD W. BROCKETT,
Chairman Executive Committee.

STATE OF WASHINGTON—ss.

Filed in the office of Secretary of State,
June 29, 1915.

I. M. HOWELL, Secretary of State.