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Decision No. 11626.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN JOAQUIN LIGHT AND POWER CORPORATION)
for revision and adjustment of rates.)

Application No. 6651.
(Supplemental)

BY THE COMMISSION:

SUPPLEMENTAL ORDER.

The Railroad Commission by Decision No. 11189, dated October 31, 1922, requires SAN JOAQUIN LIGHT AND POWER CORPORATION to set aside to its depreciation reserve for electric properties, on or before January 1, 1923, an amount sufficient to bring this reserve to a total of \$2,380,995.00 as of December 31, 1921. The decision of the Commission also requires the company to set aside to its depreciation reserve, commencing with the calendar year 1922, the sum of \$467,893.00 per annum, plus an amount per annum equal to that computed on the annuity rates as set forth in table No. 12 in the opinion of Decision No. 10348 on all net additions to depreciable capital made on or after January 1, 1922; and to set aside annually commencing with the calendar year 1922 to its depreciation reserve in addition to the annuity above, an amount equal to six per cent. on an accrued depreciation in the amount of \$2,380,995.00, plus all net additions to depreciation reserve made on or after January 1, 1922, in accordance with the decision.

In computing the annuity, no allowance was included for depreciation on transportation equipment for the reason that both operating and replacement charges for such equipment were included in operating expenses or charged to capital, depending on the use of the equipment. The company, therefore, asks that it be relieved from

accruing interest on the reserve accumulated to replace transportation equipment and to carry such reserve separate and apart from its electric plant reserve for depreciation. It is estimated that there is in the reserve for depreciation to replace transportation equipment the sum of \$175,908.00 as of December 31, 1921. This amount is included in the \$2,380,995.00 mentioned in Decision No. 11189. Deducting the \$175,908.00 from the \$2,380,995.00 leaves a balance of \$2,205,087.00 which should be in the company's depreciation reserve to replace electric properties.

In Decision No. 10348, dated April 25, 1922, the Commission included in the rate base general capital representing the sum of \$416,168.68, on which no depreciation annuity was calculated. This amount includes the transportation equipment. The Commission will relieve the company from accruing interest on the \$175,908.00, but will at the same time require the company to deduct this amount from the \$416,168.68, so that in any future rate proceedings, the company's investment in transportation equipment may be calculated at its depreciated value rather than at the original cost.

The Commission having considered applicant's request believes that it should be granted as herein provided and that Decision No. 11189, dated October 31, 1922, should be amended. Therefore,

IT IS HEREBY ORDERED, that Conditions "1", "2" and "3" of the order in Decision No. 11189, dated October 31, 1922, reading --

- "That San Joaquin Light and Power Corporation,
- (1) Set aside to its depreciation reserve for electric properties on or before January 1st, 1923 an amount sufficient to bring this reserve to a total of \$2,380,995 as of December 31st, 1921.
 - ((2) Set aside to its depreciation reserve, commencing with the Calendar year 1922, the sum of \$467,893. per annum, plus an amount per annum equal to that computed on annuity rates as set forth in Table No. 12 in the Opinion of Decision 10348 on all net additions to depreciable capital made on and after January 1st, 1922.