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Decision No. 12947.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of the
 HOLTON POWER COMPANY,
 a corporation, and of THE SOUTHERN SI-
 ERAS POWER COMPANY, a corporation, for
 an order or orders authorizing and ap-
 proving the sale and transfer by the
 said Holton Power Company to the said
 The Southern Sierras Power Company of
 the public utility properties, assets
 and business of the Holton Power Com-
 pany in the County of Imperial, State
 of California.

ORIGINAL

Application Number 9554

Chas. F. Potter, for Applicants,

SEAVEY, Commissioner:

OPINION

The Railroad Commission is asked to make an order auth-
 orizing the Holton Power Company to sell and The Southern Sierras
 Power Company to purchase, take over, operate and maintain as a public
 utility, the electric plants, works and system and the entire public
 utility business, franchises and properties with the appurtenances now
 owned, possessed, controlled and operated by the Holton Power Com-
 pany in the County of Imperial, State of California. The purchas-
 ing company has agreed to pay for the properties and assets of the
 Holton Power Company, described in this application and in exhibits
 filed therewith, the sum of \$2,286,124.31. This sum is made up

of the following items:-

Fixed capital not classified by prescribed accounts		\$1,390,881.06
Miscellaneous investments		495.50
Cash in banks and on hand		45,956.53
Cashiers working funds		1,130.00
Notes receivable		673.51
Accounts receivable:		
Light		20,722.65
Power		21,607.62
Merchandise		4,696.72
Other accounts receivable(Inds. & Cos.)		780.10
Delinquent customer's accounts		1,826.81
Inter-company accounts:		
N.C.P.Co.	Principal	17.45
I. T. Co.	Principal	63.51
I. T. Co.	Interest	1.00
C. I. Co.	Principal	361.80
C. I. Co.	Interest	18.75
I.I.& D.Co.	Principal	391,189.73
I.I.& D.Co.	Interest	232.86
D.W.O.& I.Co.	Principal	134.69
D.W.O.& I.Co.	Interest	1.80
S.C.Co.	Principal	34,248.83
S.C.Co.	Interest	
H.I.Ry.Co.	Principal	192,942.19
H.I.Ry Co.	Interest	10,282.81
Hydroelec.Sec.Co.	Principal	58,537.44
Materials and supplies		107,368.12
Jobbing accounts		337.72
Prepaid insurance		1,603.66
Miscellaneous deferred debits		11.45
Operating ledger expenses		
	Total.....	<u>\$ 2,286,124.31</u>

The \$1,390,881.06 listed above under fixed capital not classified by prescribed accounts is built up by starting with the historical cost of the operative properties as found by the Railroad Commission in Decision No. 8119 dated September 16, 1920, in which decision the Commission fixed the company's rates for electric service. From such historical cost has been deducted the cost of property retired since the date of the Commission's decision and the value of lands. To the balance has been added the cost of additions and betterments since the date of the Commission's decision and the present market value of the lands, resulting in a

grand total of \$1,390,881.06. The reserve for accrued depreciation against such properties and which reserve will be taken on the books of The Southern Sierras Power Company, according to the testimony, is reported at approximately \$259,570.39. The purchase price will be paid by the assumption of liabilities of Holton Power Company in an amount not exceeding the purchase price.

The selling price agreed upon, is for the properties as they existed on September 30, 1923. This price will be adjusted because of abandonments and additions and betterments made between September 30, 1923 and December 31, 1923.

During the past several years the properties of the Holton Power Company have been operated and managed by the same people who have managed and operated the properties of The Southern Sierras Power Company. The consolidation of the properties of the two companies will not result in any change of management or rates. Some economies should result from the consolidation of the properties, because such consolidation will obviate the keeping of corporate records for Holton Power Company. I believe that the consolidation of the properties is desirable and herewith submit the following form of order:-

ORDER

HOLTON POWER COMPANY having applied to the Railroad Commission to sell its properties described in this application to The Southern Sierras Power Company, a public hearing having been held and the Railroad Commission being of the opinion that this application should be granted,

IT IS HEREBY ORDERED that the Holton Power Company be, and it is hereby, authorized to sell the properties described in this application to The Southern Sierras Power Company which is hereby authorized to purchase and operate such properties. The agreed selling price of \$2,286,124.31 shall be adjusted because of the abandonment of properties between September 30, 1923 and December 31, 1923 and because of moneys expended for the acquisition of properties between such dates.

The authority herein granted is subject to further conditions as follows:-

1. The consideration being paid for the properties by The Southern Sierras Power Company shall not be urged before this Commission or any other public body having jurisdiction, as a measure of the value of such properties for the purpose of fixing rates or for any purpose other than the transfer herein authorized.
2. The Southern Sierras Power Company shall file with the Railroad Commission a copy of the deed under which it acquires and holds title to the properties which it is herein authorized to purchase from the Holton Power Company; such copy to be filed with the Railroad Commission within 30 days after the title to the properties has been transferred, and the deed executed.
3. The Southern Sierras Power Company shall file with the Railroad Commission prior to May 1, 1924, a statement showing the amount it expended for the properties of Holton Power Company, and a copy of the book keeping entries showing how such expenditure has been recorded.
4. The authority herein granted will become effective upon the date hereof and will apply only to such properties as may be transferred on or before May 1, 1924.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

DATED at San Francisco, California, this 22nd day of December, 1923.

C. Seaver

Dwight Masterson
Edwin Shaw

Commissioners.