

Decision No. 17388

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
LAKE COUNTY WATER AND POWER COMPANY,)
a corporation, and California Tele-)
phone and Light Company, a corpora-)
tion, for an order of the Railroad)
Commission authorizing the former)
to sell and convey and the latter)
to purchase and acquire the proper-)
ties referred to in this petition.)

ORIGINAL

Application No. 13119

R. W. Duval, for California Telephone and
Light Company.
James A. Gunn, Jr., for Lake County Water
and Power Company.

BY THE COMMISSION:

O P I N I O N

In this joint application the Railroad Commission is asked to make its order authorizing Lake County Water and Power Company to sell and California Telephone and Light Company to buy the electrical distribution and some of the electric transmission properties of the former. The consideration at which it is proposed to transfer these properties is the sum of \$15,000. plus additions and betterments subsequent to February 1, 1925, subject to certain adjustments set forth in the agreement dated June 23, 1926, marked Exhibit "A" and made a part of the application.

Lake County Water and Power Company operates a small hydro-electric plant but purchases the greater portion of its electric energy from the California Telephone and Light Company. Energy for light and power is distributed in the territory in and

adjacent to the town of Kelseyville, partly in competition with the California Telephone and Light Company.

The properties which are involved in this proposed transfer are generally described in applicant's Exhibit "A" referred to above, consisting of all of the Lake County Water and Power Company's transmission and distribution lines and system north of a point on Sweetwater Ranch near Sweetwater Creek about seven miles south of Kelseyville, including all switches, transformers, meters, electrical appliances, apparatus and equipment, used in distributing and selling electric energy, together with franchises, easements, good-will, etc.

A hearing was held September 16th, 1926, before Examiner Fankhauser, at which time the California Telephone and Light Company amended its application so as to permit it to place in effect its rates, rules and regulations, upon the system to be acquired.

Testimony shows that considerable reconstruction work will have to be done on the system in order to render and maintain good service, which will necessitate the expenditure of a considerable amount of money. It further shows that the rates of the California Telephone and Light Company are in some respects higher than the rates of the Lake County Water and Power Company. It further appears that should the California Telephone and Light Company's rates be applied, the general effect will be to increase rates to lighting consumers and decrease rates to power consumers. Giving consideration both to rates and service, it appears that the consumers of Lake County Water and Power Company will be benefited if the application is granted.

O R D E R

Lake County Water and Power Company, having applied to

the Railroad Commission for permission to sell certain of its electrical properties to California Telephone and Light Company, and California Telephone and Light Company having asked permission to purchase said properties and to put in effect throughout the territory now served by Lake County Water and Power Company its rates, charges, rules and regulations, a public hearing having been held, and the Commission being of the opinion that the transfer of the properties is in the interest of the public, and that this application should be granted,

IT IS HEREBY ORDERED as follows:

1. Lake County Water and Power Company, a corporation, be, and it hereby is, authorized to sell to California Telephone and Light Company its electrical transmission and distributing system described in this application pursuant to the terms and conditions set forth in the agreement dated June 23, 1926, and filed in this proceeding as applicant's Exhibit "A" and to discontinue furnishing and supplying electrical energy in the territory now served by it, at the time the California Telephone and Light Company acquires said properties and begins to furnish and supply electrical energy to said territory.
2. California Telephone and Light Company be, and it hereby is, authorized to purchase said properties in accordance with the above mentioned agreement (Exhibit "A") and to place in effect

its rates, charges, rules and regulations applicable to territory in Lake County.

3. The consideration being paid by the California Telephone and Light Company for the properties of the Lake County Water and Power Company shall never be urged before this Commission as a measure of the value of said properties for any purpose other than the transfer herein authorized.
4. The authority herein granted to sell and purchase said properties will become effective twenty (20) days after the date hereof, and the authority herein granted to the California Telephone and Light Company to put into effect its rates, charges, rules and regulations will become effective for all regular meter readings taken on or after the 30th day after the date of transfer of the properties involved, and such rates, charges, rules and regulations shall be filed with the Commission on or before ten (10) days prior to their effective date.

DATED at San Francisco, California, this 25th
day of September, 1926.

W. B. Boardman
Chairman
Leon B. Kell
Thomas S. Houston

Commissioners.