

LRA

Decision No. 19453

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
FRED G. GANSNER )  
to sell, and of W. C. KING to buy, )  
all of the property and equipment )  
of the Quincy Electric Light and )  
Power Company and to secure the )  
transfer of all operative rights, )  
franchises and privileges for the )  
operation of a public utility )  
heretofore known, and now conducted )  
under the firm name and style of )  
the Quincy Electric Light and )  
Power Company. )

Application No. 14334.

BY THE COMMISSION:

OPINION

In the above entitled matter the Railroad Commission is asked to make an order approving an agreement and authorizing Fred G. Gansner to sell and W. C. King to buy, for \$50,000.00, certain public utility electric properties located at Quincy, Plumas County.

The application shows that Fred G. Gansner is engaged in business, under the firm name and style of Quincy Electric Light and Power Company, of generating, purchasing and selling electric energy for lighting and power purposes in and about the Town of Quincy. Energy, for the most part, is purchased from Great Western Power Company of California from its line at Indian Falls, Plumas County, although a small portion is generated in applicant's

80 K. W. hydro-electric generating plant, and retailed to about 290 consumers. The investment in the properties is in applicant's Exhibit No. One, reported at \$89,290.66.

For the last three calendar years the revenues and expenses from the operation of the system have been reported as follows:-

<u>Item</u>	<u>1925</u>	<u>1926</u>	<u>1927</u>
Operating revenues . . . . .	\$19,970.53	\$22,741.83	\$26,545.05
Operating expenses excluding taxes and depreciation. . . . .	<u>11,921.35</u>	<u>12,733.28</u>	<u>14,917.05</u>
Net Operating Revenue. . . . .	<u>\$8,049.18</u>	<u>\$10,008.55</u>	<u>\$11,628.00</u>
Deduct Taxes . . . . .	2,046.08	1,472.03	1,705.64
Depreciation. . . . .	<u>3,541.21</u>	<u>3,579.04</u>	<u>3,500.00*</u>
Total.....	<u>\$5,587.29</u>	<u>\$5,051.07</u>	<u>\$5,205.64</u>
Net income . . . . .	<u>\$2,461.89</u>	<u>\$4,957.48</u>	<u>\$6,422.36</u>

\*Estimated

The testimony herein shows that Fred G. Gansner desires to retire from business and to that end has made arrangements to sell his electric business and properties to W. C. King for \$50,000.00. It appears that under the agreement between the purchaser and seller, a copy of which is filed in this proceeding, \$10,000.00 of the purchase price is payable upon the approval of this application by the Commission and the balance in monthly installments of not less than \$300.00, with interest on deferred payments at the rate of six percent per annum, with the privilege granted the purchaser of increasing the monthly payments. This agreement, in our opinion, constitutes an evidence of indebtedness coming within the purview of Section 52 of the Public Utilities Act and as such its execution must be authorized by the Commission.

O R D E R

Application having been made to the Railroad Commission as indicated in the foregoing opinion, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the application should be granted as herein provided, and that the money, property or labor to be procured or paid for through the execution of the agreement referred to herein is reasonably required for the purpose specified herein, and that the expenditure for such purpose is not, in whole or in part, reasonably chargeable to operating expense or to income,

IT IS HEREBY ORDERED that Fred G. Gansner, doing business under the firm name and style of Quincy Electric Light and Power Company, be, and he hereby is, authorized to sell to W. C. King the public utility electric business referred to in this application and in the preceding opinion, for \$50,000.00, payable in accordance with the terms and conditions of the agreement, dated February 8, 1928, by and between said Fred G. Gansner and W. C. King, the execution of which agreement is hereby authorized.

The authority herein granted is subject to the following conditions:-

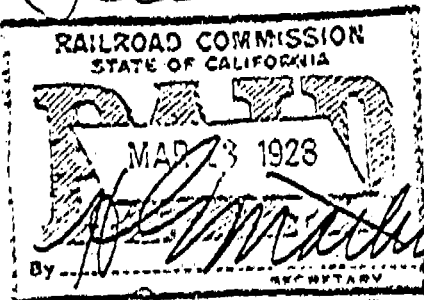
1. The price at which the properties herein referred to are authorized to be transferred shall not, hereafter, be urged before this Commission or other public body or court as a measure of value of such properties for the purpose of fixing rates, issuing securities or any other purpose, other than the transfer herein authorized.

2. The authority herein granted shall become effective when W. C. King has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Forty (\$40.00) Dollars.

DATED at San Francisco, California, this 10th day of March, 1928.

C. Seamy  
Thos. R. ...  
M. J. ...  
Commissioners.

Fee \$40.00



Fee # 25098