

Decision No. 20018

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of W. C. King (doing business under the style of Quincy Electric Light and Power Company) and T. Z. King, his wife, to sell, and of Great Western Power Company of California to buy a certain electric utility, and of Great Western Power Company of California to charge a certain schedule of rates in the territory served by said W. C. King.

ORIGINAL

Application No. 14,631.

Chaffee E. Hall, for Great Western Power Company of California.

W. C. King, for Quincy Electric Light and Power Company.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to make its order:

(1) Authorizing Great Western Power Company of California to purchase and Quincy Electric Light and Power Company to sell all the latter's plant, property, equipment, good will, franchises, books, records, files and every other thing of value, tangible and intangible, real and personal, for the sum of \$52,909.58.

(2) Authorizing applicant, Great Western Power Company of California, to institute and put into effect, as of

the first meter reading date after the entry of such order, all rules, regulations and schedules of rates now applicable in that portion of Plumas County served by said Great Western Power Company of California.

A public hearing was held before Examiner Cannon in Quincy on June 15, 1928, at which time testimony was introduced and the matter submitted for decision.

It appears that W. C. King, under the name of Quincy Electric Light and Power Company, owns and operates certain electric properties situated in and about the unincorporated Town of Quincy, Plumas County, serving approximately two-hundred and ninety (290) consumers. Energy, for the most part, is purchased from Great Western Power Company of California and transmitted over eleven miles of 3-phase, 44 K.V. line, a small portion being generated in applicant's 80 K.W. hydroelectric generating plant.

Applicant's Exhibit No. 1 shows net for depreciation and return for the last four calendar years as follows:

1924	\$5,319.
1925	6,004.
1926	8,537.
1927	10,427.

Applicant's Exhibit No. 2 estimates approximately \$9,000.00 for the year 1928 as net for depreciation and return, a decrease of \$1,427., this reflecting increased business due to the lower rates of Great Western Power Company of California, which it is contemplated will be in effect. Such rates will result in a decrease in monthly bills to approximately 90% of the present metered consumers.

The investment in the properties here involved, as of December 31, 1927, as shown by book entries, amounts to \$73,689., while the corresponding balance in the reserve for

depreciation is shown at \$35,794. It appears to us that certain retirements from capital have not been properly entered and corresponding debits to depreciation reserve have not been made. The statement was made at the hearing that in the past certain expenditures properly chargeable to capital accounts had been entered as operating expenses, but no detail of such expenditures was presented. It will be noted that this Commission, in Decision No. 19,453, dated March 10, 1928, authorized the transfer of this property at a price of \$50,000. and approximately one month later the present application was placed before the Commission, praying for an order of purchase and sale at an increase in price of \$2,909.58.

We note that Great Western Power Company of California and W. C. King entered into an agreement under date of April 20, 1928, whereby all subsequent expenditures and receipts were for the account of Great Western Power Company, subject to final approval of the transfer by this Commission. There is nothing of record to indicate additions to capital subsequent to the transfer of properties approved by Decision No. 19,453 and prior to the above agreement. We feel, therefore, that the increase in purchase price over the amount heretofore allowed by this Commission is not warranted. Accordingly, we will provide that Great Western Power Company of California, in recording the purchase price of these properties upon its books, shall charge to fixed capital accounts an amount not to exceed \$50,000., the balance of purchase price being charged to Account No. 508, "Miscellaneous Debits to Profit and Loss."

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 and the Railroad Commission being of the opinion that the acquisition by Great Western Power Company of California of the properties of Quincy Electric Light and Power Company is in the public interest and that the application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that Great Western Power Company of California and W. C. King be and they are hereby authorized, the former to purchase and the latter to sell, those certain properties more particularly described in the Application, subject to the terms and conditions as stated herein.

IT IS HEREBY FURTHER ORDERED that Great Western Power Company of California be and it is hereby authorized to institute and place in effect, as of the first meter reading date subsequent to the granting of this application, such rules, regulations and schedules of rates as are now applicable in similar territory served by it in Plumas County.

IT IS HEREBY FURTHER ORDERED that Great Western Power Company of California, in recording on its books of accounts the purchase of the property of Quincy Electric Light and Power Company, shall charge to fixed capital accounts, as those accounts are defined in the uniform system of accounts for electric corporations prescribed by this Commission and effective on January 1, 1923, the sum of \$50,000. and that it shall charge the remainder of the purchase price, (\$2,909.28) to Account No. 508, "Miscellaneous Debits to Profit and Loss."

IT IS HEREBY FURTHER ORDERED that Quincy Electric Light and Power Company be and it hereby is authorized, upon the conveyance of its properties to Great Western Power

Company of California, to cease furnishing and supplying electric energy in the territory in which it now operates.

IT IS HEREBY FURTHER ORDERED that Great Western Power Company of California, within thirty (30) days after acquiring ownership of the properties herein authorized transferred, shall file with the Commission a certified copy of the deed or other instrument of conveyance and a copy of each and every bookkeeping entry entered on its books to record the above said transaction.

IT IS HEREBY FURTHER ORDERED that 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 or any other purpose, other than the transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the filing by Great Western Power Company of California with the Commission of a written statement accepting the authority herein granted.

Dated at San Francisco, California, this 9th day of July, 1928.

Leon Wiley

W. H. Seamy

Ernest C. Coats

Paul J. ...

W. A. ...
Commissioners.