

Decision No. 20700

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of R. B. Young for authority to sell the electric systems and properties operated under the name of GRIZZLY ELECTRIC COMPANY to SIERRA PACIFIC POWER COMPANY, and for authority of the latter to buy said systems and properties and for a certificate of public convenience and necessity for the SIERRA PACIFIC POWER COMPANY to operate under the franchise now held by said R. B. Young in a portion of the County of Plumas, State of California.

ORIGINAL

Application No. 15252

In the Matter of the Application of SIERRA PACIFIC POWER COMPANY, (a corporation) for an order preliminary to the granting to Applicant of a Certificate of Public Convenience and Necessity to exercise a right or privilege under a franchise which Applicant contemplates securing from the County of Sierra, State of California.

Application No. 15267

R. B. Young, for Grizzly Electric Company.

Orrick, Palmer & Dahlquist, by T. W. Dahlquist,
for Sierra Pacific Power Company.

BY THE COMMISSION:

O P I N I O N

The above entitled proceedings involve the proposed transfer of a certain electric system located at Portola, Plumas County, generally known as the Grizzly Electric Company, from

R. B. Young to Sierra Pacific Power Company. There is also involved the construction of an electric transmission line from Truckee to Portola, and the entry of Sierra Pacific Power Company as a public utility into certain parts of Sierra and Plumas counties.

A public hearing was held in San Francisco on December 28, 1928, at which time the matters were consolidated for hearing and decision. No one appeared to oppose the granting of the applications.

R. B. Young has, since the year 1914, supplied electric energy to the inhabitants of Portola, Plumas County, under a franchise granted by Plumas County (Ordinance No. 180), and certificate of public convenience and necessity granted by this Commission in its Decision No. 1646. Energy is generated by a Diesel-electric plant and is distributed to some 250 consumers in and about Portola. It is this generating plant and distribution system which Sierra Power Company proposes to buy.

Sierra Pacific Power Company proposes to pay \$65,000. for the properties to be transferred by R. B. Young. No adequate record of the historical cost of these properties exists, witnesses for the applicants estimating a reproduction cost of \$43,500. and an historical cost of substantially the same amount. We are of the opinion that the figure of \$43,500. should be accepted as the fair value of the properties for the purpose of the transfer herein requested. The Commission desires it to be understood, however, that such valuation is not to be considered as the Commission's estimate of the value of said properties for any purposes whatsoever other than for the purpose of this proceeding.

If the transfer of properties is approved, Sierra Pacific Power Company must necessarily extend its transmission lines from Truckee across Sierra County and into Plumas County to connect with the Portola system. It is in connection with

such a program and the possibility of serving the area traversed by the transmission line and an enlargement of the service rendered from Portola that Sierra Pacific Power Company comes before the Railroad Commission in these consolidated matters.

More specifically, Sierra Pacific Power Company asks for a certificate of public convenience and necessity to carry out its construction program in the southeasterly portion of Plumas County under franchise now held by and to be acquired from R. B. Young, and for an order preliminary to the granting of a certificate of public convenience and necessity to carry out its construction program in Sierra County and to exercise rights under franchise applied for in Sierra County.

Sierra Pacific Power Company operates on a comparatively large scale in Nevada and California, having several power plants and an extensive transmission system with inter-connection facilities with Pacific Gas and Electric Company. On the other hand, the Portola system is isolated and dependent upon one source of energy only. It has never been found practicable by the Portola Company to render a twenty-four hour service and occasional shutdowns have been unavoidable.

The record shows that the Sierra Pacific Power Company will undertake to furnish the inhabitants of Portola with a dependable twenty-four hour service and give them the further benefit of a general reduction in rates when the connecting transmission line is placed in operation. Unquestionably, service conditions in Portola will be greatly improved when the local plant becomes a unit in a large inter-connected system. Those areas traversed by transmission lines and to the west of Portola will, upon the completion of the proposed program, have electric

service available. No public utility is operating in the area which applicant proposes to serve in Plumas County, nor in the area to be traversed by applicant's transmission line across Sierra County. Testimony indicates that revenues which will result from present and additional consumers will make the extension of service into these areas profitable.

Sierra Pacific Power Company is a corporation organized under the laws of the State of Maine, but is authorized to transact the business of an electrical corporation as a public utility within this state, having conducted a public utility business of like character prior to March 23, 1912, the effective date of the Public Utilities Act, and continuously thereafter transacted such business.

O R D E R

The above entitled application having been filed with this Commission, public hearing thereon having been held, the matters submitted and now being ready for decision,

IT IS HEREBY ORDERED that R. B. Young be and he is hereby authorized to sell, and Sierra Pacific Power Company to purchase, that certain electric system located in Portola, Plumas County, otherwise known as the properties of Grizzly Electric Company; provided, however, that said Sierra Pacific Power Company shall, should it pay in excess of \$43,500. for said properties, charge the amount paid in excess of said sum to its surplus account and provided, further, that Sierra Pacific Power Company file with this Commission, within thirty (30) days after the completion of said transfer, a copy of the book entries wherein it records the acquisition of the properties herein authorized to be transferred.

The Railroad Commission of the State of California hereby declares that present and future public convenience and necessity require and will require the construction or extension by Sierra Pacific Power Company of its electric line or system from Truckee to Portola within that portion of Plumas County lying generally east of Bells Bar and more particularly described in Exhibit "C" attached to Application

No. 15252 and in that portion of Sierra County lying generally east of Sierra City, and

IT IS HEREBY FURTHER ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to Sierra Pacific Power Company for the construction or extension of said line or system within said portion of Plumas County and, insofar as is necessary in connection therewith, for the exercise of the right or privilege of franchise heretofore granted by the County of Plumas to R. B. Young (Ordinance No. 180), and upon receipt of satisfactory evidence that Sierra Pacific Power Company has acquired the necessary franchise from the County of Sierra, the Railroad Commission will thereupon issue its order granting a certificate of public convenience and necessity for the construction or extension of said line or system within said portion of Sierra County and, insofar as is necessary in connection therewith, for the exercise of rights and privileges as shall be granted by such franchise.

The authority herein granted shall be effective from and after the date of this order.

Dated at San Francisco, California, this 21st day of January, 1929.

Thos D. Lott
Ed. J. ...
Francis ...
Leon ...
M. J. ...
 Commissioners.