

Decision No. 20980 .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
SAN JOAQUIN LIGHT AND POWER CORPORA-
TION for permission to sell certain
distribution facilities.

ORIGINAL

Application No. 15363.

Murray Bourne, for San Joaquin Light &
Power Corporation.
R. W. Shoemaker, for Turlock Irrigation
District.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Railroad Commission is asked to make its order authorizing San Joaquin Light and Power Corporation to sell to Turlock Irrigation District certain distribution facilities located within the territorial limits of the Irrigation District.

A public hearing in this matter was held in Fresno before Examiner Satterwhite on March 26, 1929, at which time testimony was introduced and the matter submitted for decision.

The particular distribution facilities involved in the proposed transfer are located in the general territory in and around the towns of Irwin, Hilmar and Delhi, all of which territory is more particularly described in a copy of a certain agreement dated January 22, 1929, and marked Exhibit "A" and made a part of the application herein. This agreement provides that applicant shall sell its distribution line facilities in the territory above mentioned to the District for a consideration of

Forty Thousand Five Hundred Twenty-nine and 91/100 Dollars (\$40,529.91) and that the District shall pay to the applicant Twenty Thousand Two Hundred Sixty-five and 91/100 Dollars (20,265.91) on July 1, 1929, and shall pay the balance thereof within the next succeeding five years by the delivery of electric energy under certain specified conditions to applicant at the rate of two mills per kilowatt hour. This selling price, according to the testimony for applicant, represents the historical value of said property less depreciation calculated on the straight line basis.

It appears from testimony presented in this proceeding that since San Joaquin Light and Power Corporation first built its electric lines and rendered service in this area, Turlock Irrigation District has constructed electric lines in the same general area and has secured the greater part of the business. It is evident from the testimony that it will be only a matter of time before applicant loses practically all, if not all in fact, of its consumers to the District.

Applicant claims and submitted evidence to show that the income derived by it from its remaining consumers on the facilities involved in the proposed transfer is not commensurate with its investment and that when such reconstruction and repairs as must be done are completed its return will be less than a fair or profitable return.

No one appeared in opposition to the application and from a careful consideration of the evidence presented it appears that the public interest will best be served by authorizing the sale by applicant of the above mentioned property. The order herein shall so provide but, in authorizing the transfer of such public utility property to the District, it should be distinctly

understood that the Commission does not thereby in any manner endorse or approve or find upon the reasonableness of the price which the District has agreed to pay for said property.

O R D E R

San Joaquin Light and Power Corporation having made application to transfer certain of its electric distribution facilities to Turlock Irrigation District, a public hearing having been held, the matter having been submitted and the Commission being now fully informed in the matter,

IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation be and the same is hereby authorized to transfer to Turlock Irrigation District those electric distribution facilities more particularly described in and subject to the terms and conditions of Exhibit "A", attached to the application herein and made a part hereof.

IT IS HEREBY FURTHER ORDERED that within sixty (60) days after the transfer of the properties herein authorized, San Joaquin Light and Power Corporation shall file with the Railroad Commission a certified statement indicating the date on which it relinquished control and possession of said properties.

The authority herein granted shall become effective upon the date hereof.

Dated at San Francisco, California, this 17th day of

April, 1929.

Thos D. Lott

Chas. J. ...

Leon ...

M. A. ...
Commissioners