

Decision No. 21082

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SOUTHERN CALIFORNIA EDISON COMPANY,  
for authority to acquire the elec-  
trical properties and franchises of  
Arrowhead Utility Company, and of  
Arrowhead Utility Company to sell  
its electrical properties and fran-  
chises to Southern California  
Edison Company.

ORIGINAL

Application No. 15590.

BY THE COMMISSION:

OPINION

The Railroad Commission has been asked to make its order authorizing Arrowhead Utility Company to sell and convey its electrical business, properties and franchises to Southern California Edison Company.

Arrowhead Utility Company is a corporation organized and existing under and by virtue of the laws of the State of California and is engaged in the electric, telephone and water utility business in Arrowhead Woods, San Bernardino County. It now proposes to divest itself of its electric business and properties and to that end has made arrangements to sell such properties to Southern California Edison Company for the sum of \$65,996.10.

The electric properties consist of rights of way and easements, about fifteen miles of transmission lines, ten miles of distribution lines and 333 meters. The electric energy distributed is purchased from Southern California Edison Company. The revenues of the electric system for the last three calendar years have been reported as follows:-

<u>I T E M</u>	<u>1926</u>	<u>1927</u>	<u>1928</u>
Operating revenues . . . . .	\$26,718.26	\$29,728.44	\$29,718.17
Operating expenses . . . . .	18,087.93	19,700.14	16,277.43
Net Operating Revenues . . . . .	8,630.33	10,028.30	13,440.74
Taxes . . . . .	2,053.87	2,490.37	2,228.86
Net income . . . . .	<u>\$6,576.46</u>	<u>\$7,537.93</u>	<u>\$11,211.88</u>

The cost to Arrowhead Utility Company of the electric properties, as of March 31, 1929, is reported at \$81,775.81, consisting of the following:-

Transmission lines . . . . .	\$31,970.27
Distribution lines . . . . .	38,983.27
Services . . . . .	4,344.59
Meters . . . . .	6,303.73
Miscellaneous equipment . . . . .	<u>173.95</u>
	<u>\$81,775.81</u>

Upon acquiring the properties Southern California Edison Company proposes to place in effect in the territory now served by Arrowhead Utility Company a modified schedule of rates which rates are lower than those now charged by the Arrowhead Utility Company. It appears to us that the transfer of the properties at the price indicated is in the public interest and that the application accordingly should be granted.

ORDER

Application having been made to the Railroad Commission for an order authorizing the transfer of the electric properties of Arrowhead Utility Company to Southern California Edison Company, and the Commission being of the opinion that this is not a matter in which a public hearing is necessary and that the application should be granted, as herein provided,

IT IS HEREBY ORDERED that Arrowhead Utility Company be, and it hereby is, authorized to sell and convey on or before August 1, 1929, all of its electrical business, properties and franchises to Southern California Edison Company for \$65,996.10, and Southern California Edison Company be, and it hereby is, authorized to acquire and operate such business, properties and franchises.

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

- (1) The price at which the said properties are herein authorized to be transferred shall not hereafter be urged before this Commission or other court or public body as a measure of value of said properties, for the purpose of fixing rates, issuing securities or any purpose other than this transfer.
- (2) Southern California Edison Company in recording the purchase of the said properties on its books of account may charge to its fixed capital accounts not exceeding \$81,775.81, plus the net cost of

additions between March 31, 1929 and the date of transfer.

- (3) Southern California Edison Company shall file with the Commission within sixty (60) days after transfer of said properties a certified copy of the deed or other instrument of conveyance under which it acquires and holds title to said properties and shall also notify the Commission of the date on which the properties were transferred.
- (4) The authority herein granted will become effective ten (10) days after the date hereof.

DATED at San Francisco, California, this 9th  
day of May, 1929.

Thomas B. Lovett  
C. J. Scammy  
James C. Cate  
Leon Whitely

Commissioners.