

Decision No. 91574.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SAN JOAQUIN LIGHT AND POWER
CORPORATION for Permission to
Enter Into a Contract with
TURLOCK IRRIGATION DISTRICT.

Application No. 15810.

Murray Bourne, for San Joaquin Light
and Power Corporation.
L. J. Maddux, for Modesto Irrigation
District.
R. V. Meikle and 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 enter into a contract with Turlock Irrigation District identical in form with Exhibit "A", attached to and made a part of the application.

A public hearing in this matter was held before Examiner Williams September 3, 1929, at which time testimony was introduced and the matter submitted for decision.

The contract above referred to was entered into by and between applicant and Turlock Irrigation District on July 1, 1929, and provides, among other things, that Turlock Irrigation District shall lease certain of its electric transmission line facilities to applicant for the purpose of selling and delivering to Modesto Irrigation District electric energy from applicant's system or

energy purchased from Turlock Irrigation District, and that applicant shall pay Turlock Irrigation District a rental of one (1) per cent per month on that portion of the District's investment used. The price to be paid by applicant for power purchased from Turlock Irrigation District for Modesto Irrigation District is to be in accordance with the provisions of its contracts with Turlock Irrigation District, dated March 11, 1924, and January 14, 1929. The contract further provides that applicant may, if it so elects, purchase Turlock Irrigation District's surplus electric output not now under contract at a minimum of two (2) mills per kilowatt hour or such higher price as may later be agreed upon.

It appears from testimony introduced by applicant in this proceeding that if it were compelled to build its own lines to serve Modesto Irrigation District, a large investment would have to be made which might, by reason of a ten (10) year contract with Modesto Irrigation District, be jeopardized at the end of such period. It further appears that estimates of comparative annual costs between leasing and owning the necessary facilities presented by applicant manifest an annual saving of approximately \$20,000.00 to applicant in favor of the leasing arrangement provided in the contract. It also appears that the Commission has already approved, under Decision No. 21320, July 1, 1929, the contract between applicant and Modesto Irrigation District covering, among other things, the sale and delivery of power by applicant to Modesto Irrigation District and that the granting of the application herein will facilitate such contract.

No one appeared in opposition to the granting of the application. The Commission is of the opinion that the contract is fair to the parties concerned and in the public interest, and

it will therefore be approved.

O R D E R

San Joaquin Light and Power Corporation having made application for permission to enter into a certain contract with 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 that certain agreement entered into by and between San Joaquin Light and Power Corporation and Turlock Irrigation District, dated July 1, 1929, and identical in form with Exhibit "A", attached to the application herein and made a part hereof, be and the same is hereby approved.

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

Dated at San Francisco, California, this 18th day of September, 1929.

David B. Lott

Edmund G. Galt
Leon Whitwell

W. A. Cunn
Commissioners.