

Decision No. 22035

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
THE SOUTHERN SIERRAS POWER COMPANY) Application No. 11743
for a revaluation of its properties)
and a revision of its rates.)

_____)
In the Matter of the Investigation)
on the Commission's own motion into)
the contracts and contract practices) Case No. 2440.
upon and under the system of THE)
SOUTHERN SIERRAS POWER COMPANY, a)
public utility corporation.)

_____)
In the Matter of the Investigation)
on the Commission's own motion into)
the rates, charges, classifications,) Case No. 2541.
contracts, practices, rules and)
regulations of THE SOUTHERN SIERRAS)
POWER COMPANY, a corporation.)

BY THE COMMISSION:

ORDER RESCINDING DECISIONS
21748 and 21892

The Supreme Court of the United States on Monday, January 6, 1930, rendered its decision in The United Railways and Electric Company of Baltimore v. Harold E. West, et al., constituting The Public Service Commission of Maryland, and held therein that the operating expense of depreciation which should be allowed to a utility in the fixing of rates should be computed on the basis of the present fair value of the depreciable property and should not be computed on the basis of the cost of said property. This appears to be the first

time that the Supreme Court of the United States has so ruled upon the matter of depreciation.

In the fixing of rates to be charged by The Southern Sierras Power Company throughout its system as prescribed in Decision No. 21748, issued in the above matters on November 4, 1929, the operating expense of depreciation was computed by the Commission on the basis of the cost of the depreciable physical property. It appears, therefore, that the said Decision No. 21748, together with the subsequent decision of the Commission denying rehearing, Decision No. 21892, should be vacated and set aside and the said above entitled matters be fully reopened and reconsidered in the light of the above mentioned decision of the Supreme Court of the United States.

Public hearing was held in Los Angeles on January 15, 1930, for the purpose of considering the said matter of the vacating and setting aside of Commission Decisions 21748 and 21892.

Good cause therefor appearing,

IT IS HEREBY ORDERED that Commission Decisions 21748 and 21892 heretofore rendered in the above matters be and the same are hereby rescinded and set aside.

Dated at San Francisco, California, this 17th day of January, 1930.

Ed Leary
Ernest R. Smith

Leon White
Commissioners