

Decision No. 22874

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Pacific Gas and Electric Company, a corporation, and San Joaquin Light and Power Corporation, a corporation, for an order of the Railroad Commission of the State of California authorizing applicants to enter into and execute an indenture of lease substantially in the form and of the words and figures of the lease-form which is filed with this application.

ORIGINAL

Application No. 16856.

BY THE COMMISSION:

O P I N I O N

Pacific Gas and Electric Company, a public utility existing under and by virtue of the laws of the State of California, asks the Railroad Commission to make its order approving an agreement dated August 21, 1930, which on that date was entered into by and between San Joaquin Light and Power Corporation, a public utility existing under and by virtue of the laws of the State of California, whereby the former utility shall lease to the latter utility its existing gas manufacturing and distribution properties in Fresno County, California.

The agreement, which is marked Exhibit "1" and is a part of the application, provides, among other things, that Pacific Gas and Electric Company, lessor, shall lease to San Joaquin Light and Power Corporation, lessee, for the term of ten years from and after August 1, 1930, or until the earlier termination thereof by

mutual agreement of the parties hereto, all of lessor's gas properties in Fresno County, except lessor's main high pressure gas transmission lines and direct lateral pipe lines extending therefrom whereby lessor serves gas to individual consumers.

It is further agreed that on or before September 30, 1930, lessor shall turn over to lessee all balances of meter deposits and all balances of deposits made for the purpose of establishing credit for gas service which at the close of business on July 31, 1930, stood on lessor's books and also within said time lessor shall deliver to lessee a statement showing all balances of deposits or advancements made for the purpose of covering the whole or part of the cost of pipe line or gas extensions, which at the close of business on July 31, 1930, stood on lessor's books and pay over to lessee such part of each of the balances shown on said statement as shall not have been expended and applied to the purposes for which the last mentioned deposits were respectively made. All balances of deposits transferred or paid over to lessee pursuant to the provisions of this paragraph, including accrued interest, shall be held and used or applied by lessee in accordance with the provisions of the contracts, express or implied, upon which lessor now holds the same.

During the term of this agreement, lessee shall operate the leased property in the name of San Joaquin Light and Power Corporation, Lessee, and be entitled to receive and use the gross earnings and shall each year during the term of the agreement pay out of gross earnings the entire cost and expense of maintaining and operating the leased property and which shall be included

therein an allowance for the purpose of providing for the accruing depreciation of the leased property, such depreciation reserve shall be computed in the same manner as that which lessor now uses with respect to said leased properties.

The agreement further provides that lessee shall annually pay or credit to lessor, as rental for said leased property, all of the net earnings derived each year from the operation and use of said leased property.

The Commission has considered the above mentioned agreement and is of the opinion that it is fair and reasonable to both parties and will be in the public interest and that a public hearing is not necessary.

O R D E R

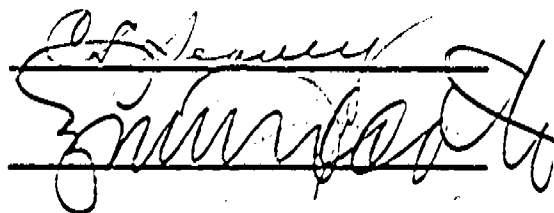
Pacific Gas and Electric Company and San Joaquin Light and Power Corporation having made application for an order of the Railroad Commission approving a certain agreement entered into between the applicants under date of August 21, 1930, and the Commission being of the opinion that this agreement is in public interest,

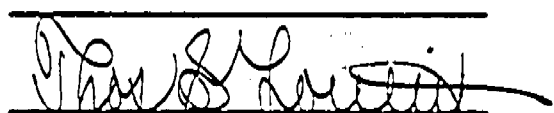
IT IS HEREBY ORDERED that that certain agreement entered into by and between Pacific Gas and Electric Company and San Joaquin Light and Power Corporation under date of August 21, 1930, be and the same is hereby approved and applicants are authorized

to perform said agreement in accordance with its terms.

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

Dated at San Francisco, California, this 13th day of September, 1930.







Commissioners.