

Decision No. 24142.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Merced Irrigation District and San Joaquin Light and Power Corporation, for an order of the Railroad Commission of the State of California approving an agreement entered into by applicants under date of August 4, 1931, and authorizing the consummation thereof in accordance with its terms.

**ORIGINAL**

Application No. 17702.

BY THE COMMISSION:

OPINION AND ORDER

This is an application of San Joaquin Light and Power Corporation for an order approving a certain agreement dated August 4, 1931, made and entered into by and between applicant and Merced Irrigation District, a copy of which is marked Exhibit "B" and attached to and made a part of this application.

Applicant, acting under and pursuant to the permission granted by the Order of this Commission in its Decision No. 13397, dated November 4, 1924, entered into an agreement, in writing, dated February 21, 1924, wherein, among other things, Merced Irrigation District agreed to sell and applicant to purchase, during the twenty (20) year term thereof and at the price specified, electric energy which said Merced Irrigation District

should, during said time, generate in its electric power plant therein mentioned. A copy of said agreement, marked Exhibit "A," is attached to and made a part of this application.

Applicant alleges that by reason of the unusually low precipitation of rain and snow during the winter of 1930 - 1931 in the watershed above Merced Irrigation District's reservoir said District has been unable, during the current season, and particularly since June 30, 1931, to generate electrical energy in its said power plant, thus leaving said District without electric energy for delivery to applicant and the revenue therefrom; that by reason of the existing emergency said District has requested applicant to make prepayment from time to time during 1931 on its prospective 1932 power obligations under said agreement dated February 21, 1924, in the form of electric energy and that in order to effect such an arrangement applicant asks permission and authority to enter into the agreement dated August 4, 1931, as stated above.

Said agreement of August 4, 1931, provides, among other things, that commencing as of July 1st and thereafter during the year 1931 applicant, as prepayment on its 1932 power obligations under said existing agreement of February 21, 1924, will, in lieu of cash, deliver to Merced Irrigation District such additional quantity of electric energy as the latter shall from time to time require during that period in connection with its operations. Said agreement of August 4, 1931, further provides that due to the urgent requirements of Merced Irrigation District said agreement shall be deemed operative as of July 1, 1931, and shall become effective as of that date, when approved by the Railroad Commission of the State of California.

The Commission is of the opinion that said agreement

of August 4, 1931, is fair to all parties and that a public hearing in the matter is not necessary and good cause appearing, therefore,

IT IS HEREBY ORDERED that the above mentioned agreement between San Joaquin Light and Power Corporation and Merced Irrigation District, dated August 4, 1931, be and the same is hereby approved.

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

Dated at San Francisco, California, this 10th day of October, 1931.

Leon Whiskey

M. H. Carr

M. B. Harris

Fred G. Stewart  
Commissioners.