

ORIGINAL

Decision No. 1324

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, for an order authorizing it to purchase a certain electric distributing system at San Fernando, California, from MacLay Rancho Water Company and Consolidated Securities Company.

Application No. 930.

In the matter of the application of CONSOLIDATED SECURITIES COMPANY, a corporation, for an order authorizing it to sell its electric distributing system at San Fernando to Southern California Edison Company.

Application No. 931.

H. H. Trowbridge for Southern California Edison Company.
W. J. Williams for Consolidated Securities Company.

THELEN, Commissioner.

OPINION.

MacLay Rancho Water Company is the owner and Consolidated Securities Company is in possession under a contract to purchase of a small electric distributing system in San Fernando, Los Angeles County, California. For further details, see the petition and order in Application No. 545, MacLay Rancho Water Company and Consolidated Securities Company, Vol. 2 C.R.C. Decisions, p. 927.

This system is located in the northerly and easterly portions of the city and serves twelve customers with power and forty seven with light. The electric energy ^{is} purchased from Southern California Edison Company and is delivered from the latter company's substation outside the city limits. The system was constructed about seven years ago, and is said to have cost about \$12,000. The present maximum rate for lighting is 9¢ per K.W.H. and for power 6¢ per K.W.H. The city is also being served with electric energy by John T. Wilson, as will appear from this Commission's opinion in Application No. 977, to which opinion reference is hereby made.

MacLay Rancho Water Company and Consolidated Securities Company are both primarily engaged in the land business and neither company desires to engage permanently in the business of serving the public with electric energy. These companies accordingly took up with the Southern California Edison Company the matter of selling their system to this company. The result of these negotiations is contained in an oral agreement by which the former companies are to sell this system and the latter company is to purchase it for the sum of \$9,000.

The superintendent of the Southern California Edison Company testified that he had caused an appraisal of this property to be made, that the reproduction value new is \$20,600 and that the present depreciated reproduction value is \$9,012.32. The purchase price agreed upon is \$9,000.

This system is being operated under a franchise granted to F. A. Powell by Ordinance No. 65 (New Series) of the County of Los Angeles, granted before San Fernando was incorporated.

The MacLay Rancho Water Company and the Consolidated Securities Company ask authority to transfer their rights under this franchise to Southern California Edison Company and the latter company asks authority to exercise rights and privileges thereunder.

The evidence shows that Southern California Edison Company is better equipped than MacLay Rancho Water Company or Consolidated Securities Company to supply electric energy to this territory, that the territory now being served by the system of the latter companies is adjacent to the territory which is being supplied by the Southern California Edison Company, and that if the application is granted the Southern California Edison Company will accord to the patrons of this system its regular rates for this class of service, being a maximum of 7¢ per K. W. H. for lighting and 6¢ per K. W. H. for power, thus effecting a reduction from the existing rates.

I recommend that the application be granted and submit herewith the following form of order:

ORDER.

MACLAY RANCHO WATER COMPANY and CONSOLIDATED SECURITIES COMPANY having applied for an order authorizing the sale of their electric distributing system in the City of San Fernando, Los Angeles County, California, including their rights under franchise granted to F. A. Powell by Ordinance No. 65 (New Series) of the County of Los Angeles, to Southern California Edison Company for the sum of nine thousand dollars (\$9,000), and Southern California Edison Company having applied for an order authorizing it to purchase said property for said sum and declaring that public convenience and necessity require the exercise by it of the rights and privileges granted by said ordinance, and a public hearing having been held upon said applications and it appearing that they should be granted,

IT IS HEREBY ORDERED that said applications be and the same are hereby granted, upon the following conditions:

1. The price to be paid for said property shall not hereafter be taken before this Commission or any other public authority as representing for rate fixing or other purposes the true present value of the property.
2. Upon the execution of the deed of conveyance hereby authorized, the parties shall file a certified copy thereof with this Commission.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, this 9th day of March, 1914.

H. J. Wood
Wm. J. ...
Wm. J. ...
Edwin O. Edgerton
Commissioners.