

Decision No. 276

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 276

In the Matter of the Application of GREAT WESTERN POWER COMPANY, a corporation, and of NORTH SACRAMENTO LIGHT and WATER COMPANY, a corporation, for an Order Authorizing the Sale of the Electric Distribution System of the North Sacramento Light and Water Company to Great Western Power Company.

Application No. 237.

Chauffee E. Hall for Applicants.

ORIGINAL

THELEN, Commissioner.

O P I N I O N.

Applicants ask for an order of this Commission authorizing the sale by North Sacramento Light and Water Company to Great Western Power Company and the purchase by the latter company from the former of the substation building with equipment therein, electrical transmission pole lines, contracts, rights of way and good will of North Sacramento Light and Water Company, together with a piece of real estate 100 feet square to be selected by Great Western Power Company for substation purposes, as appears in greater detail in agreement between these parties, dated August 8, 1912, and attached to the petition in this proceeding.

North Sacramento Light and Water Company, hereinafter called the Light Company, was organized in August, 1911, for the purpose of supplying electrical energy and water to a tract of some four thousand acres of land lying north of the City of Sacramento across the American River and owned and subdivided by the North Sacramento Land Company. The Light Company built a substation and some nine and one half miles of transmission lines and has twenty-five services for electricity, of which six are for power alone. The Light Company secures its current from Great Western Power Company under a contract naming a rate of 1.06 cents per kilowatt hour. The Light Company

has not established a fixed rate for electric energy. Its one definite charge is 5 cents per kilowatt hour for pumping, which rate has been established by contract with one consumer. The Light Company's total revenue from electric current from November 1, 1911 to July 1, 1912 was only \$70.00. The Great Western Power Company, however, has signed up 268 kilowatt hours from this distributing system and expects to secure therefrom a gross revenue of some \$500.00 per month. The Light Company will retain its water properties and asks authority to sell only its electrical distributing system and appurtenances.

The price agreed upon between applicants, as alleged in the petition, is \$9,000. It appeared at the hearing, however, that the Great Western Power Company is also to assume a claim of \$3,500 of Sacramento Valley Colonization Company, being an adjustment of a claim of \$5,000, so that the real cost of the property is to be \$12,500. At the hearing the Commission examined the value of the different items of the property to be sold, with a view to ascertaining the value of the property as a whole. I am of the opinion that this is not a case in which it is necessary to have a valuation made by this Commission's engineering department and that the applications should be granted provided that the order contain the usual provision in cases of this kind to the effect that the price now to be paid for the property shall not be taken before this Commission or any other public authority to represent the present value of the property for rate fixing or any other purpose.

The Light Company knows little of the electric business and is not in a position to give economical and efficient service to the inhabitants of the North Sacramento Land Company's tract and the adjacent land. The Great Western Power Company, on the other hand, is willing and able to give such service. As contrasted with the 5 cent pumping rate established by the Light Company, the Great Western Power Company will establish a rate from 5 cents down. While the latter company's district manager testified that the lighting rate

would be 9 cents per kilowatt, the rate, when established, will not exceed 8 cents. I find that public convenience and necessity will be served by the grant of these applications and recommend that they be granted. I submit the following form of order:

O R D E R.

NORTH SACRAMENTO LIGHT AND WATER COMPANY having filed with this Commission its application for an order authorizing the sale of its electrical distributing system in the North Sacramento Land Company's tract, north of Sacramento, to Great Western Power Company for the sum of nine thousand (\$9,000) dollars and the assumption by Great Western Power Company of an indebtedness of said North Sacramento Light and Water Company in the amount of three thousand five hundred (\$3,500.00) dollars, said property to be so sold being more particularly described in agreement dated August 8, 1912, between North Sacramento Light and Water Company and Great Western Power Company, a copy of which agreement is attached to the petition in this proceeding, and Great Western Power Company having filed its application for authorization to purchase said property for said sum, and a public hearing having been held on said applications, and the Commission finding that public convenience and necessity will be served by the grant of said applications,

IT IS HEREBY ORDERED that said applications be and the same are hereby granted, subject to the express condition that the sum for which said property is to be sold and purchased, as aforesaid, shall not be used before this Commission or any other public authority as representing for rate fixing or any other purpose the present value of said property. The acquisition of said property by said Great Western Power Company shall be deemed a consent by said Company to the foregoing condition.

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, California, this 14th day of
October, 1912.

John M. Eschleman
H. B. Clark
W. G. ...
Mar. Tucker
Edwin O. Edgerton

Commissioners.