

ORIGINAL

Decision No. 3239

Decision No. .

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of)
McKINLEY BROS., INC. for permission) Application No. 2138.
to lease electric plant.)

Darrington Christopher for applicant.

BY THE COMMISSION.

O P I N I O N.

McKinley Bros., Inc. applies for authority to lease to Sidney H. McKinley applicant's electric plant serving energy to 37 consumers in Middletown, Lake County. The plant was constructed in 1905 by the father of the stockholders in the present company at an original cost for material and supplies of about \$3,000.00, the labor being supplied by himself and his sons. Practically no extensions have been built since.

Energy is generated at the water power plant of applicant which operates its flour mill. It is transmitted a distance of about 2 miles to Middletown where energy is distributed to 37 consumers for lighting purposes, 2 of whom use small quantities also for power purposes. The total length of the line is about 3 miles. It would be possible to increase the business to about 50 consumers, which would apparently be the limit of business which could be served by the present equipment and present water power if service for power purposes were not further increased.

Applicant reports revenues and operating expenses for 1914 and 1915 as follows:

	<u>1914</u>	<u>1915</u>
Operating Revenues	\$ 1,037.44	\$1,182.65
Operating Expenses	792.43*	450.71

*Accrued depreciation of \$350. is included.

Applicant's only indebtedness is a note for \$3,000.00 with interest at 6% per annum, payment being secured by mortgage upon all of its property.

Applicant operates a ranch with about 200 acres in cultivation, a flouring mill and the electric plant. Its stock is owned by eight brothers and sisters who desire to segregate the mill and lighting plant from the ranch. Lease of the electric plant, flouring mill and mill site for a period of five years from January 1, 1916, at a rental of \$500.00 per year, lessee to make repairs and replacements, has been authorized at a special meeting of the stockholders, subject to the approval of the Commission. Apportionment of the rental between the mill and electric plant has not been made. It may be considered upon any future proceeding when it is in point.

It appears that the public will be as well served by lessee as by applicant. The lease will, therefore, be authorized.

O R D E R.

McKINLEY BROS., INC. having applied to the Railroad Commission for an order authorizing it to lease to Sidney E. McKinley for a period of five years from January 1, 1916, its electric plant serving electric energy to the inhabitants of Middletown, Lake

County, and a public hearing having been held thereon, and it appearing that the public will be as well served under said lease as by applicant,

IT IS HEREBY ORDERED that McKinley Bros. Inc., a corporation, be and it is hereby authorized and empowered to hereafter execute and deliver lease of its electric plant, machinery thereof and distributing system in the form attached to the application as Exhibit "B".

This Order is upon the following conditions:

1. That Sidney H. McKinley shall assume and discharge all of the obligations now resting by law upon applicant for the service of the public and that he will give adequate and complete service to consumers and the public in Middletown and vicinity from the system leased.

2. The authority hereby given to execute said lease is for the purposes of this proceeding only, is an approval of said lease only in so far as this Commission has jurisdiction, and is not intended as an approval of said lease as to any other legal requirement to which it may be subject.

3. The authority hereby given shall apply only to such lease as may hereafter be executed on or before June 1, 1916.

4. Applicant shall report in writing to the Railroad Commission within 20 days after the execution and delivery thereof the fact that said lease has been hereafter executed and delivered, the date on which it was done, and supply copy thereof.

Dated at San Francisco, California, this 6th day of April, 1916.

Max Thelen
H. D. Ryland

Edwin J. Edgerton
Frank R. Egan

Commissioners.