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ORIGINAL

Decision No. 5193-

Decision No. _____.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

* * *

In the Matter of the Application of the)
SAN DIEGO CONSOLIDATED GAS & ELECTRIC)
COMPANY for permission to purchase and)
acquire, and of the DEL MAR WATER, LIGHT)
& POWER COMPANY for permission to trans-)
fer and convey to said SAN DIEGO CONSOLI-)
DATED GAS & ELECTRIC COMPANY all of its)
electric distributing system in the)
County of San Diego, State of California.)

Application Number 3463.

Chickering & Gregory by Allen Chickering for
applicants.

THELEN, Commissioner.

O P I N I O N.

DEL MAR WATER, LIGHT & POWER COMPANY asks authority to
sell for \$11,035.70 its electric distributing system described in
Exhibit "A", attached to the petition herein, to San Diego Consoli-
dated Gas & Electric Company. The purchasing company joins in
the petition.

Del Mar Water, Light & Power Company was incorporated on
or about February 5, 1908. The company reports \$100,000.00 of
stock outstanding. All of the outstanding stock, except shares
necessary to qualify directors, is owned by the South Coast Land
Company. In a letter of February 1, 1918, Mr. F.H. Tolle,
Secretary of Del Mar Water, Light & Power Company, advises the
Commission that all of the company's indebtedness, except accounts
payable to San Diego Consolidated Gas & Electric Company, is payable

to the South Coast Land Company; that the properties stand clear of any liens and that no creditors object to the sale of the electric distributing system. The petition herein in no way involves the sale of the water system of Del Mar Water, Light & Power Company.

It is proposed to sell and transfer the electric distributing system pursuant to the terms and conditions of an agreement of sale marked Exhibit "A" and attached to the petition herein. If the sale is completed, San Diego Consolidated Gas & Electric Company proposes to operate in Del Mar and vicinity under its San Diego County franchise. It will put into effect its rates applicable elsewhere in its northern district, with two exceptions. The agreement of sale provides that the purchasing company shall at all times hereafter deliver and furnish electric current to the selling company and to the South Coast Land Company at their various services as now established and in use in and about Del Mar and to the selling company at the now existing wells on the San Dieguito Ranch at the rate of two (2) cents per kilo watt hour subject to a 10 per cent discount for prompt payment of bills.

The purchasing company further agrees to furnish and deliver free of charge at all times hereafter until January 4, 1928, at the Ranch House and out-buildings situated near the wells on the San Dieguito Ranch sufficient electric current to supply thirty (30) sixteen (16) candle power incandescent lights.

Mr. H.E. Jones, president of the San Diego Consolidated Gas & Electric Company stated that the two-cent rate to the selling company and the South Coast Land Company was the same as the rate now paid by the Del Mar Water Light & Power Company for electric energy purchased under the contract of February 25, 1916, while in agreeing to furnish free service at the Ranch House on the San Dieguito Ranch, the company was merely attempting to carry out a contract of January 4, 1908 between the South Coast Land

Company and the Santa Fe Land Improvement Company. The San Diego Consolidated Gas & Electric Company is now endeavoring to obtain a modification or an abrogation of the contract with the Santa Fe Land Improvement Company. I am of the opinion that the provision of the agreement of sale relative to the special rates, to which reference has been made, should be eliminated and if the San Diego Consolidated Gas & Electric Company acquires the properties of Del Mar Water, Light & Power Company, it should apply to this territory the same rates as it offers to other consumers in its northern district.

Exhibit "1" of petitioners shows that the rates of the San Diego Consolidated Gas & Electric Company, applicable to its northern district, are materially lower than the rates now charged by the Del Mar Water, Light & Power Company. I find that the public interest will be served by the proposed transfer and recommend that the application be granted subject to the conditions of the order herein.

I herewith submit the following form of order.

O R D E R.

DEL MAR WATER, LIGHT & POWER COMPANY having applied for authority to sell its electric distributing system to San Diego Consolidated Gas & Electric Company, a public hearing having been held and the Railroad Commission finding that the public interests will be served by said sale,

IT IS HEREBY ORDERED that DEL MAR WATER, LIGHT & POWER COMPANY be, and the same is hereby, authorized to sell to SAN DIEGO CONSOLIDATED GAS & ELECTRIC COMPANY for \$11,035.70, or for such other price as the Commission may hereafter authorize in a supplemental order, its electric distributing system described in Exhibit "A" attached to the petition herein upon the following

conditions and not otherwise:

- 1.- The rates to be charged by San Diego Consolidated Gas & Electric Company for electrical energy sold in Del Mar and vicinity shall be the same as those on file with the Railroad Commission and applicable to its northern district, -it being understood that the agreement of sale marked Exhibit "A" and attached to the petition herein will be modified so as to be in accord with the rates now on file with the Commission.
- 2.- The price which San Diego Consolidated Gas & Electric Company is paying for the properties which are to be conveyed to it shall never be urged before the Railroad Commission or any other public authority as representing for rate-making or any other purpose a fair value of said property.
- 3.- Within thirty days after the execution and delivery of the instruments of conveyance, San Diego Consolidated Gas & Electric Company shall file with the Railroad Commission a certified copy of the deed of conveyance.
- 4.- The authority herein given to sell and transfer the properties shall apply only to such properties as may be sold or transferred on or before June 30, 1918.

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 9th day of February, 1918.

Max Thelen
H. D. Loveland
Edwin O. Edgerton
Frank R. Denker

Commissioners.