

Decision No. 6504

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of J. A. FOSTER and EDITH P. FOSTER, doing business under the fictitious name of DURHAM LIGHT & POWER COMPANY and the PACIFIC GAS & ELECTRIC COMPANY, a corporation, for an order of the Railroad Commission of the State of California, authorizing the former to sell and convey unto the latter and the latter to purchase and acquire from the former, all of the property owned by the first named applicants or used or intended to be used in the distribution and sale of electric energy.

Application No. 4710.

J. A. Foster in propria persona and for Edith P. Foster and Durham Light & Power Company.

C. P. Cutten for Pacific Gas & Electric Company.

BY THE COMMISSION:

O P I N I O N

J. A. Foster and Edith P. Foster, doing business under the fictitious name of Durham Light & Power Company, apply for authority to transfer to Pacific Gas & Electric Company their electrical distributing system by which they serve electric energy in and about Durham, Butte County at the agreed purchase price of \$15,000 cash and \$10,000 par value ⁱⁿ fully paid shares of the first preferred capital stock of the latter company, which company joins in the application.

A public hearing was held by Examiner Westover at San Francisco, July 15th.

The testimony shows that the property to be transferred cost \$23,845.57. Of this amount \$5568 represents cost of distributing system installed in the City of Durham prior to January 1, 1913, and \$17,262.78 represents the cost of distribution system installed outside of the City of Durham since that time.

The sellers are indebted in the sum of \$15,400, with interest from January 1, 1919, represented by outstanding notes ^{and} in the sum of \$2952.12 represented by outstanding accounts.

The location of the state land colony near Durham has resulted in demands for service, which would require about \$10,000 to install, and other new service installations in the near future will require some \$3000 of additional capital. These extensions the sellers say they are not able to finance, and they wish also to retire from the business.

It appears that the purchaser is better able to serve the public in the Durham territory because of the proximity of its service in the Chico District and its ability to finance needed extensions and improvements.

The Pacific Gas & Electric Company, as purchaser, is unable to say at this time whether or not the transfer will within a reasonable time result in lower rates in the community, but gives assurance that it has no desire to increase rates.

It appears from the testimony that the proposed transfer will benefit the community served by this utility property.

O R D E R

J. A. FOSTER and EDITH P. FOSTER, doing business under the fictitious name of DURHAM LIGHT & POWER COMPANY, having applied for authority to transfer to Pacific Gas & Electric Company the electric distributing system hereinafter described and Pacific Gas & Electric Company having applied to the Commission for authority to issue the stock hereinafter described, a public hearing having been held and the Commission being of the opinion that the property to be procured or paid for by such issue is reasonably required for the purpose or purposes specified in the order and that the expenditures for such purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that said J. A. Foster and Edith P. Foster be and they are hereby authorized and empowered to hereafter convey to Pacific Gas & Electric Company, a corporation, in consideration of the sum of \$15,000 cash and 100 fully paid shares of the first preferred capital stock of Pacific Gas & Electric Company all of the electric transmission and distributing lines owned, held or claimed by said vendors or either of them and used in distributing and selling electric energy in the village of Durham and its vicinity in Butte County, California, including all rights of way pursuant to which such lines were constructed, all meters, transformers, electric materials, equipment and supplies belonging to vendors or either of them and used or intended to be used in the distribution and sale of electric energy, and all contracts for the sale or purchase by said vendors or either of them of electric energy; said property to be transferred free of all encumbrance, except that all taxes and assessments upon the property shall be prorated in reference to the date of delivery of conveyance, as provided

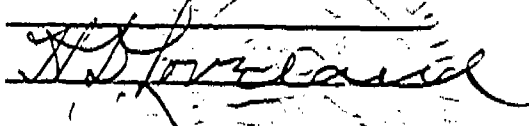
by the parties in their contract which is attached to the application herein as Exhibit "B" thereto.

IT IS HEREBY FURTHER ORDERED that Pacific Gas & Electric Company be and it is hereby authorized and empowered to issue to J. A. Foster and Edith P. Foster or their heirs, representatives or assigns 100 shares of the fully paid first preferred capital stock of said company of the par or face value of \$100 each, for the purpose of procuring the electrical distributing system herein described.

The authority herein contained is granted upon the following conditions:

1. This authority applies only to such transfer or conveyance and to the issue of such stock as shall have been executed and delivered or issued within 30 days from date hereof.
2. Within 10 days after the delivery of any such transfer or conveyance or the issue of such stock, Pacific Gas & Electric Company shall make written report to the Commission of the fact and date of delivery or issue thereof and shall file with the Commission a copy of said transfer or conveyance.
3. Nothing herein contained shall be construed in any proceeding before this Commission or any court, tribunal or public body as a finding of the value or cost of the property authorized to be transferred for any purposes other than those of this proceeding.

Dated at San Francisco, California, this 16th day of July, 1919.


H. L. Brundage
Dwight Martin
Commissioners.