

Decision No. 27878.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
MIDLAND COUNTIES PUBLIC SERVICE COR-
PORATION and SAN JOAQUIN LIGHT AND
POWER CORPORATION for an order of
the Railroad Commission of the State
of California authorizing the con-
summation, in accordance with its
terms, of a certain agreement of sale
and purchase entered into by applicants
under date of November 21, 1934.

Application No. 19745.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

This is an application of the San Joaquin Light and Power Corporation and the Midland Counties Public Service Corporation for an order approving an Agreement dated November 21, 1934, covering the purchase and sale of certain electrical properties now owned by Midland Counties Public Service Corporation for the sum of \$80,627.19. A copy of this Agreement marked Exhibit "A" is attached to the application.

At the present time all of the electrical energy which Midland Counties Public Service Corporation distributes to its consumers is purchased from the San Joaquin Light and Power Corporation. Such energy is delivered at transmission line voltages to the Midland Corporation at four main points, namely; Coalinga No. 2, Henrietta, Kettleman, and Santa Maria substations. At all points, with the exception of the Henrietta substation, the San Joaquin Corporation owns and operates the transmission lines up to the Midland Corporation's substations. In the case of de-

livery at Henrietta substation, Midland Corporation owns the transmission line facilities between such substation and its Coalinga No. 1 substation - a distance in excess of twenty miles.

The Agreement above referred to provides for the transfer of this transmission line to San Joaquin Corporation and it will thus enable deliveries to Midland Corporation at Coalinga No. 1 substation in a similar manner to deliveries now made at the other metering points. The Agreement also provides for the transfer from Midland Corporation to San Joaquin Corporation of the synchronous condenser equipment at the Santa Maria substation which is considered a necessary adjunct to the latter company in the delivery of energy.

A further Agreement marked Exhibit "B" and made a part of the application, makes provision for a lease between the applicants herein and provides that San Joaquin Corporation pay Midland Corporation a certain pro rata of the latter's substation expense for operating and maintaining said equipment.

The following summary sets forth the amounts involved as recast from applicants' Exhibit "C":

	: Original Cost	: Depreciation : : Accrued as of : : Dec. 31, 1934 :	: Cost Less : : Accrued De- : : preciation : : Dec. 31, 1934 :
70 Kv. Transmission Line between Henrietta Substation and Coalinga No. 1 Substation,	\$ 41,644.01	\$ 22,809.85	\$ 18,834.16
Synchronous Condenser and Auxiliary Equip- ment at Santa Maria Substation,	73,909.47	12,116.44	61,793.03
Total--	\$115,553.48	\$34,926.29	\$80,627.19

The Commission has carefully considered the application and is of the opinion that it should be granted.

O R D E R

Midland Counties Public Service Corporation and San Joaquin Light and Power Corporation having made application to the Railroad Commission for authority, the former to sell and the latter to purchase, for the sum of \$80,627.19, certain properties more particularly described in the application, and the Commission being of the opinion that such application should be granted, as herein provided, and that this is not a matter in which a public hearing is necessary;

IT IS HEREBY ORDERED that the aforesaid Agreement (Exhibit "A") dated November 21, 1934, and likewise the proposed Lease Agreement (Exhibit "B") between Midland Counties Public Service Corporation and San Joaquin Light and Power Corporation be and the same are hereby approved and that Midland Counties Public Service Corporation be and it is hereby authorized to sell and San Joaquin Light and Power Corporation be authorized to purchase for the sum of \$80,627.19 those above-mentioned properties, subject to the following conditions:

- (1) That the authorization of the aforesaid agreement (Exhibit "A") dated November 21, 1934, and subsequent Lease Agreement (Exhibit "B") shall not be interpreted as prohibiting this Commission from making appropriate operating adjustments in subsequent matters if in the judgment of the Commission such is warranted.

- (2) That Midland Counties Public Service Corporation and the San Joaquin Light and Power Corporation shall file with this Commission on or before February 1, 1935, and subject to the Commission's approval, a copy of the book entries which applicants propose to make covering the transfer of the properties hereby authorized.

The authority herein granted shall become effective from the date of this Order and the transfer herein authorized may be made as of December 31, 1934.

Dated at San Francisco, California, this 14th day of January, 1935.

Leon Whitely

M. A. Lee

M. B. Young

M. Thompson

Frank R. Kim

Commissioners.