

Decision No. 28864

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SIERRA AND SAN FRANCISCO POWER COMPANY,)
to distribute and transfer, in the course)
of its proceedings for winding up and)
dissolution, all of its assets to Pacific)
Gas and Electric Company, and of the)
latter to assume and agree to pay all of)
the debts and perform all of the existing)
obligations of said Sierra And San Fran-)
cisco Power Company.)

Application No. 20117

ORIGINAL

BY THE COMMISSION:

THIRD SUPPLEMENTAL ORDER

Good cause appearing therefor,

IT IS HEREBY ORDERED that the provision of paragraph five
(5) in the order in Decision No. 28518 dated January 20, 1936 reading-

"said authority is subject to the further condition that any sum paid by the Pacific Gas and Electric Company for the aforesaid properties in excess of the net amount which it is by this order permitted to charge to fixed capital accounts shall be written off by a charge of about \$3,122,188.75 to its capital surplus account and the balance shall be charged to Account 137-Miscellaneous Deferred Debits, and carried in that account until it is written off by charges to profit and loss "

be, and the same is hereby, amended so as to read-

said authority is subject to the further condition that any sum paid by the Pacific Gas and Electric Company for the aforesaid properties in excess of the net amount which it is by its order permitted to charge to fixed capital accounts as aforesaid, shall be written off in part by a charge of about \$3,122,188.75 to its capital surplus account and the balance will be charged to balance sheet account 102-1/2 entitled "cost of acquisition of properties in excess of historical cost of properties acquired", which account shall be separately shown in the annual report of Pacific Gas and Electric Company filed with the Railroad Commission of the State of California, and which account Pacific Gas and Electric Company is hereby authorized to record on its books.

IT IS HEREBY FURTHER ORDERED that paragraph eight(8) of the order in said Decision No. 28518 dated January 20, 1936, as amended, reading-

" The authority herein granted will become effective forty (40) days after the date of said Decision No. 28518; and when Pacific Gas and Electric Company has filed with the Commission in satisfactory form a stipulation duly authorized by its Board of Directors and by the Board of Directors of Sierra and San Francisco Power Company in which said applicants agree that neither they, nor their successors and assigns will in the event that some public body or public bodies seek to condemn all or part of their properties, claim severance damage because of the fact that the Commission in this proceeding authorized the said Sierra and San Francisco Power Company to transfer its properties to said Pacific Gas and Electric Company, and when Pacific Gas and Electric Company has filed with the Commission a copy of the contract executed by it and Sierra and San Francisco Power Company whereby it agrees, among other things, to pay the latter company's debts and liabilities and to assume its obligations, which contract shall be substantially in the same form as that filed in Application No. 20116 as Exhibit No. 10"

be, and the same is hereby, amended so as to read-

The authority herein granted will become effective forty (40) days after the date of said Decision No. 28518; and, when Pacific Gas and Electric Company shall have filed with the Commission, in satisfactory form, a stipulation duly authorized by its Board of Directors, in which said Pacific Gas and Electric Company shall agree, without prejudice to its right under the constitution and laws of this state and the United States to just compensation, that, in the event that the State of California or some public body or bodies authorized so to do shall, within a reasonable time not exceeding five(5) years after the date of this order, commence and diligently prosecute proceedings for the condemnation of all or part of the properties now owned by Sierra and San Francisco Power Company, said Pacific Gas and Electric Company will not claim special severance damages because of the fact that the Commission in this proceeding has authorized the transfer of the aforesaid properties to said Pacific Gas and Electric Company; and when Pacific Gas and Electric Company shall have filed with the Commission a copy of a contract executed by it and Sierra and San Francisco Power Company whereby said Pacific Gas and Electric Company shall agree, among other things, to pay said Sierra and San Francisco Power Company's debts and liabilities and to assume and perform its obligations, which contract shall be substantially in the same form as that filed in Application No. 20116 as Exhibit No. 10.

IT IS HEREBY FURTHER ORDERED that the order in said Decision No. 28518 dated January 20, 1936, as amended, shall remain in full force and effect, except as modified by this Third Supplemental Order.

DATED at San Francisco, California, this 27th day of February, 1936.

M B Lamm
Leon A. Whalley
Matt [unclear]
Francis [unclear]

Commissioners.

I regret my inability to join in the first of the modifications here made.

In effect it overrules a principle and policy expressed in more than a score of decisions and orders of this Commission that over-plus payments must either be absorbed at once through charges against surplus or may be carried in a suspense account until so absorbed.

This principle and policy in the past has proved a useful servant in the public interest. I am not prepared to say that the time has arrived when it should be discarded.



Commissioner.