

Decision No. 33186

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE NEVADA-CALIFORNIA ELECTRIC CORPORATION and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES for an Order authorizing said Electric Corporation to sell and convey its electrical distribution systems in the town of Big Pine and City of Bishop, Inyo County, California, to the City of Los Angeles, and to abandon its electrical utility service in said territories.

Application No. 23357

ORIGINAL

Henry W. Coil, for The Nevada-California Electric Corporation, Applicant.

Ray L. Chesebro, L. P. Robinson, and Wm. J. Carr, for Department of Water and Power of the City of Los Angeles.

WAKEFIELD, COMMISSIONER:

O P I N I O N

The Nevada-California Electric Corporation, hereinafter sometimes referred to as Applicant Utility, asks permission to sell the properties described in Exhibit Two filed in this proceeding to the Department of Water and Power of the City of Los Angeles, hereinafter sometimes referred to as the City. Applicant Utility also asks permission to abandon electric utility service in the territory served by the properties which it intends to transfer to the City.

The contract or agreement of sale, heretofore referred to as Exhibit Two, shows that the electric distribution properties to be sold are those serving the Town of Big Pine and the City of Bishop, in Inyo County, California. Exhibit "A" attached to Exhibit Two lists, in a general way, the physical properties involved and Exhibit "B" and Exhibit "C" contain maps showing territorial limits of said communities of Big Pine and Bishop.

At the public hearing held in the Commission's courtroom in Los Angeles on Wednesday, May 1, 1940, Applicant Utility represented that the reason for entering into said agreement of sale (dated January 2, 1940) was to carry out its obligation to sell the aforesaid properties in accordance with a certain contract, dated October 20, 1933, between a predecessor corporation and the City by means of which it sold to the City certain hydro properties and rights in Inyo and Mono Counties. It is further represented that the City is now the owner of nearly all the real property in Bishop and Big Pine and desires to provide electric service to these two towns, in which it has such a predominant interest.

The agreement of sale provides that the City shall pay Applicant Utility the base price of \$70,575 at the time of delivery of deeds and other title papers, plus such additional amount as may be necessary to cover construction work in progress up to the date of transfer.

The evidence shows that the base figure of \$70,575 is one that has been mutually agreed to by both parties. It is based, according to the record, upon a recent appraisal which was depreciated to reflect the present condition of the properties. At the hearing the Applicant Utility was unable to state the original cost of the properties nor the amount accumulated in the depreciation reserve for their retirement. However, such figures were requested and a preliminary estimate has been submitted. (1)

(1) The estimated historical cost, as of October 18, 1939, the date upon which the base price of \$70,575 is predicated, is preliminarily given by letter dated May 31, 1940, from The Nevada-California Electric Corporation to the Commission as:

Estimated Historical Cost of depreciable plant	\$81,791.74
Estimated Depreciation Reserve	<u>24,010.11</u>
Cost Less Depreciation Reserve	\$57,781.63
Land and Land Rights	<u>3,411.00</u>
Total Cost Less Reserve	<u>\$61,192.63</u>

No one filed a protest against the granting of this application.

I recommend the following form of Order:

O R D E R

A public hearing having been held in the above entitled application, the matter having been submitted and the Commission being advised in the premises,

IT IS HEREBY ORDERED that The Nevada-California Electric Corporation be, and it is hereby authorized to sell and transfer, within ninety (90) days after the date hereof, to the Department of Water and Power of the City of Los Angeles the utility properties described in Exhibit Two filed in this proceeding, said sale and transfer to be made under the terms and conditions of the agreement filed in this proceeding as Exhibit Two.

IT IS HEREBY FURTHER ORDERED that The Nevada-California Electric Corporation, coincident with the transfer of said utility properties to the City, shall discontinue and abandon all electric service in the territory served by the property transferred.

IT IS HEREBY FURTHER ORDERED that The Nevada-California Electric Corporation shall notify the Commission as to the date of the transfer of said properties and within a period of thirty (30) days correct its filed rates, withdrawing rates applicable to the service area transferred.

IT IS HEREBY FURTHER ORDERED that The Nevada-California Electric Corporation shall file with the Commission, within sixty (60) days after the transfer of said properties, a copy of each book entry whereby it recorded the sale of said properties in its books.

For all other purposes the effective date of this Order shall be the date hereof.

The foregoing Opinion and Order are hereby approved
and ordered filed as the Opinion and Order of the Railroad Com-
mission of the State of California.

Dated at San Francisco, California, this 11th day
of June, 1940.

Ray L. Rice
George D. Deane
Raymond W. Abner
H. L. Miller
Justus J. Cassen
Commissioners