

Decision No. 38753

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CECIL J. McINTYRE, KENNETH D. McINTYRE, DORIS E. SCRUGGS and IRENE R. WALKER, individually and as co-partners, doing business as Indian Valley Light and Power Company, to sell and CECIL J. McINTYRE, KENNETH D. McINTYRE and DORIS E. SCRUGGS to purchase the operative rights and property of a public utility.

ORIGINAL

Application No. 27291

O P I N I O N

Cecil J. McIntyre, Kenneth D. McIntyre, Doris E. Scruggs and Irene R. Walker, formerly Irene R. McIntyre, as co-partners doing business under the firm name and style of Indian Valley Light and Power Company, are engaged in the business of selling electricity in Greenville and vicinity in Plumas County. Each of the co-partners has an equal one-fourth undivided interest in the assets and business of the co-partnership.

Irene R. Walker, who resides in Sacramento, desires to withdraw from the co-partnership and therefore asks permission to sell her one-fourth undivided interest in said assets and business to Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs. They will form a new co-partnership under the name of Indian Valley Light and Power Company. A copy of the new co-partnership agreement is on file in this application. It provides, among other things, that each of the partners shall contribute one-third of the cost and expenses of maintaining and

operating the electric properties and business, that each of the partners shall be entitled to one-third of the net profits derived from the operation of said electric business, and each shall be the owner of an undivided one-third interest in and to all of the assets and business of the co-partnership.

Indian Valley Light and Power Company as of December 31, 1945, reports assets and liabilities as follows:

Assets

Electric plant	\$123,165.95
Cash	8,911.53
Accounts receivable	5,583.58
Material and supplies	<u>2,780.89</u>
Total assets	<u>\$140,441.95</u>

Liabilities

Proprietor acct.	\$107,287.40
Accounts payable	3,084.34
Customers' deposits	213.73
Taxes accrued	2,338.48
Customers' advance for construction	636.32
Reserve for depreciation of electric plant	23,531.19
Contributions in aid of construction	<u>3,350.49</u>
Total liabilities	<u>\$140,441.95</u>

For 1945 Indian Valley Light and Power Company reports operating revenues of \$64,185.45 and operating expenses, including depreciation and taxes, of \$53,477.73, leaving a net operating revenue of \$10,707.72.

Applicants Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs have agreed to pay Irene R. Walker \$30,000 for her interest in the Indian Valley Light and Power Company assets and business. Of this sum they will pay \$10,000 in cash. The balance is to be evidenced by their promissory note payable in five equal annual installments of \$4,000, the first installment

being payable February 1, 1947. The payment of the note will be unsecured. They further agree that they will assume, pay and discharge all outstanding liabilities of the co-partnership.

The order herein will authorize Irene R. Walker to transfer her interest in the properties and business operated under the name and style of Indian Valley Light and Power Company and more particularly described in Exhibits "A", "C" and "D" on file in this application, to Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs, doing business under the firm name and style of Indian Valley Light and Power Company. In doing so, the Commission is not, however, making any finding of the value of such properties. The law provides that the Commission shall have no power to authorize the capitalization of a certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

The Commission having considered applicants' requests and it being of the opinion that this is not a matter on which a hearing is necessary; that the money, property or labor to be procured or paid for by the issue of the \$20,000 note herein authorized is reasonably required by Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs for the purpose specified in this order; and that this application should be granted, as

herein provided, therefore,

IT IS HEREBY ORDERED as follows:

1. Irene R. Walker may, after the effective date hereof and on or before June 30, 1946, transfer her interest in the properties and business operated under the firm name and style of Indian Valley Light and Power Company and more particularly described in Exhibits "A", "C" and "D" on file in this application, to Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs, doing business under the firm name and style of Indian Valley Light and Power Company.

2. Cecil J. McIntyre, Kenneth D. McIntyre and Doris E. Scruggs, doing business under the firm name and style of Indian Valley Light and Power Company may, after the effective date hereof and on or before June 30, 1946, for the purpose of paying in part for said properties and business, issue to Irene R. Walker their promissory note for \$20,000, payable in five equal annual installments of \$4,000 each, the first payment being due February 1, 1947, said note to be in the same form as the note on file in this application as Exhibit "B".

3. The authority herein granted will become effective when applicants, or any of them, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which minimum fee is Twenty-five (\$25.00) Dollars.

4. Within thirty (30) days after the issue of the note herein authorized applicants, or any of them, shall file with the Railroad Commission a copy of the note executed under the authority herein granted.

Dated at San Francisco, California, this 12th day
of March, 1946.

E. David Anderson

Ernest Lawrence

Harold P. Huls

Commissioners

